

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDED JUNE 30, 2024

CITY OF PARAMOUNT, CALIFORNIA



CITY OF PARAMOUNT, CALIFORNIA

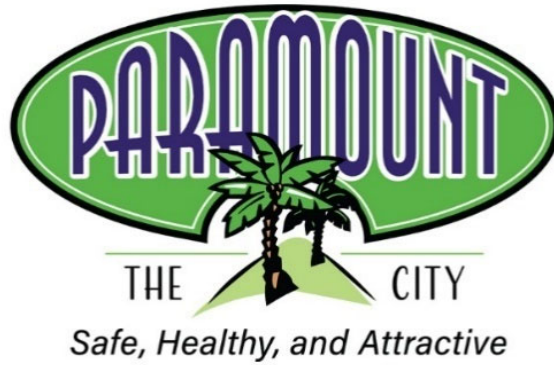
**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024**



Prepared by the Finance Department

Kim Sao
Finance Director

Roster of Officials



City Council

Annette C. Delgadillo, Mayor
Peggy Lemons, Vice Mayor
Isabel Aguayo, Councilmember
Brenda Olmos, Councilmember
Vilma Cuellar Stallings, Councilmember

City Attorney

John Cavanaugh

City Manager

John Moreno

Assistant City Manager

Grissel Chavez

City Clerk

Heidi Luce

Community Services Director

David Johnson

Finance Director

Kim Sao

Planning Director

John Carver

Public Safety Director

Margarita Matson

Public Works Director

Adriana Figueroa

City of Paramount
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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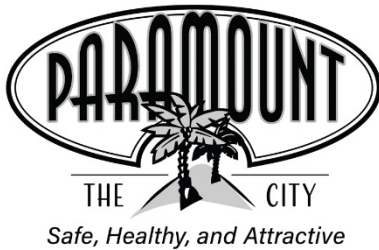
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ANNETTE C. DELGADILLO

Mayor

PEGGY LEMONS

Vice Mayor

ISABEL AGUAYO

Councilmember

BRENDA OLMOS

Councilmember

VILMA CUELLAR STALLINGS

Councilmember

December 27, 2024

Honorable City Council and Residents of the City of Paramount

INTRODUCTION

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Paramount for the fiscal year ended June 30, 2024. The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation rests with the City's management. The report includes the combined transactions and financial position of all funds of the City of Paramount, including its blended component units for which the City Council is also the governing body:

- ◆ Paramount Housing Authority
- ◆ Paramount Parking Authority
- ◆ Paramount Industrial Development Authority
- ◆ Paramount Public Financing Authority

The enclosed financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as recommended by the Governmental Accounting Standards Board (GASB). The complete report is divided into three sections:

Introduction	The introductory section includes this Letter of Transmittal and other information to familiarize the read with the City: A Roster of Officials, an Organizational Chart, and prior year Award for Financial Reporting.
Financial	The financial section consists of five parts: 1) Independent Auditor's Report, 2) Management's Discussion and Analysis (MD&A), 3) Basic Financial Statements and accompanying Notes to Basic Financial Statements, 4) Required Supplementary Information, and 5) Supplementary Information that includes additional statements and schedules for nonmajor governmental funds.
Statistical	The statistical section includes pertinent financial and non-financial data that present historical trends and other information about the City in a multi-year basis

INTRODUCTION
(cont.)

The Independent Auditors' Report from the City's certified public accountant, The Pun Group LLP, evaluated whether the financial report was prepared in accordance with the General Accepted Accounting Principles (GAAP) and fairly presented the City's financial position, results of the operations, and cashflows as of June 30, 2024. Based on their evaluation, they issued an Unmodified (clean) opinion, which means the financial statements are free of material misstatements and conform to GAAP.

Management also represents that to the best of our knowledge and belief, the enclosed data is accurate in all material respects, and fairly presents the financial position and results of operations of the City of Paramount and its related organizations. We have an established internal control structure designed to ensure accurate financial reporting, safeguard our assets, and compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City'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.

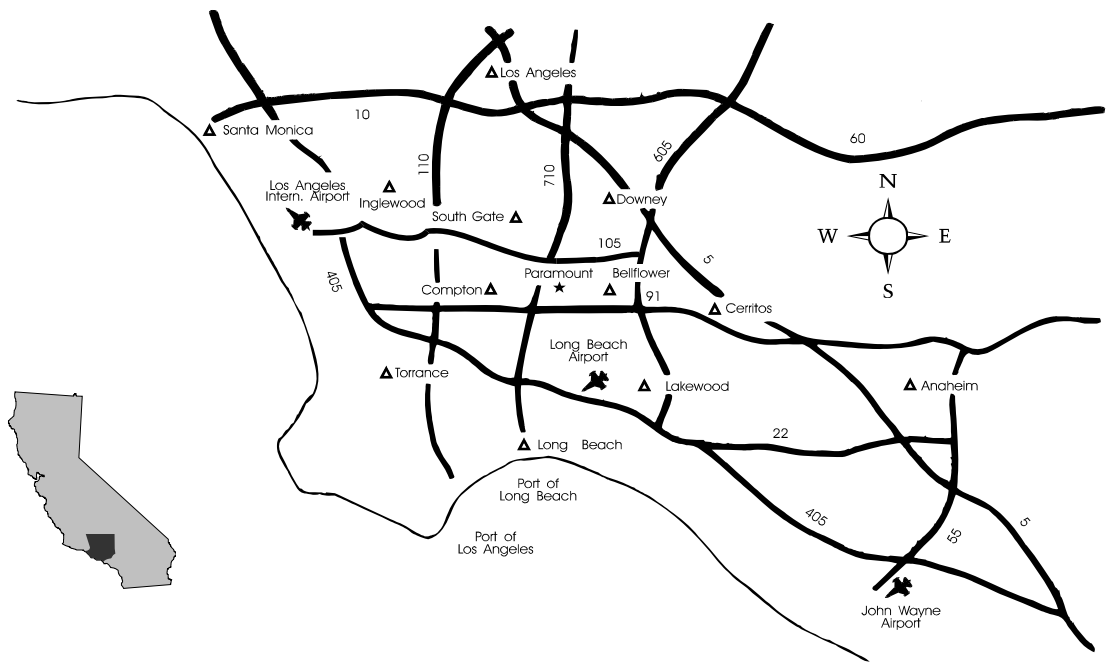
Included are the Management's Discussion and Analysis (MD&A) and all disclosures necessary to enable the reader to gain an understanding of the City's financial activities as well as the GASB requirement that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. This letter of transmittal you are currently reading is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report in the financial section of the statements.

**PROFILE OF THE
CITY OF
PARAMOUNT**

In a location first settled in the early 1800s as part of a Spanish land grant, the City of Paramount is fifteen miles southeast of downtown Los Angeles. Known in the 1930s as the communities of Hynes and Clearwater, the area was a nationally prominent center of the dairy and hay industries. Hynes-Clearwater joined together under the common name of Paramount in 1948, grew steadily, and in 1957 incorporated as a City.

Today, Paramount provides a broad range of municipal services. Approximately five square miles in size, Paramount has a population of approximately 51,000 and more than 3,000 businesses.

The City offers attractive residential neighborhoods, easy access to major shopping centers, and many cultural and recreational activities in its 60 acres of parkland. The City's business community has helped in the growth and development of the Southeast Los Angeles area, and today it is an important contributor to the greater Los Angeles commercial and industrial marketplace.



FUND BALANCE POLICY

The City Council reviews and adopts an annual budget in June of each fiscal year to provide guidance for the general operation of the City. In June 2024, the City Council revised the Fund Balance Policy that was adopted in May 2023 to improve operational stability and ensure that the City is better prepared for the financial risk of economic downturns and catastrophic emergencies. The Government Finance Officer's Association (GFOA) recommends that cities maintain a minimum reserve of 16% - 17% of the operating revenue or expense that is equal to two months of the fiscal years. As of fiscal year ending June 30, 2024, the City committed \$20.1 million for operating reserve representing 50% of the FY 2023-24 adopted General Fund operating expenditure budget, and \$3.9 million for economic uncertainty representing 10% of the actual FY 2023-24 General Fund expenditures. The combined 60% reserve demonstrates the City's strong commitment to fiscal responsibility and financial stability. This level of reserve ensures the City's ability to maintain uninterrupted operations and provide essential services in the event of unforeseen circumstances, such as economic downturns, emergencies, or unexpected revenue shortfalls. The City takes pride in this high reserve level which provides a cushion for long-term sustainability and positions the City to address future opportunities or challenges without compromising core services.

CASH MANAGEMENT POLICIES & PRACTICES

The City Council annually adopts, by resolution, a statement of investment policy for the City's funds. The last major revisions to the investment policy were made in June 2022, which narrowed down the investment options to those considered safest and extended the maturity period from three years to five years. The policy defines the objectives and priorities of the investment program, stressing safety, liquidity, and yield of funds as the highest priorities. The third priority, yield, is the achievement of the maximum yield possible within the constraints of the first two objectives. The investment policy was certified by the California Municipal Treasurers Association

Policy Certification Program, which provides professional guidance that meets industry best practices for public sector investing. The City has since begun to engage more proactively in investment activities that allow us to earn a return on our idle cash without jeopardizing our primary objectives.

The Finance Director is charged with the responsibility of custody and investment of surplus City funds. She submits a quarterly investment report to the City Council that provides a summary of the status of the current investment portfolio and material transactions entered during the quarter. In FY 2024, the City posted investment earnings of \$2.5 million compared to \$677 thousand in FY 2023 and \$43 thousand in FY 2022. Of the \$2.5 million, \$1.6 million was allocated to the General Fund.

**RISK
MANAGEMENT**

The City participates in the California Joint Powers Insurance Authority (CJPIA). The purpose of this organization is to reduce the cost of liability insurance coverage by having the member cities act as self-insurers among themselves. Note 10 of the Notes to Basic Financial Statements (Pages 80-82) describes in depth the premium and liability coverage of the members.

**ACCOMPLISH-
MENTS &
OUTLOOK**

As of June 30, 2024, the General Fund balance is \$50,504,532, which is an increase of \$3,305,282 from the prior year due to increases in revenues for specific purposes; and \$2.4 million is unassigned and available for spending at the City's discretion. Details on the General Fund balance can be found in Note 12 to Basic Financial Statements on page 83.

This year, the City achieved several key milestones that reflect our commitment to fiscal responsibility and sustainable financial management. Among these accomplishments are:

- **Business License Ordinance Update:** On November 5, 2024, voters approved, by more than the required 2/3 majority vote, a restructured business license tax ordinance, which takes effect January 2025. This initiative modernizes the City's approach to business licensing, ensures equitable taxation, and strengthens our capacity to support local business while enhancing revenue streams.
- **Comprehensive Fee Study:** The City successfully completed a comprehensive fee study to update our user fees. This ensures the City maximizes the recovery of the costs of services that provide direct benefits to individual users while maintaining fairness and transparency. While maximizing cost recovery, the City continues to prioritize subsidizing essential programs – such as parks and recreation – that have direct and meaningful impact on our residents.

**ACCOMPLISH-
MENTS &
OUTLOOK**
(cont.)

Capital Improvement Completion

During FY 2023-24, as we do every year, we completed the construction of numerous street improvement projects, including street and sidewalk repairs or installations, traffic signal light installation, perimeter wall on 70th Street, and continued resurfacing of neighborhood streets.

Deferred maintenance and structural improvements were also completed during the fiscal year. Playgrounds were replaced at Paramount Park, Progress Park, All American Park, and Dills Park. Various City facility improvements were also completed such as Paramount Park roof replacement, Paramount pool interior upgrades, Salud Park portable restroom and Paramount Park outdoor restroom renovation. We completed a sustainability project of converting interior and exterior lighting at the City Yard to LED.

New Developments/Continuing Programs

Looking forward, for FY 2024-25, we have budgeted a total of \$14,297,200 for capital improvement projects that included \$5.8 million in carryover projects and \$8.5 million in new projects to continue street, sidewalk and alley improvements; affordable housing projects, downtown electrical upgrade and Dills Park irrigation repairs; and sustainability project such as drywell installation at Meadows Park and Village Park.

STAR Program

In FY 2024-25, we will make substantial modifications to the Success Through Academics and Recreation (STAR) Program that began in January 2007. The program is funded by an After School Education and Safety Grant from the State of California in which the City will continue to apply. In FY 2024-25, operational responsibilities will shift from City staff to a Community Based Organization that is skilled in operating after school programs. STAR provides academic assistance and recreational activities for students in kindergarten grades through eighth.

Water Operations

As mentioned above, the City of Paramount prides itself on providing a high level of service at a reasonable cost. The City's water operations are no exception. We are constantly initiating efforts to keep our water production facilities and distribution lines in sound condition. We are anticipating the completion of our new well (Well 16) located at Garfield and Jackson in early 2025. We started the design and drilling of this new water well in FY 2015-16 with a \$6.7 million loan from California Infrastructure and Economic Development Bank (IBank) to complete the rest of the well construction. This project is especially vital in California where the reliance on imported water is becoming more and more expensive and less and less available. Once built, the new well will help us come closer to being self-sufficient in this important area. Additionally, starting March 2024, the City began replacing outdated water meters citywide with the digital Advanced Metering Infrastructure (AMI) water meters that is a system of communications networks allowing usage data to be communicated to the user, the data management system and the City's utility staff.

Also, in our effort to proactively maintain and improve our water system, the City Council approved a water rate increase that took effect January 1, 2022. The water rate increase will phase in gradually over a five-year period with the fourth-year increase taking effect January 1, 2025. Our rates continue to be among the lowest in all 14 neighboring water agencies; however, the high cost of purchasing water during the last few years has depleted the Water Fund balance to an unsustainable level.

**CERTIFICATES
OF
ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Paramount for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. The City has received the Certificate of Achievement Award from the GFOA since 1982. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGE-
MENTS**

The preparation of this report could not have been accomplished without the hard work and dedicated services of the City's financial management staff. We would like to express our appreciation to all the members of the Finance team and The Pun Group LLP, the City's independent auditors, for their expertise, guidance, assistance and professionalism in preparing this year's report.

Finally, we would like to express our sincere thanks to the City Council, whose strong and effective leadership and continuous support has made this another successful year.

CITY OF PARAMOUNT



John Moreno, City Manager



Kim Sao, Finance Director

Roster of Officials

City of Paramount, CA
on June 30, 2024

CITY COUNCIL

Annette C. Delgadillo, Mayor
Peggy Lemons, Vice Mayor
Isabel Aguayo, Councilmember
Brenda Olmos, Councilmember
Vilma Cuellar Stallings, Councilmember

Parks & Recreation Commission

Charlene Landry, Chair
Steve Yanez, Vice Chair
Jennifer Alcaraz, Commissioner
Shirley Grayson, Commissioner
Austin Moreno, Commissioner

Planning Commission

Gordon Weisenburger, Chair
Ernie Esparza, Vice Chair
Javier Gonzalez, Commissioner
David Moody, Commissioner
Linda Timmons, Commissioner

Public Safety Commission

Robert Cruz, Chair
Gerardo Ruiz, Vice Chair
Marcelina Bridges, Commissioner
Dora Sanchez, Commissioner

Public Works Commission

Rita Aguilar, Chair
Georgina Arceo, Vice Chair
Jaime Abrego, Commissioner
Alvin Parks, Commissioner
Rosemary Vasquez, Commissioner

Senior Services Commission

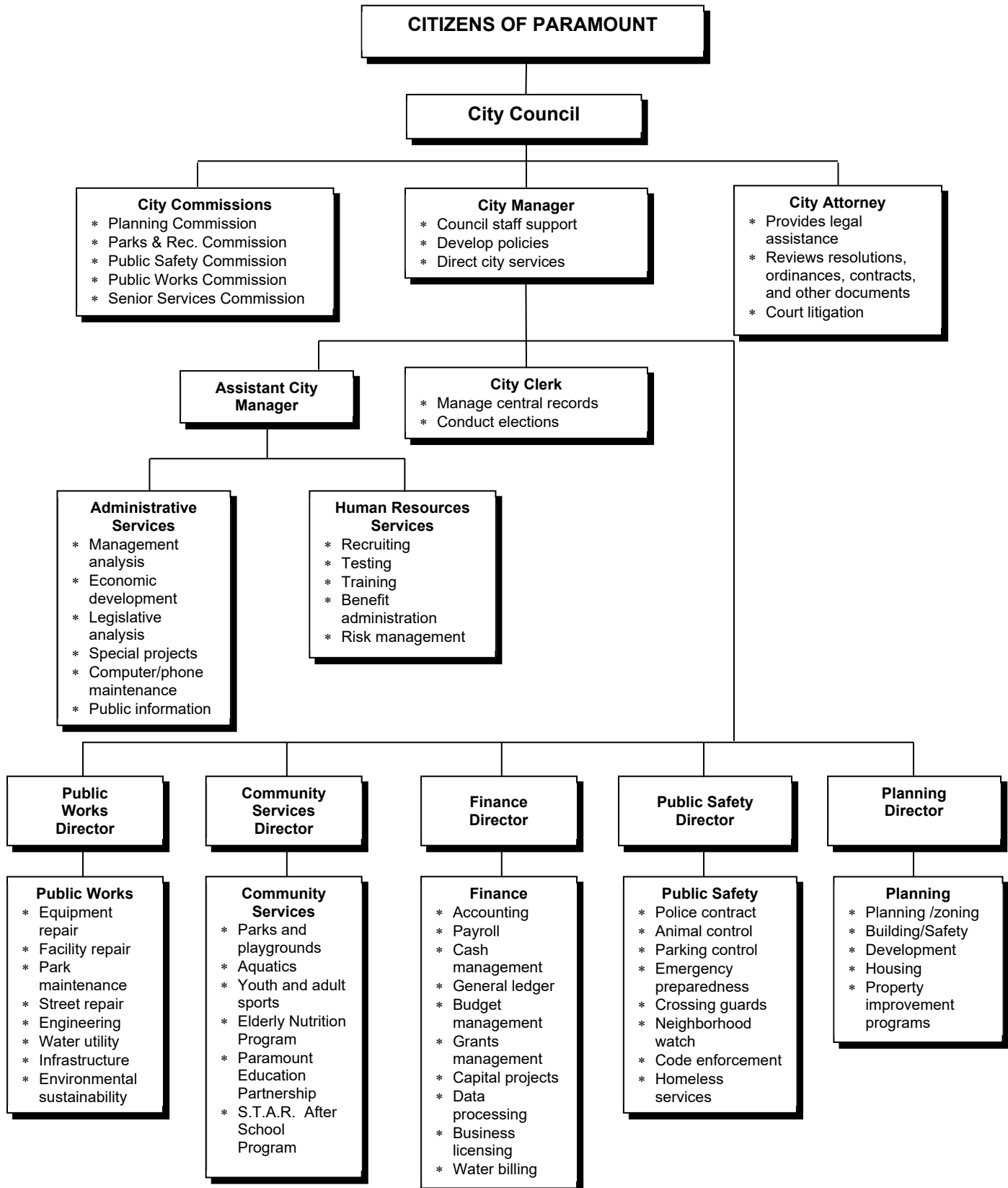
Martha Garcia, Chair
Anna Mageno, Vice Chair
Elsa Padilla, Commissioner
Claudia Quinones, Commissioner
Patricia Winiecki, Commissioner

City Officials

John Moreno, City Manager
John E. Cavanaugh, City Attorney
Grissel Chavez, Assistant City Manager
John Carver, Planning Director
Adriana Figueroa, Public Works Director
David Johnson, Community Services Director
Margarita Matson, Public Safety Director
Kim Sao, Finance Director

Organizational Chart

City of Paramount, CA
on June 30, 2024

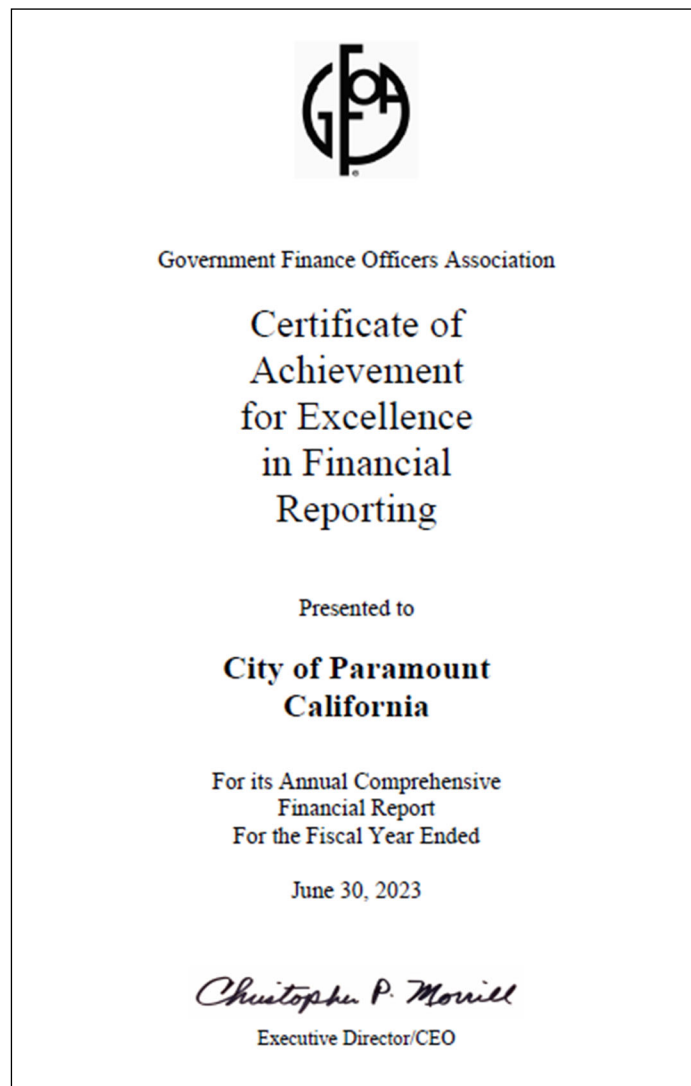


Award for Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Paramount for our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023.

To be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to industry standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe our current June 30, 2024 financial report continues to conform to Certificate of Conformance Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Paramount, California (the "City") as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 27, 2024

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City of Paramount

Management's Discussion and Analysis (Unaudited)

June 30, 2024

As management of the City of Paramount, California (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. 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 through vi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2023-24 by \$133,042,790 (net position). This amount increased by \$6,937,293 from last year.
- As of June 30, 2024, the City's governmental funds reported combined fund balances of \$68,483,274. Of this amount, \$341,301 (0.5%) of the total fund balances is non-spendable, \$15,312,987 (22.4%) is restricted, \$26,435,892 (38.6%) is committed, \$23,968,528 (35.0%) is assigned, and \$2,424,566 (3.5%) is unassigned and available for spending at the City's discretion.
- At June 30, 2024, the Water Enterprise Fund reported an unrestricted net position of negative \$4,194,981, marking the first time this balance has turned negative. This is primarily due to a structural imbalance and the City has planned action to address the structural deficit.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which comprised three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains the Required Supplementary Information (RSI) and other supplementary 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's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 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 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 governmental activities of the City include General Government, Community Development, Public Safety, Community Services, and Public Works. The business-type activity of the City includes the City's Water Utility operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Paramount Housing Authority and Paramount Parking Authority for which the City is financially accountable. Financial information for these component units has been included as an integral part of the primary government.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

The government-wide financial statements can be found on pages 19-21 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, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements 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 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 maintains 26 individual 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 and Other Grants fund, which are major funds. Debt Service is presented separately to account for the Pension Obligation Bond fund. Data from the other 23 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual fund financial statements and schedules.

The City adopts an annual appropriated budget for each of its governmental funds, except the Paramount Parking Authority fund. A budgetary comparison statement has been provided for the general fund and each major special revenue fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 27-30 of this report.

Proprietary funds. The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water utility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its equipment replacement and maintenance. Because this service predominantly benefits governmental rather than business type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements (business type activities), only in more detail. Information is presented separately in the proprietary fund statement of net position and in the proprietary fund statement of revenues, expenses, and changes in fund net position for the Water fund, which is considered to be a major fund. The Equipment Replacement internal service fund is also presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 33-35 of this report.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

Fiduciary fund. The City maintains three fiduciary funds, which are the Redevelopment Obligation Retirement Private-Purpose Trust Fund and the Community Redevelopment Property Trust Fund, which are combined and reported as the Successor Agency for the Paramount Redevelopment Agency, and the Custodial Fund. These funds are used to account for situations where the City's role is purely custodial. They are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

The fiduciary fund financial statements can be found on pages 39-40.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 45-85 of this report.

Required Supplementary Information. This section includes the Budgetary Comparison Schedules of the major governmental funds. It also includes the Schedule of the City's Net Pension Liability and Schedule of Contributions for the City's pension program – Miscellaneous Plan of the California Public Employees Retirement System, Schedule of Changes in Net Other Postemployment Liability and Related Ratios, and Schedule of Contributions for Other Postemployment Benefits. This section can be found on pages 87-99.

Supplementary information. The combining financial statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Individual fund financial schedules for non-major governmental funds are located in this section as well. Combining and individual fund statements and schedules can be found on pages 104-141 of this report.

Government-wide Financial Analysis

The following table presents a summarization of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position for its governmental and business type activities. As noted earlier, a government's net position may serve over time as a useful indicator of its financial position.

