

CITY OF ROSEMEAD  
Rosemead, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

Prepared by the Finance Department  
Matthew Hawkesworth  
Director of Finance

CITY OF ROSEMEAD

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

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**MAYOR:**  
WILLIAM ALARCON

**MAYOR PRO TEM:**  
MARGARET CLARK

**COUNCIL MEMBERS:**  
SANDRA ARMENTA  
POLLY LOW  
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 20, 2015

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, 2014.

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, 2014, 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, 2014, 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. 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 three 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 slow recovery from the 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 show modest growth. A direct comparison with the previous fiscal year will show an increase in sales tax revenues which indicates the economy is slowly improving. 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 6.7% whereas the larger Los Angeles, Long Beach, Glendale area rate is 7.9%. Major employers are listed in the statistical section of the accompanying financial report. TGI Fridays and Olive Garden opened during the prior 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 2013/14 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 2012-13 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.

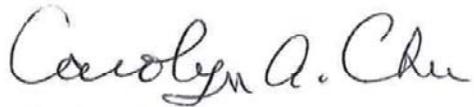
**Pension and other postemployment benefits.** The City of Rosemead is contracted with the California Public Employees Retirement System (CalPERS) for retirement benefits for full-time employees. Supplemental retirement benefits are offered to qualified full-time employees, retirees and part-time employees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

A handwritten signature in cursive script that reads "Carolyn A. Chu". The signature is written in black ink and is positioned above the printed name and title.

Carolyn A. Chu  
Acting Director of Finance

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# **CITY OF ROSEMEAD**

## **Directory of Officials**

**June 30, 2014**

### **CITY COUNCIL**

William Alarcon, Mayor

Margaret Clark, Mayor Pro Tem

Sandra Armenta, Council Member

Polly Low, 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

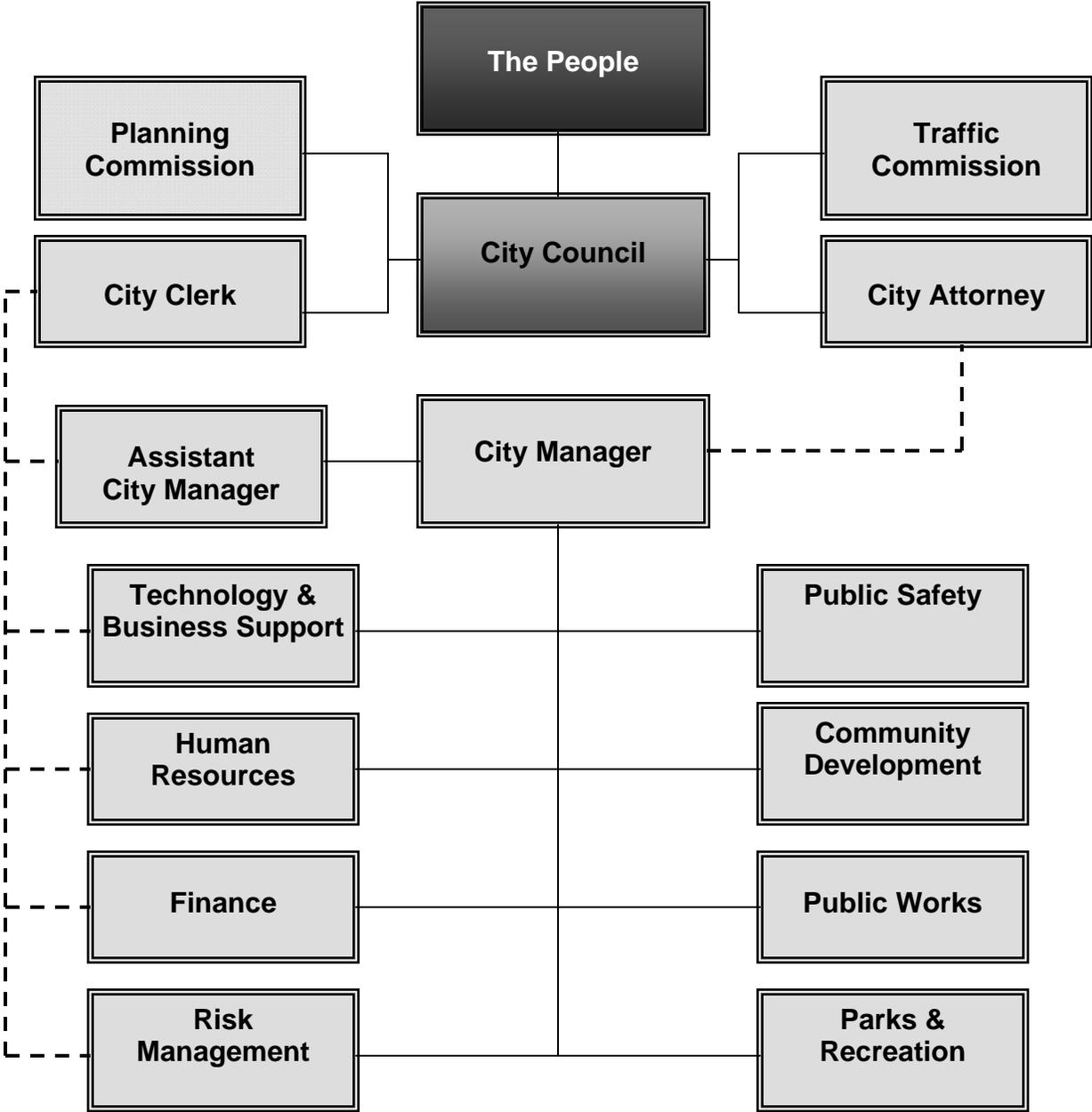
Lt. Ignacio Somoano, Chief of Police

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  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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San Bernardino, CA 92408  
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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  
Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Waller, CPA (Partner Emeritus)

### MANAGERS / STAFF

Bradferd A. Welebir, CPA, MBA  
Jenny Liu, CPA, MST  
Seong-Hyea Lee, CPA, MBA  
Charles De Simoni, CPA  
Yiann Fang, CPA  
Nathan Statham, CPA, MBA  
Brigitta Bartha, CPA  
Gardenya Duran, CPA  
Juan Romero, CPA  
Ivan Gonzales, CPA, MSA  
Brianna Pascoe, CPA

### 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, 2014, 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.

### MEMBERS

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

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, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Implementation of new pronouncements*

As discussed in Note 1 to the financial statements, in 2014 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2015, 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.

A handwritten signature in cursive script that reads "Rogers Anderson Malody & Scott, LLP". The signature is written in black ink and is positioned above the typed name of the firm.

San Bernardino, California  
January 20, 2015

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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, 2014. 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 - v of this report. All amounts, unless otherwise indicated, are in thousands of dollars.

### Financial Highlights

- Total fund balance for the general fund increased by \$79,626 during the current fiscal year. This is a much smaller increase than in the prior year due to several one time payments received in the prior year. 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.
- At the end of the current fiscal year, *unassigned fund balance* for the general fund was \$11,607,595 or 65% of total general fund expenditures.
- The assets related to Governmental Activities increased by approximately \$477,000 due to an increase in Successor Agency projects that will be reimbursed to the City.

### 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 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 12 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, HOME Fund and Capital Project Fund, all four of which are considered to be major funds. Data from the other 8 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 statement 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, 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* reported 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 City of Rosemead maintains two different types of fiduciary funds. The *Trust and Agency Fund* is used to account for the assets held in a trustee capacity or as an agent. The *Private-purpose Trust Fund* is used to account for the activity of the Successor Agency to the Community Development Commission of the City of Rosemead.

The 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 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 on pages 57-62 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 63-84 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 \$70,521,160 at the close of the most recent fiscal year.

A significant portion of the City of Rosemead's net position (71%) 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, 2014 and 2013  
(thousands)**

	Governmental Activities	
	2014	2013
Current and other assets	\$ 25,190	\$ 23,847
Capital assets	50,145	51,011
<b>Total assets</b>	<b>75,335</b>	<b>74,858</b>
Long-term liabilities outstanding	2,123	1,432
Other liabilities	2,691	1,727
<b>Total liabilities</b>	<b>4,814</b>	<b>3,159</b>
Net position:		
Net investment in capital assets	50,043	51,133
Restricted	3,110	2,829
Unrestricted	17,368	17,737
<b>Total net position</b>	<b>\$ 70,521</b>	<b>\$ 71,699</b>

An additional portion of the City of Rosemead's net position (4.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* - (\$17,367,841) 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 \$1,177,427 during the current fiscal year. The decrease can be attributed to an increase in liabilities at year end and a decrease in capital assets.

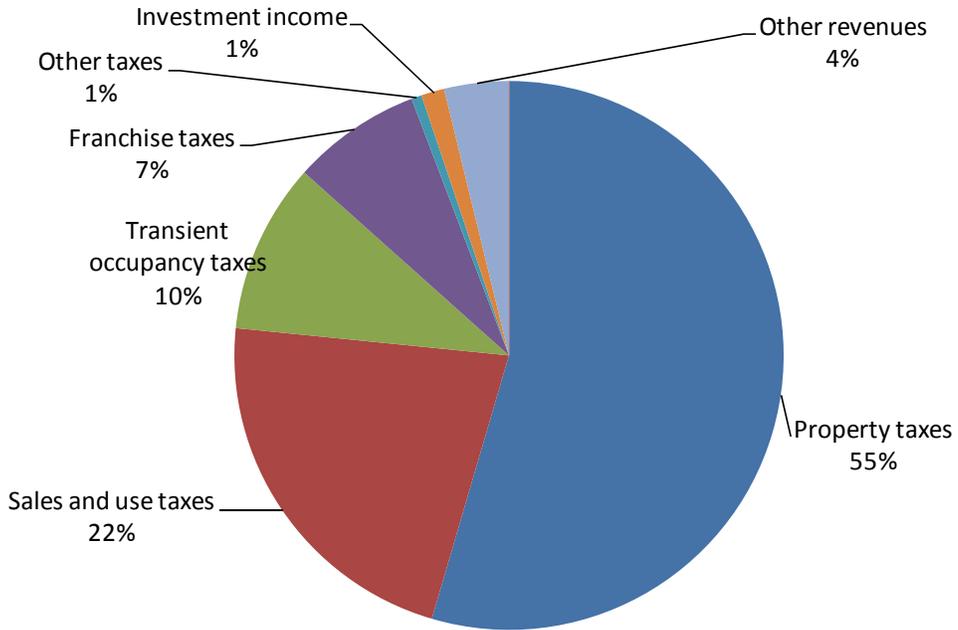
**Governmental activities.** Governmental activities decreased the City of Rosemead's net position by \$1,177,427. The main factor contributing to the change in net position is the following single occurrence event described below.

- The City's solid waste provider issued an upfront franchise fee in the prior fiscal year of \$1.6 million. Since this was a one-time upfront payment per the agreement, franchise payments for trash hauling decreased \$1.0 million in the current fiscal year.

