

CITY OF ROSEMEAD
Rosemead, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Prepared by the Finance Department
Matthew Hawkesworth
Director of Finance

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CITY OF ROSEMEAD

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

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MAYOR:
POLLY LOW

MAYOR PRO TEM:
WILLIAM ALARCON

COUNCIL MEMBERS:
SANDRA ARMENTA
MARGARET CLARK
STEVEN LY



City of Rosemead

8838 E. VALLEY BOULEVARD P.O BOX 399
ROSEMEAD, CALIFORNIA 91770
TELEPHONE (626) 569-2100
FAX (626) 307-9218

January 8, 2014

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Rosemead:

Sound financial practice dictates that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Rosemead for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the City of Rosemead. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Rosemead has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Rosemead's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Rosemead's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Rosemead's financial statements have been audited by Rogers, Anderson, Malody, & Scott, LLP ("RAMS"), a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Rosemead for the fiscal year ended June 30, 2013, 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 a reasonable basis for rendering an unqualified opinion that the City of Rosemead's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Rosemead was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards 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. GAAP require that management provide a narrative introduction, overview, and analysis

to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Rosemead's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Rosemead, incorporated in 1959, is located in the southwestern part of the state, which is considered to be the top growth area in the state, and one of the top growth areas in the country. The City of Rosemead currently occupies a land area of 5.5 square miles and serves a population of more than 54,000. Property tax is levied and collected by the County of Los Angeles. The City and Community Development Commission's portion is remitted to the City by the County.

The City of Rosemead has operated under the council-manager form of government since 1959. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and commissioners, and hiring the government's manager, attorney and clerk. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every two years and two elected the opposite two years. The mayor is selected from among the five council members, by the council members, and serves for a one year term.

Many of the functions often provided by municipal government are provided by special districts. Examples of some of Rosemead's 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 in effect during the fiscal year were for police and street maintenance. The City also has two blended component units: 1) the Rosemead Financing Authority (the Authority) and 2) the Rosemead Housing Development Corporation (RHDC). The City of Rosemead also provides a full range of services, including recreational activities and cultural events. Additional information on all both of these legally separate entities can be found in Note 1(a) in the notes to the financial statements.

The annual budget serves as the foundation for the City of Rosemead and its component unit's financial planning and control. All business units and component units of the City of Rosemead are required to submit requests for appropriation to the City Manager in mid-March of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review prior to June 30. The City Council is required to hold public hearings on the proposed budget and to adopt a 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). Department heads, with City Manager approval, may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the City Council. 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, these comparison schedules are presented in the other supplementary section of the accompanying financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Rosemead operates.

Local economy. Considering the current recessionary economy, the City of Rosemead currently enjoys a reasonably favorable economic environment and local indicators point to stability with slow growth due to the current economy. The region has a varied retail and industrial base including two national general merchandise stores that historically perform well in a recessionary economy. They have continued to perform fairly well and along with some new restaurants and retail businesses have helped the City's sales tax to stabilize with some growth. A direct comparison with the previous fiscal year will show a decline in sales tax revenues; however, this is due to the misallocation of taxes that will be corrected in the 2013/14 Fiscal Year. It should be noted that while the stability and growth has been positive, sales tax receipts are still down in comparison to the 2008/09 peak. The stability realized in retail has helped keep Rosemead's unemployment rate down to 9.0% whereas the larger Los Angeles, Long Beach, Glendale area rate is 10.2%. Major employers are listed in the statistical section of the accompanying financial report. TGI Fridays and Olive Garden opened during the year and a number of major establishments have signed agreements to locate in Rosemead or have shown serious interest in doing so in the near future.

Long-term Financial Planning. On December 8, 2009 the City Council approved its vision for the year 2020 and on January 10, 2012 the City Council amended its implementation plan for the years 2012 and 2013. The implementation plan identifies three Key Organizational Goals: 1) Ensure the City's Continued Financial Viability. 2) Enhance Public Safety and Quality of Life. 3) Beautify Residential Neighborhoods and Commercial Corridors. Many action items designed to meet these goals were started in the 2011-12 Fiscal Year and continued throughout the 2012-13 Fiscal Year including capital improvement projects for street resurfacing, slurry sealing, curb and ramp improvements and tree planting as well as other park and facility renovations and improvements. Additionally, one of the new implementation strategies that was added is to complete a formal long-term financial plan for the City. The City's first five-year financial plan was developed during the fiscal year and will be used annually as part of the budget development process to identify capital and operating needs over the next five years.

Cash management policies and practices. Cash, temporarily idle during the year, was invested in federally insured certificates of deposit, medium term notes, Federal agency debt issuances and the State Treasurer's Local Agency Investment Fund (LAIF). In accordance with State law, and the City's more conservative investment policy all City investments strictly adhere to the priorities, in order of importance, of: 1) safety, 2) liquidity and 3) yield.

Risk Management. The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 122 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 and reinsurance, and to arrange for group-purchased insurance for property and other coverage. Additional information can be found in Note 10 in the notes to the Basic Financial Statements.

Pension and other postemployment benefits. The City of Rosemead contracts with the California Public Employees Retirement System (CalPERS) for retirement benefits for full-time employees. Supplemental retirement benefits are offered to qualified full-time employees,

retirees and part-time employees through Public Agency Retirement Services (PARS). The City also provides health insurance benefits for certain qualified retirees. In accordance with GASB Statement No.45, additional information on the City of Rosemead's pension arrangements and postemployment benefits can be found in Note 11 in the notes to the Basic Financial Statements.

Dissolution of the Redevelopment Agency (RCDC). On December 29, 2011 the California State Supreme court upheld the ruling that allows the legislature to dissolve redevelopment agencies. The dissolution became effective on February 1, 2012 thus eliminating nearly \$7 million of annual tax increment revenue to the City. The State has continued to provide funding for enforceable obligations such as debt service and the Rosemead Housing Development Corporation's Operating and Assistance agreement and will continue to do so until all of the obligations have been repaid in full. The consequence is that the City lost more than \$2 million in funding for economic development and job creation.

Awards and Acknowledgement

The preparation of this report would not have been possible without the efficient and dedicated services of the entire team of the finance and administration departments. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the city council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Rosemead's finances.

Respectfully submitted,



Matthew E. Hawkesworth
Assistant City Manager/Director of Finance

CITY OF ROSEMEAD

Directory of Officials

June 30, 2013

CITY COUNCIL

Polly Low, Mayor

William Alarcon, Mayor Pro Tem

Sandra Armenta, Council Member

Margaret Clark, Council Member

Steven Ly, Council Member

CITY MANAGEMENT

Jeff Allred, City Manager

Matthew E. Hawkesworth, Assistant City Manager/Finance Director

Michelle Ramirez, Community Development Director

David Montgomery-Scott, Director of Parks and Recreation

Chris Marcarello, Public Works Director

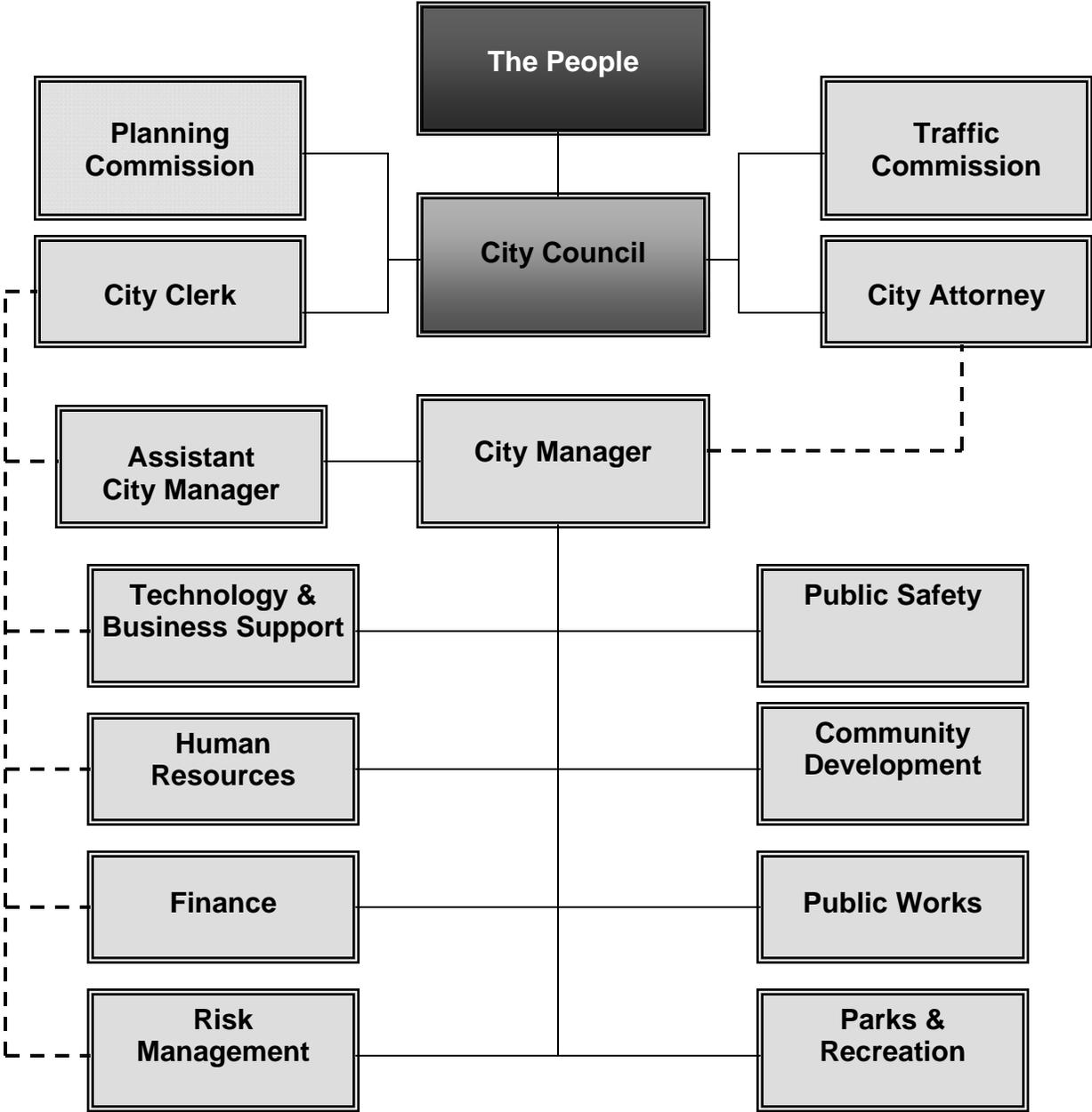
Lt. Ignacio Somoano, Chief of Police

Gloria Molleda, City Clerk/Director of Public Information & Communications

Burke, Williams & Sorensen, LLP, City Attorney

CITY OF ROSEMEAD

Function Based Organizational Chart



FINANCIAL SECTION

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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The Honorable Mayor and City Council
City of Rosemead
Rosemead, California

INDEPENDENT AUDITOR'S REPORT

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Matthew B. Wilson, CPA, MSA, CGMA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA
Bradferd A. Welebir, CPA, MBA
Jenny Liu, CPA, MST
Papa Matar Thiaw, CPA, MBA
Maya S. Ivanova, CPA, MBA
Peter E. Murray, CPA
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Yiann Fang, CPA
Daniel T. Turner, CPA, MSA
Derek J. Brown, CPA, MST
David D. Henwood, CPA

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants

Report on the financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rosemead, California (City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rosemead, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and nonmajor fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 nonmajor fund budgetary comparison schedules are fairly stated, in all material respects in relation to the financial statements as a whole.

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

Implementation of new pronouncements

As discussed in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Rogers Anderson Maloney & Scott, LLP

San Bernardino, California
January 8, 2014

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Management's Discussion and Analysis

As management of the City of Rosemead, we offer readers of the City of Rosemead's financial statements this narrative overview and analysis of the financial activities of the City of Rosemead for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report. All amounts, unless otherwise indicated, are in thousands of dollars.

Financial Highlights

- General Fund unassigned fund balance at the end of FY 2012-13 has increased for the first time in 6 years due to increased revenues and several large one-time payments. Since the downturn in the economy in 2007-08, the City has worked diligently to reduce expenditures while maintaining programs and service levels. This increase in fund balance and reserves is the direct result of the difficult decisions that have been made over the last several years to live within our means. The City's staff and elected officials are committed to setting aside funds in the good years to ensure reserves are available during the lean years.
- The General Fund budget assumed for a decrease in unassigned reserves of approximately \$825 thousand due to contributions to the Other Post Employment Benefit fund and Capital Improvement Projects; however, due to increased revenues, several large one-time revenues, and a reduction in expenditures, approximately \$1.544 million was added in FY 2012-13.
- The assets related to Government Activities has been reduced by more than \$9 million in FY 2012-13 due to final close outs of the former Redevelopment Agency and the Low and Moderate Income Housing Fund.
- At the end of the current fiscal year unassigned fund balance for the General Fund was \$11,063,116 or 63 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Rosemead's basic financial statements. The City of Rosemead's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

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 private-sector business.

The *statement of net position* presents information on all of the City of Rosemead's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Rosemead is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only the City of Rosemead itself (known as the *primary government*), but also a legally separate financing authority and a legally separate low income housing corporation, for which the City of Rosemead is financially accountable. Financial information for the *component units* is reported separately from 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. All of the funds of the City of Rosemead can be divided into three categories: governmental funds, internal service 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 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. Such information may be useful in evaluating a government's near-term financing requirements.

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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Rosemead and its component units maintain 14 active governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Rosemead Housing Development Corporation, Successor Agency Low-Moderate Income Housing Set-Aside Fund, HOME Fund and Capital Project Fund, all five of which are considered to be major funds. Data from the other 9 governmental funds are

combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Rosemead adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided for the General Fund, Rosemead Housing Development Corporation Fund, HOME Program Fund, Community Development Block Grant Fund, Proposition A Fund, Proposition C Fund, Federal Highway Grant Fund, State Gas Tax Fund, Air Quality Management District Fund, Street Lighting Fund, Narcotic Forfeiture and Seizure Fund, Measure R Fund, and City Capital Projects Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 - 22 of this report.

Fiduciary funds. 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 resources of those funds are *not* available to support the City of Rosemead's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 26 - 27 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 notes to the Basic Financial Statements can be found on pages 28 – 56 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 beginning on pages 58 - 62 of this report.

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 65 - 84 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Rosemead, assets exceeded liabilities (net position) by \$71,698,587 at the close of the most recent fiscal year.

A significant portion of the City of Rosemead's net position (71.1 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related outstanding debt used to acquire those assets. The City of Rosemead uses these capital assets to provide services to the citizens; consequently, these assets are *not* available for future spending. Although the City of Rosemead's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Rosemead's Net Position
As of June 30, 2013 and 2012
(thousands)

	Governmental Activities	
	2013	2012
Current and other assets	\$ 23,847	\$ 30,709
Capital assets	51,011	53,312
Total assets	74,858	84,021
Long-term liabilities outstanding	1,432	1,616
Other liabilities	1,727	3,836
Total liabilities	3,159	5,452
Net position:		
Net investment in capital assets	51,133	54,010
Restricted	2,829	10,871
Unrestricted	17,737	13,688
Total net position	\$ 71,699	\$ 78,569

An additional portion of the City of Rosemead's net position (3.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$17.737 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Rosemead is able to report positive net position balances. The situation also held true for the prior fiscal year.