City of Paramount - Summary of Net Position
June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 80,686,020	\$ 70,954,966	\$ 15,424,553	\$ 7,566,736	\$ 96,110,573	\$ 78,521,702
Capital assets, net	76,458,433	76,210,309	33,362,750	27,304,795	109,821,183	103,515,104
Total assets	157,144,453	147,165,275	48,787,303	34,871,531	205,931,756	182,036,806
Deferred outflows of resources	12,062,890	14,365,419	1,750,321	2,117,355	13,813,211	16,482,774
Current liabilities	8,726,850	5,784,288	6,489,858	1,495,343	15,216,708	7,279,631
Long-term liabilities	31,287,594	31,238,273	25,342,331	14,472,215	56,629,925	45,710,488
Total liabilities	40,014,444	37,022,561	31,832,189	15,967,558	71,846,633	52,990,119
Deferred inflows of resources	12,986,206	16,929,065	1,887,338	2,494,899	14,873,544	19,423,964
Net position						
Net investment in capital assets	76,132,951	75,764,653	21,013,078	16,976,379	97,146,029	92,741,032
Restricted	16,004,360	12,716,782	-	-	16,004,360	12,716,782
Unrestricted	24,087,382	19,097,633	(4,194,981)	1,550,050	19,892,401	20,647,683
Total net position	\$ 116,224,693	\$ 107,579,068	\$ 16,818,097	\$ 18,526,429	\$ 133,042,790	\$ 126,105,497

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

The City's total assets increased from \$182,036,806 to \$205,931,756 in the fiscal year and the City's total liabilities increased from \$52,990,119 to \$71,846,633. Pension and Other Post-Employment Benefits (OPEB) related deferred outflows of resources decreased from \$16,482,774 to \$13,813,211 and deferred inflows of resources decreased from \$19,423,964 to \$14,855,544. For further information, please refer to Notes 7 and 8 on pages 70-79. As a whole, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$133,042,790 at June 30, 2024, an increase of \$6,937,293 from the prior year, primarily due to an increase in assets as a result of high general fund surplus.

Governmental activities. For the year ended June 30, 2024, the following condensed summary of the City's governmental activities shows total net position equal to \$116,224,693, where the change in net position is \$8,645,625. The operating contributions and grants show a decrease of \$7,526,434 from prior year and the total program expenses remained similar in the range of \$55 million. The general revenues increased from prior year; the investment activities in the strong market resulted in an increase of \$1,445,883 in investment earnings and overall tax revenues increased by approximately \$919,000.

Business-type activities. Business-type activities' net position decreased by \$1,708,332 from \$18,526,429 to \$16,818,097, mostly due to the decrease in operating contributions and grants by \$3,438,975. Total expenses remained similar to prior year at approximately \$11 million.

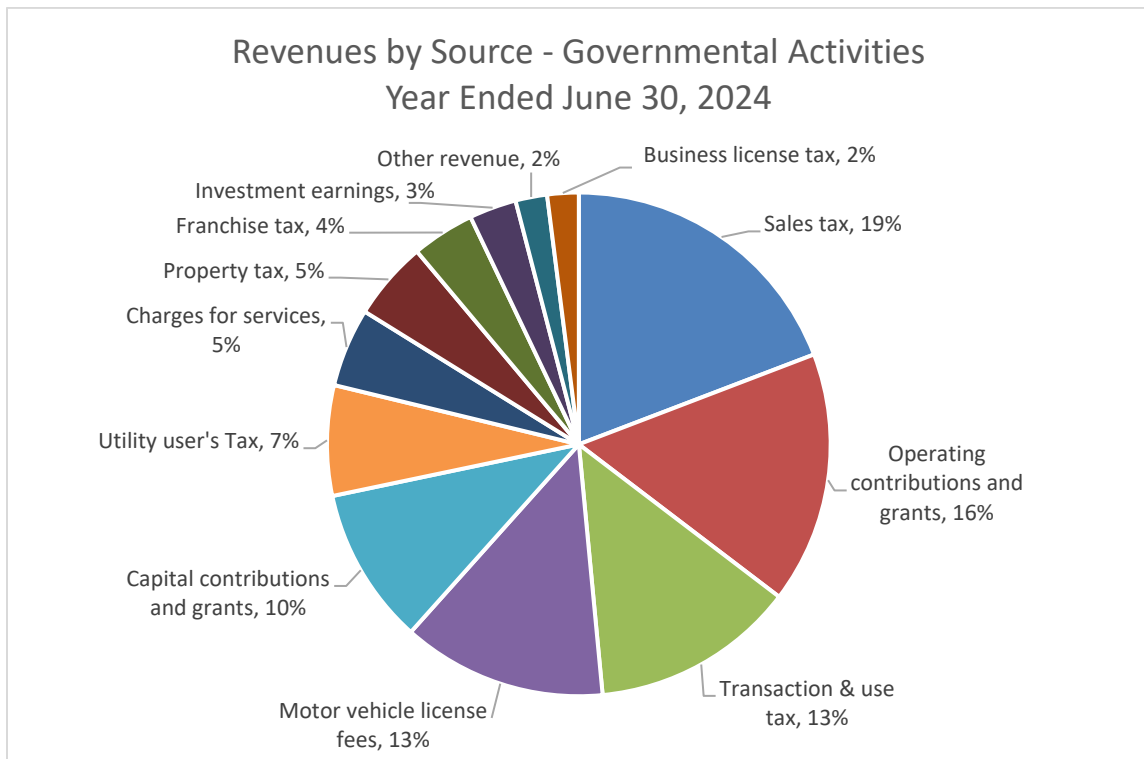
City of Paramount - Summary of Changes in Net Position
Year Ended June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	\$ 3,448,891	\$ 4,509,711	\$ 9,280,735	\$ 8,355,545	\$ 12,729,626	\$ 12,865,256
Operating contributions and grants	10,202,595	17,729,029	-	3,438,975	10,202,595	21,168,004
Capital contributions and grants	5,835,628	6,256,776	-	757,063	5,835,628	7,013,839
General revenues						
Sales tax	12,187,613	12,261,365	-	-	12,187,613	12,261,365
Transaction & use tax	8,551,198	8,113,036	-	-	8,551,198	8,113,036
Utility user's tax	4,652,691	4,492,823	-	-	4,652,691	4,492,823
Franchise tax	2,471,532	2,196,469	-	-	2,471,532	2,196,469
Property tax	3,095,924	3,059,499	-	-	3,095,924	3,059,499
Business license tax	1,046,281	962,760	-	-	1,046,281	962,760
Investment earnings	2,239,275	793,392	251,897	65,243	2,491,172	858,635
Unrestricted motor vehicle license fee	8,406,004	8,088,374	-	-	8,406,004	8,088,374
Other revenue	1,583,243	2,475,170	-	-	1,583,243	2,475,170
Total revenues	63,720,875	70,938,404	9,532,632	12,616,826	73,253,507	83,555,230
Program expenses						
General government	8,911,187	10,059,418	-	-	8,911,187	10,059,418
Community development	3,509,880	4,817,632	-	-	3,509,880	4,817,632
Public safety	15,675,326	15,311,548	-	-	15,675,326	15,311,548
Community services & recreation	11,440,951	7,774,667	-	-	11,440,951	7,774,667
Public works	15,169,110	16,159,020	-	-	15,169,110	16,159,020
Interest and fiscal charges	368,796	365,104	-	-	368,796	365,104
Water	-	-	11,240,964	11,427,517	11,240,964	11,427,517
Total expenses	55,075,250	54,487,389	11,240,964	11,427,517	66,316,214	65,914,906
Excess (deficiency) before contributions, special and extraordinary items & transfers	8,645,625	16,451,015	(1,708,332)	1,189,309	6,937,293	17,640,324
Transfers in / (out)	-	-	-	-	-	-
Special item-housing assets	-	-	-	-	-	-
Special item-Redevelopment Agency	-	-	-	-	-	-
Change in net position	8,645,625	16,451,015	(1,708,332)	1,189,309	6,937,293	17,640,324
Net position, beginning of year	107,579,068	91,128,053	18,526,429	17,337,120	126,105,497	108,465,173
Net position, end of year	\$ 116,224,693	\$ 107,579,068	\$ 16,818,097	\$ 18,526,429	\$ 133,042,790	\$ 126,105,497

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

Revenues

- At June 30, 2024, total revenue is \$73,253,507, a decrease of 12% or \$10,301,723 from prior fiscal year. The decrease in operating contributions and grants by \$10,965,409 is primarily due to the conclusion of the ARPA grant in FY 2023.
- Sales tax revenues decreased by \$73,752 and transaction & use tax revenues increased by \$438,162, with a net combined increase of 4.8% or \$364,410. This is mainly due to the increase in the cost of commodities and increase in consumer purchases.
- Utility user's tax increased by 3.6% or \$159,868 as a result of higher utility costs.
- Franchise tax fees increased by 12.5% or \$275,063 mainly due to higher Edison franchise fees.
- Property tax increased by 1.2% or \$36,425 due to higher property valuations.
- Investment earnings increased by 190.1% or \$1,632,537 due to proactive investing of idle cash and higher yields.
- Motor vehicle license fee increased by 3.9% or \$317,630 due to higher allocation for the City.
- Other revenue decreased by 36% or \$891,927 due to one-time settlement in FY23.



Key elements of this year's summary of activities are as follows:

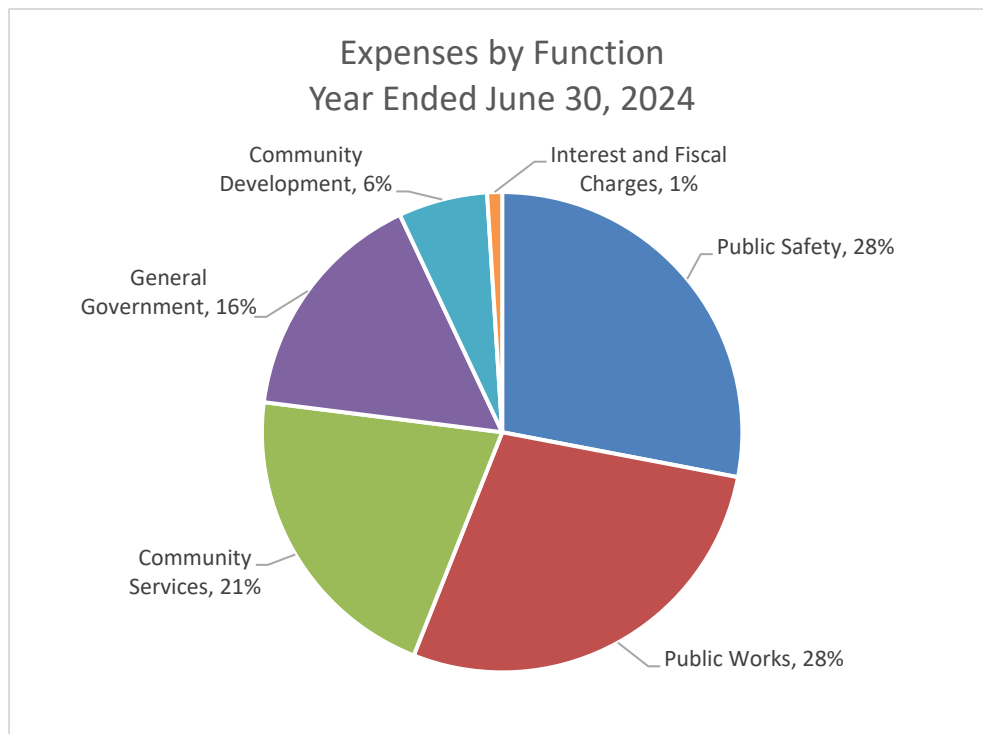
- The major revenue sources were sales tax, transaction & use tax, motor vehicle license fees, and various operating contributions and grants.
- In the operating contributions and grants category, the City received some significant grant sources including:
 - \$1,962,850 After School Education and Safety Grant for the Success Through Academics and Recreation (S.T.A.R.) Program
 - \$1,484,938 State Gas Tax
 - \$1,485,759 Proposition A Transit Tax
 - \$1,424,190 SB1 Road Maintenance & Rehabilitation Account
 - \$1,232,945 Proposition C Transit Tax
 - \$1,053,820 Measure M Transit Tax

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

- \$952,457 Measure R Transit Tax
- \$262,557 Public Art Fee
- \$283,139 Community Development Block Grant
- \$707,386 Measure W Safe Clean Water
- \$888,470 Community Benefit Agreement

Expenses

Total program expenses remained similar to the prior year, from \$54,487,389 to \$55,075,250, which is an increase of 1% or \$587,861. The major source of increase in expense was \$3,666,284 from the Community Services category, where various events and activity services were provided to the community. On the other hand, Community Development and General Government expenses decreased by \$1,307,752 and \$1,148,231, respectively, due to decrease in pension expense in FY24 and the completion of the ARPA funded programs.



The top three expense activities were Public Safety, 28%, Public Works, 28%, and Community Services at 21%.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City'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.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$68,483,274, an increase of \$6,793,178 in comparison with the prior year. The increase was primarily related to the surplus in the general fund and accumulation of various grant funds that will be expended in future years. The fund balances are classified as follows to indicate the level of constraint.

- \$341,301 or 0.5% consists of non-spendable fund balances, which include land held for resale (\$236,544) and prepaids/deposits (\$104,757);
- \$15,312,987 or 22.4% consists of the restricted fund balances of various grants and assessments (\$15,441,041), Debt Service (\$10,501) and the Paramount Parking Authority (\$2,371);
- \$26,435,892 or 38.6% consists of committed fund balances for operation (\$20,058,500), economic uncertainty and infrastructure (\$4,409,000), and various development impact fees (\$1,968,392);
- \$23,968,528 or 35.0% consists of the General Fund assigned fund balances for compensated absences (\$692,000), coronavirus related (\$5,129,834), capital projects (\$13,762,448), self-insurance (\$800,000), special projects (\$527,620), and retiree benefit obligation (\$2,915,700);
- 2,424,566 or 3.5% of the ending balance is the unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City of Paramount. At June 30, 2024, the General Fund balance reached \$50,504,532. In July 2024, the City Council revised the Fund Balance Policy that was adopted in May 2023 to provide guidance regarding its fund balances. The City committed \$24.07 million of its General Fund balance for operating reserve, and economic uncertainty and infrastructure and facilities emergencies, representing 60% of the FY 2023-24 General Fund adopted operating budget. Additional details of the fund balance categories can be found in Note 12 of the Notes to Basic Financial Statements.

Other Grants Special Revenue Fund ended the year with \$280,103 in restricted fund balance, an increase of \$142,338 from FY23. Expenditures increased \$389,201 (24%) and revenue increased \$538,352 (34%) due to one-time Department of Education grant that provided funding for scholarship and the Spane Park facility improvement.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government- wide financial statements, but in more detail.

Unrestricted net position of the City's Water Utility operations at the end of the year amounted to a negative balance of \$4,194,981, a decrease of \$5,745,031 from the prior year. The decrease is due to the delay in the opening of Well 16 for the last few years, resulting in the City having to purchase imported water during a time when the cost of water is at an all-time high. Furthermore, the conclusion of the ARPA fund, which had helped pay for operating expenses in FY23 and prior, was no longer available. To address this structural deficit, the City is again conducting a water rate study to reassess its water rate structure.

The City is also addressing the negative debt covenant ratio through several initiatives. Operational improvements at the well site are in the final stages, with programming and testing near completion and all permitting requirements expected to be met by early 2025. Additionally, a water rate study is underway to reassess the current fee structure. The installation of new water meters citywide, now over 90% complete, will enhance the accuracy of water usage readings, recovering lost revenue. This recovered revenue will offset the debt incurred for the meter replacement, ensuring the project is cost-neutral. To provide cash flow support, the General Fund advanced \$850,050 in FY 2024 and will provide an additional \$850,050 in FY 2025 through a loan agreement. These measures aim to strengthen the water fund's financial position and address the current deficit

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

General Fund Budgetary Highlights

Following is a summary of budgetary changes and actual results for General Fund, revenues, expenditures, and other financing sources (uses):

City of Paramount - General Fund Budgetary Summary
Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 29,712,150	\$ 30,134,150	\$ 32,005,239	\$ 1,871,089
Intergovernmental revenues	8,488,350	8,394,800	8,406,004	11,204
Other revenues	5,909,050	5,489,050	6,826,453	1,337,403
Total revenues	44,109,550	44,018,000	47,237,696	3,219,696
Expenditures				
Operations	39,931,600	39,445,440	37,135,422	2,310,018
Capital outlay	15,004,850	18,448,577	5,165,491	13,283,086
Debt service	410,700	1,925,420	1,631,501	293,919
Total expenditures	55,347,150	59,819,437	43,932,414	15,887,023
Excess (deficiency) of revenues over (under) expenditures	(11,237,600)	(15,801,437)	3,305,282	(12,667,327)
Net change in fund balances	(11,237,600)	(15,801,437)	3,305,282	19,106,719
Fund balance - July 1	23,039,850	34,194,320	47,199,250	13,004,930
Fund balance - June 30	\$ 11,802,250	\$ 18,392,883	\$ 50,504,532	\$ 32,111,649

Variance with the Final Budget

Overall, total actual revenues came in \$3,219,696 higher than the final estimate mainly due to higher tax revenues of \$1,871,089 and other revenues, which came in \$1,337,403 higher than estimated. The variances in other revenues include revenue from use of property \$1,060,353, fines and citations \$115,377, and miscellaneous revenues \$212,886. On the other hand, actual expenditures were \$15,887,023 lower than the final budget mainly due to delays in capital improvement project and professional services.

Capital Asset and Debt Administration

Capital assets. As of June 30, 2024, the City's investment in capital assets for its governmental and business- type activities totaled \$109,821,183, net of accumulated depreciation. This investment includes land, buildings and improvements, machinery and equipment, park facilities, construction in progress, water mains, water distribution equipment, and infrastructure.

Significant capital improvements events during the year included the construction of various street and sidewalk improvements and various parks and facilities improvements.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

City of Paramount - Capital Assets
(Net of Accumulated Depreciation)
June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 14,849,080	\$ 14,849,080	\$ 2,894,476	\$ 2,894,476	\$ 17,743,556	\$ 17,743,556
Construction in progress	10,284,238	9,205,734	17,783,591	10,948,110	28,067,829	20,153,844
Land improvements	4,693,045	5,331,758	-	-	4,693,045	5,331,758
Building and improvements	7,522,615	7,036,874	4,987,295	5,291,384	12,509,910	12,328,258
Machinery and equipment	2,747,731	2,050,671	1,131,008	1,241,755	3,878,739	3,292,426
Infrastructure	36,061,539	37,346,972	6,536,981	6,891,653	42,598,520	44,238,625
Right-of-use leased vehicles	300,185	389,220	29,399	37,417	329,584	426,637
Total	\$ 76,458,433	\$ 76,210,309	\$ 33,362,750	\$ 27,304,795	\$ 109,821,183	\$ 103,515,104

Additional information on the City's capital assets can be found in Note 5 of the Notes to Basic Financial Statements.

Long-term liabilities. As of June 30, 2024, the City of Paramount had total outstanding liabilities of \$56,629,925. Of this amount, \$25,342,331 is a liability of the business-type activity.

City of Paramount - Outstanding Liabilities
June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Note Payable - IBank	\$ -	\$ -	\$ 9,571,590	\$ 9,909,040	\$ 9,571,590	\$ 9,909,040
Note Payable - AMI	-	-	11,236,354	-	11,236,354	-
Financed purchases	12,164	44,255	-	19,926	12,164	64,181
Pension Obligation Bonds*	12,707,911	13,936,444	1,877,089	2,058,556	14,585,000	15,995,000
Bond discount*	(152,380)	(163,264)	(22,508)	(24,116)	(174,888)	(187,380)
Lease liability	244,232	325,219	24,009	31,198	268,241	356,417
Net OPEB liability	7,529,677	6,185,227	1,072,397	903,947	8,602,074	7,089,174
Net pension liability	10,253,911	10,089,071	1,497,927	1,489,049	11,751,838	11,578,120
Compensated absences	692,079	821,321	85,473	84,615	777,552	905,936
Total	\$ 31,287,594	\$ 31,238,273	\$ 25,342,331	\$ 14,472,215	\$ 56,629,925	\$ 45,710,488

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City is \$197,623,903, based on the assessed value of all real and personal property of the City, all of which is excess because the City has no outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 6 of the Notes to Basic Financial Statements.

Future Outlook and Next Year's Budget

Over the past few years, despite unprecedented challenges of the COVID-19 pandemic, the City has continued to effectively service and support our residents and businesses. However, as of June 30, 2024, revenues stabilized, and we remain committed to ensuring expenditures do not outpace incoming revenues. Inflation, which peaked at 8% in June 2022, has since decreased to 3.2% in June 2024.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2024

Like many California cities, increases in retiree pension and health care costs will continue to put an upward pressure on the Budget. In November 2021, the City took advantage of the favorable market rate by issuing the Pension Obligation Bond (POB) to refinance and a large portion of the unfunded actuarial liability (UAL) to CalPERS. While the UAL pension liability fluctuated in accordance with CalPERS' investment returns, the POB bond is a debt with a fixed borrowing rate for the term of the bond that will mature in 2038.

The City continues to be vigilant in its spending habits and exploring multiple ways to minimize costs and increase revenues by effectively managing its way of doing business, enhancing collection efforts, and preventing revenue leakage. In November 2024, the City Council adopted a new fee schedule set to take effect February 2025. This aligns with the City's efforts to ensure the recovery of costs associated with providing services to the users. Additionally, the City modernized its business license tax structure, transitioning from an employee-based system to a gross-receipts based system, which will take effect in January 2025. While this change enhances the city's revenue streams, it also promotes equitable taxation.

The City continues to utilize and seek out new grant fundings to pay for projects and one-time costs, which provided needed support to our residents, protect essential reserves, rebuild critical services, and plan for facility and infrastructure improvements. As such, in November 2024, the City applied for a \$19,957,145 grant with the Environmental Protection Agency under its Environmental and Climate Justice Block grant program. The City intends to address traffic-based pollution and invest in renewable energy that helps to respond to air quality, economic justice, and energy burden challenges faced by Paramount residents.

In addition, the City revised its investment policy and began to invest more actively beginning in FY 2023. Where the City normally invested all its idle cash in the Local Agency Investment Fund (LAIF), the City has moved its idle cash to the California Asset Management Program (CAMP), a fully liquid investment pool, to take advantage of its more favorable yield. The City is now diversifying its investment portfolio, taking advantage of short-term earnings, as well as laddering its maturity dates up to five years to ensure that the City will continue to earn a healthy return during an economic downturn. As of June 30, 2024, the City's investment earnings totaled \$2.5 million.

In July 2024, the City Council revised its Fund Balance Policy by combining the Economic Uncertainty and the Infrastructure Emergency reserves into one single reserve and reducing the combined balance from 20% to 10% of the operating expenditures. With the City's 50% Operating Reserve, the total committed reserve now stands at 60%, down from 70% the previous year. This adjustment provides flexibility and availability of fund balances to address critical capital improvement needs while maintaining stability and preparedness for economic downturns and emergencies.

For FY 2024-2025, the City adopted a balanced budget. General Fund sources total \$48,439,800, which include \$45,975,300 in estimated revenues and \$2,464,500 from Reserves to pay for one-time expenditures. The adopted expenditure budget totals \$47,132,750, which includes \$45,432,750 for operation and \$1,700,000 for CIPs, leaving an estimated surplus of \$1,307,050 for the fiscal year ending June 30, 2025.

Request for Information

This financial report is designed to provide a general overview of the financial position of the City of Paramount 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 information should be addressed to the Finance Department, 16400 Colorado Avenue, Paramount, California 90723.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Paramount
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 69,664,117	\$ 15,219,380	\$ 84,883,497
Cash and investments with fiscal agent	1,961	-	1,961
Accounts receivable	7,822,662	750,608	8,573,270
Interest receivable	455,560	61,254	516,814
Prepaid items and deposits	104,757	8,800	113,557
Inventories	-	234,511	234,511
Notes receivable, net	602,921	-	602,921
Land held for resale	1,184,042	-	1,184,042
Internal balance	850,000	(850,000)	-
Capital assets			
Nondepreciable assets	25,133,318	20,678,067	45,811,385
Depreciable assets, net of accumulated depreciation	51,024,930	12,655,284	63,680,214
Intangible capital assets, net of accumulated amortization	300,185	29,399	329,584
Total capital assets	76,458,433	33,362,750	109,821,183
Total assets	157,144,453	48,787,303	205,931,756
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	8,820,958	1,288,596	10,109,554
Other postemployments benefits related	3,241,932	461,725	3,703,657
Total deferred outflows of resources	12,062,890	1,750,321	13,813,211
LIABILITIES			
Accounts payable	5,916,911	5,442,786	11,359,697
Due to other government	232,239	-	232,239
Retention payable	69,086	348,319	417,405
Unearned revenue	2,382,441	-	2,382,441
Accrued interest payable	47,605	419,365	466,970
Deposits payable	78,568	279,388	357,956
Long-term liabilities:			
Due within one year	1,553,247	672,722	2,225,969
Due in more than one year	11,950,759	22,099,285	34,050,044
Net pension liabilities	10,253,911	1,497,927	11,751,838
Net other postemployment benefits liabilities	7,529,677	1,072,397	8,602,074
Total liabilities	40,014,444	31,832,189	71,846,633
DEFERRED INFLOWS OF RESOURCES			
Pension related	11,028,086	1,611,021	12,639,107
Other postemployments benefits related	1,940,120	276,317	2,216,437
Total deferred inflows of resources	12,968,206	1,887,338	14,855,544
NET POSITION			
Net investment in capital assets	76,132,951	21,013,078	97,146,029
Restricted for:			
Community development	1,336,503	-	1,336,503
Public safety	585,816	-	585,816
Community services	564,819	-	564,819
Public works	13,248,912	-	13,248,912
Debt service	10,501	-	10,501
Other	257,809	-	257,809
Total restricted	16,004,360	-	16,004,360
Unrestricted	24,087,382	(4,194,981)	19,892,401
Total net position	\$ 116,224,693	\$ 16,818,097	\$ 133,042,790

See accompanying Notes to the Basic Financial Statements.