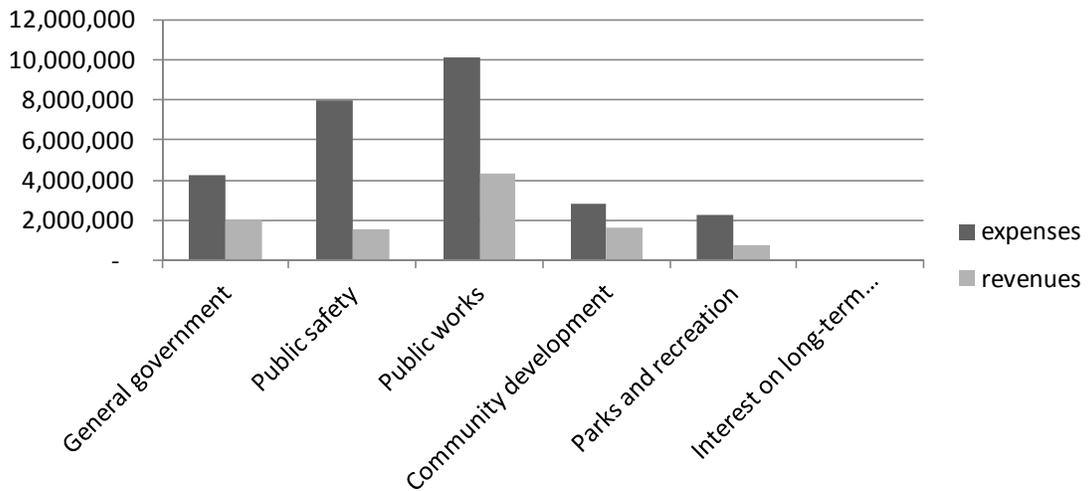
**City of Rosemead's Changes in Net Position**  
**Years Ended June 30, 2014 and 2013**  
**(thousands)**

	Governmental Activities	
	2014	2013
Program revenues:		
Charges for services	\$ 3,408	\$ 3,277
Operating grants and contributions	6,034	6,362
Capital grants and contributions	887	944
General revenues:		
Property taxes	8,668	8,900
Other taxes	6,405	6,940
Investment income	216	28
Other	604	1,181
Transfer to Successor Agency	-	(6,393)
Total revenues	26,222	21,239
Expenses:		
General government	4,271	3,382
Public safety	7,923	7,791
Public works	10,072	11,717
Community development	2,853	2,616
Parks and recreation	2,275	2,595
Interest on long-term debt	6	8
Total expenses	27,400	28,109
Increase in net position	(1,178)	(6,870)
Net position - June 30, 2013	71,699	78,569
Net position - June 30, 2014	\$ 70,521	\$ 71,699

## 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 \$19,614,828 a decrease of \$43,535 in comparison with the prior year. Approximately 53% of this total amount of \$10,414,669 constitutes *unassigned, undesignated 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 \$11,607,595, while total fund balance reached \$17,697,066. 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 65% of total general fund expenditures, while total fund balance represents 99% of that same amount.

The fund balance of the City of Rosemead's general fund increased by \$79,626 during the current year. Highlights of the change in fund balance are presented below:

- The general fund revenues exceeded expenditures and therefore, fund balance had a slight increase of \$79,626. Several of the revenues were less than the prior year as outlined below:
  - The general fund property tax decreased \$1,034,258 over last year. In the prior year the City received a settlement from the County of Los Angeles and also several one-time property tax payments related to the dissolution of redevelopment. Therefore, even though the property tax revenue was less than the prior year, it exceeded the budgeted amount.
  - The City's franchise tax revenues decreased \$1.0 million over the prior year. This resulted from the City's solid waste provider issued an upfront franchise fee payment of \$1.6 million in 2012-13.
- The City continued to make payments towards the unfunded portion of the Other Post Employment Benefits liability in the amount of \$805,916. While this payment was originally budgeted to be taken from the general fund's unassigned fund balance, there was a slight increase in fund balance due to the increase of revenues over expenditures.
- Operating cost overruns in the Public Works division were caused by additional tree maintenance costs and costs to purchase recycle cans to maintain the community. Both of these items were reimbursed by grant revenue which offset these costs. Operating cost overruns in the City as a whole were minimal. Additional costs overruns, such as those for parking control and building inspections were covered by increases in revenue which more than offset the related costs. There were also additional costs for Water utilities which was related to the California drought.

General Fund Budget Analysis. The City's general fund collected revenues of slightly more than \$1.1 million in comparison to the budgeted estimates or 6.4% more than the budget. This variance resulted from Property Tax increases of \$323,000 which partially resulted from the reallocation of former redevelopment tax increment, Sales Tax increases of \$226,000 which was driven by an improving economy and the opening of some new restaurants and businesses, and increase of \$100,000 in Transient Occupancy Tax from an improving travel industry. In addition Permit revenue increased by \$150,000 due to increased development and projects during FY 2013/14. A positive variance of \$105,000 in Fines and Forfeitures was a result of increased collections of parking citations by the City's new third-party agent and the continued improvement from our administrative citation process implemented in 2011-12. Interest earnings were underestimated by approximately \$83,000 due to large end of year changes in market valuation. Shortfalls from budgeted estimates were isolated to grant revenue, primarily due to State grants that were flat. Planning Fees and Development Review Fees were underestimated by approximately \$42,000 which can be credited to increased development and projects in the City.

The general fund original expenditure budget was increased by \$48,500. The main contributor to the increase was an increase of \$42,000 due to a special Transient Occupancy Tax audit. Additional adjustments were made for the Lunar New Year festival and Public Safety CERT training. Net actual expenditures were \$535,170 less than the amended budget. General Government underspent by \$279,197 due to Housing Development Corporation obligations being covered by the Successor Agency rather than the General Fund. Public works was over budget by \$85,383 due to additional tree maintenance costs as well as larger water utility costs. Also, there was a large expenditure to purchase recycled containers which was offset by grant revenue. Public Safety underspent by \$51,772 which was a direct result of some personnel related costs due to temporary vacancies. The Community Development Department also underspent their budget by \$81,692 due to temporary staffing vacancies. There was an increase in the use of contracted services, however this was due to more projects and was offset by revenues. Parks and Recreation had aggregate savings of \$207,892 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 \$118,506. 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 receives its funding from tenant rents and subsidies from the Successor Agency. As operational costs have continued to increase and tenant rents have remained relatively constant, the reliance on the subsidy from the Successor Agency 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, 2014, amounts to \$50,145,132 (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:

- Intersection improvements including electrical and replacing asphalt with concrete on Hellman and San Gabriel Drive
- Construction of a new public plaza including water features, seating areas and extensive landscaping
- Street resurfacing on Mission Drive
- City Hall improvements including new furniture
- Rosemead Community Recreation Center remodel
- Garvey Gym improvements including exterior enhancements and renovation of restrooms
- Rosemead Park improvements including new playground equipment
- Completed residential resurfacing projects in several neighborhoods

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

	Governmental Activities	
	2014	2013
Land	\$ 2,912	\$ 2,912
Buildings	13,937	14,397
Improvements other than Buildings	335	431
Machinery and equipment	102	141
Autos and trucks	252	215
Furniture and office equipment	360	25
Infrastructure	31,240	32,873
Construction in progress	1,007	17
<b>Total</b>	<b>\$ 50,145</b>	<b>\$ 51,011</b>

Additional information on the City of Rosemead's capital assets can be found in note 7 on pages 43-44 of this report.

**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 \$39,885,000. 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	
	2014	2013
Tax Allocation Bonds	\$ 39,885	\$ 41,740

The Successor Agency's total bonded debt decreased by \$1,855,000 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 8 on pages 44-45 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- As discussed throughout this Management's Discussion and Analysis report, there were modest general fund revenue increases in fiscal year 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.

- During the prior fiscal year, the City had received the Finding of Completion from the State's Department of Finance, which was the final step needed to utilize approximately \$7 million in tax increment bond proceeds from the former redevelopment agency. During fiscal year 2013-14, the City has included capital improvement project funding from these bond proceeds in order to complete several projects that have been on hold for more than two years. These projects included the Rosemead Community Recreation Center Expansion and Downtown Plaza as well as the Rosemead Park Improvements. Progress was made on all of these projects during fiscal year 2013-14 and should be completed by the end of fiscal year 2014-15.

### **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 Acting Finance Director, 8838 East Valley Boulevard, Rosemead, CA 91770.

CITY OF ROSEMEAD  
Statement of Net Position  
June 30, 2014

	Governmental Activities
Assets:	
Cash and investments (note 2)	\$ 19,675,482
Receivables:	
Accounts	1,804,284
Interest	38,915
Notes	394,710
Due from Successor Agency (note 5)	835,766
Prepaid expenses	2,440,349
Capital assets (note 7):	
Land	2,912,284
Construction in progress	1,006,820
Other capital assets, net	46,226,028
Total assets	75,334,638
Liabilities:	
Accounts payable and accrued liabilities	2,330,898
Accrued salaries and benefits	225,118
Retentions payable	113,526
Due to Successor Agency (note 5)	21,441
Non-current liabilities (note 8):	
Due within one year	487,936
Due in more than one year	1,634,559
Total liabilities	4,813,478
Net position:	
Net investment in capital assets	50,042,631
Restricted for:	
Public safety	14,475
Public works	2,933,737
Community service	162,476
Unrestricted	17,367,841
Total net position	\$ 70,521,160

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

CITY OF ROSEMEAD  
Statement of Activities  
Fiscal Year Ended June 30, 2014

	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	\$ 4,271,354	\$ 92,464	\$ 1,937,599	\$ -	\$ (2,241,291)
Public safety	7,923,316	699,061	-	887,496	(6,336,759)
Public works	10,072,081	327,385	4,029,101	-	(5,715,595)
Community development	2,853,472	1,564,775	67,733	-	(1,220,964)
Parks and recreation	2,274,920	724,197	-	-	(1,550,723)
Interest and other charges	5,561	-	-	-	(5,561)
<b>Total governmental activities</b>	<b>\$ 27,400,704</b>	<b>\$ 3,407,882</b>	<b>\$ 6,034,433</b>	<b>\$ 887,496</b>	<b>(17,070,893)</b>
General revenues:					
Taxes:					
Property taxes					7,602,786
Sales and use taxes					3,504,285
Property taxes in lieu of sales and use taxes					1,064,923
Transient occupancy taxes					1,593,640
Franchise taxes					1,210,382
Other taxes					96,898
Investment income					216,499
Other					604,053
Total general revenues					<u>15,893,466</u>
Change in net position					(1,177,427)
Net position, beginning of year					<u>71,698,587</u>
Net position, end of year					<u>\$ 70,521,160</u>

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

CITY OF ROSEMEAD  
Governmental Funds  
Balance Sheet  
June 30, 2014

	General	Special Revenue	Special Revenue
		Rosemead Housing Development Corporation	HOME
<u>Assets</u>			
Cash and investments (note 2)	\$ 16,106,430	\$ 153,164	\$ -
Receivables:			
Accounts	1,316,230	14,939	68,745
Interest	38,915	-	-
Notes	394,710	-	-
Prepaid items	140,893	-	-
Due from other funds (note 4)	1,286,427	-	-
Due from Successor Agency (note 5)	-	-	-
<b>Total assets</b>	<b>\$ 19,283,605</b>	<b>\$ 168,103</b>	<b>\$ 68,745</b>
<u>Liabilities</u>			
Accounts payable and accrued liabilities	\$ 1,131,548	\$ 37,766	\$ 4,149
Accrued salaries and benefits	182,672	-	963
Retentions payable	-	-	-
Due to other funds (note 4)	-	-	533,533
Due to Successor Agency (note 5)	21,441	-	-
<b>Total liabilities</b>	<b>1,335,661</b>	<b>37,766</b>	<b>538,645</b>
<u>Deferred Inflows of Resources</u>			
Unavailable revenues	250,878	-	-
<u>Fund balances</u>			
Nonspendable	140,893	-	-
Restricted for:			
Public safety	-	-	-
Public works	-	-	-
Community services	-	-	-
Low and moderate income housing	-	130,337	-
Committed	5,883,235	-	-
Assigned	65,343	-	-
Unassigned	11,607,595	-	(469,900)
<b>Total fund balances (deficit)</b>	<b>17,697,066</b>	<b>130,337</b>	<b>(469,900)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 19,283,605</b>	<b>\$ 168,103</b>	<b>\$ 68,745</b>

