

City of Downey
California

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED JUNE 30, 2021

Mayor and City Council



Claudia M. Frometa
District 4
MAYOR



Blanca Pacheco
District 1
MAYOR PRO TEM



Sean Ashton
District 2
COUNCIL MEMBER



Catherine Alvarez
District 3
COUNCIL MEMBER



Mario Trujillo
District 5
COUNCIL MEMBER

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 Council Priorities

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





ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021

Prepared By

Finance Department

Gilbert A. Livas
City Manager

Anil H. Gandhi
Director of Finance and Information Technology



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INTRODUCTORY SECTION





City of Downey

December 16, 2021

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 Annual Comprehensive Financial Report (ACFR) of the City of Downey for the fiscal year ended June 30, 2021.

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 ACFR 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 ACFR 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 ACFR 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 12.6 square miles and serves a residential population of 114,713 (Census 2020).

The City of Downey was incorporated on December 17, 1956 and on November 5, 1996 became a Charter 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 United States (U.S.) economy is showing signs of a strong recovery from the COVID-19 health crisis. An improving vaccination outlook, faster reopening schedule, and the \$1.9 trillion American Rescue Plan stimulus package, along with a \$900 billion package approved in December, all help provide a positive shift in the U.S. economic outlook. This can be seen by the real gross domestic product (GDP) increasing at an annual rate of 7.8 percent in the third quarter of 2021 according to the Bureau of Economic Analysis.

Additionally, with both business and consumer confidence entering expansions, the S&P Global Ranking forecasts real GDP growth for 2021 and 2022 at 6.5% and 3.1%, respectively, with the 2021 GDP forecast targeting the highest reading since 1984. Though there could be a possible resurgence of the COVID-19 virus in the winter season, the anticipated contraction is not expected to be broad or long-lasting enough to be considered a recession by the National Bureau of Economic Research.

The economic developmental growth of various business industries was greatly affected by COVID-19. However, both national and local governments worked diligently to assist businesses in overcoming new financial difficulties as a result of the pandemic, and lifting economically disadvantaged residents through new unprecedented barriers. In the City of Downey, the City used various stimulus funds to award \$125,000 in small business grants and \$60,000 in Downey Restaurant Parklet Grants, issue 36 Temporary Outdoor Dining Permits and 10 Temporary Outdoor Business Activity Permits, and over \$760,000 in rental assistance to residents. Many of these programs are still ongoing. These efforts substantially help businesses adapt to various health order restrictions, and limit the financial impact to businesses and the overall local economy.

Despite difficulties faced in 2020, the housing market experienced one of the most successful periods in recent history. Additionally, as of October 2021, home sales remain solid as prices level off and low rates continue to provide support to the housing market. According to the California Association of Realtors (C.A.R.), while the market has slowed in recent months, 2021 has outpaced last year's sales thus far and is likely to achieve again by year's end.

While the housing market continues to be immensely profitable, the affordable housing crises continues to be a major issue in California due to record sale prices, and record low inventory. This new housing climate is forcing individuals to no longer pursue the purchase of a home, leaving them to continue renting or resorting to other housing options.

The financial impact to the City if a cooling off of the overall housing market is experienced is that it reduces the rate of ownership changeover and may flatten the growth in property tax revenue that the City receives. Due to California State Prop 13, properties cannot be reassessed at their market values until a change in ownership. However, current spiking in the average housing sold price has stemmed positive increases in property tax revenues for the City.

In regards to unemployment and consumer confidence, the U.S. is demonstrating a steady increase in job growth as it recovers from the pandemic. In October 2021, the unemployment rate was at 4.6 percent according to the U.S. Bureau of Labor Statistics. Job growth was widespread, with notable job gains in leisure and hospitality, in professional and business services, in manufacturing, and in transportation and warehousing. The rate is down from the previous year of October 2020 (6.9 percent), but remains well above their levels prior to the COVID-19 pandemic (3.5 percent in February 2020).

In October 2021, California saw its unemployment monthly rate decrease to 7.3 percent according to the Employment Development Department, which is also significantly down from the 16 percent peak in April 2020. In Downey the unemployment rate as of September 2021 is 7.9 percent. While this number is higher than the pre-pandemic number in March 2020 at 5.2 percent, it is a significant decrease from 18.70 percent during the height of the pandemic. The City sees a continuing trend of unemployment reducing as industries begin to re-open and increase capacity, and the State fully re-opening the economy on June 15.

Consumer spending is slowly recovering. Fortunately, consumer confidence improved in October 2021, reversing a three-month downward trend as concerns about the spread of the Delta variant eased. Additionally, while short-term inflation concerns rose to a 13-year high, the impact on confidence was muted. The proportion of consumers planning to purchase homes, automobiles, and major appliances all increased in October – a sign that consumer spending will continue to support economic growth through the final months of 2021. This positive trend will lead to increases in household spending and investment, and help spur the local economy in Downey.

Though the City is seeing a number of positive trends, it continues to take proactive measures to limit impacts of unexpected financial changes and remain nimble to address financial needs, these actions include limiting ongoing expenditures and full-time hiring, and instituting key projects such as solar energy improvements that will save the City over \$10 million over the next 10 years. Through these efforts the City adopted a balanced budget for FY 2021-22 without the need to draw from its General Fund Reserves. The City will continue to closely monitor its revenues during fiscal year 2021-2022.

In addition to the unpredictable economic hardship resulting from the COVID-19 Pandemic, another challenge facing the City is the City's increasing pension costs. In recent years, CalPERS has made changes that will continue to increase employer retirement costs. Due to these changes, The City's CalPERS retirement costs are expected to increase from \$17,571,858 in Fiscal Year 2021-2022 to \$23,628,2298 in Fiscal Year 2026-27.

In early 2021, the City had the foresight to take a proactive measure of refinancing its CalPERS Unfunded Actuarial Liability (UAL) resulting in a gross savings \$65 million to the City and increasing the City's Pension Funding Level from 67.1 percent to 85 percent. Additionally, in the Fiscal Year 2021-2022 budget, it includes an approximately \$4.2 million decrease in CalPERS required contributions due to this action.

Overall, Downey will continue to navigate through the COVID-19 pandemic and 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 2020-2021

During the 2020-2021 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 of:

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

Notable successes include:

- Successful management of the \$1.4 million in CARES Act monies to support the City's response to the pandemic
- Obtained the ICMA Performance Measure Certification Award
- Increased Social Media Followers by 11%
- Re-Opened Downey City Library
- Upgrade City Financial system hardware and software (operating and database) to the latest version
- Issued \$113,585,000 POB Series 2021 with AA Rating saving the City \$65 million
- Upgraded the Fire Department's Records Management System
- Implemented and trained City Staff on Integrated Public Alert Warning System (IPAWS)
- Implemented police officer tactical medical program to provide emergency treatment to officers and the public in tactical emergency situations
- Held multiple drive-thru, virtual, and other creative programming to engage the Community during the pandemic.
- 77,523 Senior Food Meals distributed
- Completed all Downtown Public Art Projects
- Completed the rehabilitation of 12 owner-occupied homes
- Established Emergency COVID-19 Programs that assisted local businesses and renters with grants.

- Installed rectangular rapid flashing beacons at marked uncontrolled crosswalks at high volume or arterial street locations.
- Balanced the Budget
- Completed the \$65 Million Measure S Neighborhood Improvement Program
- Implement Citywide Active Transportation Plan
- Recognized as a “Tree City USA”

FUTURE INITIATIVES

For FY 2021-2022

The City will continue to foster Economic Vibrancy by promoting and attracting retail, restaurants, and housing developments for the Downtown area. Downey will continue working with Los Angeles County regarding the development of the Rancho Los Amigos South Campus, which will include a five-acre sports park and West Santa Ana Branch Light Rail Station. The ground opening of the sports park is expected to occur in early 2022. The City also plans to initiate plans for the redevelopment of the remaining 20 acres at the Promenade Shopping Center, and the transfer of the historic NASA/Vultee building to the City for the adaptive re-use of the building as a business incubator. Other development projects throughout the City include a façade remodel to an existing 10,500 sq. ft. commercial shopping center at the southwest corner of Imperial Highway and Lakewood Boulevard, and a new 7,800 sq. ft. two –story medical building with modern design on Telegraph Road. Further, the new Marriott-Springhill Suites, a four-story, 140-unit hotel, which includes a fitness gym, a roof-top pool and bar, and a conference room is expected to open in April 2022. To aid in streamlining development applications, implementation of an electronic plan check service will be made available to our customers.

Other City initiatives consist of implementing an electronic filing of FPPC Form 460’s for open campaign committees, a new agenda management software, and a Public Records Request System to streamline the process. Further the City will be implementing magnetic card key reader system at City facilities, begin the 2nd building expansion project at the Columbia Memorial Space Center, and develop a Cyber Security policy and procedures to follow Department of Homeland Security Grant Security requirements.

The City is also looking forward to activities that improve the quality of life for Downey residents, including expanding the City’s adaptive programming, increasing the number of officers on the City’s Mental Health Team, facilitating a Youth Citizen’s Academy program, and begin a \$45 million investment in Residential Street Improvements.

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.

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 has 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. Additionally, the City's 2021 Pension Obligation Bonds (POBs) were rated "AA" by Standard & Poors. 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:

Principal Issue	Trustee	Principle Balance (6/30/2021)
Downey Public Facilities Financing Corporation: 2021 Pension Obligation Bonds	Wells Fargo Trust Service	\$ 113,585,000
Downey Public Facilities Financing Corporation: 2017 Lease Revenue Bonds	U.S. Bank	\$ 40,490,000
Downey Public Facilities Financing Corporation: 2014 Capital Lease	Western Alliance Bank	\$ 3,265,000
California Statewide Communities Development Authority: 2005 Pension Obligation Bonds	Wells Fargo Trust Services	\$ 14,795,000

Note 10 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 annual comprehensive financial report for the fiscal year ended June 30, 2020. 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.

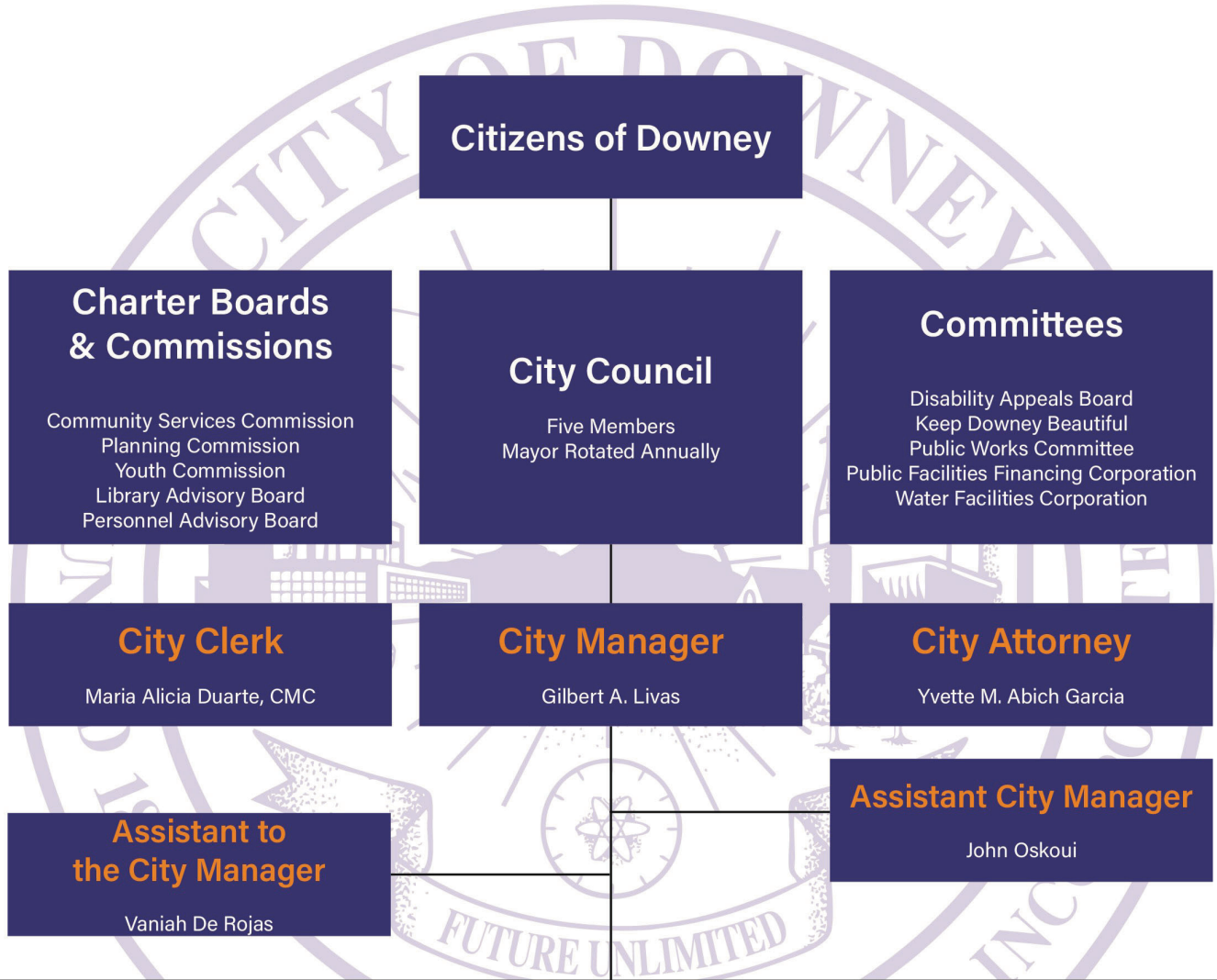
Respectfully submitted,



Anil H. Gandhi, CPA
Director of Finance

ORGANIZATION CHART

Fiscal Year 2021-2022



<p>Columbia Memorial Space Center & Downey City Library</p> <p>Benjamin Dickow</p> <p>Executive Director and President Library Director</p>	<p>Community Development</p> <p>Aldo E. Schindler</p> <p>Director/ Deputy City Manager</p> <p>Building/ Safety Code Enforcement Economic Development Housing Planning</p>	<p>Finance & Information Technology</p> <p>Anil H. Gandhi</p> <p>Director</p> <p>Administration Purchasing Accounting Information Technology Risk Management Revenue</p>	<p>Fire</p> <p>Dan Hurlock</p> <p>Fire Chief</p> <p>Administration Suppression Paramedics Prevention Joint Communications</p>	<p>Human Resources</p> <p>James McQueen</p> <p>Director</p>	<p>Parks & Recreation</p> <p>Jason Chacon</p> <p>Interim Director</p> <p>Recreation Parks Civic Theatre Social Services Golf Course Transit Cemetery</p>	<p>Police</p> <p>Dean Milligan</p> <p>Chief of Police</p> <p>Administration Field Operations Detectives Crossing Guard</p>	<p>Public Works</p> <p>Delfino Conunji</p> <p>Director/ City Engineer</p> <p>Administration Engineering Utilities GIS Maintenance Streets</p>
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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, 2020

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Downey, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Downey, California, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund, Housing Authority, CIP Grant and HOME fund, the schedule of changes in net pension liability and related ratio, the schedules of employer contributions-pension, the schedules of changes in net OPEB liability and related ratio, and the schedule of contributions – OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
December 16, 2021

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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, 2021. 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-viii 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, 2021, by \$175.7 million (net position). Of this amount, \$18.5 million is designated for low- and moderate-income housing, \$7.7 million for public works projects, \$40.9 million for capital projects; \$451 thousand is designated for community development and \$2.0 million for public safety.
- At the fiscal year ended June 30, 2021, the government's total net position increased by \$10.5 million. The city had an increase of 6.71% of property tax revenue as a result of a thriving housing market. In addition, because of the recovering economy the city saw an increase of 9% in sales tax over last year. Finally, American Rescue Plan Act stimulus revenues assisted the city with loss revenues due to the pandemic.
- The City's total liabilities increased by \$127 million during the current fiscal year. The increase is because the City issued Taxable Pension Obligation Bonds, Series 2021 in the amount of 113.5 million. Additionally, \$8.5 million dollars classified as unearned revenue from the American Rescue Plan Grant that will be earned in FY21-22 and the inclusion of the special deposit fund in the general fund increased the liability by 1.4 million.
- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$51.5 million, a decrease of \$7.4 million in comparison with the prior year. The reduction of fund balance is due to the completion of Measure S Capital Improvement Projects. Measure S Fund depleted 10 million in cash with fiscal agent as the projects were completed. Approximately 49.8% of this total amount, \$25.7 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, 2021, assigned and unassigned fund balance for the general fund was \$27.1 million or 26.57% of total general fund expenditures. This represents an increase of \$1.2 million or 9.12%, from the prior year. The key reason is attributed to a growth in sales and property taxes due to the recovering economy and strong housing market. 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 is 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, 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, CIP Grant Fund, HOME Special Revenue Fund, and Covid-19 Grant 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 custodial funds and a private purpose trust fund. 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 Fund, CIP Grant Fund, HOME Special Revenue Fund and Covid-19 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 \$82.6 million for governmental activities and \$93.1 million for business-type activities for a total of \$175.7 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$292.0 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, \$70.3 million is restricted to specifically stipulated spending agreements originated by law, contract or other agreements with external parties.

Governmental Activities

The City's net position in the Governmental activities increase of \$2.0 million. The increase in net position is primarily due to increase of 9.2 million in Operating Grants. These grants include American Rescue Plan Act and CARES Act. Furthermore, due to the recovering economy property taxes and sale taxes revenue increased from prior year by 2 million and 2.7 million respectively.

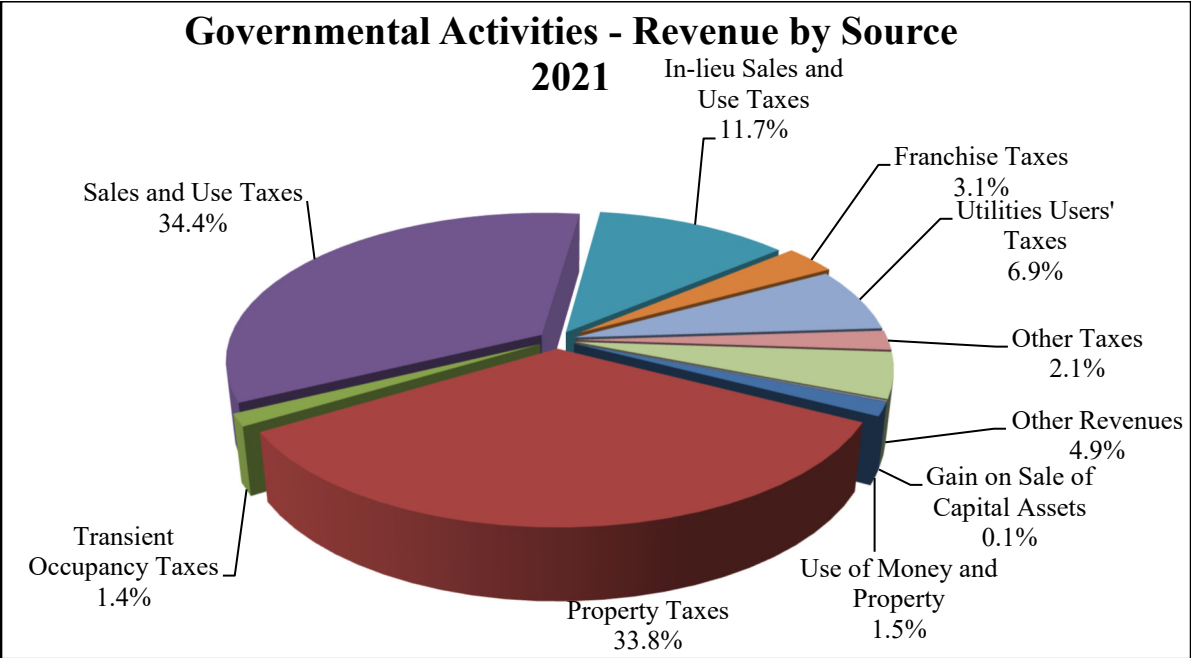
City of Downey						
Summary of Net Position						
For Fiscal Year Ended June 30, 2021 and 2020						
<i>(Amounts Expressed in Thousands)</i>						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and Other Assets	128,995	123,877	25,881	22,860	154,876	146,737
Capital Assets	268,342	248,187	82,836	81,170	351,178	329,357
Total Assets	397,337	372,064	108,717	104,030	506,054	476,094
Deferred Outflows of Resources	136,652	24,386	5,514	1,203	142,166	25,589
LIABILITIES						
Current Liabilities	38,416	26,317	4,574	4,718	42,990	31,035
Non-current Liabilities	411,281	284,944	16,552	15,744	427,833	300,688
Total Liabilities	449,698	311,261	21,126	20,462	470,823	331,723
Deferred Inflows of Resources	1,685	4,627	6	147	1,691	4,774
NET POSITION						
Net Investment Capital Assets	218,784	204,114	74,989	77,286	293,772	281,400
Restricted	36,143	44,502	34,130	34,007	70,274	78,509
Unrestricted	(172,321)	(168,053)	(16,020)	(26,669)	(188,341)	(194,722)
Total Net Position	82,606	80,563	93,099	84,624	175,705	165,187

City of Downey
Summary of Net Position
For Fiscal Year Ended June 30, 2020 and 2021
(Amounts Expressed in Thousands)

	Governmental Activities		Amount
REVENUES:	2021	2020	Increase (Decrease)
Program Revenues:			
Charges for Services	18,841	18,782	59
Operating Grants and Contributions	22,682	13,151	9,531
Capital Grants and Contributions	971	2,301	(1,330)
General Revenues:			
Taxes			
Property Taxes	32,209	30,184	2,025
Transient Occupancy Taxes	1,298	1,348	(50)
Sales and Use Taxes	32,777	30,055	2,722
Property Taxes in Lieu Sales and Use Taxes	11,192	9,937	1,255
Franchise Taxes	2,982	2,854	128
Utilities Users' Taxes	6,617	6,303	314
Other Taxes	2,011	2,404	(393)
Use of Money and Property	1,416	3,482	(2,066)
Gain on Sale of Capital Asset	91	4,712	(4,621)
Other Revenues	4,708	4,263	445
Total Revenues	137,794	129,776	8,019
EXPENSES:			
Program Activities			
General Government	19,271	17,666	1,605
Public Safety	83,139	82,960	179
Public Works	15,176	14,320	856
Community Services	9,281	11,050	(1,769)
Community Development	6,636	6,188	448
Interest on Long-term Debts	3,209	2,773	436
Total Expenses	136,712	134,957	1,755
Excess/(Shortage) of Revenues Over Expenses	1,082	(5,181)	6,264
TRANSFERS:			
Transfer-in	898	205	693
Transfer-out	-	-	-
Changes in Net Position	1,980	(4,976)	6,957
Net Position at Beginning of Year (Restated)	80,626	85,539	(4,913)
Net Position at End of Year	82,606	80,563	2,044

Top Governmental Activity Revenue Sources

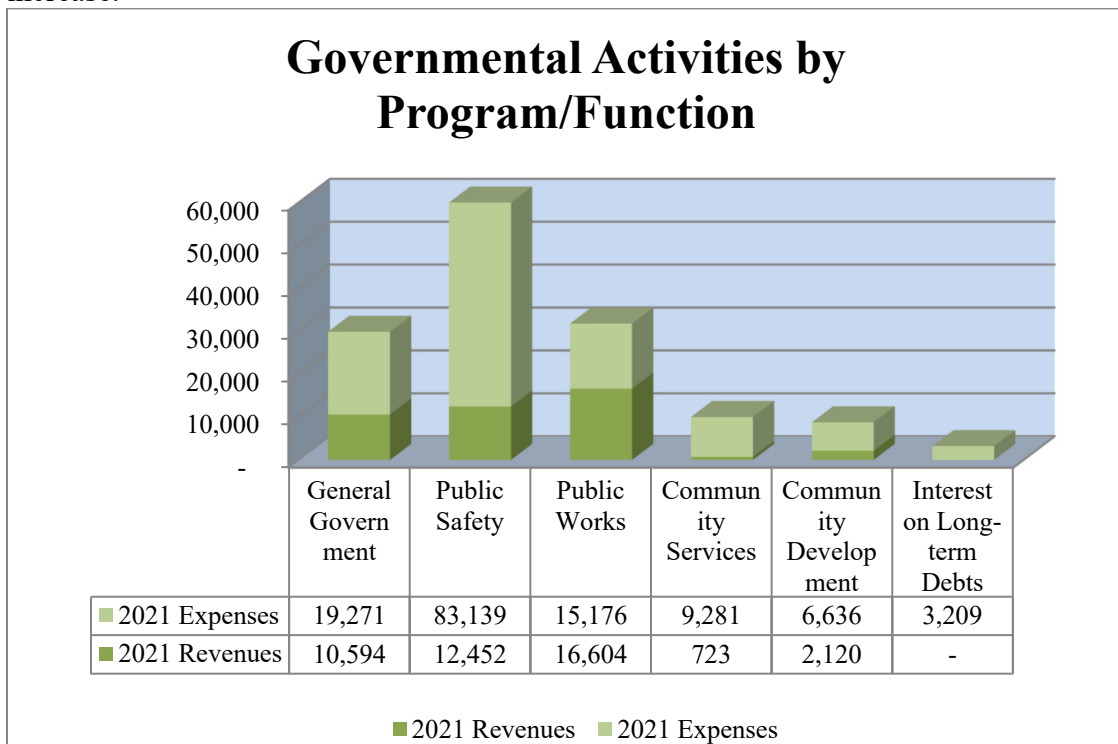
As shown below, our top four revenues sales tax, property tax, In-lieu sales and use tax and utility users’ tax accounted for approximately 87% of total governmental activities revenues excluding other taxes and other revenues, with franchise taxes at 3.1%, use of money and property accounted for 1.4%, transient occupancy tax at 1.4%, gain on sale of capital asset at 4.9%. Generally, revenues for FY 2020-21 increased from those of the prior fiscal year due to the economic recovery.



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 \$2.7 million or 9.06% over prior year. In FY19-20 there was a decrease of revenue due to COVID 19 mandated closure of retail and restaurants slowing economic activity. There has been an increase of online retail triggering an rise in Sales Tax Revenue. Additional, consumer confidence grew because of the COVID 19 vaccine and the government stimulus have formed an economic recovery.
2. *Capital Grants and Contributions:* Capital Grants revenue decreased by 1.3 million or 57.8% percent. Prior year the city received 7.37 million dollars from Caltrans for relinquishment of Lakewood Blvd between Century and Gardendale.
3. *Gain on Sale of Capital Asset:* The revenues decreased by 4.6 million because of the sale of parcel of vacant land and property during prior fiscal year FY19-20. There was no sale of vacant land in current year.

