

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025



CITY OF PARAMOUNT, CALIFORNIA

CITY OF PARAMOUNT, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2025



Prepared by the Finance Department

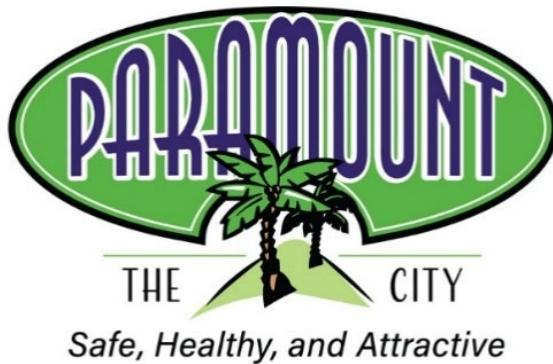
Lana Dich, Finance Director

Anthony Martinez, Financial Services Manager

Gustavo Medrano, Accounting Manager

Joanne Cha, Senior Accountant

Roster of Officials



City Council

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

City Attorney

Nicholas Ghirelli

City Manager

John Moreno

Assistant City Manager

Grissel Chavez

City Clerk

Heidi Luce

Community Services Director

Yecenia Guillen

Finance Director

Lana Dich

Planning and Building

Director

John King

Public Safety Director

Margarita Matson

Public Works Director

Adriana Figueroa

City of Paramount
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

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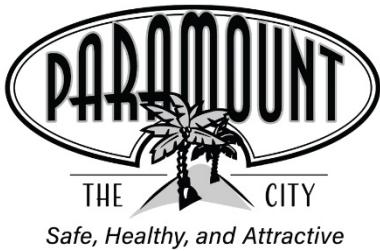
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PEGGY LEMONS

Mayor

BRENDA OL莫斯

Vice Mayor

ISABEL AGUAYO

Councilmember

ANNETTE C. DELGADILLO

Councilmember

VILMA CUELLAR STALLINGS

Councilmember

December 30, 2025

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, 2025. 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 reader 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 Auditor's 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 cash flows as of June 30, 2025. 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.

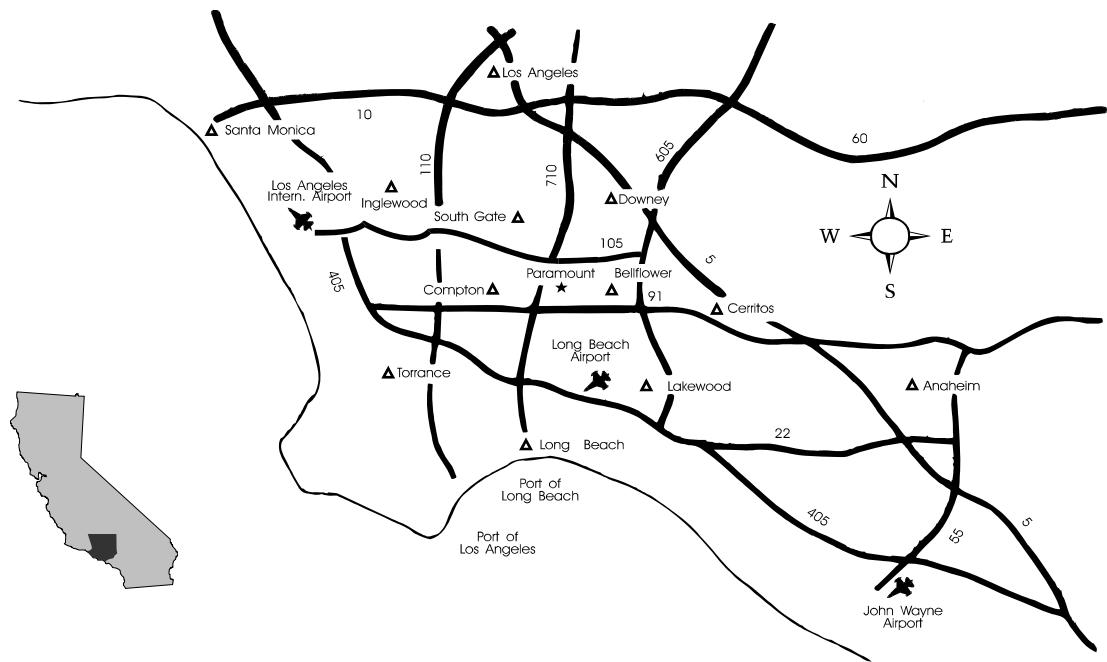
Included are the Management's Discussion and Analysis (MD&A) and all disclosures necessary to enable the reader to gain an understanding of the City's financial activities as well as the GASB requirement that management provide a narrative introduction, overview, and analysis to accompany the basic financial 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 52,000 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. To enhance operational stability and strengthen preparedness for economic downturns and catastrophic emergencies, the City adopted the Fund Balance Policy. The Government Finance Officers Association (GFOA) recommends that local governments maintain unrestricted reserves of at least 16% – 17% of annual operating revenues or expenditures, equivalent to approximately two months of operating costs. As of fiscal year ending June 30, 2025, the City committed \$25.4 million for operating reserve representing 50% of the FY 2024-25 adopted General Fund operating expenditure budget, and \$3.9 million for economic uncertainty representing 8% of the actual FY 2024-25 General Fund expenditures – slightly below the 10% policy target. However, the combined reserve level of 58% continues to demonstrate the City's strong commitment to fiscal responsibility and long-term 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 2025, the City posted investment earnings of \$3.1 million.

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 80-81) describes in depth the premium and liability coverage of the members.

ACCOMPLISHMENTS & OUTLOOK

As of June 30, 2025, the General Fund balance is \$52.5 million, which is an increase of \$2 million from the prior year due to increases in revenues for specific purposes; and \$2.1 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 82.

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.

Capital Improvement Completion

During FY 2024–25, the City completed the construction of numerous street improvement projects, including street and sidewalk repairs and installations, traffic signal improvements—including installation of the HAWK pedestrian crossing system at Orange Avenue and Myrrh Street—and continued resurfacing of neighborhood streets.

Deferred maintenance and structural improvements were also completed during the fiscal year, including Dills Park irrigation upgrades, installation of an electric vehicle charging station at Progress Park, Friday Night Market lighting improvements, Veterans Memorial renovations, and Spane Park facility improvements.

New Developments/Continuing Programs

Looking ahead to FY 2025–26, the City has budgeted \$28.1 million for capital improvement projects, including \$10.3 million for continuing projects and \$17.8 million for new initiatives. These investments support the maintenance and enhancement of transportation infrastructure, improvements to City facilities, and advancement of sustainability and utility system modernization.

Planned projects include continued street and sidewalk improvements, upgrades to Civic Center and City Hall facilities, construction of Phase 2 (Section 1) of the West Santa Ana Branch bikeway trail, and continued implementation of sustainability initiatives such as electric vehicle charging infrastructure and Advanced Metering Infrastructure (AMI) technology.

STAR Program

During FY 2024-25, operational responsibilities had shifted 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

The City of Paramount prides itself on delivering a high level of service at a reasonable cost. We continuously invest in efforts to keep our water production facilities and distribution infrastructure in sound and reliable condition.

A major milestone is the anticipated completion of the City's new water well—Well No. 16—located at Garfield Avenue and Jackson Street. The project began in FY 2015–16, and the City secured a \$6.7 million loan from the California Infrastructure and Economic Development Bank (IBank) to fund the remaining phases of design and construction. This investment is especially critical in California, where reliance on imported water has become increasingly expensive and less dependable. Once fully operational, the new well will significantly enhance the City's water supply reliability and move us closer to self-sufficiency. As of July 2025, Well No. 16 was placed into service, and the City anticipates a substantial reduction in purchased water costs in FY 2025–26.

In addition, in 2024 the City commenced a citywide replacement of outdated water meters with Advanced Metering Infrastructure (AMI) technology. AMI meters provide real-time usage data through a digital communication system that links water customers, the City's data management platform, and utility staff. This modernization effort will improve customer service, enhance leak detection capabilities, and support more efficient water management practices. The project was completed in late 2025.

Also, in our continued effort to proactively maintain and improve the City's water system, the City Council approved a multi-year water rate adjustment that took effect January 1, 2022. The rate increases are phased in gradually over a five-year period, with the final adjustment scheduled for January 1, 2026. Despite these incremental increases, Paramount's water rates remain among the lowest compared to the 14 neighboring water agencies.

The City also initiated another water rate study in late 2025 at the request of IBank to ensure sufficient reserves are maintained and to remain in full compliance with the loan agreement for the construction of Well No. 16.

Long-Term Financial Outlook

Long-term financial projections indicate that, absent corrective action, expenditure growth may outpace revenue growth over time, resulting in potential structural imbalances. The City will continue to evaluate revenue strategies, expenditure controls, and long-range financial planning measures to promote fiscal sustainability while maintaining essential service levels.

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, 2024. 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



Lana Dich, Finance Director

Roster of Officials

City of Paramount, CA
on June 30, 2025

CITY COUNCIL

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

Parks & Recreation Commission

Charlene Landry, Chair
Austin Moreno, Vice Chair
Jennifer Alcaraz, Commissioner
Shirley Grayson, Commissioner
Alejandro Maldonado, Commissioner

Planning Commission

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

Public Safety Commission

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

Public Works Commission

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

Senior Services Commission

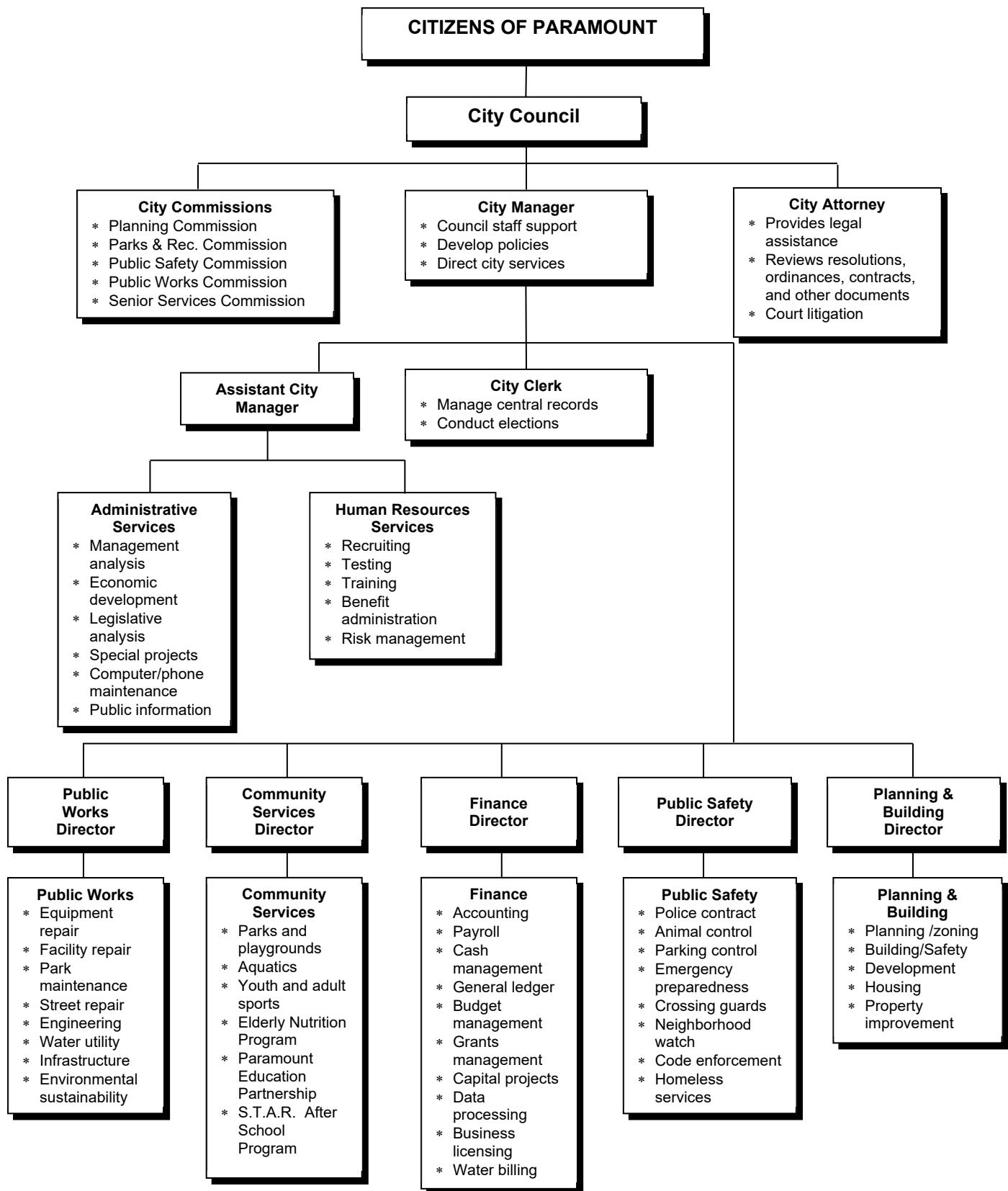
Claudia Quinones, Chair
Elsa Padilla, Vice Chair
Martha Garcia, Commissioner
Anna Mageno, Commissioner
Patricia Winiecki, Commissioner

City Officials

John Moreno, City Manager
Nicholas Ghirelli, City Attorney
Grissel Chavez, Assistant City Manager
John King, Planning & Building Director
Adriana Figueroa, Public Works Director
Yecenia Guillen, Community Services Director
Margarita Matson, Public Safety Director
Lana Dich, Finance Director

Organizational Chart

City of Paramount, CA
on June 30, 2025

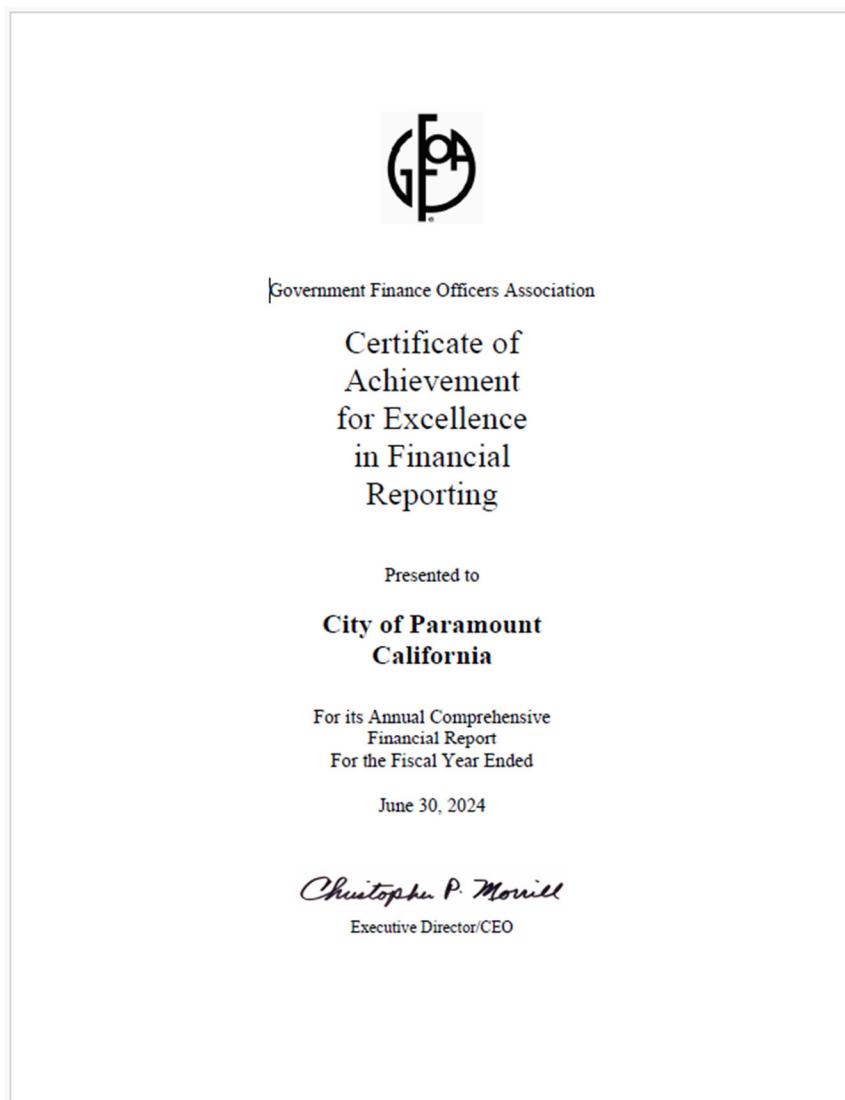


Award for Financial Reporting

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, 2024.

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, 2025 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 AUDITOR'S 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, 2025, 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, 2025, 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.

To the Honorable Mayor and the Members of the City Council
of the City of Paramount
Paramount, California
Page 2

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

To the Honorable Mayor and the Members of the City Council
of the City of Paramount
Paramount, California
Page 3

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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, 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 Pugh Group, LLP". The signature is fluid and cursive, with "The Pugh Group" on the first line and "LLP" on the second line.

Santa Ana, California
December 30, 2025

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City of Paramount
Management's Discussion and Analysis (Unaudited)
June 30, 2025

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, 2025. 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 2024-25 by \$143.8 million (net position). This amount increased by approximately \$10.8 million from last year.
- As of June 30, 2025, the City's governmental funds reported combined fund balances of \$71.2 million. Of this amount, approximately \$1.4 million (2.0%) is nonspendable, \$16.1 million (22.7%) is restricted, \$31.6 million (44.4%) is committed, \$20.0 million (28.0%) is assigned, and \$2.1 million (2.9%) is unassigned and available for spending at the City's discretion.
- As of June 30, 2025, the Water Enterprise Fund reported an unrestricted net position of negative \$1.1 million. Although the unrestricted net position remains negative, the deficit reflects a significant improvement compared to the prior year deficit of \$4.2 million. The negative unrestricted net position is primarily attributable to delays in bringing Well 16 into operation. Management has developed financial strategies intended to improve the Water Enterprise Fund's financial position over time.

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, 2025

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, 2025

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 45-83 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 87-97.

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 104-139 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, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 84,752,491	\$ 80,686,020	\$ 4,874,797	\$ 15,424,553	\$ 89,627,288	\$ 96,110,573
Capital assets, net	83,914,744	76,458,433	37,299,654	33,362,750	121,214,398	109,821,183
Total assets	168,667,235	157,144,453	42,174,451	48,787,303	210,841,686	205,931,756
Deferred outflows of resources	9,337,139	12,062,890	659,023	1,750,321	9,996,162	13,813,211
Current liabilities	11,101,192	8,726,850	2,095,459	6,489,858	13,196,651	15,216,708
Long-term liabilities	30,094,877	31,287,594	24,292,946	25,342,331	54,387,823	56,629,925
Total liabilities	41,196,069	40,014,444	26,388,405	31,832,189	67,584,474	71,846,633
Deferred inflows of resources	8,795,328	12,968,206	707,298	1,887,338	9,502,626	14,855,544
Net position						
Net investment in capital assets	82,536,876	76,132,951	16,838,647	21,013,078	99,375,523	97,146,029
Restricted	16,303,894	16,004,360	-	-	16,303,894	16,004,360
Unrestricted	29,172,207	24,087,382	(1,100,876)	(4,194,981)	28,071,331	19,892,401
Total net position	\$ 128,012,977	\$ 116,224,693	\$ 15,737,771	\$ 16,818,097	\$ 143,750,748	\$ 133,042,790

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2025

The City's total assets increased from \$205.9 million to \$210.8 million during the fiscal year, while total liabilities decreased from \$71.8 million to \$67.6 million. Pension and Other Post-Employment Benefits (OPEB) related deferred outflows of resources decreased from \$13.8 million to \$10.0 million, and deferred inflows of resources decreased from \$14.9 million to \$9.5 million (see Notes 7 and 8 on pages 69–78). As of June 30, 2025, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$143.8 million, representing an increase of \$10.8 million from the prior year. The increase was primarily attributable to capital projects capitalized as assets, and a year-end operating surplus from one-time revenue sources.

