

CITY OF ROSEMEAD, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

ROSEMEAD CITY HALL
8838 E. VALLEY BLVD.



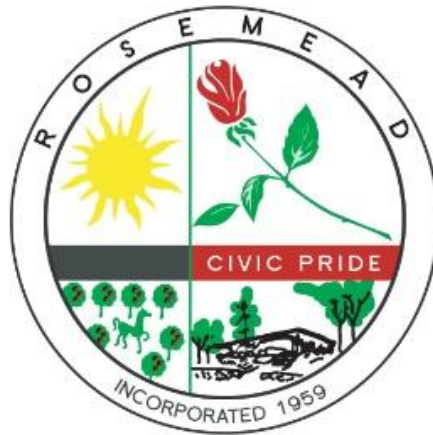
FISCAL YEAR ENDED JUNE 30, 2021



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City of Rosemead

Rosemead, California



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021

Prepared By:
Finance Department

Paula Chamberlain
Interim Finance Director

Tess Anson
Finance Manager





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CITY OF ROSEMEAD, CALIFORNIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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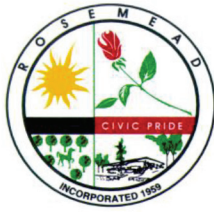
Introductory Section



MAYOR:
POLLY LOW

MAYOR PRO TEM:
SEAN DANG

COUNCIL MEMBERS:
SANDRA ARMENTA
MARGARET CLARK
JOHN TANG



City of Rosemead

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

December 17, 2021

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, 2021. 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, 2021, 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, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is present as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standard governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Rosemead’s separately issued Single Audit Report.

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

Profile of the Government

The City of Rosemead, incorporated in 1959, is located in the southwestern part of the state. The City occupies a land area of 5.5 square miles and serves a population of 54,229. As a general law city, Rosemead operates under the Council-Manager form of government.

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

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

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

Due to the COVID-19 Emergency enacted by the Governor of the State of California in March of 2020 and the President of the United States in March 2020, many public functions continue to be curtailed, and normal municipal processes and activities continue to be affected.

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 line items and programs 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.

Current Financial Condition

At the time of this writing, it appears that the economic recovery may be strengthening despite concerns surrounding the resurgence of COVID-19 cases. The spread of the virus is not anticipated to have the same impact on the economy as it did in 2020, primarily due to vaccinations. In California, 69% of the population has been fully vaccinated compared to 61% nationally.

Although the City of Rosemead has a strong financial foundation, thanks to a stable property tax base and a relatively diverse sales tax base, the long-term fiscal impact of the COVID-19 pandemic is unknown. 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.

Property tax, including Property Tax In-Lieu of VLF, is the City's largest tax source at \$10.6 million and makes up approximately 45% of the General Fund revenues. Total assessed value from the 2020-21 tax roll is \$5.1 billion, up \$229 million from the prior year. Residential property represents 84% of this growth as housing values rise and property sales are beginning to increase. The median sales price for a single-family home increased from \$649,500 to \$677,000 over the past year. The residential category assessed value increased approximately \$182 million, which represents a 5.2% 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 \$5.5 million and represents approximately 24% of the General Fund revenues. Consumer goods continue to be the top category of sales tax generating businesses in Rosemead, generating 35% of sales tax revenues followed by 20% from pools and 19% from restaurants. While receipts have increased over the prior year, sales tax revenue remains below pre-pandemic levels.

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, TOT receipts fell to the fourth position, behind increased building permit revenue. Recreation program revenue fell from \$867,400 in the pre-pandemic FY 2019 to just \$144,200 in FY 2021, however, the reduction was partially offset by reduced costs of providing those services. The City anticipates utilizing a portion of the funds provided through American Rescue Plan Act of 2021, signed by President Biden on March 11, 2021, to offset losses due to the pandemic as allowed by the Act. The City also anticipates that these revenues will rebound once the COVID-19 Emergency is over and the local economy returns to normalcy.

Long-Term Financial Planning

In addition to managing the City's money in a manner that ensures Rosemead is financially stable, the long-term Strategic Plan reflects the City Council's continued commitment to support high quality municipal services, provide for the maintenance and expansion needs of the City's infrastructure and facilities, and profile the City's economic development strategy. The City's first Strategic Plan was adopted by the City Council in 2009 and was to guide the organizational efforts of the Council, Commissions, and staff to meet its 'Vision 2020' goal. The strategic planning process, and subsequent updates, included an extensive public outreach process and a series of public meetings. Updated every two years, the Strategic Plan for 2018-2020 uses the City of Rosemead's vision and key organizational goals to set clear priorities and action items for the succeeding two years. The vision, key organizational goals, and action items in the Strategic Plan update are designed to guide the decisions of the City Council, focus of the City administration, and daily work of City staff.

Due to the pandemic, the planned update for 2020 was delayed and therefore, the 2018-2020 Plan was extended until it could be replaced. As pandemic restrictions lessened, the process to update the Strategic Plan began in mid-2021 with the new 'Vision 2030' plan adopted on October 26, 2021.

Major Accomplishments

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

Throughout 2021, the City actively worked on the 6th Cycle Housing Element for the 2021-2029 planning cycle. The process involves the evaluation of current and future needs, analysis of local housing production constraints, identification of adequate housing sites, establishing new policies and programs, drafting the updated Housing Element document, and preparing an Addendum to the General Plan Environmental Impact Report. The City also adopted the Freeway Corridor Mixed-Use Overlay which streamlines both the development approval process and California Environmental Quality Act environmental review process by pre-entitling and analyzing environmental factors in advance based on the estimated development potential within the planning area.

Due to the workforce changes that resulted from the COVID-19 pandemic, the City approved an interpretation to define live/work units in the Garvey Avenue Specific Plan and expanded the live/work concept to all residential/commercial mixed-use developments citywide. The City also adopted a Residential Small Lot Ordinance which created incentives for infill residential development in areas zoned for multi-family to spur more fee-simple housing production. The goal of the Residential Small Lot Ordinance is to create new homeownership opportunities compared to that of traditional single-family homes or condominiums.

The City also approved the Taiwan Center Mixed-Use Project, which consists of 42 residential units and 17,394 square feet of commercial floor area. Lumina Walk, a residential planned development consisting of 31 residential units began construction in 2021. The permits have been issued for all residential units. In addition, Garvey Garden Plaza and Garvey Earle Plaza are close to completion. Garvey Garden Plaza consists of 46 residential units and 11,860 square feet of commercial floor area. Garvey Earle Plaza consists of 35 residential units and 7,520 square feet of commercial floor area.

Future Initiatives

The City was awarded \$27 million in a reimbursable grant from Los Angeles County Metropolitan Transportation Authority for four separate mobility improvement projects (710 Projects) to relieve congestion on local streets along the SR-710 alignment between Interstate 10 and 210. The improvements include traffic signal system upgrades, geometric realignment, and additional lanes to increase capacity and improve traffic flow. The multi-year projects are currently in the

planning phase and funding will roll out in phases from the Los Angeles County Metropolitan Transportation Authority for the projects.

The 6th Cycle Housing Element for the 2021-2029 planning cycle will be adopted and certified by the California Housing and Community Development HCD Department in 2022. As a result, the City will begin implementing the policies and programs listed in the 6th Cycle Housing Element. In addition, both the Garvey Garden Plaza and Garvey Earle Plaza mixed-use projects are expected to be completed by the first quarter of 2022. The City also anticipates that Lumina Walk will be completed by winter 2022.

It is expected that Prospect Villa, a mixed-use project located within the Garvey Avenue Specific Plan Corridor and the Borstein Enterprises residential planned development will be processed. Prospect Villa consists of 75 residential units (includes some live/work units) and 6,346 square feet of commercial floor area. The Borstein Enterprises residential planned development consists of 35 residential units.

In addition to these projects, the City is amending some areas in the Zoning Code to assist the business community on recovering economically from the impacts of the COVID-19 pandemic.

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, 2020. This was the 3rd 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, 2021.

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

Respectively submitted,

Paula Chamberlain

Paula Chamberlain
Interim Finance Director/City Treasurer

City of Rosemead
City Officials as of June 30, 2021

CITY COUNCIL



Polly Low
Mayor



Sean Dang
Mayor Pro Tem



Sandra Armenta
Council Member



Margaret Clark
Council Member



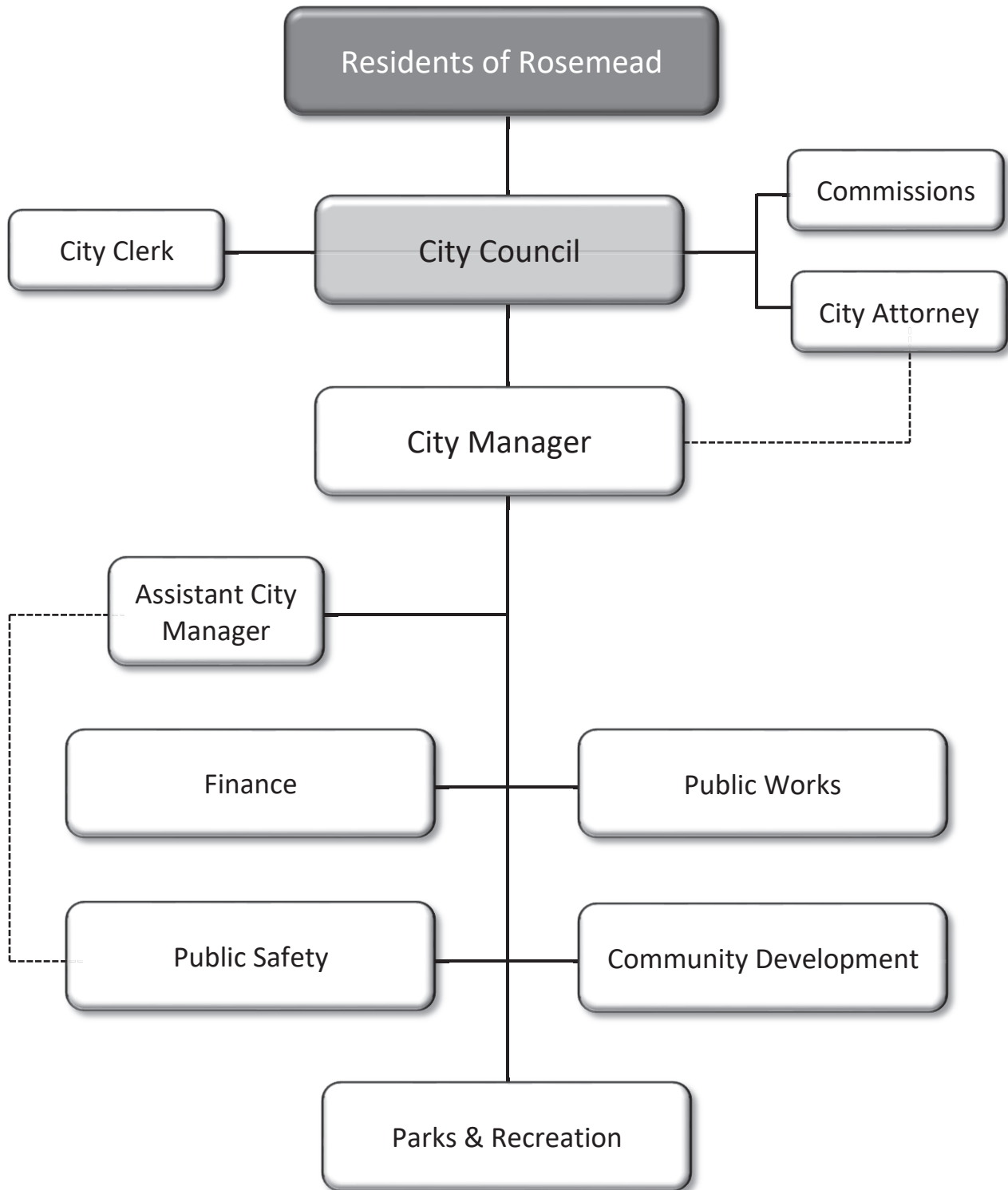
John Tang
Council Member

EXECUTIVE STAFF

City Manager – Gloria Molleda

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

City of Rosemead
Organizational Chart



Government Finance Officers Association Award



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Rosemead
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rosemead for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. 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 3 consecutive years.





Financial Section





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Rosemead, California, (the City) as of and for the year ended June 30, 2021, 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 of Rosemead, California, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP".

Brea, California
December 17, 2021





Management's Discussion & Analysis



City of Rosemead
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2021

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, 2021. 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, 2021, the City's net position (total assets and deferred outflows of resources less liability and less deferred inflows of resources) is \$87.9 million, an increase of \$7.7 million over the prior fiscal year.
- As of June 30, 2021, all governmental activities total revenue was \$34.3 million and total expenses for all functions and programs were \$30.0 million. The City's net position increased by \$7.7 million during the year including a \$3.4 million restatement to the net position.
- The City's total governmental funds reported combined ending fund balances of \$47.4 million, an increase of \$9.8 million over the prior year. Of this \$47.4 million, \$134 thousand was non-spendable, \$21.9 million was restricted, \$8 million was committed, \$130 thousand was assigned, and \$17.3 million was unassigned.
- General Fund revenues were \$1.2 million more than the final budget, and expenditures were \$2.7 million less than the final budget, thereby General Fund revenues exceeded expenditures by \$1.4 million.
- The General Fund's fund balance at the close of the fiscal year was \$25.6 million, an increase of \$1.4 million over the prior year. Of this \$25.6 million, \$17.4 million, representing 79% of expenditures, was unassigned and \$7.2 million was committed to meet the City's fund balance policy requirement of 31% of revenue.
- There was a net and fund balance restatement of \$3.4 million for home improvement and first-time homebuyer program loans within the HOME fund. See Note 14 for more details.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Section. This section presents selected financial and demographic information, generally presented on a multi-year basis.

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

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This means revenues and expenses in this statement are recorded when earned or a liability is incurred. Thus, items such as the value of earned but unused vacation leave will be recorded as an expense of the current period, even though the actual use of the vacation time may not be until subsequent periods.

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

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

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

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

and expenditures for goods and services that have actually been received during the year, are included within the Statement of Revenues, Expenditures, and Changes in Fund Balance.

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

The City of Rosemead and its component units maintain 21 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 17-20 of this report.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 78-110 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 64-75 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

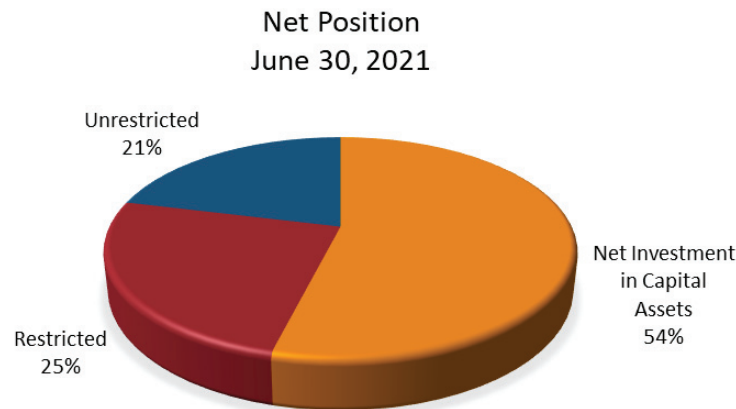
Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2021, the City's net position totaled \$87.9 million. Total net position increased by \$7.7 million or 9.6% when compared to the prior year mainly due to an increase in cash and a restatement of loans receivable offset by an increase in unearned revenue. Cash increased by \$16.4 million which was partially offset by the unearned revenue of \$9.8 million in American Rescue Plan Act (ARPA) funding.

The chart below reflects the City's net position for the fiscal year ended June 30, 2021 with comparative data for the fiscal year ended June 20, 2020.

Net Position As of June 30, 2021 and 2020

	Governmental Activities		
	2021	2020	Change
Current and other assets	62,367,412	42,489,263	19,878,149
Capital assets	47,444,803	48,825,863	(1,381,060)
Total assets	109,812,215	91,315,126	18,497,089
Deferred outflows of resources	2,566,490	3,402,571	(836,081)
Long-term liabilities outstanding	9,851,185	9,513,804	337,381
Other liabilities	13,191,250	3,295,325	9,895,925
Total liabilities	23,042,435	12,809,129	10,233,306
Deferred inflows of resources	1,392,220	1,647,094	(254,874)
Net position:			
Net Investment in Capital Assets	47,444,803	48,825,863	(1,381,060)
Restricted	21,856,184	13,681,082	8,175,102
Unrestricted	18,643,063	17,754,529	888,534
Total net position	\$ 87,944,050	\$ 80,261,474	\$ 7,682,576

The City's net position of \$87.9 million is made up of three components: Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. The largest portion, \$47.4 million or 54%, 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 \$21.9 million or 25% 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 \$18.6 million, or 21%, may be used to meet the City's ongoing obligations. This is the only "discretionary" portion of the City's total net position amount.