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

Capital Projects

City	Non-Major Governmental	Totals
\$ -	\$ 3,082,661	\$ 19,342,255
-	404,370	1,804,284
-	-	38,915
-	-	394,710
-	-	140,893
-	-	1,286,427
<u>835,766</u>	<u>-</u>	<u>835,766</u>
<u>\$ 835,766</u>	<u>\$ 3,487,031</u>	<u>\$ 23,843,250</u>
\$ 746,676	\$ 410,759	\$ 2,330,898
3,448	38,169	225,252
113,526	-	113,526
695,142	57,752	1,286,427
-	-	21,441
<u>1,558,792</u>	<u>506,680</u>	<u>3,977,544</u>
-	-	250,878
-	-	140,893
-	14,475	14,475
-	2,933,737	2,933,737
-	32,139	32,139
-	-	130,337
-	-	5,883,235
-	-	65,343
<u>(723,026)</u>	<u>-</u>	<u>10,414,669</u>
<u>(723,026)</u>	<u>2,980,351</u>	<u>19,614,828</u>
<u>\$ 835,766</u>	<u>\$ 3,487,031</u>	<u>\$ 23,843,250</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, 2014

Fund balances of governmental funds	\$	19,614,828
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of depreciation, have not been included as financial resources in the governmental fund activity.		
Capital assets, net of depreciation		49,921,265
Long term debt and compensated absences that have not been included in the governmental fund activity.		
Compensated absences		(691,774)
Retrospective deposits payable		(1,328,220)
Long-term assets that are not available for current use. Amounts are not reported in the governmental funds.		
		2,299,456
Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.		
		251,012
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.		
		454,593
Net position of governmental activities	\$	70,521,160

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, 2014

	General	Special Revenue	Special Revenue
		Rosemead Housing Development Corporation	HOME
Revenues:			
Taxes	\$ 15,320,806	\$ -	\$ -
Intergovernmental	169,530	417,866	261,938
Licenses and permits	1,308,482	-	-
Charges for services	1,002,497	-	-
Fines, forfeitures and penalties	700,126	-	-
Special assessments	-	-	-
Investment income	419,283	421,017	-
Other	57,453	4,237	-
Total revenues	<u>18,978,177</u>	<u>843,120</u>	<u>261,938</u>
Expenditures:			
Current:			
General government	3,774,351	-	-
Public safety	7,634,328	-	-
Public works	3,074,483	-	-
Community development	1,281,908	810,103	261,763
Parks and recreation	2,116,108	-	-
Capital outlay	-	-	-
Total expenditures	<u>17,881,178</u>	<u>810,103</u>	<u>261,763</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,096,999</u>	<u>33,017</u>	<u>175</u>
Other financing sources (uses):			
Transfers in (note 6)	-	-	-
Transfers out (note 6)	<u>(1,017,373)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,017,373)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	79,626	33,017	175
Fund balances (deficit), beginning of year	<u>17,617,440</u>	<u>97,320</u>	<u>(470,075)</u>
Fund balances (deficit), end of year	<u>\$ 17,697,066</u>	<u>\$ 130,337</u>	<u>\$ (469,900)</u>

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

Capital Projects

<u>City</u>	<u>Non-Major Governmental</u>	<u>Totals</u>
\$ -	\$ -	\$ 15,320,806
124,085	5,093,517	6,066,936
-	-	1,308,482
990	83,604	1,087,091
-	-	700,126
-	881,543	881,543
-	33,331	873,631
-	-	61,690
<u>125,075</u>	<u>6,091,995</u>	<u>26,300,305</u>
-	199,013	3,973,364
-	279,331	7,913,659
187,692	2,922,715	6,184,890
-	492,338	2,846,112
-	41,316	2,157,424
<u>3,193,878</u>	<u>74,513</u>	<u>3,268,391</u>
<u>3,381,570</u>	<u>4,009,226</u>	<u>26,343,840</u>
<u>(3,256,495)</u>	<u>2,082,769</u>	<u>(43,535)</u>
2,869,030	184,575	3,053,605
<u>(99,061)</u>	<u>(1,937,171)</u>	<u>(3,053,605)</u>
<u>2,769,969</u>	<u>(1,752,596)</u>	<u>-</u>
(486,526)	330,173	(43,535)
<u>(236,500)</u>	<u>2,650,178</u>	<u>19,658,363</u>
<u>\$ (723,026)</u>	<u>\$ 2,980,351</u>	<u>\$ 19,614,828</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, 2014

Net change in fund balances - total governmental funds \$ (43,535)

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	1,884,733
at net book value (net of Internal Service Fund)	
Depreciation expense (net of Internal Service Fund)	(2,768,282)

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	462,474
------------------------	---------

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.

Increase in retrospective deposits payable	(671,655)
Increase in compensated absences payable	(73,794)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(77,028)

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.

109,660

Change in net position of governmental activities	\$ (1,177,427)
---	----------------

CITY OF ROSEMEAD  
Statement of Net Position  
Internal Service Funds  
June 30, 2014

<u>Assets</u>	
Current assets:	
Cash and investments (note 2)	\$ 333,227
Total current assets	333,227
Non-current assets:	
Capital assets:	
Other capital assets, net (note 7)	223,867
Total non-current assets	223,867
Total assets	557,094
<u>Liabilities</u>	
Current liabilities:	
Lease payable - current (note 8)	57,651
Total current liabilities	57,651
Non-current liabilities:	
Lease payable (note 8)	44,850
Total non-current liabilities	44,850
Total liabilities	102,501
<u>Net position</u>	
Net investment in capital assets	121,366
Unrestricted	333,227
Total net position	\$ 454,593

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, 2014

Operating revenues:	
Charges for services	\$ 279,000
Other operating revenues	<u>2,270</u>
Total operating revenues	<u>281,270</u>
Operating expenses:	
Contractual services	91,806
Depreciation	<u>74,243</u>
Total operating expenses	<u>166,049</u>
Operating income	<u>115,221</u>
Non-operating revenues (expenses):	
Interest expense	<u>(5,561)</u>
Total non-operating revenues (expenses)	<u>(5,561)</u>
Change in net position	109,660
Net position, beginning of year	<u>344,933</u>
Net position, end of year	<u><u>\$ 454,593</u></u>

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, 2014

Cash flows from operating activities:	
Cash received from users departments	\$ 284,800
Cash payments to suppliers for goods and services	(91,806)
Other revenues	<u>2,270</u>
Net cash provided by operating activities	<u>195,264</u>
Cash flows from capital and related financing activities:	
Principal paid on capital lease	(55,288)
Interest paid on capital lease	(5,561)
Cash paid to purchase capital asset	<u>(91,969)</u>
Net cash (used for) capital and related financing activities	<u>(152,818)</u>
Net increase in cash and investments	42,446
Cash and investments, beginning of year	<u>290,781</u>
Cash and investments, end of year	<u><u>\$ 333,227</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 115,221</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	74,243
(Increase) decrease in due from other funds	<u>5,800</u>
Total adjustments	<u>80,043</u>
Net cash provided by operating activities	<u><u>\$ 195,264</u></u>

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

CITY OF ROSEMEAD  
Statement of Fiduciary Net Position  
June 30, 2014

	Successor Agency Private-purpose Trust Fund	Agency Fund
<u>Assets</u>		
Cash and investments (note 2)	\$ 11,379,694	\$ 327,515
Receivables:		
Interest	94,137	-
Notes	1,732,507	-
Due from City of Rosemead (note 5)	21,441	-
Total assets	13,227,779	\$ 327,515
<u>Liabilities</u>		
Accounts payable	6,236	\$ -
Deposits payable	-	327,515
Accrued interest payable	369,589	-
Due to City of Rosemead (note 5)	835,766	-
Long-term debt (note 15):		
Due within one year	1,925,022	-
Due in more than one year	37,981,679	-
Total liabilities	41,118,292	\$ 327,515
<u>Net Position</u>		
Held in trust for the Successor Agency	(27,890,513)	
Total net position (deficit)	\$ (27,890,513)	

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, 2014

	Successor Agency Private-purpose Trust Fund
<u>Additions</u>	
Property taxes	\$ 5,517,943
Investment earnings	243,250
Total additions	5,761,193
<u>Deductions</u>	
Administrative expenses	2,606,970
Affected taxing entities	1,153,985
Interest expense	1,772,981
Total deductions	5,533,936
Change in net position	227,257
Net position (deficit), beginning of period, as restated	(28,117,770)
Net position (deficit), end of period	\$ (27,890,513)

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, 2014

(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, 2014

(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, 2014

(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, 2014

(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, 2014

(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.

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.

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.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

(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.

(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.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

(f) Capital Assets, (continued)

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.

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.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

(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."

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.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

(j) Use of Estimates

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

(k) Implementation of New Pronouncements

Effective July 1, 2013, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City's financial statements do not contain any elements that meet the definition of deferred outflows of resources or deferred inflow of resources. GASB 65 amended prior guidance with respect to the treatment of debt issuance costs. Under GASB 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred rather than reported as an asset on the statement of net position and recognized as an expense in a systematic and rational manner over the duration of the related debt. Accordingly, as noted in Note 15 of the financial statements, the City has restated beginning net position for any unamortized debt issuance costs previously reported on the statement of net position in conformity with GASB 65.

(2) Cash and Investments

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 19,675,482
Statement of Fiduciary Net Position:	
Cash and investments	<u>11,707,209</u>
Total cash and investments	<u>\$ 31,382,691</u>

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(2) Cash and Investments, (continued)

Cash and investments as of June 30, 2014 consist of the following:

Deposits with financial institutions	\$ 13,652,464
Investments	<u>17,730,227</u>
 Total cash and investments	 <u>\$ 31,382,691</u>

Investments Authorized by the California Government Code and the City's Investment Policy

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

<u>Investment Types Authorized by State Law</u>	<u>Authorized by Investment Policy</u>	<u>Maximum Maturity*</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer*</u>
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	\$50M

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

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.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(2) Cash and Investments, (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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:

Investment Type	Total	Remaining Maturity		
		12 months or less	13 to 24 months	25 to 60 months
State investment pool	\$ 6,805,233	\$ 6,805,233	\$ -	\$ -
Certificates of deposits	3,877,576	-	-	3,877,576
US agency securities	2,993,261	-	-	2,993,261
Medium-term notes	1,776,104	-	-	1,776,104
Held by bond trustee:				
Money market mutual funds	1,704,626	1,704,626	-	-
Certificates of deposit	573,427	-	573,427	-
Total	<u>\$ 17,730,227</u>	<u>\$ 8,509,859</u>	<u>\$ 573,427</u>	<u>\$8,646,941</u>

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(2) Cash and Investments, (continued)

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					
			A	A+	AA-	AA+	AAA	Not Rated
State investment pool	\$ 6,805,233	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,805,233
Certificates of deposits	3,877,576	N/A	-	-	-	-	-	3,877,576
US agency securities	2,993,261	N/A	-	-	-	2,993,261	-	-
Medium-term notes	1,776,104	A	773,963	512,853	253,183	236,105	-	-
Held by bond trustee:								
Money market mutual funds	1,704,626	N/A	-	-	-	-	1,143,054	561,572
Certificates of deposit	573,427	N/A	-	-	-	-	-	573,427
<b>Total</b>	<b>\$17,730,227</b>		<b>\$773,963</b>	<b>\$512,853</b>	<b>\$253,183</b>	<b>\$3,229,366</b>	<b>\$1,143,054</b>	<b>\$11,817,808</b>

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	\$ 991,430
Federal National Mortgage Association	US Agency Securities	\$ 995,480

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(2) Cash and Investments, (continued)

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, 2014, 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, 2014

(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, 2014 are as follows:

<u>Due from</u>	<u>Due to</u>	<u>Amount</u>
General Fund	City Capital Projects Fund	\$ 695,142
	HOME	533,533
	Non-Major Governmental Funds	<u>57,752</u>
	Total	<u>\$ 1,286,427</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, 2014

(5) Intergovernmental Receivables and Payables

Current intergovernmental receivables and payables balances at June 30, 2014 are as follows:

<u>Due from</u>	<u>Due to</u>	<u>Amount</u>
General Fund	Successor Agency	\$ 21,441
Successor Agency	City Capital Projects Fund	<u>835,766</u>
	Total	<u>\$ 857,207</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, 2014:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
City Capital Projects Fund	General Fund	\$ 992,497
	Non-Major Governmental Funds	<u>1,876,533</u>
		2,869,030 (A)
Non-Major Governmental Funds	General Fund	24,876
	City Capital Projects Fund	99,061
	Non-Major Governmental Funds	<u>60,638</u>
		<u>184,575</u>
	Total	<u>\$ 3,053,605</u>