City of Paramount
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 8,911,185	\$ 240,018	\$ 888,470	\$ -	\$ 1,128,488
Community development	3,509,880	2,587,812	734,248	-	3,322,060
Public safety	15,675,326	110,616	2,357,904	319,542	2,788,062
Community services	11,440,951	251,956	3,542,077	276,813	4,070,846
Public works	15,169,110	258,485	2,679,896	5,239,273	8,177,654
Interest and fiscal charges	368,796	-	-	-	-
Total governmental activities	55,075,248	3,448,887	10,202,595	5,835,628	19,487,110
Business-type Activities:					
Water utility	11,240,964	9,280,735	-	-	9,280,735
Total business-type activities	11,240,964	9,280,735	-	-	9,280,735
Total primary government	\$ 66,316,212	\$ 12,729,622	\$ 10,202,595	\$ 5,835,628	\$ 28,767,845

(Continued)

City of Paramount
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
General government	\$ (7,782,697)	\$ -	\$ (7,782,697)
Community development	(187,820)	-	(187,820)
Public safety	(12,887,264)	-	(12,887,264)
Community services	(7,370,105)	-	(7,370,105)
Public works	(6,991,456)	-	(6,991,456)
Interest and fiscal charges	(368,796)	-	(368,796)
Total governmental activities	(35,588,138)	-	(35,588,138)
Business-type Activities:			
Water utility	-	(1,960,229)	(1,960,229)
Total business-type activities	-	(1,960,229)	(1,960,229)
Total primary government	(35,588,138)	(1,960,229)	(37,548,367)
General Revenues:			
Sales tax	12,187,616	-	12,187,616
Transaction and use tax	8,551,198	-	8,551,198
Utility users tax	4,652,691	-	4,652,691
Franchise tax	2,471,532	-	2,471,532
Property tax	3,095,924	-	3,095,924
Business license tax	1,046,281	-	1,046,281
Investment earnings	2,239,275	251,897	2,491,172
Unrestricted motor vehicle license fee	8,406,004	-	8,406,004
Other revenue	1,583,242	-	1,583,242
Total general revenues and transfers	44,233,763	251,897	44,485,660
Change in Net Position	8,645,625	(1,708,332)	6,937,293
Net Position			
Beginning of year	107,579,068	18,526,429	126,105,497
End of year	\$ 116,224,693	\$ 16,818,097	\$ 133,042,790

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Paramount
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Other Grants Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 48,433,266	\$ 2,270,592	\$ 16,097,289	\$ 66,801,147
Cash and investments with fiscal agent	1,961	-	-	1,961
Accounts receivable	3,915,152	1,476,366	2,431,144	7,822,662
Interest receivable	316,437	20,617	100,315	437,369
Due from other funds	1,118,912	-	-	1,118,912
Prepaid items	66,419	-	38,338	104,757
Notes receivable, net	-	-	602,921	602,921
Land held for resale	236,544	-	947,498	1,184,042
Advance to other funds	850,000	-	-	850,000
Total assets	\$ 54,938,691	\$ 3,767,575	\$ 20,217,505	\$ 78,923,771
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,123,352	\$ 396,502	\$ 1,348,024	\$ 5,867,878
Deposits payable	78,568	-	-	78,568
Retentions payable	-	17,156	51,930	69,086
Unearned revenues	-	2,382,441	-	2,382,441
Due to other governmental agencies	232,239	-	-	232,239
Due to other funds	-	-	1,118,912	1,118,912
Total liabilities	4,434,159	2,796,099	2,518,866	9,749,124
Deferred Inflows of Resources:				
Unavailable revenue	-	691,373	-	691,373
Total deferred inflows of resources:	-	691,373	-	691,373
Fund Balances:				
Nonspendable	302,963	-	38,338	341,301
Restricted	10,501	280,103	15,022,383	15,312,987
Committed	23,932,500	-	2,503,392	26,435,892
Assigned	23,827,602	-	140,926	23,968,528
Unassigned	2,430,966	-	(6,400)	2,424,566
Total fund balances	50,504,532	280,103	17,698,639	68,483,274
Total liabilities, deferred inflows of resources and fund balances	\$ 54,938,691	\$ 3,767,575	\$ 20,217,505	\$ 78,923,771

City of Paramount
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2024

Fund Balances of Governmental Funds	\$ 68,483,274
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets of governmental activities are not current financial resources and, therefore, are not reported in the governmental funds, net of \$1,485,049 reported in Internal Service Fund.	74,973,384
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position:	
Long-term liabilities	(12,811,927)
Compensated absences	(692,079)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.	(47,605)
Net pension liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:	
Deferred outflows related to pensions	8,820,958
Net pension liability	(10,253,911)
Deferred inflows related to pensions	(11,028,086)
Net other postemployment benefits liabilities and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:	
Deferred outflows related to OPEB	3,241,932
Net OPEB liability	(7,529,677)
Deferred inflows related to OPEB	(1,940,120)
Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.	691,373
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Position.	4,317,177
Net Position of Governmental Activities	<u><u>\$ 116,224,693</u></u>

City of Paramount
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Other Grants Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 32,005,239	\$ -	\$ -	\$ 32,005,239
Licenses and permits	1,229,352	-	-	1,229,352
Fines and penalties	1,158,077	-	-	1,158,077
Interest and use of property	2,096,553	32,626	607,875	2,737,054
Intergovernmental revenues	8,406,004	2,074,665	12,759,280	23,239,949
Charges for services	787,335	-	470,484	1,257,819
Other revenues	1,555,136	-	9,865	1,565,001
Total revenues	47,237,696	2,107,291	13,847,504	63,192,491
EXPENDITURES:				
Current:				
General government	8,088,229	200,000	411,868	8,700,097
Community development	2,765,117	318,110	487,167	3,570,394
Public safety	14,629,683	456,239	334,935	15,420,857
Community services	3,530,015	848	3,469,495	7,000,358
Public works	8,122,378	155,685	1,802,437	10,080,500
Capital outlay:				
Streets, sidewalks and signals	536,272	411,418	1,839,561	2,787,251
Parks	539,926	422,653	1,261,170	2,223,749
Other	4,089,293	-	547,439	4,636,732
Debt service:				
Principal	1,306,587	-	35,024	1,341,611
Interest and fiscal charges	324,914	-	7,137	332,051
Total expenditures	43,932,414	1,964,953	10,196,233	56,093,600
Excess (deficiency) of revenues over (under) expenditures	3,305,282	142,338	3,651,271	7,098,891
Net change in fund balances	3,305,282	142,338	3,651,271	7,098,891
FUND BALANCES:				
Beginning of year, as previously reported	47,199,250	443,478	14,047,368	61,690,096
Change with record unavailable revenue	-	(305,713)	-	(305,713)
Beginning of year, as restated (Note 14)	47,199,250	137,765	14,047,368	61,384,383
End of year	\$ 50,504,532	\$ 280,103	\$ 17,698,639	\$ 68,483,274

City of Paramount
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Governmental-Wide Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances - Governmental Funds	\$ 7,098,891
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as an expenditure in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.	
Capital outlay, net of \$358,566 reported in Internal Service Fund	7,466,899
Depreciation expense, net of \$66,410 reported in Internal Service Fund	(6,401,608)
Net effect of disposal of capital assets	(1,109,323)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources of governmental funds but has no effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Repayment of long-term debt	1,341,611
Amortized bond discount	(10,884)
Interest expense	(25,861)
In the Statement of Activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This represents the change in compensated absences during the year.	
	129,242
Certain pension 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, net of contribution made after the measurement period.	
	(379,449)
Certain other postemployment benefits 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, net of contribution made during the measurement period.	
	528,489
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.	385,660
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue/(expense) of the internal service fund is reported as governmental activities.	(378,042)
Change in Net Position of Governmental Activities	\$ 8,645,625

PROPRIETARY FUND FINANCIAL STATEMENTS

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City of Paramount
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-type Activities Water Enterprise Fund	Governmental Activities- Internal Service Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 15,219,380	\$ 2,862,970
Accounts receivable	750,608	-
Interest receivable	61,254	18,191
Prepaid items	8,800	-
Inventories	234,511	-
Internal balance	(850,000)	-
Total current assets	<u>15,424,553</u>	<u>2,881,161</u>
Noncurrent Assets:		
Capital assets:		
Nondepreciable asset	20,678,067	-
Depreciable assets, net of accumulated depreciation	12,655,284	1,485,049
Intangible capital assets, net of accumulated amortization	29,399	-
Total capital assets	<u>33,362,750</u>	<u>1,485,049</u>
Total noncurrent assets	<u>33,362,750</u>	<u>1,485,049</u>
Total assets	<u>48,787,303</u>	<u>4,366,210</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	1,288,596	-
Other postemployment benefits related	461,725	-
Total deferred outflows of resources	<u>1,750,321</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	5,442,786	49,033
Retentions payable	348,319	-
Interest payable	419,365	-
Deposits payable	279,388	-
Compensated absences, due within one year	25,645	-
Bonds and notes payable, due within one year	639,495	-
Lease payable, due within one year	7,582	-
Total current liabilities	<u>7,162,580</u>	<u>49,033</u>
Noncurrent Liabilities:		
Advance from other funds	850,000	-
Compensated absences, due in more than one year	59,828	-
Bonds and notes payable, due in more than one year	22,023,030	-
Lease payable, due in more than one year	16,427	-
Net pension liability	1,497,927	-
Net other postemployment benefits liability	1,072,397	-
Total noncurrent liabilities	<u>24,669,609</u>	<u>-</u>
Total liabilities	<u>31,832,189</u>	<u>49,033</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	1,611,021	-
Other postemployment benefits related	276,317	-
Total deferred inflows of resources	<u>1,887,338</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	21,013,078	1,485,049
Unrestricted	(4,194,981)	2,832,128
Total Net Position	<u>\$ 16,818,097</u>	<u>\$ 4,317,177</u>

See accompanying Notes to the Basic Financial Statements.

City of Paramount
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities Water Enterprise Fund	Governmental Activities- Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 9,229,974	\$ -
Other revenue	50,761	-
Total operating revenue	<u>9,280,735</u>	<u>-</u>
OPERATING EXPENSES		
Water commission	2,455	-
Water system administration	1,364,860	-
Water production	5,808,318	-
Water distribution	1,736,713	-
Water customer service	226,319	-
Water billing	404,686	-
Other operating expenses	296,538	454,354
Depreciation	787,549	66,410
Total operating expenses	<u>10,627,438</u>	<u>520,764</u>
Operating income	<u>(1,346,703)</u>	<u>(520,764)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	251,897	142,722
Interest expense	(613,526)	-
Total nonoperating revenues (expenses)	<u>(361,629)</u>	<u>142,722</u>
Change in net position	(1,708,332)	(378,042)
NET POSITION		
Beginning of year	18,526,429	4,695,219
End of year	<u><u>\$ 16,818,097</u></u>	<u><u>\$ 4,317,177</u></u>

City of Paramount
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities Water Enterprise Fund	Governmental Activities- Internal Service Fund
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 9,079,670	\$ -
Payments to suppliers	(2,437,921)	(431,946)
Payments to employees	(1,821,004)	-
Net cash provided by (used in) operating activities	<u>4,820,745</u>	<u>(431,946)</u>
Cash Flows From Noncapital Financing Activities:		
Principal paid on pension obligation bonds	(181,467)	-
Interest paid on pension obligation bonds	(46,425)	-
Net cash (used in) noncapital financing activities	<u>(227,892)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	4,370,917	(358,566)
Principal paid on capital debt	(364,565)	-
Interest paid on capital debt	(279,514)	-
Net cash provided by (used in) capital and related financing activities	<u>3,726,838</u>	<u>(358,566)</u>
Cash Flows From Investing Activities		
Interest received	<u>206,465</u>	<u>143,579</u>
Net cash provided by investing activities	<u>206,465</u>	<u>143,579</u>
Net change in cash and cash equivalents	8,526,156	(646,933)
Cash and Cash Equivalents:		
Beginning of year	<u>6,693,224</u>	<u>3,509,903</u>
End of year	<u><u>\$ 15,219,380</u></u>	<u><u>\$ 2,862,970</u></u>
Noncash Item:		
Amortization of bond discount	<u><u>\$ 1,608</u></u>	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (1,346,703)	\$ (520,764)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	787,549	66,410
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable	(202,170)	-
(Increase)/decrease in prepaid items	(232)	-
(Increase)/decrease in inventory	66,173	-
(Increase)/decrease in deferred inflows of resources - pensions	541,122	-
(Increase)/decrease in deferred inflows of resources - OPEB	(174,089)	-
Increase/(decrease) in accounts payable	4,727,365	22,408
Increase/(decrease) in advance to other funds	850,000	-
Increase/(decrease) in deposits payable	1,105	-
Increase (decrease) in compensated absences	858	-
Increase (decrease) in net pension liability	593,980	-
Increase (decrease) in net OPEB liability	(416,652)	-
Increase (decrease) in deferred inflows of resources - pensions	(512,773)	-
Increase (decrease) in deferred inflows of resources - OPEB	(94,788)	-
Total adjustments	<u>6,167,448</u>	<u>88,818</u>
Net cash provided by operating activities	<u><u>\$ 4,820,745</u></u>	<u><u>\$ (431,946)</u></u>

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Paramount
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Successor Agency Private-Purpose Trust Fund	Custodial Fund
ASSETS		
Current Assets		
Cash and investments	\$ 257,252	\$ 1,596
Restricted cash and investments	7,528,740	-
Interest receivable	103	-
Notes receivable	75	-
Total current assets	<u>7,786,170</u>	<u>1,596</u>
Noncurrent assets		
Building and building improvement	358,066	-
Infrastructure	4,277,466	-
Less: accumulated depreciation	<u>(3,787,776)</u>	<u>-</u>
Total noncurrent assets	<u>847,756</u>	<u>-</u>
Total assets	<u>8,633,926</u>	<u>1,596</u>
LIABILITIES		
Current liabilities		
Accounts payable	-	1,596
Interest payable	85,548	-
Bonds payable, due within one year	<u>5,502,331</u>	<u>-</u>
Total current liabilities	<u>5,587,879</u>	<u>1,596</u>
Noncurrent liabilities:		
Bonds payable, due in more than one year	10,943,196	-
Deferred pass through payments	<u>930,740</u>	<u>-</u>
Total noncurrent liabilities	<u>11,873,936</u>	<u>-</u>
Total liabilities	<u>17,461,815</u>	<u>1,596</u>
NET POSITION (DEFICIT)		
Restricted for:		
Successor Agency for the Paramount Redevelopment Agency	<u>(8,827,889)</u>	<u>-</u>
Total fiduciary net position	<u><u>\$ (8,827,889)</u></u>	<u><u>\$ -</u></u>

City of Paramount
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Successor Agency Private-Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Redevelopment property taxes trust fund	\$ 5,943,492	\$ -
Interest and use of property	149,823	-
Total additions	<u>6,093,315</u>	<u>-</u>
DEDUCTIONS:		
Administrative expenses	269,389	-
Depreciation	190,240	-
Interest and fiscal agent expenses	861,788	-
Total deductions	<u>1,321,417</u>	<u>-</u>
Change in net position	4,771,898	-
NET POSITION:		
Beginning of year	(13,599,787)	-
End of year	<u>\$ (8,827,889)</u>	<u>\$ -</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Paramount
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For the Year Ended June 30, 2024

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City of Paramount
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For the Year Ended June 30, 2024

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City of Paramount
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

A. Description of the Financial Reporting Entity

The City of Paramount, California (the “City”) was incorporated January 30, 1957, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. The City is governed by a five-member council and operates under a Council-Manager form of government. The City is considered a "contract city" since it provides some of its municipal services through contracts with private entities or other governmental agencies.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for governmental accounting and financial reporting principles.

The City serves as the primary government for several entities which are included in the accompanying basic financial statements as blended component units as the City is financially accountable for them and they are governed by a board composed of City Council members. The component units are included because of a significant financial relationship with the City. Additionally, the component units provide services entirely, or almost entirely, to the City or for the benefit of the City. Lastly, the City has responsibility for repayment of debt of the component units. A brief description of these related entities and the method of incorporating their financial information in the accompanying basic financial statements are summarized as follows:

- The Paramount Housing Authority (the “Housing Authority”) was established in December of 1984 pursuant to Section 34200 et seq., of the Health and Safety Code of the State of California. The Housing Authority is governed by a board composed of City Council members. The City’s management has the operational responsibility for the component unit. The primary purpose of the Housing Authority is to help provide affordable housing assistance to low and moderate income persons. Financial activity for this entity is included in a Special Revenue Fund of the accompanying basic financial statements. There is no separate financial report issued with respect to the Housing Authority.
- The Paramount Parking Authority (the “Parking Authority”) was established in June of 1982 in accordance with the Parking Law of 1949 commencing with Section 32500 of the State of California Streets and Highway Code. The Parking Authority is governed by a board composed of City Council members. Additionally, the Parking Authority provides services entirely to the City. The primary purpose of the Parking Authority is to fund and develop parking facilities in the Central Business District and throughout the City. Financial activity for this entity is included in a Capital Project Fund of the accompanying basic financial statements. There is no separate financial report issued with respect to the Parking Authority.
- The Paramount Industrial Development Authority (the “Development Authority”) was established in February of 1982 in accordance with the California Industrial Development Financing Act, Title 10, commencing with Section 91500 of the State of California Government Code. The Development Authority is governed by a board composed of City Council members. The City’s management has the operational responsibility for the component unit. The primary purpose of the Industrial Development Authority is to increase opportunities for useful employment and contribute to the economic growth of the community by providing an alternative method to finance industrial development. During the year ended June 30, 2023, there was no financial activity for the Development Authority.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Description of the Financial Reporting Entity (Continued)

- The Paramount Public Financing Authority (the “Financing Authority”) was established in July of 1991 pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the State of California Government Code. The Financing Authority is governed by a board composed of City Council members. Additionally, the Financing Authority provides services entirely to the City. The primary purpose of the Financing Authority is to purchase bonds issued by the former Redevelopment Agency for financing and refinancing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the Redevelopment Agency. On February 1, 2012, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities.

B. Basis of Accounting and Measurement Focus

The term basis of accounting refers to the timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The City’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements include separate columns for the governmental and business-type activities for the City.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and infrastructure as well as long-term debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents the changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Additionally, the City allocates a portion of its indirect costs to individual functions. These indirect costs have been included as part of the program expenses reported for the various functional activities. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital contributions and grants. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating grants and contributions include revenues restricted to meeting the requirements of a particular operating function and may include state shared revenues and grants. Capital contributions and grants include revenues restricted to meeting the requirements of a particular capital function and may include grants and developer fees. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Certain eliminations have been made as to inter-fund activities, payables, and receivables. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Interfund services provided and used are eliminated in the process of consolidation.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements

Separate financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a “current financial resources” measurement focus and the modified accrual basis of accounting. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. “Measurable” means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. In general, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. On the other hand, for granting/reimbursable programs, the City considers revenues to be available if they are collected within 12 months of the end of the current fiscal year due to the extended nature of the reimbursement process. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, utility user taxes, franchise taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent they are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, with the exception of grants, are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

Other Grants Special Revenue Fund – The Other Grants Special Revenue Fund is used to account for various operational and capital improvement grants that are either small in size or available for a limited time. The revenues are comprised of federal, state, county and private grants that are restricted as to their purpose.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements

Proprietary funds follow the economic resources measurement of focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all assets, deferred outflows of resources, all liabilities (whether current or non-current) and deferred inflows of resources associated with their activity are included on their statement of net position. Their reported fund equity is presented as total net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations, such as charges for water services. The principal operating revenues of the City's internal service fund are charges to other funds for services rendered. Operating expenses for the internal service fund include the cost of materials and supplies, maintenance of capital assets and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary fund:

Water Enterprise Fund – The Water Enterprise Fund is the City's only major proprietary fund. It is used to account for the activities of the City-owned water utility which provides service to approximately 7,700 accounts.

The City's internal service fund is presented in the proprietary funds financial statements and is used to finance and account for goods and services provided by one City department to other City departments including the purchase and maintenance of vehicles and equipment. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are included in the governmental activities column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, community development, public safety, etc.).

Internal Service Fund – The Equipment Replacement Internal Service Fund is included under this category to account for the timely replacement of the vehicles and major equipment used by general government departments on a regular basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

The City reports the following two types of fiduciary funds:

Private-Purpose Trust Funds – The Private-Purpose Trust Funds are used to account for assets held by the City in a trustee capacity to pay enforceable obligations of the former Paramount Redevelopment Agency and to account for property held by the Successor Agency for the Paramount Redevelopment Agency until its disposal through sale or transfer. The Private-Purpose Trust Funds are not included in the government-wide statements.

Custodial Fund – The Custodial Fund is used to account for assets for the benefit of organizations or other governments that are not part of the City. In addition, the assets are not derived from the City's provision of goods or services to those individuals, organizations, or other governments.. The Custodial Fund is custodial in nature and the fund is accounted for an economic resources focus. The majority of this fund relates to the delinquent trash assessments collected from the County on behalf of CalMet Services Incorporated, which was acquired by Athens Services on April 1, 2022. The Custodial Fund is not included in the government wide financial statements.

C. Cash and Investments and Cash Equivalents

Cash and investments consisted of cash in demand deposit accounts and investments in the U.S. Treasury Notes, the State Treasurer's Local Agency Investment Fund and negotiable certificates of deposit. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition.

All cash and investments of proprietary funds are held in the City's investment pool as well. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for Statement of Cash Flows purposes.

D. Restricted Cash and Investments

Provisions of the City's trust agreements related to the Successor Agency's tax allocation bonds require that certain restricted investment accounts be established. These accounts are held by the fiscal agent and include funds for payment of principal and interest.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

F. Prepaid Items and Deposits

Prepays represent payments to vendors that reflect costs applicable to future accounting periods. Prepaid items are reported using the consumption method. Deposits are advance payments to vendors when orders are placed. Prepaid items and deposits are reported in both the government-wide and fund financial statements.

G. Inventories

Inventory in the Water Enterprise Fund consists principally of maintenance parts and miscellaneous supplies. The inventory is valued at cost on a first-in, first-out basis and is accounted for using the consumption method.

H. Land Held for Resale

Land Held for Resale primarily represents assets acquired in the redevelopment process and recorded at the lower of historical cost or estimated net realizable value. The major portion represents land and improvements owned by the City to further the redevelopment plan. When these properties are resold, any gain or loss on sale will be recognized as transactions are completed.

I. Interfund Transactions

In the governmental fund financial statements, activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans), and "advances to/from other funds" (i.e., long-term inter-fund loans). In the government-wide financial statements, these activities have been eliminated.

Transfers between governmental or between proprietary funds are eliminated as part of the reconciliation to the government-wide financial statements.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, fine art, computer equipment, vehicles, other equipment, and right-to-use assets are reported in the Government-Wide Financial Statements and Proprietary Fund Financial Statements. In accordance with the provisions of GAAP, infrastructure assets related to governmental activities are reflected in the basic financial statements. Capital assets are defined by the City as fine art, computer equipment, vehicles, other equipment and intangible assets (i.e., software) with an initial individual cost of more than \$5,000; and land, land improvements, buildings and improvements, and infrastructure with costs of more than \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated acquisition value at the date of donation or annexation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the Government-wide Financial Statements on a straight-line basis over the useful life of the assets as follows on the next page:

Assets	Years
Land improvements	20 years
Buildings and improvements	10 - 50 years
Fine art	20 years
Computer equipment	5 years
Vehicles	6 - 7 years
Other equipment	3 - 20 years
Infrastructure	15 - 100 years
Right-to-use lease assets	lesser of lease term or useful life

K. Deferred Outflows and Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods.

L. Long-Term Liabilities

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Arbitrage

In accordance with Section 148 (f)(2) in the Internal Revenue Code of 1986, as amended, arbitrage on tax exempt debt offerings is reviewed every five years and the corresponding liability is accrued accordingly. There was no arbitrage liability as of June 30, 2024.

N. Compensated Absences

Compensated absences (unpaid vacation, sick leave and compensatory time) are recorded as expenditures in the fiscal year due and payable. For governmental activities, compensated absences are generally liquidated by the General Fund and for business-type activities, compensated absences are liquidated by the Water Enterprise fund. The liability associated with these benefits is reported in the government-wide statements.

O. Lease Liabilities

The City recognizes lease liabilities with an initial, individual value of \$5,000 or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease liability.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

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

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

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

P. Pension

For purposes of measuring the aggregate net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

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

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Pension (Continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Q. Other Postemployment Benefits

For purposes of measuring the net other postemployment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, benefit payments are recognized when due and payable in accordance with benefit terms.

The following timeframes are used for OPEB reporting:

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

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

R. Property Tax Revenues

The County of Los Angeles levies property taxes on behalf of the City.

Property tax revenues are calculated annually in accordance with the Tax Equity Allocation (“TEA”) formula specified in Revenue and Taxation Code Section 97.35. Secured property taxes are levied against real property and are due and payable in two equal installments. The first installment is due on November 1 and becomes delinquent if not paid by December 10. The second installment is due on February 1 and becomes delinquent if not paid by April 10. Unsecured personal property taxes are due on July 1 each year. These taxes become delinquent if not paid by August 31. For the year ended June 30, 2024, property tax revenue to the City totaled \$3,095,924.

S. Net Position

In the Government-Wide Financial Statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of retention payable and debt that are attributable to the acquisition, construction, or improvement of those assets.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position (Continued)

Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets with external restrictions imposed by creditors, grantors, contributions or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

T. Fund Balance

In the Governmental Fund Financial Statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items not in spendable form (such as prepaid items or inventory) or required to be maintained intact such as an endowment.