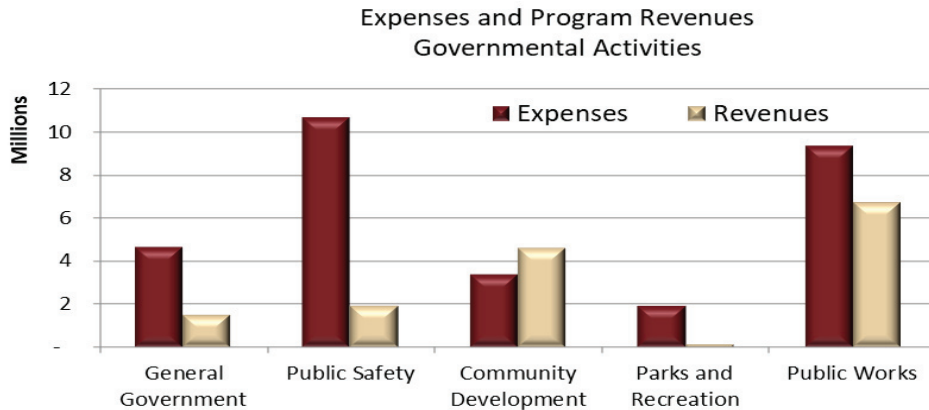


Changes in Net Position. The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities*. This statement provides the reader with information regarding the revenues, expenses, 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, 2021 and 2020.

Changes in Net Position
Years Ended June 30, 2021 and 2020

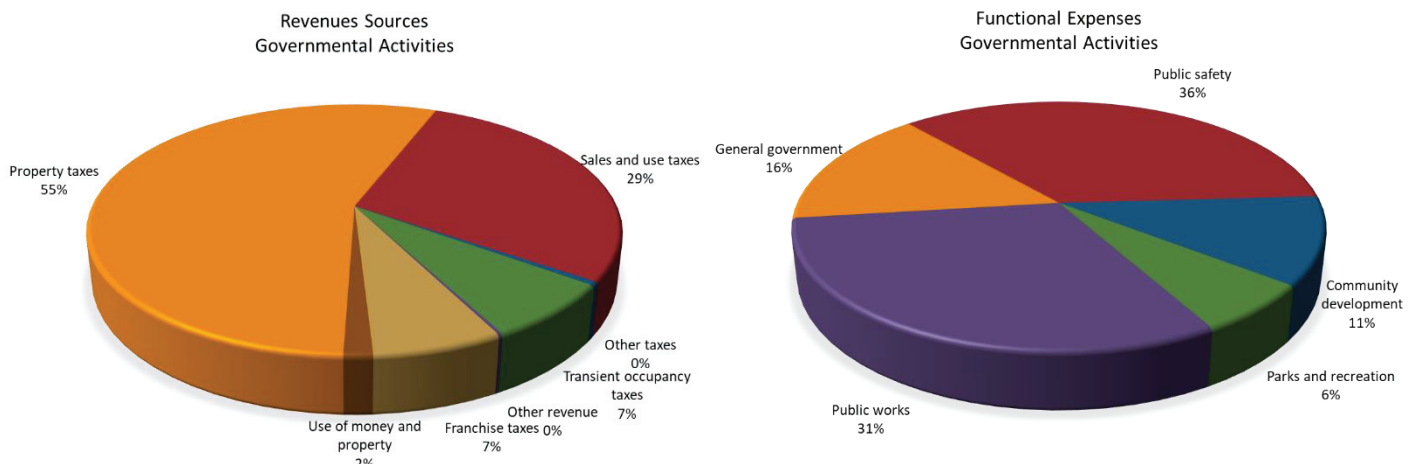
	Governmental Activities		
	2021	2020	Change
REVENUES			
Program revenues:			
Charges for services	\$ 6,579,445	\$ 6,791,634	(212,189)
Operating grants and contributions	6,590,283	4,536,459	2,053,824
Capital grants and contributions	1,780,851	1,217,584	563,267
General revenues:			
Property taxes	10,740,563	9,942,183	798,380
Other taxes	8,318,191	8,602,048	(283,857)
Use of money and property	287,628	905,039	(617,411)
Other	40,151	257,314	(217,163)
Total revenues	34,337,112	32,252,261	2,084,851
EXPENSES			
General government	4,659,583	4,003,674	655,909
Public safety	10,679,425	9,744,134	935,291
Community development	3,411,076	3,472,477	(61,401)
Parks and recreation	1,916,949	2,920,016	(1,003,067)
Public works	9,372,263	9,946,662	(574,399)
Total expenses	30,039,296	30,086,963	(47,667)
Change in net position	4,297,816	2,165,298	2,132,518
Net position - June 30, 2020	80,261,474	78,096,176	2,165,298
Restatement	3,384,760	-	3,384,760
Net position - June 30, 2021	\$ 87,944,050	\$ 80,261,474	\$ 7,682,576

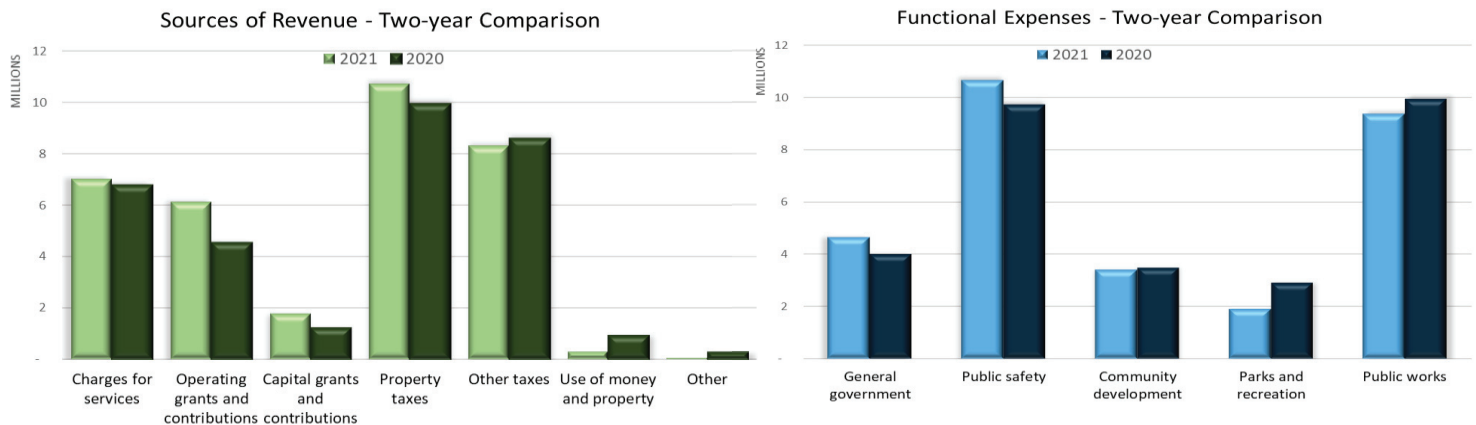
Governmental activities. The City's program revenues totaled \$14.9 million with a cost of all governmental activities for the current year being \$30.0 million. The City paid for the remaining "public benefit" portion of governmental activities with tax and other general revenue sources. The following chart compares expenses to program revenues for all governmental activities.



Total revenues increased by \$2.1 million over the prior year. Operating grants and contributions increased by \$1.6 million due to federal CARES Act funding in response to the coronavirus pandemic, increased recognition of CDBG and HOME revenues, and other grants. Capital grants and contributions increased by \$563 thousand in Safe Clean Water Program funding which is based on a parcel tax for all properties within Los Angeles County.

Expenses in General Government increased over the prior year due to increases in legal services, liability and workers' compensation insurance premiums, personnel, and contract services. Public Safety increased over the prior year due to an increase in the Los Angeles County's Sheriff Law Enforcement contract, movement of Code Enforcement operations from the Community Development Department to the Public Safety Department, and an increase to emergency services for expenses related to the pandemic including the Great Plate grant funded program. Community Development expenses were below last year's actuals due to the movement of Code Enforcement to Public Safety, and the delay of special projects offset by an increase in contract services for the Housing Element an increase in building and safety contract services which is based on a percent of revenue received. Parks and Recreation expenses decreased by \$1.0 million over the prior year due to reduced or eliminated services and programs during the continued pandemic. Expenses within Public Works were also below last year's level by \$574 thousand due to staff vacancies, contract services, engineering services, and property maintenance expenses.





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 \$23.3 million in revenues and \$21.9 million in expenditures resulting in revenues over expenditures in the amount \$1.4 million. Total fund balance at June 30, 2021 is \$25.6 million, composed of \$28.9 million in assets combined with \$3.1 million in liabilities and \$316 thousand in deferred inflows of resources. Total \$25.6 million fund balance is classified as \$118 thousand nonspendable, \$8.0 million committed, \$130 thousand assigned, and \$17.4 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 79% of total General Fund expenditures, while total fund balance represents 117% of that same amount.

The fund balance of the City's General Fund increased by \$1.4 million during the current year. Highlights of the change in fund balance are presented below:

- Total General Fund revenues of \$23.3 million exceeded expenditures of \$21.9 million.
- Fund revenues increased over the prior fiscal year by \$333 thousand due to growth in assessed property tax value and better than expected sales tax revenue offset by reductions in transient occupancy tax and all park and recreation related revenue.
- Fund expenditures were \$132 thousand less than the prior fiscal year due to significant savings in Parks and Recreation and Public Works related to the impacts of the pandemic, offset by increases in General Government, Public Safety, and Community Development for increased costs in contract services, insurance, and general services.

General Fund Budget Analysis. The budget, as adopted for 2020-21 contained \$21.9 in estimated revenue and \$24.7 million in appropriations. This projected a nearly \$2.9 million deficit for the fiscal year. The final budget estimates reduced this expected deficit to \$2.6 million with additional staff reports indicating this gap would be narrowed or eliminated by year-end. The final actuals were \$23.3 million in revenue against \$21.9 million in expenditures, providing an addition of \$1.4 million to the General Fund's fund balance.

	2020-21 Adopted Budget	2020-2021 Final	2020-21 Actual	Variance with Final Budget	% Actuals to Amended Budget
Total revenue	21,866,200	22,040,400	23,288,934	1,248,534	6%
Total expenditures	24,743,150	24,618,550	21,909,803	2,708,747	-11%
Net	(2,876,950)	(2,578,150)	1,379,131	3,957,281	

The City's General Fund collected revenues of \$1.2 million more, equal to 6% higher, in comparison to the final budgeted estimates. Property taxes completed the year \$553 thousand higher than expected due to the increase in tax assessment values. Sales taxes, originally budgeted \$1.0 million less than the prior fiscal year due to the anticipated impact of the pandemic, completed the year \$931 thousand higher than budgeted and \$100 thousand over the prior year's actuals. Transient occupancy tax was also budgeted less than the prior year but, in this case, the impact was greater than anticipated as final receipts fell \$394 thousand below the already reduced estimate. Revenues within the licenses and permits category completed the year \$555 thousand over the estimate due to strong building permit revenues. The revenue source most deeply impacted by the pandemic was, as expected, related to fees for services, and more specifically, parks and recreation revenues. These fees for service revenues completed the year \$448 thousand below the final estimate. The use of money and property category revenue also fell below estimates due to a decrease in recreation facility rentals and the declining interest rate environment for idle cash.

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

American Rescue Plan Act. This fund was established to account for the \$19.6 million in federal monies the City anticipates receiving to help mitigate the economic challenges due to the Coronavirus pandemic. In Fiscal Year 2020-21, the City received \$9.8 million but is still working on a spending plan.

Non-Major Funds. The Non-Major Governmental Funds show a combined fund balance total of \$21.8 million, an increase of \$8.4 million. These are the traditional Prop A, Prop C, CDBG, State Gas Tax, AQMD, Measure R, Measure M, Impact Fee, Housing, etc., 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, 2021, amounts to \$47.4 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 four major projects during the year including replacement of the HVAC system at the Garvey Park Gymnasium, the Jay Imperial Crosswalk Installation and Sidewalk Replacement Project, a community garden on Del Mar Avenue, and the Rosemead Park walking trail. The projects were funded from a variety of sources including General Fund, Community Development Block Grant, Measure M, Measure R, and Transportation Development Act funds.

Additional information on the City of Rosemead's capital assets can be found in Note No. 6, found on pages 43 of the Basic Financial Statements.

Capital Assets (net of depreciation)

	Governmental Activities	
	2021	2020
Land	\$ 4,417,104	\$ 4,417,104
Buildings	13,877,201	13,541,563
Improvements other than buildings	3,237,898	3,463,788
Machinery and equipment	83,288	107,670
Autos and trucks	230,855	50,849
Furniture and office equipment	13,605	46,450
Infrastructure	25,279,676	26,441,197
Construction in progress	305,176	757,242
Total	\$ 47,444,803	\$ 48,825,863

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 \$22.8 million, a decrease of \$2.3 million from the prior year. The debt is backed by future property tax increment revenue. For more detailed information about the Successor's Agency Long Term Debt, please refer to Note No. 13 on pages 60-63 of the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Although the focus of this Annual Report is the economic condition of the City in the fiscal year ended June 30, 2021, in preparing the budget for Fiscal Year 2021-22, management continued to give special consideration of the ongoing effects of the COVID-19 pandemic on the local and national economies. Like all U.S. metropolitan areas, the San Gabriel Valley was impacted by the COVID-19 pandemic. While the

"Blueprint for a Safer Economy," announced by Governor Newsome, was lifted in June 2021, the City's Transient Occupancy Tax (TOT) revenue and other community services related revenues had significant shortfalls due to reduced services and activities, which translated to reduced revenues. Despite these setbacks, with the loosening of the COVID-19 restrictions, we are cautiously optimistic that these revenue sources will be back to their pre-pandemic levels in the near future.

In addition to the federal funds already received from the American Rescue Plan Act, the City will continue to pursue federal and state assistance to mitigate the direct costs and loss of revenue attributable to the impacts of the COVID-19 pandemic. 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:

Interim Finance Director
8838 East Valley Boulevard
Rosemead, CA 91770.



Basic Financial Statements

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
Assets:	
Cash and investments	\$ 54,801,041
Receivables:	
Accounts	790,714
Notes and loans	3,689,517
Accrued interest	71,773
Prepaid costs	56,687
Due from other governments	2,006,654
Capital assets, not being depreciated	4,722,280
Capital assets, net of depreciation	42,722,523
Net pension asset	951,026
Total Assets	109,812,215
Deferred Outflows of Resources:	
Deferred outflows related to pensions	2,358,523
Deferred outflows related to other post employment benefits	207,967
Total Deferred Outflows of Resources	2,566,490
Liabilities:	
Accounts payable	2,008,569
Accrued liabilities	435,961
Unearned revenue	9,239,327
Deposits payable	1,188,173
Due to other governments	3,463
Compensated absences, due within one year	315,757
Noncurrent liabilities:	
Compensated absences, due in more than one year	348,546
Net pension liability, due in more than one year	9,007,798
Net other post employment benefits liability, due in more than one year	494,841
Total Liabilities	23,042,435
Deferred Inflows of Resources:	
Deferred inflows related to pensions	995,818
Deferred inflows related to other post employment benefits	396,402
Total Deferred Inflows of Resources	1,392,220
Net Position:	
Investment in capital assets	47,444,803
Restricted:	
Community services	4,380,756
Low and moderate income housing	417,303
Public works	17,058,125
Unrestricted	18,643,063
Total Net Position	\$ 87,944,050

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, 2021

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	\$ 4,659,583	\$ 357,513	\$ 1,158,763	\$ -	\$ (3,143,307)
Public safety	10,679,425	643,020	156,727	1,145,154	(8,734,524)
Community development	3,411,076	2,634,298	1,976,439	-	1,199,661
Parks and recreation	1,916,949	163,168	-	-	(1,753,781)
Public works	9,372,263	2,781,446	3,298,354	635,697	(2,656,766)
Total Governmental Activities	\$ 30,039,296	\$ 6,579,445	\$ 6,590,283	\$ 1,780,851	(15,088,717)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					10,740,563
Sales taxes					5,534,244
Transient occupancy taxes					1,405,397
Franchise taxes					1,292,066
Other taxes					86,484
Use of money and property					287,628
Other					40,151
Total General Revenues					19,386,533
Change in Net Position					4,297,816
Net Position at the Beginning of the Year, as Originally Reported					80,261,474
Restatement					3,384,760
Net Position at the Beginning of the Year, as restated					83,646,234
Net Position at the End of the Year					\$ 87,944,050