The government's net position decreased by \$6,870,268 during the current fiscal year. The decrease can be attributed to the final unwinding of redevelopment, which included the repayment of excess cash to the County of Los Angeles and the write-off of interfund debt between former redevelopment funds.

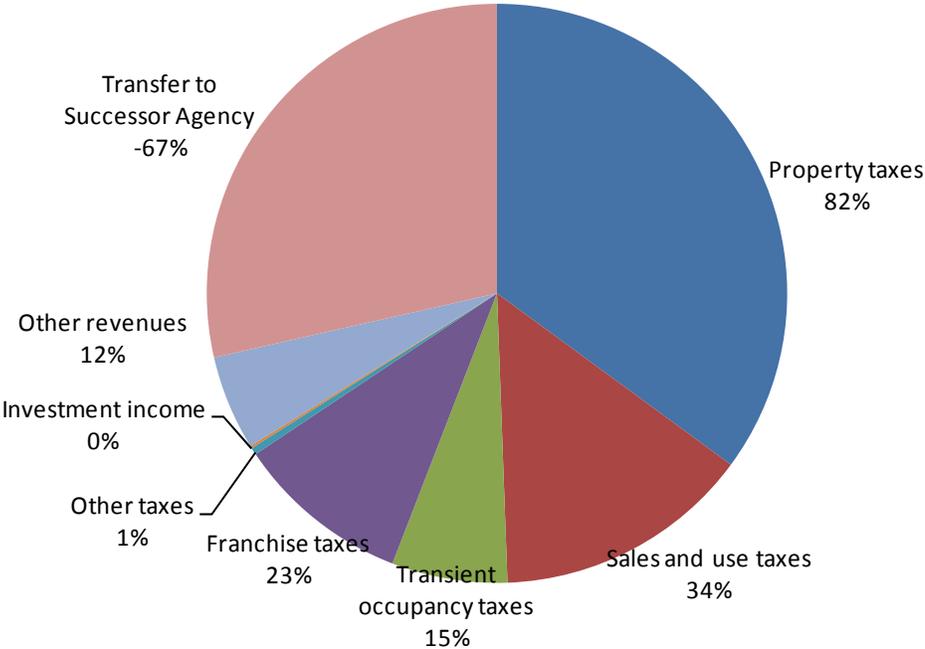
Governmental activities. Governmental activities decreased the City of Rosemead's net position by \$6,870,268. Contributing to the change in net position are several single occurrence events described below.

- As mentioned above, the final unwinding of the redevelopment agency sent cash payments totaling \$2.7 million to the County of Los Angeles.
- Less: A \$4.5 million loan payable from future tax increment revenues to the Low & Moderate Income Housing Fund was written off when the fund was closed out.

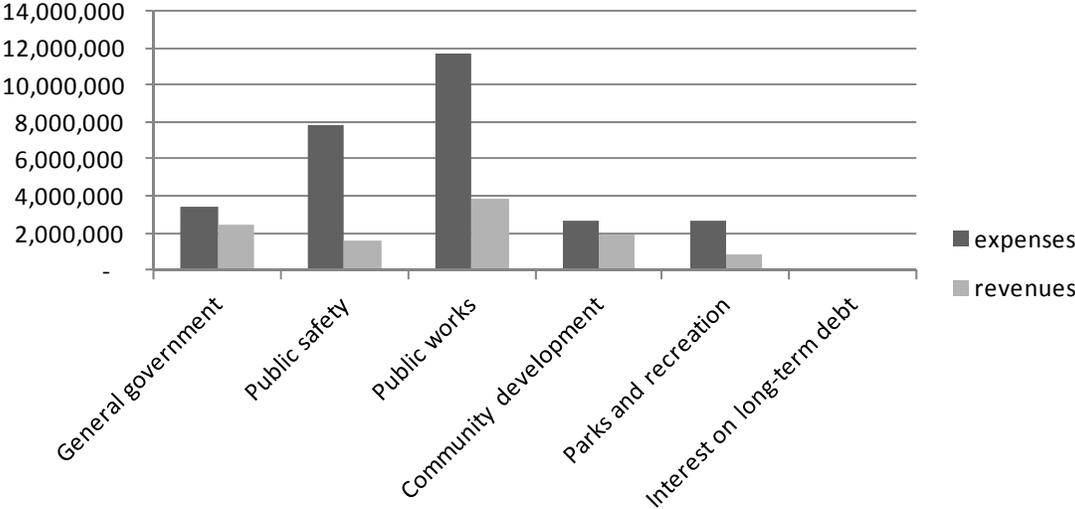
City of Rosemead's Changes in Net Position
Years Ended June 30, 2013 and 2012
(thousands)

	Governmental Activities	
	2013	2012
Program revenues:		
Charges for services	\$ 3,277	\$ 3,206
Operating grants and contributions	6,362	5,051
Capital grants and contributions	944	1,568
General revenues:		
Property taxes	8,900	10,567
Other taxes	6,940	5,158
Investment income	28	195
Other	1,181	854
Loss on sale of capital assets	-	(2,340)
Transfer to Successor Agency	(6,393)	-
Extraordinary item:		
Gain on dissolution of redevelopment agency	-	34,271
Total revenues	21,239	58,530
Expenses:		
General government	3,382	3,989
Public safety	7,791	7,517
Public works	11,717	11,588
Community development	2,616	4,080
Parks and recreation	2,595	2,533
Interest on long-term debt	8	570
Total expenses	28,109	30,277
Increase in net position	(6,870)	28,253
Net position - June 30, 2012	78,569	50,316
Net position - June 30, 2013	\$ 71,699	\$ 78,569

Revenues by Source Governmental Activities



Expenses and Program Revenues Governmental Activities



Financial Analysis of the Government's Funds

The focus of the City of Rosemead's *governmental funds* is to provide information on the near-term inflows, and balances of *spendable* resources. Such information is useful in assessing the City of Rosemead's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Rosemead's governmental funds reported combined fund balances of \$19,658,363 a decrease of \$4,741,151 in comparison with the prior year. Approximately 52.3% of this total amount \$10,274,892 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *segregated into nonspendable fund balance, restricted fund balance, committed fund balance, or assigned fund balance* to indicate that it is not available for new spending because it has already been committed for other purposes.

General Fund. The general fund is the chief operating fund of the City of Rosemead. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$11,063,116, while total fund balance reached \$17,617,440. 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 62.8 percent of total general fund expenditures, while total fund balance represents 100.0 percent of that same amount.

The fund balance of the City of Rosemead's general fund increased by \$2,796,268 during the current year. Highlights of the change in fund balance are presented below:

- General Fund property tax increased \$1,406,386 over last year. The City received a settlement from the County of Los Angeles of \$480,000 related to a legal dispute over property tax administrative fees. The City also received one-time property tax payments related to the dissolution of redevelopment.
- The City's solid waste provider issued an upfront franchise fee payment of \$1.6 million upon the issuance of a new 10-year franchise agreement.
- The City continued to make payments towards the unfunded portion of the Other Post Employment Benefits liability in the amount of \$644,548. While this payment was originally budgeted to be taken from Unassigned General Fund Balance, there was an increase in Fund Balance due to the large increase in revenues.
- Operating cost overruns in the City as a whole were minimal and were generally related to emergency response to several events during the fiscal year. The largest costs were related to the clean-up efforts from the wind storm, which resulted in a large loss of trees and supporting infrastructure in the northern part of the City. Additional costs overruns, such as those for citation processing and building inspections were covered by increases in revenue which more than offset the related costs. There were also additional costs related to fuel and vehicle maintenance.

General Fund Budget Analysis. The City's General Fund collected revenues of slightly more than \$3 million in comparison to the budgeted estimates. The majority of these revenues were for one-time events and were not needed to fund ongoing operations. Major contributors for the excess revenue were the settlement payment by the County of Los Angeles related to a property tax administration fee lawsuit, an upfront franchise fee payment from the City's solid waste provider, and property tax related to the dissolution of redevelopment agencies. Since these were one-time funds and not needed to balance the budget or fund existing operations, revenue adjustments to the budget were not made during the fiscal year. Other contributors to the variance in Taxes revenue includes an increase of \$96,000 in Sales Tax, which was driven by an improving economy and the opening of some new businesses, an increase of \$231,000 in Transient Occupancy Tax from an improving travel industry. Shortfalls from budgeted estimates were isolated to interest earnings, \$57,000, due an investment market that continues to struggle. A positive variance of \$206,000 in Fines and Forfeitures was a result of increased collections of parking citations by the City's new third-party agent and the administrative citation process implemented in 2011-12. Charges for services, primarily in the Parks and Recreation Division were underestimated by approximately \$105,000 which can be credited to increased usage of the new aquatics facilities and contract classes. The remainder, Other Revenue, was \$103,000 higher than estimated revenue because of grants and other reimbursements provided to the City during the year.

The General Fund original expenditure budget was increased by \$710,290. The main contributor to the increase was the \$644,548 appropriation for the City's unfunded retirement liability, and the second major adjustment was an increase due to legal fees from a lawsuit filed against the City. Additional adjustments were made for expenditures such as parking ticket processing, which was more than offset by increased revenue collection. Net actual expenditures were \$730,819 less than the amended budget. General Government underspent by \$405,533 due to Housing Development Corporation obligations being covered by the Successor Agency rather than the General Fund along with reduced legal fees for attorney services and public noticing. Public works was over budget by \$142,488 due to wind storm emergency clean-up response of \$74,000, and a large water billing adjustment of \$70,000. Public Safety underspent by \$22,284 which was a direct result of some personnel related costs due to temporary vacancies. The Community Development Department also underspent their budget by \$142,089 due to temporary staffing vacancies and a reduction in the use of contracted services. Parks and Recreation had aggregate savings of \$308,727 largely due to the reduced reliance on part-time staffing and temporary staffing vacancies, larger than anticipated utility savings at the two new aquatic centers and reduced costs for special events. The department also realized some savings due to the reduced participation in programs such as excursions and the senior lunch program.

Proposition A, C and Measure R Funds. These three funds are for transportation purposes and they are all funded with voter approved additions to Sales Tax on gasoline. The Prop A Fund is used mainly for public transportation services (fixed route bus service and Dial-A-Ride services); Proposition C has some transportation elements to it but it is focused more on transportation infrastructure maintenance purposes. Measure R mainly focuses on new transportation infrastructure development. Combined revenues in all three funds exceeded revenue estimated by \$223,607. Since the transportation taxes are an enhancement to sales tax we can see that consumer sales is beginning to increase, an early sign of economic recovery. Expenditures for the Proposition A fund are increasing as greater efforts are being made to increase fixed route ridership as are the operating expenditures for Dial-A-Ride in the Proposition C Fund. Measure R, the newest of the funds, is beginning to spend its revenue for future project planning.

Rosemead Housing Development Corporation (RHDC). The RHDC Fund has traditionally received its funding from tenant rents and subsidies from the former Low-Moderate Income Housing Fund. As operational costs have continued to increase and tenant rents have remained relatively constant, the reliance on the subsidy from the Low-Moderate Income Housing Fund has become more important. Through the elimination of redevelopment this obligation was submitted and subsequently approved by the Department of Finance as an enforceable obligation which will ensure ongoing funding for the RHDC into the future. As such, revenues and expenditures in this fund will typically balance out at the end of each fiscal year with just a minimal balance remaining due to timing issues.

Vehicle Replacement and Technology Replacement Funds. These funds are utilized to cover the costs of equipment and vehicle replacement over time. Using departments are assessed charges for equipment used by them. The charges are accumulated in the internal service funds for future replacement of vehicles and equipment.

Capital Asset and Debt Administration

Capital assets. The City of Rosemead's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$51,010,955 (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.

Major capital asset events during the current fiscal year included the following:

- Street resurfacing and right-of way improvements on Mission Drive
- Completion of the Safe Routes to Schools 2011-12 Grant related projects
- Citywide Energy Efficiency renovations
- Replaced ball field lighting at City parks
- Rosemead Community Center modernization project
- Catch Basin Insert installations in compliance with NPDES regulations
- Completed residential resurfacing projects in several neighborhoods

City of Rosemead's Capital Assets
(net of depreciation)
(thousands)

	Governmental Activities	
	2013	2012
Land	\$ 2,912	\$ 2,912
Buildings	14,397	15,032
Improvements other than Buildings	431	526
Machinery and equipment	141	116
Autos and trucks	215	381
Furniture and office equipment	25	34
Infrastructure	32,873	34,299
Construction in progress	17	12
Total	\$ 51,011	\$ 53,312

Additional information on the City of Rosemead's capital assets can be found in Note No. 7, found on pages 43 - 44 of the Basic Financial Statements.

Long-term debt. At the end of the current fiscal year, the Successor Agency for the Rosemead Community Development Commission had total bonded debt outstanding of \$41,740,000. Of this amount, all of it is backed by future property tax increment revenues.

City of Rosemead's Outstanding Debt
Revenue Bonds
(thousands)

	Governmental Activities	
	2013	2012
Tax Allocation Bonds	\$ 41,740	\$ 43,535

The Successor Agency's total bonded debt decreased by approximately \$1,800,000 during the current fiscal year due to debt service payments. For more detailed information about the City's long-term debt please refer to Note No.15, Successor Agency found on page 54 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- As discussed throughout this Management's Discussion and Analysis report, while there were significant General Fund revenue increases in FY 2012-13, most were due to one-time payments and will not be ongoing into 2013-14. Both Sales Tax and Property Tax revenues have shown modest increases and are projected to continue in a slow but steady growth pattern. The budget was balanced using only \$50,000 in one-time

revenues for 2013-14, which is in line with the Strategic Plan of eliminating the use of one-time revenues over a 3 year period.

- At the time the FY 2013-14 budget was being prepared the City had received the Finding of Completion from the State's Department of Finance, which was the final step need to utilized approximately \$7 million in tax increment bond proceeds from the former redevelopment agency. The City has included capital improvement project funding from these funds in order to complete several projects that have been on hold for more than two years. The Public Plaza and Rosemead Community Recreation Center should both be completed by the end of the fiscal year.

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 the Assistant City Manager/Finance Director, 8838 East Valley Boulevard, Rosemead, CA 91770.

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CITY OF ROSEMEAD
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
Assets:	
Cash and investments (note 2)	\$ 19,928,301
Receivables:	
Accounts	1,421,376
Interest	34,703
Notes	405,488
Due from Successor Agency (note 5)	86,729
Prepaid expenses	1,970,178
Capital assets (note 7):	
Land	2,912,284
Construction in progress	17,429
Other capital assets, net	<u>48,081,242</u>
Total assets	<u><u>74,857,730</u></u>
Liabilities:	
Accounts payable and accrued liabilities	1,509,922
Accrued salaries and benefits	210,917
Retentions payable	5,970
Non-current liabilities (note 8):	
Due within one year	384,413
Due in more than one year	<u>1,047,921</u>
Total liabilities	<u><u>3,159,143</u></u>
Net position:	
Net investment in capital assets	51,132,854
Restricted for:	
Public safety	2,723
Public works	2,684,491
Community service	141,933
Unrestricted	<u>17,736,586</u>
Total net position	<u><u>\$ 71,698,587</u></u>

The accompanying notes are an integral part of these financial statements.