Restricted – Restricted fund balances are balances subject to externally enforceable legal restrictions or imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances are constrained to specific purposes by a formal action of the City Council, the highest level of decision-making authority for the City, such as a resolution. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

On July 9, 2024, the City passed a resolution and committed fund balances as follows:

- Operating reserve at 50% of adopted operating expenditures.
- Economic uncertainty and Infrastructure and facility emergencies at 10% of adopted operating expenditures.
 - Economic uncertainty is held to mitigate annual revenue shortfalls due to a fluctuating economy, unforeseen natural disaster, or actions by the state/federal government. This reserve shall be used to support core City services. Access to this reserve shall be triggered by a resolution declaring a state of emergency for the City or when there is a significant decrease of more than 10% in the General Fund revenues.
 - Infrastructure and facility emergencies is set aside for a catastrophic emergency that requires the repair or rebuilding of the City's streets, hard-scape, facilities, communication and technology systems, or other City-owned properties. This reserve may be utilized to provide resources to meet emergency expenditures in the case of flood, fire, earthquake, or other disasters.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Fund Balance (Continued)

Assigned – Assigned fund balances are resources constrained, by the City’s intent, to be used for specific purposes but are neither restricted nor committed. The City’s Fund Balance Policy delegates to the Finance Director the authority to assign unrestricted fund balance amounts where the City’s intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

Unassigned – Unassigned fund balance within the General Fund are the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. This also includes the negative residual resources in excess of what can be properly classified as nonspendable, restricted, or committed within all other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City’s policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the City’s policy is to first apply committed fund balance. It is at the discretion of the Council’s designee to then apply the remaining expenditures to assigned or unassigned fund balance.

U. Use of Estimates

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Implementation of New GASB Pronouncement

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. See Note 14 as result of the implementation.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 69,664,117	\$ 15,219,380	\$ 258,848	\$ 85,142,345
Cash and investment with fiscal agent	1,961	-	7,528,740	7,530,701
Total cash and investments	<u>\$ 69,666,078</u>	<u>\$ 15,219,380</u>	<u>\$ 7,787,588</u>	<u>\$ 92,673,046</u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments

Cash and investments as of June 30, 2024 consisted of the following:

Petty cash	\$ 8,275
Deposits with financial institutions	1,525,792
Investments	91,138,979
Total cash and investments	<u>\$ 92,673,046</u>

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$1,525,792 at June 30, 2024. Bank balances at that date were \$3,543,671, the total amount of which was insured or collateralized with accounts held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City, however, has not waived the collateralization requirements.

B. 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, adopted on June 7, 2022. The table also identifies certain provisions of the City's investment policy 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.

Authorized Investment Type	Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
US government sponsored enterprise securities	5 years	None	None
Local Agency Investment Fund ("LAIF")	Upon Demand	None	\$65 million
Los Angeles County Investment Pool	Upon Demand	None	None
Joint Powers Authority Pool	N/A	None	None
Negotiable certificates of deposit	5 years	30%	None
Time deposit or placement service deposits	5 years	50%	None

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee is governed by provisions of the debt agreements of the City, 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 the bond trustee.

Authorized Investment Type	Maturity
Federal agency securities	None
Certificates of deposit	None
Bank repurchase agreement	None
Money market fund	None
Investment agreement	None
Local Agency Investment Fund	None

D. Fair Value Measurement

At June 30, 2024, investments are reported at fair value. The following table presents the fair value measurements of investments on a recurring basis and the levels with GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2024.

Investment Type	Value	Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized
Investments:				
US Treasury notes	\$ 22,153,003	\$ 22,153,003	\$ -	\$ -
US government sponsored enterprise securities	18,632,265	-	18,632,265	-
Negotiable certificates of deposit	21,927,137	-	21,927,137	-
LAIF	297,966	-	-	297,966
CAMP	11,767,307	-	-	11,767,307
Investments with fiscal agent:				
Money market funds	16,361,301	-	-	16,361,301
Total investments	<u>\$ 91,138,979</u>	<u>\$ 22,153,003</u>	<u>\$ 40,559,402</u>	<u>\$ 28,426,574</u>

Level 2 values are based on institutional bond quotes and matrix pricing.

E. 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. As of June 30, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 10 months.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

E. Disclosures Relating to Interest Rate Risk

Investment Type	Amount	Investment Maturities (in Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Investments:						
US Treasury notes	\$ 22,153,003	\$ 6,182,375	\$ 6,061,033	\$ 6,522,367	\$ 3,387,228	\$ -
US government sponsored enterprise securities	18,632,265	2,458,050	715,717	6,224,176	1,481,887	7,752,435
Negotiable certificates of deposit	21,927,137	247,867	2,451,332	4,692,589	7,300,920	7,234,429
LAIF	297,966	297,966	-	-	-	-
CAMP	11,767,307	11,767,307	-	-	-	-
Investments with Fiscal Agent:						
Money market funds	16,361,301	16,361,301	-	-	-	-
Total investments	<u>\$ 91,138,979</u>	<u>\$ 37,314,866</u>	<u>\$ 9,228,082</u>	<u>\$ 17,439,132</u>	<u>\$ 12,170,035</u>	<u>\$ 14,986,864</u>

F. 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. The City does not have a formal policy relating to a specific deposit or investment risk other than what has been defined by Government Code.

Investment Type	Minimum Legal Rating			
		Total	AAA	Unrated
Investments:				
US Treasury notes	None	\$ 22,153,003	\$ 22,153,003	\$ -
US government sponsored enterprise securities	None	18,632,265	18,632,265	-
Negotiable certificates of deposit	None	21,927,137	-	21,927,137
LAIF	None	297,966	-	297,966
CAMP	None	11,767,307	11,767,307	-
Investments with Fiscal Agent:				
Money market funds	None	16,361,301	16,361,301	-
Total investments		<u>\$ 91,138,979</u>	<u>\$ 68,913,876</u>	<u>\$ 22,225,103</u>

G. Concentration of Credit Risk

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total City's investments for the year ended June 30, 2024 are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	US government sponsored enterprise securities	\$ 3,932,765
Federal Home Loan Mortgage Corp	US government sponsored enterprise securities	6,173,758

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

H. 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 investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

I. Investment in State Investment Pool ("LAIF")

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2024, the City had \$297,966 invested in LAIF. The value of the City's investment in the pool is reported in the accompanying financial statements at amounts based on 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 is recorded at amortized cost.

J. California Asset Management Program

California Asset Management Program ("CAMP") is a California joint powers authority established in 1989 to provide California public agencies with professional investment services. The City invests in CAMP's Cash Reserve Portfolio (the "CAMP Pool") as permitted for all local agencies under California Government Code Section 53601(p). The CAMP Pool is fully liquid and met the criteria as an external investment pool under GASB 79 to be reported at amortized cost.

Note 3 – Interfund Transactions

A. Due From/To Other Funds

At June 30, 2024, the City had the following due from/to other funds:

Due From Other Funds	
Due To Other Funds	General Fund
Nonmajor Governmental Funds	\$ 1,118,912

The amounts due to the General Fund from nonmajor governmental funds are short- term loans to provide cash flows.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Interfund Transactions (Continued)

B. Advance To/From Other Funds

On December 12, 2023, the City approved the financing of 20-year term loan in the amount of \$11,236,354 to purchase and install Advanced Metering Infrastructure (“AMI”) water meters. A full cost recovery of the increased water bills phasing in over a 12-month period means the Water Fund's net revenues from its operations will be insufficient to meet the debt service coverage ratio required for the loan agreements, and its fund balance is reduced to an unacceptable level. The City General Fund; therefore, lent the Water Fund \$850,000 in year ended June 30, 2024. The repayment of interfund loan with 4% simple interest will occur after June 30, 2026.

At June 30, 2024, the City had the following advance to/from other funds:

Advance to	Advance from
General Fund	Water Enterprise Fund
	\$ 850,000

Note 4 – Notes Receivable

The following is a summary of notes receivable by fund at June 30, 2024.

Home Partnership Act Special Revenue Fund:

Home Improvement Loan Program	\$ 133,257
Senior Housing Note	948,500
Allowance for notes receivable	(948,500)
Total Home Partnership Act Special Revenue Fund	<u>133,257</u>

Paramount Housing Authority Special Revenue Fund:

Affordable Home Ownership Program - Clearwater Court	431,602
Home Improvement Loan Program	38,062
Total Paramount Housing Authority Special Revenue Fund	<u>469,664</u>
Total nonmajor governmental funds	<u>\$ 602,921</u>

Successor Agency Private Purpose Trust Fund:

Commercial Rehabilitation Loan Program	<u>\$ 75</u>
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The corresponding fund balance has been classified as restricted in the accompanying financial statements.

A. HOME Improvement Loan Program

The HOME Improvement Loan Program is designed to assist homeowners with their required contribution to the cost of a home improvement project. The program provides interest free loans up to \$8,000 to cover up to 100% of the homeowner’s contribution. The loans are secured by a Deed of Trust and become due upon the sale, refinancing, or transfer of the property. The total amount outstanding is \$133,257 at June 30, 2024.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – Notes Receivable (Continued)

B. HOME Senior Housing Loan

On June 27, 2012, the City entered into a 20-year-forgivable loan agreement with the Gold Key Development to develop a senior housing at 8421 Adams. The loan had an outstanding balance of \$948,500 as of June 30, 2024. The entire loan amount is recorded as a note receivable with an allowance to deferred note receivable as the City does not anticipate to receiving any cash payments from the borrower.

C. Affordable Home Ownership Program – Clearwater Court

During Fiscal Year 1994, the former Paramount Redevelopment Agency implemented an Affordable Home Ownership Program designed to assist first-time homebuyers with the purchase of a home. The Agency assisted six homebuyers by providing secured second trust deeds totaling \$510,816, which would significantly reduce their monthly mortgage payments. The notes plus accrued interest are due upon sale of the property. However, if the homeowner resides in the property for thirty years, the note plus accrued interest is forgiven. The total amount outstanding is \$431,603 at June 30, 2024. On June 27, 2012.

D. Home Improvement Loan Program

During Fiscal Year 2008, the former Paramount Redevelopment Agency implemented a Home Improvement Loan Program designed to assist homeowners with their required contribution to the cost of a home improvement project. The program provides interest free loans up to \$8,000 to cover up to 100% of the homeowner's contribution. The loans are secured by a Deed of Trust and become due upon the sale, refinancing, or transfer of the property. The total amount outstanding is \$38,062 at June 30, 2024. The former Redevelopment Agency transferred the Affordable Home Ownership Loans to the Paramount Housing Authority.

E. Commercial Rehabilitation Loan Program

During the year ended June 30, 2018, the former Paramount Redevelopment Agency implemented a Commercial Rehabilitation Loan Program designed to assist business property owners with their required contribution to the cost of a commercial rehabilitation project. The program provides interest free loans up to \$50,000 to cover up to one half of the business property owner's contribution. The loans have a term of 5 years, are secured by a Deed of Trust and become due upon the sale, refinancing or transfer of the property. The total amount outstanding is \$75 at June 30, 2024.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Capital Assets

A. Governmental Activities

The summary of changes in the capital assets for the governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Reclassification	Balance June 30, 2024
<i>Capital assets not being depreciated:</i>					
Land	\$ 14,849,080	\$ -	\$ -	\$ -	\$ 14,849,080
Construction in progress	9,205,734	3,633,849	(18,626)	(2,536,719)	10,284,238
Total capital assets not being depreciated	24,054,814	3,633,849	(18,626)	(2,536,719)	25,133,318
<i>Capital assets being depreciated:</i>					
Land improvements	24,895,967	-	-	-	24,895,967
Buildings and improvements	20,689,560	1,140,734	(1,347,792)	525,137	21,007,639
Other equipment	3,113,565	1,308,455	(289,844)	182,104	4,314,280
Vehicles	2,958,555	182,942	(623,893)	-	2,517,604
Computer equipment	325,264	-	(36,736)	-	288,528
Fine arts	1,394,693	-	(220,172)	-	1,174,521
Infrastructure	127,434,166	1,559,485	(91,942)	1,829,478	130,731,187
Total capital assets being depreciated	180,811,770	4,191,616	(2,610,379)	2,536,719	184,929,726
<i>Less accumulated depreciation for:</i>					
Land improvements	(19,564,209)	(638,713)	-	-	(20,202,922)
Buildings and improvements	(13,652,686)	(559,342)	727,004	-	(13,485,024)
Other equipment	(2,214,823)	(254,530)	107,892	-	(2,361,461)
Vehicles	(2,260,683)	(285,322)	619,904	-	(1,926,101)
Computer equipment	(269,956)	(20,125)	36,736	-	(253,345)
Fine arts	(995,944)	(32,368)	22,017	-	(1,006,295)
Infrastructure	(90,087,194)	(4,588,583)	6,129	-	(94,669,648)
Total accumulated depreciation	(129,045,495)	(6,378,983)	1,519,682	-	(133,904,796)
Total capital assets being depreciated, net	51,766,275	(2,187,367)	(1,090,697)	2,536,719	51,024,930
<i>Intangible assets, being amortized</i>					
Right-of-use leased vehicles	445,178	-	-	-	445,178
Accumulated amortization	(55,958)	(89,035)	-	-	(144,993)
Total intangible assets, being amortized, net	389,220	(89,035)	-	-	300,185
Total governmental activities	\$ 76,210,309	\$ 1,357,447	\$ (1,109,323)	\$ -	\$ 76,458,433

Depreciation and amortization expense was charged to the governmental activities as follows:

General government	\$ 279,168
Community development	23,633
Public safety	28,115
Community services and recreation	1,094,583
Public works	4,976,109
Internal service fund	66,410
Total depreciation and amortization expense	<u>\$ 6,468,018</u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Capital Assets (Continued)

B. Business-Type Activities

The summary of changes in the capital assets for the business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,894,476	\$ -	\$ -	\$ 2,894,476
Construction in progress	10,948,110	6,835,481	-	17,783,591
Total capital assets not being depreciated	13,842,586	6,835,481	-	20,678,067
<i>Capital assets being depreciated:</i>				
Buildings and wells	10,863,475	-	-	10,863,475
Mains	21,614,830	-	-	21,614,830
Distribution equipment	6,953,290	-	-	6,953,290
Other equipment	1,285,429	-	-	1,285,429
Tools	23,089	-	-	23,089
Vehicles	610,101	-	-	610,101
Computer equipment	268,242	10,023	-	278,265
Total capital assets being depreciated	41,618,456	10,023	-	41,628,479
<i>Less accumulated depreciation for:</i>				
Buildings and wells	(5,572,091)	(304,089)	-	(5,876,180)
Mains	(14,723,177)	(354,672)	-	(15,077,849)
Distribution equipment	(5,959,068)	(59,765)	-	(6,018,833)
Other equipment	(1,111,079)	(23,896)	-	(1,134,975)
Tools	(23,089)	-	-	(23,089)
Vehicles	(542,347)	(35,204)	-	(577,551)
Computer equipment	(262,813)	(1,905)	-	(264,718)
Total accumulated depreciation	(28,193,664)	(779,531)	-	(28,973,195)
Total capital assets being depreciated, net	13,424,792	(769,508)	-	12,655,284
<i>Intangible assets, being amortized</i>				
Right-of-use leased vehicles	40,090	-	-	40,090
Accumulated amortization	(2,673)	(8,018)	-	(10,691)
Total intangible assets, being amortized, net	37,417	(8,018)	-	29,399
Total business-type activities	\$ 27,304,795	\$ 6,057,955	\$ -	\$ 33,362,750

Depreciation and amortization expense was charged to business-type activities as follows:

Water	<u><u>\$ 787,549</u></u>
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City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Capital Assets (Continued)

C. Fiduciary Activities

The summary of changes in the capital assets for the fiduciary activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Capital assets being depreciated:</i>				
Buildings and improvements	\$ 358,066	\$ -	\$ -	\$ 358,066
Infrastructure	4,277,466	-	-	4,277,466
Total capital assets being depreciated	4,635,532	-	-	4,635,532
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(354,979)	(3,087)	-	(358,066)
Infrastructure	(3,242,557)	(187,153)	-	(3,429,710)
Total accumulated depreciation	(3,597,536)	(190,240)	-	(3,787,776)
Total capital assets being depreciated, net	\$ 1,037,996	\$ (190,240)	\$ -	\$ 847,756

Depreciation expense in the amount of \$190,240 was charged to the Fiduciary Activities – Successor Agency Private Purpose Trust Fund.

Note 6 – Long-Term Liabilities

A. Governmental Activities

The summary of changes in the long-term liabilities for the governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in more than One Year
Compensated absences	\$ 821,321	\$ 560,991	\$ (690,233)	\$ 692,079	\$ 224,955	\$ 467,124
Direct Borrowing:						
Financed purchases	44,255	-	(32,091)	12,164	12,164	-
Public Offering:						
Pension Obligation Bonds	13,936,444	-	(1,228,533)	12,707,911	1,241,603	11,466,308
Bond discount	(163,264)	-	10,884	(152,380)	(10,884)	(141,496)
Lease payable	325,219	-	(80,987)	244,232	85,409	158,823
Total	\$ 14,963,975	\$ 560,991	\$ (2,020,960)	\$ 13,504,006	\$ 1,553,247	\$ 11,950,759

Compensated Absences

The long-term portion of compensated absences payable has been accrued for the Governmental Activities on the Government-Wide Financial Statements. The General Fund has typically been used to liquidate the liability for the governmental activities.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities

A. Governmental Activities (Continued)

Financed Purchases

The City has entered into agreements for the purchase of certain vehicles purchased under financing arrangements. Such financing require annual payments of principal and interest, with an interest rate of 3.25% to 6.90%, and will be fully amortized by the year 2025.

Future annual debt service payments under the financing arrangements at June 30, 2024 are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 12,164	\$ 815	\$ 12,979

Pension Obligation Bonds

On November 4, 2021, the City issued the 2021 Pension Obligation Bonds to pay a portion of the City's unamortized, unfunded accrued actuarial liability to the California Public Employees' Retirement System ("CalPERS") and to pay the costs of issuing the bonds. Interest is paid semiannually on June 1 and December 1 of each year, commencing June 1, 2022, until 2030. Interest rates range between 0.565% to 2.519%. Principal payments range from \$1,370,000 to \$1,565,000 beginning on June 1, 2023. The liability was allocated between the governmental activities and business-type activities.

Future debt service requirements for the governmental activities and business-type activities on the bonds at June 30, 2024, are as follows:

Year ending June 30,	Governmental Activities			Business-Activities		
	Principal	Interest	Total	Water Enterprise Fund		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,241,603	\$ 302,304	\$ 1,543,907	\$ 183,397	\$ 44,653	\$ 228,050
2026	1,259,029	285,518	1,544,547	185,971	42,174	228,145
2027	1,276,454	264,718	1,541,172	188,546	39,102	227,648
2028	1,302,594	240,147	1,542,741	192,406	35,472	227,878
2029	1,328,733	212,467	1,541,200	196,268	31,384	227,652
2030-2034	4,552,542	642,885	5,195,427	672,458	94,961	767,419
2035-2038	1,746,956	115,850	1,862,806	258,043	17,112	275,155
Total	\$ 12,707,911	\$ 2,063,889	\$ 14,771,800	\$ 1,877,089	\$ 304,858	\$ 2,181,947

Year ending June 30,	Total		
	Principal	Interest	Total
2025	\$ 1,425,000	\$ 346,957	\$ 1,771,957
2026	1,445,000	327,692	1,772,692
2027	1,465,000	303,820	1,768,820
2028	1,495,000	275,619	1,770,619
2029	1,525,001	243,851	1,768,852
2030-2034	5,225,000	737,846	5,962,846
2035-2038	2,004,999	132,962	2,137,961
Total	\$ 14,585,000	\$ 2,368,747	\$ 16,953,747

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Lease Payable

The City has entered into various leases for vehicle uses. The terms of the agreements are 60 months with discount rate of 5.67% based on the average of the interest rates in the financing agreements. Principal and interest to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 85,409	\$ 13,335	\$ 98,744
2026	90,072	8,672	98,744
2027	68,751	3,752	72,503
Total	<u>\$ 244,232</u>	<u>\$ 25,759</u>	<u>\$ 269,991</u>

B. Business-Type Activities

The summary of changes in the long-term liabilities for the business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in more than One Year
Compensated absences	\$ 84,615	\$ 74,920	\$ (74,062)	\$ 85,473	\$ 25,645	\$ 59,828
Direct Borrowing:						
Note payable - IBank	9,909,040	-	(337,450)	9,571,590	348,154	9,223,436
Note payable - AMI	-	11,236,354	-	11,236,354	107,944	11,128,410
Financed purchases	19,926	-	(19,926)	-	-	-
Public Offering:						
Pension Obligation Bonds	2,058,556	-	(181,467)	1,877,089	183,397	1,693,692
Bond discount	(24,116)	-	1,608	(22,508)	-	(22,508)
Lease payable	31,198	-	(7,189)	24,009	7,582	16,427
Total	<u>\$ 12,079,219</u>	<u>\$ 11,311,274</u>	<u>\$ (618,486)</u>	<u>\$ 22,772,007</u>	<u>\$ 672,722</u>	<u>\$ 22,099,285</u>

Compensated Absences

The long-term portion of compensated absences payable has been accrued for the Business-type Activities on the Government-Wide Financial Statements and Proprietary Fund Financial Statements.

Note Payable – California Infrastructure and Economic Development Bank (“IBank”)

In May 2010, an agreement was made between the California Infrastructure and Economic Development Bank (“IBank”) and the City for a loan of \$5,500,000 under the Bergeson-Peace Infrastructure and Economic Development Bank Act. The purpose of the loan is to construct a water well and other water treatment facilities. The loan is to be repaid by August 2039, over 30 years at 3.31% annual interest. The City has pledged net system revenues of the Water Fund to the repayment of the note. During the year ended June 30, 2024, interest of \$123,816 and principal of \$171,269 were paid leaving an outstanding balance of \$3,655,036.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Note Payable – California Infrastructure and Economic Development Bank (“IBank”) (Continued)

For the 2010 loan, the City may at any time request IBank to prepay all or a portion of the principal component of the purchase price. The City must provide IBank with its prepayment request in writing and at least sixty (60) days prior to the requested prepayment or reduction date.

In May 2018, another agreement was made between the IBank and the City for a loan of \$6,700,000 under the Infrastructure State Revolving Fund Program. The purpose of the loan is to construct a water well and other water treatment facilities. The loan is to be repaid by August 2047, over 30 years at 3.03% annual interest. The City has pledged net system revenues of the Water Fund to the repayment of the note. During the year ended June 30, 2024, interest of \$181,789 and principal of \$166,180 were paid leaving an outstanding balance of \$5,916,554.

For the 2018 loan, the City is not permitted to prepay all or a portion of the outstanding principal component of the purchase price during the prohibited prepayment period which commences with the effective date and ends with the date that is ten (10) years after the effective date. After the prohibited prepayment period, the City must provide IBank with its prepayment request in writing and at least ninety (90) days prior to the requested prepayment or reduction date.

Future debt service requirements on long-term debt at June 30, 2024, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 348,154	\$ 294,731	\$ 642,885
2026	359,198	283,511	642,709
2027	370,594	271,934	642,528
2028	382,352	259,990	642,342
2029	394,483	247,665	642,148
2030-2034	2,161,903	975,613	3,137,516
2035-2039	2,262,278	629,823	2,892,101
2040-2044	1,990,767	413,065	2,403,832
2045-2048	1,301,861	80,364	1,382,225
Total	<u>\$ 9,571,590</u>	<u>\$ 3,456,696</u>	<u>\$ 13,028,286</u>

Note Payable – Banc of America Public Capital Corp

On December 19, 2023, an agreement was made between the Banc of America Public Capital Corp and the City for a loan of \$11,236,354 to provide funds to finance the Advanced Metering Infrastructure (AMI) meter portion of the improvements to be constructed by Willdan Energy Solutions. The loan is to be repaid by December 2043, over 20 years at 4.85% annual interest. The City will make the first payment in December 2024. The outstanding balance is \$11,236,354 as of June 30, 2024.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Note Payable – Banc of America Public Capital Corp (Continued)

Future debt service requirements on long-term debt at June 30, 2024, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 107,944	\$ 789,041	\$ 896,985
2026	365,126	540,730	905,856
2027	383,309	522,988	906,297
2028	402,398	504,363	906,761
2029	422,437	484,811	907,248
2030-2034	2,449,496	2,035,426	4,484,922
2035-2039	3,123,269	1,361,653	4,484,922
2040-2044	3,982,375	502,548	4,484,923
Total	<u>\$ 11,236,354</u>	<u>\$ 6,741,560</u>	<u>\$ 17,977,914</u>

Pension Obligation Bonds

See Note 6A for disclosure.