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

CITY OF ROSEMEAD, CALIFORNIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Fund		Other Governmental Funds	Total Governmental Funds
	General	American Rescue Plan		
Assets:				
Cash and investments	\$ 26,280,578	\$ 8,939,327	\$ 18,780,563	\$ 54,000,468
Receivables:				
Accounts	774,860	-	15,854	790,714
Notes and loans	304,757	-	3,384,760	3,689,517
Accrued interest	44,486	-	26,092	70,578
Prepaid costs	40,687	-	16,000	56,687
Due from other governments	1,465,885	-	540,769	2,006,654
Due from other funds	44,891	-	-	44,891
Total Assets	\$ 28,956,144	\$ 8,939,327	\$ 22,764,038	\$ 60,659,509
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,505,533	\$ -	\$ 478,404	\$ 1,983,937
Accrued liabilities	400,447	-	35,514	435,961
Unearned revenues	-	8,939,327	300,000	9,239,327
Deposits payable	1,143,234	-	44,939	1,188,173
Due to other governments	3,463	-	-	3,463
Due to other funds	-	-	44,891	44,891
Total Liabilities	3,052,677	8,939,327	903,748	12,895,752
Deferred Inflows of Resources:				
Unavailable revenues	315,855	-	77,679	393,534
Total Deferred Inflows of Resources	315,855	-	77,679	393,534
Fund Balances:				
Nonspendable:				
Notes and loans	77,671	-	-	77,671
Prepaid costs	40,687	-	16,000	56,687
Restricted:				
Community services	-	-	4,380,756	4,380,756
Low and moderate income housing	-	-	417,303	417,303
Public works	-	-	17,058,125	17,058,125
Committed:				
Capital projects	765,760	-	-	765,760
Reserve contingency	7,219,572	-	-	7,219,572
Assigned:				
Building maintenance	71,617	-	-	71,617
Tree in lieu	58,650	-	-	58,650
Unassigned	17,353,655	-	(89,573)	17,264,082
Total Fund Balances	25,587,612	-	21,782,611	47,370,223
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,956,144	\$ 8,939,327	\$ 22,764,038	\$ 60,659,509

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, 2021**

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

Total fund balances - governmental funds		\$ 47,370,223
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		47,438,832
Compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.		(664,303)
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	\$ (9,007,798)	
PARS Retirement Enhancement Plan net pension asset	951,026	(8,056,772)
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	1,013,310	
Changes in assumptions	12,730	
Difference between expected and actual experiences	558,937	
Net difference between projected and actual earnings on plan investments	267,592	
Difference in proportionate share	505,954	2,358,523
Other post-employment-related deferred outflows of resources that have not been included as financial uses in the governmental fund activity are as follows:		
Contributions made after the actuarial measurement date	207,967	207,967
Pension-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Changes in assumptions	(64,247)	
Difference between expected and actual experiences	(86,160)	
Net difference between projected and actual earnings on plan investments	(287,929)	
Adjustments due to differences in proportions	(557,482)	(995,818)
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 liability over the plan fiduciary net position is reported as a net other post-employment benefits liability.		(494,841)
Other post-employment-related deferred inflows of resources that have not been included as financial resources in the governmental fund activity are as follows:		
Net difference between projected and actual earnings on plan investments		(396,402)
Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities.		393,534
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.		783,107
Net Position of Governmental Activities		\$ 87,944,050

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, 2021

		Special Revenue Fund		
	General	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 18,935,758	\$ -	\$ 146,311	\$ 19,082,069
Licenses and permits	2,492,893	-	-	2,492,893
Intergovernmental	443,580	-	10,597,464	11,041,044
Charges for services	491,257	-	489,446	980,703
Use of money and property	267,980	-	18,881	286,861
Fines and forfeitures	598,032	-	-	598,032
Contributions	-	-	-	-
Developer participation	-	-	78,558	78,558
Miscellaneous	59,434	-	4,250	63,684
Total Revenues	23,288,934	-	11,334,910	34,623,844
Expenditures:				
Current:				
General government	4,041,073	-	546,085	4,587,158
Public safety	10,265,963	-	308,657	10,574,620
Community development	1,768,206	-	1,581,003	3,349,209
Parks and recreation	1,685,870	-	21,127	1,706,997
Public works	3,966,923	-	3,131,900	7,098,823
Capital outlay	181,768	-	759,809	941,577
Total Expenditures	21,909,803	-	6,348,581	28,258,384
Net Change in Fund Balances	1,379,131	-	4,986,329	6,365,460
Fund Balances, Beginning of Year	24,208,481	-	13,411,522	37,620,003
Restatements	-	-	3,384,760	3,384,760
Fund Balances, Beginning of Year, as restated	24,208,481	-	16,796,282	41,004,763
Fund Balances at the End of the Year	\$ 25,587,612	\$ -	\$ 21,782,611	\$ 47,370,223

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, 2021**

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

Net change in fund balances - total governmental funds	\$	6,365,460
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	\$	1,261,785
Depreciation		<u>(2,628,072)</u>
		(1,366,287)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(13,737)
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(609,771)
Other post-employment benefits obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		113,268
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.		(287,499)
Internal service funds are used by management to charge the costs of certain activities, such as equipment and technology replacement, to individual funds. The net revenues of the internal service funds are reported with governmental activities.		<u>96,382</u>
Change in Net Position of Governmental Activities	\$	<u>4,297,816</u>

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

CITY OF ROSEMEAD, CALIFORNIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Governmental Activities
	Internal Service Funds
Assets:	
Current Assets:	
Cash and investments	\$ 800,573
Receivables:	
Accrued interest	1,195
Total Current Assets	801,768
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	5,971
Total Noncurrent Assets	5,971
Total Assets	807,739
Liabilities:	
Current Assets:	
Accounts payable	24,632
Total Current Liabilities	24,632
Total Liabilities	24,632
Net Position:	
Investment in capital assets	5,971
Unrestricted	777,136
Total Net Position	\$ 783,107

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, 2021

	Governmental Activities
	Internal Service Funds
Operating Revenues:	
Charges for services	\$ 309,500
Miscellaneous	41,920
Total Operating Revenues	351,420
Operating Expenses:	
Contractual services	241,032
Depreciation expense	14,773
Total Operating Expenses	255,805
Operating Income	95,615
Nonoperating Revenues (Expenses):	
Interest revenue	767
Total Nonoperating Revenues (Expenses)	767
Changes in Net Position	96,382
Net Position:	
Net Position at the Beginning of the Year	686,725
Net Position at the End of the Year	\$ 783,107

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, 2021

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 41,920
Cash received from interfund service provided	309,500
Cash paid to suppliers for goods and services	(222,441)
Net Cash Provided by Operating Activities	128,979
Net Increase in Cash and Cash Equivalents	128,551
Cash and Cash Equivalents at the Beginning of the Year	672,022
Cash and Cash Equivalents at the End of the Year	\$ 800,573
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 95,615
Adjustments to reconcile operating income net cash provided by operating activities:	
Depreciation	14,773
Increase in accounts payable	18,591
Total Adjustments	33,364
Net Cash Provided by Operating Activities	\$ 128,979

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, 2021

	Private-Purpose Trust Fund
	Successor Agency
Assets:	
Cash and investments	\$ 5,495,021
Notes and loans receivable	201,314
Prepaid costs	129,209
Restricted cash and investments with fiscal agents	1,123,012
Total Assets	6,948,556
Deferred Outflows of Resources:	
Deferred charge on refunding	148,815
Total Deferred Outflows of Resources	148,815
Liabilities:	
Accrued interest	242,704
Long-term liabilities:	
Bonds payable, due within one year	2,497,014
Bonds payable, due in more than one year	21,546,262
Total Liabilities	24,285,980
Net Position:	
Held in trust for the dissolution of the former Redevelopment Agency	(17,188,609)
Total Net Position	\$ (17,188,609)

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, 2021

	Private-Purpose Trust Fund
	Successor Agency
Additions:	
Taxes	\$ 4,204,501
Interest and change in fair value of investments	1,595
Total Additions	4,206,096
Deductions:	
Administrative expenses	84,442
Interest expense	1,037,204
Contributions to other governments	452,473
Total Deductions	1,574,119
Change in Net Position	2,631,977
Net Position at the Beginning of the Year	(19,820,586)
Net Position at the End of the Year	\$ (17,188,609)

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



Notes to the Financial Statements



CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

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

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

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

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

Rosemead Financing Authority

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

Rosemead Housing Development Corporation

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Since the City Council and/or other City officials serve as the Governing Board for these component units, and a financial benefit or burden relationship exists for all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Therefore, data from these units are reported with the funds of the primary government, the City.

b. Basis of Accounting and measurement Focus

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

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

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

Government-wide Financial Statements

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements

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

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

Funds

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

c. Major and Fiduciary Fund Types

The City's major governmental funds are as follows:

- General Fund – Accounts for all financial resources except those required to be accounted for in another fund. These resources are devoted to financing the general services that the City performs for its residents.
- American Rescue Plan Fund – Accounts for the City's portion of the funds received through the American Rescue Plan Act of 2021. 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.

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:

- Internal Service Funds – Account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. The City has internal service funds for equipment replacement and technology replacement.
- 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.

d. Investments

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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

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

f. Capital Assets

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

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

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

The following schedule summarizes capital asset useful lives:

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

g. Compensated Absences

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

h. Prepaid Items

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

i. Fund Balance

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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

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

k. Pension Plans

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

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

CalPERS-Cost sharing Multiple-Employer Plan:

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

PARS-Single Employer Agent Plan:

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

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 timeframes are used:

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Net different between projected and actual earning on OPEB plan Investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (8.4 Years at June 30, 2019)

m. Property Taxes

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

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

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

n. Deferred Outflows and Deferred Inflows of Resources

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

o. Changes in Accounting Principles and New GASB Pronouncements

The City implemented Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* during fiscal year 2020-21. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship.

The City's former agency funds did not qualify as custodial funds under the new standard. These were deposit accounts and no restatement of fund balance was necessary.

The City early adopted GASB Statement No. 98, the *Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Note 2: Stewardship, Compliance, and Accountability

a. Deficit Fund Balances/Net Position

The Community Development Block Grant (CDBG) and City Grants nonmajor special revenue funds reported deficit fund balances in the amounts of \$11,894 and \$77,679, respectively, as of June 30, 2021. The fund deficit balances are due to the timing of grant reimbursements from the grantor agencies.

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**Note 2: Stewardship, Compliance, and Accountability (Continued)****b. Budgetary**

A budgetary comparison schedule is not presented for the American Rescue Plan Fund as there were no budget or actual results.

III. DETAILED NOTES ON ALL FUNDS**Note 3: Cash and Investments**

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Investments	\$ 54,801,041
Statement of Fiduciary Net Position	
Cash and Investments	5,495,021
Restricted Cash and Investment with Fiscal Agents	1,123,012
Total Cash and Investment	<u>\$ 61,419,074</u>

Cash and Investments as of June 30, 2021, consist of the following:

Deposits with financial institutions	\$ 8,330,343
Investments	<u>53,088,731</u>
Total Cash and Investments	<u>\$ 61,419,074</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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
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	Remaining Maturity (in Months)			Total
	12 Months or Less	13 to 24 months	25 to 60 months	
State investment pool	\$ 43,854,988	\$ -	\$ -	\$ 43,854,988
Certificates of Deposit	755,336	2,305,484	782,759	3,843,579
U.S. agency securities	-	340,948	531,711	872,659
Money Market Mutual Funds	16,490	-	-	16,490
Medium-term notes	508,115	758,840	2,111,048	3,378,003
Held by bond trustee				
Money Market Mutual Funds	1,123,012	-	-	1,123,012
Total	<u>\$ 46,257,941</u>	<u>\$ 3,405,272</u>	<u>\$ 3,425,518</u>	<u>\$ 53,088,731</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Totals	Minimum Legal Rating	Ratings at End of Year						
			N/A	S&P Ratings				Moody's Rating	
				A-	A	A+	AA+	A2	A3
State Investment Pool	\$ 43,854,988	N/A	\$ 43,854,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	3,843,579	N/A	3,843,579	-	-	-	-	-	-
U.S. Agency Securities	872,659	N/A	-	-	-	-	872,659	-	-
Medium-Term Notes	3,378,003	A	-	261,115	788,294	493,230	-	542,490	1,292,874
Money Market Mutual Funds	16,490	Multiple	16,490	-	-	-	-	-	-
Held by Bond Trustee:									
Money Market Mutual Funds	1,123,012	Multiple	1,123,012	-	-	-	-	-	-
Total	<u>\$ 53,088,731</u>		<u>\$ 48,838,069</u>	<u>\$ 261,115</u>	<u>\$ 788,294</u>	<u>\$ 493,230</u>	<u>\$ 872,659</u>	<u>\$ 542,490</u>	<u>\$ 1,292,874</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

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, 2021 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, 2021, the City had deposits with financial institutions in excess of federal depository insurance limits by \$2,373,779 that were held in collateralized accounts. As of June 30, 2021, the Successor Agency had deposits with financial institutions in excess of federal depository insurance limits by \$5,226,338 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.

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**Note 3: Cash and Investments (Continued)**

As of June 30, 2021 the City had the following fair value measurements:

Investment Type	Totals	Investments Not Subject to Hierachry	Level		
			1	2	3
State Investment Pool	\$ 43,854,988	\$ 43,854,988	\$ -	\$ -	\$ -
Certificates of deposit	3,843,580	-	-	3,843,580	-
U.S. agency securities	872,658	-	-	872,658	-
Medium-term notes	3,378,003	-	-	3,378,003	-
Money Market Mutual Funds	16,490	16,490	-	-	-
Held by bond trustee					
Money Market Mutual Funds	1,123,012	1,123,012	-	-	-
Total	\$ 53,088,731	\$ 44,994,490	\$ -	\$ 8,094,241	\$ -

Note 4: Loans receivable

Loans receivable consisted of the following at June 30, 2021:

Governmental Activities:	Balance June 30, 2020	Adjustments*	Additions	Deletions	Balance June 30, 2021
Computer Loans	\$ 2,058	\$ -	\$ -	\$ 2,058	\$ -
San Gabriel Valley Water Co. Loan Phase I	57,610	-	-	8,230	49,380
San Gabriel Valley Water Co. Loan Phase II	28,806	-	-	4,115	24,691
Rio Hondo Community Development Co. Loan	227,086	-	-	-	227,086
El Monte Cemetary Association Loan	4,800	-	-	1,200	3,600
Home Improvements	-	2,799,560	-	-	2,799,560
First Time Home Buyers Program	-	585,200	-	-	585,200
Total	\$ 320,360	\$ 3,384,760	\$ -	\$ 15,603	\$ 3,689,517

*See Note 15 for information on the adjustment.

a. Computer Purchase Loans

The City provides a computer purchase loan program for all full-time employees for up to \$2,000 at 0% interest for a term of 24 months. Loans are repaid through payroll deductions and are due and payable in full upon termination or separation of employment. As of June 30, 2021, all computer purchase loans had been repaid.

b. San Gabriel Valley Water Company Phase I

The City has an outstanding loan with the San Gabriel Valley Water Company (Phase I) covering the installation of water facilities on Garvey Avenue from Walnut Grove Avenue to Rosemead Place. The loan was initially made through the Rosemead Redevelopment Agency in the amount of \$356,000. On October 26, 1987, the loan was assigned to the City of Rosemead with a balance due of \$329,197. The term of the loan is 40 years at 0% interest. Annual payments are 2.5% of the assigned loan amount with final payment due in fiscal year 2026-27. The outstanding balance as of June 30, 2021 is \$49,380.

c. San Gabriel Valley Water Company Phase II

The City has an outstanding loan with the San Gabriel Valley Water Company (Phase II) covering the installation of water facilities on Garvey Avenue from Walnut Grove Avenue to Delta Avenue. The loan was initially made through the Rosemead Redevelopment Agency in the amount of \$194,400. On October 26, 1987, the loan was assigned to the City of Rosemead with a balance due of \$164,604. The term of the loan is 40 years at 0% interest. Annual payments are 2.5% of the assigned loan amount with final payment due in fiscal year 2026-27. The outstanding balance at June 30, 2021 is \$24,691.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 4: Loans receivable (Continued)

d. Rio Hondo Community Development Corporation

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

e. El Monte Cemetery

The City loaned \$12,000 to the El Monte Cemetery Association in order to finance a portion of the costs for access road improvements at Savannah Memorial Park (California Historic Landmark No. 1046) via adoption of Resolution No. 2013-47. The interest-free loan is to be paid in annual installments of \$1,200 over a ten (10) year period. The amount outstanding as of June 30, 2021 is \$3,600.

f. Home Improvement Loans

The City used HOME funds to provide homeowners with funds for home improvements. The loans range from \$3,500 to \$179,000. The loan term is 30 years, and the loan is neither assumable nor forgivable. Interest rates range from 0% to 3%. The amount outstanding as of June 30, 2021 is \$2,799,560.

g. First Time Homebuyer Programs

The City used HOME funds to provide funding to first time homebuyers to purchase housing within the City of Rosemead. The loans range from \$20,000 to \$70,000. The loan term is 30 years, and the loan is neither assumable nor forgivable. The amount outstanding as of June 30, 2021 is \$585,200.

Note 5: Interfund Balances

Due to/due from other funds for the year ending June 30, 2021, consisted of \$44,891 due to the General Fund from the Community Development Block Grant for \$42,391 and Nonmajor Governmental Funds for \$2,500 for short-term loans made to those funds from the General Fund resulting from deficit cash balances in those funds.

