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NEXT GIANT LEAP



Comprehensive Annual Financial Report



City of Downey
CALIFORNIA

FOR FISCAL YEAR ENDED JUNE 30, 2019

CITY OF DOWNEY, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019

Prepared by: Finance Department



mission

Proudly committed to continuously improving the quality of life for the Downey community by providing excellent service in a professional, ethical and responsible manner

values

Integrity * Commitment * Respect

Teamwork * Engagement * Passion * Excellence

CITY OF DOWNEY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2019

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introductory section



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City of Downey

December 23, 2019

Honorable Mayor and Members of the City Council of the City of Downey:

In accordance with the Charter of the City of Downey, it is with great pleasure that I submit for City Council’s consideration the Comprehensive Annual Financial Report (CAFR) of the City of Downey for the fiscal year ended June 30, 2019.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for that purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The CAFR is prepared in accordance with local and state laws requiring that financial statements be presented in conformity with accounting principles generally accepted in the United States of America, including Financial Reporting requirements outlined by the Governmental Accounting Standards Board (GASB) statement. The CAFR was also prepared with the opinion of Lance, Soll and Lunghard, LLP, an independent firm of licensed certified public accountants. This report is presented in a manner designed to fairly set forth the financial position and results of operations of the City. The CAFR includes disclosures designed to enable the reader to gain an understanding of the City's financial affairs.

In keeping with the GASB, management is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found in the financial section.

PROFILE OF THE CITY OF DOWNEY

The City of Downey, located twelve miles southeast of the City of Los Angeles in the County of Los Angeles, California, encompasses an area of 12.5 square miles and serves a residential population of 113,358.

The City of Downey was incorporated on December 17, 1956 and on January 14, 1965 became a Chartered City. Downey is operated under a Council-Manager form of government, and is governed by a five-member Council with four elected from designated districts and one elected at large.

Future Unlimited

CIVIC CENTER
11111 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-869-7331
www.downeyca.org

LIBRARY
11121 BROOKSHIRE AVE.
DOWNEY, CALIFORNIA
90241-7016
562-904-7360
www.downeylibrary.org

POLICE DEPARTMENT
10911 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-861-0771

PARKS & RECREATION
7850 QUILL DR.
DOWNEY, CALIFORNIA
90242
562-904-7238

UTILITIES DIVISION
9252 STEWART & GRAY RD.
DOWNEY, CALIFORNIA
90241-7016
562-904-7202

MAINTENANCE SERVICES
12324 BELLFLOWER BLVD.
DOWNEY, CALIFORNIA
90242
562-904-7194

The City provides full ranges of services, which includes but is not limited to, police and fire protection; water and wastewater utilities; street maintenance; public transportation; parks and recreation; planning and building safety; and library and cultural programs. In addition to general government activities, the City exercises oversight of the Downey Community Development Commission, the City of Downey Water Facilities Corporation and the Downey Public Facilities Financing Corporation; therefore, the financial activities of these organizations are included in this reporting entity. Since the Downey Unified School District, other special districts, the County of Los Angeles and its related agencies have not met the established criteria for inclusion in the reporting entity; they have been excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

The housing market is projected to slow down in the upcoming year, likely due to an increase in interest rates, the reduction of the federal income tax deduction on mortgage interest, and the overall high price of housing. Indicators are also showing that housing price gains in California are slowing across state. The recent median home price in Downey was approximately \$589,750, an increase of only 1.7 percent from the prior year. The current average 30-year fixed rate mortgage is approximate 4.3 percent, which is less than the 5 to 6 percent range during the Great Recession, but higher than the 3.5 to 4 percent range in recent years.

The unemployment rate in Downey is lower than Los Angeles County at 4.1 percent. Large employment gains are in hospitality and leisure industries, and healthcare, which is beneficial for Downey's retail-lifestyle and medical hubs. The redevelopment of the Promenade Shopping Center continues to be an economic driver with the anticipated new hotel, and the current expansion of the Kaiser Permanente Hospital in Downey, the PIH Health Hospital - Downey Emergency Department expansion and modernization, and the Rancho Los Amigos National Rehabilitation Center's \$418 million renovation and campus beautification project will expand medical services and various healthcare jobs for the community and region.

Consumer spending in Southern California continues to improve, increasing by 2.7 percent as reported by the Bureau of Labor Statistics. It is anticipated that this will continue to grow at a modest pace in the next year.

At the local level, the City has seen moderate growth. Downey has benefited in particular from a strong recovery in automotive sales and continued addition of retail and restaurant businesses in the City. Sensitive revenue sources such as sales tax remain strong while the local economy and job growth are also driving increases in other revenues such as permits and license fees. The City's Measure S, ½ cent sales tax, is generating approximately \$10 million annually to fund public safety personnel and related safety and community programs, and the debt service of the \$50 million lease revenue bond which is funding the various improvements.

The City adopted a balanced budget for Fiscal Year 2019-20 that forecasted steady growth in major general fund revenues such as property, sales, and utility user taxes for the upcoming year. Additionally, the City curbed expenses by continuing to evaluate compensation, retirement and healthcare structure; seeking federal, state, local and private funding for projects to support its

parks, Library, police, fire, water and community development needs; and supporting state and federal legislation to increase funding for infrastructure projects.

However, an ongoing concern is the City's contribution rates to CalPERS that continue to increase as PERS adjusts its discount rate. The City's FY 2019-20 budgets reflects a 15.5 percent increase (roughly \$2.7 million) in CalPERS required contributions. Additionally, The City's contribution for public safety will reach 68.4 percent of salaries in the next 5 years, while miscellaneous (non-sworn) employees CalPERS rates will reach a 46.7 percent of salaries.

Overall, while these indicators are positive, Downey will continue to monitor many factors impacting revenues and expenditures, and explore strategic ways to mitigate pension costs and simulate the economy, all while maintaining the City's quality services.

MAJOR INITIATIVES

For FY 2018-19

During the 2018-19 fiscal year, the City, undertook an ambitious set of goals and objectives that were in line with the City Council's five over-arching priorities:

- Fiscal Responsibility
- Economic Vibrancy
- Efficiency & Adaptability
- Quality of Life, Safety, & Infrastructure
- Public Engagement

Economic Development strategies saw 250 new businesses open, 15 new full-time jobs at Benihana through the use of CBDG grant funds, 55 new full-time jobs through a sales tax agreement with Giant RV, development of three new townhomes projects, expansion of the Kaiser Permanente building, and continued progress on the redevelopment of the Rancho Los Amigos South Campus and the Promenade Shopping Center.

The City's fiscal stewardship resulted in maintaining its AA bond rating, receiving budget operating awards from GFOA and CSMFO, and saving the City nearly \$1.3 million over the next 10 years through a new vehicle replacement program. Additionally, the City implemented new efficiencies to improve services internally and externally by launching a new online timekeeping and payroll system. Further, the City's Memorial Space Center also received \$5.8 million from the California Assembly to construct a second building and purchase equipment.

Downey continued to provide exceptional programming for its residents and visitors through the successful City of STEM events and exhibits at the Columbia Memorial Space Center, which drew media attention and visitors from all over the region; incorporation of a new Special Olympics sport into Parks and Recreation programming; dedication of two Police Officers to manage mental health and homeless outreach efforts; installation of new electric vehicle charging stations; and with the completion of \$4.5 million worth of CIP projects.

Lastly, the City marked its mid-way point of the three year, \$50 million capital improvement plan that will enhance the quality of life for the community. While this robust program, funded through the 2017 Lease Revenue Bonds issued by the Downey Public Financing Authority, has increased the capital project output of the City, it has done so without compromising on City Council priorities and the quality customer service provided by City staff.

FUTURE INITIATIVES

For FY 2019-20

The City will continue to foster Economic Vibrancy through by promoting and attracting retail, restaurants, and housing developments for the Downtown area. Downey will develop a specific plan for Rancho Los Amigos South Campus, which will include a five-acre sports park and West Santa Ana Branch Light Rail Station. The City also plans to initiate plans for the redevelopment of the remaining 21 acres at the Promenade Shopping Center.

Construction will begin for the Marriott-Springhill Suites, a four-story, 140-unit hotel, which includes a fitness gym, a roof-top pool and bar, and a conference room.

Kaiser Permanente Downey plans to complete its construction and renovation improvements, which include a new hospital tower that will add 96 beds, creating a 400-bed hospital wing, and a new 1,201-space parking structure.

Other City initiatives consist of improving the Fire Department's Radio Communication Network; increasing the City's overall network Pavement Condition Index; developing a specialized Human Trafficking investigative team, evaluating and implementing the use of solar and other energy-efficiency upgrades at City buildings; implementing an agenda management system to streamline the agenda preparation process; reviewing the City-wide lighting and landscaping district assessment rates; and reviewing current transit timetables and implementing a transit app that will help riders plan trips in real-time.

The City is also looking forward to many of its Measure S projects coming to a close, allowing facilities and parks to re-open for public use, including the Downey Library, two Fire Stations, and multiple parks. These Measure S projects will create substantial improvements to quality of services, infrastructure and economic developments in the community.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The City also has a City Council budget subcommittee in place.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As part of our internal control evaluation, the City contracts with an outside independent public accounting firm to complete a special audit, which is called a single audit, to comply with certain federal government regulations. During this audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the government has complied with applicable laws and regulations. The results of the government's single audit for the fiscal year ended June 30, 2018 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The single audit for the current fiscal year is in progress; however, the City fully anticipates that there will also be no instances of material weaknesses in the internal controls.

LONG RANGE FINANCIAL PLANNING

Annually, the City produces a five year general fund long term financial forecast as part of its budget process. The comprehensive projection analyzes current economic conditions at micro and macro levels. The forecast is designed to highlight financial issues which the City can address proactively. Moreover, it is a tool that allows policymakers an opportunity to prioritize funding needs over a period of time. The City has consistently applied effective fiscal management approaches to preserve revenues and reduce spending; as a result, the City maintains 20% of current year operating expenditures as a General Fund Reserve and 15% for stability reserve for a combined total of approximately 35%. The City maintains its commitment to fiscal responsibility and effective resource management. Fiscal policies and practices have been continuously reviewed and enhanced with the goal to improve the City's overall financial well-being and provide the highest level of service to our residents.

BUDGETING CONTROLS

The City's annual budget is a financial planning tool outlining the estimated revenues and appropriation for the City. Prior to July 1 of each year, the City prepares and submits its budget to the City Council for the ensuing fiscal year. The objective of the budget is to ensure funds are expended in accordance with the priorities of the City Council. Activities of the General Fund, Special Revenue Funds and the Capital Project Funds are included in the budget. The City conducts periodic reviews to ensure compliance with the provision of the annual operating budget. The level of budgetary control is the department level within the fund. The City Council may amend the initial budget by motion during the fiscal year. The City uses the encumbrance system as a management control technique to assist in controlling expenditures. At year-end, all appropriations and encumbrances are canceled (allowed to lapse) and thus are not included in reported expenditures.

DEBT ADMINISTRATION

The City recently adopted a Comprehensive Debt Policy to govern investments, ensure prudent fiscal management, and promote transparency. The City's 2002 Certificate of Participation (COPs) were rated A+ by Standard & Poors, the 2005 Pension Obligation Bonds (POBs) were rated "Aa3" by Moody's Investors Service and the 2017 Lease Revenue Bonds were rated "AA-" by Standard & Poor's. The City of Downey has no general obligation debt. However, the City does have two revenue bond issues and one tax allocation bond issue. The City uses various trustees as its paying agents for all bonds and coupons. The City deposits with the trustee, according to agreement, principal and interest requirements as appropriate.

A list of the City's debt issues is summarized below:

<u>Principal Issue</u>	<u>Trustee</u>	<u>Outstanding</u>
Downey Public Facilities Financing Corporation: 2017 Lease Revenue Bonds	U.S. Bank	\$ 43,750,000
Downey Public Facilities Financing Corporation: 2014 Capital Lease	Western Alliance Bank	\$ 4,200,000
California Statewide Communities Development Authority: 2005 Pension Obligation Bonds	Wells Fargo Trust Services	\$ 16,410,000

Note 11 Long-Term Liabilities, of the Notes to Basic Financial Statements, presents more detailed information about these debt issues.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the City's financial records and transactions of all administrative departments of the City by an independent Certified Public Accountant. Accordingly, this year's audit was completed by Lance, Soll and Lunghard, LLP. The auditor's report has been included in this report.

Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement Award

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 Downey for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable

and efficiently organized comprehensive annual financial report. 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 comprehensive annual financial report 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.

Acknowledgments

The preparation and development of this report would not have been possible without the year-round work of the Finance Department staff and their special efforts, working in conjunction with the City's independent auditors, Lance, Soll and Lunghard, LLP, to produce this report. I would like to express my appreciation to all members of the Finance Department.

I would like to take this opportunity to compliment and thank the staff members of the City who were associated with the preparation of this report. I would also like to thank the City Council, City Manager, and Assistant City Manager for their leadership and strong support in the implementation of vital fiscal management policies and procedures.

Respectfully submitted,



Anil H. Gandhi, CPA
Director of Finance

Comprehensive Annual Financial Report

Year Ended June 30, 2019

Prepared by: Finance Department

Directory of City Officials



Rick Rodriguez
District 3
MAYOR



Blanca Pacheco
District 1
MAYOR PRO TEM



Alex Saab
District 5
COUNCIL MEMBER



Claudia M. Frometa
District 4
COUNCIL MEMBER



Sean Ashton
District 2
COUNCIL MEMBER

City Management Team

John Oskoui
Assistant City Manager

Gilbert A. Livas
City Manager

Aldo E. Schindler
Director of Community Development

Yvette M. Abich Garcia
City Attorney

Delfino Consunji
Director of Public Works/
City Engineer

Maria Alicia Duarte
City Clerk

Pamela Passow
Director of Parks and Recreation

Anil H. Gandhi
Director of Finance and
Information Technology

James McQueen
Director of Human Resources

Dean Milligan
Chief of Police

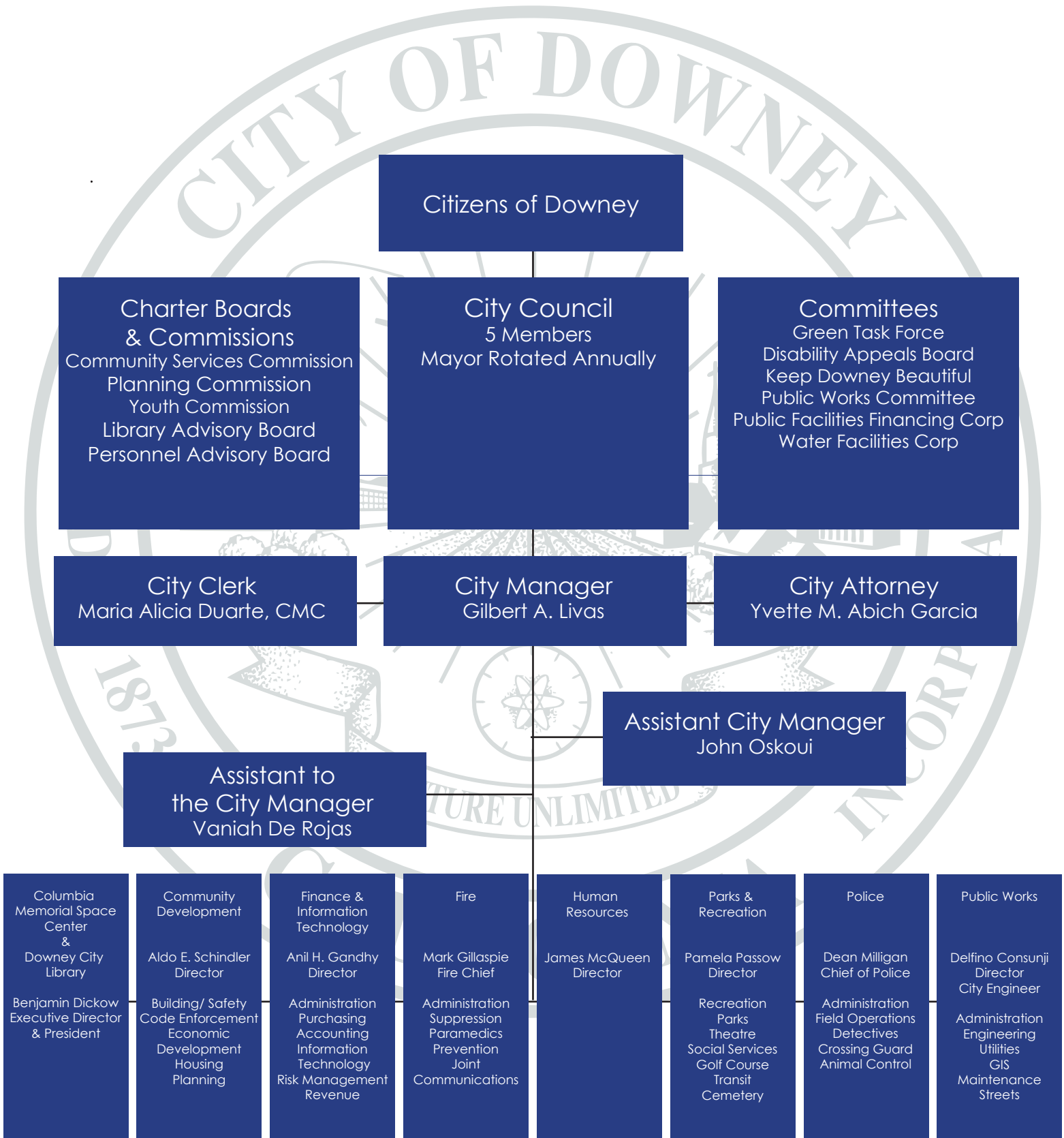
Benjamin Dickow
Executive Director & President
Columbia Memorial Space Center
Downey City Library

Mark Gillaspie
Fire Chief





organization chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Downey
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

financial section



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 City of Downey, California, (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinions

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 of Downey, California, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, the budgetary comparison schedule for the General Fund, the Housing Authority, the CIP Grant Fund, the HOME Fund, the Measure S Fund, the schedules of changes in net pension liability and related ratios, the schedules of plan contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of contributions – OPEB, 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 of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary schedules, and the 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules 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.



CPAs AND ADVISORS

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019 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.

Lance, Soll & Lughard, LLP

Brea, California
December 23, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Downey, we offer readers of the City of Downey's financial statements this narrative overview and analysis of the financial activities of the City of Downey for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources, at June 30, 2019, by \$168.7 million (net position). Of this amount, \$21.3 million is designated for low and moderate income housing, \$6.2 million for public works projects, \$40.1 million for capital projects; \$456 thousand is designated for community development and \$44.9 million for public safety.
- At the fiscal year ended June 30, 2019, the government's total net position increased by \$27.9 million. The increase is due mainly to extraordinary gain of 14 million (see note 11) and increase in sales tax due to strong increase in automotive sales and continued addition of retail and restaurant business.
- The City's total long-term liabilities increased by \$2.9 million during the current fiscal year. This year the City received a section 108 loan from HUD of \$3,000,000. Also, there was an increase in capital leases payable mainly due to lease of seven Downey Link busses.
- As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$102.3 million, an increase of \$1.1 million in comparison with the prior year. Approximately 30% of this total amount, \$31.5 million, is available for spending at the government's discretion (committed, assigned, and unassigned fund balance) within the guidelines of the funding sources.
- As of June 30, 2019, assigned and unassigned fund balance for the general fund was \$29.7 million or 27% of total general fund expenditures. This represents an increase of \$3.9 million or 15.27%, from the prior year. The unassigned fund balance which is unrestricted in use is designated by City Council for specific purposes at a future City Council meeting.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide the reader 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 and deferred outflows of resources, and liabilities and deferred inflows of resources, including capital assets and long-term liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The *Statement of Activities* presents information showing how the City'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).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government, public safety, public works, community services, community development, unallocated infrastructure depreciation, and interest on long term debt.

The *business-type activities* of the City include a water utility, sewer and storm drain utility and golf course. The revenue generated from these functions that intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also four legally separate entities: the City of Downey Public Facilities Financing Corporation, the City of Downey Housing Authority, the City of Downey Water Facilities Corporation and The Downey Public Financing Authority. The City is financially accountable for these entities and financial information for these *blended component units* is reported within the financial information presented for the primary government itself. The government-wide financial statements can be found immediately following this discussion and analysis.

Fund financial statements

The *fund* financial statements focus on current available resources and are organized and operated on the basis of funds. A fund is a self-balancing group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives in accordance with special regulations, restrictions or limitations. Like other state and local governments, the City 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 Fund

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike 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 the government fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Housing Authority Special Revenue Fund, Grant Fund, and HOME Special Revenue Fund, Measure S Special Revenue Fund; all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic financial statements also include budgetary comparison statements for the General Fund, to demonstrate compliance with the annual budget as adopted and amended.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

Proprietary funds

The City maintains two different types of *proprietary funds*. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses its *enterprise funds* to account for its water utility, sewer and storm drain utility and golf course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses *internal service funds* to account for its employee benefits and self-insurance activities, vehicle fleet operations, and miscellaneous equipment replacement and maintenance, and duplication and telecommunications services. Because these services predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for all of the enterprise funds, which are considered to be major funds of the City. Conversely, all of the internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the Internal Service funds is provided in the form of *combining statements* in the Supplementary Schedule section of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds include Special Deposit Fund, Cemetery District Fund, and other funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is similar with that used for proprietary funds. The fiduciary fund financial statements can be found in the Basic Financial Statements section of this report.

Notes to basic financial statements

The notes to the basic financial statements 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 immediately following the basic fiduciary fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide Defined Benefit Pension Plans and Other Post Employment Benefit Plans to its employees. It includes Schedules of Funding Progress for the City Employee Retirement Plan and Postemployment Benefits Other Than Pensions, and Budgetary Comparison Schedules for the General Fund, Housing Authority Special Revenue Funds, Gas Tax Funds, HOME Special Revenue Fund and Measure S Special Revenue Fund.

The combining statements referred to earlier in connection with other governmental funds and internal service funds are presented for Other Special Revenue Funds, Other Capital Projects Funds, Internal Service Funds and Fiduciary Funds. These combining and individual fund statements and schedules can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole.

In the case of the City of Downey, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$85.5 million for governmental activities and \$83.1 million for business-type activities for a total of \$168.5 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$264.7 million reflects its net investment in capital assets (e.g., land, buildings and systems, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress); less any related outstanding debt used to acquire those assets. The City's only outstanding debt against capital assets are the loans from the federal government and several capital leases for public safety vehicles, ambulance and various types of fire equipment. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining total net position, \$113.7 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties.

City of Downey						
Summary of Net Position						
For Fiscal Year Ended June 30, 2019 and 2018						
<i>(Amounts Expressed in Thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and Other Assets	164,137	165,351	22,933	25,086	187,070	190,437
Capital Assets	198,525	169,156	77,700	73,218	276,225	242,374
Total Assets	362,662	334,507	100,633	98,304	463,295	432,811
Deferred Outflows of Resources	29,098	39,721	1,015	1,961	30,113	41,682
LIABILITIES						
Current Liabilities	24,820	33,362	4,037	4,579	28,857	37,941
Non-current Liabilities	277,598	274,344	14,392	14,953	291,990	289,297
Total Liabilities	302,418	307,706	18,429	19,532	320,847	327,238
Deferred Inflows of Resources	3,803	6,357	87	140	3,890	6,497
NET POSITION						
Net Investment Capital Assets	191,436	151,972	73,287	68,292	264,723	220,264
Restricted	78,437	82,066	35,065	36,006	113,502	118,072
Unrestricted	(184,334)	(173,873)	(25,220)	(23,706)	(209,554)	(197,579)
Total Net Position	85,539	60,165	83,132	80,592	168,671	140,757

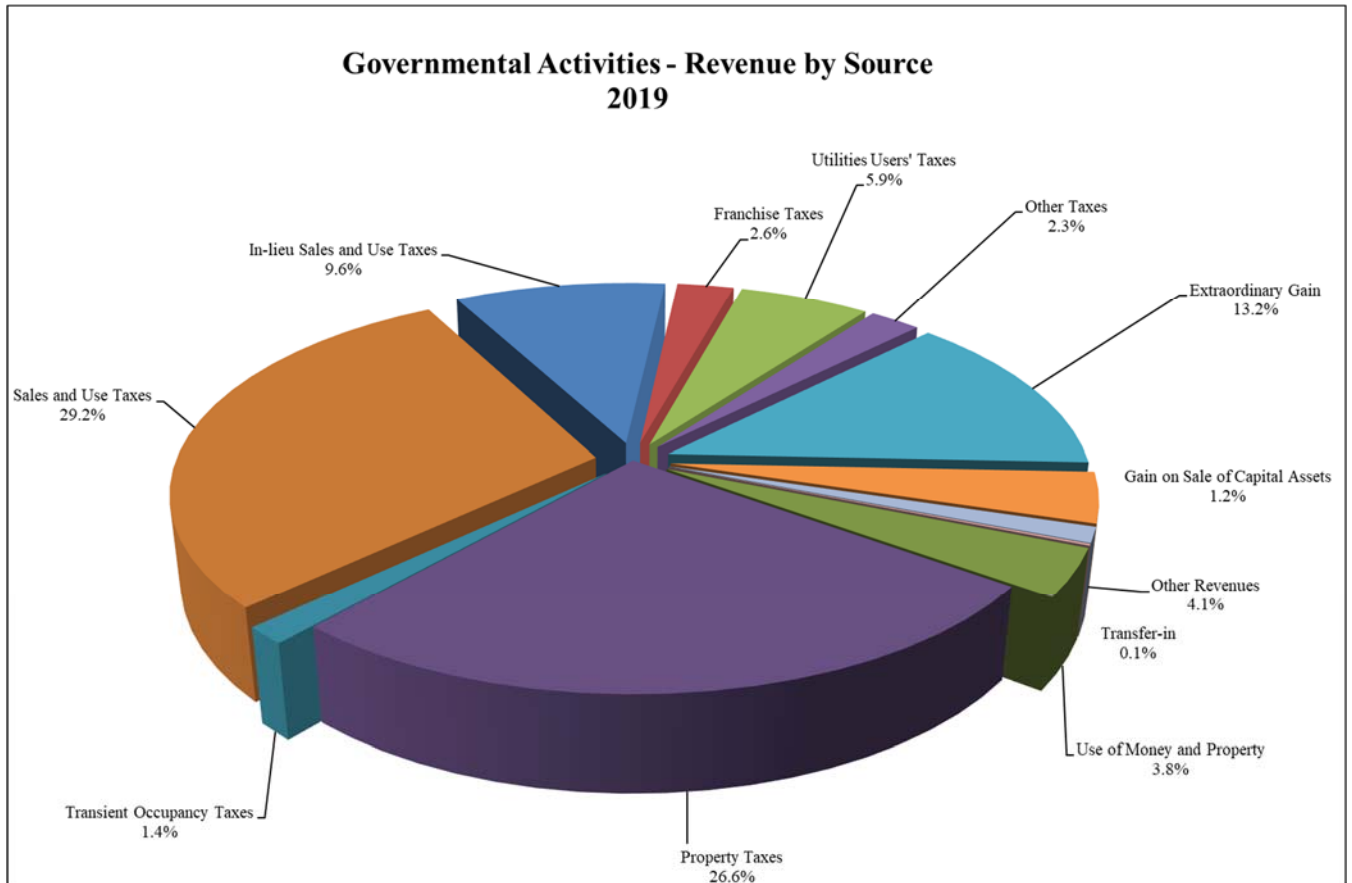
Governmental Activities

The City's net position in the Governmental activities increased \$25.4 million. The increase in net position is primarily due to an extraordinary gain. On April of 2000 the City purchased 67 acres of land from the federal government for \$14.2 million. Under the terms of purchase the City was required to invest \$4.7 million until the investment matured to \$14.2 million in 2019. The investment matured in April 2019 the City then paid the federal government and the title passed to the City.

City of Downey			
Summary of Net Position			
For Fiscal Year Ended June 30, 2019 and 2020			
<i>(Amounts Expressed in Thousands)</i>			
	Governmental Activities		Amount
REVENUES:	2019	2018	Increase (Decrease)
Program Revenues:			
Charges for Services	20,307	17,473	2,834
Operating Grants and Contributions	11,678	9,853	1,825
Capital Grants and Contributions	8,281	2,195	6,086
General Revenues:			
Taxes			
Property Taxes	28,817	26,975	1,842
Transient Occupancy Taxes	1,537	1,705	(168)
Sales and Use Taxes	31,673	26,993	4,680
Property Taxes in Lieu Sales and Use Taxes	10,384	9,154	1,230
Franchise Taxes	2,778	2,670	108
Utilities Users' Taxes	6,411	6,735	(324)
Other Taxes	2,516	2,129	387
Use of Money and Property	4,173	1,683	2,490
Gain on Sale of Capital Asset	1,345	-	1,345
Extraordinary Item (See note 11)	14,263	-	14,263
Other Revenues	4,396	5,639	(1,243)
Total Revenues	148,559	113,204	35,355
EXPENSES:			
Program Activities			
General Government	13,340	10,530	2,810
Public Safety	74,434	70,552	3,882
Public Works	13,289	15,075	(1,786)
Community Services	13,171	10,152	3,019
Community Development	6,856	7,626	(770)
Interest on Long-term Debts	3,298	2,588	710
Total Expenses	124,388	116,523	7,865
Excess/(Shortage) of Revenues Over Expenses	24,171	(3,319)	27,490
TRANSFERS:			
Transfer-in	153	147	6
Transfer-out	-	-	-
Changes in Net Position	24,324	(3,172)	27,496
Net Position at Beginning of Year (Restated)	61,215	63,337	(2,122)
Net Position at End of Year	85,539	60,165	25,374

Top Governmental Activity Revenue Sources

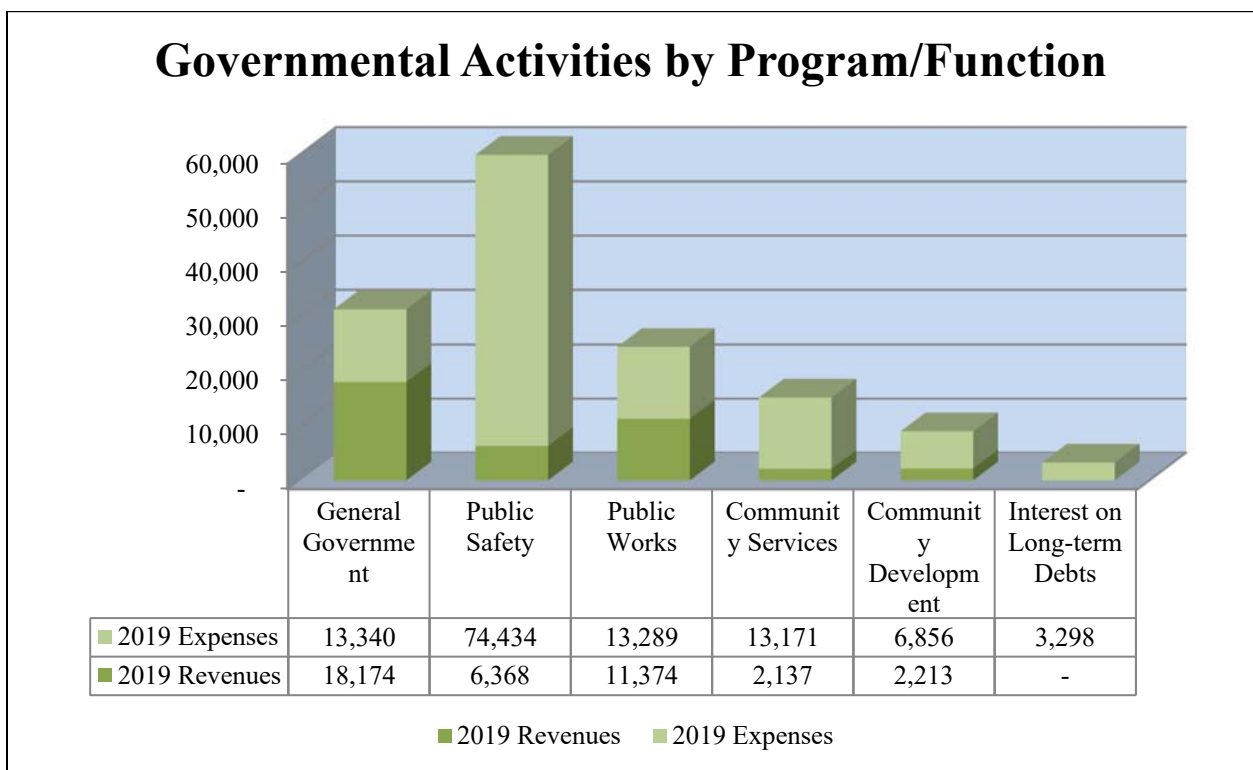
As shown below, our top five revenues accounted for approximately 80% of total revenues excluding the extraordinary gain, with use of money and property accounted for 3.9% and miscellaneous revenues accounted for 3.8%. Generally, revenues for FY 2018-19 increased from those of the prior fiscal year.