Lease Payable

The City has entered into a lease for vehicle uses. The terms of the agreement is 60 months with discount rate of 5.67% based on the average of the interest rates in the financing agreements. Principal and interest to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 7,582	\$ 1,310	\$ 8,892
2026	7,995	897	8,892
2027	8,432	460	8,892
Total	<u>\$ 24,009</u>	<u>\$ 2,667</u>	<u>\$ 26,676</u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities

The summary of changes in the long-term liabilities for the fiduciary activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due within One Year	Due in more than One Year
Public Offering:						
1998 Tax Allocation Refunding Bonds	\$ 11,939,765	\$ 647,322	\$ -	\$ 12,587,087	\$ 4,435,945	\$ 8,151,142
2010 Tax Allocation Bonds	5,200,000		(1,315,000)	3,885,000	1,075,000	2,810,000
Unamortized discount	(35,175)	-	8,615	(26,560)	(8,614)	(17,946)
2015 Tax Allocation Refunding Bonds	3,485,000		(3,485,000)	-	-	-
Unamortized premium	28,820	-	(28,820)	-	-	-
Direct Borrowing:						
Deferred pass through	930,740	-	-	930,740	-	930,740
Total	\$ 21,549,150	\$ 647,322	\$ (4,820,205)	\$ 17,376,267	\$ 5,502,331	\$ 11,873,936

1998 Tax Allocation Refunding Bonds

In February 1998, the Agency issued \$3,122,050 of Tax Allocation Refunding Bonds to refund the 1993B Compound Interest Tax Allocation Bonds and provide additional funds in furtherance of the Redevelopment Plan. The 1998 Bonds have a maturity value of \$14,050,000 with all interest and principal payable at maturity. The bonds mature August 1, 2026 and are compounded annually at 5.35%. Accordingly, as of June 30, 2024, interest of \$647,322 was added to the outstanding debt.

Future debt service requirement at June 30, 2024, is as follows:

Year ending June 30,	Principal	Accreted Interest	Total
2027	\$ 3,122,050	\$ 9,465,037	\$ 12,587,087

1998 Tax Allocation Refunding Bonds

At maturity, the bonds will have a value as follows:

Due Date	Principal	Accreted Interest	Total
August 1, 2026	\$ 3,122,050	\$ 10,927,950	\$ 14,050,000

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2010 Tax Allocation Bonds

In June 2010, the Paramount Redevelopment Agency issued \$12,290,000 of 2010 Tax Allocation Bonds. The 2010 Tax Allocation Bonds consist of \$8,430,000 of Series A Bonds with coupon rates ranging from 5.0% to 5.5% and \$3,860,000 of Series B Taxable Bonds with coupon rates of 5.193% and 6.235%. The aggregate combined True Interest Cost (TIC) of the 2010 Bonds is 5.573%. Net Interest Cost (NIC) of the 2010 bonds is 5.498%. Interest is paid semi-annually on February 1 and August 1 of each year.

Future debt service requirements at June 30, 2024, are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 1,075,000	\$ 178,475	\$ 1,253,475
2026	1,125,000	120,725	1,245,725
2027	1,185,000	45,597	1,230,597
2028	500,000	27,500	527,500
Total	<u>\$ 3,885,000</u>	<u>\$ 372,297</u>	<u>\$ 4,257,297</u>

Deferred Pass-Through-Los Angeles County

On June 4, 1991 the Paramount Redevelopment Agency entered into a tax sharing agreement with the County of Los Angeles. As part of that agreement, the County deferred receipt of its share of the annual tax increment revenue generated by Project Area #2 until July 1, 2031. As of June 30, 2024, the balance due is \$930,740.

Note 7 – Pension

A. General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees' Retirement System ("CalPERS"), a cost-sharing multiple-employer defined benefit pension plan for both miscellaneous and safety employees. The safety plan was terminated during measurement period ended June 30, 2022. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS 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. Copies of the CalPERS annual financial report may be obtained from <https://www.calpers.ca.gov/page/forms-publications>.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Pension (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

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

	<u>Miscellaneous</u>	<u>Misc PEPRA</u>
Active employees	55	35
Transferred and terminated employees	52	11
Separated	27	6
Retired Employees and Beneficiaries	163	-
Total	<u>297</u>	<u>52</u>

Benefits Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	<u>Cost-Sharing Rate Plans</u>	
	<u>Miscellaneous Rate Plan*</u>	<u>PEPRA Miscellaneous Rate Plan</u>
Hire date	Prior to July 1, 2002	January 1, 2013 and after
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 52 yrs

* Safety Plan was terminated during the measurement period and plan assets were merged with the City's Miscellaneous Plan as of June 27, 2022.

Contributions

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

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Pension (Continued)

A. General Information about the Pension Plan (Continued)

Contributions (Continued)

The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2023 (the measurement date), the contribution rates were as follows.

	Cost-sharing Rate Plans	
	Miscellaneous Rate Plan	PEPRA Miscellaneous Rate Plan
Required employee contribution rates	8.000%	7.750%
Required employer contribution rates	15.210%	7.600%

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine June 30, 2023 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Change of Assumption

There was no change in assumption in 2023. Effective with the June 30, 2022, valuation date (2023 measurement date), the accounting discount rate was 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Long-term Expected Rate of Return

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

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Pension (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-term Expected Rate of Return (Continued)

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

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1, 2}
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.0%	

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

² Figures are based on the 2021 Asset Liability Management study.

Discount Rate

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

Liquidating Net Pension Liability

The pension liabilities are liquidated principally by all the funds.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous	\$ 27,099,856	\$ 11,751,838	\$ (880,899)

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Pension (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Pension Plan Fiduciary Net Position

Detail information about the plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022-23).
- (3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of fair value assets.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the measurement date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in (5). Deferred outflows of resources, deferred inflows of resources, and pension expense are allocated based on the City's share of net pension liability at the end of measurement date.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Pension (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The City's proportionate share of the net pension liability was as follows:

	<u>Miscellaneous</u>
June 30, 2022	0.10024%
June 30, 2023	0.09420%
Change - Increase (Decrease)	<u>-0.00604%</u>

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the City's share of net pension liability during measurement period.

The following table shows the City's proportionate share of the risk pool collective net pension liability over the measure period:

		<u>Increase (Decrease)</u>	
	<u>Plan Total Pension</u>	<u>Plan Fiduciary Net</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Position</u>	<u>Liability/(Asset)</u>
Miscellaneous			
Balance at: 6/30/22 (Valuation date)	\$ 108,019,543	\$ 96,441,423	\$ 11,578,120
Balance at: 6/30/23 (Measurement date)	113,482,446	101,730,608	11,751,838
Net Changes during 2022-23	5,462,903	5,289,185	173,718

For the year ended June 30, 2024, the City recognized aggregated pension expense in the amount of \$1,446,435.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous</u>	
	<u>Deferred outflows</u>	<u>Deferred inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Pension contribution after measurement date	\$ 1,029,759	\$ -
Change of assumptions	709,512	-
Difference between expected and actual experience	600,346	(93,129)
Difference between projected and actual earning on pension plan investments	1,902,729	-
Adjustment due to differences in proportions	-	(10,520,428)
Difference between City contributions and proportionate share of contributions	5,867,208	(2,025,550)
Total	<u>\$ 10,109,554</u>	<u>\$ (12,639,107)</u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Pension (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2022-2023 measurement period is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired).

The \$1,029,759 reported as deferred outflows of resources related to pensions resulting from the City’s contributions made subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2025.

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

Measurement Period Ending June 30,	Deferred Outflows/(Inflows) of Resources Miscellaneous
2025	\$ (2,461,444)
2026	(1,903,005)
2027	750,540
2028	54,597
2029	-
Thereafter	-
	\$ (3,559,312)

Note 8 – Other Postemployment Benefits (“OPEB”)

A. Information About the OPEB Plan

Plan Description and Benefits Provided

The City provides an agent multiple-employer defined benefit healthcare plan and pays certain post-retirement health insurance premium payments on behalf of qualifying retired employees and their eligible dependents or survivors. The CalPERS Board of Administration has sole and exclusive control and power over the administration and investment of the plan (sometimes also referred to as CERBT). The City pays 100% of the cost of retiree health benefits for those employees who retired prior to January 1, 2011 and 85% for those who retired subsequent to December 31, 2010. CalPERS is responsible for administering the benefits for the retirees. Copies of the CalPERS' annual financial report may be obtained from the CalPERS website.

Employees Covered by Benefit Term at Measurement Date of June 30, 2023

Active employees	92
Inactive currently receiving benefit	61
Inactive entitled to but not yet receiving benefit payments	11
Total	164

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

A. Information About the OPEB Plan (Continued)

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024, the City’s cash contributions to the plan including the implied subsidy were \$121,600. The general fund, in the governmental activities and the water enterprise funds are the primary funds used to liquidate the OPEB liabilities.

B. Net OPEB Liability

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:	
Contribution policy	Phase-in of full pre-funding: full ADC in 2027/28, 100% paid in 2020/21, 2021/22, 2022/23, and 2023/24
Discount rate	6.25% at June 30, 2023 6.25% at June 30, 2022
Expected long-term rate of return on investments	Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
Global inflation	2.50% per annually
Mortality/retirement/disability/termination rate	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate - 2.75% per annum Merit - Tables from CalPERS 2000-2019 Experience Study
Healthcare cost trend rates	Non-Medicare - 8.50% for 2025, decreasing to ultimate rate of 3.45% in 2076 and later years Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to ultimate rate of 3.45% in 2076 and later years Medicare (Kaiser) - 6.25% for 2025, decreasing to ultimate rate of 3.45% in 2076 and later years
Healthcare participation for future retirees	50% if currently waived 100% if currently covered

Change in Assumptions

In 2023, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability (Continued)

Expected Long-Term Rates of Return

Asset Class Component	Target Allocation CERBT-Strategy 1	Expected Real Rate of Return*
Global Equity	49.00%	4.54%
Fixed Income	23.00%	3.84%
TIPS	5.00%	7.28%
Commodities	3.00%	0.27%
REITs	20.00%	0.50%
	100.0%	

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

Liquidating OPEB Liability

The OPEB liabilities are liquidated principally by the General Fund and Water Enterprise Fund.

C. Changes in Net OPEB Liability

The following presents the changes in the net OPEB liability:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2022	\$ 14,963,802	\$ 7,874,628	\$ 7,089,174
Changes during the measurement period:			
Service cost	384,972	-	384,972
Interest	934,803	-	934,803
Benefit changes	-	-	-
Actual vs. expected experience	1,155,338	-	1,155,338
Assumption changes	1,163,849	-	1,163,849
Employer contribution	-	1,616,000	(1,616,000)
Net investment income	-	512,350	(512,350)
Benefit payments	(783,860)	(783,860)	-
Administrative expenses	-	(2,288)	2,288
Net changes during measurement period 2022-23	2,855,102	1,342,202	1,512,900
Balances as of June 30, 2023 (Measurement Date)	\$ 17,818,904	\$ 9,216,830	\$ 8,602,074

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) follows:

Net OPEB Liability		
Discount Rate - 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate + 1% (7.25%)
\$ 10,818,935	\$ 8,602,074	\$ 6,756,951

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Other Postemployment Benefits (“OPEB”) (Continued)

C. Changes in Net OPEB Liability (Continued)

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

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates follows:

Net OPEB Liability		
Healthcare		
1% Decrease	Cost Trend Rate	1% Increase
\$ 6,578,057	\$ 8,602,074	\$ 11,064,073

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the measurement period ended June 30, 2023, the City recognized OPEB expense of \$587,085. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
OPEB contribution after measurement date	\$ 1,216,000	\$ -
Changes of assumptions	995,175	(484,843)
Difference between expected and actual experience	987,898	(1,731,594)
Difference between projected and actual earning on OPEB plan investments	504,584	-
Total	\$ 3,703,657	\$ (2,216,437)

The \$1,216,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability during the year ending June 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Measurement Period Ending June 30,	Deferred Inflows of Resources
2025	\$ (247,005)
2026	(277,988)
2027	207,533
2028	(49,937)
2029	336,114
Thereafter	302,503
	\$ 271,220

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Employer Retirement LLC. It is available to all full-time employees and all part-time employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

Beginning in fiscal year 1998, existing assets in the Plan have been deemed to be in a qualified custodial account. The Custodian holds the Plan's assets for the exclusive benefit of participants and beneficiaries. The Plan's assets are not the legal property of the City and are not subject to the claims of the City's general creditors nor can they be used by the City for any purpose other than the payment of benefits to employees participating in the Plan or their designated beneficiaries. Therefore, deferred compensation funds are not shown on the City's basic financial statements. The City did not make any contributions to the plan for the current fiscal year.

Note 10 – Liability, Workers' Compensation, and Purchased Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement ("CJPIA")

The City of is a member of the California Joint Powers Insurance Authority (the "CJPIA"). The CJPIA is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the CJPIA 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 CJPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine member Executive Committee.

B. Primary Self-Insurance Programs of the CJPIA

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

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

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Liability, Workers’ Compensation, and Purchased Insurance (Continued)

B. Primary Self-Insurance Programs of the CJPIA (Continued)

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

Primary Workers’ Compensation Program

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

For 2023-24 the CJPIA’s pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers’ Compensation Law. Employer’s Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer’s Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

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

Property Insurance

The City of Paramount participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Paramount property is currently insured according to a schedule of covered property submitted by the City of Paramount to the Authority. City of Paramount property currently has all-risk property insurance protection in the amount of \$66,193,136. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City of Paramount purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Paramount property currently has earthquake protection in the amount of \$2,450,678. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Liability, Workers’ Compensation, and Purchased Insurance (Continued)

C. Purchased Insurance (Continued)

Crime Insurance

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

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is facilitated by the CJPIA.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

Note 11 – Net Investment in Capital Assets

The net investment in capital assets for the governmental activities, and business-type activities are calculated as follows:

	Governmental Activities	Business-type Activities Water Enterprise Fund
Total capital assets, net	\$ 76,458,433	\$ 33,362,750
Retention payable	(69,086)	(348,319)
Capital related debt	(256,396)	(20,831,953)
Unspent notes payable	-	8,830,600
Net investment in capital assets	<u>\$ 76,132,951</u>	<u>\$ 21,013,078</u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Fund Balance

The City's governmental fund balances at June 30, 2024 are presented below:

	General Fund	Other Grant Special Revenue Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 66,419	\$ -	\$ 38,338	\$ 104,757
Land held for resale	236,544	-	-	236,544
Total nonspendable	302,963	-	38,338	341,301
Restricted:				
Environmental concerns	-	95,211	1,694,049	1,789,260
Public safety	-	169,386	-	169,386
Housing programs	-	-	454,341	454,341
Housing programs - notes receivables	-	-	467,293	467,293
Housing programs - land held for resale	-	-	412,498	412,498
After school program	-	15,506	125,335	140,841
Road maintenance	-	-	2,718,378	2,718,378
Waste reduction	-	-	420,519	420,519
Air quality management	-	-	60,014	60,014
Disability access and education	-	-	68,080	68,080
Public transit	-	-	8,084,187	8,084,187
Sewer maintenance	-	-	257,509	257,509
Public access	-	-	257,809	257,809
Parking Authority - land held for resale	-	-	2,371	2,371
Debt service	10,501	-	-	10,501
Total restricted	10,501	280,103	15,022,383	15,312,987
Committed:				
Operating	20,058,500	-	-	20,058,500
Economic uncertainty and Infrastructure	3,874,000	-	535,000	4,409,000
Community cultural services	-	-	714,373	714,373
Storm drains	-	-	625,900	625,900
General plan	-	-	628,119	628,119
Total committed	23,932,500	-	2,503,392	26,435,892
Assigned for:				
Compensated absences	692,000	-	-	692,000
Coronavirus related	5,129,834	-	-	5,129,834
Capital projects	13,762,448	-	-	13,762,448
Self insurance	800,000	-	-	800,000
Special projects	527,620	-	140,926	668,546
Retiree benefit obligation	2,915,700	-	-	2,915,700
Total assigned	23,827,602	-	140,926	23,968,528
Unassigned	2,430,966	-	(6,400)	2,424,566
Total fund balances	\$ 50,504,532	\$ 280,103	\$ 17,698,639	\$ 68,483,274

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Individual Fund Disclosure

The following functions report expenditures in excess of appropriations for the year ended June 30, 2024.

	<u>Appropriation</u>	<u>Expenditure</u>	<u>Expenditure in Excess of Appropriation</u>
General Fund			
Public works	\$ 7,625,761	\$ 8,122,378	\$ (496,617)
Debt service:			
Interest	288,481	324,914	(36,433)
AB2766 Subvention Funds Special Revenue Fund			
Public works	18,000	40,036	(22,036)
Debt service:			
Interest	6,951	7,137	(186)
Proposition A Transit Tax Special Revenue Fund			
General government	65,850	69,039	(3,189)
Public safety	115,700	117,289	(1,589)
Community services	683,250	708,979	(25,729)
Public works	53,200	154,433	(101,233)
Public Art Fees Special Revenue Fund			
General government	7,500	8,708	(1,208)

Note 14 – Correction of Error

The City did not record the unavailable revenue to Other Grants Special Revenue Fund in the amount of \$305,713 as of June 30, 2023 for grant revenue not received within one year of year end. Beginning fund balance was restated as follows:

	<u>Other Grants Special Revenue Fund</u>
Beginning fund balance, as previously reported	\$ 443,478
Unavailable revenue	(305,713)
Beginning fund balance, as restated	<u>\$ 137,765</u>

Note 15 – Subsequent Events

Refunding of Paramount Redevelopment Agency 2010 Tax Allocation Bonds, Series A

On October 8, 2024, the City Council approved a resolution of the governing board of the successor agency for the Paramount Redevelopment Agency and authorizing a loan in the principal amount not to exceed \$2,282,500 to refund the outstanding Paramount Redevelopment Agency redevelopment project area No. 1 2010 Tax Allocation Bonds, Series A. The issuance of the refunding debt is pending approval by the California Department of Finance.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 15 – Subsequent Events (Continued)

Measure LR

On November 5, 2024, Paramount voters approved Measure LR at the special municipal election to apply a business license tax based on gross receipts to be used for general municipal purposes. The approved measure is expected to increase the business license tax revenue. The new business license tax structure takes effect January 1, 2025, annually until ended by voters.

Note 16 – Tax Abatement

The City entered into a sales tax abatement agreement with a local business pursuant to a settlement agreement dated January 23, 2018. Under the terms of the agreement, 35% of the sales tax remittance generated by this business is abated annually for the period from July 1, 2022, through June 30, 2027. Beginning July 1, 2027, the abatement rate will be reduced to 30%.

During the fiscal year ended June 30, 2024, the total gross sales tax abated under this agreement amounted to \$427,847.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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City of Paramount
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Funds
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 29,712,150	\$ 30,134,150	\$ 32,005,239	\$ 1,871,089
Licenses and permits	1,362,400	1,162,400	1,229,352	66,952
Fines and penalties	1,042,700	1,042,700	1,158,077	115,377
Interest and use of property	1,036,200	1,036,200	2,096,553	1,060,353
Intergovernmental revenues	8,488,350	8,394,800	8,406,004	11,204
Charges for services	1,125,500	905,500	787,335	(118,165)
Other revenues	1,342,250	1,342,250	1,555,136	212,886
Total revenues	44,109,550	44,018,000	47,237,696	3,219,696
EXPENDITURES:				
Current:				
General government	8,874,200	8,587,118	8,088,229	498,889
Community development	4,022,600	4,006,646	2,765,117	1,241,529
Public safety	15,367,950	15,547,439	14,629,683	917,756
Community services	3,730,000	3,678,476	3,530,015	148,461
Public works	7,936,850	7,625,761	8,122,378	(496,617)
Capital outlay				
Streets, sidewalks and signals	1,564,600	2,436,745	536,272	1,900,473
Parks	2,976,750	2,848,261	539,926	2,308,335
Other	10,463,500	13,163,571	4,089,293	9,074,278
Debt service:				
Principal	410,700	1,636,939	1,306,587	330,352
Interest	-	288,481	324,914	(36,433)
Total expenditures	55,347,150	59,819,437	43,932,414	15,887,023
Net change in fund balances	\$ (11,237,600)	\$ (15,801,437)	3,305,282	\$ 19,106,719
FUND BALANCE:				
Beginning of year			47,199,250	
End of year			<u>\$ 50,504,532</u>	

City of Paramount
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule (Continued)
Other Grants Special Revenue Funds
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 10,850	\$ 10,850	\$ 32,626	\$ 21,776
Intergovernmental revenues	16,399,600	21,431,224	2,074,665	(19,356,559)
Total revenues	<u>16,410,450</u>	<u>21,442,074</u>	<u>2,107,291</u>	<u>(19,334,783)</u>
EXPENDITURES:				
Current:				
General government	-	200,000	200,000	-
Community development	436,000	656,000	318,110	337,890
Public safety	649,700	709,700	456,239	253,461
Community service	-	-	848	(848)
Public works	208,850	208,850	155,685	53,165
Capital outlay:				
Streets, sidewalks and signals	12,445,150	15,200,002	411,418	14,788,584
Parks	2,593,000	4,499,772	422,653	4,077,119
Total expenditures	<u>16,332,700</u>	<u>21,474,324</u>	<u>1,964,953</u>	<u>19,509,371</u>
Net change in fund balance	<u>\$ 77,750</u>	<u>\$ (32,250)</u>	142,338	<u>\$ 174,588</u>
FUND BALANCES:				
Beginning of year, as restated (Note 14)			<u>137,765</u>	
End of year			<u>\$ 280,103</u>	

City of Paramount
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2024

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. An annual budget for governmental and proprietary funds is adopted by the City Council to provide guidance for the general operation of the City. Such budgets include estimated revenues and authorized appropriations for all governmental and proprietary funds, except for the Capital Project Fund. The annual budget is generally adopted in summary form by City Council resolution in June of each year. The resolution sets a combined appropriation of all funds for the operation of the component units.
2. The level of budgetary control over appropriations is at the activity level (i.e., general government, community development, public safety, community service, and public works). The City Manager may transfer appropriations within an activity, and he may transfer appropriations within a fund without City Council approval, provided the total appropriation at the activity level and the fund level does not change. Budgetary changes, including supplemental appropriations or appropriation reductions, are made by the City Council during the fiscal year or at a midyear budget review. Expenditures may not exceed budgeted appropriations at the activity level.
3. The budget is formally integrated into the accounting system and employed as a management control device during the year for all funds.
4. Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). The modified accrual basis of accounting is employed in the preparation of the budget. Unencumbered budget appropriations lapse at the end of the fiscal year.
5. Under the California Constitution Article XIII B (commonly referred to as the Gann Appropriations Limitation), the City is restricted as to the amount of its annual appropriations. If proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rates or revised fee schedules. For the fiscal year ending June 30, 2024, appropriations subject to this limit were below the maximum allowed.

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Measurement Date	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Plan's proportion of the net pension liability/(asset)	0.09420%	0.10024%	0.23064%	0.22039%	0.23350%
Plan's proportionate share of the net pension liability/(asset)	\$ 11,751,838	\$ 11,578,120	\$ 12,473,659	\$ 23,984,002	\$ 23,926,634
Plan's covered payroll	\$ 7,810,475	\$ 7,135,558	\$ 6,860,335	\$ 6,727,793	\$ 6,657,324
Plan's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	<u>150.46%</u>	<u>162.26%</u>	<u>181.82%</u>	<u>356.49%</u>	<u>359.40%</u>
Plan's fiduciary net position as a percentage of the plan's total pension liability	<u>89.64%</u>	<u>89.28%</u>	<u>88.30%</u>	<u>77.71%</u>	<u>77.73%</u>

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability/(asset)	0.22167%	0.23087%	0.23126%	0.23388%	0.19059%
Plan's proportionate share of the net pension liability/(asset)	\$ 21,361,148	\$ 22,896,454	\$ 20,010,860	\$ 16,053,473	\$ 11,859,567
Plan's covered payroll	\$ 6,387,917	\$ 6,190,935	\$ 6,206,549	\$ 6,029,967	\$ 6,334,225
Plan's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	<u>334.40%</u>	<u>369.84%</u>	<u>322.42%</u>	<u>266.23%</u>	<u>187.23%</u>
Plan's fiduciary net position as a percentage of the plan's total pension liability	<u>75.26%</u>	<u>73.31%</u>	<u>74.06%</u>	<u>78.40%</u>	<u>79.82%</u>

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Fiscal year	2023-24	2022-23	2021-22	2020-21	2019-20
Actuarially Determined Contribution	\$ 1,029,759	\$ 1,541,647	\$ 17,772,296	\$ 2,644,674	\$ 2,386,867
Contribution in Relation to the Actuarially Determined Contribution	(1,029,759)	(1,541,647)	(17,772,296)	(3,241,174)	(2,886,867)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ (596,500)	\$ (500,000)
Covered Payroll ¹	\$ 8,029,168	\$ 7,810,475	\$ 7,135,558	\$ 6,860,335	\$ 6,727,793
Contributions as a Percentage of Covered Payroll	12.825%	19.738%	249.067%	47.245%	42.910%

¹ Includes one year's payroll growth using 2.80 percent payroll assumption from fiscal year 2022 to 2023.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: There was no assumption change in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In 2021, 2020 and 2019, there were no changes in assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

N/A - Not applicable

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Fiscal year	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially Determined Contribution	\$ 2,094,439	\$ 1,764,757	\$ 1,552,328	\$ 1,402,641	\$ 1,225,048
Contribution in Relation to the Actuarially Determined Contribution	(2,094,439)	(2,644,757)	(1,552,328)	(1,402,641)	(1,225,048)
Contribution Deficiency (Excess)	\$ -	\$ (880,000)	\$ -	\$ -	\$ -
Covered Payroll ¹	\$ 6,657,324	\$ 6,387,917	\$ 6,190,935	\$ 6,206,549	\$ 6,029,967
Contributions as a Percentage of Covered Payroll	31.461%	41.402%	25.074%	22.599%	20.316%

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability					
Service cost	\$ 384,972	\$ 374,669	\$ 449,094	\$ 443,371	\$ 463,518
Interest	934,803	901,174	1,099,400	1,057,467	1,116,530
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	1,155,338	-	(2,087,489)	-	(1,821,464)
Changes of assumption	1,163,849	-	(586,548)	(287,656)	(97,284)
Benefit payments	(783,860)	(712,314)	(625,003)	(570,330)	(462,020)
Net change in total OPEB liability	2,855,102	563,529	(1,750,546)	642,852	(800,720)
Total OPEB liability, beginning	14,963,802	14,400,273	16,150,819	15,507,967	16,308,687
Total OPEB liability, ending (a)	\$ 17,818,904	\$ 14,963,802	\$ 14,400,273	\$ 16,150,819	\$ 15,507,967
OPEB fiduciary net position					
Contributions - employer	\$ 1,616,000	\$ 1,517,000	\$ 1,472,000	\$ 1,219,000	\$ 1,102,000
Net investment income	512,350	(1,099,472)	1,579,124	178,197	251,956
Benefit payments, including refunds of employee contributions	(783,860)	(712,314)	(625,003)	(570,330)	(462,020)
Administrative expenses	(2,288)	(2,070)	(2,177)	(2,411)	(866)
Net change in plan fiduciary net position	1,342,202	(296,856)	2,423,944	824,456	891,070
Plan fiduciary net position, beginning	7,874,628	8,171,484	5,747,540	4,923,084	4,032,014
Plan fiduciary net position, ending (b)	\$ 9,216,830	\$ 7,874,628	\$ 8,171,484	\$ 5,747,540	\$ 4,923,084
Plan net OPEB liability - ending (a) - (b)	\$ 8,602,074	\$ 7,089,174	\$ 6,228,789	\$ 10,403,279	\$ 10,584,883
Plan's fiduciary net position as a percentage of the total OPEB liability	51.73%	52.62%	56.75%	35.59%	31.75%
Covered-employee payroll	\$ 8,159,786	\$ 7,082,429	\$ 6,548,566	\$ 6,727,793	\$ 7,069,939
Total OPEB liability as a percentage of covered-employee payroll	105.42%	100.10%	95.12%	154.63%	149.72%

¹ Historical information is presented after GASB 75 was implemented for measurement period 2016-2017. Additional years of information will be displayed as it becomes available.