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**Note 6: Capital Assets**

Capital asset activity was as follows for the year ended June 30, 2021:

Governmental Activities:	Balance June 30, 2020	CIP Transfers	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 4,417,104	\$ -	\$ -	\$ -	\$ 4,417,104
Construction in progress	757,242	(1,451,771)	999,705	-	305,176
Total capital assets not being depreciated	5,174,346	(1,451,771)	999,705	-	4,722,280
Depreciable capital assets:					
Buildings	24,108,914	848,476	-	-	24,957,390
Improvements other than buildings	5,461,733	74,435	-	-	5,536,168
Machinery and equipment	477,147	-	-	-	477,147
Autos and trucks	1,435,905	-	262,080	197,470	1,500,515
Furniture and office equipment	764,425	-	-	-	764,425
Infrastructure	68,888,303	528,860	-	-	69,417,163
Total capital assets being depreciated	101,136,427	1,451,771	262,080	197,470	102,652,808
Less: accumulated depreciation for:					
Buildings	(10,567,351)	-	(512,838)	-	(11,080,189)
Improvements other than buildings	(1,997,945)	-	(300,325)	-	(2,298,270)
Machinery and equipment	(369,477)	-	(24,382)	-	(393,859)
Autos and trucks	(1,385,056)	-	(82,074)	(197,470)	(1,269,660)
Furniture and office equipment	(717,975)	-	(32,845)	-	(750,820)
Infrastructure	(42,447,106)	-	(1,690,381)	-	(44,137,487)
Total accumulated depreciation	(57,484,910)	-	(2,642,845)	(197,470)	(59,930,285)
Total capital assets, being depreciated, net	43,651,517	1,451,771	(2,380,765)	-	42,722,523
Government activities capital assets, net	<u>\$ 48,825,863</u>	<u>\$ -</u>	<u>\$ (1,381,060)</u>	<u>\$ -</u>	<u>\$ 47,444,803</u>

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

Governmental Activities	Total
General Government	\$ 24,646
Public Safety	27,803
Public Works	2,408,570
Community development	14,353
Parks and recreation	152,700
Internal Service Funds	14,773
Totals	<u>\$ 2,642,845</u>

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 7: Compensated Absences

Compensated absences activities for the year ended June 30, 2021, is as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
<u>\$ 650,566</u>	<u>\$ 322,965</u>	<u>\$ 309,228</u>	<u>\$ 664,303</u>	<u>\$ 315,757</u>

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

Note 8: 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 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

b. Primary Self-Insurance Programs of the Authority

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

Primary Liability Program

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

Note 8: Risk Management (Continued)

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

Workers' Compensation

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

For 2020-21 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 \$76,486,693. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 8: Risk Management (Continued)**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

Note 9: Defined Benefit Pension Plans**a. Aggregate Information on all Defined Benefit Pension Plans**

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

	CalPERS Miscellaneous Plan	PARS Retirement Enhancement Plan	Total
Net Pension Liability	\$ 9,007,798	\$ -	\$ 9,007,798
Net Pension Asset	-	951,026	951,026
Deferred Outflows of Resources	2,251,055	107,468	2,358,523
Deferred Inflows of Resources	621,729	374,089	995,818
Pension Expense	1,807,899	(109,653)	1,698,246

b. Defined Benefit Pension Plan - CalPERSPlan Description

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 9: Defined Benefit Pension Plans (Continued)Benefits Provided

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

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Tier 1 *	Tier 2 *	PEPRA
Hire date	Prior to July 1, 2010	From July 1, 2010 to December 31, 2012	January 1, 2013 and after
Benefit formula	2.7% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 55&up	50 to 63&up	52 to 67&up
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426 to 2.418	1.0% to 2.5%
Required employee contribution rates	7.96%	6.91%	6.75%
Required employer contribution rates	14.19%	11.03%	7.73%
Unfunded Accrued Liability Contribution	\$ 544,171	\$ 3,917	\$ 2,170

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021 the contributions recognized as a reduction to the net pension liability was \$1,446,875.

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

At June 30, 2021, the City of Rosemead reported a net pension liability for its proportionate share of the net pension liability in the amount of \$9,007,798.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 9: Defined Benefit Pension Plans (Continued)

The City's pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2020 and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2019	0.08643%
Proportion - June 30, 2020	0.08279%
Change - Increase (Decrease)	-0.00364%

For the year ended June 30, 2021, the City of Rosemead recognized pension expense of \$1,807,899. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,013,310	\$ -
Changes in assumptions	-	(64,247)
Difference between expected and actual experiences	464,199	-
Net differences between projected and actual earnings on plan investments	267,592 -	- -
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	505,954	-
Adjustment due to differences in proportions	-	(557,482)
Total	<u>\$ 2,251,055</u>	<u>\$ (621,729)</u>

The \$1,013,310 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflow / (Inflows) of Resources
2021	\$ 94,692
2022	202,999
2023	189,980
2024	128,345
Total	<u>\$ 616,016</u>

Actuarial Assumptions and Methods

For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9: Defined Benefit Pension Plans (Continued)

The June 30, 2019 and the June 30, 2020, total pension liabilities were based on the following actuarial methods and assumptions:

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

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

Change of Assumptions

For the measurement date June 30, 2020, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was 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.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 9: Defined Benefit Pension Plans (Continued)

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

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

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

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

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

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

Sensitivity of Net Pension Liability to Changes in Discount Rate

The following presents the City's proportionate share of the net pension liability/ (asset) of the Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.15 percent) or 1% point higher (8.15 percent) than the current rate:

Plan's Net Pension Liability/(Assets)	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous	\$ 13,730,023	\$ 9,007,798	\$ 5,105,972

Pension Plan Fiduciary Net Position

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

c. PARS Retirement Enhancement Plan
Plan Description

The Plan is an agent, multiple-employer supplemental employee defined benefit pension plan (the Plan II) administered by the Public Agency Retirement Services (PARS) Phase II Systems. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2020 Annual Actuarial Valuation Report. Details of

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9: Defined Benefit Pension Plans (Continued)

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

Benefits Provided

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

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

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

The Plan II's provisions and benefits in effect at June 30, 2021, (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, 2021, the following employees were covered by the benefit terms:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9: Defined Benefit Pension Plans (Continued)Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through PARS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the measurement period ended June 30, 2021 (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, 2021 are \$75,165.

Net Pension Liability/(Asset)

The City's net pension liability for the Retirement Enhancement Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan II is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020.

Total pension liability	\$ 2,795,850
Plan fiduciary net position	<u>(3,746,876)</u>
Net pension (asset)	<u>\$ (951,026)</u>
Plan fiduciary net position as a % of total pension liability	134.0%

Actuarial Assumptions and Methods

The following actuarial methods and assumptions were used in the June 30, 2020 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 06/30/2020	2 years
Amortization growth rate	0.00%
Asset Valuation Method	
Smoothing period	None
Recognition method	None
Corridor	None
Inflation	2.50%
Salary Increases	Varies by entry age and service
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.00%
Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9: Defined Benefit Pension Plans (Continued)Discount Rate

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

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

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

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

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

	June 30, 2020	June 30, 2021
Discount rate	6.50%	6.50%
Long-term expected rate of return, net of investment expense	6.50%	6.50%
Municipal bond rate	N/A	N/A

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

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9: Defined Benefit Pension Plans (Continued)

The assumption for the long-term expected rate of return was selected by the City of Rosemead. Below is a projection of the 30 year average return derived by adding expected inflation to expected long-term real returns and reflecting and expected volatility and correlation on the Plan's current asset allocation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2021.

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	5.51%	-0.32%	-0.32%
US Core Fixed Income	Bloomberg Barclays Aggregate	44.37%	1.37%	1.26%
US Equity Market	Russell 3000	37.47%	5.33%	3.70%
Foreign Developed Equity	MSCI EAFE NR	6.51%	6.27%	4.52%
Emerging Markets Equity	MSCI EM NR	4.41%	8.64%	4.95%
US REITs	FTSE NAREIT Equity REIT	1.73%	5.75%	3.57%

Changes in Net Pension Liability

Changes in Net Pension Liability/(Asset)	Total Pension Liability/(Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balances as of June 30, 2020	\$ 2,720,673	\$ 3,242,637	\$ (521,964)
Changes for the year:			
Service cost	24,070	-	24,070
Interest on total pension liability	171,039	-	171,039
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	110,471	-	110,471
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(230,403)	(230,403)	-
Employer contributions	-	75,165	(75,165)
Member contributions	-	-	-
Net investment income	-	660,793	(660,793)
Administrative expenses	-	(1,316)	1,316
Balances as of June 30, 2021	\$ 2,795,850	\$ 3,746,876	\$ (951,026)

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

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

1.00% Decrease (5.50%)	Current Discount Rate (6.50%)	1.00% Increase (7.50%)
\$ (649,832)	\$ (951,026)	\$ (1,207,351)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 9: Defined Benefit Pension Plans (Continued)Pension Plan Fiduciary Net Position

The Plan II fiduciary net position at June 30, 2021, was as follows:

Assets:	
Cash and cash equivalents	\$ 206,484
Investments:	
Fixed income	1,662,689
Stocks	1,813,046
Real estate	64,657
Total Investments	3,540,392
Total Assets	3,746,876
Net Position Restricted for Pensions	<u>\$ 3,746,876</u>

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

For the year ended June 30, 2021, the City recognized pension expense of \$109,653. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 94,738	\$ 86,160
Change of assumptions	12,730	287,929
Total	<u>\$ 107,468</u>	<u>\$ 374,089</u>

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

Year ended June 30:	Deferred Outflows (Inflows) of Resources
2022	\$ (83,150)
2023	(66,515)
2024	(46,241)
2025	(70,715)
	<u>\$ (266,621)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 10: Employees Retirement PlanPARS 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 \$41,197 to the plan.

Note 11: Post-Employment Benefit PlanPlan Description

The City provides post-retirement health care benefit plan through its' contract with the California Public Employees' Retirement System (CalPERS) pursuant to the Public Employees' Medical and Hospital Care Act (PEMHCA).

Employees Covered

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

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

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

The minimum required employer contribution is statutorily set under PEMHCA and is scheduled to increase in the future based on the medical portion of CPI. Minimum required employer contributions for the calendar years 2020 and 2021 were \$139 and \$143, respectively.

Active	62
Inactive employees or beneficiaries currently receiving benefits	<u>34</u>
Total	<u>96</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11: Post-Employment Benefit Plan (Continued)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, 2020, the City recognized a total of \$45,227 in contributions, including an implied subsidy of \$43,000, as a reduction to the net OPEB liability.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020 was used to determine the total OPEB liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
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	6.00%
General Inflation	2.75%
Medical Trend	Non-Medicare - 7.5% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality Improvement Scale 2017 for post-retirement mortality
Salary Increases	Aggregate - 3% annually Merit - CalPERS 1997-2015 experience study.
PEMHCA Minimum Increases	4.25% 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% Mortality improvement scale was updated to Scale MP-2019
Change of assumptions	Participation at retirement for hires after 7/1/07
Changes of benefit terms	None

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 11: Post-Employment Benefit Plan (Continued)Expected Long-Term Rate of Return

<u>Asset Class Component</u>	<u>Target Allocation PARS-Moderate</u>	<u>Expected Real Rate of Return</u>
Global Equity	48.25%	4.82%
Fixed Income	45.00%	1.47%
REITs	1.75%	3.76%
Cash	5.00%	0.06%
(1) Assumed Long-Term Rate of Inflation		2.75%
(2) Expected Long-Term Net Rate of Return, rounded to the nearest quarter percent		6.00%

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

Discount Rate

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

Changes in the OPEB Liability

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

	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (c) = (a) - (b)</u>
Balance at June 30, 2020 (measurement date 6/30/2019)	<u>\$ 4,142,142</u>	<u>\$ 3,840,642</u>	<u>\$ 301,500</u>
Changes recognized for the measurement period:			
Service cost	115,714	-	115,714
Interest	249,416	-	249,416
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	45,227	(45,227)
Net investment income	-	136,814	(136,814)
Benefit payments	(201,882)	(201,882)	-
Administrative expenses	-	(10,252)	10,252
Net changes	<u>163,248</u>	<u>(30,093)</u>	<u>193,341</u>
Balance at June 30, 2021 (measurement date 6/30/2020)	<u>\$ 4,305,390</u>	<u>\$ 3,810,549</u>	<u>\$ 494,841</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021
Note 11: Post-Employment Benefit Plan (Continued)Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability 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, 2020:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB Liability	\$ 1,039,715	\$ 494,841	\$ 40,233

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability 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, 2020:

	1% Decrease	Current Healthcare Cost Trent Rates	1% Increase
Net OPEB Liability	\$ 188,766	\$ 494,841	\$ 838,396

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, 2021, the City recognized OPEB expense of \$66,404. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 179,672	\$ -
Differences between expected and actual experience	-	363,781
Changes of assumptions	-	32,621
Net difference between projected and actual earnings on OPEB investments	28,295	-
Total	<u>\$ 207,967</u>	<u>\$ 396,402</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 11: Post-Employment Benefit Plan (Continued)

The \$179,672 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Year ended June 30:	Deferred Outflows (Inflows) of Resources
2022	\$ (79,299)
2023	(50,829)
2024	(48,911)
2025	(44,350)
2026	(62,921)
Thereafter	(81,797)
	<u>\$ (368,107)</u>

Note 12: 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 13: Successor Agency

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

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

CITY OF ROSEMEAD, CALIFORNIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021**Note 13: Successor Agency (Continued)**

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

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

a. Cash and Investments

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

Cash and Investments	\$ 5,495,021
Restricted:	
Cash with Fiscal Agents	1,123,012
Total Cash and Investments	<u>\$ 6,618,033</u>

b. Long-Term Debt

The debt of the Successor Agency as of June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Bonds Payable:					
Tax Allocation Bonds Series 2010A	\$ 4,285,000	\$ -	\$ 1,000,000	\$ 3,285,000	\$ 1,050,000
Tax Allocation Bonds Series 2016	<u>20,805,000</u>	<u>-</u>	<u>1,295,000</u>	<u>19,510,000</u>	<u>1,355,000</u>
Subtotal Bonds	<u>25,090,000</u>	<u>-</u>	<u>2,295,000</u>	<u>22,795,000</u>	<u>2,405,000</u>
Deferred amounts:					
Unamortized bond premium	1,388,325	-	106,794	1,281,531	106,794
Discount on Issuance	<u>(48,035)</u>	<u>-</u>	<u>(14,780)</u>	<u>(33,255)</u>	<u>(14,780)</u>
Total Bonds	<u>1,340,290</u>	<u>-</u>	<u>92,014</u>	<u>1,248,276</u>	<u>92,014</u>
Total Long-term Debt	<u>\$ 26,430,290</u>	<u>\$ -</u>	<u>\$ 2,387,014</u>	<u>\$ 24,043,276</u>	<u>\$ 2,497,014</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Successor Agency (Continued)

Future debt service requirements are as follows:

Year Ending June 30	Principal	Interest
2022	\$ 2,405,000	\$ 1,010,125
2023	2,530,000	886,750
2024	2,320,000	765,500
2025	1,245,000	676,375
2026	1,305,000	612,625
2026-2031	7,560,000	2,028,250
2031-2034	5,430,000	331,400
Total	<u>\$ 22,795,000</u>	<u>\$ 6,311,025</u>

Tax Allocation Bonds, Series 2010A

In July 2010, the Commission issued \$11,230,000 in Merged Project Area Tax Allocation Bonds. The bonds mature in amounts ranging from \$200,000 to \$1,135,000 with interest rates ranging from 3.00% to 5.00% through December 1, 2023. The bonds were issued to provide funds to finance the costs of certain redevelopment projects within the Merged Project Area including infrastructure improvements and the acquisition of land. Principal is payable annually on December 1, beginning on December 1, 2011. Interest is payable semi-annually on June 1 and December 1. Per the bond indenture, a reserve is required to be maintained. In the event of default, all money in the funds and accounts provided for in the bond indenture and all tax revenues thereafter received by the Successor Agency are to be transmitted to the trustee and applied in the following order: first to pay the costs and expenses of the trustee for legal counsel, and second, to pay the unpaid principal and interest accrued on the bonds. At June 30, 2021, the balance held in the reserve account was \$1,123,000. As of June 30, 2021, the outstanding balance was \$3,285,000.

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, 2021, the outstanding balance was \$19,510,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

Note 13: Successor Agency (Continued)

c. Pledged Revenue

The City pledged, as security for the bonds issued, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it received. The bonds were issued to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects, and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the redevelopment activities of the redevelopment agency, property taxes allocated to redevelopment activities are no longer deemed tax increment, but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt as of June 30, 2021 is \$29,106,025 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the successor agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$4,204,501 and the debt service obligation on the bonds was \$3,421,375.

Note 14: Net Position and Fund Balances Restatement

Beginning net position and fund balances have been restated as follows:

The \$2,799,560 in Home Improvement loans and \$585,200 in First Time Homebuyer Program loans were not reported in prior years as the loans were expensed when funded rather than establishing a loan receivable. Upon review of loan documents, and the determination that the loans are non-forgivable, a loan receivable has been established for all loans outstanding at June 30, 2021. This action required the restatement of fund balance in the HOME Special Revenue Fund.



