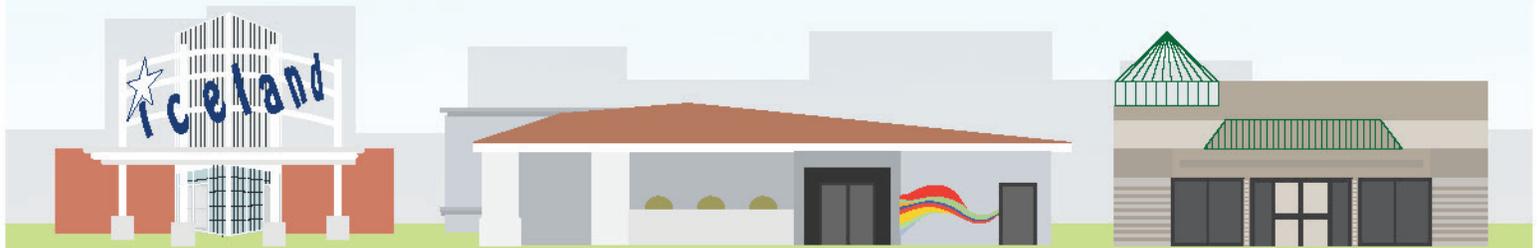




CITY OF PARAMOUNT, CA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
June 30, 2022



WE ARE PARAMOUNT



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF PARAMOUNT, CA

FISCAL YEAR ENDED

JUNE 30, 2022

PARAMOUNT CITY COUNCIL

VILMA CUELLAR STALLINGS, MAYOR

ISABEL AGUAYO, VICE MAYOR

LAURIE GUILLEN, COUNCILMEMBER

PEGGY LEMONS, COUNCILMEMBER

BRENDA OLMOS, COUNCILMEMBER

JOHN MORENO, CITY MANAGER

Prepared by the Finance Department

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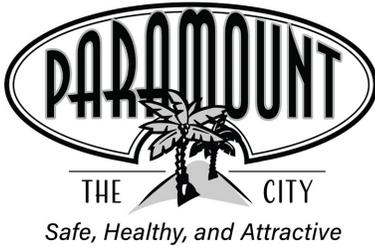
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VILMA CUELLAR STALLINGS
Mayor
ISABEL AGUAYO
Vice Mayor
ANNETTE C. DELGADILLO
Councilmember
PEGGY LEMONS
Councilmember
BRENDA OLMOS
Councilmember

January 10, 2023

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, 2022. The responsibility for the accuracy of the presented data and the completeness and fairness of the presentation rests with the City's management. The report includes the combined transactions and financial position of all funds of the City of Paramount, including its blended component units for which the City Council is also the governing body:

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

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

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

INTRODUCTION
(cont.)

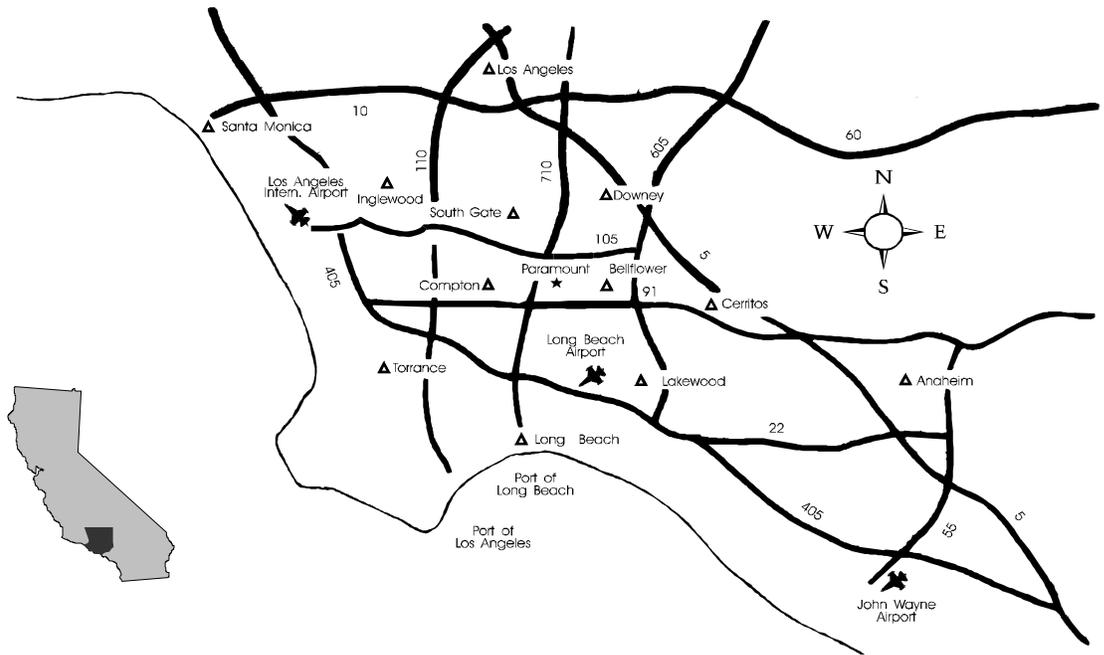
To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and fairly presents the financial position and results of operations of the City of Paramount and its related organizations. We have an established internal control structure designed to ensure accurate financial 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 Independent Auditor's Report from the City's certified public accountant, Eide Bailly LLP.

**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 53,000 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.



**ADOPTION OF
GASB STATE-
MENTS**

GASB requires 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.

**BUDGETARY
POLICY &
CONTROL**

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. The City Manager is authorized to transfer appropriations within an activity and fund. Revisions that change the total appropriation at the activity and fund level are usually made by the City Council at midyear and year-end budget reviews. In addition, the City Manager is authorized to make necessary changes and adjustments to the approved appropriations of \$10,000 in order to assure adequate and proper standards of service and to achieve the intent of the City Council in providing municipal services.

**CASH
MANAGEMENT
POLICIES &
PRACTICES**

The City Council annually adopts, by resolution, a statement of investment policy for the City’s funds. 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.

In June 2022, the City Council approved a revised investment policy that narrowed down the investment choices to those considered safest and with a maturity period of no more than five years. The City has since begun to engage in active investing that allows 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.

**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 11 of the Notes to Basic Financial Statements (Pages 65-67 describes in depth the premium and liability coverage of the members.

**ACCOMPLISH-
MENTS &
OUTLOOK**

As of June 30, 2022, the city-wide combined ending fund balance is \$43,116,140, which comprise of non-restricted (General Fund) and restricted funds (Special Revenue grant funds). The ending fund balance in the General Fund is \$29,807,435, which is an increase of \$6,428,674 from the prior year. Of this amount, \$10.2 million is assigned for specific purposes and \$19.2 million is unassigned and available for spending at the City's discretion. Details on the fund balances and assignments can be found in Note 10 to Basic Financial Statements on page 64.

Prior to the economic shutdown which began in the middle of March 2020, a Public Safety and Essential City Services Measure, also known as Measure Y, was put before Paramount voters in the March 2020 election providing a three-quarter-cent sales tax increase to address a fast-approaching structural deficit and the City's efforts to maintain the high level of services for our residents. The measure was approved overwhelmingly by Paramount voters and took effect on July 1, 2020, which provided \$5.5 million in revenue in its first fiscal year ending June 30, 2021, and \$7.2 million in its second fiscal year ending June 30, 2022. This contributed to our General Fund surplus along with the City's conservative and fiscally responsible spending habits.

This local funding measure requires strict accountability and will be subject to independent financial audits. By law, none of its income can be taken away by the State or the County. Previously, Paramount received one tenth of the revenues collected from the 9.5% Bradley-Burns Tax sales tax, the rest went to the State and County. One hundred percent of the Measure Y three-quarter-cent increase approved by voters in March, stays in Paramount, ensuring that taxpayer dollars are used effectively for City programs and services. The City also works intensely and steadily to attract new retail establishments to increase its tax base and improve quality of life.

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

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden to guarantee direct relief to cities, towns, and villages in the United States. The U.S. Department of the Treasury is responsible for overseeing this unprecedented program that provides a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. The City was awarded and has received its full amount of \$18,895,185 as of June 30, 2022. Since this funding is required to be obligated by December 31, 2024, and expended by December 31, 2026, in March 2022, the City Council approved a spending plan which has allowed the City to proceed with its projects and programs.

During the pandemic, the City has provided COVID-19 relief efforts such as rental, mortgage, and small business assistance; homeless outreach; food distribution; suspension of animal license and water fines and penalties; lenient enforcement of parking citations; community organization funding; and more. The estimated cost incurred on these efforts in FY 2020-21 alone was over \$1.4 million, which were funded mainly with the CARES Act fund and other coronavirus funds. Beginning with FY 2021-22, the City began utilizing the American Rescue Plan Act Fund and other Coronavirus relief funds to continue the relief effort, such as rebuilding the local businesses through business rehabilitation and small business assistance program, and residential water bill relief using the Water Arrearage Program Grant. A majority of the fund was dedicated to rebuilding and improving the City's infrastructures, such as the water well, community parks, and affordable housing.

Capital Improvement Completion

During FY 2021-22, as we do every year, we completed the construction of numerous street improvement projects, including street and sidewalk repairs or installations, drought tolerant median conversions, and continued resurfacing of neighborhood streets.

Deferred maintenance and structural improvements were also completed at several Parks such as the Progress Park Plaza improvements; Paramount Park picnic shelter renovation, gymnasium modernization, and pool remodel; Salud Park Walking Track, and Spane Park stormwater capture. Various city facility improvements were also completed such as security enhancements at City Hall and roof replacement at the City Yard.

We continued to transform the City's look and promote community pride with the completion of the Civic Center monument sign, the City Entry Monument signs, and the 19th Amendment Sculpture.

New Developments/Continuing Programs

Looking forward, for FY 2022-23, we have budgeted a total of \$21,671,550 for capital improvement projects that included \$16.0 million in carryover projects and \$5.7 million in new projects to continue street and sidewalk improvements, complete more miles of arterial and neighborhood street resurfacing, installation and repair of bus shelters, repainting of curb address numbers city-wide, park improvements, City facility improvements, and sustainability projects such as installation of LED lights at Progress Park and All-American Park and continuing the smart waste and recycling program.

STAR Program

In FY 2022-23, we will make substantial modifications to the Success through Academics and Recreation (STAR) Program that began in January 2007. The program is funded by an After School Education and Safety Grant from the State of California in which the City will continue to apply for. In FY 2022-23, operational responsibilities will shift from City staff to a Community Based Organization that is skilled in operating after school programs. STAR provides academic assistance and recreational activities for students in grades kindergarten through eighth.

Water Operations

As mentioned above, the City of Paramount prides itself on providing a high level of service at a reasonable cost. The City's water operations are no exception. We are constantly initiating efforts to keep our water production facilities and distribution lines in sound condition. We are anticipating the completion of our new well (Well 16) located at Garfield and Jackson in FY 2022-23. We started the design and drilling of this new water well in FY 2015-16 and we were able to secure a \$6.7 million loan from California Infrastructure and Economic Development Bank (IBank) to complete the rest of the well construction. This project is especially vital in California where the reliance on imported water is becoming more and more expensive and less and less available. Once built, the new well will help us come closer to being self-sufficient in this important area.

Also, in our effort to proactively maintain and improve our water system, the City Council approved a water rate increase that took effect January 1, 2022. The water rate increase will phase in gradually over a five-year period with the second-year increase to take effect January 1, 2023. Even with this increase, our rates will continue to be among the lowest in the area. The last water rate increase was done in FY 2016. In FY 2020-21, for single-family residential service with an average bi-monthly usage of 20 units, our typical bimonthly bill of \$51.71 was the lowest among all 14 neighboring water agencies surveyed. Based on the survey, the new water rate will increase that typical bi-monthly rate to \$56.48 in 2022, the second lowest among all 14 neighboring water agencies. This water rate increase will also help meet our debt service coverage ratio with IBank.

**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, 2021. 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 Eide Bailly, LLP, the City's independent auditors, for their expertise, guidance, assistance and professionalism in preparing this year's report. Finally, we would like to express our sincere thanks to the City Council, whose strong and effective leadership and continuous support has made this another successful year.

CITY OF PARAMOUNT



John Moreno, City Manager



Kim Sao, Finance Director

Roster of Officials

City of Paramount, CA
on June 30, 2022

CITY COUNCIL

Vilma Cuellar Stallings, Mayor
Isabel Aguayo, Vice Mayor
Laurie Guillen, Councilmember
Peggy Lemons, Councilmember
Brenda Olmos, Councilmember

Parks & Recreation Commission

Charlene Landry, Chair
Alejandro Maldonado, Vice Chair
Jennifer Alcaraz, Commissioner
Ardavan Davari, Commissioner
Steve Yanez, Commissioner

Planning Commission

Gordon Weisenburger, Chair
Alicia Anderson, Vice Chair
Jaime Abrego, Commissioner
Elizabeth Bautista, Commissioner
Ernie Esparza, Commissioner

Public Safety Commission

Rosemary Mendez, Chair
Annette C. Delgadillo, Vice Chair
Marcelina Bridges, Commissioner
Robert Cruz, Commissioner
Dora Sanchez, Commissioner

Public Works Commission

Tony Warfield, Chair
Linda Timmons, Vice Chair
Alvin Parks, Commissioner
Gerardo Ruiz, Commissioner
Rosemary Vasquez, Commissioner

Senior Services Commission

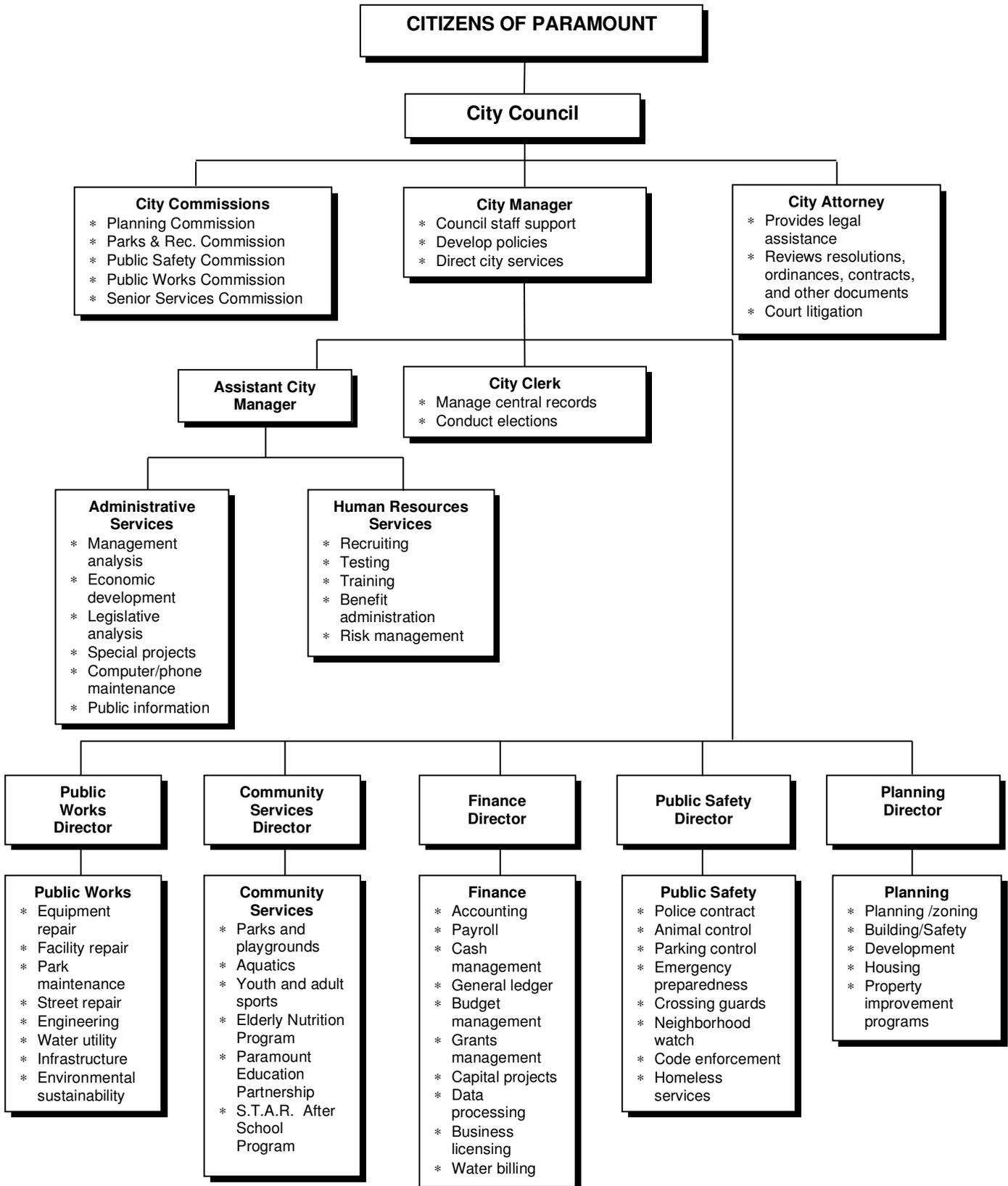
Elsa Padilla, Chair
Patricia Winiecki, Vice Chair
Virginia Chavez, Commissioner
Magdalena Ortega, Commissioner
Claudia Quinones, Commissioner

City Officials

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

Organizational Chart

City of Paramount, CA
on June 30, 2022

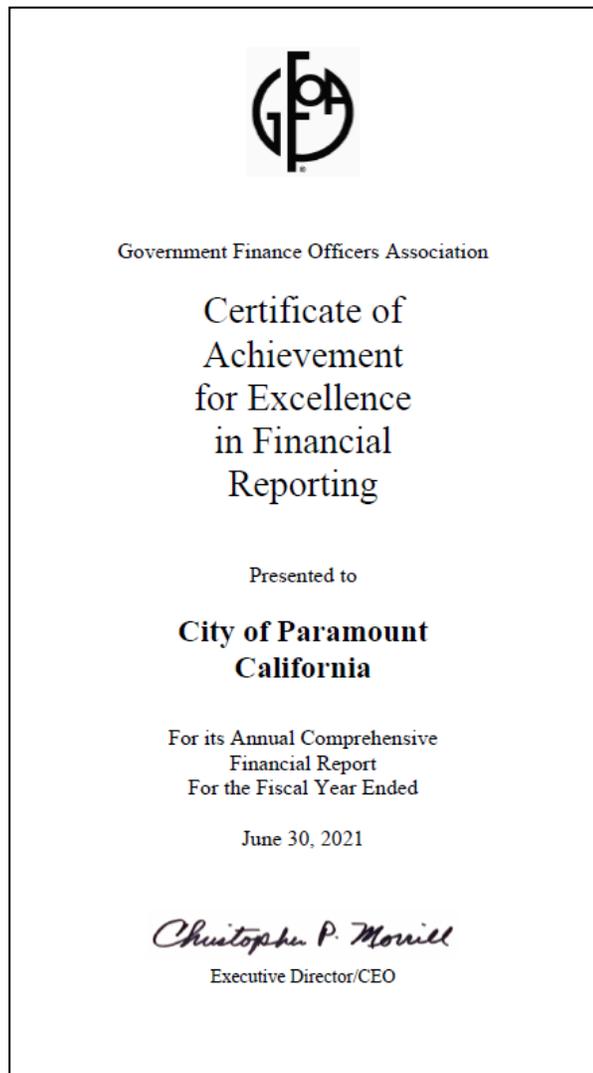


Award for Financial Reporting

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, 2021.

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, 2022 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.





Independent Auditor's Report

To the City Council
Paramount, California

Report on the Financial Statements

Opinions

We have audited the accompanying 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 (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the other grants special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibility under those standards is further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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 schedule of proportionate share of the net pension liability and the schedule of pension plan contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of OPEB contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2023, 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.



Rancho Cucamonga, California
January 10, 2023

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City of Paramount
Management's Discussion and Analysis
June 30, 2022

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, 2022. 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 iii through viii 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 2021-22 by \$108,465,173 (net position). This amount increased by \$13,096,084 from last year.
- As of June 30, 2022, the City's governmental funds reported combined fund balances of \$43,116,139. Of this amount, \$419,767 or approximately 1% of the total fund balances is non-spendable, \$12,164,068 or approximately 28% is restricted, \$1,144,636 or approximately 3% is committed, \$10,202,216 or approximately 23% is assigned and \$19,185,452, or approximately 45% is unassigned and available for spending at the City's discretion.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$19,185,452, or about 57% of the total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is 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 required supplementary information 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.

The government-wide financial statements can be found on pages 15 and 16 of this report.

The City implements Governmental Accounting Standards Board (GASB) pronouncements as mandated. New accounting pronouncements can be found on pages 30 through 31 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 27 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, ARPA 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 and budgetary statements can be found on pages 17 through 23 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 24 through 26 of this report.

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 27 through 28.

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 29 through 71 of this report.

Required Supplementary Information. This section provides schedules on the City's net pension liability and related contributions for the City's pension program – Miscellaneous Plan of the California Public Employees Retirement System and schedule of changes in the net other post-employment liability and related ratios and schedule of contributions for the other post-employment benefit plan, which can be found on pages 73 through 76.