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2018	June 30, 2017 ¹
Total OPEB liability		
Service cost	\$ 450,017	\$ 437,000
Interest	1,045,580	978,000
Benefit changes	-	-
Differences between expected and actual experience	-	-
Changes of assumption	-	-
Benefit payments	(453,910)	(432,000)
Net change in total OPEB liability	1,041,687	983,000
Total OPEB liability, beginning	15,267,000	14,284,000
Total OPEB liability, ending (a)	<u>\$ 16,308,687</u>	<u>\$ 15,267,000</u>
OPEB fiduciary net position		
Contributions - employer	\$ 1,013,000	\$ 903,000
Net investment income	258,903	262,000
Benefit payments, including refunds of employee contributions	(453,910)	(432,000)
Administrative expenses	(5,979)	(2,000)
Net change in plan fiduciary net position	812,014	731,000
Plan fiduciary net position, beginning	3,220,000	2,489,000
Plan fiduciary net position, ending (b)	<u>\$ 4,032,014</u>	<u>\$ 3,220,000</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 12,276,673</u>	<u>\$ 12,047,000</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	<u>24.72%</u>	<u>21.09%</u>
Covered-employee payroll	<u>\$ 6,679,479</u>	<u>\$ 6,473,000</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>183.80%</u>	<u>186.11%</u>

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2023-24	2022-23	2021-22	2020-21	2019-20
Actuarially determined contribution ²	\$ 1,216,000	\$ 1,183,000	\$ 1,517,000	\$ 1,472,000	\$ 1,613,000
Contribution in relation to the actuarially determined contribution	(1,216,000)	(1,616,000)	(1,517,000)	(1,472,000)	(1,219,000)
Contribution deficiency/(excess)	\$ -	\$ (433,000)	\$ -	\$ -	\$ 394,000
Covered-employee payroll	\$ 8,780,110	\$ 7,678,609	\$ 7,082,429	\$ 6,548,566	\$ 6,727,793
Contributions as a percentage of covered-employee payroll	13.85%	21.05%	21.42%	22.48%	18.12%

¹ Historical information is presented after GASB 75 was implemented for measurement period 2016-17. Additional years of information will be displayed as it becomes available.

Actuarial Methods and Assumptions for 2023/24 Actuarially Determined Contribution:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry age normal, level % of pay
Amortization Method	Level % of pay
Amortization Period	9.7-year average period for 2023/24
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.25%
General Inflation	2.50%
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2018-19	2017-18	2016-17 ¹
Actuarially determined contribution ²	\$ 1,565,000	\$ 1,462,000	\$ 1,389,000
Contribution in relation to the actuarially determined contribution	(1,102,000)	(1,013,000)	(903,000)
Contribution deficiency/(excess)	<u>\$ 463,000</u>	<u>\$ 449,000</u>	<u>\$ 486,000</u>
Covered-employee payroll	<u>\$ 7,069,939</u>	<u>\$ 6,679,479</u>	<u>\$ 6,473,000</u>
Contributions as a percentage of covered-employee payroll	<u>15.59%</u>	<u>15.17%</u>	<u>13.95%</u>

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

City of Paramount Nonmajor Governmental Funds

Special Revenue Funds:

Community Development Block Grant (CDBG) Fund - To account for restricted revenues received under for Housing and Community Development Act through the Department of Housing and Urban Development.

Home Partnership Act Fund - To account for restricted revenues received under the HOME investments Partnership Act through the Department of Housing and Urban Development.

Home - American Rescue Plan - To account for restricted revenues received under the HOME investments Partnership Act through the Department of Housing and Urban Development under the American Rescue Plan Program.

Paramount Housing Authority - To account for restricted assets received from the former Paramount Redevelopment Agency as its affordable housing successor.

After School Education and Safety Fund - To account for restricted revenues received to be used in the establishment of local after school education enrichment programs.

State Gasoline Tax Fund - To account for restricted revenues received from the State of California to be used for street maintenance, right of way acquisition and street construction.

Traffic Safety Fund - To account for restricted revenues received from traffic fines to be used for traffic safety purposes.

Waste Reduction Fees Fund - To account for restricted revenue received through charges collected on refuse bills for the implementation of programs to reduce the flow of refuse going to landfills.

AB2766 Subvention Funds - To account for restricted revenue received through the South Coast Air Quality Management District to be used to reduce air pollution from motor vehicles and for costs associated with the implementation of the California Clean Air Act of 1988.

Disability Access and Education Fund - To account for restricted revenues received by requiring a \$1 tax for any application for a local business license or equivalent license or permit. This revenue will be used to fund the expanded Certified Access Specialist Program require by this bill.

SB1 Road Maintenance & Rehabilitation Account (RMRA) - To account for restricted revenues received through the State of California to be used for road and street maintenance and rehabilitation.

Proposition A Transit Tax Fund - To account for restricted revenues received through the Los Angeles County Metropolitan Transportation Authority to be used to provide transportation services.

Proposition C Transit Tax Fund - To account for restricted revenues received through the Los Angeles County Metropolitan Transportation Authority to be used for road and street maintenance and rehabilitations.

Measure R Transit Tax Fund - To account for funds received through the Los Angeles County Metropolitan Transportation Authority restricted for transportation services and street construction, improvement, and maintenance.

Measure M Transit Tax Fund - To account for funds received through the Los Angeles County Metropolitan Transportation Authority restricted for transportation services and street construction, improvement, and maintenance.

Measure W Safe Clean Water Fund - To account for funds received through the Los Angeles County special parcel tax restricted for modernizing the water system to better protect the public health and the environment, and maximize a cleaner, locally controlled water supply.

Measure A Parks Fund - To account for funds received through the Los Angeles County special parcel tax for keeping neighborhood park and beaches safe and clean.

City of Paramount
Nonmajor Governmental Funds (Continued)

Special Revenue Funds (Continued):

Sewer Reconstruction Fund - To account for restricted revenues from charges collected on construction permits to be used for the reconstruction of sewers.

Public Art Fees Fund - To account for fees committed for the acquisition and maintenance of public art.

Public Access Fees Fund - To account for fees restricted for the construction of public access facilities.

Storm Drain Fees Fund - To account for fees committed to be used for a storm drain master plan.

General Plan Fees Fund - To account for fees committed to be used for a general update master plan.

Service Assessments Fund - To account for committed revenues received from services provided to private properties through service assessments.

Community Benefit Agreement Fund - To account for the contribution from community partners for children and growth programs, civic programs, and other programs administered by the City. The use of the fund is assigned by the City.

Capital Projects Fund:

Paramount Parking Authority Fund - To account for acquisition and development of parking facilities in the City.

City of Paramount
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Community Development Block Grant	HOME Partnership Act	HOME American Rescue Plan	Paramount Housing Authority	After School Education & Safety
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ 308,582	\$ 32,742
Accounts receivable	33,867	32,814	107,019	202	138,041
Interest receivable	-	-	-	-	208
Prepaid items	-	-	-	-	-
Notes receivable, net	2,371	133,257	-	467,293	-
Land held for resale	-	-	-	412,498	-
Total assets	\$ 36,238	\$ 166,071	\$ 107,019	\$ 1,188,575	\$ 170,991
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable	10,309	11,532	29,830	-	45,656
Retention payable	-	-	-	-	-
Due to other funds	23,558	8,982	77,189	-	-
Total liabilities	33,867	20,514	107,019	-	45,656
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	2,371	145,557	-	1,188,575	125,335
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,371	145,557	-	1,188,575	125,335
Total liabilities and fund balances	\$ 36,238	\$ 166,071	\$ 107,019	\$ 1,188,575	\$ 170,991

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	State Gas Tax	Traffic Safety	Waste Reduction Fees	AB2766 Subvention	Disability Access and Education
ASSETS					
Cash and investments	\$ 1,035,543	\$ -	\$ 411,641	\$ 48,949	\$ 66,799
Accounts receivable	124,850	4,170	6,262	17,554	857
Interest receivable	6,580	-	2,616	311	424
Prepaid items	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 1,166,973	\$ 4,170	\$ 420,519	\$ 66,814	\$ 68,080
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable	150,954	-	-	6,800	-
Retention payable	-	-	-	-	-
Due to other funds	-	4,170	-	-	-
Total liabilities	150,954	4,170	-	6,800	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,016,019	-	420,519	60,014	68,080
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,016,019	-	420,519	60,014	68,080
Total liabilities and fund balances	\$ 1,166,973	\$ 4,170	\$ 420,519	\$ 66,814	\$ 68,080

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	SB1 Road Maint & Rehab (RMRA)	Proposition A Transit Tax	Proposition C Transit Tax	Measure R Transit Tax	Measure M Transit Tax
ASSETS					
Cash and investments	\$ 1,478,861	\$ 2,431,014	\$ 1,847,274	\$ 2,204,377	\$ 2,072,749
Accounts receivable	240,536	-	92,134	68,195	77,315
Interest receivable	9,062	15,446	11,737	14,341	13,170
Prepaid items	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 1,728,459	\$ 2,446,460	\$ 1,951,145	\$ 2,286,913	\$ 2,163,234
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 26,100	\$ 262,900	\$ 327,157	\$ -	\$ 121,578
Retention payable	-	-	46,558	-	5,372
Due to other funds	-	-	-	-	-
Total liabilities	26,100	262,900	373,715	-	126,950
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,702,359	2,183,560	1,577,430	2,286,913	2,036,284
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,702,359	2,183,560	1,577,430	2,286,913	2,036,284
Total liabilities and fund balances	\$ 1,728,459	\$ 2,446,460	\$ 1,951,145	\$ 2,286,913	\$ 2,163,234

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Measure W Safe Clean Water	Measure A Parks	Sewer Reconstruction Fees	Public Art Fees	Public Access Fees
ASSETS					
Cash and investments	\$ 1,698,703	\$ -	\$ 255,883	\$ 709,863	\$ 247,568
Accounts receivable	-	1,179,511	-	-	8,668
Interest receivable	10,793	-	1,626	4,510	1,573
Prepaid items	-	6,400	-	31,938	-
Notes receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 1,709,496	\$ 1,185,911	\$ 257,509	\$ 746,311	\$ 257,809
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable	15,447	265,141	-	-	-
Retention payable	-	-	-	-	-
Due to other funds	-	920,770	-	-	-
Total liabilities	15,447	1,185,911	-	-	-
Fund Balances:					
Nonspendable	-	6,400	-	31,938	-
Restricted	1,694,049	-	257,509	-	257,809
Committed	-	-	-	714,373	-
Assigned	-	-	-	-	-
Unassigned	-	(6,400)	-	-	-
Total fund balances	1,694,049	-	257,509	746,311	257,809
Total liabilities and fund balances	\$ 1,709,496	\$ 1,185,911	\$ 257,509	\$ 746,311	\$ 257,809

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				Total Special Revenue Fund
	Storm Drain Fees	General Plan Fees	Service Assessments	Community Benefit Agreement	
ASSETS					
Cash and investments	\$ 621,948	\$ 624,153	\$ 640	\$ -	\$ 16,097,289
Accounts receivable	-	-	679	298,470	2,431,144
Interest receivable	3,952	3,966	-	-	100,315
Prepaid items	-	-	-	-	38,338
Notes receivable, net	-	-	-	-	602,921
Land held for resale	-	-	-	-	412,498
Total assets	\$ 625,900	\$ 628,119	\$ 1,319	\$ 298,470	\$ 19,682,505
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	\$ -	\$ 1,319	\$ 73,301	\$ 1,348,024
Retention payable	-	-	-	-	51,930
Due to other funds	-	-	-	84,243	1,118,912
Total liabilities	-	-	1,319	157,544	2,518,866
Fund Balances:					
Nonspendable	-	-	-	-	38,338
Restricted	-	-	-	-	15,022,383
Committed	625,900	628,119	-	-	1,968,392
Assigned	-	-	-	140,926	140,926
Unassigned	-	-	-	-	(6,400)
Total fund balances	625,900	628,119	-	140,926	17,163,639
Total liabilities and fund balances	\$ 625,900	\$ 628,119	\$ 1,319	\$ 298,470	\$ 19,682,505

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects Fund	Total Nonmajor Governmental Funds
	Paramount Parking Authority	
ASSETS		
Cash and investments	\$ -	\$ 16,097,289
Accounts receivable	-	2,431,144
Interest receivable	-	100,315
Prepaid items	-	38,338
Notes receivable, net	-	602,921
Land held for resale	535,000	947,498
Total assets	<u>\$ 535,000</u>	<u>\$ 20,217,505</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ -	\$ 1,348,024
Retention payable	-	51,930
Due to other funds	-	1,118,912
Total liabilities	<u>-</u>	<u>2,518,866</u>
Fund Balances:		
Nonspendable	-	38,338
Restricted	-	15,022,383
Committed	535,000	2,503,392
Assigned	-	140,926
Unassigned	-	(6,400)
Total fund balances	<u>535,000</u>	<u>17,698,639</u>
Total liabilities and fund balances	<u>\$ 535,000</u>	<u>\$ 20,217,505</u>

(Concluded)

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Community Development Block Grant	HOME Partnership Act	HOME American Rescue Plan	Paramount Housing Authority	After School Education & Safety
REVENUES:					
Interest and use of property	\$ -	\$ -	\$ -	\$ 202	\$ 5,539
Intergovernmental revenues	283,139	171,410	119,498	-	1,957,311
Charges for services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>283,139</u>	<u>171,410</u>	<u>119,498</u>	<u>202</u>	<u>1,962,850</u>
EXPENDITURES:					
Current:					
General government	32,605	4,328	-	-	-
Community development	150,513	151,082	-	100,818	-
Public safety	-	-	119,498	-	-
Community services	97,650	-	-	-	2,352,617
Public works	-	-	-	-	-
Capital outlay:					
Streets, sidewalks and signals	-	-	-	-	-
Parks	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>280,768</u>	<u>155,410</u>	<u>119,498</u>	<u>100,818</u>	<u>2,352,617</u>
Net change in fund balances	2,371	16,000	-	(100,616)	(389,767)
FUND BALANCES:					
Beginning of year	-	129,557	-	1,289,191	515,102
End of year	<u>\$ 2,371</u>	<u>\$ 145,557</u>	<u>\$ -</u>	<u>\$ 1,188,575</u>	<u>\$ 125,335</u>

(Continued)

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	State Gas Tax	Traffic Safety	Waste Reduction Fees	AB2766 Subvention	Disability Access and Education
REVENUES:					
Interest and use of property	\$ 38,083	\$ -	\$ 19,121	\$ 2,512	\$ 2,729
Intergovernmental revenues	1,446,855	65,035	-	70,186	-
Charges for services	-	-	73,970	-	8,540
Other revenue	-	-	-	-	-
Total revenues	1,484,938	65,035	93,091	72,698	11,269
EXPENDITURES:					
Current:					
General government	-	-	-	3,660	-
Community development	-	-	-	-	-
Public safety	-	65,035	-	-	-
Community services	-	-	-	-	-
Public works	1,142,518	-	105,169	40,036	-
Capital outlay:					
Streets, sidewalks and signals	-	-	-	-	-
Parks	-	-	-	-	-
Other	-	-	-	6,800	-
Debt Service:					
Principal	-	-	-	35,024	-
Interest and fiscal charges	-	-	-	7,137	-
Total expenditures	1,142,518	65,035	105,169	92,657	-
Net change in fund balances	342,420	-	(12,078)	(19,959)	11,269
FUND BALANCES:					
Beginning of year	673,599	-	432,597	79,973	56,811
End of year	<u>\$ 1,016,019</u>	<u>\$ -</u>	<u>\$ 420,519</u>	<u>\$ 60,014</u>	<u>\$ 68,080</u>

(Continued)

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	SB1 Road Maint & Rehab (RMRA)	Proposition A Transit Tax	Proposition C Transit Tax	Measure R Transit Tax	Measure M Transit Tax
REVENUES:					
Interest and use of property	\$ 44,005	\$ 93,468	\$ 68,863	\$ 87,065	\$ 76,608
Intergovernmental revenues	1,380,185	1,391,500	1,154,217	865,392	977,212
Charges for services	-	791	-	-	-
Other revenue	-	-	9,865	-	-
Total revenues	1,424,190	1,485,759	1,232,945	952,457	1,053,820
EXPENDITURES:					
Current:					
General government	-	69,039	69,127	48,097	34,340
Community development	-	34,923	-	-	-
Public safety	-	117,289	-	-	-
Community services	-	708,979	-	-	-
Public works	-	154,433	68,621	11,055	24,209
Capital outlay:					
Streets, sidewalks and signals	210,101	-	819,000	497,265	313,195
Parks	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	210,101	1,084,663	956,748	556,417	371,744
Net change in fund balances	1,214,089	401,096	276,197	396,040	682,076
FUND BALANCES:					
Beginning of year	488,270	1,782,464	1,301,233	1,890,873	1,354,208
End of year	<u>\$ 1,702,359</u>	<u>\$ 2,183,560</u>	<u>\$ 1,577,430</u>	<u>\$ 2,286,913</u>	<u>\$ 2,036,284</u>

(Continued)

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Measure W Safe Clean Water	Measure A Parks	Sewer Reconstruction Fees	Public Art Fees	Public Access Fees
REVENUES:					
Interest and use of property	\$ 64,367	\$ -	\$ 11,007	\$ 32,047	\$ 9,953
Intergovernmental revenues	643,019	1,345,851	-	-	-
Charges for services	-	-	553	230,510	36,186
Other revenue	-	-	-	-	-
Total revenues	707,386	1,345,851	11,560	262,557	46,139
EXPENDITURES:					
Current:					
General government	-	-	-	8,708	-
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	84,681	-	-	-
Public works	152,658	-	-	-	-
Capital outlay:					
Streets, sidewalks and signals	-	-	-	-	-
Parks	-	1,261,170	-	-	-
Other	139,660	-	-	167,842	-
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	292,318	1,345,851	-	176,550	-
Net change in fund balances	415,068	-	11,560	86,007	46,139
FUND BALANCES:					
Beginning of year	1,278,981	-	245,949	660,304	211,670
End of year	<u>\$ 1,694,049</u>	<u>\$ -</u>	<u>\$ 257,509</u>	<u>\$ 746,311</u>	<u>\$ 257,809</u>

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				Total Special Revenue Fund
	Storm Drain Fees	General Plan Fees	Service Assessments	Community Benefit Agreement	
REVENUES:					
Interest and use of property	\$ 25,609	\$ 26,697	\$ -	\$ -	\$ 607,875
Intergovernmental revenues	-	-	-	888,470	12,759,280
Charges for services	61,792	43,999	14,143	-	470,484
Other revenue	-	-	-	-	9,865
Total revenues	87,401	70,696	14,143	888,470	13,847,504
EXPENDITURES:					
Current:					
General government	-	-	4,834	137,130	411,868
Community development	-	25,664	-	24,167	487,167
Public safety	-	-	-	33,113	334,935
Community services	-	-	-	225,568	3,469,495
Public works	-	-	9,309	94,429	1,802,437
Capital outlay:					
Streets, sidewalks and signals	-	-	-	-	1,839,561
Parks	-	-	-	-	1,261,170
Other	-	-	-	233,137	547,439
Debt Service:					
Principal	-	-	-	-	35,024
Interest and fiscal charges	-	-	-	-	7,137
Total expenditures	-	25,664	14,143	747,544	10,196,233
Net change in fund balances	87,401	45,032	-	140,926	3,651,271
FUND BALANCES:					
Beginning of year	538,499	583,087	-	-	13,512,368
End of year	<u>\$ 625,900</u>	<u>\$ 628,119</u>	<u>\$ -</u>	<u>\$ 140,926</u>	<u>\$ 17,163,639</u>

(Continued)

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Fund Paramount Parking Authority	Total Nonmajor Governmental Funds
REVENUES:		
Interest and use of property	\$ -	\$ 607,875
Intergovernmental revenues	-	12,759,280
Charges for services	-	470,484
Other revenue	-	9,865
Total revenues	<u>-</u>	<u>13,847,504</u>
EXPENDITURES:		
Current:		
General government	-	411,868
Community development	-	487,167
Public safety	-	334,935
Community services	-	3,469,495
Public works	-	1,802,437
Capital outlay:		
Streets, sidewalks and signals	-	1,839,561
Parks	-	1,261,170
Other	-	547,439
Debt Service:		
Principal	-	35,024
Interest and fiscal charges	-	7,137
Total expenditures	<u>-</u>	<u>10,196,233</u>
Net change in fund balances	-	3,651,271
FUND BALANCES:		
Beginning of year	535,000	14,047,368
End of year	<u>\$ 535,000</u>	<u>\$ 17,698,639</u>

(Concluded)