Required Supplementary Information

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 24,208,481	\$ 24,208,481	\$ 24,208,481	\$ -
Resources (Inflows):				
Taxes	17,742,700	17,742,700	18,935,758	1,193,058
Licenses and permits	1,937,500	1,937,500	2,492,893	555,393
Intergovernmental	179,500	353,700	443,580	89,880
Charges for services	941,200	941,200	491,257	(449,943)
Use of money and property	421,000	421,000	267,980	(153,020)
Fines and forfeitures	623,300	623,300	598,032	(25,268)
Contributions	-	-	-	-
Miscellaneous	21,000	21,000	59,434	38,434
Amounts Available for Appropriations	46,074,681	46,248,881	47,497,415	1,248,534
Charges to Appropriation (Outflows):				
General government	4,688,600	4,701,000	4,041,073	659,927
Public safety	10,821,000	10,551,000	10,265,963	285,037
Community development	1,778,400	1,911,400	1,768,206	143,194
Parks and recreation	3,372,350	3,372,350	1,685,870	1,686,480
Public works	4,057,800	4,057,800	3,966,923	90,877
Capital outlay	25,000	25,000	181,768	(156,768)
Total Charges to Appropriations	24,743,150	24,618,550	21,909,803	2,708,747
Budgetary Fund Balance, June 30	\$ 21,331,531	\$ 21,630,331	\$ 25,587,612	\$ 3,957,281

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⁾**

	2021	2020	2019
Measurement Date	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Proportion of the Net Pension Liability	0.08279%	0.08643%	0.09186%
Proportionate Share of the Net Pension Liability	\$ 9,007,798	\$ 8,856,781	\$ 8,688,626
Covered Payroll	\$ 3,832,817	\$ 3,903,914	\$ 3,761,962
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	235%	227%	231%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	75.3%	75.3%

Notes to Schedule of Proportionate Share of the Net Pension Liability

Benefit Changes: None.

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

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

2018	2017	2016
<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
0.09661%	0.09959%	0.11128%
\$ 9,309,566	\$ 8,617,416	\$ 7,638,064
\$ 3,690,780	\$ 3,388,767	\$ 3,543,958
252%	254%	216%
73.3%	74.1%	78.4%

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⁾

	2021	2020	2019
Actuarially Determined Contribution	\$ 1,013,310	\$ 1,446,875	\$ 1,389,145
Contribution in Relation to the Actuarially Determined Contribution	(1,013,310)	(1,446,875)	(1,389,145)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,832,817	\$ 3,832,817	\$ 3,903,914
Contributions as a Percentage of Covered Payroll	26.4%	37.7%	35.6%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020-21 were derived from the June 30, 2017 funding valuation report.

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

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

2018	2017	2016
\$ 1,487,464	\$ 1,113,875	\$ 1,276,087
(1,487,464)	(1,113,875)	(1,276,087)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,761,962	\$ 3,690,780	\$ 3,388,767
39.5%	30.2%	18.1%

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⁾

	2021	2020	2019
Total Pension Liability			
Service Cost	\$ 24,070	\$ 25,883	\$ 25,190
Interest	171,039	172,888	170,716
Effect of Liability Gains or Losses	110,471	-	17,567
Effect of Assumption Changes or Inputs	-	-	32,827
Benefit Payments, Including Refunds of employee Contributions	(230,403)	(220,611)	(206,738)
Net Change in Total Pension Liability	75,177	(21,840)	39,562
Total Pension Liability - Beginning	2,720,673	2,742,513	2,702,951
Total Pension Liability - Ending (a)	\$ 2,795,850	\$ 2,720,673	\$ 2,742,513
Plan Fiduciary Net Position			
Contribution - Employer	\$ 75,165	\$ 112,649	\$ 131,770
Net Investment Income	660,793	96,972	187,985
Benefit Payments, Including Refunds of Employee Contributions	(230,403)	(220,611)	(206,738)
Other Changes in Fiduciary Net Position	(1,316)	(1,441)	(1,440)
Net Change in Fiduciary Net Position	504,239	(12,431)	111,577
Plan Fiduciary Net Position - Beginning	3,242,637	3,255,068	3,143,491
Plan Fiduciary Net Position - Ending (b)	\$ 3,746,876	\$ 3,242,637	\$ 3,255,068
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ (951,026)	\$ (521,964)	\$ (512,555)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	134.0%	119.2%	118.7%
Covered Payroll	\$ 1,780,371	\$ 2,300,379	\$ 2,238,812
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	-53.4%	-22.7%	-22.9%

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 six years are shown.

2018	2017	2016
\$ 37,502	\$ 36,410	\$ 45,435
171,215	192,440	191,270
-	(355,400)	-
-	-	-
(201,490)	(200,693)	(218,411)
7,227	(327,243)	18,294
2,695,724	3,022,967	3,004,673
\$ 2,702,951	\$ 2,695,724	\$ 3,022,967
\$ 140,376	\$ 164,389	\$ 265,241
175,605	266,884	(2,345)
(201,490)	(200,693)	(218,411)
(1,461)	(6,848)	(2,624)
113,030	223,732	41,861
3,030,461	2,806,729	2,764,868
\$ 3,143,491	\$ 3,030,461	\$ 2,806,729
\$ (440,540)	\$ (334,737)	\$ 216,238
116.3%	112.4%	92.8%
\$ 2,178,892	\$ 2,414,510	\$ 2,344,184
-20.2%	-13.9%	9.2%

CITY OF ROSEMEAD, CALIFORNIA

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

	2021	2020	2019
Actuarially Determined Contribution	\$ 20,100	\$ 25,970	\$ 73,864
Contribution in Relation to the Actuarially Determined Contribution	(75,165)	(112,649)	(131,770)
Contribution Deficiency (Excess)	<u>\$ (55,065)</u>	<u>\$ (86,679)</u>	<u>\$ (57,906)</u>
Covered Payroll	\$ 1,780,371	\$ 2,300,379	\$ 2,238,812
Contributions as a Percentage of Covered Payroll	4.2%	4.9%	5.9%

Note to Schedule of Plan Contributions:

Valuation Date:	June 30, 2020
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	2 years
Inflation	2.50%
Salary Increases	3.4% to 12.20%, depending on years of service
Investment rate of return	6.50%
Payroll Growth	2.75%
Cost of Living Adjustments	2.00%
Mortality	Consistent with the Non-Industrial rates used to value Miscellaneous Agency CalPERS Pension Plans.

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

2018	2017	2016
\$ 81,888	\$ 88,845	\$ 116,244
(140,376)	(164,389)	(265,241)
<u>\$ (58,488)</u>	<u>\$ (75,544)</u>	<u>\$ (148,997)</u>
 \$ 2,178,892	 \$ 2,414,510	 \$ 2,344,184
 6.4%	 6.8%	 11.3%

CITY OF ROSEMEAD, CALIFORNIA

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

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

Notes to Schedule:

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

CITY OF ROSEMEAD, CALIFORNIA

OTHER POST-EMPLOYMENT BENEFIT PLAN

SCHEDULE OF PLAN CONTRIBUTIONS

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

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

Notes to Schedule:

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

Valuation Date:	June 30, 2019
Actuarial Cost Method:	Entry Age Normal, Level Percentage of Payroll
Amortization Method:	Level percent of pay
Amortization Period:	18-year fixed period for 2020/21
Asset Valuation Method:	Investment gains and losses spread over 5-year rolling period
Discount Rate:	6.00%
General Inflation:	2.75%
Medical Trend:	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality:	CalPERS 1997-2015 experience study
Mortality Improvement:	Mortality projected fully generational with Scale MP-19
All Other Assumptions:	Same as those used to determine the total OPEB liability

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

⁽²⁾ Contributions include implied subsidies.

City of Rosemead
NONMAJOR FUNDS

- 201 *STATE GAS TAX* – Highway User Tax Act (HUTA) (Gas Tax) monies are collected by the State under the title of Motor Vehicle Fuel License Tax and distributed to the City based on population. Funds may be used to construct and maintain streets and highways.
- 205 *TDA ART III – PEDESTRIAN/BIKEWAY GRANT* – The Pedestrian and Bikeway Trail grant is distributed by the Los Angeles Metropolitan Transportation Authority for sidewalks, bike trails and similar projects that encourage transportation methods other than vehicle-related. City policy has been to use this money for construction of sidewalks, pedestrian access to schools, parks, or commercial areas.
- 215 *PROPOSITION A LOCAL RETURN*– Proposition A funds are a result of the County one-half cent sales tax increase approved by voters in 1980 which is allocated to cities based on population. The revenue can only be used for transit or transit-related projects. The City has three years in which to use its annual allocation, or the money must be returned to the LA METRO.
- 220 *PROPOSITION C LOCAL RETURN*– 80% of the 2 cent Sales and Use Tax collected in the County of Los Angeles because of Proposition C. Monies are used by the cities for public transit, to increase safety and improve road conditions by repairing and maintaining streets heavily used by public transit. The METRO must approve all projects.
- 225 *MEASURE R LOCAL RETURN* – A county-wide one-half percent sales tax to fund transportation projects. Receipts can be used to synchronize traffic signals, repair potholes, keep senior, student, and disabled bus fares low and provide community traffic relief. The tax receipts are used primarily to improve public transit and street maintenance projects.
- 226 *MEASURE M LOCAL RETURN* – A county-wide one-half percent sales tax to fund transportation projects. Receipts may be used to fund several highways, transit, local street, walking and biking programs. Funding is to improve freeway traffic flow/safety; repair potholes/sidewalks; repave local streets; earthquake-retrofit bridges; synchronize signals; keep senior/disabled/student fares affordable; expand rail/subways/bus systems; improve job/school/airport connections; and create jobs.
- 230 *AIR QUALITY MANAGEMENT DISTRICT FUND* – This fund is used to account for revenues received from the Air Quality Management District pursuant to AB 2766. Funds from the registration of every motor vehicle registered or renewed each year in California are distributed directly to the cities in AQMD's jurisdiction for mobile source emission reduction programs.
- 245 *STREET LIGHTING DISTRICT* – Monies collected by ad valorem property tax to provide for energy cost and maintenance of the (citywide) Rosemead Lighting District. SB 1307 (Sept 2020) expanded to use of these funds to include those authorized under the Landscaping and Lighting Act of 1972.
- 25x *DEVELOPMENT IMPACT FEE* – Development Impact Fees are imposed upon development projects pursuant to Government Code 66066 for mitigating the impact of the development on the ability of

the City to provide specified public improvements and services. The four categories of capital facilities and equipment that are funded by the development impact fees established by Ordinance 949 are:

Fund 250 – Traffic Facilities; Fund 251 – Public Safety Facilities; Fund 252 – General Government Facilities; Fund 253 – Park Facilities.

- 260 *COMMUNITY DEVELOPMENT BLOCK GRANT FUND* – Designed to account for those monies received from the United States Department of Housing and Urban Development, Community Development Block Grant Programs are to be expended for economic studies and economic development of the community.
- 275 *HDC HOME PROGRAM* – Pursuant to the HOME Investment Partnerships Act, the Department of Housing and Urban Development (HUD) allocates regular HOME funds to the City for the purpose of expanding the City's supply of decent, safe, sanitary, and affordable housing for very low- and low-income families. The source of revenue is from program income offered by the Department of Housing and Urban Development (HUD).
- 280 *HDC SENIOR HOUSING* – Operating revenues and expenditures of the Rosemead Housing Development Corporation for senior housing apartments are accounted for in this fund.
- 202 *RMRA SB1* – The Road and Repair and Accountability Act of 2017 was created to address deferred maintenance on the state highway system and the local street and road system. Funds may be used for road maintenance and rehabilitation: a) Safety projects; (b) Railroad grade separations; (c) Complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other allowable project; and (d) Traffic control devices.
- 232 *GRANT FUND* – Accounts for non-repayable funds disbursed or given by Federal, State, County, and Special District Entities. Grant funds are used to fund a specific project or program which requires some level of compliance, reporting, and auditing.
- 231 *MEASURE W – SAFE CLEAN WATER PROGRAM* – Accounts for funds collected from a parcel tax of 2.5 cents per square foot impermeable area. Tax receipts will be used to improve water quality, increase local supply, and enhance the community.
- 227 *MEASURE H* – These funds are the result of the passage of an LA county Ballot initiative raising the sales tax rate by $\frac{1}{4}$ of a cent. The revenue is to provide services for the homeless, including funding for mental health services, substance abuse treatment, health care, job training, transportation, outreach, and homelessness prevention.

CITY OF ROSEMEAD, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	State Gas Tax	Local Transportation/ Sidewalk Grant	Proposition A	Proposition C
Assets:				
Cash and investments	\$ 2,142,030	\$ -	\$ 854,418	\$ 1,836,901
Receivables:				
Accounts receivable	8,000	-	-	-
Notes and loans	-	-	-	-
Accrued interest	3,029	-	1,205	2,620
Prepaid costs	-	-	16,000	-
Due from other governments	-	-	-	-
Total Assets	\$ 2,153,059	\$ -	\$ 871,623	\$ 1,839,521
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 6,791	\$ -	\$ 114,363	\$ 69,211
Accrued liabilities	6,958	-	9,897	6,371
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	13,749	-	124,260	75,582
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable:				
Prepaid costs	-	-	16,000	-
Restricted:				
Community services	-	-	-	-
Low and moderate income housing	-	-	-	-
Public works	2,139,310	-	731,363	1,763,939
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	2,139,310	-	747,363	1,763,939
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,153,059	\$ -	\$ 871,623	\$ 1,839,521

CITY OF ROSEMEAD, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Measure R	Measure M	Air Quality Management District	Street Lighting
Assets:				
Cash and investments	\$ 2,435,388	\$ 2,874,394	\$ 419,280	\$ 3,077,039
Receivables:				
Accounts receivable	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	3,482	4,113	603	4,523
Prepaid costs	-	-	-	-
Due from other governments	-	-	18,050	36,100
Total Assets	\$ 2,438,870	\$ 2,878,507	\$ 437,933	\$ 3,117,662
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 1,260	\$ 1,682	\$ -	\$ 80,702
Accrued liabilities	932	39	-	4,360
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	2,192	1,721	-	85,062
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted:				
Community services	-	-	-	-
Low and moderate income housing	-	-	-	-
Public works	2,436,678	2,876,786	437,933	3,032,600
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	2,436,678	2,876,786	437,933	3,032,600
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 2,438,870	\$ 2,878,507	\$ 437,933	\$ 3,117,662

CITY OF ROSEMEAD, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	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	\$ 53,080	\$ 9,025	\$ 63,857	\$ 272,126
Receivables:				
Accounts receivable	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	77	13	93	390
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 53,157	\$ 9,038	\$ 63,950	\$ 272,516
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted:				
Community services	53,157	9,038	-	272,516
Low and moderate income housing	-	-	-	-
Public works	-	-	63,950	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	53,157	9,038	63,950	272,516
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 53,157	\$ 9,038	\$ 63,950	\$ 272,516

CITY OF ROSEMEAD, CALIFORNIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Community Development Block Grant (CDBG)	HOME Program	Rosemead Housing Development Corporation	Road Maintenance and Rehabilitation Account SB1
Assets:				
Cash and investments	\$ 1,090	\$ 618,509	\$ 462,221	\$ 3,058,084
Receivables:				
Accounts receivable	-	-	7,854	-
Notes and loans	-	3,384,760	-	-
Accrued interest	-	942	-	4,398
Prepaid costs	-	-	-	-
Due from other governments	69,490	116,396	-	183,652
Total Assets	\$ 70,580	\$ 4,120,607	\$ 470,075	\$ 3,246,134
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 37,089	\$ 74,203	\$ 7,833	\$ 1,123
Accrued liabilities	2,994	359	-	3,604
Unearned revenues	-	-	-	-
Deposits payable	-	-	44,939	-
Due to other funds	42,391	-	-	-
Total Liabilities	82,474	74,562	52,772	4,727
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficits):				
Nonspendable:				
Prepaid costs	-	-	-	-
Restricted:				
Community services	-	4,046,045	-	-
Low and moderate income housing	-	-	417,303	-
Public works	-	-	-	3,241,407
Unassigned	(11,894)	-	-	-
Total Fund Balances (Deficits)	(11,894)	4,046,045	417,303	3,241,407
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 70,580	\$ 4,120,607	\$ 470,075	\$ 3,246,134