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 80 through 111 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.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 65,921,483	\$ 48,822,478	\$ 6,692,690	\$ 8,198,833	\$ 72,614,173	\$ 57,021,311
Capital assets, net	73,212,124	71,113,966	26,585,626	23,047,953	99,797,750	94,161,919
Total assets	139,133,607	119,936,444	33,278,316	31,246,786	172,411,923	151,183,230
Deferred outflows of resources	18,148,346	6,406,651	2,752,837	857,530	20,901,183	7,264,181
Current liabilities	19,514,397	12,319,027	1,493,336	1,524,276	21,007,733	13,843,303
Long-term liabilities	34,313,978	31,106,075	12,794,369	14,818,460	47,108,347	45,924,535
Total liabilities	53,828,375	43,425,102	14,287,705	16,342,736	68,116,080	59,767,838
Deferred inflows of resources	14,538,793	2,916,590	2,193,060	393,894	16,731,853	3,310,484
Net position						
Net investment in capital assets	73,014,467	70,923,502	16,310,930	12,428,094	89,325,397	83,351,596
Restricted	10,798,402	11,040,989	-	-	10,798,402	11,040,989
Unrestricted	5,101,916	(1,963,088)	3,239,458	2,939,592	8,341,374	976,504
Total net position	\$ 88,914,785	\$ 80,001,403	\$ 19,550,388	\$ 15,367,686	\$ 108,465,173	\$ 95,369,089

The City's total assets increased from \$151,183,230 to \$172,411,923 in the fiscal year and the City's total liabilities increased from \$59,767,838 to \$68,116,080. Pension and Other Post-Employment Benefits (OPEB) related deferred outflows of resources increased from \$7,264,181 to \$20,901,183 and deferred inflows of resources increased from \$3,310,484 to \$16,731,853. For further information, please refer to Note 4 on page 46. As a whole, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$108,465,173 at June 30, 2022, an increase of \$13,096,084 from the prior year, primarily due to increase in current assets and deferred outflows.

Governmental activities. For the year ended June 30, 2022, the following condensed summary of the City's governmental activities shows total net position equal to \$88,914,785, which is \$8,913,382 more than the prior year. The increase is primarily the result of the rebound of the economy and an increase in overall tax revenue.

Business-type activities. Business-type activities' net position increased by \$4,182,702 from \$15,367,686 to \$19,550,388 resulting from an increase in revenues and a decrease in expenses. Total revenues and transfers-in increased by \$5,238,439 mainly due to a \$4,659,116 transfer-in from the American Rescue Plan Fund. Similar to last year, the cost of purchased water increased due to one of the water wells being down; however, a one-time PERS/OPEB credit of \$1,771,145 helped offset increases in total expenses.

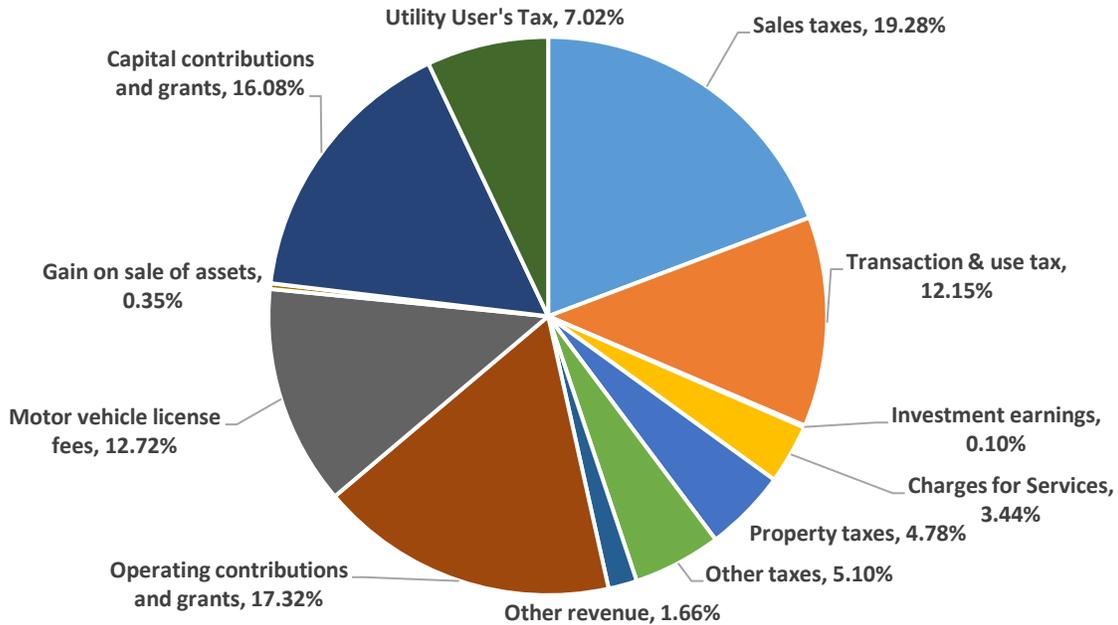
City of Paramount
Management's Discussion and Analysis
June 30, 2022

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	\$ 2,046,973	\$ 1,731,184	\$ 8,414,322	\$ 7,796,180	\$ 10,461,295	\$ 9,527,364
Operating contributions and grants	10,313,132	9,449,889	-	-	10,313,132	9,449,889
Capital contributions and grants	9,576,540	4,577,817	-	-	9,576,540	4,577,817
General revenues						
Sales tax	11,483,195	9,459,141	-	-	11,483,195	9,459,141
Transaction & use tax	7,238,769	5,585,397	-	-	7,238,769	5,585,397
Utility user's tax	4,183,383	3,261,854	-	-	4,183,383	3,261,854
Property tax	2,847,420	2,763,914	-	-	2,847,420	2,763,914
Other taxes	3,038,448	2,798,870	-	-	3,038,448	2,798,870
Investment earnings	57,848	116,104	1,349	17,668	59,197	133,772
Motor vehicle license fee	7,573,107	7,362,208	-	-	7,573,107	7,362,208
Gain on sale of assets	209,895	-	-	-	209,895	-
Other revenue	967,112	1,248,752	3,550	26,050	970,662	1,274,802
Unallocated revenues	20,442	-	-	-	20,442	-
Total revenues	<u>59,556,264</u>	<u>48,355,130</u>	<u>8,419,221</u>	<u>7,839,898</u>	<u>67,975,485</u>	<u>56,195,028</u>
Program expenses						
General government	8,888,563	7,348,010	-	-	8,888,563	7,348,010
Community development	3,166,168	3,142,509	-	-	3,166,168	3,142,509
Public safety	13,637,500	12,749,502	-	-	13,637,500	12,749,502
Community services & recreation	6,592,797	5,864,047	-	-	6,592,797	5,864,047
Public works	13,309,135	12,475,482	-	-	13,309,135	12,475,482
Interest and fiscal charges	389,603	-	-	-	389,603	-
Water	-	-	8,895,635	9,861,949	8,895,635	9,861,949
Total expenses	<u>45,983,766</u>	<u>41,579,550</u>	<u>8,895,635</u>	<u>9,861,949</u>	<u>54,879,401</u>	<u>51,441,499</u>
Excess (deficiency) before transfers	13,572,498	6,775,580	(476,414)	(2,022,051)	13,096,084	4,753,529
Transfers in / (out)	(4,659,116)	-	4,659,116	-	-	-
Change in net position	<u>8,913,382</u>	<u>6,775,580</u>	<u>4,182,702</u>	<u>(2,022,051)</u>	<u>13,096,084</u>	<u>4,753,529</u>
Net position, beginning of year	80,001,403	73,225,823	15,367,686	17,389,737	95,369,089	90,615,560
Net position, end of year	<u>\$ 88,914,785</u>	<u>\$ 80,001,403</u>	<u>\$ 19,550,388</u>	<u>\$ 15,367,686</u>	<u>\$ 108,465,173</u>	<u>\$ 95,369,089</u>

Revenues

- Charges for services increased by \$315,789 mainly due to the increase in City activities as COVID-19 restrictions were lifted and an increase in water rates that took effect on January 1, 2022. The increase in capital contributions and grants by approximately \$4,998,723 is primarily due to additional grants received during the fiscal year. The City received \$1,543,250 in Measure W Safe Clean Water Program this fiscal year compared to \$642,325 received in the prior year, and ARPA fund of \$4,871,588.
- The increase in operating contributions and grants of \$863,243 is primarily due to additional grants received during the fiscal year, such as the Measure W Safe Clean Water Program, which received \$1,543,250 this fiscal year compared to \$642,235 received in the prior year.
- Sales tax revenues increased by \$2,024,054 in FY 2021-22 mainly due to the late receipts of prior year sales tax remittances from businesses and the rebound of the economy from the pandemic.
- Transaction & use tax revenues increased by \$1,653,372 in FY 2021-22 is also due to the rebound of the economy and increase in online sales.

Revenues by Source - Governmental Activities
 Year Ended June 30, 2022

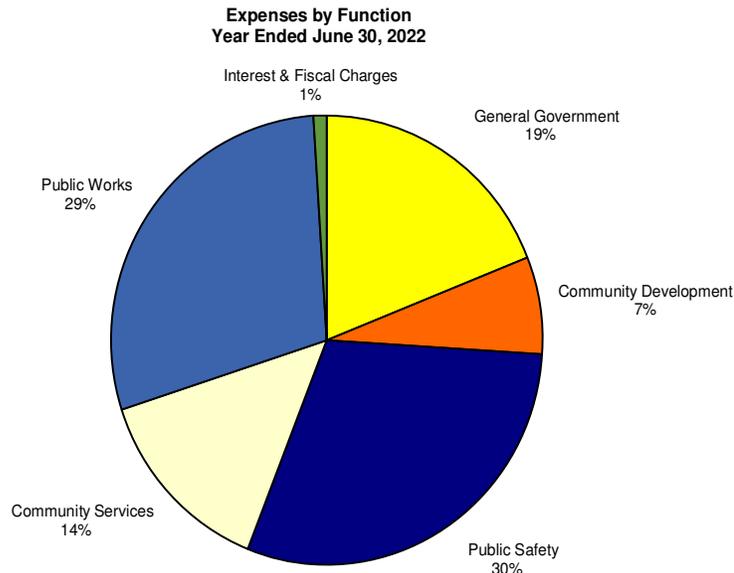


Key elements of this year's summary of activities are as follows:

- The major revenue sources were sales tax, motor vehicle license fees, and various operating contributions and grants.
- In the operating contributions and grants category, the City received some significant grant sources including:
 - \$1,826,790 After School Education and Safety Grant for the Success Through Academics and Recreation (S.T.A.R.) Program
 - \$1,294,358 State Gas Tax
 - \$1,407,682 Proposition A Transit Tax
 - \$1,107,046 SB1 Road Maintenance & Rehabilitation Account
 - \$1,165,398 Proposition C Transit Tax
 - \$989,346 Measure M Transit Tax
 - \$874,964 Measure R Transit Tax
 - \$728,973 Community Development Block Grant
 - \$1,547,444 Measure W Safe Clean Water
 - \$226,977 Community Development Block Grant – Coronavirus (CDBG-CV)

Expenses

- The increase in general government of \$1,540,553 from \$7,348,010 last year to \$8,888,563 is mainly related to increased capital improvement activities and POB bond issuance expenses.
- The increase in public safety of \$887,997 is mainly related to the increase in cost of Sheriff's services and public safety concerns due to the pandemic.
- The increase in community services of \$728,750 is mainly related to the increase in City activities as the COVID-19 restrictions were lifted.
- The increase in public works of \$833,653 is mainly related to the increased spending in capital improvement projects.



- The top three expense activities were Public Safety 30%, Public Works 29% and General Government at 19%.

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 the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$43,116,139, an increase of \$8,696,389 in comparison with the prior year. The increase was primarily related to the surplus in the general fund and accumulation of various grant funds that will be expended in future years. The fund balances are classified as follows to indicate the level of constraint.

- \$419,767 or 1% consists of non-spendable fund balances, which include land held for resale (\$236,544) and prepaids/deposits (\$183,223);
- \$12,164,068 or 28% consists of the restricted fund balances of various grants and fees (\$10,877,611), Debt Service (\$6,054) and the Paramount Housing Authority (\$1,280,404);
- \$1,144,636 or 3% consists of committed fund balances for Public Arts (\$96,706), Storm Drain (\$457,762) and General Plan (\$590,168);
- \$10,202,215 or 23% consists of assigned fund balances for Capital Projects (\$6,299,844), PERS reserve (\$2,514,500), Settlements reserve (\$796,594), 2010B bond reserve (277,621), COVID reserve (\$33,657), Paramount Education Partnership reserve (\$250,000) and self-insurance (\$30,000).
- \$19,185,452 or 45% of the ending balance is the unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City of Paramount. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$19,185,452, while its total fund balance reached \$29,807,435. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 57% of total General Fund expenditures, while total fund balance represents 89%.

The Fiscal Year 2021-22 ended with an unexpected surplus in the City's General Fund of \$6,428,674. This increased the unassigned fund balance by \$4,495,149. The assigned fund balance increased by \$1,885,788, which included an increase in Capital Improvement Project Reserve of \$1,749,400, Settlement Reserve of \$155,323, and a decrease in COVID Reserve of \$20,000. The nonspendable fund balance increased by \$47,737 in prepaids/deposits. Additional information on the fund balance categories can be found in Note 10 of the Notes to Basic Financial Statements.

The Other Grants Fund has a fund balance of \$450,292 or \$73,620 more than prior year. During FY 2021-22, the City accumulated grants allocation for future year 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.

Unrestricted net position of the City's Water Utility operations at the end of the year amounted to \$3,239,458 or \$299,866 more than the prior year. The increase is mainly due to a one-time transfer-in of \$4,659,116 from the American Rescue Plan Act fund and a one-time \$1.8 million pension and OPEB credit resulted from CalPERS investment pool gains. Without these one-time events, the operating expenses would reflect an overall increase due to the increase in the purchase of imported water.

General Fund Budgetary Highlights

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 22,505,000	\$ 27,054,000	\$ 28,791,215	\$ 1,737,215
Intergovernmental revenues	7,351,500	7,573,100	7,573,107	7
Other revenues	3,296,250	4,115,150	4,885,220	770,070
Total revenues	<u>33,152,750</u>	<u>38,742,250</u>	<u>41,249,542</u>	<u>2,507,292</u>
Expenditures				
Operations	30,823,550	32,090,150	30,105,006	1,985,144
Capital outlay	3,031,100	4,482,250	3,515,862	966,388
Total expenditures	<u>33,854,650</u>	<u>36,572,400</u>	<u>33,620,868</u>	<u>2,951,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(701,900)</u>	<u>2,169,850</u>	<u>7,628,674</u>	<u>5,458,824</u>
Other Financing Sources (Uses)				
Transfers to other funds	-	(1,200,000)	(1,200,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
Net change in fund balances	(701,900)	969,850	6,428,674	5,458,824
Fund balance - July 1	23,378,800	23,378,800	23,378,761	(39)
Fund balance - June 30	<u>\$ 22,676,900</u>	<u>\$ 24,348,650</u>	<u>\$ 29,807,435</u>	<u>\$ 5,458,785</u>

Changes between the Original Budget and the Final Budget

On the revenue side, there was an increase of \$5,589,500 between the original budget and the final amended budget. The main portion of the increase was related to higher projection for sales tax (\$1,750,000), transaction and use tax (\$1,900,000), utility tax (\$715,000), franchise tax (\$149,000), charges for services (\$378,450), and other revenue (\$307,650). On the other hand, there was an increase in appropriations for operations of \$1,266,600 and capital improvements of \$1,451,150. In both cases, the change represents adjustments made across all operating departments and capital improvement projects during the midyear and final budget reviews.

Variance with the Final Budget

Overall, actual revenues came in \$2,507,292 higher than the final amended amounts mainly due to receipts of late sales tax and transaction tax remittance from businesses combined with increased consumer spending after COVID-19 restrictions were lifted. On the other hand, actual expenditures were \$2,951,532 lower than the final budget mainly due to capital improvement project delays of \$966,388 and decreases in overall operating cost of \$1,985,144.

Capital Asset and Debt Administration

Capital assets. As of June 30, 2022, the City's investment in capital assets for its governmental and business-type activities totaled \$99,797,750, 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, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 14,849,080	\$ 14,849,080	\$ 2,894,476	\$ 2,270,763	\$ 17,743,556	\$ 17,119,843
Construction in progress	8,215,143	4,377,177	9,572,818	5,897,461	17,787,961	10,274,638
Land improvements	6,225,101	6,990,898	-	-	6,225,101	6,990,898
Building and improvements	7,210,188	6,716,424	5,596,794	5,902,198	12,806,982	12,618,622
Machinery and equipment	1,607,194	1,178,082	1,275,212	1,376,533	2,882,406	2,554,615
Infrastructure	35,017,913	37,002,305	7,246,326	7,600,999	42,264,239	44,603,304
Leased vehicles	87,505	-	-	-	87,505	-
Total	\$ 73,212,124	\$ 71,113,966	\$ 26,585,626	\$ 23,047,954	\$ 99,797,750	\$ 94,161,920

Additional information on the City's capital assets can be found in Note 7 of the Notes to Basic Financial Statements.

Long-term liabilities. As of June 30, 2022, the City of Paramount had total outstanding liabilities of \$47,108,348. Of this amount, \$12,794,369 is a liability of the Business-Type Activity.

**City of Paramount - Outstanding Liabilities
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Notes payable from direct borrowing and direct placements	\$ -	\$ -	\$ 10,236,115	\$ 10,553,136	\$ 10,236,115	\$ 10,553,136
Financed purchases	105,601	190,464	38,581	66,724	144,182	257,188
Pension Obligation Bonds	17,165,128	-	-	-	17,165,128	-
Lease liability	92,056	-	-	-	92,056	-
Net OPEB liability	5,427,338	9,162,226	801,451	1,241,053	6,228,789	10,403,279
Net pension liability	10,827,822	21,102,763	1,645,837	2,881,239	12,473,659	23,984,002
Employee leave payable	696,033	650,622	72,386	76,308	768,419	726,930
Total	\$ 34,313,978	\$ 31,106,075	\$ 12,794,370	\$ 14,818,460	\$ 47,108,348	\$ 45,924,535

The City's total liabilities had a net increase of \$1,183,813 during the current fiscal year. The net increase was mainly due to a combination of events; 1) issuance of the 2021 Pension Obligation Bond of \$17.2 million issued to pay down the unfunded actuarial liability to CalPERS, 2) the increase in lease liability due to the implementation of GASB 87, and 3) a decrease in pension and OPEB liabilities as the CalPERS's investment pool experienced gains during fiscal year 2020-21 that resulted in reduced liability in fiscal year 2021-22. As explained in Note 14 to Basic Financial Statement on page 71, the City expects the inverse to occur in fiscal year 2022-23 as all gains were lost during the fiscal year 2021-22 market.

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 \$177,941,827 based on the assessed value of all real and personal property of the City, all of which is excess because the City has no outstanding general obligation debt.

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

Economic Factors and Next Year's Budget

Prior to the economic shutdown, a Public Safety and Essential City Services Measure, also known as Measure Y, was put before Paramount voters in the March 2020 election and passed overwhelmingly. This provided a three-quarter-cent sales tax increase to address a fast-approaching structural deficit and the City's efforts to maintain a high level of services for our residents. These issues remain challenging due to the increase in costs for providing such services coupled with the slow pace of economic recovery. An additional impact is the loss of property tax revenue the City previously received from the former Paramount Redevelopment Agency for capital projects and other critical infrastructure needs. Measure Y took effect on July 1, 2020, providing over \$5.5 million in revenue in FY 2020-21 and \$7.2 million in FY 2021-22. This contributed to the General Fund surplus, combined with the City's conservative and fiscally responsible spending habits.

This local funding measure requires strict accountability and will be subject to independent financial audits. By law, none of this income can be taken away by the State or the County. Previously, Paramount received one tenth of the revenues collected from the 9.5% sales tax – the rest went to the State and County. One hundred percent of the three-quarter-cent increase approved by voters stays in Paramount, ensuring that these taxpayer dollars are used effectively for City programs and services. The City also works intensely and steadily to attract new retail establishments to increase its tax base and improve quality of life.

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden to guarantee direct relief to cities, towns, and villages in the United States. The U.S. Department of the Treasury is responsible for overseeing this unprecedented program that provides a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery. Paramount was awarded \$18,895,185, which needs to be obligated by December 31, 2024, and expended by December 31, 2026. The City received half of the funds in June 2021 in the amount of \$9,447,592.50 and the remaining amount in June 2022.

During the pandemic, the City has provided COVID-19 relief efforts such as rental, mortgage, and small business assistance; homeless outreach; food distribution; suspension of animal license and water fines and penalties; lenient enforcement of parking citations; community organization funding; and more. The estimated cost incurred on these efforts in FY 2021 alone was over \$1.4 million, which were funded mainly with the CARES Act fund. Beginning with FY 2021-22, the City began utilizing the American Rescue Plan Act Fund and other Coronavirus relief funds to continue the relief effort such as rebuilding the local businesses through business rehabilitation, small business assistance program, and residential water bill relief using the Water Arrearage Program Grant.

Over the past few years, despite unprecedented challenges of the COVID-19 pandemic, the City has continued to effectively service and support our residents and businesses. With the rebound of the economy and expected increase in revenue, the City has been able to provide a cost-of-living increase for our employees effective July 2022. However, the economy is highly uncertain with inflation at an all-time high rate of over 8% in June 2022. With the addition of the American Rescue Plan Act (ARPA) fund, the City has been fortunate to utilize the funds to provide needed support to our residents, protect essential reserves, rebuild critical services, and plan for facility and infrastructure improvements.

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

For FY 2022-23, the City adopted a balanced budget. General Fund revenues were estimated at \$37,785,400, while operating expenditures were budgeted at \$37,541,250, resulting in a surplus of \$244,150.

The City continues to be vigilant in its spending habit and is exploring multiple ways to minimize costs and increase revenues by effectively managing its way of doing business, enhancing collection efforts, and preventing revenue leakage. In addition, the City has revised its investment policy and begun to invest more actively than in the past. Where the City normally invested all its idle cash in the Local Agency Investment Fund (LAIF), it is now diversifying its investment portfolio, taking advantage of short term earnings, as well as laddering its maturity dates to ensure that the City will continue to earn a healthy return during an economic downturn.

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.