The following narrative addresses the significant variances in key revenues and expenses from the prior fiscal year:

1. *Sales Tax.* General sales tax receipts were \$4.68 million or 17.33% over prior year due to increased retail economic activity.
2. *Operating contributions and grants.* These revenues increased by \$1.8 million or 18.52%.
3. *Property taxes.* Property tax increased by \$1.8 million or 6.8% over the prior year. Property taxes continue to grow at a slow but steady pace.

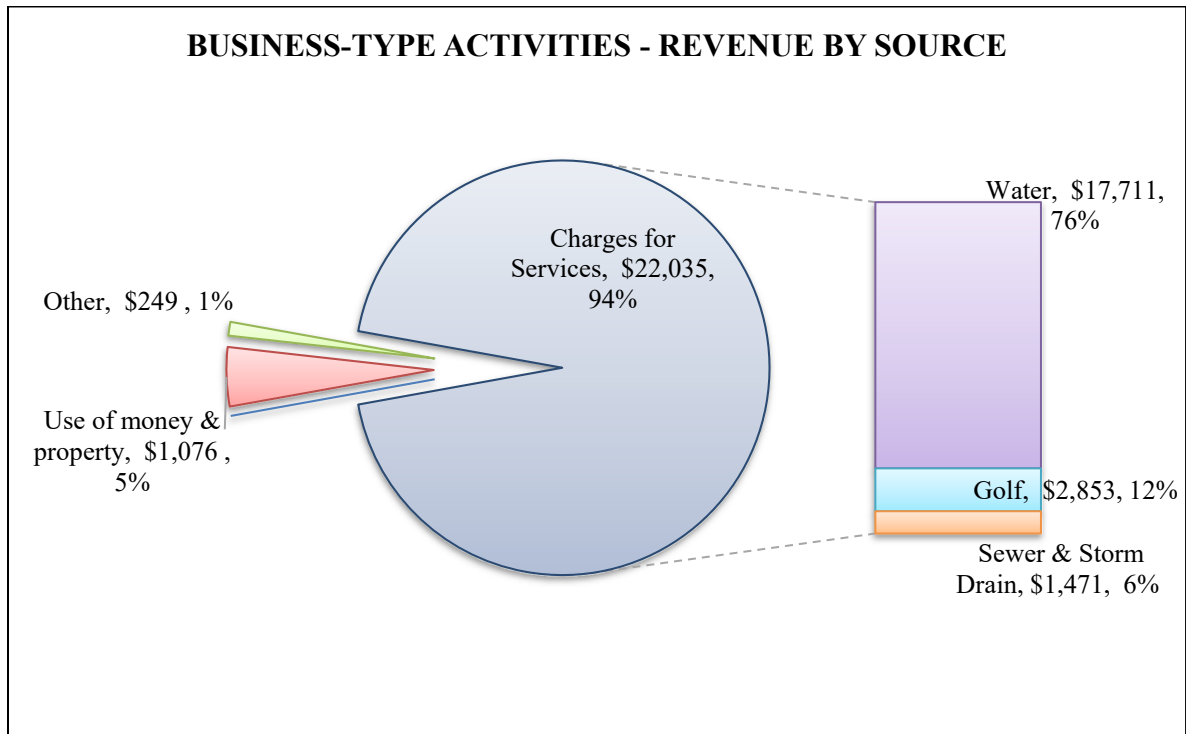
4. *Charges for Services.* These revenues increased by approximately \$2.8 million or 16.22% over prior year
5. *Other Revenues.* These revenues decreased by \$1.2 million or 22.0% from prior year.
6. *Use of Money and Property.* These revenues increased by \$2.5 million or 147% from prior year. Due to gains on investment earnings from the unspent proceeds of 2017 Revenue Bonds.
7. *Program Expenses.* Program activities experienced an increase of \$7.8 million or 6.67% from prior year. The increase is due to increase in PERS rates, and leave pay-out primarily for public safety.



Summary of Business-Type Activities

Revenue Sources – charges for services reflect a decrease of \$446 thousand or 1.9% from the prior fiscal year. This reflects a decrease in water consumption from City’s water customers. Significant variances are as follows:

- 1. *Water revenues* - total operating revenues decrease of 315 thousand or 1.75% from the prior year.
- 2. *Sewer revenues* – total operating revenues decreased by \$37 thousand or 2.46% under the prior year. .
- 3. *Golf revenues* - the overall revenue decrease by \$94 thousand over prior year. This is due to closure of club house restaurant for renovations during a two month period and also arrears in rent payment.

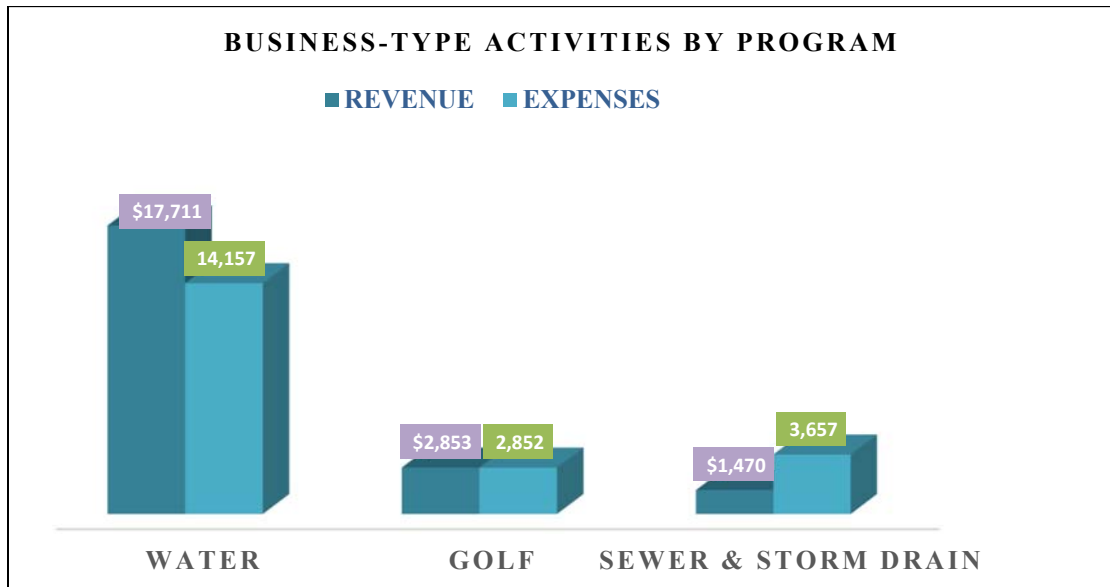


Program Expenses – the program expenses for enterprises funds have a net decrease of \$2.2 million or a decrease of 9.7% over the prior year. From this amount, water activities ended with a decrease of \$1.7 million from increased capital expenditures during the year. Golf course experienced a decrease of \$47 thousand or decrease of 1.6%. And sewer also had a decrease of expenditures in the amount of 446 thousand.

City of Downey			
Summary of Net Position			
Business- Type Activities			
For Fiscal Year Ended June 30, 2019 and 2018			
<i>(Amounts Expressed in Thousands)</i>			
	Business-Type Activities		Amount
	2019	2018	Increase (Decrease)
REVENUES:			
Program Revenues:			
Charges for Services	22,035	22,481	(446)
Operating Contributions	-	388	(388)
General Revenues:			
Use of Money and Property	1,076	500	576
Other Revenues	263	176	87
Total Revenues	23,374	23,545	(171)
EXPENSES:			
Program Activities			
Water	14,157	15,881	(1,724)
Golf	2,853	2,899	(46)
Sewer and Storm Drain	3,656	4,102	(446)
Total Expenses	20,666	22,882	(2,216)
Excess/(Shortage) of Revenues Over Expenses	2,708	663	2,045
TRANSFERS:			
Transfer-in	-	-	-
Transfer-out	(153)	(148)	(5)
Changes in Net Position	2,555	515	2,040
Net Position at Beginning of year (Restated)	80,577	80,077	500
Net Position at End of year	83,132	80,592	2,540

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following funds have been classified as either governmental or proprietary fund types.



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.

As of June 30, 2019, the City's governmental funds reported combined ending fund balances of \$102.3 million, a net increase of \$1.1 million or 1.09% over the prior year. Approximately 30% of the City's governmental fund ending fund balances, or \$31.5 million, consisted of assigned and unassigned fund balance, which is available for spending at the City's discretion within the guidelines of the funding sources. The remainder of fund balance, \$70.8 million, is either non-spendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation. Non-spendable fund balance of \$8.5 million is not available for use and are comprised of advances to Successor Agency, notes and loans and prepaid costs. Restricted fund balance of almost \$62.3 million can only be used for specific purposes pursuant to constraints imposed by applicable law and regulations and external parties such as grantors and creditors. The restricted funds are comprised of \$44.9 million for public safety, \$263 dollars for parks and recreation activity, \$6.2 million for public works, \$3.6 million for Capital Projects, and almost \$7.6 million for low and moderate income housing.

General Fund Financial Highlights

The general fund is the chief operating fund of the City. At June 30, 2019, assigned and unassigned fund balance of the general fund was \$29.7 million, while total fund balance was \$38.2 million. As a measure of the general fund's liquidity, it is useful to compare committed, assigned and unassigned fund balance to total fund expenditures. Assigned, and unassigned fund balance represents 27.5% of the total general fund expenditures. As mentioned above, however, the City Council has designated all of the committed, assigned, and unassigned fund balance for specified purpose.

For the fiscal year ended June 30, 2019, the cash and investments balance in the general fund was \$21.2 million, an increase of \$6.3 million from the prior fiscal year.

City of Downey General Fund Revenues and Other Financing Sources For Fiscal Year Ended June 30, 2019 and 2018 (Amounts Expressed in Thousands)					
	2019 Actuals	Percent of Total	2018 Actuals	Percent of Total	Increase (Decrease)
Taxes	70,309	62.5%	65,163	70.7%	5,146
Licenses and Permits	1,486	1.3%	1,837	2.0%	(351)
Fines and Forfeitures	1,812	1.6%	1,545	1.7%	267
Use of Money and Property	2,937	2.6%	1,578	1.7%	1,359
Intergovernmental Revenues	3,086	2.7%	2,533	2.7%	553
Charges for Services	11,274	10.0%	11,026	12.0%	247
Other Revenues	<u>10,847</u>	<u>9.6%</u>	<u>5,215</u>	<u>5.7%</u>	<u>5,631</u>
Total Revenues	101,750	90.2%	88,897	96.5%	12,854
Other Financing Sources	<u>11,146</u>	<u>9.9%</u>	<u>3,271</u>	<u>3.5%</u>	<u>7,876</u>
Total Revenues & Other Financing Sources	<u>112,897</u>	<u>100.1%</u>	<u>92,167</u>	<u>100.0%</u>	<u>20,729</u>

Overall, General Fund revenues for the fiscal year ended June 30, 2019 increased by \$12.8 million, or 14.46%, over the prior year. The majority of this increase is attributed to an increase in tax revenue, developer participation revenue, and sale of land.

Expenditures and Other Financing Uses for the General Fund, including comparative amounts from the preceding year, are shown in the following table:

City of Downey					
General Fund Expenditures and Other Financing Uses					
For Fiscal Year Ended June 30, 2019 and 2018					
<i>(Amounts Expressed in Thousands)</i>					
	2019	Percent of	2018	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
General Government	11,494	10.6%	10,304	11.0%	1,190
Public Safety	61,460	56.5%	57,870	62.1%	3,590
Public Works	8,288	7.6%	7,798	8.3%	489
Community Services	9,000	8.3%	9,246	9.9%	(245)
Community Development	3,289	3.0%	3,145	3.4%	144
Capital Outlay	11,101	10.2%	-	0.0%	11,101
Principal retirement	680	0.6%	600	0.6%	80
Debt Services	1,499	1.4%	1,638	1.8%	(139)
Total Expenditures	<u>106,811</u>	98.3%	<u>90,601</u>	97.0%	16,210
Other Financing Uses	1,682	1.7%	2,962	3.1%	(1,280)
Extraordinary Items	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>0.0%</u>	<u>-</u>
Total Expenditures & Other Financing Sources	<u><u>108,493</u></u>	<u><u>100.0%</u></u>	<u><u>93,563</u></u>	<u><u>100.0%</u></u>	<u><u>14,930</u></u>

The General Fund's total expenditures, not including transfers, increased by \$16.2 million or 17.89%, from the previous fiscal year. All departments' expenditures increased except the expenditures in Community Services. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2019:

- Capital Outlay increased because City purchased 67 acres of land from the federal government please see note 11 Extraordinary item from NASA Loan.
- General Government increased by \$1.1 million, to \$11.4 million, as a result of an increase in general liability payouts and cost of living increases.
- Public Safety expenditures increased by \$3.5 million, to \$61.4 million attributable to the increase in PERS safety rate, cost of living increases, leave pay-out and new hires.

- Public Works expenditures increased by \$489 thousand, to \$8.2 million, as a result of increased maintenance in land and buildings, cost of living and PERS costs.
- Community Services expenditures decreased by \$245 thousand, to \$9 million.
- Community Development expenditures increased by \$144 thousand, to \$3.2 million, as a result of increasing PERS costs.

General Fund Budgetary Highlights

Differences between the general fund original budget expenditures and the final amended budget were over \$894 thousand. The increases were primarily from transfers out of the general fund to fund capital projects such as the Art Tree of Life Sculpture in the Theatre Plaza and the community development upgrade of the Accella software.

In the functional expenditure categories actual expenditures were more than final budgeted amount, totaling \$108.4 million, and \$93.1 million, respectively. In addition, actual revenue exceeded budgetary estimates, by \$19.8 million, bringing actual revenue at June 30, 2019 to \$106.9 million. The actual transfers out of the general fund was more than final budget amount by \$79 thousand, as a result of an increase in actual transfers to the capital projects fund.

Financial Analysis of the Other Major Funds

The Housing Authority Special Revenue Fund account for revenues generated by housing assets received from former redevelopment agency. The total revenue generated in fiscal year 2018-19 was \$200 thousand. The fund balance of \$3.6 million is non-spendable and restricted for low and moderate income housing.

The HOME special Revenue Fund is used to account for the operations of HOME Investment Partnership Program. The total revenues and expenditures in fiscal year 2018-19 were \$460 thousand and \$465 thousand, respectively, leaving an ending fund balance of \$642 thousand. The ending fund balance is also restricted for low and moderate income housing.

The CIP Grant fund is use to account for the majority of City capital improvement projects funded from various federal, state and local sources such as Caltrans, Metropolitan Transit Authority and joint ventures with the Downey Unified School District and surrounding Cities.

The Measure S 2017 LRB is used to account for special revenues from half cent sales tax for infrastructure improvements and enhanced public safety services. The total revenues and expenditures in fiscal year 2018-19 were \$1.4 million and \$9.4 million, respectively, leaving an ending fund balance of \$42 million. The ending fund balance is also restricted for infrastructure and public safety.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its government and business-type activities at June 30, 2019 amounted to \$276 million, net of accumulated depreciation. This investment in capital assets includes land, projects in progress, buildings, equipment, fixtures and infrastructure. The total increase over prior fiscal year in the City's investment in capital assets was \$37.7 million or a 15.8% increase.

City of Downey						
Summary of Capital Assets (Net of Depreciation)						
For Fiscal Year Ended June 30, 2019 and 2018						
<i>(Amounts Expressed in Thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and Improvements	31,771	20,670	10,754	6,965	42,525	27,635
Water Rights	-	-	4,291	4,291	4,291	4,291
Projects in Progress	29,092	16,544	7,210	3,209	36,302	19,753
Buildings	13,197	13,042	5,935	6,107	19,132	19,149
Land Improvements	7,317	7,328	647	837	7,964	8,165
Machinery & Equipment	8,871	5,820	970	1,220	9,841	7,039
Furniture & Fixtures	-	-	450	100	450	100
Infrastructures	108,277	105,753	47,445	46,597	155,722	152,351
Total Capital Assets	<u>198,525</u>	<u>169,156</u>	<u>77,701</u>	<u>69,327</u>	<u>276,226</u>	<u>238,483</u>

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

- Land increased because the City purchased 67 acres of land from the federal government for \$14.2 million.
- Projects in progress increased \$16.5 million from on-going capital projects and Measure S funded projects which include fire stations modernization, library modernization and renovation of City's parks.
- Machinery and Equipment increased due to leases of ambulances, cars for police and fire and Downey Link busses during the year.

Additional information on the City's assets can be found in the notes to basic financial statements in note 10.

Long-term liabilities

Total outstanding long-term debt at June 30, 2019 is \$78.7 million, a decrease of \$11.2 million from the prior fiscal year.

City of Downey					
Summary of Changes in Long-Term Liabilities					
<i>(Amounts Expressed in Thousands)</i>					
	Balance			Balance	Due Within
	June 30,	Additions	Reduction	June 30,	One-Year
	2018			2019	
Bond	72,225	-	3,044	69,181	2,820
Capital Lease Payable	1,814	4,060	818	5,056	886
Loans from Federal Government	15,937	3,000	14,458	4,479	195
Total	<u>89,976</u>	<u>7,060</u>	<u>18,320</u>	<u>78,716</u>	<u>3,901</u>

Long-term debt-related events during the fiscal year ended June 30, 2018 included:

- Bonded debt decreased by 3.0 million from debt service payments.
- Capital lease obligations increased \$4 million primarily due to lease of seven Downey Link busses in the amount of \$3,126,990 in addition to leases of ambulances and cars for police and fire during the year.
- Loans from Federal Government decreased mainly due to payment of federal loan of \$14.2 million. On April of 2000 the City purchased 67 acres of land from the federal government. The City was required to invest the funds until 2019, when the investment matured. In April of 2019, the City finished paying the loan in full and received the title to the property. Additionally, the City received a Section 108 Loan from the United States Department of Housing and Urban Development in the amount of \$3,000,000.

Additional information on the City's long-term liabilities can be found in Note 11 of the Notes to Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In November 2016, the City residents passed Measure S, a half-cent sales tax which will fund infrastructure improvements and enhanced public safety services. The projected annual revenue increase from Measure S is \$9.1 million and is included in the FY 2018-19 revenue budget.

One of the biggest challenges facing the City is the increasing pension costs. CalPERS lowered their discount rate (projected investment earnings rate) from 7.5% to 7% beginning with FY 2017-18 through FY 2020-21. It is expected that the rates will be 50.2% for Safety and 33.7% for Miscellaneous. Detailed information on the City's Safety and Miscellaneous Plans can be found in Note 14 of the Notes to Basic Finance Statements.

On June 26, 2018, the City Council adopted and approved FY 2018-19 budget with total appropriations of \$262 million. Adequate resources are available to fund the proposed expenditures. For the General Fund, the FY 2018-19 budget reflects a balanced budget with current revenues and others uses exceeding the current expenses by \$704,714. The City Council approved the FY 2018-19 budget which includes the use of General Fund transfers to pay for one-time expense for Capital Improvement Project for public facilities infrastructure. Consistent with the City's budget resolution, the amount of General Fund Net Increase in Fund Balance at the end of June 30, 2019 shall be deposited into an Assigned General Fund balance account to provide future resources for fiscal emergencies.

Fees for Services

It is important to note that the City annually reviews all of its fees for services to ensure, when possible, fees collected fully support the cost of providing City services. In June 2018, The City adopted a new fee schedule from a City-wide study which updated the rates for FY 2018-19.

Utility Rates

The City's water rates were last increased in July 2015. The water rates remain unchanged for FY 2018-19.

REQUESTS FOR INFORMATION

This financial report is designated to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance & Information Technology, City of Downey, 11111 Brookshire Avenue, Downey, California 90241-0607.

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CITY OF DOWNEY

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 67,952,407	\$ 25,022,624	\$ 92,975,031
Receivables:			
Accounts	2,164,802	3,923,454	6,088,256
Taxes	7,261,136	-	7,261,136
Notes and loans	15,299,445	-	15,299,445
Accrued interest	691,433	-	691,433
Internal balances	6,211,606	(6,211,606)	-
Prepaid costs	13,396	-	13,396
Due from other governments	4,404,681	83,301	4,487,982
Inventories	67,215	114,509	181,724
Restricted assets:			
Cash with fiscal agent	49,809,048	-	49,809,048
Advances to Successor Agency	10,262,677	-	10,262,677
Capital assets not being depreciated	60,862,952	22,254,446	83,117,398
Capital assets, net of depreciation	137,661,723	55,446,424	193,108,147
Total Assets	362,662,521	100,633,152	463,295,673
Deferred Outflows of Resources:			
Deferred pension related items	27,994,869	1,015,148	29,010,017
Deferred OPEB related items	1,103,345	-	1,103,345
Total Deferred Outflows of Resources	29,098,214	1,015,148	30,113,362
Liabilities:			
Accounts payable	7,145,972	2,911,815	10,057,787
Accrued liabilities	2,763,759	303,462	3,067,221
Accrued interest	231,371	69,490	300,861
Unearned revenue	230,625	7,680	238,305
Deposits payable	215,239	200,523	415,762
Noncurrent liabilities:			
Due within one year			
Long-term debt	3,371,774	529,265	3,901,039
Compensated absences	4,800,947	14,973	4,815,920
Claims and judgements	6,061,481	-	6,061,481
Due in more than one year			
Long-term debt	70,930,926	3,884,233	74,815,159
Compensated absences	11,050,967	536,656	11,587,623
Claims and judgements	9,950,209	-	9,950,209
Net OPEB liability	7,765,502	-	7,765,502
Net pension liability	177,899,602	9,971,422	187,871,024
Total Liabilities	302,418,374	18,429,519	320,847,893
Deferred Inflows of Resources:			
Deferred pension related items	3,660,051	87,252	3,747,303
Deferred OPEB related items	142,885	-	142,885
Total Deferred Inflows of Resources	3,802,936	87,252	3,890,188
Net Position:			
Net investment in capital assets	191,436,485	73,287,372	264,723,857
Restricted for:			
Community development	456,355	-	456,355
Public safety	44,923,479	-	44,923,479
Parks and recreation	263	-	263
Public works	6,183,597	-	6,183,597
Capital projects	5,531,626	34,594,964	40,126,590
Debt service	-	469,039	469,039
Low and moderate income housing	21,341,190	-	21,341,190
Unrestricted	(184,333,570)	(25,219,846)	(209,553,416)
Total Net Position	\$ 85,539,425	\$ 83,131,529	\$ 168,670,954

CITY OF DOWNEY

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 13,340,147	\$ 8,477,589	\$ 3,061,646	\$ 6,634,028
Public safety	74,433,615	5,101,814	1,266,050	-
Community development	6,856,257	1,024,888	-	1,188,228
Community services	13,171,253	2,136,829	-	-
Public works	13,289,082	3,566,299	7,350,408	458,259
Interest on long-term debt	3,297,990	-	-	-
Total Governmental Activities	124,388,344	20,307,419	11,678,104	8,280,515
Business-Type Activities:				
Water Fund	14,156,685	17,711,086	-	-
Golf Fund	2,852,732	2,853,091	-	-
Sewer and Storm Drain	3,656,979	1,470,891	-	-
Total Business-Type Activities	20,666,396	22,035,068	-	-
Total Primary Government	\$ 145,054,740	\$ 42,342,487	\$ 11,678,104	\$ 8,280,515

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Property taxes in lieu of sales and use tax
- Franchise taxes
- Utility users tax
- Other taxes
- Use of money and property
- Other
- Gain on sale of capital asset

Extraordinary Item (Note 11)

Transfers

Total General Revenues, Extraordinary Item and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 4,833,116	\$ -	\$ 4,833,116
(68,065,751)	-	(68,065,751)
(4,643,141)	-	(4,643,141)
(11,034,424)	-	(11,034,424)
(1,914,116)	-	(1,914,116)
(3,297,990)	-	(3,297,990)
(84,122,306)	-	(84,122,306)
-	3,554,401	3,554,401
-	359	359
-	(2,186,088)	(2,186,088)
-	1,368,672	1,368,672
(84,122,306)	1,368,672	(82,753,634)
28,817,164	-	28,817,164
1,537,249	-	1,537,249
31,673,124	-	31,673,124
10,384,356	-	10,384,356
2,777,707	-	2,777,707
6,410,556	-	6,410,556
2,516,231	-	2,516,231
4,172,587	1,076,033	5,248,620
4,395,494	249,339	4,644,833
1,345,480	13,560	1,359,040
14,263,196	-	14,263,196
152,798	(152,798)	-
108,445,942	1,186,134	109,632,076
24,323,636	2,554,806	26,878,442
60,165,311	80,592,157	140,757,468
1,050,478	(15,434)	1,035,044
\$ 85,539,425	\$ 83,131,529	\$ 168,670,954

CITY OF DOWNEY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Housing Authority</u>	<u>CIP Grant Fund</u>	<u>HOME</u>
Assets:				
Pooled cash and investments	\$ 21,219,604	\$ 1,886,374	\$ -	\$ 555,987
Receivables:				
Accounts	707,316	-	1,276,177	-
Taxes	6,025,983	-	-	-
Notes and loans	1,400,829	7,901,752	-	5,540,509
Accrued interest	412,742	278,691	-	-
Prepaid costs	12,558	-	-	-
Due from other governments	1,936,345	-	1,066,440	87,661
Due from other funds	3,962,332	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	226,684	-	-	-
Advances to Successor Agency	7,090,082	1,728,621	-	-
Total Assets	\$ 42,994,475	\$ 11,795,438	\$ 2,342,617	\$ 6,184,157
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,123,873	\$ 95	\$ 620,847	\$ 16
Accrued liabilities	2,266,141	-	28,221	1,290
Unearned revenues	-	-	-	-
Deposits payable	215,239	-	-	-
Due to other funds	-	-	1,244,984	-
Total Liabilities	4,605,253	95	1,894,052	1,306
Deferred Inflows of Resources:				
Unavailable revenues	153,308	8,180,443	1,923,336	5,540,509
Total Deferred Inflows of Resources	153,308	8,180,443	1,923,336	5,540,509
Fund Balances:				
Nonspendable:				
Prepaid costs	12,558	-	-	-
Notes and loans	1,400,829	-	-	-
Advances to Successor Agency	7,090,082	-	-	-
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Low and moderate income housing	-	3,614,900	-	642,342
Assigned to:				
Capital projects	-	-	-	-
Unassigned	29,732,445	-	(1,474,771)	-
Total Fund Balances	38,235,914	3,614,900	(1,474,771)	642,342
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,994,475	\$ 11,795,438	\$ 2,342,617	\$ 6,184,157

CITY OF DOWNEY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Special Revenue Funds</u>		
	<u>Measure S 2017 LRB</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ -	\$ 16,613,994	\$ 40,275,959
Receivables:			
Accounts	-	181,184	2,164,677
Taxes	-	1,235,153	7,261,136
Notes and loans	-	456,355	15,299,445
Accrued interest	-	-	691,433
Prepaid costs	-	838	13,396
Due from other governments	300,228	1,012,340	4,403,014
Due from other funds	-	-	3,962,332
Inventories	-	9,740	9,740
Restricted assets:			
Cash and investments with fiscal agents	46,432,434	3,149,930	49,809,048
Advances to Successor Agency	-	-	8,818,703
Total Assets	\$ 46,732,662	\$ 22,659,534	\$ 132,708,883
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 2,102,840	\$ 2,017,021	\$ 6,864,692
Accrued liabilities	-	454,128	2,749,780
Unearned revenues	-	230,625	230,625
Deposits payable	-	-	215,239
Due to other funds	2,339,810	377,538	3,962,332
Total Liabilities	4,442,650	3,079,312	14,022,668
Deferred Inflows of Resources:			
Unavailable revenues	-	521,116	16,318,712
Total Deferred Inflows of Resources	-	521,116	16,318,712
Fund Balances:			
Nonspendable:			
Prepaid costs	-	-	12,558
Notes and loans	-	-	1,400,829
Advances to Successor Agency	-	-	7,090,082
Restricted for:			
Public safety	42,290,012	2,633,467	44,923,479
Parks and recreation	-	263	263
Public works	-	6,183,597	6,183,597
Capital Projects	-	3,608,290	3,608,290
Low and moderate income housing	-	3,362,996	7,620,238
Assigned to:			
Capital projects	-	3,361,619	3,361,619
Unassigned	-	(91,126)	28,166,548
Total Fund Balances	42,290,012	19,059,106	102,367,503
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 46,732,662	\$ 22,659,534	\$ 132,708,883

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CITY OF DOWNEY

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Fund balances of governmental funds		\$ 102,367,503
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		194,154,628
Deferred outflows related to pension items for:		
Pension related items:		
Miscellaneous contributions made subsequent to measurement date	\$ 4,214,364	
Miscellaneous differences between expected and actual experience	337,195	
Safety changes of assumptions	8,328,619	
Safety contributions made subsequent to measurement date	11,638,120	
Safety differences between expected and actual experience	1,843,901	
Miscellaneous net difference between projected and actual earnings on pension plan investments	406,129	
Safety net difference between projected and actual earnings on pension plan investments	1,086,798	
OPEB related items:		
Net difference between projected and actual earnings on OPEB plan investments	<u>1,103,345</u>	28,958,471
Long-term debt and claims liabilities that have not been included in the governmental fund activity:		
Bonds payable	(67,767,800)	
Unamortized bond premiums/discounts	(4,821,244)	
Claims payable	(8,636,272)	
Compensated Absences	<u>(3,325,101)</u>	(84,550,417)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(224,008)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Actuarially Determined Contribution (ADC) are recorded as an asset or liability.		(7,765,502)
Pension liabilities are not included in the governmental fund statements, however they are reported in the governmental activities in the Statement of Net Position:		
Miscellaneous net pension liability	(48,697,460)	
Safety net pension liability	<u>(127,829,495)</u>	(176,526,955)
Deferred inflows related to pension items due to:		
Pension related items:		
Miscellaneous changes of assumptions	(426,117)	
Safety changes of assumptions	(1,080,354)	
Safety differences between expected and actual experiences	(2,141,569)	
OPEB related items:		
Net difference between projected and actual earnings on OPEB plan investments	<u>(142,885)</u>	(3,790,925)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		16,318,712
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		16,597,918
Net Position of Governmental Activities		<u><u>\$ 85,539,425</u></u>