CITY OF ROSEMEAD, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			
	City Grants Fund	Clean Water Fund	Measure H Grant	Total Governmental Funds
Assets:				
Cash and investments	\$ 208,641	\$ 394,480	\$ -	\$ 18,780,563
Receivables:				
Accounts receivable	-	-	-	15,854
Notes and loans	-	-	-	3,384,760
Accrued interest	-	604	-	26,092
Prepaid costs	-	-	-	16,000
Due from other governments	107,081	-	10,000	540,769
Total Assets	\$ 315,722	\$ 395,084	\$ 10,000	\$ 22,764,038
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):				
Liabilities:				
Accounts payable	\$ 15,722	\$ 60,925	\$ 7,500	\$ 478,404
Accrued liabilities	-	-	-	35,514
Unearned revenues	300,000	-	-	300,000
Deposits payable	-	-	-	44,939
Due to other funds	-	-	2,500	44,891
Total Liabilities	315,722	60,925	10,000	903,748
Deferred Inflows of Resources:				
Unavailable revenues	77,679	-	-	77,679
Total Deferred Inflows of Resources	77,679	-	-	77,679
Fund Balances (Deficits):				
Nonspendable:				
Prepaid costs	-	-	-	16,000
Restricted:				
Community services	-	-	-	4,380,756
Low and moderate income housing	-	-	-	417,303
Public works	-	334,159	-	17,058,125
Unassigned	(77,679)	-	-	(89,573)
Total Fund Balances (Deficits)	(77,679)	334,159	-	21,782,611
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 315,722	\$ 395,084	\$ 10,000	\$ 22,764,038



CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	State Gas Tax	Local Transportation/ Sidewalk Grant	Proposition A	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,288,759	87,242	1,178,118	919,509
Charges for services	8,000	-	6,730	2,163
Use of money and property	2,138	-	833	1,828
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,298,897	87,242	1,185,681	923,500
Expenditures:				
Current:				
General government	2,700	-	129,245	27,999
Public safety	8,919	-	-	29,738
Community development	-	-	-	-
Parks and recreation	-	-	-	2,298
Public works	518,311	-	1,051,638	452,539
Capital outlay	-	87,242	-	-
Total Expenditures	529,930	87,242	1,180,883	512,574
Net Change in Fund Balances	768,967	-	4,798	410,926
Fund Balance (Deficit) at the Beginning of the Year	1,370,343	-	742,565	1,353,013
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,370,343	-	742,565	1,353,013
Fund Balance (Deficit) at the End of the Year	\$ 2,139,310	\$ -	\$ 747,363	\$ 1,763,939

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(CONTINUED)

Special Revenue Funds				
	Measure R	Measure M	Air Quality Management District	Street Lighting
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 146,311
Intergovernmental	690,587	782,461	70,986	1,145,154
Charges for services	-	-	-	-
Use of money and property	2,292	2,939	427	3,366
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	692,879	785,400	71,413	1,294,831
Expenditures:				
Current:				
General government	14,534	-	-	239
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	55,840	20,874	45,536	639,904
Capital outlay	297,000	46,402	-	-
Total Expenditures	367,374	67,276	45,536	640,143
Net Change in Fund Balances	325,505	718,124	25,877	654,688
Fund Balance (Deficit) at the Beginning of the Year	2,111,173	2,158,662	412,056	2,377,912
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	2,111,173	2,158,662	412,056	2,377,912
Fund Balance (Deficit) at the End of the Year	\$ 2,436,678	\$ 2,876,786	\$ 437,933	\$ 3,032,600

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	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	57	9	68	285
Developer participation	11,809	1,672	11,682	53,395
Miscellaneous	-	-	-	-
Total Revenues	11,866	1,681	11,750	53,680
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	11,866	1,681	11,750	53,680
Fund Balance (Deficit) at the Beginning of the Year	41,291	7,357	52,200	218,836
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	41,291	7,357	52,200	218,836
Fund Balance (Deficit) at the End of the Year	\$ 53,157	\$ 9,038	\$ 63,950	\$ 272,516

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Community Development Block Grant (CDBG)	HOME Program	Rosemead Housing Development Corporation	Road Maintenance and Rehabilitation Account SB1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	980,668	718,357	452,473	1,007,811
Charges for services	-	-	472,553	-
Use of money and property	-	760	13	3,171
Developer participation	-	-	-	-
Miscellaneous	-	-	4,250	-
Total Revenues	980,668	719,117	929,289	1,010,982
Expenditures:				
Current:				
General government	8,307	14,584	-	-
Public safety	-	-	-	-
Community development	429,450	177,615	866,857	-
Parks and recreation	18,829	-	-	-
Public works	-	-	-	116,011
Capital outlay	329,165	-	-	-
Total Expenditures	785,751	192,199	866,857	116,011
Net Change in Fund Balances	194,917	526,918	62,432	894,971
Fund Balance (Deficit) at the Beginning of the Year	(206,811)	134,367	354,871	2,346,436
Restatements	-	3,384,760	-	-
Fund Balances, Beginning of Year, as Restated	(206,811)	3,519,127	354,871	2,346,436
Fund Balance (Deficit) at the End of the Year	\$ (11,894)	\$ 4,046,045	\$ 417,303	\$ 3,241,407

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	City Grants Fund	Clean Water Fund	Measure H Grant	Total Governmental Funds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 146,311
Intergovernmental	700,628	564,711	10,000	10,597,464
Charges for services	-	-	-	489,446
Use of money and property	-	695	-	18,881
Developer participation	-	-	-	78,558
Miscellaneous	-	-	-	4,250
Total Revenues	700,628	565,406	10,000	11,334,910
Expenditures:				
Current:				
General government	338,477	-	10,000	546,085
Public safety	270,000	-	-	308,657
Community development	107,081	-	-	1,581,003
Parks and recreation	-	-	-	21,127
Public works	-	231,247	-	3,131,900
Capital outlay	-	-	-	759,809
Total Expenditures	715,558	231,247	10,000	6,348,581
Net Change in Fund Balances	(14,930)	334,159	-	4,986,329
Fund Balance (Deficit) at the Beginning of the Year	(62,749)	-	-	13,411,522
Restatements	-	-	-	3,384,760
Fund Balances, Beginning of Year, as Restated	(62,749)	-	-	16,796,282
Fund Balance (Deficit) at the End of the Year	\$ (77,679)	\$ 334,159	\$ -	\$ 21,782,611

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,370,343	\$ 1,370,343	\$ 1,370,343	\$ -
Resources (Inflows):				
Intergovernmental	1,409,700	1,409,700	1,288,759	(120,941)
Charges for services	8,000	8,000	8,000	-
Use of money and property	-	-	2,138	2,138
Amounts Available for Appropriations	2,788,043	2,788,043	2,669,240	(118,803)
Charges to Appropriation (Outflows):				
General government	2,700	2,700	2,700	-
Public safety	18,000	18,000	8,919	9,081
Public works	730,600	650,600	518,311	132,289
Capital outlay	247,000	247,000	-	247,000
Total Charges to Appropriations	998,300	918,300	529,930	388,370
Budgetary Fund Balance, June 30	\$ 1,789,743	\$ 1,869,743	\$ 2,139,310	\$ 269,567

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
LOCAL TRANSPORTATION/SIDEWALK GRANT
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	41,700	41,700	87,242	45,542
Amounts Available for Appropriations	41,700	41,700	87,242	45,542
Charges to Appropriation (Outflows):				
Capital outlay	41,700	41,700	87,242	(45,542)
Total Charges to Appropriations	41,700	41,700	87,242	(45,542)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 742,565	\$ 742,565	\$ 742,565	\$ -
Resources (Inflows):				
Intergovernmental	1,237,300	1,237,300	1,178,118	(59,182)
Charges for services	20,000	20,000	6,730	(13,270)
Use of money and property	-	-	833	833
Amounts Available for Appropriations	1,999,865	1,999,865	1,928,246	(71,619)
Charges to Appropriation (Outflows):				
General government	163,600	163,600	129,245	34,355
Parks and recreation	38,000	38,000	-	38,000
Public works	958,900	1,190,991	1,051,638	139,353
Total Charges to Appropriations	1,160,500	1,392,591	1,180,883	211,708
Budgetary Fund Balance, June 30	\$ 839,365	\$ 607,274	\$ 747,363	\$ 140,089

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,353,013	\$ 1,353,013	\$ 1,353,013	\$ -
Resources (Inflows):				
Intergovernmental	963,200	963,200	919,509	(43,691)
Charges for services	36,000	36,000	2,163	(33,837)
Use of money and property	-	-	1,828	1,828
Amounts Available for Appropriations	2,352,213	2,352,213	2,276,513	(75,700)
Charges to Appropriation (Outflows):				
General government	42,300	42,300	27,999	14,301
Public safety	20,100	20,100	29,738	(9,638)
Parks and recreation	80,000	80,000	2,298	77,702
Public works	418,100	418,100	452,539	(34,439)
Total Charges to Appropriations	560,500	560,500	512,574	47,926
Budgetary Fund Balance, June 30	\$ 1,791,713	\$ 1,791,713	\$ 1,763,939	\$ (27,774)

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,111,173	\$ 2,111,173	\$ 2,111,173	\$ -
Resources (Inflows):				
Intergovernmental	772,500	772,500	690,587	(81,913)
Use of money and property	-	-	2,292	2,292
Amounts Available for Appropriations	2,883,673	2,883,673	2,804,052	(79,621)
Charges to Appropriation (Outflows):				
General government	28,000	28,000	14,534	13,466
Public works	256,700	256,700	55,840	200,860
Capital outlay	150,000	150,000	297,000	(147,000)
Total Charges to Appropriations	434,700	434,700	367,374	67,326
Budgetary Fund Balance, June 30	\$ 2,448,973	\$ 2,448,973	\$ 2,436,678	\$ (12,295)

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MEASURE M
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,158,662	\$ 2,158,662	\$ 2,158,662	\$ -
Resources (Inflows):				
Intergovernmental	818,700	818,700	782,461	(36,239)
Use of money and property	-	-	2,939	2,939
Amounts Available for Appropriations	2,977,362	2,977,362	2,944,062	(33,300)
Charges to Appropriation (Outflows):				
General government	2,600	2,600	-	2,600
Public works	46,500	46,500	20,874	25,626
Capital outlay	234,000	234,000	46,402	187,598
Total Charges to Appropriations	283,100	283,100	67,276	215,824
Budgetary Fund Balance, June 30	\$ 2,694,262	\$ 2,694,262	\$ 2,876,786	\$ 182,524

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY MANAGEMENT DISTRICT
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 412,056	\$ 412,056	\$ 412,056	\$ -
Resources (Inflows):				
Intergovernmental	71,000	71,000	70,986	(14)
Use of money and property	-	-	427	427
Amounts Available for Appropriations	483,056	483,056	483,469	413
Charges to Appropriation (Outflows):				
Public works	30,000	30,000	45,536	(15,536)
Total Charges to Appropriations	30,000	30,000	45,536	(15,536)
Budgetary Fund Balance, June 30	\$ 453,056	\$ 453,056	\$ 437,933	\$ (15,123)

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,377,912	\$ 2,377,912	\$ 2,377,912	\$ -
Resources (Inflows):				
Taxes	-	-	146,311	146,311
Intergovernmental	1,000,000	1,000,000	1,145,154	145,154
Use of money and property	-	-	3,366	3,366
Amounts Available for Appropriations	3,377,912	3,377,912	3,672,743	294,831
Charges to Appropriation (Outflows):				
General government	11,500	11,500	239	11,261
Public works	727,800	727,800	639,904	87,896
Total Charges to Appropriations	739,300	739,300	640,143	99,157
Budgetary Fund Balance, June 30	\$ 2,638,612	\$ 2,638,612	\$ 3,032,600	\$ 393,988

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 DEVELOPMENT IMPACT FEE TRAFFIC
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 41,291	\$ 41,291	\$ 41,291	\$ -
Resources (Inflows):				
Use of money and property	-	-	57	57
Developer participation	8,000	8,000	11,809	3,809
Amounts Available for Appropriations	49,291	49,291	53,157	3,866
Budgetary Fund Balance, June 30	\$ 49,291	\$ 49,291	\$ 53,157	\$ 3,866

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEE PUBLIC SAFETY
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 7,357	\$ 7,357	\$ 7,357	\$ -
Resources (Inflows):				
Use of money and property	-	-	9	9
Developer participation	1,200	1,200	1,672	472
Amounts Available for Appropriations	8,557	8,557	9,038	481
Budgetary Fund Balance, June 30	\$ 8,557	\$ 8,557	\$ 9,038	\$ 481

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEE GENERAL GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 52,200	\$ 52,200	\$ 52,200	\$ -
Resources (Inflows):				
Use of money and property	-	-	68	68
Developer participation	6,500	6,500	11,682	5,182
Amounts Available for Appropriations	58,700	58,700	63,950	5,250
Budgetary Fund Balance, June 30	\$ 58,700	\$ 58,700	\$ 63,950	\$ 5,250

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEE PARKS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 218,836	\$ 218,836	\$ 218,836	\$ -
Resources (Inflows):				
Use of money and property	-	-	285	285
Developer participation	30,000	30,000	53,395	23,395
Amounts Available for Appropriations	248,836	248,836	272,516	23,680
Budgetary Fund Balance, June 30	\$ 248,836	\$ 248,836	\$ 272,516	\$ 23,680

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Deficit, July 1	\$ (206,811)	\$ (206,811)	\$ (206,811)	\$ -
Resources (Inflows):				
Intergovernmental	1,663,200	1,936,390	980,668	(955,722)
Charges for services	60,000	-	-	-
Amounts Available for Appropriations	1,516,389	1,729,579	773,857	(955,722)
Charges to Appropriation (Outflows):				
General government	30,200	30,200	8,307	21,893
Community development	1,487,400	1,709,590	429,450	1,280,140
Parks and recreation	37,100	37,100	18,829	18,271
Public works	31,500	31,500	-	31,500
Capital outlay	128,000	128,000	329,165	(201,165)
Total Charges to Appropriations	1,714,200	1,936,390	785,751	1,150,639
Budgetary Fund Deficit, June 30	\$ (197,811)	\$ (206,811)	\$ (11,894)	\$ 194,917

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
HOME PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1, as restated	\$ 3,519,127	\$ 3,519,127	\$ 3,519,127	\$ -
Resources (Inflows):				
Intergovernmental	1,801,900	2,146,960	718,357	(1,428,603)
Use of money and property	-	-	760	760
Amounts Available for Appropriations	5,321,027	5,666,087	4,238,244	(1,427,843)
Charges to Appropriation (Outflows):				
General government	-	-	14,584	(14,584)
Community development	1,497,400	2,148,160	177,615	1,970,545
Total Charges to Appropriations	1,497,400	2,148,160	192,199	1,955,961
Budgetary Fund Balance, June 30	\$ 3,823,627	\$ 3,517,927	\$ 4,046,045	\$ 528,118

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
ROSEMEAD HOUSING DEVELOPMENT CORPORATION
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 354,871	\$ 354,871	\$ 354,871	\$ -
Resources (Inflows):				
Intergovernmental	665,700	665,700	452,473	(213,227)
Charges for services	460,600	460,600	472,553	11,953
Use of money and property	-	-	13	13
Miscellaneous	3,500	3,500	4,250	750
Amounts Available for Appropriations	1,484,671	1,484,671	1,284,160	(200,511)
Charges to Appropriation (Outflows):				
Community development	1,129,800	1,129,800	866,857	262,943
Total Charges to Appropriations	1,129,800	1,129,800	866,857	262,943
Budgetary Fund Balance, June 30	\$ 354,871	\$ 354,871	\$ 417,303	\$ 62,432

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE AND REHABILITATION ACCOUNT SB1
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 2,346,436	\$ 2,346,436	\$ 2,346,436	\$ -
Resources (Inflows):				
Intergovernmental	936,500	936,500	1,007,811	71,311
Use of money and property	-	-	3,171	3,171
Amounts Available for Appropriations	3,282,936	3,282,936	3,357,418	74,482
Charges to Appropriation (Outflows):				
Public works	192,100	192,100	116,011	76,089
Capital outlay	332,000	332,000	-	332,000
Total Charges to Appropriations	524,100	524,100	116,011	408,089
Budgetary Fund Balance, June 30	\$ 2,758,836	\$ 2,758,836	\$ 3,241,407	\$ 482,571

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
CITY GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance (Deficit), July 1	\$ (62,749)	\$ (62,749)	\$ (62,749)	\$ -
Resources (Inflows):				
Intergovernmental	1,470,500	2,357,200	700,628	(1,656,572)
Amounts Available for Appropriations	1,407,751	2,294,451	637,879	(1,656,572)
Charges to Appropriation (Outflows):				
General government	-	338,500	338,477	23
Public safety	-	335,400	270,000	65,400
Community development	-	150,000	107,081	42,919
Capital outlay	1,235,500	1,235,500	-	1,235,500
Total Charges to Appropriations	1,235,500	2,059,400	715,558	1,343,842
Budgetary Fund Balance (Deficit), June 30	\$ 172,251	\$ 235,051	\$ (77,679)	\$ (312,730)

CITY OF ROSEMEAD, CALIFORNIA

**BUDGETARY COMPARISON SCHEDULE
 CLEAN WATER FUND
 FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	580,000	580,000	564,711	(15,289)
Amounts Available for Appropriations	580,000	580,000	565,406	(14,594)
Charges to Appropriation (Outflows):				
Public works	300,000	380,000	231,247	148,753
Capital outlay	200,000	200,000	-	200,000
Total Charges to Appropriations	500,000	580,000	231,247	348,753
Budgetary Fund Balance, June 30	\$ 80,000	\$ -	\$ 334,159	\$ 334,159

