



City of *Downey* California



WELCOME TO
DOWNEY CIVIC CENTER



ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED 2022

Prepared By

Finance Department

Mark Scott

Interim City Manager

Anil H. Gandhi

Director of Finance and Information Technology

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INTRODUCTORY SECTION



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City of Downey

December 19, 2022

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, 2022.

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 111,263 (Census 2021).

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 US economy's performance continues to recover from the COVID-19 health crisis despite variant surges during the winter and spring 2022 seasons. However, trepidation exists over projected growth as a result of inflation and tangled supply chains challenging various business sectors. A key measurement includes the real gross domestic product (GDP), which increased at an annual rate of 6.7 percent in the third quarter of 2022 according to the estimate released by the Bureau of Economic Advanced Analysis in October 2022. The increase in real GDP primarily reflected increases in exports, consumer spending, nonresidential fixed investment, federal government spending, and state and local government spending, that were partly offset by decreases in residential fixed investment and private inventory investment.

Further, the S&P Global Ranking forecasts U.S. GDP growth at 1.6 percent for 2022 and 0.2 percent for 2023, respectively. The numbers demonstrate a slowing growth pattern due to ongoing inflation and supply chain disruptions as a result of the Russian-Ukraine military conflict.

Economic Development and Housing

The economic developmental growth of various industries improved after the reopening of the California economy in June 2021. In Downey, the City saw the opening of a Flagship Footlocker, many new eateries at major shopping centers throughout Downey, and a new SpringHill Suites by Marriot Hotel. Further, the City assisted businesses and residents recover and grow from the COVID-19 Pandemic by providing:

- \$354,719 in small business grants;
- \$60,000 in Downey Restaurant Parklet Grants;
- 37 Temporary Outdoor Dining Permits;
- 10 Temporary Outdoor Business Activity Permits; and
- \$950,000 in rental assistance to residents.

Though the housing market set an unprecedented journey of years of record sales, the housing market has begun a slow down due to soaring mortgage rates and sales prices, and ultimately reducing affordability for many Americans. According to the California Association of Realtors November Update, existing, single-family home sales totaled 274,040 in October on a seasonally adjusted annualized rate, down 10.4 percent from September and down 36.9 percent from October 2021.

California's housing market continued shifting in October as the monthly average 30-year fixed rate mortgage hovered near 7 percent and led to the lowest sales level since February 2008 and the largest year-over-year decline since December 2007, outside of the pandemic,

While the housing market has been immensely profitable, the affordable housing crises continues to be a major issue in California and has become further exacerbated with recent record sale prices, and record low inventory. Currently, only twenty-five percent of California households could afford to purchase the \$797,470 median-priced home in the fourth quarter of 2021, up from 24 percent in third-quarter 2021 but down from 27 percent in fourth-quarter 2020. This 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.

In Downey, the number of homes sold in 2021 was 442, an 11 percent increase over the prior year. However, when compared to 2022 (January – October), there was a 23 percent drop in sales.

The financial impact to the City with a cooling off of the overall housing market is that it reduces the rate of ownership changeover and flattens 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. Fortunately, previous to the cooling of the housing market, the spike in the average housing sold price stemmed positive increases in property tax revenues for the City.

Unemployment and Consumer Confidence

The U.S. continues to demonstrate a steady increase in job growth. In November 2022, the unemployment rate continues to inch closer to pre-COVID-19 levels as it sits at 3.7 percent according to the U.S. Bureau of Labor Statistics. Notable job gains occurred in leisure and hospitality, health care, and government.

In California, the unemployment rate was at 4.1 percent as the state's employers added 26,800 nonfarm payroll jobs to the economy, according to data released by the California Employment Development Department. This is a significant drop year over year from November 2021, which was at 5.8 percent. In Downey the unemployment rate is 4.10 percent, which is below pre-pandemic levels.

While the unemployment rate has relatively returned to pre-COVID-19 levels, consumer confidence declined as it is facing the highest inflation since 1982; increasing mortgage rates, gas at record highs in the country and the latest Consumer Price Index showed most essential goods went up by 7.1 percent over the last 12 month, not seasonally adjusted. With a pessimistic view of the economy growing and particularly for those on a fixed income, consumer spending is anticipated to slow, especially after the holiday season. This change could have negative impacts on Downey's sales tax revenues and overall economic growth of the business community.

MAJOR INITIATIVES

For FY 2021-2022

During the 2021-2022 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:

- Installation of Solar Roof Mounts and Canopy Stations at various City facilities, saving the City \$10,000,000 over the next 25 years and reducing greenhouse gas emissions
- Awarded \$1,000,000 by the Los Angeles County Regional Park and Open Space District as part of Measure A for City Park Improvements
- Held a Measure S Completion Thank You Event
- Increased Social Media Followers by an average of 6.1% across all social media platforms
- Adoption of New City Council Districts Maps
- Implemented the Team Up 2 Clean Up Event
- Adopted an inclusionary housing ordinance
- Updated the City's Retention Schedule
- Completed a Cost Allocation and User Fee Study
- Began a video educational campaign regarding fire safety
- Held a Theatre Open House
- Completed all Downtown Public Art Projects
- Held the Police Department's first Youth Academy Program
- Assisted local businesses and renters with COVID-19 grants.
- Received \$158,060 for the implementation of an Organic Recycling program.
- Balanced the Budget
- \$9 million in grant funding secured for PFOS/PFOA treatment at two groundwater wells
- Passage of Measure R Revenue Bonds and Measure M Revenue Bonds that generated over \$30,000,000 for street repair

FUTURE INITIATIVES

For FY 2022-2023

The City will continue to foster Economic Vibrancy through 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 the West Santa Ana Branch Light Rail Station. The City also plans to initiate plans for the redevelopment of the remaining 21 acres at the Promenade Shopping Center and redevelopment of the historic NASA/Vultee Building into a STEM incubator.

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, expanding the City homeless outreach efforts, initiating a pilot of the Sifi Fiber Network Citywide, and exploring expanding the City's Solar Energy Improvement Project to four other facilities.

FINANCIAL INFORMATION

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

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

As part of our internal control evaluation, the City contracts with an outside independent public accounting firm to complete a special audit, which is called a single audit, to comply with certain federal government regulations. During this audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the government has complied with applicable laws and regulations. The results of the government's single audit for the fiscal year ended June 30, 2021 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The single audit for the current fiscal year is in progress; however, the City fully anticipates that there will be no instances of material weaknesses in the internal controls.

LONG RANGE FINANCIAL PLANNING

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

and enhanced with the goal to improve the City’s overall financial well-being and provide the highest level of service to our residents.

BUDGETING CONTROLS

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

DEBT ADMINISTRATION

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

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

<u>Principal Issue</u>	<u>Trustee</u>	<u>Principle Balance (6/30/2022)</u>
Downey Public Facilities Financing Corporation:		
2021 Pension Obligation Bonds	Bank of America	\$ 113,585,000
Downey Public Facilities Financing Corporation:		
2017 Lease Revenue Bonds	U.S. Bank	\$ 38,760,000
Downey Public Facilities Financing Corporation:		
2014 Capital Lease	Western Alliance Bank	\$ 2,770,000
California Statewide Communities Development Authority:		
2005 Pension Obligation Bonds	Wells Fargo Trust Services	\$ 13,845,000

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, Soli 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, 2021. 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.

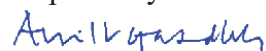
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 Interim 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 and IT



Blanca Pacheco
District 1
MAYOR



Catherine Alvarez
District 3
MAYOR PRO TEM



Claudia M. Frometa
District 4
COUNCIL MEMBER



Donald E. La Plante
District 2
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

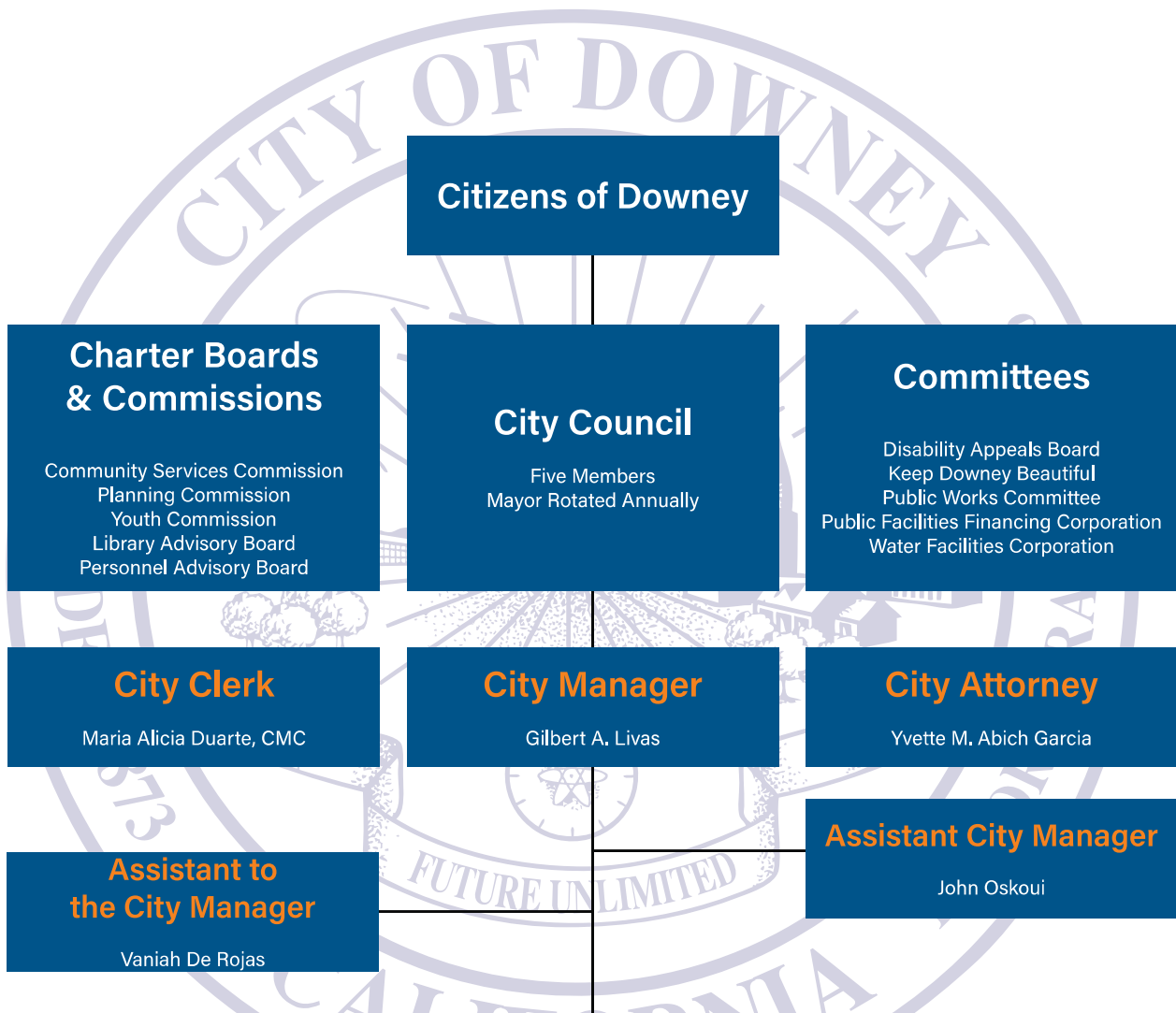
Integrity | Commitment | Respect | Teamwork |
Engagement | Passion | Excellence

City Council Priorities

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



ORGANIZATION CHART



<p>Columbia Memorial Space Center & Downey City Library</p> <p>Benjamin Dickow</p> <p>Executive Director and President</p> <p>Library Director</p>	<p>Community Development</p> <p>Crystal Landavazo</p> <p>Interim Director</p> <p>Building/ Safety Code Enforcement</p> <p>Economic Development</p> <p>Housing Planning</p>	<p>Finance & Information Technology</p> <p>Anil H. Gandhi</p> <p>Director</p> <p>Administration</p> <p>Purchasing</p> <p>Accounting</p> <p>Information Technology</p> <p>Risk Management</p> <p>Revenue</p>	<p>Fire</p> <p>Dan Hurlock</p> <p>Fire Chief</p> <p>Administration</p> <p>Suppression</p> <p>Paramedics</p> <p>Prevention</p> <p>Joint Communications</p>	<p>Human Resources</p> <p>James McQueen</p> <p>Director</p> <p>Employee Benefits</p> <p>Employee and Labor Relations</p> <p>Recruitment & Selection</p>	<p>Parks & Recreation</p> <p>Jason Chacon</p> <p>Director</p> <p>Recreation</p> <p>Parks</p> <p>Civic Theatre</p> <p>Social Services</p> <p>Golf Course</p> <p>Transit</p> <p>Cemetery</p>	<p>Police</p> <p>Leslie R. Murray</p> <p>Chief of Police</p> <p>Administration</p> <p>Field Operations</p> <p>Detectives</p> <p>Crossing Guard</p>	<p>Public Works</p> <p>Delfino Consunji</p> <p>Director/ City Engineer</p> <p>Administration</p> <p>Engineering</p> <p>Utilities</p> <p>GIS</p> <p>Maintenance</p> <p>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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Downey, California, (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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 opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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.



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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, budgetary comparison schedules for the General Fund, Housing Authority, and COVID-19 Grants, the schedule of changes in net pension liability and related ratio, the schedule of employer contributions – pension, the schedule of changes in net OPEB liability and related ratio, and the schedule of contributions – OPEB, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part



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

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.

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 (supplementary information) 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 supplementary information is 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 19, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 19, 2022

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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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources, at June 30, 2022, by \$220.6 million (net position). Of this amount, \$18.2 million is restricted for low- and moderate-income housing, \$9.0 million for public works projects, \$65 million for capital projects; \$416 thousand is restricted for community development and \$3.8 million for public safety.
- At the fiscal year ended June 30, 2022, the government's total net position increased by \$44.9 million. The increase in net position is primarily due to implementation of GASB Statement 87. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. As part of assets the category of Leases has a balance of \$21.3 million due to the GASB 87. Additionally, the City sold 11.4 acres of land and as a result the City had a gain on sale of \$9.0 million. Furthermore, due to the recovering economy Sales Taxes, Charges for Services and Utility Users Taxes revenue increased from prior year by \$5 million, \$4 million, and \$3 million respectively.
- The City's total long-term liabilities decreased by \$176 million during the current fiscal year. The decrease is due to the pension pay offs and contribution paid last year from the pension obligation bond issuances \$113.5 million.
- As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$97.7 million, an increase of \$46.1 million in comparison with the prior year. Approximately 46.45% of this total amount, \$45.3 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, 2022, assigned and unassigned fund balance for the general fund was \$46.6 million or 45.11% of total general fund expenditures. This represents an increase of \$19.4 million or 41.72%, from the prior year. The key reason sale of land for \$13 million dollars. The increase is also attributed to growth in sales and property taxes due to the recovering economy and strong housing market. The unassigned fund balance which is unrestricted in use and is designated by City Council for specific purposes at a future City Council meeting.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, including capital assets and long-term liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

Fund financial statements

The *fund* financial statements focus on current available resources and are organized and operated on the basis of funds. A fund is a self-balancing group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives in accordance with special regulations, restrictions or limitations. Like other state and local governments, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the government fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, Housing Authority Special Revenue Fund, CIP Grant 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 fund's financial statements. Individual fund data for the Internal Service funds is provided in the form of *combining statements* in the Supplementary Schedule section of this report.

Fiduciary funds

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

Notes to basic financial statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the basic fiduciary fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide Defined Benefit Pension Plans and Other Post Employment Benefit Plans to its employees. It includes Schedules of Funding Progress for the City Employee Retirement Plan and Postemployment Benefits Other Than Pensions, and Budgetary Comparison Schedules for the General Fund, Housing Authority Special Revenue Funds, CIP Grant Special Revenue Funds, 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 \$124.5 million for governmental activities and \$96.1 million for business-type activities for a total of \$220.6 million at the close of the most recent fiscal year.

The largest portion of the City's net position, \$307.6 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 financed purchase options are the loans from the federal government and several finance purchase options for public safety vehicles, ambulance and various types of fire equipment. The City uses these financed purchase options 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, \$97.3 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 increased by \$41.9 million. The increase in net position is primarily due to implementation of GASB Statement 87. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying Asset. As part of Assets the category of Leases has a balance of \$20.2 million due to the GASB 87 as opposed to a zero-balance last fiscal year. Additionally, the City sold 11.4 acres of land and as a result the City had a gain on sale of \$9.0 million. Furthermore, due to the recovering economy Sales taxes, Charges for Services and Utility Users Taxes revenue increased from prior year by \$5 million, \$4 million, and \$3 million respectively with a cumulative total of \$12.0 million.

City of Downey
Summary of Net Position
For Fiscal Year Ended June 30, 2022 and 2021
(Amounts Expressed in Thousands)

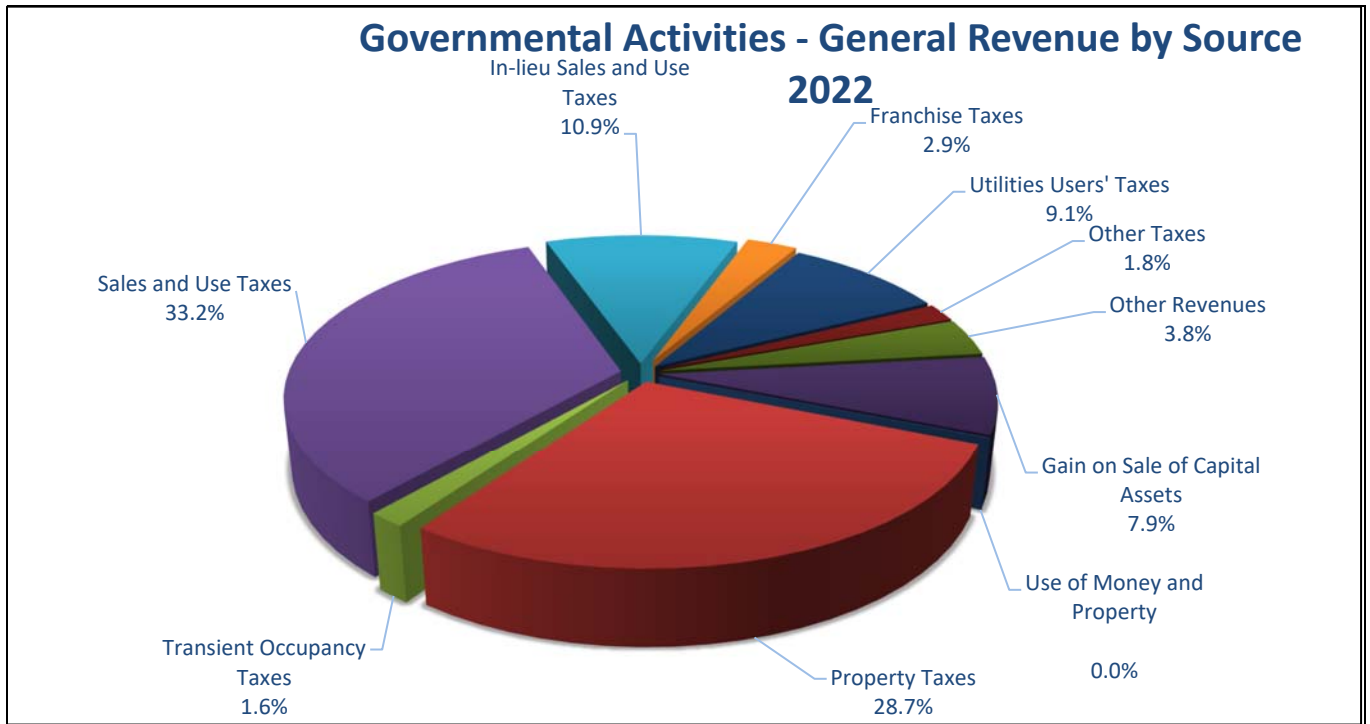
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and Other Assets	\$ 202,002	\$ 128,995	\$ 27,474	\$ 25,881	\$ 229,476	\$ 154,876
Capital Assets	<u>278,933</u>	<u>268,342</u>	<u>84,263</u>	<u>82,836</u>	<u>363,196</u>	<u>351,178</u>
Total Assets	480,935	397,337	111,737	108,717	592,672	506,054
Deferred Outflows of Resources	16,370	136,652	267	5,514	16,637	142,166
LIABILITIES						
Current Liabilities	48,744	38,417	6,153	4,574	54,896	42,991
Non-current Liabilities	<u>246,190</u>	<u>411,280</u>	<u>7,397</u>	<u>16,552</u>	<u>253,588</u>	<u>427,832</u>
Total Liabilities	294,934	449,697	13,550	21,126	308,484	470,823
Deferred Inflows of Resources	77,801	1,685	2,354	6	80,155	1,691
NET POSITION						
Net Investment Capital Assets	231,094	216,976	76,539	74,989	307,633	291,965
Restricted	63,539	36,143	33,854	34,130	97,393	70,273
Unrestricted	<u>(170,064)</u>	<u>(170,512)</u>	<u>(14,293)</u>	<u>(16,020)</u>	<u>(184,357)</u>	<u>(186,532)</u>
Total Net Position	<u>\$ 124,569</u>	<u>\$ 82,607</u>	<u>\$ 96,100</u>	<u>\$ 93,099</u>	<u>\$ 220,669</u>	<u>\$ 175,706</u>

City of Downey
Summary of Net Position
For Fiscal Year Ended June 30, 2022 and 2021
(Amounts Expressed in Thousands)

	Governmental Activities		Amount
	2022	2021	Increase (Decrease)
REVENUES:			
Program Revenues:			
Charges for Services	\$ 23,322	\$ 18,841	\$ 4,481
Operating Grants and Contributions	19,997	22,682	(2,685)
Capital Grants and Contributions	1,007	971	36
General Revenues:			
Taxes			
Property Taxes	32,699	32,208	491
Transient Occupancy Taxes	1,769	1,298	471
Sales and Use Taxes	37,791	32,777	5,014
Property Taxes in Lieu Sales and Use Taxes	12,421	11,192	1,229
Franchise Taxes	3,284	2,982	302
Utilities Users' Taxes	10,394	6,617	3,777
Other Taxes	2,101	2,011	90
Use of Money and Property	49	1,416	(1,367)
Gain on Sale of Capital Asset	9,029	91	8,938
Other Revenues	4,334	4,708	(374)
Total Revenues	158,196	137,794	20,402
EXPENSES:			
Program Activities			
General Government	13,930	19,271	(5,341)
Public Safety	64,532	83,139	(18,607)
Public Works	15,338	15,176	162
Community Services	9,978	9,281	697
Community Development	6,156	6,636	(480)
Interest on Long-term Debts	6,650	3,209	3,441
Total Expenses	116,584	136,712	(20,128)
Excess/(Shortage) of Revenues Over Expenses	41,612	1,082	40,530
TRANSFERS:			
Transfers	351	898	(547)
Changes in Net Position	41,963	1,980	39,983
Net Position at Beginning of Year (Restated)	82,606	80,626	1,980
Net Position at End of Year	\$ 124,569	\$ 82,606	\$ 41,963

Top Governmental Activity Revenue Sources

As shown below, our top four general revenues are sales tax, property tax, In-lieu sales and use tax and utility users' tax accounted for approximately 81.7% of total governmental activities revenues excluding other taxes and other revenues, with franchise taxes at 2.9%, use of money and property accounted for .0042%, transient occupancy tax at 1.5%, gain on sale of capital asset at 7.9%. Generally, revenues for FY 2021-22 increased from those of the prior fiscal year due to the economic recovery.