Governmental activities. For the year ended June 30, 2025, the City's governmental activities reported a total net position of \$128.0 million, representing an increase of \$11.8 million from the prior year. Operating contributions and grants increased by approximately \$0.3 million compared to the prior year. Total program expenses increased to \$57.5 million, up from \$55.1 million in the prior year, driven primarily by higher public works and public safety expenditures. General revenues decreased from the prior year; however, strong market performance resulted in an increase of approximately \$0.5 million in investment earnings. Overall tax revenues declined by approximately \$2.2 million, primarily due to lower sales tax and transactions and use tax revenues.

Business-type activities. Business-type activities, consisting of the Water Enterprise Fund, reported a decrease in net position of \$1.1 million, from \$16.8 million to \$15.7 million. Total revenues increased to approximately \$10.4 million, reflecting an increase of \$0.9 million in program revenues. Total expenses increased to \$11.5 million. While total revenues increased compared to the prior year, they were not sufficient to offset overall operating costs, resulting in a decrease in net position for the fiscal year.

City of Paramount - Summary of Changes in Net Position
Year Ended June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues						
Charges for services	\$ 3,896,318	\$ 3,448,887	\$ 10,032,497	\$ 9,280,735	\$ 13,928,815	\$ 12,729,622
Operating contributions and grants	10,512,887	10,202,595	-	-	10,512,887	10,202,595
Capital contributions and grants	10,126,880	5,835,628	-	-	10,126,880	5,835,628
General revenues						
Sales tax	10,699,660	12,187,616	-	-	10,699,660	12,187,616
Transaction & use tax	7,509,858	8,551,198	-	-	7,509,858	8,551,198
Utility user's tax	4,981,902	4,652,691	-	-	4,981,902	4,652,691
Franchise tax	2,616,822	2,471,532	-	-	2,616,822	2,471,532
Property tax	3,255,950	3,095,924	-	-	3,255,950	3,095,924
Business license tax	1,409,135	1,046,281	-	-	1,409,135	1,046,281
Investment earnings	2,754,193	2,239,275	368,484	251,897	3,122,677	2,491,172
Unrestricted motor vehicle license fee	8,968,371	8,406,004	-	-	8,968,371	8,406,004
Other revenue	2,576,105	1,583,242	-	-	2,576,105	1,583,242
Total revenues	69,308,081	63,720,873	10,400,981	9,532,632	79,709,062	73,253,505
Program expenses						
General government	8,939,850	8,911,185	-	-	8,939,850	8,911,185
Community development	3,866,190	3,509,880	-	-	3,866,190	3,509,880
Public safety	16,065,985	15,675,326	-	-	16,065,985	15,675,326
Community services & recreation	10,509,716	11,440,951	-	-	10,509,716	11,440,951
Public works	17,744,565	15,169,110	-	-	17,744,565	15,169,110
Interest and fiscal charges	393,491	368,796	-	-	393,491	368,796
Water	-	-	11,481,307	11,240,964	11,481,307	11,240,964
Total expenses	57,519,797	55,075,248	11,481,307	11,240,964	69,001,104	66,316,212
Excess (deficiency) before contributions, special and extraordinary items & transfers	11,788,284	8,645,625	(1,080,326)	(1,708,332)	10,707,958	6,937,293
Transfers in / (out)	-	-	-	-	-	-
Special item-housing assets	-	-	-	-	-	-
Special item-Redevelopment Agency	-	-	-	-	-	-
Change in net position	11,788,284	8,645,625	(1,080,326)	(1,708,332)	10,707,958	6,937,293
Net position, beginning of year	116,224,693	107,579,068	16,818,097	18,526,429	133,042,790	126,105,497
Net position, end of year	\$ 128,012,977	\$ 116,224,693	\$ 15,737,771	\$ 16,818,097	\$ 143,750,748	\$ 133,042,790

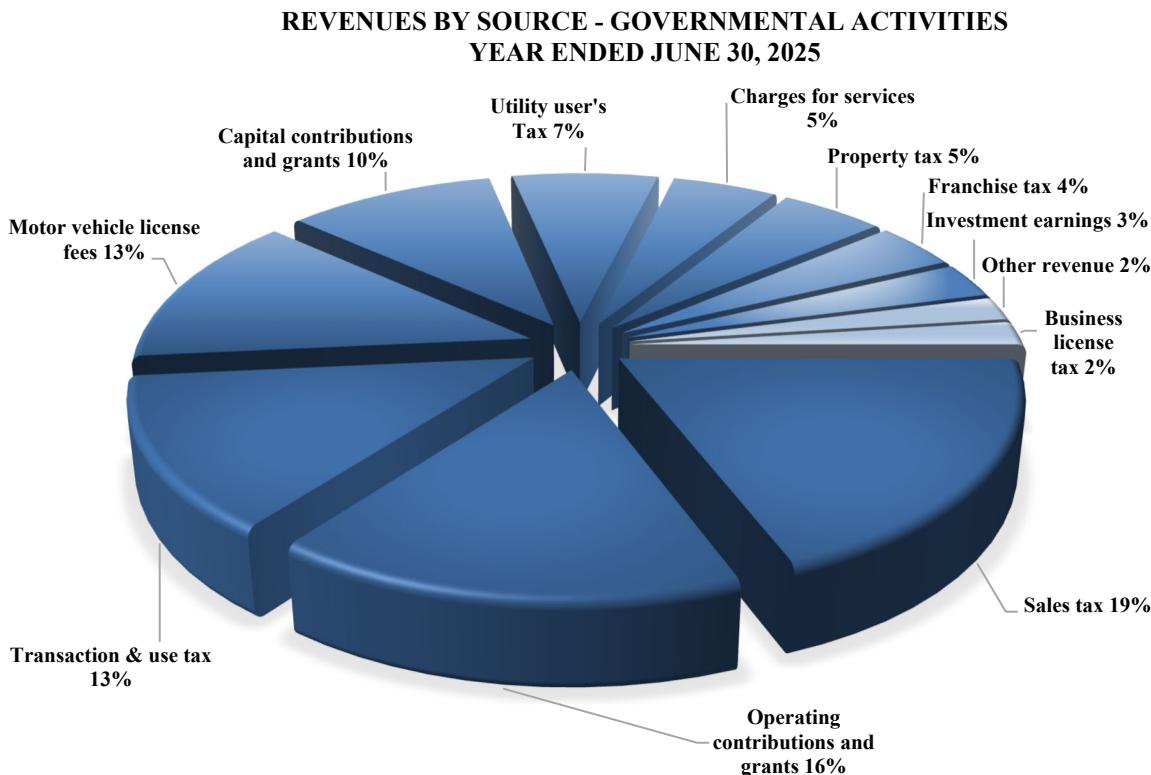
City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2025

Revenues

- As of June 30, 2025, total revenues were \$79.7 million, an increase of \$6.5 million, or 8.8%, from the prior fiscal year. This increase was primarily driven by higher capital contributions and grants, which increased by \$4.3 million compared to the prior year, reflecting the timing and completion of the eligible capital improvement projects.
- Sales tax revenues decreased by \$1.5 million or 12.2%, while transactions and use tax revenues decreased by \$1.0 million or 12.2%, resulting in a combined decline of \$2.5 million or 24.4%. The decrease reflects shifting consumer behavior and lower taxable sales activity compared to the prior year.
- Utility user's tax revenues increased by \$0.3 million, or 7.1%, primarily due to higher utility rates and increased usage.
- Franchise tax revenues increased by \$0.1 million, or 5.9 %, largely attributable to higher utility franchise receipts.
- Property tax revenues increased by \$0.2 million, or 5.2 %, due to growth in assessed property valuations.
- Business license tax revenues increased by \$0.4 million, or 34.6%, reflecting continued economic activity and changes in the City's business tax structure.
- Investment earnings increased by \$0.6 million, or 25.3%, due to higher interest rates and proactive investment of idle cash.
- Motor vehicle license fee revenues increased by \$0.6 million, or 6.7%, due to higher statewide allocations.
- Other revenues increased by approximately \$1.0 million, largely attributable to the receipt of sales of the Fire House and other Settlements during the fiscal year.

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.



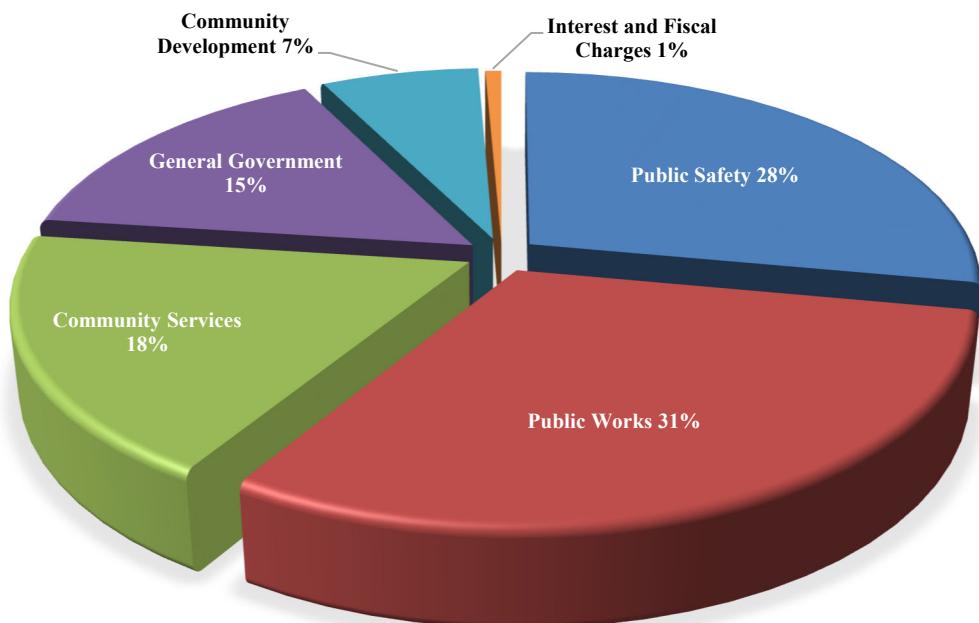
City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2025

- In the operating contributions and grants category, the City received some significant grant sources, including:
 - \$2.9 million After School Education and Safety Grant for the Success Through Academics and Recreation (S.T.A.R.) Program
 - \$1.5 million State Gas Tax
 - \$1.4 million Proposition A Transit Tax
 - \$1.5 million SB1 Road Maintenance & Rehabilitation Account
 - \$1.1 million Proposition C Transit Tax
 - \$1.0 million Measure M Transit Tax
 - \$0.9 million Measure R Transit Tax
 - \$0.8 million Measure A Parks
 - \$1.0 million Community Development Block Grant
 - \$0.7 million Measure W Safe Clean Water
 - \$0.8 million Community Benefit Agreement

Expenses

Total program expenses increased from the prior year, from \$55.1 million to \$57.5 million, representing an increase of about \$2.4 million, or 4%. The primary source of the increase was Public Works, which increased by \$2.6 million, reflecting higher capital project-related consultant costs and increased maintenance-related expenses during the fiscal year. Public Safety expenses also increased by approximately \$0.4 million, while Community Development expenses increased by approximately \$0.4 million. General Government expenses remained relatively flat, increasing by less than \$0.1 million. These increases were partially offset by a decrease of approximately \$0.9 million in Community Services and Recreation, primarily due to lower program activity costs compared to the prior year.

EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES
YEAR END JUNE 30, 2025



The top three expense activities were Public Works, accounting for 31% of total expenses, Public Safety at 28%, and Community Services and Recreation at 18%.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2025

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.

As of June 30, 2025, the City's governmental funds reported combined ending fund balances of \$71.2 million, an increase of \$2.7 million from the prior year balance of \$68.5 million. The increase was primarily related to a surplus in the General Fund from various one-time sources and the 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:

- \$1.4 million, or 2%, consists of nonspendable fund balances, which include prepaid items, land held for resale, and advances from other funds;
- \$16.1 million, or 23%, consists of restricted fund balances related to various grants, assessments, and debt service requirements;
- \$31.6 million, or 44%, consists of committed fund balances for operations, economic uncertainty and infrastructure, and various development-related purposes;
- \$20.0 million, or 28%, consists of assigned fund balances designated for specific purposes, including compensated absences, capital projects, self-insurance, special projects, and retiree benefit obligations; and
- \$2.1 million, or 3%, represents the unassigned fund balance, which is available for spending at the government's discretion.

General Fund. The General Fund is the chief operating fund of the City of Paramount. As of June 30, 2025, the General Fund reported a fund balance of \$52.5 million. During the fiscal year, the City continued to apply the Fund Balance Policy that was revised by the City Council in July 2024, which established reserve targets to support financial stability and risk management. In accordance with the policy, the City committed \$29.2 million of its General Fund balance for operating reserves in the amount of \$25.4 million, representing 50% of annual General Fund operating expenditures, and economic uncertainty and infrastructure in the amount of \$3.9 million, representing 8% of General Fund operating expenditures, which is below the policy target by 2%. Despite the shortfall, these reserve levels exceed the minimum reserve ranges commonly referenced by the Government Finance Officers Association (GFOA) and provide flexibility to address economic volatility and emergency needs. Additional details regarding the City's fund balance classifications are provided in Note 12 to the Notes to Basic Financial Statements.

Other Grants Special Revenue Fund. The City's operating and capital contributions and grants comprise approximately 26% of total revenues and serve as one-time or ongoing revenue sources for capital projects, street maintenance, water infrastructure, and community services. For the year ended June 30, 2025, operating contributions and grants totaled \$10.5 million, compared to \$10.2 million in the prior year, reflecting a modest increase. In addition, capital contributions and grants increased to \$10.1 million in fiscal year 2025 from \$5.8 million in fiscal year 2024, primarily related to grant-funded capital and infrastructure projects.

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

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2025

The Water Utility reported total net position of \$15.7 million, of which \$16.8 million represents net investment in capital assets. Unrestricted net position reflected a negative balance of \$1.1 million at year-end, an improvement from the prior year, when unrestricted net position reflected a negative balance of \$4.2 million. The continued negative unrestricted net position was primarily attributable to reliance on purchased imported water due to delays in the opening of Well 16, during a period of elevated water costs. In addition, the conclusion of ARPA funding, which had previously helped offset operating expenses in prior fiscal years, further contributed to the operating shortfall. To address this structural imbalance, the City is conducting a water rate study to reassess its water rate structure and support the long-term financial sustainability of the Water Utility.

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, 2025

	Budgeted Amounts			Variance with Final Budget	
	Original	Final	Actual Amounts	Positive (Negative)	
Revenues					
Taxes	\$ 30,459,700	\$ 30,459,700	\$ 30,473,327	\$ 13,627	
Intergovernmental revenues	8,568,250	8,568,250	8,968,371	400,121	
Other revenues	8,719,350	8,719,350	8,806,084	86,734	
Total revenues	47,747,300	47,747,300	48,247,782	500,482	
Expenditures					
Operations	45,432,750	40,232,787	41,344,530	(1,111,743)	
Capital outlay	4,006,800	22,126,460	4,281,048	17,845,412	
Debt service	1,772,000	1,772,000	1,878,667	(106,667)	
Total expenditures	51,211,550	64,131,247	47,504,245	16,627,002	
Excess (deficiency) of revenues over (under) expenditures	(3,464,250)	(16,383,947)	743,537	17,127,484	
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	
Issuance of debt	-	-	1,217,996	1,217,996	
Total other financing sources (uses)	-	-	1,217,996	1,217,996	
Extraordinary and special items					
Special item (Note 14)	\$ -	-	-	-	
Total extraordinary and special items	-	-	-	-	
Net change in fund balances	(3,464,250)	(16,383,947)	1,961,533	18,345,480	
Fund balance - July 1	23,039,850	34,194,320	50,504,533	16,310,213	
Fund balance - June 30	\$ 19,575,600	\$ 17,810,373	\$ 52,466,066	\$ 34,655,693	

Variance with the Final Budget

Overall, total actual revenues exceeded the final budget by \$0.5 million, primarily due to higher-than-anticipated intergovernmental revenues of \$0.4 million. On the other hand, actual expenditures were \$16.6 million lower than the final budget, largely due to delays in capital improvement projects and professional services.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2025

Capital Asset and Debt Administration

Capital assets. As of June 30, 2025, the City's investment in capital assets for its governmental and business-type activities totaled \$121.2 million, 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 - Capital Assets
(Net of Accumulated Depreciation)
June 30, 2025 and 2024

	Governmental		Business-Type		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 14,837,560	\$ 14,849,080	\$ 2,894,476	\$ 2,894,476	\$ 17,732,036	\$ 17,743,556
Construction in progress	17,626,746	10,284,238	22,486,276	17,783,591	40,113,022	28,067,829
Land improvements	5,316,156	4,693,045	-	-	5,316,156	4,693,045
Building and improvements	8,380,277	7,522,615	4,683,206	4,987,295	13,063,483	12,509,910
Machinery and equipment	2,452,570	2,747,731	1,032,006	1,131,008	3,484,576	3,878,739
Infrastructure	33,927,221	36,061,539	6,182,309	6,536,981	40,109,530	42,598,520
Right-of-use leased vehicles	1,374,214	300,185	21,381	29,399	1,395,595	329,584
Total	\$ 83,914,744	\$ 76,458,433	\$ 37,299,654	\$ 33,362,750	\$ 121,214,398	\$ 109,821,183

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, 2025, the City of Paramount had total outstanding liabilities of \$54.4 million. Of this amount, \$24.3 million is a liability of the business-type activity.

City of Paramount - Outstanding Liabilities
June 30, 2025 and 2024

	Governmental		Business-Type		Total	
	2025	2024	2025	2024	2025	2024
Note Payable - IBank	\$ -	\$ -	\$ 9,223,436	\$ 9,571,590	\$ 9,223,436	\$ 9,571,590
Note Payable - AMI	-	-	11,128,410	11,236,354	11,128,410	11,236,354
Financed purchases	-	12,164	-	-	-	12,164
Pension Obligation Bonds*	11,466,308	12,707,911	1,693,692	1,877,089	13,160,000	14,585,000
Bond discount*	(141,496)	(152,380)	(20,900)	(22,508)	(162,396)	(174,888)
Lease liability	1,004,993	244,232	16,427	24,009	1,021,420	268,241
Net OPEB liability	7,150,351	7,529,677	838,176	1,072,397	7,988,527	8,602,074
Net pension liability	9,983,398	10,253,911	1,329,669	1,497,927	11,313,067	11,751,838
Compensated absences	631,323	692,079	84,036	85,473	715,359	777,552
Total	\$ 30,094,877	\$ 31,287,594	\$ 24,292,946	\$ 25,342,331	\$ 54,387,823	\$ 56,629,925

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 \$210,517,618, 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.

City of Paramount
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2025

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

The City's financial outlook entering FY 2025–26 reflects ongoing inflationary pressures following recent economic volatility. Although inflation and broader economic uncertainty continue to affect municipal operations, the City's revenue base remains relatively stable. General Fund revenues are projected to increase modestly from the prior year, driven primarily by growth in property tax, vehicle license fee (VLF), utility user's tax, and business license tax revenues. These increases are partially offset by flat sales tax performance and projected declines in certain economically sensitive revenues.

Sales tax and transactions and use tax revenues remain the City's largest General Fund revenue sources, together accounting for approximately 46 percent of total General Fund revenues. Sales tax revenues are projected to remain flat in FY 2025–26. Property tax revenues are projected to grow based on assessed valuation increases and reassessments, with VLF revenues increasing proportionately. Business license tax revenues are projected to increase following voter-approved changes to the tax structure, transitioning from an employee-based model to a gross-receipts-based model, with a phase-in provision applied during calendar year 2025.