Government-wide Financial Statements

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City of Paramount, California
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 56,554,610	\$ 5,222,858	\$ 61,777,468
Cash and investments - restricted	6,054	-	6,054
Receivables			
Accounts	7,324,334	1,223,670	8,548,004
Interest	79,700	313	80,013
Notes (net)	589,520	-	589,520
Prepaid expenses and deposits	183,223	8,568	191,791
Inventories	-	237,281	237,281
Land held for resale	1,184,042	-	1,184,042
Capital assets			
Not being depreciated			
Land and water rights	8,215,143	2,894,476	11,109,619
Construction in progress	14,849,080	9,572,818	24,421,898
Being depreciated, net of accumulated depreciation			
Property and equipment	1,126,521	99,953	1,226,474
Buildings and land improvements	13,435,289	5,596,794	19,032,083
Water mains	-	7,246,326	7,246,326
Water distribution equipment	-	1,070,030	1,070,030
Vehicles	568,178	105,229	673,407
Infrastructure	35,017,913	-	35,017,913
Total assets	139,133,607	33,278,316	172,411,923
Deferred Outflows of Resources			
Deferred outflows-pensions	16,826,537	2,557,646	19,384,183
Deferred outflows-OPEB	1,321,809	195,191	1,517,000
Total deferred outflows of resources	18,148,346	2,752,837	20,901,183
Liabilities			
Accounts payable	5,363,270	1,079,190	6,442,460
Due to other governmental agencies	77,211	-	77,211
Accrued interest payable	-	133,888	133,888
Unearned revenue	14,025,993	-	14,025,993
Deposits payable	47,923	280,258	328,181
Long term liabilities			
Due in one year	1,488,076	349,513	1,837,589
Due in more than one year			
Long-term debt and compensated absences	16,570,742	88,528	16,659,270
Notes payable	-	9,909,040	9,909,040
Net OPEB liability	5,427,338	801,451	6,228,789
Net pension liability	10,827,822	1,645,837	12,473,659
Total liabilities	53,828,375	14,287,705	68,116,080
Deferred Inflows of Resources			
Deferred inflows-pensions	10,649,223	1,618,690	12,267,913
Deferred inflows-OPEB	3,889,570	574,370	4,463,940
Total deferred inflows of resources	14,538,793	2,193,060	16,731,853
Net Position			
Net investment in capital assets	73,014,467	16,310,930	89,325,397
Restricted for			
Community development	4,051,857	-	4,051,857
Community services and recreation	524,380	-	524,380
Public works	6,216,111	-	6,216,111
Debt service	6,054	-	6,054
Unrestricted	5,101,916	3,239,458	8,341,374
Total net position	\$ 88,914,785	\$ 19,550,388	\$ 108,465,173

City of Paramount, California
Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 8,888,563	\$ 210,847	\$ 1,583,143	\$ -	\$ (7,094,573)	\$ -	\$ (7,094,573)
Community development	3,166,168	741,976	394,852	-	(2,029,340)	-	(2,029,340)
Public safety	13,637,500	69,127	1,920,387	-	(11,647,986)	-	(11,647,986)
Community services and recreation	6,592,797	134,785	3,025,659	52,277	(3,380,076)	-	(3,380,076)
Public works	13,309,135	890,238	3,389,091	9,524,263	494,457	-	494,457
Interest and fiscal charges	389,603	-	-	-	(389,603)	-	(389,603)
Total governmental activities	<u>45,983,766</u>	<u>2,046,973</u>	<u>10,313,132</u>	<u>9,576,540</u>	<u>(24,047,121)</u>	<u>-</u>	<u>(24,047,121)</u>
Business-Type Activities							
Water	8,895,635	8,414,322	-	-	-	(481,313)	(481,313)
Total primary government	<u>\$ 54,879,401</u>	<u>\$ 10,461,295</u>	<u>\$ 10,313,132</u>	<u>\$ 9,576,540</u>	<u>(24,047,121)</u>	<u>(481,313)</u>	<u>(24,528,434)</u>
		General revenues					
		Taxes					
		Sales tax			11,483,195	-	11,483,195
		Transaction and use tax			7,238,769	-	7,238,769
		Utility users tax			4,183,383	-	4,183,383
		Franchise tax			2,049,479	-	2,049,479
		Property tax			2,847,420	-	2,847,420
		Business license tax			988,969	-	988,969
		Investment earnings			57,848	1,349	59,197
		Unrestricted motor vehicle license fee			7,573,107	-	7,573,107
		Other revenue			987,554	3,550	991,104
		Gain on sale of assets			209,895	-	209,895
		Total general revenues			<u>37,619,619</u>	<u>4,899</u>	<u>37,624,518</u>
		Transfers			<u>(4,659,116)</u>	<u>4,659,116</u>	<u>-</u>
		Change In Net Position			<u>8,913,382</u>	<u>4,182,702</u>	<u>13,096,084</u>
		Net Position, Beginning of Year			<u>80,001,403</u>	<u>15,367,686</u>	<u>95,369,089</u>
		Net Position, End of Year			<u>\$ 88,914,785</u>	<u>\$ 19,550,388</u>	<u>\$ 108,465,173</u>

Fund Financial Statements

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City of Paramount, California
Balance Sheet – Governmental Funds
June 30, 2022

	General	Special Revenue		Debt Service Fund	Other Governmental Funds	Total Governmental Funds
		Other Grants	American Rescue Plan Act Fund	Debt Service Fund		
Assets						
Cash and investments	\$ 27,314,217	\$ -	\$ 14,054,104	\$ -	\$ 11,898,808	\$ 53,267,129
Restricted cash and investments	-	-	-	6,054	-	6,054
Accounts receivable	4,638,006	1,145,400	-	-	1,540,928	7,324,334
Interest receivable	36,194	556	20,723	-	18,761	76,234
Due from other funds	1,508,484	-	-	-	-	1,508,484
Prepaid expenditures and deposits	183,223	-	-	-	-	183,223
Notes receivable (net)	-	-	-	-	589,520	589,520
Land held for resale	236,544	-	-	-	947,498	1,184,042
Total assets	\$ 33,916,668	\$ 1,145,956	\$ 14,074,827	\$ 6,054	\$ 14,995,515	\$ 64,139,020
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 3,984,099	\$ 106,776	\$ 48,834	\$ -	\$ 1,223,561	\$ 5,363,270
Deposits payable	47,923	-	-	-	-	47,923
Due to other governmental agencies	77,211	-	-	-	-	77,211
Due to other funds	-	588,888	-	-	919,596	1,508,484
Unearned revenue	-	-	14,025,993	-	-	14,025,993
Total liabilities	4,109,233	695,664	14,074,827	-	2,143,157	21,022,881
Fund Balances						
Nonspendable (Note 10)	419,767	-	-	-	-	419,767
Restricted	-	450,292	-	6,054	11,707,722	12,164,068
Committed	-	-	-	-	1,144,636	1,144,636
Assigned (Note 10)	10,202,216	-	-	-	-	10,202,216
Unassigned	19,185,452	-	-	-	-	19,185,452
Total fund balances	29,807,435	450,292	-	6,054	12,852,358	43,116,139
Total liabilities and fund balances	\$ 33,916,668	\$ 1,145,956	\$ 14,074,827	\$ 6,054	\$ 14,995,515	\$ 64,139,020

City of Paramount, California
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 June 30, 2022

Fund Balances of Governmental Funds (page 17)	\$ 43,116,139
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.	71,996,723
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term liabilities	(17,362,785)
Compensated absences	(696,033)
Net OPEB liability	(5,427,338)
Net pension liability	(10,827,822)
Deferred outflows related to pensions	16,826,537
Deferred outflows related to OPEB	1,321,809
Deferred inflows related to pensions	(10,649,223)
Deferred inflows related to OPEB	(3,889,570)
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.	<u>4,506,348</u>
Net Position of Governmental Activities	<u><u>\$ 88,914,785</u></u>

City of Paramount, California
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2022

	Special Revenue			Debt Service Fund	Other Governmental Funds	Total Governmental Funds
	General	Other Grants	American Rescue Plan Act Fund	Debt Service Fund		
Revenues						
Taxes	\$ 28,791,215	\$ -	\$ -	\$ -	\$ -	\$ 28,791,215
Licenses and permits	831,664	-	-	-	-	831,664
Fines and penalties	985,543	-	-	-	-	985,543
Interest and use of property	107,920	1,175	37,835	61	35,859	182,850
Intergovernmental revenues	7,573,107	1,395,124	4,871,588	-	11,500,689	25,340,508
Charges for services	912,891	-	-	-	237,650	1,150,541
Other revenues	2,047,202	-	-	-	9,600	2,056,802
Total revenues	41,249,542	1,396,299	4,909,423	61	11,783,798	59,339,123
Expenditures						
Current						
General government	7,254,841	-	8,613	16,769,532	397,758	24,430,744
Community development	2,038,285	48,597	-	-	529,170	2,616,052
Public safety	12,214,839	272,995	-	-	569,163	13,056,997
Community services	2,646,972	4,694	-	-	2,514,779	5,166,445
Public works	5,950,069	97,738	127,718	-	1,762,129	7,937,654
Capital outlay						
Streets, sidewalks and signals	614,718	846,378	-	-	2,747,251	4,208,347
Parks	2,387,297	52,277	-	-	103,500	2,543,074
Other	513,847	-	113,976	-	1,064,063	1,691,886
Debt service						
Principal	-	-	-	-	26,239	26,239
Interest	-	-	-	198,559	-	198,559
Debt issuance costs	-	-	-	182,704	-	182,704
Total expenditures	33,620,868	1,322,679	250,307	17,150,795	9,714,052	62,058,701
Excess (deficiency) of revenues over (under) expenditures	7,628,674	73,620	4,659,116	(17,150,734)	2,069,746	(2,719,578)
Other Financing Sources (Uses)						
Proceeds from issuance of lease	-	-	-	-	118,295	118,295
Bond proceeds	-	-	-	17,156,788	-	17,156,788
Transfers out	(1,200,000)	-	(4,659,116)	-	-	(5,859,116)
Total other financing sources and uses	(1,200,000)	-	(4,659,116)	17,156,788	118,295	11,415,967
Net Change In Fund Balances	6,428,674	73,620	-	6,054	2,188,041	8,696,389
Fund Balances - July 1	23,378,761	376,672	-	-	10,664,317	34,419,750
Fund Balances - June 30	\$ 29,807,435	\$ 450,292	\$ -	\$ 6,054	\$ 12,852,358	\$ 43,116,139

City of Paramount, California

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds (page 19) \$ 8,696,389

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized, net of disposals	8,028,044
Depreciation expense	(6,079,321)
Gain on sale of capital asset	209,895

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.

Issuance of long-term debt	(17,483,295)
Discount on issuance	208,212
Long-term debt retirement	111,102
Amortized bonds costs	(8,340)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (45,411)

The net OPEB liability reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This activity is reconciled as follows:

Net change in OPEB liability	3,734,888
Net change in deferred outflows of resources related to OPEB	(61,478)
Net change in deferred inflows of resources related to OPEB	(2,474,810)

The net pension liability reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This activity is reconciled as follows:

Net change in pension liability	10,274,941
Net change in deferred outflows of resources related to pensions	11,803,173
Net change in deferred inflows of resources related to pensions	(9,147,393)

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. 1,146,786

Change in Net Position of Governmental Activities \$ 8,913,382

City of Paramount, California
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 22,505,000	\$ 27,054,000	\$ 28,791,215	\$ 1,737,215
Licenses and permits	691,500	761,000	831,664	70,664
Fines and penalties	698,000	785,800	985,543	199,743
Interest and use of property	128,750	104,250	107,920	3,670
Intergovernmental revenues	7,351,500	7,573,100	7,573,107	7
Charges for services	339,000	717,450	912,891	195,441
Other revenues	1,439,000	1,746,650	2,047,202	300,552
Total revenues	<u>33,152,750</u>	<u>38,742,250</u>	<u>41,249,542</u>	<u>2,507,292</u>
Expenditures				
Current				
General government	7,403,800	7,866,400	7,254,841	611,559
Community development	2,033,300	2,405,900	2,038,285	367,615
Public safety	12,789,300	12,712,250	12,214,839	497,411
Community services	2,717,350	2,880,650	2,646,972	233,678
Public works	5,879,800	6,224,950	5,950,069	274,881
Capital Outlay				
Streets, sidewalks and signals	735,000	1,333,500	614,718	718,782
Parks	1,630,000	2,457,100	2,387,297	69,803
Other	666,100	691,650	513,847	177,803
Total expenditures	<u>33,854,650</u>	<u>36,572,400</u>	<u>33,620,868</u>	<u>2,951,532</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(701,900)</u>	<u>2,169,850</u>	<u>7,628,674</u>	<u>5,458,824</u>
Other Financing Sources (Uses)				
Transfers to other funds	-	(1,200,000)	(1,200,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>
Net Change In Fund Balance	(701,900)	969,850	6,428,674	5,458,824
Fund Balance - July 1	<u>23,378,800</u>	<u>23,378,800</u>	<u>23,378,761</u>	<u>(39)</u>
Fund Balance - June 30	<u><u>\$ 22,676,900</u></u>	<u><u>\$ 24,348,650</u></u>	<u><u>\$ 29,807,435</u></u>	<u><u>\$ 5,458,785</u></u>

City of Paramount, California
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Other Grants
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 1,000	\$ 1,000	\$ 1,175	\$ 175
Intergovernmental revenues	9,842,300	2,133,600	1,395,124	(738,476)
Total revenues	<u>9,843,300</u>	<u>2,134,600</u>	<u>1,396,299</u>	<u>(738,301)</u>
Expenditures				
Current				
Community development	160,000	101,100	48,597	52,503
Public safety	171,000	311,000	272,995	38,005
Community services	-	-	4,694	(4,694)
Public works	83,950	98,550	97,738	812
Capital Outlay				
Streets, sidewalks and signals	8,534,350	1,447,300	846,378	600,922
Parks	907,900	170,400	52,277	118,123
Total expenditures	<u>9,857,200</u>	<u>2,128,350</u>	<u>1,322,679</u>	<u>805,671</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,900)</u>	<u>6,250</u>	<u>73,620</u>	<u>67,370</u>
Net Change In Fund Balance	(13,900)	6,250	73,620	67,370
Fund Balance - July 1	<u>376,700</u>	<u>376,700</u>	<u>376,672</u>	<u>(28)</u>
Fund Balance - June 30	<u><u>\$ 362,800</u></u>	<u><u>\$ 382,950</u></u>	<u><u>\$ 450,292</u></u>	<u><u>\$ 67,342</u></u>

City of Paramount, California
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
American Rescue Plan Act
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 10,000	\$ 20,000	\$ 37,835	\$ 17,835
Intergovernmental revenues	865,650	5,389,050	4,871,588	(517,462)
Total revenues	<u>875,650</u>	<u>5,409,050</u>	<u>4,909,423</u>	<u>(499,627)</u>
Expenditures				
Current				
General government	11,650	15,000	8,613	6,387
Community development	-	70,000	-	70,000
Public safety	65,000	-	-	-
Community services	20,000	-	-	-
Public works	119,000	199,000	127,718	71,282
Capital Outlay				
Parks	250,000	-	-	-
Sustainability	200,000	115,000	113,976	1,024
Other	200,000	-	-	-
Total expenditures	<u>865,650</u>	<u>399,000</u>	<u>250,307</u>	<u>148,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,000</u>	<u>5,010,050</u>	<u>4,659,116</u>	<u>(350,934)</u>
Other Financing Sources (Uses)				
Transfers to other funds	<u>(4,659,150)</u>	<u>(4,659,150)</u>	<u>(4,659,116)</u>	<u>34</u>
Total other financing sources (uses)	<u>(4,659,150)</u>	<u>(4,659,150)</u>	<u>(4,659,116)</u>	<u>34</u>
Net Change In Fund Balance	(4,649,150)	350,900	-	(350,900)
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u>\$ (4,649,150)</u>	<u>\$ 350,900</u>	<u>\$ -</u>	<u>\$ (350,900)</u>

City of Paramount, California
Statement of Net Position - Proprietary Funds
June 30, 2022

	Business-type Activities- Water Enterprise Fund	Governmental Activities- Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	\$ 5,222,858	\$ 3,287,481
Accounts receivable	1,223,670	-
Interest receivable	313	3,466
Prepaid items	8,568	-
Inventories	237,281	-
Total current assets	6,692,690	3,290,947
Noncurrent assets		
Capital assets		
Construction in progress	9,572,818	-
Land and water rights	2,894,476	-
Buildings and well improvements	10,863,475	2,174,479
Water mains	21,614,830	-
Water distribution equipment	6,953,290	-
Other water equipment	1,194,095	-
Furniture, machinery and equipment	291,331	639,364
Vehicles	610,101	521,909
Less accumulated depreciation	(27,408,790)	(2,120,351)
Total noncurrent assets	26,585,626	1,215,401
Total assets	33,278,316	4,506,348
Deferred Outflows of Resources		
Deferred outflows-pensions	2,557,646	-
Deferred outflows-OPEB	195,191	-
Total deferred outflows of resources	2,752,837	-
Liabilities		
Current liabilities		
Accounts payable	1,079,190	-
Deposits payable	280,258	-
Interest payable	133,888	-
Current portion of compensated absences	3,783	-
Current portion of lease payable	18,655	-
Current portion of notes payable	327,075	-
Total current liabilities	1,842,849	-
Noncurrent liabilities		
Compensated absences - long term portion	68,602	-
Capital lease-long term portion	19,926	-
Net OPEB liability	801,451	-
Net pension liability	1,645,837	-
Notes payable-long term portion	9,909,040	-
Total noncurrent liabilities	12,444,856	-
Total liabilities	14,287,705	-
Deferred Inflows of Resources		
Deferred inflows-OPEB	574,370	-
Deferred inflows-pensions	1,618,690	-
Total deferred inflows of resources	2,193,060	-
Net Position		
Net investment in capital assets	16,310,930	1,215,401
Unrestricted	3,239,458	3,290,947
Total net position	\$ 19,550,388	\$ 4,506,348

City of Paramount, California
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities- Water Enterprise Fund	Governmental Activities- Internal Service Fund
Operating Revenues		
Charges for services	\$ 8,414,322	\$ -
Other revenues	3,550	-
Total operating revenues	<u>8,417,872</u>	<u>-</u>
Operating Expenses		
Water commission	3,020	-
Water system administration	1,370,159	-
Pension/OPEB expense (credit)	(1,771,145)	-
Water production	5,961,742	-
Water distribution	1,388,751	-
Water customer service	307,936	-
Water billing	383,778	-
Other operating expenses	142,996	-
Depreciation	790,044	60,460
Total operating expenses	<u>8,577,281</u>	<u>60,460</u>
Operating income/(loss)	<u>(159,409)</u>	<u>(60,460)</u>
Nonoperating Revenues (Expenses)		
Interest revenue	1,349	7,246
Interest expense	(318,354)	-
Total nonoperating revenue (expense)	<u>(317,005)</u>	<u>7,246</u>
Income/(loss) before capital contributions	<u>(476,414)</u>	<u>(53,214)</u>
Transfers In	<u>4,659,116</u>	<u>1,200,000</u>
Change In Net Position	4,182,702	1,146,786
Total Net Position - July 1	<u>15,367,686</u>	<u>3,359,562</u>
Total Net Position - June 30	<u>\$ 19,550,388</u>	<u>\$ 4,506,348</u>

City of Paramount, California
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities- Water Enterprise Fund	Governmental Activities- Internal Service Fund
Operating Activities		
Receipts from customers and users	\$ 9,735,674	\$ -
Payments to suppliers	(6,130,760)	-
Payments to employees	(3,433,692)	-
Net Cash Provided by Operating Activities	<u>171,222</u>	<u>-</u>
Capital and Related Financing Activities		
Acquisition/issuance of capital assets	(4,289,136)	-
Principal paid on capital debt	(383,744)	-
Interest paid on capital debt	(322,544)	-
Net Cash (Used) in Capital and Related Financing Activities	<u>(4,995,424)</u>	<u>-</u>
Non Capital and Related Financing Activities		
Transfers In	<u>4,659,116</u>	<u>1,200,000</u>
Investing Activities		
Interest income	<u>2,607</u>	<u>4,604</u>
Increase in cash and cash equivalents	(162,479)	1,204,604
Cash and Cash Equivalents, July 1	<u>5,385,337</u>	<u>2,082,877</u>
Cash and Cash Equivalents, June 30	<u>\$ 5,222,858</u>	<u>\$ 3,287,481</u>
Reconciliation of Operating Income (Loss) To		
Net Cash Provided (Used) In Operating Activities		
Operating income (loss)	\$ (159,409)	\$ (60,460)
Adjustments to reconcile operating income (loss)		
to net cash provided (used) in operating activities:		
Depreciation expense	790,044	60,460
(Increase)/decrease in prepaid expense		
and deposits	(217)	-
(Increase)/decrease in inventory	24,821	-
(Increase)/decrease in accounts receivable	1,317,802	-
Increase/(decrease) in accounts payable		
and accrued liabilities	(31,920)	-
Increase/(decrease) in deposits payable	5,170	-
Increase/(decrease) in employee leave payable	(3,924)	-
Net cash provided by operating activities	<u>\$ 171,222</u>	<u>\$ -</u>

City of Paramount, California
Statement of Net Position - Fiduciary Funds
June 30, 2022

	Successor Agency for the Paramount Redevelopment Agency	Custodial Fund
Assets		
Current assets		
Cash and investments	\$ 276,154	\$ 600
Restricted cash and investments	6,559,026	-
Interest receivable	9	-
Notes receivable	75	-
Due from the City of Paramount	19,389	-
Prepaid insurance	27,499	-
Total current assets	6,882,152	600
Noncurrent assets		
Buildings and building improvements	358,067	-
Infrastructure	4,277,466	-
Less accumulated depreciation	(3,397,445)	-
Total noncurrent assets	1,238,088	-
Total assets	8,120,240	\$ 600
Deferred Outflows of Resources		
Deferred loss on refunding	2,292	
Liabilities		
Current liabilities		
Accounts Payable	2,099	\$ 600
Interest payable	275,893	-
Bond debt-current portion	4,902,204	-
Total current liabilities	5,180,196	600
Noncurrent liabilities		
Bond debt-long term portion	20,004,378	-
Deferred pass through payments	930,740	-
Total noncurrent liabilities	20,935,118	-
Total liabilities	26,115,314	\$ 600
Deferred Inflows of Resources		
Deferred gain on refunding	111,109	
Total deferred inflows of resources	111,109	
Net Position (Deficit)		
Held in trust for other governments	\$ (18,103,891)	

City of Paramount, California
Statement of Changes in Fiduciary Net Position – Private-Purpose Trust Fund
Year Ended June 30, 2022

	Successor Agency for the Paramount Redevelopment Agency	Custodial Fund
Additions		
Taxes	\$ 5,484,007	\$ -
Interest and use of property	2,010	-
Total additions	5,486,017	-
Deductions		
Program expenses	500,000	-
Administrative expenses	230,611	-
Depreciation	201,552	-
Interest and fiscal agent expenses	864,913	-
Total deductions	1,797,076	-
Change in Net Position	3,688,941	-
Net Position - July 1	(21,792,832)	-
Net Position - June 30	\$ (18,103,891)	\$ -

Notes to the Financial Statements

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Note 1 - Summary of Significant Accounting Policies and Reporting Entity**Reporting Entity**

The City of Paramount (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 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 (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 (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 (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 2022 fiscal year, there was no financial activity for this entity.