CITY OF DOWNEY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	General	Housing Authority	CIP Grant Fund	HOME
Revenues:				
Taxes	\$ 70,308,692	\$ -	\$ -	\$ -
Licenses and permits	1,486,217	-	-	-
Intergovernmental	3,086,226	-	4,715,673	458,259
Charges for services	11,273,518	-	-	-
Use of money and property	2,937,056	50,907	-	-
Fines and forfeitures	1,811,986	-	-	-
Developer participation	6,000,000	-	-	-
Miscellaneous	4,846,633	149,134	-	2,650
Total Revenues	101,750,328	200,041	4,715,673	460,909
Expenditures:				
Current:				
General government	11,494,050	-	-	-
Public safety	61,460,052	-	-	-
Community development	3,288,845	1,263,850	-	465,924
Community services	9,000,494	-	-	-
Public works	8,287,598	-	-	-
Capital outlay	11,101,073	-	4,441,995	-
Debt service:				
Principal retirement	680,000	-	-	-
Interest and fiscal charges	1,499,002	-	-	-
Total Expenditures	106,811,114	1,263,850	4,441,995	465,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,060,786)	(1,063,809)	273,678	(5,015)
Other Financing Sources (Uses):				
Transfers in	8,631,976	-	1,377	-
Transfers out	(1,682,076)	-	-	-
Capital leases	-	-	-	-
Notes and loans issued	-	-	-	-
Proceeds from sale of capital assets	2,514,475	-	-	-
Total Other Financing Sources (Uses)	9,464,375	-	1,377	-
Net Change in Fund Balances	4,403,589	(1,063,809)	275,055	(5,015)
Fund Balances, Beginning of Year, as previously reported	33,860,744	4,678,709	(1,749,826)	647,357
Restatements	(28,419)	-	-	-
Fund Balances, Beginning of Year, as restated	33,832,325	4,678,709	(1,749,826)	647,357
Fund Balances, End of Year	\$ 38,235,914	\$ 3,614,900	\$ (1,474,771)	\$ 642,342

CITY OF DOWNEY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds		
	Measure S 2017 LRB	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 13,989,859	\$ 84,298,551
Licenses and permits	-	-	1,486,217
Intergovernmental	-	5,064,433	13,324,591
Charges for services	-	2,261,856	13,535,374
Use of money and property	1,421,501	360,005	4,769,469
Fines and forfeitures	-	1,644,431	3,456,417
Developer participation	-	1,422,104	7,422,104
Miscellaneous	-	157,517	5,155,934
Total Revenues	1,421,501	24,900,205	133,448,657
Expenditures:			
Current:			
General government	2,000	152,636	11,648,686
Public safety	-	1,082,702	62,542,754
Community development	-	1,910,338	6,928,957
Community services	-	2,949,151	11,949,645
Public works	-	3,493,125	11,780,723
Capital outlay	9,452,040	11,181,525	36,176,633
Debt service:			
Principal retirement	-	2,163,798	2,843,798
Interest and fiscal charges	-	2,014,491	3,513,493
Total Expenditures	9,454,040	24,947,766	147,384,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,032,539)	(47,561)	(13,936,032)
Other Financing Sources (Uses):			
Transfers in	-	2,492,576	11,125,929
Transfers out	-	(3,465,779)	(5,147,855)
Capital leases	-	3,432,599	3,432,599
Notes and loans issued	-	3,000,000	3,000,000
Proceeds from sale of capital assets	-	-	2,514,475
Total Other Financing Sources (Uses)	-	5,459,396	14,925,148
Net Change in Fund Balances	(8,032,539)	5,411,835	989,116
Fund Balances, Beginning of Year, as previously reported	50,322,551	13,497,271	101,256,806
Restatements	-	150,000	121,581
Fund Balances, Beginning of Year, as restated	50,322,551	13,647,271	101,378,387
Fund Balances, End of Year	\$ 42,290,012	\$ 19,059,106	\$ 102,367,503

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CITY OF DOWNEY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds	\$	989,116
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$	37,045,901
Depreciation		(7,633,751)
Gain/(loss) on sale of capital assets		<u>(1,237,690)</u>
		28,174,460
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments		17,106,994
Amortization of bond premiums/discounts		<u>253,615</u>
		17,360,609
Other debts issued is a revenue in the governmental funds, but issuance the increases long-term liabilities in the statement of net position.		
		(6,432,599)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		5,407
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.		
		(1,350,145)
Claims and judgements 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.		
		880,909
Governmental funds report all contributions in relation to the actuarially determined contribution (ADC) for OPEB as expenditures, however in the statement of activities only the ADC is an expense.		
		600,597
Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
		(10,072,602)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		
		(602,452)
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		
		<u>(5,229,664)</u>
Change in Net Position of Governmental Activities	\$	<u>24,323,636</u>

CITY OF DOWNEY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Golf Fund	Sewer and Storm Drain	Totals	
Assets and Deferred Outflows of Resources:					
Assets:					
Current:					
Cash and investments	\$ 19,207,702	\$ 891,742	\$ 4,923,180	\$ 25,022,624	\$ 27,676,448
Receivables:					
Accounts	3,483,138	132,376	307,940	3,923,454	125
Prepaid costs	-	-	-	-	28,807
Due from other governments	83,301	-	-	83,301	1,667
Inventories	114,509	-	-	114,509	57,475
Advance to Successor Agency	-	-	-	-	1,443,974
Total Current Assets	22,888,650	1,024,118	5,231,120	29,143,888	29,208,496
Noncurrent:					
Capital assets - net of accumulated depreciation	30,965,913	14,898,863	31,836,094	77,700,870	4,370,047
Total Noncurrent Assets	30,965,913	14,898,863	31,836,094	77,700,870	4,370,047
Total Assets	53,854,563	15,922,981	37,067,214	106,844,758	33,578,543
Deferred Outflows of Resources:					
Deferred pension related items	782,067	6,452	226,629	1,015,148	139,743
Total Deferred Outflows of Resources	782,067	6,452	226,629	1,015,148	139,743
Total Assets and Deferred Outflows of Resources	\$ 54,636,630	\$ 15,929,433	\$ 37,293,843	\$ 107,859,906	\$ 33,718,286
Liabilities, Deferred Inflows of Resources, and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ 2,636,387	\$ 155,147	\$ 120,281	\$ 2,911,815	\$ 281,280
Accrued liabilities	234,979	3,020	65,463	303,462	42,786
Accrued interest	-	64,167	5,323	69,490	7,363
Unearned revenues	-	7,680	-	7,680	-
Deposits payable	76,805	123,718	-	200,523	-
Accrued compensated absences	14,973	-	-	14,973	1,475,846
Accrued claims payable	-	-	-	-	2,471,693
Bonds, notes, and capital leases	-	460,000	69,265	529,265	484,906
Total Current Liabilities	2,963,144	813,732	260,332	4,037,208	4,763,874
Noncurrent:					
Accrued compensated absences	487,909	-	48,747	536,656	11,050,967
Accrued claims payable	-	-	-	-	4,903,725
Bonds, notes, and capital leases	-	3,740,000	144,233	3,884,233	1,228,750
Net pension liability	7,681,948	63,385	2,226,089	9,971,422	1,372,647
Total Noncurrent Liabilities	8,169,857	3,803,385	2,419,069	14,392,311	18,556,089
Total Liabilities	11,133,001	4,617,117	2,679,401	18,429,519	23,319,963
Deferred Inflows of Resources:					
Deferred pension related items	67,219	555	19,478	87,252	12,011
Total Deferred Inflows of Resources	67,219	555	19,478	87,252	12,011
Net Position:					
Net investment in capital assets	30,965,913	10,698,863	31,622,596	73,287,372	2,656,391
Restricted for capital projects	-	-	34,594,964	34,594,964	-
Restricted for debt service	-	469,039	-	469,039	-
Unrestricted	12,470,497	143,859	(31,622,596)	(19,008,240)	7,729,921
Total Net Position	43,436,410	11,311,761	34,594,964	89,343,135	10,386,312
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 54,636,630	\$ 15,929,433	\$ 37,293,843	\$ 107,859,906	\$ 33,718,286
Reconciliation of Net Position to the Statement of Net Position					
Net Position per Statement of Net Position - Proprietary Funds				\$ 89,343,135	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds				(6,236,111)	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds				24,505	
Net Position per Statement of Net Position				\$ 83,131,529	

CITY OF DOWNEY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Golf Fund	Sewer and Storm Drain	Totals	
Operating Revenues:					
Sales and service charges	\$ 17,711,086	\$ 2,853,091	\$ 1,470,891	\$ 22,035,068	\$ -
Interdepartmental charges	-	-	-	-	6,091,603
Miscellaneous	240,379	460	8,500	249,339	24,102
Total Operating Revenues	17,951,465	2,853,551	1,479,391	22,284,407	6,115,705
Operating Expenses:					
Purchased water	5,479,248	-	-	5,479,248	-
Maintenance and operations	4,525,398	2,146,472	779,277	7,451,147	2,131,467
General and administrative	3,424,560	78,621	1,096,463	4,599,644	57,647
Employee benefits	205	16,072	214,207	230,484	3,010,224
Depreciation expense	745,783	461,374	1,561,709	2,768,866	357,032
Total Operating Expenses	14,175,194	2,702,539	3,651,656	20,529,389	5,556,370
Operating Income (Loss)	3,776,271	151,012	(2,172,265)	1,755,018	559,335
Nonoperating Revenues (Expenses):					
Interest revenue	716,876	235,927	123,230	1,076,033	80,500
Interest expense	-	(156,189)	(5,323)	(161,512)	(43,519)
Gain (loss) on disposal of capital assets	-	13,560	-	13,560	23,801
Total Nonoperating Revenues (Expenses)	716,876	93,298	117,907	928,081	60,782
Income (Loss) Before Transfers	4,493,147	244,310	(2,054,358)	2,683,099	620,117
Transfers in	-	110,000	1,112,202	1,222,202	79,500
Transfers out	(1,375,000)	-	-	(1,375,000)	(5,904,776)
Changes in Net Position	3,118,147	354,310	(942,156)	2,530,301	(5,205,159)
Net Position:					
Beginning of Year, as previously reported	40,333,697	10,957,451	35,537,120	86,828,268	15,540,573
Restatements	(15,434)	-	-	(15,434)	50,898
Beginning of Fiscal Year, as restated	40,318,263	10,957,451	35,537,120	86,812,834	15,591,471
End of Fiscal Year	\$ 43,436,410	\$ 11,311,761	\$ 34,594,964	\$ 89,343,135	\$ 10,386,312
Reconciliation of Changes in Net Position to the Statement of Activities:					
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds				\$ 2,530,301	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				24,505	
Changes in Net Position of Business-Type Activities per Statement of Activities				\$ 2,554,806	

CITY OF DOWNEY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Golf Fund	Sewer and Storm Drain	Totals	
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 17,574,346	\$ 2,797,096	\$ 1,472,547	\$ 21,843,989	\$ 6,101,509
Cash paid to suppliers for goods and services	(3,766,356)	(2,157,767)	(118,307)	(6,042,430)	(1,818,796)
Cash paid to employees for services	(9,404,698)	(68,034)	(1,916,991)	(11,389,723)	(3,205,847)
Cash received from (payments to) others	240,379	460	8,500	249,339	-
Net Cash Provided (Used) by Operating Activities	4,643,671	571,755	(554,251)	4,661,175	1,076,866
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	-	110,000	1,112,202	1,222,202	79,500
Cash transfers out	(1,375,000)	-	-	(1,375,000)	(5,904,776)
Advance to other funds	-	-	-	-	10,869
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,375,000)	110,000	1,112,202	(152,798)	(5,814,407)
Cash Flows from Capital and Related Financing Activities:					
Proceeds from capital debt	-	-	-	-	627,053
Acquisition and construction of capital assets	(4,758,052)	(2,326,578)	(204,727)	(7,289,357)	(622,616)
Principal paid on capital debt	-	(445,000)	(67,431)	(512,431)	(446,748)
Interest paid on capital debt	-	(156,189)	(7,641)	(163,830)	(43,518)
Proceeds from sales of capital assets	-	35,699	-	35,699	23,801
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,758,052)	(2,892,068)	(279,799)	(7,929,919)	(462,028)
Cash Flows from Investing Activities:					
Interest received	716,876	228,484	123,230	1,068,590	77,205
Net Cash Provided (Used) by Investing Activities	716,876	228,484	123,230	1,068,590	77,205
Net Increase (Decrease) in Cash and Cash Equivalents	(772,505)	(1,981,829)	401,382	(2,352,952)	(5,122,364)
Cash and Cash Equivalents at Beginning of Year	19,980,207	2,873,571	4,521,798	27,375,576	32,798,812
Cash and Cash Equivalents at End of Year	\$ 19,207,702	\$ 891,742	\$ 4,923,180	\$ 25,022,624	\$ 27,676,448
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 3,776,271	\$ 151,012	\$ (2,172,265)	\$ 1,755,018	\$ 559,335
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:					
Depreciation	745,783	461,374	1,561,709	2,768,866	357,032
(Increase) decrease in accounts receivable	(54,823)	(72,399)	1,656	(125,566)	9,906
(Increase) decrease in due from other governments	(80,097)	-	-	(80,097)	(1,551)
(Increase) decrease in inventories	31,250	-	-	31,250	43,647
(Increase) decrease in prepaid expense	-	-	-	-	(28,807)
(Increase) decrease in deferred pension related outflows	740,536	3,381	201,870	945,787	152,807
Increase (decrease) in accounts payable	(372,841)	4,777	(118,307)	(486,371)	120,638
Increase (decrease) in accrued liabilities	31,140	(46)	11,825	42,919	3,905
Increase (decrease) in deposits payable	(1,820)	14,729	-	12,909	-
Increase (decrease) in unearned revenue	-	1,675	-	1,675	-
Increase (decrease) in compensated absences	14,540	(5,439)	(53,076)	(43,975)	-
Increase (decrease) in net pension liability	(144,237)	12,842	23,604	(107,791)	(131,066)
Increase (decrease) in deferred pension related inflows	(42,031)	(151)	(11,267)	(53,449)	(8,980)
Total Adjustments	867,400	420,743	1,618,014	2,906,157	517,531
Net Cash Provided (Used) by Operating Activities	\$ 4,643,671	\$ 571,755	\$ (554,251)	\$ 4,661,175	\$ 1,076,866
Non-Cash Investing, Capital, and Financing Activities:					
Gain on sale of capital assets	\$ -	\$ 13,560	\$ -	\$ 13,560	\$ -

CITY OF DOWNEY

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019

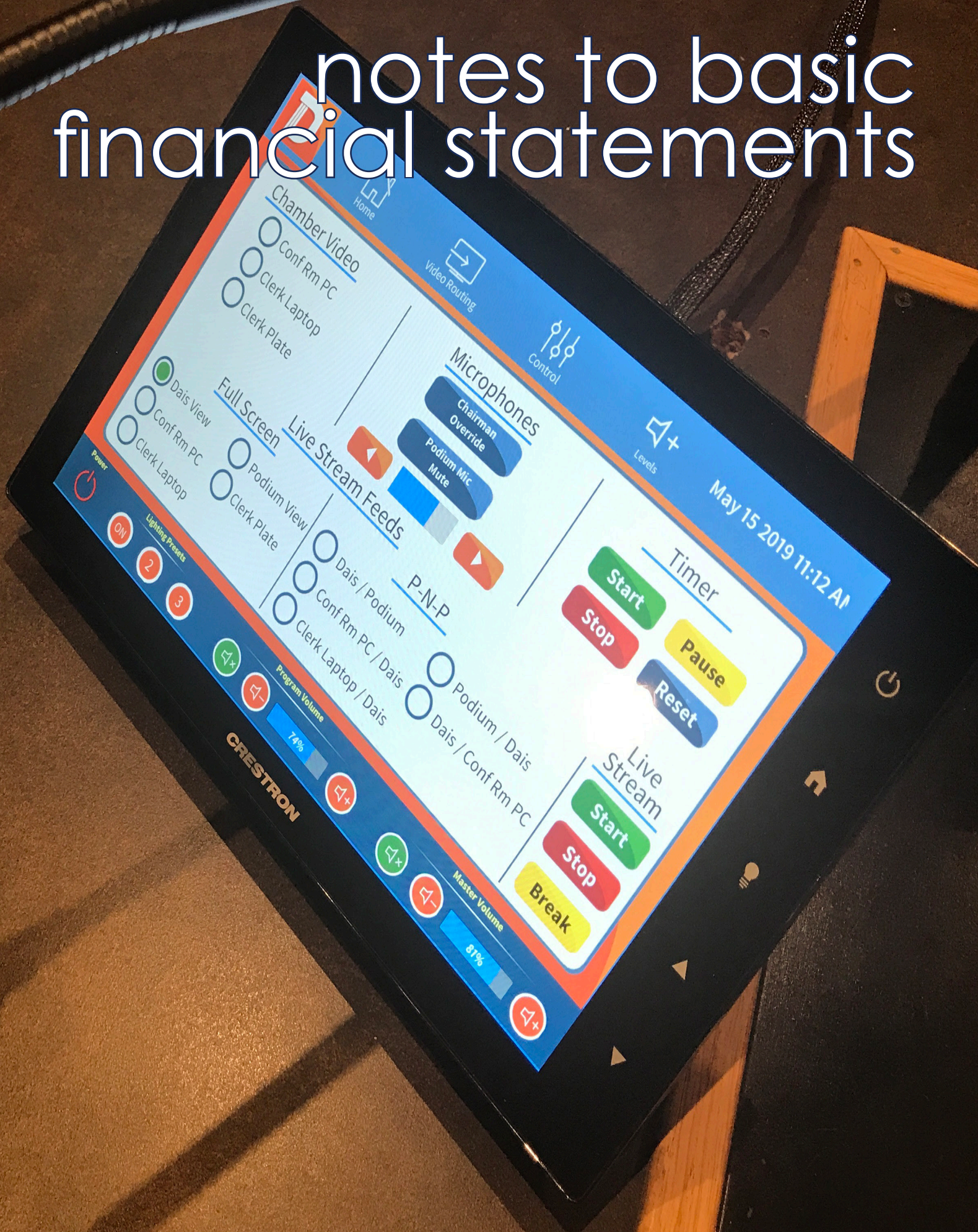
	Agency Funds	Private- Purpose Trust Fund
Assets:		
Pooled cash and investments	\$ 6,461,002	\$ 2,268,549
Receivables:		
Accounts	26,124	-
Taxes	2,978	-
Accrued interest	1,549	-
Prepaid costs	9,505	-
Due from other governments	108,316	-
Restricted assets:		
Cash and investments with fiscal agents	-	721,426
Total Assets	\$ 6,609,474	2,989,975
Liabilities:		
Accounts payable	\$ 692,132	-
Accrued liabilities	489,452	-
Accrued interest	-	105,063
Deposits payable	4,975,249	2,500
Due to other governments	452,641	-
Long-term liabilities:		
Due in one year		
Bonds	-	390,000
Due in more than one year		
Bonds	-	4,530,000
Advances from the City	-	10,262,677
Advances from the County	-	31,169,968
Total Liabilities	\$ 6,609,474	46,460,208
Net Position:		
Held in trust for other purposes		(43,470,233)
Total Net Position		\$ (43,470,233)

CITY OF DOWNEY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2019

	Private- Purpose Trust Fund
Additions:	
Taxes	\$ 251,075
Interest and change in fair value of investments	60,434
Miscellaneous	78,306
	<hr/>
Total Additions	389,815
	<hr/>
Deductions:	
Benefits	26,250
Administrative expenses	250,000
Interest expense	2,369,284
	<hr/>
Total Deductions	2,645,534
	<hr/>
Changes in Net Position	(2,255,719)
Net Position - Beginning of the Year	<hr/> (41,214,514)
Net Position - End of the Year	<u><u>\$ (43,470,233)</u></u>

notes to basic financial statements



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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of Entity

The basic financial statements of the City of Downey (the City) include the activities of the City of Downey Public Facilities Financing Corporation (the Corporation) the City of Downey Housing Authority (the Housing Authority) and the City of Downey Public Financing Authority (the Financing Authority)

The *City of Downey* was incorporated in 1956 under the General Laws of the State of California and became a charter City in 1964. The City operates under a Council-Manager form of government governed by a five-member council and provides the following services: public safety (police, fire, paramedic and ambulance), highways and streets, parks and recreation, public improvements, planning and zoning, and general administrative services.

The criteria used in determining the scope of the reporting entity are based on the provisions of the Governmental Accounting Standards Board (GASB). The City of Downey is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The City has accounted for the Corporation and Housing Authority as "blended" component units. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, these basic financial statements present the City and its component units, the City of Downey Public Facilities Financing Corporation, Housing Authority, and Public Financing Authority. Each blended component unit has a June 30 year end.

The *City of Downey Public Facilities Financing Corporation*, formerly known as *City of Downey Civic Center Corporation*, is a non-profit corporation organized June 1, 1981 for the purpose of assisting, through the issuance of revenue bonds, the financing necessary to construct public buildings and facilities for the City. The activities of the Corporation are reported in the proprietary fund financial statements as part of the golf enterprise fund. The Corporation prepares separate Basic Financial Statements and a copy can be obtained from the City's Finance Department.

The *City of Downey Housing Authority* was established by the City Council on October 22, 1974 and is responsible for the administration of providing affordable housing in the City. The Housing Authority provides services entirely to the City and is governed by a five-member Board of Director which consists of members of the City Council. The City has operational responsibility over the Housing Authority. The Housing Authority's financial transactions are reported in the Special Revenue Funds. The Housing Authority does not prepare separate Basic Financial Statements.

The *City of Downey Public Financing Authority* was created by the City of Downey Housing Authority under a Joint exercise of Powers Agreement to assist the Housing Authority in financing capital improvement projects, through the issuance of Lease Revenue Bonds. The Authority's assets and liabilities are presented in the Measure S 2017 LRB fund.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units.

Certain eliminations have been made as prescribed by the GASB in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Separate financial statements for the City's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and other funds in the aggregate for governmental and enterprise funds. Fiduciary statements, even though excluded from the government-wide financial statements, include financial information that represent the private purpose trust fund and agency funds.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and private purpose trust fund financial statements. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

resources (whether current or noncurrent) associated with their activity are included on their Statements of Net Position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all the eligibility requirements have been satisfied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on the balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is reported as deferred inflows of resources.

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, franchise 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. 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 are considered to be measurable and available only when the government receives cash.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The City's Fiduciary Funds consists of the private purpose trust fund which is reported using the economic resources measurement focus and the agency funds which have no measurement focus but utilizes the accrual basis for reporting its assets and liabilities.

d. Fund Classifications

The City reports the following major governmental funds:

- The General Fund is the general operating fund of the City. All general tax receipts and fee revenue not allocated by law, Council policy or contractual agreement to other funds are accounted for in the General Fund. General Fund expenditures include operations traditionally associated with activities, which are not required to be accounted for or paid by another fund.
- The Housing Authority Special Revenue Fund is used to account for revenues generated by housing assets received from former redevelopment agency and associated expenditures to be used for increasing or improving low and moderate income housing.
- The CIP Grant Fund is used to account for revenues received for various street and infrastructure capital improvements.
- The HOME Special Revenue Fund is used to account for the operations of the HOME Investment Partnership Program. Major sources of revenues are repayments received on rehab loans.
- The Measure S 2017 LRB Fund is used to account for special revenues from half cent sales tax for infrastructure improvements and enhanced public safety services.

The City reports the following major proprietary funds:

- The Water Enterprise Fund is used to account for the provision of water services to residential, commercial and industrial customers.
- The Golf Enterprise Fund is used to account for all revenues and expenses related to the City - operated golf course, driving range and clubhouse.
- The Sewer and Storm Drain Fund is used to account for charges collected for the upkeep of sanitary sewers and federally required drainage upkeep programs.

The City's fund structure also includes the following fund types:

- The Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise restricted for specific purposes.
- The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.
- The Internal Service Funds are used to account for the financing of special activities that provide services within the City. These activities include compensation and other employee benefits, and equipment purchase and maintenance.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

- The Private-Purpose Trust Fund is used to account for the activities of the Successor Agency to the Community Development Commission of the City of Downey.
- The Agency Funds are used to account for money and property held by the City as trustee, agent or custodian. Agency funds are custodial in nature and do not involve measurement of results of operations.

The City's fund structure also includes the following departmental classifications:

Operating expenditures of the City are classified by department. Departmental classifications are defined as follows:

- General Government Department includes the legislative, city clerk, city attorney, city manager, personnel, finance, purchasing, and information technology divisions.
- Public Safety Department includes police, fire and paramedic, and animal control operations.
- Public Works Department includes maintenance and engineering divisions.
- Community Services Department includes the recreation, theatre, social services, and the library divisions.
- Community Development Department includes planning, redevelopment and building safety divisions.

e. Cash and Investments

The City pools idle cash from all funds for purposes of increasing income through investment activities. Investments are stated at fair value (quoted market price or best available estimate thereof). The City intends to either hold the investments until maturity or until market values equal or exceed cost. Interest income on investments is allocated among funds on the basis of average monthly cash and investment balances (see Note 4).

f. Accounts Receivable

The City extends credit to customers in the normal course of operations. The City accounts for potential losses in accounts receivable utilizing the allowance method. Management evaluates all accounts receivable and if it is determined that they are uncollectible they are written off as a bad debt expense.

g. Inventories

Inventories are valued at cost on a first-in first-out basis and are accounted for under the consumption method, whereby inventories are capitalized and recorded as expenditures as used. Water Enterprise Fund inventories consist primarily of water pipes, valves, and fittings. Inventories of fuel are recorded in the Equipment Internal Service Fund.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

h. Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated assets and capital assets received in a service concession arrangement would be reported at acquisition value. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of 1 year or more.

Capital assets include additions to public domain (infrastructure), certain improvements including pavement, curb and gutter, sidewalks, traffic control devices, streetlights, sewers, bridges and right-of-way corridors within the City. The City has valued and recorded all infrastructure asset data as of June 30, 2014.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the Government-wide Financial Statements and in the Fund Financial Statements of the Enterprise Funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective Statements of Net Position.

The lives used for depreciation purposes of each capital asset class are:

Buildings.....	50 years
Improvements other than buildings.....	20 years
Water distribution lines.....	50 years
Water tanks, meters, hydrants, and other equipment.....	15 to 40 years
Vehicles.....	3 to 15 years
Machinery and equipment.....	5 to 10 years
Office furniture, computers and equipment.....	10 years
Infrastructure	20 to 50 years

i. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and governmental balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category, the deferred outflows relating to the net pension liability, and deferred OPEB related items, reported in the statements of net position. These outflows are the results of contributions made after the measurement period, which are recognized in the following year.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the Statement of Net Position and Governmental Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items in this category. One arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from two sources: taxes and long-term notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is in relation to the net pension liability and net OPEB liability, reported in the statement of net position.

Gains and losses related to changes in total pension liability, total OPEB liability and fiduciary net position are recognized in pension or OPEB expense systematically over time. Amounts are first recognized in pension or OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension or OPEB and are to be recognized in future pension or OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earning on pension or OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) for the OPEB plan, Miscellaneous pension plan, and Safety pension plan are 6.78 Years, 2.1 Years, and 3.4 Years, respectively at June 30, 2019)

j. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

k. Fund Balance

The fund balances reported on the fund statements consist of the following categories:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Restricted Fund Balance - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed Fund Balance - This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance - This classification includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance - This classification includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first.

When an expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

I. Compensated Absences

The City is obligated to pay all unused vacation to all employees. All vacation is accrued when incurred in the government-wide and proprietary fund financial statements. Governmental fund types recognize the vested vacation time as an expenditure in the current year to the extent it is paid during the year.

m. Claims and Judgments

Expenditures for claims and judgments are recognized when it is probable that the liability has been incurred at year-end and the amount of the loss can be reasonably estimated. Claims payable, which will be liquidated from current resources, are recorded in the General Fund and Internal Service Funds.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

n. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires 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 (VD):	June 30, 2017
Measurement Date (MD):	June 30, 2018
Measurement Period (MP):	July 1, 2017 to June 30, 2018

o. Other Post-Employment Benefits (OPEB) Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by the California Employers' Retiree Benefit Trust Program (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. 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 (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

p. Statement of Cash Flows

A substantial portion of the City's investments are in short-term, highly liquid instruments, with original maturities of three months or less (excluding fiscal agent investments). The Enterprise and Internal Service Funds participate in the pooling of City-wide cash and investments. Amounts from the pool are available to these funds on demand. As a result, the cash and investments for the Enterprise and Internal Services Funds are considered to be cash and cash equivalents for the statement of cash flows purposes.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

q. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Specifically, the City has made certain estimates and assumptions relating to the collectability of its accounts and notes receivable, depreciation of capital assets, amounts due from other funds and amounts advanced to other funds, the valuation of property held for resale, and the ultimate outcome of claims and judgments. Actual results could differ from those estimates and assumptions.

r. Effect of New Accounting Standards

During the fiscal year ended June 30, 2019, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

Note 2: Stewardship, Compliance and Accountability

Deficit Fund Balance

At June 30, 2019, the Waste Reduction Fund and the Hazardous Material Fund had a deficit fund balance of \$42,139 and \$48,987, respectively. These funds will be replenished with future revenues.