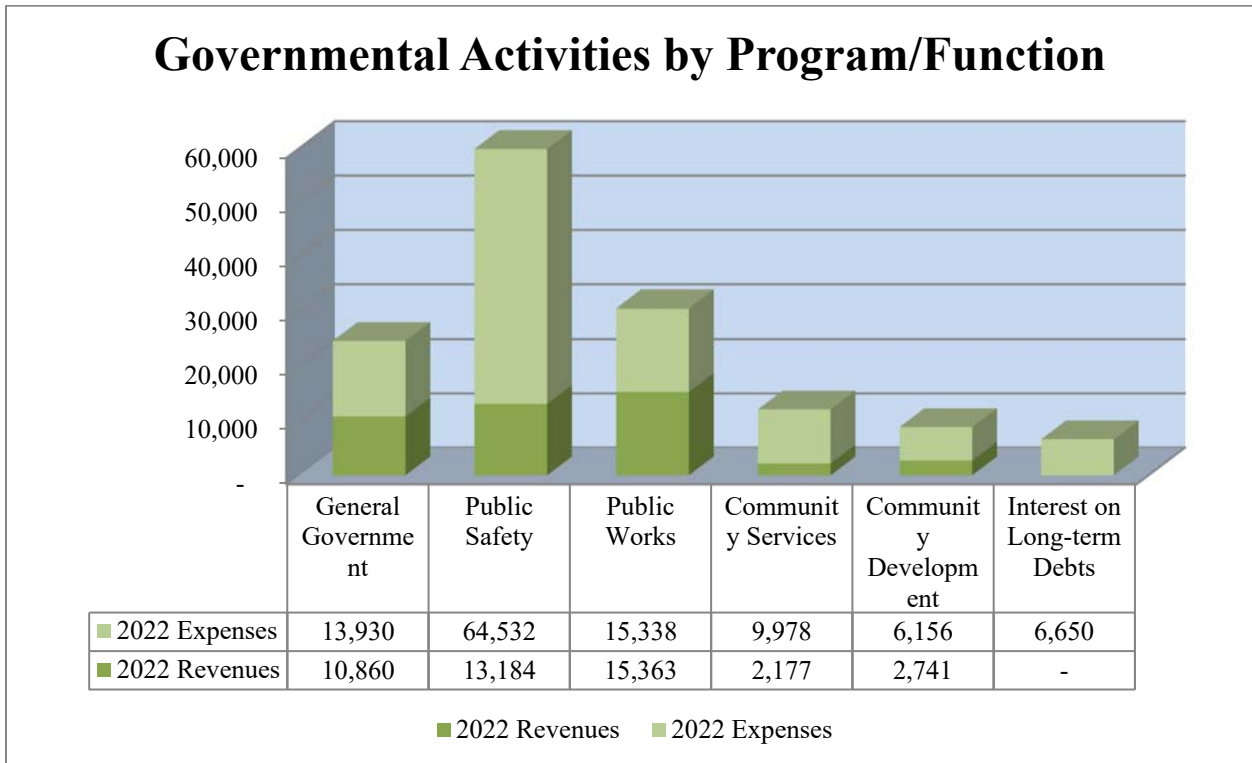
The following narrative addresses the significant variances in key revenues and expenses from the prior fiscal year:

1. *Sales Tax:* General sales tax receipts were \$5.0 million or 15.30% over prior year. There has been an increase of online retail triggering a 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. *Gain on Sale of Capital Asset:* The revenues increased by \$9.0 million because of the sale of parcel of land and property during the fiscal year.
3. *Transient Occupancy Taxes:* TOT taxes were \$471 thousand or 36.26% over prior year. The upsurge is as a result of increase travel due to the COVID-19 recovery and thus hotel revenue growth.
4. *Property taxes:* Property tax increased by \$491 thousand over the prior year. Property taxes grew 1.52% thanks to a strong housing sales market.

5. *Charges for Services:* These revenues increased by approximately \$4.4 million or 23.78% from prior year. These revenues were impacted by the pandemic, but this fiscal year have recovered considerably. The City was impacted by decrease in revenue as 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. However, this fiscal year because of the vaccine and COVID-19 recovery all facilities were open and revenues are at a pre-pandemic level.

6. *Use of Money and Property:* These revenues decreased by \$1.3 million or 96.57% less than prior year. Due to reduced gains on investment earnings from the unspent proceeds of 2017 Revenue Bonds. In FY20-21 the ending balance was \$500 thousand in FY21-22 a zero balance this fiscal year. 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. The City had a market value adjustment of 2.2 million unrealized loss.

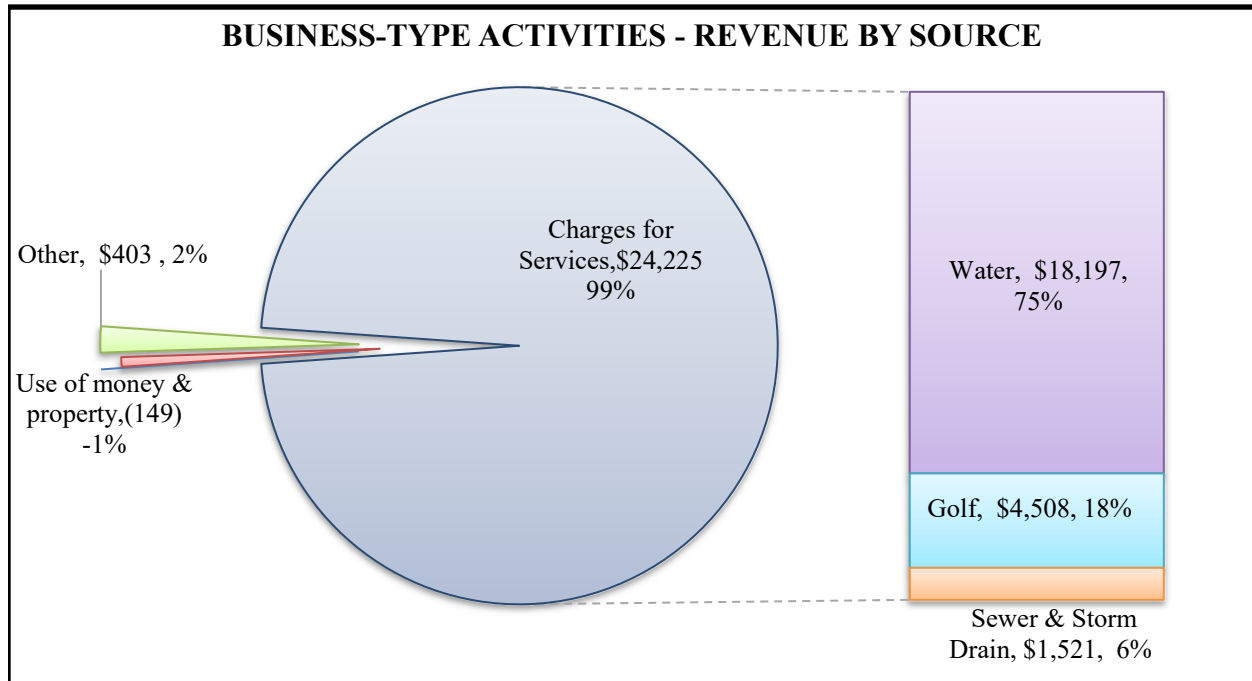
7. *Program Expenses:* Program activities experienced a decrease of \$20.1 million or 14.73% from prior year. The large part is due to decreases in the liability for pension and OPEB. The other difference is for the claims and judgement expense of \$4.0 million last year while it was only \$403 thousand this year.



Summary of Business-Type Activities

Revenue Sources – charges for services reflect a decrease of \$394 thousand or 1.6% from the prior fiscal year. The main revenue decrease is due to a reduced amount of water consumption. This is the result of City mandated water use restrictions to save water during the drought. Variances are as follows:

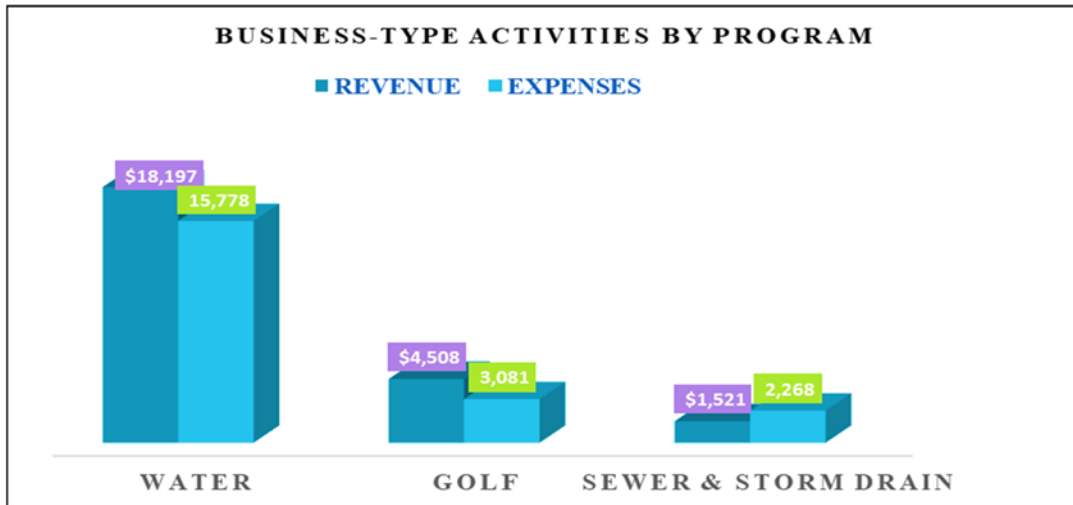
1. *Water revenues* - total operating revenues decrease of \$678 thousand or 3.59% from the prior year. The city has not changed the water rates. The decrease is due to less water consumption from City’s water customers because of restrictions due to the drought.
2. *Sewer revenues* – total operating revenues increase by \$24 thousand or 1.59% from the prior year.
3. *Golf revenues* - the overall revenue increase by \$261 thousand over prior year. 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 increase of \$5.2 million or an increase of 32.6% over the prior year. From this amount, water activities ended with an increase of \$4.9 million and Sewer had an increase of \$275 thousand. The increase in expenditures in Water is because of late billings of utility company paid in FY20-21. Golf had \$38 thousand or 1.21% decrease in expenditures.

City of Downey
Summary of Net Position
Business- Type Activities
For Fiscal Year Ended June 30, 2022 and 2021
(Amounts Expressed in Thousands)

	Business-Type Activities		Amount
	2022	2021	Increase
REVENUES:			(Decrease)
Program Revenues:			
Charges for Services	\$ 24,226	\$ 24,620	\$ (394)
General Revenues:			
Use of Money and Property	(149)	138	(287)
Other Revenues	<u>403</u>	<u>493</u>	<u>(90)</u>
Total Revenues	24,479	25,251	(772)
EXPENSES:			
Program Activities			
Water	15,777	10,825	4,952
Golf	3,083	3,119	(36)
Sewer and Storm Drain	<u>2,268</u>	<u>1,933</u>	<u>335</u>
Total Expenses	21,128	15,877	5,251
Excess/(Shortage) of Revenues Over Expenses	3,351	9,374	(6,023)
TRANSFERS:			
Transfer-out	<u>(351)</u>	<u>(898)</u>	<u>547</u>
Changes in Net Position	3,000	8,476	(5,476)
Net Position at Beginning of year	<u>93,099</u>	<u>84,623</u>	<u>8,476</u>
Net Position at End of year	<u>\$ 96,099</u>	<u>\$ 93,099</u>	<u>\$ 3,000</u>



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, 2022, the City's governmental funds reported combined ending fund balances of \$97.7 million, a net increase of \$46.1 million or 89.49% over the prior year. Approximately 46.45% of the City's governmental fund ending fund balances, or \$45.4 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, \$52.3 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 \$6.9 million is not available for use and are comprised of advances to Successor Agency, notes and loans and prepaid costs. Restricted fund balance of \$45.4 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 \$3.9 million for public safety, \$317 thousand for parks and recreation activity, \$9.0 million for public works, \$26.7 million for Capital Projects, and \$5.5 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, 2022, assigned and unassigned fund balance of the general fund was \$46.6 million, while total fund balance was \$53.4 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 44.98% 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, 2022, the cash and investments balance in the general fund was \$38.6 million, an increase of \$19.7 million from the prior fiscal year. Mainly because of the sale of land \$13.8 million. In addition to Sales Tax, UUT and Property Tax deposits.

Other Financing Sources include transfer \$8.5 million. Please see note 5 for details on interfund transfers. Additionally, the city sold land for 13.8 million. However, there was an 81% decrease over last year because last fiscal year the City included city bond issuance of \$108.4 to pay down CALPERS pension obligation as opposed to this year.

Overall, General Fund revenues for the fiscal year ended June 30, 2022 increased by \$6.7 million, or 7.01%, 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. The General Fund had a market value adjustment of \$1.4 million unrealized loss.

City of Downey					
General Fund Revenues and Other Financing Sources					
For Fiscal Year Ended June 30, 2022 and 2021					
<i>(Amounts Expressed in Thousands)</i>					
	2022	Percent of	2021	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
Taxes	\$ 81,181	64.7%	\$ 75,113	35.0%	\$ 6,068
Licenses and Permits	1,781	1.4%	1,681	0.8%	100
Fines and Forfeitures	1,749	1.4%	1,623	0.8%	126
Use of Money and Property	248	0.2%	1,394	0.6%	(1,146)
Intergovernmental Revenues	1,634	1.3%	2,405	1.1%	(771)
Charges for Services	13,007	10.3%	9,786	4.6%	3,221
Other Revenues	<u>3,831</u>	<u>3.0%</u>	<u>4,654</u>	<u>2.2%</u>	<u>(823)</u>
Total Revenues	103,431	82.2%	96,656	45.1%	6,775
Other Financing Sources	<u>22,409</u>	<u>17.8%</u>	<u>118,049</u>	<u>55.0%</u>	<u>(95,640)</u>
Total Revenues & Other Financing Sources	<u>\$ 125,840</u>	<u>100.0%</u>	<u>\$ 214,705</u>	<u>100.1%</u>	<u>\$ (88,865)</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, 2022 and 2021					
<i>(Amounts Expressed in Thousands)</i>					
	2022	Percent of	2021	Percent of	Increase
	Actuals	Total	Actuals	Total	(Decrease)
General Government	\$ 12,912	12.1%	\$ 10,395	4.9%	\$ 2,516
Public Safety	63,443	59.3%	68,760	32.6%	(5,317)
Public Works	10,315	9.7%	9,530	4.5%	785
Community Services	7,779	7.3%	6,956	3.3%	823
Community Development	3,567	3.3%	3,779	1.8%	(212)
Capital Outlay	363	0.3%	337	0.2%	26
Principal retirement	950	0.9%	855	0.4%	95
Debt Services	<u>4,071</u>	<u>3.8%</u>	<u>1,430</u>	<u>0.7%</u>	<u>2,641</u>
Total Expenditures	103,400	96.8%	102,042	48.3%	1,358
Other Financing Uses	3,427	3.3%	2,132	0.9%	1,294
Extraordinary Items	<u>-</u>	<u>0.0%</u>	<u>107,815</u>	<u>50.9%</u>	<u>(107,815)</u>
Total Expenditures & Other Financing Sources	<u>\$ 106,826</u>	<u>100.1%</u>	<u>\$ 211,989</u>	<u>100.0%</u>	<u>\$ (105,162)</u>

The General Fund's total expenditures, not including Other Financing Sources, increased by \$1.4 million or 1.33%, from the previous fiscal year. All departments' expenditures increased except the expenditures in Public Safety and Community Development. Changes in expenditures, by function, occurred as follows during the fiscal year ended June 30, 2022:

- General Government expenditures increased by \$2.5 million, to \$12.9 million. Increase in litigation expenditures, general liability insurance premiums and other general administrative expenses.
- Public Safety expenditures decreased by \$5.3 million, to \$63.4 million attributable to the decrease in pension costs.
- Public Works expenditures increased by \$785 thousand, to \$10.3 million, as a result of increased maintenance in land and buildings, cost of living.

- Community Services expenditures increased by \$823 thousand to \$7.7 million. as a result of an increase in temporary personal expenditures due to increased attendance to fee supported programs such as gym and pre-school classes. These classes were partially closed in prior fiscal year but are fully open since COVID-19 restrictions have ended.
- Debt Service increased in expenditure by \$2.6 million mainly because of initial payment toward the Pension Obligation Bond 2021 issued in the amount of \$113 million that was used to pay down the cities pension obligation.
- Current fiscal year there are no extraordinary transactions. FY20-21 Extraordinary Item of \$107 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 expenditures and the final amended budget is \$4,497,530.

- Per the Agenda Memo dated May 10, 2022, the City Council approved appropriation of \$1,851,095 from the General Fund to purchase a ladder truck to replace the 2005 ladder truck currently in service.
- Transfer of \$931,370 from General Fund reserve to reimburse negative fund balance in Special Revenue Funds Learning Center and Waste Reduction.
- The City Council approved September 28, 2021 appropriation to the general fund of \$84,072 to upgrade and improve the existing Downey Fire Communications analog UHF and VHF radio signals to digital UHF and VHF signals.
- City Council approved November 9, 2021, appropriation of \$209,143 from general fund to purchase Playground Equipment for Crawford and Temple Parks. The General Fund will be reimbursed by the State's Per Capita Program.
- Per the Agenda Memo dated November 9, 2021, the City Council approved appropriation of \$29,500 from the General Fund to enter into an agreement with Calmet Services Ince for abandoned bulky item collection services.
- The City Council approved December 14, 2021 appropriation to the general fund of \$253,710 to replace electrical transformers at City Hall, Police Department, Barbara J. Riley Senior Center and replacement of roof at the Downey Theatre.