General Fund expenditures for FY 2025–26 are projected to remain relatively consistent with the prior year. While total expenditures reflect a slight decrease due to the completion of certain one-time projects, ongoing cost pressures persist. Key drivers include labor-related costs such as cost-of-living adjustments, pension contributions, health care costs, and inflationary impacts on operating and maintenance expenses. Public safety and public works continue to represent the largest portions of General Fund expenditures.

For FY 2025–26, the City adopted a balanced General Fund budget. Budgeted revenues total approximately \$47.1 million, and budgeted expenditures total approximately \$47.3 million. The budget includes the use of \$1 million in one-time reserves to support operations and capital needs, resulting in a projected surplus of approximately \$888,000.

The adopted budget also includes a cash loan from the General Fund to the Water Fund to ensure adequate working capital due to delays in the opening of Well 16. Bringing Well 16 online is expected to help reduce water costs and improve the long-term financial condition of the Water Fund.

Long-term financial projections indicate that expenditure growth may outpace revenue growth over time, creating potential structural imbalance. The City will continue to evaluate revenue strategies, expenditure controls, and long-term financial planning measures to maintain fiscal sustainability while maintaining service levels.

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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 68,618,818	\$ 5,041,215	\$ 73,660,033
Cash and investments with fiscal agent	2,068	598,992	601,060
Accounts receivable	12,426,530	639,704	13,066,234
Interest receivable	436,813	29,797	466,610
Prepaid items and deposits	172,819	9,240	182,059
Inventories	-	255,849	255,849
Notes receivable, net	623,899	-	623,899
Land held for resale	771,544	-	771,544
Internal balance	1,700,000	(1,700,000)	-
Capital assets			
Nondepreciable assets	32,464,306	25,380,752	57,845,058
Depreciable assets, net of accumulated depreciation	50,076,224	11,897,521	61,973,745
Intangible capital assets, net of accumulated amortization	1,374,214	21,381	1,395,595
Total capital assets	83,914,744	37,299,654	121,214,398
Total assets	168,667,235	42,174,451	210,841,686
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	6,401,495	392,318	6,793,813
Other postemployment benefits related	2,935,644	266,705	3,202,349
Total deferred outflows of resources	9,337,139	659,023	9,996,162
LIABILITIES			
Accounts payable	7,672,254	1,597,311	9,269,565
Due to other government	201,574	-	201,574
Retention payable	372,875	92,734	465,609
Unearned revenue	2,696,656	-	2,696,656
Accrued interest payable	73,466	124,101	197,567
Deposits payable	84,367	281,313	365,680
Long-term liabilities:			
Due within one year	1,806,626	947,703	2,754,329
Due in more than one year	11,154,502	21,177,398	32,331,900
Net pension liabilities	9,983,398	1,329,669	11,313,067
Net other postemployment benefits liabilities	7,150,351	838,176	7,988,527
Total liabilities	41,196,069	26,388,405	67,584,474
DEFERRED INFLOWS OF RESOURCES			
Pension related	7,448,378	531,752	7,980,130
Other postemployment benefits related	1,346,950	175,546	1,522,496
Total deferred inflows of resources	8,795,328	707,298	9,502,626
NET POSITION			
Net investment in capital assets	82,536,876	16,838,647	99,375,523
Restricted for:			
Community development	1,254,198	-	1,254,198
Public safety	490,161	-	490,161
Public works	14,215,349	-	14,215,349
Debt service	13,278	-	13,278
Other	330,908	-	330,908
Total restricted	16,303,894	-	16,303,894
Unrestricted	29,172,207	(1,100,876)	28,071,331
Total net position	\$ 128,012,977	\$ 15,737,771	\$ 143,750,748

City of Paramount
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 8,939,850	\$ 259,278	\$ 864,094	\$ -	\$ 1,123,372
Community development	3,866,190	3,022,624	1,338,145	-	4,360,769
Public safety	16,065,985	124,947	1,098,806	264,602	1,488,355
Community services	10,509,716	210,365	4,471,633	2,071,457	6,753,455
Public works	17,744,565	279,104	2,740,209	7,790,821	10,810,134
Interest	393,491	-	-	-	-
Total governmental activities	<u>57,519,797</u>	<u>3,896,318</u>	<u>10,512,887</u>	<u>10,126,880</u>	<u>24,536,085</u>
Business-type Activities:					
Water utility	11,481,307	10,032,497	-	-	10,032,497
Total business-type activities	<u>11,481,307</u>	<u>10,032,497</u>	<u>-</u>	<u>-</u>	<u>10,032,497</u>
Total primary government	<u>\$ 69,001,104</u>	<u>\$ 13,928,815</u>	<u>\$ 10,512,887</u>	<u>\$ 10,126,880</u>	<u>\$ 34,568,582</u>

(Continued)

City of Paramount
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
General government	\$ (7,816,478)	\$ -	\$ (7,816,478)
Community development	494,579	-	494,579
Public safety	(14,577,630)	-	(14,577,630)
Community services	(3,756,261)	-	(3,756,261)
Public works	(6,934,431)	-	(6,934,431)
Interest	(393,491)	-	(393,491)
Total governmental activities	(32,983,712)	-	(32,983,712)
Business-type Activities:			
Water utility	-	(1,448,810)	(1,448,810)
Total business-type activities	-	(1,448,810)	(1,448,810)
Total primary government	(32,983,712)	(1,448,810)	(34,432,522)
General Revenues:			
Sales tax	10,699,660	-	10,699,660
Transaction and use tax	7,509,858	-	7,509,858
Utility users tax	4,981,902	-	4,981,902
Franchise tax	2,616,822	-	2,616,822
Property tax	3,255,950	-	3,255,950
Business license tax	1,409,135	-	1,409,135
Investment earnings	2,754,193	368,484	3,122,677
Unrestricted motor vehicle license fee	8,968,371	-	8,968,371
Other revenue	2,576,105	-	2,576,105
Total general revenues	44,771,996	368,484	45,140,480
Change in Net Position	11,788,284	(1,080,326)	10,707,958
Net Position			
Beginning of year	116,224,693	16,818,097	133,042,790
End of year	\$ 128,012,977	\$ 15,737,771	\$ 143,750,748

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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, 2025

	General Fund	Special Revenue Fund	Other Grants Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 46,862,007	\$ 2,627,212	\$ 16,744,762	\$ 66,233,981	
Cash and investments with fiscal agent	2,068	-	-	2,068	
Accounts receivable	3,797,758	4,659,351	3,969,421	12,426,530	
Interest receivable	307,873	20,188	95,020	423,081	
Due from other funds	4,187,211	-	-	4,187,211	
Prepaid items	171,149	-	1,670	172,819	
Notes receivable, net	-	-	623,899	623,899	
Land held for resale	236,544	-	535,000	771,544	
Advance to other funds	1,700,000	-	-	1,700,000	
Total assets	\$ 57,264,610	\$ 7,306,751	\$ 21,969,772	\$ 86,541,133	
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,440,240	\$ 1,563,843	\$ 1,631,109	\$ 7,635,192	
Deposits payable	84,367	-	-	84,367	
Retentions payable	72,363	153,351	147,161	372,875	
Unearned revenues	-	2,696,656	-	2,696,656	
Due to other governmental agencies	201,574	-	-	201,574	
Due to other funds	-	2,266,092	1,921,119	4,187,211	
Total liabilities	4,798,544	6,679,942	3,699,389	15,177,875	
Deferred Inflows of Resources:					
Unavailable revenue	-	138,730	-	138,730	
Total deferred inflows of resources:	-	138,730	-	138,730	
Fund Balances:					
Nonspendable	1,407,693	-	1,670	1,409,363	
Restricted	13,278	488,079	15,642,790	16,144,147	
Committed	29,246,300	-	2,386,251	31,632,551	
Assigned	19,732,165	-	241,342	19,973,507	
Unassigned	2,066,630	-	(1,670)	2,064,960	
Total fund balances	52,466,066	488,079	18,270,383	71,224,528	
Total liabilities, deferred inflows of resources and fund balances	\$ 57,264,610	\$ 7,306,751	\$ 21,969,772	\$ 86,541,133	

City of Paramount
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

Fund Balances of Governmental Funds	\$ 71,224,528
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 \$1,599,323 reported in Internal Service Fund.	82,315,421
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	(12,329,805)
Compensated absences	(631,323)
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.	(73,466)
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	6,401,495
Net pension liability	(9,983,398)
Deferred inflows related to pensions	(7,448,378)
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	2,935,644
Net OPEB liability	(7,150,351)
Deferred inflows related to OPEB	(1,346,950)
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.	138,730
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.	3,960,830
Net Position of Governmental Activities	\$ 128,012,977

City of Paramount
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Other Grants Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	\$ 30,473,327	\$ -	\$ -	\$ 30,473,327
Licenses and permits	1,701,436	-	-	1,701,436
Fines and penalties	1,172,385	-	-	1,172,385
Interest and use of property	2,629,255	35,520	848,132	3,512,907
Intergovernmental revenues	8,968,371	6,190,355	13,891,478	29,050,204
Charges for services	756,338	-	252,064	1,008,402
Other revenues	2,546,670	-	270,455	2,817,125
Total revenues	48,247,782	6,225,875	15,262,129	69,735,786
EXPENDITURES:				
Current:				
General government	8,950,140	-	548,383	9,498,523
Community development	2,857,217	153,957	1,166,050	4,177,224
Public safety	15,238,441	643,730	365,577	16,247,748
Community services	3,856,460	-	3,796,046	7,652,506
Public works	10,248,423	440,814	2,271,887	12,961,124
Capital outlay:				
Streets, sidewalks and signals	-	2,222,527	5,071,200	7,293,727
Parks	-	2,450,631	261,837	2,712,468
Other	4,284,048	106,240	1,211,172	5,601,460
Debt service:				
Principal	1,722,229	-	76,650	1,798,879
Interest	347,287	-	9,459	356,746
Total expenditures	47,504,245	6,017,899	14,778,261	68,300,405
Excess (deficiency) of revenues over (under) expenditures	743,537	207,976	483,868	1,435,381
OTHER FINANCING SOURCES:				
Issuance of debt	1,217,996	-	87,877	1,305,873
Total other financing sources	1,217,996	-	87,877	1,305,873
Net change in fund balances	1,961,533	207,976	571,745	2,741,254
FUND BALANCES:				
Beginning of year	50,504,533	280,103	17,698,638	68,483,274
End of year	\$ 52,466,066	\$ 488,079	\$ 18,270,383	\$ 71,224,528

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, 2025

Net Change in Fund Balances - Governmental Funds	\$	2,741,254
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 \$220,893 reported in Internal Service Fund		13,755,479
Depreciation expense, net of \$106,619 reported in Internal Service Fund		(6,413,442)
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		1,798,879
Issuance of lease liability		(1,305,873)
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.		
		60,756
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.		
		1,430,758
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.		
		666,208
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.		(552,643)
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.		(356,347)
Change in Net Position of Governmental Activities	\$	11,788,284

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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City of Paramount
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
ASSETS		
Current Assets:		
Cash and investment	\$ 5,041,215	\$ 2,384,837
Cash and investment with fiscal agent	598,992	-
Accounts receivable	639,704	-
Interest receivable	29,797	13,732
Prepaid items	9,240	-
Inventories	255,849	-
Total current assets	<u>6,574,797</u>	<u>2,398,569</u>
Noncurrent Assets:		
Capital assets:		
Nondepreciable asset	25,380,752	-
Depreciable assets, net of accumulated depreciation	11,897,521	1,599,323
Intangible capital assets, net of accumulated amortization	21,381	-
Total capital assets	<u>37,299,654</u>	<u>1,599,323</u>
Total noncurrent assets	<u>37,299,654</u>	<u>1,599,323</u>
Total assets	<u>43,874,451</u>	<u>3,997,892</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	392,318	-
Other postemployment benefits related	266,705	-
Total deferred outflows of resources	<u>659,023</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,597,311	37,062
Retentions payable	92,734	-
Interest payable	124,101	-
Deposits payable	281,313	-
Compensated absences, due within one year	29,412	-
Bonds and notes payable, due within one year	910,296	-
Lease payable, due within one year	7,995	-
Total current liabilities	<u>3,043,162</u>	<u>37,062</u>
Noncurrent Liabilities:		
Advance from other funds	1,700,000	-
Compensated absences, due in more than one year	54,623	-
Bonds and notes payable, due in more than one year	21,114,343	-
Lease payable, due in more than one year	8,432	-
Net pension liability	1,329,669	-
Net other postemployment benefits liability	838,176	-
Total noncurrent liabilities	<u>25,045,243</u>	<u>-</u>
Total liabilities	<u>28,088,405</u>	<u>37,062</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	531,752	-
Other postemployment benefits related	175,546	-
Total deferred inflows of resources	<u>707,298</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	16,838,647	1,599,323
Unrestricted	(1,100,876)	2,361,507
Total Net Position	<u>\$ 15,737,771</u>	<u>\$ 3,960,830</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, 2025

	Business-type Activities	Governmental Activities-
	Water Enterprise Fund	Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 9,901,723	\$ -
Other revenue	130,774	-
Total operating revenue	<u>10,032,497</u>	<u>-</u>
OPERATING EXPENSES		
Water commission	764	-
Water system administration	1,178,304	-
Water production	6,293,438	-
Water distribution	1,589,370	-
Water customer service	215,358	-
Water billing	346,629	-
Other operating expenses	256,894	374,666
Depreciation	765,781	106,619
Total operating expenses	<u>10,646,538</u>	<u>481,285</u>
Operating (loss)	<u>(614,041)</u>	<u>(481,285)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest revenue	368,484	124,938
Interest expense	(834,769)	-
Total nonoperating revenues (expenses)	<u>(466,285)</u>	<u>124,938</u>
Change in net position	(1,080,326)	(356,347)
NET POSITION		
Beginning of year	16,818,097	4,317,177
End of year	<u>\$ 15,737,771</u>	<u>\$ 3,960,830</u>

City of Paramount
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities	Governmental Activities-
	Water Enterprise Fund	Internal Service Fund
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 10,145,326	\$ -
Payments to suppliers	(11,493,712)	(386,637)
Payments to employees	(1,896,956)	-
Net cash (used in) operating activities	<u>(3,245,342)</u>	<u>(386,637)</u>
Cash Flows From Noncapital Financing Activities:		
Principal paid on pension obligation bonds	(183,397)	-
Interest paid on pension obligation bonds	(44,653)	-
Net cash (used in) noncapital financing activities	<u>(228,050)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	(4,958,270)	(220,893)
Principal paid on capital debt	(463,680)	-
Interest paid on capital debt	(1,083,772)	-
Net cash (used in) capital and related financing activities	<u>(6,505,722)</u>	<u>(220,893)</u>
Cash Flows From Investing Activities		
Interest received	<u>399,941</u>	<u>129,397</u>
Net cash provided by investing activities	<u>399,941</u>	<u>129,397</u>
Net change in cash and cash equivalents	<u>(9,579,173)</u>	<u>(478,133)</u>
Cash and Cash Equivalents:		
Beginning of year	<u>15,219,380</u>	<u>2,862,970</u>
End of year	<u>\$ 5,640,207</u>	<u>\$ 2,384,837</u>
Noncash Item:		
Amortization of bond discount	<u>\$ 1,608</u>	<u>\$ -</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating (loss)	\$ (614,041)	\$ (481,285)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	765,781	106,619
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable	110,904	-
(Increase)/decrease in prepaid items	(440)	-
(Increase)/decrease in inventory	(21,338)	-
(Increase)/decrease in deferred inflows of resources - pensions	896,278	-
(Increase)/decrease in deferred inflows of resources - OPEB	195,019	-
Increase/(decrease) in accounts payable	(3,845,474)	(11,971)
Increase/(decrease) in advance to other funds	850,000	-
Increase/(decrease) in deposits payable	1,925	-
Increase (decrease) in compensated absences	(1,437)	-
Increase (decrease) in net pension liability	257,272	-
Increase (decrease) in net OPEB liability	(659,751)	-
Increase (decrease) in deferred inflows of resources - pensions	(1,079,269)	-
Increase (decrease) in deferred inflows of resources - OPEB	(100,771)	-
Total adjustments	<u>(2,631,301)</u>	<u>94,648</u>
Net cash used in operating activities	<u>\$ (3,245,342)</u>	<u>\$ (386,637)</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, 2025

	Successor Agency	Private-Purpose Trust Fund	Custodial Fund
ASSETS			
Current Assets			
Cash and investments	\$ 2,921,998	\$ 79,250	79,250
Restricted cash and investments	4,439,298	-	-
Interest receivable	3,558	-	-
Notes receivable	75	-	-
Total current assets	<u>7,364,929</u>	<u>79,250</u>	<u>79,250</u>
Noncurrent assets			
Building and building improvement	358,066	-	-
Infrastructure	4,277,466	-	-
Less: accumulated depreciation	<u>(3,967,947)</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>667,585</u>	<u>-</u>	<u>-</u>
Total assets	<u>8,032,514</u>	<u>79,250</u>	<u>79,250</u>
LIABILITIES			
Current liabilities			
Accounts payable	-	79,250	79,250
Interest payable	32,046	-	-
Bonds payable, due within one year	<u>5,583,298</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>5,615,344</u>	<u>79,250</u>	<u>79,250</u>
Noncurrent liabilities:			
Bonds payable, due in more than one year	5,578,510	-	-
Deferred pass through payments	<u>930,740</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>6,509,250</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,124,594</u>	<u>79,250</u>	<u>79,250</u>
NET POSITION (DEFICIT)			
Restricted for:			
Successor Agency for the Paramount Redevelopment Agency	<u>(4,092,080)</u>	<u>-</u>	<u>-</u>
Total fiduciary net position	<u>\$ (4,092,080)</u>	<u>\$ -</u>	<u>\$ -</u>

City of Paramount
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Successor Agency	Private-Purpose Trust Fund	Custodial Fund
ADDITIONS:			
Redevelopment property taxes trust fund	\$ 5,973,736	\$ -	-
Interest and use of property	90,230	-	-
Total additions	6,063,966	-	-
DEDUCTIONS:			
Administrative expenses	250,000	-	-
Depreciation	180,171	-	-
Interest and fiscal agent expenses	897,986	-	-
Total deductions	1,328,157	-	-
Change in net position	4,735,809	-	-
NET POSITION:			
Beginning of year	(8,827,889)	-	-
End of year	\$ (4,092,080)	\$ -	-

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Paramount
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For the Year Ended June 30, 2025

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For the Year Ended June 30, 2025

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City of Paramount
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

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, 2025

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, 2025

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, 2025

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 funds follow the economic resources measurement focus and the accrual basis of accounting. 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, 2025

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.

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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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. Compensated Absences

The City maintains a paid time off (PTO) policy as part of its employee compensation and benefits program. Under the City's established policy, full-time employees accrue PTO, which encompasses both vacation and sick leave. PTO accrual rates vary based on years of service and employment classification. Part-time employees do not accrue PTO but are eligible to earn sick leave in accordance with policy. Accrued PTO is subject to carryover limits and may be paid out upon separation from service, depending on eligibility and policy provisions.

The liability for compensated absences is recognized as leave is earned, based on the employee's pay rate in effect at the financial statement date, including any applicable salary-related costs. The liability includes only leave attributable to services already rendered and that is more likely than not to be paid.

M. 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.

N. 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, 2025.

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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Lease Liabilities (Continued)

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 noncancelable 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, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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. Investments are reported at fair value.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

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, 2025, property tax revenue to the City totaled \$3,255,950.

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.

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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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, inventory, or advance from other fund) 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.

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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

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, the GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. There is no significant impact to the financial statements as a result of the implementation.

Note 2 – Cash and Investments

Cash and investments as of June 30, 2025 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	\$ 68,618,818	\$ 5,041,215	\$ 3,001,248	\$ 76,661,281
Cash and investment with fiscal agent	2,068	598,992	4,439,298	5,040,358
Total cash and investments	\$ 68,620,886	\$ 5,640,207	\$ 7,440,546	\$ 81,701,639

Cash and investments as of June 30, 2025 consisted of the following:

Petty cash	\$ 8,869
Deposits with financial institutions	4,703,558
Investments	76,989,212
Total cash and investments	\$ 81,701,639

A. Demand Deposits

The carrying amounts of the City's demand deposits were \$4,703,558 at June 30, 2025. Bank balances at that date were \$5,422,502, 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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

A. Demand Deposits (Continued)

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 11, 2024. 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

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

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

D. Fair Value Measurement

At June 30, 2025, 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, 2025.