Note 3: Property Taxes

Prior to the beginning of the fiscal year, Los Angeles County, which administers property tax collections for the City of Downey, establishes the assessed valuation roll on January 1 and property taxes attach as an enforceable lien on that date. After the fiscal year has started on July 1, taxes are levied prior to September 1 and are payable in two installments on November 1 (delinquent December 10) and February 1 (delinquent April 10). Assessed valuation is computed at 100% of full cash value; however, due to the 2% annual increase limit per Article XIII-A of the State Constitution, the roll does not fully reflect cash value. Property is reassessed to full cash value when it is sold or otherwise transferred. When property is sold after the normal January 1 lien date, a supplemental property tax is levied representing the difference between the tax levy based on the property value as of January 1 and the tax based on the new value.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 4: Cash and Investments

As of June 30, 2019, cash and investments were reported in the accompanying financial statements as follows:

	Government- Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and investments	\$ 92,975,031	\$ 8,729,551	\$ 101,704,582
Cash and investments with fiscal agents	49,809,048	721,426	50,530,474
 Total Cash and Investments	 <u>\$ 142,784,079</u>	 <u>\$ 9,450,977</u>	 <u>\$ 152,235,056</u>
		\$ 10,730,529	
Demand accounts		5,665	
Petty cash		141,498,862	
Investments		<u>\$ 152,235,056</u>	
Total Cash and Investments			

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
United States Treasury Bills, Bonds and Notes	5 years	None	None
United States Government Sponsored Agency Securities	5 years	None	None
Small Business Administration Loans	5 years	None	None
California Local Agency Obligations	5 years	None	None
Certificates of Deposits (or Time Deposits)	5 years	None	None
Negotiable Certificates of Deposits	5 years	30%	None
Medium-Term Corporate Notes	5 years	30%	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	5%
Repurchase Agreements	30 days	None	None
Municipal Bonds	5 years	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None
Money Market Mutual Funds	N/A	None	None

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 4: Cash and Investments (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, United States Treasury Obligations, United States Government Sponsored Agency Securities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Bankers' Acceptances, Money Market Mutual Funds, Investment Agreements and any other investments permitted by bond insurer. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Bankers' Acceptance and Certificates of Deposits which are limited to one year and 270 days, respectively.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Investment Maturities (in Months)			
	12 months or less	13 - 36 Months	37 - 60 Months	Total
Investments:				
Local Agency Investment Fund	\$ 41,459,528	\$ -	\$ -	\$ 41,459,528
Federal Farm Credit Bank	-	5,020,260	-	5,020,260
Federal Home Loan Bank	1,744,365	4,976,450	-	6,720,815
Federal Home Loan Mortgage Corp.	1,989,860	7,977,810	2,008,320	11,975,990
Federal National Mortgage Assoc.	1,998,320	2,989,800	-	4,988,120
Negotiable Certificates of Deposit	2,447,477	5,007,413	7,595,110	15,050,000
Medium-term Corporation Notes	998,110	4,724,543	-	5,722,653
Money Market Mutual Funds	31,022	-	-	31,022
Held by Bond Trustee				
Money Market Mutual Funds	-	-	767,169	767,169
Housing and Urban Development	-	-	3,347,930	3,347,930
Local Agency Investment Fund	-	-	46,415,375	46,415,375
	<u>\$ 50,668,682</u>	<u>\$ 30,696,276</u>	<u>\$ 60,133,904</u>	<u>\$ 141,498,862</u>

Disclosures Relating to Credit Risk

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

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 4: Cash and Investments (Continued)

	Total as of June 30, 2019	Minimum Legal Rating	AAA	AA+	A+	A	A-	Unrated
Investments:								
United States Government								
Sponsored Agency Securities								
FFCB	\$ 5,020,260	N/A	\$ -	\$ 5,020,260	\$ -	\$ -	\$ -	\$ -
FHLB	6,720,815	N/A	-	6,720,815	-	-	-	-
FHLMC	11,975,990	N/A	-	11,975,990	-	-	-	-
FNMA	4,988,120	N/A	-	4,988,120	-	-	-	-
Medium-Term Corporate Notes	20,772,653	A	2,020,220	-	998,110	700,203	2,004,120	15,050,000
Local Agency Investment Fund	41,459,528	N/A	-	-	-	-	-	41,459,528
Money Market Mutual Funds	31,022	A	-	-	-	-	-	31,022
Held by Bond Trustee								
Money Market Mutual Funds	767,169	A	-	-	-	-	-	767,169
Housing and Urban Development	3,347,930	N/A	-	-	-	-	-	3,347,930
Local Agency Investment Fund	46,415,375	N/A	-	-	-	-	-	46,415,375
	<u>\$ 141,498,862</u>		<u>\$ 2,020,220</u>	<u>\$ 28,705,185</u>	<u>\$ 998,110</u>	<u>\$ 700,203</u>	<u>\$ 2,004,120</u>	<u>\$ 107,071,024</u>

N/A - Not Applicable

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total City's investments (excluding held by trustees) are as follows:

Issuer	Investment Type	Reported Amount	Percent of Investment
Federal Home Loan Mortgage Corp	United States Government Sponsored Agency Securities	\$ 11,975,990	8.46%

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 4: Cash and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2019:

	Total as of June 30, 2019	Level		
		1	2	N/A
Investments:				
Federal Government Agency	\$ 28,705,185	\$ -	\$ 28,705,185	\$ -
Medium-Term Corporate Notes	5,722,653	-	5,722,653	-
Certificate of Deposit	15,050,000	-	15,050,000	-
Money Market Funds	31,022	31,022	-	-
Local Agency Investment Fund	41,459,528	-	-	41,459,528
Total Cash Investments	90,968,388	31,022	49,477,838	41,459,528
Investments with Fiscal Agents:				
Money Market Funds	767,169	767,169	-	-
Housing and Urban Development	3,347,930	3,347,930	-	-
Local Agency Investment Fund	46,415,375	46,415,375	-	-
Total Investments with Fiscal Agent	50,530,474	50,530,474	-	-
Total Investments	\$ 141,498,862	\$ 50,561,496	\$ 49,477,838	\$ -

Money market funds are classified in Level 1 of the fair value hierarchy and valued using prices quoted in active markets for those securities. Federal government agency investment, corporate note, and LAIF are classified in Level 2 of the fair value hierarchy and valued using institutional bond quotes or specified fair market value factors.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The 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.

At June 30, 2019, the City deposits (bank balances) were all insured by the Federal Deposit Insurance Corporation or collateralized.

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 4: Cash and Investments (Continued)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 5: Interfund Receivables/Payables and Transfers

As of June 30, 2019, amounts due from/to other funds were as follows:

	Due to Other Funds	Due from Other Funds	
		General	Total
<i>Governmental Funds:</i>			
CIP Grant Fund		\$ 1,244,984	\$ 1,244,984
Measure S Fund		2,339,810	2,339,810
Other Nonmajor Governmental		377,538	377,538
Total		\$ 3,962,332	\$ 3,962,332

The amounts loaned by the General Fund to the Other Governmental Funds were to provide short-term loans to fund operations of the various funds.

Interfund transfers at June 30, 2019, consisted of the following:

Transfers out	Transfers in						Total
	General	CIP Grant Fund	Nonmajor Governmental	Golf	Sewer and Storm Drain	Equipment	
<i>Governmental Funds:</i>							
General	\$ -	\$ -	\$ 1,492,576	\$ 110,000	\$ -	\$ 79,500	\$ 1,682,076
Other Nonmajor Governmental	1,927,200	1,377	1,000,000	-	537,202	-	3,465,779
<i>Enterprise Fund:</i>							
Water	800,000	-	-	-	575,000	-	1,375,000
<i>Internal Service Fund:</i>							
Employee Benefits	2,952,388	-	-	-	-	-	2,952,388
Equipment	2,952,388	-	-	-	-	-	2,952,388
Total	\$ 8,631,976	\$ 1,377	\$ 2,492,576	\$ 110,000	\$ 1,112,202	\$ 79,500	\$ 12,427,631

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 5: Interfund Receivables/Payables and Transfers (Continued)

The General Fund transferred \$1,492,576 to Other Governmental Funds to provide for capital expenditures and subsidize for various grant and project operations and \$110,000 to the Golf Enterprise Fund for support of operations. \$79,500 was also transferred to the Equipment fund to subsidize the operations of the fund.

Other Governmental Funds transferred \$1,927,200 to the General Fund, \$1,377 to the CIP Grant Fund, \$1,000,000 to Other Governmental Funds, and \$537,202 to the Sewer & Storm Drain Fund for various street and related program expenditures.

The Water Fund transferred \$800,000 to the General Fund and \$575,000 to Sewer & Storm Drain fund, to reimburse for certain program, administrative and overhead expenditures.

The Employee Benefits Fund and the Equipment Fund transferred \$2,952,388 each to the General Fund for the acquisition of the NASA property.

Note 6: Advances Receivable from Successor Agency

As of June 30, 2019, amounts advanced to the Successor Agency were as follows:

Advances from General Fund	\$ 7,090,082
Advances from Housing Authority Special Revenue Fund	1,728,621
Advances from Employee Benefits	<u>1,443,974</u>
	<u>\$ 10,262,677</u>

The advances from the General Fund, Housing Authority Special Revenue Fund and Employee Benefits Internal Service Fund to the Successor Agency are to provide for operations of the Successor Agency. The collectability of the balance is subject to the approval of the Department of Finance. See Note 19 for additional information.

Note 7: Land Held for Resale

As of June 30, 2019, the Housing Authority has sold all property for redevelopment purposes for resale to developers.

Note 8: Loans Receivable

The City has provided deferred-payment rehabilitation loans to qualifying low-income households in connection with the CDBG, Home Investment Partnership and Housing Authority housing rehabilitation programs. Due to the long-term nature of the loans, the City has recorded unavailable revenue as an offset to loans receivable which totaled \$13,898,616 at June 30, 2019.

The City entered into loan receivable agreements with two local auto dealerships. The City loaned \$1,250,000, in April 2017, in order to assist the dealership to relocate to a larger location within the City. The loan is to be repaid over 12 years at a simple interest rate of 4.25% The outstanding balance on the loan as of June 30, 2019, is \$900,829. In fiscal year 2019, the City entered into another operating covenant and loan receivable in agreement in the amount of \$500,000.

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 9: Deferred Compensation Plan

The City has adopted a deferred compensation plan in accordance with Internal Revenue Code 457 for its eligible employees wherein they may execute an individual agreement with the City for amounts earned by them to be paid at a future date when certain circumstances are met. These circumstances are termination by reason of death, disability, resignation or retirement, or unforeseeable emergency.

The plan permits all city employees to defer a portion of their salaries until future years. Amounts accumulated under the plan have been invested by third party operators at the direction of the employee.

Pursuant to changes in August 1996 of IRC Section 457, the City formally established a trust in which it placed the 457 Plan assets and income. The assets, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of all participants and their beneficiaries. These assets are not the property of the City, and as such are not subject to the claims of the City's general creditors. As a result, these 457 plan assets are not reported in the City's comprehensive annual financial report.

Note 10: Capital Assets

A summary of changes in the Governmental Activities capital assets as of June 30, 2019, is as follows:

	Balances at June 30, 2018	Adjustments	Balances at June 30, 2018 Restated	Transfers of CIP	Additions	Deletions	Balances at June 30, 2019
Governmental Activities:							
Capital assets, not being depreciated:							
Land and improvements	\$ 20,669,824	\$ -	\$ 20,669,824	\$ -	\$ 11,101,073	\$ -	\$ 31,770,897
Projects-in-progress	16,543,661	-	16,543,661	(8,597,426)	22,314,815	(1,168,995)	29,092,055
Total Capital Assets, Not Being Depreciated	37,213,485	-	37,213,485	(8,597,426)	33,415,888	(1,168,995)	60,862,952
Capital assets, being depreciated:							
Buildings	35,752,591	877,999	36,630,590	-	14,074	-	36,644,664
Land Improvements	10,934,045	-	10,934,045	453,966	-	-	11,388,011
Equipment	20,425,824	-	20,425,824	-	4,289,454	(218,158)	24,497,120
Infrastructure	254,608,893	-	254,608,893	8,143,460	-	-	262,752,353
Total Capital Assets, Being Depreciated	321,721,353	877,999	322,599,352	8,597,426	4,303,528	(218,158)	335,282,148
Less accumulated depreciation:							
Buildings	22,710,753	-	22,710,753	-	737,232	-	23,447,985
Land Improvements	3,606,304	-	3,606,304	-	464,532	-	4,070,836
Equipment	14,606,278	-	14,606,278	-	1,169,267	(149,462)	15,626,083
Infrastructure	148,855,769	-	148,855,769	-	5,619,752	-	154,475,521
Total Accumulated Depreciation	189,779,104	-	189,779,104	-	7,990,783	(149,462)	197,620,425
Total Capital Assets, Being Depreciated, Net	131,942,249	877,999	132,820,248	8,597,426	(3,687,255)	(68,696)	137,661,723
Governmental Activities Capital Assets, Net	\$ 169,155,734	\$ 877,999	\$ 170,033,733	\$ -	\$ 29,728,633	\$ (1,237,691)	\$ 198,524,675

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 10: Capital Assets (Continued)

Governmental Activities depreciation expense, excluding infrastructure, was charged to functions/programs of the primary government as follows:

General Government	\$ 431,245
Public Safety	5,628,563
Community Development	405,600
Community Services	650,352
Public Works	517,991
Internal Service Funds	357,032
Total depreciation expense governmental activities	<u>\$ 7,990,783</u>

A summary of changes in the Business-type Activities capital assets at June 30, 2019, are as follows:

	<u>WATER FUND</u>				
	<u>Balances at June 30, 2018</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at June 30, 2019</u>
<u>Business-type Activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 884,595	\$ -	\$ 1,575,003	\$ -	\$ 2,459,598
Projects-in-progress	2,681,992	(1,774,718)	3,012,518	(15,433)	3,904,359
Water Rights	4,290,880	-	-	-	4,290,880
Total Capital Assets, Not Being Depreciated	<u>7,857,467</u>	<u>(1,774,718)</u>	<u>4,587,521</u>	<u>(15,433)</u>	<u>10,654,837</u>
Capital assets, being depreciated:					
Buildings and improvements	398,073	-	-	-	398,073
Furniture and Equipment	2,334,852	-	170,530	(30,824)	2,474,558
Infrastructure	36,480,881	1,774,718	-	-	38,255,599
Total Capital Assets, Being Depreciated	<u>39,213,806</u>	<u>1,774,718</u>	<u>170,530</u>	<u>(30,824)</u>	<u>41,128,230</u>
Less accumulated depreciation:					
Buildings and improvements	240,233	-	7,270	-	247,503
Furniture and Equipment	1,973,991	-	81,759	(30,824)	2,024,926
Infrastructure	17,887,971	-	656,754	-	18,544,725
Total Accumulated Depreciation	<u>20,102,195</u>	<u>-</u>	<u>745,783</u>	<u>(30,824)</u>	<u>20,817,154</u>
Total Capital Assets, Being Depreciated, Net	<u>19,111,611</u>	<u>1,774,718</u>	<u>(575,253)</u>	<u>-</u>	<u>20,311,076</u>
Water Fund Capital Assets, Net	<u>\$ 26,969,078</u>	<u>\$ -</u>	<u>\$ 4,012,268</u>	<u>\$ (15,433)</u>	<u>\$ 30,965,913</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 10: Capital Assets (Continued)

A summary of changes in the Business-type Activities capital assets at June 30, 2019, are as follows:

	GOLF FUND			
	Balances at June 30, 2018	Additions	Deletions	Balances at June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 6,080,467	\$ 2,213,920	\$ -	\$ 8,294,387
Total Capital Assets, Not Being Depreciated	6,080,467	2,213,920	-	8,294,387
Capital assets, being depreciated:				
Land improvements	4,640,392	-	-	4,640,392
Buildings and improvements	8,217,041	-	-	8,217,041
Machinery and equipment	788,431	112,658	310,275	590,814
Total Capital Assets, Being Depreciated	13,645,864	112,658	310,275	13,448,247
Less accumulated depreciation:				
Land improvements	3,803,040	190,401	-	3,993,441
Buildings and improvements	2,267,941	164,709	-	2,432,650
Machinery and equipment	599,552	106,264	288,136	417,680
Total Accumulated Depreciation	6,670,533	461,374	288,136	6,843,771
Total Capital Assets, Being Depreciated, Net	6,975,331	(348,716)	22,139	6,604,476
Golf Fund Capital Assets, Net	<u>\$ 13,055,798</u>	<u>\$ 1,865,204</u>	<u>\$ 22,139</u>	<u>\$ 14,898,863</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 10: Capital Assets (Continued)

A summary of changes in the Business-type Activities capital assets at June 30, 2019, are as follows:

	SEWER AND STORM DRAIN FUND			
	Balances at June 30, 2018	Additions	Deletions	Balances at June 30, 2019
Capital assets, not being depreciated:				
Projects-in-progress	\$ 3,209,461	\$ 95,761	\$ -	\$ 3,305,222
Total Capital Assets, Not Being Depreciated	3,209,461	95,761	-	3,305,222
Capital assets, being depreciated:				
Machinery and equipment	1,023,426	108,966	43,935	1,088,457
Infrastructure	75,247,463	-	-	75,247,463
Total Capital Assets, Being Depreciated	76,270,889	108,966	43,935	76,335,920
Less accumulated depreciation:				
Machinery and equipment	253,543	81,930	43,935	291,538
Infrastructure	46,033,731	1,479,779	-	47,513,510
Total Accumulated Depreciation	46,287,274	1,561,709	43,935	47,805,048
Total Capital Assets, Being Depreciated, Net	29,983,615	(1,452,743)	-	28,530,872
Sewer and Storm Drain Fund Capital Assets, Net	<u>\$ 33,193,076</u>	<u>\$ (1,356,982)</u>	<u>\$ -</u>	<u>\$ 31,836,094</u>

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 11: Long-Term Debt

Noted below is a summary of changes in long-term debt for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 62,505,000	\$ -	\$ 2,345,000	\$ 60,160,000	\$ 2,360,000
Bond premiums	5,188,600	-	260,723	4,927,877	-
Bond discount	(113,741)	-	(7,108)	(106,633)	-
Total Bonds	67,579,859	-	2,598,615	64,981,244	2,360,000
Direct borrowings					
Capital lease payable	1,533,350	4,059,652	750,546	4,842,456	816,774
Loans from Federal Government					
NASA Loan*	14,263,195	-	14,263,195	-	-
HUD Section 108 Loans	1,674,000	3,000,000	195,000	4,479,000	195,000
Total governmental activities long-term liabilities	\$ 85,050,404	\$ 7,059,652	\$ 17,807,356	\$ 74,302,700	\$ 3,371,774
Business-type Activities:					
Certificates of Participation					
Golf Course 2014 COP	\$ 4,645,000	\$ -	\$ 445,000	\$ 4,200,000	\$ 460,000
Direct borrowings					
Capital lease payable	280,929	-	67,431	213,498	69,265
Total business-type activities long-term liabilities	\$ 4,925,929	\$ -	\$ 512,431	\$ 4,413,498	\$ 529,265

* See Extraordinary item disclosure

Governmental Activities

Bonds Payable

2005 Pension Obligation Bonds

In June 2005, the City issued \$20,635,000 taxable pension obligation bonds. Bond proceeds were used to satisfy a portion of the City's requirement to amortize the unfunded actuarial accrued liability with respect to retirement benefits accruing to members of the City. The par amount of the bonds comprised of \$1,955,000 serial bonds and \$18,680,000 term bonds. Principal on serial bonds mature in amounts from \$90,000 to \$395,000, the interest at 4.030% to 4.775% through June 1, 2015. Principal on the term bonds mature on June 1, 2020, 2025 and 2034, the interest rate at 4.885% to 5.083%. The term bonds are subject to optional redemption prior to their maturity at the option of the City, in whole or in part on any date, at the redemption price equal to the lesser of (a) 100% of the principal amount on the term bonds to be redeemed; or (b) the sum of the present value of the remaining scheduled payments of the principal and interest to be redeemed.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 11: Long-Term Debt (Continued)

The future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 760,000	\$ 829,294	\$ 1,589,294
2021	855,000	792,168	1,647,168
2022	950,000	749,307	1,699,307
2023	1,050,000	701,683	1,751,683
2024	1,160,000	649,047	1,809,047
2025-2029	4,505,000	2,543,531	7,048,531
2030-2034	7,130,000	1,149,520	8,279,520
Total	<u>\$ 16,410,000</u>	<u>\$ 7,414,550</u>	<u>\$ 23,824,550</u>

The outstanding bonds contain a provision that if any event of default should occur, the sole legal remedy of any Holder or Beneficial Owner of the Bonds or the Participating Underwriter shall be an action to compel performance. No Bondholder or Beneficial Owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Local Agency satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Local Agency shall have refused to comply therewith within a reasonable time.

2017 Lease Revenue Bonds

In December 2017, the City issued \$45,145,000 lease revenue bonds. Bond proceeds will be used to finance the acquisition and construction of certain public capital improvements of benefit to the City and pay the cost of issuing the bonds. Principal on the bonds mature in amounts from \$1,600,000 to \$3,390,000, beginning December 1, 2018 through December 1, 2036, and the interest at 2.000% to 5.000% is due semiannually on June 1 and December 1, commencing on June 1, 2018.

The future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,600,000	\$ 1,867,438	\$ 3,467,438
2021	1,660,000	1,802,238	3,462,238
2022	1,730,000	1,725,788	3,455,788
2023	1,815,000	1,637,163	3,452,163
2024	1,905,000	1,544,163	3,449,163
2025-2029	11,050,000	6,155,188	17,205,188
2030-2034	14,110,000	3,056,238	17,166,238
2035-2037	9,880,000	461,044	10,341,044
Total	<u>\$ 43,750,000</u>	<u>\$ 18,249,260</u>	<u>\$ 61,999,260</u>

The outstanding bonds contain a provision that if any event of default should occur and continues to occur, the Authority is authorized under the terms of the Property Lease to exercise any and all remedies available under law or generated under the Property Lease. There is no remedy of acceleration of the total Base Rental payments due over the term of the Property Lease. The Trustee is not empowered to sell the Site and Facilities and use the proceeds of such sale to prepay the 2017 Bonds or pay debt service on the 2017 Bonds.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 11: Long-Term Debt (Continued)

Capital Lease Payable

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2020	\$ 997,172
2021	742,555
2022	742,555
2023	742,555
2024	639,506
2025-2026	<u>1,801,920</u>
Total minimum lease payments	5,666,263
Less: amounts representing interest	<u>823,807</u>
Present value of minimum lease payments	<u>\$ 4,842,456</u>

Loans from Federal Government

Extraordinary item for NASA Loan

On April 21, 2000, the City purchased 67 acres of land from the federal government in the amount of \$14,263,195 under the terms of the purchase, the City was required to invest the funds until 2019, when the investment matured on April 21, 2019. The City paid the loan in full at June 30, 2019 and received the title to the government property in the current year.

HUD Section 108 Loans

In 2011, the City received a Section 108 Loan from the United States Department of Housing and Urban Development. The payment schedule as of June 30, 2019, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 81,000	\$ 14,268	\$ 95,268
2021	81,000	12,446	93,446
2022	81,000	10,417	91,417
2023	81,000	8,286	89,286
2024	81,000	6,014	87,014
2025-2026	<u>162,000</u>	<u>4,856</u>	<u>166,856</u>
Total	<u>\$ 567,000</u>	<u>\$ 56,287</u>	<u>\$ 623,287</u>

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 11: Long-Term Debt (Continued)

In 2018, the City requested an advance in the amount of \$1,000,130 pursuant to Section 108 of the Housing and Community Development Act of 1974. The City of Downey elected to deduct HUD's \$25,800 loan and \$70 advance fees from the original \$1,026,000 Section 108 Loan amount. The payment schedule as of June 30, 2019, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 114,000	\$ 18,789	\$ 132,789
2021	114,000	19,695	133,695
2022	114,000	16,777	130,777
2023	114,000	13,860	127,860
2024	114,000	10,916	124,916
2025-2027	342,000	14,352	356,352
Total	<u>\$ 912,000</u>	<u>\$ 94,389</u>	<u>\$ 1,006,389</u>

In 2019, the City received a Section 108 Loan from the United States Department of Housing and Urban Development. The payment schedule as of June 30, 2019, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 77,742	\$ 77,742
2021	158,000	90,352	248,352
2022	158,000	86,307	244,307
2023	158,000	82,265	240,265
2024	158,000	78,185	236,185
2025-2029	790,000	326,015	1,116,015
2030-2034	790,000	204,938	994,938
2035-2039	788,000	70,279	858,279
Total	<u>\$ 3,000,000</u>	<u>\$ 1,016,083</u>	<u>\$ 4,016,083</u>

Business-type Activities

2014 Golf Course Capital Lease Agreement

The 2014 Capital Lease, consisting of \$6,350,000, were issued by the City of Downey to prepay the 2002 Lease Agreement and Certificates of Participation (Golf Course Financing). Principal payments are due August, the interest is due February and August of every year at a rate of 3.70% maturing in August 2026.

Future debt service requirements on these certificates are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 460,000	\$ 146,890	\$ 606,890
2021	475,000	129,593	604,593
2022	495,000	111,648	606,648
2023	515,000	92,963	607,963
2024	535,000	73,538	608,538
2025-2027	1,720,000	97,125	1,817,125
Total	<u>\$ 4,200,000</u>	<u>\$ 651,757</u>	<u>\$ 4,851,757</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 11: Long-Term Debt (Continued)

Capital Lease Payable

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Year Ending June 30,	Governmental Activities
2020	\$ 75,072
2021	75,072
2022	75,072
Total minimum lease payments	225,216
Less: amounts representing interest	11,718
Present value of minimum lease payments	<u>\$ 213,498</u>

Note 12: Compensated Absences

Compensated Absences

For the fiscal year ended June 30, 2019, compensated absences are as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Compensated absences:					
Governmental activities	\$ 14,501,769	\$ 2,700,290	\$ 1,350,145	\$ 15,851,914	\$ 4,800,947
Business-type activities	595,604	29,080	73,056	551,628	14,973
Total compensated absences	<u>\$ 15,097,373</u>	<u>\$ 2,729,370</u>	<u>\$ 1,423,201</u>	<u>\$ 16,403,542</u>	<u>\$ 4,815,920</u>

The compensated absences are predominantly associated with the General fund.

Note 13: Claims and Judgements

Claims Payable (Self-Insurance)

The City has three types of claims it has to manage and account for. The City is a member of Independent Cities Risk Management Authority (ICRMA), an Authority that provides liability insurance for several California Cities, and employs independent claims administrators to accomplish this task. The two types of claims are workers' compensation and general liability. The self-insured retention and limits of insurance coverage (each occurrence or per employee, per year) for the respective claims are as follows:

	Self-Insured Retention	Limit of Insurance Coverage
Workers' Compensation	\$ 750,000	\$ 5,000,000
General Liability	2,000,000	20,000,000

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 13: Claims and Judgements (Continued)

Changes in the workers' compensation, employee health benefits, and general liability outstanding claims liability for the fiscal year ended June 30, 2019, were as follows:

	General Liability	Workers' Compensation	Employee Health Benefit	Total
Claims Payable, June 30, 2018	\$ 2,147,674	\$ 14,659,925	\$ 85,000	\$ 16,892,599
Claims and Changes in Estimates	2,507,026	2,471,693	-	4,978,719
Claims Payments	(1,443,700)	(4,415,928)	-	(5,859,628)
Claims Payable, June 30, 2019	<u>\$ 3,211,000</u>	<u>\$ 12,715,690</u>	<u>\$ 85,000</u>	<u>\$ 16,011,690</u>

The amounts payable include Incurred but Not Reported (IBNR) claims. Payments are typically paid from General Fund and Employee Benefits Internal Service Fund. The various amounts are based on information provided by the City's claims administrators.

Note 14: City Employee Retirement Plan**a. General Information about the Pension Plans**

The City of Downey contributes to the State of California Public Employees Retirement System (CalPERS), which is an agent multiple-employer public employee defined benefit pension plan. All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office - 400 P Street Sacramento, California 95814, or downloaded from the website at www.calpers.ca.gov.

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 for non-duty disability benefits after 10 statutorily reduced benefits.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 14: City Employee Retirement Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous agent plans		Safety agent plans		
	Miscellaneous Classic	PEPRA Miscellaneous	Safety Classic	PEPRA Safety Police	PEPRA Safety Fire
	Prior to January 1, 2013	January 1, 2013 and after	Prior to January 1, 2013	January 1, 2013 and after	January 1, 2013 and after
Hire date	January 1, 2013	January 1, 2013 and after	January 1, 2013	January 1, 2013 and after	January 1, 2013 and after
Benefit formula	2.7% @ 55	2% @ 62	3% @ 50	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 52 yrs	minimum 50 yrs	minimum 52 yrs	minimum 52 yrs
	2.0% - 2.7%, 50	1.0% - 2.5%, 52		2.0% - 2.7%, 50	2.0% - 2.7%, 50
Monthly benefits, as a % of eligible compensation	yrs - 55+ yrs, respectively	yrs - 67+ yrs, respectively	3.0%, 50 yrs - 55+ yrs	yrs - 57+ yrs, respectively	yrs - 57+ yrs, respectively
Required employee contribution rates	8.000%	6.250%	9.000%	11.000%	11.000%
Required employer contribution rates	30.079%	30.079%	44.617%	44.617%	44.617%

The Miscellaneous and Safety Classic Plans are closed to new entrants.

Employees Covered

At the June 30, 2018 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	426	310
Inactive employees entitled to but not yet receiving benefits	493	89
Active employees	225	172
	<u>1,144</u>	<u>571</u>

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 14: City Employee Retirement Plan (Continued)

b. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 14: City Employee Retirement Plan (Continued)

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 PERF fund. The expected rate of return was set by calculating the single equivalent expected 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 rounded down to the nearest one quarter of one percent.

The table below reflects 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. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00	0.80	2.27
Inflation Sensitive	6.00	0.60	1.39
Private Equity	12.00	6.60	6.63
Real Estate	11.00	2.80	5.21
Infrastructure and Forestland	3.00	3.90	5.36
Liquidity	2.00	-0.40	-0.90

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 14: City Employee Retirement Plan (Continued)

c. Changes in Net Pension Liability

The changes in the Net Pension Liability recognized over the measurement date for each Plan follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Miscellaneous Plans			
Balance at: 6/30/2017 (Valuation Date) (1)	\$ 191,766,541	\$ 131,415,161	\$ 60,351,380
Changes Recognized for the Measurement Period:			
Service Cost	2,747,310	-	2,747,310
Interest on the Total Pension Liability	13,432,640	-	13,432,640
Difference between Expected and Actual Experience	793,693	-	793,693
Changes of Assumptions	(1,002,999)	-	(1,002,999)
Contribution from the Employer	-	4,644,243	(4,644,243)
Contributions from Employees	-	1,259,290	(1,259,290)
Net Investment Income	-	10,970,946	(10,970,946)
Plan to Plan Resource Movement	-	(320)	320
Benefit Payments including Refunds of Employee Contributions	(10,123,596)	(10,123,596)	-
Administration Expenses	-	(204,781)	204,781
Other Miscellaneous Income	-	(388,883)	388,883
Net Changes During 2017-18	5,847,048	6,156,899	(309,851)
Balance at: 6/30/2018 (Measurement Date) (1)	\$ 197,613,589	\$ 137,572,060	\$ 60,041,529
Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Safety Plans			
Balance at: 6/30/2017 (Valuation Date) (1)	\$ 387,856,913	\$ 261,727,364	\$ 126,129,549
Changes Recognized for the Measurement Period:			
Service Cost	6,437,149	-	6,437,149
Interest on the Total Pension Liability	27,362,871	-	27,362,871
Difference between Expected and Actual Experience	2,585,511	-	2,585,511
Changes of Assumptions	(1,530,502)	-	(1,530,502)
Contribution from the Employer	-	10,227,586	(10,227,586)
Contributions from Employees	-	2,184,777	(2,184,777)
Net Investment Income	-	21,925,706	(21,925,706)
Plan to Plan Resource Movement	-	(642)	642
Benefit Payments including Refunds of Employee Contributions	(18,865,980)	(18,865,980)	-
Administration Expenses	-	(407,843)	407,843
Other Miscellaneous Income	-	(774,501)	774,501
Net Changes During 2017-18	15,989,049	14,289,103	1,699,946
Balance at: 6/30/2018 (Measurement Date) (1)	\$ 403,845,962	\$ 276,016,467	\$ 127,829,495

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 14: City Employee Retirement Plan (Continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Total Plans			
Balance at: 6/30/2017 (Valuation Date) (1)	\$ 579,623,454	\$ 393,142,525	\$ 186,480,929
Changes Recognized for the Measurement Period:			
Service Cost	9,184,459	-	9,184,459
Interest on the Total Pension Liability	40,795,511	-	40,795,511
Difference between Expected and Actual Experience	3,379,204	-	3,379,204
Changes of Assumptions	(2,533,501)	-	(2,533,501)
Contribution from the Employer	-	14,871,829	(14,871,829)
Contributions from Employees	-	3,444,067	(3,444,067)
Net Investment Income (2)	-	32,896,652	(32,896,652)
Plan to Plan Resource Movement	-	(962)	962
Benefit Payments including Refunds of Employee Contributions	(28,989,576)	(28,989,576)	-
Administration Expenses	-	(612,624)	612,624
Other Miscellaneous Income	-	(1,163,384)	1,163,384
Net Changes During 2017-18	21,836,097	20,446,002	1,390,095
Balance at: 6/30/2018 (Measurement Date) (1)	\$ 601,459,551	\$ 413,588,527	\$ 187,871,024

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Plans	Plan's Net Pension Liability		
	Discount Rate - 1% (6.15%)	Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous	\$ 85,535,135	\$ 60,041,529	\$ 38,958,027
Safety	183,029,891	127,829,495	82,629,519
	\$ 268,565,026	\$ 187,871,024	\$ 121,587,546

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 14: City Employee Retirement Plan (Continued)

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the measurement period ending June 30, 2018 is 3.4 years for safety and 2.1 years for Miscellaneous, which was obtained by dividing the total service years of 1,937 safety and 2,372 miscellaneous (the sum of remaining service lifetimes of the active employees) by 571 safety and 1,144 miscellaneous (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Plan Fiduciary Net Position

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**
Note 14: City Employee Retirement Plan (Continued)
d. Changes in Net Pension Liability

For the year ending June 30, 2018, the City incurred pension expense in the amount of \$10,196,366 and \$17,507,765 for the Miscellaneous and Safety Plans, respectively, totaling \$27,704,131 for all plans. The City recognized a reduction of net pension liability of \$14,871,828, \$4,645,952 from the Miscellaneous Plan and \$10,225,876 from the Safety Plan. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 5,196,100	\$ -
Changes of Assumptions	-	(525,380)
Differences between Expected and Actual Experiences	415,744	-
Net difference between projected and actual earnings on pension plan investments	500,735	-
	<u>\$ 6,112,579</u>	<u>\$ (525,380)</u>
Safety Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 11,638,120	\$ -
Changes of Assumptions	8,328,619	(1,080,354)
Differences between Expected and Actual Experiences	1,843,901	(2,141,569)
Net difference between projected and actual earnings on pension plan investments	1,086,798	-
	<u>\$ 22,897,438</u>	<u>\$ (3,221,923)</u>
Total Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 16,834,220	\$ -
Changes of Assumptions	8,328,619	(1,605,734)
Differences between Expected and Actual Experiences	2,259,645	(2,141,569)
Net difference between projected and actual earnings on pension plan investments	1,587,533	-
	<u>\$ 29,010,017</u>	<u>\$ (3,747,303)</u>

\$16,834,220 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total Plans
2019	\$ 1,674,169	\$ 9,042,016	\$ 10,716,185
2020	415,318	2,209,906	2,625,224
2021	(1,342,793)	(2,516,457)	(3,859,250)
2022	(355,595)	(698,070)	(1,053,665)
	<u>\$ 391,099</u>	<u>\$ 8,037,395</u>	<u>\$ 8,428,494</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 15: Post-Employment Benefits Other than Pensions

Plan Description

In connection with the retirement benefits for employees described in Note 12, the City provides post-retirement medical benefits to retirees. The Plan is an agent-multiple employer plan. These benefits are available to employees who retire with the City with at least 10 years of service or those who satisfy certain disability requirements. The Plan does not issue a publicly available financial report.