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CITY OF ROSEMEAD
Statement of Activities
Fiscal Year Ended June 30, 2013

	Program Revenues			Net (expense) revenue and changes in net position	
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Governmental activities:					
General government	\$ 3,381,686	\$ 140,777	\$ 2,267,585	\$ -	\$ (973,324)
Public safety	7,791,073	678,501	-	944,410	(6,168,162)
Public works	11,717,276	272,797	3,596,488	-	(7,847,991)
Community development	2,616,531	1,399,274	497,602	-	(719,655)
Parks and recreation	2,594,863	785,611	-	-	(1,809,252)
Interest and other charges	7,827	-	-	-	(7,827)
Total governmental activities	<u>\$ 28,109,256</u>	<u>\$ 3,276,960</u>	<u>\$ 6,361,675</u>	<u>\$ 944,410</u>	<u>(17,526,211)</u>
General revenues:					
Taxes:					
Property taxes					7,848,670
Sales and use taxes					3,215,897
Property taxes in lieu of sales and use taxes					1,051,558
Transient occupancy taxes					1,447,820
Franchise taxes					2,187,195
Other taxes					88,791
Investment income					28,202
Other					1,180,688
Transfer to Successor Agency (note 15)					<u>(6,392,878)</u>
Total general revenues					<u>10,655,943</u>
Change in net position					(6,870,268)
Net position, beginning of year					<u>78,568,855</u>
Net position, end of year					<u>\$ 71,698,587</u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEMEAD
Governmental Funds
Balance Sheet
June 30, 2013

	General	Special Revenue	
		Rosemead Housing Development Corporation	Low & Moderate Income Housing Asset
<u>Assets</u>			
Cash and investments (note 2)	\$ 16,618,191	\$ 136,346	\$ -
Receivables:			
Accounts	1,168,692	14,243	-
Interest	34,703	-	-
Notes	405,488	-	-
Prepaid items	133,196	-	-
Due from other funds (note 4)	749,194	-	-
Due from Successor Agency (note 5)	80,929	-	-
Total assets	\$ 19,190,393	\$ 150,589	\$ -
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,075,272	\$ 53,269	\$ -
Accrued salaries and benefits	168,475	-	-
Retentions payable	1,166	-	-
Due to other funds (note 4)	-	-	-
Deferred revenue	328,040	-	-
Total liabilities	1,572,953	53,269	-
Fund balances:			
Nonspendable	133,196	-	-
Restricted for:			
Public safety	-	-	-
Public works	-	-	-
Community services	-	-	-
Low and moderate income housing	-	97,320	-
Committed	6,415,416	-	-
Assigned	5,712	-	-
Unassigned	11,063,116	-	-
Total fund balances (deficit)	17,617,440	97,320	-
Total liabilities and fund balances	\$ 19,190,393	\$ 150,589	\$ -

The accompanying notes are an integral part of these financial statements.

<u>Special Revenue</u>	<u>Capital Projects</u>		
<u>HOME</u>	<u>City</u>	<u>Non-Major Governmental</u>	<u>Totals</u>
\$ -	\$ -	\$ 2,882,983	\$ 19,637,520
62,957	-	175,484	1,421,376
-	-	-	34,703
-	-	-	405,488
-	-	-	133,196
-	-	-	749,194
-	-	-	80,929
<u>\$ 62,957</u>	<u>\$ -</u>	<u>\$ 3,058,467</u>	<u>\$ 22,462,406</u>
\$ 300	\$ 100,042	\$ 281,039	\$ 1,509,922
732	5,281	36,429	210,917
-	4,624	180	5,970
532,000	126,553	90,641	749,194
-	-	-	328,040
<u>533,032</u>	<u>236,500</u>	<u>408,289</u>	<u>2,804,043</u>
-	-	-	133,196
-	-	2,723	2,723
-	-	2,684,491	2,684,491
-	-	44,613	44,613
-	-	-	97,320
-	-	-	6,415,416
-	-	-	5,712
<u>(470,075)</u>	<u>(236,500)</u>	<u>(81,649)</u>	<u>10,274,892</u>
<u>(470,075)</u>	<u>(236,500)</u>	<u>2,650,178</u>	<u>19,658,363</u>
<u>\$ 62,957</u>	<u>\$ -</u>	<u>\$ 3,058,467</u>	<u>\$ 22,462,406</u>

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CITY OF ROSEMEAD
 Governmental Funds
 Reconciliation of the Balance Sheet of
 Governmental Funds to the Statement of Net Position
 June 30, 2013

Fund balances of governmental funds	\$	19,658,363
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets, net of depreciation, have not been included as financial resources in the governmental fund activity.</p>		
Capital assets, net of depreciation		50,804,814
<p>Long term debt and compensated absences that have not been included in the governmental fund activity.</p>		
Compensated absences		(617,980)
Retrospective deposits payable		(656,565)
<p>Long-term assets that are not available for current use. Amounts are not reported in the governmental funds.</p>		
		1,836,982
<p>Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.</p>		
		328,040
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets of the internal service funds must be added to the statement of net assets.</p>		
		344,933
Net position of governmental activities	\$	71,698,587

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEMEAD
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Fiscal Year Ended June 30, 2013

	General	Special Revenue	
		Rosemead Housing Development Corporation	Low & Moderate Income Housing Asset
Revenues:			
Taxes	\$ 16,602,329	\$ -	\$ -
Intergovernmental	287,508	432,632	-
Licenses and permits	1,156,968	-	-
Charges for services	989,166	-	-
Fines, forfeitures and penalties	691,548	-	-
Special assessments	-	-	-
Investment income	280,219	415,571	-
Other	687,152	5,971	-
Total revenues	20,694,890	854,174	-
Expenditures:			
Current:			
General government	3,809,752	-	-
Public safety	7,503,716	-	-
Public works	3,011,588	-	-
Community development	1,111,111	815,925	-
Parks and recreation	2,097,973	-	-
Capital outlay	5,326	-	-
Total expenditures	17,539,466	815,925	-
Excess (deficiency) of revenues over (under) expenditures	3,155,424	38,249	-
Other financing sources (uses):			
Transfers in (note 6)	-	-	-
Transfers out (note 6)	(359,156)	-	-
Transfer to Successor Agency (note 15)	-	-	(6,392,878)
Total other financing sources (uses)	(359,156)	-	(6,392,878)
Net change in fund balances	2,796,268	38,249	(6,392,878)
Fund balances (deficit), beginning of year	14,821,172	59,071	6,392,878
Fund balances (deficit), end of year	\$ 17,617,440	\$ 97,320	\$ -

The accompanying notes are an integral part of these financial statements.

<u>Special Revenue</u>		<u>Capital Projects</u>	
<u>HOME</u>	<u>City</u>	<u>Non-Major Governmental</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 16,602,329
180,864	599,758	4,898,520	6,399,282
-	-	-	1,156,968
-	1,040	82,548	1,072,754
-	-	-	691,548
-	-	937,405	937,405
-	-	14,653	710,443
-	-	-	693,123
<u>180,864</u>	<u>600,798</u>	<u>5,933,126</u>	<u>28,263,852</u>
-	-	178,404	3,988,156
-	-	270,322	7,774,038
-	211,945	3,761,675	6,985,208
173,777	-	504,414	2,605,227
-	-	34,854	2,132,827
-	3,121,343	-	3,126,669
<u>173,777</u>	<u>3,333,288</u>	<u>4,749,669</u>	<u>26,612,125</u>
<u>7,087</u>	<u>(2,732,490)</u>	<u>1,183,457</u>	<u>1,651,727</u>
-	2,558,308	214,107	2,772,415
-	-	(2,413,259)	(2,772,415)
-	-	-	(6,392,878)
<u>-</u>	<u>2,558,308</u>	<u>(2,199,152)</u>	<u>(6,392,878)</u>
7,087	(174,182)	(1,015,695)	(4,741,151)
<u>(477,162)</u>	<u>(62,318)</u>	<u>3,665,873</u>	<u>24,399,514</u>
<u>\$ (470,075)</u>	<u>\$ (236,500)</u>	<u>\$ 2,650,178</u>	<u>\$ 19,658,363</u>

CITY OF ROSEMEAD
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 Fiscal Year Ended June 30, 2013

Net change in fund balances - total governmental funds \$ (4,741,151)

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current year. This activity is reconciled as follows:

Cost of assets capitalized, less disposals at net book value (net of Internal Service Fund)	976,545
Depreciation expense (net of Internal Service Fund)	(3,221,736)

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

Increase in OPEB asset	489,814
------------------------	---------

Compensated absences and retrospective deposits payable 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.

Decrease in retrospective deposits payable	184,649
Increase in compensated absences payable	(54,206)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(631,986)
--	-----------

Internal service funds used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.	127,803
--	---------

Change in net position of governmental activities	\$ (6,870,268)
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CITY OF ROSEMEAD
Statement of Net Position
Internal Service Funds
June 30, 2013

<u>Assets</u>	
Current assets:	
Cash and investments (note 2)	\$ 290,781
Due from Successor Agency (note 5)	5,800
	296,581
Total current assets	
	296,581
Non-current assets:	
Capital assets:	
Other capital assets, net (note 7)	206,141
	206,141
Total non-current assets	
	206,141
Total assets	
	502,722
<u>Liabilities</u>	
Current liabilities:	
Lease payable - current (note 8)	55,288
	55,288
Total current liabilities	
	55,288
Non-current liabilities:	
Lease payable (note 8)	102,501
	102,501
Total non-current liabilities	
	102,501
Total liabilities	
	157,789
<u>Net position</u>	
Net investment in capital assets	
Unrestricted	48,352
	296,581
Total net position	
	\$ 344,933

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEMEAD
Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2013

Operating revenues:	
Charges for services	\$ 286,100
Total operating revenues	286,100
Operating expenses:	
Contractual services	94,621
Depreciation	55,849
Total operating expenses	150,470
Operating income	135,630
Non-operating revenues (expenses):	
Interest expense	(7,827)
Total non-operating revenues (expenses)	(7,827)
Changes in net position	127,803
Net position, beginning of year	217,130
Net position, end of year	\$ 344,933

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEMEAD
Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2013

Cash flows from operating activities:	
Cash received from users departments	\$ 289,544
Cash payments to suppliers for goods and services	<u>(95,874)</u>
Net cash provided by operating activities	<u>193,670</u>
Cash flows from capital and related financing activities:	
Principal paid on capital lease	(53,022)
Interest paid on capital lease	<u>(7,827)</u>
Net cash (used for) capital and related financing activities	<u>(60,849)</u>
Net increase in cash and investments	132,821
Cash and investments, beginning of year	<u>157,960</u>
Cash and investments, end of year	<u><u>\$ 290,781</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 135,630</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	55,849
(Increase) decrease in due from other funds	3,444
Increase (decrease) in accounts payable	<u>(1,253)</u>
Total adjustments	<u>58,040</u>
Net cash provided by operating activities	<u><u>\$ 193,670</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEMEAD
Statement of Fiduciary Net Position
June 30, 2013

	Successor Agency Private-purpose Trust Fund	Agency Fund
<u>Assets</u>		
Cash and investments (note 2)	\$ 12,005,715	\$ 420,105
Receivables:		
Accounts	3,547	-
Interest	118,011	-
Notes	2,114,496	-
Deferred charges	481,411	-
Total assets	\$ 14,723,180	\$ 420,105
<u>Liabilities</u>		
Accounts payable	\$ 5,978	\$ -
Deposits payable	-	420,105
Accrued interest payable	382,098	-
Due to City of Rosemead (note 5)	86,729	-
Advances from City of Rosemead (note 5)	-	-
Deferred revenue	118,011	-
Long-term debt (note 15):		
Due within one year	1,860,022	-
Due in more than one year	39,906,700	-
Total liabilities	42,359,538	\$ 420,105
<u>Net Position</u>		
Held in trust for the Successor Agency	(27,636,358)	
Total net position (deficit)	\$ (27,636,358)	

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEMEAD
Statement of Changes in Fiduciary Net Position
Fiscal Year Ended June 30, 2013

	Successor Agency Private-purpose Trust Fund
<u>Additions</u>	
Property taxes	\$ 5,439,677
Investment earnings	179,640
Other	3,548
Total additions	5,622,865
<u>Deductions</u>	
Administrative expenses	310,479
Affected taxing entities	961,565
Interest expense	1,909,437
Other payments of enforceable obligations	1,889,600
Total deductions	5,071,081
Transfer from City of Rosemead (note 15)	6,392,878
Change in net position	6,944,662
Net position (deficit), beginning of period	(34,581,020)
Net position (deficit), end of period	\$ (27,636,358)

The accompanying notes are an integral part of these financial statements.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(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 citizens, 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, solid waste disposal, 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.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(a) Reporting Entity, (continued)

Rosemead Housing Development Corporation

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

Since the City Council and/or other City officials serve as the Governing Board for these component units, 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 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.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(b) Basis of Accounting and Measurement Focus, (continued)

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 the requirements of GASB Statement No. 33.

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

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

Fund Financial Statements

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

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

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(b) Basis of Accounting and Measurement Focus, (continued)

Governmental Funds

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

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

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

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

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

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(b) Basis of Accounting and Measurement Focus, (continued)

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.

Fiduciary Funds

The City maintains two fiduciary fund types. The first is a private-purpose trust fund which uses the economic resources measurement focus and the accrual basis of accounting. The second is an agency fund which has no measurement focus. Agency fund is custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses.

(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 citizens.

Rosemead Housing Development Corporation – Accounts for the construction, financing and operations of low and moderate income housing. The Corporation is a blended component unit of the City of Rosemead

Low and Moderate Income Housing Asset Special Revenue Fund - Accounts for the housing assets transferred from the former redevelopment agency and the low and moderate housing activities of the City.

HOME Program Fund - This fund is used to account for HOME Investment Partnerships Program monies received to create and retain affordable housing.

City Capital Projects Fund - Accounts for financial resources to be used for the acquisition and construction of major capital facilities within the City.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(c) Major and Fiduciary Fund Types, (continued)

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.

Agency Fund - Accounts for the assets held in a trustee capacity or as an agent. The cash being held primarily represents amounts placed on deposit for refundable permits and performance bonds.

(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.

(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.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(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. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. 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:

Buildings	50 years
Improvements other than buildings	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

Vacation is payable to employees at the time used or upon termination of employment. All vacation is accrued when incurred in the government-wide level financial statements.

The sick leave liability is estimated based on the City's past experience of making termination payments from sick leave, adjusted for the effect of changes in its termination payment policy and other current factors. A liability for these amounts is reported in governmental funds only if it has matured or will be paid from available resources of the current period. City employees accumulate vacation hours that may be paid upon termination, death or retirement. Full-time employees can accumulate up to four weeks of accrued vacation per year depending on the length of employment.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(g) Compensated Absences, (continued)

The City allows full-time employees who have earned vacation time an opportunity to have the City buy back up to 40 hours of vacation time per year.

(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 Equity

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.
- Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. The City Council has designated the Finance Committee and City Manager as the City officials to determine, define, and make the necessary account or fund transfers for the amounts to those components of fund balance that are classified as "Assigned Fund Balance."

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(1) Summary of Significant Accounting Policies, (continued)

(i) Fund Equity, (continued)

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

(j) Use of Estimates

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

(k) Implementation of New Pronouncements

Beginning with the current fiscal year, the City implemented GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the government's net position.

Deferred outflows of resources are transactions that result in the consumption of net position in one period that are applicable to future periods and are not considered assets as described by the statement. Deferred outflows of resources are required to be presented separately after assets on the statement of net position.

Deferred inflows of resources are transactions that result in the acquisition of net position in one period that are applicable to future periods and are not considered to be liabilities as described by the statement. Deferred outflows of resources are required to be presented separately after liabilities on the statement of net position.

The statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

For the years covered by these financial statements, the City had no transactions that would be classified as deferred inflows or outflows of resources.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(2) Cash and Investments

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 19,928,301
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Statement of Fiduciary Net Position:

Cash and investments	12,425,820
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Total cash and investments	\$ 32,354,121
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Cash and investments as of June 30, 2013 consist of the following:

Deposits with financial institutions	\$ 13,367,256
Investments	18,986,865

Total cash and investments	\$ 32,354,121
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Investments Authorized by the California Government Code and the City's Investment Policy

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

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
US Treasury Obligations	Yes	5 years	None	None
US Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	20%	30%
Commercial Paper	Yes	180 days	15%	10%
Negotiable Certificates of Deposit	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	None

*

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

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(2) Cash and Investments, (continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
US Treasury Obligations	5 years	None	None
US Agency Securities	5 years	None	None
Banker's Acceptances	270 days	40%	10%
Commercial Paper	180 days	10%	10%
Money Market Portfolios	1 year	None	None
Investment Agreements	None	None	None

Disclosures Relating to 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:

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(2) Cash and Investments, (continued)

Investment Type	Total	Remaining Maturity		
		12 months or less	13 to 24 months	25 to 60 months
State investment pool	\$ 8,191,936	\$ 8,191,936	\$ -	\$ -
Certificates of deposits	4,334,905	651,148	498,807	3,184,950
US agency securities	2,694,061	-	-	2,694,061
Medium-term notes	1,479,743	-	-	1,479,743
Held by bond trustee:				
Money market mutual funds	1,143,054	1,143,054	-	-
Certificates of deposit	1,143,166	561,427	480,173	101,566
Total	\$ 18,986,865	\$ 10,547,565	\$ 978,980	\$7,460,320

Disclosures Relating to Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Rating as of Year End					Not Rated
			A-	A	A+	AA+	AAA	
State investment pool	\$ 8,191,936	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,191,936
Certificates of deposits	4,334,905	N/A	-	-	-	-	-	4,334,905
US agency securities	2,694,061	N/A	-	-	-	2,694,061	-	-
Medium-term notes	1,479,743	A	480,327	263,637	492,257	243,522	-	-
Held by bond trustee:								
Money market mutual funds	1,143,054	N/A	-	-	-	-	1,143,054	-
Certificates of deposit	1,143,166	N/A	-	-	-	-	-	1,143,166
Total	\$18,986,865		\$480,327	\$ 263,637	\$ 492,257	\$ 2,937,583	\$1,143,054	\$13,670,007

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(2) 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 City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Mortgage Corporation	US Agency Securities	\$ 976,010
Federal National Mortgage Association	US Agency Securities	\$ 1,229,371

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, 2013, the City had no deposits with financial institutions in excess of federal depository insurance limits held in uncollateralized 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.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(3) Property Taxes

Property tax revenue is recognized in accordance with GASB Codification Section P70; that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities in the current period.

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes are recorded initially in a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City of Rosemead accrues only those taxes that are received from the County within sixty days after year-end.

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

(4) Interfund Receivables and Payables

Current interfund receivables and payables balances at June 30, 2013 are as follows:

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	HOME	\$ 532,000
	City Capital Projects Fund	126,553
	Non-Major Governmental Funds	<u>90,641</u>
	Total	<u>\$ 749,194</u>

The interfund amounts are for short-term loans to cover temporary cash deficits.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(5) Intergovernmental Receivables and Payables

Current intergovernmental receivables and payables balances at June 30, 2013 are as follows:

<u>Due to City of Rosemead</u>	<u>Due from Successor Agency</u>	<u>Amount</u>
Successor Agency	General Fund	\$ 80,929
	Internal Service Fund	<u>5,800</u>
	Total	<u><u>\$ 86,729</u></u>

Intergovernmental amounts between the Successor Agency and the City are for reimbursement of payroll expenses and short-term loans to cover operations.

(6) Interfund Transfers

Interfund transfers were as follows for the year ended June 30, 2013:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
City Capital Projects Fund	General Fund	\$ 286,049
	Non-Major Governmental Funds	<u>2,272,259</u>
		<u>2,558,308 (A)</u>
Non-Major Governmental Funds	General Fund	73,107
	Non-Major Governmental Funds	<u>141,000</u>
		<u>214,107</u>
	Total	<u><u>\$ 2,772,415</u></u>

(A) To subsidize various programs and capital projects.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(7) Capital Assets

Capital asset activity was as follows for the year ended June 30, 2013:

Governmental activities:	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 2,912,284	\$ -	\$ -	\$ 2,912,284
Construction in progress	11,515	5,914	-	17,429
Total capital assets, not being depreciated	2,923,799	5,914	-	2,929,713
Capital assets, being depreciated:				
Buildings	21,500,598	368,557	(212,400)	21,656,755
Improvements other than buildings	1,265,700	-	-	1,265,700
Machinery and equipment	474,756	68,776	-	543,532
Autos and trucks	897,432	-	-	897,432
Furniture and office equipment	1,118,088	-	-	1,118,088
Infrastructure	60,606,009	718,174	-	61,324,183
Total capital assets, being depreciated	85,862,583	1,155,507	(212,400)	86,805,690
Less accumulated depreciation for:				
Buildings	(6,468,368)	(818,546)	27,524	(7,259,390)
Improvements other than buildings	(739,834)	(95,755)	-	(835,589)
Machinery and equipment	(359,505)	(43,151)	-	(402,656)
Autos and trucks	(516,087)	(166,573)	-	(682,660)
Furniture and office equipment	(1,083,843)	(9,459)	-	(1,093,302)
Infrastructure	(26,306,750)	(2,144,101)	-	(28,450,851)
Total accumulated depreciation	(35,474,387)	(3,277,585)	27,524	(38,724,448)
Total capital assets, being depreciated, net	50,388,196	(2,122,078)	(184,876)	48,081,242
Governmental activities capital assets, net of accumulated depreciation	\$53,311,995	\$ (2,116,164)	\$ (184,876)	\$51,010,955

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(7) Capital Assets, (continued)

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

Governmental activities:

General government	\$	45,739
Public safety		36,140
Public works		2,706,153
Community development		14,528
Parks and recreation		<u>475,025</u>
 Total depreciation expense	 \$	 <u>3,277,585</u>

(8) Changes in Long-Term Liabilities

Long-term debt consists of the following at June 30, 2013:

	Beginning			Ending	Due in
Governmental activities:	Balance	Additions	Deletions	Balance	One Year
Computer lease	\$ 210,811	\$ -	\$ 53,022	\$ 157,789	\$ 53,022
Retrospective deposit	841,214	-	184,649	656,565	65,660
Compensated absences	<u>563,774</u>	<u>285,055</u>	<u>230,849</u>	<u>617,980</u>	<u>265,731</u>
 Total long-term debt	 <u>\$ 1,615,799</u>	 <u>\$ 285,055</u>	 <u>\$ 468,520</u>	 <u>\$ 1,432,334</u>	 <u>\$ 384,413</u>

The City records expenditures related to compensated absences through the City's General Fund.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(8) Changes in Long-Term Liabilities, (continued)

Capital Lease

In 2011, the City entered into a lease agreement for the acquisition of finance computer software. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The equipment acquired during the fiscal year under this lease agreement is recorded at its acquisition cost of \$270,125. The outstanding balance at June 30, 2013 was \$157,789.

The calculation of the present value of the future lease payments is as follows:

Amount of future lease payments for the year ending June 30,	Governmental Activities
2014	\$ 60,849
2015	60,849
2016	45,637
Subtotal	167,335
Less amount representing interest	(9,546)
Present value of future lease payments	\$ 157,789

Accumulated depreciation on assets purchased through lease agreements are as follows:

	Governmental Activities
Assets:	
Improvements other than buildings	\$ 270,125
Less: accumulated depreciation	(115,767)
Total	\$ 154,358

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(9) Post Employment Benefit Plan

Plan Description: The City administers a single-employer defined benefit plan which provides medical benefits to eligible retirees and their spouses in accordance with various labor agreements.

Eligibility: Employees are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 5 years of service, and are eligible for a PERS pension. After age 65, Medicare automatically becomes the primary provider of health coverage. The City's defined benefit plan becomes the secondary provider. Eligible retirees will have no noticeable change in health benefits or plan administration; however, there is a reduction in the City's cost of health coverage as the secondary provider. The City's defined benefit plan administrator establishes the cost of secondary provider rates annually. The City will pay 100% for eligible retirees' health coverage. Membership of the plan consisted of the following at January 1, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	17
Active plan members	<u>63</u>
Total	<u>80</u>

Funding Policy: 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, CA 92660.

The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2012-13, the City contributed \$822,547 to the plan.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(9) Post Employment Benefit Plan, (continued)

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$	309,960
Interest on net OPEB obligation		(80,830)
Adjustment to annual required contribution		103,603
Annual OPEB cost (expense)		332,733
Contributions made		(822,547)
Increase in net OPEB obligation		(489,814)
Net OPEB obligation - beginning of year		(1,347,168)
Net OPEB obligation - end of year		\$ (1,836,982)

The net OPEB asset is reported in the government-wide statements as part of prepaid expenses.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2011	\$ 270,403	298%	\$ (861,137)
6/30/2012	\$ 323,478	250%	\$ (1,347,168)
6/30/2013	\$ 332,733	250%	\$ (1,836,982)

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(9) Post Employment Benefit Plan, (continued)

Annual OPEB Cost and Net OPEB Obligation: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The ARC for the plan for the current fiscal year ended June 30, 2013, was determined as part of the January 1, 2011 actuarial valuation. The actuarial cost method used for determining the benefit obligations is the Entry Age Actuarial Cost Method. The actuarial assumptions included a 6.0% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 7.6% initially, reduced by decrements of 0.4%-0.5% per year to an ultimate rate of 5% after the tenth year. The UAAL is being amortized on a level dollar approach over 30 years on a closed basis. It is assumed the City's payroll will increase 3.25% per year.

(10) Risk Management

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 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.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(10) Risk Management, (continued)

Self-Insurance Programs of the Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and non-police 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 \$30,000 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 \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(10) Risk Management, (continued)

Self-Insurance Programs of the Authority, (continued)

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety 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 \$50,000 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 \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 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.

Purchased Insurance

Pollution Legal Liability Insurance

The City of Rosemead participates in the pollution legal liability insurance program (formerly called environmental insurance) 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 \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

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 2012-13.

As of June 30, 2013 the City had retrospective deposits payable to the Authority in the amount of \$656,565. The deposit will be repaid through adjustments to premiums over the next three years. The retrospective deposit payable has been included in noncurrent liabilities on the Statement of Net Position.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(11) Retirement Plan

Defined Benefit Pension Plan

Plan Description: The City of Rosemead contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. For employees hired prior to July 1, 2010, the 2.7% at 55 retirement plan (First-Tier Plan) is applicable. For employees hired after July 1, 2010, the 2% at 55 (Second-Tier Plan) retirement plan is applicable. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial report may be obtained by writing to 400 "P" Street, Sacramento, California 95814.

Funding Policy: Miscellaneous First-Tier and Second-Tier participants are required to contribute 8% and 7%, respectively, of their annual covered payroll. The City is required to contribute at an actuarially determined rate. The First-Tier and Second-Tier employer contribution rates for the year ended June 30, 2013 were 26.660% and 10.238%, respectively, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by City Council in conjunction with applicable labor contracts. The City's contributions to the miscellaneous plan for the years ending June 30, 2011, 2012, and 2013 were \$1,191,665, \$1,299,866 and \$1,149,116, respectively, and were equal to the required contributions for each year.

Supplemental Defined Benefit Pension Plan

Plan Description: Effective July 1, 2000, the City entered into an agreement with Public Agency Retirement Services (PARS) whereby the City contributes to a supplemental employee pension plan (the plan II), a single-employer defined benefit pension plan administered by Phase II Systems. The plan II provides a supplemental retirement benefit of 1% for each year of service to plan members and beneficiaries. Employees with at least 20 years of service and City Council members with at least 20 years of service are eligible to participate at age 55 and receive an annual benefit equal to 3% of the highest annual gross pay for each year of service. Benefits are determined using the same method as CalPERS benefits.

PARS issues a publicly available financial report that includes financial statements and required supplementary information for the plan II. That report may be obtained by writing to PARS, 3961 MacArthur Boulevard, Suite 200, Newport Beach, California, 92660.

Funding Policy: An actuarial valuation of the City of Rosemead Supplemental Defined Benefit Pension Plan was performed as of July 1, 2010 to determine the funding level requirement of the plan for the current fiscal period. Actuarial valuations are performed once every two years. The employer contribution rate for the plan years 2012 and 2013 was 3.73%.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(11) Retirement Plan, (continued)

Annual Pension Cost: For fiscal year ended June 30, 2013, the City's annual pension cost of \$113,173 for PARS was equal to the City's required and actual contributions.

Three-year trend information			
<i>Annual Pension Cost (Employer Contribution)</i>			
Fiscal Year	Employer Contribution	Percentage Contributed	Net Pension Obligation
6/30/2011	\$ 69,010	100%	\$ -
6/30/2012	\$ 136,440	100%	\$ -
6/30/2013	\$ 113,173	100%	\$ -

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll.

Actuarial Methods and Assumptions: A summary of principle assumptions and methods used to determine the ARC is shown below.

Valuation Date	July 1, 2010
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.50% for funding purposes
Inflation Rate	3%
Retirement	For miscellaneous employees and the contract City Attorney: Retirement rate of 20% at ages 60 and older with between 10 and 20 years of service, and retirement rate of 30% at ages 55 and older with more than 20 years of service. For City Council members: Retirement rates of 30% per year.
Cost of Living Adjustment	2% compounded annually

Initial unfunded liabilities are amortized over a closed 20 year period from July 1, 2002, with 11 years remaining at July 1, 2011. Payments are assumed to be made throughout the year.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(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.

(13) Fund Deficits

The following funds had deficit balances as of June 30, 2013:

Major Governmental Fund:	
Capital Projects:	
City Capital Projects	\$ 236,500
Special Revenue:	
HOME Program	470,075
Non-Major Fund:	
Special Revenue:	
Proposition C	81,649

The fund deficits noted above primarily relate to expenditures charged to projects during the fiscal year ended June 30, 2013, which were submitted for reimbursement.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(14) Expenditures in Excess of Appropriations

Expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Variance
Rosemead Housing			
Development Corporation	\$ 394,500	\$ 815,925	\$ (421,425)
Proposition C	211,401	225,547	(14,146)
State Gas Tax	912,800	933,604	(20,804)
Air Quality Management District	-	427	(427)
Measure R	258,900	271,795	(12,895)

(15) Successor Agency

Successor Agency Long-Term Debt

The debt of the Successor Agency as of June 30, 2013 is as follows:

Successor Agency:	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Bonds:					
Tax Allocation Bonds, Series 2006A	\$ 8,870,000	\$ -	\$ 965,000	\$ 7,905,000	\$ 1,000,000
Tax Allocation Bonds, Series 2006B	23,635,000	-	80,000	23,555,000	85,000
Tax Allocation Bonds, Series 2010A	11,030,000	-	750,000	10,280,000	770,000
Subtotal bonds	43,535,000	-	1,795,000	41,740,000	1,855,000
Deferred amounts:					
Unamortized bond premiums	198,018	-	19,802	178,216	19,802
Discount on issuance	(166,274)	-	(14,780)	(151,494)	(14,780)
Total bonds	43,566,744	-	1,800,022	41,766,722	1,860,022
Total long-term debt	<u>\$43,566,744</u>	<u>\$ -</u>	<u>\$1,800,022</u>	<u>\$41,766,722</u>	<u>\$ 1,860,022</u>

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(15) Successor Agency, (continued)

Successor Agency Long-Term Debt, (continued)

Future debt service requirements are as follows:

Fiscal years ending June 30,	Principal	Interest
2014	\$ 1,855,000	\$ 1,790,511
2015	1,920,000	1,718,574
2016	1,995,000	1,635,579
2017	2,085,000	1,545,190
2018	2,180,000	1,453,346
2019-2023	12,350,000	5,755,956
2024-2028	8,320,000	3,347,689
2029-2033	8,990,000	1,497,625
2034	2,045,000	45,266
Totals	<u>\$ 41,740,000</u>	<u>\$ 18,789,736</u>

Tax Allocation Bonds, Series 2006A

On March 9, 2006, the Commission issued tax allocation bonds in the amount of \$14,005,000 (Series 2006A) to: (1) refund a portion of the Commission's outstanding Series 1993A bonds and (2) to finance redevelopment activity in Redevelopment Project Area No.1. The bonds bear interest ranging from 3.25% to 5.00% and mature in annual installments of \$780,000 to \$1,250,000 on various dates through October 1, 2022. The Commission purchased a surety bond in lieu of cash reserve in the amount of \$1,323,238. Portions of the bonds are subject to early redemption, at the option of the Commission, beginning October 1, 2017. Bond premiums are amortized over the life of the bonds. The unamortized balance as of June 30, 2013 was \$178,216. As of June 30, 2013 the outstanding balance was \$7,905,000.