(A) To subsidize various programs and capital projects.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(7) Capital Assets

Capital asset activity was as follows for the year ended June 30, 2014:

<b>Governmental activities:</b>	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 2,912,284	\$ -	\$ -	\$ 2,912,284
Construction in progress	17,429	1,006,820	(17,429)	1,006,820
Total capital assets, not being depreciated	<u>2,929,713</u>	<u>1,006,820</u>	<u>(17,429)</u>	<u>3,919,104</u>
Capital assets, being depreciated:				
Buildings	21,656,755	-	-	21,656,755
Improvements other than buildings	1,265,700	-	-	1,265,700
Machinery and equipment	543,532	-	-	543,532
Autos and trucks	897,432	166,481	-	1,063,913
Furniture and office equipment	1,118,088	367,037	-	1,485,125
Infrastructure	61,324,183	453,793	-	61,777,976
Total capital assets, being depreciated	<u>86,805,690</u>	<u>987,311</u>	<u>-</u>	<u>87,793,001</u>
Less accumulated depreciation for:				
Buildings	(7,259,390)	(460,011)	-	(7,719,401)
Improvements other than buildings	(835,589)	(95,755)	-	(931,344)
Machinery and equipment	(402,656)	(38,600)	-	(441,256)
Autos and trucks	(682,660)	(129,192)	-	(811,852)
Furniture and office equipment	(1,093,302)	(32,193)	-	(1,125,495)
Infrastructure	(28,450,851)	(2,086,774)	-	(30,537,625)
Total accumulated depreciation	<u>(38,724,448)</u>	<u>(2,842,525)</u>	<u>-</u>	<u>(41,566,973)</u>
Total capital assets, being depreciated, net	<u>48,081,242</u>	<u>(1,855,214)</u>	<u>-</u>	<u>46,226,028</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 51,010,955</u>	<u>\$ (848,394)</u>	<u>\$ (17,429)</u>	<u>\$ 50,145,132</u>

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(7) Capital Assets, (continued)

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

Governmental activities:	
General government	\$ 42,256
Public safety	26,330
Public works	2,629,174
Community development	14,529
Parks and recreation	130,236
	130,236
Total depreciation expense	\$ 2,842,525

(8) Changes in Long-Term Liabilities

Long-term debt consists of the following at June 30, 2014:

<b>Governmental activities:</b>	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Computer lease	\$ 157,789	\$ -	\$ 55,288	\$ 102,501	\$ 57,651
Retrospective deposit	656,565	671,655	-	1,328,220	132,822
Compensated absences	617,980	294,685	220,891	691,774	297,463
	\$ 1,432,334	\$ 966,340	\$ 276,179	\$ 2,122,495	\$ 487,936

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, 2014

(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, 2014 was \$102,501.

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
2015	\$ 60,849
2016	45,637
Subtotal	106,486
Less amount representing interest	(3,985)
Present value of future lease payments	\$ 102,501

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

	Governmental Activities
Assets:	
Improvements other than buildings	\$ 270,125
Less: accumulated depreciation	(154,356)
Total	\$ 115,769

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(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 2013-14, the City contributed \$805,916 to the plan.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(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		(110,219)
Adjustment to annual required contribution		143,701
Annual OPEB cost (expense)		<u>343,442</u>
Contributions made		<u>(805,916)</u>
Increase in net OPEB obligation		(462,474)
Net OPEB obligation (asset) - beginning of year		<u>(1,836,982)</u>
Net OPEB obligation (asset) - end of year	\$	<u><u>(2,299,456)</u></u>

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 2014 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2012	\$ 323,478	250%	\$ (1,347,168)
6/30/2013	\$ 332,733	247%	\$ (1,836,982)
6/30/2014	\$ 343,442	235%	\$ (2,299,456)

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(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, 2014, 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 Normal 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, 2014

(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, 2014

(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 2013-14.

As of June 30, 2014 the City had retrospective deposits payable to the Authority in the amount of \$1,328,220. 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, 2014

(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, 2014 were 27.445% and 10.781%, 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, 2012, 2013, and 2014 were \$1,299,866, \$1,149,116 and \$1,178,145, 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.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(11) Retirement Plan, (continued)

*Funding Policy:* An actuarial valuation of the City of Rosemead Supplemental Defined Benefit Pension Plan was performed as of July 1, 2012 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 2014 and 2015 was 3.95%.

*Annual Pension Cost:* For fiscal year ended June 30, 2014, the City's annual pension cost of \$121,191 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
6/30/2012	\$ 136,440	100%	\$ -
6/30/2013	\$ 113,173	100%	\$ -
6/30/2014	\$ 121,191	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, 2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	6.50% with +/- 1% sensitivity analysis 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 9 years remaining at July 1, 2013. Payments are assumed to be made throughout the year.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(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, 2014:

Major Governmental Fund:	
Capital Projects:	
City Capital Projects	\$ 723,026
Special Revenue:	
HOME Program	469,900

The fund deficits noted above primarily relate to expenditures charged to projects during the fiscal year ended June 30, 2014, which were submitted for reimbursement.

(14) Expenditures in Excess of Appropriations

Expenditures exceeded appropriations in the following funds:

Fund	Budget	Actual	Variance
Rosemead Housing			
Development Corporation	\$ 771,000	\$ 810,103	\$ (39,103)
Proposition A	909,000	909,762	(762)
Proposition C	569,201	595,912	(26,711)
City Capital Projects	3,025,700	3,381,570	(355,870)

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(15) Successor Agency

Successor Agency Long-Term Debt

The debt of the Successor Agency as of June 30, 2014 is as follows:

<b>Successor Agency:</b>	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
<b>Bonds:</b>					
Tax Allocation Bonds, Series 2006A	\$ 7,905,000	\$ -	\$ 1,000,000	\$ 6,905,000	\$ 1,035,000
Tax Allocation Bonds, Series 2006B	23,555,000	-	85,000	23,470,000	85,000
Tax Allocation Bonds, Series 2010A	10,280,000	-	770,000	9,510,000	800,000
Subtotal bonds	41,740,000	-	1,855,000	39,885,000	1,920,000
<b>Deferred amounts:</b>					
Unamortized bond premiums	178,216	-	19,801	158,415	19,802
Discount on issuance	(151,494)	-	(14,780)	(136,714)	(14,780)
Total bonds	41,766,722	-	1,860,021	39,906,701	1,925,022
Total long-term debt	<u>\$ 41,766,722</u>	<u>\$ -</u>	<u>\$ 1,860,021</u>	<u>\$ 39,906,701</u>	<u>\$ 1,925,022</u>

Future debt service requirements are as follows:

Fiscal years ending June 30,	Principal	Interest
2015	\$ 1,920,000	\$ 1,718,574
2016	1,995,000	1,635,578
2017	2,085,000	1,545,190
2018	2,180,000	1,453,347
2019	2,265,000	1,360,306
2020-2024	12,540,000	5,209,489
2025-2029	7,510,000	2,992,678
2030-2034	9,390,000	1,084,063
Totals	<u>\$ 39,885,000</u>	<u>\$ 16,999,225</u>

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(15) Successor Agency, (continued)

Successor Agency Long-Term Debt, (continued)

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, 2014 was \$158,415. As of June 30, 2014 the outstanding balance was \$6,905,000.

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, 2014 the outstanding balance was \$23,470,000.

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, 2014, the balance held in the reserve account was \$1,134,427. As of June 30, 2014 the outstanding balance was \$9,510,000.

CITY OF ROSEMEAD  
Notes to the Basic Financial Statements  
Fiscal Year Ended June 30, 2014

(15) Successor Agency, (continued)

Successor Agency Change in Accounting Principle

As discussed in Note 1, the City implemented GASB Statement No. 65 effective July 1, 2013. GASB 65, among other provisions, amended prior guidance with respect to the treatment of debt issuance costs. Under GASB 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred rather than reported as an asset on the statement of net position and recognized as an expense in a systematic and rational manner over the duration of the related debt. The City's unamortized balance of debt issuance costs at the beginning of the year was \$481,412. GASB 65 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements. Accordingly, beginning net position on the Statement of Changes in Fiduciary Net Position has been restated for any unamortized debt issuance costs previously reported on the statement of net position as follows:

Beginning net position (deficit), as previously reported	\$(27,636,358)
Change in Accounting Principle	<u>(481,412)</u>
Beginning net position (deficit), as restated	<u>\$(28,117,770)</u>

## **Required Supplementary Information**

CITY OF ROSEMEAD  
Note to the Required Supplementary Information  
Fiscal Year Ended June 30, 2014

(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, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 14,561,400	\$ 14,561,400	\$ 15,320,806	\$ 759,406
Intergovernmental	195,600	195,600	169,530	(26,070)
Licenses and permits	1,149,000	1,149,000	1,308,482	159,482
Charges for services	922,500	922,500	1,002,497	79,997
Fines, forfeitures and penalties	595,300	595,300	700,126	104,826
Investment income	336,000	336,000	419,283	83,283
Other	63,600	63,600	57,453	(6,147)
<b>Total revenues</b>	<b>17,823,400</b>	<b>17,823,400</b>	<b>18,978,177</b>	<b>1,154,777</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	4,011,548	4,053,548	3,774,351	279,197
Public safety	7,683,600	7,686,100	7,634,328	51,772
Public works	2,989,100	2,989,100	3,074,483	(85,383)
Community development	1,363,600	1,363,600	1,281,908	81,692
Park and recreation	2,320,000	2,324,000	2,116,108	207,892
<b>Total expenditures</b>	<b>18,367,848</b>	<b>18,416,348</b>	<b>17,881,178</b>	<b>535,170</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(544,448)</b>	<b>(592,948)</b>	<b>1,096,999</b>	<b>1,689,947</b>
<b>Other financing sources (uses):</b>				
Transfers out	(1,105,000)	(1,105,000)	(1,017,373)	87,627
<b>Total other financing sources (uses)</b>	<b>(1,105,000)</b>	<b>(1,105,000)</b>	<b>(1,017,373)</b>	<b>87,627</b>
<b>Net change in fund balance</b>	<b>(1,649,448)</b>	<b>(1,697,948)</b>	<b>79,626</b>	<b>1,777,574</b>
Fund balance, beginning of year	17,617,440	17,617,440	17,617,440	-
<b>Fund balance, end of year</b>	<b>\$ 15,967,992</b>	<b>\$ 15,919,492</b>	<b>\$ 17,697,066</b>	<b>\$ 1,777,574</b>

CITY OF ROSEMEAD  
Rosemead Housing Development Corporation  
Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 417,866	\$ 417,866
Investment income	417,600	417,600	421,017	3,417
Other	6,800	6,800	4,237	(2,563)
Total revenues	<u>424,400</u>	<u>424,400</u>	<u>843,120</u>	<u>418,720</u>
Expenditures:				
Current:				
Community development	771,000	771,000	810,103	(39,103)
Total expenditures	<u>771,000</u>	<u>771,000</u>	<u>810,103</u>	<u>(39,103)</u>
Net change in fund balance	(346,600)	(346,600)	33,017	379,617
Fund balance, beginning of year	<u>97,320</u>	<u>97,320</u>	<u>97,320</u>	<u>-</u>
Fund balance, end of year	<u>\$ (249,280)</u>	<u>\$ (249,280)</u>	<u>\$ 130,337</u>	<u>\$ 379,617</u>

CITY OF ROSEMEAD  
HOME Program  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 261,938	\$ 51,938
Total revenues	<u>210,000</u>	<u>210,000</u>	<u>261,938</u>	<u>51,938</u>
Expenditures:				
Current:				
Community development	609,400	609,400	261,763	347,637
Total expenditures	<u>609,400</u>	<u>609,400</u>	<u>261,763</u>	<u>347,637</u>
Net change in fund balance	(399,400)	(399,400)	175	399,575
Fund balance (deficit), beginning of year	<u>(470,075)</u>	<u>(470,075)</u>	<u>(470,075)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (869,475)</u></u>	<u><u>\$ (869,475)</u></u>	<u><u>\$ (469,900)</u></u>	<u><u>\$ 399,575</u></u>

CITY OF ROSEMEAD  
 Required Supplementary Information  
 Fiscal Year Ended June 30, 2014

(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)
7/1/2008	\$ 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%
7/1/2012	\$ 2,847,302	\$ 2,280,495	\$ 566,807	80.09%	\$ 3,244,624	17.47%

(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.