Funding Policy

The City’s funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. “Prefunding” is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or “PAYGO”, is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.

The City has been and continues to prefund its OPEB liability, contributing 100% or more of the Actuarially Determined Contributions each year. Therefore, with the City’s approval, the discount rate used in this valuation is 7.28%, the City’s expectation of the long-term return on trust assets.

Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active	403
Inactive employees or beneficiaries currently receiving benefits	223
Inactive employees entitled to, but not yet receiving benefits	189
	<u>815</u>

Contributions

The OPEB Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2018, the City’s cash contributions were \$592,393 in total payments, which were recognized as a reduction to the OPEB liability.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 15: Post-Employment Benefits Other than Pensions (Continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018 and to develop the total OPEB liability at the beginning of the measurement period on June 30, 2017, the results of the June 30, 2018 valuation were rolled back, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	7.28%
Inflation	2.75%
Salary Increases	3.25% per year
Investment Rate of Return	7.28%
Mortality Rate (1)	MacLeod Watts Scale 2017 applied generationally
Healthcare Trend Rate	Adjusted in future years ranging from 5.00% - 7.50%

Notes:

(1) Mortality rates used were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008, then projected as described above.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity	57.00%	11.10%
Global Debt Securities	27.00%	3.90%
Inflation Assets	5.00%	0.20%
REITs	8.00%	7.60%
Commodities	3.00%	-14.00%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.28 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 15: Post-Employment Benefits Other than Pensions (Continued)

Changes in the OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase(Decrease)		Net OPEB Liability/(Assets) (c) = (a) - (b)
	Total OPEB Liability/(Assets)	Plan Fiduciary Net Position (b)	
Balance at June 30,2018 (valuation date 6/30/2018)	\$ 14,547,205	\$ 6,699,302	\$ 7,847,903
Changes recognized over the measurement period:			
Service Cost	347,999	-	347,999
Interest	1,056,820	-	1,056,820
Contributions - employer*	-	966,887	(966,887)
Net investment income	-	532,762	(532,762)
Benefit Payments	(756,887)	(756,887)	-
Administrative expense	-	(3,569)	3,569
Other expenses	-	(8,860)	8,860
Net Changes	647,932	730,333	(82,401)
Balance at June 30, 2019 (measurement date 06/30/2019)	\$ 15,195,137	\$ 7,429,635	\$ 7,765,502

*Includes implied subsidy of \$408,796

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, 2018:

	1% Decrease (6.28%)	Current Discount Rate (7.28%)	1% Increase (8.28%)
Net OPEB Liability	\$ 9,587,887	\$ 7,765,502	\$ 6,248,330

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, 2018:

	1% Decrease (6.50% decreasing to 5.00%)	Current Healthcare Cost Trend Rates (7.50% decreasing to 5.00%)	1% Increase (8.50% decreasing to 6.00%)
Net OPEB Liability	\$ 5,964,277	\$ 7,765,502	\$ 10,496,332

OPEB Plan Fiduciary Net Position

CalPERS issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from the CalPERS Executive Office at 400 P Street, Sacramento, California, 95814.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 15: Post-Employment Benefits Other than Pensions (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$877,243. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date*	\$ 1,103,345	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	142,885
Total	<u>\$ 1,103,345</u>	<u>\$ 142,885</u>

* Includes implied subsidy of \$443,460

The \$1,103,345 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year ended June 30	Deferred Outflows/(Inflows) of Resources
2020	\$ (45,104)
2021	(45,104)
2022	(45,104)
2023	(7,573)
	<u>\$ (142,885)</u>

Note 16: Restatement of Beginning Net Position and Fund Balances

Government-Wide:	
Governmental Activities	<u>\$ 1,050,478</u>
Governmental funds:	
General Fund	\$ (28,419)
Other Governmental Funds	<u>150,000</u>
Total Governmental Funds/Governmental Activities:	<u>\$ 121,581</u>
Proprietary funds:	
Water Fund	<u>\$ (15,434)</u>
Internal Service funds:	
Equipment Fund	<u>\$ 50,898</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

Note 16: Restatement of Beginning Net Position and Fund Balances (Continued)

Governmental activities were restated by \$1,050,478 due to the following adjustments:

- Adjustment to Capital asset activities to correct the beginning balance of governmental capital assets which were not previously included in the amount of \$877,999.
- Adjustment to the General fund to account for a voided invoice for a project's environmental study performed in prior year in the amount of \$(28,419).
- Adjustment to cash with fiscal agent to properly report debt services as part of the Community Development Block Grant fund in the amount of \$150,000.
- Adjustment to the Equipment fund was to correct the beginning balance for assets not posted in prior year in the amount of \$50,898.

Proprietary funds were restated due to the following adjustments:

- Adjustment to the Water fund was to correct the beginning balance for projects in progress not removed in prior year in the amount of \$(15,434).

Note 17: Joint Ventures

The City is a participant in four joint ventures. The joint ventures are not considered part of the reporting entity, as the City does not exercise primary oversight responsibilities for their operations and does not have financial responsibility. These agencies do not depend on revenue from the City to continue in existence. Each participating agency in these joint ventures has proportionate control over management, budgets, and financial decisions.

Southeast Area Animal Control Authority.

This joint venture provides animal control services to nine cities in the Southeast Los Angeles County area. The Authority is governed by a nine-member board with one representative from each member city. Each member is obligated to contribute annually.

The Authority is not currently experiencing financial stress on accumulating significant resources. The City has no equity interest in the Authority and does not receive a share of operating results. Separate audited financial statements for the Authority may be obtained at 9777 Seaaca Street, Downey, California 90241.

Joint Fire Dispatching Center.

In this joint venture, the City operates as a cooperative program with the cities of Santa Fe Springs and Compton. The City receives all calls for fire emergency services and dispatches fire units for the four-city area. The program is financed with contributions from each city per a Joint Powers Agreement. Pro-rata expenditures and revenues are reported as part of the Fire Department. Separate audited financial statements are not prepared for the joint venture.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 17: Joint Ventures (Continued)

Gateway Authority (Gateway Region IRWM Joint Powers Authority).

This joint venture was formed through a directive of COG (Gateway Cities Council of Governments) in 2007 and was designated by the State of California as an Integrated Regional Water Management Group. This coalition is currently comprised of 19 cities and government entities and is responsible for the regional water planning needs in the Gateway Cities Region. The Gateway Authority is governed by the member cities and agencies and financed with contributions from each city per a Joint Powers Agreement. Separate audited financial statements for the Authority may be obtained at City of Signal Hill, City Hall. The City of Signal Hill acts as lead agency.

Southeast Water Coalition.

This joint venture was formed in 1991 to protect the quantity and quality of the regional water supply. This coalition is currently comprised of 11 cities. The Southeast Water Coalition is governed by the member cities and three advisory agencies. The City of Whittier acts as lead agency.

Note 18: Mortgage Revenue Bonds

On March 13, 1985, the City of Downey issued, in conjunction with the cities of Covina, Rancho Cucamonga, and Calexico, Residential Mortgage Revenue Bonds, 1985 Series A, to provide funds in the amount of \$1,937,040 to purchase loans to be secured by single-family condominium units in the City. The bonds are special obligations of the Covina, Rancho Cucamonga, Calexico, Downey Housing Finance Agency. Seattle First National Bank serves as trustee.

On May 15, 1985, the City of Downey issued, in conjunction with the cities of El Monte and San Jacinto, Single-Family Residential Mortgage Revenue Bonds, Issue of 1985, to provide funds in the amount of \$1,950,000 to purchase loans to be secured by single-family condominium units in the City. The bonds are special obligations of the El Monte-Downey-San Jacinto Housing Finance Agency. Seattle First National Bank serves as trustee.

On August 8, 2001, the City of Downey issued, in conjunction with the California Statewide Communities Development Authority, Multi-Family Housing Revenue Bonds, Series S and S-T, to provide funds in the amount of \$3,300,000 to purchase loans to be secured by multifamily apartment complex in the City. The bonds are limited obligations of the California Statewide Communities Development Authority payable solely from the revenues from the multifamily apartment complex. U.S. Bank Trust National serves as trustee.

The above debt issues are special obligations of the respective Housing Finance Agencies and are payable solely from payments made on mortgage loans and are secured by a pledge of such mortgage loans. Neither the faith and credit nor the taxing power of the City of Downey have been pledged to the payment of the bonds. Accordingly, these debts are not reported as liabilities in the accompanying financial statements.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 19: Sales Tax Abatement

In Fiscal Year 18-19, the City entered into a tax abatement agreement with a local business. The abatement may be granted to any business located within or promising to relocate to the City. For the Fiscal Year ended June 30, 2019, the City abated taxes totaling \$186,743. Under this program, the City has the following Tax abatement agreements:

- A sales tax abatement to assist a local auto dealership in relocating to a larger facility within the City in order to retain jobs within the City and generate increased sales taxes. Per the Agreement, the dealership is required to maintain no less than thirty- five full time equivalent positions. The City authorized a loan in the amount of \$1,250,000, repayable over 12 years at an interest rate of 4.25 percent per year. Additionally, of any sales tax revenues exceeding \$400,000 and up to \$670,000, 50% of sales tax revenues shall be credited to the loan. For any sales tax revenue over \$670,000, an additional 30% of the revenues shall be credited against the loan.

Note 20: Other Disclosures

Deficit Fund Balance

The following fund reported a deficit fund balance at June 30, 2019:

Other Governmental Funds – Other Special Revenue Funds:

Waste Reduction	\$42,139
Hazardous Material	48,987

The deficit will be eliminated through the receipt of future grant revenues.

Expenditures in Excess of Appropriations

The following departments/funds reported expenditures in excess of appropriations:

Other Governmental Funds - Other Special Revenue Funds:

Waste Reduction		
Public Works	\$	8,349
Street Lighting		
Public Works		117,309
Hazardous Material		
Public Safety		150,367
Air Quality		
Public Works		9,223
Grants		
Community Development		150,903
Public Safety		341,046
Community Development Block Grant (CDBG)		
Community Services		13,595
Debt Service - Interest and Fiscal Charges		31,912
Asset Forfeiture		
Public Safety		7,123
Transit Prop A		
Parks and Recreation		91,355
Measure S Sales Tax		
General Government		5,843
Transit Measure M		
Public Works		18,478

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 21: Successor Agency Trust for Assets of Former Redevelopment Agency

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 Downey 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. The City Council elected to become the Successor Agency for the former redevelopment agency. The assets and liabilities of the former redevelopment agency were transferred to the Successor Agency to the Community Development Commission of the City of Downey on February 1, 2012, as a result of the dissolution of the former redevelopment agency.

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.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to these transactions are as follows:

a. Cash and investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 2,268,549
Cash and investments with fiscal agent	<u>721,426</u>
	<u>\$ 2,989,975</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 21: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

b. Long-Term Debt

The following long-term debts were transferred from the Redevelopment Agency to the Successor Agency on February 1, 2012, as a result of the dissolution. A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2019, follows:

	Balance June 30, 2018	Addition	Deletion	Balance June 30, 2019	Due Within One Year
Bonds payable	\$ 5,290,000	\$ -	\$ 370,000	\$ 4,920,000	\$ 390,000
Advances from City	10,416,660	76,397	230,380	10,262,677	-
Advances from County	29,130,811	2,039,157	-	31,169,968	-
Total long-term liabilities	<u>\$ 44,837,471</u>	<u>\$ 2,115,554</u>	<u>\$ 600,380</u>	<u>\$ 46,352,645</u>	<u>\$ 390,000</u>

Bonds Payable

1997 Tax Allocation Bonds Payable

In 1997 the Community Development Commission issued \$9,925,000 in Tax Allocation Bonds, partially to advance refund the existing 1990 Tax Allocation bond issue, which had a balance outstanding of \$4,470,000, and to repay the City for advances of \$3,970,508 plus interest. The bonds have an average interest rate of 5.1%. U.S. Bank serves as trustee for payment of principal and interest. The balance outstanding at June 30, 2019, is \$4,920,000.

The future debt service requirements on these bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 390,000	\$ 242,156	\$ 632,156
2021	410,000	221,656	631,656
2022	430,000	200,131	630,131
2023	450,000	177,581	627,581
2024	475,000	153,878	628,878
2025-2029	2,765,000	368,359	3,133,359
Total	<u>\$ 4,920,000</u>	<u>\$ 1,363,761</u>	<u>\$ 6,283,761</u>

The outstanding bonds contain a provision that if any event of default should occur or continue to occur, the Trustee may, with the prior written consent of the Bond Insurer, and if request by the Bond Insurer and at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time outstanding shall, (a) upon notice in writing to the Commission, declare the principal of all of the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, of (b) enforce any rights of the Trustee under or with respect to the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture and applicable provisions of any law.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

Note 21: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Pledged Revenue

The City pledged, as a security for bonds issued through the Community Development Commission, a portion of tax increment revenue that it receives. Assembly Bill 1X26 provided that upon dissolution of the Redevelopment Agencies (known as the Community Development Commission), property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$6,283,761 with annual debt service requirements indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$251,075 and the debt obligation on the bonds was \$631,631.

Advances from City

The DOF issued a Finding of Completion on May 15, 2013, in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews. The Finding of Completion allows the placement of loan agreements between the former redevelopment agency and the City on the ROPS, as an enforceable obligation, provided the oversight board makes a finding that the loan was for legitimate redevelopment purposes. Loan repayments could begin in the 2015-16, fiscal year as governed by the criteria in the health and code safety section. When the repayments begin, 20% of the repayments of the loan agreement amounts are to be allocated to the Housing Successor Agency. As of June 30, 2019, the long-term advances totaled \$10,262,677. As of June 30, 2019, \$7,090,082 is reported in the General Fund, \$1,443,974 is reported in Employee Benefit Internal Service Fund and \$1,728,621 is reported in the Housing Authority Special Revenue Fund.

Advances from County

As part of the City's redevelopment program, the City and County of Los Angeles have entered into a tax increment pass-through deferral agreement. This agreement specifies that the City will defer the payment of all current tax increment pass-through due to the County, until some future date, when certain conditions are met. Until that time, the County will charge 7% interest on the outstanding deferral amount. During the year, there were no pass-through agreement amounts owed to the County that were deferred. Interest of \$2,039,157 was also accrued during the year on the outstanding deferral amount still owing. The amount owed the County, including accrued interest, at June 30, 2019, was \$31,169,968.

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required supplemental information (RSI)



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DOWNEY

**AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 2,747,310	\$ 2,636,289	\$ 2,361,815	\$ 2,372,336	\$ 2,312,390
Interest on total pension liability	13,432,640	13,024,839	12,804,332	12,400,751	12,026,911
Differences between expected and actual experience	793,693	(1,684,960)	(437,509)	(872,403)	-
Changes in assumptions	(1,002,999)	10,503,420	-	(2,930,596)	-
Benefit payments, including refunds of employee contributions	(10,123,596)	(9,484,059)	(9,182,237)	(8,927,251)	(8,720,279)
Net change in total pension liability	5,847,048	14,995,529	5,546,401	2,042,837	5,619,022
Total pension liability - beginning	191,766,541	176,771,012	171,224,611	169,181,774	163,562,752
Total pension liability - ending (a)	\$ 197,613,589	\$ 191,766,541	\$ 176,771,012	\$ 171,224,611	\$ 169,181,774
Plan fiduciary net position					
Contributions - employer	\$ 4,644,243	\$ 4,191,836	\$ 3,645,344	\$ 3,324,338	\$ 2,487,187
Contributions - employee	1,259,290	1,209,428	1,158,399	1,307,613	1,333,703
Differences in projected and actual earnings	-	-	-	(6,742,788)	-
Net investment income	10,970,946	13,489,599	600,935	9,576,038	19,329,661
Plan to plan resource movement	(320)	(957)	-	9,214	-
Administration expense	(204,781)	(180,405)	(76,817)	(141,638)	-
Benefit payments	(10,123,596)	(9,484,059)	(9,182,237)	(8,927,251)	(8,720,279)
Other miscellaneous income (expense)	(388,883)	-	-	-	-
Net change in plan fiduciary net position	6,156,899	9,225,442	(3,854,376)	(1,594,474)	14,430,272
Plan fiduciary net position - beginning	131,415,161	122,189,719	126,044,095	127,599,058	113,168,786
Plan fiduciary net position - ending (b)	\$ 137,572,060	\$ 131,415,161	\$ 122,189,719	\$ 126,004,584	\$ 127,599,058
Net pension liability - ending (a)-(b)	\$ 60,041,529	\$ 60,351,380	\$ 54,581,293	\$ 45,220,027	\$ 41,582,716
Plan fiduciary net position as a percentage of the total pension liability	69.62%	68.53%	69.12%	73.59%	75.42%
Covered payroll	\$ 14,116,181	\$ 13,171,100	\$ 12,471,112	\$ 11,295,425	\$ 11,873,874
Net pension liability as a percentage of covered-employee payroll	425.34%	458.21%	437.66%	400.34%	350.20%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

(1) Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

CITY OF DOWNEY

**AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
MISCELLANEOUS PLAN:					
Actuarially Determined Contribution	\$ 5,196,100	\$ 4,645,952	\$ 4,191,472	\$ 3,642,086	\$ 3,324,338
Contribution in Relation to the Actuarially Determined Contributions	<u>(5,196,100)</u>	<u>(4,645,952)</u>	<u>(4,191,472)</u>	<u>(3,642,086)</u>	<u>(3,324,338)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 14,982,015	\$ 14,116,181	\$ 13,171,100	\$ 12,471,112	\$ 11,295,425
Contributions as a Percentage of Covered-Employee Payroll	34.68%	32.91%	31.82%	29.20%	29.43%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

Note to Schedule:

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Remaining amortization period	Market value of assets
Assets valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary Increases	3.00%
Investment rate of return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

Mortality

The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

CITY OF DOWNEY

**AGENT MULTIPLE-EMPLOYER SAFETY PLANS
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 6,437,149	\$ 6,338,175	\$ 5,590,668	\$ 5,458,319	\$ 5,427,672
Interest on total pension liability	27,362,871	26,270,785	25,769,928	24,744,572	23,998,427
Differences between expected and actual experience	2,585,511	(5,710,849)	160,089	(3,331,302)	-
Changes in assumptions	(1,530,502)	22,209,649	-	(6,140,951)	-
Benefit payments, including refunds of employee contributions	(18,865,980)	(18,013,052)	(17,329,717)	(16,721,908)	(16,257,568)
Net change in total pension liability	15,989,049	31,094,708	14,190,968	4,008,730	13,168,531
Total pension liability - beginning	387,856,913	356,762,205	342,571,237	338,562,507	325,393,976
Total pension liability - ending (a)	\$ 403,845,962	\$ 387,856,913	\$ 356,762,205	\$ 342,571,237	\$ 338,562,507
Plan fiduciary net position					
Contributions - employer	\$ 10,227,586	\$ 8,809,223	\$ 8,092,171	\$ 6,745,873	\$ 5,817,524
Contributions - employee	2,184,777	2,003,302	1,996,000	1,919,372	1,883,501
Differences in projected and actual earnings	-	-	-	(13,442,866)	-
Net investment income	21,925,706	26,775,670	1,189,163	18,916,599	38,057,937
Plan to plan resource movement	(642)	-	-	(191)	-
Administration expense	(407,843)	(358,050)	(151,578)	(279,890)	-
Benefit payments	(18,865,980)	(18,013,052)	(17,329,717)	(16,721,908)	(16,257,568)
Other miscellaneous income (expense)	(774,501)	-	-	-	-
Net change in plan fiduciary net position	14,289,103	19,217,093	(6,203,961)	(2,863,011)	29,501,394
Plan fiduciary net position - beginning	261,727,364	242,510,271	248,714,232	251,581,146	222,079,752
Plan fiduciary net position - ending (b)	\$ 276,016,467	\$ 261,727,364	\$ 242,510,271	\$ 248,718,135	\$ 251,581,146
Net pension liability - ending (a)-(b)	\$ 127,829,495	\$ 126,129,549	\$ 114,251,934	\$ 93,853,102	\$ 86,981,361
Plan fiduciary net position as a percentage of the total pension liability	68.35%	67.48%	67.98%	72.60%	74.31%
Covered payroll	\$ 17,853,242	\$ 17,580,987	\$ 17,580,987	\$ 17,248,670	\$ 18,232,334
Net pension liability as a percentage of covered payroll	716.00%	717.42%	649.86%	544.12%	477.07%

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

(1) Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

CITY OF DOWNEY

**AGENT MULTIPLE-EMPLOYER SAFETY PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (4)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
SAFETY PLAN:					
Actuarially Determined Contribution	\$ 11,638,120	\$ 10,225,876	\$ 8,809,589	\$ 8,092,171	\$ 6,745,873
Contribution in Relation to the Actuarially Determined Contributions	<u>(11,638,120)</u>	<u>(10,225,876)</u>	<u>(8,809,589)</u>	<u>(8,092,171)</u>	<u>(6,745,873)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 22,440,568	\$ 17,853,242	\$ 17,580,987	\$ 14,881,199	\$ 11,125,500
Contributions as a Percentage of Covered Payroll	51.86%	57.28%	50.11%	54.38%	60.63%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only five years are shown.

Note to Schedule:

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Single and Agent Employers	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	21 Years as of the Valuation Date
Assets valuation method	15 Year Smoothed Market
Inflation	2.75%
Salary Increases	Varies by entry age and service
Investment rate of return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

Mortality
The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

CITY OF DOWNEY

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 347,999	\$ 337,046
Interest on the total OPEB liability	1,056,820	1,015,622
Actual and expected experience difference	-	-
Changes in assumptions	-	-
Changes in benefit terms	-	-
Benefit payments	(756,887)	(838,553)
Net change in total OPEB liability	647,932	514,115
Total OPEB liability - beginning	14,547,205	14,033,090
Total OPEB liability - ending (a)	15,195,137	14,547,205
Plan Fiduciary Net Position		
Contribution - employer	966,887	1,008,553
Net investment income	532,762	623,878
Benefit payments	(756,887)	(838,553)
Administrative expense	(3,569)	(3,167)
Other expenses	(8,860)	-
Net change in plan fiduciary net position	730,333	790,711
Plan fiduciary net position - beginning	6,699,302	5,908,591
Plan fiduciary net position - ending (b)	7,429,635	6,699,302
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 7,765,502	\$ 7,847,903
Plan fiduciary net position as a percentage of the total OPEB liability	48.89%	46.05%
Covered-employee payroll	\$ 36,149,553	\$ 34,730,877
Net OPEB liability as a percentage of covered-employee payroll	21.48%	22.60%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None.

Changes in assumptions: No Assumption changes are recognized.

CITY OF DOWNEY

**SCHEDULE OF CONTRIBUTIONS - OPEB
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 1,103,345	\$ 957,045
Contribution in Relation to the Actuarially Determined Contributions	(1,103,562)	(592,393)
Contribution Deficiency (Excess)	<u>\$ (217)</u>	<u>\$ 364,652</u>
Covered-employee payroll	\$ 44,034,470	\$ 36,149,553
Contributions as a percentage of covered-employee payroll	2.51%	2.65%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None.

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2018 were from the June 30, 2015 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.75%
Payroll Growth	3.25%
	7.28% as of June 30, 2017
Investment Rate of Return	net of plan investment expenses and including inflation
Healthcare cost-trend rates	7.5% initial, then decreasing 0.500% per year to 5% per year
Retirement Age	50 to 75
Mortality	2014 CalPERS Experience study; Improvement using MacLeod Watts Scale 2017.

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 33,832,325	\$ 33,832,325	\$ 33,832,325	\$ -
Resources (Inflows):				
Taxes	66,648,755	66,648,755	70,308,692	3,659,937
Licenses and permits	1,483,950	1,483,950	1,486,217	2,267
Intergovernmental	2,545,798	2,545,798	3,086,226	540,428
Charges for services	11,031,360	11,031,360	11,273,518	242,158
Use of money and property	1,707,000	1,707,000	2,937,056	1,230,056
Fines and forfeitures	1,442,000	1,442,000	1,811,986	369,986
Miscellaneous	3,701,033	3,701,033	4,846,633	1,145,600
Transfers in	3,348,500	3,348,500	8,631,976	5,283,476
Proceeds from sale of capital asset	1,000,000	1,122,500	2,514,475	1,391,975
Amounts Available for Appropriations	126,740,721	126,863,221	146,729,104	19,865,883
Charges to Appropriations (Outflow):				
General government	11,230,035	11,346,102	11,494,050	(147,948)
Public safety	57,088,689	57,269,589	61,460,052	(4,190,463)
Community development	3,350,396	3,572,561	3,288,845	283,716
Community services	9,471,685	9,471,685	9,000,494	471,191
Public works	8,184,839	8,184,839	8,287,598	(102,759)
Capital outlay	-	-	11,101,073	(11,101,073)
Debt service:				
Principal retirement	600,000	600,000	680,000	(80,000)
Interest and fiscal charges	891,850	891,850	1,499,002	(607,152)
Transfers out	1,386,188	1,761,188	1,682,076	79,112
Total Charges to Appropriations	92,203,682	93,097,814	108,493,190	(15,395,376)
Budgetary Fund Balance, June 30	\$ 34,537,039	\$ 33,765,407	\$ 38,235,914	\$ 4,470,507

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,678,709	\$ 4,678,709	\$ 4,678,709	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	50,907	40,907
Miscellaneous	-	-	149,134	149,134
Amounts Available for Appropriations	4,688,709	4,688,709	4,878,750	190,041
Charges to Appropriations (Outflow):				
Community development	6,800	216,100	1,263,850	(1,047,750)
Total Charges to Appropriations	6,800	216,100	1,263,850	(1,047,750)
Budgetary Fund Balance, June 30	\$ 4,681,909	\$ 4,472,609	\$ 3,614,900	\$ (857,709)

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
CIP GRANT FUND
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,749,826)	\$ (1,749,826)	\$(1,749,826)	\$ -
Resources (Inflows):				
Intergovernmental	43,734,980	44,739,980	4,715,673	(40,024,307)
Transfers in	-	-	1,377	1,377
Amounts Available for Appropriations	41,985,154	42,990,154	2,967,224	(40,022,930)
Charges to Appropriations (Outflow):				
Capital outlay	43,734,980	33,343,090	4,441,995	28,901,095
Total Charges to Appropriations	43,734,980	33,343,090	4,441,995	28,901,095
Budgetary Fund Balance, June 30	\$ (1,749,826)	\$ 9,647,064	\$(1,474,771)	\$ (11,121,835)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
HOME
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 647,357	\$ 647,357	\$ 647,357	\$ -
Resources (Inflows):				
Intergovernmental	803,110	803,110	458,259	(344,851)
Miscellaneous	-	-	2,650	2,650
Amounts Available for Appropriations	1,450,467	1,450,467	1,108,266	(342,201)
Charges to Appropriations (Outflow):				
Community development	822,770	822,770	465,924	356,846
Total Charges to Appropriations	822,770	822,770	465,924	356,846
Budgetary Fund Balance, June 30	\$ 627,697	\$ 627,697	\$ 642,342	\$ 14,645

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
MEASURE S 2017 LRB
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 50,322,551	\$ 50,322,551	\$ 50,322,551	\$ -
Resources (Inflows):				
Use of money and property	25,000	25,000	1,421,501	1,396,501
Amounts Available for Appropriations	50,347,551	50,347,551	51,744,052	1,396,501
Charges to Appropriation (Outflow):				
General government	-	-	2,000	(2,000)
Capital outlay	50,000,000	49,685,937	9,452,040	40,233,897
Total Charges to Appropriations	50,000,000	49,685,937	9,454,040	40,231,897
Budgetary Fund Balance, June 30	\$ 347,551	\$ 661,614	\$ 42,290,012	\$ 41,628,398

CITY OF DOWNEY

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

Note 1: Budgetary Data

General Budget Policies

The City is required by its charter to adopt an annual budget on or before June 30th for the ensuing fiscal year. From the effective date of the budget, the proposed expenditures become appropriations to the various City departments. This “appropriated budget” covers substantially all City expenditures, with the exception of debt service on bonds, which expenditures constitute legally authorized “non-appropriated budget.” There are no significant non-budgeted activities. The City Council passes various amendments to the budget during the year.

The City prepares its budgets on the basis of actual expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis substantially consistent with generally accepted accounting principles. The level of budgetary control is the department level, classified in accordance with Note 1D, within the fund. However, the City Manager is authorized to transfer amounts between divisions within a department without seeking City Council approval.

Expenditures in Excess of Appropriations

The following departments/funds reported expenditures in excess of appropriations:

Major Fund:

General Fund:

General government	\$ 147,948
Public safety	4,190,463
Public works	102,759
Debt Service - Principal Retirement	80,000
Debt Service - Interest and Fiscal Charges	607,152

Housing Authority Fund:

Community Development	1,047,750
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Measure S 2017 LRB Fund:

General government	2,000
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OTHER GOVERNMENTAL FUNDS

The combining statements for Other Governmental Funds represent a consolidation of the information for specific funds contained in the Supplementary Financial Statements. These statements summarize the financial information contained in Other Special Revenue Funds, an Other Capital Projects Fund, Internal Service Funds and Agency Funds.

OTHER SPECIAL REVENUE FUNDS

Special Revenue Funds account for taxes and other revenues set aside in accordance with law or administrative regulations for a specified purpose.

Waste Reduction Fund is used to account for funds collected pursuant to AB 939 and used to pay for recycling and other waste reduction programs.

Street Lighting Fund is used to account for the property taxes and assessments levied on real property located within the City's Street Lighting District. The revenues in this fund are used to pay for the electric and other costs associated with the streetlights, traffic signals and street trees.