- The Paramount Public Financing Authority (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.

New Accounting Pronouncements

Implemented during 2021-22

GASB Statement No. 87 - In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after June 15, 2021. The City has implemented this statement effective July 1, 2021.

GASB Statement No. 89 - In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2020. The City has implemented this statement effective July 1, 2021 and has determined that there is no impact to the financial statements.

GASB Statement No. 92 - In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practices issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2021. The City has implemented this statement effective July 1, 2021 and has determined that there is no impact to the financial statements.

GASB Statement No. 93 - In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an IBOR. The Statement is effective for reporting periods beginning after June 15, 2021. The City has implemented this statement effective July 1, 2021 and has determined that there is no impact to the financial statements.

GASB Statement No. 97 - In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No.14 and No.84 and A Supersession of GASB Statement No.32*. The objective of this Statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated

with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Statement is effective for reporting periods beginning after June 15, 2021. The City has not determined the effect of this Statement.

Effective in Future Accounting Periods

GASB Statement No. 91 - In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of this Statement is to provide a single method of reporting conduit debt obligations by issues and eliminate diversity in practice. The Statement is effective for reporting periods beginning after December 15, 2021. The City has not determined the effect of this Statement.

GASB Statement No. 94 - In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The Statement is effective for reporting periods beginning after June 15, 2022. The City has not determined the effect of this Statement.

GASB Statement No. 96 - In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The Statement is effective for reporting periods beginning after June 15, 2022. The City has not determined the effect of this Statement.

GASB Statement No. 99 - In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The Statement is effective immediately for the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The Statement is effective for fiscal year years beginning after June 15, 2022 for requirements related to leases, PPPs, and SBITAs. The Statement is effective for fiscal years beginning after June 15, 2023, for requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53. The City has not determined the effect of this Statement.

GASB Statement No. 100 - In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Statement is effective for reporting periods beginning after June 15, 2023. The City has not determined the effect of this Statement.

GASB Statement No. 101 - In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of the 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 Statement is effective for reporting periods beginning after December 15, 2023. The City has not determined the effect of this Statement.

Basis of Accounting

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.

Fiduciary activities are excluded from the government-wide financial statements as those resources are not available for the City's programs.

Certain eliminations have been made as prescribed by GASB Statement No. 34 and its related pronouncements with regards 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. Inter-fund services provided and used are not eliminated in the process of consolidation.

In the Government-Wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, net of related debt, including infrastructure, into one component of net position. Accumulated depreciation on these assets also reduces this category.

Restricted Net Position

This category presents net position 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 category represents the net position of the City that are not externally restricted for any project or other purpose.

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. The General Fund, the American Rescue Plan Act Fund, and the Debt Service Fund are the only governmental funds that met qualifications of GASB Statement No. 34 and are presented as major funds. In addition, the City has chosen to present one additional fund, the Other Grants Fund, as major per GASB Statement No. 34.

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 government'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 Fund

The Other Grants 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.

American Rescue Plan Act Fund (ARPA)

The ARPA Fund is used to fund COVID-19 expenditures or negative economic impacts of COVID-19, revenue replacement for the provision of government services to the extent of the reduction of revenue due to COVID-19 public health emergency, premium pay for essential workers, and investment in water, sewer, and broadband infrastructure. The revenue is comprised of Federal grants passed through the State that are restricted as to their purpose.

Debt Service Fund

The debt service fund is used to account for the proceeds and debt service requirements of the 2021 Pension Obligation Bonds.

Proprietary Funds

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 Water Enterprise Fund, which is the City's only major proprietary fund, 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.).

Description of Funds

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

The various funds are grouped into three broad fund categories with sub-account groups as follows:

Governmental Fund Types

General Fund

The General Fund is used to account for all revenues and activities financed by the City except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed for specified purposes other than debt service or capital projects.

Capital Projects Funds

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition, or construction of capital facilities and other capital assets.

Debt Service Fund

The Debt Service Fund is used to account for resources accumulated to pay debt service of the City's long-term liabilities.

Proprietary Fund Types

Enterprise Fund

The Enterprise Fund is used to account for operations that are financed in a manner similar to a private business enterprise where the intent of the City is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Fund

The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies. The Equipment Replacement 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 Type

Custodial Fund

The Custodial Fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and 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.

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 [Note 13]. The Private-Purpose Trust Funds are not included in the government-wide statements.

Fund Balance

Fund balance is classified in accordance with GASB Statement No. 54, which classifies fund balance into five different components. The components are nonspendable, restricted, committed, assigned and unassigned.

- Nonspendable resources are not in spendable form (such as prepaid items) or required to be maintained intact such as an endowment.
- Restricted resources are subject to externally enforceable legal restrictions or imposed by law through constitutional provisions or enabling legislation.
- Committed resources 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.

- Assigned resources are 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 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.

On June 22, 2022, the City passed a resolution, whereas the City will maintain a minimum of \$13 million in the General Fund unassigned balance of 35% of the total General Fund operating budget, whichever is greater, until such time the City deems it appropriate to commit or assign the balance for specific uses.

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.

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. 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:

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 assets	Lesser of lease term or useful life

Budgets and Budgetary Accounting

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

1. An annual budget for all 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 Paramount Parking Authority 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, Public Safety 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 at a midyear budget review and at a year-end budget review. Expenditures may not exceed budgeted appropriations at the activity level.
3. The budget is formally integrated into the accounting system and employed as a management control device during the year for all funds.
4. Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles (GAAP). The modified accrual basis of accounting is employed in the preparation of the budget. Unencumbered budget appropriations lapse at the end of the fiscal year.
5. Under the California Constitution Article XIII B (commonly referred to as the Gann Appropriations Limitation), the City is restricted as to the amount of its annual appropriations. If proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rates or revised fee schedules. For the fiscal year ending June 30, 2022, appropriations subject to this limit were below the maximum allowed.

6. Actual expenditures were higher than expected in the following fund level of the Special Revenue Funds.

Fund	Amount in excess of appropriations
HOME Investment Partnership Fund - General Government	\$ 232
AB 2766 Subvention Fund	
General Government	1,613
Capital Outlay	109,907
Debt service: Principal	26,239
Proposition A Transit Tax Fund	
General Government	8,830
Measure R Transit Tax Fund	
General Government	374
Public Works	7,471
Measure M Transit Tax Fund - Public Works	487
Public Art Fees Fund - Capital Outlay - Other	2,922
Service Assessments - Public Works	186

Compensated Absences

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

Cash and Cash Equivalents

The City considers all cash and investments as being highly liquid as cash is pooled for investment purposes with other funds of the City.

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.

Cash and Investments

Cash and investments at year-end are stated at fair value. Cash and investments consisted of cash in demand deposit accounts, investments in the State Treasurer's Local Agency Investment Fund and U.S. Treasury Notes.

Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurements and Applications*, provides a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

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.

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, 2022, property tax revenue to the City totaled \$2,847,420.

Prepays/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. Prepays and deposits are recorded in both the government-wide and fund financial statements.

Estimates

The City’s management has made a number of estimates and assumptions relating to the amounts and disclosures in preparing these financial statements in conformity with generally accepted accounting principles. Actual results could differ from their estimates.

Amortization of Premiums/Discounts

Original issue premium on the issuance of long-term debt is amortized on a straight-line basis over the life of the debt. Unamortized premium related to the Tax Allocation Bonds of the former Paramount Redevelopment Agency has been included in the Successor Agency Trust.

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, 2022.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan), and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1 , 2020 - June 30, 2021

Pensions

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

Deferred Outflows/Inflows of Resources

The City reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net assets by the government that is applicable to future reporting periods. A deferred inflow of resources represents an acquisition of net position or fund balance by the government that is applicable to a future period.

Note 2 - Cash and Investments

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 61,777,468
Restricted cash and investments	6,054
Fiduciary Funds	
Cash and investments	276,754
Restricted cash and investments	<u>6,559,026</u>
Total cash and investments	<u><u>\$ 68,619,302</u></u>
Cash and Investments as of June 30, 2022 consist of the following:	
Cash on hand	\$ 8,275
Deposits with financial institutions	3,839,224
Investments	<u>64,771,803</u>
Total cash and investments	<u><u>\$ 68,619,302</u></u>

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy, adopted on June 7, 2022. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of	Maximum Investment in
Local Agency Bonds	5 years	None	None
Certificates of Deposit	1 year	None	None
Negotiable Certificates of Deposit	1 year	30%	None
U.S. Treasury Obligations	5 years	None	None
Demand Deposits	None	None	\$15 million
Government/Federal Agency Instruments	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Prime Commercial Paper	270 days	25%	10%
Repurchase Agreements	30 days	20%	None
Medium-term Notes of Domestic Corporation	5 years	30%	None
State of California - LAIF	N/A	None	\$75 million
California County Investment Pools	N/A	None	None

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	Maximum Maturity
Federal Securities	None
Certificates of Deposit	None
Bank Repurchase Agreement	None
Money Market Fund	None
Investment Agreement	None
Local Agency Investment Fund	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. 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	Amount	Maturity of 12 Months of Less	Maturity of 1 to 3 Years	Maturity of 3 to 5 Years
Cash and Investments				
United States Treasury Notes*	\$ 16,693,840	\$ -	\$ 9,846,900	\$ 6,846,940
Government Sponsored Entities:				
Federal National Mortgage Association	2,854,500	-	-	2,854,500
Certificates of Deposit*	486,070	486,070	-	-
Local Agency Investment Fund	7,124,411	7,124,411	-	-
Money Market Fund	31,047,902	31,047,902	-	-
Restricted Cash and Investments				
Money Market Fund	6,565,080	6,565,080	-	-
	<u>\$ 64,771,803</u>	<u>\$ 45,223,463</u>	<u>\$ 9,846,900</u>	<u>\$ 9,701,440</u>

*On the investment policy adopted by in June 2022, the City restricted its investments to those guaranteed by the Federal Government.

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.

LAIF currently does not have a rating provided by a nationally recognized statistical rating organization. The City’s money market funds invested with the Bond Trustee, the Bank of New York Mellon Trust Company, N.A. have been rated as AAA- by Standard & Poor’s.

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.

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 California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2022, \$3,977,134 of the deposits with financial institutions was held in excess of FDIC limits in accounts collateralized by the pledging institutions as described above.

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).

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. LAIF is not registered with the Securities and Exchange Commission. The fair value of the City's investment in this pool is reported in the accompanying financial statements based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. Deposits and withdrawals are made on the basis of \$1 and not fair value, and, therefore, the inputs used to determine fair value are uncategorized, not defined as Level 1, Level 2, or Level 3 inputs.

The management of the State of California Pooled Money Investment Account (generally referred to as LAIF) has indicated to the City that as of June 30, 2022, the carrying amount (at amortized cost) of the pool was \$234,590,320,982 and the estimated fair value of the pool was \$231,570,067,770. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-back securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its LAIF holding, which totaled \$7,124,411 at June 30, 2022.

Note 3 - Fair Value Classifications

Fair value measurements are categorized based on the valuation inputs used to measure fair value. The inputs used to measure fair value for the LAIF and money market investments are uncategorized, not defined as Level 1, Level 2, or Level 3.

Fair value of assets measured on a recurring basis at June 30, 2022, are as follows:

	Fair Value	Uncategorized
Cash and Investments		
United States Treasury Notes	\$ -	\$ 16,693,840
Government Sponsored Entities		
Federal National Mortgage Association	2,854,500	-
Certificates of Deposit	-	486,070
Local Agency Investment Fund	-	7,124,411
Money Market Fund	-	31,047,902
Restricted Cash and Investments		
Money Market Fund	-	6,565,080
	\$ 2,854,500	\$ 61,917,303

Note 4 - Retirement Plan and Other Post Retirement Benefits

Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the City's CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. All employees hired on or after January 1, 2013 are eligible for the City's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Plans' provision and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous Plan	
	Tier 1 Prior to January 1, 2013	Tier 2 On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.0%
Required employee contribution rates	8.000%	7.750%
Required employer contribution rates	13.300%	7.540%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. In fiscal year 2022, the City paid both the employer's and a portion (4%) of the employee's contributions for Classic Plan members and the employer's contributions for PEPRA Plan members. The general fund, in the governmental activities and the water enterprise funds are the primary funds used to liquidate the pension liabilities.

During the fiscal year ended June 30, 2022, employer contributions to the Plan were \$17,772,296.

As of the fiscal year ended June 30, 2022, the City reported a net pension liability of \$12,473,659 for its proportionate share of the collective net pension liability.

The net pension liability of the Plan was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportion of the collective net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the pension liability for the Plan as of June 30, 2021 and 2020 was as follows:

	Miscellaneous Plan
Proportion - June 30, 2020	0.22039%
Proportion - June 30, 2021	0.23064%
Change - Increase (Decrease)	0.01025%

During the year ended June 30, 2022, the City recognized pension expense of \$3,151,697.

As of the fiscal year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 17,772,296	\$ -
Difference between expected and actual experience	1,398,787	-
Change in assumptions	-	-
Difference between employee's contributions and proportionate share of contributions	-	444,929
Change in Employer's proportion	213,100	934,140
Net differences between projected and actual earnings on plan investments	-	10,888,844
Total	\$ 19,384,183	\$ 12,267,913

The amount of \$17,772,296 reported as deferred outflows of resources resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense as follows:

Fiscal Years Ending June 30	Deferred Outflows/(Inflows) of Resources
2023	\$ (2,461,090)
2024	(2,625,211)
2025	(2,560,610)
2026	(3,009,115)
	\$ (10,656,026)

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation report was determined using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Investment rate of return (1)	7.15%
Mortality rate table (2)	Derived using CalPERS' Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) Net of pension plan investment expense, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

Discount Rate

The Discount rate used to measure the total pension liability was 7.15% for the Plan for the June 30, 2021 measurement date. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees' Retirement Fund (PERF). The stress test results are presented in a detailed report which can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expense.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Asset	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

* An expected inflation of 2.00% used for this period

** An expected inflation of 2.92% used for this period

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

The following table presents the City's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the City's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Plan's Net Pension Liability/(Asset)	\$ 25,804,678	\$ 12,473,659	\$ 1,453,095

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

Other Post Retirement Benefits Other than Pensions

At June 30, 2022 net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources	\$ 1,321,809	\$ 195,191	\$ 1,517,000
Net OPEB liability	\$ 5,427,338	\$ 801,451	\$ 6,228,789
Deferred inflows of resources	\$ 3,889,570	\$ 574,370	\$ 4,463,940

Plan Description

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 Executive Office - 400 P Street Sacramento, California 95814.

Employees with a minimum service of five years in a PERS agency who are at least 50 years of age at retirement qualify to receive the post-retirement benefits. Currently, 64 retirees meet these requirements and are covered under the eligibility requirements but only 49 are currently participating in the program. Membership in the plan consisted of the following at June 30, 2021 (Measurement date):

Active plan members	90
Inactive employees or beneficiaries currently receiving benefit payments	56
Inactive employees entitled to but not yet receiving benefit payments	13
	159

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2022, the City's cash contributions to the plan including the implied subsidy were \$1,517,000. The general fund, in the governmental activities and the water enterprise funds are the primary funds used to liquidate the OPEB liabilities.

Funding Policy and Actuarial Assumptions

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021, based on the following actuarial methods and assumptions:

Measurement Date	June 30, 2021
Valuation Date	June 30, 2021
Contribution Policy	Phase-in of full pre-funding: full ADC in 2027/28, approximately 100% paid in 2020/21 and 2021/22
Investment Rate of Return	6.75%
Discount Rate	6.75%
	Same as projected long term rate of return.
	Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust.
General Inflation	2.50%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate - 2.75%
	Merit - CalPERS 2000-2019 Experience Study
Medical Trend	Non-Medicare - of 3.75% in 2076 and later years.
	Medicare - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years.
Healthcare participation	50% if currently waived 100% if currently covered

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	59%	4.82%
Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
	<u>100%</u>	
Assumed Long-Term Rate Inflation		2.50%
Expected Long-Term Rate of Return		6.75%

The Expected Long-Term Rate of Return is provided by CalPERS' Strategic Asset Allocation Overview in August 2011 – Strategy 1.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that expected City contributions will be made to keep sufficient plan assets to pay all benefits from the trust.

Change in Net OPEB Liability

The contributions from employer include implied subsidy benefit payments in the amount of \$1,517,000.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020 (Measurement Date)	\$ 16,150,819	\$ 5,747,540	\$ 10,403,279
Changes Recognized for the Measurement Period			
Service cost	449,094	-	449,094
Interest on the total OPEB liability	1,099,400	-	1,099,400
Difference between expected and actual experience	(2,087,489)	-	(2,087,489)
Changes of assumptions	(586,548)	-	(586,548)
Contributions from the employer	-	1,472,000	(1,472,000)
Net investment income	-	1,579,124	(1,579,124)
Administrative expenses	-	(2,177)	2,177
Benefit payments and refunds	(625,003)	(625,003)	-
Net changes during July 1, 2020 to June 30, 2021	(1,750,546)	2,423,944	(4,174,490)
Balance at June 30, 2021 (Measurement Date)	\$ 14,400,273	\$ 8,171,484	\$ 6,228,789

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
5.75%	6.75%	7.75%
\$ 8,038,768	\$ 6,228,789	\$ 4,721,718

Sensitivity of the net OPEB liability to changes in the health care cost trend rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

Plan's Net OPEB Liability/(Asset)		
Healthcare Cost Trend Rates 5.5% decreasing to 2.75%	Healthcare Cost Trend Rates 6.5% decreasing to 3.75%	Healthcare Cost Trend Rates 7.5% decreasing to 4.75%
\$ 4,551,824	\$ 6,228,789	\$ 8,273,738

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$238,216.

Components of deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2022 were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,841,108
Changes in assumptions		763,211
Net difference between projected and actual earnings on OPEB plan investments	-	859,621
Employer contributions made subsequent to the measurement date	1,517,000	-
Total	\$ 1,517,000	\$ 4,463,940

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life for the 2020-2021 measurement period is 5.0 years.

The \$1,517,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Period Ended June 30,	Deferred Outflow/(Inflows) of Resources
2023	\$ (905,245)
2024	(896,973)
2025	(901,092)
2026	(932,075)
2027	(446,554)
Thereafter	(382,001)
	\$ (4,463,940)

Note 5 - 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 6 - Long-Term Liabilities

Summary of Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

<u>Governmental activities</u>	Balance July 01, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Compensated absences	\$ 650,622	\$ 79,022	\$ 33,611	\$ 696,033	\$ 48,022
Financed purchases	190,464	-	84,863	105,601	61,334
Pension Obligation Bonds	-	17,365,000	-	17,365,000	1,370,000
Discount	-	(208,212)	(8,340)	(199,872)	(12,492)
Lease liability	-	118,299	26,243	92,056	21,212
	<u>\$ 841,086</u>	<u>\$ 17,354,109</u>	<u>\$ 136,377</u>	<u>\$ 18,058,818</u>	<u>\$ 1,488,076</u>
Total governmental activities					
<u>Business-type activities</u>	Balance July 01, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Direct placement					
Note payable - IBank	\$ 10,553,135	\$ -	\$ 317,020	\$ 10,236,115	\$ 327,075
Financed purchases	66,724	-	28,143	38,581	18,655
Compensated absences	76,309	10,232	14,155	72,386	3,783
	<u>\$ 10,696,168</u>	<u>\$ 10,232</u>	<u>\$ 359,318</u>	<u>\$ 10,347,082</u>	<u>\$ 349,513</u>
Total business-type activities					

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 of Paramount 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. A Net system deficit of \$822,156 was recognized in the current year. During the year, interest of \$134,793 and principal of \$160,470 were paid leaving an outstanding balance of \$5,296,492.

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

In May 2018, an agreement was made between the California Infrastructure and Economic Development Bank (IBank) and the City of Paramount 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. A Net system deficit of \$822,156 was recognized in the current year. During the year, interest of \$191,566 and principal of \$156,550 were paid leaving an outstanding balance of \$9,018,136.

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.