- City Council approved January 25, 2022 appropriation of \$378,263 from general fund to complete Rio San Gabriel Park Turf Restoration Improvement.
- Per Agenda Memo's in March 2022 the City Council approved appropriation of \$136,728 from the General Fund for the shared cost of replacing the filtration system at the Downey High School Pool, per the current joint usage agreement with the Downey Unified School District. Also approved on the same month was appropriation from General Fund of \$150,000 to pay for review of new franchise transfer application.
- The City Council approved March 22, 2022 appropriation to the general fund of \$25,000 to support the Downey Pride Festival.
- City Council approved May 24, 2022 appropriation of \$300,000 from general fund to complete City Maintenance Yard Pavement Rehabilitation.
- Per the Agenda Memo dated June 14, 2022 the City Council approved appropriation of \$91,563 from the General Fund for purchase of cardiac monitor and defibrillator units. Also approved on the same day was appropriation from General Fund of \$54,589 to pay for replacement of Civic Theatre Exterior Building. Finally, also approved from general fund reserves was \$11,641 for purchase of Software One Cloud Server.

In the functional expenditure categories actual expenditures were \$4.3 million more than final budgeted amount, totaling \$103.4 million, and \$99.1 million, respectively. The Finance department was \$666 thousand over the actual expenditures as opposed to budget.

In addition, actual revenue exceeded budgetary estimates, by \$23.4 million, bringing actual revenue at June 30, 2022 to \$160.3 million. The key reason for increase in budget is proceeds from sale of land of \$13.8 million, in addition to an increase in revenues from sales tax, charges from services, franchise and other due to the recovery from the pandemic that lead to a strong economy.

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 2021-22 was \$234 thousand. The revenues are from housing loan repayments. Total expenditures for the Housing Authority Fund are \$56 thousand. The fund balance of \$3.7 is restricted for low-and moderate-income housing. The fund balance increased by \$179 thousand primarily due to increased collection in subsidy loans. Increase in homeowners who sold their homes during the year also increased the number of homeowners paying off their loans.

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 \$8.1 million and grant revenues of \$7 million. The net decrease in fund balance is \$1.1 million. The decrease in fund balance is primarily due to reimbursements from various agencies not received within the 90-day timeframe. Revenues not collected within the 90-day period after the city closed its books are booked as unavailable revenues.

As of June 30, 2022, the CIP Grant fund has a negative fund balance of \$4.2 million. However, this is offset by the \$4.9 million of unavailable revenues. The unavailable revenues are expected to be received in the future, which will eventually cover the negative fund balance.

Below is a description and amount of expenditures for the key projects.

- \$906 thousand Imperial Highway Signalization & Safety (Caltrans)
- \$949 thousand Florence Ave. Pavement Rehabilitation (Caltrans)
- \$4.4 million Telegraph Traffic Safety Enhancement (Caltrans, Pico Rivera, Measure M)
- \$313 thousand Paramount Blvd. Signal & Safety Enhancement (Caltrans)
- \$311 thousand Stewart & Gray Rd. Signal & Safety Enhancement (Caltrans)
- \$369 thousand Street Intersections (Various streets mainly funded by LACMTA)

Expenditures during the year also included other projects such as Safe Routes to School, Bicycle Master Plan, Inspiration Space Shuttle Ed Building, Systematic Safety Analysis Program and Street Improvements.

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 spent for FY 2021-22 were \$6.7 million of these amounts \$6.1 million is from ARPA Grant. The remaining \$700 thousand are from the Covid 19 SVOG Theatre Grant, Community Development Block Grant (CDBG) and Justice Assistance Grant (JAG). These grant funds were used for rental assistance, small business support through grants, food drives, senior wellness, distance learning and personal protective equipment.

As of June 30, 2022, the Covid-19 Grant Fund has a negative fund balance of \$36,437. This should be offset by the \$52,864 unavailable revenue. The net decrease in fund balance of \$52,864 is primarily attributable to the revenue from JAG that was not received within 90 days. However, this revenue is expected to be received in the future, which will eventually cover the negative fund balance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its government and business-type activities at June 30, 2022 amounted to \$363.2 million, net of accumulated depreciation. This investment in capital assets includes land, projects in progress, buildings, equipment, fixtures and infrastructures. The total increase over prior fiscal year in the City's investment in capital assets was \$12 million or a 3% increase. The increase is primarily due to projects in progress that were capitalized during the year, mainly in the categories of buildings and infrastructures.

City of Downey Summary of Capital Assets (Net of Depreciation) For Fiscal Year Ended June 30, 2022 and 2021 (Amounts Expressed in Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and Improvements	\$ 26,361	\$ 31,373	\$ 10,754	\$ 10,754	\$ 37,115	\$ 42,127
Projects in Progress	24,040	29,007	7,576	6,424	31,616	35,431
Water Rights	-	-	4,291	4,291	4,291	4,291
Buildings	58,510	51,426	5,419	5,591	63,929	57,017
Land Improvements	20,756	21,979	197	316	20,953	22,295
Machinery & Equipment	10,847	13,117	808	883	11,655	14,000
Furniture & Fixtures	-	-	630	605	630	605
Right-to-use Leased Asset	1,548	-	-	-	1,548	-
Infrastructures	<u>136,871</u>	<u>121,441</u>	<u>54,589</u>	<u>53,971</u>	<u>191,460</u>	<u>175,412</u>
Total Capital Assets	<u>\$ 278,933</u>	<u>\$ 268,343</u>	<u>\$ 84,264</u>	<u>\$ 82,835</u>	<u>\$ 363,197</u>	<u>\$ 351,178</u>

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

- Projects in progress decreased by \$3.8 million, which is the net of a decrease in governmental activities of \$5 million and an increase in business-type activities of \$1.2 million.
- The projects in progress added during the year amounted to \$29.2 million minus the capitalized amount of \$33 million. The net effect is a decrease of \$3.8 million, leaving a balance of \$31.6 million in projects in progress as of June 30, 2022. The capitalized amount of \$33 million are:
 - City Hall, City Library, Fire Station Modernization- \$9 million
 - Street/Traffic Safety Improvements- \$21 million
 - Water System & Sewer Improvement- \$3 million
- Buildings increased by \$6.9 million and infrastructures increased by \$16 million, mainly due to the fire station modernization and street/traffic safety improvements, respectively.

- Machinery and Equipment decreased by \$1.7 million mainly because the leased assets are now reported under its own category (See Right-to-use assets in the table above).

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

Long-term liabilities

Total outstanding long-term debt at June 30, 2022 is \$209.9 million, an increase of \$24.8 million from the prior fiscal year.

City of Downey					
Summary of Changes in Long-Term Liabilities					
<i>(Amounts Expressed in Thousands)</i>					
	Balance			Balance	Due Within
	June 30,	Additions	Reduction	June 30,	One-Year
	2021			2022	
Bond	\$ 173,184	\$ 30,465	\$ 4,331	\$ 199,318	\$ 7,370
Financed Purchases	4,735	-	2,053	2,683	542
Lease Payable	-	1,960	410	1,550	480
Loans Payable	7,196	-	848	6,348	868
Total	<u>\$ 185,115</u>	<u>\$ 32,425</u>	<u>\$ 7,642</u>	<u>\$ 209,899</u>	<u>\$ 9,260</u>

Long-term debt-related events during the fiscal year ended June 30, 2022 included:

- Bonded debt additions of \$30.4 from issuance of Measure M and Measure R Sales Tax Revenue Bonds.
- Bonded debt reductions by \$4.3 million from debt service payments and amortizations of premiums and discounts.
- Financed purchases decreased by \$2 million from debt service payments and lease payable increased by \$1.9 million due to the implementation of GASB 87 for leases during the year.
- Loans payable decreased by \$848 thousand from debt payments made during the year.

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

As the US economy continues to recover from the effects of COVID-19, there are still many major economic factors that present uncertainty for the local governments. Some of the top factors are

local Governments are also faced with its financial impacts and the City continues to assess and navigate through these to minimize the impact on City's finances.

In spite of all these uncertainties City has focused on strengthening its long-term Fiscal health by using a conservative approach and building its reserves to accomplish its strategic goals. From the Federal Economic Recovery Program ARPA, the City was allocated to receive approximately \$25.4 million over two years. These funds helped City to offset some of Covid 19 related cost, recover lost revenues as well as use the funds for certain utility projects. City continued to assist the businesses and residents to recover from Covid-19 by providing business grants and rental assistance to the residents. The funding from the issuance of Measure M and Measure R Sales Tax Revenue bonds for \$25.6 million during FY 2021-22 also resulted in starting the residential street and alley repair projects.

After the reopening of businesses from last June along with the development of new businesses such as Footlocker and other new eateries, the City has started to see an improvement in the Sales tax Revenue and based on budget expected to have a steady growth of around 13% over FY 2022-2023. The opening of new SpringHill Suites by Marriot and other hotels in the hospitality industry will bring more visitors to the City which expects to increase TOT revenues. Revenues from fees is expected to increase normally, as the City will be implementing a Consumer Price Index increase on user fees.

As we approach the end of 2022, housing experts are keeping a close eye on the economy, which is still moving in all directions due to the record high inflation rates, rising interest rates and ongoing political uncertainties. Despite of these challenging times and the cooling off of the housing market, the median price of a house in Downey is still around \$780,000 and the number of homes sold in Downey were 442 which is still about 10% more when compared to prior year's numbers. Although there is a possibility of seeing no change in property tax revenues but the increased number of construction projects and new constructions within the City still provides the hope of gradual increase in Property Tax revenues over next few years.

Regardless of these disruptions, 74% of FY 2021-22 budget goals were successfully completed which included the Installation of Solar Roof Mounts at various City facilities, saving the City \$10 million over next 25 years. This growth indicates City's efficiency and effectiveness in navigating through a difficult economic environment while still remaining mindful of complex shifts in US economy resulting from Covid-19 and its aftereffects.

On June 15, 2022, the City Council adopted and approved FY 2022-23 budget with total appropriation of \$262.4 million. Adequate resources are available to fund the proposed expenditures. The City Council approved the FY 2022-23 budget with an increase of 19.41% over last year's general fund budget due to the expenditures included for capital infrastructure needs using the revenues from a one-time real property sale of \$13,869,000 that the City received in Fiscal Year 2021-2022.

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 2022, the City adopted a new fee schedule from a City-wide study which updated the rates for FY 2022-23.

Utility Rates

The City's water rates were last increased in July 2015. The water rates remain unchanged for FY 2021-22.

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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 107,758,126	\$ 27,688,854	\$ 135,446,980
Receivables:			
Accounts	6,952,660	4,545,840	11,498,500
Taxes	9,030,801	-	9,030,801
Notes and loans	13,945,396	-	13,945,396
Accrued interest	528,242	-	528,242
Leases	20,257,400	1,079,571	21,336,971
Internal balances	6,214,648	(6,214,648)	-
Prepaid costs	76,990	5,640	82,630
Due from other governments	4,260,123	53,977	4,314,100
Inventories	97,648	314,039	411,687
Restricted assets:			
Cash with fiscal agent	24,487,146	-	24,487,146
Advances to Successor Agency	8,392,454	-	8,392,454
Capital assets not being depreciated	50,400,692	22,620,913	73,021,605
Capital assets, net of depreciation	228,532,554	61,642,526	290,175,080
Total Assets	480,934,880	111,736,712	592,671,592
Deferred Outflows of Resources:			
Deferred pension related items	14,361,095	266,554	14,627,649
Deferred OPEB related items	2,009,224	-	2,009,224
Total Deferred Outflows of Resources	16,370,319	266,554	16,636,873
Liabilities:			
Accounts payable	7,434,120	4,752,010	12,186,130
Accrued liabilities	4,778,736	417,663	5,196,399
Accrued interest	508,583	51,266	559,849
Unearned revenue	15,185,357	29,391	15,214,748
Deposits payable	2,696,699	67,570	2,764,269
Due to other governments	5,365	-	5,365
Noncurrent liabilities:			
Due within one year			
Long-term debt	8,602,024	657,703	9,259,737
Compensated absences	5,489,479	176,945	5,666,424
Claims and judgements	4,504,000	-	4,504,000
Due in more than one year			
Long-term debt	194,018,225	6,621,034	200,639,259
Compensated absences	11,117,429	358,355	11,475,784
Claims and judgements	19,972,000	-	19,972,000
Net OPEB liability	4,943,818	-	4,943,818
Net pension liability	15,678,812	417,934	16,096,746
Total Liabilities	294,934,647	13,549,871	308,484,518
Deferred Inflows of Resources:			
Deferred pension related items	54,833,586	1,279,260	56,112,846
Deferred OPEB related items	2,650,267	-	2,650,267
Deferred inflow related to leases	20,317,339	1,074,745	21,392,084
Total Deferred Inflows of Resources	77,801,192	2,354,005	80,155,197
Net Position (Deficit):			
Net investment in capital assets	231,093,801	76,538,584	307,632,385
Restricted for:			
Community development	416,925	-	416,925
Public safety	3,857,642	-	3,857,642
Parks and recreation	317,316	-	317,316
Public works	9,069,366	-	9,069,366
Capital projects	31,647,062	33,385,281	65,032,343
Debt service	-	469,039	469,039
Low and moderate income housing	18,231,501	-	18,231,501
Unrestricted (Deficit)	(170,064,253)	(14,293,514)	(184,357,767)
Total Net Position (Deficit)	\$ 124,569,360	\$ 96,099,390	\$ 220,668,750

CITY OF DOWNEY

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 13,930,139	\$ 9,190,389	\$ 1,670,178	\$ -
Public safety	64,531,771	5,759,093	7,424,517	-
Community development	6,156,134	1,734,379	-	1,006,938
Community services	9,978,004	2,177,179	-	-
Public works	15,337,604	4,460,882	10,902,453	-
Interest on long-term debt	6,650,405	-	-	-
Total Governmental Activities	116,584,057	23,321,922	19,997,148	1,006,938
Business-Type Activities:				
Water	15,777,466	18,196,941	-	-
Golf	3,083,292	4,507,874	-	-
Sewer and Storm Drain	2,267,653	1,520,769	-	-
Total Business-Type Activities	21,128,411	24,225,584	-	-
Total Primary Government	\$ 137,712,468	\$ 47,547,506	\$ 19,997,148	\$ 1,006,938

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 and Transfers

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,069,572)	\$ -	\$ (3,069,572)
(51,348,161)	-	(51,348,161)
(3,414,817)	-	(3,414,817)
(7,800,825)	-	(7,800,825)
25,731	-	25,731
(6,650,405)	-	(6,650,405)
(72,258,049)	-	(72,258,049)
-	2,419,475	2,419,475
-	1,424,582	1,424,582
-	(746,884)	(746,884)
-	3,097,173	3,097,173
(72,258,049)	3,097,173	(69,160,876)
32,699,106	-	32,699,106
1,768,645	-	1,768,645
37,790,631	-	37,790,631
12,420,548	-	12,420,548
3,284,024	-	3,284,024
10,393,762	-	10,393,762
2,101,486	-	2,101,486
48,533	(149,321)	(100,788)
4,334,289	397,513	4,731,802
9,029,206	5,571	9,034,777
350,682	(350,682)	-
114,220,912	(96,919)	114,123,993
41,962,863	3,000,254	44,963,117
82,606,497	93,099,136	175,705,633
\$ 124,569,360	\$ 96,099,390	\$ 220,668,750

CITY OF DOWNEY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds		
	General	Housing Authority	CIP Grant Fund
Assets:			
Pooled cash and investments	\$ 38,645,934	\$ 2,314,900	\$ -
Receivables:			
Accounts	771,770	-	5,803,377
Taxes	7,404,260	-	-
Notes and loans	1,108,967	7,519,927	-
Accrued interest	197,204	331,038	-
Leases	20,257,400	-	-
Prepaid costs	6,859	-	-
Due from other governments	1,865,095	-	1,348,887
Due from other funds	7,764,213	-	-
Inventories	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	258,372	-	-
Advances to Successor Agency	5,766,705	1,354,576	-
Total Assets	\$ 84,046,779	\$ 11,520,441	\$ 7,152,264
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 3,019,458	\$ 60	\$ 665,377
Accrued liabilities	4,077,720	-	26,176
Unearned revenues	-	-	-
Deposits payable	2,690,669	-	-
Due to other governments	-	-	-
Due to other funds	-	-	5,796,349
Total Liabilities	9,787,847	60	6,487,902
Deferred Inflows of Resources:			
Unavailable revenues	479,461	7,850,965	4,955,311
Leases	20,317,339	-	-
Total Deferred Inflows of Resources	20,796,800	7,850,965	4,955,311
Fund Balances:			
Nonspendable:			
Prepaid costs	6,859	-	-
Notes and loans	1,108,967	-	-
Advances to Successor Agency	5,766,705	-	-
Restricted for:			
Public safety	-	-	-
Parks and recreation	-	-	-
Public works	-	-	-
Capital Projects	-	-	-
Low and moderate income housing	-	3,669,416	-
Assigned to:			
Capital projects	-	-	-
Unassigned (Deficit)	46,579,601	-	(4,290,949)
Total Fund Balances (Deficit)	53,462,132	3,669,416	(4,290,949)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 84,046,779	\$ 11,520,441	\$ 7,152,264

CITY OF DOWNEY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds		Total Governmental Funds
	Covid-19 Grants	Other Governmental Funds	
Assets:			
Pooled cash and investments	\$ 15,172,400	\$ 23,801,942	\$ 79,935,176
Receivables:			
Accounts	52,863	318,225	6,946,235
Taxes	-	1,626,541	9,030,801
Notes and loans	-	5,316,502	13,945,396
Accrued interest	-	-	528,242
Leases	-	-	20,257,400
Prepaid costs	-	-	6,859
Due from other governments	51,350	986,519	4,251,851
Due from other funds	-	-	7,764,213
Inventories	-	10,102	10,102
Restricted assets:			
Cash and investments with fiscal agents	-	24,228,774	24,487,146
Advances to Successor Agency	-	-	7,121,281
Total Assets	\$ 15,276,613	\$ 56,288,605	\$ 174,284,702
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):			
Liabilities:			
Accounts payable	\$ 56,426	\$ 3,503,996	\$ 7,245,317
Accrued liabilities	18,403	590,758	4,713,057
Unearned revenues	15,185,357	-	15,185,357
Deposits payable	-	6,030	2,696,699
Due to other governments	-	5,365	5,365
Due to other funds	-	1,967,864	7,764,213
Total Liabilities	15,260,186	6,074,013	37,610,008
Deferred Inflows of Resources:			
Unavailable revenues	52,864	5,337,502	18,676,103
Leases	-	-	20,317,339
Total Deferred Inflows of Resources	52,864	5,337,502	38,993,442
Fund Balances:			
Nonspendable:			
Prepaid costs	-	-	6,859
Notes and loans	-	-	1,108,967
Advances to Successor Agency	-	-	5,766,705
Restricted for:			
Public safety	-	3,857,642	3,857,642
Parks and recreation	-	317,316	317,316
Public works	-	9,069,366	9,069,366
Capital Projects	-	26,691,751	26,691,751
Low and moderate income housing	-	1,812,508	5,481,924
Assigned to:			
Capital projects	-	4,552,226	4,552,226
Unassigned (Deficit)	(36,437)	(1,423,719)	40,828,496
Total Fund Balances (Deficit)	(36,437)	44,877,090	97,681,252
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 15,276,613	\$ 56,288,605	\$ 174,284,702

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CITY OF DOWNEY

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund balances of governmental funds	\$	97,681,252
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.		274,725,408
Deferred outflows related to pension items for:		
Pension related items:		
Miscellaneous contributions made subsequent to measurement date	\$	3,381,108
Safety contributions made subsequent to measurement date		9,058,878
Safety differences between expected and actual experience		1,879,796
OPEB related items:		
OPEB contributions made subsequent to measurement date		977,849
OPEB changes in assumptions		<u>1,031,375</u>
		16,329,006
Long-term debt and claims liabilities that have not been included in the governmental fund activity:		
Bonds payable	(186,456,904)	
Unamortized bond premiums/discounts	(7,723,072)	
Loans payable	(3,578,000)	
Finance purchases	(1,989,466)	
Leases payable	(608,080)	
Claims payable	(17,100,582)	
Compensated absences	<u>(3,977,527)</u>	(221,433,631)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(508,583)
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.		(4,943,818)
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	(5,301,295)	
Safety net pension liability	<u>(10,312,742)</u>	(15,614,037)
Deferred inflows related to pension items due to:		
Pension related items:		
Miscellaneous differences between expected and actual experiences	(254,146)	
Safety differences between expected and actual experiences	(2,155,683)	
Miscellaneous net difference between projected and actual earnings on pension plan investments	(15,972,652)	
Safety net difference between projected and actual earnings on pension plan investments	(36,252,833)	
OPEB related items:		
Changes of assumptions	(535,188)	
OPEB differences between expected and actual experiences	(919,327)	
Net difference between projected and actual earnings on OPEB plan investments	<u>(1,195,752)</u>	(57,285,581)
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.		18,676,103
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>16,943,241</u>
Net Position of Governmental Activities	\$	<u>124,569,360</u>