Investment Type	Value	Fair Value Measurement				Uncategorized
		Quoted Prices in Active Markets for Identical Assets		Significant Other Observable Inputs	(Level 2)	
		(Level 1)				
Investments:						
US Treasury notes	\$ 20,397,725	\$ 20,397,725	\$ -	\$ -	\$ -	\$ -
Money market funds	66,937	-	-	-	-	66,937
US government sponsored enterprise securities	20,051,703	-	20,051,703	-	-	-
Negotiable certificates of deposit	23,730,149	-	23,730,149	-	-	-
LAIF	306,354	-	-	-	-	306,354
CAMP	7,395,987	-	-	-	-	7,395,987
Investments with fiscal agent:						
Money market funds	5,040,357	-	-	-	-	5,040,357
Total investments	\$ 76,989,212	\$ 20,397,725	\$ 43,781,852	\$ 12,809,635		

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:

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	\$ 20,397,725	\$ 5,475,696	\$ 6,467,328	\$ 4,511,970	\$ 505,385	\$ 3,437,346
Money market funds	66,937	66,937	-	-	-	-
US government sponsored enterprise securities	20,051,703	738,264	6,373,861	1,513,737	6,861,012	4,564,829
Negotiable certificates of deposit	23,730,149	2,468,637	4,744,904	7,964,947	6,829,739	1,721,922
LAIF	306,354	306,354	-	-	-	-
CAMP	7,395,987	7,395,987	-	-	-	-
Investments with Fiscal Agent:						
Money market funds	5,040,357	5,040,357	-	-	-	-
Total investments	\$ 76,989,212	\$ 21,492,232	\$ 17,586,093	\$ 13,990,654	\$ 14,196,136	\$ 9,724,097

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

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	\$ 20,397,725	\$ 20,397,725	\$ -
Money market funds	None	66,937	66,937	-
US government sponsored enterprise securities	None	20,051,703	20,051,703	-
Negotiable certificates of deposit	None	23,730,149	-	23,730,149
LAIF	None	306,354	-	306,354
CAMP	None	7,395,987	7,395,987	-
Investments with Fiscal Agent:				
Money market funds	None	5,040,357	5,040,357	-
Total investments		<u>\$ 76,989,212</u>	<u>\$ 52,952,709</u>	<u>\$ 24,036,503</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, 2025 are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	US government sponsored enterprise securities	\$ 3,662,033
Federal Home Loan Mortgage Corp	US government sponsored enterprise securities	5,600,335
Federal Farm Credit Bank	US government sponsored enterprise securities	8,272,185

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).

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

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, 2025, the City had \$306,354 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, 2025, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds	
General Fund		
Other Grants Special Revenue Fund	\$	2,266,092
Nonmajor Governmental Funds		1,921,119
Total	\$	4,187,211

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

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 net position is reduced to an unacceptable level. The City General Fund; therefore, lent the Water Fund \$850,000 in year ended June 30, 2024, and an additional of \$850,000 in the year ended June 30, 2025. The first repayment of interfund loan with \$700,000 will occur during the year ended June 30, 2026 and the remaining of the repayment with 4% simple interest will occur after June 30, 2026.

At June 30, 2025, the City had the following advance to/from other funds:

Advance to	Advance from	
Water Enterprise Fund		
General Fund	\$	1,700,000

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Notes Receivable

The following is a summary of notes receivable by fund at June 30, 2025.

Home Partnership Act Special Revenue Fund:

Home Improvement Loan Program	\$ 154,235
Senior Housing Note	948,500
Allowance for notes receivable	<u>(948,500)</u>
Total Home Partnership Act Special Revenue Fund	<u>154,235</u>

Paramount Housing Authority Special Revenue Fund:

Affordable Home Ownership Program - Clearwater Court	431,602
Home Improvement Loan Program	<u>38,062</u>
Total Paramount Housing Authority Special Revenue Fund	<u>469,664</u>
Total nonmajor governmental funds	<u>\$ 623,899</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 \$154,235 at June 30, 2025.

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, 2025. 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, 2025.

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, 2025. The former Redevelopment Agency transferred the Affordable Home Ownership Loans to the Paramount Housing Authority.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Notes Receivable (Continued)

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, 2025.

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, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Reclassification	Balance June 30, 2025
<i>Capital assets not being depreciated:</i>					
Land	\$ 14,849,080	\$ -	\$ (11,520)	\$ -	\$ 14,837,560
Construction in progress	10,284,238	11,499,478	-	(4,156,970)	17,626,746
Total capital assets not being depreciated	<u>25,133,318</u>	<u>11,499,478</u>	<u>(11,520)</u>	<u>(4,156,970)</u>	<u>32,464,306</u>
<i>Capital assets being depreciated:</i>					
Land improvements	24,895,967	70,015	-	1,094,115	26,060,097
Buildings and improvements	21,007,639	529,872	-	980,486	22,517,997
Other equipment	4,314,280	136,824	(30,577)	61,248	4,481,775
Vehicles	2,517,604	13,888	(118,300)	-	2,413,192
Computer equipment	288,528	-	-	-	288,528
Fine arts	1,174,521	63,875	-	-	1,238,396
Infrastructure	130,731,187	356,548	-	2,021,121	133,108,856
Total capital assets being depreciated	<u>184,929,726</u>	<u>1,171,022</u>	<u>(148,877)</u>	<u>4,156,970</u>	<u>190,108,841</u>
<i>Less accumulated depreciation for:</i>					
Land improvements	(20,202,922)	(541,019)	-	-	(20,743,941)
Buildings and improvements	(13,485,024)	(652,696)	-	-	(14,137,720)
Other equipment	(2,361,461)	(372,222)	30,577	-	(2,703,106)
Vehicles	(1,926,101)	(168,697)	129,820	-	(1,964,978)
Computer equipment	(253,345)	(15,520)	-	-	(268,865)
Fine arts	(1,006,295)	(26,077)	-	-	(1,032,372)
Infrastructure	(94,669,648)	(4,511,987)	-	-	(99,181,635)
Total accumulated depreciation	<u>(133,904,796)</u>	<u>(6,288,218)</u>	<u>160,397</u>	<u>-</u>	<u>(140,032,617)</u>
Total capital assets being depreciated, net	<u>51,024,930</u>	<u>(5,117,196)</u>	<u>11,520</u>	<u>4,156,970</u>	<u>50,076,224</u>
<i>Intangible assets, being amortized</i>					
Right-of-use leased vehicles	445,178	1,305,872	-	-	1,751,050
Accumulated amortization	(144,993)	(231,843)	-	-	(376,836)
Total intangible assets, being amortized, net	<u>300,185</u>	<u>1,074,029</u>	<u>-</u>	<u>-</u>	<u>1,374,214</u>
Total governmental activities	\$ 76,458,433	\$ 7,456,311	\$ -	\$ -	\$ 83,914,744

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 5 – Capital Assets

A. Governmental Activities (Continued)

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

General government	\$ 70,840
Community development	21,358
Public safety	30,914
Community services and recreation	1,211,136
Public works	5,079,194
Internal service fund	106,619
Total depreciation and amortization expense	<u><u>\$ 6,520,061</u></u>

B. Business-Type Activities

The summary of changes in the capital assets for the business-type activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,894,476	\$ -	\$ -	\$ 2,894,476
Construction in progress	17,783,591	4,702,685	-	22,486,276
Total capital assets not being depreciated	<u><u>20,678,067</u></u>	<u><u>4,702,685</u></u>	<u><u>-</u></u>	<u><u>25,380,752</u></u>
<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	278,265	-	-	278,265
Total capital assets being depreciated	<u><u>41,628,479</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>41,628,479</u></u>
<i>Less accumulated depreciation for:</i>				
Buildings and wells	(5,876,180)	(304,089)	-	(6,180,269)
Mains	(15,077,849)	(354,672)	-	(15,432,521)
Distribution equipment	(6,018,833)	(53,535)	-	(6,072,368)
Other equipment	(1,134,975)	(25,900)	-	(1,160,875)
Tools	(23,089)	-	-	(23,089)
Vehicles	(577,551)	(18,392)	-	(595,943)
Computer equipment	(264,718)	(1,175)	-	(265,893)
Total accumulated depreciation	<u><u>(28,973,195)</u></u>	<u><u>(757,763)</u></u>	<u><u>-</u></u>	<u><u>(29,730,958)</u></u>
Total capital assets being depreciated, net	<u><u>12,655,284</u></u>	<u><u>(757,763)</u></u>	<u><u>-</u></u>	<u><u>11,897,521</u></u>
<i>Intangible assets, being amortized</i>				
Right-of-use leased vehicles	40,090	-	-	40,090
Accumulated amortization	(10,691)	(8,018)	-	(18,709)
Total intangible assets, being amortized, net	<u><u>29,399</u></u>	<u><u>(8,018)</u></u>	<u><u>-</u></u>	<u><u>21,381</u></u>
Total business-type activities	<u><u>\$ 33,362,750</u></u>	<u><u>\$ 3,936,904</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 37,299,654</u></u>

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

Water	<u><u>\$ 765,781</u></u>
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City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due within One Year	Due in more than One Year
Compensated absences*	\$ 692,079	\$ -	\$ (60,756)	\$ 631,323	\$ 224,955	\$ 406,368
Direct Borrowing:						
Financed purchases	12,164	-	(12,164)	-	-	-
Public Offering:						
Pension Obligation Bonds	12,707,911	-	(1,241,603)	11,466,308	1,259,029	10,207,279
Bond discount	(152,380)	-	10,884	(141,496)	(10,884)	(130,612)
Lease payable	244,232	1,305,873	(545,112)	1,004,993	333,526	671,467
Total	\$ 13,504,006	\$ 1,305,873	\$ (1,848,751)	\$ 12,961,128	\$ 1,806,626	\$ 11,154,502

* Presented as net change during the year ended June 30, 2025.

Depreciation expense in the amount of \$180,171 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, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due within One Year	Due in more than One Year
Compensated absences*	\$ 692,079	\$ -	\$ (60,756)	\$ 631,323	\$ 224,955	\$ 406,368
Direct Borrowing:						
Financed purchases	12,164	-	(12,164)	-	-	-
Public Offering:						
Pension Obligation Bonds	12,707,911	-	(1,241,603)	11,466,308	1,259,029	10,207,279
Bond discount	(152,380)	-	10,884	(141,496)	(10,884)	(130,612)
Lease payable	244,232	1,305,873	(545,112)	1,004,993	333,526	671,467
Total	\$ 13,504,006	\$ 1,305,873	\$ (1,848,751)	\$ 12,961,128	\$ 1,806,626	\$ 11,154,502

Compensated Absences

The long-term portion of compensated absences payable has been accrued for the Governmental Activities on the Government-Wide Financial Statements.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Long-Term Liabilities (Continued)

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 were fully paid off during the year June 30, 2025.

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, 2025, are as follows:

Year ending June 30,	Governmental Activities			Business-Activities		
				Water Enterprise Fund		
	Principal	Interest	Total	Principal	Interest	Total
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	196,267	31,384	227,651
2030	1,363,585	181,653	1,545,238	201,415	26,832	228,247
2031-2035	3,829,363	516,871	4,346,234	565,637	76,347	641,984
2036-2038	1,106,550	60,211	1,166,761	163,450	8,894	172,344
Total	<u>\$ 11,466,308</u>	<u>\$ 1,761,585</u>	<u>\$ 13,227,893</u>	<u>\$ 1,693,692</u>	<u>\$ 260,205</u>	<u>\$ 1,953,897</u>
Year ending June 30,	Total					
	Principal	Interest	Total	Principal	Interest	Total
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	1,525,000	243,851	1,768,851			
2030	1,565,000	208,485	1,773,485			
2031-2035	4,395,000	593,218	4,988,218			
2036-2038	1,270,000	69,105	1,339,105			
Total	<u>\$ 13,160,000</u>	<u>\$ 2,021,790</u>	<u>\$ 15,181,790</u>			

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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
2026	\$ 333,526	\$ 54,873	\$ 388,399
2027	325,496	36,662	362,158
2028	270,764	18,890	289,654
2029	75,207	4,106	79,313
Total	<u><u>\$ 1,004,993</u></u>	<u><u>\$ 114,531</u></u>	<u><u>\$ 1,119,524</u></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, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions*	Balance June 30, 2025	Classification	
					Due within One Year	Due in more than One Year
Compensated absences	\$ 85,473	\$ -	\$ (1,437)	\$ 84,036	\$ 29,412	\$ 54,624
Direct Borrowing:						
Note payable - IBank	9,571,590	-	(348,154)	9,223,436	359,199	8,864,237
Note payable - AMI	11,236,354	-	(107,944)	11,128,410	365,126	10,763,284
Public Offering:						
Pension Obligation Bonds	1,877,089	-	(183,397)	1,693,692	185,971	1,507,721
Bond discount	(22,508)	-	1,608	(20,900)	-	(20,900)
Lease payable	24,009	-	(7,582)	16,427	7,995	8,432
Total	<u>\$ 22,772,007</u>	<u>\$ -</u>	<u>\$ (646,906)</u>	<u>\$ 22,125,101</u>	<u>\$ 947,703</u>	<u>\$ 21,177,398</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, 2025, interest of \$118,054 and principal of \$176,938 were paid leaving an outstanding balance of \$3,478,098.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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 make a prepayment request to IBank for 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, 2025, interest of \$176,678 and principal of \$171,216 were paid leaving an outstanding balance of \$5,745,338.

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, 2025, are as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 359,199	\$ 283,511	\$ 642,710
2027	370,593	271,934	642,527
2028	382,351	259,990	642,341
2029	394,483	247,665	642,148
2030	407,000	234,949	641,949
2031-2035	2,237,142	969,394	3,206,536
2036-2040	2,615,467	585,053	3,200,520
2041-2045	1,466,381	253,840	1,720,221
2046-2048	990,820	45,631	1,036,451
Total	<u>\$ 9,223,436</u>	<u>\$ 3,151,967</u>	<u>\$ 12,375,403</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 outstanding balance is \$11,128,410 as of June 30, 2025.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025, are as follows:

Year ending June 30,	Principal	Interest	Total
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	443,474	464,284	907,758
2031-2035	2,571,481	1,975,915	4,547,396
2036-2040	3,278,808	1,285,773	4,564,581
2041-2044	3,261,377	405,796	3,667,173
Total	<u><u>\$ 11,128,410</u></u>	<u><u>\$ 6,184,660</u></u>	<u><u>\$ 17,313,070</u></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
2026	\$ 7,995	\$ 897	\$ 8,892
2027	8,432	460	8,892
Total	<u><u>\$ 16,427</u></u>	<u><u>\$ 1,357</u></u>	<u><u>\$ 17,784</u></u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due within One Year	Due in more than One Year
Public Offering:						
1998 Tax Allocation Refunding Bonds	\$ 12,587,087	\$ 728,166	\$ (4,435,945)	\$ 8,879,308	\$ 4,439,298	\$ 4,440,010
2025 Tax Allocation Refunding Bonds	-	2,282,500	-	2,282,500	1,144,000	1,138,500
2010 Tax Allocation Bonds	3,885,000		(3,885,000)	-	-	-
Unamortized discount	(26,560)	-	26,560	-	-	-
Direct Borrowing:						
Deferred pass through	930,740	-	-	930,740	-	930,740
Total	\$ 17,376,267	\$ 3,010,666	\$ (8,294,385)	\$ 12,092,548	\$ 5,583,298	\$ 6,509,250

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.

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

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

The bonds mature on August 1, 2026 and are compounded annually at 5.35%. Accordingly, as of June 30, 2025, interest of \$728,166 was added to the outstanding debt.

The 1998 Bonds are subjected to redemption on August 1, 2024, August 1, 2025, and August 1, 2026. The City redeemed the Bonds in the amount of \$4,435,945 in the year ended June 30, 2025.

Future debt service requirement at June 30, 2025, is as follows:

Year ending June 30,	Principal	Accreted Interest	Total
2026	\$ 4,439,298	\$ 237,502	\$ 4,676,800
2027	4,440,010	237,540	4,677,550
Total	\$ 8,879,308	\$ 475,042	\$ 9,354,350

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2025 Tax Allocation Refunding Bonds

In February 2025, the Agency issued \$2,282,500 of Tax Allocation Refunding Bonds to refund the 2010B Tax Allocation Bonds. The bonds mature August 1, 2026 and interest is due semi-annually on February 1 and August 1 4.38% annually.

Future debt service requirement at June 30, 2025, is as follows:

Year ending June 30,	Principal	Interest	Total
2026	\$ 1,144,000	\$ 69,644	\$ 1,213,644
2027	1,138,500	24,933	1,163,433
Total	<u>\$ 2,282,500</u>	<u>\$ 94,577</u>	<u>\$ 2,377,077</u>

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. The defeased Bonds were fully redeemed during. 2010 Tax Allocation Bonds were fully paid in the year ended June 30, 2025.

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, 2025, 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, 2024. 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, 2025

Note 7 – Pension (Continued)

A. General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2023 valuation date, the following employees were covered by the benefit terms:

	Miscellaneous
Active employees	92
Transferred and terminated employees	58
Separated	34
Retired Employees and Beneficiaries	173
Total	357

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:

	Cost-Sharing Rate Plans	
	PEPRA	Miscellaneous Rate Plan*
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, 2025

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, 2024 (the measurement date), the contribution rates were as follows.

	Cost-sharing Rate Plans	
	PEPRA	Miscellaneous Rate Plan
Required employee contribution rates	8.00%	8.25%
Required employer contribution rates	15.21%	8.32%

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, 2023 valuation was rolled forward to determine June 30, 2024 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. ¹
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 2024.

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, 2025

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%
	100.00%	

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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Pension (Continued)

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

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	Current Discount Rate (6.90%)	Discount Rate
	- 1% (5.90%)	+ 1% (7.90%)	
Miscellaneous	\$ 27,445,069	\$ 11,313,067	\$ (1,965,946)

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, 2023). 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, 2024). 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, 2023 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2023-24).
- (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.

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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)

(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.

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

Miscellaneous	
June 30, 2023	0.09420%
June 30, 2024	0.09328%
Change - Increase (Decrease)	<u><u>-0.00092%</u></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:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/23 (Valuation date)	\$ 113,482,446	\$ 101,730,608	\$ 11,751,838
Balance at: 6/30/24 (Measurement date)	119,549,103	108,236,036	11,313,067
Net Changes during 2023-24	6,066,657	6,505,428	(438,771)

For the year ended June 30, 2025, the City recognized aggregated pension (credit) in the amount of \$(364,262).

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 1,417,746	\$ -
Change of assumptions	290,768	-
Difference between expected and actual experience	978,118	(38,166)
Difference between projected and actual earning on pension plan investments	651,280	-
Adjustment due to differences in proportions	1,039,991	(4,383,549)
Difference between City contributions and proportionate share of contributions	2,415,910	(3,558,415)
Total	\$ 6,793,813	\$ (7,980,130)

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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 2023-2024 measurement period is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired).

The \$1,417,749 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, 2026.

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	\$ (2,344,745)	
2026	305,090	
2027	(341,224)	
2028	(223,184)	
		<u>\$ (2,604,063)</u>

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, 2024

Active employees	92
Inactive currently receiving benefit	71
Inactive entitled to but not yet receiving benefit payments	<u>12</u>
Total	<u>175</u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025, the City’s cash contributions to the plan including the implied subsidy were \$1,511,075. 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, 2024 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
Discount rate	6.25% at June 30, 2024 6.25% at June 30, 2023
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
Healthcare cost trend rates	Merit - Tables from CalPERS 2000-2019 Experience Study 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 and Changes in Benefit Terms

In 2024, there were no changes in assumptions or benefit terms.