Debt service requirements on long-term debt at June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 327,075	\$ 316,144	\$ 643,219
2024	337,449	305,605	643,054
2025	348,154	294,731	642,885
2026	359,198	283,578	642,776
2027	370,594	271,934	642,528
2028 - 2032	2,036,991	1,172,725	3,209,716
2033 - 2037	2,381,406	822,835	3,204,241
2038 - 2042	2,178,478	433,544	2,612,022
2043 - 2047	1,556,590	172,264	1,728,854
2048	340,180	5,152	345,332
	<u>\$ 10,236,115</u>	<u>\$ 4,078,513</u>	<u>\$ 14,314,628</u>

Financed Purchases

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

Payments under financed purchases at June 30, 2022 are:

Fiscal Year Ending June 30,	Governmental Activities - Financed Purchases		
	Principal	Interest	Total
2023	\$ 61,334	\$ 6,214	\$ 67,548
2024	32,103	2,919	35,022
2025	12,164	815	12,979
	<u>\$ 105,601</u>	<u>\$ 9,948</u>	<u>\$ 115,549</u>
Fiscal Year Ending June 30,	Business-Type Activities - Financed Purchases		
	Principal	Interest	Total
2023	\$ 18,655	\$ 2,628	\$ 21,283
2024	19,926	1,358	21,284
	<u>\$ 38,581</u>	<u>\$ 3,986</u>	<u>\$ 42,567</u>

In July 2021, the City entered a master lease agreement to lease vehicles. The agreement allows the City to lease vehicles at various times for 60 months. The City started acquiring vehicles under the lease agreement in February 2022. Under the terms of the lease, the City pays a monthly base fee ranging from \$416 to \$527 per month. The City is responsible for maintaining the registration and maintenance of the vehicle, which are not included in the measurement of the lease liability as they are variable in nature. The City paid \$2,164 during the year towards those variable costs.

At June 30, 2022, the City has recognized a right to use asset of \$118,299 and a lease liability of \$87,505 related to this agreement. During the fiscal year, the City recorded \$30,794 in amortization expense and \$0 in interest expense for the right to use the vehicles. The City used a discount rate of 5.67%, based on the average of the interest rates disclosed in the financing agreement

Remaining obligations associated with these leases are as follows:

Fiscal Year Ending June 30,	Governmental Activities - Lease Liability		
	Principal	Interest	Total
2023	\$ 21,212	\$ 5,027	\$ 26,239
2024	22,371	3,868	26,239
2025	23,593	2,648	26,241
2026	24,880	1,359	26,239
	<u>\$ 92,056</u>	<u>\$ 12,902</u>	<u>\$ 104,958</u>

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.

Debt service requirements on the bonds at June 30, 2022, are as follows:

Fiscal Year Ending June 30,	Pension Obligation Bonds		
	Principal	Interest	Total
2023	\$ 1,370,000	\$ 368,460	\$ 1,738,460
2024	1,410,000	360,719	1,770,719
2025	1,425,000	346,957	1,771,957
2026	1,445,000	327,691	1,772,691
2027	1,465,000	303,820	1,768,820
2028 - 2032	6,365,000	1,042,593	7,407,593
2033 - 2037	3,645,000	339,880	3,984,880
2038 - 2042	240,000	7,805	247,805
	<u>\$ 17,365,000</u>	<u>\$ 3,097,925</u>	<u>\$ 20,462,925</u>

Note 7 - Capital Assets and Depreciation

The following table presents the capital assets activity for the year ended June 30, 2022:

<u>Governmental Activities</u>	Beginning Balance July 1, 2021	Increases	Decreases	Ending Balance June 30, 2022
Capital assets not being depreciated				
Land	\$ 14,849,080	\$ -	\$ -	\$ 14,849,080
Construction in progress	4,377,177	4,589,370	751,404	8,215,143
Total capital asset not being depreciated	<u>19,226,257</u>	<u>4,589,370</u>	<u>751,404</u>	<u>23,064,223</u>
Capital assets, being depreciated				
Land improvements	25,132,199	-		25,132,199
Buildings and improvements	19,338,194	982,157	69,490	20,250,861
Fine arts	1,226,522	220,172	-	1,446,694
Computer equipment	294,161	24,846	12,674	306,333
Vehicles	2,613,642	273,086	182,410	2,704,318
Other equipment	2,585,002	296,408	64,168	2,817,242
Infrastructure	118,035,528	2,485,005	-	120,520,533
Total capital asset being depreciated	<u>169,225,248</u>	<u>4,281,674</u>	<u>328,742</u>	<u>173,178,180</u>
Less accumulated depreciation for				
Land improvements	18,141,301	765,797	-	18,907,098
Buildings and improvements	12,621,770	488,393	69,490	13,040,673
Fine arts	935,503	36,438	-	971,941
Computer equipment	213,706	37,302	12,674	238,334
Vehicles	2,258,332	147,723	182,410	2,223,645
Other equipment	2,133,704	163,937	64,168	2,233,473
Infrastructure	81,033,223	4,469,397	-	85,502,620
Total accumulated depreciation	<u>117,337,539</u>	<u>6,108,987</u>	<u>328,742</u>	<u>123,117,784</u>
Total capital assets, being depreciated, net	51,887,709	(1,827,313)	-	50,060,396
Right-of-use leased assets being amortized				
Vehicles	-	118,299	-	118,299
Total capital asset being amortized	<u>-</u>	<u>118,299</u>	<u>-</u>	<u>118,299</u>
Less accumulated amortization for				
Vehicles	-	30,794	-	30,794
Total accumulated amortization	<u>-</u>	<u>30,794</u>	<u>-</u>	<u>30,794</u>
Net right-to-use leased assets	<u>-</u>	<u>87,505</u>	<u>-</u>	<u>87,505</u>
Governmental activities capital assets, net	<u>\$ 71,113,966</u>	<u>\$ 2,849,562</u>	<u>\$ 751,404</u>	<u>\$ 73,212,124</u>

City of Paramount, California

Notes to Financial Statements

June 30, 2022

<u>Business-Type Activities</u>	Beginning Balance July 1, 2021	Increases	Decreases	Ending Balance June 30, 2022
Capital assets not being depreciated				
Land	\$ 2,270,763	\$ 623,713	\$ -	\$ 2,894,476
Construction in progress	5,897,461	3,675,357	-	9,572,818
Total capital asset not being depreciated	<u>8,168,224</u>	<u>4,299,070</u>	<u>-</u>	<u>12,467,294</u>
Capital assets, being depreciated				
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	1,810,004	22,772	638,680	1,194,096
Tools	23,089	-	-	23,089
Vehicles	634,206	-	24,105	610,101
Computer equipment	443,135	5,875	180,768	268,242
Total capital asset being depreciated	<u>42,342,029</u>	<u>28,647</u>	<u>843,553</u>	<u>41,527,123</u>
Less accumulated depreciation for				
Buildings and wells	4,961,277	305,404	-	5,266,681
Mains	14,013,832	354,672	-	14,368,504
Distribution equipment	5,832,540	50,720	-	5,883,260
Other equipment	1,714,764	27,237	638,680	1,103,321
Tools	23,089	-	-	23,089
Vehicles	487,288	41,689	24,105	504,872
Computer equipment	429,510	10,322	180,768	259,064
Total accumulated depreciation	<u>27,462,300</u>	<u>790,044</u>	<u>843,553</u>	<u>27,408,791</u>
Total capital assets, being depreciated, net	<u>14,879,729</u>	<u>(761,397)</u>	<u>-</u>	<u>14,118,332</u>
Business type activities capital assets, net	<u>\$ 23,047,953</u>	<u>\$ 3,537,673</u>	<u>\$ -</u>	<u>\$ 26,585,626</u>

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

Governmental Activities	
General government	\$ 350,904
Community development	908
Public safety	31,599
Community services and recreation	885,903
Public works	<u>4,870,467</u>
Total depreciation expense – governmental activities	<u>\$ 6,139,781</u>
Business-Type Activities	
Water	<u>\$ 790,044</u>

Note 8 - Interfund Transactions

Interfund Balances

The following summarizes interfund receivables and payables at June 30, 2022:

Due to the General Fund from	
Major Fund	
Other Grants	\$ 588,888
Non-major Funds	
Community Development Block Grant	476,783
HOME Partnership Act	122,973
CDBG Coronavirus	234,810
After School Education and Safety	77,692
Traffic Safety	6,397
Service Assessments	941
Total non-major funds	919,596
Total due to the general fund	\$ 1,508,484
Transfers out from General Fund	
Internal Service Fund	
Equipment Replacement Fund	\$ 1,200,000
Transfers out from American Rescue Plan Act	
Special Revenue Fund	
Water Utility Fund	4,659,116
Total transfers in and out	\$ 5,859,116

Due To/From

The amounts due to the General Fund from the Community Development Block Grant, HOME Partnership Act, CDBG Coronavirus, After School Education and Safety, Traffic Safety, and Service Assessment funds are short-term loans to provide cash flow.

Note 9 - Notes Receivable

Summary of Notes Receivable

The following is a summary of notes receivable by fund at June 30, 2022:

<u>HOME Partnership Act</u>	
Home Improvement Loan Program	\$ 122,227
Senior Housing Note Receivable	948,500
Allowance for Deferred Note Receivable	<u>(948,500)</u>
HOME Partnership Act Total	<u>122,227</u>
<u>Paramount Housing Authority</u>	
Affordable Home Ownership Program-Clearwater Court	431,603
Home Improvement Loan Program	<u>35,690</u>
Paramount Housing Authority Total	<u>467,293</u>
Total Notes Receivable	<u><u>\$ 589,520</u></u>

The corresponding fund balance has been classified as restricted in the accompanying financial statements.

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 \$122,227 at June 30, 2022.

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, 2022. 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.

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, 2022. On June 27, 2012, the former Redevelopment Agency transferred the Affordable Home Ownership Loans to the Paramount Housing Authority.

Microburst Loan Program

In September 2000, the former Paramount Redevelopment Agency entered into loan agreements with six residential property owners for amounts ranging from \$2,000 to \$9,990, for a total of \$32,890. The Agency provided the loans to assist with the rehabilitation of the owner's homes resulting from a microburst (severe wind) storm on April 18, 2000. The loans bear a 3.812% interest rate and have amortization periods from three to thirty years beginning in September 2000. The total amount was paid off during the fiscal year and the outstanding is \$0 at June 30, 2022.

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 \$35,690 at June 30, 2022.

Note 10 - Fund Balance

The City's governmental fund balances at June 30, 2022 are presented below:

	General	Other Grants	American Rescue Plan Act	Pension Obligation Bonds	Other Governmental Funds
Nonspendable					
Prepaid Items	\$ 183,223	\$ -	\$ -	\$ -	\$ -
Land Held for Resale	236,544	-	-	-	-
	<u>419,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted for					
Environmental Concerns	-	273,448	-	-	1,963,226
Housing Programs	-	-	-	-	400,613
Housing Programs-Land Held for Resale	-	-	-	-	412,498
Housing Programs-Notes Receivable	-	-	-	-	589,520
Special Event Services	-	161,838	-	-	864,472
Public Safety	-	15,006	-	-	-
After School Program	-	-	-	-	115,065
Disability Access and Education	-	-	-	-	48,479
Public Access	-	-	-	-	168,936
Public Transit	-	-	-	-	4,815,071
Parking Authority	-	-	-	-	535,000
Road Maintenance	-	-	-	-	1,554,580
Sewer Maintenance	-	-	-	-	240,262
Debt Service	-	-	-	6,054	-
	<u>-</u>	<u>450,292</u>	<u>-</u>	<u>6,054</u>	<u>11,707,722</u>
Committed to					
Community Cultural Services	-	-	-	-	96,706
Storm Drain	-	-	-	-	457,762
General Plan	-	-	-	-	590,168
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,144,636</u>
Assigned to					
Capital Improvement Projects	6,299,844	-	-	-	-
Paramount Education Partnership	250,000	-	-	-	-
Public Employee Retirement	2,514,500	-	-	-	-
Self-insurance	30,000	-	-	-	-
2010B	277,621	-	-	-	-
COVID	33,657	-	-	-	-
Settlement Reserve	796,594	-	-	-	-
	<u>10,202,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned					
	<u>19,185,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u><u>\$ 29,807,435</u></u>	<u><u>\$ 450,292</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,054</u></u>	<u><u>\$ 12,852,358</u></u>

Note 11 - 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

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

B. Primary Self-Insurance Programs of the Authority

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

Primary Liability Program

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.

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 Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

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

For 2021-22, the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased 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 of Paramount participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Paramount. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of 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 \$61,111,459. 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 \$2,279,700. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

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

Special Event Tenant User Liability Insurance

The City of Paramount 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 of Paramount according to a schedule. The City of Paramount then pays for the insurance. The insurance is facilitated by the Authority.

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 during the fiscal year.

Note 12 - Litigation

Claims for damages alleged against the City are generally referred to a claims adjuster through CJPIA. Management believes that there is minimal exposure to the City on these matters and that no case so reported exceeds existing liability coverage. There are other civil suits filed against the City. In the opinion of the City's legal counsel, the plaintiff's chances of prevailing in these claims are remote, and the potential liability of the City for such claims in the event of adverse judgment will be minimal and should not have a material adverse effect on the financial position of the various funds and account groups of the City.

Note 13 - Successor Agency Trust for Assets of Former Redevelopment Agency**General Discussion**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Paramount that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 31, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12:002.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Redevelopment Obligation Retirement Private-Purpose Trust Fund Cash and Investments

Cash and investments as of June 30, 2022 are classified in the accompanying fiduciary financial statements as follows:

Redevelopment Obligation Retirement Private-Purpose Trust Fund	
Cash and investments	\$ 276,154
Cash and investments - restricted	<u>6,559,026</u>
Total cash and investments	<u><u>\$ 6,835,180</u></u>

Cash and investments as of June 30, 2022 consist of the following:

Deposits with financial institutions	\$ 271,132
Investments	<u>6,564,048</u>
Total cash and investments	<u><u>\$ 6,835,180</u></u>

Successor Agency Long-Term Debt

	Balance July 01, 2021	Compounded Interest	Debt Retired	Balance June 30, 2022	Due Within One Year
1998 Tax Allocation Bonds	\$ 10,743,280	\$ 582,453	\$ -	\$ 11,325,733	\$ -
2015 Refunding Bonds	9,960,000	-	3,160,000	6,800,000	3,315,000
Unamortized premium-2015	720,456	-	345,818	374,638	345,818
2010 Tax Allocation Bonds	7,645,000	-	1,195,000	6,450,000	1,250,000
Unamortized discount	(52,403)	-	(8,614)	(43,789)	(8,614)
Deferred Pass Through	930,740	-	-	930,740	-
Total long-term debt	\$ 29,947,073	\$ 582,453	\$ 4,692,204	\$ 25,837,322	\$ 4,902,204

1998 Tax Allocation Refunding Bonds

In February 1998, the Agency issued \$3,122,050 of Tax Allocation Refunding Bonds to refund the 1993B Compound Interest Tax Allocation Bonds and provide additional funds in furtherance of the Redevelopment Plan. The 1998 Bonds have a maturity value of \$14,050,000 with all interest and principal payable at maturity. The bonds mature August 1, 2026 and are compounded annually at 5.35%. Accordingly, as of June 30, 2022, interest of \$582,453 was added to the outstanding debt. At maturity, the bonds will have a value as follows:

Due Date	Principal	Interest	Total
August 1, 2026	\$ 7,423,881	\$ 6,626,119	\$ 14,050,000

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.

Below is a schedule of the remaining debt service:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,250,000	\$ 305,338	\$ 1,555,338
2024	1,315,000	240,391	1,555,391
2025	1,075,000	178,475	1,253,475
2026	1,125,000	120,725	1,245,725
2027	1,185,000	45,597	1,230,597
2028	500,000	27,500	527,500
	\$ 6,450,000	\$ 918,025	\$ 7,368,025

2015 Tax Allocation Refunding Bonds

In June 2015, the Successor Agency issued \$23,665,000 of 2015 Tax allocation Refunding Bonds to current refund the 2003 Tax Allocation Refunding Bonds. The 2015 Tax Allocation Refunding Bonds consist of \$23,665,000 of Serial Bonds with coupon rates ranging from 2% to 5%. Interest is paid semi-annually on February 1 and August 1 of each year and the annual debt service payments are kept at approximately \$3,650,000. As of June 30, 2022, the outstanding balance was \$6,800,000, the unamortized bond premium was \$374,638 and the outstanding balance of the deferred amount on refunding was \$2,292.

Below is a schedule of the remaining debt service:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,315,000	\$ 247,125	\$ 3,562,125
2024	3,485,000	82,125	3,567,125
	<u>\$ 6,800,000</u>	<u>\$ 329,250</u>	<u>\$ 7,129,250</u>

Deferred Pass-Through-Los Angeles County

On June 4, 1991 the Paramount Redevelopment Agency entered into a tax sharing agreement with the County of Los Angeles. As part of that agreement, the County deferred receipt of its share of the annual tax increment revenue generated by Project Area #2 until July 1, 2031. As of June 30, 2022, the balance due is \$930,740.

Capital Assets and Depreciation

	<u>Beginning Balance July 01, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance June 30, 2022</u>
Capital assets, being depreciated				
Buildings and improvements	\$ 358,067	\$ -	\$ -	\$ 358,067
Infrastructure	4,277,466	-	-	4,277,466
Total capital asset being depreciated	<u>4,635,533</u>	<u>-</u>	<u>-</u>	<u>4,635,533</u>
Less accumulated depreciation for				
Buildings and improvements	341,169	7,635	-	348,804
Infrastructure	2,854,724	193,917	-	3,048,641
Total accumulated depreciation	<u>3,195,893</u>	<u>201,552</u>	<u>-</u>	<u>3,397,445</u>
Total capital assets, being depreciated, net	<u>\$ 1,439,640</u>	<u>\$ (201,552)</u>	<u>\$ -</u>	<u>\$ 1,238,088</u>

Notes Receivable

Commercial Rehabilitation Loan Program

During FY 2008, the 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, 2022.

Note 14 - Subsequent Events

In July of 2022, CalPERS announced a net investment return of negative 6.1% for fiscal year ending 2021-22. This, along with the change in the discount rate to 6.8% will negatively impact the GASB 68 Net Pension Liability in future reporting periods. As the investment pool experienced gains in fiscal year 2021 resulting in a drastically reduced liability in fiscal year 2022, the City expects the inverse to be true in fiscal year 2023 as all gains were lost in fiscal year 2022. See Note 4 for further discussion on the Net Pension Liability and details as to the timing of the actuarially driven reporting process.

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Required Supplementary Information
June 30, 2022

City of Paramount, California

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City of Paramount, California
 Schedule of the City's Proportionate Share of the Net Pension Liability
 As of June 30, 2022
 Last Ten Fiscal Years*

Measurement Date	06/30/2014	06/30/2015	06/30/2016	06/30/2017	06/30/2018	06/30/2019	06/30/2020	06/30/2021
Plan's proportion of the net pension liability/(asset)	0.19059%	0.23388%	0.23126%	0.23087%	0.22167%	0.23350%	0.22039%	0.23064%
Plan's proportionate share of the net pension liability/(asset)	\$ 11,859,567	\$ 16,053,473	\$ 20,010,860	\$ 22,896,454	\$ 21,361,148	\$ 23,926,634	\$ 23,984,002	\$ 12,473,659
Plan's covered payroll	\$ 6,334,225	\$ 6,029,967	\$ 6,206,549	\$ 6,190,935	\$ 6,387,917	\$ 6,657,324	\$ 6,727,793	\$ 6,860,335
Plan's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	187.23%	266.23%	322.42%	369.84%	334.40%	359.40%	356.49%	181.82%
Plan's fiduciary net position as a percentage of the plan's total pension liability	79.82%	78.40%	74.06%	73.31%	75.26%	77.73%	77.71%	88.30%

*Fiscal Year 2015 was the first year of implementation; therefore, only eight years are shown.

City of Paramount, California
 Schedule of the City's Pension Plan Contributions
 As of June 30, 2022
 Last Ten Fiscal Years*

	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 1,225,048	\$ 1,402,641	\$ 1,552,328	\$ 1,764,757	\$ 2,094,439	\$ 2,386,867	\$ 2,644,674	\$ 17,772,296
Contributions in relation to the actuarially determined contribution	<u>(1,225,048)</u>	<u>(1,402,641)</u>	<u>(1,552,328)</u>	<u>(2,644,757)</u>	<u>(2,094,439)</u>	<u>(2,886,867)</u>	<u>(3,241,174)</u>	<u>(17,772,296)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (880,000)</u>	<u>\$ -</u>	<u>\$ (500,000)</u>	<u>\$ (596,500)</u>	<u>\$ -</u>
Covered payroll	\$ 6,029,967	\$ 6,206,549	\$ 6,190,935	\$ 6,387,917	\$ 6,657,324	\$ 6,727,793	\$ 6,860,335	\$ 7,040,953
Contributions as a percentage of covered payroll	20.316%	22.599%	25.074%	41.402%	31.461%	42.910%	47.245%	252.413%

*Fiscal Year 2015 was the first year of implementation; therefore, only eight years are shown.

City of Paramount, California
Schedule of the City's Changes in Net OPEB Liability and Related Ratios
As of June 30, 2022
Last Ten Fiscal Years*

Measurement period	2016-17	2017-18	2018-19	2019-20	2020-21
Total OPEB liability					
Service cost	\$ 437,000	\$ 450,017	\$ 463,518	\$ 443,371	\$ 449,094
Interest	978,000	1,045,580	1,116,530	1,057,467	1,099,400
Differences between expected and actual experience	-	-	(1,821,464)	-	(2,087,489)
Assumption changes	-	-	(97,284)	(287,656)	(586,548)
Benefit payments, including refunds of employee contributions	(432,000)	(453,910)	(462,020)	(570,330)	(625,003)
Net change in total OPEB liability	983,000	1,041,687	(800,720)	642,852	(1,750,546)
Total OPEB liability - beginning	14,284,000	15,267,000	16,308,687	15,507,967	16,150,819
Total OPEB liability - ending (a)	\$ 15,267,000	\$ 16,308,687	\$ 15,507,967	\$ 16,150,819	\$ 14,400,273
OPEB fiduciary net position					
Contributions - employer	\$ 903,000	\$ 1,013,000	\$ 1,102,000	\$ 1,219,000	\$ 1,472,000
Net investment income	262,000	258,903	251,956	178,197	1,579,124
Benefit payments, including refunds of employee contributions	(432,000)	(453,910)	(462,020)	(570,330)	(625,003)
Administrative expense	(2,000)	(5,979)	(866)	(2,411)	(2,177)
Net change in plan fiduciary net position	731,000	812,014	891,070	824,456	2,423,944
Plan fiduciary net position - beginning	2,489,000	3,220,000	4,032,014	4,923,084	5,747,540
Plan fiduciary net position - ending (b)	\$ 3,220,000	\$ 4,032,014	\$ 4,923,084	\$ 5,747,540	\$ 8,171,484
Plan net OPEB liability - ending (a) - (b)	\$ 12,047,000	\$ 12,276,673	\$ 10,584,883	\$ 10,403,279	\$ 6,228,789
Plan fiduciary net position as a percentage of the total OPEB liability	21.09%	24.72%	31.75%	35.59%	56.75%
Covered-employee payroll	\$ 6,473,000	\$ 6,679,479	\$ 7,069,939	\$ 6,727,793	\$ 6,548,566
Plan net OPEB liability as a percentage of covered-employee payroll	186.11%	183.80%	149.72%	154.63%	95.12%

*Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation; therefore, only five years are shown.