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental revenues	\$ 873,800	\$ 873,800	\$ 283,139	\$ (590,661)
Total revenues	<u>873,800</u>	<u>873,800</u>	<u>283,139</u>	<u>(590,661)</u>
EXPENDITURES:				
Current:				
General government	42,900	42,900	32,605	10,295
Community development	352,750	352,750	150,513	202,237
Community services	113,150	113,150	97,650	15,500
Total expenditures	<u>508,800</u>	<u>508,800</u>	<u>280,768</u>	<u>228,032</u>
Net change in fund balance	<u>\$ 365,000</u>	<u>\$ 365,000</u>	2,371	<u>\$ (362,629)</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ 2,371</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HOME Partnership Act Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental revenues	\$ 406,300	\$ 406,300	\$ 171,410	\$ (234,890)
Total revenues	<u>406,300</u>	<u>406,300</u>	<u>171,410</u>	<u>(234,890)</u>
EXPENDITURES:				
Current:				
General government	9,750	9,750	4,328	5,422
Community development	<u>396,550</u>	<u>396,550</u>	<u>151,082</u>	<u>245,468</u>
Total expenditures	<u>406,300</u>	<u>406,300</u>	<u>155,410</u>	<u>250,890</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	16,000	<u>\$ 16,000</u>
FUND BALANCE:				
Beginning of year			<u>129,557</u>	
End of year			<u>\$ 145,557</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HOME American Rescue Plan
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental revenues	\$ 350,000	\$ 350,000	\$ 119,498	\$ (230,502)
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>119,498</u>	<u>(230,502)</u>
EXPENDITURES:				
Current:				
Public Safety	<u>350,000</u>	<u>350,000</u>	<u>119,498</u>	<u>230,502</u>
Total expenditures	<u>350,000</u>	<u>350,000</u>	<u>119,498</u>	<u>230,502</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Paramount Housing Authority Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 9,600	\$ 9,600	\$ 202	\$ (9,398)
Total revenues	<u>9,600</u>	<u>9,600</u>	<u>202</u>	<u>(9,398)</u>
EXPENDITURES:				
Current:				
Community development	<u>302,000</u>	<u>302,000</u>	<u>100,818</u>	<u>201,182</u>
Total expenditures	<u>302,000</u>	<u>302,000</u>	<u>100,818</u>	<u>201,182</u>
Net change in fund balance	<u><u>\$ (292,400)</u></u>	<u><u>\$ (292,400)</u></u>	<u><u>(100,616)</u></u>	<u><u>\$ 191,784</u></u>
FUND BALANCE:				
Beginning of year			<u>1,289,191</u>	
End of year			<u><u>\$ 1,188,575</u></u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
After School Education and Safety Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 5,300	\$ 5,300	\$ 5,539	\$ 239
Intergovernmental revenues	2,425,700	2,425,700	1,957,311	(468,389)
Total revenues	<u>2,431,000</u>	<u>2,431,000</u>	<u>1,962,850</u>	<u>(468,150)</u>
EXPENDITURES:				
Current:				
Community services	2,425,700	2,425,700	2,352,617	73,083
Total expenditures	<u>2,425,700</u>	<u>2,425,700</u>	<u>2,352,617</u>	<u>73,083</u>
Net change in fund balance	<u>\$ 5,300</u>	<u>\$ 5,300</u>	(389,767)	<u>\$ (395,067)</u>
FUND BALANCE:				
Beginning of year			515,102	
End of year			<u>\$ 125,335</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Gas Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 11,900	\$ 11,900	\$ 38,083	\$ 26,183
Intergovernmental revenues	1,434,950	1,434,950	1,446,855	11,905
Total revenues	<u>1,446,850</u>	<u>1,446,850</u>	<u>1,484,938</u>	<u>38,088</u>
EXPENDITURES:				
Current:				
Public works	1,350,900	1,350,900	1,142,518	208,382
Total expenditures	<u>1,350,900</u>	<u>1,350,900</u>	<u>1,142,518</u>	<u>208,382</u>
Net change in fund balance	<u>\$ 95,950</u>	<u>\$ 95,950</u>	342,420	<u>\$ 246,470</u>
FUND BALANCE:				
Beginning of year			673,599	
End of year			<u>\$ 1,016,019</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Safety Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental revenues	\$ 100,000	\$ 100,000	\$ 65,035	\$ (34,965)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>65,035</u>	<u>(34,965)</u>
EXPENDITURES:				
Current:				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>65,035</u>	<u>34,965</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>65,035</u>	<u>34,965</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Waste Reduction Fees Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 10,650	\$ 10,650	\$ 19,121	\$ 8,471
Charges for services	79,000	79,000	73,970	(5,030)
Total revenues	<u>89,650</u>	<u>89,650</u>	<u>93,091</u>	<u>3,441</u>
EXPENDITURES:				
Current:				
Public works	<u>143,450</u>	<u>143,450</u>	<u>105,169</u>	<u>38,281</u>
Total expenditures	<u>143,450</u>	<u>143,450</u>	<u>105,169</u>	<u>38,281</u>
Net change in fund balance	<u>\$ (53,800)</u>	<u>\$ (53,800)</u>	<u>(12,078)</u>	<u>\$ 41,722</u>
FUND BALANCE:				
Beginning of year			<u>432,597</u>	
End of year			<u>\$ 420,519</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
AB2766 Subvention Funds Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 5,350	\$ 5,350	\$ 2,512	\$ (2,838)
Intergovernmental revenues	70,000	70,000	70,186	186
Total revenues	<u>75,350</u>	<u>75,350</u>	<u>72,698</u>	<u>(2,652)</u>
EXPENDITURES:				
Current:				
General government	13,800	13,800	3,660	10,140
Public works	67,050	18,000	40,036	(22,036)
Capital outlay:				
Other	25,000	25,000	6,800	18,200
Debt service:				
Principal	-	42,099	35,024	7,075
Interest	-	6,951	7,137	(186)
Total expenditures	<u>105,850</u>	<u>105,850</u>	<u>92,657</u>	<u>13,193</u>
Net change in fund balance	<u>\$ (30,500)</u>	<u>\$ (30,500)</u>	<u>(19,959)</u>	<u>\$ 10,541</u>
FUND BALANCE:				
Beginning of year			79,973	
End of year			<u>\$ 60,014</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Disability Access and Education Fees Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 1,200	\$ 1,200	\$ 2,729	\$ 1,529
Charges for services	8,500	8,500	8,540	40
Total revenues	<u>9,700</u>	<u>9,700</u>	<u>11,269</u>	<u>1,569</u>
Net change in fund balance	<u>\$ 9,700</u>	<u>\$ 9,700</u>	<u>11,269</u>	<u>\$ 1,569</u>
FUND BALANCE:				
Beginning of year			<u>56,811</u>	
End of year			<u>\$ 68,080</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
SB1 Road Maintenance & Rehabilitation Account Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 23,500	\$ 23,500	\$ 44,005	\$ 20,505
Intergovernmental revenues	1,295,950	1,295,950	1,380,185	84,235
Total revenues	<u>1,319,450</u>	<u>1,319,450</u>	<u>1,424,190</u>	<u>104,740</u>
EXPENDITURES:				
Capital outlay:				
Streets, sidewalks and signals	1,336,150	1,432,399	210,101	1,222,298
Total expenditures	<u>1,336,150</u>	<u>1,432,399</u>	<u>210,101</u>	<u>1,222,298</u>
Net change in fund balance	<u>\$ (16,700)</u>	<u>\$ (112,949)</u>	1,214,089	<u>\$ 1,327,038</u>
FUND BALANCE:				
Beginning of year			488,270	
End of year			<u>\$ 1,702,359</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Proposition A Transit Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 38,950	\$ 38,950	\$ 93,468	\$ 54,518
Intergovernmental revenues	1,516,650	1,516,650	1,391,500	(125,150)
Charges for services	1,500	1,500	791	(709)
Total revenues	<u>1,557,100</u>	<u>1,557,100</u>	<u>1,485,759</u>	<u>(71,341)</u>
EXPENDITURES:				
Current:				
General government	65,850	65,850	69,039	(3,189)
Community development	32,350	35,438	34,923	515
Public safety	115,700	115,700	117,289	(1,589)
Community services	640,850	683,250	708,979	(25,729)
Public works	53,200	53,200	154,433	(101,233)
Capital outlay				
Streets, sidewalks and signals	400,000	400,000	-	400,000
Total expenditures	<u>1,307,950</u>	<u>1,353,438</u>	<u>1,084,663</u>	<u>268,775</u>
Net change in fund balance	<u>\$ 249,150</u>	<u>\$ 203,662</u>	401,096	<u>\$ 197,434</u>
FUND BALANCE:				
Beginning of year			1,782,464	
End of year			<u>\$ 2,183,560</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Proposition C Transit Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 28,750	\$ 28,750	\$ 68,863	\$ 40,113
Intergovernmental revenues	1,258,000	1,258,000	1,154,217	(103,783)
Other revenues	-	-	9,865	9,865
Total revenues	1,286,750	1,286,750	1,232,945	(53,805)
EXPENDITURES:				
Current:				
General government	72,750	72,750	69,127	3,623
Public works	96,950	96,950	68,621	28,329
Capital outlay:				
Streets, sidewalks and signals	1,001,000	2,160,229	819,000	1,341,229
Total expenditures	1,170,700	2,329,929	956,748	1,373,181
Net change in fund balance	\$ 116,050	\$ (1,043,179)	276,197	\$ 1,319,376
FUND BALANCE:				
Beginning of year			1,301,233	
End of year			<u>\$ 1,577,430</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure R Transit Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 35,650	\$ 35,650	\$ 87,065	\$ 51,415
Intergovernmental revenues	943,500	943,500	865,392	(78,108)
Total revenues	<u>979,150</u>	<u>979,150</u>	<u>952,457</u>	<u>(26,693)</u>
EXPENDITURES:				
Current:				
General government	51,400	51,400	48,097	3,303
Public works	11,900	11,900	11,055	845
Capital outlay:				
Streets, sidewalks and signals	200,000	498,100	497,265	835
Total expenditures	<u>263,300</u>	<u>561,400</u>	<u>556,417</u>	<u>4,983</u>
Net change in fund balance	<u>\$ 715,850</u>	<u>\$ 417,750</u>	396,040	<u>\$ (21,710)</u>
FUND BALANCE:				
Beginning of year			1,890,873	
End of year			<u>\$ 2,286,913</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M Transit Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 27,400	\$ 27,400	\$ 76,608	\$ 49,208
Intergovernmental revenues	1,069,300	1,069,300	977,212	(92,088)
Total revenues	<u>1,096,700</u>	<u>1,096,700</u>	<u>1,053,820</u>	<u>(42,880)</u>
EXPENDITURES:				
Current:				
General government	51,400	51,400	34,340	17,060
Public works	26,950	26,950	24,209	2,741
Capital outlay:				
Streets, sidewalks and signals	346,000	1,716,717	313,195	1,403,522
Total expenditures	<u>424,350</u>	<u>1,795,067</u>	<u>371,744</u>	<u>1,423,323</u>
Net change in fund balance	<u>\$ 672,350</u>	<u>\$ (698,367)</u>	682,076	<u>\$ 1,380,443</u>
FUND BALANCE:				
Beginning of year			1,354,208	
End of year			<u>\$ 2,036,284</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure W Safe Clean Water Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 33,150	\$ 33,150	\$ 64,367	\$ 31,217
Intergovernmental revenues	653,600	653,600	643,019	(10,581)
Total revenues	<u>686,750</u>	<u>686,750</u>	<u>707,386</u>	<u>20,636</u>
EXPENDITURES:				
Current:				
Public works	195,000	195,000	152,658	42,342
Capital outlay:				
Other	55,000	335,530	139,660	195,870
Total expenditures	<u>250,000</u>	<u>530,530</u>	<u>292,318</u>	<u>238,212</u>
Net change in fund balance	<u>\$ 436,750</u>	<u>\$ 156,220</u>	415,068	<u>\$ 258,848</u>
FUND BALANCE:				
Beginning of year			1,278,981	
End of year			<u>\$ 1,694,049</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure A Parks Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental revenues	\$ 1,361,200	\$ 2,277,100	\$ 1,345,851	\$ (931,249)
Total revenues	<u>1,361,200</u>	<u>2,277,100</u>	<u>1,345,851</u>	<u>(931,249)</u>
EXPENDITURES:				
Current:				
Community services	150,200	150,200	84,681	65,519
Capital outlay:				
Parks	<u>1,211,000</u>	<u>2,133,950</u>	<u>1,261,170</u>	<u>872,780</u>
Total expenditures	<u>1,361,200</u>	<u>2,284,150</u>	<u>1,345,851</u>	<u>938,299</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (7,050)</u>	<u>-</u>	<u>\$ 7,050</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Sewer Reconstruction Fees Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 5,750	\$ 5,750	\$ 11,007	\$ 5,257
Charges for services	1,500	1,500	553	(947)
Total revenues	<u>7,250</u>	<u>7,250</u>	<u>11,560</u>	<u>4,310</u>
Net change in fund balance	<u>\$ 7,250</u>	<u>\$ 7,250</u>	<u>\$ 11,560</u>	<u>\$ 4,310</u>
FUND BALANCE:				
Beginning of year			245,949	
End of year			<u>\$ 257,509</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Art Fees Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 5,300	\$ 5,300	\$ 32,047	\$ 26,747
Charges for services	500,000	500,000	230,510	(269,490)
Total revenues	<u>505,300</u>	<u>505,300</u>	<u>262,557</u>	<u>(242,743)</u>
EXPENDITURES:				
Current:				
General government	7,500	7,500	8,708	(1,208)
Capital outlay:				
Other	215,000	285,250	167,842	117,408
Total expenditures	<u>222,500</u>	<u>292,750</u>	<u>176,550</u>	<u>116,200</u>
Net change in fund balance	<u>\$ 282,800</u>	<u>\$ 212,550</u>	86,007	<u>\$ (126,543)</u>
FUND BALANCE:				
Beginning of year			660,304	
End of year			<u>\$ 746,311</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Access Fees Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 4,100	\$ 4,100	\$ 9,953	\$ 5,853
Charges for services	48,000	48,000	36,186	(11,814)
Total revenues	<u>52,100</u>	<u>52,100</u>	<u>46,139</u>	<u>(5,961)</u>
EXPENDITURES:				
Current:				
General government	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	<u>\$ 47,100</u>	<u>\$ 47,100</u>	<u>\$ 46,139</u>	<u>\$ (961)</u>
FUND BALANCE:				
Beginning of year			<u>211,670</u>	
End of year			<u>\$ 257,809</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Storm Drain Fees Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 11,450	\$ 11,450	\$ 25,609	\$ 14,159
Charges for services	72,000	72,000	61,792	(10,208)
Total revenues	<u>83,450</u>	<u>83,450</u>	<u>87,401</u>	<u>3,951</u>
 Net change in fund balance	 <u>\$ 83,450</u>	 <u>\$ 83,450</u>	 \$ 87,401	 <u>\$ 3,951</u>
 FUND BALANCE:				
Beginning of year			<u>538,499</u>	
End of year			<u>\$ 625,900</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Plan Fees Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Interest and use of property	\$ 13,650	\$ 13,650	\$ 26,697	\$ 13,047
Charges for services	43,000	43,000	43,999	999
Total revenues	<u>56,650</u>	<u>56,650</u>	<u>70,696</u>	<u>14,046</u>
EXPENDITURES:				
Current:				
Community development	<u>476,750</u>	<u>476,750</u>	<u>25,664</u>	<u>451,086</u>
Total expenditures	<u>476,750</u>	<u>476,750</u>	<u>25,664</u>	<u>451,086</u>
Net change in fund balance	<u><u>\$ (420,100)</u></u>	<u><u>\$ (420,100)</u></u>	<u>45,032</u>	<u><u>\$ 465,132</u></u>
FUND BALANCE:				
Beginning of year			<u>583,087</u>	
End of year			<u><u>\$ 628,119</u></u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Service Assessments Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Charges for services	\$ 14,150	\$ 14,150	\$ 14,143	\$ (7)
Total revenues	<u>14,150</u>	<u>14,150</u>	<u>14,143</u>	<u>(7)</u>
EXPENDITURES:				
Current:				
General government	4,834	4,834	4,834	-
Public works	<u>9,309</u>	<u>9,309</u>	<u>9,309</u>	<u>-</u>
Total revenues	<u>14,143</u>	<u>14,143</u>	<u>14,143</u>	<u>-</u>
Net change in fund balance	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ (7)</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Paramount
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Benefit Agreement Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental revenues	\$ 1,000,000	\$ 1,200,000	\$ 888,470	\$ (311,530)
Total revenues	<u>1,000,000</u>	<u>1,200,000</u>	<u>888,470</u>	<u>(311,530)</u>
EXPENDITURES:				
Current:				
General government	100,000	140,000	137,130	2,870
	-	100,000	24,167	75,833
Public safety	-	39,800	33,113	6,687
Community service	200,000	260,000	225,568	34,432
Public works	200,000	200,000	94,429	105,571
Capital outlay				
Other	500,000	460,200	233,137	227,063
Total expenditures	<u>1,000,000</u>	<u>1,200,000</u>	<u>747,544</u>	<u>452,456</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,926</u>	<u>\$ 140,926</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ 140,926</u>	

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STATISTICAL SECTION
(Unaudited)

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City of Paramount
Statistical Section Overview
(Unaudited)

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well being have changed over time.	146 - 155
Revenue Capacity	
These schedules contain information to help the reader assess one of the government's most significant local revenue sources - property tax.	156 - 160
Debt Capacity	
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.	161 - 166
Demographic and Economic Information	
This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	167 - 168
Operating Information	
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.	169 - 173

City of Paramount
Table 1
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015*	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 79,511,962	\$ 79,690,688	\$ 79,225,417	\$ 76,381,563	\$ 75,437,457
Restricted	6,647,656	4,309,004	4,181,878	5,874,235	5,553,952
Unrestricted	2,027,521	8,844	(2,208,468)	(6,436,004)	(5,371,456)
Total governmental activities net position	88,187,139	84,008,536	81,198,827	75,819,794	75,619,953
Business-type activities:					
Net investment in capital assets	16,981,731	17,905,387	17,328,598	9,979,726	16,275,296
Restricted	-	-	-	-	-
Unrestricted	894,214	709,203	1,517,233	7,573,532	1,556,622
Total business-type activities net position	17,875,945	18,614,590	18,845,831	17,553,258	17,831,918
Primary government:					
Net investment in capital assets	96,493,693	97,596,075	96,554,015	86,361,289	91,712,753
Restricted	6,647,656	4,309,004	4,181,878	5,874,235	5,553,952
Unrestricted	2,921,735	718,047	(691,235)	1,137,528	(3,814,834)
Total primary government net position	\$106,063,084	\$102,623,126	\$100,044,658	\$ 93,373,052	\$ 93,451,871

* Numbers reflect the implementation of GASB Statement No. 68.

Source:

City of Paramount audited financial statements

City of Paramount
Table 1
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	\$ 72,665,264	\$ 70,923,502	\$ 73,014,467	\$ 75,768,195	\$ 76,132,951
Restricted	6,161,908	11,040,989	10,792,349	12,716,249	16,004,360
Unrestricted	(5,601,349)	(1,963,088)	5,107,970	19,094,624	24,087,382
Total governmental activities net position	<u>73,225,823</u>	<u>80,001,403</u>	<u>88,914,786</u>	<u>107,579,068</u>	<u>116,224,693</u>
Business-type activities:					
Net investment in capital assets	16,132,664	12,428,094	16,310,930	16,976,379	21,013,078
Restricted	-	-	-	-	-
Unrestricted	1,257,073	2,939,592	3,239,458	1,550,050	(4,194,981)
Total business-type activities net position	<u>17,389,737</u>	<u>15,367,686</u>	<u>19,550,388</u>	<u>18,526,429</u>	<u>16,818,097</u>
Primary government:					
Net investment in capital assets	88,797,928	83,351,596	89,325,397	92,744,574	97,146,029
Restricted	6,161,908	11,040,989	10,792,349	12,716,249	16,004,360
Unrestricted	(4,344,276)	976,504	8,347,428	20,644,674	19,892,401
Total primary government net position	<u>\$ 90,615,560</u>	<u>\$ 95,369,089</u>	<u>\$108,465,174</u>	<u>\$126,105,497</u>	<u>\$133,042,790</u>

* Numbers reflect the implementation of GASB Statement No. 68.

Source:

City of Paramount audited financial statements

City of Paramount
Table 2
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses:					
Governmental activities:					
General government	\$ 6,409,474	\$ 6,846,940	\$ 7,308,976	\$ 7,184,690	\$ 7,088,630
Community development	2,172,414	5,007,589	2,039,989	2,461,135	1,926,054
Public safety	10,662,749	11,218,541	11,139,959	11,888,055	11,862,334
Community services and recreation	6,074,382	5,830,850	6,330,295	6,368,824	6,413,969
Public works	10,015,353	10,571,784	10,620,526	10,611,799	10,440,155
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	35,334,372	39,475,704	37,439,745	38,514,503	37,731,142
Business-type activities:					
Water	7,392,150	7,685,532	7,677,359	8,581,886	7,793,957
Total business-type activities expenses	7,392,150	7,685,532	7,677,359	8,581,886	7,793,957
Total primary government expenses	42,726,522	47,161,236	45,117,104	47,096,389	45,525,099
Program revenues:					
Governmental activities:					
Charges for services:					
General government	291,859	199,877	167,554	185,444	191,359
Community development	347,387	508,124	381,084	486,252	381,846
Public safety	125,707	119,425	130,937	108,650	138,403
Community services and recreation	257,191	264,633	282,814	213,050	215,788
Public works	528,391	759,040	675,278	826,430	772,886
Operating grants and contributions	8,035,786	7,541,476	7,409,586	8,574,899	7,971,987
Capital grants and contributions	1,564,891	2,419,414	2,840,656	3,226,132	3,252,151
Total governmental activities program revenues	11,151,212	11,811,989	11,887,909	13,620,857	12,924,420
Business-type activities:					
Charges for services:					
Water	7,040,916	6,972,036	7,812,294	7,946,567	7,750,500
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	106,368	166,689
Total business-type activities program revenues	7,040,916	6,972,036	7,812,294	8,052,935	7,917,189
Total primary government program revenues	18,192,128	18,784,025	19,700,203	21,673,792	20,841,609

City of Paramount
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Net revenues (expenses):					
Governmental activities	(24,183,160)	(27,663,715)	(25,551,836)	(24,893,646)	(24,806,722)
Business-type activities	(351,234)	(713,496)	134,935	(528,951)	123,232
Total net revenues (expenses)	(24,534,394)	(28,377,211)	(25,416,901)	(25,422,597)	(24,683,490)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales tax	5,568,430	6,129,480	7,278,424	7,712,771	8,449,883
In-Lieu Sales Tax	1,916,619	1,293,617	-	-	-
Transaction & Use Tax	-	-	-	-	-
Utility Users tax	2,289,871	3,981,658	3,679,314	3,757,405	3,735,391
Franchise Tax	1,706,318	1,635,366	1,637,474	1,784,998	1,818,389
Property Tax	2,041,764	2,052,016	2,099,550	2,306,211	2,341,486
Business License	990,573	977,307	962,675	947,111	988,043
Investment earnings	40,885	64,064	97,769	202,802	362,253
Motor Vehicle license fees, unrestricted	5,346,425	5,468,904	5,779,305	6,068,259	6,355,849
Other revenues	518,840	386,535	303,949	647,385	555,587
Extraordinary item-Redevelopment Agency	-	1,496,165	903,667	484,475	-
Transfers	-	-	-	-	-
Total governmental activities	20,419,725	23,485,112	22,742,127	23,911,417	24,606,881
Business-type activities:					
Investment income	9,144	13,483	24,536	56,884	100,630
Other revenues	117,285	54,673	48,722	56,697	54,798
Extraordinary item-Redevelopment Agency	528,516	1,383,986	23,048	-	-
Transfers	-	-	-	-	-
Total business-type activities	654,945	1,452,142	96,306	113,581	155,428
Total primary government	21,074,670	24,937,254	22,838,433	24,024,998	24,762,309
Changes in net position					
Governmental activities	(3,763,435)	(4,178,603)	(2,809,709)	(982,229)	(199,841)
Business-type activities	303,711	738,646	231,241	(415,370)	278,660
Total primary government	<u>\$ (3,459,724)</u>	<u>\$ (3,439,957)</u>	<u>\$ (2,578,468)</u>	<u>\$ (1,397,599)</u>	<u>\$ 78,819</u>

Source:

City of Paramount audited financial statements

City of Paramount
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Expenses:					
Governmental activities:					
General government	\$ 7,357,400	\$ 7,348,010	\$ 8,888,563	\$ 10,059,418	\$ 8,911,185
Community development	2,405,848	3,142,509	3,166,168	4,817,632	3,509,880
Public safety	12,179,427	12,749,502	13,637,499	15,311,548	15,675,326
Community services and recreation	6,121,450	5,864,047	6,592,797	7,774,667	11,440,951
Public works	12,053,263	12,475,482	13,309,135	16,159,020	15,169,110
Interest on long-term debt	-	-	389,603	365,104	368,796
Total governmental activities expenses	40,117,388	41,579,550	45,983,765	54,487,389	55,075,248
Business-type activities:					
Water	8,178,235	9,861,949	8,895,635	11,427,517	11,240,964
Total business-type activities expenses	8,178,235	9,861,949	8,895,635	11,427,517	11,240,964
Total primary government expenses	48,295,623	51,441,499	54,879,400	65,914,906	66,316,212
Program revenues:					
Governmental activities:					
Charges for services:					
General government	222,426	193,393	210,847	183,320	240,018
Community development	229,201	603,104	741,976	3,687,530	2,587,812
Public safety	107,691	84,128	69,127	137,960	110,616
Community services and recreation	96,963	60,415	134,785	240,657	251,956
Public works	614,480	790,144	5,549,354	260,244	258,485
Operating grants and contributions	8,100,026	9,449,889	10,313,132	17,729,029	10,202,595
Capital grants and contributions	3,524,293	4,577,817	4,917,424	6,256,776	5,835,628
Total governmental activities program revenues	12,895,080	15,758,890	21,936,645	28,495,516	19,487,110
Business-type activities:					
Charges for services:					
Water	7,589,241	7,796,180	8,414,322	8,355,545	9,280,735
Operating grants and contributions	-	-	-	3,438,975	-
Capital grants and contributions	-	-	-	757,063	-
Total business-type activities program revenues	7,589,241	7,796,180	8,414,322	12,551,583	9,280,735
Total primary government program revenues	20,484,321	23,555,070	30,350,967	41,047,099	28,767,845

City of Paramount
Table 2
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Net revenues (expenses):					
Governmental activities	(27,222,308)	(25,820,660)	(24,047,120)	(25,991,873)	(35,588,138)
Business-type activities	(588,994)	(2,065,769)	(481,313)	1,124,066	(1,960,229)
Total net revenues (expenses)	(27,811,302)	(27,886,429)	(24,528,433)	(24,867,807)	(37,548,367)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales tax	8,265,394	9,459,141	11,483,195	12,261,365	12,187,616
In-Lieu Sales Tax	-	-	-	-	-
Transaction & Use Tax	-	5,585,397	7,238,769	8,113,036	8,551,198
Utility Users tax	3,484,876	3,261,854	4,183,383	4,492,823	4,652,691
Franchise Tax	1,885,967	1,904,943	2,049,479	2,196,469	2,471,532
Property Tax	2,563,106	2,763,914	2,847,420	3,059,499	3,095,924
Business License	893,150	893,927	988,969	962,760	1,046,281
Investment earnings	320,851	116,104	57,848	793,392	2,239,275
Motor Vehicle license fees, unrestricted	6,915,240	7,362,208	7,573,107	8,088,374	8,406,004
Other revenues	505,206	1,248,752	1,197,449	2,475,170	1,583,242
Extraordinary item-Redevelopment Agency	-	-	-	-	-
Transfers	(5,612)	-	(4,659,116)	-	-
Total governmental activities	24,828,178	32,596,240	32,960,503	42,442,888	44,233,763
Business-type activities:					
Investment income	90,318	17,668	1,349	65,243	251,897
Other revenues	50,883	26,050	3,550	-	-
Extraordinary item-Redevelopment Agency	-	-	-	-	-
Transfers	5,612	-	4,659,116	-	-
Total business-type activities	146,813	43,718	4,664,015	65,243	251,897
Total primary government	24,974,991	32,639,958	37,624,518	42,508,131	44,485,660
Changes in net position					
Governmental activities	(2,394,130)	6,775,580	8,913,383	16,451,015	8,645,625
Business-type activities	(442,181)	(2,022,051)	4,182,702	1,189,309	(1,708,332)
Total primary government	<u>\$ (2,836,311)</u>	<u>\$ 4,753,529</u>	<u>\$ 13,096,085</u>	<u>\$ 17,640,324</u>	<u>\$ 6,937,293</u>