Hazardous Material Fund is used to account for all supporting operations related to the hazardous material program administered by the City's Fire Department.

CATV Public Access Fund is used to account for revenues received from the City's cable TV franchise company pursuant to the franchise agreements.

Air Quality Fund is used to account for all charges related to air quality, such as carpooling, etc.

Grants Fund is used to account for revenues received from various grants for park and other non-street capital improvements.

CDBG Fund is required by federal regulations to account for the use of grant funds received from the federal government. Other revenues in this fund are reimbursements of loans to beneficiaries of a particular housing program or the sale of real property in the furtherance of block grant programs. All such other revenues are "program income" and are considered to be federal revenues.

Asset Forfeiture Fund is used to account for all revenues and expenditures related to the federal asset forfeiture program.

Transit Prop C Fund accounts for restricted transit revenues the City receives pursuant to a County ballot measure, Proposition C. Funds are used for eligible street improvement projects.

Transit Prop A Fund accounts for special revenues the City receives pursuant to a County ballot measure. The City uses funds to support senior citizen and disabled bus operation run by the City, along with the Downey Link Fixed Route Service.

Transit Measure R Fund accounts for ballot Measure R funds approved by Los Angeles County. Funds are used to relieve traffic congestion by providing for mass transit systems, roadway repairs, traffic signal synchronization and pedestrian walkways and paths.

Gas Tax Fund is required by state law to account for gas taxes allocated by the State. The State levies various taxes on gasoline and other motor fuels, which are allocated among the State, cities and counties by formula.

LSTA Grant Fund is used to account for revenues received from library grants.

SB1 Transportation Fund This revenue is known as the road repair and accountability act of 2017 and is a motor vehicle fuel tax enacted to address basic road maintenance, rehabilitation, and critical safety needs on state highway and local streets and road systems. Taxes and fees received by the City will be deposited into a newly created Road Maintenance and Rehabilitation Account (RMRA) Fund.

Measure S Sales Tax Fund is used to account for special revenues from a half cent sales tax for infrastructure improvements and enhanced public safety services. Of the revenues received, half go to the General fund for Public Safety expenditures. The remaining half goes to the Measure S Sales Tax fund for debt service and capital improvements.

OTHER SPECIAL REVENUE FUNDS (Continued)

Transit Measure M Fund This revenue is derived from a County voter approved sales tax to meet the transportation needs of the County of Los Angeles. The expenditures for this fund must be related to the transportation projects and programs, such as roadway repairs, traffic signal synchronization and pedestrian walkways and paths, Measure M increases to 1% once Measure R expires in 2039.

Asset Forfeiture - State Fund is used to account for all revenues and expenditures related to the state asset forfeiture program.

OTHER CAPITAL PROJECTS FUND

Capital Project Fund is used to account for City projects funded by various sources.

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CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Special Revenue Funds</u>			
	<u>Waste Reduction</u>	<u>Street Lighting</u>	<u>Hazardous Material</u>	<u>CATV Public Access</u>
Assets:				
Pooled cash and investments	\$ -	\$ 307,596	\$ -	\$ 790,111
Receivables:				
Accounts	28,755	33,256	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	989	36,625
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 28,755</u>	<u>\$ 340,852</u>	<u>\$ 989</u>	<u>\$ 826,736</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 16,713	\$ 185,784	\$ -	\$ -
Accrued liabilities	45,997	2,195	7,544	-
Unearned revenues	-	-	-	-
Due to other funds	8,184	-	42,432	-
Total Liabilities	<u>70,894</u>	<u>187,979</u>	<u>49,976</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	152,873	-	826,736
Capital Projects	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	<u>(42,139)</u>	<u>-</u>	<u>(48,987)</u>	<u>-</u>
Total Fund Balances	<u>(42,139)</u>	<u>152,873</u>	<u>(48,987)</u>	<u>826,736</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,755</u>	<u>\$ 340,852</u>	<u>\$ 989</u>	<u>\$ 826,736</u>

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Air Quality	Grants	CDBG	Asset Forfeiture
Assets:				
Pooled cash and investments	\$ 330,815	\$ 523,353	\$ -	\$ 522,976
Receivables:				
Accounts	-	103,858	-	-
Taxes	-	-	-	-
Notes and loans	-	-	456,355	-
Prepaid costs	838	-	-	-
Due from other governments	38,383	32,237	455,771	-
Inventories	-	9,740	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	3,149,930	-
Total Assets	<u>\$ 370,036</u>	<u>\$ 669,188</u>	<u>\$ 4,062,056</u>	<u>\$ 522,976</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 12,321	\$ 70,434	\$ 13,027	\$ 28,231
Accrued liabilities	10,057	61,786	41,433	16,198
Unearned revenues	-	-	-	-
Due to other funds	-	138,677	188,245	-
Total Liabilities	<u>22,378</u>	<u>270,897</u>	<u>242,705</u>	<u>44,429</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	43,761	456,355	-
Total Deferred Inflows of Resources	<u>-</u>	<u>43,761</u>	<u>456,355</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	-	478,547
Parks and recreation	-	-	-	-
Public works	347,658	354,530	-	-
Capital Projects	-	-	-	-
Low and moderate income housing	-	-	3,362,996	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>347,658</u>	<u>354,530</u>	<u>3,362,996</u>	<u>478,547</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 370,036</u>	<u>\$ 669,188</u>	<u>\$ 4,062,056</u>	<u>\$ 522,976</u>

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Special Revenue Funds

	Transit Prop C	Transit Prop A	Transit Measure R	Gas Tax
Assets:				
Pooled cash and investments	\$ 1,560,951	\$ 947,400	\$ 2,200,400	\$ 277,009
Receivables:				
Accounts	-	-	-	15,315
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	21,000	695	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 1,581,951</u>	<u>\$ 948,095</u>	<u>\$ 2,200,400</u>	<u>\$ 292,324</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 20,470	\$ 355,923	\$ 122,286	\$ 100,130
Accrued liabilities	4,965	90,428	5,340	2,102
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>25,435</u>	<u>446,351</u>	<u>127,626</u>	<u>102,232</u>
Deferred Inflows of Resources:				
Unavailable revenues	21,000	-	-	-
Total Deferred Inflows of Resources	<u>21,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	501,744	-	190,092
Capital Projects	1,535,516	-	2,072,774	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>1,535,516</u>	<u>501,744</u>	<u>2,072,774</u>	<u>190,092</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,581,951</u>	<u>\$ 948,095</u>	<u>\$ 2,200,400</u>	<u>\$ 292,324</u>

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	LSTA Grant	SB1 Transportation	Measure S (Sales Tax)	Transit Measure M
Assets:				
Pooled cash and investments	\$ 263	\$ 1,635,072	\$ 2,055,154	\$ 2,284,648
Receivables:				
Accounts	-	-	-	-
Taxes	-	373,580	861,573	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 263</u>	<u>\$ 2,008,652</u>	<u>\$ 2,916,727</u>	<u>\$ 2,284,648</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 318,781	\$ 605,474	\$ 158,047
Accrued liabilities	-	5,801	158,286	707
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>324,582</u>	<u>763,760</u>	<u>158,754</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted for:				
Public safety	-	-	2,152,967	-
Parks and recreation	263	-	-	-
Public works	-	1,684,070	-	2,125,894
Capital Projects	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>263</u>	<u>1,684,070</u>	<u>2,152,967</u>	<u>2,125,894</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 263</u>	<u>\$ 2,008,652</u>	<u>\$ 2,916,727</u>	<u>\$ 2,284,648</u>

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	
	Asset Forfeiture - State	City Capital Projects	Total Nonmajor Governmental Funds
Assets:			
Pooled cash and investments	\$ 110,578	\$ 3,067,668	\$ 16,613,994
Receivables:			
Accounts	-	-	181,184
Taxes	-	-	1,235,153
Notes and loans	-	-	456,355
Prepaid costs	-	-	838
Due from other governments	-	426,640	1,012,340
Inventories	-	-	9,740
Restricted assets:			
Cash and investments with fiscal agents	-	-	3,149,930
Total Assets	\$ 110,578	\$ 3,494,308	\$ 22,659,534
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 9,400	\$ 2,017,021
Accrued liabilities	-	1,289	454,128
Unearned revenues	108,625	122,000	230,625
Due to other funds	-	-	377,538
Total Liabilities	108,625	132,689	3,079,312
Deferred Inflows of Resources:			
Unavailable revenues	-	-	521,116
Total Deferred Inflows of Resources	-	-	521,116
Fund Balances:			
Restricted for:			
Public safety	1,953	-	2,633,467
Parks and recreation	-	-	263
Public works	-	-	6,183,597
Capital Projects	-	-	3,608,290
Low and moderate income housing	-	-	3,362,996
Assigned to:			
Capital Projects	-	3,361,619	3,361,619
Unassigned	-	-	(91,126)
Total Fund Balances	1,953	3,361,619	19,059,106
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 110,578	\$ 3,494,308	\$ 22,659,534

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CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Waste Reduction	Street Lighting	Hazardous Material	CATV Public Access
Revenues:				
Taxes	\$ -	\$ 666,904	\$ -	\$ 254,649
Intergovernmental	59,658	-	-	-
Charges for services	421,185	1,464,872	126,031	-
Use of money and property	52	7,860	-	-
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	11,046	-	-
Total Revenues	480,895	2,150,682	126,031	254,649
Expenditures:				
Current:				
General government	-	-	-	76,793
Public safety	-	-	150,367	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	674,923	1,979,648	-	-
Capital outlay	-	94,969	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	674,923	2,074,617	150,367	76,793
Excess (Deficiency) of Revenues Over (Under) Expenditures	(194,028)	76,065	(24,336)	177,856
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases	-	-	-	-
Notes and loans issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(194,028)	76,065	(24,336)	177,856
Fund Balances, Beginning of Year	151,889	76,808	(24,651)	648,880
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	151,889	76,808	(24,651)	648,880
Fund Balances, End of Year	\$ (42,139)	\$ 152,873	\$ (48,987)	\$ 826,736

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Air Quality	Grants	CDBG	Asset Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	148,054	499,982	1,188,228	765,810
Charges for services	-	244,582	-	-
Use of money and property	7,968	-	-	8,013
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	123,662	-	-
Total Revenues	156,022	868,226	1,188,228	773,823
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	313,046	-	296,016
Community development	-	1,245,072	665,266	-
Community services	-	-	13,595	-
Public works	130,106	-	-	-
Capital outlay	136,893	234,600	-	-
Debt service:				
Principal retirement	-	-	195,000	-
Interest and fiscal charges	-	-	101,179	-
Total Expenditures	266,999	1,792,718	975,040	296,016
Excess (Deficiency) of Revenues Over (Under) Expenditures	(110,977)	(924,492)	213,188	477,807
Other Financing Sources (Uses):				
Transfers in	-	852,500	-	-
Transfers out	-	-	(59,446)	-
Capital leases	-	-	-	-
Notes and loans issued	-	-	3,000,000	-
Total Other Financing Sources (Uses)	-	852,500	2,940,554	-
Net Change in Fund Balances	(110,977)	(71,992)	3,153,742	477,807
Fund Balances, Beginning of Year	458,635	426,522	59,254	740
Restatements	-	-	150,000	-
Fund Balances, Beginning of Year, as Restated	458,635	426,522	209,254	740
Fund Balances, End of Year	\$ 347,658	\$ 354,530	\$ 3,362,996	\$ 478,547

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Transit Prop C	Transit Prop A	Transit Measure R	Gas Tax
Revenues:				
Taxes	\$ 1,895,594	\$ 2,285,302	\$ -	\$ -
Intergovernmental	-	-	90,227	2,312,216
Charges for services	-	1,044	-	-
Use of money and property	39,504	76,481	55,903	6,929
Fines and forfeitures	-	-	-	-
Developer participation	-	-	1,422,104	-
Miscellaneous	-	15,213	-	-
Total Revenues	1,935,098	2,378,040	1,568,234	2,319,145
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	2,935,556	-	-
Public works	182,854	293,495	62,283	151,338
Capital outlay	100,340	3,126,991	649,075	567,823
Debt service:				
Principal retirement	-	303,798	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	283,194	6,659,840	711,358	719,161
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,651,904	(4,281,800)	856,876	1,599,984
Other Financing Sources (Uses):				
Transfers in	-	1,000,000	-	344,188
Transfers out	(1,000,000)	-	-	(2,062,145)
Capital leases	-	3,126,991	-	-
Notes and loans issued	-	-	-	-
Total Other Financing Sources (Uses)	(1,000,000)	4,126,991	-	(1,717,957)
Net Change in Fund Balances	651,904	(154,809)	856,876	(117,973)
Fund Balances, Beginning of Year	883,612	656,553	1,215,898	308,065
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	883,612	656,553	1,215,898	308,065
Fund Balances, End of Year	\$ 1,535,516	\$ 501,744	\$ 2,072,774	\$ 190,092

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	LSTA Grant	SB1 Transportation	Measure S (Sales Tax)	Transit Measure M
Revenues:				
Taxes	\$ -	\$ 2,093,232	\$ 5,192,178	\$ 1,602,000
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	10	40,740	51,609	57,114
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	10	2,133,972	5,243,787	1,659,114
Expenditures:				
Current:				
General government	-	-	75,843	-
Public safety	-	-	323,273	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	-	18,478
Capital outlay	-	811,221	3,343,075	374,082
Debt service:				
Principal retirement	-	-	1,665,000	-
Interest and fiscal charges	-	-	1,913,312	-
Total Expenditures	-	811,221	7,320,503	392,560
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	1,322,751	(2,076,716)	1,266,554
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases	-	-	305,608	-
Notes and loans issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	305,608	-
Net Change in Fund Balances	10	1,322,751	(1,771,108)	1,266,554
Fund Balances, Beginning of Year	253	361,319	3,924,075	859,340
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	253	361,319	3,924,075	859,340
Fund Balances, End of Year	\$ 263	\$ 1,684,070	\$ 2,152,967	\$ 2,125,894

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds Asset Forfeiture - State	Capital Projects Funds City Capital Projects	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 13,989,859
Intergovernmental	258	-	5,064,433
Charges for services	-	4,142	2,261,856
Use of money and property	1,695	6,127	360,005
Fines and forfeitures	-	1,644,431	1,644,431
Developer participation	-	-	1,422,104
Miscellaneous	-	7,596	157,517
Total Revenues	1,953	1,662,296	24,900,205
Expenditures:			
Current:			
General government	-	-	152,636
Public safety	-	-	1,082,702
Community development	-	-	1,910,338
Community services	-	-	2,949,151
Public works	-	-	3,493,125
Capital outlay	-	1,742,456	11,181,525
Debt service:			
Principal retirement	-	-	2,163,798
Interest and fiscal charges	-	-	2,014,491
Total Expenditures	-	1,742,456	24,947,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,953	(80,160)	(47,561)
Other Financing Sources (Uses):			
Transfers in	-	295,888	2,492,576
Transfers out	-	(344,188)	(3,465,779)
Capital leases	-	-	3,432,599
Notes and loans issued	-	-	3,000,000
Total Other Financing Sources (Uses)	-	(48,300)	5,459,396
Net Change in Fund Balances	1,953	(128,460)	5,411,835
Fund Balances, Beginning of Year	-	3,490,079	13,497,271
Restatements	-	-	150,000
Fund Balances, Beginning of Year, as Restated	-	3,490,079	13,647,271
Fund Balances, End of Year	\$ 1,953	\$ 3,361,619	\$ 19,059,106

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
WASTE REDUCTION
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 151,889	\$ 151,889	\$ 151,889	\$ -
Resources (Inflows):				
Intergovernmental	2,500	2,500	59,658	57,158
Charges for services	410,000	410,000	421,185	11,185
Use of money and property	2,500	2,500	52	(2,448)
Miscellaneous	500	500	-	(500)
Amounts Available for Appropriations	567,389	567,389	632,784	65,395
Charges to Appropriations (Outflow):				
Public works	666,574	666,574	674,923	(8,349)
Total Charges to Appropriations	666,574	666,574	674,923	(8,349)
Budgetary Fund Balance, June 30	\$ (99,185)	\$ (99,185)	\$ (42,139)	\$ 57,046

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 76,808	\$ 76,808	\$ 76,808	\$ -
Resources (Inflows):				
Taxes	398,945	398,945	666,904	267,959
Charges for services	1,570,427	1,570,427	1,464,872	(105,555)
Use of money and property	1,000	1,000	7,860	6,860
Miscellaneous	100	100	11,046	10,946
Amounts Available for Appropriations	2,047,280	2,047,280	2,227,490	180,210
Charges to Appropriations (Outflow):				
Public works	1,862,339	1,862,339	1,979,648	(117,309)
Capital outlay	100,000	100,000	94,969	5,031
Total Charges to Appropriations	1,962,339	1,962,339	2,074,617	(112,278)
Budgetary Fund Balance, June 30	\$ 84,941	\$ 84,941	\$ 152,873	\$ 67,932

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
HAZARDOUS MATERIAL
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (24,651)	\$ (24,651)	\$ (24,651)	\$ -
Resources (Inflows):				
Charges for services	160,000	160,000	126,031	(33,969)
Amounts Available for Appropriations	135,349	135,349	101,380	(33,969)
Charges to Appropriations (Outflow):				
Public safety	-	-	150,367	(150,367)
Transfers out	160,000	160,000	-	160,000
Total Charges to Appropriations	160,000	160,000	150,367	9,633
Budgetary Fund Balance, June 30	\$ (24,651)	\$ (24,651)	\$ (48,987)	\$ (24,336)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CATV PUBLIC ACCESS
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 648,880	\$ 648,880	\$ 648,880	\$ -
Resources (Inflows):				
Taxes	110,000	110,000	254,649	144,649
Amounts Available for Appropriations	758,880	758,880	903,529	144,649
Charges to Appropriations (Outflow):				
General government	-	96,500	76,793	19,707
Total Charges to Appropriations	-	96,500	76,793	19,707
Budgetary Fund Balance, June 30	\$ 758,880	\$ 662,380	\$ 826,736	\$ 164,356

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 458,635	\$ 458,635	\$ 458,635	\$ -
Resources (Inflows):				
Intergovernmental	145,000	145,000	148,054	3,054
Use of money and property	4,000	4,000	7,968	3,968
Amounts Available for Appropriations	607,635	607,635	614,657	7,022
Charges to Appropriations (Outflow):				
Public works	120,883	120,883	130,106	(9,223)
Total Charges to Appropriations	170,283	289,053	266,999	22,054
Budgetary Fund Balance, June 30	\$ 437,352	\$ 318,582	\$ 347,658	\$ 29,076

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
GRANTS
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 426,522	\$ 426,522	\$ 426,522	\$ -
Resources (Inflows):				
Intergovernmental	-	323,584	499,982	176,398
Charges for services	210,000	210,000	244,582	34,582
Miscellaneous	101,700	101,700	123,662	21,962
Transfers in	852,500	852,500	852,500	-
Amounts Available for Appropriations	1,590,722	1,914,306	2,147,248	232,942
Charges to Appropriations (Outflow):				
Public safety	-	-	313,046	(313,046)
Community development	1,094,169	1,094,169	1,245,072	(150,903)
Capital outlay	70,000	393,584	234,600	158,984
Total Charges to Appropriations	1,164,169	1,487,753	1,792,718	(304,965)
Budgetary Fund Balance, June 30	\$ 426,553	\$ 426,553	\$ 354,530	\$ (72,023)

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
CDBG
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 209,254	\$ 209,254	\$ 209,254	\$ -
Resources (Inflows):				
Intergovernmental	1,374,829	1,374,829	1,188,228	(186,601)
Notes and loans issued	-	-	3,000,000	3,000,000
Amounts Available for Appropriations	1,584,083	1,584,083	4,397,482	2,813,399
Charges to Appropriations (Outflow):				
Community development	872,143	872,143	665,266	206,877
Community services	-	-	13,595	(13,595)
Debt service:				
Principal retirement	195,000	195,000	195,000	-
Interest and fiscal charges	69,267	69,267	101,179	(31,912)
Transfers out	165,650	165,650	59,446	106,204
Total Charges to Appropriations	1,302,060	1,302,060	1,034,486	267,574
Budgetary Fund Balance, June 30	\$ 282,023	\$ 282,023	\$ 3,362,996	\$ 3,080,973

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 740	\$ 740	\$ 740	\$ -
Resources (Inflows):				
Intergovernmental	250,000	200,000	765,810	565,810
Use of money and property	4,000	4,000	8,013	4,013
Amounts Available for Appropriations	254,740	204,740	774,563	569,823
Charges to Appropriation (Outflow):				
Public safety	253,893	288,893	296,016	(7,123)
Total Charges to Appropriations	253,893	288,893	296,016	(7,123)
Budgetary Fund Balance, June 30	\$ 847	\$ (84,153)	\$ 478,547	\$ 562,700

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 TRANSIT PROP C
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 883,612	\$ 883,612	\$ 883,612	\$ -
Resources (Inflows):				
Taxes	1,848,072	1,848,072	1,895,594	47,522
Use of money and property	5,000	5,000	39,504	34,504
Amounts Available for Appropriations	2,736,684	2,736,684	2,818,710	82,026
Charges to Appropriation (Outflow):				
Public works	41,695	206,135	182,854	23,281
Capital outlay	1,592,337	1,610,337	100,340	1,509,997
Transfers out	1,000,000	1,000,000	1,000,000	-
Total Charges to Appropriations	2,634,032	2,816,472	1,283,194	1,533,278
Budgetary Fund Balance, June 30	\$ 102,652	\$ (79,788)	\$ 1,535,516	\$ 1,615,304

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT PROP A
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 656,553	\$ 656,553	\$ 656,553	\$ -
Resources (Inflows):				
Taxes	2,228,006	2,228,006	2,285,302	57,296
Charges for services	10,000	10,000	1,044	(8,956)
Use of money and property	37,000	37,000	76,481	39,481
Miscellaneous	12,000	12,000	15,213	3,213
Transfers in	1,000,000	1,000,000	1,000,000	-
Amounts Available for Appropriations	3,943,559	3,943,559	7,161,584	3,218,025
Charges to Appropriation (Outflow):				
Parks and recreation	2,844,201	2,844,201	2,935,556	(91,355)
Public works	312,721	312,721	293,495	19,226
Total Charges to Appropriations	3,156,922	3,156,922	6,659,840	(3,502,918)
Budgetary Fund Balance, June 30	\$ 786,637	\$ 786,637	\$ 501,744	\$ (284,893)

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT MEASURE R
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,215,898	\$ 1,215,898	\$ 1,215,898	\$ -
Resources (Inflows):				
Intergovernmental	-	-	90,227	90,227
Use of money and property	10,000	10,000	55,903	45,903
Developer participation	1,386,083	1,386,083	1,422,104	36,021
Amounts Available for Appropriations	2,611,981	2,611,981	2,784,132	172,151
Charges to Appropriation (Outflow):				
Public works	637,509	242,509	62,283	180,226
Capital outlay	1,515,000	1,951,094	649,075	1,302,019
Total Charges to Appropriations	2,152,509	2,193,603	711,358	1,482,245
Budgetary Fund Balance, June 30	\$ 459,472	\$ 418,378	\$ 2,072,774	\$ 1,654,396

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 308,065	\$ 308,065	\$ 308,065	\$ -
Resources (Inflows):				
Intergovernmental	2,865,235	2,865,235	2,312,216	(553,019)
Use of money and property	-	-	6,929	6,929
Transfers in	344,188	344,188	344,188	-
Amounts Available for Appropriations	3,517,488	3,517,488	2,971,398	(546,090)
Charges to Appropriation (Outflow):				
Public works	547,974	566,072	151,338	414,734
Capital outlay	962,000	967,382	567,823	399,559
Transfers out	2,148,912	2,148,912	2,062,145	86,767
Total Charges to Appropriations	3,658,886	3,682,366	2,781,306	901,060
Budgetary Fund Balance, June 30	\$ (141,398)	\$ (164,878)	\$ 190,092	\$ 354,970

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
SB1 TRANSPORTATION
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 361,319	\$ 361,319	\$ 361,319	\$ -
Resources (Inflows):				
Taxes	1,890,300	1,890,300	2,093,232	202,932
Use of money and property	-	-	40,740	40,740
Amounts Available for Appropriations	2,251,619	2,251,619	2,495,291	243,672
Charges to Appropriation (Outflow):				
Capital outlay	2,240,621	2,315,621	811,221	1,504,400
Total Charges to Appropriations	2,240,621	2,315,621	811,221	1,504,400
Budgetary Fund Balance, June 30	\$ 10,998	\$ (64,002)	\$ 1,684,070	\$ 1,748,072

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
MEASURE S (SALES TAX)
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 3,924,075	\$ 3,924,075	\$ 3,924,075	\$ -
Resources (Inflows):				
Taxes	4,600,000	4,600,000	5,192,178	592,178
Use of money and property	-	-	51,609	51,609
Proceeds from sale of capital asset	3,000,000	3,000,000	-	(3,000,000)
Amounts Available for Appropriations	11,524,075	11,524,075	9,473,470	(2,050,605)
Charges to Appropriation (Outflow):				
General government	-	70,000	75,843	(5,843)
Public safety	-	528,845	323,273	205,572
Capital outlay	6,000,000	4,736,726	3,343,075	1,393,651
Debt service:				
Principal retirement	1,665,000	1,665,000	1,665,000	-
Interest and fiscal charges	1,916,087	1,916,087	1,913,312	2,775
Total Charges to Appropriations	9,581,087	8,916,658	7,320,503	1,596,155
Budgetary Fund Balance, June 30	\$ 1,942,988	\$ 2,607,417	\$ 2,152,967	\$ (454,450)

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT MEASURE M
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 859,340	\$ 859,340	\$ 859,340	\$ -
Resources (Inflows):				
Taxes	1,570,861	1,570,861	1,602,000	31,139
Use of money and property	-	-	57,114	57,114
Amounts Available for Appropriations	2,430,201	2,430,201	2,518,454	88,253
Charges to Appropriation (Outflow):				
Public works	-	-	18,478	(18,478)
Capital outlay	1,579,237	1,579,237	374,082	1,205,155
Total Charges to Appropriations	1,579,237	1,579,237	392,560	1,186,677
Budgetary Fund Balance, June 30	\$ 850,964	\$ 850,964	\$ 2,125,894	\$ 1,274,930

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CITY CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,490,079	\$ 3,490,079	\$ 3,490,079	\$ -
Resources (Inflows):				
Charges for services	-	-	4,142	4,142
Use of money and property	2,000	2,000	6,127	4,127
Fines and forfeitures	1,595,000	1,595,000	1,644,431	49,431
Miscellaneous	-	-	7,596	7,596
Transfers in	-	375,000	295,888	(79,112)
Amounts Available for Appropriations	5,087,079	5,462,079	5,448,263	(13,816)
Charges to Appropriation (Outflow):				
Capital outlay	2,753,795	3,779,963	1,742,456	2,037,507
Transfers out	344,188	344,188	344,188	-
Total Charges to Appropriations	3,097,983	4,124,151	2,086,644	2,037,507
Budgetary Fund Balance, June 30	\$ 1,989,096	\$ 1,337,928	\$ 3,361,619	\$ 2,023,691

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one City department to other City departments on a cost reimbursement basis. The Internal Service Funds used by the City are as follows:

Employee Benefits Fund is used to charge various departments for leave time, medical benefits, retirement benefits and other employee fringe benefits on a cost reimbursement basis.

Equipment Fund is used to charge various departments of the City for the use of fleet, office and communications equipment on a cost reimbursement basis.

CITY OF DOWNEY

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Equipment	Totals
Assets and Deferred Outflows of Resources:			
Assets:			
Current:			
Cash and investments	\$ 26,532,798	\$ 1,143,650	\$ 27,676,448
Receivables:			
Accounts	-	125	125
Prepaid costs	28,807	-	28,807
Due from other governments	-	1,667	1,667
Inventories	-	57,475	57,475
Advances to Successor Agency	1,443,974	-	1,443,974
Total Current Assets	28,005,579	1,202,917	29,208,496
Noncurrent:			
Capital assets - net of accumulated depreciation	-	4,370,047	4,370,047
Total Noncurrent Assets	-	4,370,047	4,370,047
Total Assets	28,005,579	5,572,964	33,578,543
Deferred Outflows of Resources:			
Deferred pension related items	-	139,743	139,743
Total Deferred Outflows of Resources	-	139,743	139,743
Total Assets and Deferred Outflows of Resources	\$ 28,005,579	\$ 5,712,707	\$ 33,718,286
Liabilities, Deferred Inflows of Resources, and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 13,804	\$ 267,476	\$ 281,280
Accrued liabilities	273	42,513	42,786
Accrued interest	-	7,363	7,363
Accrued compensated absences	1,475,846	-	1,475,846
Accrued claims payable	2,471,693	-	2,471,693
Bonds, notes, and capital leases	-	484,906	484,906
Total Current Liabilities	3,961,616	802,258	4,763,874
Noncurrent:			
Accrued compensated absences	11,050,967	-	11,050,967
Accrued claims payable	4,903,725	-	4,903,725
Bonds, notes, and capital leases	-	1,228,750	1,228,750
Net pension liability	-	1,372,647	1,372,647
Total Noncurrent Liabilities	15,954,692	2,601,397	18,556,089
Total Liabilities	19,916,308	3,403,655	23,319,963
Deferred Inflows of Resources:			
Deferred pension related items	-	12,011	12,011
Total Deferred Inflows of Resources	-	12,011	12,011
Net Position:			
Net investment in capital assets	-	2,656,391	2,656,391
Unrestricted	8,089,271	(359,350)	7,729,921
Total Net Position	8,089,271	2,297,041	10,386,312
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 28,005,579	\$ 5,712,707	\$ 33,718,286

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Equipment	Totals
Operating Revenues:			
Interdepartmental charges	\$ 2,947,713	\$ 3,143,890	\$ 6,091,603
Miscellaneous	22,257	1,845	24,102
Total Operating Revenues	2,969,970	3,145,735	6,115,705
Operating Expenses:			
Maintenance and operations	-	2,131,467	2,131,467
General and administrative	-	57,647	57,647
Employee benefits	3,010,224	-	3,010,224
Depreciation expense	-	357,032	357,032
Total Operating Expenses	3,010,224	2,546,146	5,556,370
Operating Income (Loss)	(40,254)	599,589	559,335
Nonoperating Revenues (Expenses):			
Interest revenue	40,250	40,250	80,500
Interest expense	-	(43,519)	(43,519)
Gain (loss) on disposal of capital assets	-	23,801	23,801
Total Nonoperating Revenues (Expenses)	40,250	20,532	60,782
Income (Loss) Before Transfers	(4)	620,121	620,117
Transfers in	-	79,500	79,500
Transfers out	(2,952,388)	(2,952,388)	(5,904,776)
Changes in Net Position	(2,952,392)	(2,252,767)	(5,205,159)
Net Position:			
Beginning of Year, as originally reported	11,041,663	4,498,910	15,540,573
Restatements	-	50,898	50,898
Beginning of Fiscal Year, as restated	11,041,663	4,549,808	15,591,471
End of Fiscal Year	\$ 8,089,271	\$ 2,297,041	\$ 10,386,312

CITY OF DOWNEY

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Equipment	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,947,713	\$ 3,153,796	\$ 6,101,509
Cash received (paid to) suppliers for goods and services	(15,003)	(1,803,793)	(1,818,796)
Cash paid to employees for services	(2,988,904)	(216,943)	(3,205,847)
Net Cash Provided (Used) by Operating Activities	(56,194)	1,133,060	1,076,866
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	79,500	79,500
Cash transfers out	(2,952,388)	(2,952,388)	(5,904,776)
Repayment of Advance to other funds	10,869	-	10,869
Net Cash Provided (Used) by Non-Capital Financing Activities	(2,941,519)	(2,872,888)	(5,814,407)
Cash Flows from Capital and Related Financing Activities:			
Proceeds from capital debt	-	627,053	627,053
Acquisition and construction of capital assets	-	(622,616)	(622,616)
Principal paid on capital debt	-	(446,748)	(446,748)
Interest paid on capital debt	-	(43,518)	(43,518)
Proceeds from sales of capital assets	-	23,801	23,801
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(462,028)	(462,028)
Cash Flows from Investing Activities:			
Interest received	40,250	36,955	77,205
Net Cash Provided (Used) by Investing Activities	40,250	36,955	77,205
Net Increase (Decrease) in Cash and Cash Equivalents	(2,957,463)	(2,164,901)	(5,122,364)
Cash and Cash Equivalents at Beginning of Year	29,490,261	3,308,551	32,798,812
Cash and Cash Equivalents at End of Year	\$ 26,532,798	\$ 1,143,650	\$ 27,676,448
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (40,254)	\$ 599,589	\$ 559,335
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:			
Depreciation	-	357,032	357,032
(Increase) decrease in accounts receivable	-	9,906	9,906
(Increase) decrease in due from other governments	-	(1,551)	(1,551)
(Increase) decrease in inventories	-	43,647	43,647
(Increase) decrease in prepaid expense	(28,807)	-	(28,807)
(Increase) decrease in deferred pension related outflows	-	152,807	152,807
Increase (decrease) in accounts payable	13,804	106,834	120,638
Increase (decrease) in accrued liabilities	(937)	4,842	3,905
Increase (decrease) in net pension liability	-	(131,066)	(131,066)
Increase (decrease) in deferred pension related inflows	-	(8,980)	(8,980)
Total Adjustments	(15,940)	533,471	517,531
Net Cash Provided (Used) by Operating Activities	\$ (56,194)	\$ 1,133,060	\$ 1,076,866

AGENCY FUNDS

Special Deposits Fund is used to account for refundable and performance bond deposits and other deposit funds.