City of Paramount, California
Schedule of the City's OPEB Contributions
Years Ended June 30, 2022
Last Ten Fiscal Years*

	2017-18	2018-19	2019-20	2020-21	2021-22
Actuarially determined contribution	\$ 1,462,000	\$ 1,565,000	\$ 1,613,000	\$ 1,472,000	\$ 1,517,000
Contributions in relation to the actuarially determined contribution	(1,013,000)	(1,102,000)	(1,219,000)	(1,472,000)	(1,517,000)
Contribution deficiency (excess)	\$ 449,000	\$ 463,000	\$ 394,000	\$ -	\$ -
Covered-employee payroll	\$ 6,679,479	\$ 7,069,939	\$ 6,727,793	\$ 6,548,566	\$ 7,082,429
Contributions as a percentage of covered-employee payroll	15.17%	15.59%	18.12%	22.48%	21.42%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Level percent of pay
Amortization Period	13.9 - year average period for 2021/22
Asset Valuation Method	Investment gains and losses spread over 5-year rolling period
Discount Rate	6.75%
General Inflation	2.50%
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 3.75% for 2076 and later years
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

*Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation; therefore, only five years are shown.

Supplementary Information

June 30, 2022

City of Paramount, California

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The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes, other than debt service or capital projects.

Community Development Block Grant (CDBG) Fund

To account for restricted revenues received under the 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.

Paramount Housing Authority

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

Community Development Block Grant Coronavirus Fund

To account for restricted revenues received through the Coronavirus Aid, Relief, and Economic Security Act” (CARES Act) of 2020 to be used to respond to COVID-19 pandemic.

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 revenues 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 required by this bill. There is no accompanying schedule for this fund as there was no adopted budget.

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 to provide transportation services and street repairs.

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.

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 plan update master plan.

Service Assessments Fund

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

Paramount Parking Authority Fund

To account for acquisition and development of parking facilities in the City. There is no accompanying schedule for this fund as there was no adopted budget.

City of Paramount, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	Community Development Block Grant	HOME Partnership Act	Paramount Housing Authority	CDBG Coronavirus (CARES Act)	After School Education & Safety
Assets					
Cash and investments	\$ -	\$ -	\$ 391,129	\$ -	\$ -
Accounts receivable	492,254	186,446	9,600	268,583	243,265
Interest receivable	-	-	-	-	247
Notes receivable (net)	-	122,227	467,293	-	-
Land held for resale	-	-	412,498	-	-
Total assets	\$ 492,254	\$ 308,673	\$ 1,280,520	\$ 268,583	\$ 243,512
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 15,471	\$ 63,473	\$ 116	\$ 33,773	\$ 50,755
Due to other funds	476,783	122,973	-	234,810	77,692
Total liabilities	492,254	186,446	116	268,583	128,447
Fund Balances					
Restricted	-	122,227	1,280,404	-	115,065
Committed	-	-	-	-	-
Total fund balances	-	122,227	1,280,404	-	115,065
Total liabilities and fund balances	\$ 492,254	\$ 308,673	\$ 1,280,520	\$ 268,583	\$ 243,512

(Continued)

City of Paramount, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	State Gas Tax	Traffic Safety	Waste Reduction Fees	AB2766 Subvention	Disability Access and Education
Assets					
Cash and investments	\$ 479,353	\$ -	\$ 450,898	\$ 402,146	\$ 46,799
Accounts receivable	108,491	6,397	6,544	18,155	1,602
Interest receivable	810	-	740	660	78
Notes receivable (net)	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 588,654	\$ 6,397	\$ 458,182	\$ 420,961	\$ 48,479
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 133,497	\$ -	\$ 485	\$ 11,646	\$ -
Due to other funds	-	6,397	-	-	-
Total liabilities	133,497	6,397	485	11,646	-
Fund Balances					
Restricted	455,157	-	457,697	409,315	48,479
Committed	-	-	-	-	-
Total fund balances	455,157	-	457,697	409,315	48,479
Total liabilities and fund balances	\$ 588,654	\$ 6,397	\$ 458,182	\$ 420,961	\$ 48,479

(Continued)

City of Paramount, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	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	\$ 1,366,302	\$ 1,759,001	\$ 1,457,545	\$ 1,243,505	\$ 989,556
Accounts receivable	186,122	-	-	-	-
Interest receivable	2,156	2,761	2,140	1,887	1,671
Notes receivable (net)	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 1,554,580	\$ 1,761,762	\$ 1,459,685	\$ 1,245,392	\$ 991,227
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 571,337	\$ 884	\$ 28,420	\$ 42,354
Due to other funds	-	-	-	-	-
Total liabilities	-	571,337	884	28,420	42,354
Fund Balances					
Restricted	1,554,580	1,190,425	1,458,801	1,216,972	948,873
Committed	-	-	-	-	-
Total fund balances	1,554,580	1,190,425	1,458,801	1,216,972	948,873
Total liabilities and fund balances	\$ 1,554,580	\$ 1,761,762	\$ 1,459,685	\$ 1,245,392	\$ 991,227

(Continued)

City of Paramount, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue				
	Measure W Safe Clean Water	Sewer Reconstruction Fees	Public Art Fees	Public Access Fees	Storm Drain Fees
Assets					
Cash and investments	\$ 1,754,372	\$ 239,864	\$ 96,845	\$ 156,527	\$ 457,008
Accounts receivable	-	-	-	12,155	-
Interest receivable	2,956	398	175	254	754
Notes receivable (net)	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 1,757,328	\$ 240,262	\$ 97,020	\$ 168,936	\$ 457,762
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 251,799	\$ -	\$ 314	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	251,799	-	314	-	-
Fund Balances					
Restricted	1,505,529	240,262	-	168,936	-
Committed	-	-	96,706	-	457,762
Total fund balances	1,505,529	240,262	96,706	168,936	457,762
Total liabilities and fund balances	\$ 1,757,328	\$ 240,262	\$ 97,020	\$ 168,936	\$ 457,762

(Continued)

City of Paramount, California
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			Capital Projects	Total Nonmajor Governmental Funds
	General Plan Fees	Service Assessments	Total	Paramount Parking Authority	
Assets					
Cash and investments	\$ 607,958	\$ -	\$ 11,898,808	\$ -	\$ 11,898,808
Accounts receivable	-	1,314	1,540,928	-	1,540,928
Interest receivable	1,074	-	18,761	-	18,761
Notes receivable (net)	-	-	589,520	-	589,520
Land held for resale	-	-	412,498	535,000	947,498
Total assets	<u>\$ 609,032</u>	<u>\$ 1,314</u>	<u>\$ 14,460,515</u>	<u>\$ 535,000</u>	<u>\$ 14,995,515</u>
Liabilities and Fund Balances			-		
Liabilities			-		
Accounts payable	\$ 18,864	\$ 373	1,223,561	\$ -	\$ 1,223,561
Due to other funds	-	941	919,596	-	919,596
Total liabilities	<u>18,864</u>	<u>1,314</u>	<u>2,143,157</u>	<u>-</u>	<u>2,143,157</u>
Fund Balances					
Restricted	-	-	11,172,722	535,000	11,707,722
Committed	590,168	-	1,144,636	-	1,144,636
Total fund balances	<u>590,168</u>	<u>-</u>	<u>12,317,358</u>	<u>535,000</u>	<u>12,852,358</u>
Total liabilities and fund balances	<u>\$ 609,032</u>	<u>\$ 1,314</u>	<u>\$ 14,460,515</u>	<u>\$ 535,000</u>	<u>\$ 14,995,515</u>

City of Paramount, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue				
	Community Development Block Grant	HOME Partnership Act	Paramount Housing Authority	CDBG Coronavirus (CARES Act)	After School Education & Safety
Revenues					
Interest and use of property	\$ -	\$ -	\$ -	\$ -	\$ 247
Intergovernmental revenues	728,973	196,541	-	226,977	1,826,543
Charges for services	-	-	-	-	-
Other revenues	-	-	9,600	-	-
Total revenues	<u>728,973</u>	<u>196,541</u>	<u>9,600</u>	<u>226,977</u>	<u>1,826,790</u>
Expenditures					
Current					
General government	145,570	30,132	-	-	-
Community development	128,269	160,611	969	100,175	-
Public safety	338,511	-	-	126,802	-
Community services	-	-	-	-	1,826,543
Public works	116,623	-	-	-	-
Capital outlay					
Streets, sidewalks and signals	-	-	-	-	-
Parks	-	-	-	-	-
Other	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Total expenditures	<u>728,973</u>	<u>190,743</u>	<u>969</u>	<u>226,977</u>	<u>1,826,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>5,798</u>	<u>8,631</u>	<u>-</u>	<u>247</u>
Other Financing Sources (Uses)					
Proceeds from issuance of lease	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	-	5,798	8,631	-	247
Fund Balances - July 1	-	116,429	1,271,773	-	114,818
Fund Balances - June 30	<u>\$ -</u>	<u>\$ 122,227</u>	<u>\$ 1,280,404</u>	<u>\$ -</u>	<u>\$ 115,065</u>

(Continued)

City of Paramount, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue				
	State Gas Tax	Traffic Safety	Waste Reduction Fees	AB2766 Subvention	Disability Access and Education
Revenues					
Interest and use of property	\$ 1,706	\$ 121	\$ 1,518	\$ 1,394	\$ 155
Intergovernmental revenues	1,292,652	92,567	-	71,038	-
Charges for services	-	-	79,441	-	8,532
Other revenues	-	-	-	-	-
Total revenues	<u>1,294,358</u>	<u>92,688</u>	<u>80,959</u>	<u>72,432</u>	<u>8,687</u>
Expenditures					
Current					
General government	-	-	-	15,113	-
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	201,547	-	-	-
Public works	1,252,728	-	36,864	4,555	-
Capital outlay					
Streets, sidewalks and signals	-	-	-	-	-
Parks	-	-	-	-	-
Other	-	-	-	145,907	-
Debt Service					
Principal	-	-	-	26,239	-
Total expenditures	<u>1,252,728</u>	<u>201,547</u>	<u>36,864</u>	<u>191,814</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,630</u>	<u>(108,859)</u>	<u>44,095</u>	<u>(119,382)</u>	<u>8,687</u>
Other Financing Sources (Uses)					
Proceeds from issuance of lease	-	-	-	118,295	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,295</u>	<u>-</u>
Net Change In Fund Balances	41,630	(108,859)	44,095	(1,087)	8,687
Fund Balances - July 1	<u>413,527</u>	<u>108,859</u>	<u>413,602</u>	<u>410,402</u>	<u>39,792</u>
Fund Balances - June 30	<u>\$ 455,157</u>	<u>\$ -</u>	<u>\$ 457,697</u>	<u>\$ 409,315</u>	<u>\$ 48,479</u>

(Continued)

City of Paramount, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue				
	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	\$ 4,167	\$ 5,639	\$ 3,664	\$ 3,804	\$ 3,529
Intergovernmental revenues	1,102,879	1,400,558	1,161,734	871,160	985,817
Charges for services	-	1,485	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>1,107,046</u>	<u>1,407,682</u>	<u>1,165,398</u>	<u>874,964</u>	<u>989,346</u>
Expenditures					
Current					
General government	-	78,330	8,987	54,374	53,362
Community development	-	18,898	-	-	-
Public safety	-	103,850	-	-	-
Community services	-	486,689	-	-	-
Public works	-	39,441	69,929	26,821	18,487
Capital outlay					
Streets, sidewalks and signals	1,000,000	-	109,992	506,544	840,477
Parks	-	-	-	-	-
Other	-	803,977	-	-	-
Debt Service					
Principal	-	-	-	-	-
Total expenditures	<u>1,000,000</u>	<u>1,531,185</u>	<u>188,908</u>	<u>587,739</u>	<u>912,326</u>
Excess (deficiency) of revenues over (under) expenditures	<u>107,046</u>	<u>(123,503)</u>	<u>976,490</u>	<u>287,225</u>	<u>77,020</u>
Other Financing Sources (Uses)					
Proceeds from issuance of lease	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	107,046	(123,503)	976,490	287,225	77,020
Fund Balances - July 1	<u>1,447,534</u>	<u>1,313,928</u>	<u>482,311</u>	<u>929,747</u>	<u>871,853</u>
Fund Balances - June 30	<u>\$ 1,554,580</u>	<u>\$ 1,190,425</u>	<u>\$ 1,458,801</u>	<u>\$ 1,216,972</u>	<u>\$ 948,873</u>

(Continued)

City of Paramount, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue				
	Measure W Safe Clean Water	Sewer Reconstruction Fees	Public Art Fees	Public Access Fees	Storm Drain Fees
Revenues					
Interest and use of property	\$ 4,194	\$ 828	\$ 528	\$ 496	\$ 1,547
Intergovernmental revenues	1,543,250	-	-	-	-
Charges for services	-	3,868	25,880	48,082	27,595
Other revenues	-	-	-	-	-
Total revenues	<u>1,547,444</u>	<u>4,696</u>	<u>26,408</u>	<u>48,578</u>	<u>29,142</u>
Expenditures					
Current					
General government	-	-	4,203	4,182	-
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Public works	186,045	-	-	-	-
Capital outlay					
Streets, sidewalks and signals	290,238	-	-	-	-
Parks	-	-	103,500	-	-
Other	-	-	108,922	5,257	-
Debt Service					
Principal	-	-	-	-	-
Total expenditures	<u>476,283</u>	<u>-</u>	<u>216,625</u>	<u>9,439</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,071,161</u>	<u>4,696</u>	<u>(190,217)</u>	<u>39,139</u>	<u>29,142</u>
Other Financing Sources (Uses)					
Proceeds from issuance of lease	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	1,071,161	4,696	(190,217)	39,139	29,142
Fund Balances - July 1	<u>434,368</u>	<u>235,566</u>	<u>286,923</u>	<u>129,797</u>	<u>428,620</u>
Fund Balances - June 30	<u>\$ 1,505,529</u>	<u>\$ 240,262</u>	<u>\$ 96,706</u>	<u>\$ 168,936</u>	<u>\$ 457,762</u>

(Continued)

City of Paramount, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue			Capital Project	Total Nonmajor Governmental Funds
	General Plan Fees	Service Assessments	Total	Paramount Parking Authority	
Revenues					
Interest and use of property	\$ 2,322	\$ -	\$ 35,859	\$ -	\$ 35,859
Intergovernmental revenues	-	-	11,500,689	-	11,500,689
Charges for services	28,626	14,141	237,650	-	237,650
Other revenues	-	-	9,600	-	9,600
Total revenues	30,948	14,141	11,783,798	-	11,783,798
Expenditures					
Current					
General government	-	3,505	397,758	-	397,758
Community development	120,248	-	529,170	-	529,170
Public safety	-	-	569,163	-	569,163
Community services	-	-	2,514,779	-	2,514,779
Public works	-	10,636	1,762,129	-	1,762,129
Capital outlay					
Streets, sidewalks and signals	-	-	2,747,251	-	2,747,251
Parks	-	-	103,500	-	103,500
Other	-	-	1,064,063	-	1,064,063
Debt Service					
Principal	-	-	26,239	-	26,239
Total expenditures	120,248	14,141	9,714,052	-	9,714,052
Excess (deficiency) of revenues over (under) expenditures	(89,300)	-	2,069,746	-	2,069,746
Other Financing Sources (Uses)					
Proceeds from issuance of lease	-	-	118,295	-	118,295
Total other financing sources and uses	-	-	118,295	-	118,295
Net Change In Fund Balances	(89,300)	-	2,188,041	-	2,188,041
Fund Balances - July 1	679,468	-	10,129,317	535,000	10,664,317
Fund Balances - June 30	\$ 590,168	\$ -	\$ 12,317,358	\$ 535,000	\$ 12,852,358

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Community Development Block Grant
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,165,950	\$ 858,050	\$ 728,973	\$ (129,077)
Expenditures				
Current				
General government	188,500	181,950	145,570	36,380
Community development	451,000	151,000	128,269	22,731
Public safety	411,700	408,450	338,511	69,939
Public works	114,750	116,650	116,623	27
Total expenditures	1,165,950	858,050	728,973	129,077
Net Change In Fund Balance	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	\$ -	\$ -	\$ -	\$ -

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
HOME Partnership Act
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 404,900	\$ 404,900	\$ 196,541	\$ (208,359)
Expenditures				
Current				
General government	29,900	29,900	30,132	(232)
Community development	375,000	375,000	160,611	214,389
Total expenditures	404,900	404,900	190,743	214,157
Net Change In Fund Balance	-	-	5,798	5,798
Fund Balance - July 1	116,450	116,450	116,429	(21)
Fund Balance - June 30	<u>\$ 116,450</u>	<u>\$ 116,450</u>	<u>\$ 122,227</u>	<u>\$ 5,777</u>

City of Paramount, California
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Paramount Housing Authority
 Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Other revenues	\$ 9,600	\$ 9,600	\$ 9,600	\$ -
Expenditures				
Current				
Community development	300,000	2,000	969	1,031
Excess (deficiency) of revenues over (under) expenditures	(290,400)	7,600	8,631	1,031
Net Change In Fund Balance	(290,400)	7,600	8,631	1,031
Fund Balance - July 1	1,271,800	1,271,800	1,271,773	(27)
Fund Balance - June 30	<u>\$ 981,400</u>	<u>\$ 1,279,400</u>	<u>\$ 1,280,404</u>	<u>\$ 1,004</u>

City of Paramount, California
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Community Development Block Grant Coronavirus
 Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental revenues	\$ 75,950	\$ 459,150	\$ 226,977	\$ (232,173)
Expenditures				
Current				
Community development	-	327,200	100,175	227,025
Public safety	75,950	131,950	126,802	5,148
Total expenditures	75,950	459,150	226,977	232,173
Net Change In Fund Balance	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
After School Education and Safety
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 550	\$ 150	\$ 247	\$ 97
Intergovernmental revenues	<u>2,116,700</u>	<u>2,432,300</u>	<u>1,826,543</u>	<u>(605,757)</u>
Total revenues	<u>2,117,250</u>	<u>2,432,450</u>	<u>1,826,790</u>	<u>(605,660)</u>
Expenditures				
Current				
Community services	<u>2,116,700</u>	<u>2,432,300</u>	<u>1,826,543</u>	<u>605,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>550</u>	<u>150</u>	<u>247</u>	<u>97</u>
Net Change In Fund Balance	550	150	247	97
Fund Balance - July 1	<u>114,850</u>	<u>114,850</u>	<u>114,818</u>	<u>(32)</u>
Fund Balance - June 30	<u><u>\$ 115,400</u></u>	<u><u>\$ 115,000</u></u>	<u><u>\$ 115,065</u></u>	<u><u>\$ 65</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
State Gas Tax
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 500	\$ 1,200	\$ 1,706	\$ 506
Intergovernmental revenues	1,328,000	1,365,650	1,292,652	(72,998)
Total revenues	<u>1,328,500</u>	<u>1,366,850</u>	<u>1,294,358</u>	<u>(72,492)</u>
Expenditures				
Current				
Public works	1,337,500	1,353,050	1,252,728	100,322
Excess (deficiency) of revenues over (under) expenditures	<u>(9,000)</u>	<u>13,800</u>	<u>41,630</u>	<u>27,830</u>
Net Change In Fund Balance	(9,000)	13,800	41,630	27,830
Fund Balance - July 1	<u>413,550</u>	<u>413,550</u>	<u>413,527</u>	<u>(23)</u>
Fund Balance - June 30	<u><u>\$ 404,550</u></u>	<u><u>\$ 427,350</u></u>	<u><u>\$ 455,157</u></u>	<u><u>\$ 27,807</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Traffic Safety
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ -	\$ 100	\$ 121	\$ 21
Intergovernmental revenues	75,000	100,000	92,567	(7,433)
Total revenues	<u>75,000</u>	<u>100,100</u>	<u>92,688</u>	<u>(7,412)</u>
Expenditures				
Current				
Community services	150,000	208,950	201,547	7,403
Excess (deficiency) of revenues over (under) expenditures	<u>(75,000)</u>	<u>(108,850)</u>	<u>(108,859)</u>	<u>(9)</u>
Net Change In Fund Balance	(75,000)	(108,850)	(108,859)	(9)
Fund Balance - July 1	<u>108,900</u>	<u>108,900</u>	<u>108,859</u>	<u>(41)</u>
Fund Balance - June 30	<u><u>\$ 33,900</u></u>	<u><u>\$ 50</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (50)</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Waste Reduction Fees
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 1,000	\$ 1,000	\$ 1,518	\$ 518
Charges for services	98,000	79,000	79,441	441
Total revenues	<u>99,000</u>	<u>80,000</u>	<u>80,959</u>	<u>959</u>
Expenditures				
Current				
Public works	69,950	69,950	36,864	33,086
Excess (deficiency) of revenues over (under) expenditures	<u>29,050</u>	<u>10,050</u>	<u>44,095</u>	<u>34,045</u>
Net Change In Fund Balance	29,050	10,050	44,095	34,045
Fund Balance - July 1	<u>413,650</u>	<u>413,650</u>	<u>413,602</u>	<u>(48)</u>
Fund Balance - June 30	<u><u>\$ 442,700</u></u>	<u><u>\$ 423,700</u></u>	<u><u>\$ 457,697</u></u>	<u><u>\$ 33,997</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
AB2766 Subvention Funds
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 1,000	\$ 1,000	\$ 1,394	\$ 394
Intergovernmental revenues	68,000	68,000	71,038	3,038
Total revenues	69,000	69,000	72,432	3,432
Expenditures				
Current				
General government	13,500	13,500	15,113	(1,613)
Community development	40,000	-	-	-
Public safety	45,000	-	-	-
Public works	-	26,250	4,555	21,695
Capital outlay				
Water				
Other	70,000	36,000	145,907	(109,907)
Debt service				
Principal	-	-	26,239	(26,239)
Total expenditures	168,500	75,750	191,814	(116,064)
Excess (deficiency) of revenues over (under) expenditures	(99,500)	(6,750)	(119,382)	(112,632)
Other Financing Sources (Uses)				
Transfers from other funds	118,300	118,300	118,295	(5)
Total other financing sources and u	118,300	118,300	118,295	(5)
Net Change In Fund Balance	18,800	111,550	(1,087)	(112,637)
Fund Balance - July 1	410,450	410,450	410,402	(48)
Fund Balance - June 30	\$ 429,250	\$ 522,000	\$ 409,315	\$ (112,685)