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, 2014

Special Revenue Funds

	<u>CDBG Grant</u>	<u>Proposition A</u>	<u>Proposition C</u>
<u>Assets</u>			
Cash and investments	\$ -	\$ 296,622	\$ 117,802
Receivables:			
Accounts	<u>143,426</u>	<u>-</u>	<u>-</u>
	<u>\$ 143,426</u>	<u>\$ 296,622</u>	<u>\$ 117,802</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 36,147	\$ 47,435	\$ 48,082
Accrued salaries and benefits	17,388	8,828	2,980
Due to other funds	<u>57,752</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>111,287</u>	<u>56,263</u>	<u>51,062</u>
Fund balances:			
Restricted for:			
Public safety	-	-	-
Public works	-	240,359	66,740
Community services	<u>32,139</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>32,139</u>	<u>240,359</u>	<u>66,740</u>
Total liabilities and fund balances	<u>\$ 143,426</u>	<u>\$ 296,622</u>	<u>\$ 117,802</u>

State Gas Tax	Air Quality Management District	Street Lighting
\$ 201,582	\$ 227,982	\$ 2,000,606
<u>219,228</u>	<u>17,590</u>	<u>17,458</u>
<u><u>\$ 420,810</u></u>	<u><u>\$ 245,572</u></u>	<u><u>\$ 2,018,064</u></u>
\$ 100,497	\$ 74,513	\$ 81,291
3,339	-	3,172
-	-	-
<u>103,836</u>	<u>74,513</u>	<u>84,463</u>
-	-	-
316,974	171,059	1,933,601
-	-	-
<u>316,974</u>	<u>171,059</u>	<u>1,933,601</u>
<u><u>\$ 420,810</u></u>	<u><u>\$ 245,572</u></u>	<u><u>\$ 2,018,064</u></u>

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CITY OF ROSEMEAD  
 Non-Major Governmental Funds  
 Combining Balance Sheet, Continued  
 June 30, 2014

		Special Revenue Funds		
		Narcotics Seizure	Measure R	Totals
<u>Assets</u>				
Cash and investments		\$ 7,807	\$ 230,260	\$ 3,082,661
Receivables:				
Accounts		6,668	-	404,370
		<u>\$ 14,475</u>	<u>\$ 230,260</u>	<u>\$ 3,487,031</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable and accrued liabilities		\$ -	\$ 22,794	\$ 410,759
Accrued salaries and benefits		-	2,462	38,169
Due to other funds		-	-	57,752
		<u>-</u>	<u>25,256</u>	<u>506,680</u>
Fund balances:				
Restricted for:				
Public safety		14,475	-	14,475
Public works		-	205,004	2,933,737
Community services		-	-	32,139
		<u>14,475</u>	<u>205,004</u>	<u>2,980,351</u>
Total fund balances		<u>14,475</u>	<u>205,004</u>	<u>2,980,351</u>
Total liabilities and fund balances		<u>\$ 14,475</u>	<u>\$ 230,260</u>	<u>\$ 3,487,031</u>

CITY OF ROSEMEAD  
Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Fiscal Year Ended June 30, 2014

	Special Revenue Funds		
	CDBG Grant	Proposition A	Proposition C
Revenues:			
Intergovernmental	\$ 765,796	\$ 952,980	\$ 768,325
Charges for services	15,430	32,290	35,884
Special assessments	-	-	-
Investment income	-	2,699	730
	<u>781,226</u>	<u>987,969</u>	<u>804,939</u>
Total revenues			
Expenditures:			
Current:			
General government	4,752	146,091	-
Public safety	255,294	-	24,037
Public works	-	763,671	571,875
Community development	492,338	-	-
Parks and recreation	41,316	-	-
Capital outlay	-	-	-
	<u>793,700</u>	<u>909,762</u>	<u>595,912</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(12,474)</u>	<u>78,207</u>	<u>209,027</u>
Other financing sources (uses):			
Transfers in	-	60,638	-
Transfers out	-	-	(60,638)
	<u>-</u>	<u>60,638</u>	<u>(60,638)</u>
Total other financing sources (uses)			
Net change in fund balances	<u>(12,474)</u>	<u>138,845</u>	<u>148,389</u>
Fund balances (deficit), beginning of year	<u>44,613</u>	<u>101,514</u>	<u>(81,649)</u>
Fund balances (deficit), end of year	<u>\$ 32,139</u>	<u>\$ 240,359</u>	<u>\$ 66,740</u>

State Gas Tax	Air Quality Management District	Street Lighting
\$ 1,954,823	\$ 67,733	\$ -
-	-	-
-	-	881,543
-	2,302	22,810
<u>1,954,823</u>	<u>70,035</u>	<u>904,353</u>
1,793	-	11,189
-	-	-
717,417	-	684,911
-	-	-
-	-	-
-	74,513	-
<u>719,210</u>	<u>74,513</u>	<u>696,100</u>
1,235,613	(4,478)	208,253
123,937	-	-
(1,042,751)	-	(188,960)
<u>(918,814)</u>	<u>-</u>	<u>(188,960)</u>
316,799	(4,478)	19,293
175	175,537	1,914,308
<u>\$ 316,974</u>	<u>\$ 171,059</u>	<u>\$ 1,933,601</u>
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CITY OF ROSEMEAD  
 Non-Major Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances, Continued  
 Fiscal Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		
	<u>Narcotics Seizure</u>	<u>Measure R</u>	<u>Totals</u>
Revenues:			
Intergovernmental	\$ 11,659	\$ 572,201	\$ 5,093,517
Charges for services	-	-	83,604
Special assessments	-	-	881,543
Investment income	93	4,697	33,331
	<u>11,752</u>	<u>576,898</u>	<u>6,091,995</u>
Total revenues			
Expenditures:			
Current:			
General government	-	35,188	199,013
Public safety	-	-	279,331
Public works	-	184,841	2,922,715
Community development	-	-	492,338
Parks and recreation	-	-	41,316
Capital outlay	-	-	74,513
	<u>-</u>	<u>220,029</u>	<u>4,009,226</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>11,752</u>	<u>356,869</u>	<u>2,082,769</u>
Other financing sources (uses):			
Transfers in	-	-	184,575
Transfers out	-	(644,822)	(1,937,171)
	<u>-</u>	<u>(644,822)</u>	<u>(1,752,596)</u>
Total other financing sources (uses)			
Net change in fund balances	11,752	(287,953)	330,173
Fund balances (deficit), beginning of year	<u>2,723</u>	<u>492,957</u>	<u>2,650,178</u>
Fund balances (deficit), end of year	<u>\$ 14,475</u>	<u>\$ 205,004</u>	<u>\$ 2,980,351</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 928,000	\$ 765,796	\$ (162,204)
Charges for services	-	15,430	15,430
 Total revenues	 928,000	 781,226	 (146,774)
Expenditures:			
Current:			
General government	4,900	4,752	148
Public safety	262,100	255,294	6,806
Community development	577,900	492,338	85,562
Parks and recreation	44,600	41,316	3,284
 Total expenditures	 889,500	 793,700	 95,800
 Net change in fund balance	 38,500	 (12,474)	 (50,974)
Fund balance, beginning of year	44,613	44,613	-
Fund balance, end of year	<u>\$ 83,113</u>	<u>\$ 32,139</u>	<u>\$ (50,974)</u>

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, 2014

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 893,800	\$ 952,980	\$ 59,180
Charges for services	29,000	32,290	3,290
Investment income	-	2,699	2,699
	<u>922,800</u>	<u>987,969</u>	<u>65,169</u>
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current:			
General government	151,000	146,091	4,909
Public works	758,000	763,671	(5,671)
	<u>909,000</u>	<u>909,762</u>	<u>(762)</u>
<b>Total expenditures</b>			
Excess (deficiency) of revenues over (under) expenditures	<u>13,800</u>	<u>78,207</u>	<u>64,407</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	60,638	60,638
	<u>-</u>	<u>60,638</u>	<u>60,638</u>
<b>Total other financing sources (uses)</b>			
Net change in fund balance	13,800	138,845	125,045
Fund balance, beginning of year	<u>101,514</u>	<u>101,514</u>	<u>-</u>
Fund balance, end of year	<u>\$ 115,314</u>	<u>\$ 240,359</u>	<u>\$ 125,045</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 743,000	\$ 768,325	\$ 25,325
Charges for services	32,000	35,884	3,884
Investment income	-	730	730
	<u>775,000</u>	<u>804,939</u>	<u>29,939</u>
Total revenues			
Expenditures:			
Current:			
Public safety	17,700	24,037	(6,337)
Public works	551,501	571,875	(20,374)
	<u>569,201</u>	<u>595,912</u>	<u>(26,711)</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>205,799</u>	<u>209,027</u>	<u>3,228</u>
Other financing sources (uses):			
Transfers out	-	(60,638)	(60,638)
	<u>-</u>	<u>(60,638)</u>	<u>(60,638)</u>
Total other financing sources (uses)			
Net change in fund balance	205,799	148,389	(57,410)
Fund balance (deficit), beginning of year	<u>(81,649)</u>	<u>(81,649)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 124,150</u>	<u>\$ 66,740</u>	<u>\$ (57,410)</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,000,000	\$ 1,954,823	\$ (45,177)
Total revenues	<u>2,000,000</u>	<u>1,954,823</u>	<u>(45,177)</u>
Expenditures:			
Current:			
General government	-	1,793	(1,793)
Public works	781,000	717,417	63,583
Total expenditures	<u>781,000</u>	<u>719,210</u>	<u>61,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,219,000</u>	<u>1,235,613</u>	<u>16,613</u>
Other financing sources (uses):			
Transfers in	-	123,937	123,937
Transfers out	(1,080,000)	(1,042,751)	37,249
Total other financing sources (uses)	<u>(1,080,000)</u>	<u>(918,814)</u>	<u>161,186</u>
Net change in fund balance	139,000	316,799	177,799
Fund balance, beginning of year	<u>175</u>	<u>175</u>	<u>-</u>
Fund balance, end of year	<u>\$ 139,175</u>	<u>\$ 316,974</u>	<u>\$ 177,799</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 66,000	\$ 67,733	\$ 1,733
Investment income	-	2,302	2,302
Total revenues	<u>66,000</u>	<u>70,035</u>	<u>4,035</u>
Expenditures:			
Current:			
Capital outlay	<u>75,000</u>	<u>74,513</u>	<u>487</u>
Total expenditures	<u>75,000</u>	<u>74,513</u>	<u>487</u>
Net change in fund balance	(9,000)	(4,478)	4,522
Fund balance, beginning of year	<u>175,537</u>	<u>175,537</u>	-
Fund balance, end of year	<u>\$ 166,537</u>	<u>\$ 171,059</u>	<u>\$ 4,522</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Special Assessments	\$ 770,000	\$ 881,543	\$ 111,543
Investment income	-	22,810	22,810
Total revenues	<u>770,000</u>	<u>904,353</u>	<u>134,353</u>
Expenditures:			
Current:			
General government	11,600	11,189	411
Public works	751,301	684,911	66,390
Total expenditures	<u>762,901</u>	<u>696,100</u>	<u>66,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,099</u>	<u>208,253</u>	<u>201,154</u>
Other financing sources (uses):			
Transfers out	<u>(510,000)</u>	<u>(188,960)</u>	<u>321,040</u>
Total other financing sources (uses)	<u>(510,000)</u>	<u>(188,960)</u>	<u>321,040</u>
Net change in fund balance	(502,901)	19,293	522,194
Fund balance, beginning of year	<u>1,914,308</u>	<u>1,914,308</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 1,411,407</u></u>	<u><u>\$ 1,933,601</u></u>	<u><u>\$ 522,194</u></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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 11,659	\$ 11,659
Investment income	-	93	93
Total revenues	-	11,752	11,752
Total expenditures	-	-	-
Net change in fund balance	-	11,752	11,752
Fund balance, beginning of year	2,723	2,723	-
Fund balance, end of year	<u>\$ 2,723</u>	<u>\$ 14,475</u>	<u>\$ 11,752</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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 553,500	\$ 572,201	\$ 18,701
Investment income	-	4,697	4,697
Total revenues	<u>553,500</u>	<u>576,898</u>	<u>23,398</u>
Expenditures:			
Current:			
General government	41,600	35,188	6,412
Public works	<u>199,000</u>	<u>184,841</u>	<u>14,159</u>
Total expenditures	<u>240,600</u>	<u>220,029</u>	<u>20,571</u>
Excess (deficiency) of revenues over (under) expenditures	<u>312,900</u>	<u>356,869</u>	<u>43,969</u>
Other financing sources (uses):			
Transfers out	<u>(695,000)</u>	<u>(644,822)</u>	<u>50,178</u>
Total other financing sources (uses)	<u>(695,000)</u>	<u>(644,822)</u>	<u>50,178</u>
Net change in fund balance	(382,100)	(287,953)	94,147
Fund balance, beginning of year	<u>492,957</u>	<u>492,957</u>	-
Fund balance, end of year	<u><u>\$ 110,857</u></u>	<u><u>\$ 205,004</u></u>	<u><u>\$ 94,147</u></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, 2014