Source:
City of Paramount audited financial statements

City of Paramount
Table 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
General fund:					
Nonspendable	\$ 3,605,980	\$ 355,213	\$ 273,028	\$ 276,969	\$ 558,425
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	3,563,827	3,563,827	2,620,286	3,675,028	4,613,579
Unassigned	11,809,618	12,121,484	12,557,530	12,647,525	12,776,116
Total general fund	<u>18,979,425</u>	<u>16,040,524</u>	<u>15,450,844</u>	<u>16,599,522</u>	<u>17,948,120</u>
All other governmental funds:					
Nonspendable	535,000	535,000	-	-	-
Restricted	4,974,082	4,309,004	4,909,124	6,448,479	6,245,337
Committed	1,138,574	1,130,117	1,130,425	1,406,939	1,412,888
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 6,647,656</u>	<u>\$ 5,974,121</u>	<u>\$ 6,039,549</u>	<u>\$ 7,855,418</u>	<u>\$ 7,658,225</u>

Source:
City of Paramount audited financial statements

City of Paramount
Table 3
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
General fund:					
Nonspendable	\$ 299,648	\$ 372,030	\$ 419,767	\$ 437,805	\$ 302,963
Restricted	-	-	-	7,826	10,501
Committed	-	-	-	23,751,035	23,932,500
Assigned	5,419,180	8,316,428	10,202,216	21,365,038	23,827,602
Unassigned	12,798,092	14,690,303	19,185,452	1,637,546	2,430,966
Total general fund	<u>18,516,920</u>	<u>23,378,761</u>	<u>29,807,435</u>	<u>47,199,250</u>	<u>50,504,532</u>
All other governmental funds:					
Nonspendable	-	-	-	21,535	38,338
Restricted	7,237,049	9,645,978	12,164,069	12,687,421	15,302,486
Committed	1,394,450	1,395,011	1,144,636	1,781,890	2,503,392
Assigned	-	-	-	-	460,926
Unassigned	-	-	-	-	(6,400)
Total all other governmental funds	<u>\$ 8,631,499</u>	<u>\$ 11,040,989</u>	<u>\$ 13,308,705</u>	<u>\$ 14,490,846</u>	<u>\$ 18,298,742</u>

Source:
City of Paramount audited financial statements

City of Paramount
Table 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues:					
Taxes	\$ 14,513,575	\$ 16,069,444	\$ 15,657,437	\$ 16,508,496	\$ 16,508,496
Licenses and permits	640,375	788,472	717,919	814,146	814,146
Fines & Penalties	680,755	727,000	738,338	921,744	921,744
Interest & use of property	149,617	152,768	161,069	293,406	293,406
Intergovernmental revenues	13,162,209	13,628,376	14,146,748	15,780,459	15,780,459
Charges for services	820,285	985,224	866,124	949,527	949,527
Other	2,898,830	1,461,768	1,438,161	1,771,286	1,771,286
Total revenues	32,865,646	33,813,052	33,725,796	37,039,064	37,039,064
Expenditures					
Current:					
General government	5,621,050	5,533,812	5,737,211	6,117,349	6,117,349
Community development	2,155,118	4,908,494	1,640,630	1,962,771	1,962,771
Public safety	10,672,716	11,080,181	10,744,979	11,629,250	11,629,250
Community services & recreation	4,667,924	4,861,967	4,950,485	5,219,398	5,219,398
Public works	5,807,592	6,173,761	6,892,265	6,674,196	6,674,196
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay					
Water	-	-	-	106,368	106,368
Streets, sidewalks and signals	1,921,144	3,758,222	3,093,146	2,223,530	2,223,530
Parks	788,748	566,101	1,165,442	245,589	245,589
Other	320,176	542,950	205,254	408,034	408,034
Total expenditures	31,954,468	37,425,488	34,429,412	34,586,485	34,586,485
Excess (deficiency) of revenues over (under) expenditures	911,178	(3,612,436)	(703,616)	2,452,579	2,452,579
Other financing sources (uses):					
Transfers in	-	-	-	35,249	35,249
Transfers out	-	-	-	(135,249)	(135,249)
Issuance of debt	-	-	-	-	-
Purchase finance	-	-	-	127,493	127,493
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	-	-	-	27,493	27,493
Extraordinary and special items:					
Extraordinary item-RDA	-	-	-	484,475	484,475
Total extraordinary and special items	-	-	-	484,475	484,475
Net change in fund balances	\$ 911,178	\$ (3,612,436)	\$ (703,616)	\$ 2,964,547	\$ 2,964,547
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%

Source:
City of Paramount audited financial statements

City of Paramount
Table 4
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2020	2021	2022	2023	2024
Revenues:					
Taxes	\$ 17,092,493	\$ 23,869,176	\$ 28,791,215	\$ 31,085,952	\$ 32,005,239
Licenses and permits	620,630	765,869	831,664	1,734,089	1,229,352
Fines & Penalties	820,853	825,192	985,543	1,240,041	1,158,077
Interest & use of property	437,853	181,255	182,850	948,099	2,737,054
Intergovernmental revenues	16,553,788	19,447,825	25,340,508	31,242,078	23,239,949
Charges for services	590,600	905,546	1,150,541	2,115,365	1,257,819
Other	1,593,822	2,331,030	2,056,802	2,514,016	1,565,001
Total revenues	37,710,039	48,325,893	59,339,123	70,879,640	63,192,491
Expenditures					
Current:					
General government	6,679,602	7,150,058	24,430,744	7,828,026	8,700,097
Community development	1,955,450	3,144,315	2,616,052	4,026,101	3,570,394
Public safety	11,876,632	12,721,146	13,056,996	14,106,110	15,420,857
Community services & recreation	5,032,344	4,996,113	5,166,445	6,006,697	7,000,358
Public works	7,316,460	7,691,666	7,937,654	9,690,038	10,080,500
Debt service:					
Principal retirement	-	-	26,239	1,348,743	1,341,611
Interest and fiscal charges	-	-	381,263	328,359	332,051
Capital Outlay					
Water	5,612	-	-	-	-
Streets, sidewalks and signals	2,872,345	3,185,722	4,208,347	6,477,107	2,787,251
Parks	230,656	739,645	2,543,074	1,474,302	2,223,749
Other	296,411	483,137	1,691,886	1,347,079	4,636,732
Total expenditures	36,265,512	40,111,802	44,901,912	52,632,562	56,093,600
Excess (deficiency) of revenues over (under) expenditures	1,444,527	8,214,091	14,437,211	18,247,078	7,098,891
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(1,000,000)	(5,859,116)	-	-
Issuance of debt	-	-	-	326,879	-
Purchase finance	97,547	57,240	118,295	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	97,547	(942,760)	(5,740,821)	326,879	-
Extraordinary and special items:					
Extraordinary item-RDA	-	-	-	-	-
Total extraordinary and special items	-	-	-	-	-
Net change in fund balances	\$ 1,542,074	\$ 7,271,331	\$ 8,696,390	\$ 18,573,957	\$ 7,098,891
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	1.1%	3.9%	3.4%

Source:
City of Paramount audited financial statements

City of Paramount
Table 5
Taxable Sales by Category
Last Ten Calendar Years
(modified accrual basis of accounting)

	Calendar Year					
	2013	2014	2015	2016	2017	2018
Apparel Stores	\$ 23,100	\$ 22,999	\$ 22,718	\$ 22,954	\$ 19,971	\$ 20,746
Food Stores	25,097	24,989	25,551	22,141	20,589	21,936
Eating and Drinking Places	47,485	51,696	57,716	62,348	69,583	75,944
Building Materials	63,384	64,578	85,481	99,688	108,049	103,876
Auto Dealers and Supplies	14,941	13,531	15,294	16,959	17,004	16,212
Service Stations	100,545	98,520	81,019	67,146	72,252	83,100
Other Retail Stores	101,401	101,268	101,743	107,051	97,628	102,865
All Other Outlets	387,318	391,536	331,778	325,153	352,689	380,354
Total	<u>\$ 763,271</u>	<u>\$ 769,117</u>	<u>\$ 721,300</u>	<u>\$ 723,440</u>	<u>\$ 757,765</u>	<u>\$ 805,033</u>
Sales and Use Tax rate	<u>8.75%</u>	<u>9.00%</u>	<u>9.00%</u>	<u>9.50%</u>	<u>9.50%</u>	<u>9.50%</u>

Note:

The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Sources:

State of California Board of Equalization

The HdL Companies

City of Paramount
Table 5
Taxable Sales by Category (Continued)
Last Ten Calendar Years
(modified accrual basis of accounting)

	Calendar Year				
	2019	2020	2021	2022	2023
Apparel Stores	\$ 20,803	\$ 18,176	\$ 25,989	\$ 26,320	\$ 27,596
Food Stores	22,665	25,257	23,682	24,624	26,201
Eating and Drinking Places	79,620	72,511	89,660	96,246	101,885
Building Materials	114,502	123,355	132,835	136,772	149,665
Auto Dealers and Supplies	12,373	17,916	18,721	19,356	18,262
Service Stations	88,083	63,259	107,373	142,325	131,804
Other Retail Stores	101,220	105,717	125,870	124,386	119,281
All Other Outlets	412,964	434,861	503,012	644,036	678,138
Total	<u>\$ 852,230</u>	<u>\$ 861,052</u>	<u>\$ 1,027,142</u>	<u>\$ 1,214,065</u>	<u>\$ 1,252,832</u>
Sales and Use Tax rate	<u>10.25%</u>	<u>10.25%</u>	<u>10.25%</u>	<u>10.25%</u>	<u>10.25%</u>

Note:

The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Sources:

State of California Board of Equalization

The HdL Companies

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City of Paramount
Table 6
Direct and Overlapping Sales Tax Rates
Last Ten Calendar Years

Calendar Year Ended December 31	City Direct Rate	L.A. County Transportation Authority	L.A. County Transportation Commission	Local Rate Levied by State			Total Sales Tax Rate
				County Transportation	City Operations	State of California	
2013	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2014	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2015	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2016	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2017	0.00%	0.50%	1.00%	0.50%	0.25%	7.25%	9.50%
2018	0.00%	0.50%	1.00%	0.50%	0.25%	7.25%	9.50%
2019	0.00%	0.50%	1.00%	0.50%	0.25%	7.25%	9.50%
2020	0.75%	0.50%	1.00%	0.50%	0.25%	7.25%	10.25%
2021	0.75%	0.50%	1.00%	0.50%	0.25%	7.25%	10.25%
2022	0.75%	0.50%	1.00%	0.50%	0.25%	7.25%	10.25%
2023	0.75%	0.50%	1.00%	0.50%	0.25%	7.25%	10.25%

Notes:

Effective July 1, 2004, 1/4% of the local rate levied by the State for the City's operations was shifted to the State to create a dedicated revenue source to repay bonds issued under the California Economic Recovery Bond Act. Revenue lost through the shift is backfilled to the City with property tax revenue from the County Education Revenue Augmentation Fund (ERAF).

Sources:

California State Board of Equalization
The HdL Companies

City of Paramount
Table 7
Principal Sales Tax Producers
Current Year and Nine Years Ago

2023		2014	
Air Products Manufacturing	Drugs/Chemicals	76	Service Stations
Alt Air Fuels	Petroleum Product/Equipment	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Border Tire	Automotive Supply Stores	Chao Petroleum	Service Stations
Chevron	Service Stations	Chemco	Drugs/Chemicals
Cort Furniture Rental	Home Furnishings	Chevron	Service Stations
Del Amo Motorsports of LA	Boats/Motorcycles	Cort Furniture Rental	Home Furnishings
Drees Wood Products	Contractors	Drees Wood Products	Contractors
Falcon Fuels	Petroleum Product/Equipment	Falcon Fuels	Petroleum Prod/Equipment
HD Supply	Building Materials	GCR Tire Center	Automotive Supply Stores
Home Depot	Building Materials	Hardy Roofing Materials	Contractors
JD Fuel Paramount	Service Stations	HD Supply	Building Materials
Northgate Market	Grocery Stores	Home Depot	Building Materials
Pacific Gypsum Supply	Contractors	Jankovich Company	Petroleum Prod/Equipment
Petro Bras	Service Stations	Kalmar	Heavy Industrial
Premium Windows	Contractors	Lindsay Lumber	Building Materials
Rocket 0111	Service Stations	Mid Cities Motorsports	Boats/Motorcycles
Ross	Family Apparel	Northgate Market	Grocery Stores
Sams Roofing Material	Building Materials	Petro Bras	Service Stations
Sherwin Williams	Paint/Glass/Wallpaper	Ross	Family Apparel
SS Fuel	Service Stations	Sams Roofing Material	Building Materials
Stater Bros	Grocery Stores	Stater Bros	Grocery Stores
The Jankovich Company	Petroleum Product/Equipment	Surface Preparation Solutions	Heavy Industrial
Walmart Supercenter	Discount Dept Stores	Walmart Supercenter	Discount Dept Stores
Percent of Fiscal Year Total	66.43%	62.91%	

Period: January 2023 thru December 2023

January 2014 thru December 2014

Notes:

Firms listed alphabetically

Sources:

State of California Board of Equalization
The HdL Companies

City of Paramount
Table 8
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Business-type Activities				Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Pension Obligation Bonds	Lease and Purchase Finance	Total Governmental Activities	Loan and Notes Payable	Pension Obligation Bonds	Lease and Purchase Finance	Total Business-type Activities			
2015	\$ -	\$ -	\$ -	\$5,287,159	\$ -	\$ -	\$ 5,287,159	\$5,287,159	0.68%	93.74
2016	-	-	-	4,939,285	-	-	4,939,285	4,939,285	0.59%	88.32
2017	-	138,482	138,482	4,774,580	-	90,145	4,864,725	5,003,207	0.59%	89.34
2018	-	203,363	203,363	11,303,775	-	101,313	11,405,088	11,608,451	1.27%	209.17
2019	-	261,439	261,439	11,158,240	-	61,981	11,220,221	11,481,660	1.21%	207.02
2020	-	247,167	247,167	10,860,411	-	93,274	10,953,685	11,200,852	1.14%	202.91
2021	-	190,464	190,464	10,553,135	-	66,724	10,619,859	10,810,323	1.01%	206.00
2022	17,365,000	197,657	17,562,657	10,236,115	-	38,581	10,274,696	27,837,353	2.45%	530.47
2023	13,936,444	366,474	14,302,918	9,909,040	2,058,556	51,124	12,018,720	26,321,638	2.12%	504.46
2024	12,555,531	256,396	12,811,927	20,807,944	1,854,581	24,009	22,686,534	35,498,461	NA	NA

Notes:

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

NA denote information that is unavailable.

Percentage of Personal Income and Debt Per Capita are calculated using personal income and population as shown on Table 13.

The debt included in the governmental activities columns (with the exception of capital leases) prior to FY2012 was debt of the Paramount Redevelopment Agency. With the elimination of redevelopment in the State of California effective February 1, 2012, that debt was transferred to a private-purpose trust fund. The governmental activities have no other long-term debt.

City of Paramount
Table 9
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	Outstanding General Bonded Debt		Percent of Assessed Value	Per Capita
	Tax Allocation Bonds	Total		
2015	\$ -	\$ -	0.00%	\$ -
2016	-	-	0.00%	-
2017	-	-	0.00%	-
2018	-	-	0.00%	-
2019	-	-	0.00%	-
2020	-	-	0.00%	-
2021	-	-	0.00%	-
2022	-	-	0.00%	-
2023	-	-	0.00%	-
2024	-	-	0.00%	-

Notes:

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

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

The outstanding general bonded debt listed prior to FY2012 was debt of the Paramount Redevelopment Agency. With the elimination of redevelopment in the State of California on February 1, 2012, that debt was transferred to a private-purpose trust fund.

City of Paramount
Table 10
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

City Assessed Valuation		\$	3,038,810,586	
Redevelopment Agency Incremental Valuation			<u>2,037,554,497</u>	
Total Assessed Valuation		\$	<u><u>5,076,365,083</u></u>	
	Percentage	Outstanding		Estimated
	Applicable (2)	Debt 6/30/24		Share of
Overlapping Debt Repaid with Property Taxes:				Overlapping
Metropolitan Water District (1)	0.136%	\$ 18,210,000	\$	Debt
Cerritos Community College District Debt Service	0.005%	433,766,921		
Compton Community College District Debt Service	18.463%	151,206,912		
Compton Unified School District Debt Service	0.611%	221,194,505		
Downey Unified School District Debt Service	0.019%	364,199,650		
Paramount Unified School District Debt Service	64.703%	<u>177,304,187</u>		
Total overlapping debt repaid with property taxes		<u>1,365,882,175</u>		
Total overlapping debt		<u>\$ 1,365,882,175</u>		
City direct debt				
Total direct and overlapping debt				

Notes:

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

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

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

(2) The percentage applicable was estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's taxable assessed value.

Sources:

HdL Coren & Cone

City of Paramount
Table 11
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Assessed valuation	\$ 3,363,331,783	\$ 3,441,673,952	\$ 3,635,948,857	\$ 3,815,902,453	\$ 3,999,245,043
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	840,832,946	860,418,488	908,987,214	953,975,613	999,811,261
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	126,124,942	129,062,773	136,348,082	143,096,342	149,971,689
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 126,124,942</u>	<u>\$ 129,062,773</u>	<u>\$ 136,348,082</u>	<u>\$ 143,096,342</u>	<u>\$ 149,971,689</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

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 1981-1982 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.

The City of Paramount has no bonded indebtedness

Source:

Los Angeles County Assessor 2023/2024 Combined Tax Rolls
HdL Coren & Cone

City of Paramount
Table 11
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2020	2021	2022	2023	2024
Assessed valuation	\$ 4,341,952,634	\$ 4,626,441,163	\$ 4,745,115,375	\$ 5,076,365,083	\$ 5,269,970,741
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,085,488,159	1,156,610,291	1,186,278,844	1,269,091,271	1,317,492,685
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	162,823,224	173,491,544	177,941,827	190,363,691	197,623,903
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 162,823,224</u>	<u>\$ 173,491,544</u>	<u>\$ 177,941,827</u>	<u>\$ 190,363,691</u>	<u>\$ 197,623,903</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

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 1981-1982 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.

The City of Paramount has no bonded indebtedness

Source:

Los Angeles County Assessor 2023/2024 Combined Tax Rolls
HdL Coren & Cone

City of Paramount
Table 12
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30	Loan Payable					Tax Allocation Bonds			
	Water Revenue	Less Operating Expenses	Net Available Revenue	Annual Debt Service	Coverage	Tax Increment	Debt Service		Coverage
							Principal	Interest	
2015	\$7,158,201	\$ 6,345,799	\$ 812,402	\$327,066	2.48	\$ -	\$ -	\$ -	-
2016	7,026,709	6,629,599	397,110	326,996	1.21	-	-	-	-
2017	7,861,016	6,599,223	1,261,793	326,923	3.86	-	-	-	-
2018	8,003,264	7,453,498	549,766	327,018	1.68	-	-	-	-
2019	7,805,298	6,783,159	1,022,139	431,415	2.37	-	-	-	-
2020	7,640,124	7,130,558	509,566	643,685	0.79	-	-	-	-
2021	7,822,230	8,740,930	(918,700)	643,535	(1.43)	-	-	-	-
2022	8,417,872	9,558,381	(1,140,509)	643,380	(1.77)	-	-	-	-
2023	8,355,545	9,203,871	(848,326)	643,220	(1.32)	-	-	-	-
2024	9,280,735	9,839,889	(559,154)	643,054	(0.87)				

Notes:

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

Water revenue does not include interest.

Operating expenses do not include interest or depreciation expenses.

On February 1, 2012, redevelopment agencies in the State of California were eliminated and the assets and liabilities of the Paramount Redevelopment Agency were transferred to a private-purpose trust fund. The FY2012 data for the tax allocation bonds represents the final 7 months of activity for the redevelopment agency. Though the coverage is less than 100%, the debt service payment was made using available fund balance.

Source:

City of Paramount

City of Paramount
Table 13
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year Ended December 31	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2014	55,076	\$ 788,468	\$ 14,316	9.6%
2015	56,400	776,609	13,769	7.9%
2016	55,923	830,147	14,844	6.2%
2017	56,000	849,607	15,171	4.8%
2018	55,497	913,372	16,458	5.1%
2019	55,461	952,036	17,165	4.8%
2020	55,200	985,228	17,848	14.2%
2021	52,477	1,068,985	20,370	10.4%
2022	52,178	1,135,758	21,766	5.3%
2023	52,153	1,239,595	23,768	5.0%

Sources:

(1) California State Department of Finance

(2) 2004-2009: estimates of income based on the last available census; 2010 and later: most recent American Community Survey

(3) California Employment Development Department

City of Paramount
Table 14
Principal Employers
Current Year and Nine Years Ago

Employer	2024		2015	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Paramount Unified School District	2,050	17.9%	2,050	16.1%
Kindred Hospital / Promise Hospital	445	3.9%	577	4.5%
Wal-Mart Store # 2110	364	3.2%	259	2.0%
Ralphs Grocery #403	362	3.2%	379	3.0%
Weber Metals	342	3.0%	521	4.1%
City of Paramount	356	3.1%	371	2.9%
Carlton Forge Works	244	2.1%	310	2.4%
The Home Depot #1037	207	1.8%	196	1.5%
Affinity Healthcare Center	203	1.8%		
Mediland Corp	165	1.4%		
Golden State Engineering, Inc.			250	2.0%
Paramount Meadows			189	1.5%
Total	4,738	41.4%	5,102	40.0%

Note:

Blank areas denote information that is unavailable.

Sources:

City of Paramount business license database
Paramount Unified School District Human Resources Department
City of Paramount Human Resources Department

City of Paramount
Table 15
Full-Time Equivalent City Employees by Function
Last Ten Fiscal Years

Function	Full-time and Part-time Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	26.7	25.7	25.8	26.2	27.7	28.7	29.1	26.3	27.4	25.2
Community Development	8.6	8.8	9.0	9.7	9.9	9.9	9.0	10.2	10.7	10.2
Public Safety	24.1	27.7	25.2	26.4	23.6	24.6	24.4	22.2	25.0	24.1
Community Services and Recreation	81.1	84.8	88.0	78.0	72.1	69.5	68.4	59.8	57.0	51.6
Public Works	45.6	47.9	44.5	42.8	43.3	43.3	46.5	50.6	51.0	45.6
Total	186.1	194.9	192.5	183.1	176.6	176.0	177.4	169.1	171.1	156.7

Note:

The City of Paramount Water Department is included in other functions.

Source:

City of Paramount

City of Paramount
Table 16
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Community Development					
Permits	1,260	1,438	1,245	1,315	1,207
Inspections	8,336	9,408	11,617	13,460	13,051
Public Safety:					
Arrests	1,670	1,523	1,389	1,264	1,286
Parking Citations Issued	11,187	14,348	13,524	17,723	15,541
Community Services and Recreation:					
Number of Recreation Classes	24	29	38	47	33
Number of Facility Rentals	621	683	722	724	580
Public Works:					
Street Resurfacing (miles)	1.18	1.25	0.14	0.61	5.98
Water:					
Average Daily Consumption (thousands of gallons)	5,710	5,250	5,704	5,872	4,846

Notes:

Indicators are not available for the general government function.
Community Development data is based on a calendar year.
Blanks indicate that information is not available.

Sources:

Los Angeles Sheriff's Department Management Information System.
Various City departments.

City of Paramount
Table 16
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2020	2021	2022	2023	2024
Community Development					
Permits	907	1,135	1,052	780	911
Inspections	9,308	7,904	5,007	3,245	2,980
Public Safety:					
Arrests	1,318	1,285	1,080	901	838
Parking Citations Issued	13,238	15,294	18,976	21,856	19,252
Community Services and Recreation:					
Number of Recreation Classes	25	18	27	28	20
Number of Facility Rentals	453	57	147	312	366
Public Works:					
Street Resurfacing (miles)	0.53	3.72	2.24	5.43	1.50
Water:					
Average Daily Consumption (thousands of gallons)	4,530	4,794	4,742	4,500	4,084

Notes:

Indicators are not available for the general government function.
Community Development data is based on a calendar year.
Blanks indicate that information is not available.

Sources:

Los Angeles Sheriff's Department Management Information System.
Various City departments.

City of Paramount
Table 17
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Community Services and Recreation:					
Parks	10	11	11	11	11
Community Centers	5	5	5	5	5
Public Works:					
Streets (miles)	73	73	73	73	73
Streetlights	3,087	3,087	3,099	3,099	3,099
Traffic Signals	55	55	56	56	56
Water:					
Water Mains (miles)	127	127	127	127	127
Number of Service Connections	7,356	7,378	7,398	7,414	7,429
Average Daily Consumption (gallons)	5,709,551	5,249,976	5,703,739	5,871,834	4,845,868
Plant Capacity (gallons per minute)	18,000	18,000	18,000	18,000	18,000

Note:

Indicators are not available for the community development, public safety or general government functions.

Source:

Various City departments.

City of Paramount
Table 17
Capital Asset Statistics by Function (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2020	2021	2022	2023	2024
Community Services and Recreation:					
Parks	11	11	11	11	11
Community Centers	5	5	5	5	5
Public Works:					
Streets (miles)	73	73	73	73	73
Streetlights	3,099	3,100	3,099	3,099	3,099
Traffic Signals	56	56	56	56	57
Water:					
Water Mains (miles)	127	127	127	127	127
Number of Service Connections	7,374	7,381	7,506	7,129	7,129
Average Daily Consumption (gallons)	4,929,535	4,794,883	4,741,943	4,499,760	4,084,386
Plant Capacity (gallons per minute)	18,000	18,000	18,000	18,000	18,000

Note:

Indicators are not available for the community development, public safety or general government functions.

Source:

Various City departments.

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