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Disability Access and Education Fees
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and use of property	\$ 100	\$ 100	\$ 155	\$ 55
Charges for services	5,000	8,500	8,532	32
Total revenues	<u>5,100</u>	<u>8,600</u>	<u>8,687</u>	<u>87</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,100</u>	<u>8,600</u>	<u>8,687</u>	<u>87</u>
Net Change In Fund Balance	5,100	8,600	8,687	87
Fund Balance - July 1	<u>39,800</u>	<u>39,800</u>	<u>39,792</u>	<u>(8)</u>
Fund Balance - June 30	<u><u>\$ 44,900</u></u>	<u><u>\$ 48,400</u></u>	<u><u>\$ 48,479</u></u>	<u><u>\$ 79</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
SB1 Road Maintenance & Rehabilitation Account
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 2,000	\$ 2,500	\$ 4,167	\$ 1,667
Intergovernmental revenues	1,065,450	1,093,700	1,102,879	9,179
Total revenues	<u>1,067,450</u>	<u>1,096,200</u>	<u>1,107,046</u>	<u>10,846</u>
Expenditures				
Capital outlay				
Streets, sidewalks and signals	2,084,700	2,340,700	1,000,000	1,340,700
Excess (deficiency) of revenues over (under) expenditures	<u>(1,017,250)</u>	<u>(1,244,500)</u>	<u>107,046</u>	<u>1,351,546</u>
Net Change In Fund Balance	(1,017,250)	(1,244,500)	107,046	1,351,546
Fund Balance - July 1	<u>1,447,550</u>	<u>1,447,550</u>	<u>1,447,534</u>	<u>(16)</u>
Fund Balance - June 30	<u><u>\$ 430,300</u></u>	<u><u>\$ 203,050</u></u>	<u><u>\$ 1,554,580</u></u>	<u><u>\$ 1,351,530</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Proposition A Transit Tax
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 3,000	\$ 3,600	\$ 5,639	\$ 2,039
Intergovernmental revenues	1,120,000	1,345,000	1,400,558	55,558
Charges for services	4,000	1,500	1,485	(15)
Total revenues	<u>1,127,000</u>	<u>1,350,100</u>	<u>1,407,682</u>	<u>57,582</u>
Expenditures				
Current				
General government	69,500	69,500	78,330	(8,830)
Community development	18,900	18,900	18,898	2
Public safety	116,000	116,000	103,850	12,150
Community services	584,850	513,650	486,689	26,961
Public works	49,200	49,200	39,441	9,759
Capital outlay				
Other	834,000	836,750	803,977	32,773
Total expenditures	<u>1,672,450</u>	<u>1,604,000</u>	<u>1,531,185</u>	<u>72,815</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(545,450)</u>	<u>(253,900)</u>	<u>(123,503)</u>	<u>130,397</u>
Net Change In Fund Balance	(545,450)	(253,900)	(123,503)	130,397
Fund Balance - July 1	<u>1,313,950</u>	<u>1,313,950</u>	<u>1,313,928</u>	<u>(22)</u>
Fund Balance - June 30	<u>\$ 768,500</u>	<u>\$ 1,060,050</u>	<u>\$ 1,190,425</u>	<u>\$ 130,375</u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Proposition C Transit Tax
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 3,000	\$ 2,200	\$ 3,664	\$ 1,464
Intergovernmental revenues	929,000	1,110,000	1,161,734	51,734
Other revenues	3,200	-	-	-
Total revenues	<u>935,200</u>	<u>1,112,200</u>	<u>1,165,398</u>	<u>53,198</u>
Expenditures				
Current				
General government	76,000	76,000	8,987	67,013
Public works	94,200	94,200	69,929	24,271
Capital outlay				
Streets, sidewalks and signals	961,000	396,000	109,992	286,008
Total expenditures	<u>1,131,200</u>	<u>566,200</u>	<u>188,908</u>	<u>377,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(196,000)</u>	<u>546,000</u>	<u>976,490</u>	<u>430,490</u>
Net Change In Fund Balance	(196,000)	546,000	976,490	430,490
Fund Balance - July 1	<u>482,350</u>	<u>482,350</u>	<u>482,311</u>	<u>(39)</u>
Fund Balance - June 30	<u>\$ 286,350</u>	<u>\$ 1,028,350</u>	<u>\$ 1,458,801</u>	<u>\$ 430,451</u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Measure R Transit Tax
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 3,000	\$ 2,500	\$ 3,804	\$ 1,304
Intergovernmental revenues	626,750	830,000	871,160	41,160
Total revenues	629,750	832,500	874,964	42,464
Expenditures				
Current				
General government	54,000	54,000	54,374	(374)
Public works	11,350	19,350	26,821	(7,471)
Capital outlay				
Streets, sidewalks and signals	774,300	821,300	506,544	314,756
Total expenditures	839,650	894,650	587,739	306,911
Excess (deficiency) of revenues over (under) expenditures	(209,900)	(62,150)	287,225	349,375
Net Change In Fund Balance	(209,900)	(62,150)	287,225	349,375
Fund Balance - July 1	929,750	929,750	929,747	(3)
Fund Balance - June 30	\$ 719,850	\$ 867,600	\$ 1,216,972	\$ 349,372

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Measure M Transit Tax
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 3,000	\$ 2,400	\$ 3,529	\$ 1,129
Intergovernmental revenues	789,650	945,000	985,817	40,817
Total revenues	<u>792,650</u>	<u>947,400</u>	<u>989,346</u>	<u>41,946</u>
Expenditures				
Current				
General government	54,000	54,000	53,362	638
Public works	18,000	18,000	18,487	(487)
Capital outlay				
Streets, sidewalks and signals	1,208,500	1,308,500	840,477	468,023
Total expenditures	<u>1,280,500</u>	<u>1,380,500</u>	<u>912,326</u>	<u>468,174</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(487,850)</u>	<u>(433,100)</u>	<u>77,020</u>	<u>510,120</u>
Net Change In Fund Balance	(487,850)	(433,100)	77,020	510,120
Fund Balance - July 1	<u>871,900</u>	<u>871,900</u>	<u>871,853</u>	<u>(47)</u>
Fund Balance - June 30	<u><u>\$ 384,050</u></u>	<u><u>\$ 438,800</u></u>	<u><u>\$ 948,873</u></u>	<u><u>\$ 510,073</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Measure W Safe Clean Water
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 500	\$ 2,200	\$ 4,194	\$ 1,994
Intergovernmental revenues	642,300	1,543,250	1,543,250	-
Total revenues	642,800	1,545,450	1,547,444	1,994
Expenditures				
Current				
Public works	685,000	235,000	186,045	48,955
Capital outlay				
Streets, sidewalks and signals	-	445,000	290,238	154,762
Total expenditures	685,000	680,000	476,283	203,717
Excess (deficiency) of revenues over (under) expenditures	(42,200)	865,450	1,071,161	205,711
Net Change In Fund Balance	(42,200)	865,450	1,071,161	205,711
Fund Balance - July 1	434,400	434,400	434,368	(32)
Fund Balance - June 30	\$ 392,200	\$ 1,299,850	\$ 1,505,529	\$ 205,679

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Sewer Reconstruction Fees
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 1,000	\$ 600	\$ 828	\$ 228
Charges for services	1,500	3,500	3,868	368
Total revenues	2,500	4,100	4,696	596
Excess (deficiency) of revenues over (under) expenditures	2,500	4,100	4,696	596
Net Change In Fund Balance	2,500	4,100	4,696	596
Fund Balance - July 1	235,600	235,600	235,566	(34)
Fund Balance - June 30	\$ 238,100	\$ 239,700	\$ 240,262	\$ 562

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Public Art Fees
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 1,000	\$ 400	\$ 528	\$ 128
Charges for services	50,000	30,000	25,880	(4,120)
Total revenues	<u>51,000</u>	<u>30,400</u>	<u>26,408</u>	<u>(3,992)</u>
Expenditures				
Current				
General government	5,000	4,300	4,203	97
Capital outlay				
Parks	150,000	150,000	103,500	46,500
Other	99,000	106,000	108,922	(2,922)
Total expenditures	<u>254,000</u>	<u>260,300</u>	<u>216,625</u>	<u>43,675</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(203,000)</u>	<u>(229,900)</u>	<u>(190,217)</u>	<u>39,683</u>
Net change in fund balance	(203,000)	(229,900)	(190,217)	39,683
Fund balance - July 1	<u>286,950</u>	<u>286,950</u>	<u>286,923</u>	<u>(27)</u>
Fund balance - June 30	<u>\$ 83,950</u>	<u>\$ 57,050</u>	<u>\$ 96,706</u>	<u>\$ 39,656</u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Public Access Fees
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 550	\$ 350	\$ 496	\$ 146
Charges for services	35,000	35,000	48,082	13,082
Total revenues	<u>35,550</u>	<u>35,350</u>	<u>48,578</u>	<u>13,228</u>
Expenditures				
Current				
General government	5,000	13,700	4,182	9,518
Capital outlay				
Other	5,000	5,300	5,257	43
Total expenditures	<u>10,000</u>	<u>19,000</u>	<u>9,439</u>	<u>9,561</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,550</u>	<u>16,350</u>	<u>39,139</u>	<u>22,789</u>
Net Change In Fund Balance	25,550	16,350	39,139	22,789
Fund Balance - July 1	<u>129,800</u>	<u>129,800</u>	<u>129,797</u>	<u>(3)</u>
Fund Balance - June 30	<u>\$ 155,350</u>	<u>\$ 146,150</u>	<u>\$ 168,936</u>	<u>\$ 22,786</u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Storm Drain Fees
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest and use of property	\$ 1,000	\$ 1,700	\$ 1,547	\$ (153)
Charges for services	30,000	31,500	27,595	(3,905)
Total revenues	<u>31,000</u>	<u>33,200</u>	<u>29,142</u>	<u>(4,058)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,000</u>	<u>33,200</u>	<u>29,142</u>	<u>(4,058)</u>
Net Change In Fund Balance	31,000	33,200	29,142	(4,058)
Fund Balance - July 1	<u>679,500</u>	<u>679,500</u>	<u>428,620</u>	<u>(250,880)</u>
Fund Balance - June 30	<u><u>\$ 710,500</u></u>	<u><u>\$ 712,700</u></u>	<u><u>\$ 457,762</u></u>	<u><u>\$ (254,938)</u></u>

City of Paramount, California
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Plan Fees
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest and use of property	\$ 1,000	\$ 1,700	\$ 2,322	\$ 622
Charges for services	30,000	31,500	28,626	(2,874)
Total revenues	<u>31,000</u>	<u>33,200</u>	<u>30,948</u>	<u>(2,252)</u>
Expenditures				
Current				
Community development	575,900	160,900	120,248	40,652
Excess (deficiency) of revenues over (under) expenditures	<u>(544,900)</u>	<u>(127,700)</u>	<u>(89,300)</u>	<u>38,400</u>
Net Change In Fund Balance	(544,900)	(127,700)	(89,300)	38,400
Fund Balance - July 1	<u>679,500</u>	<u>679,500</u>	<u>679,468</u>	<u>(32)</u>
Fund Balance - June 30	<u><u>\$ 134,600</u></u>	<u><u>\$ 551,800</u></u>	<u><u>\$ 590,168</u></u>	<u><u>\$ 38,368</u></u>

City of Paramount, California
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Service Assessments
 Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 14,150	\$ 14,150	\$ 14,141	\$ (9)
Expenditures				
Current				
General government	3,700	3,700	3,505	195
Public works	10,450	10,450	10,636	(186)
Total expenditures	14,150	14,150	14,141	9
Net Change In Fund Balance	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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This part of the City of Paramount’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

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.	115
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, sales tax.	120
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.	123
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	128
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.	131

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

	Fiscal Year									
	2013	2014	2015*	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 84,587,747	\$ 82,967,732	\$ 79,511,962	\$ 79,690,688	\$ 79,225,417	\$ 76,381,563	\$ 75,437,457	\$ 72,665,264	\$ 70,923,502	\$ 73,014,467
Restricted	5,656,443	6,373,039	6,647,656	4,309,004	4,181,878	5,874,235	5,553,952	6,161,908	11,040,989	10,798,402
Unrestricted	<u>11,481,563</u>	<u>15,872,421</u>	<u>2,027,521</u>	<u>8,844</u>	<u>(2,208,468)</u>	<u>(6,436,004)</u>	<u>(5,371,456)</u>	<u>(5,601,349)</u>	<u>(1,963,088)</u>	<u>5,101,916</u>
Total governmental activities net position	<u>101,725,753</u>	<u>105,213,192</u>	<u>88,187,139</u>	<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>	<u>80,001,403</u>	<u>88,914,785</u>
Business-type activities:										
Net investment in capital assets	16,723,703	16,918,341	16,981,731	17,905,387	17,328,598	9,979,726	16,275,296	16,132,664	12,428,094	16,310,930
Unrestricted	<u>2,257,666</u>	<u>2,489,718</u>	<u>894,214</u>	<u>709,203</u>	<u>1,517,233</u>	<u>7,573,532</u>	<u>1,556,622</u>	<u>1,257,073</u>	<u>2,939,592</u>	<u>3,239,458</u>
Total business-type activities net position	<u>18,981,369</u>	<u>19,408,059</u>	<u>17,875,945</u>	<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>	<u>15,367,686</u>	<u>19,550,388</u>
Primary government:										
Net investment in capital assets	101,311,450	99,886,073	96,493,693	97,596,075	96,554,015	86,361,289	91,712,753	88,797,928	83,351,596	89,325,397
Restricted	5,656,443	6,373,039	6,647,656	4,309,004	4,181,878	5,874,235	5,553,952	6,161,908	11,040,989	10,798,402
Unrestricted	<u>13,739,229</u>	<u>18,362,139</u>	<u>2,921,735</u>	<u>718,047</u>	<u>(691,235)</u>	<u>1,137,528</u>	<u>(3,814,834)</u>	<u>(4,344,276)</u>	<u>976,504</u>	<u>8,341,374</u>
Total primary government net position	<u>\$ 120,707,122</u>	<u>\$ 124,621,251</u>	<u>\$ 106,063,084</u>	<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>	<u>\$ 95,369,089</u>	<u>\$ 108,465,173</u>

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

Source:
 City of Paramount audited financial statements

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
General government	\$ 6,012,729	\$ 6,202,608	\$ 6,409,474	\$ 6,846,940	\$ 7,308,976	\$ 7,184,690	\$ 7,088,630	\$ 7,357,400	\$ 7,348,010	\$ 8,888,563
Community development	6,180,794	2,148,884	2,172,414	5,007,589	2,039,989	2,461,135	1,926,054	2,405,848	3,142,509	3,166,168
Public safety	10,336,307	10,284,334	10,662,749	11,218,541	11,139,959	11,888,055	11,862,334	12,179,427	12,749,502	13,637,500
Community services and recreation	5,970,063	5,804,838	6,074,382	5,830,850	6,330,295	6,368,824	6,413,969	6,121,450	5,864,047	6,592,797
Public works	10,362,260	9,994,449	10,015,353	10,571,784	10,620,526	10,611,799	10,440,155	12,053,263	12,475,482	13,309,135
Community redevelopment	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	389,603
Total governmental activities expenses	<u>38,862,153</u>	<u>34,435,113</u>	<u>35,334,372</u>	<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>	<u>41,579,550</u>	<u>45,983,766</u>
Business-type activities:										
Water	8,407,375	7,481,502	7,392,150	7,685,532	7,677,359	8,581,886	7,793,957	8,178,235	9,861,949	8,895,635
Total business-type activities expenses	<u>8,407,375</u>	<u>7,481,502</u>	<u>7,392,150</u>	<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>	<u>9,861,949</u>	<u>8,895,635</u>
Total primary government expenses	<u>47,269,528</u>	<u>41,916,615</u>	<u>42,726,522</u>	<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>	<u>51,441,499</u>	<u>54,879,401</u>
Program revenues:										
Governmental activities:										
Charges for services:										
General government	247,460	168,882	291,859	199,877	167,554	185,444	191,359	222,426	193,393	210,847
Community development	294,847	404,963	347,387	508,124	381,084	486,252	381,846	229,201	603,104	741,976
Public safety	113,786	134,285	125,707	119,425	130,937	108,650	138,403	107,691	84,128	69,127
Community services and recreation	277,548	266,170	257,191	264,633	282,814	213,050	215,788	96,963	60,415	134,785
Public works	575,323	595,654	528,391	759,040	675,278	826,430	772,886	614,480	790,144	890,238
Operating grants and contributions	8,696,248	8,240,015	8,035,786	7,541,476	7,409,586	8,574,899	7,971,987	8,100,026	9,449,889	10,313,132
Capital grants and contributions	<u>5,814,106</u>	<u>2,508,509</u>	<u>1,564,891</u>	<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>	<u>4,577,817</u>	<u>9,576,540</u>
Total governmental activities program revenues	<u>16,019,318</u>	<u>12,318,478</u>	<u>11,151,212</u>	<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>	<u>15,758,890</u>	<u>21,936,645</u>
Business-type activities:										
Charges for services:										
Water	<u>7,839,725</u>	<u>7,815,043</u>	<u>7,040,916</u>	<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>	<u>7,796,180</u>	<u>8,414,322</u>
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	106,368	166,689	-	-	-
Total business-type activities program revenues	<u>7,839,725</u>	<u>7,815,043</u>	<u>7,040,916</u>	<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>	<u>7,796,180</u>	<u>8,414,322</u>
Total primary government program revenues	<u>23,859,043</u>	<u>20,133,521</u>	<u>18,192,128</u>	<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>	<u>23,555,070</u>	<u>30,350,967</u>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net revenues (expenses):										
Governmental activities	(22,842,835)	(22,116,635)	(24,183,160)	(27,663,715)	(25,551,836)	(24,893,646)	(24,806,722)	(27,222,308)	(25,820,660)	(24,047,121)
Business-type activities	(567,650)	333,541	(351,234)	(713,496)	134,935	(528,951)	123,232	(588,994)	(2,065,769)	(481,313)
Total net revenues (expenses)	<u>(23,410,485)</u>	<u>(21,783,094)</u>	<u>(24,534,394)</u>	<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>	<u>(27,886,429)</u>	<u>(24,528,434)</u>
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Sales tax	5,721,757	5,770,919	5,568,430	6,129,480	7,278,424	7,712,771	8,449,883	8,265,394	9,459,141	11,483,195
In-Lieu Sales Tax	2,164,088	1,951,154	1,916,619	1,293,617	-	-	-	-	-	-
Transaction & Use Tax	-	-	-	-	-	-	-	-	5,585,397	7,238,769
Utility Users tax	2,361,447	2,185,548	2,289,871	3,981,658	3,679,314	3,757,405	3,735,391	3,484,876	3,261,854	4,183,383
Franchise Tax	1,607,796	1,650,478	1,706,318	1,635,366	1,637,474	1,784,998	1,818,389	1,885,967	1,904,943	2,049,479
Property Tax	2,288,559	1,882,437	2,041,764	2,052,016	2,099,550	2,306,211	2,341,486	2,563,106	2,763,914	2,847,420
Business License	1,000,305	1,015,413	990,573	977,307	962,675	947,111	988,043	893,150	893,927	988,969
Investment earnings	43,815	37,375	40,885	64,064	97,769	202,802	362,253	320,851	116,104	57,848
Motor Vehicle license fees, unrestricted	5,007,600	5,179,714	5,346,425	5,468,904	5,779,305	6,068,259	6,355,849	6,915,240	7,362,208	7,573,107
Other revenues	1,188,517	264,751	518,840	386,535	303,949	647,385	555,587	505,206	1,248,752	1,197,449
Extraordinary item-Redevelopment Agency Transfers	(7,510,472)	5,666,285	-	1,496,165	903,667	484,475	-	-	-	-
	-	-	-	-	-	-	-	(5,612)	-	(4,659,116)
Total governmental activities	<u>13,873,412</u>	<u>25,604,074</u>	<u>20,419,725</u>	<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>	<u>32,596,240</u>	<u>32,960,503</u>
Business-type activities:										
Investment income	4,342	4,461	9,144	13,483	24,536	56,884	100,630	90,318	17,668	1,349
Other revenues	83,937	88,688	117,285	54,673	48,722	56,697	54,798	50,883	26,050	3,550
Extraordinary item-Redevelopment Agency Transfers	-	-	528,516	1,383,986	23,048	-	-	-	-	-
	-	-	-	-	-	-	-	5,612	-	4,659,116
Total business-type activities	<u>88,279</u>	<u>93,149</u>	<u>654,945</u>	<u>1,452,142</u>	<u>96,306</u>	<u>113,581</u>	<u>155,428</u>	<u>146,813</u>	<u>43,718</u>	<u>4,664,015</u>
Total primary government	<u>13,961,691</u>	<u>25,697,223</u>	<u>21,074,670</u>	<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>	<u>32,639,958</u>	<u>37,624,518</u>
Changes in net position										
Governmental activities	(8,969,423)	3,487,439	(3,763,435)	(4,178,603)	(2,809,709)	(982,229)	(199,841)	(2,394,130)	6,775,580	8,913,382
Business-type activities	(479,371)	426,690	303,711	738,646	231,241	(415,370)	278,660	(442,181)	(2,022,051)	4,182,702
Total primary government	<u>\$ (9,448,794)</u>	<u>\$ 3,914,129</u>	<u>\$ (3,459,724)</u>	<u>\$ (3,439,957)</u>	<u>\$ (2,578,468)</u>	<u>\$ (1,397,599)</u>	<u>\$ 78,819</u>	<u>\$ (2,836,311)</u>	<u>\$ 4,753,529</u>	<u>\$ 13,096,084</u>