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,664,500	\$ 124,085	\$ (2,540,415)
Charges for services	-	990	990
<b>Total revenues</b>	<b>2,664,500</b>	<b>125,075</b>	<b>(2,539,425)</b>
Expenditures:			
Current:			
Public works	244,600	187,692	56,908
Capital outlay	2,781,100	3,193,878	(412,778)
<b>Total expenditures</b>	<b>3,025,700</b>	<b>3,381,570</b>	<b>(355,870)</b>
Excess (deficiency) of revenues over (under) expenditures	(361,200)	(3,256,495)	(2,895,295)
Other financing sources (uses):			
Transfers in	9,545,000	2,869,030	(6,675,970)
Transfers out	-	(99,061)	(99,061)
<b>Total other financing sources (uses)</b>	<b>9,545,000</b>	<b>2,769,969</b>	<b>(6,775,031)</b>
<b>Net change in fund balance</b>	<b>9,183,800</b>	<b>(486,526)</b>	<b>(9,670,326)</b>
Fund balance (deficit), beginning of year	(236,500)	(236,500)	-
<b>Fund balance (deficit), end of year</b>	<b>\$ 8,947,300</b>	<b>\$ (723,026)</b>	<b>\$ (9,670,326)</b>

## **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 Net Position  
Internal Service Funds  
June 30, 2014

<u>Assets</u>	Equipment Replacement	Technology Replacement	Total
Current assets:			
Cash and investments	\$ 299,997	\$ 33,230	\$ 333,227
Total current assets	299,997	33,230	333,227
Non-current assets:			
Capital assets:			
Other capital assets, net	108,098	115,769	223,867
Total non-current assets	108,098	115,769	223,867
Total assets	408,095	148,999	557,094
<u>Liabilities</u>			
Current liabilities:			
Lease payable - current	-	57,651	57,651
Total current liabilities	-	57,651	57,651
Non-current liabilities:			
Lease payable	-	44,850	44,850
Total non-current liabilities	-	44,850	44,850
Total liabilities	-	102,501	102,501
<u>Net position</u>			
Net investment in capital assets	108,098	13,268	121,366
Unrestricted	299,997	33,230	333,227
Total net position	\$ 408,095	\$ 46,498	\$ 454,593

CITY OF ROSEMEAD  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
Fiscal Year Ended June 30, 2014

	Equipment Replacement	Technology Replacement	Total
Operating revenues:			
Charges for services	\$ 123,000	\$ 156,000	\$ 279,000
Other revenue	2,270	-	2,270
	<u>125,270</u>	<u>156,000</u>	<u>281,270</u>
Total operating revenues			
Operating expenses:			
Contractual services	-	91,806	91,806
Depreciation	35,654	38,589	74,243
	<u>35,654</u>	<u>130,395</u>	<u>166,049</u>
Total operating expenses			
Operating income	<u>89,616</u>	<u>25,605</u>	<u>115,221</u>
Non-operating revenues (expenses):			
Interest expense	-	(5,561)	(5,561)
	<u>-</u>	<u>(5,561)</u>	<u>(5,561)</u>
Total non-operating revenues (expenses)			
Changes in net position	89,616	20,044	109,660
Net position, beginning of year	<u>318,479</u>	<u>26,454</u>	<u>344,933</u>
Net position, end of year	<u>\$ 408,095</u>	<u>\$ 46,498</u>	<u>\$ 454,593</u>

CITY OF ROSEMEAD  
Combining Statement of Cash Flows  
Internal Service Funds  
Fiscal Year Ended June 30, 2014

	Equipment Replacement	Technology Replacement	Total
Cash flows from operating activities:			
Cash received from users departments	\$ 123,000	\$ 161,800	\$ 284,800
Cash payments to suppliers for goods and services	-	(91,806)	(91,806)
Other revenues	2,270	-	2,270
	<u>125,270</u>	<u>69,994</u>	<u>195,264</u>
Net cash provided by operating activities			
Cash flows from capital and related financing activities:			
Principal paid on capital lease	-	(55,288)	(55,288)
Interest paid on capital lease	-	(5,561)	(5,561)
Cash paid to purchase capital asset	(91,969)	-	(91,969)
	<u>(91,969)</u>	<u>(60,849)</u>	<u>(152,818)</u>
Net cash (used for) capital and related financing activities			
Net increase in cash and investments			
	33,301	9,145	42,446
Cash and investments, beginning of year			
	<u>266,696</u>	<u>24,085</u>	<u>290,781</u>
Cash and investments, end of year			
	<u><u>\$ 299,997</u></u>	<u><u>\$ 33,230</u></u>	<u><u>\$ 333,227</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 89,616	\$ 25,605	\$ 115,221
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	35,654	38,589	74,243
(Increase) decrease in due from other funds	-	5,800	5,800
	<u>35,654</u>	<u>44,389</u>	<u>80,043</u>
Total adjustments			
Net cash (used for) operating activities			
	<u><u>\$ 125,270</u></u>	<u><u>\$ 69,994</u></u>	<u><u>\$ 195,264</u></u>

CITY OF ROSEMEAD  
Statement of Changes in Fiduciary Assets and Liabilities  
Agency Fund  
Fiscal Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Assets</u>				
Cash and investments	<u>\$ 420,105</u>	<u>\$ 232,913</u>	<u>\$ (325,503)</u>	<u>\$ 327,515</u>
Total assets	<u><u>\$ 420,105</u></u>	<u><u>\$ 232,913</u></u>	<u><u>\$ (325,503)</u></u>	<u><u>\$ 327,515</u></u>
<u>Liabilities</u>				
Deposits payable	<u>\$ 420,105</u>	<u>\$ 507,754</u>	<u>\$ (600,344)</u>	<u>\$ 327,515</u>
Total liabilities	<u><u>\$ 420,105</u></u>	<u><u>\$ 507,754</u></u>	<u><u>\$ (600,344)</u></u>	<u><u>\$ 327,515</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>	86
Revenue Capacity <i>These schedules contain trend information to help the reader assess the government's most significant revenue source, property tax.</i>	94
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>	98
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>	104
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>	106

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				
	2005	2006	2007	2008	2009
Governmental activities:					
Net investment in capital assets	\$ 12,130,249	\$ 13,345,433	\$ 10,541,606	\$ 12,981,537	\$ 11,828,993
Restricted	6,035,250	6,901,454	8,181,231	11,443,583	13,361,249
Unrestricted	<u>31,114,414</u>	<u>30,299,115</u>	<u>35,293,732</u>	<u>27,705,715</u>	<u>24,882,730</u>
Total governmental activities net position	<u>\$ 49,279,913</u>	<u>\$ 50,546,002</u>	<u>\$ 54,016,569</u>	<u>\$ 52,130,835</u>	<u>\$ 50,072,972</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				
2010	2011	2012	2013	2014
\$ 12,712,242	\$ 14,760,940	\$ 54,010,031	\$ 51,132,854	\$ 50,042,631
13,199,438	24,806,402	10,870,747	2,829,147	3,110,688
<u>20,489,721</u>	<u>10,748,249</u>	<u>13,688,078</u>	<u>17,736,586</u>	<u>17,367,841</u>
<u>\$ 46,401,401</u>	<u>\$ 50,315,591</u>	<u>\$ 78,568,856</u>	<u>\$ 71,698,587</u>	<u>\$ 70,521,160</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses:					
Governmental activities:					
General government	\$ 4,800,168	\$ 5,629,316	\$ 4,980,519	\$ 7,259,587	\$ 12,176,877
Public safety	6,058,824	6,065,066	6,618,779	8,043,771	9,081,719
Public works	3,252,252	3,403,699	6,120,563	13,550,042	6,465,355
Public health	60,828	51,286	-	-	-
Community services	2,862,328	3,223,843	602,114	669,827	773,374
Community development	-	-	2,467,842	3,645,207	1,290,108
Parks and recreation	3,456,308	3,959,590	4,178,000	4,078,631	2,030,698
Interest and other charges	1,830,836	1,832,219	2,698,372	1,790,348	1,523,391
Total governmental activities expenses	<u>22,321,544</u>	<u>24,165,019</u>	<u>27,666,189</u>	<u>39,037,413</u>	<u>33,341,522</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	6,299,415	3,288,225	316,849	642,716	547,577
Public safety	984,965	900,359	1,598,159	1,547,182	1,512,475
Public works	3,760,495	4,144,733	7,600,778	11,729,725	7,581,801
Community services	1,211,615	814,754	1,403,059	166,118	858,809
Community development	-	-	3,206,303	1,484,065	621,375
Parks and recreation	266,398	337,815	-	36,800	36,000
Total governmental activities program revenues	<u>12,522,888</u>	<u>9,485,886</u>	<u>14,125,148</u>	<u>15,606,606</u>	<u>11,158,037</u>
Net revenues (expenses):					
Governmental activities					
Total net revenues (expenses)	<u>(9,798,656)</u>	<u>(14,679,133)</u>	<u>(13,541,041)</u>	<u>(23,430,807)</u>	<u>(22,183,485)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	4,077,332	3,915,980	9,121,682	13,181,837	12,288,177
Sales and use taxes	3,518,657	3,525,557	2,501,106	3,747,416	4,589,998
Transient occupancy taxes	1,102,756	1,207,298	1,311,697	1,411,421	1,272,092
Other taxes	765,215	1,076,806	713,821	949,007	761,410
Intergovernmental/ in-lieu VLF	3,165,148	2,966,002	-	-	-
Investment income	1,260,095	1,930,059	2,028,128	1,678,791	884,847
Motor vehicle in-lieu, unrestricted	1,716,656	1,290,667	856,701	254,527	195,273
Other general revenues	7,857	32,853	478,473	143,748	133,825
Loss on sale of capital assets	-	-	-	-	-
Transfer to Successor Agency	-	-	-	-	-
Extraordinary item:					
Gain on dissolution of redevelopment agency	-	-	-	-	-
Total governmental activities	<u>15,613,716</u>	<u>15,945,222</u>	<u>17,011,608</u>	<u>21,366,747</u>	<u>20,125,622</u>
Changes in net position					
Governmental activities					
Total primary government	<u>\$ 5,815,060</u>	<u>\$ 1,266,089</u>	<u>\$ 3,470,567</u>	<u>\$ (2,064,060)</u>	<u>\$ (2,057,863)</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				
2010	2011	2012	2013	2014
\$ 5,991,796	\$ 3,160,306	\$ 3,989,359	\$ 3,381,686	\$ 4,271,354
8,879,854	8,881,926	7,517,101	7,791,073	7,923,316
11,469,614	11,907,245	11,588,278	11,717,276	10,072,081
-	-	-	-	-
589,650	595,904	-	-	-
2,141,218	3,969,502	4,080,294	2,616,531	2,853,472
2,733,885	2,362,860	2,532,665	2,594,863	2,274,920
1,491,717	1,681,875	569,045	7,827	5,561
<u>33,297,734</u>	<u>32,559,618</u>	<u>30,276,742</u>	<u>28,109,256</u>	<u>27,400,704</u>
1,573,695	1,048,727	130,450	2,408,362	2,030,063
1,293,677	1,293,524	1,454,759	1,622,911	1,586,557
8,052,011	9,143,311	4,033,874	3,869,285	4,356,486
186,283	450,004	-	-	-
597,402	3,753,612	3,501,082	1,896,876	1,632,508
20,800	654,437	704,029	785,611	724,197
<u>11,723,868</u>	<u>16,343,615</u>	<u>9,824,194</u>	<u>10,583,045</u>	<u>10,329,811</u>
<u>(21,573,866)</u>	<u>(16,216,003)</u>	<u>(20,452,548)</u>	<u>(17,526,211)</u>	<u>(17,070,893)</u>
12,328,634	13,656,347	10,567,509	8,900,228	8,667,709
4,408,367	3,737,363	3,200,911	3,215,897	3,504,285
1,129,146	1,219,977	1,323,886	1,447,820	1,593,640
562,317	576,904	633,393	2,275,986	1,307,280
-	-	-	-	-
389,310	367,961	195,165	28,202	216,499
169,042	263,983	-	-	-
336,668	307,658	853,956	1,180,688	604,053
-	-	(2,340,090)	-	-
-	-	-	(6,392,878)	-
-	-	34,271,082	-	-
<u>19,323,484</u>	<u>20,130,193</u>	<u>48,705,812</u>	<u>10,655,943</u>	<u>15,893,466</u>
<u>\$ (2,250,382)</u>	<u>\$ 3,914,190</u>	<u>\$ 28,253,264</u>	<u>\$ (6,870,268)</u>	<u>\$ (1,177,427)</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
General fund:					
Reserved	\$ 1,719,044	\$ 256,765	\$ 150,000	\$ 3,074,496	\$ 3,106,917
Unreserved	19,896,581	22,228,341	22,460,545	18,633,154	16,135,102
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 21,615,625</u>	<u>\$ 22,485,106</u>	<u>\$ 22,610,545</u>	<u>\$ 21,707,650</u>	<u>\$ 19,242,019</u>
All other governmental funds:					
Reserved	\$ -	\$ 7,693,216	\$ 4,947,087	\$ 9,000,561	\$ 9,000,561
Unreserved, reported in:					
Special revenue funds	7,336,247	6,821,660	6,142,833	6,140,289	9,023,487
Debt service funds	2,354,835	-	552	692,475	2,803,910
Capital projects funds	8,433,842	6,435,798	7,397,454	2,490,553	(54,323)
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 18,124,924</u>	<u>\$ 20,950,674</u>	<u>\$ 18,487,926</u>	<u>\$ 18,323,878</u>	<u>\$ 20,773,635</u>