Tax Allocation Bonds, Series 2006B

In December 2006, the Commission issued \$24,230,000 in Project Area No.1 Tax Allocation Bonds. The bonds mature in amounts ranging from \$70,000 to \$1,430,000 with interest rates ranging from 3.25% to 4.25% through October 1, 2033. The net proceeds were used to refund the remaining \$23,095,000 amount outstanding on the 1993 Tax Allocation Bonds. The securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1993 Bonds. As a result, the entire 1993 Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statements. A surety bond has been acquired to satisfy the reserve requirements. As of June 30, 2013 the outstanding balance was \$23,555,000.

CITY OF ROSEMEAD
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2013

(15) Successor Agency, (continued)

Successor Agency Long-Term Debt, (continued)

Tax Allocation Bonds, Series 2010A

In July 2010, the Commission issued \$11,230,000 in Merged Project Area Tax Allocation Bonds. The bonds mature in amounts ranging from \$200,000 to \$1,135,000 with interest rates ranging from 3.00% to 5.00% through December 1, 2023. The bonds were issued to provide funds to finance the costs of certain redevelopment projects within the Merged Project Area including infrastructure improvements and the acquisition of land. Principal is payable annually on December 1, beginning on December 1, 2011. Interest is payable semi-annually on June 1 and December 1. Per the bond indenture, a reserve is required to be maintained. At June 30, 2013, the balance held in the reserve account was \$1,143,054. As of June 30, 2013 the outstanding balance was \$10,280,000.

Transfer from City of Rosemead

Under State law, the Rosemead Community Development Commission (Commission) was required to set aside a portion of its property tax increment revenue for low and moderate income housing. The Commission made findings that, for the years ended June 30, 1986 through 1991, it was allowed to defer funding of the set-aside. The set-aside amounts incurred during the fiscal years ended June 30, 1994, 1995, and 1996 were also deferred until the fiscal year ending June 30, 2023, as provided by the Commission's adoption of the housing deficit repayment plan. Due to the dissolution of the former Rosemead Community Development Commission, the Department of Finance has determined the accumulated set aside amount not to be an enforceable obligation. As of June 30, 2013, the outstanding balances of the Low and Moderate Income Housing Fund were transferred to the Successor Agency.

Required Supplementary Information

CITY OF ROSEMEAD
Note to the Required Supplementary Information
Fiscal Year Ended June 30, 2013

(1) Budgetary Information

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.

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 hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund and department. The City's Department Heads, 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.

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 reappropriated and honored during the subsequent year.

CITY OF ROSEMEAD
General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	\$ 13,931,200	\$ 14,016,200	\$ 16,602,329	\$ 2,586,129
Intergovernmental	182,600	274,695	287,508	12,813
Licenses and permits	1,128,300	1,128,300	1,156,968	28,668
Charges for services	883,700	883,700	989,166	105,466
Fines, forfeitures and penalties	485,300	485,300	691,548	206,248
Investment income	154,000	337,400	280,219	(57,181)
Other	584,400	584,400	687,152	102,752
Total revenues	17,349,500	17,709,995	20,694,890	2,984,895
Expenditures:				
Current:				
General government	3,417,800	4,215,285	3,809,752	405,533
Public safety	7,516,200	7,526,000	7,503,716	22,284
Public works	2,759,100	2,869,100	3,011,588	(142,488)
Community development	1,253,200	1,253,200	1,111,111	142,089
Park and recreation	2,406,700	2,406,700	2,097,973	308,727
Capital outlay	-	-	5,326	(5,326)
Total expenditures	17,353,000	18,270,285	17,539,466	730,819
Excess (deficiency) of revenues over (under) expenditures	(3,500)	(560,290)	3,155,424	3,715,714
Other financing sources (uses):				
Transfers out	-	(150,000)	(359,156)	(209,156)
Total other financing sources (uses)	-	(150,000)	(359,156)	(209,156)
Net change in fund balance	(3,500)	(710,290)	2,796,268	3,506,558
Fund balance, beginning of year	14,821,172	14,821,172	14,821,172	-
Fund balance, end of year	\$ 14,817,672	\$ 14,110,882	\$ 17,617,440	\$ 3,506,558

CITY OF ROSEMEAD
Rosemead Housing Development Corporation
Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 432,632	\$ 432,632
Investment income	412,500	412,500	415,571	3,071
Other	5,700	5,700	5,971	271
Total revenues	418,200	418,200	854,174	435,974
Expenditures:				
Current:				
Community development	394,500	394,500	815,925	(421,425)
Total expenditures	394,500	394,500	815,925	(421,425)
Net change in fund balance	23,700	23,700	38,249	14,549
Fund balance, beginning of year	59,071	59,071	59,071	-
Fund balance, end of year	\$ 82,771	\$ 82,771	\$ 97,320	\$ 14,549

CITY OF ROSEMEAD
HOME Program
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 688,300	\$ 180,864	\$ (507,436)
Total revenues	<u>688,300</u>	<u>180,864</u>	<u>(507,436)</u>
Expenditures:			
Current:			
Community development	<u>686,000</u>	<u>173,777</u>	<u>512,223</u>
Total expenditures	<u>686,000</u>	<u>173,777</u>	<u>512,223</u>
Net change in fund balance	2,300	7,087	4,787
Fund balance (deficit), beginning of year	<u>(477,162)</u>	<u>(477,162)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (474,862)</u></u>	<u><u>\$ (470,075)</u></u>	<u><u>\$ 4,787</u></u>

CITY OF ROSEMEAD
 Required Supplementary Information
 Fiscal Year Ended June 30, 2013

(2) Public Agency Retirement Services (PARS) – Retirement Enhancement Plan

Schedule of Funding Progress

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a - b)	Funded Ratio (b / a)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2006	\$ 2,973,299	\$ 1,438,282	\$ 1,535,017	48.37%	\$2,367,310	64.84%
7/1/2008	\$ 2,242,154	\$ 1,910,854	\$ 331,300	85.22%	\$3,747,667	8.84%
7/1/2010	\$ 2,778,943	\$ 1,833,895	\$ 945,048	65.99%	\$3,678,700	25.69%

(3) Other Post Employment Benefits Plan

Schedule of Funding Progress

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded AAL (UAAL) (a - b)	Funded Ratio (b / a)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
1/1/2008	\$ 3,548,605	\$ -	\$ 3,548,605	0%	\$ 1,682,985	211%
1/1/2011	\$ 3,378,875	\$ 615,576	\$ 2,763,299	18%	\$ 3,876,698	71%
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Other Supplementary Information

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NONMAJOR GOVERNMENTAL FUNDS

Community Development Block Grant Fund - Accounts for Community Development Block Grants received from the U.S. Department of Housing and Urban Development.

Proposition A Fund - This fund is used to finance public transportation projects. Effective July 1, 1982, this fund accounts for the City's share of additional sales tax collected in the County of Los Angeles as a result of Proposition A.

Proposition C Fund - This fund is to be used by the cities for public transit to increase safety and improve road conditions by repairing and maintaining streets heavily used by public transit.

Federal Highway Grant - Accounts for Federal Highway Grants received from the California Department of Transportation.

State Gas Tax Fund - This fund is used to account for monies that are collected by the State under the title of Motor Vehicle Fuel License Tax and represent an additional + or - \$.10 per gallon of gas sold.

Air Quality Management District Fund - This fund accounts for the receipt of monies from the Air Quality Maintenance District. These funds shall be used to implement programs to reduce air pollution from mobile sources pursuant to the California Clean Air Act.

Street Lighting Fund - This fund is used to account for monies collected by ad valorem property tax based on \$0.2495 per \$1000 of assessed property value to provide for energy cost and maintenance of the Rosemead Lighting District, whose boundaries, with the exception of the Southern California Edison company property, coincide with the City's boundaries. Proposition 13 has limited the ad valorem tax that can be collected.

Narcotics Seizure Fund - This fund is used to account for funds received from the County of Los Angeles for monies forfeited, and the proceeds from the sale of assets seized from illegal narcotic activities within the City of Rosemead. The forfeited funds must be used by the law enforcement and prosecutorial agencies exclusively to support law enforcement and prosecutorial efforts.

Measure R Fund - 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 will be used primarily to improve public transit and street maintenance projects.

CITY OF ROSEMEAD
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2013

Special Revenue Funds

	CDBG Grant	Proposition A	Proposition C
<u>Assets</u>			
Cash and investments	\$ -	\$ 185,004	\$ -
Receivables:			
Accounts	129,696	-	-
	<u>\$ 129,696</u>	<u>\$ 185,004</u>	<u>\$ -</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 43,701	\$ 75,584	\$ 13,497
Accrued salaries and benefits	16,808	7,906	2,085
Retentions payable	-	-	-
Due to other funds	24,574	-	66,067
	<u>85,083</u>	<u>83,490</u>	<u>81,649</u>
Fund balances:			
Restricted for:			
Public safety	-	-	-
Public works	-	101,514	-
Community services	44,613	-	-
Unassigned	-	-	(81,649)
	<u>44,613</u>	<u>101,514</u>	<u>(81,649)</u>
Total fund balances (deficit)	<u>44,613</u>	<u>101,514</u>	<u>(81,649)</u>
Total liabilities and fund balances	<u>\$ 129,696</u>	<u>\$ 185,004</u>	<u>\$ -</u>

Special Revenue Funds

Federal Highway Grant	State Gas Tax	Air Quality Management District	Street Lighting
\$ -	\$ 43,922	\$ 158,637	\$ 1,958,557
-	8,000	16,900	20,888
<u>\$ -</u>	<u>\$ 51,922</u>	<u>\$ 175,537</u>	<u>\$ 1,979,445</u>
\$ -	\$ 47,215	\$ -	\$ 62,187
-	4,352	-	2,950
-	180	-	-
-	-	-	-
-	51,747	-	65,137
-	-	-	-
-	175	175,537	1,914,308
-	-	-	-
-	-	-	-
-	175	175,537	1,914,308
<u>\$ -</u>	<u>\$ 51,922</u>	<u>\$ 175,537</u>	<u>\$ 1,979,445</u>

(continued)

CITY OF ROSEMEAD
 Non-Major Governmental Funds
 Combining Balance Sheet, Continued
 June 30, 2013

	Special Revenue Funds		
<u>Assets</u>	Narcotics Seizure	Measure R	Totals
Cash and investments	\$ 2,723	\$ 534,140	\$ 2,882,983
Receivables:			
Accounts	-	-	175,484
	<u>\$ 2,723</u>	<u>\$ 534,140</u>	<u>\$ 3,058,467</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 38,855	\$ 281,039
Accrued salaries and benefits	-	2,328	36,429
Retentions payable	-	-	180
Due to other funds	-	-	90,641
Total liabilities	-	41,183	408,289
Fund balances:			
Restricted for:			
Public safety	2,723	-	2,723
Public works	-	492,957	2,684,491
Community services	-	-	44,613
Unassigned	-	-	(81,649)
Total fund balances (deficit)	2,723	492,957	2,650,178
Total liabilities and fund balances	\$ 2,723	\$ 534,140	\$ 3,058,467

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CITY OF ROSEMEAD
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Fiscal Year Ended June 30, 2013

	Special Revenue Funds		
	CDBG Grant	Proposition A	Proposition C
Revenues:			
Intergovernmental	\$ 1,229,062	\$ 892,472	\$ 801,920
Charges for services	12,767	33,590	36,191
Special assessments	-	-	-
Investment income	-	905	-
	1,241,829	926,967	838,111
Total revenues			
Expenditures:			
Current:			
General government	7,827	122,527	-
Public safety	249,274	-	20,621
Public works	-	1,736,538	204,926
Community development	504,414	-	-
Parks and recreation	34,854	-	-
	796,369	1,859,065	225,547
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	445,460	(932,098)	612,564
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	(414,228)
	-	-	(414,228)
Total other financing sources (uses)			
Net change in fund balances	445,460	(932,098)	198,336
Fund balances (deficit), beginning of year	(400,847)	1,033,612	(279,985)
Fund balances (deficit), end of year	\$ 44,613	\$ 101,514	\$ (81,649)

Special Revenue Funds

Federal Highway Grant	State Gas Tax	Air Quality Management District	Street Lighting
\$ -	\$ 1,355,550	\$ 64,970	\$ -
-	-	-	-
-	-	-	937,405
-	765	390	10,602
-	1,356,315	65,360	948,007
-	2,045	-	11,003
-	-	427	-
-	931,559	-	651,859
-	-	-	-
-	-	-	-
-	933,604	427	662,862
-	422,711	64,933	285,145
72,093	142,014	-	-
-	(993,451)	(2,063)	(495,333)
72,093	(851,437)	(2,063)	(495,333)
72,093	(428,726)	62,870	(210,188)
(72,093)	428,901	112,667	2,124,496
\$ -	\$ 175	\$ 175,537	\$ 1,914,308

(continued)

CITY OF ROSEMEAD
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Continued
 Fiscal Year Ended June 30, 2013

	<u>Special Revenue Funds</u>		
	<u>Narcotics Seizure</u>	<u>Measure R</u>	<u>Totals</u>
Revenues:			
Intergovernmental	\$ -	\$ 554,546	\$ 4,898,520
Charges for services	-	-	82,548
Special assessments	-	-	937,405
Investment income	8	1,983	14,653
	<u>8</u>	<u>556,529</u>	<u>5,933,126</u>
Total revenues			
Expenditures:			
Current:			
General government	-	35,002	178,404
Public safety	-	-	270,322
Public works	-	236,793	3,761,675
Community development	-	-	504,414
Parks and recreation	-	-	34,854
	<u>-</u>	<u>271,795</u>	<u>4,749,669</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	8	284,734	1,183,457
Other financing sources (uses):			
Transfers in	-	-	214,107
Transfers out	-	(508,184)	(2,413,259)
	<u>-</u>	<u>(508,184)</u>	<u>(2,199,152)</u>
Total other financing sources (uses)			
Net change in fund balances	8	(223,450)	(1,015,695)
Fund balances (deficit), beginning of year	<u>2,715</u>	<u>716,407</u>	<u>3,665,873</u>
Fund balances (deficit), end of year	<u>\$ 2,723</u>	<u>\$ 492,957</u>	<u>\$ 2,650,178</u>