Cemetery District Fund is used to account for the financial operations of an independent governmental entity which the City provides accounting services to.

1913 Act Bond Fund is used to account for the revenues associated with the City's 1913 Act projects.

Elm Vista Fund is used to account for funds provided by private property owners to construct certain public right-of-way improvements in their neighborhood.

Columbia Memorial Space Learning Center Foundation Fund is used to account for the construction and implementation of educational programs for the Columbia Memorial Space Learning Center.

Southeast Area Animal Control Authority (SEAACA) Fund is used to account for the financial operations of an independent governmental entity which the City provides accounting services to.

Southeast Water Coalition Fund is a joint powers authority established to protect the Central Groundwater Basin.

CITY OF DOWNEY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2019

	<u>Special Deposits</u>	<u>Cemetery District</u>	<u>1913 Act Bond</u>	<u>Elm Vista</u>
Assets:				
Pooled cash and investments	\$ 2,608,972	\$ 449,937	\$ 122,271	\$ 1,765
Receivables:				
Accounts	18	-	-	3,256
Taxes	-	2,978	-	-
Accrued interest	-	1,549	-	-
Prepaid costs	-	-	-	-
Due from other governments	1,149	1,608	-	-
	<u>1,149</u>	<u>1,608</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,610,139</u>	<u>\$ 456,072</u>	<u>\$ 122,271</u>	<u>\$ 5,021</u>
Liabilities:				
Accounts payable	\$ 5,447	\$ 1,363	\$ -	\$ -
Accrued liabilities	-	113	-	-
Deposits payable	2,604,692	320,224	122,271	21
Due to other governments	-	134,372	-	5,000
	<u>-</u>	<u>134,372</u>	<u>-</u>	<u>5,000</u>
Total Liabilities	<u>\$ 2,610,139</u>	<u>\$ 456,072</u>	<u>\$ 122,271</u>	<u>\$ 5,021</u>

CITY OF DOWNEY

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2019

	Columbia Memorial Space	SEAACA	Southeast Water Coalition	Totals
Assets:				
Pooled cash and investments	\$ 150,839	\$ 3,127,155	\$ 63	\$ 6,461,002
Receivables:				
Accounts	-	22,850	-	26,124
Taxes	-	-	-	2,978
Accrued interest	-	-	-	1,549
Prepaid costs	-	9,505	-	9,505
Due from other governments	35,000	70,559	-	108,316
Total Assets	\$ 185,839	\$ 3,230,069	\$ 63	\$ 6,609,474
Liabilities:				
Accounts payable	\$ 11,344	\$ 673,978	\$ -	\$ 692,132
Accrued liabilities	-	489,339	-	489,452
Deposits payable	174,495	1,753,483	63	4,975,249
Due to other governments	-	313,269	-	452,641
Total Liabilities	\$ 185,839	\$ 3,230,069	\$ 63	\$ 6,609,474

CITY OF DOWNEY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Special Deposits				
Assets:				
Pooled cash and investments	\$ 2,497,487	\$ 1,199,988	\$ 1,088,503	\$ 2,608,972
Receivables:				
Accounts	-	18	-	18
Due from other governments	52,252	1,149	52,252	1,149
Total Assets	\$ 2,549,739	\$ 1,201,155	\$ 1,140,755	\$ 2,610,139
Liabilities:				
Accounts payable	\$ 4,766	\$ 954,585	\$ 953,904	\$ 5,447
Deposits payable	2,544,973	1,254,973	1,195,254	2,604,692
Total Liabilities	\$ 2,549,739	\$ 2,209,558	\$ 2,149,158	\$ 2,610,139
Cemetery District				
Assets:				
Pooled cash and investments	\$ 267,612	\$ 441,343	\$ 259,018	\$ 449,937
Receivables:				
Accounts	23,153	-	23,153	-
Taxes	2,658	320	-	2,978
Accrued interest	1,218	331	-	1,549
Due from other governments	6,072	-	4,464	1,608
Total Assets	\$ 300,713	\$ 441,994	\$ 286,635	\$ 456,072
Liabilities:				
Accounts payable	\$ 1,046	\$ 97,410	\$ 97,093	\$ 1,363
Accrued liabilities	168	5,024	5,079	113
Deposits payable	299,499	311,358	290,633	320,224
Due to other governments	-	134,372	-	134,372
Due to other funds	-	-	-	-
Total Liabilities	\$ 300,713	\$ 548,164	\$ 392,805	\$ 456,072
1913 Act Bond				
Assets:				
Pooled cash and investments	\$ 122,271	\$ -	\$ -	\$ 122,271
Total Assets	\$ 122,271	\$ -	\$ -	\$ 122,271
Liabilities:				
Deposits payable	\$ 122,271	\$ -	\$ -	\$ 122,271
Total Liabilities	\$ 122,271	\$ -	\$ -	\$ 122,271
Elm Vista				
Assets:				
Pooled cash and investments	\$ 1,765	\$ -	\$ -	\$ 1,765
Receivables:				
Accounts	3,256	-	-	3,256
Total Assets	\$ 5,021	\$ -	\$ -	\$ 5,021
Liabilities:				
Deposits payable	\$ 21	\$ -	\$ -	\$ 21
Due to other governments	5,000	-	-	5,000
Total Liabilities	\$ 5,021	\$ -	\$ -	\$ 5,021
Columbia Memorial Space Learning Center Foundation				
Assets:				
Pooled cash and investments	\$ 156,536	\$ 147,141	\$ 152,838	\$ 150,839
Due from other governments	-	35,000	-	35,000
Total Assets	\$ 156,536	\$ 182,141	\$ 152,838	\$ 185,839
Liabilities:				
Accounts payable	\$ 6,098	\$ 119,429	\$ 114,183	\$ 11,344
Deposits payable	150,438	155,038	130,981	174,495
Total Liabilities	\$ 156,536	\$ 274,467	\$ 245,164	\$ 185,839

CITY OF DOWNEY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>SEAACA</u>				
Assets:				
Pooled cash and investments	\$ 2,073,406	\$ 9,040,530	\$ 7,986,781	\$ 3,127,155
Receivables:				
Accounts	12,854	4,536,872	4,526,876	22,850
Prepaid costs	-	9,505		9,505
Due from other governments	50,405	148,484	128,330	70,559
Total Assets	\$ 2,136,665	\$ 13,735,391	\$ 12,641,987	\$ 3,230,069
Liabilities:				
Accounts payable	\$ 724,959	\$ 6,026,893	\$ 6,077,874	\$ 673,978
Accrued liabilities	499,526	3,587,600	3,597,787	489,339
Deposits payable	912,180	1,014,693	173,390	1,753,483
Due to other governments	-	313,269	-	313,269
Total Liabilities	\$ 2,136,665	\$ 10,942,455	\$ 9,849,051	\$ 3,230,069
<u>Southeast Water Coalition</u>				
Assets:				
Pooled cash and investments	\$ 195,108	\$ 63	\$ 195,108	\$ 63
Total Assets	\$ 195,108	\$ 63	\$ 195,108	\$ 63
Liabilities:				
Accounts payable	\$ 2,303	\$ 192,805	\$ 195,108	\$ -
Deposits payable	192,805	63	192,805	63
Total Liabilities	\$ 195,108	\$ 192,868	\$ 387,913	\$ 63
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 5,314,185	\$ 10,829,065	\$ 9,682,248	\$ 6,461,002
Receivables:				
Accounts	39,263	4,536,890	4,550,029	26,124
Taxes	2,658	320	-	2,978
Accrued interest	1,218	331	-	1,549
Due from other governments	108,729	184,633	185,046	108,316
Total Assets	\$ 5,466,053	\$ 15,560,744	\$ 14,417,323	\$ 6,609,474
Liabilities:				
Accounts payable	\$ 739,172	\$ 7,391,122	\$ 7,438,162	\$ 692,132
Accrued liabilities	499,694	3,592,624	3,602,866	489,452
Deposits payable	4,222,187	2,736,125	1,983,063	4,975,249
Due to other governments	5,000	447,641	-	452,641
Total Liabilities	\$ 5,466,053	\$ 14,167,512	\$ 13,024,091	\$ 6,609,474

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STATISTICAL SECTION

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2019

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.....	142
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.....	153
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	160
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.....	167
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.....	170

CITY OF DOWNEY

NET POSITION BY COMPONENT
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14
Governmental Activities:					
Net investment in capital assets	\$ 177,580	\$ 188,044	\$ 193,698	\$ 189,490	\$ 193,071
Restricted	39,029	35,023	26,298	29,332	26,203
Unreserved	25,557	11,490	33,582	31,965	48,162
Total governmental activities	242,166	234,557	253,578	250,787	267,436
Business-type Activities:					
Net investment in capital assets	35,211	35,675	34,378	34,116	41,719
Restricted	3,706	3,816	4,259	4,224	1,478
Unrestricted	10,215	2,336	(769)	3,602	5,941
Total business-type activities	49,132	41,827	37,868	41,942	49,138
Primary Government:					
Net investment in capital assets	212,791	223,719	228,076	223,606	234,790
Restricted	42,735	38,839	30,557	33,556	27,681
Unassigned	35,772	13,826	32,813	35,567	54,103
Total primary government	291,298	276,384	291,446	292,729	316,574

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

CITY OF DOWNEY

NET POSITION BY COMPONENT
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Governmental Activities:					
Net investment in capital assets	\$ 206,576	211,020	212,244	151,973	191,436
Restricted	23,592	30,009	30,653	82,066	78,437
Unreserved	<u>(98,403)</u>	<u>(103,853)</u>	<u>(109,605)</u>	<u>(173,874)</u>	<u>(184,334)</u>
Total governmental activities	<u>131,765</u>	<u>137,176</u>	<u>133,292</u>	<u>60,165</u>	<u>85,539</u>
Business-type Activities:					
Net investment in capital assets	34,744	35,577	35,265	64,401	73,287
Restricted	469	469	469	36,006	35,064
Unrestricted	<u>1,084</u>	<u>6,032</u>	<u>11,124</u>	<u>(23,706)</u>	<u>(25,220)</u>
Total business-type activities	<u>36,297</u>	<u>42,078</u>	<u>46,858</u>	<u>76,701</u>	<u>83,131</u>
Primary Government:					
Net investment in capital assets	241,320	246,597	247,509	216,374	264,723
Restricted	24,061	30,478	31,122	118,072	113,501
Unassigned	<u>(97,319)</u>	<u>(97,821)</u>	<u>(98,481)</u>	<u>(197,580)</u>	<u>(209,554)</u>
Total primary government	<u>168,062</u>	<u>179,254</u>	<u>180,150</u>	<u>136,866</u>	<u>168,670</u>

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

CITY OF DOWNEY

CHANGES IN NET POSITION - EXPENSES AND PROGRAM REVENUES
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14
Expenses					
Governmental Activities:					
General government	\$ 7,588	\$ 7,594	\$ 7,768	7,242	12,856
Public safety	46,420	50,482	51,958	46,414	52,127
Public works	8,013	5,849	6,767	7,349	10,209
Community services	8,420	9,041	9,314	8,959	5,821
Community development	10,543	13,825	8,481	5,821	5,115
Transit	3,469	5,954	4,927	3,992	3,317
Unallocated infrastructure depreciation	5,064	5,481	5,640	5,717	-
Interest on long term debt	1,933	2,130	1,541	46	1,052
Total expenses for governmental activities	<u>91,450</u>	<u>100,356</u>	<u>96,396</u>	<u>85,540</u>	<u>90,497</u>
Business-type Activities:					
Water	11,829	10,432	12,207	10,117	12,102
Golf	2,847	2,693	2,842	2,772	3,054
Sewer and Storm Drain					
Total expenses for business-type activities	<u>14,676</u>	<u>13,125</u>	<u>15,049</u>	<u>12,889</u>	<u>15,156</u>
Total expenses for primary government	<u>106,126</u>	<u>113,481</u>	<u>111,445</u>	<u>98,429</u>	<u>105,653</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	162	190	179	104	5,109
Public safety	4,951	4,014	5,234	5,996	4,550
Public works	2,410	2,134	1,173	3,111	2,045
Community services	2,078	2,187	2,414	2,452	2,766
Community development	1,580	3,806	1,443	1,301	1,080
Operating grants and contributions	7,190	8,818	9,131	8,468	9,981
Capital grants and contributions	7,528	6,500	6,330	4,279	981
Total revenues for governmental activities	<u>25,899</u>	<u>27,649</u>	<u>25,904</u>	<u>25,711</u>	<u>26,512</u>
Business-type Activities:					
Charges for services:					
Water	8,408	8,366	11,104	15,194	18,104
Golf	2,625	2,547	2,706	2,639	2,765
Sewer and Storm Drain					
Operating grants and contributions	-	2,004	-	-	-
Total revenues for business-type activities	<u>11,033</u>	<u>12,917</u>	<u>13,810</u>	<u>17,833</u>	<u>20,869</u>
Total revenues for primary government	<u>36,932</u>	<u>40,566</u>	<u>39,714</u>	<u>43,544</u>	<u>47,381</u>
Net (Expenses)/Revenues:					
Governmental activities	(65,551)	(72,707)	(70,492)	(59,829)	(63,985)
Business-type activities	<u>(3,643)</u>	<u>(208)</u>	<u>(1,239)</u>	<u>4,944</u>	<u>5,713</u>
Total net position for primary government	<u>(69,194)</u>	<u>(72,915)</u>	<u>(71,731)</u>	<u>(54,885)</u>	<u>(58,272)</u>

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

CITY OF DOWNEY

CHANGES IN NET POSITION - EXPENSES AND PROGRAM REVENUES
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
Expenses					
Governmental Activities:					
General government	12,419	14,884	14,735	10,530	13,340
Public safety	54,196	58,397	65,666	70,552	74,434
Public works	13,598	15,479	15,486	15,075	13,289
Community services	6,703	7,975	9,404	10,152	13,171
Community development	4,893	7,257	5,870	7,626	6,856
Transit	-	-	-	-	-
Unallocated infrastructure depreciation	-	-	-	-	-
Interest on long term debt	1,617	1,662	1,704	2,588	3,298
Total expenses for governmental activities	<u>93,426</u>	<u>105,654</u>	<u>112,865</u>	<u>116,523</u>	<u>124,388</u>
Business-type Activities:					
Water	12,355	10,580	11,376	15,881	14,157
Golf	3,188	2,667	2,794	2,899	2,853
Sewer and Storm Drain	-	-	-	4,102	3,657
Total expenses for business-type activities	<u>15,543</u>	<u>13,247</u>	<u>14,170</u>	<u>22,882</u>	<u>20,667</u>
Total expenses for primary government	<u>108,969</u>	<u>118,901</u>	<u>127,035</u>	<u>139,405</u>	<u>145,055</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	5,530	6,436	7,700	7,674	8,477
Public safety	3,980	5,136	4,650	5,244	5,102
Public works	2,950	5,545	4,332	1,157	3,566
Community services	2,977	3,233	3,561	2,166	2,137
Community development	1,307	1,550	1,408	1,232	1,025
Operating grants and contributions	12,690	15,108	13,548	9,853	11,678
Capital grants and contributions	1,503	2,281	1,805	2,195	8,281
Total revenues for governmental activities	<u>30,937</u>	<u>39,289</u>	<u>37,004</u>	<u>29,521</u>	<u>40,266</u>
Business-type Activities:					
Charges for services:					
Water	17,399	16,120	16,874	18,026	17,711
Golf	2,763	2,798	2,800	2,947	2,853
Sewer and Storm Drain	-	-	-	1,507	1,471
Operating grants and contributions	-	-	-	388	-
Total revenues for business-type activities	<u>20,162</u>	<u>18,918</u>	<u>19,674</u>	<u>22,868</u>	<u>22,035</u>
Total revenues for primary government	<u>51,099</u>	<u>58,207</u>	<u>56,678</u>	<u>52,389</u>	<u>62,301</u>
Net (Expenses)/Revenues:					
Governmental activities	(62,489)	(66,365)	(75,861)	(87,001)	(84,122)
Business-type activities	<u>4,619</u>	<u>5,671</u>	<u>5,504</u>	<u>(13)</u>	<u>1,368</u>
Total net position for primary government	<u>(57,870)</u>	<u>(60,694)</u>	<u>(70,357)</u>	<u>(87,014)</u>	<u>(82,754)</u>

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

CITY OF DOWNEY

CHANGES IN NET POSITION - GENERAL REVENUES
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 25,938	\$ 24,347	\$ 20,847	\$ 21,116	\$ 21,842
Transient occupancy taxes	936	991	1,123	1,219	1,315
Sales and use taxes	8,942	9,845	10,479	11,925	11,395
Property tax in lieu of sales and use taxes	3,180	3,144	3,959	3,732	4,385
Franchise taxes	2,201	2,340	2,324	2,303	2,282
Utility taxes	7,471	7,094	6,778	7,170	7,562
Other taxes	1,536	1,742	1,351	1,426	1,633
Earning on investments	3,671	1,817	2,281	267	5,189
Gain/(loss) on sales of capital assets	38	25	24	-	-
Miscellaneous	1,938	2,171	2,529	2,782	16,321
Contribution from Successor Agency				-	-
Transfer-in	4,961	5,757	2,619	1,629	1,311
Extraordinary gain	-	-	30,042	-	-
Total governmental activities	<u>60,812</u>	<u>59,273</u>	<u>84,356</u>	<u>53,569</u>	<u>73,235</u>
Business-type Activities:					
Sales taxes	4,074	3,761	4,070	4,310	4,685
Earning on investments	1,022	451	768	164	489
Gain/(loss) on sales of capital assets	2	2	-	2	-
Miscellaneous	60	271	824	135	648
Transfer-in	(4,961)	(5,757)	(2,619)	(1,629)	(1,311)
Total business-type activities	<u>197</u>	<u>(1,272)</u>	<u>3,043</u>	<u>2,982</u>	<u>4,511</u>
Total primary government	<u>61,009</u>	<u>58,001</u>	<u>87,399</u>	<u>56,551</u>	<u>77,746</u>
Changes in Net Position					
Governmental activities	(4,739)	(13,434)	13,864	53,569	9,250
Business-type activities	<u>(3,446)</u>	<u>(1,480)</u>	<u>1,804</u>	<u>2,982</u>	<u>10,224</u>
Total net position for primary government	<u>(8,185)</u>	<u>(14,914)</u>	<u>15,668</u>	<u>56,551</u>	<u>19,474</u>

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

CITY OF DOWNEY

CHANGES IN NET POSITION - GENERAL REVENUES
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 23,152	\$ 24,709	\$ 25,378	\$ 26,976	\$ 28,817
Transient occupancy taxes	1,317	1,629	1,701	1,705	1,537
Sales and use taxes	17,062	20,039	24,606	26,993	31,673
Property tax in lieu of sales and use taxes	4,231	3,349	2,106	9,154	10,384
Franchise taxes	2,257	2,625	2,433	2,670	2,778
Utility taxes	7,595	7,229	7,065	6,735	6,411
Other taxes	1,661	1,903	1,898	2,128	2,516
Earning on investments	3,343	3,738	1,089	1,682	4,173
Gain/(loss) on sales of capital assets	-	45	(112)	-	1,345
Miscellaneous	7,201	4,759	4,806	5,639	4,396
Contribution from Successor Agency	-	-	-	-	-
Transfer-in	1,777	1,359	1,051	148	153
Extraordinary gain	-	-	-	-	14,263
Total governmental activities	<u>69,596</u>	<u>71,384</u>	<u>72,021</u>	<u>83,830</u>	<u>108,446</u>
Business-type Activities:					
Sales taxes	-	-	-	-	-
Earning on investments	458	519	300	500	1,076
Gain/(loss) on sales of capital assets	-	39	(1)	-	14
Miscellaneous	2,291	970	27	176	249
Transfer-in	(1,777)	(1,359)	(1,050)	(147)	(153)
Total business-type activities	<u>972</u>	<u>169</u>	<u>(724)</u>	<u>529</u>	<u>1,186</u>
Total primary government	<u>70,568</u>	<u>71,553</u>	<u>71,297</u>	<u>84,359</u>	<u>109,632</u>
Changes in Net Position					
Governmental activities	7,107	5,019	(3,840)	(3,171)	24,324
Business-type activities	5,591	5,840	4,780	516	2,554
Total net position for primary government	<u>12,698</u>	<u>10,859</u>	<u>940</u>	<u>(2,655)</u>	<u>26,878</u>

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

CITY OF DOWNEY

FUND BALANCES OF GOVERNMENTAL FUNDS
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14
General Fund:					
Reserved	\$ 10,764				
Unreserved	12,355				
Total general fund	<u>23,119</u>				
All Other Governmental Funds:					
Reserved	16,270				
Unreserved, reported in:					
Special Revenue Funds	8,345				
Debt Service Funds	(9,214)				
Capital Project Funds	2,925				
Total all other governmental funds	<u>18,326</u>				
General Fund:					
Nonspendable	-	6,497	8,897	7,118	7,146
Restricted	-	4,260	4,867	4,793	4,877
Assigned	-	-	-	-	15,689
Unassigned	-	10,070	6,123	6,438	7,401
Total general fund	<u>-</u>	<u>20,827</u>	<u>19,887</u>	<u>18,349</u>	<u>35,113</u>
All Other Governmental Funds:					
Nonspendable		3,601	4,570	6,845	-
Restricted		12,837	4,379	5,086	9,683
Assigned		5,620	6,226	6,671	6,298
Unassigned		(7,766)	(45)	(142)	(525)
Total all other governmental funds	<u>-</u>	<u>14,292</u>	<u>15,130</u>	<u>18,460</u>	<u>15,456</u>

Notes:

1. GASB Statement #54 was implemented in 2011; prior years have no comparable data.
2. Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contribution

CITY OF DOWNEY

FUND BALANCES OF GOVERNMENTAL FUNDS
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
General Fund:					
Reserved	\$ -	\$ -			
Unreserved	-	-			
Total general fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
All Other Governmental Funds:					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	-
Debt Service Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
Total all other governmental funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General Fund:					
Nonspendable	7,592	7,609	7,413	8,308	8,503
Restricted	-	-	-	-	-
Assigned	17,578	20,003	20,003	-	-
Unassigned	11,922	10,662	7,894	25,553	29,732
Total general fund	<u>37,092</u>	<u>38,274</u>	<u>35,310</u>	<u>33,861</u>	<u>38,235</u>
All Other Governmental Funds:					
Nonspendable	3,279	11	11	-	-
Restricted	6,237	13,935	14,480	65,680	62,336
Assigned	5,092	2,073	3,295	3,490	3,362
Unassigned	760	(2,189)	(3,686)	(1,774)	(1,565)
Total all other governmental funds	<u>15,368</u>	<u>13,830</u>	<u>14,100</u>	<u>67,396</u>	<u>64,133</u>

Notes:

1. GASB Statement #54 was implemented in 2011; prior years have no comparable data.
2. Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contribution

CITY OF DOWNEY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenues:					
Taxes	\$ 50,106	\$ 49,804	\$ 47,785	\$ 50,163	\$ 52,054
License and permits	1,269	1,107	1,094	1,171	1,390
Fines and forfeitures	1,803	1,552	1,507	1,362	1,435
Investment and rental	5,011	3,360	2,639	750	4,785
Intergovernmental revenue	12,205	11,892	11,404	8,469	9,846
Charges for services	7,883	8,740	9,795	11,209	12,379
Other revenue	3,200	5,505	3,211	3,901	16,401
Total revenues	<u>81,477</u>	<u>81,960</u>	<u>77,435</u>	<u>77,025</u>	<u>98,290</u>
Expenditures:					
Current:					
General government	6,296	6,565	6,293	6,533	12,660
Public safety	44,786	45,231	46,585	43,917	44,837
Public works	7,064	7,296	7,482	5,535	10,040
Community services	7,748	7,793	8,065	8,012	4,990
Community development	11,471	14,411	9,304	5,816	4,013
ERAF payment	-	-	-	-	-
Capital outlay	9,582	12,476	8,200	5,381	6,593
Debt service:					
Principal	485	500	510	250	250
Interest and fiscal charges	2,267	2,270	1,581	51	38
Total expenditures	<u>89,699</u>	<u>96,542</u>	<u>88,020</u>	<u>75,495</u>	<u>83,421</u>
Excess of revenues over (under) expenditures	<u>(8,222)</u>	<u>(14,582)</u>	<u>(10,585)</u>	<u>1,530</u>	<u>14,869</u>
Other Financing Sources (Uses):					
Transfers in	12,750	16,487	6,094	4,219	3,926
Transfers out	(7,798)	(9,656)	(4,175)	(4,735)	(5,709)
Proceeds from long-term debt	-	-	-	-	-
Capital Leases	-	-	-	-	-
Sale of property	-	-	124	248	-
Issuance of debt	1,296	1,425	1,349	-	600
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>6,248</u>	<u>8,256</u>	<u>3,392</u>	<u>(268)</u>	<u>(1,183)</u>
Extraordinary Gain	<u>-</u>	<u>-</u>	<u>4,233</u>	<u>530</u>	<u>-</u>
Net change in fund balances	(1,974)	(6,326)	(2,960)	1,792	13,686
Fund balances - July 1	<u>43,419</u>	<u>41,445</u>	<u>37,977</u>	<u>35,017</u>	<u>36,883</u>
Fund balances - June 30	<u>41,445</u>	<u>35,119</u>	<u>35,017</u>	<u>36,809</u>	<u>50,569</u>
Debt service as a percentage of noncapital expenditures	3.48%	3.15%	2.66%	0.42%	0.37%

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

CITY OF DOWNEY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues:					
Taxes	\$ 57,363	\$ 61,521	\$ 65,130	\$ 76,104	\$ 84,299
License and permits	1,726	2,173	1,999	1,837	1,486
Fines and forfeitures	1,512	1,856	2,851	3,051	3,456
Investment and rental	1,784	2,046	1,497	1,918	4,769
Intergovernmental revenue	14,945	17,304	15,333	12,167	13,325
Charges for services	12,280	14,094	14,213	13,262	13,535
Other revenue	5,883	6,119	6,183	6,954	12,579
Total revenues	<u>95,493</u>	<u>105,113</u>	<u>107,206</u>	<u>115,293</u>	<u>133,449</u>
Expenditures:					
Current:					
General government	10,789	12,091	11,387	10,786	11,649
Public safety	46,683	51,103	56,712	58,694	62,543
Public works	12,983	14,431	14,707	13,835	11,781
Community services	5,862	6,413	8,540	9,263	11,950
Community development	4,412	6,097	5,430	7,236	6,929
ERAF payment	-	-	-	-	-
Capital outlay	13,264	16,794	13,272	8,309	36,176
Debt service:					
Principal	645	460	611	681	2,844
Interest and fiscal charges	975	1,630	1,652	2,696	3,513
Total expenditures	<u>95,613</u>	<u>109,019</u>	<u>112,311</u>	<u>111,500</u>	<u>147,385</u>
Excess of revenues over (under) expenditures	<u>(120)</u>	<u>(3,906)</u>	<u>(5,105)</u>	<u>3,793</u>	<u>(13,936)</u>
Other Financing Sources (Uses):					
Transfers in	9,118	9,210	5,820	5,552	11,126
Transfers out	(8,341)	(7,823)	(4,770)	(6,216)	(5,148)
Proceeds from long-term debt	-	-	-	51,949	3,000
Capital Leases	-	-	-	-	3,433
Sale of property	-	-	-	-	-
Issuance of debt	-	668	705	744	-
Sale of capital assets	350	2,163	700	-	2,514
Total other financing sources (uses)	<u>1,127</u>	<u>4,218</u>	<u>2,455</u>	<u>52,028</u>	<u>14,925</u>
Net change in fund balances	1,007	312	(2,650)	55,821	989
Fund balances - July 1	<u>52,747</u>	<u>51,793</u>	<u>52,060</u>	<u>45,436</u>	<u>101,378</u>
Fund balances - June 30	<u>53,754</u>	<u>52,105</u>	<u>49,410</u>	<u>101,257</u>	<u>102,367</u>
Debt service as a percentage of noncapital expenditures	1.97%	2.22%	2.30%	3.26%	5.76%

Note: Transit was transferred to governmental activities during fiscal year 2014-15. Transit revenues are grouped under operating grants and contributions.

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CITY OF DOWNEY
 ASSESSED VALUATION
 (amounts expressed in thousands)
 Last Ten Fiscal Years

Fiscal Year	Secured	Public Utilities	Less Exemptions	Net Total Secured	Unsecured	Less Exemptions	Net Total Unsecured	Net Total Unsecured and Secured	Percent Increase (Decrease)
2009-10	8,841,370	830	490,116	8,352,084	394,365	151,075	243,290	8,595,374	-3.92%
2010-11	8,759,484	830	494,685	8,265,629	330,020	98,691	231,329	8,496,958	-1.14%
2011-12	8,919,763	560	502,197	8,418,126	333,631	104,910	228,721	8,646,847	1.76%
2012-13	9,054,262	560	525,164	8,529,658	440,018	148,762	291,256	8,820,914	2.01%
2013-14	9,558,959	560	722,297	8,837,222	415,315	154,317	260,998	9,098,220	3.14%
2014-15	9,898,550	560	694,759	9,204,351	438,298	117,035	321,263	9,525,614	4.70%
2015-16	10,318,316	560	715,185	9,603,691	546,557	151,877	394,680	9,998,371	4.96%
2016-17	10,914,243	560	724,987	10,189,816	507,620	112,353	395,267	10,585,083	5.87%
2017-18	11,461,902	1,011	716,615	10,746,298	379,305	45	379,260	11,125,558	5.11%
2018-19	12,239,422	1,011	786,926	11,453,507	428,769	117,407	311,362	11,764,869	5.75%

Note: Homeowner Exemptions are not included in Total Exemptions.