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, 2025

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%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	20.00%	4.06%
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	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, 2023	\$ 17,818,904	\$ 9,216,830	\$ 8,602,074
Changes during the measurement period:			
Service cost	494,052	-	494,052
Interest	1,118,162	-	1,118,162
Benefit changes	-	-	-
Actual vs. expected experience	-	-	-
Assumption changes	-	-	-
Employer contribution	-	1,216,000	(1,216,000)
Net investment income		1,012,767	(1,012,767)
Benefit payments	(844,736)	(844,736)	-
Administrative expenses	-	(3,006)	3,006
Net changes during measurement period 2023-24	767,478	1,381,025	(613,547)
Balances as of June 30, 2024 (Measurement Date)	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	\$ 18,586,382	\$ 10,597,855	\$ 7,988,527

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	Current Discount	Discount Rate
- 1% (5.25%)	Rate (6.25%)	+ 1% (7.25%)
\$ 5,752,534	\$ 7,988,527	\$ 10,715,908

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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		
Discount Rate	Current Discount Rate (6.25%)	Discount Rate
- 1% (5.25%)	\$ 7,988,527	+ 1% (7.25%)
\$ 5,752,534	\$ 7,988,527	\$ 10,715,908

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

For the measurement period ended June 30, 2024, the City recognized OPEB expense of \$704,895. At June 30, 2025, 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	\$ 1,511,075	\$ -
Changes of assumptions	826,501	(345,659)
Difference between expected and actual experience	820,458	(1,176,837)
Difference between projected and actual earning on OPEB plan investments	44,315	-
Total	\$ 3,202,349	\$ (1,522,496)

The \$1,511,075 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
2026	\$ (365,350)
2027	120,171
2028	(137,299)
2029	248,753
2030	302,503
Thereafter	-
	\$ 168,778

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2025

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://cjpi.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 2024-25 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 \$81,409,589. 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 \$2,573,213. 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, 2025

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.

Cyber Liability Insurance

The City purchases cyber liability insurance coverage in the amount of \$10,000,000. The premiums are paid directly 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 2024-25.

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	\$ 83,914,744	\$ 37,299,654
Retention payable	(372,875)	(92,734)
Capital related debt	(1,004,993)	(20,368,273)
Net investment in capital assets	<u><u>\$ 82,536,876</u></u>	<u><u>\$ 16,838,647</u></u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Fund Balance

The City's governmental fund balances at June 30, 2025 are presented below:

	General Fund	Other Grant Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 171,149	\$ -	\$ 1,670	\$ 172,819
Land held for resale	236,544	-	-	236,544
Advance from other fund	<u>1,000,000</u>	-	-	1,000,000
Total nonspendable	<u>1,407,693</u>	-	1,670	1,409,363
Restricted:				
Environmental concerns	-	303,187	2,217,608	2,520,795
Public safety	-	169,386	-	169,386
Housing programs	-	-	464,992	464,992
Housing programs - notes receivables	-	-	467,293	467,293
Housing programs - land held for resale	-	-	-	-
After school program	-	15,506	137,720	153,226
Road maintenance	-	-	2,598,915	2,598,915
Waste reduction	-	-	463,090	463,090
Air quality management	-	-	-	-
Disability access and education	-	-	76,019	76,019
Public transit	-	-	8,660,621	8,660,621
Sewer maintenance	-	-	271,090	271,090
Public access	-	-	279,046	279,046
Parking Authority - land held for resale	-	-	2,371	2,371
Debt service	13,278	-	-	13,278
Service Assessment	-	-	4,025	4,025
Total restricted	<u>13,278</u>	<u>488,079</u>	<u>15,642,790</u>	<u>16,144,147</u>
Committed:				
Operating	25,372,300	-	-	25,372,300
Economic uncertainty and Infrastructure	3,874,000	-	535,000	4,409,000
Community cultural services	-	-	691,878	691,878
Storm drains	-	-	694,524	694,524
General plan	-	-	464,849	464,849
Total committed	<u>29,246,300</u>	-	<u>2,386,251</u>	<u>31,632,551</u>
Assigned for:				
Compensated absences	692,000	-	-	692,000
Coronavirus related	4,105,969	-	-	4,105,969
Equipment replacement	2,000,000	-	-	2,000,000
Retiree benefit obligation	2,915,700	-	-	2,915,700
Self-insurance	800,000	-	241,342	1,041,342
Special project	527,620			527,620
Capital projects fund	8,690,876			8,690,876
Special project	-	-	-	-
Total assigned	<u>19,732,165</u>	-	<u>241,342</u>	<u>19,973,507</u>
Unassigned				
	2,066,630	-	(1,670)	2,064,960
Total fund balances	<u>\$ 52,466,066</u>	<u>\$ 488,079</u>	<u>\$ 18,270,383</u>	<u>\$ 71,224,528</u>

City of Paramount
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Individual Fund Disclosure

The following functions report expenditures in excess of appropriations for the year ended June 30, 2025.

	<u>Appropriation</u>	<u>Expenditure</u>	<u>Expenditure in Excess of Appropriation</u>
General Fund			
Public works	\$ 9,896,000	\$ 10,248,423	\$ (352,423)
Debt service:			
Interest	347,000	347,287	(287)
Paramount Housing Authority Special Revenue Fund			
Community development	300,000	412,498	(112,498)
AB2766 Subvention Funds Special Revenue Fund			
Public works	16,000	80,636	(64,636)
Proposition A Transit Tax Special Revenue Fund			
General government	68,350	75,362	(7,012)
Public works	183,500	197,277	(13,777)
Proposition C Transit Tax Special Revenue Fund			
General government	75,600	84,489	(8,889)
Public works	109,300	116,930	(7,630)
Measure R Transit Tax Special Revenue Fund			
Public works	12,950	27,411	(14,461)
Capital outlay:			
Other	173,500	181,200	(7,700)
Public Art Fees Special Revenue Fund			
General government	7,500	10,000	(2,500)
Service Assessments Special Revenue Fund			
General government	3,700	4,051	(351)

Note 14 – Subsequent Events

On September 1, 2025, the Paramount Public Financing Authority issued Local Measure M Transportation Sales Tax Revenue Bonds, Series 2025 in the amount of \$9,555,000. The purpose of the bonds is to finance the design, acquisition, installation, and construction of certain street and roadway improvement project located in the City and/or certain additional projects. The annual principal payments are due on May 1, with final payment on May 1, 2055. Semi-annual interest are payable on May 1 and November 1 at annum rate of 5%.

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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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 30,459,700	\$ 30,459,700	\$ 30,473,327	\$ 13,627
Licenses and permits	2,252,150	2,252,150	1,701,436	(550,714)
Fines and penalties	1,109,200	1,109,200	1,172,385	63,185
Interest and use of property	1,558,550	1,558,550	2,629,255	1,070,705
Intergovernmental revenues	8,568,250	8,568,250	8,968,371	400,121
Charges for services	2,484,000	2,484,000	756,338	(1,727,662)
Other revenues	1,315,450	1,315,450	2,546,670	1,231,220
Total revenues	47,747,300	47,747,300	48,247,782	500,482
EXPENDITURES:				
Current:				
General government	10,432,150	10,677,710	8,950,140	1,727,570
Community development	4,738,000	4,858,770	2,857,217	2,001,553
Public safety	16,787,400	16,787,400	15,238,441	1,548,959
Community services	4,309,900	4,322,000	3,856,460	465,540
Public works	9,165,300	9,896,000	10,248,423	(352,423)
Capital outlay*				
Other	4,006,800	15,817,367	4,284,048	11,533,319
Debt service:				
Principal	1,425,000	1,425,000	1,722,229	(297,229)
Interest	347,000	347,000	347,287	(287)
Total expenditures	51,211,550	64,131,247	47,504,245	16,627,002
Excess (deficiency) of revenues over (under) expenditures	(3,464,250)	(16,383,947)	743,537	17,127,484
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	1,217,996	1,217,996
Total financing sources	-	-	1,217,996	1,217,996
Net change in fund balances	\$ (3,464,250)	\$ (16,383,947)	1,961,533	\$ 18,345,480
FUND BALANCE:				
Beginning of year			50,504,533	
End of year			\$ 52,466,066	

*There was no budget adopted for GASB 87, Leases and GASB 96, Subscription-based Information Technology Arrangements activities for 2025.

City of Paramount
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
Other Grants Special Revenue Funds
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 93,450	\$ 93,450	\$ 35,520	\$ (57,930)
Intergovernmental revenues	<u>16,399,600</u>	<u>22,346,765</u>	<u>6,190,355</u>	<u>(16,156,410)</u>
Total revenues	<u>16,493,050</u>	<u>22,440,215</u>	<u>6,225,875</u>	<u>(16,214,340)</u>
EXPENDITURES:				
Current:				
General government	-	200,000	-	200,000
Community development	1,202,150	1,202,150	153,957	1,048,193
Public safety	537,900	709,750	643,730	66,020
Public works	210,900	457,980	440,814	17,166
Capital outlay:				
Streets, sidewalks and signals	2,150,200	15,420,594	2,222,527	13,198,067
Parks	950,000	3,447,821	2,450,631	997,190
Other	-	1,850,000	106,240	1,743,760
Total expenditures	<u>5,051,150</u>	<u>23,288,295</u>	<u>6,017,899</u>	<u>17,270,396</u>
Net change in fund balance	<u>\$ 11,441,900</u>	<u>\$ (848,080)</u>	<u>207,976</u>	<u>\$ 1,056,056</u>
FUND BALANCES:				
Beginning of year			280,103	
End of year			<u>\$ 488,079</u>	

City of Paramount
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2025

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 XIIIIB (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, 2025, appropriations subject to this limit were below the maximum allowed.
6. There was no budget adopted for GASB 87 Leases, and GASB 96 Subscription-based Information Technology Arrangements activities for the fiscal year ending June 30, 2025.

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan's proportion of the net pension liability/(asset)	0.09328%	0.09420%	0.10024%	0.23064%	0.22039%
Plan's proportionate share of the net pension liability/(asset)	\$ 11,313,067	\$ 11,751,838	\$ 11,578,120	\$ 12,473,659	\$ 23,984,002
Plan's covered payroll	\$ 8,188,751	\$ 7,810,475	\$ 7,135,558	\$ 6,860,335	\$ 6,727,793
Plan's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	<u>138.15%</u>	<u>150.46%</u>	<u>162.26%</u>	<u>181.82%</u>	<u>356.49%</u>
Plan's fiduciary net position as a percentage of the plan's total pension liability	<u>90.54%</u>	<u>89.64%</u>	<u>89.28%</u>	<u>88.30%</u>	<u>77.71%</u>

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability (Continued)
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") (Continued)

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's proportion of the net pension liability/(asset)	0.23350%	0.22167%	0.23087%	0.23126%	0.23388%
Plan's proportionate share of the net pension liability/(asset)	\$ 23,926,634	\$ 21,361,148	\$ 22,896,454	\$ 20,010,860	\$ 16,053,473
Plan's covered payroll	\$ 6,657,324	\$ 6,387,917	\$ 6,190,935	\$ 6,206,549	\$ 6,029,967
Plan's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	<u>359.40%</u>	<u>334.40%</u>	<u>369.84%</u>	<u>322.42%</u>	<u>266.23%</u>
Plan's fiduciary net position as a percentage of the plan's total pension liability	<u>77.73%</u>	<u>75.26%</u>	<u>73.31%</u>	<u>74.06%</u>	<u>78.40%</u>

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS")

Fiscal year	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially Determined Contribution	\$ 1,417,746	\$ 1,029,759	\$ 1,541,647	\$ 17,772,296	\$ 2,644,674
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,417,746)</u>	<u>(1,029,759)</u>	<u>(1,541,647)</u>	<u>(17,772,296)</u>	<u>(3,241,174)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (596,500)</u>
Covered Payroll ¹	<u>\$ 8,346,076</u>	<u>\$ 8,188,751</u>	<u>\$ 7,810,475</u>	<u>\$ 7,135,558</u>	<u>\$ 6,860,335</u>
Contributions as a Percentage of Covered Payroll	<u>16.987%</u>	<u>12.575%</u>	<u>19.738%</u>	<u>249.067%</u>	<u>47.245%</u>

¹ Includes one year's payroll growth using 2.80 percent payroll assumption from fiscal year 2024 to 2025.

Notes to Schedule:

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

Changes of Assumptions: There was no assumption change in 2024 and 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, 2025

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") (Continued)

Fiscal year	2019-20	2018-19	2017-18	2016-17	2015-16
Actuarially Determined Contribution	\$ 2,386,867	\$ 2,094,439	\$ 1,764,757	\$ 1,552,328	\$ 1,402,641
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,886,867)</u>	<u>(2,094,439)</u>	<u>(2,644,757)</u>	<u>(1,552,328)</u>	<u>(1,402,641)</u>
Contribution Deficiency (Excess)	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ (880,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ¹	<u>\$ 6,727,793</u>	<u>\$ 6,657,324</u>	<u>\$ 6,387,917</u>	<u>\$ 6,190,935</u>	<u>\$ 6,206,549</u>
Contributions as a Percentage of Covered Payroll	<u>42.910%</u>	<u>31.461%</u>	<u>41.402%</u>	<u>25.074%</u>	<u>22.599%</u>

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, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB liability					
Service cost	\$ 494,052	\$ 384,972	\$ 374,669	\$ 449,094	\$ 443,371
Interest	1,118,162	934,803	901,174	1,099,400	1,057,467
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	-	1,155,338	-	(2,087,489)	-
Changes of assumption	-	1,163,849	-	(586,548)	(287,656)
Benefit payments	(844,736)	(783,860)	(712,314)	(625,003)	(570,330)
Net change in total OPEB liability	767,478	2,855,102	563,529	(1,750,546)	642,852
Total OPEB liability, beginning	17,818,904	14,963,802	14,400,273	16,150,819	15,507,967
Total OPEB liability, ending (a)	\$ 18,586,382	\$ 17,818,904	\$ 14,963,802	\$ 14,400,273	\$ 16,150,819
OPEB fiduciary net position					
Contributions - employer	\$ 1,216,000	\$ 1,616,000	\$ 1,517,000	\$ 1,472,000	\$ 1,219,000
Net investment income	1,012,767	512,350	(1,099,472)	1,579,124	178,197
Benefit payments, including refunds of employee contributions	(844,736)	(783,860)	(712,314)	(625,003)	(570,330)
Administrative expenses	(3,006)	(2,288)	(2,070)	(2,177)	(2,411)
Net change in plan fiduciary net position	1,381,025	1,342,202	(296,856)	2,423,944	824,456
Plan fiduciary net position, beginning	9,216,830	7,874,628	8,171,484	5,747,540	4,923,084
Plan fiduciary net position, ending (b)	\$ 10,597,855	\$ 9,216,830	\$ 7,874,628	\$ 8,171,484	\$ 5,747,540
Plan net OPEB liability - ending (a) - (b)	\$ 7,988,527	\$ 8,602,074	\$ 7,089,174	\$ 6,228,789	\$ 10,403,279
Plan's fiduciary net position as a percentage of the total OPEB liability	57.02%	51.73%	52.62%	56.75%	35.59%
Covered-employee payroll	\$ 8,780,110	\$ 8,159,786	\$ 7,082,429	\$ 6,548,566	\$ 6,727,793
Total OPEB liability as a percentage of covered-employee payroll	90.98%	105.42%	100.10%	95.12%	154.63%

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, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB") (Continued)

	June 30, 2019	June 30, 2018	June 30, 2017 ¹
Measurement period			
Total OPEB liability			
Service cost	\$ 463,518	\$ 450,017	\$ 437,000
Interest	1,116,530	1,045,580	978,000
Benefit changes	-	-	-
Differences between expected and actual experience	(1,821,464)	-	-
Changes of assumption	(97,284)	-	-
Benefit payments	<u>(462,020)</u>	<u>(453,910)</u>	<u>(432,000)</u>
Net change in total OPEB liability	<u>(800,720)</u>	<u>1,041,687</u>	<u>983,000</u>
Total OPEB liability, beginning	<u>16,308,687</u>	<u>15,267,000</u>	<u>14,284,000</u>
Total OPEB liability, ending (a)	<u><u>\$ 15,507,967</u></u>	<u><u>\$ 16,308,687</u></u>	<u><u>\$ 15,267,000</u></u>
OPEB fiduciary net position			
Contributions - employer	\$ 1,102,000	\$ 1,013,000	\$ 903,000
Net investment income	251,956	258,903	262,000
Benefit payments, including refunds of employee contributions	<u>(462,020)</u>	<u>(453,910)</u>	<u>(432,000)</u>
Administrative expenses	<u>(866)</u>	<u>(5,979)</u>	<u>(2,000)</u>
Net change in plan fiduciary net position	<u>891,070</u>	<u>812,014</u>	<u>731,000</u>
Plan fiduciary net position, beginning	<u>4,032,014</u>	<u>3,220,000</u>	<u>2,489,000</u>
Plan fiduciary net position, ending (b)	<u><u>\$ 4,923,084</u></u>	<u><u>\$ 4,032,014</u></u>	<u><u>\$ 3,220,000</u></u>
Plan net OPEB liability - ending (a) - (b)	<u><u>\$ 10,584,883</u></u>	<u><u>\$ 12,276,673</u></u>	<u><u>\$ 12,047,000</u></u>
Plan's fiduciary net position as a percentage of the total OPEB liability	<u><u>31.75%</u></u>	<u><u>24.72%</u></u>	<u><u>21.09%</u></u>
Covered-employee payroll	<u><u>\$ 7,069,939</u></u>	<u><u>\$ 6,679,479</u></u>	<u><u>\$ 6,473,000</u></u>
Total OPEB liability as a percentage of covered-employee payroll	<u><u>149.72%</u></u>	<u><u>183.80%</u></u>	<u><u>186.11%</u></u>

City of Paramount
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2024-25	2023-24	2022-23	2021-22	2020-21
Actuarially determined contribution ²	\$ 1,582,000	\$ 1,216,000	\$ 1,183,000	\$ 1,517,000	\$ 1,472,000
Contribution in relation to the actuarially determined contribution	(1,511,075)	(1,216,000)	(1,616,000)	(1,517,000)	(1,472,000)
Contribution deficiency/(excess)	\$ 70,925	\$ -	\$ (433,000)	\$ -	\$ -
Covered-employee payroll	\$ 9,150,750	\$ 8,780,110	\$ 7,678,609	\$ 7,082,429	\$ 6,548,566
Contributions as a percentage of covered-employee payroll	16.51%	13.85%	21.05%	21.42%	22.48%

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, 2023
Actuarial Cost Method	Entry age normal, level % of pay
Amortization Method	Level % of pay
Amortization Period	10.1-year average period for 2024/25
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 - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% 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, 2025

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB") (Continued)

Fiscal year end	2019-20	2018-19	2017-18	2016-17 ¹
Actuarially determined contribution ²	\$ 1,613,000	\$ 1,565,000	\$ 1,462,000	\$ 1,389,000
Contribution in relation to the actuarially determined contribution	<u>(1,219,000)</u>	<u>(1,102,000)</u>	<u>(1,013,000)</u>	<u>(903,000)</u>
Contribution deficiency/(excess)	<u><u>\$ 394,000</u></u>	<u><u>\$ 463,000</u></u>	<u><u>\$ 449,000</u></u>	<u><u>\$ 486,000</u></u>
Covered-employee payroll	<u><u>\$ 6,727,793</u></u>	<u><u>\$ 7,069,939</u></u>	<u><u>\$ 6,679,479</u></u>	<u><u>\$ 6,473,000</u></u>
Contributions as a percentage of covered-employee payroll	<u><u>18.12%</u></u>	<u><u>15.59%</u></u>	<u><u>15.17%</u></u>	<u><u>13.95%</u></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, 2025