CITY OF ROSEMEAD
Community Development Block Grant
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 848,000	\$ 1,229,062	\$ 381,062
Charges for services	94,600	12,767	(81,833)
 Total revenues	 942,600	 1,241,829	 299,229
Expenditures:			
Current:			
General government	7,900	7,827	73
Public safety	226,400	249,274	(22,874)
Community development	645,000	504,414	140,586
Parks and recreation	43,300	34,854	8,446
 Total expenditures	 922,600	 796,369	 126,231
 Net change in fund balance	 20,000	 445,460	 425,460
 Fund balance (deficit), beginning of year	 (400,847)	 (400,847)	 -
 Fund balance (deficit), end of year	 \$ (380,847)	 \$ 44,613	 \$ 425,460

CITY OF ROSEMEAD
Proposition A
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 854,800	\$ 892,472	\$ 37,672
Charges for services	12,300	33,590	21,290
Investment Income	2,000	905	(1,095)
	<u>869,100</u>	<u>926,967</u>	<u>57,867</u>
Total revenues			
Expenditures:			
Current:			
General government	143,100	122,527	20,573
Public works	1,803,267	1,736,538	66,729
	<u>1,946,367</u>	<u>1,859,065</u>	<u>87,302</u>
Total expenditures			
Net change in fund balance	(1,077,267)	(932,098)	145,169
Fund balance, beginning of year	1,033,612	1,033,612	-
Fund balance, end of year	<u>\$ (43,655)</u>	<u>\$ 101,514</u>	<u>\$ 145,169</u>

CITY OF ROSEMEAD
Proposition C
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 709,000	\$ 801,920	\$ 92,920
Charges for services	51,500	36,191	(15,309)
Investment income	6,700	-	(6,700)
	<u>767,200</u>	<u>838,111</u>	<u>70,911</u>
Total revenues			
Expenditures:			
Current:			
Public safety	17,200	20,621	(3,421)
Public works	194,201	204,926	(10,725)
	<u>211,401</u>	<u>225,547</u>	<u>(14,146)</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>555,799</u>	<u>612,564</u>	<u>56,765</u>
Other financing sources (uses):			
Transfers out	<u>(450,000)</u>	<u>(414,228)</u>	<u>35,772</u>
Total other financing sources (uses)	<u>(450,000)</u>	<u>(414,228)</u>	<u>35,772</u>
Net change in fund balance	105,799	198,336	92,537
Fund balance (deficit), beginning of year	<u>(279,985)</u>	<u>(279,985)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (174,186)</u>	<u>\$ (81,649)</u>	<u>\$ 92,537</u>

CITY OF ROSEMEAD
Federal Highway Grant
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Total revenues	\$ -	\$ -	\$ -
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in	-	72,093	72,093
Total other financing sources (uses)	-	72,093	72,093
Net change in fund balance	-	72,093	72,093
Fund balance (deficit), beginning of year	(72,093)	(72,093)	-
Fund balance (deficit), end of year	<u>\$ (72,093)</u>	<u>\$ -</u>	<u>\$ 72,093</u>

CITY OF ROSEMEAD
State Gas Tax
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,500,600	\$ 1,355,550	\$ (145,050)
Investment income	19,000	765	(18,235)
Total revenues	<u>1,519,600</u>	<u>1,356,315</u>	<u>(163,285)</u>
Expenditures:			
Current:			
General government	-	2,045	(2,045)
Public works	912,800	931,559	(18,759)
Total expenditures	<u>912,800</u>	<u>933,604</u>	<u>(20,804)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>606,800</u>	<u>422,711</u>	<u>(184,089)</u>
Other financing sources (uses):			
Transfers in	-	142,014	142,014
Transfers out	(1,400,000)	(993,451)	406,549
Total other financing sources (uses)	<u>(1,400,000)</u>	<u>(851,437)</u>	<u>548,563</u>
Net change in fund balance	(793,200)	(428,726)	364,474
Fund balance, beginning of year	<u>428,901</u>	<u>428,901</u>	<u>-</u>
Fund balance, end of year	<u>\$ (364,299)</u>	<u>\$ 175</u>	<u>\$ 364,474</u>

CITY OF ROSEMEAD
 Air Quality Management District
 Non-Major Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 66,000	\$ 64,970	\$ (1,030)
Investment income	500	390	(110)
Total revenues	<u>66,500</u>	<u>65,360</u>	<u>(1,140)</u>
Expenditures:			
Current:			
Public safety	-	427	(427)
Total expenditures	<u>-</u>	<u>427</u>	<u>(427)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,500</u>	<u>64,933</u>	<u>(1,567)</u>
Other financing sources (uses):			
Transfers out	-	(2,063)	(2,063)
Total other financing sources (uses)	<u>-</u>	<u>(2,063)</u>	<u>(2,063)</u>
Net change in fund balance	66,500	62,870	(3,630)
Fund balance, beginning of year	<u>112,667</u>	<u>112,667</u>	<u>-</u>
Fund balance, end of year	<u>\$ 179,167</u>	<u>\$ 175,537</u>	<u>\$ (3,630)</u>

CITY OF ROSEMEAD
Street Lighting
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Special Assessments	\$ 750,000	\$ 937,405	\$ 187,405
Investment income	10,400	10,602	202
Total revenues	<u>760,400</u>	<u>948,007</u>	<u>187,607</u>
Expenditures:			
Current:			
General government	11,000	11,003	(3)
Public works	712,701	651,859	60,842
Total expenditures	<u>723,701</u>	<u>662,862</u>	<u>60,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,699</u>	<u>285,145</u>	<u>248,446</u>
Other financing sources (uses):			
Transfers out	<u>(390,400)</u>	<u>(495,333)</u>	<u>(104,933)</u>
Total other financing sources (uses)	<u>(390,400)</u>	<u>(495,333)</u>	<u>(104,933)</u>
Net change in fund balance	(353,701)	(210,188)	143,513
Fund balance, beginning of year	<u>2,124,496</u>	<u>2,124,496</u>	-
Fund balance, end of year	<u>\$ 1,770,795</u>	<u>\$ 1,914,308</u>	<u>\$ 143,513</u>

CITY OF ROSEMEAD
Narcotics Seizure
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment income	\$ 100	\$ 8	\$ (92)
Total revenues	100	8	(92)
Total expenditures	-	-	-
Net change in fund balance	100	8	(92)
Fund balance, beginning of year	2,715	2,715	-
Fund balance, end of year	<u>\$ 2,815</u>	<u>\$ 2,723</u>	<u>\$ (92)</u>

CITY OF ROSEMEAD
Measure R
Non-Major Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 458,600	\$ 554,546	\$ 95,946
Investment income	3,100	1,983	(1,117)
Total revenues	<u>461,700</u>	<u>556,529</u>	<u>94,829</u>
Expenditures:			
Current:			
General government	59,000	35,002	23,998
Public works	<u>199,900</u>	<u>236,793</u>	<u>(36,893)</u>
Total expenditures	<u>258,900</u>	<u>271,795</u>	<u>(12,895)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>202,800</u>	<u>284,734</u>	<u>81,934</u>
Other financing sources (uses):			
Transfers out	<u>(425,000)</u>	<u>(508,184)</u>	<u>(83,184)</u>
Total other financing sources (uses)	<u>(425,000)</u>	<u>(508,184)</u>	<u>(83,184)</u>
Net change in fund balance	(222,200)	(223,450)	(1,250)
Fund balance, beginning of year	<u>716,407</u>	<u>716,407</u>	-
Fund balance, end of year	<u>\$ 494,207</u>	<u>\$ 492,957</u>	<u>\$ (1,250)</u>

CITY OF ROSEMEAD
City Capital Projects
Major Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,575,000	\$ 599,758	\$ (1,975,242)
Charges for services	-	1,040	1,040
	<u>2,575,000</u>	<u>600,798</u>	<u>(1,974,202)</u>
Total revenues			
Expenditures:			
Current:			
Public works	235,000	211,945	23,055
Capital outlay	5,000,000	3,121,343	1,878,657
	<u>5,235,000</u>	<u>3,333,288</u>	<u>1,901,712</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(2,660,000)</u>	<u>(2,732,490)</u>	<u>(72,490)</u>
Other financing sources (uses):			
Transfers in	<u>2,915,400</u>	<u>2,558,308</u>	<u>(357,092)</u>
Total other financing sources (uses)	<u>2,915,400</u>	<u>2,558,308</u>	<u>(357,092)</u>
Net change in fund balance	255,400	(174,182)	(429,582)
Fund balance (deficit), beginning of year	<u>(62,318)</u>	<u>(62,318)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 193,082</u>	<u>\$ (236,500)</u>	<u>\$ (429,582)</u>

INTERNAL SERVICE FUNDS

The internal service funds are used to account for goods and services provided by one City department to other City departments on a cost reimbursements basis.

The City of Rosemead has the following Internal Service Funds:

Equipment Replacement - To account for the accumulation and allocation of costs associated with the repair and maintenance of the City's equipment.

Technology Replacement - To account for the accumulation and allocation of costs associated with the repair and maintenance of the City's technological equipment.

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CITY OF ROSEMEAD
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
Fiscal Year Ended June 30, 2013

	Equipment Replacement	Technology Replacement	Total
Operating revenues:			
Charges for services	\$ 123,100	\$ 163,000	\$ 286,100
Total operating revenues	<u>123,100</u>	<u>163,000</u>	<u>286,100</u>
Operating expenses:			
Contractual services	730	93,891	94,621
Depreciation	17,260	38,589	55,849
Total operating expenses	<u>17,990</u>	<u>132,480</u>	<u>150,470</u>
Operating income	<u>105,110</u>	<u>30,520</u>	<u>135,630</u>
Non-operating revenues (expenses):			
Interest expense	-	(7,827)	(7,827)
Total non-operating revenues (expenses)	<u>-</u>	<u>(7,827)</u>	<u>(7,827)</u>
Changes in net position	105,110	22,693	127,803
Net position, beginning of year	<u>213,369</u>	<u>3,761</u>	<u>217,130</u>
Net position, end of year	<u>\$ 318,479</u>	<u>\$ 26,454</u>	<u>\$ 344,933</u>

CITY OF ROSEMEAD
Combining Statement of Cash Flows
Internal Service Funds
Fiscal Year Ended June 30, 2013

	Equipment Replacement	Technology Replacement	Total
Cash flows from operating activities:			
Cash received from users departments	\$ 123,100	\$ 166,444	\$ 289,544
Cash payments to suppliers for goods and services	(730)	(95,144)	(95,874)
Net cash provided by operating activities	<u>122,370</u>	<u>71,300</u>	<u>193,670</u>
Cash flows from capital and related financing activities:			
Principal paid on capital lease	-	(53,022)	(53,022)
Interest paid on capital lease	-	(7,827)	(7,827)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(60,849)</u>	<u>(60,849)</u>
Net increase in cash and investments	122,370	10,451	132,821
Cash and investments, beginning of year	<u>144,326</u>	<u>13,634</u>	<u>157,960</u>
Cash and investments, end of year	<u>\$ 266,696</u>	<u>\$ 24,085</u>	<u>\$ 290,781</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	<u>\$ 105,110</u>	<u>\$ 30,520</u>	<u>\$ 135,630</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	17,260	38,589	55,849
(Increase) decrease in due from other funds	-	3,444	3,444
Increase (decrease) in accounts payable	-	(1,253)	(1,253)
Total adjustments	<u>17,260</u>	<u>40,780</u>	<u>58,040</u>
Net cash (used for) operating activities	<u>\$ 122,370</u>	<u>\$ 71,300</u>	<u>\$ 193,670</u>

CITY OF ROSEMEAD
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
<u>Assets</u>				
Cash and investments	<u>\$ 510,715</u>	<u>\$ 76,520</u>	<u>\$ (167,130)</u>	<u>\$ 420,105</u>
Total assets	<u><u>\$ 510,715</u></u>	<u><u>\$ 76,520</u></u>	<u><u>\$ (167,130)</u></u>	<u><u>\$ 420,105</u></u>
<u>Liabilities</u>				
Deposits payable	<u>\$ 510,715</u>	<u>\$ 208,838</u>	<u>\$ (299,448)</u>	<u>\$ 420,105</u>
Total liabilities	<u><u>\$ 510,715</u></u>	<u><u>\$ 208,838</u></u>	<u><u>\$ (299,448)</u></u>	<u><u>\$ 420,105</u></u>

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>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	87
Revenue Capacity <i>These schedules contain trend information to help the reader assess the government's most significant revenue source, property tax.</i>	95
Debt Capacity <i>These schedules present 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>	99
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>	105
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>	107

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)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental activities:					
Net investment in capital assets	\$ 10,439,445	\$ 12,130,249	\$ 13,345,433	\$ 10,541,606	\$ 12,981,537
Restricted	6,526,788	6,035,250	6,901,454	8,181,231	11,443,583
Unrestricted	<u>26,498,620</u>	<u>31,114,414</u>	<u>30,299,115</u>	<u>35,293,732</u>	<u>27,705,715</u>
Total governmental activities net position	<u>\$ 43,464,853</u>	<u>\$ 49,279,913</u>	<u>\$ 50,546,002</u>	<u>\$ 54,016,569</u>	<u>\$ 52,130,835</u>

The City of Rosemead implemented GASB 34 for the fiscal year ended June 30, 2004. Information prior to the implementation of GASB 34 is not available.

Fiscal Year				
2009	2010	2011	2012	2013
\$ 11,828,993	\$ 12,712,242	\$ 14,760,940	\$ 54,010,031	\$ 51,132,854
13,361,249	13,199,438	24,806,402	10,870,747	2,829,147
<u>24,882,730</u>	<u>20,489,721</u>	<u>10,748,249</u>	<u>13,688,078</u>	<u>17,736,586</u>
<u>\$ 50,072,972</u>	<u>\$ 46,401,401</u>	<u>\$ 50,315,591</u>	<u>\$ 78,568,856</u>	<u>\$ 71,698,587</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses:					
Governmental activities:					
General government	\$ 4,803,476	\$ 4,800,168	\$ 5,629,316	\$ 4,980,519	\$ 7,259,587
Public safety	5,797,080	6,058,824	6,065,066	6,618,779	8,043,771
Public works	2,058,252	3,252,252	3,403,699	6,120,563	13,550,042
Public health	65,583	60,828	51,286	-	-
Community services	3,121,996	2,862,328	3,223,843	602,114	669,827
Community development	-	-	-	2,467,842	3,645,207
Parks and recreation	3,201,236	3,456,308	3,959,590	4,178,000	4,078,631
Interest and other charges	1,854,185	1,830,836	1,832,219	2,698,372	1,790,348
Total governmental activities expenses	<u>20,901,808</u>	<u>22,321,544</u>	<u>24,165,019</u>	<u>27,666,189</u>	<u>39,037,413</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	7,026,282	6,299,415	3,288,225	316,849	642,716
Public safety	726,345	984,965	900,359	1,598,159	1,547,182
Public works	3,091,146	3,760,495	4,144,733	7,600,778	11,729,725
Community services	1,691,586	1,211,615	814,754	1,403,059	166,118
Community development	-	-	-	3,206,303	1,484,065
Parks and recreation	287,137	266,398	337,815	-	36,800
Total governmental activities program revenues	<u>12,822,496</u>	<u>12,522,888</u>	<u>9,485,886</u>	<u>14,125,148</u>	<u>15,606,606</u>
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	<u>(8,079,312)</u>	<u>(9,798,656)</u>	<u>(14,679,133)</u>	<u>(13,541,041)</u>	<u>(23,430,807)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	3,941,383	4,077,332	3,915,980	9,121,682	13,181,837
Sales and use taxes	2,865,887	3,518,657	3,525,557	2,501,106	3,747,416
Transient occupancy taxes	1,081,174	1,102,756	1,207,298	1,311,697	1,411,421
Other taxes	149,737	765,215	1,076,806	713,821	949,007
Intergovernmental/ in-lieu VLF	-	3,165,148	2,966,002	-	-
Investment income	187,278	1,260,095	1,930,059	2,028,128	1,678,791
Motor vehicle in-lieu, unrestricted	-	1,716,656	1,290,667	856,701	254,527
Other general revenues	-	7,857	32,853	478,473	143,748
Loss on sale of capital assets	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	<u>8,225,459</u>	<u>15,613,716</u>	<u>15,945,222</u>	<u>17,011,608</u>	<u>21,366,747</u>
Changes in net position					
Governmental activities					
Total primary government	<u>\$ 146,147</u>	<u>\$ 5,815,060</u>	<u>\$ 1,266,089</u>	<u>\$ 3,470,567</u>	<u>\$ (2,064,060)</u>

The City of Rosemead implemented GASB 34 for the fiscal year ended June 30, 2004. Information prior to the implementation of GASB 34 is not available.