CITY OF DOWNEY

ASSESSED VALUE OF TAXABLE PROPERTY
(amounts expressed in thousands)

Last Ten Fiscal Years

	2009-10	2010-11	2011-12	2012-13	2013-14
Residential	\$ 6,695,739	\$ 6,603,986	\$ 6,712,488	\$6,813,822	\$ 7,042,493
Commercial	1,048,645	1,048,624	1,062,528	1,102,810	1,131,294
Industrial	369,515	372,651	376,634	365,085	396,484
Government owned					
Institutional	47,219	46,807	45,773	55,963	62,578
Miscellaneous	13	13	13	13	13
Recreational	25,189	25,080	25,184	25,643	25,780
Unknown	25,298	25,238	25,428	487	3,384
Vacant Land	22,582	26,544	52,680	46,386	44,154
SBE Nonunitary	830	830	560	560	560
Possessory Int.	117,054	115,856	116,837	118,890	130,482
Unsecured	243,290	231,329	228,721	291,256	260,999
Exempt	-	-	-	-	-
TOTALS	8,595,374	8,496,958	8,646,846	8,820,915	9,098,221
Total Direct Rate	0.1952%	0.1812%	0.1802%	0.1815%	0.1387%

Note: Exempt values are not included in Total.

CITY OF DOWNEY

ASSESSED VALUE OF TAXABLE PROPERTY
(amounts expressed in thousands)

Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
Residential	\$ 7,393,326	\$ 7,803,812	\$ 8,284,859	\$ 8,709,975	\$ 9,232,913
Commercial	1,144,938	1,191,137	1,277,960	1,400,109	1,447,981
Industrial	378,085	312,043	321,456	334,314	396,068
Government owned			620	632	1,025
Institutional	65,961	66,176	70,995	76,903	96,087
Miscellaneous	2,458	1,012	1,027	3,549	3,619
Recreational	25,860	26,516	31,953	32,592	98,867
Unknown	499	509	517	527	
Vacant Land	59,703	67,132	61,299	46,663	39,308
SBE Nonunitary	560	560	560	1,011	1,011
Possessory Int.	132,961	0	138,570	140,024	136,628
Unsecured	321,263	394,680	395,266	379,260	311,363
Exempt	-	(83,552)	(82,326)	(82,336)	(82,245)
TOTALS	9,525,614	9,863,577	10,585,082	11,125,559	11,764,870
Total Direct Rate	0.1390%	0.1393%	0.1396%	0.1396%	0.1401%

Note: Exempt values are not included in Total.

CITY OF DOWNEY

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rate per \$100 of Taxable Value)

Last Ten Fiscal Years

	2009-10	2010-11	2011-12	2012-13	2013-14
Basic Levy 1					
City of Downey Tax District 1	0.13970	0.13970	0.14125	0.13970	0.13970
Cerritos Community College District	0.02625	0.02620	0.02625	0.02620	0.02620
Childrens Institutional Tuition Fund	0.00291	0.00291	0.00291	0.00291	0.00291
County Sanitation District No. 2 Operating	0.01395	0.01394	0.01395	0.01394	0.01394
County School Service Fund-Downey	0.00743	0.00743	0.00743	0.00743	0.00743
County School Service	0.00146	0.00146	0.00146	0.00146	0.00146
Development Ctr For Handicapped Minors	0.00052	0.00052	0.00052	0.00052	0.00052
Downey Cemetery District	0.00089	0.00089	0.00089	0.00089	0.00089
Downey Unified School District	0.21536	0.21540	0.21536	0.21540	0.21540
Educational Augmentation Fund Impound	0.16308	0.16310	0.16308	0.16310	0.16310
Educational Revenue Augmentation	0.07340	0.07340	0.07154	0.07340	0.07340
Great L.A. County Vector Control Dist	0.00039	0.00039	0.00039	0.00039	0.00039
L. A. County Accum Cap Outlay	0.00012	0.00012	0.00012	0.00012	0.00012
L. A. County Fire	0.00768	0.00768	0.00768	0.00768	0.00768
L. A. County Flood Ctrl Drain Imp Dist Maint	0.00183	0.00183	0.00183	0.00183	0.00183
L. A. County Flood Ctrl Maintenance	0.01035	0.01035	0.01035	0.01035	0.01035
L. A. County General	0.33450	0.33450	0.33481	0.33450	0.33450
Water Replenishment District of Southern Calif	0.00018	0.00018	0.00018	0.00018	0.00018
Total Basic Levy Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Cerritos Community College Dist	0.01854	0.02677	0.01782	0.02594	0.02502
Compton Community College Dist	0.01296	0.01487	0.01481	0.01531	0.00963
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Downey Unified School District	0.06507	0.07018	0.06725	0.07132	0.06603
LA Community College District	0.02311	0.04031	0.03530	0.03756	0.04454
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.07233	0.07647	0.05286	0.06942	0.08537
Los Angeles Unified School District	0.15181	0.18695	0.16819	0.17560	0.14644
Metropolitan Water District	0.00430	0.00370	0.00370	0.00350	0.00350
Montebello Unified School District	0.09673	0.09792	0.10001	0.09630	0.09457
Norwalk-La Mirada Unified	0.06110	0.06197	0.06496	0.06997	0.07238
Rio Hondo Community College Dist	0.02714	0.03439	0.03418	0.02812	0.02892
Whittier Union High School Dist	0.04224	0.04239	0.04317	0.04556	0.04473
Total Voter Approved Rate	0.57533	0.65592	0.60225	0.63860	0.62113
TOTAL DIRECT & OVERLAPPING2 TAX RATE	1.57533	1.65592	1.60225	1.63860	1.62113
Rate producing Revenue for City and Redevelopment Agency (RDA)					
City General Fund Direct Rate 3	0.13973	0.13973	0.13973	0.013973	0.01397
RDA Incremental Rate 4	1.00430	1.00370	1.00370	-	-
Total Direct Rate5	0.19517	0.18514	0.18102	0.18154	0.13874

Notes:

1. In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged tax as a percentage of assessed property values for the payment of any voter approved bonds.

2. Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

3. City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

4. Redevelopment Rate is based on the largest RDA tax rate area (RA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rate are applied only to the incremental property values. The approved of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

5. Because basic and debt and rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

CITY OF DOWNEY
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 (Rate per \$100 of Taxable Value)

Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
Basic Levy 1					
City of Downey Tax District 1	0.13970	0.13970	0.13970	0.13970	0.13970
Cerritos Community College District	0.02620	0.02620	0.02620	0.02620	0.02620
Childrens Institutional Tuition Fund	0.00291	0.00291	0.00291	0.00291	0.00291
County Sanitation District No. 2 Operating	0.01394	0.01394	0.01394	0.01394	0.01394
County School Service Fund-Downey	0.00743	0.00743	0.00743	0.00743	0.00743
County School Service	0.00146	0.00146	0.00146	0.00146	0.00146
Development Ctr For Handicapped Minors	0.00052	0.00052	0.00052	0.00052	0.00052
Downey Cemetery District	0.00089	0.00089	0.00089	0.00089	0.00089
Downey Unified School District	0.21540	0.21540	0.21540	0.21540	0.21540
Educational Augmentation Fund Impound	0.16310	0.16310	0.16310	0.16310	0.16310
Educational Revenue Augmentation	0.07340	0.07340	0.07340	0.07340	0.07340
Great L.A. County Vector Control Dist	0.00039	0.00039	0.00039	0.00039	0.00039
L. A. County Accum Cap Outlay	0.00012	0.00012	0.00012	0.00012	0.00012
L. A. County Fire	0.00768	0.00768	0.00768	0.00768	0.00768
L. A. County Flood Ctrl Drain Imp Dist Maint	0.00183	0.00183	0.00183	0.00183	0.00183
L. A. County Flood Ctrl Maintenance	0.01035	0.01035	0.01035	0.01035	0.01035
L. A. County General	0.33450	0.33450	0.33450	0.33450	0.33450
Water Replenishment District of Southern Calif	0.00018	0.00018	0.00018	0.00018	0.00018
Total Basic Levy Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Cerritos Community College Dist	0.04809	0.04829	0.04698	0.04370	0.04446
Compton Community College Dist	0.00987	0.00926	0.00920	0.00954	0.02335
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Downey Unified School District	0.06549	0.11466	0.11473	0.10538	0.10113
LA Community College District	0.04017	0.03575	0.03596	0.04599	0.04621
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.07964	0.06522	0.07527	0.07876	0.07611
Los Angeles Unified School District	0.14688	0.12971	0.13110	0.12219	0.12323
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Montebello Unified School District	0.08750	0.08715	0.14705	0.13514	0.13921
Norwalk-La Mirada Unified	0.07063	0.14114	0.13400	0.13818	0.13425
Rio Hondo Community College Dist	0.02821	0.02712	0.02808	0.02748	0.02554
Whittier Union High School Dist	0.05270	0.05063	0.06035	0.05781	0.05822
Total Voter Approved Rate	0.63268	0.71244	0.78621	0.76768	0.77521
TOTAL DIRECT & OVERLAPPING2 TAX RATE	1.63268	1.71244	1.78621	1.76768	1.77522
Rate producing Revenue for City and Redevelopment Agency (RDA)					
City General Fund Direct Rate 3	0.013973	0.013973	0.013973	0.013973	0.13973
RDA Incremental Rate 4	-	-	-	-	-
Total Direct Rate5	0.13987	0.14008	0.14043	0.14028	0.14013

Notes:

1. In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, property owners are charged tax as a percentage of assessed property values for the payment of any voter approved bonds.

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4. Redevelopment Rate is based on the largest RDA tax rate area (RA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rate are applied only to the incremental property values. The approved of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

5. Because basic and debt and rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

CITY OF DOWNEY

PRINCIPAL PROPERTY TAX PAYERS
(amounts expressed in thousands)

Current Year and Nine Years Prior

Taxpayer	2018-19		2009-10	
	Taxable Assessed Value	% of Total City Taxable Assessed Value	Taxable Assessed Value	% of Total City Taxable Assessed Value
US VI Downey LLC	138,757	1.18%	-	-
Gary L. Ball Trust	113,366	0.96%	102,002	1.19%
Downey Landing LLC	98,796	0.84%	46,746	0.54%
Kaiser Foundation Health Plan, Inc.	93,428	0.79%	48,381	0.56%
PRC Multi-Family LLC	91,380	0.78%	30,875	0.36%
Macerich Stonewood LLC	61,270	0.52%	48,191	0.56%
Lone Oak-Downey, LLC	51,620	0.44%	-	-
Fremont Rancho Limited	48,025	0.41%	42,433	0.49%
Hall Stewart and Gray Road LLC	47,000	0.40%	-	-
RLJ II EM Downey LP	40,892	0.35%	34,272	0.40%
Top Ten Total	<u>784,534</u>	<u>6.67%</u>	<u>352,900</u>	<u>4.10%</u>

Note: The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

CITY OF DOWNEY

PROPERTY TAX LEVIES AND COLLECTIONS
(amounts expressed in thousands)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Current Tax Collected Amount	Percent of Levy Collected	Collections in Subsequent Fiscal Year	Total Collections to Date	
					Tax Collected Amount	Percent of Total Tax Collections
2009-10	11,870	11,842	99.76%	28	11,870	100.00%
2010-11	11,029	10,934	99.14%	95	11,029	100.00%
2011-12	12,323	10,823	87.83%	10	10,833	87.91%
2012-13	12,407	12,407	100.00%	-	12,407	100.00%
2013-14	12,710	12,313	96.88%	38	12,351	97.18%
2014-15	13,307	13,142	98.76%	165	13,307	100.00%
2015-16	13,587	13,164	96.89%	26	13,190	97.08%
2016-17	14,416	14,241	98.79%	26	14,267	98.97%
2017-18	15,165	15,140	99.84%	3	15,143	99.85%
2018-19	16,050	15,301	95.33%	4	15,305	95.36%

CITY OF DOWNEY

RATIOS OF OUTSTANDING DEBT BY TYPE
(amounts expressed in thousands)

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita	
	Bonds	Certificates of Participation	Other	Total Governmental Activities	Capital Lease Agreement*	Other				Total Business-type Activities
2009-10	27,614	-	26,162	53,776	8,043	-	8,043	61,819	2491.5%	549
2010-11	27,186	-	29,342	56,528	7,729	-	7,729	64,257	2637.5%	568
2011-12	19,535	-	12,936	32,471	7,401	-	7,401	39,872	1640.5%	351
2012-13	19,260	-	13,353	32,613	7,149	-	7,149	39,762	1577.1%	354
2013-14	18,933	-	13,893	32,826	6,783	-	6,783	39,609	1530.8%	351
2014-15	18,545	-	13,949	32,494	5,875	-	5,875	38,369	2349.6%	537
2015-16	18,092	-	16,165	34,257	5,480	-	5,480	39,737	2719.7%	625
2016-17	17,569	-	16,630	34,199	5,070	-	5,070	39,269	1495.8%	344
2017-18	67,580	-	17,470	85,050	4,645	281	4,926	89,976	3404.6%	790
2018-19	64,691	-	9,321	74,012	4,200	213	4,413	78,425	2840.1%	687

* Capital lease agreement was issued to prepay the 2002 Certificates of Participation

CITY OF DOWNEY

RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
(amounts expressed in thousands)

Last Ten Fiscal Years

Calendar Year	Population	Assessed Value (in thousands)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2009-10	113,053	8,595	61,819	-	61,819	719.2%	54.7%
2010-11	113,715	8,497	64,257	-	64,257	756.2%	56.5%
2011-12	112,201	8,647	39,872	-	39,872	461.1%	35.5%
2012-13	112,761	8,821	39,762	-	39,762	450.8%	35.3%
2013-14	113,363	9,098	39,609	-	39,609	435.3%	34.9%
2014-15	113,417	9,526	38,369	-	38,369	402.8%	33.8%
2015-16	114,181	9,998	39,737	-	39,737	397.4%	34.8%
2016-17	113,832	10,585	39,269	-	39,269	371.0%	34.5%
2017-18	114,146	11,126	89,976	-	89,976	808.7%	78.8%
2018-19	114,212	11,765	78,425	-	78,425	666.6%	68.7%

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CITY OF DOWNEY
SCHEDULE OF DIRECT AND OVERLAPPING DEBT

June 30, 2019

City Assessed Valuation		\$ 11,764,870,372	
Incremental Valuation		(685,802,612)	
Total Assessed Valuation		<u>\$ 11,079,067,760</u>	
Debt to Assessed Valuation Ratios:	Direct Debt	0.67%	
	Overlapping Debt	2.71%	
	Total Debt	3.38%	
	Gross Bonded Debt Balance 6/30/2019	Percent Applicable to City of Downey	Net Bonded Debt
Metropolitan Water District*	23,317,224	0.910	\$ 212,243
Little Lake City SD DS 00SR D-1QSCBS	6,035,000	3.403	\$ 205,393
Little Lake City SD DS 2011 Refunding Bond	4,479,901	3.403	\$ 152,467
Little Lake City SD DS 2012 Series A	4,480,000	3.403	\$ 152,471
Little Lake City SD DS 2014 Ref Bonds Series A	5,315,000	3.403	\$ 180,889
Little Lake City SD DS 2014 Ref Bonds Series B	4,125,000	3.403	\$ 140,389
Little Lake City SD DS 2012 Series B	11,790,000	3.403	\$ 401,257
Whittier UN High DS 2008 Series 2009A	355,682	0.557	\$ 1,980
Whittier UN High DS 2008 Series 2014B	10,745,000	0.557	\$ 59,812
Whittier UN High DS 2008 Series 2015C	57,875,000	0.557	\$ 322,162
Whittier UN High DS 2015 Ref Bonds	65,658,679	0.557	\$ 365,490
Cerritos CCD DS 2004 Series 2009C	1,360,000	24.015	\$ 326,606
Cerritos CCD DS 2004 Series 2012D	80,556,991	24.015	\$ 19,345,890
Cerritos CCD DS 2012 Series 2014A	73,900,000	24.015	\$ 17,747,203
Cerritos CCD DS 2014 Refunding Bonds Series A	77,305,000	24.015	\$ 18,564,919
Cerritos CCD DS 2014 Refunding Bonds Series B	11,900,000	24.015	\$ 2,857,804
Cerritos CCD DS 2012 Series 2018B	168,430,000	24.015	\$ 40,448,734
Compton CCD DS 2002 Series 2008A	320,000	0.675	\$ 2,159
Compton CCD DS 2002 Series 2012C	14,301,318	0.675	\$ 96,480
Compton CCD DS 2012 Ref Bonds	9,545,000	0.675	\$ 64,393
Compton CCD DS 2002 Series 2013D	16,407,909	0.675	\$ 110,691
Compton CCD DS 2014 Ref	16,360,000	0.675	\$ 110,368
Compton CCD DS 2015 Ref Bonds	12,485,000	0.675	\$ 84,226
Compton CCD DS 2014 Series A	50,440,677	0.675	\$ 340,284
LA CCD DS 2003 Taxable Series 2004B	2,115,000	0.004	\$ 78
LA CCD DS 2001 Taxable Series 2004A	31,555,000	0.004	\$ 1,164
LA CCD DS 2008, 2009 Taxable Series B	75,000,000	0.004	\$ 2,766
LA CCD DS 2008, 2010 Taxable Series D	125,000,000	0.004	\$ 4,610
LA CCD Debt 2008, 2010 Tax Ser E (BABS)	900,000,000	0.004	\$ 33,192
LA CCD DS 2008 2012 Series F	202,000,000	0.004	\$ 7,450
LA CCD DS 2013 Ref Bonds	38,945,000	0.004	\$ 1,436
LA CCD DS 2008 Series G	212,070,000	0.004	\$ 7,821
LA CCD DS 2015 Ref Series A	1,429,435,000	0.004	\$ 52,717
LA CCD DS 2015 Ref Series B	28,830,000	0.004	\$ 1,063
LA CCD DS 2015 Ref Series C	252,150,000	0.004	\$ 9,299
LA CCD DS 2008 Series 1	210,570,000	0.004	\$ 7,766
LA CCD DS 2008 Series J	174,965,000	0.004	\$ 6,453
LA CCD DS 2016 Ref Bonds	247,755,000	0.004	\$ 9,137
Rio Hondo CCD DS 2005 Refunding Bonds	4,085,000	0.355	\$ 14,519
Rio Hondo CCD DS 2004 Series 2008	127,847,824	0.355	\$ 454,389
Downey Unified DS Refunding 1999 Series A	3,440,256	91.738	\$ 3,156,014
Downey USD DS 2007 Ref Bonds	15,000,000	91.738	\$ 13,760,667
Downey USD DS 2011 Refunding Bonds	5,900,000	91.738	\$ 5,412,529
Downey USD DS 2012 Refunding Bonds	11,685,000	91.738	\$ 10,719,559
Downey USD DS 2014 Series A	34,935,000	91.738	\$ 32,048,593
Downey USD DS 2016 Ref Bonds	141,112,984	91.738	\$ 129,453,917
Downey USD DA 2014 Series B	2,955,000	91.738	\$ 2,710,851
Montebello USD DS 1998 Series 1998	3,556,797	0.187	\$ 6,662
Montebello USD DS 1998 Series 1999	6,109,304	0.187	\$ 11,443
Montebello USD DS 1998 Series 2004	6,124,071	0.187	\$ 11,470
Montebello USD DS 1998 Series 2002	5,489,737	0.187	\$ 10,282
Montebello USD DS 2004 Series 2009-1	950,000	0.187	\$ 1,779
Montebello USD DS 2004 Series 2009A-2 BABS	12,640,000	0.187	\$ 23,675
Montebello USD DS 2010 Refunding Bonds	2,320,000	0.187	\$ 4,345
Montebello USD DS Ref 2004 Series 2013A	17,245,000	0.187	\$ 32,300
Montebello USD DS Ref Bond Series 2015	28,215,000	0.187	\$ 52,847
Montebello USD DS Ref Bonds 2016 Series A	14,705,000	0.187	\$ 27,543
Montebello USD DS 2016 Series A	84,765,000	0.187	\$ 158,765
Total Overlapping Debt			300,511,412
Total Direct Debt			73,681,458
Total Direct and Overlapping Debt			<u>374,192,870</u>

Notes:

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

1. 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.

2. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were 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 total taxable assessed value.

CITY OF DOWNEY

SCHEDULE OF LEGAL DEBT MARGIN
(amounts expressed in thousands)

Last Ten Fiscal Years

	2009-10	2010-11	2011-12	2012-13	2013-14
Assessed Valuation	\$ 8,595,374	\$ 8,496,958	\$ 8,496,958	\$ 8,646,847	\$ 8,820,915
Charter Debt Limited (15% of Assessed Valuation)	1,289,306	1,274,544	1,274,544	1,297,027	1,323,137
Amount of debt applicable to debt limit	-	-	-	-	-
Legal Debt Margin	<u>1,289,306</u>	<u>1,274,544</u>	<u>1,274,544</u>	<u>1,297,027</u>	<u>1,323,137</u>
Total Debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation.

CITY OF DOWNEY

SCHEDULE OF LEGAL DEBT MARGIN
(amounts expressed in thousands)

Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
Assessed Valuation	\$ 9,525,614	\$ 9,998,371	\$ 10,585,083	\$ 11,125,558	\$ 11,764,870
Charter Debt Limited (15% of Assessed Valuation)	1,428,842	1,499,756	1,587,762	1,668,834	1,764,731
Amount of debt applicable to debt limit	-	-	-	-	-
Legal Debt Margin	<u>1,428,842</u>	<u>1,499,756</u>	<u>1,587,762</u>	<u>1,668,834</u>	<u>1,764,731</u>
Total Debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation.

CITY OF DOWNEY

GOLF COURSE REVENUE COVERAGE
(amounts expressed in thousands)

Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2009-10	2,654	2,432	222	315	386	701	0.32
2010-11	2,547	2,288	259	325	375	700	0.37
2011-12	3,509	2,283	1,226	370	312	682	1.80
2012-13	2,639	2,414	225	350	349	699	0.32
2013-14	3,325	2,696	629	365	335	700	0.90
2014-15	3,019	2,966	53	475	132	607	0.09
2015-16	3,249	2,453	796	395	210	605	1.32
2016-17	3,128	2,593	535	410	195	605	0.88
2017-18	3,223	2,733	490	425	180	605	0.81
2018-19	3,213	2,703	510	445	163	609	0.84

Note: Direct operating expenses does not include inter-fund transfers and debt services.

CITY OF DOWNEY

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2009	113,053	2,436,265	21,550	9.1%
2010	113,715	2,430,544	21,374	9.9%
2011	112,201	2,521,269	22,471	9.9%
2012	112,761	2,587,414	22,946	8.2%
2013	113,363	2,544,773	22,448	7.6%
2014	113,417	2,589,877	22,835	6.3%
2015	114,181	2,625,354	22,992	6.0%
2016	113,832	2,642,801	23,216	4.6%
2017	114,146	2,761,333	24,191	3.5%
2018	114,212	2,907,308	25,455	4.5%

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CITY OF DOWNEY

PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior

Employer	2018-19		2009-10	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Kaiser Permanente	5,335	14.07%	3,000	6.10%
Downey Unified School District	1,982	5.23%	1,739	3.50%
Stonewood Shopping Center	1,765	4.65%	1,700	3.40%
Rancho Los Amigos Medical Center	1,600	4.22%	1,500	3.00%
PIH Health (formally Downey Regional Medical Center)	1,500	3.95%	955	1.90%
Office of Education, County of Los Angeles	1,200	3.16%	900	1.80%
City of Downey	841	2.22%	-	-
Coca-Cola Bottling Company	800	2.11%	1,000	2.00%
County of Los Angeles, Internal Service Department	712	1.88%	-	-
Lakewood Health Center	450	1.19%	325	0.70%

CITY OF DOWNEY

FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	2009-10	2010-11	2011-12	2012-13	2013-14
General Government	36	36	33	33	31
Police	193	190	166	166	167
Fire	91	90	86	86	94
Community Services	370	383	337	337	379
Public Works	82	83	83	83	74
Community Development	33	28	30	30	21
Total	<u>805</u>	<u>810</u>	<u>735</u>	<u>735</u>	<u>766</u>

Notes:

1. Fire department was authorized to hire 12 paramedic operators upon receipt of Federal grant.
2. Increase to Fire Dept during FY14 & FY15 is due to having Ambulance Operators hired as employees rather than using an Ambulance Contract Service
3. The part time employees hours were reduced to keep them below the requirements for offering insurance benefits. Staffing had to increase to cover the reduction in current staff hours.

CITY OF DOWNEY

FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	2014-15	2015-16	2016-17	2017-18	2018-19
General Government	32	36	38	39	41
Police	161	166	166	181	189
Fire	98 2	89	94	115	105
Community Services	469 3	477	373	441	402
Public Works	76	81	79	79	81
Community Development	21	21	21	23	23
Total	<u>857</u>	<u>870</u>	<u>771</u>	<u>878</u>	<u>841</u>

Notes:

1. Fire department was authorized to hire 12 paramedic operators upon receipt of Federal grant.

2. Increase to Fire Dept during FY14 & FY15 is due to having Ambulance Operators hired in as employees rather than using an Ambulance Contract Service

3. The part time employees hours were reduced to keep them below the requirements for offering insurance benefits. Staffing had to increase to cover the reduction in current staff hours.

CITY OF DOWNEY

OPERATING INDICATORS

Last Ten Fiscal Years

	2009-10	2010-11	2011-12	2012-13	2013-14
Police:					
Number of arrests	4,663	4,663	4,667	3,376	3,368
Number of collision reports issued	1,143	1,143	901	1,135	1,170
Number of traffic citations issued	40,871	40,871	40,741	32,031	35,643
Number of reported crimes & incidents	13,230	13,230	13,891	9,759	8,198
Fire:					
Number of emergency incidents	6,126	6,126	5,086	6,979	6,996
Number of fire & other incidents	1,384	1,384	2,892	1,268	1,363
Number of special service & other incidents	297	297	n/a	171	312
Number of traffic accidents	747	747	312	812	853
Parks and Recreation:					
Number of general park attendance	935,457	935,457	844,896	954,696	1,404,361
Number of participants in theatre	42,882	42,882	40,000	47,943	42,219
Number of library attendance	416,605	416,605	387,656	356,586	363,640
Public works:					
Engineering (CIP related improvement)					
Street striping (lineal feet)	27,000	27,000	n/a	5,798	39,750
Asphalt replacement (tons)	34,000	34,000	n/a	5,201	21,484
Trees planted (each)	127	127	n/a	n/a	n/a
Trees removed (each)	62	62	n/a	151	220
Maintenance					
Pavement markings (square feet)	42,638	42,638	n/a	35,038	57,229
Street striping (linear feet)	272,266	272,266	n/a	260,463	29,751
Asphalt repair (tons)	428	428	400	403	375
Graffiti removed (square feet)	685,482	685,482	200,000	633,950	645,000
Trees trimmed (each)	7,100	7,100	10,208	5,820	8,169
Trees planted (each)	241	241	240	123	204
Trees removed (each)	494	494	290	618	228
Vehicles serviced - preventative maintenance (each)	694	694	152	1,332	455
Vehicles serviced - repairs (each)	911	911	545	849	660
Water:					
Number of customers	22,249	22,249	22,339	23,486	22,961
Annual supply (acre feet)	16,953	16,953	18,347	17,215	17,279
Maximum daily capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000
Sanitary Sewer:					
Sewer main cleaned (no. of miles)	12	12	25	57	45
Vector coating applied to sewer manholes	1,000	1,000	n/a	1,650	1,350
Golf course:					
Golf rounds played	62,154	62,154	61,938	66,276	60,152

CITY OF DOWNEY

OPERATING INDICATORS

Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
Police:					
Number of arrests	3,942	3,947	3,498	3,471	4,516
Number of collision reports issued	1,199	1,280	1,112	1,023	1,055
Number of traffic citations issued	16,008	14,696	14,111	14,085	16,017
Number of reported crimes & incidents	9,331	9,729	8,576	12,839	9,736
Fire:					
Number of emergency incidents	7,346	8,081	7,915	8,114	8,054
Number of fire & other incidents	1,339	1,635	1,689	1,424	1,335
Number of special service & other incidents	410	374	449	416	3,777
Number of traffic accidents	1,026	1,121	1,073	907	1,004
Parks and Recreation:					
Number of general park attendance	1,652,469	2,004,311	1,620,000	1,954,297	1,950,000
Number of participants in theatre	45,869	51,762	45,500	107,130	110,000
Number of library attendance	360,211	371,625	326,941	320,311	181,821
Public works:					
Engineering (CIP related improvement)					
Street striping (lineal feet)	39,218	55,392	93,640	40,205	19,805
Asphalt replacement (tons)	19,998	30,728	39,730	23,150	11,957
Trees planted (each)	437	105	118	106	16
Trees removed (each)	100	332	89	46	0
Maintenance					
Pavement markings (square feet)	38,485	24,985	48,070	41,640	12,386
Street striping (linear feet)	8,721	2,084	803,231	792	0
Asphalt repair (tons)	403	422	450	417	274
Graffiti removed (square feet)	676,623	752,655	581,479	568,449	378,070
Trees trimmed (each)	3,677	8,034	8,889	8,220	8,873
Trees planted (each)	81	95	473	129	544
Trees removed (each)	205	185	145	124	239
Vehicles serviced - preventative maintenance (each)	1,604	1,494	550	1,031	1,113
Vehicles serviced - repairs (each)	656	547	646	532	537
Water:					
Number of customers	23,039	23,341	23,314	23,336	23,482
Annual supply (acre feet)	15,768	13,911	14,352	14,796	14,298
Maximum daily capacity (thousands of gallons)	45,000	45,000	45,000	40,000	40,000
Sanitary Sewer:					
Sewer main cleaned (no. of miles)	35	70	78	77	91
Vector coating applied to sewer manholes	1,650	25	1,650	1,650	1,650
Golf course:					
Golf rounds played	52,828	58,576	65,658	63,574	63,500

CITY OF DOWNEY

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2009-10	2010-11	2011-12	2012-13	2013-14
Public Safety					
Number of Police stations	1	1	1	1	1
Number of Fire stations	4	4	4	4	4
Highways and streets					
Miles of streets	210	210	210	210	210
Traffic signals	115	115	115	116	116
No. of street lights	5,430	5,430	5,430	5,430	5,430
Water					
Number of active water wells	20	20	20	20	20
Number of reservoirs	1	1	1	1	1
Miles of lines & mains	263	263	263	276	276
Sewer					
Miles of sanitary sewer	187	187	187	187	187
Sewer lift station	2	2	2	2	2
Culture and Recreation					
Number of parks	12	12	12	12	12
Number of community centers	1	1	1	1	1
Number of golf course	1-18-hole	1-18-hole	1-18-hole	1-18-hole	1-18-hole

CITY OF DOWNEY

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2014-15	2015-16	2016-17	2017-18	2018-19
Public Safety					
Number of Police stations	1	1	1	1	1
Number of Fire stations	4	4	4	4	4
Highways and streets					
Miles of streets	210	210	210	210	210
Traffic signals	116	116	116	116	116
No. of street lights	5,430	5,430	5,430	5,430	5,430
Water					
Number of active water wells	20	20	20	20	20
Number of reservoirs	1	1	1	1	1
Miles of lines & mains	276	276	276	276	276
Sewer					
Miles of sanitary sewer	193	193	193	193	193
Sewer lift station	2	2	2	1	1
Culture and Recreation					
Number of parks	12	12	12	12	12
Number of community centers	1	1	1	1	1
Number of golf course	1-18-hole	1-18-hole	1-18-hole	1-18-hole	1-18-hole

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discover*Downey*



CITY OF DOWNEY

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www.downeyca.org