4. *Transient Occupancy Taxes:* TOT taxes were 50 thousand or 3.71% under prior year. Continued decrease in travel because of the COVID-19 pandemic has resulted in hotel revenue decrease.
5. *Property taxes.* Property tax increased by \$2 million over the prior year. Property taxes grew 6.7% thanks to a strong housing sales market.
6. *Charges for Services.* These revenues increased by approximately \$0.6 million or 7.51% from FY18-19 pre-pandemic to FY19-20. These revenues continue to be impacted by the pandemic and have negligibly increased from prior year by 0.31%. The continued decrease is a result of COVID-19 pandemic closures of The Downey Theatre and Space Center. In addition to continued decline in Parks and Recreation sports supported fees.
7. *Use of Money and Property.* These revenues decreased by \$2 million or 59.22% less than prior year. Due to reduced gains on investment earnings from the unspent proceeds of 2017 Revenue Bonds. In FY19-20 the ending balance was 10.6 million in FY20-21 \$500 thousand. The unspent proceeds reduced significantly because of completion of Measure S Capital Projects. In addition, to lower interest rates on investments from prior fiscal year.
8. *Operating Grants and Contributions:* Operating Grants increased by 9.5 million or 72.48% as a result of the Coronavirus Aid, Relief, and Economic Security Act and American Cost Recovery Act to assist the City's response to the pandemic. Moreover, these Grants have aided the City of Downey to provide local business and renters with grants.
9. *Program Expenses:* Program activities experienced an increase of \$1.7 million or 1.30% from prior year. The increase is primarily due to higher pension costs and cost of living increase.

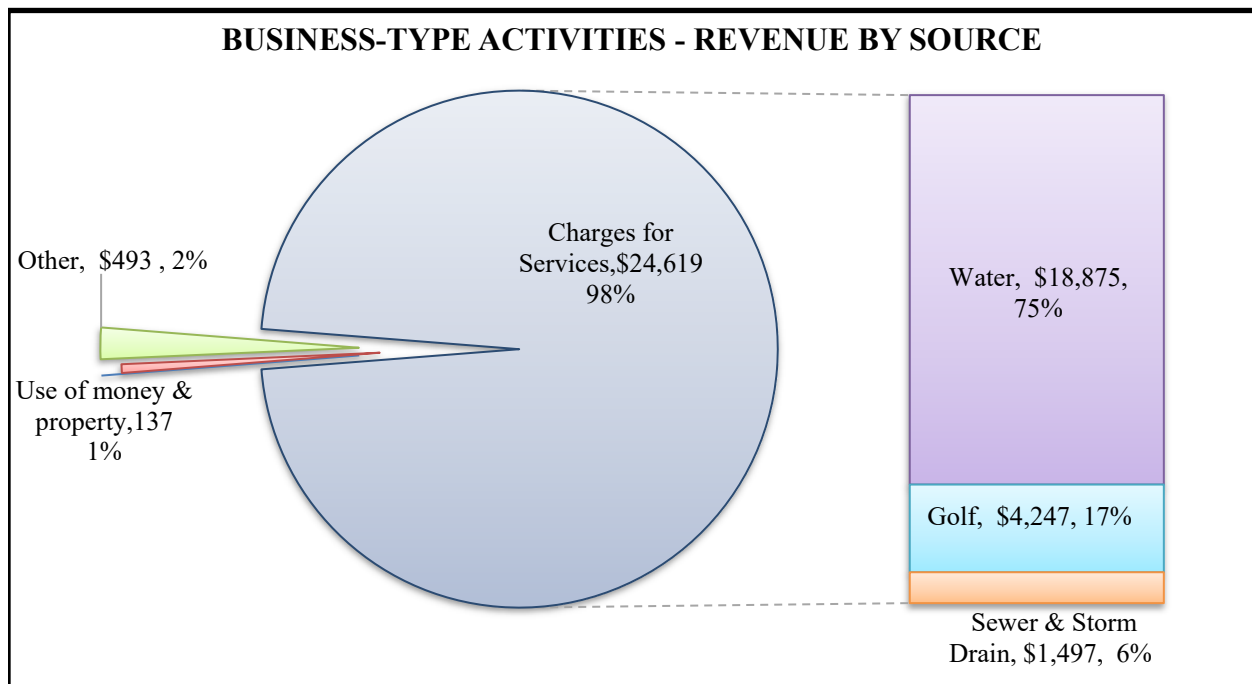


Summary of Business-Type Activities

Revenue Sources – charges for services reflect an increase of \$2.3 million or 10.42% from the prior fiscal year. The main revenue growth was Golf revenue due to the strong economic recovery.

Variances are as follows:

1. *Water revenues* - total operating revenues increase of 743 thousand or 4.10% from the prior year. The city has not increased the water rates. Increase due to more water consumption from City’s water customers.
2. *Sewer revenues* – total operating revenues increase by \$21 thousand or 1.42% from the prior year.
3. *Golf revenues* - the overall revenue increase by \$1.5 million over prior year. The principal reason for the revenue increase over prior year is the Golf Course mandated closure in March and April 2020 due to COVID 19 health crisis. The Golf Course has been open for the entire Fiscal Year and the strong economic recovery has assisted with this recreational activity involvement. Furthermore, golf is an outside sport and there are less COVID -19 restrictions than sports centers or gyms. Consequently, residents favored golf over an inside sport or gym.

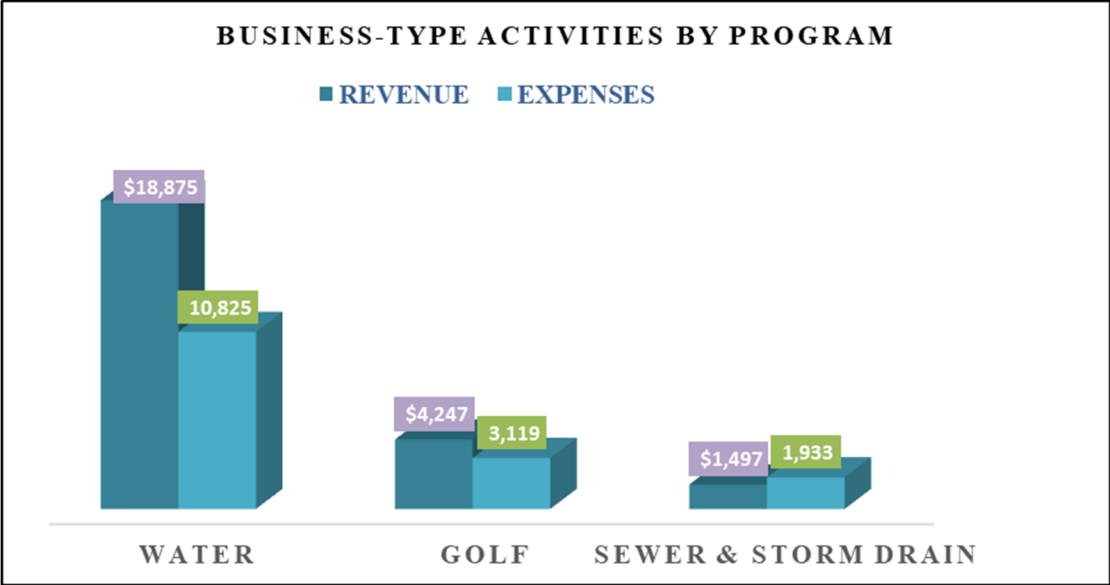


Program Expenses – the program expenses for enterprises funds have a net decrease of \$5.7 million or an decrease of 26.43% over the prior year. From this amount, water activities ended with a decrease of \$4.0 million and Sewer had a decrease of 1.9 million.

The decrease in expenditures in Water and Sewer fund is due to the fluctuation in pension liability. In FY20-21 net pension share in Water and Sewer fund decreased because most CalPERS expenses

were incurred in the governmental funds as opposed to the enterprise funds. The GASB 68 adjustment allocates CalPERS expenses by fund and the CalPERS liability is based on the percentage of CalPERS costs in the fund. Therefore, the pension contra expenses in Water Fund decrease by 2.2 million as opposed to increase prior year of 1.7. And the Sewer pension contra expense this year decreased by 523 thousand as opposed to FY19-20 an increase of 610 thousand. Golf had 140 thousand or 4.70%. increase in expenditures. This is expected as more tournaments and revenues were generated and therefore there was an increase in operational expenditures such as water and management service fees.

City of Downey			
Summary of Net Position			
Business- Type Activities			
For Fiscal Year Ended June 30, 2021 and 2020			
<i>(Amounts Expressed in Thousands)</i>			
	Business-Type Activities		Amount
	2021	2020	Increase
REVENUES:			(Decrease)
Program Revenues:			
Charges for Services	24,620	22,296	2,324
General Revenues:			
Use of Money and Property	138	779	(641)
Other Revenues	493	202	291
Total Revenues	25,251	23,277	1,974
EXPENSES:			
Program Activities			
Water	10,825	14,789	(3,964)
Golf	3,119	2,979	140
Sewer and Storm Drain	1,933	3,812	(1,879)
Total Expenses	15,877	21,580	(5,703)
Excess/(Shortage) of Revenues Over Expenses	9,374	1,697	7,677
TRANSFERS:			
Transfer-in	-	-	-
Transfer-out	(898)	(205)	(693)
Changes in Net Position	8,476	1,492	6,984
Net Position at Beginning of year (Restated)	84,623	83,131	1,492
Net Position at End of year	93,099	84,623	8,476



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, 2021, the City's governmental funds reported combined ending fund balances of \$51.5 million, a net decrease of \$7.3 million or 12.47% over the prior year. Approximately 48.38% of the City's governmental fund ending fund balances, or \$25.7 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, \$25.9 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 \$7.3 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 \$18.5 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 \$2.0 million for public safety, \$262 thousand for parks and recreation activity, \$7.7 million for public works, \$3.2 million for Capital Projects, and \$5.4 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, 2021, assigned and unassigned fund balance of the general fund was \$27.1 million, while total fund balance was \$34.4 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 26.6% 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, 2021, the cash and investments balance in the general fund was \$19.0 million, an increase of \$8.3 million from the prior fiscal year. Mainly because the stimulus deposit from American Rescue Act and increase of Sales Tax and Property Tax deposits.

Other Financing Sources include transfers of \$9.6 million. Please see note 5 for details on interfund transfers. In addition, other financing sources include city bond issuance of \$108.4 to pay down CALPERS pension obligation.

Overall, General Fund revenues for the fiscal year ended June 30, 2021 increased by \$4.2 million, or 4.56%, over the prior year. The majority of this increase is attributed to an increase in sales and property taxes due to the recovering economy and strong housing market.

Use of Money and Property Tax decreased due to lower interest rates on investments from prior fiscal year.

City of Downey					
General Fund Revenues and Other Financing Sources					
For Fiscal Year Ended June 30, 2021 and 2020					
<i>(Amounts Expressed in Thousands)</i>					
	2021	Percent of	2020	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
Taxes	75,113	35.2%	69,654	69.4%	5,459
Licenses and Permits	1,681	0.8%	1,536	1.5%	145
Fines and Forfeitures	1,623	0.8%	1,835	1.8%	(212)
Use of Money and Property	1,393	0.6%	2,556	2.5%	(1,163)
Intergovernmental Revenues	2,405	1.1%	2,717	2.7%	(312)
Charges for Services	9,786	4.6%	9,884	9.8%	(98)
Other Revenues	<u>4,654</u>	<u>2.2%</u>	<u>4,259</u>	<u>4.2%</u>	<u>395</u>
Total Revenues	96,656	45.2%	92,441	91.9%	4,214
Other Financing Sources	<u>118,049</u>	<u>55.0%</u>	<u>7,961</u>	<u>7.9%</u>	<u>110,088</u>
Total Revenues & Other Financing Sources	<u><u>214,705</u></u>	<u><u>100.2%</u></u>	<u><u>100,402</u></u>	<u><u>99.8%</u></u>	<u><u>114,302</u></u>

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, 2021 and 2020					
<i>(Amounts Expressed in Thousands)</i>					
	2021	Percent of	2020	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
General Government	10,396	4.9%	13,469	12.7%	(3,072)
Public Safety	68,760	32.3%	63,587	60.0%	5,173
Public Works	9,530	4.5%	8,545	8.0%	985
Community Services	6,956	3.3%	7,949	7.5%	(993)
Community Development	3,779	1.8%	3,369	3.2%	409
Capital Outlay	337	0.2%	-	0.0%	337
Principal retirement	855	0.4%	760	0.7%	95
Debt Services	1,429	0.7%	829	0.8%	600
Total Expenditures	102,042	48.2%	98,507	92.8%	3,535
Other Financing Uses	2,132	1.1%	7,898	7.3%	(5,765)
Extraordinary Items	107,815	0.0%	-	0.0%	107,815
Total Expenditures & Other Financing Sources	211,989	49.3%	106,405	100.0%	105,584

The General Fund's total expenditures, not including Other Financing Sources, decreased by \$3.5 million or 3.58%, from the previous fiscal year. All departments' expenditures increased except the expenditures in General Government and Community Services. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2021:

- General Government expenditures decreased by \$3 million, to \$10.4 million. The city had a settlement expense in the amount of \$1.9 million last fiscal year. Also, decrease in litigation expenditures and other general administrative expenses.
- Public Safety expenditures increased by \$5.1 million, to \$68.8 million attributable to the increase in pension costs and cost of living increases.
- Public Works expenditures increased by \$985 thousand, to \$9.5 million, as a result of increased maintenance in land and buildings, cost of living and PERS costs.
- Community Services expenditures decreased by 993 thousand to \$6.9 million. as a result of a decrease in temporary personal expenditures due to fewer attendance to fee supported

programs such as gym and pre-school classes due to Covid-19 precautions. The schools were closed for part of the year due to the pandemic and therefore there were no expenditures for school resource program or school crossing guard. Temporary closure of Theatre resulted in fewer expenditures in advertisement and contractual services.

- Debt Service increased in expenditure by 600 thousand mainly because of the issuance cost of 637 thousand for the Pension Obligation Bond 2021 issued in the amount of \$113 million that was used to pay down the cities pension obligation.
- Extraordinary Item of \$108 million is the payment to CalPERS pension from the bond proceeds mentioned in the above paragraph.

General Fund Budgetary Highlights

The difference between the general fund original budget, for expenditures and transfers out, and the final amended budget is 1,614,707.

- There was a transfer of \$791,488 from the general fund to the Wilderness Park project. This improvement projects consists of restoration of the Wilderness Park ponds by installing an aeration system and restoring wetland habitat for native species.
- Transfer of \$766,000 from General Fund reserve to the Measure S Parks and Infrastructure Program.
- Increase appropriation by \$32,219 for library equipment and library cards that were budget in prior year but orders got delayed due to COVID-19 closures.
- The general fund transferred \$25,000 to Downey City Library Network Infrastructure upgrade.

In the functional expenditure categories actual expenditures were \$884 thousand more than final budgeted amount, totaling \$102.04 million, and \$101.16 million, respectively. The Finance department was 1.3 million under the actual expenditures as opposed to budget.

In addition, actual revenue exceeded budgetary estimates, by \$104.8 million, bringing actual revenue at June 30, 2021 to \$246.4 million. The key reason for increase in budget is from the bond proceeds of \$108 million that were used to pay down the CALPERS pension obligation.

Financial Analysis of the Other Major Funds

Housing Authority

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 2020-21 was \$88 thousand. The revenues are from housing loan repayments. Total expenditures for the Housing Authority Fund are \$218 thousand. The expenditures consist of rental assistance payment for 23 thousand and home rehabilitation assistance for 195 thousand. The fund balance of \$3.5 million is restricted for low- and moderate-income housing.

HOME

The HOME special Revenue Fund is used to account for the operations of HOME Investment Partnership Program. HOME funds can be used for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. The total revenues and expenditures in fiscal year 2020-21 were 374 thousand and 299 thousand, respectively, leaving an ending fund balance of 682 thousand. Expenditures of 299 thousand were spent for tenant-based rental assistance through the City or subrecipients. The fund balance is comprised of program income from housing loan re-payments to the city and is restricted for low-and moderate-income housing.

CIP Grant Fund

The CIP Grant fund is used 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 CIP grant had expenditures of 9.8 million. Below is a description and amount of expenditures for the key projects.

- \$2.1 million for Old River School Road (Imperial Hwy to Arnett) street pavement rehab.
- \$1.6 million Stewart and Gray Road Signalization and Safety enhancements
- \$1.4 million Paramount Blvd Signalization and Safety enhancements
- \$1.4 million Wilderness Park Lake Improvement Project that was capitalized FY20-21
- \$1.1 million Firestone Blvd at Lakewood Blvd Intersection Improvement
- 864 thousand Telegraph Road Traffic and Safety enhancement -Phase 2

The Grant fund has a negative fund balance of \$3.1 million. However, this should be offset by the \$4.0 million of unavailable revenue. The unavailable revenue is comprised of retention receivable of \$1.7 million, unbilled expenditures to the grantors of 600 thousand, and billed payments to the grantor of \$1.7 which were not paid by September 30, 2021.

COVID-19 Grant Fund

Covid-19 grant fund is used to account for all revenues and expenditures related to Covid-19 grant funding. The total grant proceeds for FY20-21 were \$6.6 million. Of these amounts \$4.3 million is from the American Rescue Plan Grant and was used to offset the City and Theatre loss of revenue due to the pandemic. The remaining \$2.1 million are from the CARES Act and 200 thousand from ARPA. These grant funds were used for rental assistance, small business support through grants, food drives, senior wellness, distance learning and personal protective equipment. The remaining fund balance of 16 thousand is restricted for eligible expenditures such as the ones mentioned above.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its government and business-type activities at June 30, 2021 amounted to \$351 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 \$21.8 million or a 6.63% increase.

City of Downey Summary of Capital Assets (Net of Depreciation) For Fiscal Year Ended June 30, 2021 and 2020 (Amounts Expressed in Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and Improvements	31,373	31,373	10,754	10,754	42,126	42,126
Water Rights	-	-	4,291	4,291	4,291	4,291
Projects in Progress	29,007	57,988	6,424	6,431	35,430	64,419
Buildings	51,426	19,676	5,591	5,763	57,017	25,439
Land Improvements	21,979	6,793	316	507	22,296	7,300
Machinery & Equipment	13,117	12,306	883	907	14,000	13,213
Furniture & Fixtures	-	-	605	704	605	704
Infrastructures	121,441	120,052	53,971	51,814	175,412	171,866
Water Supply and Distribution System	-	-	-	-	-	-
Total Capital Assets	<u>268,342</u>	<u>248,187</u>	<u>82,836</u>	<u>81,170</u>	<u>351,178</u>	<u>329,358</u>

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

- Projects in progress decreased and Buildings and Infrastructure increased by \$28 million. This adjustment is because of Measure S funded projects were capitalized in this fiscal year.

There was a total of 56 million capitalized from construction in progress in governmental activities, see details below.

Building: Transfer of \$33 million from construction in progress and capitalized in building category.

1. Fire Station #1 Headquarter \$8.5 million-Measure S Improvement
2. City of Downey Library \$7.9 million-Measure S Improvement
3. Fire Station # 3 \$5.5 million- Measure S Improvement
4. Furman Park Improvement \$5.4 million -Measure S Improvement
5. Theatre & Ticket Office \$2.9 million -Measure S Improvement
6. Police Headquarter \$2.5 million -Measure S Improvement
7. City Hall 323 thousand – Measure S Improvement

Land Improvements: Transfer of \$16.1 million from construction in progress and capitalized in land improvement category.

1. Wilderness Park Ponds and Restoration \$8.5 million-Measure S and Grants
2. Golden Park Improvements \$3.0 million -Measure S Improvement
3. Discovery Sports Complex \$2.6 million-Measure S Improvement
4. Independence Park Improvement \$1.8 million- Measure S

Infrastructure: Transfer of \$7.1 million from construction in progress and capitalized in Infrastructure category.

1. Residential Street Pavement Rehab \$2.7 million-Grants
2. Woodruff Ave Traffic Signal Upgrade \$1.1 million-Grants
3. Concrete Repair and ADA Improvements 818 thousand-Grants
4. Firestone Blvd Median Landscape 777 thousand- Grants
5. Tweedy Lane Pavement (Florence -Suva) 459 thousand-Grants
6. Traffic Signal on Paramount & De Palma 457 thousand-Grants
7. Third Street Pavement Rehab 421 thousand-Grants
8. Paramount Median Landscape 310 thousand-Grants

- Machinery and Equipment increased due to leases of cars for police and fire. Lease of busses for transit during the year.

Additional information on the City's assets can be found in the notes to basic financial statements in note 9.

Long-term liabilities

Total outstanding long-term debt at June 30, 2021 is \$185 million, an increase of 109.6 million from the prior fiscal year.

City of Downey
Summary of Changes in Long-Term Liabilities
(Amounts Expressed in Thousands)

	Balance June 30, 2020	Additions	Reduction	Balance June 30, 2021	Due Within One-Year
Bond	66,108	113,585	3,244	176,449	3,175
Capital Lease Payable	5,029	805	1,098	4,735	992
Loans from Federal Government	4,284	-	353	3,931	353
Total	<u>75,420</u>	<u>114,390</u>	<u>4,695</u>	<u>185,115</u>	<u>4,520</u>

Long-term debt-related transactions during the fiscal year ended June 30, 2021 include:

- Bonded debt additions of \$113.5 from issuance of Pension Obligation Bond
- Bonded debt reductions by \$3.2 million from debt service payments.
- Capital lease obligations increased \$805 thousand due leases of cars for police and fire during the year.
- Loans from Federal Government decreased by 353 thousand from debt payments.

Additional information on the City's long-term liabilities can be found in Note 10 of the Notes to Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In October 2021, the Downey Public Financing Authority issued Measure M Sales Tax Revenue Bonds Series 2021A for \$15.2 million and Measure R Sales Tax Revenue Bonds Series 2021B for \$11.3 million. The bonds will be paid over the course of 20 years with revenues derived from the approval of measure M and R. City residential streets need repair and the issuing of these bonds will accelerate the repair of street improvements. The 26.5 million street projects are expected to be finalized in FY23-24.

The city will continue to administer COVID-19 grants to assist residents with rental assistance and local businesses that were affected by state mandated closures. As a result of these measures and a recovering economy the city expects an increase in sales tax revenues. The housing market experienced successful growth in 2021. However, as stated in the transmittal letter the housing-market is cooling off due to lack of inventory and this reduces the rate of ownership changeover and may flatten the growth in property tax revenue for the City.

One of the biggest challenges facing the City is the increasing pension costs. CalPERS has made changes that will continue to increase employer retirement costs. Due to these changes, The City's

CalPERS retirement costs are expected to increase from \$17,571,858 in Fiscal Year 2021-2022 to \$23,628,2298 in Fiscal Year 2026-27.

In early 2021, the City had the foresight to take a proactive measure of refinancing its CalPERS Unfunded Actuarial Liability (UAL) resulting in a gross savings \$65 million to the City and increasing the City's Pension Funding Level from 67.1 percent to 85 percent. Additionally, in the Fiscal Year 2021-2022 budget, it includes an approximately \$4.2 million decrease in CalPERS required contributions due to this action.

Further information can be found in Note 13 of the Notes to Basic Finance Statements.

On June 14, 2021, the City Council adopted and approved FY 2021-22 budget with total appropriation of \$228.9 million. Adequate resources are available to fund the proposed expenditures. The City Council approved the FY 2020-21 budget with a decrease of 4.5% over last year's general fund budget attributed to pension savings as a result of issuance of pension bond.

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 2021, the City adopted a new fee schedule from a City-wide study which updated the rates for FY 2021-22.

Utility Rates

The City's water rates were last increased in July 2015. The water rates remain unchanged for FY 2020-21.

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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 76,182,729	\$ 27,314,433	\$ 103,497,162
Receivables:			
Accounts	6,766,341	4,408,027	11,174,368
Taxes	9,047,447	-	9,047,447
Notes and loans	14,527,299	-	14,527,299
Accrued interest	452,684	-	452,684
Internal balances	6,222,974	(6,222,974)	-
Prepaid costs	65,872	-	65,872
Due from other governments	4,974,506	27,949	5,002,455
Inventories	76,679	353,965	430,644
Restricted assets:			
Cash with fiscal agent	1,735,922	-	1,735,922
Advances to Successor Agency	8,942,167	-	8,942,167
Capital assets not being depreciated	60,379,358	21,468,473	81,847,831
Capital assets, net of depreciation	207,963,067	61,367,165	269,330,232
Total Assets	397,337,045	108,717,038	506,054,083
Deferred Outflows of Resources:			
Deferred pension related items	27,075,923	1,031,895	28,107,818
Deferred pension related items - Bond issuance	108,440,211	4,482,446	112,922,657
Deferred OPEB related items	1,135,564	-	1,135,564
Total Deferred Outflows of Resources	136,651,698	5,514,341	142,166,039
Liabilities:			
Accounts payable	8,674,472	3,322,831	11,997,303
Accrued liabilities	3,417,949	401,883	3,819,832
Accrued interest	240,315	52,157	292,472
Unearned revenue	8,630,515	6,708	8,637,223
Deposits payable	1,805,670	68,015	1,873,685
Due to other governments	5,365	-	5,365
Settlement payable	1,903,430	-	1,903,430
Noncurrent liabilities:			
Due within one year			
Long-term debt	3,951,594	568,084	4,519,678
Compensated absences	5,170,438	153,405	5,323,843
Claims and judgements	4,617,000	-	4,617,000
Due in more than one year			
Long-term debt	173,316,727	7,278,737	180,595,464
Compensated absences	11,403,979	503,927	11,907,906
Claims and judgements	19,456,000	-	19,456,000
Net OPEB liability	5,908,326	-	5,908,326
Net pension liability	201,195,881	8,770,620	209,966,501
Total Liabilities	449,697,661	21,126,367	470,824,028
Deferred Inflows of Resources:			
Deferred pension related items	217,586	5,876	223,462
Deferred OPEB related items	1,466,998	-	1,466,998
Total Deferred Inflows of Resources	1,684,584	5,876	1,690,460
Net Position:			
Net investment in capital assets	218,783,950	74,988,817	293,772,767
Restricted for:			
Community development	451,335	-	451,335
Public safety	1,956,681	-	1,956,681
Parks and recreation	261,558	-	261,558
Public works	7,709,991	-	7,709,991
Capital projects	7,237,072	33,661,133	40,898,205
Debt service	-	469,039	469,039
Low and moderate income housing	18,526,970	-	18,526,970
Unrestricted	(172,321,059)	(16,019,853)	(188,340,912)
Total Net Position	\$ 82,606,498	\$ 93,099,136	\$ 175,705,634

CITY OF DOWNEY

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 19,270,951	\$ 8,206,344	\$ 2,387,870	\$ -
Public safety	83,138,921	5,294,673	7,157,038	-
Community development	6,636,460	1,149,487	-	970,591
Community services	9,281,371	722,877	-	-
Public works	15,175,522	3,467,484	13,136,819	-
Interest on long-term debt	3,208,938	-	-	-
Total Governmental Activities	136,712,163	18,840,865	22,681,727	970,591
Business-Type Activities:				
Water Fund	10,824,853	18,875,073	-	-
Golf Fund	3,119,122	4,247,591	-	-
Sewer and Storm Drain	1,932,971	1,497,188	-	-
Total Business-Type Activities	15,876,946	24,619,852	-	-
Total Primary Government	\$ 152,589,109	\$ 43,460,717	\$ 22,681,727	\$ 970,591

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

Transfers

Total General Revenues, Contributions 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
\$ (8,676,737)	\$ -	\$ (8,676,737)
(70,687,210)	-	(70,687,210)
(4,516,382)	-	(4,516,382)
(8,558,494)	-	(8,558,494)
1,428,781	-	1,428,781
(3,208,938)	-	(3,208,938)
(94,218,980)	-	(94,218,980)
-	8,050,220	8,050,220
-	1,128,469	1,128,469
-	(435,783)	(435,783)
-	8,742,906	8,742,906
(94,218,980)	8,742,906	(85,476,074)
32,208,634	-	32,208,634
1,298,006	-	1,298,006
32,776,607	-	32,776,607
11,192,500	-	11,192,500
2,981,587	-	2,981,587
6,616,834	-	6,616,834
2,011,622	-	2,011,622
1,416,065	137,820	1,553,885
4,708,183	477,722	5,185,905
90,875	15,613	106,488
898,370	(898,370)	-
96,199,283	(267,215)	95,932,068
1,980,303	8,475,691	10,455,994
80,563,349	84,623,445	165,186,794
62,846	-	62,846
\$ 82,606,498	\$ 93,099,136	\$ 175,705,634