CITY OF DOWNEY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue Funds</u>		
	<u>General</u>	<u>Housing Authority</u>	<u>CIP Grant Fund</u>
Revenues:			
Taxes	\$ 81,180,592	\$ -	\$ -
Licenses and permits	1,781,141	-	-
Intergovernmental	1,633,682	-	6,982,732
Charges for services	13,007,414	-	-
Use of money and property	248,292	15,434	-
Fines and forfeitures	1,749,473	-	-
Developer participation	-	-	-
Miscellaneous	3,830,620	218,644	-
Total Revenues	103,431,214	234,078	6,982,732
Expenditures:			
Current:			
General government	12,911,817	-	-
Public safety	63,443,026	-	-
Community development	3,566,892	55,570	-
Community services	7,778,787	-	-
Public works	10,315,232	-	-
Capital outlay	362,690	-	8,106,403
Debt service:			
Principal retirement	950,000	-	-
Interest and fiscal charges	4,071,380	-	-
Total Expenditures	103,399,824	55,570	8,106,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,390	178,508	(1,123,671)
Other Financing Sources (Uses):			
Transfers in	8,539,114	-	-
Transfers out	(3,426,602)	-	-
Other debts issued	-	-	-
Proceeds from sale of capital assets	13,869,713	-	-
Other financing sources - leases	-	-	-
Total Other Financing Sources (Uses)	18,982,225	-	-
Net Change in Fund Balances	19,013,615	178,508	(1,123,671)
Fund Balances (Deficit), Beginning of Year	34,448,517	3,490,908	(3,167,278)
Fund Balances (Deficit), End of Year	\$ 53,462,132	\$ 3,669,416	\$ (4,290,949)

CITY OF DOWNEY

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Covid-19 Grants</u>		
Revenues:			
Taxes	\$ -	\$ 19,032,100	\$ 100,212,692
Licenses and permits	-	-	1,781,141
Intergovernmental	6,734,682	5,125,627	20,476,723
Charges for services	-	2,916,772	15,924,186
Use of money and property	-	(215,193)	48,533
Fines and forfeitures	-	1,975,717	3,725,190
Developer participation	-	1,783,269	1,783,269
Miscellaneous	-	393,161	4,442,425
Total Revenues	6,734,682	31,011,453	148,394,159
Expenditures:			
Current:			
General government	43,777	468,694	13,424,288
Public safety	256,919	1,671,781	65,371,726
Community development	700,092	2,211,563	6,534,117
Community services	292,492	1,189,322	9,260,601
Public works	218,908	3,918,487	14,452,627
Capital outlay	-	18,263,891	26,732,984
Debt service:			
Principal retirement	-	4,280,414	5,230,414
Interest and fiscal charges	-	2,597,928	6,669,308
Total Expenditures	1,512,188	34,602,080	147,676,065
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,222,494	(3,590,627)	718,094
Other Financing Sources (Uses):			
Transfers in	-	4,290,102	12,829,216
Transfers out	(5,275,358)	(3,901,873)	(12,603,833)
Other debts issued	-	30,465,375	30,465,375
Proceeds from sale of capital assets	-	-	13,869,713
Other financing sources - leases	-	853,429	853,429
Total Other Financing Sources (Uses)	(5,275,358)	31,707,033	45,413,900
Net Change in Fund Balances	(52,864)	28,116,406	46,131,994
Fund Balances (Deficit), Beginning of Year	16,427	16,760,684	51,549,258
Fund Balances (Deficit), End of Year	\$ (36,437)	\$ 44,877,090	\$ 97,681,252

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, 2022**

Net change in fund balances - total governmental funds \$ 46,131,994

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	\$ 26,515,586	
Depreciation	(10,070,927)	
Proceeds from sale of capital assets	(13,869,713)	
Gain/(loss) on sale of capital assets	<u>8,056,639</u>	10,631,585

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	4,877,414	
Amortization of bond premiums/discounts	396,317	
Lease repayments	245,349	
Loan repayments	<u>353,000</u>	5,872,080

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.

Bonds issuance		(26,660,000)
Bonds premium		(3,805,375)
Lease issuance		(853,429)

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

(268,268)

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.

(25,057)

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.

(403,000)

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.

654,899

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.

9,512,411

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.

772,873

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.

402,150

Change in Net Position of Governmental Activities

\$ 41,962,863

CITY OF DOWNEY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	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	\$ 17,985,917	\$ 3,043,390	\$ 6,659,547	\$ 27,688,854	\$ 27,822,950
Receivables:					
Accounts	4,200,975	-	344,865	4,545,840	6,425
Leases	-	1,079,571	-	1,079,571	-
Prepaid costs	4,230	-	1,410	5,640	70,131
Due from other governments	1,000	52,977	-	53,977	8,272
Inventories	314,039	-	-	314,039	87,546
Advance to Successor Agency	-	-	-	-	1,271,173
Total Current Assets	22,506,161	4,175,938	7,005,822	33,687,921	29,266,497
Noncurrent:					
Capital assets - net of accumulated depreciation/amortization	42,507,562	13,882,933	27,872,944	84,263,439	4,207,838
Total Noncurrent Assets	42,507,562	13,882,933	27,872,944	84,263,439	4,207,838
Total Assets	65,013,723	18,058,871	34,878,766	117,951,360	33,474,335
Deferred Outflows of Resources:					
Deferred pension related items	208,098	803	57,653	266,554	41,313
Total Deferred Outflows of Resources	208,098	803	57,653	266,554	41,313
Total Assets and Deferred Outflows of Resources	\$ 65,221,821	\$ 18,059,674	\$ 34,936,419	\$ 118,217,914	\$ 33,515,648
Liabilities, Deferred Inflows of Resources, and Net Position:					
Liabilities:					
Current:					
Accounts payable	\$ 4,544,444	\$ 207,236	\$ 330	\$ 4,752,010	\$ 188,803
Accrued liabilities	332,697	4,595	80,371	417,663	65,679
Accrued interest	6,684	42,704	1,878	51,266	-
Unearned revenues	-	29,391	-	29,391	-
Deposits payable	67,570	-	-	67,570	-
Accrued compensated absences	133,991	5,772	37,182	176,945	1,511,952
Accrued claims payable	-	-	-	-	3,372,000
Bonds, notes, and loans payable	111,401	515,000	31,302	657,703	507,444
Total Current Liabilities	5,196,787	804,698	151,063	6,152,548	5,645,878
Noncurrent:					
Accrued compensated absences	271,363	11,693	75,299	358,355	11,117,429
Accrued claims payable	-	-	-	-	4,003,418
Bonds, notes, loans and leases	3,408,344	2,255,000	957,690	6,621,034	1,757,283
Net pension liability	326,280	1,259	90,395	417,934	64,775
Total Noncurrent Liabilities	4,005,987	2,267,952	1,123,384	7,397,323	16,942,905
Total Liabilities	9,202,774	3,072,650	1,274,447	13,549,871	22,588,783
Deferred Inflows of Resources:					
Deferred pension related items	998,715	3,854	276,691	1,279,260	198,272
Related to Leases	-	1,074,745	-	1,074,745	-
Total Deferred Inflows of Resources	998,715	1,078,599	276,691	2,354,005	198,272
Net Position (Deficit):					
Net investment in capital assets	38,541,699	11,112,933	26,883,952	76,538,584	2,572,470
Restricted for capital projects	-	-	6,501,329	6,501,329	-
Restricted for debt service	-	469,039	-	469,039	-
Unrestricted (Deficit)	16,478,633	2,326,453	-	18,805,086	8,156,123
Total Net Position (Deficit)	55,020,332	13,908,425	33,385,281	102,314,038	10,728,593
Total Liabilities, Deferred Inflows of Resources, and Net Position (Deficit)	\$ 65,221,821	\$ 18,059,674	\$ 34,936,419	\$ 118,217,914	\$ 33,515,648
Reconciliation of Net Position to the Statement of Net Position					
Net Position per Statement of Net Position - Proprietary Funds				\$ 102,314,038	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds				(6,222,974)	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds				8,326	
Net Position per Statement of Net Position				\$ 96,099,390	

CITY OF DOWNEY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	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	\$ 18,196,941	\$ 4,507,874	\$ 1,520,769	\$ 24,225,584	\$ -
Interdepartmental charges	-	-	-	-	5,617,261
Miscellaneous	397,513	-	-	397,513	400,000
Total Operating Revenues	18,594,454	4,507,874	1,520,769	24,623,097	6,017,261
Operating Expenses:					
Purchased water	6,466,869	-	-	6,466,869	-
Maintenance and operations	4,751,809	2,584,095	237,787	7,573,691	2,010,786
General and administrative	3,337,425	128,489	330,740	3,796,654	82,730
Employee benefits	120,666	-	9,689	130,355	3,430,533
Depreciation/amortization expense	980,263	265,734	1,613,612	2,859,609	326,688
Total Operating Expenses	15,657,032	2,978,318	2,191,828	20,827,178	5,850,737
Operating Income (Loss)	2,937,422	1,529,556	(671,059)	3,795,919	166,524
Nonoperating Revenues (Expenses):					
Interest revenue	(246,898)	186,656	(89,079)	(149,321)	-
Interest expense	(128,760)	(104,974)	(34,054)	(267,788)	(52,530)
Gain (loss) on disposal of capital assets	5,571	-	(41,771)	(36,200)	171,183
Total Nonoperating Revenues (Expenses)	(370,087)	81,682	(164,904)	(453,309)	118,653
Income (Loss) Before Transfers	2,567,335	1,611,238	(835,963)	3,342,610	285,177
Transfers in	627,699	-	576,630	1,204,329	136,500
Transfers out	(1,537,998)	(494)	(16,519)	(1,555,011)	(11,201)
Changes in Net Position	1,657,036	1,610,744	(275,852)	2,991,928	410,476
Net Position:					
Beginning of Year	53,363,296	12,297,681	33,661,133	99,322,110	10,318,117
End of Fiscal Year	\$ 55,020,332	\$ 13,908,425	\$ 33,385,281	\$ 102,314,038	\$ 10,728,593
Reconciliation of Changes in Net Position to the Statement of Activities:					
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds				\$ 2,991,928	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				8,326	
Changes in Net Position of Business-Type Activities per Statement of Activities				\$ 3,000,254	

CITY OF DOWNEY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2022

	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	\$ 18,080,039	\$ 4,525,731	\$ 1,526,362	\$ 24,132,132	\$ 5,621,050
Cash paid to suppliers for goods and services	(1,916,757)	(2,660,661)	(1,303)	(4,578,721)	(2,102,226)
Cash paid to employees for services	(12,769,675)	(110,842)	(982,633)	(13,863,150)	(3,293,892)
Cash received from others	397,513	-	-	397,513	-
Net Cash Provided (Used) by Operating Activities	3,791,120	1,754,228	542,426	6,087,774	224,932
Cash Flows from Non-Capital Financing Activities:					
Cash transfers in	627,699	-	576,630	1,204,329	136,500
Cash transfers out	(1,537,998)	(494)	(16,519)	(1,555,011)	(11,201)
Advance from other funds	-	-	-	-	104,749
Net Cash Provided (Used) by Non-Capital Financing Activities	(910,299)	(53,471)	560,111	(403,659)	230,048
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(4,175,327)	(6,983)	(148,695)	(4,331,005)	(311,288)
Principal paid on capital debt	-	(495,000)	(73,084)	(568,084)	(94,796)
Interest paid on capital debt	(122,075)	(104,974)	(34,000)	(261,049)	(52,530)
Proceeds(losses) from sales of capital assets	7,396	-	-	7,396	196,547
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,290,006)	(606,957)	(255,779)	(5,152,742)	(262,067)
Cash Flows from Investing Activities:					
Interest received	(246,898)	179,025	(89,079)	(156,952)	-
Net Cash Provided (Used) by Investing Activities	(246,898)	179,025	(89,079)	(156,952)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,656,083)	1,272,825	757,679	374,421	192,913
Cash and Cash Equivalents at Beginning of Year	19,642,000	1,770,565	5,901,868	27,314,433	27,630,037
Cash and Cash Equivalents at End of Year	\$ 17,985,917	\$ 3,043,390	\$ 6,659,547	\$ 27,688,854	\$ 27,822,950
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 2,937,422	\$ 1,529,556	\$ (671,059)	\$ 3,795,919	\$ 166,524
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:					
Depreciation/amortization	980,263	265,734	1,613,612	2,859,609	326,688
(Increase) decrease in accounts receivable	(116,457)	-	5,593	(110,864)	3,789
(Increase) decrease in due from other governments	-	-	-	-	27,498
(Increase) decrease in inventories	39,926	-	-	39,926	(24,122)
(Increase) decrease in prepaid expense	(4,230)	-	(1,410)	(5,640)	(12,664)
(Increase) decrease in deferred pension related outflows	4,096,672	(803)	1,151,918	5,247,787	728,413
Increase (decrease) in accounts payable	1,505,638	(76,566)	107	1,429,179	(41,354)
Increase (decrease) in accrued liabilities	19,441	250	(3,911)	15,780	4,759
Increase (decrease) in deposits payable	(445)	-	-	(445)	-
Increase (decrease) in unearned revenue	-	22,683	-	22,683	-
Increase (decrease) in compensated absences	(140,732)	13,087	5,613	(122,032)	7,434
Increase (decrease) in net pension liability	(6,520,505)	1,259	(1,833,440)	(8,352,686)	(1,159,485)
Increase (decrease) in deferred pension related inflows	994,127	3,854	275,403	1,273,384	197,452
(Increase) decrease in leases receivable	-	(1,079,571)	-	(1,079,571)	-
Increase (decrease) in deferred leases revenue inflows	-	1,074,745	-	1,074,745	-
Total Adjustments	853,698	224,672	1,213,485	2,291,855	58,408
Net Cash Provided (Used) by Operating Activities	\$ 3,791,120	\$ 1,754,228	\$ 542,426	\$ 6,087,774	\$ 224,932
Non-Cash Investing, Capital, and Financing Activities:					
Gain (Loss) on disposal of capital assets	\$ 5,571	\$ -	\$ 41,771	\$ 47,342	\$ 90,875

CITY OF DOWNEY, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2022

	<u>Private- Purpose Trust Fund</u>	<u>Custodial Funds</u>
Assets:		
Cash and investments	\$ 1,672,957	\$ 6,383,602
Receivables:		
Accounts	-	48,575
Taxes	-	3,750
Restricted cash and investments with fiscal agents	643,250	-
Accrued interest receivable	-	976
Due from other governments	-	18,001
Advances to other funds	-	2,800
Capital assets:		
Capital assets, not being depreciated	-	110,490
Capital assets, net of accumulated depreciation	-	3,099,979
Total Assets	<u>2,316,207</u>	<u>9,668,173</u>
Liabilities:		
Accounts payable	-	526,601
Accrued liabilities	-	600,686
Accrued interest	78,797	-
Unearned revenues	-	66,917
Deposits payable	2,500	31,967
Due to other governments	-	5,835
Long- term Liabilities		
Due in one year		
Bonds payable	450,000	-
Due in more than one year		
Bonds payable	3,240,000	-
Advances from the City	8,392,454	22,629
Advances from the County	38,184,552	-
Total Liabilities	<u>50,348,303</u>	<u>1,254,635</u>
Net Position (Deficit):		
Restricted for organizations and other governments	-	8,413,538
Restricted for other purposes	(48,032,096)	-
Total Net Position (Deficit)	<u>\$ (48,032,096)</u>	<u>\$ 8,413,538</u>

CITY OF DOWNEY, CALIFORNIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Private- Purpose Trust Fund	Custodial Funds
Additions:		
Taxes	\$ 1,636,325	\$ 99,575
Intergovernmental	-	6,331,652
Interest and change in fair value of investments	(24,503)	(62,067)
Miscellaneous	-	397,057
Total Additions	1,611,822	6,766,217
Deductions:		
Benefits	-	14,159
Administrative expenses	125,000	4,862,547
Contractual services	4,590	155,322
Capital outlay	-	134,334
Interest expense	2,921,401	-
Depreciation expense	-	213,197
Total Deductions	3,050,991	5,379,559
Net Increase in Fiduciary Net Position	(1,439,169)	1,386,658
Net Position (Deficit) - Beginning	(46,592,927)	6,815,109
Restatement of Net Position	-	211,771
Net Position - Beginning, as Restated	(46,592,927)	7,026,880
Net Position (Deficit) - Ending	\$ (48,032,096)	\$ 8,413,538

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NOTES TO BASIC FINANCIAL STATEMENTS



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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of Entity

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

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

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

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

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

The *City of Downey Public Financing Authority* was created by the City of Downey Public Financing Authority under a Joint exercise of Powers Agreement to assist the Public Financing 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 and Measure M and R Bonds.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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 custodial 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, 2022**

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, 2022**

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 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 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 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 Fund is used to account for the provision of water services to residential, commercial and industrial customers.
- The Golf 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.
- 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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.

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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
Right-to-use assets - vehicles.....	Shorter of the leased asset's Useful life or the lease term

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 assets 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.

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 assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has three 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 third item relates to leases where the City is the lessor and relates to the future payments that will be recognized in future years.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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 7.68 Years, 2.1 Years, and 3.3 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.

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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.

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, 2020
Measurement Date (MD):	June 30, 2021
Measurement Period (MP):	July 1, 2020 to June 30, 2021

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

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.

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. Leases

Lessee - The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use lease asset is amortized on a straight-line basis over its useful life.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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

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

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

Right-to-use lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - The City is a lessor for a noncancellable lease of a cell tower site. The City recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

s. New Accounting Pronouncement

For 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the City's 2022 financial statements.

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 2: Stewardship, Compliance and Accountability

Deficit Fund Balance

At June 30, 2022, the following funds had a deficit fund balance:

CIP Grant Fund	\$ (4,290,949)
Gas Tax	(807,084)
COVID 19 Grants	(36,437)
Grants	(112,308)
Measure S 2017 LRB	(504,327)
Private Purpose Trust	(48,032,096)

These funds will be replenished with future revenues.

Note 3: Property Taxes

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

Note 4: Cash and Investments

As of June 30, 2022, 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	\$ 135,446,980	\$ 8,056,559	\$ 143,503,539
Cash and investments with fiscal agents	24,487,146	643,250	25,130,396
Total Cash and Investments	\$ 159,934,126	\$ 8,699,809	\$ 168,633,935
Demand accounts		\$ 25,974,530	
Petty cash		7,175	
Investments		142,652,230	
Total Cash and Investments		\$ 168,633,935	

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Cash and Investments (Continued)

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

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

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, 2022

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)			Total
	12 months or less	13 - 36 Months	37 - 60 Months	
Investments:				
Local Agency Investment Fund	\$ 72,379,087	\$ -	\$ -	\$ 72,379,087
Federal Farm Credit Bank	-	7,710,020	1,846,940	9,556,960
Federal Home Loan Bank	-	7,694,024	-	7,694,024
Federal National Mortgage Assoc.	-	-	2,769,210	2,769,210
Negotiable Certificates of Deposit	5,791,723	8,828,403	450,210	15,070,336
U.S. Treasury Notes	-	9,965,650	-	9,965,650
Money Market Mutual Funds	86,566	-	-	86,566
Held by Bond Trustee				
Money Market Mutual Funds	25,130,397	-	-	25,130,397
	<u>\$ 103,387,773</u>	<u>\$ 34,198,097</u>	<u>\$ 5,066,360</u>	<u>\$ 142,652,230</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:

Investments:	Total as of June 30, 2022	Minimum Legal Rating	Minimum		
			AA+	A+	Unrated
United States Government					
Sponsored Agency Securities					
FFCB	\$ 9,556,960	N/A	\$ 9,556,960	\$ -	\$ -
FHLB	7,694,024	N/A	7,694,024	-	-
FNMA	2,769,210	N/A	2,769,210	-	-
Negotiable Certificates of Deposit	15,070,335	N/A	-	-	15,070,335
U.S. Treasury Notes	9,965,650	A	-	-	9,965,650
Local Agency Investment Fund	72,379,087	N/A	-	-	72,379,087
Money Market Mutual Funds	86,566	A	-	-	86,566
Held by Bond Trustee					
Money Market Mutual Funds	25,130,397	A	-	-	25,130,397
	<u>\$ 142,652,230</u>		<u>\$ 20,020,194</u>	<u>\$ -</u>	<u>\$ 122,632,036</u>

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.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 4: Cash and Investments (Continued)

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	\$ 9,556,960	6.70%
Federal Home Loan Bank	United States Government Sponsored Agency Securities	7,694,024	5.39%

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, 2022:

	Total as of June 30, 2022	Level		
		1	2	N/A
Investments:				
Federal Government Agency	\$ 20,020,195	\$ -	\$ 20,020,195	\$ -
US Treasury Note	9,965,650	-	9,965,650	-
Certificate of Deposit	15,070,335	-	15,070,335	-
Money Market Funds	86,566	86,566	-	-
Local Agency Investment Fund	72,379,087	-	-	72,379,087
Total Cash Investments	117,521,833	86,566	45,056,180	72,379,087
Investments with Fiscal Agents:				
Money Market Funds	25,130,397	25,130,397	-	-
Total Investments with Fiscal Agent	25,130,397	25,130,397	-	-
Total Investments	\$ 142,652,230	\$ 25,216,963	\$ 45,056,180	\$ 72,379,087

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Cash and Investments (Continued)

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, 2022, 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, 2022, 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	\$ 5,796,349
Other Nonmajor Governmental	1,967,864
Total	<u>\$ 7,764,213</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, 2022

Note 4: Cash and Investments (Continued)

Interfund transfers at June 30, 2022, consisted of the following:

Transfers out	Tranfers In					Total
	General	Nonmajor Governmental	Sewer and Storm Drain	Water	Internal Service Funds	
<i>Governmental Funds:</i>						
General	\$ -	\$ 3,290,102	\$ -	\$ -	\$ 136,500	\$ 3,426,602
Covid 19	4,647,659	-	-	627,699	-	5,275,358
Other Nonmajor Governmental	2,900,243	1,000,000	1,630	-	-	3,901,873
<i>Enterprise Fund:</i>						
Water	962,998	-	575,000	-	-	1,537,998
Golf	494	-	-	-	-	494
Sewer and Storm Drain	16,519	-	-	-	-	16,519
<i>Internal Service Fund:</i>						
Equipment	11,201	-	-	-	-	11,201
Total	<u>\$ 8,539,114</u>	<u>\$ 4,290,102</u>	<u>\$ 576,630</u>	<u>\$ 627,699</u>	<u>\$ 136,500</u>	<u>\$ 14,170,045</u>

The General Fund transferred \$3,290,102 to Other Governmental Funds and \$136,500 to the Equipment fund to provide for capital expenditures, subsidize for various project operations, and to reimburse funds negative fund balance.