CITY OF ROSEMEAD, CALIFORNIA

BUDGETARY COMPARISON SCHEDULE
MEASURE H GRANT
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	15,000	10,000	(5,000)
Amounts Available for Appropriations	-	15,000	10,000	(5,000)
Charges to Appropriation (Outflows):				
General government	-	15,000	10,000	5,000
Total Charges to Appropriations	-	15,000	10,000	5,000
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Equipment Replacement	Technology Replacement	Totals
Assets:			
Current Assets:			
Cash and investments	\$ 630,611	\$ 169,962	\$ 800,573
Receivables:			
Accrued interest	943	252	1,195
Total Current Assets	631,554	170,214	801,768
Noncurrent Assets:			
Capital assets, net of accumulated depreciation	1,045	4,926	5,971
Total Noncurrent Assets	1,045	4,926	5,971
Total Assets	632,599	175,140	807,739
Liabilities:			
Current Liabilities:			
Accounts payable	-	24,632	24,632
Total Current Liabilities	-	24,632	24,632
Total Liabilities	-	24,632	24,632
Net Position:			
Investment in capital assets	1,045	4,926	5,971
Unrestricted	631,554	145,582	777,136
Total Net Position	\$ 632,599	\$ 150,508	\$ 783,107

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

CITY OF ROSEMEAD, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Equipment Replacement	Technology Replacement	Totals
Operating Revenues:			
Charges for services	\$ 100,900	\$ 208,600	\$ 309,500
Miscellaneous	41,920	-	41,920
Total Operating Revenues	142,820	208,600	351,420
Operating Expenses:			
Contractual services	83,702	157,330	241,032
Depreciation expense	5,890	8,883	14,773
Total Operating Expenses	89,592	166,213	255,805
Operating Income	53,228	42,387	95,615
Nonoperating Revenues (Expenses):			
Interest revenue	722	45	767
Total Nonoperating Revenues (Expenses)	722	45	767
Changes in Net Position	53,950	42,432	96,382
Net Position:			
Net Position at the Beginning of the Year	578,649	108,076	686,725
Net Position at the End of the Year	\$ 632,599	\$ 150,508	\$ 783,107

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

CITY OF ROSEMEAD, CALIFORNIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service Funds		
	Equipment Replacement	Technology Replacement	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 41,920	\$ -	\$ 41,920
Cash received from interfund service provided	100,900	208,600	309,500
Cash paid to suppliers for goods and services	(85,850)	(136,591)	(222,441)
Net Cash Provided by Operating Activities	56,970	72,009	128,979
Cash Flows from Investing Activities:			
Interest received	(221)	(207)	(428)
Net Cash Provided (Used) by Investing Activities	(221)	(207)	(428)
Net Increase in Cash and Cash Equivalents	56,749	71,802	128,551
Cash and Cash Equivalents at the Beginning of the Year	573,862	98,160	672,022
Cash and Cash Equivalents at the End of the Year	\$ 630,611	\$ 169,962	\$ 800,573
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 53,228	\$ 42,387	\$ 95,615
Adjustments to reconcile operating income net cash provided by operating activities:			
Depreciation	5,890	8,883	14,773
Increase in accounts payable	(2,148)	20,739	18,591
Total Adjustments	3,742	29,622	33,364
Net Cash Provided by Operating Activities	\$ 56,970	\$ 72,009	\$ 128,979

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

Statistical Section



Statistical Section

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

	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and wellbeing have changed over time.</i>	112-119
1 Net Position by Component	
2 Changes in Net Position	
3 Fund Balances of Governmental Funds	
4 Changes in Fund Balances of Governmental Funds	
Revenue Capacity	
<i>These schedules contain trend information to help the reader assess the government's most significant revenue source, property tax.</i>	120-123
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	
Debt Capacity	
<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>	124-128
9 Direct and Overlapping Governmental Activities Debt	
10 Legal Debt Margin	
11 Pledged Revenue Coverage	
Demographic and Economic Information	
<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>	129-132
12 Demographic and Economic Statistics	
13 Principal Employers	
14 Top 25 Sales Tax Producers	
15 Full-Time and Part-Time Positions by Function	
Operating Information	
<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>	133-134
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)

	2012	2013	2014	2015	2016
Governmental activities:					
Net investment in capital assets	54,010,031	51,132,854	50,042,631	52,038,429	51,542,030
Restricted	10,870,747	2,829,147	3,110,688	3,419,068	4,005,847
Unrestricted	13,688,078	17,724,709	17,367,841	11,018,153	13,108,874
Total governmental activities net position	78,568,856	71,686,710	70,521,160	66,475,650	68,656,751

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

	2017	2018	2019	2020	2021
Governmental activities:					
Net investment in capital assets	52,806,193	53,587,243	50,882,552	48,825,863	47,444,803
Restricted	4,387,055	3,554,634	9,730,202	13,681,082	21,856,184
Unrestricted	15,690,721	17,211,587	17,483,422	17,754,529	18,643,063
Total governmental activities net position	72,883,969	74,353,464	78,096,176	80,261,474	87,944,050

CITY OF ROSEMEAD

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015	2016
Expenses:					
Governmental activities:					
General government	3,989,359	3,381,686	4,271,354	2,739,281	3,218,363
Public safety	7,517,101	7,791,073	7,923,316	7,747,949	8,381,588
Public works	11,588,278	11,717,276	10,072,081	8,703,817	8,738,495
Community development	4,080,294	2,616,531	2,853,472	2,879,028	3,246,081
Parks and recreation	2,532,665	2,594,863	2,274,920	2,049,540	2,073,145
Interest and other charges	569,045	7,827	5,561	3,198	787
Total governmental activities expenses	30,276,742	28,109,256	27,400,704	24,122,813	25,658,459
Program revenues:					
Governmental activities:					
Charges for services:					
General government	130,450	2,408,362	2,030,063	2,725,291	2,203,233
Public safety	1,454,759	1,622,911	1,586,557	1,573,532	1,563,652
Public works	4,033,874	3,869,285	4,356,486	4,627,331	4,360,908
Community development	3,501,082	1,896,876	1,632,508	1,915,557	2,352,137
Parks and recreation	704,029	785,611	724,197	713,484	741,171
Total governmental activities program revenues	9,824,194	10,583,045	10,329,811	11,555,195	11,221,101
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	(20,452,548)	(17,526,211)	(17,070,893)	(12,567,618)	(14,437,358)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	10,567,509	8,900,228	8,667,709	9,034,141	9,158,499
Sales and use taxes	3,200,911	3,215,897	3,504,285	3,452,605	4,124,745
Transient occupancy taxes	1,323,886	1,447,820	1,593,640	1,575,401	1,998,954
Other taxes	633,393	2,275,986	1,307,280	1,247,941	1,209,249
Investment income	195,165	28,202	216,499	97,589	348,651
Other general revenues	853,956	1,180,688	604,053	793,680	945,372
Loss on sale of capital assets	(2,340,090)	-	-	-	-
Transfer to Successor Agency	-	(6,392,878)	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	34,271,082	-	-	-	-
Total governmental activities	48,705,812	10,655,943	15,893,466	16,201,357	17,785,470
Changes in net position					
Governmental activities					
Total primary government	\$ 28,253,264	\$ (6,870,268)	\$ (1,177,427)	\$ 3,633,739	\$ 3,348,112

Source: City of Rosemead, Department of Finance

	2017	2018	2019	2020	2021
Expenses:					
Governmental activities:					
General government	3,705,685	4,554,063	4,205,482	4,003,674	4,659,583
Public safety	8,935,164	9,499,683	9,125,853	9,744,134	10,679,425
Public works	7,323,865	9,554,073	6,353,025	9,946,662	9,372,263
Community development	3,161,310	3,409,699	2,376,713	3,472,477	3,411,076
Parks and recreation	2,153,986	2,746,482	7,662,344	2,920,016	1,916,949
Interest and other charges	-	-	-	-	-
Total governmental activities expenses	25,280,010	29,764,000	29,723,417	30,086,963	30,039,296
Program revenues:					
Governmental activities:					
Charges for services:					
General government	2,191,604	1,769,171	819,371	658,428	1,516,276
Public safety	1,565,275	1,787,151	1,847,594	1,834,717	1,944,901
Public works	4,232,311	5,208,427	6,238,575	6,024,968	6,715,497
Community development	2,523,350	4,265,255	3,373,246	3,403,251	4,610,737
Parks and recreation	788,931	828,038	958,176	624,313	163,168
Total governmental activities program revenues	11,301,471	13,858,042	13,236,962	12,545,677	14,950,579
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	(13,978,539)	(15,905,958)	(16,486,455)	(17,541,286)	(15,088,717)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes	8,643,019	9,128,934	9,566,800	9,942,183	10,740,563
Sales and use taxes	5,366,975	5,929,492	5,735,491	5,430,222	5,534,244
Transient occupancy taxes	2,213,286	2,326,863	2,314,723	1,785,219	1,405,397
Other taxes	1,224,230	1,313,699	1,329,822	1,346,327	1,378,550
Investment income	20,526	210,288	1,158,407	945,319	287,628
Other general revenues	737,721	647,888	123,924	257,314	40,151
Loss on sale of capital assets	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	18,205,757	19,557,164	20,229,167	19,706,584	19,386,533
Changes in net position					
Governmental activities					
Total primary government	\$ 4,227,218	\$ 3,651,206	\$ 3,742,712	\$ 2,165,298	\$ 4,297,816

Source: City of Rosemead, Department of Finance

CITY OF ROSEMEAD

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015	2016
General fund:					
Nonspendable	2,034	2,034	140,893	143,560	187,247
Restricted	-	-	-	-	-
Committed	5,294,253	6,415,416	5,883,235	6,120,361	6,682,495
Assigned	5,712	5,712	65,343	78,280	83,513
Unassigned	9,519,173	11,194,278	11,607,595	10,128,160	11,514,894
Total general fund	14,821,172	17,617,440	17,697,066	16,470,361	18,468,149
All other governmental funds:					
Nonspendable	-	-	-	-	-
Restricted	10,870,747	2,829,147	3,110,688	3,419,068	4,005,847
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,292,405)	(788,224)	(1,192,926)	(1,643,527)	(832,005)
Total all other governmental funds	9,578,342	2,040,923	1,917,762	1,775,541	3,173,842
Total governmental funds	24,399,514	19,658,363	19,614,828	18,245,902	21,641,991

Source: City of Rosemead, Department of Finance.

	2017	2018	2019	2020	2021
General fund:					
Nonspendable	765,218	853,920	870,619	510,371	118,358
Restricted	-	-	-	-	-
Committed	6,935,525	8,760,289	7,667,401	8,896,317	7,985,332
Assigned	63,298	79,798	121,867	121,867	130,267
Unassigned	11,270,958	10,790,274	14,635,070	14,679,926	17,353,655
Total general fund	19,034,999	20,484,281	23,294,957	24,208,481	25,587,612
All other governmental funds:					
Nonspendable	-	-	-	-	16,000
Restricted	4,376,257	3,554,634	8,797,389	13,681,082	21,856,184
Committed	-	1,912,732	932,813	-	-
Assigned	-	-	-	-	-
Unassigned	(639,510)	(31,024)	(23,792)	(269,560)	(89,573)
Total all other governmental funds	3,736,747	5,436,342	9,706,410	13,411,522	21,782,611
Total governmental funds	22,771,746	25,920,623	33,001,367	37,620,003	47,370,223

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)

	2012	2013	2014	2015	2016
Revenues:					
Taxes	15,960,662	16,602,329	15,320,806	15,537,262	16,491,447
Intergovernmental	10,330,915	7,372,878	6,948,479	7,092,141	7,734,995
Licenses and permits	1,156,719	1,156,968	1,308,482	1,846,997	2,520,937
Charges for services	1,055,391	1,036,563	1,087,091	1,138,731	1,191,275
Fines, forfeitures and penalties	619,397	691,548	700,126	676,830	597,373
Development participation	-	-	-	-	-
Investment income	582,176	474,970	873,631	754,865	1,002,835
Other	658,670	928,596	61,690	114,074	71,152
Total revenues	30,363,930	28,263,852	26,300,305	27,160,900	29,610,014
Expenditures					
Current:					
General government	4,203,302	3,988,156	3,973,364	3,879,122	3,664,633
Public safety	7,517,101	7,773,611	7,913,659	8,156,485	8,452,932
Public works	6,417,803	6,909,471	6,184,890	6,348,101	6,346,179
Community development	3,681,903	2,605,654	2,846,112	3,150,240	3,323,933
Parks and recreation	2,532,665	2,208,564	2,157,424	2,071,443	2,123,274
Capital outlay	9,090,076	3,126,669	3,268,391	4,924,435	2,302,974
Debt service:					
Principal	1,210,000	-	-	-	-
Interest and fiscal charges	961,506	-	-	-	-
Total expenditures	35,614,356	26,612,125	26,343,840	28,529,826	26,213,925
Excess (deficiency) of revenues over (under) expenditures	(5,250,426)	1,651,727	(43,535)	(1,368,926)	3,396,089
Other financing sources (uses):					
Transfers in	6,431,374	2,772,415	3,053,605	2,433,974	1,386,471
Transfers out	(6,554,374)	(2,772,415)	(3,053,605)	(2,433,974)	(1,386,471)
Transfer to Successor Agency	-	(6,392,878)	-	-	-
Total other financing sources (uses)	(123,000)	(6,392,878)	-	-	-
Extraordinary item:					
Gain (loss) on dissolution of redevelopment agency	(8,619,249)	-	-	-	-
Net change in fund balances	(13,992,675)	(4,741,151)	(43,535)	(1,368,926)	3,396,089
 noncapital expenditures	 6.8%	 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.

	2017	2018	2019	2020	2021
Revenues:					
Taxes	17,447,510	18,698,988	18,946,836	18,503,951	19,082,069
Intergovernmental	6,726,279	8,002,636	8,588,211	8,179,055	11,041,044
Licenses and permits	2,754,881	3,128,000	2,636,026	2,115,419	2,492,893
Charges for services	1,012,557	1,572,266	1,653,095	1,204,638	489,269
Fines, forfeitures and penalties	607,754	633,711	622,221	612,080	598,032
Development participation	-	28,591	117,115	150,728	78,558
Investment income	666,968	210,288	1,158,407	905,039	778,295
Other	231,545	566,338	250,364	271,515	63,684
Total revenues	29,447,494	32,840,818	33,972,275	31,942,425	34,623,844
Expenditures					
Current:					
General government	4,280,825	4,546,789	4,077,516	3,768,562	4,587,158
Public safety	9,060,840	9,318,858	9,089,645	9,577,867	10,574,620
Public works	6,499,220	6,554,648	7,247,391	7,032,609	7,098,823
Community development	3,385,455	3,279,088	3,637,692	3,352,332	3,349,209
Parks and recreation	2,300,906	2,386,463	2,343,452	2,703,857	1,706,997
Capital outlay	2,790,493	3,606,095	495,838	888,559	941,577
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	28,317,739	29,691,941	26,891,534	27,323,786	28,258,384
Excess (deficiency) of revenues over (under) expenditures	1,129,755	3,148,877	7,080,741	4,618,639	6,365,460
Other financing sources (uses):					
Transfers in	2,442,441	121,361	-	-	-
Transfers out	(2,442,441)	(121,361)	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Extraordinary item:					
Gain (loss) on dissolution of redevelopment agency	-	-	-	-	-
Net change in fund balances	1,129,755	3,148,877	7,080,741	4,618,639	6,365,460
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

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

Source: City of Rosemead, Department of Finance.