CITY OF DOWNEY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<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	\$ 18,952,784	\$ 2,068,810	\$ -	\$ 707,996
Receivables:				
Accounts	648,995	-	5,917,772	-
Taxes	7,526,374	-	-	-
Notes and loans	1,229,566	7,730,918	-	5,115,480
Accrued interest	133,993	318,691	-	-
Prepaid costs	8,405	-	-	-
Due from other governments	1,868,207	-	1,738,059	63,626
Due from other funds	6,761,375	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	258,061	-	-	-
Advances to Successor Agency	6,101,726	1,464,519	-	-
Total Assets	<u>\$ 43,489,486</u>	<u>\$ 11,582,938</u>	<u>\$ 7,655,831</u>	<u>\$ 5,887,102</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,111,978	\$ 42,421	\$ 2,400,952	\$ 81,876
Accrued liabilities	2,985,940	-	39,411	1,850
Unearned revenues	-	-	-	-
Deposits payable	1,805,670	-	-	-
Due to other governments	-	-	-	5,365
Due to other funds	-	-	4,368,041	-
Settlement liability	1,903,430	-	-	-
Total Liabilities	<u>8,807,018</u>	<u>42,421</u>	<u>6,808,404</u>	<u>89,091</u>
Deferred Inflows of Resources:				
Unavailable revenues	233,951	8,049,609	4,014,705	5,115,480
Total Deferred Inflows of Resources	<u>233,951</u>	<u>8,049,609</u>	<u>4,014,705</u>	<u>5,115,480</u>
Fund Balances:				
Nonspendable:				
Prepaid costs	8,405	-	-	-
Notes and loans	1,229,566	-	-	-
Advances to Successor Agency	6,101,726	-	-	-
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital Projects	-	-	-	-
Low and moderate income housing	-	3,490,908	-	682,531
Assigned to:				
Capital projects	-	-	-	-
Unassigned	<u>27,108,820</u>	<u>-</u>	<u>(3,167,278)</u>	<u>-</u>
Total Fund Balances	<u>34,448,517</u>	<u>3,490,908</u>	<u>(3,167,278)</u>	<u>682,531</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 43,489,486</u>	<u>\$ 11,582,938</u>	<u>\$ 7,655,831</u>	<u>\$ 5,887,102</u>

CITY OF DOWNEY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds		
	Covid-19 Grants	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ 8,128,307	\$ 18,694,795	\$ 48,552,692
Receivables:			
Accounts	-	189,360	6,756,127
Taxes	-	1,521,073	9,047,447
Notes and loans	-	451,335	14,527,299
Accrued interest	-	-	452,684
Prepaid costs	-	-	8,405
Due from other governments	614,291	654,553	4,938,736
Due from other funds	-	-	6,761,375
Inventories	-	13,255	13,255
Restricted assets:			
Cash and investments with fiscal agents	-	1,477,861	1,735,922
Advances to Successor Agency	-	-	7,566,245
Total Assets	\$ 8,742,598	\$ 23,002,232	\$ 100,360,187
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 201,731	\$ 3,605,357	\$ 8,444,315
Accrued liabilities	2,550	327,278	3,357,029
Unearned revenues	8,521,890	108,625	8,630,515
Deposits payable	-	-	1,805,670
Due to other governments	-	-	5,365
Due to other funds	-	2,393,334	6,761,375
Settlement liability	-	-	1,903,430
Total Liabilities	8,726,171	6,434,594	30,907,699
Deferred Inflows of Resources:			
Unavailable revenues	-	489,485	17,903,230
Total Deferred Inflows of Resources	-	489,485	17,903,230
Fund Balances:			
Nonspendable:			
Prepaid costs	-	-	8,405
Notes and loans	-	-	1,229,566
Advances to Successor Agency	-	-	6,101,726
Restricted for:			
Public safety	-	1,956,681	1,956,681
Parks and recreation	-	261,558	261,558
Public works	-	7,709,991	7,709,991
Capital Projects	16,427	3,205,940	3,222,367
Low and moderate income housing	-	1,188,442	5,361,881
Assigned to:			
Capital projects	-	4,412,355	4,412,355
Unassigned	-	(2,656,814)	21,284,728
Total Fund Balances	16,427	16,078,153	51,549,258
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,742,598	\$ 23,002,232	\$ 100,360,187

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CITY OF DOWNEY

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances of governmental funds	\$	51,549,258	
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.			264,093,823
Deferred outflows related to pension items for:			
Pension related items:			
Miscellaneous contributions made subsequent to measurement date	\$	5,482,796	
Miscellaneous differences between expected and actual experience		21,486	
Safety contributions made subsequent to measurement date		14,194,005	
Safety differences between expected and actual experience		3,913,758	
Miscellaneous net difference between projected and actual earnings on pension plan investments		940,878	
Safety net difference between projected and actual earnings on pension plan investments		2,378,962	
OPEB related items:			
OPEB contributions made subsequent to measurement date		911,116	
OPEB Net difference between projected and actual earnings		<u>224,448</u>	28,067,449
Long-term debt and claims liabilities that have not been included in the governmental fund activity:			
Bonds payable		(163,731,904)	
Unamortized bond premiums/discounts		(4,314,014)	
Loans Payable		(3,931,000)	
Capital Leases Payable		(2,931,880)	
Claims payable		(16,697,582)	
Compensated Absences		<u>(3,952,470)</u>	(195,558,850)
Deferred Contribution related to debt issuance			
Pension Obligation Bonds issued			107,814,523
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.			(240,315)
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.			(5,908,326)
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		(54,780,747)	
Safety net pension liability		<u>(145,190,874)</u>	(199,971,621)
Deferred inflows related to pension items due to:			
Pension related items:			
Safety changes of assumptions		(180,058)	
Miscellaneous differences between expected and actual experiences		(36,708)	
OPEB related items:			
Changes of assumptions		(652,553)	
Safety differences between expected and actual experiences		<u>(814,445)</u>	(1,683,764)
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.			17,903,230
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.			<u>16,541,091</u>
Net Position of Governmental Activities			<u>\$ 82,606,498</u>

CITY OF DOWNEY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	General	Housing Authority	CIP Grant Fund	HOME
Revenues:				
Taxes	\$ 75,113,347	\$ -	\$ -	\$ -
Licenses and permits	1,681,430	-	-	-
Intergovernmental	2,405,210	-	10,240,159	372,583
Charges for services	9,786,288	-	-	-
Use of money and property	1,393,153	10,163	2,303	1,663
Fines and forfeitures	1,622,518	-	-	-
Developer participation	-	-	-	-
Miscellaneous	4,653,683	77,730	-	-
Total Revenues	96,655,629	87,893	10,242,462	374,246
Expenditures:				
Current:				
General government	10,395,745	-	-	-
Public safety	68,759,993	-	-	-
Community development	3,778,716	218,058	-	299,614
Community services	6,956,195	-	-	-
Public works	9,530,063	-	-	-
Capital outlay	336,584	-	9,823,851	-
Debt service:				
Principal retirement	855,000	-	-	-
Interest and fiscal charges	1,429,397	-	-	-
Total Expenditures	102,041,693	218,058	9,823,851	299,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,386,064)	(130,165)	418,611	74,632
Other Financing Sources (Uses):				
Transfers in	9,601,794	-	791,488	-
Transfers out	(2,132,488)	-	-	-
Capital leases	-	-	-	-
Other debts issued	108,446,904	-	-	-
Total Other Financing Sources (Uses)	115,916,210	-	791,488	-
Special Item - Pension contribution due to bond issuance	(107,814,523)	-	-	-
Net Change in Fund Balances	2,715,623	(130,165)	1,210,099	74,632
Fund Balances, Beginning of Year, as previously reported	32,232,938	3,621,073	(2,869,665)	607,899
Restatements	(500,044)	-	(1,507,712)	-
Fund Balances, Beginning of Year, as restated	31,732,894	3,621,073	(4,377,377)	607,899
Fund Balances, End of Year	\$ 34,448,517	\$ 3,490,908	\$ (3,167,278)	\$ 682,531

CITY OF DOWNEY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Covid-19 Grants</u>		
Revenues:			
Taxes	\$ -	\$ 13,983,323	\$ 89,096,670
Licenses and permits	-	-	1,681,430
Intergovernmental	6,580,699	4,143,357	23,742,008
Charges for services	-	2,306,336	12,092,624
Use of money and property	-	8,783	1,416,065
Fines and forfeitures	-	1,846,742	3,469,260
Developer participation	-	1,431,537	1,431,537
Miscellaneous	70,620	72,164	4,874,197
Total Revenues	6,651,319	23,792,242	137,803,791
Expenditures:			
Current:			
General government	190,595	236,131	10,822,471
Public safety	361,911	939,941	70,061,845
Community development	680,698	3,609,012	8,586,098
Community services	356,135	866,168	8,178,498
Public works	274,766	4,007,433	13,812,262
Capital outlay	3,052	19,181,445	29,344,932
Debt service:			
Principal retirement	-	2,490,644	3,345,644
Interest and fiscal charges	-	2,017,376	3,446,773
Total Expenditures	1,867,157	33,348,150	147,598,523
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,784,162	(9,555,908)	(9,794,732)
Other Financing Sources (Uses):			
Transfers in	-	8,341,000	18,734,282
Transfers out	(4,305,318)	(10,898,106)	(17,335,912)
Capital leases	-	355,539	355,539
Other debts issued	-	-	108,446,904
Total Other Financing Sources (Uses)	(4,305,318)	(2,201,567)	110,200,813
Special Item - Pension contribution due to bond issuance	-	-	(107,814,523)
Net Change in Fund Balances	478,844	(11,757,475)	(7,408,442)
Fund Balances, Beginning of Year, as previously reported	(462,417)	25,765,026	58,894,854
Restatements	-	2,070,602	62,846
Fund Balances, Beginning of Year, as restated	(462,417)	27,835,628	58,957,700
Fund Balances, End of Year	\$ 16,427	\$ 16,078,153	\$ 51,549,258

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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, 2021**

Net change in fund balances - total governmental funds \$ (7,408,442)

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	\$ 29,265,732	
Depreciation	(9,143,530)	
Gain/(loss) on sale of capital assets	<u>(3,225)</u>	20,118,977

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.

Principal repayments	2,515,000	
Amortization of bond premiums/discounts	253,615	
Lease repayments	477,644	
Loan repayments	<u>353,000</u>	3,599,259

Other debts issued is a other financing sources in the governmental funds, but issuance the increases long-term liabilities in the statement of net position.

Capital Leases Issued	(355,539)	
Pension Obligation Bonds issued	(108,446,904)	

Pension obligation contributions were made using proceeds of Pension Obligation Bonds Contributions are not reported as an expense in the governmental funds. 107,814,523

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 13,017

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. 359,574

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. (4,593,516)

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. 371,292

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. (10,567,269)

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. (100,570)

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. 1,175,901

Change in Net Position of Governmental Activities \$ 1,980,303

CITY OF DOWNEY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	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	\$ 19,642,000	\$ 1,770,565	\$ 5,901,868	\$ 27,314,433	\$ 27,630,037
Receivables:					
Accounts	4,057,569	-	350,458	4,408,027	10,214
Prepaid costs	-	-	-	-	57,467
Due from other governments	27,949	-	-	27,949	35,770
Inventories	353,965	-	-	353,965	63,424
Advance to Successor Agency	-	-	-	-	1,375,922
Total Current Assets	24,081,483	1,770,565	6,252,326	32,104,374	29,172,834
Noncurrent:					
Capital assets - net of accumulated depreciation	39,314,324	14,141,684	29,379,630	82,835,638	4,248,602
Total Noncurrent Assets	39,314,324	14,141,684	29,379,630	82,835,638	4,248,602
Total Assets	63,395,807	15,912,249	35,631,956	114,940,012	33,421,436
Deferred Outflows of Resources:					
Deferred pension related items	4,304,770	-	1,209,571	5,514,341	769,726
Total Deferred Outflows of Resources	4,304,770	-	1,209,571	5,514,341	769,726
Total Assets and Deferred Outflows of Resources	\$ 67,700,577	\$ 15,912,249	\$ 36,841,527	\$ 120,454,353	\$ 34,191,162
Liabilities, Deferred Inflows of Resources, and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ 3,038,806	\$ 283,802	\$ 223	\$ 3,322,831	\$ 230,157
Accrued liabilities	313,256	4,345	84,282	401,883	60,920
Accrued interest	-	50,335	1,822	52,157	-
Unearned revenues	-	6,708	-	6,708	-
Deposits payable	68,015	-	-	68,015	-
Accrued compensated absences	139,120	118	14,167	153,405	1,217,968
Accrued claims payable	-	-	-	-	3,085,000
Bonds, notes, and capital leases	-	495,000	73,084	568,084	451,465
Total Current Liabilities	3,559,197	840,308	173,578	4,573,083	5,045,510
Noncurrent:					
Accrued compensated absences	406,966	4,260	92,701	503,927	11,403,979
Accrued claims payable	-	-	-	-	4,290,418
Bonds, notes, and capital leases	3,519,745	2,770,000	988,992	7,278,737	1,908,058
Net pension liability	6,846,785	-	1,923,835	8,770,620	1,224,260
Total Noncurrent Liabilities	10,773,496	2,774,260	3,005,528	16,553,284	18,826,715
Total Liabilities	14,332,693	3,614,568	3,179,106	21,126,367	23,872,225
Deferred Inflows of Resources:					
Deferred pension related items	4,588	-	1,288	5,876	820
Total Deferred Inflows of Resources	4,588	-	1,288	5,876	820
Net Position:					
Net investment in capital assets	35,794,579	10,876,684	28,317,554	74,988,817	2,518,438
Restricted for capital projects	-	-	33,661,133	33,661,133	-
Restricted for debt service	-	469,039	-	469,039	-
Unrestricted	17,568,717	951,958	(28,317,554)	(9,796,879)	7,799,679
Total Net Position	53,363,296	12,297,681	33,661,133	99,322,110	10,318,117
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 67,700,577	\$ 15,912,249	\$ 36,841,527	\$ 120,454,353	\$ 34,191,162
Reconciliation of Net Position to the Statement of Net Position					
Net Position per Statement of Net Position - Proprietary Funds				\$ 99,322,110	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds				(6,352,605)	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds				129,631	
Net Position per Statement of Net Position				\$ 93,099,136	

CITY OF DOWNEY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	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	\$ 18,875,073	\$ 4,247,591	\$ 1,497,188	\$ 24,619,852	\$ -
Interdepartmental charges	-	-	-	-	5,372,649
Miscellaneous	474,635	662	2,425	477,722	1,300,024
Total Operating Revenues	19,349,708	4,248,253	1,499,613	25,097,574	6,672,673
Operating Expenses:					
Purchased water	6,116,544	-	-	6,116,544	-
Maintenance and operations	520,466	2,534,871	174,122	3,229,459	1,449,064
General and administrative	3,358,072	13,038	153,790	3,524,900	42,812
Employee benefits	3,469	-	-	3,469	3,006,913
Depreciation expense	943,435	443,187	1,602,910	2,989,532	430,430
Total Operating Expenses	10,941,986	2,991,096	1,930,822	15,863,904	4,929,219
Operating Income (Loss)	8,407,722	1,257,157	(431,209)	9,233,670	1,743,454
Nonoperating Revenues (Expenses):					
Interest revenue	92,566	65,021	(19,767)	137,820	-
Interest expense	-	(122,270)	(2,149)	(124,419)	(28,797)
Gain (loss) on disposal of capital assets	15,613	(18,254)	-	(2,641)	90,875
Total Nonoperating Revenues (Expenses)	108,179	(75,503)	(21,916)	10,760	62,078
Income (Loss) Before Transfers	8,515,901	1,181,654	(453,125)	9,244,430	1,805,532
Transfers in	-	-	576,630	576,630	-
Transfers out	(1,475,000)	-	-	(1,475,000)	(500,000)
Changes in Net Position	7,040,901	1,181,654	123,505	8,346,060	1,305,532
Net Position:					
Beginning of Year	46,322,395	11,116,027	33,537,628	90,976,050	9,012,585
End of Fiscal Year	\$ 53,363,296	\$ 12,297,681	\$ 33,661,133	\$ 99,322,110	\$ 10,318,117
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				\$ 8,346,060	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				129,631	
Changes in Net Position of Business-Type Activities per Statement of Activities				\$ 8,475,691	

CITY OF DOWNEY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	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	\$ 18,917,373	\$ 4,191,957	\$ 1,486,478	\$ 24,595,808	\$ 5,369,279
Cash paid to suppliers for goods and services	(3,277,704)	(2,447,719)	(172,035)	(5,897,458)	(1,586,184)
Cash paid to employees for services	(12,517,940)	(128,425)	(2,009,093)	(14,655,458)	(2,790,886)
Cash received from others	474,635	662	2,425	477,722	-
Net Cash Provided (Used) by Operating Activities	3,596,364	1,616,475	(692,225)	4,520,614	992,209
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	-	-	576,630	576,630	-
Cash transfers out	(1,475,000)	-	-	(1,475,000)	(500,000)
Advance from other funds	-	-	-	-	57,265
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,475,000)	-	576,630	(898,370)	(442,735)
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Pension Obligation Debt	3,519,745	-	988,992	4,508,737	629,359
Acquisition and construction of capital assets	(4,131,420)	(6,111)	(535,655)	(4,673,186)	(42,646)
Principal paid on capital debt	-	(475,000)	(71,149)	(546,149)	(549,444)
Interest paid on capital debt	-	(122,270)	(3,923)	(126,193)	(28,797)
Proceeds from sales of capital assets	15,613	-	-	15,613	116,239
Net Cash Provided (Used) by Capital and Related Financing Activities	(596,062)	(603,381)	378,265	(821,178)	124,711
Cash Flows from Investing Activities:					
Interest received	92,566	57,698	(19,767)	130,497	-
Net Cash Provided (Used) by Investing Activities	92,566	57,698	(19,767)	130,497	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,617,868	1,070,792	242,903	2,931,563	674,185
Cash and Cash Equivalents at Beginning of Year	18,024,132	699,773	5,658,965	24,382,870	26,955,852
Cash and Cash Equivalents at End of Year	\$ 19,642,000	\$ 1,770,565	\$ 5,901,868	\$ 27,314,433	\$ 27,630,037
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 8,407,722	\$ 1,257,157	\$ (431,209)	\$ 9,233,670	\$ 1,743,454
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:					
Depreciation	943,435	443,187	1,602,910	2,989,532	430,430
(Increase) decrease in accounts receivable	71,138	71,251	(10,710)	131,679	(3,370)
(Increase) decrease in due from other governments	(26,733)	-	-	(26,733)	(34,332)
(Increase) decrease in inventories	(65,605)	-	-	(65,605)	(5,564)
(Increase) decrease in prepaid expense	-	-	-	-	(14,893)
(Increase) decrease in deferred pension related outflows	(3,378,382)	12,917	(945,679)	(4,311,144)	(601,796)
Increase (decrease) in accounts payable	149,442	87,152	(172,035)	64,559	(48,096)
Increase (decrease) in accrued liabilities	33,585	702	1,891	36,178	5,452
Increase (decrease) in deposits payable	(2,105)	(50,000)	-	(52,105)	-
Increase (decrease) in unearned revenue	-	(76,885)	-	(76,885)	-
Increase (decrease) in compensated absences	18,416	2,153	16,858	37,427	902
Increase (decrease) in net pension liability	(2,445,778)	(129,578)	(723,248)	(3,298,604)	(460,249)
Increase (decrease) in deferred pension related inflows	(108,771)	(1,581)	(31,003)	(141,355)	(19,729)
Total Adjustments	(4,811,358)	359,318	(261,016)	(4,713,056)	(751,245)
Net Cash Provided (Used) by Operating Activities	\$ 3,596,364	\$ 1,616,475	\$ (692,225)	\$ 4,520,614	\$ 992,209
Non-Cash Investing, Capital, and Financing Activities:					
Capital Assets acquired through capital lease	\$ -	\$ -	\$ -	\$ -	\$ 449,165
Gain (Loss) on disposal of capital assets	\$ 15,613	\$ (18,254)	\$ -	\$ (2,641)	\$ 90,875

CITY OF DOWNEY, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	Private- Purpose Trust Fund	Custodial Funds
Assets:		
Cash and investments	\$ 1,583,287	\$ 4,962,130
Receivables:		
Accounts	-	240,817
Taxes	-	3,490
Restricted cash and investments with fiscal agents	662,929	-
Accrued interest receivable	-	613
Due from other governments	-	31,606
Advances to other funds	-	2,800
Capital assets:		
Capital assets, not being depreciated	-	110,490
Capital assets, net of accumulated depreciation	-	3,355,868
Total Assets	2,246,216	8,707,814
Liabilities:		
Accounts payable	-	496,801
Accrued liabilities	-	589,911
Accrued interest	87,979	-
Unearned revenues	-	27,782
Deposits payable	2,500	226,358
Due to other governments	-	524,924
Long- term Liabilities		
Due in one year		
Bonds Payable	430,000	-
Due in more than one year		
Bonds Payable	3,690,000	26,929
Advances from the City	8,942,167	-
Advances from the County	35,686,497	-
Total Liabilities	48,839,143	1,892,705
Net Position:		
Restricted for organizations and other governments	-	6,815,109
Held in trust for other purposes	(46,592,927)	-
Total Net Position	\$ (46,592,927)	\$ 6,815,109

CITY OF DOWNEY, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Private- Purpose Trust Fund	Custodial Funds
Additions:		
Taxes	\$ 1,152,625	100,073
Intergovernmental	-	6,230,112
Interest and change in fair value of investments	(11,322)	17,808
Miscellaneous	19,675	112,024
Total Additions	1,160,978	6,460,017
Deductions:		
Benefits	2,500	18,810
Administrative expenses	36,808	4,532,693
Contractual services	4,500	123,084
Capital outlay	-	131,373
Interest expense	2,614,098	-
Depreciation expense	-	199,894
Total Deductions	2,657,906	5,005,854
Net Increase in Fiduciary Net Position	(1,496,928)	1,454,163
Net Position - Beginning, as Originally Reported	(45,095,999)	-
Restatement of Net Position	-	5,360,946
Net Position - Beginning, as Restated	(45,095,999)	5,360,946
Net Position - Ending	\$ (46,592,927)	\$ 6,815,109



NOTES TO BASIC FINANCIAL STATEMENTS



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, 2021**

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, 2021**

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 in 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 long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of 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, 2021**

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 COVID-19 Grants Fund is used to account for special revenues from federal funding and payments from funding due to the coronavirus pandemic.

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, 2021**

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 Custodial Funds are used to account for money and property held by the City as trustee, agent, or custodian. Custodial 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, 2021**

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 deferred pension related items, 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, 2021**

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 7.56 Years, 2.1 Years, and 3.6 Years, respectively at June 30, 2021)

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, 2021**

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, 2021**

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, 2019
Measurement Date (MD):	June 30, 2020
Measurement Period (MP):	July 1, 2019 to June 30, 2020

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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

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, 2021**

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, 2021, the City implemented the following GASB standards:

GASB Statement No. 84 – Fiduciary Activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The effect of this implementing this standard resulted funds previously reported as agency funds are now reported as custodial funds. The implementation of this financial information resulted in a prior period adjustments of \$5,360,946, refer to note 19 for additional information.

Note 2: Stewardship, Compliance and Accountability

Deficit Fund Balance

At June 30, 2021, the following funds had a deficit fund balance:

Waste Reduction	\$	(433,399)
Hazardous Material		(130,703)
Gas Tax		(586,937)
Measure W - Sewer and Storm Drain		(934,404)
Grants		(350,682)
Measure S 2017 LRB		(220,689)

These funds will be replenished with future revenues.

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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.

Note 4: Cash and Investments

As of June 30, 2021, 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	\$ 103,497,162	\$ 6,545,417	\$ 110,042,579
Cash and investments with fiscal agents	<u>1,735,922</u>	<u>662,929</u>	<u>2,398,851</u>
Total Cash and Investments	<u>\$ 105,233,084</u>	<u>\$ 7,208,346</u>	<u>\$ 112,441,430</u>
		\$ 19,910,159	
Demand accounts		6,175	
Petty cash		<u>92,525,096</u>	
Investments		<u>\$ 112,441,430</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.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Cash and Investments (Continued)

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

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.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Cash and Investments (Continued)

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	\$ 53,199,815	\$ -	\$ -	\$ 53,199,815
Federal Farm Credit Bank	1,015,230	5,983,840	1,965,380	8,964,450
Fedreal Home Loan Bank	-	2,015,320	4,043,746	6,059,066
Federal Home Loan Mortgage Corp.	1,012,520	-	-	1,012,520
Federal National Mortgage Assoc.	-	-	2,965,470	2,965,470
Negotiable Certificates of Deposit	2,742,493	10,110,306	3,038,747	15,891,546
Medium-term Corporation Notes	2,023,761	-	-	2,023,761
Money Market Mutual Funds Held by Bond Trustee	9,617	-	-	9,617
Money Market Mutual Funds	2,398,851	-	-	2,398,851
	<u>\$ 62,402,287</u>	<u>\$ 18,109,466</u>	<u>\$ 12,013,343</u>	<u>\$ 92,525,096</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:

	Total as of June 30, 2021	Minimum Legal Rating	Rating		
			AA+	A+	Unrated
Investments:					
United States Government					
Sponsored Agency Securities					
FFCB	\$ 8,964,450	N/A	\$ -	\$ 8,964,450	\$ -
FHLB	6,059,066	N/A	-	6,059,066	-
FHLMC	1,012,520	N/A	-	1,012,520	-
FNMA	2,965,470	N/A	-	2,965,470	-
Negotiable Certificates of Deposit	15,891,546	N/A	-	-	15,891,546
Medium-Term Corporate Notes	2,023,761	A	2,023,761	-	-
Local Agency Investment Fund	53,199,815	N/A	-	-	53,199,815
Money Market Mutual Funds Held by Bond Trustee	9,617	A	-	-	9,617
Money Market Mutual Funds	2,398,851	A	-	-	2,398,851
	<u>\$ 92,525,096</u>		<u>\$ 2,023,761</u>	<u>\$ 19,001,506</u>	<u>\$ 71,499,829</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Cash and Investments (Continued)

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 Farm Credit Bank	United States Government Sponsored Agency Securities	\$ 8,964,450	9.69%
Federal Home Loan Bank	United States Government Sponsored Agency Securities	6,059,066	6.55%

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.

The City has the following recurring fair value measurements as of June 30, 2021:

	Total as of June 30, 2021	Level		
		1	2	N/A
Investments:				
Federal Government Agency	\$ 19,001,506	\$ -	\$ 19,001,506	\$ -
Medium-Term Corporate Notes	2,023,761	-	2,023,760	-
Certificate of Deposit	15,891,546	-	15,891,546	-
Money Market Funds	9,617	9,617	-	-
Local Agency Investment Fund	53,199,815	-	-	53,199,815
Total Cash Investments	90,126,245	9,617	36,916,812	53,199,815
Investments with Fiscal Agents:				
Money Market Funds	2,398,851	2,398,851	-	-
Total Investments with Fiscal Agent	2,398,851	2,398,851	-	-
Total Investments	\$ 92,525,096	\$ 2,408,468	\$ 36,916,812	\$ 53,199,815

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 4: Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The 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, 2021, the City deposits (bank balances) were all insured by the Federal Deposit Insurance Corporation or collateralized.