The Covid-19 Grants fund transferred \$4,647,659 to provide for costs incurred by the general fund related to Covid-19 grant funding and \$627,699 to cover Water Well Projects.

Other Governmental Funds transferred \$2,900,243 to the General Fund, \$1,000,000 to Other Governmental Funds, and \$1,630 to the Sewer & Storm Drain Fund for various street and related program expenditures.

The Water fund transferred \$962,998 to the General fund and \$575,000 to the Sewer and Storm Drain fund, to fund administrative costs or certain program, administrative and overhead expenditures.

Transfer to the General fund from the Golf, Sewer and Equipment funds of \$28,214 are to cover pension obligation bond payments.

Note 6: Advances Receivable from Successor Agency

As of June 30, 2022, amounts advanced to the Successor Agency were as follows:

Advances from General Fund	\$ 5,766,705
Advances from Housing Authority Special Revenue Fund	1,354,576
Advances from Employee Benefits	1,271,173
	<u>\$ 8,392,454</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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$12,836,429 as of June 30, 2022.

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, 2022, is \$1,108,967.

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 annual comprehensive financial report.

Note 9: Leases

a. Leases Receivable and Deferred Inflows of Resources

The City implemented GASB Statement No. 87 in the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the following below.

The City leases land to various companies for installation of cellular towers. The term is an 8.75-year lease. The City also leases land to Discovery Park, Downey Landing and Industrial Realty Group with term ranging from 3.92 years to 38 years with an option to extend of 5 to 10 years.

An initial lease receivable was recorded in the amount of \$22,158,687. As of June 30, 2022, the value of the lease receivable is \$21,336,971. The value of the deferred inflow of resources as of June 30, 2022 was \$21,392,084, and the City recognized lease revenue of \$766,602 during the fiscal year.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9: Leases (Continued)

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 373,237	\$ 339,292	\$ 712,529
2024	387,928	333,703	721,631
2025	368,600	327,715	696,315
2026	376,262	321,686	697,948
2027	384,091	315,539	699,630
2028 - 2032	1,985,812	1,480,475	3,466,287
2033 - 2037	2,134,847	1,309,799	3,444,646
2038 - 2042	2,492,130	1,113,190	3,605,320
2043 - 2047	2,897,928	884,134	3,782,062
2048 - 2052	3,358,230	618,249	3,976,479
2053 - 2057	3,879,724	310,612	4,190,336
2058 - 2061	1,618,611	28,224	1,646,835
	<u>\$ 20,257,400</u>	<u>\$ 7,382,618</u>	<u>\$ 27,640,018</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 138,874	\$ 11,126	\$ 150,000
2024	140,403	9,597	150,000
2025	141,948	8,052	150,000
2026	143,510	6,490	150,000
2027	145,089	4,911	150,000
2028 - 2032	369,747	5,253	375,000
	<u>\$ 1,079,571</u>	<u>\$ 45,429</u>	<u>\$ 1,125,000</u>

b. Leases Payable and Right to Use Lease Assets

The City leases vehicles owned by Enterprise Fleet Management with terms range from 2.92 years to 5 years as of the contract commencement date. An initial lease liability was recorded in the amount of \$1,960,113. As of June 30, 2022, the value of the lease liability is \$1,550,366. The City is required to make annual fixed payments ranging from \$142 to \$923. The lease has an interest rate of 0.3150% to 2.1570%.

Right-to-use leased assets include the following at June 30, 2022:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Vehicle Lease	Right-to-Use Lease - Vehicles	\$ 1,960,112	\$ 411,888
	Total	<u>1,960,112</u>	<u>411,888</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9: Leases (Continued)

Future principal and interest requirements to maturity for each lease liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 479,898	\$ 9,693	\$ 489,591
2024	481,604	6,845	488,449
2025	352,844	4,072	356,916
2026	161,491	1,954	163,445
2027	74,529	457	74,986
Total	<u>\$ 1,550,366</u>	<u>\$ 23,021</u>	<u>\$ 1,573,387</u>

Note 10: Capital Assets

A summary of changes in the Governmental Activities capital assets as of June 30, 2022, is as follows:

	Balances at June 30, 2021	Transfers of CIP	Additions	Deletions	Balances at June 30, 2022
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 31,372,512	\$ -	\$ -	\$ (5,011,691)	\$ 26,360,821
Projects-in-progress	29,006,846	(30,000,743)	25,033,768	-	24,039,871
Total Capital Assets, Not Being Depreciated	<u>60,379,358</u>	<u>(30,000,743)</u>	<u>25,033,768</u>	<u>(5,011,691)</u>	<u>50,400,692</u>
Capital assets, being depreciated:					
Buildings	76,855,760	8,926,008	-	(401,000)	85,380,768
Land Improvements	27,434,109	2,252	-	-	27,436,361
Equipment	26,031,345	-	676,496	(3,434,062)	23,273,779
Right-to-use leased asset - vehicle	-	-	1,960,112	-	1,960,112
Infrastructure	287,160,157	21,072,483	-	-	308,232,640
Total Capital Assets, Being Depreciated	<u>417,481,371</u>	<u>30,000,743</u>	<u>2,636,608</u>	<u>(3,835,062)</u>	<u>446,283,660</u>
Less accumulated depreciation/amortization:					
Buildings	25,429,853	-	1,841,530	(401,000)	26,870,383
Land Improvements	5,454,682	-	1,254,432	(29,035)	6,680,079
Equipment	12,921,155	-	1,240,754	(1,734,778)	12,427,131
Right-to-use leased asset - vehicle	-	-	411,888	-	411,888
Infrastructure	165,712,614	-	5,649,011	-	171,361,625
Total Accumulated Depreciation/amortization	<u>209,518,304</u>	<u>-</u>	<u>10,397,615</u>	<u>(2,164,813)</u>	<u>217,751,106</u>
Total Capital Assets, Being Depreciated, Net	<u>207,963,067</u>	<u>30,000,743</u>	<u>(7,761,007)</u>	<u>(1,670,249)</u>	<u>228,532,554</u>
Governmental Activities Capital Assets, Net	<u>\$ 268,342,425</u>	<u>\$ -</u>	<u>\$ 17,272,761</u>	<u>\$ (6,681,940)</u>	<u>\$ 278,933,246</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 10: Capital Assets (Continued)

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

General Government	\$ 555,013
Public Safety	7,243,925
Community Development	522,008
Community Services	837,005
Public Works	912,976
Internal Service Funds	326,688
Total depreciation/amortization expense governmental activities	<u>\$ 10,397,615</u>

A summary of changes in the Water and Golf Fund Business-type Activities capital assets at June 30, 2022, are as follows:

	WATER FUND				
	Balances at June 30, 2021	Transfers	Additions	Deletions	Balances at June 30, 2022
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,459,598	\$ -	\$ -	\$ -	\$ 2,459,598
Projects-in-progress	4,140,613	(2,895,455)	4,047,895	-	5,293,053
Water Rights	4,290,880	-	-	-	4,290,880
Total Capital Assets, Not Being Depreciated	<u>10,891,091</u>	<u>(2,895,455)</u>	<u>4,047,895</u>	<u>-</u>	<u>12,043,531</u>
Capital assets, being depreciated:					
Buildings and improvements	398,073	-	-	-	398,073
Furniture and Equipment	2,325,537	-	127,432	(58,463)	2,394,506
Infrastructure	47,744,171	2,895,455	-	-	50,639,626
Total Capital Assets, Being Depreciated	<u>50,467,781</u>	<u>2,895,455</u>	<u>127,432</u>	<u>(58,463)</u>	<u>53,432,205</u>
Less accumulated depreciation:					
Buildings and improvements	262,043	-	7,270	-	269,313
Furniture and Equipment	1,720,320	-	101,446	(56,637)	1,765,129
Infrastructure	20,062,185	-	871,547	-	20,933,732
Total Accumulated Depreciation	<u>22,044,548</u>	<u>-</u>	<u>980,263</u>	<u>(56,637)</u>	<u>22,968,174</u>
Total Capital Assets, Being Depreciated, Net	<u>28,423,233</u>	<u>2,895,455</u>	<u>(852,831)</u>	<u>(1,826)</u>	<u>30,464,031</u>
Water Fund Capital Assets, Net	<u>\$ 39,314,324</u>	<u>\$ -</u>	<u>\$ 3,195,064</u>	<u>\$ (1,826)</u>	<u>\$ 42,507,562</u>

CITY OF DOWNEY

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10: Capital Assets (Continued)

	GOLF FUND			Balances at June 30, 2022
	Balances at June 30, 2021	Additions	Deletions	
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	469,145	6,983	-	476,128
Total Capital Assets, Being Depreciated	<u>13,396,262</u>	<u>6,983</u>	<u>-</u>	<u>13,403,245</u>
Less accumulated depreciation:				
Land improvements	4,393,600	25,085	-	4,418,685
Buildings and improvements	2,762,070	164,710	-	2,926,780
Machinery and equipment	393,295	75,939	-	469,234
Total Accumulated Depreciation	<u>7,548,965</u>	<u>265,734</u>	<u>-</u>	<u>7,814,699</u>
Total Capital Assets, Being Depreciated, Net	<u>5,847,297</u>	<u>(258,751)</u>	<u>-</u>	<u>5,588,546</u>
Golf Fund Capital Assets, Net	<u>\$ 14,141,684</u>	<u>\$ (258,751)</u>	<u>\$ -</u>	<u>\$ 13,882,933</u>

A summary of changes in the Sewer and Storm Drain Business-type Activities capital assets at June 30, 2022, are as follows:

	SEWER AND STORM DRAIN FUND				Balances at June 30, 2022
	Balances at June 30, 2021	Transfers	Additions	Deletions	
Capital assets, not being depreciated:					
Projects-in-progress	\$ 2,282,995	\$ (140,050)	\$ 140,050	\$ -	2,282,995
Total Capital Assets, Not Being Depreciated	<u>2,282,995</u>	<u>(140,050)</u>	<u>140,050</u>	<u>-</u>	<u>2,282,995</u>
Capital assets, being depreciated:					
Machinery and equipment	1,185,906	-	8,645	(108,966)	1,085,585
Infrastructure	76,922,174	140,050	-	-	77,062,224
Total Capital Assets, Being Depreciated	<u>78,108,080</u>	<u>140,050</u>	<u>8,645</u>	<u>(108,966)</u>	<u>78,147,809</u>
Less accumulated depreciation:					
Machinery and equipment	378,764	-	67,305	(67,197)	378,872
Infrastructure	50,632,681	-	1,546,307	-	52,178,988
Total Accumulated Depreciation	<u>51,011,445</u>	<u>-</u>	<u>1,613,612</u>	<u>(67,197)</u>	<u>52,557,860</u>
Total Capital Assets, Being Depreciated, Net	<u>27,096,635</u>	<u>140,050</u>	<u>(1,604,967)</u>	<u>(41,769)</u>	<u>25,589,949</u>
Sewer and Storm Drain Fund Capital Assets, Net	<u>\$ 29,379,630</u>	<u>\$ -</u>	<u>\$ (1,464,917)</u>	<u>\$ (41,769)</u>	<u>\$ 27,872,944</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 10: Capital Assets (Continued)

Capital Project Commitments

The City has active construction projects as of June 30, 2022. At year end, the City's projects-in-progress totaled \$31,615,919. The following material construction commitments existed at June 30, 2022.

<u>Project Name</u>	<u>Contract Amount</u>	<u>Expenditures to date as of June 30, 2022</u>	<u>Remaining Commitments</u>
Governmental Activities:			
Residential Streets Pavement Rehabilitation			
- Area2	\$ 3,400,000	\$ 556,282	\$ 2,843,718
Total Construction Commitments	\$ 3,400,000	\$ 556,282	\$ 2,843,718

Note 11: Long-Term Debt

Noted below is a summary of changes in long-term debt for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Bonds payable	\$ 164,361,263	\$ 26,660,000	\$ 3,935,000	\$ 187,086,263	\$ 7,227,378
Bond premiums	4,406,431	3,805,375	403,425	7,808,381	-
Bond discount	(92,417)	-	(7,108)	(85,309)	-
Total Bonds	168,675,277	30,465,375	4,331,317	194,809,335	7,227,378
Direct borrowings					
Financed purchases	4,662,044	-	1,979,496	2,682,548	541,748
Lease payable	-	1,960,112	409,746	1,550,366	479,898
Loans from Federal Government					
HUD Section 108 Loans	3,931,000	-	353,000	3,578,000	353,000
Total governmental activities long-term liabilities	\$ 177,268,321	\$ 32,425,487	\$ 7,073,559	\$ 202,620,249	\$ 8,602,024
Business-type Activities:					
Bonds payable	\$ 4,508,737	\$ -	\$ -	\$ 4,508,737	\$ 142,703
Loans payable					
Golf Course 2014	3,265,000	-	495,000	2,770,000	515,000
Direct borrowings:					
Financed purchases	73,084	-	73,084	-	-
Total business-type activities long-term liabilities	\$ 7,846,821	\$ -	\$ 568,084	\$ 7,278,737	\$ 657,703

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Long-Term Debt (Continued)**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.

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>
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	895,000	513,129	1,408,129
2028-2032	5,975,000	1,785,404	7,760,404
2033-2034	3,225,000	249,321	3,474,321
Total	<u>\$ 13,845,000</u>	<u>\$ 5,043,781</u>	<u>\$ 18,888,781</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.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Debt (Continued)

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

Year Ending June 30,	Principal	Interest	Total
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	2,205,000	1,236,413	3,441,413
2028-2032	12,795,000	4,369,563	17,164,563
2032-2037	15,940,000	1,275,919	17,215,919
Total	<u>\$ 38,760,000</u>	<u>\$ 12,853,796</u>	<u>\$ 51,613,796</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.

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

Year Ending June 30,	Principal	Interest	Total
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	3,874,831	2,390,198	6,265,029
2028-2032	19,623,836	11,016,051	30,639,887
2033-2037	25,462,492	8,827,473	34,289,965
2038-2042	32,933,666	4,851,972	37,785,638
2043-2044	12,541,586	554,227	13,095,813
Total	<u>\$ 109,076,263</u>	<u>\$ 37,486,001</u>	<u>\$ 146,562,264</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Debt (Continued)

Business Type Activity			
Year Ending June 30,	Principal	Interest	Total
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	160,169	98,800	258,969
2028-2032	811,164	455,356	1,266,520
2033-2037	1,052,508	364,889	1,417,397
2038-2042	1,361,334	200,559	1,561,893
2043-2044	518,414	22,909	541,323
Total	<u>\$ 4,508,737</u>	<u>\$ 1,549,507</u>	<u>\$ 6,058,244</u>

Year Ending June 30,	Principal	Interest	Total
Governmental	\$ 109,076,263	\$ 37,486,002	\$ 146,562,265
Business	4,508,737	1,549,507	6,058,244
Total	<u>\$ 113,585,000</u>	<u>\$ 39,035,509</u>	<u>\$ 152,620,509</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.

Sales Tax Revenue Bonds Measure M Series 2021A and Measure R Series 2021B

In October 2021, the City issued \$15,275,000 Measure M Series 2021A bonds and \$11,385,000 Measure R Series 2021 bonds. The bonds are being issued to finance the design, acquisition, and construction of certain local roadway and street improvement projects in the City, purchase a debt service reserve fund insurance policy to satisfy the reserve requirement for the 2021B Bonds and pay the costs incurred in connection with the issuance of the 2021B Bonds.

Principal on the Measure M Series A bonds mature in amounts from \$470,000 to \$1,790,000, beginning June 1, 2022 through June 1, 2041, and the interest at 2.25% to 4.0% is due semiannually on June 1 and December 1. Principal on the Measure R Series 2021B bonds mature in amounts from \$460,000 to \$815,000 beginning June 1, 2022 through June 1, 2039, and the interest at 2.125% to 4.0% is due semiannually on June 1 and December 1.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Debt (Continued)

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

2021A Measure M Bond – Governmental Activity			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 470,000	\$ 555,556	\$ 1,025,556
2024	485,000	536,756	1,021,756
2025	505,000	517,356	1,022,356
2026	530,000	497,156	1,027,156
2027	545,000	475,956	1,020,956
2028-2032	3,090,000	2,032,981	5,122,981
2033-2037	3,765,000	1,363,581	5,128,581
2038-2042	5,220,000	552,900	5,772,900
Total	<u>\$ 14,610,000</u>	<u>\$ 6,532,242</u>	<u>\$ 21,142,242</u>

2021B Measure R Bond – Governmental Activity			
Year Ending June 30,	Principal	Interest	Total
2023	\$ 460,000	\$ 375,231	\$ 835,231
2024	480,000	356,831	836,831
2025	500,000	337,631	837,631
2026	515,000	317,631	832,631
2027	540,000	297,031	837,031
2028-2032	3,030,000	1,144,356	4,174,356
2033-2037	3,655,000	517,756	4,172,756
2038-2042	1,615,000	56,713	1,671,713
Total	<u>\$ 10,795,000</u>	<u>\$ 3,403,180</u>	<u>\$ 14,198,180</u>

Finance Purchases

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 542,645	\$ 96,272	\$ 638,917
2024	462,228	76,323	538,551
2025	478,978	59,573	538,551
2026	483,386	42,206	525,592
2027	350,708	24,661	375,369
2028	364,603	10,766	375,369
Total	<u>\$ 2,682,548</u>	<u>\$ 309,801</u>	<u>\$ 2,992,349</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Debt (Continued)

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, 2022, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 81,000	\$ 8,286	\$ 89,286
2024	81,000	6,014	87,014
2025	81,000	3,637	84,637
2026	81,000	1,219	82,219
Total	<u>\$ 324,000</u>	<u>\$ 19,156</u>	<u>\$ 343,156</u>

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, 2022, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 570,000</u>	<u>\$ 39,129</u>	<u>\$ 609,129</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, 2022, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	158,000	65,316	223,316
2028-2032	790,000	255,526	1,045,526
2033-2037	790,000	125,306	915,306
2038-2039	314,000	11,338	325,338
Total	<u>\$ 2,684,000</u>	<u>\$ 761,682</u>	<u>\$ 3,445,682</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Debt (Continued)

Business-type Activities

2014 Golf Course Loan Agreement

The 2014 Loan Agreement, 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>
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>\$ 2,770,000</u>	<u>\$ 263,627</u>	<u>\$ 3,033,627</u>

Note 12: Compensated Absences

Compensated Absences

For the fiscal year ended June 30, 2022, compensated absences are as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
Compensated absences:					
Governmental activities	\$ 16,574,417	\$ 5,521,970	\$ 5,489,479	\$ 16,606,908	\$ 5,489,479
Business-type activities	657,332	61,654	183,686	535,300	176,945
Total compensated absences	<u>\$ 17,231,749</u>	<u>\$ 5,583,624</u>	<u>\$ 5,673,165</u>	<u>\$ 17,142,208</u>	<u>\$ 5,666,424</u>

The compensated absences are predominantly associated with the General fund.