	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	\$ -	\$ -	\$ -	\$ 310,675	\$ 260,287
Accounts receivable	204,138	63,045	75,599	-	-
Interest receivable	-	-	-	84	1,499
Prepaid items	-	-	-	-	-
Notes receivable, net	2,371	154,235	-	467,293	-
Land held for resale	-	-	-	-	-
Total assets	\$ 206,509	\$ 217,280	\$ 75,599	\$ 778,052	\$ 261,786

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	133,759	11,548	27,743	-	124,066
Retention payable	12,805	-	-	-	-
Due to other funds	57,574	51,499	47,856	-	-
Total liabilities	204,138	63,047	75,599	-	124,066

Fund Balances:

Nonspendable	-	-	-	-	-
Restricted	2,371	154,233	-	778,052	137,720
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,371	154,233	-	778,052	137,720
Total liabilities and fund balances	\$ 206,509	\$ 217,280	\$ 75,599	\$ 778,052	\$ 261,786

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds					Disability Access and Education
	State Gas Tax	Traffic Safety	Waste Reduction Fees	AB2766 Subvention		
ASSETS						
Cash and investments	\$ 950,052	\$ -	\$ 479,889	\$ 26,035	\$ 74,836	
Accounts receivable	126,361	2,237	6,523	18,153	752	
Interest receivable	5,470	-	2,763	109	431	
Prepaid items	-	-	-	-	-	
Notes receivable, net	-	-	-	-	-	
Land held for resale	-	-	-	-	-	
Total assets	\$ 1,081,883	\$ 2,237	\$ 489,175	\$ 44,297	\$ 76,019	
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	92,762	-	26,085	44,297	-	
Retention payable	-	-	-	-	-	
Due to other funds	-	2,237	-	-	-	
Total liabilities	92,762	2,237	26,085	44,297	-	
Fund Balances:						
Nonspendable	-	-	-	-	-	
Restricted	989,121	-	463,090	-	76,019	
Committed	-	-	-	-	-	
Assigned	-	-	-	-	-	
Unassigned	-	-	-	-	-	
Total fund balances	989,121	-	463,090	-	76,019	
Total liabilities and fund balances	\$ 1,081,883	\$ 2,237	\$ 489,175	\$ 44,297	\$ 76,019	

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	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	\$ 1,492,708	\$ 2,727,108	\$ 1,603,374	\$ 2,666,590	\$ 2,133,186
Accounts receivable	257,117	-	1,474	-	-
Interest receivable	8,595	15,703	9,232	15,461	12,547
Prepaid items	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 1,758,420	\$ 2,742,811	\$ 1,614,080	\$ 2,682,051	\$ 2,145,733

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 80,022	\$ 47,584	\$ 90,466	\$ 34,547	\$ 307,566
Retention payable	68,604	-	-	-	43,891
Due to other funds	-	-	-	-	-
Total liabilities	148,626	47,584	90,466	34,547	351,457

Fund Balances:

Nonspendable	-	-	-	-	-
Restricted	1,609,794	2,695,227	1,523,614	2,647,504	1,794,276
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,609,794	2,695,227	1,523,614	2,647,504	1,794,276
Total liabilities and fund balances	\$ 1,758,420	\$ 2,742,811	\$ 1,614,080	\$ 2,682,051	\$ 2,145,733

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Measure W Safe Clean Water	Measure A Parks	Sewer Reconstruction Fees	Public Art Fees	Public Access Fees
ASSETS					
Cash and investments	\$ 1,579,008	\$ -	\$ 269,538	\$ 687,917	\$ 270,839
Accounts receivable	652,746	1,541,638	-	-	6,647
Interest receivable	9,092	-	1,552	3,961	1,560
Prepaid items	-	1,670	-	-	-
Notes receivable, net	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 2,240,846	\$ 1,543,308	\$ 271,090	\$ 691,878	\$ 279,046
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	23,238	345,972	-	-	-
Retention payable	-	13,000	-	-	-
Due to other funds	-	1,184,336	-	-	-
Total liabilities	23,238	1,543,308	-	-	-
Fund Balances:					
Nonspendable	-	1,670	-	-	-
Restricted	2,217,608	-	271,090	-	279,046
Committed	-	-	-	691,878	-
Assigned	-	-	-	-	-
Unassigned	-	(1,670)	-	-	-
Total fund balances	2,217,608	-	271,090	691,878	279,046
Total liabilities and fund balances	\$ 2,240,846	\$ 1,543,308	\$ 271,090	\$ 691,878	\$ 279,046

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				Total Special Revenue Fund
	Storm Drain Fees	General Plan Fees	Service Assessments	Community Benefit Agreement	
ASSETS					
Cash and investments	\$ 695,458	\$ 513,279	\$ 3,983	\$ -	\$ 16,744,762
Accounts receivable	-	-	427	1,012,564	3,969,421
Interest receivable	4,005	2,956	-	-	95,020
Prepaid items	-	-	-	-	1,670
Notes receivable, net	-	-	-	-	623,899
Land held for resale	-	-	-	-	-
Total assets	\$ 699,463	\$ 516,235	\$ 4,410	\$ 1,012,564	\$ 21,434,772

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	4,939	\$ 51,386	\$ 385	\$ 184,744	\$ 1,631,109
Retention payable	-	-	-	8,861	147,161
Due to other funds	-	-	-	577,617	1,921,119
Total liabilities	4,939	51,386	385	771,222	3,699,389

Fund Balances:

Nonspendable	-	-	-	-	1,670
Restricted	-	-	4,025	-	15,642,790
Committed	694,524	464,849	-	-	1,851,251
Assigned	-	-	-	241,342	241,342
Unassigned	-	-	-	-	(1,670)
Total fund balances	694,524	464,849	4,025	241,342	17,735,383
Total liabilities and fund balances	\$ 699,463	\$ 516,235	\$ 4,410	\$ 1,012,564	\$ 21,434,772

(Continued)

City of Paramount
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2025

	Capital Projects Fund	Total Paramount Parking Authority	Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ -	\$ 16,744,762	
Accounts receivable	-	3,969,421	
Interest receivable	-	95,020	
Prepaid items	-	1,670	
Notes receivable, net	-	623,899	
Land held for resale	535,000	535,000	
Total assets	\$ 535,000		\$ 21,969,772

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ -	\$ 1,631,109	
Retention payable	-	147,161	
Due to other funds	-	1,921,119	
Total liabilities	-		3,699,389

Fund Balances:

Nonspendable	-	1,670	
Restricted	-	15,642,790	
Committed	535,000	2,386,251	
Assigned	-	241,342	
Unassigned	-	(1,670)	
Total fund balances	535,000		18,270,383
Total liabilities and fund balances	\$ 535,000		\$ 21,969,772

(Concluded)

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	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	\$ -	\$ -	\$ -	\$ 1,975	\$ 12,466
Intergovernmental revenues	1,007,099	223,236	105,834	-	2,894,075
Charges for services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	1,007,099	223,236	105,834	1,975	2,906,541
EXPENDITURES:					
Current:					
General government	25,479	4,458	-	-	-
Community development	204,613	210,102	-	412,498	-
Public safety	-	-	105,834	-	-
Community services	109,724	-	-	-	2,894,156
Public works	-	-	-	-	-
Capital outlay:					
Streets, sidewalks and signals	398,928	-	-	-	-
Parks	-	-	-	-	-
Other	268,355	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,007,099	214,560	105,834	412,498	2,894,156
OTHER FINANCING SOURCES:					
Issuance of debt	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	-	8,676	-	(410,523)	12,385
FUND BALANCES:					
Beginning of year	2,371	145,557	-	1,188,575	125,335
End of year	\$ 2,371	\$ 154,233	\$ -	\$ 778,052	\$ 137,720

(Continued)

City of Paramount
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				
	State Gas Tax	Traffic Safety	Waste Reduction Fees	AB2766 Subvention	Disability Access and Education
REVENUES:					
Interest and use of property	\$ 52,020	\$ -	\$ 23,646	\$ 1,116	\$ 3,620
Intergovernmental revenues	1,485,258	43,000	-	69,516	-
Charges for services	-	-	80,523	-	9,750
Other revenue	-	-	-	-	-
Total revenues	1,537,278	43,000	104,169	70,632	13,370
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	5,431
Public safety	-	43,000	-	-	-
Community services	-	-	-	-	-
Public works	1,564,176	-	61,598	80,636	-
Capital outlay:					
Streets, sidewalks and signals	-	-	-	-	-
Parks	-	-	-	-	-
Other	-	-	-	51,778	-
Debt Service:					
Principal	-	-	-	76,650	-
Interest	-	-	-	9,459	-
Total expenditures	1,564,176	43,000	61,598	218,523	5,431
OTHER FINANCING SOURCES:					
Issuance of debt	-	-	-	87,877	-
Total other financing sources	-	-	-	87,877	-
Net change in fund balances	(26,898)	-	42,571	(60,014)	7,939
FUND BALANCES:					
Beginning of year	1,016,019	-	420,519	60,014	68,080
End of year	<u>\$ 989,121</u>	<u>\$ -</u>	<u>\$ 463,090</u>	<u>\$ -</u>	<u>\$ 76,019</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, 2025

	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	\$ 88,885	\$ 135,092	\$ 73,349	\$ 133,280	\$ 117,025
Intergovernmental revenues	1,459,066	1,369,084	1,135,620	851,557	964,786
Charges for services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	1,547,951	1,504,176	1,208,969	984,837	1,081,811
EXPENDITURES:					
Current:					
General government	-	75,362	84,489	48,410	47,585
Community development	-	-	-	-	-
Public safety	-	112,435	-	-	-
Community services	-	607,435	-	-	-
Public works	-	197,277	116,930	27,411	27,403
Capital outlay:					
Streets, sidewalks and signals	1,507,020	-	1,061,366	367,225	1,248,831
Parks	-	-	-	-	-
Other	133,496	-	-	181,200	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,640,516	992,509	1,262,785	624,246	1,323,819
OTHER FINANCING SOURCES:					
Issuance of debt	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Net change in fund balances	(92,565)	511,667	(53,816)	360,591	(242,008)
FUND BALANCES:					
Beginning of year	1,702,359	2,183,560	1,577,430	2,286,913	2,036,284
End of year	<u>\$ 1,609,794</u>	<u>\$ 2,695,227</u>	<u>\$ 1,523,614</u>	<u>\$ 2,647,504</u>	<u>\$ 1,794,276</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, 2025

	Special Revenue Funds					Public Access Fees
	Measure W Safe Clean Water	Measure A Parks	Sewer Reconstruction Fees	Public Art Fees		
REVENUES:						
Interest and use of property	\$ 81,662	\$ -	\$ 13,581	\$ 33,515	\$ 13,518	
Intergovernmental revenues	652,746	766,507	-	-	-	
Charges for services	-	-	-	33,370	21,343	
Other revenue	-	-	-	270,455	-	
Total revenues	734,408	766,507	13,581	337,340	34,861	
EXPENDITURES:						
Current:						
General government	-	-	-	10,000	-	
Community development	-	-	-	-	-	
Public safety	-	-	-	-	-	
Community services	-	101,847	-	4,100	1,510	
Public works	155,390	-	-	24,000	11,000	
Capital outlay:						
Streets, sidewalks and signals	-	402,823	-	-	-	
Parks	-	261,837	-	-	-	
Other	55,459	-	-	353,673	1,114	
Debt Service:						
Principal	-	-	-	-	-	
Interest	-	-	-	-	-	
Total expenditures	210,849	766,507	-	391,773	13,624	
OTHER FINANCING SOURCES (USES):						
Issuance of debt	-	-	-	-	-	
Total other financing sources	-	-	-	-	-	
Net change in fund balances	523,559	-	13,581	(54,433)	21,237	
FUND BALANCES:						
Beginning of year	1,694,049	-	257,509	746,311	257,809	
End of year	<u>\$ 2,217,608</u>	<u>\$ -</u>	<u>\$ 271,090</u>	<u>\$ 691,878</u>	<u>\$ 279,046</u>	

City of Paramount

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

For the Year Ended June 30, 2025

	Storm Drain Fees	General Plan Fees	Service Assessments	Community Benefit Agreement	Total Special Revenue Fund
REVENUES:					
Interest and use of property	\$ 34,546	\$ 28,835	\$ -	\$ -	\$ 848,132
Intergovernmental revenues	- -	- -	- -	864,094	13,891,478
Charges for services	51,085	41,851	14,142	- -	252,064
Other revenue	- -	- -	- -	- -	270,455
Total revenues	85,631	70,686	14,142	864,094	15,262,129
EXPENDITURES:					
Current:					
General government	- -	- -	4,051	248,549	548,383
Community development	- -	233,956	- -	99,450	1,166,050
Public safety	- -	- -	- -	104,308	365,577
Community services	- -	- -	- -	77,274	3,796,046
Public works	- -	- -	6,066	- -	2,271,887
Capital outlay:					
Streets, sidewalks and signals	17,007	- -	- -	68,000	5,071,200
Parks	- -	- -	- -	- -	261,837
Other	- -	- -	- -	166,097	1,211,172
Debt Service:					
Principal	- -	- -	- -	- -	76,650
Interest	- -	- -	- -	- -	9,459
Total expenditures	17,007	233,956	10,117	763,678	14,778,261
OTHER FINANCING SOURCES (USES):					
Issuance of debt	- -	- -	- -	- -	87,877
Total other financing sources	- -	- -	- -	- -	87,877
Net change in fund balances	68,624	(163,270)	4,025	100,416	571,745
FUND BALANCES:					
Beginning of year	625,900	628,119	- -	140,926	17,163,638
End of year	\$ 694,524	\$ 464,849	\$ 4,025	\$ 241,342	\$ 17,735,383

(Continued)

City of Paramount

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Governmental Funds

For the Year Ended June 30, 2025

	Capital Projects Fund	Total Paramount Parking Authority	Nonmajor Governmental Funds
REVENUES:			
Interest and use of property	\$ -	\$ -	848,132
Intergovernmental revenues	- -	- -	13,891,478
Charges for services	- -	- -	252,064
Other revenue	- -	- -	270,455
Total revenues	- -	- -	15,262,129
EXPENDITURES:			
Current:			
General government	- -	- -	548,383
Community development	- -	- -	1,166,050
Public safety	- -	- -	365,577
Community services	- -	- -	3,796,046
Public works	- -	- -	2,271,887
Capital outlay:			
Streets, sidewalks and signals	- -	- -	5,071,200
Parks	- -	- -	261,837
Other	- -	- -	1,211,172
Debt Service:			
Principal	- -	- -	76,650
Interest	- -	- -	9,459
Total expenditures	- -	- -	14,778,261
OTHER FINANCING SOURCES:			
Issuance of debt	- -	- -	87,877
Total other financing sources	- -	- -	87,877
Net change in fund balances	- -	- -	571,745
FUND BALANCES:			
Beginning of year	535,000	\$ 535,000	17,698,638
End of year	535,000	\$ 535,000	18,270,383

(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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
Intergovernmental revenues	\$ 923,400	\$ 1,336,700	\$ 1,007,099	\$ (329,601)	
Total revenues	923,400	1,336,700	1,007,099	(329,601)	
EXPENDITURES:					
Current:					
General government	36,900	36,900	25,479	11,421	
Community development	357,350	357,350	204,613	152,737	
Community services	114,150	114,150	109,724	4,426	
Capital outlay:					
Streets, sidewalks and signals	-	413,300	398,928	14,372	
Other	415,000	530,000	268,355	261,645	
Total expenditures	923,400	1,451,700	1,007,099	444,601	
Net change in fund balance	\$ -	\$ (115,000)	-	\$ 115,000	
FUND BALANCE:					
Beginning of year			2,371		
End of year			\$ 2,371		

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)	
REVENUES:				
Intergovernmental revenues	\$ 596,400	\$ 596,400	\$ 223,236	\$ (373,164)
Total revenues	596,400	596,400	223,236	(373,164)
EXPENDITURES:				
Current:				
General government	9,850	9,850	4,458	5,392
Community development	586,550	586,550	210,102	376,448
Total expenditures	596,400	596,400	214,560	381,840
Net change in fund balance	\$ -	\$ -	8,676	\$ 8,676
FUND BALANCE:				
Beginning of year			145,557	
End of year			\$ 154,233	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 215,000	\$ 215,000	\$ 105,834	\$ (109,166)
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>105,834</u>	<u>(109,166)</u>
EXPENDITURES:				
Current:				
Public Safety	215,000	215,000	105,834	109,166
Total expenditures	<u>215,000</u>	<u>215,000</u>	<u>105,834</u>	<u>109,166</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of year				-
End of year				<u><u>\$ -</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
REVENUES:					
Interest and use of property	\$	-	\$	1,975	\$ 1,975
Total revenues	-		-	1,975	1,975
EXPENDITURES:					
Current:					
Community development	300,000		300,000	412,498	(112,498)
Total expenditures	300,000		300,000	412,498	(112,498)
Net change in fund balance	\$ (300,000)		\$ (300,000)	(410,523)	\$ (110,523)
FUND BALANCE:					
Beginning of year				1,188,575	
End of year				\$ 778,052	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 3,400	\$ 3,400	\$ 12,466	\$ 9,066
Intergovernmental revenues	2,425,700	3,136,650	2,894,075	(242,575)
Total revenues	2,429,100	3,140,050	2,906,541	(233,509)
EXPENDITURES:				
Current:				
Community services	2,425,700	3,136,650	2,894,156	242,494
Total expenditures	2,425,700	3,136,650	2,894,156	242,494
Net change in fund balance	\$ 3,400	\$ 3,400	12,385	\$ 8,985
FUND BALANCE:				
Beginning of year				125,335
End of year				\$ 137,720

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 29,400	\$ 29,400	\$ 52,020	\$ 22,620
Intergovernmental revenues	1,436,550	1,436,550	1,485,258	48,708
Total revenues	1,465,950	1,465,950	1,537,278	71,328
EXPENDITURES:				
Current:				
Public works	1,454,950	2,038,400	1,564,176	474,224
Total expenditures	1,454,950	2,038,400	1,564,176	474,224
Net change in fund balance	\$ 11,000	\$ (572,450)	(26,898)	\$ 545,552
FUND BALANCE:				
Beginning of year	\$ 11,000		1,016,019	
End of year	\$ 989,121			