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, 2021, amounts due from/to other funds were as follows:

Due to Other Funds	Due from Other Funds
	General
<i>Governmental Funds:</i>	
CIP Grant Fund	\$ 4,368,041
Other Nonmajor Governmental	2,393,334
Total	<u>\$ 6,761,375</u>

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.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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

Interfund transfers at June 30, 2021, consisted of the following:

Transfers out	Transfers in				Total
	General	CIP Grant	Nonmajor Governmental	Sewer and Storm Drain	
<i>Governmental Funds:</i>					
General	\$ -	\$ 791,488	\$ 1,341,000	\$ -	\$ 2,132,488
Covid 19	4,305,318	-	-	-	4,305,318
Other Nonmajor Governmental	3,896,476	-	7,000,000	1,630	10,898,106
<i>Enterprise Fund:</i>					
Water	900,000	-	-	575,000	1,475,000
<i>Internal Service Fund:</i>					
Equipment	500,000	-	-	-	500,000
Total	<u>\$ 9,601,794</u>	<u>\$ 791,488</u>	<u>\$ 8,341,000</u>	<u>\$ 576,630</u>	<u>\$ 19,310,912</u>

The General Fund transferred \$791,448 to the CIP Grant and \$1,341,000 to Other Governmental Funds to provide for capital expenditures and subsidize for various grant and project operations.

The Covid-19 Grants fund transferred \$4,305,318 to provide for costs incurred by the general fund related to Covid-19 grant funding.

Other Governmental Funds transferred \$3,896,476 to the General Fund, \$7,000,000 to Other Governmental Funds, and \$1,630 to the Sewer & Storm Drain Fund for various street and related program expenditures.

The Water fund transferred \$900,000 to the General fund and \$575,000 to the Sewer and Storm Drain fund, to reimburse for certain program, administrative and overhead expenditures.

The Equipment internal service fund transferred \$500,000 to the General fund to pay for operating costs.

Note 6: Advances Receivable from Successor Agency

As of June 30, 2021, amounts advanced to the Successor Agency were as follows:

Advances from General Fund	\$ 6,101,726
Advances from Housing Authority Special Revenue Fund	1,464,519
Advances from Employee Benefits	1,375,922
	<u>\$ 8,942,167</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 20 for additional information.

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 7: 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. Loans receivable totaled \$13,297,733 as of June 30, 2021.

Additionally, The City's general fund 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%. In fiscal year 2019, the City entered into another operating covenant and loan receivable in agreement in the amount of \$500,000. The outstanding balance on the general fund loans receivable as of June 30, 2021, is \$1,229,566.

Note 8: 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.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Capital Assets

A summary of changes in the Governmental Activities capital assets as of June 30, 2021, is as follows:

	Balances at June 30, 2020	Transfers of CIP	Additions	Deletions	Balances at June 30, 2021
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 31,372,512	\$ -	\$ -	\$ -	\$ 31,372,512
Projects-in-progress	57,988,152	(56,232,133)	27,250,827	-	29,006,846
Total Capital Assets, Not Being Depreciated	89,360,664	(56,232,133)	27,250,827	-	60,379,358
Capital assets, being depreciated:					
Buildings	43,782,667	33,008,298	64,795	-	76,855,760
Land Improvements	11,318,327	16,115,782	-	-	27,434,109
Equipment	25,001,475	-	2,441,921	(1,412,051)	26,031,345
Infrastructure	280,052,104	7,108,053	-	-	287,160,157
Total Capital Assets, Being Depreciated	360,154,573	56,232,133	2,506,716	(1,412,051)	417,481,371
Less accumulated depreciation:					
Buildings	24,106,842	-	1,323,011	-	25,429,853
Land Improvements	4,525,091	-	929,591	-	5,454,682
Equipment	12,695,802	-	1,608,815	(1,383,462)	12,921,155
Infrastructure	160,000,071	-	5,712,543	-	165,712,614
Total Accumulated Depreciation	201,327,806	-	9,573,960	(1,383,462)	209,518,304
Total Capital Assets, Being Depreciated, Net	158,826,767	56,232,133	(7,067,244)	(28,589)	207,963,067
Governmental Activities Capital Assets, Net	<u>\$ 248,187,431</u>	<u>\$ -</u>	<u>\$ 20,183,583</u>	<u>\$ (28,589)</u>	<u>\$ 268,342,425</u>

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

General Government	\$ 516,535
Public Safety	6,741,762
Community Development	485,818
Community Services	778,977
Public Works	620,438
Internal Service Funds	430,430
Total depreciation expense governmental activities	<u>\$ 9,573,960</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Capital Assets (Continued)

A summary of changes in the Water and Golf Fund Business-type Activities capital assets at June 30, 2021, are as follows:

	WATER FUND				
	Balances at June 30, 2020	Transfers	Additions	Deletions	Balances at June 30, 2021
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,459,598	\$ -	\$ -	\$ -	\$ 2,459,598
Projects-in-progress	4,069,374	(4,041,017)	4,112,256	-	4,140,613
Water Rights	4,290,880	-	-	-	4,290,880
Total Capital Assets, Not Being Depreciated	<u>10,819,852</u>	<u>(4,041,017)</u>	<u>4,112,256</u>	<u>-</u>	<u>10,891,091</u>
Capital assets, being depreciated:					
Buildings and improvements	398,073	-	-	-	398,073
Furniture and Equipment	2,389,148	-	19,164	(82,775)	2,325,537
Infrastructure	43,703,154	4,041,017	-	-	47,744,171
Total Capital Assets, Being Depreciated	<u>46,490,375</u>	<u>4,041,017</u>	<u>19,164</u>	<u>(82,775)</u>	<u>50,467,781</u>
Less accumulated depreciation:					
Buildings and improvements	254,773	-	7,270	-	262,043
Furniture and Equipment	1,685,227	-	117,868	(82,775)	1,720,320
Infrastructure	19,243,888	-	818,297	-	20,062,185
Total Accumulated Depreciation	<u>21,183,888</u>	<u>-</u>	<u>943,435</u>	<u>(82,775)</u>	<u>22,044,548</u>
Total Capital Assets, Being Depreciated, Net	<u>25,306,487</u>	<u>4,041,017</u>	<u>(924,271)</u>	<u>-</u>	<u>28,423,233</u>
Water Fund Capital Assets, Net	<u>\$ 36,126,339</u>	<u>\$ -</u>	<u>\$ 3,187,985</u>	<u>\$ -</u>	<u>\$ 39,314,324</u>
GOLF FUND					
	Balances at June 30, 2020	Additions	Deletions	Balances at June 30, 2021	
Capital assets, not being depreciated:					
Land	\$ 8,294,387	\$ -	\$ -	\$ 8,294,387	
Total Capital Assets, Not Being Depreciated	<u>8,294,387</u>	<u>-</u>	<u>-</u>	<u>8,294,387</u>	
Capital assets, being depreciated:					
Land improvements	4,710,076	-	-	4,710,076	
Buildings and improvements	8,217,041	-	-	8,217,041	
Machinery and equipment	569,373	6,111	(106,339)	469,145	
Total Capital Assets, Being Depreciated	<u>13,496,490</u>	<u>6,111</u>	<u>(106,339)</u>	<u>13,396,262</u>	
Less accumulated depreciation:					
Land improvements	4,203,199	190,401	-	4,393,600	
Buildings and improvements	2,597,360	164,710	-	2,762,070	
Machinery and equipment	393,304	88,076	(88,085)	393,295	
Total Accumulated Depreciation	<u>7,193,863</u>	<u>443,187</u>	<u>(88,085)</u>	<u>7,548,965</u>	
Total Capital Assets, Being Depreciated, Net	<u>6,302,627</u>	<u>(437,076)</u>	<u>(18,254)</u>	<u>5,847,297</u>	
Golf Fund Capital Assets, Net	<u>\$ 14,597,014</u>	<u>\$ (437,076)</u>	<u>\$ (18,254)</u>	<u>\$ 14,141,684</u>	

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Capital Assets (Continued)

A summary of changes in the Sewer and Storm Drain Business-type Activities capital assets at June 30, 2021, are as follows:

SEWER AND STORM DRAIN FUND					
	Balances at June 30, 2020	Transfers	Additions	Deletions	Balances at June 30, 2021
Capital assets, not being depreciated:					
Projects-in-progress	\$ 2,361,195	\$ (474,936)	\$ 396,736	\$ -	2,282,995
Total Capital Assets, Not Being Depreciated	2,361,195	(474,936)	396,736	-	2,282,995
Capital assets, being depreciated:					
Machinery and equipment	1,090,155	-	138,919	(43,168)	1,185,906
Infrastructure	76,447,238	474,936	-	-	76,922,174
Total Capital Assets, Being Depreciated	77,537,393	474,936	138,919	(43,168)	78,108,080
Less accumulated depreciation:					
Machinery and equipment	359,025	-	62,907	(43,168)	378,764
Infrastructure	49,092,678	-	1,540,003	-	50,632,681
Total Accumulated Depreciation	49,451,703	-	1,602,910	(43,168)	51,011,445
Total Capital Assets, Being Depreciated, Net	28,085,690	474,936	(1,463,991)	-	27,096,635
Sewer and Storm Drain Fund Capital Assets, Net	<u>\$ 30,446,885</u>	<u>\$ -</u>	<u>\$ (1,067,255)</u>	<u>\$ -</u>	<u>\$ 29,379,630</u>

The city has purchased the following equipment assets under capital lease agreements:

	Governmental Activities	Sewer Fund
Capital Assets, at original cost	\$ 8,224,492	\$ 527,802
Accumulated Depreciation	(1,740,909)	(87,967)
Total Book Value at June 30,2021	<u>\$ 6,483,583</u>	<u>\$ 439,835</u>

Capital Project Commitments

The City has active construction projects as of June 30, 2021. At year end, the City's projects-in-progress totaled \$35,430,454. The following material construction commitments existed at June 30, 2021.

Project Name	Contract Amount	Expenditures to date as of June 30, 2020	Remaining Commitments
Governmental Activities:			
Telegraph Road Traffic Enhancements	\$ 7,580,853	\$ 2,983,873	\$ 4,596,980
Total Construction Commitments	<u>\$ 7,580,853</u>	<u>\$ 2,983,873</u>	<u>\$ 4,596,980</u>

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: Long-Term Debt

Noted below is a summary of changes in long-term debt for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 57,800,000	\$ 109,076,263	\$ 2,515,000	\$ 164,361,263	\$ 2,680,000
Bond premiums	4,667,154	-	260,723	4,406,431	-
Bond discount	(99,525)	-	(7,108)	(92,417)	-
Total Bonds	62,367,629	109,076,263	2,768,615	168,675,277	2,680,000
Direct borrowings					
Capital lease payable	4,884,428	804,704	1,027,088	4,662,044	918,594
Loans from Federal Government					
HUD Section 108 Loans	4,284,000	-	353,000	3,931,000	353,000
Total governmental activities long-term liabilities	\$ 71,536,057	\$ 109,251,608	\$ 4,148,703	\$ 177,268,321	\$ 3,951,594
Business-type Activities:					
Bonds payable	\$ -	\$ 4,508,737	\$ -	\$ 4,508,737	\$ -
Certificates of Participation					
Golf Course 2014 COP	3,740,000	-	475,000	3,265,000	495,000
Direct borrowings					
Capital lease payable	144,233	-	71,149	73,084	73,084
Total business-type activities long-term liabilities	\$ 3,884,233	\$ 4,508,737	\$ 546,149	\$ 7,846,821	\$ 568,084

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, 2021, 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, 2021

Note 10: 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>
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	730,000	590,896	1,320,896
2026	810,000	554,301	1,364,301
2027-2031	5,455,000	2,062,681	7,517,681
2032-2034	4,640,000	485,172	5,125,172
Total	<u>\$ 14,795,000</u>	<u>\$ 5,793,087</u>	<u>\$ 20,588,087</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 \$45,415,000 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>
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	2,000,000	1,446,538	3,446,538
2026	2,100,000	1,344,038	3,444,038
2027-2031	12,185,000	4,994,063	17,179,063
2032-2036	15,365,000	1,834,863	17,199,863
2037	3,390,000	52,969	3,442,969
Total	<u>\$ 40,490,000</u>	<u>\$ 14,579,585</u>	<u>\$ 55,069,585</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, 2021

Note 10: Long-Term Debt (Continued)

2021 Pension Obligation Bonds

In February 2021, the City issued \$113,585,000 pension obligation bonds. Bond proceeds will be used to refinance the City's statutory obligation to appropriate and make payments to CalPERS for certain amounts arising as a result of retirement benefits accruing to members of the System. Principal on the bonds mature in amounts from \$3,595,000 to \$7,325,000, beginning June 30, 2023 through June 30, 2044, and the interest at .317% to 2.995% is due semiannually on June 1 and December 1, commencing on June 1, 2022.

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

Governmental Activity

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 3,162,176	\$ 3,162,176
2023	3,452,297	2,485,554	5,937,851
2024	3,409,083	2,474,609	5,883,692
2025	3,898,839	2,458,008	6,356,847
2026	3,879,633	2,427,909	6,307,542
2027-2031	19,523,004	11,347,565	30,870,569
2032-2036	23,757,950	9,391,179	33,149,129
2037-2041	31,579,636	5,760,654	37,340,290
2042-2044	19,575,821	1,140,524	20,716,345
Total	<u>\$ 109,076,263</u>	<u>\$ 40,648,178</u>	<u>\$ 149,724,441</u>

Business Type Activity

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 130,711	\$ 130,711
2023	142,703	102,742	245,445
2024	140,917	102,290	243,207
2025	161,161	101,603	262,764
2026	160,367	100,359	260,726
2027-2031	806,996	469,059	1,276,055
2032-2036	982,050	388,190	1,370,240
2037-2041	1,305,364	238,120	1,543,484
2042-2044	809,179	47,144	856,323
Total	<u>\$ 4,508,737</u>	<u>\$ 1,680,218</u>	<u>\$ 6,188,955</u>

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental	\$ 109,076,263	\$ 40,648,178	\$ 149,724,441
Business	4,508,737	1,680,218	6,188,955
Total	<u>\$ 113,585,000</u>	<u>\$ 42,328,396</u>	<u>\$ 155,913,396</u>

The outstanding bonds contain a provision that if any event of default should occur and continues to occur, the City and Trustee have no liability to the Holders of Series 2021 bonds or any other party related to or arising from such rescission of redemption.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: 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>
2022	\$ 1,121,187
2023	1,121,187
2024	1,018,206
2025	813,299
2026	562,204
2027-2028	<u>750,738</u>
Total minimum lease payments	5,386,821
Less: amounts representing interest	<u>724,777</u>
Present value of minimum lease payments	<u>\$ 4,662,044</u>

Loans from Federal Government

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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 81,000	\$ 10,417	\$ 91,417
2023	81,000	8,286	89,286
2024	81,000	6,014	87,014
2025	81,000	3,637	84,637
2026	<u>81,000</u>	<u>1,219</u>	<u>82,219</u>
Total	<u>\$ 405,000</u>	<u>\$ 29,573</u>	<u>\$ 434,573</u>

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: 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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 114,000	\$ 16,777	\$ 130,777
2023	114,000	13,860	127,860
2024	114,000	10,916	124,916
2025	114,000	7,902	121,902
2026	114,000	4,821	118,821
2027	114,000	1,630	115,630
Total	<u>\$ 684,000</u>	<u>\$ 55,906</u>	<u>\$ 739,906</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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 158,000	\$ 86,307	\$ 244,307
2023	158,000	82,265	240,265
2024	158,000	78,185	236,185
2025	158,000	74,009	232,009
2026	158,000	69,738	227,738
2027-2031	790,000	279,774	1,069,774
2032-2036	790,000	152,245	942,245
2037-2039	472,000	25,466	497,466
Total	<u>\$ 2,842,000</u>	<u>\$ 847,989</u>	<u>\$ 3,689,989</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>
2022	\$ 495,000	\$ 111,648	\$ 606,648
2023	515,000	92,963	607,963
2024	535,000	73,538	608,538
2025	550,000	53,465	603,465
2026	575,000	32,653	607,653
2027	595,000	11,008	606,008
Total	<u>\$ 3,265,000</u>	<u>\$ 375,275</u>	<u>\$ 3,640,275</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: 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>Business- Type Activities</u>
2022	\$ 75,072
Total minimum lease payments	75,072
Less: amounts representing interest	<u>(1,988)</u>
Present value of minimum lease payments	<u>\$ 73,084</u>

Note 11: Compensated Absences

Compensated Absences

For the fiscal year ended June 30, 2021, compensated absences are as follows:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
Compensated absences:					
Governmental activities	\$ 16,933,089	\$ 4,811,766	\$ 5,170,438	\$ 16,574,417	\$ 5,170,438
Business-type activities	619,905	190,832	153,405	657,332	153,405
Total compensated absences	<u>\$ 17,552,994</u>	<u>\$ 5,002,598</u>	<u>\$ 5,323,843</u>	<u>\$ 17,231,749</u>	<u>\$ 5,323,843</u>

The compensated absences are predominantly associated with the General fund.

Note 12: Claims and Judgements

Claims Payable (Self-Insurance)

The City has two 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:

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

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 12: 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, 2021, were as follows:

	General Liability	Workers' Compensation	Employee Health Benefit	Total
Claims Payable, June 30, 2020	\$ 4,443,000	\$ 14,951,484	\$ 85,000	\$ 19,479,484
Claims and Changes in Estimates	2,110,495	5,177,321	-	7,287,816
Claims Payments	(188,495)	(2,505,805)	-	(2,694,300)
Claims Payable, June 30, 2021	<u>\$ 6,365,000</u>	<u>\$ 17,623,000</u>	<u>\$ 85,000</u>	<u>\$ 24,073,000</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.

Commitments and Contingencies

The City is subject to litigation arising in the normal course of business. A liability in the amount of \$1,903,430 related to estimated claims liability regarding a settlement, expected to finalize late 2021 has been included in the City's General fund.

Note 13: 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, 2021**

Note 13: City Employee Retirement Plan (Continued)

Pension related balances presented on the Statement of Net Position as of June 30, 2021 by individual plan are described in the following table:

	Deferred Contributions due to Pension Refunding	Deferred Employer Contributions	Deferred Outflows- Pension	Net Pension Liability	Deferred Inflows- Pension
CalPERS Miscellaneous Plan	\$ 33,105,213	\$ 6,483,145	\$ 1,137,948	\$ (64,775,627)	\$ (43,404)
CalPERS Safety Plan	79,817,444	14,194,005	6,292,720	(145,190,874)	(180,058)
Total	<u>\$ 112,922,657</u>	<u>\$ 20,677,150</u>	<u>\$ 7,430,668</u>	<u>\$ (209,966,501)</u>	<u>\$ (223,462)</u>

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous agent plans			Safety agent plans			
	Miscellaneous Classic	Miscellaneous Classic - 2nd Tier	PEPRA Miscellaneous	Safety Classic	Safety Classic - 2nd Tier	PEPRA Safety Police	PEPRA Safety Fire
Hire date	Prior to January 1, 2013	January 11, 2012 - January 1, 2013	January 1, 2013 and after	Prior to January 1, 2013	October 10, 2012 - January 1, 2013	January 1, 2013 and after	January 1, 2013 and after
Benefit formula	2.7% @ 55	2.0% @ 60	2% @ 62	3% @ 50	3% @ 55	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	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	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%, 50 yrs - 55+ yrs, respectively	2.0% - 2.7%, 50 yrs - 55+ yrs, respectively	1.0% - 2.5%, 52 yrs - 67+ yrs, respectively	3.0%, 50 yrs - 55+ yrs	3.0%, 50 yrs - 55+ yrs	2.0% - 2.7%, 50 yrs - 57+ yrs, respectively	2.0% - 2.7%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	8.000%	7.000%	6.250%	9.000%	9.000%	11.000%	11.000%
Required employer contribution rates	10.647%	10.647%	10.647%	19.619%	19.619%	19.619%	19.619%
Required unfunded liability payment	\$ 4,383,545	\$ -	\$ -	\$ 8,492,882	\$ -	\$ -	\$ -

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

Employees Covered

At the June 30, 2020 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	454	317
Inactive employees entitled to but not yet receiving benefits	549	91
Active employees	232	185
	<u>1,235</u>	<u>593</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, 2021**

Note 13: 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, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, 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, 2020, 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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. For more details on this table, please refer to the 2017 experience study report.

Change of Assumptions -There were no changes in the discount rate.

Subsequent Events - There were no subsequent events that would materially affect the results presented in this disclosure.

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, 2021**

Note 13: 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	50.00%	4.80%	5.98%
Global Fixed Income	28.00	1.00	2.62
Inflation Sensitive	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	0.00	-0.92

(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, 2021

Note 13: 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:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Miscellaneous Plans			
Balance at: 6/30/2019 (Valuation Date) (1)	\$ 203,995,792	\$ 142,292,194	\$ 61,703,598
Changes Recognized for the Measurement Period:			
Service Cost	2,859,113	-	2,859,113
Interest on the Total Pension Liability	14,297,751	-	14,297,751
Difference between Expected and Actual Experience	(82,862)	-	(82,862)
Contribution from the Employer	-	5,960,428	(5,960,428)
Contributions from Employees	-	1,211,665	(1,211,665)
Net Investment Income	-	7,030,477	(7,030,477)
Benefit Payments including Refunds of Employee Contributions	(10,747,851)	(10,747,851)	-
Administration Expenses	-	(200,597)	200,597
Net Changes During 2019-20	6,326,151	3,254,122	3,072,029
Balance at: 6/30/2020 (Measurement Date) (1)	\$ 210,321,943	\$ 145,546,316	\$ 64,775,627
Safety Plans			
Balance at: 6/30/2019 (Valuation Date) (1)	\$ 422,826,942	\$ 287,825,215	\$ 135,001,727
Changes Recognized for the Measurement Period:			
Service Cost	7,169,250	-	7,169,250
Interest on the Total Pension Liability	29,942,370	-	29,942,370
Difference between Expected and Actual Experience	2,675,792	-	2,675,792
Contribution from the Employer	-	13,218,555	(13,218,555)
Contributions from Employees	-	2,433,973	(2,433,973)
Net Investment Income	-	14,351,500	(14,351,500)
Benefit Payments including Refunds of Employee Contributions	(20,625,915)	(20,625,915)	-
Administration Expenses	-	(405,763)	405,763
Net Changes During 2019-20	19,161,497	8,972,350	10,189,147
Balance at: 6/30/2020 (Measurement Date) (1)	\$ 441,988,439	\$ 296,797,565	\$ 145,190,874

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 13: City Employee Retirement Plan (Continued)

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	\$ 91,466,379	\$ 64,775,627	\$ 42,686,648
Safety	204,714,228	145,190,874	96,348,965
	<u>\$ 296,180,607</u>	<u>\$ 209,966,501</u>	<u>\$ 139,035,613</u>

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.

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, 2020 is 3.6 years for safety and 2.1 years for Miscellaneous, which was obtained by dividing the total service years of 2,153 safety and 2,536 miscellaneous (the sum of remaining service lifetimes of the active employees) by 593 safety and 1,234 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 13: City Employee Retirement Plan (Continued)

Pension Plan Fiduciary Net Position

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

d. Changes in Net Pension Liability

For the measurement period ending June 30, 2020, the City incurred pension expense in the amount of \$7,375,417 and \$20,144,259 for the Miscellaneous and Safety Plans, respectively, totaling \$27,519,676 for all plans. The City recognized a reduction of net pension liability of \$19,178,983, \$5,961,098 from the Miscellaneous Plan and \$13,217,885 from the Safety Plan. At June 30, 2019, 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	\$ 39,588,358	\$ -
Differences between Expected and Actual Experiences	25,405	(43,404)
Net difference between projected and actual earnings on pension plan investments	1,112,543	-
	<u>\$ 40,726,306</u>	<u>\$ (43,404)</u>
Safety Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 94,011,449	\$ -
Changes of Assumptions	-	(180,058)
Differences between Expected and Actual Experiences	3,913,758	-
Net difference between projected and actual earnings on pension plan investments	2,378,962	-
	<u>\$ 100,304,169</u>	<u>\$ (180,058)</u>
Total Deferred Outflows and Inflows of resources	<u>\$ 141,030,475</u>	<u>\$ (223,462)</u>

\$39,588,258 and \$94,011,449 reported as deferred outflows of resources related to miscellaneous and safety plan contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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
2021	\$ (618,605)	\$ 717,121	\$ 98,516
2022	378,700	2,239,557	2,618,257
2023	738,243	1,949,757	2,688,000
2024	596,206	1,206,227	1,802,433
	<u>\$ 1,094,544</u>	<u>\$ 6,112,662</u>	<u>\$ 7,207,206</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 14: Post-Employment Benefits Other than Pensions

Plan Description

In connection with the retirement benefits for employees described in Note 13, 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 6.90%, the City’s expectation of the long-term return on trust assets.

Employees Covered

As of the June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active	418
Inactive employees or beneficiaries currently receiving benefits	220
Inactive employees entitled to, but not yet receiving benefits	195
	<u>833</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, 2020, the City’s cash contributions were \$815,594 in total payments, which were recognized as a reduction to the OPEB liability.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 14: Post-Employment Benefits Other than Pensions (Continued)

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 using an actuarial valuation as of June 30, 2019. The Liability was determined based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	3.0% per year
Investment Rate of Return	6.90%
Mortality Rate (1)	MacLeod Watts Scale 2020 applied generationally
Healthcare Trend Rate	Adjusted in future years ranging from 4.00% - 6.50%

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:

Asset Class	Target Allocation	Long-term expected real rate of return
Global Equity	59.00%	8.90%
Global Debt Securities	25.00%	5.54%
Inflation Assets	5.00%	4.38%
REITs	8.00%	7.92%
Commodities	3.00%	5.79%
Total	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 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, 2021

Note 14: Post-Employment Benefits Other than Pensions (Continued)

Changes in the OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase(Decrease)		
	Total OPEB Liability/(Assets)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Assets) (c) = (a) - (b)
Balance at June 30,2020 (measurement date 6/30/2019)	\$ 13,847,732	\$ 7,886,892	\$ 5,960,840
Changes recognized over the measurement period:			
Service Cost	371,938	-	371,938
Interest	953,019	-	953,019
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer*	-	1,104,427	(1,104,427)
Net investment income	-	276,981	(276,981)
Benefit Payments	(815,594)	(815,594)	-
Administrative expense	-	(3,937)	3,937
Net Changes	509,363	561,877	(52,514)
Balance at June 30, 2021 (measurement date 06/30/2020)	\$ 14,357,095	\$ 8,448,769	\$ 5,908,326

*Includes implied subsidy of \$456,950

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, 2020:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Net OPEB Liability	\$ 7,595,186	\$ 5,908,326	\$ 4,493,066

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, 2020:

	1% Decrease (5.50% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (6.50% decreasing to 4.00%)	1% Increase (7.50% decreasing to 5.00%)
Net OPEB Liability	\$ 4,529,167	\$ 5,908,326	\$ 7,625,497

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 14: 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, 2021, the City recognized OPEB expense of \$539,824. As of fiscal year ended June 30, 2021, 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*	\$ 911,116	\$ -
Changes of assumptions	-	(652,553)
Differences between expected and actual experience	-	(814,445)
Net difference between projected and actual earnings on OPEB plan investments	224,448	-
Total	\$ 1,135,564	\$ (1,466,998)

* Includes implied subsidy of \$456,950

The \$911,116 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Year ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (235,046)
2023	(197,515)
2024	(189,942)
2025	(208,441)
2026	(263,848)
Thereafter	(147,758)
	<u>\$ (1,242,550)</u>

Note 15: 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 15: Joint Ventures (Continued)

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.