Fiscal Year				
2009	2010	2011	2012	2013
\$ 12,176,877	\$ 5,991,796	\$ 3,160,306	\$ 3,989,359	\$ 3,381,686
9,081,719	8,879,854	8,881,926	7,517,101	7,791,073
6,465,355	11,469,614	11,907,245	11,588,278	11,717,276
-	-	-	-	-
773,374	589,650	595,904	-	-
1,290,108	2,141,218	3,969,502	4,080,294	2,616,531
2,030,698	2,733,885	2,362,860	2,532,665	2,594,863
1,523,391	1,491,717	1,681,875	569,045	7,827
<u>33,341,522</u>	<u>33,297,734</u>	<u>32,559,618</u>	<u>30,276,742</u>	<u>28,109,256</u>
547,577	1,573,695	1,048,727	130,450	2,408,362
1,512,475	1,293,677	1,293,524	1,454,759	1,622,911
7,581,801	8,052,011	9,143,311	4,033,874	3,869,285
858,809	186,283	450,004	-	-
621,375	597,402	3,753,612	3,501,082	1,896,876
36,000	20,800	654,437	704,029	785,611
<u>11,158,037</u>	<u>11,723,868</u>	<u>16,343,615</u>	<u>9,824,194</u>	<u>10,583,045</u>
<u>(22,183,485)</u>	<u>(21,573,866)</u>	<u>(16,216,003)</u>	<u>(20,452,548)</u>	<u>(17,526,211)</u>
12,288,177	12,328,634	13,656,347	10,567,509	8,900,228
4,589,998	4,408,367	3,737,363	3,200,911	3,215,897
1,272,092	1,129,146	1,219,977	1,323,886	1,447,820
761,410	562,317	576,904	633,393	2,275,986
-	-	-	-	-
884,847	389,310	367,961	195,165	28,202
195,273	169,042	263,983	-	-
133,825	336,668	307,658	853,956	1,180,688
-	-	-	(2,340,090)	-
-	-	-	-	(6,392,878)
-	-	-	34,271,082	-
<u>20,125,622</u>	<u>19,323,484</u>	<u>20,130,193</u>	<u>48,705,812</u>	<u>10,655,943</u>
<u>\$ (2,057,863)</u>	<u>\$ (2,250,382)</u>	<u>\$ 3,914,190</u>	<u>\$ 28,253,264</u>	<u>\$ (6,870,268)</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
General fund:					
Reserved	\$ 353,616	\$ 1,719,044	\$ 256,765	\$ 150,000	\$ 3,074,496
Unreserved	20,053,506	19,896,581	22,228,341	22,460,545	18,633,154
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 20,407,122</u>	<u>\$ 21,615,625</u>	<u>\$ 22,485,106</u>	<u>\$ 22,610,545</u>	<u>\$ 21,707,650</u>
All other governmental funds:					
Reserved	\$ 3,195,415	\$ -	\$ 7,693,216	\$ 4,947,087	\$ 9,000,561
Unreserved, reported in:					
Special revenue funds	5,653,208	7,336,247	6,821,660	6,142,833	6,140,289
Debt service funds	32,835	2,354,835	-	552	692,475
Capital projects funds	6,264,457	8,433,842	6,435,798	7,397,454	2,490,553
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 15,145,915</u>	<u>\$ 18,124,924</u>	<u>\$ 20,950,674</u>	<u>\$ 18,487,926</u>	<u>\$ 18,323,878</u>

The City of Rosemead has elected to show only nine years of data for this schedule.

The City implemented GASB 54 for the fiscal year ended June 30, 2012. The categories of fund balance for governmental funds have been changed as described more fully in the notes to the basic financial statements. Prior year fund balances reflect the guidance in effect when those financial statements were prepared.

Fiscal Year				
2009	2010	2011	2012	2013
\$ 3,106,917	\$ 3,327,182	\$ -	\$ -	\$ -
16,135,102	13,626,774	-	-	-
-	-	2,034	2,034	133,196
-	-	-	-	-
-	-	5,107,963	5,294,253	6,415,416
-	-	-	5,712	5,712
-	-	10,209,075	9,519,173	11,063,116
<u>\$ 19,242,019</u>	<u>\$ 16,953,956</u>	<u>\$ 15,319,072</u>	<u>\$ 14,821,172</u>	<u>\$ 17,617,440</u>
\$ 9,000,561	\$ 8,944,112	\$ -	\$ -	\$ -
9,023,487	8,763,359	-	-	-
2,803,910	2,803,910	-	-	-
(54,323)	(1,405,770)	-	-	-
-	-	-	-	-
-	-	27,476,081	10,870,747	2,829,147
-	-	-	-	-
-	-	-	-	-
-	-	(4,402,964)	(1,292,405)	(788,224)
<u>\$ 20,773,635</u>	<u>\$ 19,105,611</u>	<u>\$ 23,073,117</u>	<u>\$ 9,578,342</u>	<u>\$ 2,040,923</u>

CITY OF ROSEMEAD
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenues:					
Taxes	\$ 9,041,026	\$ 9,189,326	\$ 9,527,384	\$ 13,648,306	\$ 17,841,792
Intergovernmental	8,826,909	14,379,314	10,785,591	9,419,698	15,716,610
Licenses and permits	1,508,009	1,595,115	1,528,864	1,683,204	1,503,659
Charges for services	581,848	550,478	660,890	414,375	537,430
Fines, forfeitures and penalties	589,890	857,135	753,224	437,117	641,566
Special assessments	-	-	-	789,089	687,568
Investment income	1,372,591	1,260,286	1,947,566	2,028,128	1,678,791
Other	37	30,316	29,332	478,473	141,930
Total revenues	<u>21,920,310</u>	<u>27,861,970</u>	<u>25,232,851</u>	<u>28,898,390</u>	<u>38,749,346</u>
Expenditures					
Current:					
General government	2,965,572	3,023,192	3,790,631	4,780,837	7,356,665
Public safety	5,797,080	6,087,918	6,536,043	6,737,912	8,043,771
Public works	3,144,358	5,208,142	6,064,980	8,898,768	12,116,508
Community services	65,583	60,828	51,286	1,419,424	669,827
Community development	3,259,505	3,424,954	3,216,935	2,690,420	3,408,691
Parks and recreation	3,201,236	3,383,358	3,881,469	4,249,462	4,078,631
Capital outlay	26,639	184,301	149,641	-	1,647,673
Debt service:					
Principal	445,000	465,000	490,000	780,000	1,105,000
Interest and fiscal charges	1,859,747	1,836,765	1,559,114	2,512,725	1,567,849
Bond issuance costs	-	-	550,323	1,323,238	-
Total expenditures	<u>20,764,720</u>	<u>23,674,458</u>	<u>26,290,422</u>	<u>33,392,786</u>	<u>39,994,615</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,155,590</u>	<u>4,187,512</u>	<u>(1,057,571)</u>	<u>(4,494,396)</u>	<u>(1,245,269)</u>
Other financing sources (uses):					
Transfers in	3,905,993	4,941,103	13,300,319	26,183,078	2,962,087
Transfers out	(3,905,993)	(4,941,103)	(13,300,319)	(26,183,078)	(2,962,087)
Transfer to Successor Agency	-	-	-	-	-
Issuance of long-term debt	-	-	14,005,000	24,230,000	-
Discount on bonds	-	-	-	-	-
Premium on debt issued	-	-	316,830	-	-
Payment to bond escrow agent	-	-	(9,569,028)	(22,075,305)	-
Proceeds of capital lease	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,752,802</u>	<u>2,154,695</u>	<u>-</u>
Extraordinary item:					
Gain (loss) on dissolution of redevelopment agency	-	-	-	-	-
Net change in fund balances	<u>\$ 1,155,590</u>	<u>\$ 4,187,512</u>	<u>\$ 3,695,231</u>	<u>\$ (2,339,701)</u>	<u>\$ (1,245,269)</u>
Debt service as a percentage of noncapital expenditures	11.1%	9.8%	7.8%	11.8%	7.0%

The City of Rosemead has elected to show only nine years of data for this schedule.

Fiscal Year				
2009	2010	2011	2012	2013
\$ 17,153,625	\$ 18,508,896	\$ 19,313,094	\$ 15,960,662	\$ 16,602,329
10,992,235	7,856,792	9,383,256	9,561,918	6,399,282
1,178,362	1,079,429	1,764,162	1,156,719	1,156,968
638,244	708,434	677,861	1,055,391	1,072,754
565,643	491,574	462,389	619,397	691,548
736,213	680,288	741,382	768,997	937,405
884,847	389,310	367,956	582,176	710,443
381,429	254,610	253,379	658,670	693,123
<u>32,530,598</u>	<u>29,969,333</u>	<u>32,963,479</u>	<u>30,363,930</u>	<u>28,263,852</u>
11,956,179	5,903,926	3,801,486	4,203,302	3,988,156
9,114,009	8,863,234	8,882,915	7,517,101	7,774,038
4,964,867	11,264,220	19,402,924	6,417,803	6,985,208
783,452	584,463	595,904	-	-
1,047,529	1,940,641	3,397,072	3,681,903	2,605,227
2,030,698	2,733,885	2,362,860	2,532,665	2,132,827
202,752	290,885	93,121	9,090,076	3,126,669
915,000	945,000	975,000	1,210,000	-
1,531,986	1,501,667	1,882,092	961,506	-
-	-	275,344	-	-
<u>32,546,472</u>	<u>34,027,921</u>	<u>41,668,718</u>	<u>35,614,356</u>	<u>26,612,125</u>
<u>(15,874)</u>	<u>(4,058,588)</u>	<u>(8,705,239)</u>	<u>(5,250,426)</u>	<u>1,651,727</u>
4,078,483	4,133,554	4,824,919	6,431,374	2,772,415
(4,078,483)	(4,133,554)	(4,824,919)	(6,554,374)	(2,772,415)
-	-	-	-	(6,392,878)
-	-	11,230,000	-	-
-	-	(192,139)	-	-
-	-	-	-	-
-	-	-	-	-
-	102,501	-	-	-
-	102,501	11,037,861	(123,000)	(6,392,878)
-	-	-	(8,619,249)	-
<u>\$ (15,874)</u>	<u>\$ (3,956,087)</u>	<u>\$ 2,332,622</u>	<u>\$ (13,992,675)</u>	<u>\$ (4,741,151)</u>
7.6%	7.4%	8.8%	6.8%	0.0%

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

Fiscal Year Ended June 30	City			Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	SBE Non-Unitary		
2004	2,168,666,818	52,904,496	19,367,174	2,240,938,488	18.51%
2005	2,345,083,686	57,368,008	20,426,612	2,422,878,306	19.46%
2006	2,561,631,859	64,776,971	18,555,208	2,644,964,038	20.73%
2007	2,826,876,615	55,851,646	19,173,832	2,901,902,093	20.56%
2008	3,085,354,513	61,564,235	18,883,761	3,165,802,509	21.85%
2009	3,277,256,282	66,506,103	18,883,761	3,362,646,146	22.61%
2010	3,333,876,047	62,148,114	3,307,527	3,399,331,688	22.27%
2011	3,364,287,629	64,231,062	3,301,527	3,431,820,218	22.41%
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%

¹ Beginning with the fiscal year ended June 30, 2002, exemptions are netted directly against the individual property categories.

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 at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price 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: HDL Coren & Cone and Los Angeles County Assessor's Office

CITY OF ROSEMEAD
Direct and Overlapping Property Tax Rates
(Rate per \$100 of Taxable Value)
Last Ten Fiscal Years

Agency	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
County Detention Facilities 1987 Debts	0.00099	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
El Monte School Districts	0.05072	0.07246	0.08056	0.06402	0.08067	0.09044	0.11907	0.12388	0.12733	0.13288
El Monte Union High School	0.03573	0.03928	0.05425	0.05846	0.02820	0.05159	0.09654	0.08475	0.09591	0.08992
Garvey School Districts	0.02471	0.02319	0.05221	0.05075	0.05061	0.06835	0.07836	0.08503	0.08404	0.08832
La Ccd Ds 2008 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01119
Los Angeles Community College	0.01986	0.01810	0.01430	0.02146	0.00878	0.02212	0.02311	0.04031	0.03530	0.03756
L.A. Co. Flood Control Bonds	0.00047	0.00024	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350
Montebello Unified School District	0.04076	0.04172	0.07053	0.06731	0.06681	0.08065	0.09673	0.09792	0.10001	0.09630
Pasadena Ccd Ds 2002, 2006 Ser D	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00225
Pasadena Area Community College	0.00681	0.00879	0.00410	0.02080	0.01972	0.01741	0.02300	0.01986	0.01956	0.01830
Rio Hondo Community College	0.00000	0.02170	0.01802	0.01469	0.01370	0.02320	0.02714	0.03439	0.03418	0.02812
Rosemead School Districts	0.04517	0.07095	0.07515	0.05420	0.08282	0.06875	0.11358	0.10743	0.10507	0.10240
San Gabriel Unified School District	0.05224	0.05729	0.05284	0.04930	0.05742	0.09294	0.10071	0.10190	0.08454	0.10523
San Gabriel Vly Mwd State Water Bond	0.02200	0.02000	0.02000	0.02000	0.02000	0.01800	0.01800	0.01800	0.01800	0.01800
Total Direct & Overlapping² Tax Rates	1.30556	1.38044	1.44801	1.42640	1.43323	1.53775	1.70054	1.71717	1.70764	1.73397
City's Share of 1% Levy Per Prop 13³	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388
General Obligation Debt Rate										
Redevelopment Rate⁴	1.00755	1.00697	1.00604	1.00541	1.00450	1.00430	1.00430	1.00370	1.00370	
Total Direct Rate⁵	0.18513	0.19461	0.20733	0.20556	0.21850	0.22614	0.22270	0.22407	0.22351	0.22113

Notes:

¹ In 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.