*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				
2010	2011	2012	2013	2014
\$ 3,327,182	\$ -	\$ -	\$ -	\$ -
13,626,774	-	-	-	-
-	2,034	2,034	133,196	140,893
-	-	-	-	-
-	5,107,963	5,294,253	6,415,416	5,883,235
-	-	5,712	5,712	65,343
-	10,209,075	9,519,173	11,063,116	11,607,595
<u>\$ 16,953,956</u>	<u>\$ 15,319,072</u>	<u>\$ 14,821,172</u>	<u>\$ 17,617,440</u>	<u>\$ 17,697,066</u>
\$ 8,944,112	\$ -	\$ -	\$ -	\$ -
8,763,359	-	-	-	-
2,803,910	-	-	-	-
(1,405,770)	-	-	-	-
-	-	-	-	-
-	27,476,081	10,870,747	2,829,147	3,110,688
-	-	-	-	-
-	-	-	-	-
-	(4,402,964)	(1,292,405)	(788,224)	(1,192,926)
<u>\$ 19,105,611</u>	<u>\$ 23,073,117</u>	<u>\$ 9,578,342</u>	<u>\$ 2,040,923</u>	<u>\$ 1,917,762</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Revenues:</b>					
Taxes	\$ 9,189,326	\$ 9,527,384	\$ 13,648,306	\$ 17,841,792	\$ 17,153,625
Intergovernmental	14,379,314	10,785,591	9,419,698	15,716,610	10,992,235
Licenses and permits	1,595,115	1,528,864	1,683,204	1,503,659	1,178,362
Charges for services	550,478	660,890	414,375	537,430	638,244
Fines, forfeitures and penalties	857,135	753,224	437,117	641,566	565,643
Special assessments	-	-	789,089	687,568	736,213
Investment income	1,260,286	1,947,566	2,028,128	1,678,791	884,847
Other	30,316	29,332	478,473	141,930	381,429
Total revenues	<u>27,861,970</u>	<u>25,232,851</u>	<u>28,898,390</u>	<u>38,749,346</u>	<u>32,530,598</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	3,023,192	3,790,631	4,780,837	7,356,665	11,956,179
Public safety	6,087,918	6,536,043	6,737,912	8,043,771	9,114,009
Public works	5,208,142	6,064,980	8,898,768	12,116,508	4,964,867
Community services	60,828	51,286	1,419,424	669,827	783,452
Community development	3,424,954	3,216,935	2,690,420	3,408,691	1,047,529
Parks and recreation	3,383,358	3,881,469	4,249,462	4,078,631	2,030,698
Capital outlay	184,301	149,641	-	1,647,673	202,752
<b>Debt service:</b>					
Principal	465,000	490,000	780,000	1,105,000	915,000
Interest and fiscal charges	1,836,765	1,559,114	2,512,725	1,567,849	1,531,986
Bond issuance costs	-	550,323	1,323,238	-	-
Total expenditures	<u>23,674,458</u>	<u>26,290,422</u>	<u>33,392,786</u>	<u>39,994,615</u>	<u>32,546,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,187,512</u>	<u>(1,057,571)</u>	<u>(4,494,396)</u>	<u>(1,245,269)</u>	<u>(15,874)</u>
<b>Other financing sources (uses):</b>					
Transfers in	4,941,103	13,300,319	26,183,078	2,962,087	4,078,483
Transfers out	(4,941,103)	(13,300,319)	(26,183,078)	(2,962,087)	(4,078,483)
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>4,752,802</u>	<u>2,154,695</u>	<u>-</u>	<u>-</u>
<b>Extraordinary item:</b>					
Gain (loss) on dissolution of redevelopment agency	-	-	-	-	-
Net change in fund balances	<u>\$ 4,187,512</u>	<u>\$ 3,695,231</u>	<u>\$ (2,339,701)</u>	<u>\$ (1,245,269)</u>	<u>\$ (15,874)</u>
<b>Debt service as a percentage of noncapital expenditures</b>					
	9.8%	7.8%	11.8%	7.0%	7.6%

Fiscal Year				
2010	2011	2012	2013	2014
\$ 18,508,896	\$ 19,313,094	\$ 15,960,662	\$ 16,602,329	\$ 15,320,806
7,856,792	9,383,256	9,561,918	6,399,282	6,066,936
1,079,429	1,764,162	1,156,719	1,156,968	1,308,482
708,434	677,861	1,055,391	1,072,754	1,087,091
491,574	462,389	619,397	691,548	700,126
680,288	741,382	768,997	937,405	881,543
389,310	367,956	582,176	710,443	873,631
<u>254,610</u>	<u>253,379</u>	<u>658,670</u>	<u>693,123</u>	<u>61,690</u>
<u>29,969,333</u>	<u>32,963,479</u>	<u>30,363,930</u>	<u>28,263,852</u>	<u>26,300,305</u>
5,903,926	3,801,486	4,203,302	3,988,156	3,973,364
8,863,234	8,882,915	7,517,101	7,774,038	7,913,659
11,264,220	19,402,924	6,417,803	6,985,208	6,184,890
584,463	595,904	-	-	-
1,940,641	3,397,072	3,681,903	2,605,227	2,846,112
2,733,885	2,362,860	2,532,665	2,132,827	2,157,424
290,885	93,121	9,090,076	3,126,669	3,268,391
945,000	975,000	1,210,000	-	-
1,501,667	1,882,092	961,506	-	-
-	275,344	-	-	-
<u>34,027,921</u>	<u>41,668,718</u>	<u>35,614,356</u>	<u>26,612,125</u>	<u>26,343,840</u>
<u>(4,058,588)</u>	<u>(8,705,239)</u>	<u>(5,250,426)</u>	<u>1,651,727</u>	<u>(43,535)</u>
4,133,554	4,824,919	6,431,374	2,772,415	3,053,605
(4,133,554)	(4,824,919)	(6,554,374)	(2,772,415)	(3,053,605)
-	-	-	(6,392,878)	-
-	11,230,000	-	-	-
-	(192,139)	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>102,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>102,501</u>	<u>11,037,861</u>	<u>(123,000)</u>	<u>(6,392,878)</u>	<u>-</u>
-	-	(8,619,249)	-	-
<u>\$ (3,956,087)</u>	<u>\$ 2,332,622</u>	<u>\$ (13,992,675)</u>	<u>\$ (4,741,151)</u>	<u>\$ (43,535)</u>
7.4%	8.8%	6.8%	0.0%	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		
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%
2014	3,654,495,783	68,912,542	1,901,995	3,725,310,320	9.27%

<sup>1</sup> 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Basic Levy <sup>1</sup>	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	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
El Monte School Districts	0.07246	0.08056	0.06402	0.08067	0.09044	0.11907	0.12388	0.12733	0.13288	0.12735
El Monte Union High School	0.03928	0.05425	0.05846	0.02820	0.05159	0.09654	0.08475	0.09591	0.08992	0.09799
Garvey School Districts	0.02319	0.05221	0.05075	0.05061	0.06835	0.07836	0.08503	0.08404	0.08832	0.09131
La Ccd Ds 2008 2012 Series F	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01119	0.00000
Los Angeles Community College	0.01810	0.01430	0.02146	0.00878	0.02212	0.02311	0.04031	0.03530	0.03756	0.04454
L.A. Co. Flood Control Bonds	0.00024	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350
Montebello Unified School District	0.04172	0.07053	0.06731	0.06681	0.08065	0.09673	0.09792	0.10001	0.09630	0.09457
Pasadena Ccd Ds 2002, 2006 Ser D	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00225	0.00000
Pasadena Area Community College	0.00879	0.00410	0.02080	0.01972	0.01741	0.02300	0.01986	0.01956	0.01830	0.01899
Rio Hondo Community College	0.02170	0.01802	0.01469	0.01370	0.02320	0.02714	0.03439	0.03418	0.02812	0.02892
Rosemead School Districts	0.07095	0.07515	0.05420	0.08282	0.06875	0.11358	0.10743	0.10507	0.10240	0.10314
San Gabriel Unified School District	0.05729	0.05284	0.04930	0.05742	0.09294	0.10071	0.10190	0.08454	0.10523	0.10082
San Gabriel Vly Mwd State Water Bond	0.02000	0.02000	0.02000	0.02000	0.01800	0.01800	0.01800	0.01800	0.01800	0.01800
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.38044</b>	<b>1.44801</b>	<b>1.42640</b>	<b>1.43323</b>	<b>1.53775</b>	<b>1.70054</b>	<b>1.71717</b>	<b>1.70764</b>	<b>1.73397</b>	<b>1.72913</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388	0.09388
<b>General Obligation Debt Rate</b>										
<b>Redevelopment Rate<sup>4</sup></b>	1.00697	1.00604	1.00541	1.00450	1.00430	1.00430	1.00370	1.00370		
<b>Total Direct Rate<sup>5</sup></b>	0.19461	0.20733	0.20556	0.21850	0.22614	0.22270	0.22407	0.22351	0.22113	0.09271