Note 13: 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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**
Note 13: Claims and Judgements (Continued)

Changes in the workers' compensation, employee health benefits, and general liability outstanding claims liability for the fiscal year ended June 30, 2022, were as follows:

	General Liability	Workers' Compensation	Employee Health Benefit	Total
Claims Payable, June 30, 2021	\$ 6,365,000	\$ 17,623,000	\$ 85,000	\$ 24,073,000
Adjustments due to actuarial valuation	(461,478)	-	-	(461,478)
Claims and Changes in Estimates	-	4,199,287	-	4,199,287
Claims Payments	(553,522)	(2,781,287)	-	(3,334,809)
Claims Payable, June 30, 2022	<u>5,350,000</u>	<u>19,041,000</u>	<u>85,000</u>	<u>24,476,000</u>
Claims payable, due within one year	<u>\$ 1,132,000</u>	<u>\$ 3,372,000</u>	<u>\$ -</u>	<u>\$ 4,504,000</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.

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

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible for non-duty disability benefits after 10 statutorily reduced benefits.

Pension related balances presented on the Statement of Net Position as of June 30, 2022 by individual plan are described in the following table:

	Deferred Employer Contributions	Deferred Outflows- Pension	Net Pension Liability	Deferred Inflows- Pension
CalPERS Miscellaneous Plan	\$ 3,688,975	\$ -	\$ (5,784,004)	\$ (17,704,330)
CalPERS Safety Plan	9,058,878	1,879,796	(10,312,742)	(38,408,516)
Total	<u>\$ 12,747,853</u>	<u>\$ 1,879,796</u>	<u>\$ (16,096,746)</u>	<u>\$ (56,112,846)</u>

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: City Employee Retirement Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2021, 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%	12.000%	12.000%
Required employer contribution rates	10.952%	10.952%	10.952%	20.432%	20.432%	20.432%	20.432%
Required unfunded liability payment	\$ 5,349,414	\$ -	\$ -	\$ 10,820,375	\$ -	\$ -	\$ -

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

Employees Covered

At the June 30, 2021 measurement date, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	463	323
Inactive employees entitled to but not yet receiving benefits	559	91
Active employees	241	177
	<u>1,263</u>	<u>591</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.

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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: City Employee Retirement Plan (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, 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	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% 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.

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.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: City Employee Retirement Plan (Continued)

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 2.00% used for this period.

(2) An expected inflation of 2.92% used for this period.

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: City Employee Retirement Plan (Continued)

c. Changes in Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Miscellaneous Plans			
Balance at: 6/30/2020 (Valuation Date) (1)	\$ 210,321,943	\$ 145,546,316	\$ 64,775,627
Changes Recognized for the Measurement Period:			
Service Cost	2,872,012	-	2,872,012
Interest on the Total Pension Liability	14,690,041	-	14,690,041
Difference between Expected and Actual Experience	(521,832)	-	(521,832)
Contribution from the Employer	-	39,587,168	(39,587,168)
Contributions from Employees	-	1,233,750	(1,233,750)
Net Investment Income	-	35,352,353	(35,352,353)
Plan to Plan Resource Movement	-	3,965	(3,965)
Benefit Payments including Refunds of Employee Contributions	(11,561,991)	(11,561,991)	-
Administration Expenses	-	(145,392)	145,392
Net Changes During 2020-21	5,478,230	64,469,853	(58,991,623)
Balance at: 6/30/2021 (Measurement Date) (1)	\$ 215,800,173	\$ 210,016,169	\$ 5,784,004
Safety Plans			
Balance at: 6/30/2020 (Valuation Date) (1)	\$ 441,988,439	\$ 296,797,565	\$ 145,190,874
Changes Recognized for the Measurement Period:			
Service Cost	7,124,490	-	7,124,490
Interest on the Total Pension Liability	30,838,840	-	30,838,840
Difference between Expected and Actual Experience	(3,092,936)	-	(3,092,936)
Contribution from the Employer	-	94,012,641	(94,012,641)
Contributions from Employees	-	2,467,916	(2,467,916)
Net Investment Income	-	73,568,416	(73,568,416)
Plan to Plan Resource Movement	-	(3,965)	3,965
Benefit Payments including Refunds of Employee Contributions	(22,290,600)	(22,290,600)	-
Administration Expenses	-	(296,482)	296,482
Net Changes During 2020-21	12,579,794	147,457,926	(134,878,132)
Balance at: 6/30/2021 (Measurement Date) (1)	\$ 454,568,233	\$ 444,255,491	\$ 10,312,742

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: 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	\$ 32,880,281	\$ 5,784,004	\$ (16,664,743)
Safety	70,756,943	10,312,742	(39,345,553)
	<u>\$ 103,637,224</u>	<u>\$ 16,096,746</u>	<u>\$ (56,010,296)</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, 2021 is 3.3 years for safety and 2.1 years for Miscellaneous, which was obtained by dividing the total service years of 1,943 safety and 2,078 miscellaneous (the sum of remaining service lifetimes of the active employees) by 591 safety and 1,263 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, 2022**

Note 14: 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, 2021, the City incurred pension expense in the amount of (\$604,391) and \$1,774,770 for the Miscellaneous and Safety Plans, respectively, totaling \$1,170,379 for all plans. The City recognized a reduction of net pension liability of \$133,599,807, \$39,588,358 from the Miscellaneous Plan and \$94,011,449 from the Safety Plan. At June 30, 2020, 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	\$ 3,688,795	\$ -
Differences between Expected and Actual Experiences	-	(277,287)
Net difference between projected and actual earnings on pension plan investments	-	(17,427,043)
	<u>\$ 3,688,795</u>	<u>\$ (17,704,330)</u>
Safety Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 9,058,878	\$ -
Differences between Expected and Actual Experiences	1,879,796	(2,155,683)
Net difference between projected and actual earnings on pension plan investments	-	(36,252,833)
	<u>\$ 10,938,674</u>	<u>\$ (38,408,516)</u>
Total Deferred Outflows and Inflows of resources	<u>\$ 14,627,469</u>	<u>\$ (56,112,846)</u>

The \$3,688,795 and \$9,058,878 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, 2023. 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
2022	\$ (4,655,825)	\$ (8,639,840)	\$ (13,295,665)
2023	(4,072,641)	(8,929,640)	(13,002,281)
2024	(4,189,828)	(9,017,094)	(13,206,922)
2025	(4,786,036)	(9,942,146)	(14,728,182)
	<u>\$ (17,704,330)</u>	<u>\$ (36,528,720)</u>	<u>\$ (54,233,050)</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 15: 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 6.15%, the City’s expectation of the long-term return on trust assets.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active	424
Inactive employees or beneficiaries currently receiving benefits	238
Inactive employees entitled to, but not yet receiving benefits	662
	<u>1,324</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 \$911,116 in total payments, which were recognized as a reduction to the OPEB liability.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021 using an actuarial valuation as of June 30, 2021. The Liability was determined based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	6.15%
Inflation	2.50%
Salary Increases	3.0% per year
Investment Rate of Return	6.80%
Mortality Rate (1)	MacLeod Watts Scale 2022 applied generationally from 2015
Healthcare Trend Rate	Adjusted in future years ranging from 5.8% - 3.9%

Notes:

(1) Mortality rates used were those published by CalPERS, adjusted to back out 15 years of Scale MP 2016 to central year 2015, then projected as described above.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Global Equity	49.00%	6.80%
Global Debt Securities	23.00%	4.50%
Inflation Assets	5.00%	3.60%
REITs	20.00%	6.20%
Commodities	3.00%	3.50%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.15 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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

Changes in the OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase(Decrease)		
	Total OPEB Liability/(Assets)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Assets) (c) = (a) - (b)
Balance at June 30, 2021 (measurement date 06/30/2020)	\$ 14,357,095	\$ 8,448,769	\$ 5,908,326
Changes recognized over the measurement period:			
Service Cost	383,096	-	383,096
Interest	985,640	-	985,640
Changes of assumptions	1,185,773	-	1,185,773
Contributions - employer*	-	911,116	(911,116)
Net investment income	-	2,322,102	(2,322,102)
Benefit Payments	(911,116)	(911,116)	-
Administrative expense	-	(3,196)	3,196
Investment Experience	(288,995)	-	(288,995)
Net Changes	1,354,398	2,318,906	(964,508)
Balance at June 30, 2022 (measurement date 06/30/2021)	\$ 15,711,493	\$ 10,767,675	\$ 4,943,818

*Includes implied subsidy of \$451,642

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

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

	1% Decrease (5.15%)	Current Discount Rate (6.15%)	1% Increase (7.15%)
Net OPEB Liability	\$ 6,910,583	\$ 4,943,818	\$ 3,308,859

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

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

	1% Decrease (4.8% decreasing to 2.9%)	Current Healthcare Cost Trend Rates (5.8% decreasing to 3.9%)	1% Increase (6.8% decreasing to 4.9%)
Net OPEB Liability	\$ 3,516,407	\$ 4,943,818	\$ 6,807,233

OPEB Plan Fiduciary Net Position

CalPERS issues a separate Annual Comprehensive 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, 2022**

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

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$322,950. As of fiscal year ended June 30, 2022, 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*	\$ 977,849	\$ -
Changes of assumptions	1,031,375	535,188
Differences between expected and actual experience	-	919,327
Net difference between projected and actual earnings on OPEB plan investments	-	1,195,752
Total	\$ 2,009,224	\$ 2,650,267

* Includes implied subsidy of \$451,642

The \$977,849 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023. 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>
2023	\$ (428,596)
2024	(421,023)
2025	(439,522)
2026	(494,931)
2027	(30,990)
Thereafter	196,170
	<u>\$ (1,618,892)</u>

Note 16: 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, 2022**

Note 16: 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 17: 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, 2022**

Note 17: 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 18: 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, 2022, the City abated taxes totaling \$223,604. 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 \$151,604 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 \$72,000.

Note 19: Other Disclosures

Expenditures in Excess of Appropriations

The following funds reported expenditures in excess of appropriations:

Other Governmental Funds - Other Special Revenue Funds:	
Street Lighting	\$ 61,759
CDBG	357,064
Gas Tax	489,620
ATV Public Access	9,282
Measure S	363,000

CITY OF DOWNEY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 20: Fund Balance and Net Position

a. Net investment in capital assets

The breakdown for net investment in capital assets for the year ended June 30, 2022 is as follows:

	Governmental Activities	Business-Type Activities			Total Business-Type Activities
		Water Fund	Golf Fund	Sewer and Storm Drain Fund	
Capital assets, net of accumulated depreciation	\$ 278,933,246	\$ 42,507,562	\$ 13,882,933	\$ 27,872,944	\$ 84,263,439
Less:					
Bonds, notes and finance purchase agreements	(45,588,256)	(3,519,745)	(2,770,000)	(988,992)	(7,278,737)
Leases payable	(1,550,366)	-	-	-	-
Capital related, non-debt payable	(700,823)	(446,118)	-	-	(446,118)
Net investment in capital assets	<u>\$ 231,093,801</u>	<u>\$ 38,541,699</u>	<u>\$ 11,112,933</u>	<u>\$ 26,883,952</u>	<u>\$ 76,538,584</u>

b. Restatements – Custodial Funds

Fiduciary activities were restated due to the following adjustments:

Beginning net position of the custodial funds on the Statement of Changes in Fiduciary Net Position has been restated by \$211,771 due to donations received in FY2020-2021 not properly recorded.

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

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

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. The City Council elected to become the Successor Agency for the former redevelopment agency. The assets and liabilities of the former redevelopment agency were transferred to the Successor Agency to the Community Development Commission of the City of Downey on February 1, 2012, as a result of the dissolution of the former redevelopment agency.

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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

a. Cash and investments

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

Cash and investments pooled with the City	\$ 1,672,957
Cash and investments with fiscal agent	<u>643,250</u>
	<u>\$ 2,316,207</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, 2022, follows:

	Balance June 30, 2021	Addition	Deletion	Balance June 30, 2022	Due Within One Year
Bonds payable	\$ 4,120,000	\$ -	\$ 430,000	\$ 3,690,000	\$ 450,000
Advances from City	8,942,185	-	549,731	8,392,454	-
Advances from County	<u>35,686,497</u>	<u>2,498,055</u>	<u>-</u>	<u>38,184,552</u>	<u>-</u>
Total long-term liabilities	<u>\$ 48,748,682</u>	<u>\$ 2,498,055</u>	<u>\$ 979,731</u>	<u>\$ 50,267,006</u>	<u>\$ 450,000</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, 2022, is \$3,690,000.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

Year Ending June 30,	Principal	Interest	Total
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	550,000	75,081	625,081
2028	580,000	46,125	626,125
2029	610,000	15,631	625,631
Total	<u>\$ 3,690,000</u>	<u>\$ 699,818</u>	<u>\$ 4,389,818</u>

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

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 \$4,389,819 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 \$1,636,325 and the debt obligation on the bonds was \$630,131.

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, 2022, the long-term advances totaled \$8,392,454. As of June 30, 2022, \$5,766,705 is reported in the General Fund, \$1,271,173 is reported in Employee Benefit Internal Service Fund and \$1,354,576 is reported in the Housing Authority Special Revenue Fund.

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

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 \$2,498,055 was also accrued during the year on the outstanding deferral amount still owing. The amount owed the County, including accrued interest, at June 30, 2022, was \$38,184,552.

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REQUIRED SUPPLEMENTAL 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)**

	2022	2021	2020	2019
Total Pension Liability				
Service Cost	\$ 2,872,012	\$ 2,859,113	\$ 2,845,628	\$ 2,747,310
Interest on total pension liability	14,690,041	14,297,751	13,871,616	13,432,640
Differences between expected and actual experience	(521,832)	(82,862)	279,451	793,693
Changes in assumptions	-	-	-	(1,002,999)
Benefit payments, including refunds of employee contributions	(11,561,991)	(10,747,851)	(10,614,492)	(10,123,596)
Net change in total pension liability	5,478,230	6,326,151	6,382,203	5,847,048
Total pension liability - beginning	210,321,943	203,995,792	197,613,589	191,766,541
Total pension liability - ending (a)	\$ 215,800,173	\$ 210,321,943	\$ 203,995,792	\$ 197,613,589
Plan fiduciary net position				
Contributions - employer	\$ 39,587,168	\$ 5,960,428	\$ 5,194,316	\$ 4,644,243
Contributions - employee	1,233,750	1,211,665	1,290,943	1,259,290
Differences in projected and actual earnings	-	-	-	-
Net investment income	35,352,353	7,030,477	8,947,221	10,970,946
Plan to plan resource movement	3,965	-	-	(320)
Administration expense	(145,392)	(200,597)	(98,174)	(204,781)
Benefit payments	(11,561,991)	(10,747,851)	(10,614,492)	(10,123,596)
Other miscellaneous income (expense)	-	-	320	(388,883)
Net change in plan fiduciary net position	64,469,853	3,254,122	4,720,134	6,156,899
Plan fiduciary net position - beginning	145,546,316	142,292,194	137,572,060	131,415,161
Plan fiduciary net position - ending (b)	\$ 210,016,169	\$ 145,546,316	\$ 142,292,194	\$ 137,572,060
Net pension liability - ending (a)-(b)	\$ 5,784,004	\$ 64,775,627	\$ 61,703,598	\$ 60,041,529
Plan fiduciary net position as a percentage of the total pension liability	97.32%	69.20%	69.75%	69.62%
Covered payroll	\$ 15,170,622	\$ 14,924,957	\$ 14,982,015	\$ 14,116,181
Net pension liability as a percentage of covered payroll	38.13%	434.01%	411.85%	425.34%

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 on or before the Measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2020 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 eight years are shown.

2018	2017	2016	2015
\$ 2,636,289	\$ 2,361,815	\$ 2,372,336	\$ 2,312,390
13,024,839	12,804,332	12,400,751	12,026,911
(1,684,960)	(437,509)	(872,403)	-
10,503,420	-	(2,930,596)	-
(9,484,059)	(9,182,237)	(8,927,251)	(8,720,279)
14,995,529	5,546,401	2,042,837	5,619,022
176,771,012	171,224,611	169,181,774	163,562,752
\$ 191,766,541	\$ 176,771,012	\$ 171,224,611	\$ 169,181,774
\$ 4,191,836	\$ 3,645,344	\$ 3,324,338	\$ 2,487,187
1,209,428	1,158,399	1,307,613	1,333,703
-	-	(6,742,788)	-
13,489,599	600,935	9,576,038	19,329,661
(957)	-	9,214	-
(180,405)	(76,817)	(141,638)	-
(9,484,059)	(9,182,237)	(8,927,251)	(8,720,279)
-	-	-	-
9,225,442	(3,854,376)	(1,594,474)	14,430,272
122,189,719	126,044,095	127,599,058	113,168,786
\$ 131,415,161	\$ 122,189,719	\$ 126,004,584	\$ 127,599,058
\$ 60,351,380	\$ 54,581,293	\$ 45,220,027	\$ 41,582,716
68.53%	69.12%	73.59%	75.42%
\$ 13,171,100	\$ 12,471,112	\$ 11,295,425	\$ 11,873,874
458.21%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
MISCELLANEOUS PLAN:				
Actuarially Determined Contribution	\$ 3,688,975	\$ 6,483,145	\$ 5,961,098	\$ 5,196,100
Contribution in Relation to the Actuarially Determined Contributions	<u>(3,688,975)</u>	<u>(39,588,358)</u>	<u>(5,961,098)</u>	<u>(5,196,100)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (33,105,213)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,964,041	\$ 15,170,622	\$ 14,924,957	\$ 14,982,015
Contributions as a Percentage of Covered Payroll	21.75%	260.95%	39.94%	34.68%

(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 eight years are shown.

Note to Schedule:

Valuation Date:	June 30, 2019
Covered-employee payroll	
Single and Agent Employers	Entry age normal
Amortization method	Level Percent of Payroll
Remaining amortization period	
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.
Retirement age	All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study dated December 2017. 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.

2018	2017	2016	2015
\$ 4,645,952	\$ 4,191,472	\$ 3,642,086	\$ 3,324,338
<u>(4,645,952)</u>	<u>(4,191,472)</u>	<u>(3,642,086)</u>	<u>(3,324,338)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,116,181	\$ 13,171,100	\$ 12,471,112	\$ 11,295,425
32.91%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability				
Service Cost	\$ 7,124,490	\$ 7,169,250	\$ 6,716,100	\$ 6,437,149
Interest on total pension liability	30,838,840	29,942,370	28,659,471	27,362,871
Differences between expected and actual experience	(3,092,936)	2,675,792	3,650,077	2,585,511
Changes in assumptions	-	-	-	(1,530,502)
Benefit payments, including refunds of employee contributions	(22,290,600)	(20,625,915)	(20,044,668)	(18,865,980)
Net change in total pension liability	12,579,794	19,161,497	18,980,980	15,989,049
Total pension liability - beginning	441,988,439	422,826,942	403,845,962	387,856,913
Total pension liability - ending (a)	\$ 454,568,233	\$ 441,988,439	\$ 422,826,942	\$ 403,845,962
Plan fiduciary net position				
Contributions - employer	\$ 94,012,641	\$ 13,218,555	\$ 11,639,905	\$ 10,227,586
Contributions - employee	2,467,916	2,433,973	2,388,761	2,184,777
Differences in projected and actual earnings	-	-	-	-
Net investment income	73,568,416	14,351,500	18,021,079	21,925,706
Plan to plan resource movement	(3,965)	-	-	(642)
Administration expense	(296,482)	(405,763)	(196,971)	(407,843)
Benefit payments	(22,290,600)	(20,625,915)	(20,044,668)	(18,865,980)
Other miscellaneous income (expense)	-	-	642	(774,501)
Net change in plan fiduciary net position	147,457,926	8,972,350	11,808,748	14,289,103
Plan fiduciary net position - beginning	296,797,565	287,825,215	276,016,467	261,727,364
Plan fiduciary net position - ending (b)	\$ 444,255,491	\$ 296,797,565	\$ 287,825,215	\$ 276,016,467
Net pension liability - ending (a)-(b)	\$ 10,312,742	\$ 145,190,874	\$ 135,001,727	\$ 127,829,495
Plan fiduciary net position as a percentage of the total pension liability	97.73%	67.15%	68.07%	68.35%
Covered payroll	\$ 19,537,373	\$ 19,075,819	\$ 22,440,568	\$ 17,853,242
Net pension liability as a percentage of covered payroll	52.78%	761.13%	601.60%	716.00%

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 on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2020 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 eight years are shown.