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 100,000	\$ 100,000	\$ 43,000	\$ (57,000)
Total revenues	100,000	100,000	43,000	(57,000)
EXPENDITURES:				
Current:				
Public safety	100,000	100,000	43,000	57,000
Total expenditures	100,000	100,000	43,000	57,000
Net change in fund balance	\$ -	\$ -	-	\$ -
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
Waste Reduction Fees Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 15,950	\$ 15,950	\$ 23,646	\$ 7,696
Charges for services	73,500	73,500	80,523	7,023
Total revenues	89,450	89,450	104,169	14,719
EXPENDITURES:				
Current:				
Public works	396,150	396,150	61,598	334,552
Total expenditures	396,150	396,150	61,598	334,552
Net change in fund balance	\$ (306,700)	\$ (306,700)	42,571	\$ 349,271
FUND BALANCE:				
Beginning of year			420,519	
End of year			\$ 463,090	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 2,250	\$ 2,250	\$ 1,116	\$ (1,134)
Intergovernmental revenues	70,000	70,000	69,516	(484)
Total revenues	72,250	72,250	70,632	(1,618)
EXPENDITURES:				
Current:				
General government	4,200	14,200	-	14,200
Public works	16,000	16,000	80,636	(64,636)
Capital outlay:				
Other	-	62,500	51,778	10,722
Debt service:				
Principal	49,050	49,050	76,650	(27,600)
Interest	-	-	9,459	(9,459)
Total expenditures	69,250	141,750	218,523	(76,773)
OTHER FINANCING SOURCES:				
Issuance of debt	-	-	87,877	(87,877)
Total other financing sources	-	-	87,877	(87,877)
Net change in fund balance	\$ 3,000	\$ (69,500)	(60,014)	\$ 9,486
FUND BALANCE:				
Beginning of year			60,014	
End of year			<u>\$ -</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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest and use of property	\$ 2,150	\$ 2,150	\$ 3,620	\$ 1,470
Charges for services	8,500	8,500	9,750	1,250
Total revenues	10,650	10,650	13,370	2,720
EXPENDITURES:				
Current:				
Community development	40,000	40,000	5,431	34,569
Total expenditures	40,000	40,000	5,431	34,569
Net change in fund balance	\$ (29,350)	\$ (29,350)	7,939	\$ 37,289
FUND BALANCE:				
Beginning of year			68,080	
End of year			\$ 76,019	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Interest and use of property	\$ 29,050	\$ 29,050	\$ 88,885	\$ 59,835
Intergovernmental revenues	1,280,500	1,280,500	1,459,066	178,566
Total revenues	1,309,550	1,309,550	1,547,951	238,401
EXPENDITURES:				
Capital outlay:				
Streets, sidewalks and signals	1,000,000	2,806,299	1,507,020	1,299,279
Other	250,000	250,000	133,496	116,504
Total expenditures	1,250,000	3,056,299	1,640,516	1,415,783
Net change in fund balance	\$ 59,550	\$ (1,746,749)	(92,565)	\$ 1,654,184
FUND BALANCE:				
Beginning of year			1,702,359	
End of year			\$ 1,609,794	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 71,500	\$ 71,500	\$ 135,092	\$ 63,592
Intergovernmental revenues	1,467,600	1,467,600	1,369,084	(98,516)
Charges for services	1,500	1,500	-	(1,500)
Total revenues	1,540,600	1,540,600	1,504,176	(36,424)
EXPENDITURES:				
Current:				
General government	68,350	68,350	75,362	(7,012)
Community development	-	35,438	-	35,438
Public safety	115,850	115,850	112,435	3,415
Community services	711,750	701,750	607,435	94,315
Public works	173,500	183,500	197,277	(13,777)
Capital outlay				
Streets, sidewalks and signals	-	400,000	-	400,000
Total expenditures	1,069,450	1,504,888	992,509	512,379
Net change in fund balance	\$ 471,150	\$ 35,712	511,667	\$ 475,955
FUND BALANCE:				
Beginning of year			2,183,560	
End of year			\$ 2,695,227	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 50,750	\$ 50,750	\$ 73,349	\$ 22,599
Intergovernmental revenues	1,217,300	1,217,300	1,135,620	(81,680)
Total revenues	1,268,050	1,268,050	1,208,969	(59,081)
EXPENDITURES:				
Current:				
General government	75,600	75,600	84,489	(8,889)
Public works	98,950	109,300	116,930	(7,630)
Capital outlay:				
Streets, sidewalks and signals	1,000,000	2,397,159	1,061,366	1,335,793
Total expenditures	1,174,550	2,582,059	1,262,785	1,319,274
Net change in fund balance	\$ 93,500	\$ (1,314,009)	(53,816)	\$ 1,260,193
FUND BALANCE:				
Beginning of year			1,577,430	
End of year			\$ 1,523,614	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 64,500	\$ 64,500	\$ 133,280	\$ 68,780
Intergovernmental revenues	913,000	913,000	851,557	(61,443)
Total revenues	977,500	977,500	984,837	7,337
EXPENDITURES:				
Current:				
General government	51,400	49,700	48,410	1,290
Public works	12,950	12,950	27,411	(14,461)
Capital outlay:				
Streets, sidewalks and signals	1,750,000	4,098,104	367,225	3,730,879
Other	-	173,500	181,200	(7,700)
Total expenditures	1,814,350	4,334,254	624,246	3,710,008
Net change in fund balance	\$ (836,850)	\$ (3,356,754)	360,591	\$ 3,717,345
FUND BALANCE:				
Beginning of year			2,286,913	
End of year			\$ 2,647,504	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 58,450	\$ 58,450	\$ 117,025	\$ 58,575
Intergovernmental revenues	1,034,700	1,034,700	964,786	(69,914)
Total revenues	1,093,150	1,093,150	1,081,811	(11,339)
EXPENDITURES:				
Current:				
General government	49,700	49,700	47,585	2,115
Public works	28,950	28,950	27,403	1,547
Capital outlay:				
Streets, sidewalks and signals	400,000	2,373,990	1,248,831	1,125,159
Total expenditures	478,650	2,452,640	1,323,819	1,128,821
Net change in fund balance	\$ 614,500	\$ (1,359,490)	(242,008)	\$ 1,117,482
FUND BALANCE:				
Beginning of year			2,036,284	
End of year			\$ 1,794,276	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		Positive (Negative)	
REVENUES:					
Interest and use of property	\$ 10,450	\$ 10,450	\$ 81,662	\$ 71,212	
Intergovernmental revenues	643,000	643,000	652,746	9,746	
Total revenues	653,450	653,450	734,408	80,958	
EXPENDITURES:					
Current:					
Public works	195,000	195,000	155,390	39,610	
Capital outlay:					
Other	100,000	375,621	55,459	320,162	
Total expenditures	295,000	570,621	210,849	359,772	
Net change in fund balance	\$ 358,450	\$ 82,829	523,559	\$ 440,730	
FUND BALANCE:					
Beginning of year			1,694,049		
End of year			\$ 2,217,608		

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 456,950	\$ 1,321,775	\$ 766,507	\$ (555,268)
Total revenues	456,950	1,321,775	766,507	(555,268)
EXPENDITURES:				
Current:				
Community services	150,200	156,950	101,847	55,103
Capital outlay:				
Streets, sidewalks and signals	300,000	563,650	402,823	160,827
Parks	-	1,716,475	261,837	1,454,638
Total expenditures	450,200	2,437,075	766,507	1,670,568
Net change in fund balance	\$ 6,750	\$ (1,115,300)	-	\$ 1,115,300
FUND BALANCE:				
Beginning of year				-
End of year			\$ -	-

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest and use of property	\$ 8,850	\$ 8,850	\$ 13,581	\$ 4,731
Charges for services	1,000	1,000	-	(1,000)
Total revenues	9,850	9,850	13,581	3,731
Net change in fund balance	\$ 9,850	\$ 9,850	\$ 13,581	\$ 3,731
FUND BALANCE:				
Beginning of year			257,509	
End of year			\$ 271,090	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 25,950	\$ 25,950	\$ 33,515	\$ 7,565
Charges for services	500,000	500,000	33,370	(466,630)
Other revenue	-	-	270,455	270,455
Total revenues	525,950	525,950	337,340	(188,610)
EXPENDITURES:				
Current:				
General government	7,500	7,500	10,000	(2,500)
Community services	4,100	4,100	4,100	-
Public works	100,000	100,000	24,000	76,000
Capital outlay:				
Other	100,000	566,638	353,673	212,965
Total expenditures	211,600	678,238	391,773	286,465
Net change in fund balance	\$ 314,350	\$ (152,288)	(54,433)	\$ 97,855
FUND BALANCE:				
Beginning of year			746,311	
End of year			\$ 691,878	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 7,850	\$ 7,850	\$ 13,518	\$ 5,668
Charges for services	48,000	48,000	21,343	(26,657)
Total revenues	55,850	55,850	34,861	(20,989)
EXPENDITURES:				
Current:				
Community services	5,000	5,000	1,510	3,490
Public works	11,000	11,000	11,000	-
Capital outlay:				
Other	150,000	150,000	1,114	148,886
Total expenditures	166,000	166,000	13,624	152,376
Net change in fund balance	\$ (110,150)	\$ (110,150)	21,237	\$ 131,387
FUND BALANCE:				
Beginning of year				257,809
End of year				\$ 279,046

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Interest and use of property	\$ 20,300	\$ 20,300	\$ 34,546	\$ 14,246
Charges for services	72,000	72,000	51,085	(20,915)
Total revenues	92,300	92,300	85,631	(6,669)
EXPENDITURES:				
Capital outlay:				
Streets, sidewalks and signals	200,000	200,000	17,007	182,993
Total expenditures	200,000	200,000	17,007	182,993
Net change in fund balance	\$ 92,300	\$ (107,700)	68,624	\$ 176,324
FUND BALANCE:				
Beginning of year			625,900	
End of year			\$ 694,524	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and use of property	\$ 21,400	\$ 21,400	\$ 28,835	\$ 7,435
Charges for services	43,000	43,000	41,851	(1,149)
Total revenues	64,400	64,400	70,686	6,286
EXPENDITURES:				
Current:				
Community development	518,000	518,000	233,956	284,044
Total expenditures	518,000	518,000	233,956	284,044
Net change in fund balance	\$ (453,600)	\$ (453,600)	(163,270)	\$ 290,330
FUND BALANCE:				
Beginning of year			628,119	
End of year			\$ 464,849	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 14,150	\$ 14,150	\$ 14,142	\$ (8)
Total revenues	14,150	14,150	14,142	(8)
EXPENDITURES:				
Current:				
General government	3,700	3,700	4,051	(351)
Public works	-	-	6,066	(6,066)
Total revenues	3,700	3,700	10,117	(6,417)
Net change in fund balance	\$ 10,450	\$ 10,450	4,025	\$ (6,425)
FUND BALANCE:				
Beginning of year				-
End of year			\$ 4,025	

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 1,400,000	\$ 1,541,105	\$ 864,094	\$ (677,011)
Total revenues	1,400,000	1,541,105	864,094	(677,011)
EXPENDITURES:				
Current:				
General government	185,000	285,000	248,549	36,451
Community development	312,300	212,300	99,450	112,850
Public safety	170,500	170,500	104,308	66,192
Community service	217,000	217,000	77,274	139,726
Public works	-	200,000	-	200,000
Capital outlay				
Streets, sidewalks and signals	-	68,000	68,000	-
Other	570,200	805,231	166,097	639,134
Total expenditures	1,455,000	1,958,031	763,678	1,194,353
Net change in fund balance	\$ (55,000)	\$ (416,926)	100,416	\$ 517,342
FUND BALANCE:				
Beginning of year			140,926	
End of year			\$ 241,342	

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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.	144 - 153
Revenue Capacity	
These schedules contain information to help the reader assess one of the government's most significant local revenue sources - property tax.	154 - 158
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.	159 - 164
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.	165 - 166
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.	167 - 171

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities:					
Net investment in capital assets	\$ 79,690,688	\$ 79,225,417	\$ 76,381,563	\$ 75,437,457	\$ 72,665,264
Restricted	4,309,004	4,181,878	5,874,235	5,553,952	6,161,908
Unrestricted	8,844	(2,208,468)	(6,436,004)	(5,371,456)	(5,601,349)
Total governmental activities net position	<u>84,008,536</u>	<u>81,198,827</u>	<u>75,819,794</u>	<u>75,619,953</u>	<u>73,225,823</u>
Business-type activities:					
Net investment in capital assets	17,905,387	17,328,598	9,979,726	16,275,296	16,132,664
Restricted	-	-	-	-	-
Unrestricted	709,203	1,517,233	7,573,532	1,556,622	1,257,073
Total business-type activities net position	<u>18,614,590</u>	<u>18,845,831</u>	<u>17,553,258</u>	<u>17,831,918</u>	<u>17,389,737</u>
Primary government:					
Net investment in capital assets	97,596,075	96,554,015	86,361,289	91,712,753	88,797,928
Restricted	4,309,004	4,181,878	5,874,235	5,553,952	6,161,908
Unrestricted	718,047	(691,235)	1,137,528	(3,814,834)	(4,344,276)
Total primary government net position	<u>\$102,623,126</u>	<u>\$100,044,658</u>	<u>\$ 93,373,052</u>	<u>\$ 93,451,871</u>	<u>\$ 90,615,560</u>

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				
	2021	2022	2023	2024	2025
Governmental activities:					
Net investment in capital assets	\$ 70,923,502	\$ 73,014,467	\$ 75,768,195	\$ 76,132,951	\$ 82,536,876
Restricted	11,040,989	10,792,349	12,716,249	16,004,360	16,303,894
Unrestricted	<u>(1,963,088)</u>	<u>5,107,970</u>	<u>19,094,624</u>	<u>24,087,382</u>	<u>29,172,207</u>
Total governmental activities net position	<u>80,001,403</u>	<u>88,914,786</u>	<u>107,579,068</u>	<u>116,224,693</u>	<u>128,012,977</u>
Business-type activities:					
Net investment in capital assets	12,428,094	16,310,930	16,976,379	21,013,078	16,838,647
Restricted	-	-	-	-	-
Unrestricted	<u>2,939,592</u>	<u>3,239,458</u>	<u>1,550,050</u>	<u>(4,194,981)</u>	<u>(1,100,876)</u>
Total business-type activities net position	<u>15,367,686</u>	<u>19,550,388</u>	<u>18,526,429</u>	<u>16,818,097</u>	<u>15,737,771</u>
Primary government:					
Net investment in capital assets	83,351,596	89,325,397	92,744,574	97,146,029	99,375,523
Restricted	11,040,989	10,792,349	12,716,249	16,004,360	16,303,894
Unrestricted	<u>976,504</u>	<u>8,347,428</u>	<u>20,644,674</u>	<u>19,892,401</u>	<u>28,071,331</u>
Total primary government net position	<u>\$ 95,369,089</u>	<u>\$108,465,174</u>	<u>\$126,105,497</u>	<u>\$133,042,790</u>	<u>\$143,750,748</u>

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				
	2016	2017	2018	2019	2020
Expenses:					
Governmental activities:					
General government	\$ 6,846,940	\$ 7,308,976	\$ 7,184,690	\$ 7,088,630	\$ 7,357,400
Community development	5,007,589	2,039,989	2,461,135	1,926,054	2,405,848
Public safety	11,218,541	11,139,959	11,888,055	11,862,334	12,179,427
Community services and recreation	5,830,850	6,330,295	6,368,824	6,413,969	6,121,450
Public works	10,571,784	10,620,526	10,611,799	10,440,155	12,053,263
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>39,475,704</u>	<u>37,439,745</u>	<u>38,514,503</u>	<u>37,731,142</u>	<u>40,117,388</u>
Business-type activities:					
Water	7,685,532	7,677,359	8,581,886	7,793,957	8,178,235
Total business-type activities expenses	<u>7,685,532</u>	<u>7,677,359</u>	<u>8,581,886</u>	<u>7,793,957</u>	<u>8,178,235</u>
Total primary government expenses	<u>47,161,236</u>	<u>45,117,104</u>	<u>47,096,389</u>	<u>45,525,099</u>	<u>48,295,623</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	199,877	167,554	185,444	191,359	222,426
Community development	508,124	381,084	486,252	381,846	229,201
Public safety	119,425	130,937	108,650	138,403	107,691
Community services and recreation	264,633	282,814	213,050	215,788	96,963
Public works	759,040	675,278	826,430	772,886	614,480
Operating grants and contributions	7,541,476	7,409,586	8,574,899	7,971,987	8,100,026
Capital grants and contributions	<u>2,419,414</u>	<u>2,840,656</u>	<u>3,226,132</u>	<u>3,252,151</u>	<u>3,524,293</u>
Total governmental activities					
program revenues	<u>11,811,989</u>	<u>11,887,909</u>	<u>13,620,857</u>	<u>12,924,420</u>	<u>12,895,080</u>
Business-type activities:					
Charges for services:					
Water	<u>6,972,036</u>	<u>7,812,294</u>	<u>7,946,567</u>	<u>7,750,500</u>	<u>7,589,241</u>
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	106,368	166,689	-
Total business-type activities					
program revenues	<u>6,972,036</u>	<u>7,812,294</u>	<u>8,052,935</u>	<u>7,917,189</u>	<u>7,589,241</u>
Total primary government					
program revenues	<u>18,784,025</u>	<u>19,700,203</u>	<u>21,673,792</u>	<u>20,841,609</u>	<u>20,484,321</u>

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Net revenues (expenses):					
Governmental activities	(27,663,715)	(25,551,836)	(24,893,646)	(24,806,722)	(27,222,308)
Business-type activities	(713,496)	134,935	(528,951)	123,232	(588,994)
Total net revenues (expenses)	<u>(28,377,211)</u>	<u>(25,416,901)</u>	<u>(25,422,597)</u>	<u>(24,683,490)</u>	<u>(27,811,302)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales tax	6,129,480	7,278,424	7,712,771	8,449,883	8,265,394
In-Lieu Sales Tax	1,293,617	-	-	-	-
Transaction & Use Tax	-	-	-	-	-
Utility Users tax	3,981,658	3,679,314	3,757,405	3,735,391	3,484,876
Franchise Tax	1,635,366	1,637,474	1,784,998	1,818,389	1,885,967
Property Tax	2,052,016	2,099,550	2,306,211	2,341,486	2,563,106
Business License	977,307	962,675	947,111	988,043	893,150
Investment earnings	64,064	97,769	202,802	362,253	320,851
Motor Vehicle license fees, unrestricted	5,468,904	5,779,305	6,068,259	6,355,849	6,915,240
Other revenues	386,535	303,949	647,385	555,587	505,206
Extraordinary item-Redevelopment Agency	1,496,165	903,667	484,475	-	-
Transfers	-	-	-	-	(5,612)
Total governmental activities	<u>23,485,112</u>	<u>22,742,127</u>	<u>23,911,417</u>	<u>24,606,881</u>	<u>24,828,178</u>
Business-type activities:					
Investment income	13,483	24,536	56,884	100,630	90,318
Other revenues	54,673	48,722	56,697	54,798	50,883
Extraordinary item-Redevelopment Agency	1,383,986	23,048	-	-	-
Transfers	-	-	-	-	5,612
Total business-type activities	<u>1,452,142</u>	<u>96,306</u>	<u>113,581</u>	<u>155,428</u>	<u>146,813</u>
Total primary government	<u>24,937,254</u>	<u>22,838,433</u>	<u>24,024,998</u>	<u>24,762,309</u>	<u>24,974,991</u>
Changes in net position					
Governmental activities	(4,178,603)	(2,809,709)	(982,229)	(199,841)	(2,394,130)
Business-type activities	738,646	231,241	(415,370)	278,660	(442,181)
Total primary government	<u>\$ (3,439,957)</u>	<u>\$ (2,578,468)</u>	<u>\$ (1,397,599)</u>	<u>\$ 78,819</u>	<u>\$ (2,836,311)</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				
	2021	2022	2023	2024	2025
Expenses:					
Governmental activities:					
General government	\$ 7,348,010	\$ 8,888,563	\$ 10,059,418	\$ 8,911,185	\$ 8,939,850
Community development	3,142,509	3,166,168	4,817,632	3,509,880	3,866,190
Public safety	12,749,502	13,637,499	15,311,548	15,675,326	16,065,985
Community services and recreation	5,864,047	6,592,797	7,774,667	11,440,951	10,509,716
Public works	12,475,482	13,309,135	16,159,020	15,169,110	17,744,565
Interest on long-term debt	-	389,603	365,104	368,796	393,491
Total governmental activities expenses	<u>41,579,550</u>	<u>45,983,765</u>	<u>54,487,389</u>	<u>55,075,248</u>	<u>57,519,797</u>
Business-type activities:					
Water	9,861,949	8,895,635	11,427,517	11,240,964	11,481,307
Total business-type activities expenses	<u>9,861,949</u>	<u>8,895,635</u>	<u>11,427,517</u>	<u>11,240,964</u>	<u>11,481,307</u>
Total primary government expenses	<u>51,441,499</u>	<u>54,879,400</u>	<u>65,914,906</u>	<u>66,316,212</u>	<u>69,001,104</u>
Program revenues:					
Governmental activities:					
Charges for services:					
General government	193,393	210,847	183,320	240,018	259,278
Community development	603,104	741,976	3,687,530	2,587,812	3,022,624
Public safety	84,128	69,127	137,960	110,616	124,947
Community services and recreation	60,415	134,785	240,657	251,956	210,365
Public works	790,144	5,549,354	260,244	258,485	279,104
Operating grants and contributions	9,449,889	10,313,132	17,729,029	10,202,595	10,512,887
Capital grants and contributions	<u>4,577,817</u>	<u>4,917,424</u>	<u>6,256,776</u>	<u>5,835,628</u>	<u>10,126,880</u>
Total governmental activities					
program revenues	<u>15,758,890</u>	<u>21,936,645</u>	<u>28,495,516</u>	<u>19,487,110</u>	<u>24,536,085</u>
Business-type activities:					
Charges for services:					
Water	<u>7,796,180</u>	<u>8,414,322</u>	<u>8,355,545</u>	<u>9,280,735</u>	<u>10,032,497</u>
Operating grants and contributions	-	-	3,438,975	-	-
Capital grants and contributions	-	-	<u>757,063</u>	-	-
Total business-type activities					
program revenues	<u>7,796,180</u>	<u>8,414,322</u>	<u>12,551,583</u>	<u>9,280,735</u>	<u>10,032,497</u>
Total primary government					
program revenues	<u>23,555,070</u>	<u>30,350,967</u>	<u>41,047,099</u>	<u>28,767,845</u>	<u>34,568,582</u>