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 16: 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 16: Mortgage Revenue Bonds (Continued)

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.

Note 17: Sales Tax Abatement

The City has entered into a tax abatement agreement with a local businesses. The abatement may be granted to any business located within or promising to relocate to the City. For the Fiscal Year ended June 30, 2021, the City abated taxes totaling \$185,583. 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. Total tax abatements were \$141,935 for the fiscal year.
- A sales tax rebate with a local auto dealership in which the City authorized a loan in the amount of \$500,000. The sales tax base will be 100% of the sales projections and the City will retain the first 50% of the sales tax collected. The second 50% will be shared will be shared by the City and the dealership. The City will use the portion to be credited against the \$500,000 loan. Upon payment of the \$500,000 loan, the City will then disburse the sales tax collected up to a maximum of \$500,000. A combination of the sales tax credit for the loan of \$500,000 plus the sales tax rebate will not exceed \$1,000,000. Due to COVID 19 pandemic there was delay in construction and operation at the new dealership. City expects the dealership will be in operation during fiscal year 23-24, at which point abatement of sales tax will begin.
- A tax abatement to assist a new RV dealership to serve as a sales tax rebate and job creation covenant. City will rebate 26% of the sales tax portion over \$180,000 if the gross taxable sales at the property exceeds \$18,000,000. The rebate is restricted to a maximum of \$72,000 per year, and shall not exceed \$504,000 over 7 year period. Tax rebated in fiscal year was \$43,648.

Note 18: Other Disclosures

Expenditures in Excess of Appropriations

The following funds reported expenditures in excess of appropriations:

Waste Reduction	\$ 40,679
Hazardous Material	4,457
CATV Public Access	171,446
CDBG	1,944,737
Measure S (Sales Tax)	1,693,790

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 19: Restatements of Fund Balance and Net Position

Governmental activities were restated due to the following adjustments:

Beginning balance of the General Fund and Art in Public Places Fund have been restated by (\$562,894) and \$562,890, respectively, due to the opening of the Art in Public Places fund. CIP Grant Fund and Measure S 2017 LRB funds have been restated by (\$1,507,712) and \$1,507,712 due to adjustments related to prior year capital project expenditures.

The General fund was restated by \$ 62,850 due to implementation of GASB 84, to properly reclassify agency fund balance of the special deposits fund, under the General fund.

Fiduciary activities were restated due to the following adjustments:

Beginning net position of fiduciary activities on the Statement of Changes in Fiduciary Net Position has been restated by \$5,360,946 to implement GASB 84 Fiduciary Activities and properly restate the previous agency funds, which had no ending net position, as custodial funds.

Note 20: 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 20: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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	\$ 1,583,287
Cash and investments with fiscal agent	662,929
	<u>\$ 2,246,216</u>

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, 2021, follows:

	Balance June 30, 2020	Addition	Deletion	Balance June 30, 2021	Due Within One Year
Bonds payable	\$ 4,530,000	\$ -	\$ 410,000	\$ 4,120,000	\$ 430,000
Advances from City	10,107,543	66,566	1,231,941	8,942,168	-
Advances from County	33,351,866	2,334,631	-	35,686,497	-
Total long-term liabilities	<u>\$ 47,989,409</u>	<u>\$ 2,401,197</u>	<u>\$ 1,641,941</u>	<u>\$ 48,748,665</u>	<u>\$ 430,000</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, 2021, is \$4,120,000.

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

Year Ending June 30,	Principal	Interest	Total
2022	\$ 430,000	\$ 200,131	\$ 630,131
2023	450,000	177,581	627,581
2024	475,000	153,878	628,878
2025	500,000	128,894	628,894
2026	525,000	102,628	627,628
2027-2031	1,740,000	136,838	1,876,838
Total	<u>\$ 4,120,000</u>	<u>\$ 899,950</u>	<u>\$ 5,019,950</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,

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 20: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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.

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 \$5,019,950 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 \$1,152,625 and the debt obligation on the bonds was \$631,656.

Advances from City

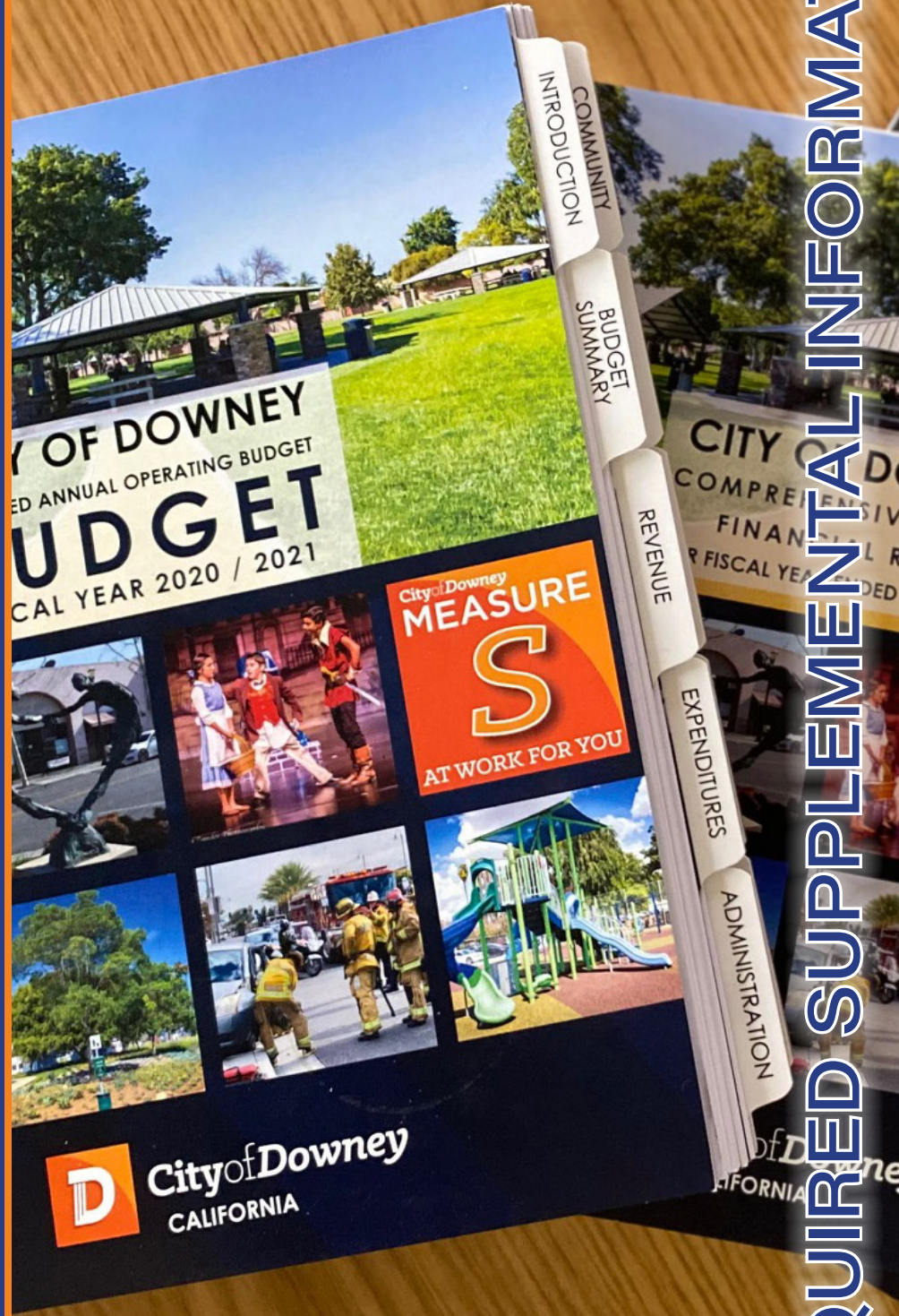
The DOF issued a Finding of Completion on May 15, 2013, in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews. The Finding of Completion allows the placement of loan agreements between the former redevelopment agency 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, 2021, the long-term advances totaled \$8,942,167. As of June 30, 2021, \$6,101,726 is reported in the General Fund, \$1,375,922 is reported in Employee Benefit Internal Service Fund and \$1,464,519 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 \$2,334,631 was also accrued during the year on the outstanding deferral amount still owing. The amount owed the County, including accrued interest, at June 30, 2021, was \$35,686,497.

Note 21: Subsequent Event

On October 5, 2021 the Downey Public Financing Authority issued the Measure M Sales Tax Revenue Bonds Series 2021A for \$15,275,000 and Measure R Sales Tax Revenue Bonds Series 2021B for \$11,385,000. Bonds were issued to finance the design, acquisition and construction of certain local roadway and street improvement projects in the City of Downey.



CITY OF DOWNEY
2020/2021 ANNUAL OPERATING BUDGET
BUDGET
FISCAL YEAR 2020 / 2021

City of Downey
MEASURE S
AT WORK FOR YOU

 **City of Downey**
CALIFORNIA

REQUIRED SUPPLEMENTAL INFORMATION



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)**

	2021	2020	2019	2018
Total Pension Liability				
Service Cost	\$ 2,859,113	\$ 2,845,628	\$ 2,747,310	\$ 2,636,289
Interest on total pension liability	14,297,751	13,871,616	13,432,640	13,024,839
Differences between expected and actual experience	(82,862)	279,451	793,693	(1,684,960)
Changes in assumptions	-	-	(1,002,999)	10,503,420
Benefit payments, including refunds of employee contributions	(10,747,851)	(10,614,492)	(10,123,596)	(9,484,059)
Net change in total pension liability	6,326,151	6,382,203	5,847,048	14,995,529
Total pension liability - beginning	203,995,792	197,613,589	191,766,541	176,771,012
Total pension liability - ending (a)	\$ 210,321,943	\$ 203,995,792	\$ 197,613,589	\$ 191,766,541
Plan fiduciary net position				
Contributions - employer	\$ 5,960,428	\$ 5,194,316	\$ 4,644,243	\$ 4,191,836
Contributions - employee	1,211,665	1,290,943	1,259,290	1,209,428
Differences in projected and actual earnings	-	-	-	-
Net investment income	7,030,477	8,947,221	10,970,946	13,489,599
Plan to plan resource movement	-	-	(320)	(957)
Administration expense	(200,597)	(98,174)	(204,781)	(180,405)
Benefit payments	(10,747,851)	(10,614,492)	(10,123,596)	(9,484,059)
Other miscellaneous income (expense)	-	320	(388,883)	-
Net change in plan fiduciary net position	3,254,122	4,720,134	6,156,899	9,225,442
Plan fiduciary net position - beginning	142,292,194	137,572,060	131,415,161	122,189,719
Plan fiduciary net position - ending (b)	\$ 145,546,316	\$ 142,292,194	\$ 137,572,060	\$ 131,415,161
Net pension liability - ending (a)-(b)	\$ 64,775,627	\$ 61,703,598	\$ 60,041,529	\$ 60,351,380
Plan fiduciary net position as a percentage of the total pension liability	69.20%	69.75%	69.62%	68.53%
Covered payroll	\$ 14,924,957	\$ 14,982,015	\$ 14,116,181	\$ 13,171,100
Net pension liability as a percentage of covered payroll	434.01%	411.85%	425.34%	458.21%

Notes to Schedule:

Benefit Changes: There were no changes in benefits. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019, 2020, or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

2017	2016	2015
\$ 2,361,815	\$ 2,372,336	\$ 2,312,390
12,804,332	12,400,751	12,026,911
(437,509)	(872,403)	-
-	(2,930,596)	-
(9,182,237)	(8,927,251)	(8,720,279)
5,546,401	2,042,837	5,619,022
171,224,611	169,181,774	163,562,752
\$ 176,771,012	\$ 171,224,611	\$ 169,181,774
\$ 3,645,344	\$ 3,324,338	\$ 2,487,187
1,158,399	1,307,613	1,333,703
-	(6,742,788)	-
600,935	9,576,038	19,329,661
-	9,214	-
(76,817)	(141,638)	-
(9,182,237)	(8,927,251)	(8,720,279)
-	-	-
(3,854,376)	(1,594,474)	14,430,272
126,044,095	127,599,058	113,168,786
\$ 122,189,719	\$ 126,004,584	\$ 127,599,058
\$ 54,581,293	\$ 45,220,027	\$ 41,582,716
69.12%	73.59%	75.42%
\$ 12,471,112	\$ 11,295,425	\$ 11,873,874
437.66%	400.34%	350.20%

CITY OF DOWNEY

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
MISCELLANEOUS PLAN:				
Actuarially Determined Contribution	\$ 6,483,145	\$ 5,961,098	\$ 5,196,100	\$ 4,645,952
Contribution in Relation to the Actuarially Determined Contributions	<u>(39,588,358)</u>	<u>(5,961,098)</u>	<u>(5,196,100)</u>	<u>(4,645,952)</u>
Contribution Deficiency (Excess)	<u>\$ (33,105,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,170,622	\$ 14,924,957	\$ 14,982,015	\$ 14,116,181
Contributions as a Percentage of Covered Payroll	260.95%	39.94%	34.68%	32.91%

(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 seven years are shown.

Note to Schedule:

Valuation Date:	June 30, 2018
Covered-employee payroll	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Remaining amortization period	Market value of assets
Assets valuation method	Direct rate smoothing
Inflation	2.50%
Payroll growth	2.75%
Investment rate of return	7.00% net of pension investment and administrative expenses, including inflation.
	All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015. Including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under forms and publications.
Retirement age	
	The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table please refer to the 2017 experience study report.
Mortality	

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 4,191,472	\$ 3,642,086	\$ 3,324,338
<u>(4,191,472)</u>	<u>(3,642,086)</u>	<u>(3,324,338)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,171,100	\$ 12,471,112	\$ 11,295,425
31.82%	29.20%	29.43%

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)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability				
Service Cost	\$ 7,169,250	\$ 6,716,100	\$ 6,437,149	\$ 6,338,175
Interest on total pension liability	29,942,370	28,659,471	27,362,871	26,270,785
Differences between expected and actual experience	2,675,792	3,650,077	2,585,511	(5,710,849)
Changes in assumptions	-	-	(1,530,502)	22,209,649
Benefit payments, including refunds of employee contributions	(20,625,915)	(20,044,668)	(18,865,980)	(18,013,052)
Net change in total pension liability	19,161,497	18,980,980	15,989,049	31,094,708
Total pension liability - beginning	422,826,942	403,845,962	387,856,913	356,762,205
Total pension liability - ending (a)	\$ 441,988,439	\$ 422,826,942	\$ 403,845,962	\$ 387,856,913
Plan fiduciary net position				
Contributions - employer	\$ 13,218,555	\$ 11,639,905	\$ 10,227,586	\$ 8,809,223
Contributions - employee	2,433,973	2,388,761	2,184,777	2,003,302
Differences in projected and actual earnings	-	-	-	-
Net investment income	14,351,500	18,021,079	21,925,706	26,775,670
Plan to plan resource movement	-	-	(642)	-
Administration expense	(405,763)	(196,971)	(407,843)	(358,050)
Benefit payments	(20,625,915)	(20,044,668)	(18,865,980)	(18,013,052)
Other miscellaneous income (expense)	-	642	(774,501)	-
Net change in plan fiduciary net position	8,972,350	11,808,748	14,289,103	19,217,093
Plan fiduciary net position - beginning	287,825,215	276,016,467	261,727,364	242,510,271
Plan fiduciary net position - ending (b)	\$ 296,797,565	\$ 287,825,215	\$ 276,016,467	\$ 261,727,364
Net pension liability - ending (a)-(b)	\$ 145,190,874	\$ 135,001,727	\$ 127,829,495	\$ 126,129,549
Plan fiduciary net position as a percentage of the total pension liability	67.15%	68.07%	68.35%	67.48%
Covered payroll	\$ 19,075,819	\$ 22,440,568	\$ 17,853,242	\$ 17,580,987
Net pension liability as a percentage of covered payroll	761.13%	601.60%	716.00%	717.42%

Notes to Schedule:

Benefit Changes: There were no changes in benefits. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019, 2020, or 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 5,590,668	\$ 5,458,319	\$ 5,427,672
25,769,928	24,744,572	23,998,427
160,089	(3,331,302)	-
-	(6,140,951)	-
(17,329,717)	(16,721,908)	(16,257,568)
14,190,968	4,008,730	13,168,531
342,571,237	338,562,507	325,393,976
\$ 356,762,205	\$ 342,571,237	\$ 338,562,507
\$ 8,092,171	\$ 6,745,873	\$ 5,817,524
1,996,000	1,919,372	1,883,501
-	(13,442,866)	-
1,189,163	18,916,599	38,057,937
-	(191)	-
(151,578)	(279,890)	-
(17,329,717)	(16,721,908)	(16,257,568)
-	-	-
(6,203,961)	(2,863,011)	29,501,394
248,714,232	251,581,146	222,079,752
\$ 242,510,271	\$ 248,718,135	\$ 251,581,146
\$ 114,251,934	\$ 93,853,102	\$ 86,981,361
67.98%	72.60%	74.31%
\$ 17,580,987	\$ 17,248,670	\$ 18,232,334
649.86%	544.12%	477.07%

CITY OF DOWNEY

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
SAFETY PLAN:				
Actuarially Determined Contribution	\$ 14,194,005	\$ 13,217,885	\$ 11,638,120	\$ 10,225,876
Contribution in Relation to the Actuarially Determined Contributions	<u>(94,011,449)</u>	<u>(13,217,885)</u>	<u>(11,638,120)</u>	<u>(10,225,876)</u>
Contribution Deficiency (Excess)	<u>\$ (79,817,444)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,537,373	\$ 19,075,819	\$ 22,440,568	\$ 17,853,242
Contributions as a Percentage of Covered Payroll	481.19%	69.29%	51.86%	57.28%

(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 seven years are shown.

Note to Schedule:

Valuation Date:	June 30, 2018
Methods and assumptions used to determine contribution rates:	
Single and Agent Employers	Entry age normal
Amortization method	Level percentage of payroll
Assets valuation method	Direct rate smoothing
Inflation	2.50%
Payroll growth	2.75%
Investment rate of return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement age	All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015. Including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under forms and publications.
Mortality	The mortality table used was developed using CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table please refer to the 2017 experience study report.

2017	2016	2015
\$ 8,809,589	\$ 8,092,171	\$ 6,745,873
<u>(8,809,589)</u>	<u>(8,092,171)</u>	<u>(6,745,873)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,580,987	\$ 14,881,199	\$ 11,125,500
50.11%	54.38%	60.63%

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>2021</u>	<u>2020</u>
Total OPEB Liability		
Service cost	\$ 371,938	\$ 359,310
Interest on the total OPEB liability	953,019	1,102,708
Actual and expected experience difference	-	(1,107,411)
Changes in assumptions	-	(887,283)
Benefit payments	(815,594)	(814,729)
Net change in total OPEB liability	509,363	(1,347,405)
Total OPEB liability - beginning	13,847,732	15,195,137
Total OPEB liability - ending (a)	14,357,095	13,847,732
Plan Fiduciary Net Position		
Contribution - employer	1,104,427	814,729
Net investment income	276,981	458,848
Benefit payments	(815,594)	(814,729)
Administrative expense	(3,937)	(1,591)
Other expenses	-	-
Net change in plan fiduciary net position	561,877	457,257
Plan fiduciary net position - beginning	7,886,892	7,429,635
Plan fiduciary net position - ending (b)	8,448,769	7,886,892
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 5,908,326	\$ 5,960,840
Plan fiduciary net position as a percentage of the total OPEB liability	58.85%	56.95%
Covered payroll	\$ 46,420,079	\$ 44,034,470
Net OPEB liability as a percentage of covered payroll	12.73%	13.54%

(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.

	2019	2018
\$	347,999	\$ 337,046
	1,056,820	1,015,622
	-	-
	-	-
	(756,887)	(838,553)
	647,932	514,115
	14,547,205	14,033,090
	15,195,137	14,547,205
	966,887	1,008,553
	532,762	623,878
	(756,887)	(838,553)
	(3,569)	(3,167)
	(8,860)	-
	730,333	790,711
	6,699,302	5,908,591
	7,429,635	6,699,302
\$	7,765,502	\$ 7,847,903
	48.89%	46.05%
\$	36,149,553	\$ 34,730,877
	21.48%	22.60%

CITY OF DOWNEY

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

	2021	2020
Actuarially Determined Contribution	\$ 958,316	\$ 1,112,086
Contribution in Relation to the Actuarially Determined Contributions	(911,116)	(1,104,427)
Contribution Deficiency (Excess)	<u>\$ 47,200</u>	<u>\$ 7,659</u>
Covered payroll	\$ 46,751,162	\$ 46,420,079
Contributions as a percentage of covered payroll	2.05%	2.40%

(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	2.50%
Payroll Growth	3.00%
	7.60% as of June 30, 2019
Investment Rate of Return	net of plan investment expenses and including inflation
Healthcare cost-trend rates	6.5% initial, then decreasing 0.500% per year to 4% per year
Retirement Age	50 to 75
Mortality	2017 CalPERS Experience study; Improvement using MacLeod Watts Scale 2020.
Covered payroll	

2019		2018	
\$	1,103,345	\$	957,045
	(814,699)		(966,887)
<u>\$</u>	<u>288,646</u>	<u>\$</u>	<u>(9,842)</u>
\$	44,034,470	\$	36,149,553
	2.51%		2.65%

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 31,732,894	\$ 31,732,894	\$ 31,732,894	\$ -
Resources (Inflows):				
Taxes:				
Property	30,945,652	30,945,652	32,208,634	1,262,982
Transient occupancy	1,600,000	1,600,000	1,298,006	(301,994)
Sales	24,042,800	24,042,800	24,856,809	814,009
Franchise and other	15,990,010	15,990,010	16,749,898	759,888
Licenses and permits	1,475,050	1,475,050	1,681,430	206,380
Intergovernmental	2,681,374	2,681,374	2,405,210	(276,164)
Contribution from property owners	-	-	-	-
Charges for services	10,501,215	10,501,215	9,786,288	(714,927)
Use of money and property	1,747,000	1,747,000	1,393,153	(353,847)
Fines and forfeitures	1,520,200	1,520,200	1,622,518	102,318
Miscellaneous	3,552,700	3,517,700	4,653,683	1,135,983
Proceeds from sale of capital asset	10,600,000	10,600,000	-	(10,600,000)
Transfers In	5,283,081	5,283,081	9,601,794	4,318,713
Bond Proceeds	-	-	108,446,904	108,446,904
Amounts Available for Appropriations	141,671,976	141,636,976	246,437,221	104,800,245
Charges to Appropriations (Outflows):				
General Government:				
General Government Administration	976,905	976,905	935,185	41,720
City Council	354,654	354,654	296,354	58,300
City Attorney	210,050	210,050	206,678	3,372
City Clerk	894,590	894,590	727,157	167,433
City Manager	1,298,307	1,298,307	1,218,872	79,435
Human Resources	1,449,605	1,449,605	1,315,975	133,630
Finance	7,054,093	7,054,093	5,695,524	1,358,569
Total General Government	12,238,204	12,238,204	10,395,745	1,842,459
Public Safety:				
Police	39,008,716	39,008,716	41,366,522	(2,357,806)
Fire	25,142,804	25,142,804	27,393,471	(2,250,667)
Total Public Safety	64,151,520	64,151,520	68,759,993	(4,608,473)
Public Works:				
Public Works Administration	746,860	746,860	745,590	1,270
Engineering	1,735,899	1,735,899	1,151,257	584,642
Maintenance	4,418,532	4,418,532	5,167,187	(748,655)
Utilities	2,499,585	2,499,585	2,466,029	33,556
Total Public Works	9,400,876	9,400,876	9,530,063	(129,187)
Community Development:				
Building and Safety	1,219,785	1,219,785	1,354,412	(134,627)
Code Enforcement	1,201,154	1,201,154	1,249,982	(48,828)
Economic Dev & Housing	250,000	250,000	60,470	189,530
Planning	1,244,750	1,244,750	1,113,852	130,898
Total Community Development	3,915,689	3,915,689	3,778,716	136,973
Community Services:				
Recreation Department	9,565,912	9,598,131	6,956,195	2,641,936
Total Community Services	9,565,912	9,598,131	6,956,195	2,641,936
Capital Outlay	205,640	205,640	336,584	(130,944)
Debt service:				
Principal retirement	855,000	855,000	855,000	-
Interest and fiscal charges	792,168	792,168	1,429,397	(637,229)
Total Debt Service	1,647,168	1,647,168	2,284,397	(637,229)
Total Charges to Appropriations	101,125,009	101,157,228	102,041,693	(884,465)
Other Financing Uses:				
Transfers out	550,000	2,132,488	2,132,488	-
Total Financing Uses	550,000	2,132,488	2,132,488	-
Special Items				
Deferred Pension Related items due to debt issuance	-	-	107,814,523	(107,814,523)
Budgetary Fund Balance, June 30	\$ 41,096,967	\$ 42,612,236	\$ 34,448,517	\$ 213,499,233

The notes to required supplementary information are an integral part of this schedule.

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$3,621,073	\$ 3,621,073	\$ 3,621,073	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	10,163	163
Miscellaneous	100,000	100,000	77,730	(22,270)
Amounts Available for Appropriations	3,731,073	3,731,073	3,708,966	(22,107)
Charges to Appropriations (Outflow):				
Community development	220,800	720,800	218,058	502,742
Total Charges to Appropriations	220,800	720,800	218,058	502,742
Budgetary Fund Balance, June 30	\$3,510,273	\$ 3,010,273	\$ 3,490,908	\$ 480,635

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CIP GRANT FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ (4,377,377)	\$ (4,377,377)	\$(4,377,377)	\$ -
Resources (Inflows):				
Intergovernmental	38,316,758	38,316,758	10,240,159	(28,076,599)
Use of money and property	-	-	2,303	2,303
Transfers in	-	791,488	791,488	-
Amounts Available for Appropriations	33,939,381	34,730,869	6,656,573	(28,074,296)
Charges to Appropriations (Outflow):				
Capital outlay	38,316,758	40,382,174	9,823,851	30,558,323
Total Charges to Appropriations	38,316,758	40,382,174	9,823,851	30,558,323
Budgetary Fund Balance, June 30	\$ (4,377,377)	\$ (5,651,305)	\$(3,167,278)	\$ 2,484,027

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
HOME
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 607,899	\$ 607,899	\$ 607,899	\$ -
Resources (Inflows):				
Intergovernmental	934,792	1,134,792	372,583	(762,209)
Use of money and property	-	-	1,663	1,663
Amounts Available for Appropriations	1,542,691	1,742,691	982,145	(760,546)
Charges to Appropriations (Outflow):				
Community development	934,560	1,134,560	299,614	834,946
Total Charges to Appropriations	934,560	1,134,560	299,614	834,946
Budgetary Fund Balance, June 30	\$ 608,131	\$ 608,131	\$ 682,531	\$ 74,400

CITY OF DOWNEY

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

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

Police	\$ (2,357,806)
Fire	(2,250,667)
Maintenance	(748,655)
Building and Safety	(134,627)
Maintenance	(48,828)
Interest and Fiscal Charges	(637,229)
Debt issuance	(107,814,523)
	<u>\$ (113,992,335)</u>

The City did not adopt a budget for their Covid-19 Grants special revenue fund.