2018	2017	2016	2015
\$ 6,338,175	\$ 5,590,668	\$ 5,458,319	\$ 5,427,672
26,270,785	25,769,928	24,744,572	23,998,427
(5,710,849)	160,089	(3,331,302)	-
22,209,649	-	(6,140,951)	-
(18,013,052)	(17,329,717)	(16,721,908)	(16,257,568)
31,094,708	14,190,968	4,008,730	13,168,531
356,762,205	342,571,237	338,562,507	325,393,976
\$ 387,856,913	\$ 356,762,205	\$ 342,571,237	\$ 338,562,507
\$ 8,809,223	\$ 8,092,171	\$ 6,745,873	\$ 5,817,524
2,003,302	1,996,000	1,919,372	1,883,501
-	-	(13,442,866)	-
26,775,670	1,189,163	18,916,599	38,057,937
-	-	(191)	-
(358,050)	(151,578)	(279,890)	-
(18,013,052)	(17,329,717)	(16,721,908)	(16,257,568)
-	-	-	-
19,217,093	(6,203,961)	(2,863,011)	29,501,394
242,510,271	248,714,232	251,581,146	222,079,752
\$ 261,727,364	\$ 242,510,271	\$ 248,718,135	\$ 251,581,146
\$ 126,129,549	\$ 114,251,934	\$ 93,853,102	\$ 86,981,361
67.48%	67.98%	72.60%	74.31%
\$ 17,580,987	\$ 17,580,987	\$ 17,248,670	\$ 18,232,334
717.42%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
SAFETY PLAN:				
Actuarially Determined Contribution	\$ 9,058,878	\$ 14,194,005	\$ 13,217,885	\$ 11,638,120
Contribution in Relation to the Actuarially Determined Contributions	<u>(9,058,878)</u>	<u>(94,011,449)</u>	<u>(13,217,885)</u>	<u>(11,638,120)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (79,817,444)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 24,780,834	\$ 19,537,373	\$ 19,075,819	\$ 22,440,568
Contributions as a Percentage of Covered Payroll	36.56%	481.19%	69.29%	51.86%

(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 eight years are shown.

Note to Schedule:

Valuation Date:	June 30, 2019
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, 2019 valuation were based on the results of an actuarial experience study dated December 2017. 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.

2018	2017	2016	2015
\$ 10,225,876	\$ 8,809,589	\$ 8,092,171	\$ 6,745,873
<u>(10,225,876)</u>	<u>(8,809,589)</u>	<u>(8,092,171)</u>	<u>(6,745,873)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,853,242	\$ 17,580,987	\$ 14,881,199	\$ 11,125,500
57.28%	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)

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 383,096	\$ 371,938	\$ 359,310	\$ 347,999	\$ 337,046
Interest on the total OPEB liability	985,640	953,019	1,102,708	1,056,820	1,015,622
Actual and expected experience difference	(288,995)	-	(1,107,411)	-	-
Changes in assumptions	1,185,773	-	(887,283)	-	-
Benefit payments	(911,116)	(815,594)	(814,729)	(756,887)	(838,553)
Net change in total OPEB liability	1,354,398	509,363	(1,347,405)	647,932	514,115
Total OPEB liability - beginning	14,357,095	13,847,732	15,195,137	14,547,205	14,033,090
Total OPEB liability - ending (a)	15,711,493	14,357,095	13,847,732	15,195,137	14,547,205
Plan Fiduciary Net Position					
Contribution - employer	911,116	1,104,427	814,729	966,887	1,008,553
Net investment income	2,322,102	276,981	458,848	532,762	623,878
Benefit payments	(911,116)	(815,594)	(814,729)	(756,887)	(838,553)
Administrative expense	(3,196)	(3,937)	(1,591)	(3,569)	(3,167)
Other expenses	-	-	-	(8,860)	-
Net change in plan fiduciary net position	2,318,906	561,877	457,257	730,333	790,711
Plan fiduciary net position - beginning	8,448,769	7,886,892	7,429,635	6,699,302	5,908,591
Plan fiduciary net position - ending (b)	10,767,675	8,448,769	7,886,892	7,429,635	6,699,302
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 4,943,818	\$ 5,908,326	\$ 5,960,840	\$ 7,765,502	\$ 7,847,903
Plan fiduciary net position as a percentage of the total OPEB liability	68.53%	58.85%	56.95%	48.89%	46.05%
Covered payroll	\$ 46,751,162	\$ 46,420,079	\$ 44,034,470	\$ 36,149,553	\$ 34,730,877
Net OPEB liability as a percentage of covered payroll	10.57%	12.73%	13.54%	21.48%	22.60%

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

Notes to Schedule: None.

Changes in assumptions: The trust rate of return decreased from 6.9% to 6.15% net of plan investment expenses, reflecting updated long term rates of return provided by CalPERS in March 2022. The discount rate decreased from 6.9% to 6.15%, reflecting updated long term rates of return described above, the municipal bond index rate as of the measurement date and the results of analysis described in GASB 75 paragraphs 36-41. The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022, reflecting continued updates in available information (see Addendum 3). Updated the base healthcare trend scale from Getzen Model 2019_b to Getzen Model 2022_b, as published by the Society of Actuaries.

CITY OF DOWNEY

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 977,849	\$ 958,316	\$ 1,112,086	\$ 1,103,345	\$ 957,045
Contribution in Relation to the Actuarially Determined Contributions	(977,849)	(911,116)	(1,104,427)	(814,699)	(966,887)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 47,200</u>	<u>\$ 7,659</u>	<u>\$ 288,646</u>	<u>\$ (9,842)</u>
Covered payroll	\$ 48,236,864	\$ 46,751,162	\$ 46,420,079	\$ 44,034,470	\$ 36,149,553
Contributions as a percentage of covered payroll	2.03%	2.05%	2.40%	2.51%	2.65%

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

Notes to Schedule: None.

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

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll
Asset Valuation Method	Market value
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.80% net of plan investment expenses and including inflation
Healthcare cost-trend rates	6.5% in 2021 fluctuating down to 4% in 2076
Retirement Age	50 to 75
Mortality	2017 CalPERS Experience study; Improvement using MacLeod Watts Scale 2020.

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 34,448,517	\$ 34,448,517	\$ 34,448,517	\$ -
Resources (Inflows):				
Taxes:				
Property	32,234,273	32,234,273	32,699,106	464,833
Transient occupancy	1,700,000	1,700,000	1,768,645	68,645
Sales	25,015,728	25,015,728	28,019,366	3,003,638
Franchise and other	15,766,010	15,916,010	18,693,475	2,777,465
Licenses and permits	1,523,550	1,523,550	1,781,141	257,591
Intergovernmental	682,500	891,644	1,633,682	742,038
Charges for services	10,134,960	10,134,960	13,007,414	2,872,454
Use of money and property	2,055,284	2,055,284	248,292	(1,806,992)
Fines and forfeitures	1,765,200	1,765,200	1,749,473	(15,727)
Miscellaneous	3,313,100	3,406,524	3,830,620	424,096
Proceeds from sale of capital asset	-	-	13,869,713	13,869,713
Transfers In	2,511,688	7,772,347	8,539,114	766,767
Amounts Available for Appropriations	131,150,810	136,864,037	160,288,558	23,424,521
Charges to Appropriations (Outflows):				
General Government:				
General Government Administration	969,231	969,231	1,209,656	(240,425)
City Council	352,566	352,566	369,026	(16,460)
City Attorney	208,879	208,879	305,625	(96,746)
City Clerk	474,651	474,651	629,409	(154,758)
City Manager	1,239,949	1,239,949	1,803,955	(564,006)
Human Resources	1,533,049	1,533,049	1,397,630	135,419
Finance	6,529,848	6,529,848	7,196,516	(666,668)
Total General Government	11,308,173	11,308,173	12,911,817	(1,603,644)
Public Safety:				
Police	37,592,501	37,592,501	38,244,631	(652,130)
Fire	24,099,840	26,140,072	25,198,395	941,677
Total Public Safety	61,692,341	63,732,573	63,443,026	289,547
Public Works:				
Public Works Administration	841,570	991,570	917,958	73,612
Engineering	1,674,280	1,674,280	1,099,106	575,174
Maintenance	4,602,002	4,602,002	5,555,516	(953,514)
Utilities	2,649,996	2,649,996	2,742,652	(92,656)
Total Public Works	9,767,848	9,917,848	10,315,232	(397,384)
Community Development:				
Building and Safety	1,211,374	1,211,374	1,220,902	(9,528)
Code Enforcement	1,168,714	1,168,714	1,142,252	26,462
Planning	1,279,196	1,279,196	1,203,738	75,458
Total Community Development	3,659,284	3,659,284	3,566,892	92,392
Community Services:				
Recreation Department	8,135,395	8,560,857	7,778,787	782,070
Total Community Services	8,135,395	8,560,857	7,778,787	782,070
Capital Outlay	220,398	220,398	362,690	(142,292)
Debt service:				
Principal retirement	950,000	950,000	950,000	-
Interest and fiscal charges	749,307	749,307	4,071,380	(3,322,073)
Total Debt Service	1,699,307	1,699,307	5,021,380	(3,322,073)
Total Charges to Appropriations	96,482,746	99,098,440	103,399,824	(4,301,384)
Other Financing Uses:				
Transfers out	1,061,500	2,943,336	3,426,602	483,266
Total Financing Uses	1,061,500	2,943,336	3,426,602	483,266
Budgetary Fund Balance, June 30	\$ 33,606,564	\$ 34,822,261	\$ 53,462,132	\$ 19,606,403

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 HOUSING AUTHORITY
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,490,908	\$ 3,490,908	\$ 3,490,908	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	15,434	5,434
Miscellaneous	50,000	50,000	218,644	168,644
Amounts Available for Appropriations	3,550,908	3,550,908	3,724,986	174,078
Charges to Appropriations (Outflow):				
Community development				
Economic Dev & Housing	215,800	215,800	55,570	160,230
Total Charges to Appropriations	215,800	215,800	55,570	160,230
Budgetary Fund Balance, June 30	\$ 3,335,108	\$ 3,335,108	\$ 3,669,416	\$ 334,308

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CIP GRANT FUND
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (3,167,278)	\$ (3,167,278)	\$(3,167,278)	\$ -
Resources (Inflows):				
Intergovernmental	47,928,439	40,252,733	6,982,732	(33,270,001)
Amounts Available for Appropriations	44,761,161	37,085,455	3,815,454	(33,270,001)
Charges to Appropriations (Outflow):				
Capital outlay	47,928,439	39,513,742	8,106,403	31,407,339
Total Charges to Appropriations	47,928,439	39,513,742	8,106,403	31,407,339
Budgetary Fund Deficit, June 30	\$ (3,167,278)	\$ (2,428,287)	\$(4,290,949)	\$ (1,862,662)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE

COVID-19 GRANTS
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,427	\$ 16,427	\$ 16,427	\$ -
Resources (Inflows):				
Intergovernmental	-	4,647,659	6,734,682	2,087,023
Amounts Available for Appropriation	16,427	4,664,086	6,751,109	2,087,023
Charges to Appropriation (Outflow):				
General government	-	-	43,777	(43,777)
Public safety	10,000	10,000	256,919	(246,919)
Community development	-	-	700,092	(700,092)
Parks and recreation	-	-	292,492	(292,492)
Public works	-	-	218,908	(218,908)
Transfers out	-	13,272,659	5,275,358	7,997,301
Total Charges to Appropriations	10,000	13,282,659	6,787,546	6,495,113
Budgetary Fund Deficit, June 30	\$ 6,427	\$ (8,618,573)	\$ (36,437)	\$ 8,582,136

CITY OF DOWNEY

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Budgetary Data

General Budget Policies

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

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

Expenditures in Excess of Appropriations

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

Major Fund:

General Fund

General Government Administration	\$	(240,425)
City Council		(16,460)
City Attorney		(96,746)
City Clerk		(154,758)
City Manager		(564,006)
Finance		(666,668)
Police		(652,130)
Maintenance		(953,514)
Utilities		(92,656)
Building and Safety		(9,528)
		<u>\$ (3,446,891)</u>

The City did not adopt a budget for their Asset Forfeiture 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.

HOME Fund is used to account for the operations of the HOME Investment Partnership Program. Major sources of revenues are repayments received on rehab loans.

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

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

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

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

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

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

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

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

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

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

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

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.

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.

OTHER SPECIAL REVENUE FUNDS (Continued)

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.

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.

Measure M Bond 2021A is used to track the issuances of new bonds to be used to finance street projects funded by Measure M and Measure R sales tax revenues.

Measure R Bond 2021A is used to track the issuances of new bonds to be used to finance street projects funded by Measure M and Measure R sales tax revenues.

CAPITAL PROJECTS FUND

City 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, 2022

	Special Revenue Funds			
	Waste Reduction	Street Lighting	HOME	Hazardous Material
Assets:				
Pooled cash and investments	\$ 21,795	\$ 416,149	\$ 929,937	\$ 13,051
Receivables:				
Accounts	43,408	66,265	-	-
Taxes	-	-	-	-
Notes and loans	-	-	4,899,577	-
Due from other governments	-	-	21,061	515
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 65,203	\$ 482,414	\$ 5,850,575	\$ 13,566
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):				
Liabilities:				
Accounts payable	\$ 13,522	\$ 281,200	\$ 5,618	\$ -
Accrued liabilities	51,653	3,541	1,322	13,566
Deposits payable	-	-	6,030	-
Due to other governments	-	-	5,365	-
Due to other funds	-	-	-	-
Total Liabilities	65,175	284,741	18,335	13,566
Deferred Inflows of Resources:				
Unavailable revenues	-	-	4,899,577	-
Total Deferred Inflows of Resources	-	-	4,899,577	-
Fund Balances:				
Restricted for:				
Public safety	28	-	-	-
Parks and recreation	-	-	-	-
Public works	-	197,673	-	-
Capital projects	-	-	-	-
Low and moderate income housing	-	-	932,663	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	28	197,673	932,663	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 65,203	\$ 482,414	\$ 5,850,575	\$ 13,566

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	CATV Public Access	Air Quality	Grants	CDBG
Assets:				
Pooled cash and investments	\$ 1,031,660	\$ 381,984	\$ 89,100	\$ 143,350
Receivables:				
Accounts	-	-	101,857	-
Taxes	-	-	-	-
Notes and loans	-	-	-	416,925
Due from other governments	35,849	36,647	28,730	323,398
Inventories	-	-	10,102	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	949,900
Total Assets	\$ 1,067,509	\$ 418,631	\$ 229,789	\$ 1,833,573
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 92,692	\$ 484,287
Accrued liabilities	-	12,774	71,574	52,516
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	177,831	-
Total Liabilities	-	12,774	342,097	536,803
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	416,925
Total Deferred Inflows of Resources	-	-	-	416,925
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	1,067,509	405,857	-	-
Capital projects	-	-	-	-
Low and moderate income housing	-	-	-	879,845
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	(112,308)	-
Total Fund Balances (Deficit)	1,067,509	405,857	(112,308)	879,845
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 1,067,509	\$ 418,631	\$ 229,789	\$ 1,833,573

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Asset Forfeiture	Transit Prop C	Transit Prop A	Transit Measure R
Assets:				
Pooled cash and investments	\$ 21,896	\$ 1,856,993	\$ 3,364,328	\$ 1,628,001
Receivables:				
Accounts	-	59,058	34,242	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	21,000	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 21,896	\$ 1,937,051	\$ 3,398,570	\$ 1,628,001
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):				
Liabilities:				
Accounts payable	-	114,729	273,566	87,946
Accrued liabilities	21,849	6,851	86,202	37,892
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	21,849	121,580	359,768	125,838
Deferred Inflows of Resources:				
Unavailable revenues	-	21,000	-	-
Total Deferred Inflows of Resources	-	21,000	-	-
Fund Balances:				
Restricted for:				
Public safety	47	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	3,038,802	-
Capital projects	-	1,794,471	-	1,502,163
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	47	1,794,471	3,038,802	1,502,163
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 21,896	\$ 1,937,051	\$ 3,398,570	\$ 1,628,001

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Gas Tax	LSTA Grant	Measure S 2017 LRB	SB1 Transportation
Assets:				
Pooled cash and investments	\$ -	\$ 379	\$ -	\$ 1,679,384
Receivables:				
Accounts	13,395	-	-	-
Taxes	210,831	-	-	396,552
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	24	-
Total Assets	\$ 224,226	\$ 379	\$ 24	\$ 2,075,936
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 2,249	\$ 36,227
Accrued liabilities	21,473	-	-	2,684
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	1,009,837	-	502,102	-
Total Liabilities	1,031,310	-	504,351	38,911
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	-	379	-	-
Public works	-	-	-	2,037,025
Capital projects	-	-	-	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	(807,084)	-	(504,327)	-
Total Fund Balances (Deficit)	(807,084)	379	(504,327)	2,037,025
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 224,226	\$ 379	\$ 24	\$ 2,075,936

CITY OF DOWNEY

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	Special Revenue Funds			
	Measure S (Sales Tax)	Transit Measure M	Asset Forfeiture - State	Measure W - Sewer & Storm Drain
Assets:				
Pooled cash and investments	\$ 2,978,620	\$ 2,397,410	\$ -	\$ 2,073,493
Receivables:				
Accounts	-	-	-	-
Taxes	1,019,158	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,997,778	\$ 2,397,410	\$ -	\$ 2,073,493
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):				
Liabilities:				
Accounts payable	\$ -	\$ 25,802	\$ -	\$ 123,707
Accrued liabilities	140,211	49,108	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	140,211	74,910	-	123,707
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	3,857,567	-	-	-
Parks and recreation	-	-	-	-
Public works	-	2,322,500	-	-
Capital projects	-	-	-	1,949,786
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	3,857,567	2,322,500	-	1,949,786
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 3,997,778	\$ 2,397,410	\$ -	\$ 2,073,493

CITY OF DOWNEY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Art In Public Places	Measure M Bond 2021A	Measure R Bond 2021B	City Capital Projects
Assets:				
Pooled cash and investments	\$ 316,937	\$ -	\$ 90,324	\$ 4,367,151
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	519,319
Inventories	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	14,476,093	8,802,757	-
Total Assets	\$ 316,937	\$ 14,476,093	\$ 8,893,081	\$ 4,886,470
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):				
Liabilities:				
Accounts payable	\$ -	\$ 347,147	\$ 1,283,399	\$ 331,905
Accrued liabilities	-	5,810	9,393	2,339
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	278,094	-	-
Total Liabilities	-	631,051	1,292,792	334,244
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Public safety	-	-	-	-
Parks and recreation	316,937	-	-	-
Public works	-	-	-	-
Capital projects	-	13,845,042	7,600,289	-
Low and moderate income housing	-	-	-	-
Assigned to:				
Capital projects	-	-	-	4,552,226
Unassigned	-	-	-	-
Total Fund Balances (Deficit)	316,937	13,845,042	7,600,289	4,552,226
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 316,937	\$ 14,476,093	\$ 8,893,081	\$ 4,886,470

CITY OF DOWNEY

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2022

	Total Nonmajor Governmental Funds
Assets:	
Pooled cash and investments	\$ 23,801,942
Receivables:	
Accounts	318,225
Taxes	1,626,541
Notes and loans	5,316,502
Due from other governments	986,519
Inventories	10,102
Restricted assets:	
Cash and investments with fiscal agents	24,228,774
Total Assets	\$ 56,288,605
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit):	
Liabilities:	
Accounts payable	\$ 3,503,996
Accrued liabilities	590,758
Deposits payable	6,030
Due to other governments	5,365
Due to other funds	1,967,864
Total Liabilities	6,074,013
Deferred Inflows of Resources:	
Unavailable revenues	5,337,502
Total Deferred Inflows of Resources	5,337,502
Fund Balances:	
Restricted for:	
Public safety	3,857,642
Parks and recreation	317,316
Public works	9,069,366
Capital projects	26,691,751
Low and moderate income housing	1,812,508
Assigned to:	
Capital projects	4,552,226
Unassigned	(1,423,719)
Total Fund Balances (Deficit)	44,877,090
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficit)	\$ 56,288,605

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CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Waste Reduction	Street Lighting	HOME	Hazardous Material
Revenues:				
Taxes	\$ -	\$ 302,110	\$ -	\$ -
Intergovernmental	200,979	-	350,806	-
Charges for services	432,262	1,638,967	-	178,658
Use of money and property	-	(7,457)	-	-
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	12,348	-	-
Total Revenues	633,241	1,945,968	350,806	178,658
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	161,927
Community development	-	-	100,048	-
Community services	-	-	-	-
Public works	531,434	2,107,607	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	531,434	2,107,607	100,048	161,927
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,807	(161,639)	250,758	16,731
Other Financing Sources (Uses):				
Transfers in	346,395	-	-	125,195
Transfers out	(14,775)	(2,059)	(626)	(11,223)
Other debts issued	-	-	-	-
Leases	-	-	-	-
Total Other Financing Sources (Uses)	331,620	(2,059)	(626)	113,972
Net Change in Fund Balances	433,427	(163,698)	250,132	130,703
Fund Balances (Deficit), Beginning of Year	(433,399)	361,371	682,531	(130,703)
Fund Balances (Deficit), End of Year	\$ 28	\$ 197,673	\$ 932,663	\$ -