² Overlapping 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.

³ City'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.

⁴ RDA 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.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. We arrive at this percentage by dividing the City's revenue by total net taxable assessed value.

Source: L.A. County Assessor 2003/04 - 2012/13 Tax Rate Table and HDL Coren & Cone

CITY OF ROSEMEAD
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012/13			2003/04		
	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	\$ 46,249,013	1	1.28%			
Walmart Stores, Inc	37,041,505	2	1.03%			
Rosemead Hwang, LLC	27,825,000	3	0.77%			
AFG Investment Fund 5 LLC	24,533,279	4	0.68%			
Metodo Investments LLC	18,498,227	5	0.51%			
420 Boyd Street LLC	17,000,000	6	0.47%			
Panda Restaurant Group, Inc.	14,098,496	7	0.39%			
Macy's California Inc.	13,942,680	8	0.39%			
Shurland Kay Curci Foundation	13,756,316	9	0.38%			
Sunshine Inn	10,559,863	10	0.29%			
Rosemead Place, LLC				\$ 20,641,081	1	0.92%
May Department Stores Company				16,816,057	2	0.75%
Southern California Edison Co.				16,790,880	3	0.75%
General Electric Credit Auto Auctions				15,882,413	4	0.71%
Aespace America, Inc.				12,954,103	5	0.58%
California Federal Savings & Loan Assn.				9,626,052	6	0.43%
Sunshine Inn				9,322,230	7	0.42%
Panda Restaurant Group, Inc.				8,000,000	8	0.36%
Builder Square, LLC				7,696,695	9	0.34%
Huy Fong Foods, Inc.				7,203,512	10	0.32%

Source: Hdl Coren & Cone, Los Angeles County Assessor 2012/13 Combined Tax Rolls.

CITY OF ROSEMEAD
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
2004	1,262,684	1,262,622	100.00%	-	1,262,622	100.00%
2005	1,364,266	1,203,406	88.21%	-	1,203,406	88.21% **
2006	2,054,921	2,054,859	100.00%	-	2,054,859	100.00%
2007	2,269,752	2,147,626	94.62%	-	2,147,626	94.62% **
2008	2,442,009	2,406,199	98.53%	-	2,406,199	98.53%
2009	2,569,429	2,435,807	94.80%	-	2,435,807	94.80%
2010	2,609,456	1,898,973	72.77%	-	1,898,973	72.77%
2011	2,633,288	2,595,289	98.56%	-	2,595,289	98.56%
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%

* Information not available.

** Note: For these years the information was not available so an estimate was made to reduce the total collections to date to 100%.

Source: HDL Coren & Cone and Los Angeles County Auditor Controller's Office

CITY OF ROSEMEAD
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Tax Allocation Bonds ²	Percentage of Personal Income ¹	Debt Per Capita ¹
2003/04	33,385,000	1.93%	595
2004/05	32,920,000	4.83%	587
2005/06	37,100,000	5.18%	656
2006/07	37,455,000	5.01%	660
2007/08	36,350,000	4.59%	639
2008/09	35,435,000	4.33%	623
2009/10	34,490,000	4.17%	605
2010/11	44,745,000	5.51%	780
2011/12	43,535,000	4.63%	754
2012/13	41,740,000	4.38%	771

Notes: Details regarding the outstanding debt can be found in the notes to the basic financial statements.

¹ These ratios are calculated using personal income and population for the prior calendar year.

² The Rosemead Community Development Commission was dissolved on February 1, 2012. As a result, the tax allocation bonds are not debt of the primary government.

CITY OF ROSEMEAD
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

<u>Fiscal Year</u>	<u>Tax Allocation Bonds ²</u>	<u>Percent of Assessed Value ¹</u>	<u>Per Capita</u>
2003/04	33,385	1.49%	595
2004/05	32,920	1.36%	587
2005/06	37,100	1.40%	656
2006/07	37,455	1.29%	660
2007/08	36,350	1.15%	639
2008/09	35,435	1.05%	623
2009/10	34,490	1.01%	605
2010/11	44,745	1.30%	780
2011/12	43,535	1.23%	754
2012/13	41,740	1.16%	771

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

² The Rosemead Community Development Commission was dissolved on February 1, 2012. As a result, the tax allocation bonds are not debt of the primary government.

CITY OF ROSEMEAD
Direct and Overlapping Governmental Activities Debt
June 30, 2013

	Gross Bonded Debt Balance	Percentage Applicable To City	Net Bonded Debt
Overlapping Debt			
* Metropolitan Water District	\$ 79,696,126	0.339%	\$ 270,170
Garvey SD DS 2000 Series A	350,222	51.350%	179,839
Garvey SD DS 2000 Series B	6,244,519	51.350%	3,206,561
Garvey SD DS 2004 Series 2005	7,653,736	51.350%	3,930,193
Garvey SD DS 2004 Series 2006	10,134,168	51.350%	5,203,895
Garvey SD DS 2004 Series C	8,932,964	51.350%	4,587,077
Garvey SD DS 2011 Refund Bonds	5,145,000	51.350%	2,641,958
Rosemead SD DS 2000 Series C	6,390,000	69.326%	4,429,931
Rosemead SD DS 2007 Series D	4,690,000	69.326%	3,251,389
Rosemead SD DS 2008 Series A	8,575,000	69.326%	5,944,705
Rosemead SD DS 2011 Ref Bond	14,835,000	69.326%	10,284,512
El Monte Union HS Dist 2002 Series A	1,260,000	14.704%	185,270
El Monte Union HS Dist 2002 Series B	2,370,000	14.704%	348,485
El Monte Union HSD DS 2006 Ref Bds	34,798,086	14.704%	5,116,711
El Monte Union HSD DS 2002 Series C	28,190,000	14.704%	4,145,058
El Monte Union HSD DS 2008 Series A	52,822,277	14.704%	7,766,988
El Monte Union HSD DS 2008 Series B	30,297,787	14.704%	4,454,987
L.A. CCD DS 2003 Series B	3,100,000	0.328%	10,168
L.A. CCD DS 2003 Taxable Ser 2004B	11,985,000	0.328%	39,311
L.A. CCD DS 2001 Taxable Series 2004A	74,440,000	0.328%	244,163
LACC DS Ref 2001 Series 2005 & 2013	473,395,000	0.328%	1,552,736
LA CCD DS 2001 2006 Series B	275,300,000	0.328%	902,984
LA CCD DS 2003, 2006 Series C	382,160,000	0.328%	1,253,485
LACC DS 2001, 2008 Ser E-1	271,710,000	0.328%	891,209
LACC DS 2003, 2008 Ser F-1	344,915,000	0.328%	1,131,321
LACC DS 2003, 2008 Taxable Ser F-2	550,000	0.328%	1,804
LACC DS 2008, 2009 Taxable Ser A	350,000,000	0.328%	1,148,000
LACC DS 2008, 2009 Taxable Ser B	75,000,000	0.328%	246,000
LACC Debt 2008, 2010 Tax Ser D	175,000,000	0.328%	574,000
LACC Debt 2008, 2010 Tax Ser E (BABS)	900,000,000	0.328%	2,952,000
LACC DS 2008, 2010 Series C	125,000,000	0.328%	410,000
LA CCD DS 2008, 2012 Series F	250,000,000	0.328%	820,000
Pasadena CCD DS 2006 Series B	46,100,000	2.617%	1,206,437
Pasadena CCD DS 2006 Ref BD Series C	5,315,367	2.617%	139,103
Pasadena CCD DS 2002, 2006 Ser D	26,505,000	2.617%	693,636
Pasadena CCD 2002, 2009 Series E (BABS)	25,295,000	2.617%	661,970
Montebello USD DS 1998 Series 1998	8,715,223	1.400%	122,013
Montebello USD DS 98 Series 1999	7,712,854	1.400%	107,980
Montebello USD DS 1998 Series 2001	2,632,827	1.400%	36,860
Montebello USD DS 1998 Series 2004	7,560,273	1.400%	105,844
Montebello Unified DS 1998 Series 2002	9,956,587	1.400%	139,392
Montebello Unif DS 2004 Series 2005	940,000	1.400%	13,160
Montebello USD DS 2004 Series 2008	32,255,000	1.400%	451,570
Montebello USD DS 2004 Series-1 2009-1	19,585,000	1.400%	274,190
Montebello USD 2004 Series 2009A-2 BABS	12,640,000	1.400%	176,960
Montebello USD DS 2010 & 2013 Ref Bonds	34,075,000	1.400%	477,050
San Gabriel USD DS 2002 Series B	6,181,492	1.352%	83,574
San Gabriel USD DS 2005 Ref Bonds	16,955,000	1.352%	229,232
San Gabriel USD DS 2002 Ser 2007 C	10,667,878	1.352%	144,230
San Gabriel USD DS 2008 Ser A	18,088,245	1.352%	244,553
San Gabriel USD DS 2010 Ref Bonds	6,410,000	1.352%	86,663
San Gabriel USD DS 2008 Series B	16,003,464	1.352%	216,367
San Gabriel USD DS 2012 Ref Bonds Series B	2,790,000	1.352%	37,721
Total Overlapping Debt			\$ 83,773,412

2012/13 Assessed Valuation: \$2,989,980,664 After Deducting \$613,414,522 Incremental Value.

Debt to Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	2.80%
Total Debt	2.80%

* 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.

Source: Hdl Coren & Cone, L.A. County Assessor and Auditor Combined 2012/13 Lien Date Tax Rolls.

CITY OF ROSEMEAD
 Legal Debt Margin
 Last Ten Fiscal Years

	Fiscal Year				
	2004	2005	2006	2007	2008
Assessed valuation	2,240,938,488	2,422,878,306	2,644,964,038	2,901,902,093	3,165,802,509
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	560,234,622	605,719,577	661,241,010	725,475,523	791,450,627
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	84,035,193	90,857,936	99,186,151	108,821,328	118,717,594
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>84,035,193</u>	<u>90,857,936</u>	<u>99,186,151</u>	<u>108,821,328</u>	<u>118,717,594</u>
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

Fiscal Year				
2009	2010	2011	2012	2013
3,362,646,146	3,399,331,688	3,431,820,218	3,533,192,184	3,603,395,186
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
840,661,537	849,832,922	857,955,055	883,298,046	900,848,797
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
126,099,230	127,474,938	128,693,258	132,494,707	135,127,319
-	-	-	-	-
<u>126,099,230</u>	<u>127,474,938</u>	<u>128,693,258</u>	<u>132,494,707</u>	<u>135,127,319</u>
0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF ROSEMEAD
Pledged-Revenue Coverage
Last Ten Fiscal Years
(In Thousands)

Fiscal Year Ended June 30	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2004	3,376,579	445,000	1,870,873	1.46
2005	3,494,330	465,000	1,836,765	1.52
2006	3,310,295	490,000	1,559,114	1.62
2007	4,029,714	780,000	1,505,781	1.76
2008	6,219,884	1,105,000	1,567,849	2.33
2009	5,649,896	915,000	1,531,987	2.31
2010	6,243,948	945,000	1,501,667	2.55
2011	6,893,575	975,000	1,882,092	2.41
2012	2,601,979	1,210,000	961,506	1.20
2013	5,439,677	1,795,000	1,852,123	1.49

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.

CITY OF ROSEMEAD
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2003/04	56,120	681,218	12,139	6.10%
2004/05	56,536	715,679	12,659	5.70%
2005/06	56,786	747,331	13,160	4.70%
2006/07	56,929	791,649	13,906	4.20%
2007/08	56,876	819,088	14,401	4.40%
2008/09	57,003	827,444	14,516	6.50%
2009/10	57,381	812,343	14,157	10.20%
2010/11	57,756	939,575	16,268	11.20%
2011/12	54,172	952,560	17,584	10.80%
2012/13	54,464	959,982	17,626	8.10%

Sources: (1) California State Department of Finance
(2) HDL Coren & Cone and based on the last available census
(3) State of California Employment Development Department

CITY OF ROSEMEAD
Principal Employers
Current Year and Nine Years Ago

Employer	2013		2004 *		
	Number of Employees	Percent of Total Employment ¹	Number of Employees	Percent of Total Employment	
Southern California Edison	1	4,100	17.60%	-	0.00%
Garvey School District	2	804	3.45%	-	0.00%
Wal-Mart	3	420	1.80%	-	0.00%
Panda Restaurant Group, Inc.	4	400	1.72%	-	0.00%
Rosemead School District	5	337	1.45%	-	0.00%
Target	6	200	0.86%	-	0.00%
Hemetic Seal Corporation	7	150	0.64%	-	0.00%
Olive Garden	8	150	0.64%	-	0.00%
Don Bosco Tech	9	90	0.39%	-	0.00%
Double Tree	10	76	0.33%	-	0.00%

¹ Based upon Employment Development Department's estimate of 23,300 residents employed in 2012-13.

* Information for 2004 is not available.

Source: City of Rosemead and Rosemead Chamber of Commerce

CITY OF ROSEMEAD
 Full-time and Part-time City Employees
 by Function
 Last Ten Fiscal Years

<u>Function</u>	<u>Full-time and Part-time employees as of June 30,</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	14	15	18	17	19	16	22	19	15	13
Public safety ¹	22	17	23	22	34	39	42	42	33	15
Community development	6	6	6	11	23	18	23	23	7	8
Public Works	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26	22
Parks and recreation	<u>97</u>	<u>94</u>	<u>103</u>	<u>101</u>	<u>103</u>	<u>135</u>	<u>112</u>	<u>99</u>	<u>68</u>	<u>81</u>
 Total	 <u>139</u>	 <u>132</u>	 <u>150</u>	 <u>151</u>	 <u>179</u>	 <u>208</u>	 <u>199</u>	 <u>183</u>	 <u>149</u>	 <u>139</u>

¹ The City of Rosemead contracts with the Los Angeles County Sheriff's Department for all police services with the exception of parking control and crossing guards which are provided by City personnel.

¹ The City of Rosemead is part of the Los Angeles County Fire Protection District which provides fire fighting, fire prevention, and plan check services for the City.

Source: City Finance Department

CITY OF ROSEMEAD
 Operating Indicators
 by Function
 Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police:										
Arrests	1,081	1,230	1,315	1,786	1,506	1,478	1,733	1,888	1,842	1,186
Parking citations issued	14,676	18,357	15,176	13,210	11,766	10,517	8,450	7,515	7,797	8,765
Fire:										
Number of emergency calls	2,589	2,617	2,617	2,749	2,846	2,959	2,853	2,745	2,928	2,785
Inspections	-	-	-	-	2,518	2,093	2,137	1,845	2,066	2,012
Public works:										
Street resurfacing (miles)	1.3	-	1.3	2.5	1.1	2.8	3.5	3.5	3.6	0.9
Parks and recreation:										
Number of recreation classes	450	530	720	775	484	397	727	617	519	638
Number of facility rentals	n/a	n/a	n/a	n/a	540	453	236	1,786	3,261	3,124

Source: City of Rosemead

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety:										
Sheriff stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	2	2	2	2	2	2	2	2	2	2
Public works:										
Streets (miles)	76.80	76.80	76.80	76.80	77.55	77.55	77.55	77.55	77.55	77.55
Streetlights	2,700	2,702	2,705	2,706	2,712	2,712	2,712	2,712	2,712	2,712
Traffic signals	39	39	39	41	42	42	42	42	42	42
Parks and recreation:										
Parks	10	10	10	10	10	10	10	10	10	10
Community centers	2	2	2	2	2	2	2	2	2	2

Source: City of Rosemead