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, another 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.

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.

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.

Measure W -Sewer & Storm Drain Fund This revenue is derived from a County voter approved parcel tax to provide funding for projects to improve sewer and storm drain filtration.

Art in Public Places Fund is used to account for revenues and expenditures for the original artworks that are accessible to the public throughout the City.

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OTHER CAPITAL PROJECTS FUND

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

CITY OF DOWNEY

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds			
	Waste Reduction	Street Lighting	Hazardous Material	CATV Public Access
Assets:				
Pooled cash and investments	\$ -	\$ 563,140	\$ -	\$ 905,651
Receivables:				
Accounts	33,173	30,998	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	721	35,604
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 33,173	\$ 594,138	\$ 721	\$ 941,255
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 21,989	\$ 229,625	\$ -	\$ 6,648
Accrued liabilities	54,683	3,142	12,635	-
Unearned revenues	-	-	-	-
Due to other funds	389,900	-	118,789	-
Total Liabilities	466,572	232,767	131,424	6,648
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	361,371	-	934,607
Capital Projects	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	(433,399)	-	(130,703)	-
Total Fund Balances	(433,399)	361,371	(130,703)	934,607
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,173	\$ 594,138	\$ 721	\$ 941,255

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Air Quality	Grants	CDBG	Asset Forfeiture
Assets:				
Pooled cash and investments	\$ 365,654	\$ 200	\$ 238,183	\$ 24,674
Receivables:				
Accounts	-	111,014	-	-
Taxes	-	-	-	-
Notes and loans	-	-	451,335	-
Due from other governments	37,694	18,003	71,046	-
Inventories	-	13,255	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	949,900	-
Total Assets	\$ 403,348	\$ 142,472	\$ 1,710,464	\$ 24,674
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 41,487	\$ 26,020	\$ 3,866
Accrued liabilities	9,990	71,698	44,667	20,746
Unearned revenues	-	-	-	-
Due to other funds	-	362,819	-	-
Total Liabilities	9,990	476,004	70,687	24,612
Deferred Inflows of Resources:				
Unavailable revenues	-	17,150	451,335	-
Total Deferred Inflows of Resources	-	17,150	451,335	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	62
Parks and recreation	-	-	-	-
Public works	393,358	-	-	-
Capital Projects	-	-	-	-
Low and moderate income housing	-	-	1,188,442	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	(350,682)	-	-
Total Fund Balances	393,358	(350,682)	1,188,442	62
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 403,348	\$ 142,472	\$ 1,710,464	\$ 24,674

CITY OF DOWNEY

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds			
	Transit Prop C	Transit Prop A	Transit Measure R	Gas Tax
Assets:				
Pooled cash and investments	\$ 2,187,578	\$ 2,037,065	\$ 1,380,360	\$ -
Receivables:				
Accounts	-	-	-	14,175
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	21,000	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,208,578	\$ 2,037,065	\$ 1,380,360	\$ 14,175
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 83,000	\$ 224,391	\$ 260,530	\$ 50
Accrued liabilities	8,224	83,288	10,244	2,708
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	598,354
Total Liabilities	91,224	307,679	270,774	601,112
Deferred Inflows of Resources:				
Unavailable revenues	21,000	-	-	-
Total Deferred Inflows of Resources	21,000	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	1,729,386	-	-
Capital Projects	2,096,354	-	1,109,586	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	-	(586,937)
Total Fund Balances	2,096,354	1,729,386	1,109,586	(586,937)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,208,578	\$ 2,037,065	\$ 1,380,360	\$ 14,175

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	LSTA Grant	Measure S 2017 LRB	SB1 Transportation	Measure S (Sales Tax)
Assets:				
Pooled cash and investments	\$ 385	\$ 1,064,227	\$ 1,733,163	\$ 1,181,754
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	383,530	1,137,543
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	527,961	-	-
Total Assets	\$ 385	\$ 1,592,188	\$ 2,116,693	\$ 2,319,297
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 1,812,877	\$ 60,922	\$ 369,307
Accrued liabilities	-	-	2,475	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1,812,877	63,397	369,307
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	1,949,990
Parks and recreation	385	-	-	-
Public works	-	-	2,053,296	-
Capital Projects	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	(220,689)	-	-
Total Fund Balances	385	(220,689)	2,053,296	1,949,990
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 385	\$ 1,592,188	\$ 2,116,693	\$ 2,319,297

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Transit Measure M	Asset Forfeiture - State	Measure W - Sewer & Storm Drain	Art In Public Places
Assets:				
Pooled cash and investments	\$ 2,618,847	\$ 115,254	\$ -	\$ 303,376
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,618,847	\$ 115,254	\$ -	\$ 303,376
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 379,410	\$ -	\$ 10,932	\$ 42,203
Accrued liabilities	1,464	-	-	-
Unearned revenues	-	108,625	-	-
Due to other funds	-	-	923,472	-
Total Liabilities	380,874	108,625	934,404	42,203
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	6,629	-	-
Parks and recreation	-	-	-	261,173
Public works	2,237,973	-	-	-
Capital Projects	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital Projects	-	-	-	-
Unassigned	-	-	(934,404)	-
Total Fund Balances	2,237,973	6,629	(934,404)	261,173
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,618,847	\$ 115,254	\$ -	\$ 303,376

CITY OF DOWNEY

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>City Capital Projects</u>	
Assets:		
Pooled cash and investments	\$ 3,975,284	\$ 18,694,795
Receivables:		
Accounts	-	189,360
Taxes	-	1,521,073
Notes and loans	-	451,335
Due from other governments	470,485	654,553
Inventories	-	13,255
Restricted assets:		
Cash and investments with fiscal agents	-	1,477,861
Total Assets	<u>\$ 4,445,769</u>	<u>\$ 23,002,232</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 32,100	\$ 3,605,357
Accrued liabilities	1,314	327,278
Unearned revenues	-	108,625
Due to other funds	-	2,393,334
Total Liabilities	<u>33,414</u>	<u>6,434,594</u>
Deferred Inflows of Resources:		
Unavailable revenues	-	489,485
Total Deferred Inflows of Resources	<u>-</u>	<u>489,485</u>
Fund Balances:		
Restricted for:		
Public safety	-	1,956,681
Parks and recreation	-	261,558
Public works	-	7,709,991
Capital Projects	-	3,205,940
Low and moderate income housing	-	1,188,442
Assigned to:		
Capital Projects	4,412,355	4,412,355
Unassigned	<u>-</u>	<u>(2,656,814)</u>
Total Fund Balances	<u>4,412,355</u>	<u>16,078,153</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,445,769</u>	<u>\$ 23,002,232</u>

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Waste Reduction	Street Lighting	Hazardous Material	CATV Public Access
Revenues:				
Taxes	\$ -	\$ 311,422	\$ -	\$ 144,973
Intergovernmental	40,862	-	-	-
Charges for services	421,489	1,614,365	168,248	-
Use of money and property	3,226	4,721	-	-
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	9,836	-	-
Total Revenues	465,577	1,940,344	168,248	144,973
Expenditures:				
Current:				
General government	-	-	-	171,446
Public safety	-	-	193,818	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	616,499	1,775,407	-	-
Capital outlay	-	57,239	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	616,499	1,832,646	193,818	171,446
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,922)	107,698	(25,570)	(26,473)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(150,922)	107,698	(25,570)	(26,473)
Fund Balances, Beginning of Year as Originally Reported	(282,477)	253,673	(105,133)	961,080
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(282,477)	253,673	(105,133)	961,080
Fund Balances, End of Year	\$ (433,399)	\$ 361,371	\$ (130,703)	\$ 934,607

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Air Quality	Grants	CDBG	Asset Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	148,244	423,536	915,212	155,804
Charges for services	-	97,838	-	-
Use of money and property	2,502	-	-	88
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	15,031	-	-
Total Revenues	150,746	536,405	915,212	155,892
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	321,303	-	182,285
Community development	-	1,123,525	2,485,487	-
Community services	-	-	22,057	-
Public works	120,653	-	-	-
Capital outlay	-	192,835	-	-
Debt service:				
Principal retirement	-	-	353,000	-
Interest and fiscal charges	-	-	127,160	-
Total Expenditures	120,653	1,637,663	2,987,704	182,285
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,093	(1,101,258)	(2,072,492)	(26,393)
Other Financing Sources (Uses):				
Transfers in	-	550,000	-	-
Transfers out	-	-	(51,175)	-
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	550,000	(51,175)	-
Net Change in Fund Balances	30,093	(551,258)	(2,123,667)	(26,393)
Fund Balances, Beginning of Year as Originally Reported	363,265	200,576	3,312,109	26,455
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	363,265	200,576	3,312,109	26,455
Fund Balances, End of Year	\$ 393,358	\$ (350,682)	\$ 1,188,442	\$ 62

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Transit Prop C	Transit Prop A	Transit Measure R	Gas Tax
Revenues:				
Taxes	\$ 1,906,074	\$ 2,297,958	\$ -	\$ -
Intergovernmental	-	-	-	2,457,512
Charges for services	-	93	-	-
Use of money and property	17,265	16,244	(6,236)	(2,415)
Fines and forfeitures	-	-	-	-
Developer participation	-	-	1,431,537	-
Miscellaneous	-	290	-	-
Total Revenues	1,923,339	2,314,585	1,425,301	2,455,097
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	844,111	-	-
Public works	51,566	258,213	981,669	29,103
Capital outlay	167,735	935,825	1,276,932	205,702
Debt service:				
Principal retirement	-	277,769	-	-
Interest and fiscal charges	-	93,512	-	-
Total Expenditures	219,301	2,409,430	2,258,601	234,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,704,038	(94,845)	(833,300)	2,220,292
Other Financing Sources (Uses):				
Transfers in	-	1,000,000	-	-
Transfers out	(1,000,000)	-	-	(2,396,931)
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	(1,000,000)	1,000,000	-	(2,396,931)
Net Change in Fund Balances	704,038	905,155	(833,300)	(176,639)
Fund Balances, Beginning of Year as Originally Reported	1,392,316	824,231	1,942,886	(410,298)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,392,316	824,231	1,942,886	(410,298)
Fund Balances, End of Year	\$ 2,096,354	\$ 1,729,386	\$ 1,109,586	\$ (586,937)

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	LSTA Grant	Measure S 2017 LRB	SB1 Transportation	Measure S (Sales Tax)
Revenues:				
Taxes	\$ -	\$ -	\$ 2,104,662	\$ 5,596,250
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	114	27,311	(9,507)	(37,915)
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	16,502	11,573	-
Total Revenues	114	43,813	2,106,728	5,558,335
Expenditures:				
Current:				
General government	-	2,500	-	62,185
Public safety	-	-	-	242,535
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	-	4,768	-
Capital outlay	-	9,780,075	2,036,507	1,200,929
Debt service:				
Principal retirement	-	-	-	1,859,875
Interest and fiscal charges	-	-	-	1,796,704
Total Expenditures	-	9,782,575	2,041,275	5,162,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	114	(9,738,762)	65,453	396,107
Other Financing Sources (Uses):				
Transfers in	-	6,766,000	-	-
Transfers out	-	-	-	(7,000,000)
Capital leases	-	-	-	355,539
Total Other Financing Sources (Uses)	-	6,766,000	-	(6,644,461)
Net Change in Fund Balances	114	(2,972,762)	65,453	(6,248,354)
Fund Balances, Beginning of Year as Originally Reported	271	1,244,361	1,987,843	8,198,344
Restatements	-	1,507,712	-	-
Fund Balances, Beginning of Year, as Restated	271	2,752,073	1,987,843	8,198,344
Fund Balances, End of Year	\$ 385	\$ (220,689)	\$ 2,053,296	\$ 1,949,990

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Transit Measure M	Asset Forfeiture - State	Measure W - Sewer & Storm Drain	Art In Public Places
Revenues:				
Taxes	\$ 1,621,984	\$ -	\$ -	\$ -
Intergovernmental	-	2,187	-	-
Charges for services	-	-	-	-
Use of money and property	(7,661)	814	-	-
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	18,932
Total Revenues	1,614,323	3,001	-	18,932
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	38,539	-	103,098	27,918
Capital outlay	1,194,395	-	434,519	292,731
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,232,934	-	537,617	320,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	381,389	3,001	(537,617)	(301,717)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	381,389	3,001	(537,617)	(301,717)
Fund Balances, Beginning of Year as Originally Reported	1,856,584	3,628	(396,787)	-
Restatements	-	-	-	562,890
Fund Balances, Beginning of Year, as Restated	1,856,584	3,628	(396,787)	562,890
Fund Balances, End of Year	\$ 2,237,973	\$ 6,629	\$ (934,404)	\$ 261,173

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental</u>
	<u>City Capital Projects</u>	<u>Funds</u>
Revenues:		
Taxes	\$ -	\$ 13,983,323
Intergovernmental	-	4,143,357
Charges for services	4,303	2,306,336
Use of money and property	232	8,783
Fines and forfeitures	1,846,742	1,846,742
Developer participation	-	1,431,537
Miscellaneous	-	72,164
Total Revenues	1,851,277	23,792,242
Expenditures:		
Current:		
General government	-	236,131
Public safety	-	939,941
Community development	-	3,609,012
Community services	-	866,168
Public works	-	4,007,433
Capital outlay	1,406,021	19,181,445
Debt service:		
Principal retirement	-	2,490,644
Interest and fiscal charges	-	2,017,376
Total Expenditures	1,406,021	33,348,150
Excess (Deficiency) of Revenues Over (Under) Expenditures	445,256	(9,555,908)
Other Financing Sources (Uses):		
Transfers in	25,000	8,341,000
Transfers out	(450,000)	(10,898,106)
Capital leases	-	355,539
Total Other Financing Sources (Uses)	(425,000)	(2,201,567)
Net Change in Fund Balances	20,256	(11,757,475)
Fund Balances, Beginning of Year as Originally Reported	4,392,099	25,765,026
Restatements	-	2,070,602
Fund Balances, Beginning of Year, as Restated	4,392,099	27,835,628
Fund Balances, End of Year	\$ 4,412,355	\$ 16,078,153

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 WASTE REDUCTION
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (282,477)	\$ (282,477)	\$ (282,477)	\$ -
Resources (Inflows):				
Intergovernmental	60,000	60,000	40,862	(19,138)
Charges for services	420,000	420,000	421,489	1,489
Use of money and property	-	-	3,226	3,226
Amounts Available for Appropriations	197,523	197,523	183,100	(14,423)
Charges to Appropriations (Outflow):				
Public works	575,820	575,820	616,499	(40,679)
Total Charges to Appropriations	575,820	575,820	616,499	(40,679)
Budgetary Fund Balance, June 30	\$ (378,297)	\$ (378,297)	\$ (433,399)	\$ (55,102)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 STREET LIGHTING
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 253,673	\$ 253,673	\$ 253,673	\$ -
Resources (Inflows):				
Taxes	558,000	558,000	311,422	(246,578)
Charges for services	1,379,500	1,379,500	1,614,365	234,865
Use of money and property	2,500	2,500	4,721	2,221
Miscellaneous	1,000	1,000	9,836	8,836
Amounts Available for Appropriations	2,194,673	2,194,673	2,194,017	(656)
Charges to Appropriations (Outflow):				
Public works	1,774,773	1,774,773	1,775,407	(634)
Capital outlay	60,000	60,000	57,239	2,761
Total Charges to Appropriations	1,834,773	1,834,773	1,832,646	2,127
Budgetary Fund Balance, June 30	\$ 359,900	\$ 359,900	\$ 361,371	\$ 1,471

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 HAZARDOUS MATERIAL
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (105,133)	\$ (105,133)	\$ (105,133)	\$ -
Resources (Inflows):				
Charges for services	182,419	182,419	168,248	(14,171)
Amounts Available for Appropriations	77,286	77,286	63,115	(14,171)
Charges to Appropriations (Outflow):				
Public safety	189,361	189,361	193,818	(4,457)
Total Charges to Appropriations	189,361	189,361	193,818	(4,457)
Budgetary Fund Balance, June 30	\$ (112,075)	\$ (112,075)	\$ (130,703)	\$ (18,628)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CATV PUBLIC ACCESS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 961,080	\$ 961,080	\$ 961,080	\$ -
Resources (Inflows):				
Taxes	100,000	100,000	144,973	44,973
Amounts Available for Appropriations	1,061,080	1,061,080	1,106,053	44,973
Charges to Appropriations (Outflow):				
General government	-	-	171,446	(171,446)
Total Charges to Appropriations	-	-	171,446	(171,446)
Budgetary Fund Balance, June 30	\$ 1,061,080	\$ 1,061,080	\$ 934,607	\$ (126,473)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 363,265	\$ 363,265	\$ 363,265	\$ -
Resources (Inflows):				
Intergovernmental	145,000	145,000	148,244	3,244
Use of money and property	2,500	2,500	2,502	2
Amounts Available for Appropriations	510,765	510,765	514,011	3,246
Charges to Appropriations (Outflow):				
Public works	126,504	126,504	120,653	5,851
Total Charges to Appropriations	126,504	126,504	120,653	5,851
Budgetary Fund Balance, June 30	\$ 384,261	\$ 384,261	\$ 393,358	\$ 9,097

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 200,576	\$ 200,576	\$ 200,576	\$ -
Resources (Inflows):				
Intergovernmental	-	338,000	423,536	85,536
Charges for services	210,400	210,400	97,838	(112,562)
Miscellaneous	131,732	131,732	15,031	(116,701)
Transfers in	550,000	550,000	550,000	-
Amounts Available for Appropriations	1,092,708	1,430,708	1,286,981	(143,727)
Charges to Appropriations (Outflow):				
Public safety	-	303,000	321,303	(18,303)
Community development	1,255,629	1,255,629	1,123,525	132,104
Capital outlay	264,500	299,500	192,835	106,665
Total Charges to Appropriations	1,520,129	1,858,129	1,637,663	220,466
Budgetary Fund Balance, June 30	\$ (427,421)	\$ (427,421)	\$ (350,682)	\$ 76,739

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CDBG
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$3,312,109	\$ 3,312,109	\$ 3,312,109	\$ -
Resources (Inflows):				
Intergovernmental	1,120,220	1,120,220	915,212	(205,008)
Amounts Available for Appropriations	4,432,329	4,432,329	4,227,321	(205,008)
Charges to Appropriations (Outflow):				
Community development	618,649	618,649	2,485,487	(1,866,838)
Community services	-	-	22,057	(22,057)
Debt service:				
Principal retirement	353,000	353,000	353,000	-
Interest and fiscal charges	122,493	122,493	127,160	(4,667)
Transfers out	-	-	51,175	(51,175)
Total Charges to Appropriations	1,094,142	1,094,142	3,038,879	(1,944,737)
Budgetary Fund Balance, June 30	\$3,338,187	\$ 3,338,187	\$ 1,188,442	\$ (2,149,745)

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 26,455	\$ 26,455	\$ 26,455	\$ -
Resources (Inflows):				
Intergovernmental	300,000	300,000	155,804	(144,196)
Use of money and property	500	500	88	(412)
Amounts Available for Appropriations	326,955	326,955	182,347	(144,608)
Charges to Appropriation (Outflow):				
Public safety	275,731	275,731	182,285	93,446
Total Charges to Appropriations	275,731	275,731	182,285	93,446
Budgetary Fund Balance, June 30	\$ 51,224	\$ 51,224	\$ 62	\$ (51,162)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 TRANSIT PROP C
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,392,316	\$ 1,392,316	\$ 1,392,316	\$ -
Resources (Inflows):				
Taxes	1,996,816	1,996,816	1,906,074	(90,742)
Use of money and property	5,000	5,000	17,265	12,265
Amounts Available for Appropriations	3,394,132	3,394,132	3,315,655	(78,477)
Charges to Appropriation (Outflow):				
Public works	157,307	157,307	51,566	105,741
Capital outlay	3,046,577	2,335,801	167,735	2,168,066
Transfers out	1,000,000	1,000,000	1,000,000	-
Total Charges to Appropriations	4,203,884	3,493,108	1,219,301	2,273,807
Budgetary Fund Balance, June 30	\$ (809,752)	\$ (98,976)	\$ 2,096,354	\$ 2,195,330

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT PROP A
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 824,231	\$ 824,231	\$ 824,231	\$ -
Resources (Inflows):				
Taxes	2,407,329	2,407,329	2,297,958	(109,371)
Charges for services	4,100	4,100	93	(4,007)
Use of money and property	43,000	43,000	16,244	(26,756)
Miscellaneous	10,000	10,000	290	(9,710)
Transfers in	1,000,000	1,000,000	1,000,000	-
Amounts Available for Appropriations	4,288,660	4,288,660	4,138,816	(149,844)
Charges to Appropriation (Outflow):				
Parks and recreation	1,519,123	1,519,123	844,111	675,012
Public works	348,751	348,751	258,213	90,538
Capital outlay	1,395,000	1,395,000	935,825	459,175
Debt service:				
Principal retirement	-	-	277,769	(277,769)
Interest and fiscal charges	375,169	375,169	93,512	281,657
Total Charges to Appropriations	3,638,043	3,638,043	2,409,430	1,228,613
Budgetary Fund Balance, June 30	\$ 650,617	\$ 650,617	\$ 1,729,386	\$ 1,078,769

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 TRANSIT MEASURE R
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,942,886	\$ 1,942,886	\$ 1,942,886	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	(6,236)	(16,236)
Developer participation	1,497,767	1,497,767	1,431,537	(66,230)
Amounts Available for Appropriations	3,450,653	3,450,653	3,368,187	(82,466)
Charges to Appropriation (Outflow):				
Public works	1,038,988	1,038,988	981,669	57,319
Capital outlay	2,118,788	2,118,788	1,276,932	841,856
Total Charges to Appropriations	3,157,776	3,157,776	2,258,601	899,175
Budgetary Fund Balance, June 30	\$ 292,877	\$ 292,877	\$ 1,109,586	\$ 816,709

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (410,298)	\$ (410,298)	\$ (410,298)	\$ -
Resources (Inflows):				
Intergovernmental	2,954,607	2,954,607	2,457,512	(497,095)
Use of money and property	2,500	2,500	(2,415)	(4,915)
Amounts Available for Appropriations	2,546,809	2,546,809	2,044,799	(502,010)
Charges to Appropriation (Outflow):				
Public works	17,132	17,132	29,103	(11,971)
Capital outlay	368,250	368,250	205,702	162,548
Transfers out	3,047,711	2,434,711	2,396,931	37,780
Total Charges to Appropriations	3,433,093	2,820,093	2,631,736	188,357
Budgetary Fund Balance, June 30	\$ (886,284)	\$ (273,284)	\$ (586,937)	\$ (313,653)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 LSTA GRANT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 271	\$ 271	\$ 271	\$ -
Resources (Inflows):				
Use of money and property	5	5	114	109
Amounts Available for Appropriations	276	276	385	109
Budgetary Fund Balance, June 30	\$ 276	\$ 276	\$ 385	\$ 109

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 MEASURE S 2017 LRB
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 2,752,073	\$ 2,752,073	\$ 2,752,073	\$ -
Resources (Inflows):				
Use of money and property	200,000	200,000	27,311	(172,689)
Miscellaneous	-	-	16,502	16,502
Transfers in	-	6,766,000	6,766,000	-
Amounts Available for Appropriations	2,952,073	9,718,073	9,561,886	(156,187)
Charges to Appropriation (Outflow):				
General government	-	-	2,500	(2,500)
Capital outlay	21,189,861	21,189,861	9,780,075	11,409,786
Total Charges to Appropriations	21,189,861	21,189,861	9,782,575	11,407,286
Budgetary Fund Balance, June 30	\$ (18,237,788)	\$ (11,471,788)	\$ (220,689)	\$ 11,251,099

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 SB1 TRANSPORTATION
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,987,843	\$ 1,987,843	\$ 1,987,843	\$ -
Resources (Inflows):				
Taxes	2,157,104	2,157,104	2,104,662	(52,442)
Use of money and property	-	-	(9,507)	(9,507)
Miscellaneous	-	-	11,573	11,573
Amounts Available for Appropriations	4,144,947	4,144,947	4,094,571	(50,376)
Charges to Appropriation (Outflow):				
Public works	-	-	4,768	(4,768)
Capital outlay	3,680,000	3,680,000	2,036,507	1,643,493
Total Charges to Appropriations	3,680,000	3,680,000	2,041,275	1,638,725
Budgetary Fund Balance, June 30	\$ 464,947	\$ 464,947	\$ 2,053,296	\$ 1,588,349

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
MEASURE S (SALES TAX)
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$8,198,344	\$ 8,198,344	\$ 8,198,344	\$ -
Resources (Inflows):				
Taxes	5,200,000	5,200,000	5,596,250	396,250
Use of money and property	25,000	25,000	(37,915)	(62,915)
Capital leases	-	-	355,539	355,539
Amounts Available for Appropriations	13,423,344	13,423,344	14,112,218	688,874
Charges to Appropriation (Outflow):				
General government	-	-	62,185	(62,185)
Public safety	-	6,200	242,535	(236,335)
Capital outlay	-	-	1,200,929	(1,200,929)
Debt service:				
Principal retirement	1,660,000	1,660,000	1,859,875	(199,875)
Interest and fiscal charges	1,802,238	1,802,238	1,796,704	5,534
Transfers out	1,000,000	7,000,000	7,000,000	-
Total Charges to Appropriations	4,462,238	10,468,438	12,162,228	(1,693,790)
Budgetary Fund Balance, June 30	\$8,961,106	\$ 2,954,906	\$ 1,949,990	\$ (1,004,916)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 TRANSIT MEASURE M
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,856,584	\$ 1,856,584	\$ 1,856,584	\$ -
Resources (Inflows):				
Taxes	1,697,294	1,697,294	1,621,984	(75,310)
Use of money and property	10,000	10,000	(7,661)	(17,661)
Amounts Available for Appropriations	3,563,878	3,563,878	3,470,907	(92,971)
Charges to Appropriation (Outflow):				
Public works	-	-	38,539	(38,539)
Capital outlay	3,609,467	3,609,467	1,194,395	2,415,072
Total Charges to Appropriations	3,609,467	3,609,467	1,232,934	2,376,533
Budgetary Fund Balance, June 30	\$ (45,589)	\$ (45,589)	\$ 2,237,973	\$ 2,283,562

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 MEASURE W - SEWER & STORM DRAIN
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (396,787)	\$ (396,787)	\$ (396,787)	\$ -
Resources (Inflows):				
Taxes	525,000	525,000	-	(525,000)
Amounts Available for Appropriations	128,213	128,213	(396,787)	(525,000)
Charges to Appropriation (Outflow):				
Public works	333,703	333,703	103,098	230,605
Capital outlay	845,000	845,000	434,519	410,481
Total Charges to Appropriations	1,178,703	1,178,703	537,617	641,086
Budgetary Fund Balance, June 30	\$ (1,050,490)	\$ (1,050,490)	\$ (934,404)	\$ 116,086