Source:
 City of Paramount audited financial statements

Table 3
City of Paramount
Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable	\$ 60,472	\$ 3,510,869	\$ 3,605,980	\$ 355,213	\$ 273,028	\$ 276,969	\$ 558,425	\$ 299,648	\$ 372,030	\$ 419,767
Assigned	3,053,827	3,213,827	3,563,827	3,563,827	2,620,286	3,675,028	4,613,579	5,419,180	8,316,428	10,202,216
Unassigned	<u>11,464,951</u>	<u>11,618,168</u>	<u>11,809,618</u>	<u>12,121,484</u>	<u>12,557,530</u>	<u>12,647,525</u>	<u>12,776,116</u>	<u>12,798,092</u>	<u>14,690,303</u>	<u>19,185,452</u>
Total general fund	<u>14,579,250</u>	<u>18,342,864</u>	<u>18,979,425</u>	<u>16,040,524</u>	<u>15,450,844</u>	<u>16,599,522</u>	<u>17,948,120</u>	<u>18,516,920</u>	<u>23,378,761</u>	<u>29,807,435</u>
All other governmental funds:										
Nonspendable	535,000	535,000	535,000	535,000	-	-	-	-	-	-
Restricted	4,147,477	4,764,186	4,974,082	4,309,004	4,909,124	6,448,479	6,245,337	7,237,049	9,645,978	12,164,068
Committed	973,966	1,073,853	1,138,574	1,130,117	1,130,425	1,406,939	1,412,888	1,394,450	1,395,011	1,144,636
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 5,656,443</u>	<u>\$ 6,373,039</u>	<u>\$ 6,647,656</u>	<u>\$ 5,974,121</u>	<u>\$ 6,039,549</u>	<u>\$ 7,855,418</u>	<u>\$ 7,658,225</u>	<u>\$ 8,631,499</u>	<u>\$ 11,040,989</u>	<u>\$ 13,308,704</u>

Source:
City of Paramount audited financial statements

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 15,143,952	\$ 14,455,949	\$ 14,513,575	\$ 16,069,444	\$ 15,657,437	\$ 16,508,496	\$ 17,333,192	\$ 17,092,493	\$ 23,869,176	\$ 28,791,215
Licenses and permits	606,991	658,584	640,375	788,472	717,919	814,146	802,010	620,630	765,869	831,664
Fines & Penalties	686,297	702,539	680,755	727,000	738,338	921,744	835,477	820,853	825,192	985,543
Interest & use of property	185,157	97,981	149,617	152,768	161,069	293,406	493,133	437,853	181,255	182,850
Intergovernmental revenues	17,521,505	12,854,869	13,162,209	13,628,376	14,146,748	15,780,459	15,546,234	16,553,788	19,447,825	25,340,508
Charges for services	786,309	867,591	820,285	985,224	866,124	949,527	840,076	590,600	905,546	1,150,541
Other	<u>2,471,296</u>	<u>1,328,269</u>	<u>2,898,830</u>	<u>1,461,768</u>	<u>1,438,161</u>	<u>1,771,286</u>	<u>1,663,979</u>	<u>1,593,822</u>	<u>2,331,030</u>	<u>2,056,802</u>
Total revenues	<u>37,401,507</u>	<u>30,965,782</u>	<u>32,865,646</u>	<u>33,813,052</u>	<u>33,725,796</u>	<u>37,039,064</u>	<u>37,514,101</u>	<u>37,710,039</u>	<u>48,325,893</u>	<u>59,339,123</u>
Expenditures										
Current:										
General government	4,975,287	5,108,701	5,621,050	5,533,812	5,737,211	6,117,349	5,910,580	6,679,602	7,150,058	24,430,744
Community development	6,112,305	2,040,185	2,155,118	4,908,494	1,640,630	1,962,771	1,613,310	1,955,450	3,144,315	2,616,052
Public safety	10,255,992	10,238,432	10,672,716	11,080,181	10,744,979	11,629,250	11,677,073	11,876,632	12,721,146	13,056,997
Community services & recreation	4,666,373	4,635,635	4,667,924	4,861,967	4,950,485	5,219,398	5,162,728	5,032,344	4,996,113	5,166,445
Public works	5,857,785	5,751,998	5,807,592	6,173,761	6,892,265	6,674,196	6,872,059	7,316,460	7,691,666	7,937,654
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	-	26,239
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	381,263
Capital Outlay										
Water	-	-	-	-	-	106,368	166,689	5,612	-	-
Streets, sidewalks and signals	1,675,407	1,369,624	1,921,144	3,758,222	3,093,146	2,223,530	4,077,088	2,872,345	3,185,722	4,208,347
Parks	4,695,650	468,524	788,748	566,101	1,165,442	245,589	285,050	230,656	739,645	2,543,074
Other	<u>1,189,175</u>	<u>156,017</u>	<u>320,176</u>	<u>542,950</u>	<u>205,254</u>	<u>408,034</u>	<u>517,709</u>	<u>296,411</u>	<u>483,137</u>	<u>1,691,886</u>
Total expenditures	<u>39,427,974</u>	<u>29,769,116</u>	<u>31,954,468</u>	<u>37,425,488</u>	<u>34,429,412</u>	<u>34,586,485</u>	<u>36,282,286</u>	<u>36,265,512</u>	<u>40,111,802</u>	<u>62,058,701</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,026,467)</u>	<u>1,196,666</u>	<u>911,178</u>	<u>(3,612,436)</u>	<u>(703,616)</u>	<u>2,452,579</u>	<u>1,231,815</u>	<u>1,444,527</u>	<u>8,214,091</u>	<u>(2,719,578)</u>
Other financing sources (uses):										
Transfers in	-	-	-	-	-	35,249	312,985	-	-	-
Transfers out	-	(170,000)	-	-	-	(135,249)	(543,485)	-	(1,000,000)	(5,859,116)
Issuance of bonds	-	-	-	-	-	-	-	-	-	17,156,788
Capital Lease	-	-	-	-	-	127,493	150,090	97,547	57,240	118,295
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(170,000)	-	-	-	27,493	(80,410)	97,547	(942,760)	11,415,967
Extraordinary and special items:										
Extraordinary item-RDA	<u>(5,201,400)</u>	<u>3,453,544</u>	-	-	-	484,475	-	-	-	-
Total extraordinary and special items	<u>(5,201,400)</u>	<u>3,453,544</u>	-	-	-	484,475	-	-	-	-
Net change in fund balances	<u>\$ (7,227,867)</u>	<u>\$ 4,480,210</u>	<u>\$ 911,178</u>	<u>\$ (3,612,436)</u>	<u>\$ (703,616)</u>	<u>\$ 2,964,547</u>	<u>\$ 1,151,405</u>	<u>\$ 1,542,074</u>	<u>\$ 7,271,331</u>	<u>\$ 8,696,389</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
Source: City of Paramount audited financial statements										

Table 5
City of Paramount
Taxable Sales by Category
 Last Ten Calendar Years
 (in thousands of dollars)

	Calendar Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Apparel Stores	\$ 21,505	\$ 23,100	\$ 22,999	\$ 22,718	\$ 22,954	\$ 19,971	\$ 20,746	\$ 20,803	\$ 18,176	\$ 25,989
Food Stores	25,460	25,097	24,989	25,551	22,141	20,589	21,936	22,665	25,257	23,682
Eating and Drinking Places	45,700	47,485	51,696	57,716	62,348	69,583	75,944	79,620	72,511	89,660
Building Materials	60,174	63,384	64,578	85,481	99,688	108,049	103,876	114,502	123,355	132,835
Auto Dealers and Supplies	14,271	14,941	13,531	15,294	16,959	17,004	16,212	12,373	17,916	18,721
Service Stations	107,611	100,545	98,520	81,019	67,146	72,252	83,100	88,083	63,259	107,373
Other Retail Stores	101,673	101,401	101,268	101,743	107,051	97,628	102,865	101,220	105,717	125,870
All Other Outlets	389,616	387,318	391,536	331,778	325,153	352,689	380,354	412,964	434,861	503,012
Total	\$ 766,010	\$ 763,271	\$ 769,117	\$ 721,300	\$ 723,440	\$ 757,765	\$ 805,033	\$ 852,230	\$ 861,052	\$ 1,027,142
Sales and Use Tax rate	9.75%	8.75%	8.75%	9.00%	9.00%	9.50%	9.50%	9.50%	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

Table 6
City of Paramount
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	<u>Local Rate Levied by State</u>		State of California	Total Sales Tax Rate
				County Transportation	City Operations		
2012	0.00%	0.50%	1.00%	0.25%	0.75%	6.25%	8.75%
2013	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2014	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2015	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2016	0.00%	0.50%	1.00%	0.25%	0.75%	6.50%	9.00%
2017	0.00%	0.50%	1.00%	0.50%	0.25%	7.25%	9.50%
2018	0.00%	0.50%	1.00%	0.50%	0.25%	7.25%	9.50%
2019	0.00%	0.50%	1.00%	0.50%	0.25%	7.25%	9.50%
2020	0.75%	0.50%	1.00%	0.50%	0.25%	7.25%	10.25%
2021	0.75%	0.50%	1.00%	0.50%	0.25%	7.25%	10.25%

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

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

2022		2013	
Alt Air Fuels	Petroleum Product/Equipment	Arco AM PM	Service Stations
ANC Vehicle Wash Systems of AZ	Light Industrial/Printers	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Chao Petroleum	Service Stations
Border Tire	Automotive Supply Stores	Chemco	Drugs/Chemicals
Chemco	Drugs/Chemicals	Chevron	Service Stations
Chevron	Service Stations	Chevron	Service Stations
Circle K	Service Stations	Circle K	Service Stations
Cort Furniture Rental	Home Furnishings	Cort Furniture Rental	Home Furnishings
Del Amo Motorsports of LA	Boats/Motorcycles	Drees Wood Products	Contractors
Desmet Ballestra North America	Drugs/Chemical	Falcon Fuels	Petroleum Prod/Equipment
Drees Wood Products	Contractors	GCR Tire Center	Automotive Supply Stores
Falcon Fuels	Petroleum Product/Equipment	Hardy Roofing Materials	Contractors
HD Supply	Building Materials	HD Supply	Building Materials
Home Depot	Building Materials	Home Depot	Building Materials
JD Fuel Paramount	Service Stations	Jankovich Company	Petroleum Prod/Equipment
Pacific Gypsum Supply	Contractors	Lindsay Lumber	Building Materials
Petro Bras	Service Stations	Mid Cities Motorsports	Boats/Motorcycles
Premium Windows	Contractors	Northgate Market	Grocery Stores
Ross	Family Apparel	Paramount Petroleum	Petroleum Prod/Equipment
Sams Roofing Material	Building Materials	Petro Bras	Service Stations
SS Fuel	Service Stations	Rapid Gas	Service Stations
The Jankovich Company	Petroleum Product/Equipment	Ross Dress for Less	Family Apparel
United Oil	Service Stations	Sams Roofing Material	Building Materials
Walmart Supercenter	Discount Department Stores	Walmart Supercenter	Discount Dept Stores

Percent of Fiscal Year Total

63.30%

66.35%

Period: July 2021 thru June 2022

July 2012 thru June 2013

Notes:

Firms listed alphabetically

Sources:

State of California Board of Equalization

The HdL Companies

Table 8
City of Paramount
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
	Loan Payable	Pension Obligation Bonds	Leases	Total Governmental Activities	Loan and Notes Payable	Leases	Total Business-type Activities			
2013	\$ -	\$ -	\$ -	\$ -	\$ 5,966,563	\$ -	\$ 5,966,563	\$ 5,966,563	0.77%	\$ 108.38
2014	-	-	-	-	5,629,520	-	5,629,520	5,629,520	0.71%	102.21
2015	-	-	-	-	5,287,159	-	5,287,159	5,287,159	0.68%	93.74
2016	-	-	-	-	4,939,285	-	4,939,285	4,939,285	0.59%	88.32
2017	-	-	138,482	138,482	4,774,580	90,145	4,864,725	5,003,207	0.59%	89.34
2018	-	-	203,363	203,363	11,303,775	101,313	11,405,088	11,608,451	1.27%	209.17
2019	-	-	261,439	261,439	11,158,240	61,981	11,220,221	11,481,660	1.21%	207.02
2020	-	-	247,167	247,167	10,860,411	93,274	10,953,685	11,200,852	1.14%	202.91
2021	-	-	190,464	190,464	10,553,135	66,724	10,619,859	10,810,323	1.01%	206.00
2022	-	17,365,000	197,657	17,562,657	10,236,115	38,581	10,274,696	27,837,353	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.

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

Fiscal Year Ended June 30	<u>Outstanding General Bonded Debt</u>		Percent of Assessed Value	Per Capita
	Tax Allocation Bonds	Total		
2013	\$ -	\$ -	0.00%	\$ -
2014	-	-	0.00%	-
2015	-	-	0.00%	-
2016	-	-	0.00%	-
2017	-	-	0.00%	-
2018	-	-	0.00%	-
2019	-	-	0.00%	-
2020	-	-	0.00%	-
2021	-	-	0.00%	-
2022	-	-	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.

Table 10
City of Paramount
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

City Assessed Valuation	\$ 2,855,278,557		
Redevelopment Agency Incremental Valuation	<u>1,889,836,818</u>		
Total Assessed Valuation	<u>\$ 4,745,115,375</u>		
	<u>Percentage</u>	<u>Outstanding</u>	
	<u>Applicable (2)</u>	<u>Debt 6/30/22</u>	
		<u>Estimated</u>	
		<u>Share of</u>	
		<u>Overlapping</u>	
		<u>Debt</u>	
Overlapping Debt Repaid with Property Taxes:			
Metropolitan Water District (1)	0.290%	\$ 9,835,780	\$ 28,240
Cerritos Community College District Debt Service	0.006%	454,876,885	25,010
Compton Community College District Debt Service	19.211%	125,823,021	23,763,705
Compton Unified School District Debt Service	0.618%	230,206,050	1,419,011
Downey Unified School District Debt Service	0.021%	253,673,240	53,130
Paramount Unified School District Debt Service	66.166%	<u>208,436,185</u>	<u>137,134,782</u>
Total overlapping debt repaid with property taxes		<u>1,282,851,161</u>	<u>162,423,878</u>
Total overlapping debt		<u>\$ 1,282,851,161</u>	162,423,878
City direct debt			<u>17,562,657</u>
Total direct and overlapping debt			<u>\$ 179,986,535</u>

Notes:

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

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

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

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

Sources:

LA County Assessor and Auditor Combined 2021/2022 Lien Date Tax Rolls
HdL Coren & Cone

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 3,257,456,687	\$ 3,363,331,783	\$ 3,441,673,952	\$ 3,635,948,857	\$ 3,815,902,453	\$ 3,999,245,043	\$ 4,341,952,634	\$ 4,626,441,163	\$ 4,626,441,163	\$ 4,745,115,375
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	814,364,172	840,832,946	860,418,488	908,987,214	953,975,613	999,811,261	1,085,488,159	1,156,610,291	1,156,610,291	1,186,278,844
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	122,154,626	126,124,942	129,062,773	136,348,082	143,096,342	149,971,689	162,823,224	173,491,544	173,491,544	177,941,827
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 122,154,626</u>	<u>\$ 126,124,942</u>	<u>\$ 129,062,773</u>	<u>\$ 136,348,082</u>	<u>\$ 143,096,342</u>	<u>\$ 149,971,689</u>	<u>\$ 162,823,224</u>	<u>\$ 173,491,544</u>	<u>\$ 173,491,544</u>	<u>\$ 177,941,827</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	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 2021/2022 Combined Tax Rolls
HdL Coren & Cone

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

Fiscal Year Ended June 30	Loan Payable					Tax Allocation Bonds			
	Water Revenue	Less Operating Expenses	Net Available Revenue	Annual Debt Service	Coverage	Tax Increment	Debt Service		Coverage
							Principal	Interest	
2013	7,923,662	7,432,887	490,775	327,193	1.50	\$ -	\$ -	\$ -	-
2014	7,903,731	6,352,232	1,551,499	327,133	4.74	-	-	-	-
2015	7,158,201	6,345,799	812,402	327,066	2.48	-	-	-	-
2016	7,026,709	6,629,599	397,110	326,996	1.21	-	-	-	-
2017	7,861,016	6,599,223	1,261,793	326,923	3.86	-	-	-	-
2018	8,003,264	7,453,498	549,766	327,018	1.68	-	-	-	-
2019	7,805,298	6,783,159	1,022,139	431,415	2.37	-	-	-	-
2020	7,640,124	7,130,558	509,566	643,685	0.79	-	-	-	-
2021	7,822,230	8,740,930	(918,700)	643,535	(1.43)	-	-	-	-
2022	8,417,872	9,558,381	(1,140,509)	643,380	(1.77)	-	-	-	-

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 the debt service payment was made using available fund balance.

Source:

City of Paramount

Table 13
City of Paramount
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)
2012	54,624	\$774,568	\$14,180	13.6%
2013	55,051	\$774,898	\$14,076	11.3%
2014	55,076	\$788,468	\$14,316	9.6%
2015	56,400	\$776,609	\$13,769	7.9%
2016	55,923	\$830,147	\$14,844	6.2%
2017	56,000	\$849,607	\$15,171	4.8%
2018	55,497	\$913,372	\$16,458	5.1%
2019	55,461	\$952,036	\$17,165	4.8%
2020	55,200	\$985,228	\$17,848	14.2%
2021	52,477	\$1,068,985	\$20,370	10.4%

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

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

Employer	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Paramount Unified School District	2,055	13.8%	1,974	13.0%
Weber Metals	470	3.2%	481	3.2%
Kindred Hospital / Promise Hospital	462	3.1%	565	3.7%
Wal-Mart Store # 2110	401	2.7%	300	2.0%
Ralphs Grocery #403	360	2.4%	412	2.7%
City of Paramount	263	1.8%	319	2.1%
Carlton Forge Works	238	1.6%	356	2.4%
Affinity Healthcare Center	217	1.5%		
The Home Depot #1037	215	1.4%	143	0.9%
Golden State Engineering, Inc.	200	1.3%	220	1.5%
Ittella International, Inc.	200	1.3%		
Northgate Supermarket #17	170	1.1%		
Geropsychiatric Contract Services	145	1.0%	155	1.0%
Paramount Petroleum			197	1.3%
Paramount Meadows			179	1.2%
Total	5,396	36.2%	5,301	35.0%

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

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

Function	Full-time and Part-time Employees as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	26.0	25.0	26.7	25.7	25.8	26.2	27.7	28.7	29.1	26.3
Community Development	8.0	8.5	8.6	8.8	9.0	9.7	9.9	9.9	9.0	10.2
Public Safety	25.8	24.9	24.1	27.7	25.2	26.4	23.6	24.6	24.4	22.2
Community Services and Recreation	85.7	81.1	81.1	84.8	88.0	78.0	72.1	69.5	68.4	59.8
Public Works	47.2	44.4	45.6	47.9	44.5	42.8	43.3	43.3	46.5	50.6
Total	192.7	183.9	186.1	194.9	192.5	183.1	176.6	176.0	177.4	169.1

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

Source:
 City of Paramount

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Community Development										
Permits	1,017	1,292	1,260	1,438	1,245	1,315	1,207	907	1,135	1,052
Inspections	5,030	8,059	8,336	9,408	11,617	13,460	13,051	9,308	7,904	5,007
Public Safety:										
Arrests	1,549	1,689	1,670	1,523	1,389	1,264	1,286	1,318	1,285	1,080
Parking Citations Issued	10,806	12,239	11,187	14,348	13,524	17,723	15,541	13,238	15,294	18,976
Community Services and Recreation:										
Number of Recreation Classes	41	20	24	29	38	47	33	25	18	27
Number of Facility Rentals	601	591	621	683	722	724	580	453	57	147
Public Works:										
Street Resurfacing (miles)	1.10	0.77	1.18	1.25	0.14	0.61	5.98	0.53	3.72	2.24
Water:										
Average Daily Consumption (thousands of gallons)	6,074	5,923	5,710	5,250	5,704	5,872	4,846	4,530	4,794	4,742

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.

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Community Services and Recreation:										
Parks	10	10	10	11	11	11	11	11	11	11
Community Centers	5	5	5	5	5	5	5	5	5	5
Public Works:										
Streets (miles)	73	73	73	73	73	73	73	73	73	73
Streetlights	3,087	3,087	3,087	3,087	3,099	3,099	3,099	3,099	3,100	3,099
Traffic Signals	55	55	55	55	56	56	56	56	56	56
Water:										
Water Mains (miles)	127	127	127	127	127	127	127	127	127	127
Number of Service Connections	7,542	7,351	7,356	7,378	7,398	7,414	7,429	7,374	7,381	7,506
Average Daily Consumption (gallons)	6,074,084	5,922,666	5,709,551	5,249,976	5,703,739	5,871,834	4,845,868	4,929,535	4,794,883	4,741,943
Plant Capacity (gallons per minute)	18,000	18,000	18,000	18,000	18,000	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.