**Notes:**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

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

Source: L.A. County Assessor 2004/05 - 2013/14 Tax Rate Table and HDL Coren & Cone

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

Taxpayer	2013/14			2004/05		
	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	\$ 47,173,985	1	1.27%			
Walmart Stores, Inc	37,447,086	2	1.01%			
Rosemead Hwang, LLC	29,428,000	3	0.79%			
AFG Investment Fund 5 LLC	25,023,940	4	0.67%			
Metodo Investments LLC	18,868,184	5	0.51%			
420 Boyd Street LLC	17,000,000	6	0.46%			
Citadel/Panda Express, Inc.	15,916,502	7	0.43%			
Macy's California Inc.	14,221,531	8	0.38%			
Shurland Kay Curci Foundation	14,031,441	9	0.38%			
Sunshine Inn	10,738,534	10	0.29%			
Rosemead Place, LLC				\$ 21,909,588	1	0.90%
Aespace America, Inc.				17,277,316	2	0.71%
May Department Stores Company				17,130,008	3	0.71%
Southern California Edison Co.				17,071,564	4	0.70%
General Electric Credit Auto Auctions				16,016,061	5	0.66%
California Federal Savings & Loan Assn.				12,152,732	6	0.50%
Panda Restaurant Group, Inc.				11,219,669	7	0.46%
Huy Fong Foods, Inc.				9,107,775	8	0.38%
Sunshine Inn				8,441,171	9	0.35%
Builder Square, LLC				7,840,392	10	0.32%

Source: Hdl Coren & Cone, Los Angeles County Assessor 2013/14 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
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%
2014	2,865,651	2,850,674	99.48%	-	2,850,674	99.48%

\* 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 <sup>2</sup>	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
2004/05	32,920,000	4.60%	582
2005/06	37,100,000	4.96%	653
2006/07	37,455,000	4.73%	658
2007/08	36,350,000	4.44%	639
2008/09	35,435,000	4.28%	622
2009/10	34,490,000	4.25%	601
2010/11	44,745,000	4.76%	775
2011/12	43,535,000	4.63%	804
2012/13	41,740,000	4.38%	771
2013/14	39,885,000	4.15%	732

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

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

<sup>2</sup> 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 <sup>2</sup></u>	<u>Percent of Assessed Value <sup>1</sup></u>	<u>Per Capita</u>
2004/05	32,920	1.36%	582
2005/06	37,100	1.40%	653
2006/07	37,455	1.29%	658
2007/08	36,350	1.15%	639
2008/09	35,435	1.05%	622
2009/10	34,490	1.01%	601
2010/11	44,745	1.30%	775
2011/12	43,535	1.23%	804
2012/13	41,740	1.16%	766
2013/14	39,885	1.07%	732

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

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

<sup>2</sup> 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, 2014

	Gross Bonded Debt Balance	Percentage Applicable To City	Net Bonded Debt
<b>Overlapping Debt</b>			
* Metropolitan Water District	\$ 64,271,492	0.334%	\$ 214,667
Garvey SD DS 2000 Series A	174,557	51.382%	89,691
Garvey SD DS 2000 Series B	4,334,519	51.382%	2,227,163
Garvey SD DS 2004 Series 2005	7,243,736	51.382%	3,721,976
Garvey SD DS 2004 Series 2006	9,829,168	51.382%	5,050,423
Garvey SD DS 2004 Series C	8,877,964	51.382%	4,561,675
Garvey SD DS 2011 Refund Bonds	7,085,000	51.382%	3,640,415
Rosemead SD DS 2000 Series C	6,250,000	70.121%	4,382,563
Rosemead SD DS 2007 Series D	13,025,000	70.121%	9,133,260
Rosemead SD DS 2008 Series A	8,326,503	70.121%	5,838,627
Rosemead SD DS 2011 Ref Bond	8,915,000	70.121%	6,251,287
Rosemead SD DS 2012 Ref Bond	5,385,000	70.121%	3,776,016
El Monte Union HS Dist 2002 Series A	1,185,000	14.779%	175,131
El Monte Union HS Dist 2002 Series B	1,210,000	14.779%	178,826
El Monte Union HSD DS 2006 Ref Bds	33,482,675	14.779%	4,948,405
El Monte Union HSD DS 2002 Series C	27,565,000	14.779%	4,073,831
El Monte Union HSD DS 2008 Series A	52,339,850	14.779%	7,735,306
El Monte Union HSD DS 2008 Series B	30,297,787	14.779%	4,477,710
L.A. CCD DS 2003 Taxable Ser 2004B	74,235,000	0.322%	239,037
L.A. CCD DS 2001 Taxable Series 2004A	8,850,000	0.322%	28,497
LACC DS Ref 2001 Series 2005A	403,320,000	0.322%	1,298,690
LA CCD DS 2001 2006 Series B	266,185,000	0.322%	857,116
LA CCD DS 2003, 2006 Series C	381,585,000	0.322%	1,228,704
LACC DS 2001, 2008 Ser E-1	267,340,000	0.322%	860,835
LACC DS 2003, 2008 Ser F-1	341,565,000	0.322%	1,099,839
LACC DS 2008, 2009 Taxable Ser A	350,000,000	0.322%	1,127,000
LACC DS 2008, 2009 Taxable Ser B	75,000,000	0.322%	241,500
LACC Debt 2008, 2010 Tax Ser D	219,889,950	0.322%	708,046
LACC Debt 2008, 2010 Tax Ser E (BABS)	900,000,000	0.322%	2,898,000
LACC DS 2008, 2010 Series C	177,885,060	0.322%	572,790
LA CCD DS 2013 Ref Bonds	54,480,000	0.322%	175,426
LA CCD DS 2008 Series G	220,000,000	0.322%	708,400
Pasadena CCD DS 2006 Series B	26,985,000	2.579%	695,943
Pasadena CCD DS 2006 Ref BD Series C	19,443,312	2.579%	501,443
Pasadena CCD DS 2002, 2006 Ser D	25,645,000	2.579%	661,385
Pasadena CCD 2002, 2009 Series E (BABS)	25,295,000	2.579%	652,358
Montebello USD DS 1998 Series 1998	7,783,067	1.366%	106,317
Montebello USD DS 98 Series 1999	9,570,081	1.366%	130,727
Montebello USD DS 1998 Series 2002	15,833,172	1.366%	216,281
Montebello USD DS 2004 Series 2008	31,850,000	1.366%	435,071
Montebello USD DS 2004 Series-1 2009-1	19,115,000	1.366%	261,111
Montebello USD 2004 Series 2009A-2 BABS	12,640,000	1.366%	172,662
Montebello USD DS 2010 Ref Bonds	11,140,000	1.366%	152,172
Montebello USD DS 2004 Series 2013A	22,155,000	1.366%	302,637
San Gabriel USD DS 2002 Series B	6,111,492	1.212%	74,071
San Gabriel USD DS 2005 Ref Bonds	16,155,000	1.212%	195,799
San Gabriel USD DS 2002 Ser 2007 C	10,557,878	1.212%	127,961
San Gabriel USD DS 2008 Ser A	17,748,245	1.212%	215,109
San Gabriel USD DS 2010 Ref Bonds	6,400,000	1.212%	77,568
San Gabriel USD DS 2008 Series B	38,396,424	1.212%	465,365
San Gabriel USD DS 2012 Ref Bonds Series B	2,665,000	1.212%	32,300
<b>Total Overlapping Debt</b>			<b>\$ 87,997,132</b>

2013/14 Assessed Valuation: \$3,090,593,336 After Deducting \$634,716,984 Incremental Value.

Debt to Assessed Valuation Ratios:	
Direct Debt	0.00%
Overlapping Debt	2.85%
Total Debt	2.85%

\* 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 2013/14 Lien Date Tax Rolls.

CITY OF ROSEMEAD  
 Legal Debt Margin  
 Last Ten Fiscal Years

	Fiscal Year				
	2005	2006	2007	2008	2009
Assessed valuation	2,422,878,306	2,644,964,038	2,901,902,093	3,165,802,509	3,362,646,146
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	605,719,577	661,241,010	725,475,523	791,450,627	840,661,537
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	90,857,936	99,186,151	108,821,328	118,717,594	126,099,230
Total net debt applicable to limit: General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>90,857,936</u>	<u>99,186,151</u>	<u>108,821,328</u>	<u>118,717,594</u>	<u>126,099,230</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				
2010	2011	2012	2013	2014
3,399,331,688	3,431,820,218	3,533,192,184	3,603,395,186	3,725,310,320
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
849,832,922	857,955,055	883,298,046	900,848,797	931,327,580
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
127,474,938	128,693,258	132,494,707	135,127,319	139,699,137
-	-	-	-	-
<u>127,474,938</u>	<u>128,693,258</u>	<u>132,494,707</u>	<u>135,127,319</u>	<u>139,699,137</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	
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
2014	5,517,943	1,855,000	1,790,511	1.51

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)
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%
2013/14	54,762	944,918	17,255	6.70%

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		2014		2005 *	
		Number of Employees	Percent of Total Employment <sup>1</sup>	Number of Employees	Percent of Total Employment
Southern California Edison	1	4,100	17.08%	-	0.00%
Garvey School District	2	804	3.35%	-	0.00%
Wal-Mart	3	389	1.62%	-	0.00%
Panda Restaurant Group, Inc.	4	400	1.67%	-	0.00%
Rosemead School District	5	337	1.40%	-	0.00%
Target	6	200	0.83%	-	0.00%
Hemetic Seal Corporation	7	189	0.79%	-	0.00%
Olive Garden	8	115	0.48%	-	0.00%
Don Bosco Tech	9	90	0.38%	-	0.00%
Double Tree	10	100	0.42%	-	0.00%

<sup>1</sup> Based upon Employment Development Department's estimate of 24,000 residents employed in 2013-14.

\* Information for 2005 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>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>	<u>2014</u>
General government	15	18	17	19	16	22	19	15	13	12
Public safety <sup>1</sup>	17	23	22	34	39	42	42	33	15	20
Community										
development	6	6	11	23	18	23	23	7	8	8
Public Works	n/a	n/a	n/a	n/a	n/a	n/a	n/a	26	22	23
Parks and recreation	<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>	<u>86</u>
 Total	 <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>	 <u>149</u>

<sup>1</sup> 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.

<sup>1</sup> 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Arrests	1,230	1,315	1,786	1,506	1,478	1,733	1,888	1,842	1,186	1,356
Parking citations issued	18,357	15,176	13,210	11,766	10,517	8,450	7,515	7,797	8,765	16,110
Fire:										
Number of emergency calls	2,617	2,617	2,749	2,846	2,959	2,853	2,745	2,928	2,785	2,823
Inspections	-	-	-	2,518	2,093	2,137	1,845	2,066	2,012	2,026
Public works:										
Street resurfacing (miles)	-	1.3	2.5	1.1	2.8	3.5	3.5	3.6	0.9	1.6
Parks and recreation:										
Number of recreation classes	530	720	775	484	397	727	617	519	638	724
Number of facility rentals	n/a	n/a	n/a	540	453	236	1,786	3,261	3,124	4,005

Source: City of Rosemead

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	77.55	77.55	77.55	77.55	77.55	77.55	77.55
Streetlights	2,702	2,705	2,706	2,712	2,712	2,712	2,712	2,712	2,712	2,712
Traffic signals	39	39	41	42	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

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