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 ART IN PUBLIC PLACES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 562,890	\$ 562,890	\$ 562,890	\$ -
Resources (Inflows):				
Miscellaneous	-	35,000	18,932	(16,068)
Amounts Available for Appropriations	562,890	597,890	581,822	(16,068)
Charges to Appropriation (Outflow):				
Public works	-	-	27,918	(27,918)
Capital outlay	-	644,979	292,731	352,248
Total Charges to Appropriations	-	644,979	320,649	324,330
Budgetary Fund Balance, June 30	\$ 562,890	\$ (47,089)	\$ 261,173	\$ 308,262

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CITY CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,392,099	\$ 4,392,099	\$ 4,392,099	\$ -
Resources (Inflows):				
Charges for services	-	-	4,303	4,303
Use of money and property	-	-	232	232
Fines and forfeitures	1,668,453	1,668,453	1,846,742	178,289
Transfers in	-	25,000	25,000	-
Amounts Available for Appropriations	6,060,552	6,085,552	6,268,376	182,824
Charges to Appropriation (Outflow):				
Capital outlay	5,249,992	4,630,013	1,406,021	3,223,992
Transfers out	450,000	450,000	450,000	-
Total Charges to Appropriations	5,699,992	5,080,013	1,856,021	3,223,992
Budgetary Fund Balance, June 30	\$ 360,560	\$ 1,005,539	\$ 4,412,355	\$ 3,406,816

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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, 2021**
**Governmental Activities - Internal Service
Funds**
**Employee
Benefits Equipment Totals**
Assets and Deferred Outflows of Resources:**Assets:**

Current:

Cash and investments	\$ 26,307,387	\$ 1,322,650	\$ 27,630,037
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Receivables:

Accounts	-	10,214	10,214
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Prepaid costs	57,467	-	57,467
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Due from other governments	-	35,770	35,770
----------------------------	---	--------	--------

Inventories	-	63,424	63,424
-------------	---	--------	--------

Advances to Successor Agency	1,375,922	-	1,375,922
------------------------------	-----------	---	-----------

Total Current Assets	27,740,776	1,432,058	29,172,834
-----------------------------	-------------------	------------------	-------------------

Noncurrent:

Capital assets - net of accumulated depreciation	-	4,248,602	4,248,602
--------------------------------------------------	---	-----------	-----------

Total Noncurrent Assets	-	4,248,602	4,248,602
--------------------------------	----------	------------------	------------------

Total Assets	27,740,776	5,680,660	33,421,436
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Deferred Outflows of Resources:

Deferred pension related items

-	769,726	769,726
---	---------	---------

Total Deferred Outflows of Resources	-	769,726	769,726
---------------------------------------------	----------	----------------	----------------

Total Assets and Deferred Outflows of Resources	\$ 27,740,776	\$ 6,450,386	\$ 34,191,162
--------------------------------------------------------	----------------------	---------------------	----------------------

Liabilities, Deferred Inflows of Resources, and Net Position:**Liabilities:**

Current:

Accounts payable	\$ 55,213	\$ 174,944	\$ 230,157
------------------	-----------	------------	------------

Accrued liabilities	130	60,790	60,920
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Accrued compensated absences	1,191,253	26,715	1,217,968
------------------------------	-----------	--------	-----------

Accrued claims payable	3,085,000	-	3,085,000
------------------------	-----------	---	-----------

Bonds, notes, and capital leases	-	451,465	451,465
----------------------------------	---	---------	---------

Total Current Liabilities	4,331,596	713,914	5,045,510
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Noncurrent:

Accrued compensated absences	11,335,560	68,419	11,403,979
------------------------------	------------	--------	------------

Accrued claims payable	4,290,418	-	4,290,418
------------------------	-----------	---	-----------

Bonds, notes, and capital leases	-	1,908,058	1,908,058
----------------------------------	---	-----------	-----------

Net pension liability	-	1,224,260	1,224,260
-----------------------	---	-----------	-----------

Total Noncurrent Liabilities	15,625,978	3,200,737	18,826,715
-------------------------------------	-------------------	------------------	-------------------

Total Liabilities	19,957,574	3,914,651	23,872,225
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Deferred Inflows of Resources:

Deferred pension related items

-	820	820
---	-----	-----

Total Deferred Inflows of Resources	-	820	820
--------------------------------------------	----------	------------	------------

Net Position:

Net investment in capital assets	-	2,518,438	2,518,438
----------------------------------	---	-----------	-----------

Unrestricted	7,783,202	16,477	7,799,679
--------------	-----------	--------	-----------

Total Net Position	7,783,202	2,534,915	10,318,117
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Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 27,740,776	\$ 6,450,386	\$ 34,191,162
-------------------------------------------------------------------------------	----------------------	---------------------	----------------------

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Equipment	Totals
Operating Revenues:			
Interdepartmental charges	\$ 2,250,611	\$ 3,122,038	\$ 5,372,649
Miscellaneous	1,250,000	50,024	1,300,024
Total Operating Revenues	3,500,611	3,172,062	6,672,673
Operating Expenses:			
Maintenance and operations	-	1,449,064	1,449,064
General and administrative	-	42,812	42,812
Employee benefits	3,006,913	-	3,006,913
Depreciation expense	-	430,430	430,430
Total Operating Expenses	3,006,913	1,922,306	4,929,219
Operating Income (Loss)	493,698	1,249,756	1,743,454
Nonoperating Revenues (Expenses):			
Interest expense	-	(28,797)	(28,797)
Gain (loss) on disposal of capital assets	-	90,875	90,875
Total Nonoperating Revenues (Expenses)	-	62,078	62,078
Income (Loss) Before Transfers	493,698	1,311,834	1,805,532
Transfers out	-	(500,000)	(500,000)
Changes in Net Position	493,698	811,834	1,305,532
Net Position:			
Beginning of Year	7,289,504	1,723,081	9,012,585
End of Fiscal Year	\$ 7,783,202	\$ 2,534,915	\$ 10,318,117

CITY OF DOWNEY

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service		
	Employee Benefits	Equipment	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,250,611	\$ 3,118,668	\$ 5,369,279
Cash received from suppliers for goods and services	(14,893)	(1,571,291)	(1,586,184)
Cash paid to employees for services	(1,715,561)	(1,075,325)	(2,790,886)
Net Cash Provided (Used) by Operating Activities	520,157	472,052	992,209
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(500,000)	(500,000)
Repayment of Advance to other funds	57,265	-	57,265
Net Cash Provided (Used) by Non-Capital Financing Activities	57,265	(500,000)	(442,735)
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Pension Obligation Debt	-	629,359	629,359
Acquisition and construction of capital assets	-	(42,646)	(42,646)
Principal paid on capital debt	-	(549,444)	(549,444)
Interest paid on capital debt	-	(28,797)	(28,797)
Proceeds from sales of capital assets	-	116,239	116,239
Net Cash Provided (Used) by Capital and Related Financing Activities	-	124,711	124,711
Net Increase (Decrease) in Cash and Cash Equivalents	577,422	96,763	674,185
Cash and Cash Equivalents at Beginning of Year	25,729,965	1,225,887	26,955,852
Cash and Cash Equivalents at End of Year	\$ 26,307,387	\$ 1,322,650	\$ 27,630,037
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 493,698	\$ 1,249,756	\$ 1,743,454
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:			
Depreciation	-	430,430	430,430
(Increase) decrease in accounts receivable	-	(3,370)	(3,370)
(Increase) decrease in due from other governments	-	(34,332)	(34,332)
(Increase) decrease in inventories	-	(5,564)	(5,564)
(Increase) decrease in prepaid expense	(14,893)	-	(14,893)
(Increase) decrease in deferred pension related outflows	-	(601,796)	(601,796)
Increase (decrease) in accounts payable	41,447	(89,543)	(48,096)
Increase (decrease) in accrued liabilities	(95)	5,547	5,452
Increase (decrease) in compensated absences	-	902	902
Increase (decrease) in net pension liability	-	(460,249)	(460,249)
Increase (decrease) in deferred pension related inflows	-	(19,729)	(19,729)
Total Adjustments	26,459	(777,704)	(751,245)
Net Cash Provided (Used) by Operating Activities	\$ 520,157	\$ 472,052	\$ 992,209
Non-Cash Investing, Capital, and Financing Activities:			
Capital Assets acquired through capital lease	\$ -	\$ 449,165	\$ 449,165
Gain on disposal of capital assets	-	90,875	90,875

CUSTODIAL 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, CALIFORNIA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021**

	Cemetery District	1913 Act Bond	Elm Vista	Columbia Memorial Space Learning Center Foundation
Assets:				
Cash and investments	\$ 651,835	\$ 120,098	\$ 1,765	\$ 226,757
Receivables:				
Accounts	-	-	3,256	-
Taxes	3,490	-	-	-
Accrued interest receivable	613	-	-	-
Due from other governments	1,886	-	-	-
Advances to other funds	-	-	-	-
Capital Assets - not being depreciated	29,967	-	-	-
Capital Assets - net of accumulated depreciation	305,369	-	-	-
Total Assets	993,160	120,098	5,021	226,757
Liabilities:				
Accounts payable	1,214	-	-	6,815
Accrued liabilities	(57)	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	211,771
Due to other governments	205,820	-	5,000	-
Bonds payable:				
Due in more than one year	26,929	-	-	-
Total Liabilities	233,906	-	5,000	218,586
Net Position:				
Restricted for organizations and other governments	759,254	120,098	21	8,171
Total Net Position	\$ 759,254	\$ 120,098	\$ 21	\$ 8,171

CITY OF DOWNEY, CALIFORNIA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021**

	SEAACA	Southeast Water Coalition	Totals
Assets:			
Cash and investments	\$ 3,959,087	\$ 2,588	\$ 4,962,130
Receivables:			
Accounts	237,561	-	240,817
Taxes	-	-	3,490
Accrued interest receivable	-	-	613
Due from other governments	29,720	-	31,606
Advances to other funds	2,800	-	2,800
Capital Assets - not being depreciated	80,523	-	110,490
Capital Assets - net of accumulated depreciation	3,050,499	-	3,355,868
Total Assets	7,360,190	2,588	8,707,814
Liabilities:			
Accounts payable	488,772	-	496,801
Accrued liabilities	589,968	-	589,911
Unearned revenues	27,782	-	27,782
Deposits payable	14,587	-	226,358
Due to other governments	314,104	-	524,924
Bonds payable:			
Due in more than one year	-	-	26,929
Total Liabilities	1,435,213	-	1,892,705
Net Position:			
Restricted for organizations and other governments	5,924,977	2,588	6,815,109
Total Net Position	\$ 5,924,977	\$ 2,588	\$ 6,815,109

CITY OF DOWNEY, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Cemetery District	1913 Act Bond	Elm Vista	Columbia Memorial Space Learning Center Foundation
Additions:				
Investment earnings:				
Interest	\$ 3,790	\$ (2,173)	\$ -	\$ -
Net investment earnings	3,790	(2,173)	-	-
Taxes	100,073	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	20,036	-	-	-
Total Additions	123,899	(2,173)	-	-
Deductions:				
Benefits	-	-	-	-
Administrative expenses	51,640	-	-	-
Contractual services	-	-	-	-
Capital outlay	-	-	-	-
Depreciation expense	9,887	-	-	-
Total Deductions	61,527	-	-	-
Net Increase (Decrease) in Fiduciary Net Position	62,372	(2,173)	-	-
Net Position - Beginning, as Originally Reported	-	-	-	-
Restatement of Net Position	696,882	122,271	21	8,171
Net Position - Beginning, as Restated	696,882	122,271	21	8,171
Net Position - End of the Year	\$ 759,254	\$ 120,098	\$ 21	\$ 8,171

CITY OF DOWNEY, CALIFORNIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	SEAACA	Southeast Water Coalition	Totals
Additions:			
Investment earnings:			
Interest	\$ 13,729	\$ 2,462	\$ 17,808
Net investment earnings	13,729	2,462	17,808
Taxes	-	-	100,073
Intergovernmental	6,230,112	-	6,230,112
Miscellaneous	91,988	-	112,024
Total Additions	6,335,829	2,462	6,460,017
Deductions:			
Benefits	18,810	-	18,810
Administrative expenses	4,481,053	-	4,532,693
Contractual services	123,084	-	123,084
Capital outlay	131,373	-	131,373
Depreciation expense	190,007	-	199,894
Total Deductions	4,944,327	-	5,005,854
Net Increase (Decrease) in Fiduciary Net Position	1,391,502	2,462	1,454,163
Net Position - Beginning, as Originally Reported	-	-	-
Restatement of Net Position	4,533,475	126	5,360,946
Net Position - Beginning, as Restated	4,533,475	126	5,360,946
Net Position - End of the Year	\$ 5,924,977	\$ 2,588	\$ 6,815,109

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STATISTICAL INFORMATION



STATISTICAL SECTION

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DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2021

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: Pages

Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time 152-161

Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax..... 163-169

Debt Capacity - 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 170-176

Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place..... 177-179

Operating Information - 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..... 180-185

CITY OF DOWNEY

NET POSITION BY COMPONENT
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011-12	2012-13	2013-14	2014-15	2015-16
Governmental Activities:					
Net investment in capital assets	\$ 193,698	\$ 189,490	\$ 193,071	\$ 206,576	211,020
Restricted	26,298	29,332	26,203	23,592	30,009
Unreserved	33,582	31,965	48,162	(98,403)	(103,853)
Total governmental activities	253,578	250,787	267,436	131,765	137,176
Business-type Activities:					
Net investment in capital assets	34,378	34,116	41,719	34,744	35,577
Restricted	4,259	4,224	1,478	469	469
Unrestricted	(769)	3,602	5,941	1,084	6,032
Total business-type activities	37,868	41,942	49,138	36,297	42,078
Primary Government:					
Net investment in capital assets	228,076	223,606	234,790	241,320	246,597
Restricted	30,557	33,556	27,681	24,061	30,478
Unassigned	32,813	35,567	54,103	(97,319)	(97,821)
Total primary government	291,446	292,729	316,574	168,062	179,254

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)

	2016-17	2017-18	2018-19	2019-20	2020-21
Governmental Activities:					
Net investment in capital assets	212,244	151,973	191,436	246,763	218,784
Restricted	30,653	82,066	78,437	44,502	36,143
Unreserved	<u>(109,605)</u>	<u>(173,874)</u>	<u>(184,334)</u>	<u>(208,799)</u>	<u>(172,321)</u>
Total governmental activities	<u>133,292</u>	<u>60,165</u>	<u>85,539</u>	<u>82,466</u>	<u>82,606</u>
Business-type Activities:					
Net investment in capital assets	35,265	64,401	73,287	77,286	74,989
Restricted	469	36,006	35,064	34,007	34,130
Unrestricted	<u>11,124</u>	<u>(23,706)</u>	<u>(25,220)</u>	<u>(26,669)</u>	<u>(16,020)</u>
Total business-type activities	<u>46,858</u>	<u>76,701</u>	<u>83,131</u>	<u>84,624</u>	<u>93,099</u>
Primary Government:					
Net investment in capital assets	247,509	216,374	264,723	324,049	293,772
Restricted	31,122	118,072	113,501	78,509	70,274
Unassigned	<u>(98,481)</u>	<u>(197,580)</u>	<u>(209,554)</u>	<u>(235,468)</u>	<u>(188,341)</u>
Total primary government	<u>180,150</u>	<u>136,866</u>	<u>168,670</u>	<u>167,090</u>	<u>175,705</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)

	2011-12	2012-13	2013-14	2014-15	2015-16
Expenses					
Governmental Activities:					
General government	\$ 7,768	7,242	12,856	12,419	14,884
Public safety	51,958	46,414	52,127	54,196	58,397
Public works	6,767	7,349	10,209	13,598	15,479
Community services	9,314	8,959	5,821	6,703	7,975
Community development	8,481	5,821	5,115	4,893	7,257
Transit	4,927	3,992	3,317	-	-
Unallocated infrastructure depreciation	5,640	5,717	-	-	-
Interest on long term debt	1,541	46	1,052	1,617	1,662
Total expenses for governmental activities	<u>96,396</u>	<u>85,540</u>	<u>90,497</u>	<u>93,426</u>	<u>105,654</u>
Business-type Activities:					
Water	12,207	10,117	12,102	12,355	10,580
Golf	2,842	2,772	3,054	3,188	2,667
Sewer and Storm Drain					
Total expenses for business-type activities	<u>15,049</u>	<u>12,889</u>	<u>15,156</u>	<u>15,543</u>	<u>13,247</u>
Total expenses for primary government	<u>111,445</u>	<u>98,429</u>	<u>105,653</u>	<u>108,969</u>	<u>118,901</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	179	104	5,109	5,530	6,436
Public safety	5,234	5,996	4,550	3,980	5,136
Public works	1,173	3,111	2,045	2,950	5,545
Community services	2,414	2,452	2,766	2,977	3,233
Community development	1,443	1,301	1,080	1,307	1,550
Operating grants and contributions	9,131	8,468	9,981	12,690	15,108
Capital grants and contributions	6,330	4,279	981	1,503	2,281
Total revenues for governmental activities	<u>25,904</u>	<u>25,711</u>	<u>26,512</u>	<u>30,937</u>	<u>39,289</u>
Business-type Activities:					
Charges for services:					
Water	11,104	15,194	18,104	17,399	16,120
Golf	2,706	2,639	2,765	2,763	2,798
Sewer and Storm Drain					
Operating grants and contributions	-	-	-	-	-
Total revenues for business-type activities	<u>13,810</u>	<u>17,833</u>	<u>20,869</u>	<u>20,162</u>	<u>18,918</u>
Total revenues for primary government	<u>39,714</u>	<u>43,544</u>	<u>47,381</u>	<u>51,099</u>	<u>58,207</u>
Fund balances - July 1, as restated					
Governmental activities	(70,492)	(59,829)	(63,985)	(62,489)	(66,365)
Business-type activities	(1,239)	4,944	5,713	4,619	5,671
Total net position for primary government	<u>(71,731)</u>	<u>(54,885)</u>	<u>(58,272)</u>	<u>(57,870)</u>	<u>(60,694)</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)

	2016-17	2017-18	2018-19	2019-20	2020-21
Expenses					
Governmental Activities:					
General government	14,735	10,530	13,340	15,763	19,271
Public safety	65,666	70,552	74,434	82,960	83,139
Public works	15,486	15,075	13,289	14,320	15,176
Community services	9,404	10,152	13,171	11,050	9,281
Community development	5,870	7,626	6,856	6,187	6,636
Transit	-	-	-	-	-
Unallocated infrastructure depreciation	-	-	-	-	-
Interest on long term debt	1,704	2,588	3,298	2,773	3,209
Total expenses for governmental activities	<u>112,865</u>	<u>116,523</u>	<u>124,388</u>	<u>133,053</u>	<u>136,712</u>
Business-type Activities:					
Water	11,376	15,881	14,157	14,789	10,825
Golf	2,794	2,899	2,853	2,979	3,119
Sewer and Storm Drain	-	4,102	3,657	3,812	1,933
Total expenses for business-type activities	<u>14,170</u>	<u>22,882</u>	<u>20,667</u>	<u>21,580</u>	<u>15,877</u>
Total expenses for primary government	<u>127,035</u>	<u>139,405</u>	<u>145,055</u>	<u>154,633</u>	<u>152,589</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	7,700	7,674	8,477	8,226	8,206
Public safety	4,650	5,244	5,102	5,128	5,295
Public works	4,332	1,157	3,566	3,305	3,467
Community services	3,561	2,166	2,137	1,119	723
Community development	1,408	1,232	1,025	1,004	1,149
Operating grants and contributions	13,548	9,853	11,678	13,151	22,682
Capital grants and contributions	1,805	2,195	8,281	2,301	971
Total revenues for governmental activities	<u>37,004</u>	<u>29,521</u>	<u>40,266</u>	<u>34,234</u>	<u>42,493</u>
Business-type Activities:					
Charges for services:					
Water	16,874	18,026	17,711	18,132	18,875
Golf	2,800	2,947	2,853	2,687	4,248
Sewer and Storm Drain	-	1,507	1,471	1,477	1,497
Operating grants and contributions	-	388	-	-	-
Total revenues for business-type activities	<u>19,674</u>	<u>22,868</u>	<u>22,035</u>	<u>22,296</u>	<u>24,620</u>
Total revenues for primary government	<u>56,678</u>	<u>52,389</u>	<u>62,301</u>	<u>56,530</u>	<u>67,113</u>
Net (Expenses)/Revenues					
Governmental activities	(75,861)	(87,001)	(84,122)	(98,819)	(94,219)
Business-type activities	5,504	(13)	1,368	716	8,743
Total net position for primary government	<u>(70,357)</u>	<u>(87,014)</u>	<u>(82,754)</u>	<u>(98,103)</u>	<u>(85,476)</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)

	2011-12	2012-13	2013-14	2014-15	2015-16
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 20,847	\$ 21,116	\$ 21,842	\$ 23,152	\$ 24,709
Transient occupancy taxes	1,123	1,219	1,315	1,317	1,629
Sales and use taxes	10,479	11,925	11,395	17,062	20,039
Property tax in lieu of sales and use taxes	3,959	3,732	4,385	4,231	3,349
Franchise taxes	2,324	2,303	2,282	2,257	2,625
Utility taxes	6,778	7,170	7,562	7,595	7,229
Other taxes	1,351	1,426	1,633	1,661	1,903
Earning on investments	2,281	267	5,189	3,343	3,738
Gain/(loss) on sales of capital assets	24	-	-	-	45
Miscellaneous	2,529	2,782	16,321	7,201	4,759
Contribution from Successor Agency		-	-	-	-
Transfer-in	2,619	1,629	1,311	1,777	1,359
Extraordinary gain	30,042	-	-	-	-
Total governmental activities	<u>84,356</u>	<u>53,569</u>	<u>73,235</u>	<u>69,596</u>	<u>71,384</u>
Business-type Activities:					
Sales taxes	4,070	4,310	4,685		-
Earning on investments	768	164	489	458	519
Gain/(loss) on sales of capital assets	-	2	-	-	39
Miscellaneous	824	135	648	2,291	970
Transfer-in	(2,619)	(1,629)	(1,311)	(1,777)	(1,359)
Total business-type activities	<u>3,043</u>	<u>2,982</u>	<u>4,511</u>	<u>972</u>	<u>169</u>
Total primary government	<u>87,399</u>	<u>56,551</u>	<u>77,746</u>	<u>70,568</u>	<u>71,553</u>
Changes in Net Position					
Governmental activities	13,864	53,569	9,250	69,596	71,384
Business-type activities	1,804	2,982	10,224	972	169
Total net position for primary government	<u>15,668</u>	<u>56,551</u>	<u>19,474</u>	<u>70,568</u>	<u>71,553</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)

	2016-17	2017-18	2018-19	2019-20	2020-21
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 25,378	\$ 26,976	\$ 28,817	\$ 30,184	\$ 32,209
Transient occupancy taxes	1,701	1,705	1,537	1,348	1,298
Sales and use taxes	24,606	26,993	31,673	30,055	32,777
Property tax in lieu of sales and use taxes	2,106	9,154	10,384	9,937	11,192
Franchise taxes	2,433	2,670	2,778	2,854	2,981
Utility taxes	7,065	6,735	6,411	6,303	6,617
Other taxes	1,898	2,128	2,516	2,404	2,012
Earning on investments	1,089	1,682	4,173	3,481	1,416
Gain/(loss) on sales of capital assets	(112)	-	1,345	4,712	91
Miscellaneous	4,806	5,639	4,396	4,263	4,708
Contribution from Successor Agency	-	-	-	-	-
Transfer-in	1,051	148	153	205	898
Extraordinary gain			14,263	-	-
Total governmental activities	<u>72,021</u>	<u>83,830</u>	<u>108,446</u>	<u>95,746</u>	<u>96,199</u>
Business-type Activities:					
Sales taxes	-	-	-	-	-
Earning on investments	300	500	1,076	779	138
Gain/(loss) on sales of capital assets	(1)	-	14	-	15
Miscellaneous	27	176	249	202	478
Transfer-in	(1,050)	(147)	(153)	(205)	(898)
Total business-type activities	<u>(724)</u>	<u>529</u>	<u>1,186</u>	<u>776</u>	<u>(267)</u>
Total primary government	<u>71,297</u>	<u>84,359</u>	<u>109,632</u>	<u>96,522</u>	<u>95,932</u>
Changes in Net Position					
Governmental activities	(3,840)	(3,171)	24,324	(3,073)	1,980
Business-type activities	4,780	516	2,554	1,492	8,476
Total net position for primary government	<u>940</u>	<u>(2,655)</u>	<u>26,878</u>	<u>(1,581)</u>	<u>10,456</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)

	2011-12	2012-13	2013-14	2014-15	2015-16
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	8,897	7,118	7,146	7,592	7,609
Restricted	4,867	4,793	4,877	-	-
Assigned	-	-	15,689	17,578	20,003
Unassigned	6,123	6,438	7,401	11,922	10,662
Total general fund	<u>19,887</u>	<u>18,349</u>	<u>35,113</u>	<u>37,092</u>	<u>38,274</u>
All Other Governmental Funds:					
Nonspendable	4,570	6,845	-	3,279	11
Restricted	4,379	5,086	9,683	6,237	13,935
Assigned	6,226	6,671	6,298	5,092	2,073
Unassigned	(45)	(142)	(525)	760	(2,189)
Total all other governmental funds	<u>15,130</u>	<u>18,460</u>	<u>15,456</u>	<u>15,368</u>	<u>13,830</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

Fund balances - July 1, as restated

CITY OF DOWNEY

FUND BALANCES OF GOVERNMENTAL FUNDS
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016-17	2017-18	2018-19	2019-20	2020-21
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	7,413	8,308	8,503	8,240	7,340
Restricted	-	-	-	-	-
Assigned	20,003	-	-	-	-
Unassigned	7,894	25,553	29,732	25,896	27,109
Total general fund	<u>35,310</u>	<u>33,861</u>	<u>38,235</u>	<u>34,136</u>	<u>34,449</u>
All Other Governmental Funds:					
Nonspendable	11	-	-	-	-
Restricted	14,480	65,680	62,336	26,797	18,513
Assigned	3,295	3,490	3,362	4,392	4,412
Unassigned	(3,686)	(1,774)	(1,565)	(4,527)	(5,824)
Total all other governmental funds	<u>14,100</u>	<u>67,396</u>	<u>64,133</u>	<u>26,662</u>	<u>17,101</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)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenues:					
Taxes	\$ 47,785	\$ 50,163	\$ 52,054	\$ 57,363	\$ 61,521
License and permits	1,094	1,171	1,390	1,726	2,173
Fines and forfeitures	1,507	1,362	1,435	1,512	1,856
Investment and rental	2,639	750	4,785	1,784	2,046
Intergovernmental revenue	11,404	8,469	9,846	14,945	17,304
Charges for services	9,795	11,209	12,379	12,280	14,094
Other revenue	3,211	3,901	16,401	5,883	6,119
Total revenues	<u>77,435</u>	<u>77,025</u>	<u>98,290</u>	<u>95,493</u>	<u>105,113</u>
Expenditures:					
Current:					
General government	6,293	6,533	12,660	10,789	12,091
Public safety	46,585	43,917	44,837	46,683	51,103
Public works	7,482	5,535	10,040	12,983	14,431
Community services	8,065	8,012	4,990	5,862	6,413
Community development	9,304	5,816	4,013	4,412	6,097
ERAF payment	-	-	-	-	-
Capital outlay	8,200	5,381	6,593	13,264	16,794
Debt service:					
Principal	510	250	250	645	460
Interest and fiscal charges	1,581	51	38	975	1,630
Total expenditures	<u>88,020</u>	<u>75,495</u>	<u>83,421</u>	<u>95,613</u>	<u>109,019</u>
Excess of revenues over (under) expenditures	<u>(10,585)</u>	<u>1,530</u>	<u>14,869</u>	<u>(120)</u>	<u>(3,906)</u>
Other Financing Sources (Uses):					
Transfers in	6,094	4,219	3,926	9,118	9,210
Transfers out	(4,175)	(4,735)	(5,709)	(8,341)	(7,823)
Proceeds from long-term debt	-	-	-	-	-
Capital Leases	-	-	-	-	-
Sale of property	124	248	-	-	-
Issuance of debt	1,349	-	600	-	668
Sale of capital assets	-	-	-	350	2,163
Total other financing sources (uses)	<u>3,392</u>	<u>(268)</u>	<u>(1,183)</u>	<u>1,127</u>	<u>4,218</u>
Special Item: Pension contribution due to bond issuance					
Extraordinary Gain	<u>4,233</u>	<u>530</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,960)	1,792	13,686	1,007	312
Fund balances - July 1, as restated	<u>37,977</u>	<u>35,017</u>	<u>36,883</u>	<u>52,747</u>	<u>51,793</u>
Fund balances - June 30	<u>35,017</u>	<u>36,809</u>	<u>50,569</u>	<u>53,754</u>	<u>52,105</u>
Debt service as a percentage of noncapital expenditures	2.66%	0.42%	0.37%	1.97%	2.22%