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

	Fiscal Year				
	2021	2022	2023	2024	2025
Net revenues (expenses):					
Governmental activities	(25,820,660)	(24,047,120)	(25,991,873)	(35,588,138)	(32,983,712)
Business-type activities	(2,065,769)	(481,313)	1,124,066	(1,960,229)	(1,448,810)
Total net revenues (expenses)	<u>(27,886,429)</u>	<u>(24,528,433)</u>	<u>(24,867,807)</u>	<u>(37,548,367)</u>	<u>(34,432,522)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Sales tax	9,459,141	11,483,195	12,261,365	12,187,616	10,699,660
In-Lieu Sales Tax	-	-	-	-	-
Transaction & Use Tax	5,585,397	7,238,769	8,113,036	8,551,198	7,509,858
Utility Users tax	3,261,854	4,183,383	4,492,823	4,652,691	4,981,902
Franchise Tax	1,904,943	2,049,479	2,196,469	2,471,532	2,616,822
Property Tax	2,763,914	2,847,420	3,059,499	3,095,924	3,255,950
Business License	893,927	988,969	962,760	1,046,281	1,409,135
Investment earnings	116,104	57,848	793,392	2,239,275	2,754,193
Motor Vehicle license fees, unrestricted	7,362,208	7,573,107	8,088,374	8,406,004	8,968,371
Other revenues	1,248,752	1,197,449	2,475,170	1,583,242	2,576,105
Extraordinary item-Redevelopment Agency	-	-	-	-	-
Transfers	-	(4,659,116)	-	-	-
Total governmental activities	<u>32,596,240</u>	<u>32,960,503</u>	<u>42,442,888</u>	<u>44,233,763</u>	<u>44,771,996</u>
Business-type activities:					
Investment income	17,668	1,349	65,243	251,897	368,484
Other revenues	26,050	3,550	-	-	-
Extraordinary item-Redevelopment Agency	-	-	-	-	-
Transfers	-	4,659,116	-	-	-
Total business-type activities	<u>43,718</u>	<u>4,664,015</u>	<u>65,243</u>	<u>251,897</u>	<u>368,484</u>
Total primary government	<u>32,639,958</u>	<u>37,624,518</u>	<u>42,508,131</u>	<u>44,485,660</u>	<u>45,140,480</u>
Changes in net position					
Governmental activities	6,775,580	8,913,383	16,451,015	8,645,625	11,788,284
Business-type activities	(2,022,051)	4,182,702	1,189,309	(1,708,332)	(1,080,326)
Total primary government	<u>\$ 4,753,529</u>	<u>\$ 13,096,085</u>	<u>\$ 17,640,324</u>	<u>\$ 6,937,293</u>	<u>\$ 10,707,958</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				
	2016	2017	2018	2019	2020
General fund:					
Nonspendable	\$ 355,213	\$ 273,028	\$ 276,969	\$ 558,425	\$ 299,648
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	3,563,827	2,620,286	3,675,028	4,613,579	5,419,180
Unassigned	12,121,484	12,557,530	12,647,525	12,776,116	12,798,092
Total general fund	16,040,524	15,450,844	16,599,522	17,948,120	18,516,920
All other governmental funds:					
Nonspendable	535,000	-	-	-	-
Restricted	4,309,004	4,909,124	6,448,479	6,245,337	7,237,049
Committed	1,130,117	1,130,425	1,406,939	1,412,888	1,394,450
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	\$ 5,974,121	\$ 6,039,549	\$ 7,855,418	\$ 7,658,225	\$ 8,631,499

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				
	2021	2022	2023	2024	2025
General fund:					
Nonspendable	\$ 372,030	\$ 419,767	\$ 437,805	\$ 302,963	\$ 1,407,693
Restricted	-	-	7,826	10,501	13,278
Committed	-	-	23,751,035	23,932,500	29,246,300
Assigned	8,316,428	10,202,216	21,365,038	23,827,602	19,732,165
Unassigned	14,690,303	19,185,452	1,637,546	2,430,966	2,066,630
Total general fund	23,378,761	29,807,435	47,199,250	50,504,532	52,466,066
All other governmental funds:					
Nonspendable	-	-	21,535	38,338	1,670
Restricted	9,645,978	12,164,069	12,687,421	15,302,486	16,130,869
Committed	1,395,011	1,144,636	1,781,890	2,503,392	2,386,251
Assigned	-	-	-	140,926	241,342
Unassigned	-	-	-	(6,400)	(1,670)
Total all other governmental funds	\$ 11,040,989	\$ 13,308,705	\$ 14,490,846	\$ 17,978,742	\$ 18,758,462

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				
	2016	2017	2018	2019	2020
Revenues:					
Taxes	\$ 16,069,444	\$ 15,657,437	\$ 16,508,496	\$ 16,508,496	\$ 17,092,493
Licenses and permits	788,472	717,919	814,146	814,146	620,630
Fines & Penalties	727,000	738,338	921,744	921,744	820,853
Interest & use of property	152,768	161,069	293,406	293,406	437,853
Intergovernmental revenues	13,628,376	14,146,748	15,780,459	15,780,459	16,553,788
Charges for services	985,224	866,124	949,527	949,527	590,600
Other	1,461,768	1,438,161	1,771,286	1,771,286	1,593,822
Total revenues	<u>33,813,052</u>	<u>33,725,796</u>	<u>37,039,064</u>	<u>37,039,064</u>	<u>37,710,039</u>
Expenditures					
Current:					
General government	5,533,812	5,737,211	6,117,349	6,117,349	6,679,602
Community development	4,908,494	1,640,630	1,962,771	1,962,771	1,955,450
Public safety	11,080,181	10,744,979	11,629,250	11,629,250	11,876,632
Community services & recreation	4,861,967	4,950,485	5,219,398	5,219,398	5,032,344
Public works	6,173,761	6,892,265	6,674,196	6,674,196	7,316,460
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay					
Water	-	-	106,368	106,368	5,612
Streets, sidewalks and signals	3,758,222	3,093,146	2,223,530	2,223,530	2,872,345
Parks	566,101	1,165,442	245,589	245,589	230,656
Other	542,950	205,254	408,034	408,034	296,411
Total expenditures	<u>37,425,488</u>	<u>34,429,412</u>	<u>34,586,485</u>	<u>34,586,485</u>	<u>36,265,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,612,436)</u>	<u>(703,616)</u>	<u>2,452,579</u>	<u>2,452,579</u>	<u>1,444,527</u>
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	97,547
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	-	-	27,493	27,493	97,547
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	<u>\$ (3,612,436)</u>	<u>\$ (703,616)</u>	<u>\$ 2,964,547</u>	<u>\$ 2,964,547</u>	<u>\$ 1,542,074</u>
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				
	2021	2022	2023	2024	2025
Revenues:					
Taxes	\$ 23,869,176	\$ 28,791,215	\$ 31,085,952	\$ 32,005,239	\$ 30,473,327
Licenses and permits	765,869	831,664	1,734,089	1,229,352	1,701,436
Fines & Penalties	825,192	985,543	1,240,041	1,158,077	1,172,385
Interest & use of property	181,255	182,850	948,099	2,737,054	3,512,907
Intergovernmental revenues	19,447,825	25,340,508	31,242,078	23,239,949	29,050,204
Charges for services	905,546	1,150,541	2,115,365	1,257,819	1,008,402
Other	2,331,030	2,056,802	2,514,016	1,565,001	2,817,125
Total revenues	<u>48,325,893</u>	<u>59,339,123</u>	<u>70,879,640</u>	<u>63,192,491</u>	<u>69,735,786</u>
Expenditures					
Current:					
General government	7,150,058	24,430,744	7,828,026	8,700,097	9,498,523
Community development	3,144,315	2,616,052	4,026,101	3,570,394	4,177,224
Public safety	12,721,146	13,056,996	14,106,110	15,420,857	16,247,748
Community services & recreation	4,996,113	5,166,445	6,006,697	7,000,358	7,652,506
Public works	7,691,666	7,937,654	9,690,038	10,080,500	12,961,124
Debt service:					
Principal retirement	-	26,239	1,348,743	1,341,611	1,798,879
Interest and fiscal charges	-	381,263	328,359	332,051	356,746
Capital Outlay					
Water	-	-	-	-	-
Streets, sidewalks and signals	3,185,722	4,208,347	6,477,107	2,787,251	7,293,727
Parks	739,645	2,543,074	1,474,302	2,223,749	2,712,468
Other	483,137	1,691,886	1,347,079	4,636,732	5,601,460
Total expenditures	<u>40,111,802</u>	<u>44,901,912</u>	<u>52,632,562</u>	<u>56,093,600</u>	<u>68,300,405</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,214,091</u>	<u>14,437,211</u>	<u>18,247,078</u>	<u>7,098,891</u>	<u>1,435,381</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(1,000,000)	(5,859,116)	-	-	-
Issuance of debt	-	-	326,879	-	1,305,873
Purchase finance	<u>57,240</u>	<u>118,295</u>	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>(942,760)</u>	<u>(5,740,821)</u>	<u>326,879</u>	-	<u>1,305,873</u>
Extraordinary and special items:					
Extraordinary item-RDA	-	-	-	-	-
Total extraordinary and special items	-	-	-	-	-
Net change in fund balances	<u>\$ 7,271,331</u>	<u>\$ 8,696,390</u>	<u>\$ 18,573,957</u>	<u>\$ 7,098,891</u>	<u>\$ 2,741,254</u>
Debt service as a percentage of noncapital expenditures	0.0%	1.1%	3.9%	3.4%	4.0%

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					
	2014	2015	2016	2017	2018	2019
Apparel Stores	\$ 22,999	\$ 22,718	\$ 22,954	\$ 19,971	\$ 20,746	\$ 20,803
Food Stores	24,989	25,551	22,141	20,589	21,936	22,665
Eating and Drinking Places	51,696	57,716	62,348	69,583	75,944	79,620
Building Materials	64,578	85,481	99,688	108,049	103,876	114,502
Auto Dealers and Supplies	13,531	15,294	16,959	17,004	16,212	12,373
Service Stations	98,520	81,019	67,146	72,252	83,100	88,083
Other Retail Stores	101,268	101,743	107,051	97,628	102,865	101,220
All Other Outlets	391,536	331,778	325,153	352,689	380,354	412,964
Total	<u><u>\$ 769,117</u></u>	<u><u>\$ 721,300</u></u>	<u><u>\$ 723,440</u></u>	<u><u>\$ 757,765</u></u>	<u><u>\$ 805,033</u></u>	<u><u>\$ 852,230</u></u>
Sales and Use Tax rate	9.00%	9.00%	9.50%	9.50%	9.50%	10.25%

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				
	2020	2021	2022	2023	2024
Apparel Stores	\$ 18,176	\$ 25,989	\$ 26,320	\$ 27,596	\$ 25,627
Food Stores	25,257	23,682	24,624	26,201	27,407
Eating and Drinking Places	72,511	89,660	96,246	101,885	100,030
Building Materials	123,355	132,835	136,772	149,665	146,593
Auto Dealers and Supplies	17,916	18,721	19,356	18,262	17,677
Service Stations	63,259	107,373	142,325	131,804	121,688
Other Retail Stores	105,717	125,870	124,386	119,281	115,764
All Other Outlets	434,861	503,012	644,036	678,138	564,224
Total	<u><u>\$ 861,052</u></u>	<u><u>\$ 1,027,142</u></u>	<u><u>\$ 1,214,065</u></u>	<u><u>\$ 1,252,832</u></u>	<u><u>\$ 1,119,010</u></u>
Sales and Use Tax rate	10.25%	10.25%	10.25%	10.25%	10.25%

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	
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%
2024	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

2025		2016
Air Products Manufacturing	Drugs/Chemicals	76
Alt Air Fuels	Petroleum Product/Equipment	Arco AM PM
Arco AM PM	Service Stations	Arco AM PM
Arco AM PM	Service Stations	Arco AM PM
Chevron	Service Stations	Chao Petroleum
Cort Furniture Rental	Home Furnishings	Chemco
Del Amo Motorsports of LA	Boats/Motorcycles	Chevron
Demaria Electric Motor	Heavy Industrial	Cort Furniture Rental
Falcon Fuels	Petroleum Product/Equipment	Drees Wood Products
HD Supply	Building Materials	Falcon Fuels
Home Depot	Building Materials	GCR Tire Center
JD Fuel Paramount	Service Stations	Hardy Roofing Materials
Northgate Market	Grocery Stores	HD Supply
Pacific Gypsum Supply	Contractors	Home Depot
Petro Bras	Service Stations	Jankovich Company
Rocket	Service Stations	Kalmar
Ross	Family Apparel	Lindsay Lumber
Sams Roofing Material	Building Materials	Mid Cities Motorsports
Sherwin Williams	Paint/Glass/Wallpaper	Northgate Market
Sinclair	Service Stations	Petro Bras
Stater Bros	Grocery Stores	Ross
Surface Preparation Solutions	Heavy Industrial	Sams Roofing Material
Tams Superburgers	Quick-Service Restaurants	Stater Bros
The Jankovich Company	Petroleum Product/Equipment	Surface Preparation Solutions
Walmart Supercenter	Discount Dept Stores	Walmart Supercenter
Percent of Fiscal Year Total	64.33%	58.55%

Period: January 2025 thru December 2025

January 2016 thru December 2016

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	Lease and Purchase	Total Governmental Activities	Loan and Notes Payable	Pension Obligation	Lease and Purchase	Total Business-type Activities				
	Bonds	Finance	Activities		Bonds	Finance					
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	2.72%	677.83%	
2025	11,324,812	1,004,993	12,329,805	20,351,846	1,672,792	16,427	22,041,065	34,370,870	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			
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%	-
2025	-	-		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, 2025

2024-25 Assessed Valuation	\$ 5,613,803		
	Percentage Applicable (1)	Outstanding Debt 6/30/25	Estimated Share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Metropolitan Water District (1)	0.138%	\$ 17,155,000	\$ 23,674
Cerritos Community College District Debt Service	0.005%	510,110,300	25,506
Compton Community College District Debt Service	18.672%	140,875,266	26,304,230
Compton Unified School District Debt Service	0.625%	224,563,023	1,403,519
Downey Unified School District Debt Service	0.019%	352,660,294	67,005
Paramount Unified School District Debt Service	65.418%	173,576,371	113,550,190
Total overlapping debt repaid with property taxes		<u>1,418,940,254</u>	<u>141,374,124</u>
Total overlapping debt		<u>\$ 1,418,940,254</u>	<u>141,374,124</u>
City direct debt			12,329,805
Total direct and overlapping debt			<u>\$ 153,703,929</u>

Notes:

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

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

Sources:

Avenue Insights

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Assessed valuation	\$ 3,441,673,952	\$ 3,635,948,857	\$ 3,815,902,453	\$ 3,999,245,043	\$ 4,341,952,634
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	860,418,488	908,987,214	953,975,613	999,811,261	1,085,488,159
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	129,062,773	136,348,082	143,096,342	149,971,689	162,823,224
Total net debt applicable to limit:					
General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 129,062,773</u>	<u>\$ 136,348,082</u>	<u>\$ 143,096,342</u>	<u>\$ 149,971,689</u>	<u>\$ 162,823,224</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 2024/2025 Combined Tax Rolls
HdL Coren & Cone

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

	Fiscal Year				
	2021	2022	2023	2024	2025
Assessed valuation	\$ 4,626,441,163	\$ 4,745,115,375	\$ 5,076,365,083	\$ 5,269,970,741	\$ 5,613,803,141
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	1,156,610,291	1,186,278,844	1,269,091,271	1,317,492,685	1,403,450,785
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	173,491,544	177,941,827	190,363,691	197,623,903	210,517,618
Total net debt applicable to limit:					
General obligation bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 173,491,544</u>	<u>\$ 177,941,827</u>	<u>\$ 190,363,691</u>	<u>\$ 197,623,903</u>	<u>\$ 210,517,618</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 2024/2025 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		
							Principal	Interest	Coverage
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)				
2025	10,032,497	9,880,757	151,740	642,885	0.24				

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)
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%
2024	52,371	1,303,577	24,891	5.9%

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	2025		2016	
	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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	25.7	25.8	26.2	27.7	28.7	29.1	26.3	27.4	25.2	25.2
Community Development	8.8	9.0	9.7	9.9	9.9	9.0	10.2	10.7	10.2	10.2
Public Safety	27.7	25.2	26.4	23.6	24.6	24.4	22.2	25.0	24.1	24.1
Community Services and Recreation	84.8	88.0	78.0	72.1	69.5	68.4	59.8	57.0	51.6	51.6
Public Works	47.9	44.5	42.8	43.3	43.3	46.5	50.6	51.0	45.6	45.6
Total	<u>194.9</u>	<u>192.5</u>	<u>183.1</u>	<u>176.6</u>	<u>176.0</u>	<u>177.4</u>	<u>169.1</u>	<u>171.1</u>	<u>156.7</u>	<u>156.7</u>

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				
	2016	2017	2018	2019	2020
Community Development					
Permits	1,438	1,245	1,315	1,207	907
Inspections	9,408	11,617	13,460	13,051	9,308
Public Safety:					
Arrests	1,523	1,389	1,264	1,286	1,318
Parking Citations Issued	14,348	13,524	17,723	15,541	13,238
Community Services and Recreation:					
Number of Recreation Classes	29	38	47	33	25
Number of Facility Rentals	683	722	724	580	453
Public Works:					
Street Resurfacing (miles)	1.25	0.14	0.61	5.98	0.53
Water:					
Average Daily Consumption (thousands of gallons)	5,250	5,704	5,872	4,846	4,530

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				
	2021	2022	2023	2024	2025
Community Development					
Permits	1,135	1,052	780	911	906
Inspections	7,904	5,007	3,245	2,980	2,386
Public Safety:					
Arrests	1,285	1,080	901	838	660
Parking Citations Issued	15,294	18,976	21,856	19,252	19,771
Community Services and Recreation:					
Number of Recreation Classes	18	27	28	20	20
Number of Facility Rentals	57	147	312	366	345
Public Works:					
Street Resurfacing (miles)	3.72	2.24	5.43	1.50	1.10
Water:					
Average Daily Consumption (thousands of gallons)	4,794	4,742	4,500	4,084	4,430

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				
	2016	2017	2018	2019	2020
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	3,087	3,099	3,099	3,099	3,099
Traffic Signals	55	56	56	56	56
Water:					
Water Mains (miles)	127	127	127	127	127
Number of Service Connections	7,378	7,398	7,414	7,429	7,374
Average Daily Consumption (gallons)	5,249,976	5,703,739	5,871,834	4,845,868	4,929,535
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				
	2021	2022	2023	2024	2025
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	3,100	3,099	3,099	3,099	3,099
Traffic Signals	56	56	56	57	57
Water:					
Water Mains (miles)	127	127	127	127	127
Number of Service Connections	7,381	7,506	7,129	7,129	7,659
Average Daily Consumption (gallons)	4,794,883	4,741,943	4,499,760	4,084,386	4,430,074
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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