CITY OF ROSEMEAD**Schedule 5**

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

Fiscal Year Ended June 30	City				Total Direct Tax Rate
	Secured	Unsecured	SBE Non- Unitary	Taxable Assessed Value	
2012	3,458,570,185	71,320,472	3,301,527	3,533,192,184	22.35%
2013	3,531,097,436	68,996,223	3,301,527	3,603,395,186	22.11%
2014	3,654,495,783	68,912,542	1,901,995	3,725,310,320	9.27%
2015	3,806,028,086	71,498,360	1,901,995	3,879,428,441	9.27%
2016	4,012,426,717	62,768,733	1,901,995	4,077,097,445	9.27%
2017	4,202,108,491	63,820,415	2,051,995	4,267,980,901	9.27%
2018	4,375,810,412	60,507,061	2,051,995	4,438,369,468	9.27%
2019	4,591,020,006	63,704,447	2,051,995	4,656,776,448	9.28%
2020	4,809,362,427	71,764,032	2,347,932	4,883,474,391	9.28%
2021	5,038,058,045	72,031,236	2,408,307	5,112,497,588	9.28%

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 2022/12-2020/21 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Basic Levy ¹	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
El Monte City School District	0.0000	0.0000	0.0000	0.1182	0.1464	0.1468	0.1462	0.1458	0.1080	0.0751
El Monte Union High School	0.0959	0.0899	0.0980	0.0842	0.0916	0.0847	0.0824	0.0879	0.1097	0.0929
Garvey School District	0.0569	0.0604	0.0598	0.0595	0.0587	0.0607	0.0833	0.0871	0.0862	0.0843
Garvey-Alhambra	0.0272	0.0280	0.0315	0.0291	0.0291	0.0281	0.0481	0.0454	0.0366	0.0381
Los Angeles Community College District	0.0353	0.0488	0.0445	0.0402	0.0358	0.0360	0.0460	0.0462	0.0272	0.0402
Metropolitan Water District	0.0180	0.0180	0.0180	0.0180	0.0180	0.0230	0.0300	0.0300	0.0300	0.0300
Montebello Unified School District	0.1000	0.0963	0.0946	0.0875	0.0872	0.1471	0.1351	0.1392	0.0931	0.0971
Pasadena Community College District	0.0196	0.0206	0.0190	0.0103	0.0087	0.0089	0.0082	0.0077	0.0072	0.0055
Rio Hondo Community College District	0.0000	0.0000	0.0000	0.0282	0.0271	0.0281	0.0275	0.0255	0.0257	0.0136
Rosemead School District	0.1051	0.1024	0.1031	0.0989	0.1000	0.0853	0.1198	0.0926	0.0868	0.0746
San Gabriel Unified School District	0.0845	0.1052	0.1008	0.1144	0.1068	0.1053	0.1008	0.1056	0.0968	0.0986
Total Direct & Overlapping² Tax Rates	1.5424	1.5695	1.5694	1.6885	1.7093	1.7539	1.8273	1.8130	1.7073	1.6500
City's Share of 1% Levy Per Prop 13 ³	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939	0.0939
Voter Approved City Debt Rate										
Redevelopment Rate ⁴	1.0037									
Total Direct Rate ⁵	0.2235	0.2211	0.0927	0.0927	0.0927	0.0927	0.0927	0.0928	0.0928	0.0928

Notes:

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

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

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

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

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

Source: Los Angeles County Assessor 2022/12-2020/21 Combined Tax Rolls and HDL Coren & Cone

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

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Rosemead Place, LLC	\$ 53,013,245	1	1.04%	\$ 41,688,891	1	1.18%
Walmart Real Estate Business Trust	41,373,295	2	0.81%	36,517,540	2	1.03%
Rosemead Hwang LLC	37,918,218	3	0.74%	32,367,942	3	0.92%
AFG Investment Fund 5 LLC	28,176,553	4	0.55%	24,052,238	4	0.68%
MHI Rosemead LP	26,217,107	5	0.51%	-	-	-
Sunshine Inn	21,641,517	6	0.42%	10,444,559	10	0.30%
Metodo Investments LLC	21,186,205	7	0.41%	18,135,525	6	0.51%
420 Boyd Street LLC	19,915,058	8	0.39%	18,555,925	5	0.53%
Panda Restaurant Group Inc	17,571,496	9	0.34%	13,049,543	9	0.37%
Macy's California Inc	16,013,206	10	0.31%	13,669,299	7	0.39%
California Federal Savings and Loan Association	-	-	-	13,486,586	8	0.38%

Source: Los Angeles County Assessor Combined Tax Rolls and SBE Non Unitary Tax Roll for 2011/12 and 2020/21 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
2012	2,711,546	2,699,377	99.55%	-	2,699,377	99.55%
2013	2,771,913	2,710,893	97.80%	-	2,710,893	97.80%
2014	2,865,651	2,850,674	99.48%	-	2,850,674	99.48%
2015	2,981,810	2,935,129	98.43%	-	2,935,129	98.43%
2016	3,134,303	3,114,233	99.36%	-	3,114,233	99.36%
2017	3,187,187	2,632,109	82.58%	-	2,632,109	82.58%
2018	3,336,547	2,878,054	86.26%	-	2,878,054	86.26%
2019	3,489,499	3,008,322	86.21%	-	3,008,322	86.21%
2020	3,675,962	3,064,430	83.36%	-	3,064,430	83.36%
2021	3,847,941	3,377,336	87.77%	-	3,377,336	87.77%

* Information not available.

Source: Los Angeles County Auditor Controller's Office

CITY OF ROSEMEAD

Schedule 9

Direct and Overlapping Governmental Activities Debt June 30, 2021

	Gross Bonded Debt Balance	Percentage Applicable To City of Rosemead	Amount Applicable to City of Rosemead
Overlapping Debt			
* Metropolitan Water District	\$ 18,151,752	0.313%	56,749
Garvey SD DS 2004 Series 2006	12,339,236	50.822%	6,270,989
Garvey SD DS 2004 Series C	8,221,018	50.822%	4,178,048
Garvey SD DS 2011 Refund Bonds	2,755,000	50.822%	1,400,133
Garvey SD DS 2013 Ref Bonds	495,000	50.822%	251,567
Garvey SD DS 2014 Ref Bonds	2,845,000	50.822%	1,445,873
Garvey SD DS 2016 Series A	8,700,000	50.822%	4,421,474
Garvey SD DS 2016 Series B	10,000,000	50.822%	5,082,154
Rosemead SD DS 2011 Ref Bond	625,000	67.319%	420,742
Rosemead SD DS 2012 Ref Bonds	5,110,000	67.319%	3,439,987
Rosemead SD DS 2008 Series B	273,740	67.319%	184,278
Rosemead SD DS 2014 Ref Bonds	5,340,000	67.319%	3,594,820
Rosemead SD DS 2016 Ref Bonds	12,075,000	67.319%	8,128,736
Rosemead SD DS 2008 Series C	1,800,000	67.319%	1,211,737
Rosemead SD DS 2014 Series A	25,575,000	67.319%	17,216,764
El Monte Union HSD DS 2008 Series B	29,820,673	14.139%	4,216,411
El Monte Union HSD DS 2015 Ref Bonds	25,460,000	14.139%	3,599,845
El Monte Union HSD DS 2016 Ref DLYD DLVR	3,880,000	14.139%	548,602
El Monte Union HSD DS 2008 Series C	2,550,000	14.139%	360,550
El Monte Union HSD DS 2016 Ref Bonds	48,425,000	14.139%	6,846,917
El Monte Union HSD DS 2008 Series D	10,500,098	14.139%	1,484,632
El Monte Union HSD DS 2018 Series A	52,245,000	14.139%	7,387,036
LA CCD DS 2003, Taxable Series 2004B	2,115,000	0.291%	6,161
LA CCD DS 2001, Taxable Series 2004A	31,555,000	0.291%	91,923
LA CCD DS 2008, 2009 Taxable Ser B	75,000,000	0.291%	218,482
LA CCD DS 2008, 2010 Tax Ser D	125,000,000	0.291%	364,137
LA CCD Debt 2008, 2010 Tax Ser E (BABS)	900,000,000	0.291%	2,621,790
LA CCD Debt 2008, 2012 Series F	199,000,000	0.291%	579,707
LA CCD DS 2013 Ref Bonds	35,410,000	0.291%	103,153
LA CCD DS 2008 Series G	205,725,000	0.291%	599,297
LA CCD DS 2015 Ref Series A	1,395,190,000	0.291%	4,064,327
LA CCD DS 2015 Ref Series B	24,305,000	0.291%	70,803
LA CCD DS 2015 Ref Series C	230,015,000	0.291%	670,057
LA CCD DS 2008 Series I	197,360,000	0.291%	574,929
LA CCD DS 2016 Ref Bonds	813,785,000	0.291%	2,370,637
Pasadena CCD DS 2014 Ref Series A	12,405,000	2.390%	296,488
Pasadena CCD DS 2016 Ref Series A	54,045,000	2.390%	1,291,714
Montebello USD DS 1998 Series 1998	2,797,152	1.558%	43,591
Montebello USD DS 1998 Series 1999	5,484,723	1.558%	85,474
Montebello USD DS 1998 Series 2004	5,562,649	1.558%	86,688
Montebello USD DS 1998 Series 2002	4,860,085	1.558%	75,739
Montebello USD DS 2004 Series 2009A-2 BABS	12,640,000	1.558%	196,981
Montebello USD DS 2010 Refunding Bonds	1,200,000	1.558%	18,701
Montebello USD DS 2004 Series 2013A	16,150,000	1.558%	251,681
Montebello USD DS Ref Bond Series 2015	27,250,000	1.558%	424,662

CITY OF ROSEMEAD**Schedule 9**
Direct and Overlapping Governmental Activities Debt
June 30, 2021

	Gross Bonded Debt Balance	Percentage Applicable To City of Rosemead	Amount Applicable to City of Rosemead
Montebello USD DS Ref Bonds 2016 Series A	14,585,000	1.558%	227,292
Montebello USD DS 2016 Series A	79,345,000	1.558%	1,236,508
San Gabriel USD DS 2010 Ref Bonds	8,407,370	1.189%	99,926
San Gabriel USD DS 2008 Series B	5,705,000	1.189%	67,807
San Gabriel USD DS 2012 Ref Bond Series B	13,235,940	1.189%	157,317
San Gabriel USD DS 2008 Series C	22,851,249	1.189%	271,600
San Gabriel USD DS 2015 Ref Bond Series A	29,830,000	1.189%	354,546
Total Overlapping Debt			99,270,162

2019/20 Assessed Valuation: \$4,029,492,681 After Deducting \$853,981.70 Incremental Value.

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	2.46%
Total Debt	2.46%

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

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

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

Source: Hdl Coren & Cone, L.A. County Assessor and Auditor Combined 2020-21 Lien Date Tax Rolls.

CITY OF ROSEMEAD

Legal Debt Margin Information Last Ten Fiscal Years

	2011/12	2012/13	2013/14	2014/15	2015/16
Assessed valuation	3,533,192,184	3,603,395,186	3,725,310,320	3,879,248,441	4,077,097,445
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	883,298,046	900,848,797	931,327,580	969,812,110	1,019,274,361
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	132,494,707	135,127,319	139,699,137	145,471,817	152,891,154
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	132,494,707	135,127,319	139,699,137	145,471,817	152,891,154
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

	2016/17	2017/18	2018/19	2019/20	2020/21
Assessed valuation	4,337,892,775	4,525,131,407	4,745,176,577	4,960,200,386	5,175,006,979
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,084,473,194	1,131,282,852	1,186,294,144	1,240,050,097	1,293,751,745
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	162,670,979	169,692,428	177,944,122	186,007,514	194,062,762
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	162,670,979	169,692,428	177,944,122	186,007,514	194,062,762
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

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

CITY OF ROSEMEAD**Schedule 11**

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2012	2,601,979	1,210,000	961,506	1.20
2013	5,439,677	1,795,000	1,852,123	1.49
2014	5,517,943	1,855,000	1,790,511	1.51
2015	5,521,038	1,920,000	1,718,573	1.52
2016	5,724,292	1,995,000	1,635,578	1.58
2017	4,711,788	850,000	1,602,713	1.92
2018	3,916,792	2,320,000	1,386,038	1.06
2019	3,863,435	2,160,000	1,352,881	1.10
2020	3,634,145	2,205,000	1,229,000	1.06
2021	4,204,501	2,295,000	1,126,375	1.23

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

Source: City of Rosemead, Department of Finance

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

Fiscal Year	Population ⁽¹⁾	Personal Income (in thousands) ⁽²⁾	Per Capita Personal Income	Unemployment Rate ⁽³⁾	Median Age ⁽³⁾
2011-12	54,172	952,560	17,584	10.80%	38
2012-13	54,464	959,982	17,626	8.10%	38.8
2013-14	54,762	944,918	17,255	6.70%	38.8
2014-15	54,786	956,180	17,453	9.50%	39.7
2015-16	55,231	932,800	16,889	7.70%	40.4
2016-17	54,984	960,740	17,473	6.10%	40.5
2017-18	55,267	972,350	17,594	4.30%	40.7
2018-19	55,097	1,040,232	18,880	4.30%	41.5
2019-20	54,363	1,084,896	19,956	4.20%	41.4
2020-21	54,229	1,175,005	21,667	16.20%	41.9

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 Nine Years Ago

Employer	2021			2012		
	Number of Employees	Rank	Percent of Total Employment ¹	Number of Employees	Rank	Percent of Total Employment ²
Southern California Edison	2722	1	12.04%	4100	1	18.39%
Garvey School District	754	2	3.34%	804	2	3.61%
Panda Restaurant Group, Inc.	699	3	3.09%	400	4	1.79%
Wal-Mart	647	4	2.86%	420	3	1.88%
Rosemead School District	320	5	1.42%	337	5	1.51%
Target	255	6	1.13%	200	6	0.90%
Hemetic Seal Corporation	121	7	0.54%	150	7	0.67%
University of the West	109	8	0.48%	-	-	-
Lucille's	90	9	0.40%	-	-	-
Don Bosco Tech	85	10	0.38%	90	8	0.40%
Marge Carson, Inc	-	-	-	80	9	0.36%
Double Tree	-	-	-	76	10	0.34%

¹ Based upon Employment Development Department's estimate of 22,300 residents employed - June 2012

² Based upon Employment Development Department's estimate of 22,600 residents employed - June 2021

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

2021		2012	
Sales Tax Producers	Business Category	Sales Tax Producers	Business Category
Altec industries	Heavy Industrial	7 Eleven	Service Stations
AutoZone	Automotive Supply Stores	888 Seafood	Casual Dining
Beason Roofing Supply	Building Materials	Allied Building Products	Building Materials
Boiling Crab	Casual Dining	Areco	Service Stations
Circle K	Service Stations	AutoZone	Automotive Supply Stores
CVS Pharmacy	Drug Stores	Bed Bath & Beyond	Home Furnishings
In N Out Burger	Quick-Service Restaurants	CH Auto	Used Automotive Dealers
Jack in the Box	Quick-Service Restaurants	Charley Browns	Casual Dining
LC Electrical & Lighting Corp	Electrical Equipment	Circle K	Service Stations
Lucille's Smokehouse Bar-B-Q	Casual Dining	CVS Pharmacy	Drug Stores
Macys	Department Stores	Dunn Edwards Paint	Paint/Glass/Wallpaper
McDonalds	Quick-Service Restaurants	East Gourmet Seafood	Casual Dining
McDonalds	Quick-Service Restaurants	In N Out Burger	Quick-Service Restaurants
Olive Garden	Casual Dining	Macys	Department Stores
Panda Express	Fast-Casual Dining	McDonalds	Quick-Service Restaurants
Petsmart	Specialty Stores	McDonalds	Quick-Service Restaurants
Rosemead Valley Mart Mobil	Service Stations	Office Depot	Office Supplies/Furniture
Ross	Family Apparel	Rite Aid	Drug Stores
Sam Woo Chinese BBQ	Casual Dining	Rosemead Mobil	Service Stations
Shell	Service Stations	Rosemead Valley Mart Mobil	Service Stations
Spa Nails Supply	Specialty Stores	Sea Harbour Seafood	Casual Dining
T Mobile	Electronics/Appliance Stores	Shell	Service Stations
Target	Discount Dept Stores	Southern Cal Edison Café	Quick-Service Restaurants
Ulta Beauty	Specialty Stores	Target	Discount Dept Stores
Walmart Supercenter	Discount Dept Stores	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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	13	10	10	11	12	12	12	13	14	14
Public safety ¹	9	7	7	6	6	7	7	3	3	8
Community development	6	6	6	6	7	7	7	10	11	6
Public works	20	20	20	20	20	20	21	23	23	20
Parks and recreation	11	10	10	10	8	9	9	8	9	8
	<hr/>									
Total	59	53	53	53	53	55	56	57	60	56

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Arrests	1,842	1,186	1,356	1,585	1,339	1,046	1,256	1,817	2,649	2,966
Parking citations issued	7,797	8,765	16,110	7,863	8,047	7,676	8,086	6,244	7,898	9,472
Fire:										
Number of emergency calls	2,928	2,785	2,823	3,212	3,352	3,206	3,822	2,823	2,789	2,803
Inspections	2,066	2,012	2,026	2,793	2,564	2,311	2,430	2,288	2,267	2,256
Public works:										
Street resurfacing (miles)	3.60	0.90	1.60	0.55	1.00	0.70	0.80	1.00	0	0
Parks and recreation:										
Number of recreation classes	519	638	724	839	871	873	707	631	387	210
Number of facility rentals	3,261	3,124	4,005	2,607	3,070	6,226	3,679	2,508	2,387	1,244

Source: City of Rosemead

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration:										
City Hall	1	1	1	1	1	1	1	1	1	1
Public safety:										
Public Safety Center	1	1	1	1	1	1	1	1	1	1
Public works:										
Corporate Yard	1	1	1	1	1	1	1	1	1	1
Streets (miles)	77.6	77.6	77.6	77.6	81.9	81.9	81.8	81.8	81.8	81.8
Streetlights	2,712	2,712	2,712	2,712	2,712	2,712	2,511	2,511	2,511	2,511
Traffic signals	42	42	42	42	41	42	42	42	42	42
Parks and recreation:										
Parks	10	10	10	10	10	10	11	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