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)

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenues:					
Taxes	\$ 65,130	\$ 76,104	\$ 84,299	\$ 82,993	\$ 89,097
License and permits	1,999	1,837	1,486	1,536	1,681
Fines and forfeitures	2,851	3,051	3,456	3,586	3,469
Investment and rental	1,497	1,918	4,769	3,726	1,416
Intergovernmental revenue	15,333	12,167	13,325	13,615	23,742
Charges for services	14,213	13,262	13,535	12,104	12,093
Other revenue	6,183	6,954	12,579	5,819	6,306
Total revenues	<u>107,206</u>	<u>115,293</u>	<u>133,449</u>	<u>123,379</u>	<u>137,804</u>
Expenditures:					
Current:					
General government	11,387	10,786	11,649	13,661	10,822
Public safety	56,712	58,694	62,543	65,129	70,062
Public works	14,707	13,835	11,781	13,565	13,812
Community services	8,540	9,263	11,950	10,295	8,178
Community development	5,430	7,236	6,929	5,969	8,586
ERAF payment	-	-	-	-	-
Capital outlay	13,272	8,309	36,176	58,254	29,345
Debt service:					
Principal	611	681	2,844	2,822	3,346
Interest and fiscal charges	1,652	2,696	3,513	2,958	3,447
Total expenditures	<u>112,311</u>	<u>111,500</u>	<u>147,385</u>	<u>172,653</u>	<u>147,599</u>
Excess of revenues over (under) expenditures	<u>(5,105)</u>	<u>3,793</u>	<u>(13,936)</u>	<u>(49,274)</u>	<u>(9,795)</u>
Other Financing Sources (Uses):					
Transfers in	5,820	5,552	11,126	11,455	18,734
Transfers out	(4,770)	(6,216)	(5,148)	(11,250)	(17,336)
Proceeds from long-term debt	-	51,949	3,000	-	-
Capital Leases	-	-	3,433	192	356
Sale of property	-	-	-	-	-
Issuance of debt	705	744	-	-	108,447
Sale of capital assets	700	-	2,514	5,404	-
Total other financing sources (uses)	<u>2,455</u>	<u>52,028</u>	<u>14,925</u>	<u>5,801</u>	<u>110,201</u>
Special Item: Pension contribution due to bond issuance	-	-	-	-	(107,815)
Extraordinary Gain	-	-	-	-	-
Net change in fund balances	(2,650)	55,821	989	(43,473)	(7,409)
Fund balances - July 1, as restated	52,060	45,436	101,378	102,367	58,958
Fund balances - June 30	<u>49,410</u>	<u>101,257</u>	<u>102,367</u>	<u>58,894</u>	<u>51,549</u>
Debt service as a percentage of noncapital expenditures	2.30%	3.26%	5.76%	5.05%	5.74%

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)
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%
2019-20	12,981,632	1,011	870,877	12,111,766	441,308	29,325	411,983	12,523,749	6.45%
2020-21	13,593,718	1,011	880,312	12,714,417	453,911	32,007	421,904	13,136,321	4.89%

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

	2011-12	2012-13	2013-14	2014-15	2015-16
Residential	\$ 6,712,488	\$ 6,813,822	\$ 7,042,493	\$ 7,393,326	\$ 7,803,812
Commercial	1,062,528	1,102,810	1,131,294	1,144,938	1,191,137
Industrial	376,634	365,085	396,484	378,085	312,043
Government owned					
Institutional	45,773	55,963	62,578	65,961	66,176
Miscellaneous	13	13	13	2,458	1,012
Recreational	25,184	25,643	25,780	25,860	26,516
Unknown	25,428	487	3,384	499	509
Vacant Land	52,680	46,386	44,154	59,703	67,132
SBE Nonunitary	560	560	560	560	560
Possessory Int.	116,837	118,890	130,482	132,961	0
Unsecured	228,721	291,256	260,999	321,263	394,680
Exempt	-	-	-	-	(83,552)
TOTALS	8,646,846	8,820,915	9,098,221	9,525,614	9,863,577
Total Direct Rate	0.1802%	0.1815%	0.1387%	0.1399%	0.1393%

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	2016-17	2017-18	2018-19	2019-20	2020-21
Residential	\$ 7,393,326	\$ 8,284,859	\$ 8,709,975	\$9,232,913	\$ 9,738,633	\$ 10,218,058
Commercial	1,144,938	1,277,960	1,400,109	1,447,981	1,617,909	1,690,314
Industrial	378,085	321,456	334,314	396,068	394,148	426,171
Government owned		620	632	1,025	1,178	1,202
Institutional	65,961	70,995	76,903	96,087	72,370	86,243
Miscellaneous	2,458	1,027	3,549	3,619	3,692	3,765
Recreational	25,860	31,953	32,592	98,867	99,407	101,478
Unknown	499	517	527	0	0	0
Vacant Land	59,703	61,299	46,663	39,308	42,486	41,149
SBE Nonunitary	560	560	1,011	1,011	1,011	1,011
Possessory Int.	132,961	138,570	140,024	136,628	140,933	145,026
Unsecured	321,263	395,266	379,260	311,363	411,983	421,904
Exempt	-	(82,326)	(82,336)	(82,245)	(82,245)	(81,846)
TOTALS	9,525,614	10,585,082	11,125,559	11,764,870	12,523,750	13,136,321
Total Direct Rate	0.1390%	0.1396%	0.1396%	0.1401%	0.1411%	0.1419%

Note: Exempt values are not included in Total.

0

Fund balances - July 1, as restated

0

CITY OF DOWNEY

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

Last Ten Fiscal Years

	2011-12	2012-13	2013-14	2014-15	2015-16
Basic Levy 1					
City of Downey Tax District 1	0.14125	0.13970	0.13970	0.13970	0.13970
Cerritos Community College District	0.02625	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	0.01395	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	0.21536	0.21540	0.21540	0.21540	0.21540
Educational Augmentation Fund Impound	0.16308	0.16310	0.16310	0.16310	0.16310
Educational Revenue Augmentation	0.07154	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	0.33481	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	0.01782	0.02594	0.02502	0.04809	0.04829
Compton Community College Dist	0.01481	0.01531	0.00963	0.00987	0.00926
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Downey Unified School District	0.06725	0.07132	0.06603	0.06549	0.11466
LA Community College District	0.03530	0.04875	0.04454	0.04017	0.03575
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.05286	0.06942	0.08537	0.07964	0.06522
Los Angeles Unified School District	0.16819	0.17561	0.14644	0.14688	0.12971
Metropolitan Water District	0.00370	0.00350	0.00350	0.00350	0.00350
Montebello Unified School District	0.10001	0.09630	0.09457	0.08750	0.08715
Norwalk-La Mirada Unified	0.06496	0.06997	0.07238	0.07063	0.14114
Rio Hondo Community College Dist	0.03418	0.02812	0.02892	0.02821	0.02712
Whittier Union High School Dist	0.04317	0.04556	0.04473	0.05270	0.05063
Total Voter Approved Rate	0.60225	0.64980	0.62113	0.63268	0.71244
TOTAL DIRECT & OVERLAPPING ² TAX RATE	1.60225	1.64980	1.62113	1.63268	1.71244
Rate producing Revenue for City and Redevelopment Agency (RDA)					
City General Fund Direct Rate 3	0.13973	0.013973	0.01397	0.01397	0.013973
RDA Incremental Rate 4	1.00370	-	-	-	-
Total Direct Rate ⁵	0.18024	0.18154	0.13874	0.13902	0.13929

Notes:

Fund balances - July 1, as restated

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

	2016-17	2017-18	2018-19	2019-20	2020-21
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	0.04698	0.04370	0.04446	0.44490	0.04348
Compton Community College Dist	0.00920	0.00954	0.02335	0.02323	0.00899
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Downey Unified School District	0.11473	0.10538	0.10113	0.09708	0.08771
LA Community College District	0.03596	0.04599	0.04621	0.02717	0.04016
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.07527	0.07876	0.07611	0.06532	0.06606
Los Angeles Unified School District	0.13110	0.12219	0.12323	0.12552	0.13993
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Montebello Unified School District	0.14705	0.13514	0.13921	0.09306	0.09706
Norwalk-La Mirada Unified	0.13400	0.13818	0.13425	0.14019	0.12220
Rio Hondo Community College Dist	0.02808	0.02748	0.02554	0.02571	0.01361
Whittier Union High School Dist	0.06035	0.05781	0.05822	0.05502	0.05433
Total Voter Approved Rate	0.78621	0.76768	0.77521	1.10070	0.67703
TOTAL DIRECT & OVERLAPPING ² TAX RATE	1.78621	1.76768	1.77522	1.70029	1.66702
Rate producing Revenue for City and Redevelopment Agency (RDA)					
City General Fund Direct Rate 3	0.013973	0.013973	0.13973	0.13973	0.13973
RDA Incremental Rate 4	-	-	-	-	-
Total Direct Rate ⁵	0.13960	0.13959	0.14013	0.14112	0.14185
			0.21584		

Notes:

Fund balances - July 1, as restated

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

PRINCIPAL PROPERTY TAX PAYERS
(amounts expressed in thousands)

Current Year and Nine Years Prior

Taxpayer	2020-21		2011-12	
	Taxable Assessed Value	% of Total City Taxable Assessed Value	Taxable Assessed Value	% of Total City Taxable Assessed Value
US VI Downey LLC	225,181	1.71%	-	-
Gary L. Ball Trust	118,048	0.90%	100,682	1.16%
Downey Landing LLC	102,787	0.78%	68,158	0.79%
Reyes Coca-Cola Bottling LLC	91,397	0.70%	81,431	0.94%
PRC Multi-Family LLC	91,095	0.69%	31,033	0.36%
Macerich Stonewood LLC	63,593	0.48%	53,461	0.62%
Kaiser Foundation Health Plan, Inc.	60,091	0.46%	47,448	0.55%
Lone Oak-Downey, LLC	53,706	0.41%	-	0.00%
Fremont Rancho Limited	49,965	0.38%	42,651	0.49%
Hall Stewart and Gray Road LLC	48,899	0.37%	-	0.00%
Top Ten Total	904,762	6.89%	424,864	4.91%

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

Fund balances - July 1, as restated

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
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%
2019-20	17,099	16,252	95.05%	17	16,269	95.15%
2020-21	18,009	17,266	95.87%	-	17,266	95.87%

Fund balances - July 1, as restated

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	Bonds	Capital Lease Agreement*	Other	Total Business-type Activities			
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
2019-20	62,368	-	9,168	71,536	-	3,740	144	3,884	75,420	2594.2%	660
2020-21	168,675	-	8,593	177,268	4,509	3,265	73	7,847	185,115	5990.5%	1,631

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

Fund balances - July 1, as restated

Source: Finance Department, City of Downey

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
2011-12	112,201	8,647	32,471	-	32,471	375.5%	28.9%
2012-13	112,761	8,821	32,613	-	32,613	369.7%	28.9%
2013-14	113,363	9,098	32,826	-	32,826	360.8%	29.0%
2014-15	113,417	9,526	32,494	-	32,494	341.1%	28.7%
2015-16	114,181	9,998	34,257	-	34,257	342.6%	30.0%
2016-17	113,832	10,585	34,199	-	34,199	323.1%	30.0%
2017-18	114,146	11,126	85,050	-	85,050	764.5%	74.5%
2018-19	114,212	11,765	74,012	-	74,012	629.1%	64.8%
2019-20	113,529	12,524	71,536	-	71,536	571.2%	63.0%
2020-21	111,425	13,136	168,675	-	168,675	1284.1%	151.4%

* Gross Bonded Debt Restated for prior years due to exclusion of Business Type Activities

Fund balances - July 1, as restated

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CITY OF DOWNEY

SCHEDULE OF DIRECT AND OVERLAPPING DEBT

June 30, 2021

City Assessed Valuation	\$ 13,136,321,305
Incremental Valuation	(807,959,432)
Total Assessed Valuation	<u>\$ 12,328,361,873</u>

Debt to Assessed Valuation Ratios:	Direct Debt	1.44%
	Overlapping Debt	2.74%
	Total Debt	4.17%

	Gross Bonded Debt Balance 6/30/2021	Percent Applicable to City of Downey	Net Bonded Debt
Metropolitan Water District*	13,101,783	0.825	\$ 108,062
Little Lake City SD DS 00SR D-1QSCBS	5,020,000	3.214	\$ 161,324
Little Lake City SD DS 2011 Refunding Bond	3,809,902	3.214	\$ 122,436
Little Lake City SD DS 2012 Series A	4,480,000	3.214	\$ 143,970
Little Lake City SD DS 2014 Ref Bonds Series A	4,545,000	3.214	\$ 146,059
Little Lake City SD DS 2014 Ref Bonds Series B	3,040,000	3.210	\$ 97,694
Little Lake City SD DS 2012 Series B	11,470,000	3.214	\$ 368,602
Whittier UN High DS 2008 Series 2014B	7,130,682	0.561	\$ 40,037
Whittier UN High DS 2008 Series 2015C	8,945,000	0.561	\$ 50,224
Whittier UN High DS 2015 Ref Bonds	28,815,000	0.561	\$ 161,789
Whittier UN High DS 2016 Ref Bonds	111,533,679	0.561	\$ 626,233
Cerritos CCD DS 2004 Series 2012D	31,855,943	24.398	\$ 7,772,104
Cerritos CCD DS 2012 Series 2014A	73,900,000	24.398	\$ 18,029,868
Cerritos CCD DS 2014 Refunding Bonds Series A	74,670,000	24.398	\$ 18,217,730
Cerritos CCD DS 2014 Refunding Bonds Series B	7,620,000	24.398	\$ 1,859,101
Cerritos CCD DS 2012 Series 2018B	53,415,000	24.398	\$ 13,032,008
Cerritos CCD DS 2012 Series 2019C	99,125,000	24.398	\$ 24,184,177
Cerritos CCD DS 2020 Ref Bonds	51,830,000	24.398	\$ 12,645,305
Compton CCD DS 2002 Series 2012C	6,702,750	0.648	\$ 43,426
Compton CCD DS 2012 Ref Bonds	6,300,000	0.648	\$ 40,816
Compton CCD DS 2002 Series 2013D	207,748	0.648	\$ 1,346
Compton CCD DS 2014 Ref	16,115,000	0.648	\$ 104,405
Compton CCD DS 2015 Ref Bonds	11,835,000	0.648	\$ 76,676
Compton CCD DS 2014 Series A	29,345,000	0.648	\$ 190,119
Compton CCD DS 2002 Series 2018E	11,970,677	0.648	\$ 77,555
Compton CCD DS 2020 Ref Bonds Series A	41,055,000	0.648	\$ 265,986
LA CCD DS 2003 Taxable Series 2004B	2,115,000	0.002	\$ 51
LA CCD DS 2001 Taxable Series 2004A	31,555,000	0.002	\$ 754
LA CCD DS 2008, 2009 Taxable Series B	75,000,000	0.002	\$ 1,792
LA CCD DS 2008, 2010 Taxable Series D	125,000,000	0.002	\$ 2,987
LA CCD Debt 2008, 2010 Tax Ser E (BABS)	900,000,000	0.002	\$ 21,506
LA CCD DS 2008 2012 Series F	19,000,000	0.002	\$ 454
LA CCD DS 2013 Ref Bonds	12,270,000	0.002	\$ 293
LA CCD DS 2008 Series G	33,670,000	0.002	\$ 805
LA CCD DS 2015 Ref Series A	203,235,000	0.002	\$ 4,856
Fund balances - July 1, as restated	205,540,000	0.002	\$ 4,912
	190,920,000	0.002	\$ 4,562
LA CCD DS 2008 Series 1	173,700,000	0.002	\$ 4,151
LA CCD DS 2016 Ref Bonds	239,880,000	0.002	\$ 5,732
LA CCD DS 2016 Series B	2,193,365,000	0.002	\$ 52,412
Rio Hondo CCD DS Ref 2004 2019 Series B	117,367,824	0.359	\$ 421,293
Downey Unified DS Refunding 1999 Series A	2,335,256	91.825	\$ 2,144,359
Downey USD DS 2007 Refunding Bonds	11,325,000	91.825	\$ 10,399,231
Downey USD DS 2011 Refunding Bonds	1,275,000	91.825	\$ 1,170,774
Downey USD DS 2012 Refunding Bonds	950,000	91.825	\$ 872,342
Downey USD DS 2014 Series A	34,935,000	91.825	\$ 32,079,219
Downey USD DS 2015 Ref Bonds	2,945,000	91.825	\$ 2,704,259
Downey USD DS 2016 Refunding Bonds	5,095,000	91.825	\$ 4,678,506
Downey USD DS 2014 Series B	200,372,984	91.825	\$ 183,993,381
Montebello USD DS 1998 Series 1998	2,059,841	0.122	\$ 2,515
Montebello USD DS 1998 Series 1999	2,244,866	0.122	\$ 2,741
Montebello USD DS 1998 Series 2001	2,632,827	0.122	\$ 3,215
Montebello USD DS 1998 Series 2004	5,023,902	0.122	\$ 6,134
Montebello USD DS 1998 Series 2002	4,257,964	0.122	\$ 5,199
Montebello USD DS 2004 Series 2009A-2 BABS	12,640,000	0.122	\$ 15,433
Montebello USD DS Ref 2004 Series 2013A	15,010,000	0.122	\$ 18,327
Montebello USD DS Ref Bond Series 2015	26,185,000	0.122	\$ 31,972
Montebello USD DS Ref Bonds 2016 Series A	13,425,000	0.122	\$ 16,392
Montebello USD DS 2016 Series A	79,345,000	0.122	\$ 96,880
Total Overlapping Debt			337,334,495
Total Direct Debt			177,268,321
Total Direct and Overlapping Debt			514,602,816

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

	2011-12	2012-13	2011-12	2013-14	2014-15	2015-16
Assessed Valuation	\$ 8,496,958	\$ 8,646,847	\$ 9,098,220	\$ 8,820,915	\$ 9,525,614	\$ 9,998,371
Charter Debt Limited (15% of Assessed Valuation)	1,274,544	1,297,027	1,364,733	1,323,137	1,428,842	1,499,756
Amount of debt applicable to debt limit	-	-	-	-	-	-
Legal Debt Margin	<u>1,274,544</u>	<u>1,297,027</u>	<u>1,364,733</u>	<u>1,323,137</u>	<u>1,428,842</u>	<u>1,499,756</u>
Total Debt applicable to the limit as a percentage of debt limit	0%	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

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Assessed Valuation	\$ 10,585,083	\$ 11,125,558	\$ 11,764,870	\$ 12,523,750	\$ 13,136,321
Charter Debt Limited (15% of Assessed Valuation)	1,587,762	1,668,834	1,764,731	1,878,563	1,970,448
Amount of debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>1,587,762</u>	<u>1,668,834</u>	<u>1,764,731</u>	<u>1,878,563</u>	<u>1,970,448</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.

Fund balances - July 1, as restated

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	
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
2019-20	2,776	2,832	(56)	460	147	607	(0.09)
2020-21	4,975	2,991	1,984	475	130	605	3.28

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

Fund balances - July 1, as restated

CITY OF DOWNEY
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
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%
2019	113,529	3,090,130	27,218	4.1%
2020	111,425	3,233,140	29,016	12.6%

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CITY OF DOWNEY

PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior

Employer	2020-21		2011-12	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Kaiser Permanente	5,400	14.24%	4,500	8.50%
Stonewood Shopping Center	2,000	5.27%	2,100	4.00%
Rancho Los Amigos Medical Center	1,600	4.22%	1,410	2.70%
PIH Health (formally Downey Regional Medical Center)	1,500	3.95%	955	1.80%
Office of Education, County of Los Angeles	1,425	3.76%	900	1.70%
Downey Unified School District	1,354	3.57%	1,851	3.50%
Coca-Cola Bottling Company	800	2.11%	920	1.70%
County of Los Angeles, Internal Service Department	712	1.88%	-	-
City of Downey	700	1.85%	-	-
Lakewood Health Center	450	1.19%	325	0.60%

CITY OF DOWNEY

FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	2011-12	2012-13	2013-14	2014-15	2015-16
General Government	33	33	31	32	36
Police	166	166	167	161	166
Fire	86	86	94 ¹	98 ²	89
Community Services	337	337	379	469 ³	477
Public Works	83	83	74	76	81
Community Development	30	30	21	21	21
Total	735	735	766	857	870

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	2016-17	2017-18	2018-19	2019-20	2020-21
General Government	38	39	41	40	40
Police	166	181	189	195	188
Fire	94	115	105	125	120
Community Services	373	441	402	369	249
Public Works	79	79	81	83	83
Community Development	21	23	23	22	20
Total	771	878	841	834	700

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				
	2011-12	2012-13	2013-14	2014-15	2015-16
Police:					
Number of arrests	4,667	3,376	3,368	3,942	3,947
Number of collision reports issued	901	1,135	1,170	1,199	1,280
Number of traffic citations issued	40,741	32,031	35,643	16,008	14,696
Number of reported crimes & incidents	13,891	9,759	8,198	9,331	9,729
Fire:					
Number of emergency incidents	5,086	6,979	6,996	7,346	8,081
Number of fire & other incidents	2,892	1,268	1,363	1,339	1,635
Number of special service & other incidents	n/a	171	312	410	374
Number of traffic accidents	312	812	853	1,026	1,121
Parks and Recreation:					
Number of general park attendance	844,896	954,696	1,404,361	1,652,469	2,004,311
Number of participants in theatre	40,000	47,943	42,219	45,869	51,762
Number of library attendance	387,656	356,586	363,640	360,211	371,625
Public works:					
Engineering (CIP related improvement)					
Street striping (lineal feet)	n/a	5,798	39,750	39,218	55,392
Asphalt replacement (tons)	n/a	5,201	21,484	19,998	30,728
Trees planted (each)	n/a	n/a	n/a	437	105
Trees removed (each)	n/a	151	220	100	332
Maintenance					
Pavement markings (square feet)	n/a	35,038	57,229	38,485	24,985
Street striping (linear feet)	n/a	260,463	29,751	8,721	2,084
Asphalt repair (tons)	400	403	375	403	422
Graffiti removed (square feet)	200,000	633,950	645,000	676,623	752,655
Trees trimmed (each)	10,208	5,820	8,169	3,677	8,034
Trees planted (each)	240	123	204	81	95
Trees removed (each)	290	618	228	205	185
Vehicles serviced - preventative maintenance (each)	152	1,332	455	1,604	1,494
Vehicles serviced - repairs (each)	545	849	660	656	547
Water:					
Number of customers	22,339	23,486	22,961	23,039	23,341
Annual supply (acre feet)	18,347	17,215	17,279	15,768	13,911
Maximum daily capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000
Sanitary Sewer:					
Sewer main cleaned (no. of miles)	25	57	45	35	70
Vector coating applied to sewer manholes	n/a	1,650	1,350	1,650	25
Golf course:					
Fu Golf rounds played	61,938	66,276	60,152	52,828	58,576

CITY OF DOWNEY

OPERATING INDICATORS

Last Ten Fiscal Years

	2014-15	2016-17	2017-18	2018-19	2019-20	2020-21
Police:						
Number of arrests	3,942	3,498	3,471	4,516	3,016	2,464
Number of collision reports issued	1,199	1,112	1,023	1,055	1,075	831
Number of traffic citations issued	16,008	14,111	14,085	16,017	13,004	13,175
Number of reported crimes & incidents	9,331	8,576	12,839	9,736	7,555	7,625
Fire:						
Number of emergency incidents	7,346	7,915	8,114	8,054	9,027	8,314
Number of fire & other incidents	1,339	1,689	1,424	1,335	1,260	1,161
Number of special service & other incidents	410	449	416	377	464	395
Number of traffic accidents	1,026	1,073	907	1,004	632	475
Parks and Recreation:						
Number of general park attendance	1,652,469	1,620,000	1,954,297	1,950,000	2,250,000	1,764,865
Number of participants in theatre	45,869	45,500	107,130	110,000	115,000	0
Number of library attendance	360,211	326,941	320,311	181,821	0	11,629
Public works:						
Engineering (CIP related improvement)						
Street striping (lineal feet)	39,218	93,640	40,205	19,805	887,509	4,360
Asphalt replacement (tons)	19,998	39,730	23,150	11,957	28,566	18,923
Trees planted (each)	437	118	106	16	214	138
Trees removed (each)	100	89	46	0	19	26
Maintenance						
Pavement markings (square feet)	38,485	48,070	41,640	12,386	7,154	2,639
Street stripping (lineal feet)	8,721	803,231	792	0	896	0
Asphalt repair (tons)	403	450	417	274	355	311
Graffiti removed (square feet)	676,623	581,479	568,449	378,070	408,418	444,339
Trees trimmed (each)	3,677	8,889	8,220	8,873	8,646	7,183
Trees planted (each)	81	473	129	544	2,034	117
Trees removed (each)	205	145	124	239	212	122
Vehicles serviced - preventative maintenance (each)	1,604	550	1,031	1,113	921	827
Vehicles serviced - repairs (each)	656	646	532	537	379	267
Water:						
Number of customers	23,039	23,314	23,336	23,482	23,555	23,010
Annual supply (acre feet)	15,768	14,352	14,796	14,298	13,802	14,289
Maximum daily capacity (thousands of gallons)	45,000	45,000	40,000	40,000	40,000	40,000
Sanitary Sewer:						
Sewer main cleaned (no. of miles)	35	78	77	91	85	86
Vector coating applied to sewer manholes	1,650	1,650	1,650	1,650	1,650	1,750
			8,220			
Golf course:						
Fu Golf rounds played	52,828	65,658	63,574	63,500	62,000	85,027

CITY OF DOWNEY

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2011-12	2012-13	2013-14	2014-15	2015-16
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	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	263	276	276	276	276
Sewer					
Miles of sanitary sewer	187	187	187	193	193
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

<u>Function</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
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	118
No. of street lights	5430	5430	5430	5436	5440
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	1	1	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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