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	CATV Public Access	Air Quality	Grants	CDBG
Revenues:				
Taxes	\$ 142,184	\$ -	\$ -	\$ -
Intergovernmental	-	143,999	525,568	1,105,089
Charges for services	-	-	56,723	-
Use of money and property	-	(5,179)	-	-
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	185,549	-
Total Revenues	142,184	138,820	767,840	1,105,089
Expenditures:				
Current:				
General government	9,282	-	-	-
Public safety	-	-	288,143	-
Community development	-	-	1,235,245	876,270
Community services	-	-	-	-
Public works	-	119,023	-	-
Capital outlay	-	-	399,297	-
Debt service:				
Principal retirement	-	-	-	353,000
Interest and fiscal charges	-	-	-	114,500
Total Expenditures	9,282	119,023	1,922,685	1,343,770
Excess (Deficiency) of Revenues Over (Under) Expenditures	132,902	19,797	(1,154,845)	(238,681)
Other Financing Sources (Uses):				
Transfers in	-	-	1,421,401	-
Transfers out	-	(7,298)	(28,182)	(69,916)
Other debts issued	-	-	-	-
Leases	-	-	-	-
Total Other Financing Sources (Uses)	-	(7,298)	1,393,219	(69,916)
Net Change in Fund Balances	132,902	12,499	238,374	(308,597)
Fund Balances (Deficit), Beginning of Year	934,607	393,358	(350,682)	1,188,442
Fund Balances (Deficit), End of Year	\$ 1,067,509	\$ 405,857	\$ (112,308)	\$ 879,845

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Asset Forfeiture	Transit Prop C	Transit Prop A	Transit Measure R
Revenues:				
Taxes	\$ -	\$ 2,378,075	\$ 2,866,950	\$ -
Intergovernmental	14,877	-	-	-
Charges for services	-	-	-	-
Use of money and property	47	(25,618)	(40,131)	(20,750)
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	1,783,269
Miscellaneous	-	59,063	34,403	-
Total Revenues	14,924	2,411,520	2,861,222	1,762,519
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	110,930	-	-	-
Community development	-	-	-	-
Community services	-	-	1,189,322	-
Public works	-	66,651	222,150	167,019
Capital outlay	-	1,665,638	930,541	348,005
Debt service:				
Principal retirement	-	-	288,776	590,000
Interest and fiscal charges	-	-	82,342	277,215
Total Expenditures	110,930	1,732,289	2,713,131	1,382,239
Excess (Deficiency) of Revenues Over (Under) Expenditures	(96,006)	679,231	148,091	380,280
Other Financing Sources (Uses):				
Transfers in	118,233	20,787	1,186,240	25,885
Transfers out	(22,242)	(1,001,901)	(24,915)	(13,588)
Other debts issued	-	-	-	-
Leases	-	-	-	-
Total Other Financing Sources (Uses)	95,991	(981,114)	1,161,325	12,297
Net Change in Fund Balances	(15)	(301,883)	1,309,416	392,577
Fund Balances (Deficit), Beginning of Year	62	2,096,354	1,729,386	1,109,586
Fund Balances (Deficit), End of Year	\$ 47	\$ 1,794,471	\$ 3,038,802	\$ 1,502,163

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Gas Tax	LSTA Grant	Measure S 2017 LRB	SB1 Transportation
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,262,756
Intergovernmental	2,617,769	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	(6)	1,741	(23,355)
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	2,617,769	(6)	1,741	2,239,401
Expenditures:				
Current:				
General government	-	-	2,500	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	28,514	-	-	26,113
Capital outlay	111,762	-	282,879	2,229,559
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	140,276	-	285,379	2,255,672
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,477,493	(6)	(283,638)	(16,271)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(2,697,640)	-	-	-
Other debts issued	-	-	-	-
Leases	-	-	-	-
Total Other Financing Sources (Uses)	(2,697,640)	-	-	-
Net Change in Fund Balances	(220,147)	(6)	(283,638)	(16,271)
Fund Balances (Deficit), Beginning of Year	(586,937)	385	(220,689)	2,053,296
Fund Balances (Deficit), End of Year	\$ (807,084)	\$ 379	\$ (504,327)	\$ 2,037,025

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Measure S (Sales Tax)	Transit Measure M	Asset Forfeiture - State	Measure W - Sewer & Storm Drain
Revenues:				
Taxes	\$ 6,210,274	\$ 2,017,974	\$ -	\$ 2,851,777
Intergovernmental	-	-	166,540	-
Charges for services	-	-	-	606,384
Use of money and property	(37,339)	(31,939)	453	(23,190)
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	6,172,935	1,986,035	166,993	3,434,971
Expenditures:				
Current:				
General government	2,847	-	-	-
Public safety	937,159	-	173,622	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	-	51,052	-	108,391
Capital outlay	76,564	772,656	-	442,390
Debt service:				
Principal retirement	2,383,638	665,000	-	-
Interest and fiscal charges	1,718,579	405,292	-	-
Total Expenditures	5,118,787	1,894,000	173,622	550,781
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,054,148	92,035	(6,629)	2,884,190
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(7,508)	-	-
Other debts issued	-	-	-	-
Leases	853,429	-	-	-
Total Other Financing Sources (Uses)	853,429	(7,508)	-	-
Net Change in Fund Balances	1,907,577	84,527	(6,629)	2,884,190
Fund Balances (Deficit), Beginning of Year	1,949,990	2,237,973	6,629	(934,404)
Fund Balances (Deficit), End of Year	\$ 3,857,567	\$ 2,322,500	\$ -	\$ 1,949,786

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Art In Public Places	Measure M Bond 2021A	Measure R Bond 2021B	City Capital Projects
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	3,778
Use of money and property	-	538	378	(3,386)
Fines and forfeitures	-	-	-	1,975,717
Developer participation	-	-	-	-
Miscellaneous	101,798	-	-	-
Total Revenues	101,798	538	378	1,976,109
Expenditures:				
Current:				
General government	-	263,316	190,749	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public works	46,034	179,432	255,350	9,717
Capital outlay	-	3,404,383	4,727,730	2,872,487
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	46,034	3,847,131	5,173,829	2,882,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,764	(3,846,593)	(5,173,451)	(906,095)
Other Financing Sources (Uses):				
Transfers in	-	-	-	1,045,966
Transfers out	-	-	-	-
Other debts issued	-	17,691,635	12,773,740	-
Leases	-	-	-	-
Total Other Financing Sources (Uses)	-	17,691,635	12,773,740	1,045,966
Net Change in Fund Balances	55,764	13,845,042	7,600,289	139,871
Fund Balances (Deficit), Beginning of Year	261,173	-	-	4,412,355
Fund Balances (Deficit), End of Year	\$ 316,937	\$ 13,845,042	\$ 7,600,289	\$ 4,552,226

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Total Nonmajor Governmental Funds
Revenues:	
Taxes	\$ 19,032,100
Intergovernmental	5,125,627
Charges for services	2,916,772
Use of money and property	(215,193)
Fines and forfeitures	1,975,717
Developer participation	1,783,269
Miscellaneous	393,161
	<hr/>
Total Revenues	31,011,453
	<hr/>
Expenditures:	
Current:	
General government	468,694
Public safety	1,671,781
Community development	2,211,563
Community services	1,189,322
Public works	3,918,487
Capital outlay	18,263,891
Debt service:	
Principal retirement	4,280,414
Interest and fiscal charges	2,597,928
	<hr/>
Total Expenditures	34,602,080
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,590,627)
	<hr/>
Other Financing Sources (Uses):	
Transfers in	4,290,102
Transfers out	(3,901,873)
Other debts issued	30,465,375
Leases	853,429
	<hr/>
Total Other Financing Sources (Uses)	31,707,033
	<hr/>
Net Change in Fund Balances	28,116,406
	<hr/>
Fund Balances (Deficit), Beginning of Year	16,760,684
	<hr/>
Fund Balances (Deficit), End of Year	\$ 44,877,090
	<hr/> <hr/>

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
WASTE REDUCTION
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (433,399)	\$ (433,399)	\$ (433,399)	\$ -
Resources (Inflows):				
Intergovernmental	60,000	60,000	200,979	140,979
Charges for services	420,000	420,000	432,262	12,262
Transfers in	-	346,395	346,395	-
Amounts Available for Appropriations	46,601	392,996	546,237	153,241
Charges to Appropriations (Outflow):				
Public works	518,108	547,608	531,434	16,174
Transfers out	-	-	14,775	(14,775)
Total Charges to Appropriations	518,108	547,608	546,209	1,399
Budgetary Fund Balance, June 30	\$ (471,507)	\$ (154,612)	\$ 28	\$ 154,640

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 361,371	\$ 361,371	\$ 361,371	\$ -
Resources (Inflows):				
Taxes	558,000	558,000	302,110	(255,890)
Charges for services	1,379,500	1,379,500	1,638,967	259,467
Use of money and property	2,500	2,500	(7,457)	(9,957)
Miscellaneous	1,000	1,000	12,348	11,348
Amounts Available for Appropriations	2,302,371	2,302,371	2,307,339	4,968
Charges to Appropriations (Outflow):				
Public works	2,047,907	2,047,907	2,107,607	(59,700)
Transfers out	-	-	2,059	(2,059)
Total Charges to Appropriations	2,047,907	2,047,907	2,109,666	(61,759)
Budgetary Fund Balance, June 30	\$ 254,464	\$ 254,464	\$ 197,673	\$ (56,791)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 HOME
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 682,531	\$ 682,531	\$ 682,531	\$ -
Resources (Inflows):				
Intergovernmental	1,182,000	1,182,000	350,806	(831,194)
Amounts Available for Appropriations	1,864,531	1,864,531	1,033,337	(831,194)
Charges to Appropriations (Outflow):				
Community development				
Economic Dev & Housing	843,904	843,904	100,048	743,856
Transfers out	-	-	626	(626)
Total Charges to Appropriations	843,904	843,904	100,674	743,230
Budgetary Fund Balance, June 30	\$ 1,020,627	\$ 1,020,627	\$ 932,663	\$ (87,964)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 HAZARDOUS MATERIAL
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (130,703)	\$ (130,703)	\$ (130,703)	\$ -
Resources (Inflows):				
Charges for services	160,000	160,000	178,658	18,658
Transfers in	-	-	125,195	125,195
Amounts Available for Appropriations	29,297	29,297	173,150	143,853
Charges to Appropriations (Outflow):				
Public safety	186,847	186,847	161,927	24,920
Transfers out	-	-	11,223	(11,223)
Total Charges to Appropriations	186,847	186,847	173,150	13,697
Budgetary Fund Balance, June 30	\$ (157,550)	\$ (157,550)	\$ -	\$ 157,550

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CATV PUBLIC ACCESS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 934,607	\$ 934,607	\$ 934,607	\$ -
Resources (Inflows):				
Taxes	100,000	100,000	142,184	42,184
Amounts Available for Appropriations	1,034,607	1,034,607	1,076,791	42,184
Charges to Appropriations (Outflow):				
General government	-	-	9,282	(9,282)
Total Charges to Appropriations	-	-	9,282	(9,282)
Budgetary Fund Balance, June 30	\$ 1,034,607	\$ 1,034,607	\$ 1,067,509	\$ 32,902

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 393,358	\$ 393,358	\$ 393,358	\$ -
Resources (Inflows):				
Intergovernmental	140,000	140,000	143,999	3,999
Use of money and property	2,500	2,500	(5,179)	(7,679)
Amounts Available for Appropriations	535,858	535,858	532,178	(3,680)
Charges to Appropriations (Outflow):				
Public works	129,511	129,511	119,023	10,488
Capital outlay	180,000	180,000	-	180,000
Transfers out	-	-	7,298	(7,298)
Total Charges to Appropriations	309,511	309,511	126,321	183,190
Budgetary Fund Balance, June 30	\$ 226,347	\$ 226,347	\$ 405,857	\$ 179,510

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
GRANTS
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (350,682)	\$ (350,682)	\$ (350,682)	\$ -
Resources (Inflows):				
Intergovernmental	300,000	920,374	525,568	(394,806)
Charges for services	145,200	145,200	56,723	(88,477)
Miscellaneous	113,751	113,751	185,549	71,798
Transfers in	800,000	1,414,475	1,421,401	6,926
Amounts Available for Appropriations	1,008,269	2,243,118	1,838,559	(404,559)
Charges to Appropriations (Outflow):				
Public safety	-	-	288,143	(288,143)
Community development	1,343,184	1,343,184	1,235,245	107,939
Capital outlay	161,500	781,874	399,297	382,577
Transfers out	-	-	28,182	(28,182)
Total Charges to Appropriations	1,504,684	2,125,058	1,950,867	174,191
Budgetary Fund Deficit, June 30	\$ (496,415)	\$ 118,060	\$ (112,308)	\$ (230,368)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CDBG
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,188,442	\$ 1,188,442	\$ 1,188,442	\$ -
Resources (Inflows):				
Intergovernmental	604,000	604,000	1,105,089	501,089
Amounts Available for Appropriations	1,792,442	1,792,442	2,293,531	501,089
Charges to Appropriations (Outflow):				
Community development	590,121	590,121	876,270	(286,149)
Debt service:				
Principal retirement	353,000	353,000	353,000	-
Interest and fiscal charges	113,501	113,501	114,500	(999)
Transfers out	-	-	69,916	(69,916)
Total Charges to Appropriations	1,056,622	1,056,622	1,413,686	(357,064)
Budgetary Fund Balance, June 30	\$ 735,820	\$ 735,820	\$ 879,845	\$ 144,025

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 62	\$ 62	\$ 62	\$ -
Resources (Inflows):				
Intergovernmental	50,000	50,000	14,877	(35,123)
Use of money and property	500	500	47	(453)
Transfers in	-	-	118,233	118,233
Amounts Available for Appropriations	50,562	50,562	133,219	82,657
Charges to Appropriation (Outflow):				
Public safety	255,503	255,503	110,930	144,573
Transfers out	-	-	22,242	(22,242)
Total Charges to Appropriations	255,503	255,503	133,172	122,331
Budgetary Fund Balance, June 30	\$ (204,941)	\$ (204,941)	\$ 47	\$ 204,988

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT PROP C
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,096,354	\$ 2,096,354	\$ 2,096,354	\$ -
Resources (Inflows):				
Taxes	1,901,701	1,901,701	2,378,075	476,374
Use of money and property	5,000	5,000	(25,618)	(30,618)
Miscellaneous	-	-	59,063	59,063
Amounts Available for Appropriations	4,003,055	4,003,055	4,528,661	525,606
Charges to Appropriation (Outflow):				
Public works	345,928	335,928	66,651	269,277
Capital outlay	2,681,706	2,691,706	1,665,638	1,026,068
Transfers out	1,000,000	1,000,000	1,001,901	(1,901)
Total Charges to Appropriations	4,027,634	4,027,634	2,734,190	1,293,444
Budgetary Fund Balance, June 30	\$ (24,579)	\$ (24,579)	\$ 1,794,471	\$ 1,819,050

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT PROP A
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,729,386	\$ 1,729,386	\$ 1,729,386	\$ -
Resources (Inflows):				
Taxes	2,100,000	2,100,000	2,866,950	766,950
Use of money and property	3,000	3,000	(40,131)	(43,131)
Miscellaneous	9,500	9,500	34,403	24,903
Transfers in	1,000,000	1,000,000	1,186,240	186,240
Amounts Available for Appropriations	4,841,886	4,841,886	5,776,848	934,962
Charges to Appropriation (Outflow):				
Parks and recreation	1,476,604	1,476,604	1,189,322	287,282
Public works	339,305	339,305	222,150	117,155
Capital outlay	1,394,740	1,394,740	930,541	464,199
Debt service:				
Principal retirement	277,770	277,770	288,776	(11,006)
Interest and fiscal charges	97,399	97,399	82,342	15,057
Transfers out	-	-	24,915	(24,915)
Total Charges to Appropriations	3,585,818	3,585,818	2,738,046	847,772
Budgetary Fund Balance, June 30	\$ 1,256,068	\$ 1,256,068	\$ 3,038,802	\$ 1,782,734

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT MEASURE R
YEAR ENDED JUNE 30, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,109,586	\$ 1,109,586	\$ 1,109,586	\$ -
Resources (Inflows):				
Use of money and property	10,000	10,000	(20,750)	(30,750)
Developer participation	1,426,276	1,426,276	1,783,269	356,993
Transfers in	-	-	25,885	25,885
Amounts Available for Appropriations	<u>2,545,862</u>	<u>2,545,862</u>	<u>2,897,990</u>	<u>352,128</u>
Charges to Appropriation (Outflow):				
Public works	482,716	482,716	167,019	315,697
Capital outlay	2,874,800	2,874,800	348,005	2,526,795
Debt service:				
Principal retirement	-	-	590,000	(590,000)
Interest and fiscal charges	-	-	277,215	(277,215)
Total Charges to Appropriations	<u>3,357,516</u>	<u>3,357,516</u>	<u>1,395,827</u>	<u>1,961,689</u>
Budgetary Fund Balance, June 30	<u>\$ (811,654)</u>	<u>\$ (811,654)</u>	<u>\$ 1,502,163</u>	<u>\$ 2,313,817</u>

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 GAS TAX
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (586,937)	\$ (586,937)	\$ (586,937)	\$ -
Resources (Inflows):				
Intergovernmental	3,011,869	3,011,869	2,617,769	(394,100)
Use of money and property	100	100	-	(100)
Amounts Available for Appropriations	2,425,032	2,425,032	2,030,832	(394,200)
Charges to Appropriation (Outflow):				
Public works	17,203	17,203	28,514	(11,311)
Capital outlay	104,775	104,775	111,762	(6,987)
Transfers out	2,226,318	2,226,318	2,697,640	(471,322)
Total Charges to Appropriations	2,348,296	2,348,296	2,837,916	(489,620)
Budgetary Fund Deficit, June 30	\$ 76,736	\$ 76,736	\$ (807,084)	\$ (883,820)

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 LSTA GRANT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 385	\$ 385	\$ 385	\$ -
Resources (Inflows):				
Use of money and property	5	5	(6)	(11)
Amounts Available for Appropriations	390	390	379	(11)
Budgetary Fund Balance, June 30	\$ 390	\$ 390	\$ 379	\$ (11)

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
MEASURE S 2017 LRB
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (220,689)	\$ (220,689)	\$ (220,689)	\$ -
Resources (Inflows):				
Use of money and property	25,000	25,000	1,741	(23,259)
Amounts Available for Appropriations	(195,689)	(195,689)	(218,948)	(23,259)
Charges to Appropriation (Outflow):				
General government	-	-	2,500	(2,500)
Capital outlay	4,862,118	4,862,118	282,879	4,579,239
Total Charges to Appropriations	4,862,118	4,862,118	285,379	4,576,739
Budgetary Fund Deficit, June 30	\$ (5,057,807)	\$ (5,057,807)	\$ (504,327)	\$ 4,553,480

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
SB1 TRANSPORTATION
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,053,296	\$ 2,053,296	\$ 2,053,296	\$ -
Resources (Inflows):				
Taxes	2,232,238	2,232,238	2,262,756	30,518
Use of money and property	-	-	(23,355)	(23,355)
Amounts Available for Appropriations	4,285,534	4,285,534	4,292,697	7,163
Charges to Appropriation (Outflow):				
Public works	-	-	26,113	(26,113)
Capital outlay	4,176,000	4,176,000	2,229,559	1,946,441
Total Charges to Appropriations	4,176,000	4,176,000	2,255,672	1,920,328
Budgetary Fund Balance, June 30	\$ 109,534	\$ 109,534	\$ 2,037,025	\$ 1,927,491

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 MEASURE S (SALES TAX)
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,949,990	\$ 1,949,990	\$ 1,949,990	\$ -
Resources (Inflows):				
Taxes	5,396,000	5,396,000	6,210,274	814,274
Use of money and property	25,000	25,000	(37,339)	(62,339)
Amounts Available for Appropriations	7,370,990	7,370,990	8,976,354	1,605,364
Charges to Appropriation (Outflow):				
General government	-	-	2,847	(2,847)
Public safety	456,515	456,515	937,159	(480,644)
Capital outlay	843,485	843,485	76,564	766,921
Debt service:				
Principal retirement	1,730,000	1,730,000	2,383,638	(653,638)
Interest and fiscal charges	1,725,787	1,725,787	1,718,579	7,208
Total Charges to Appropriations	4,755,787	4,755,787	5,118,787	(363,000)
Budgetary Fund Balance, June 30	\$ 2,615,203	\$ 2,615,203	\$ 3,857,567	\$ 1,242,364

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
TRANSIT MEASURE M
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,237,973	\$ 2,237,973	\$ 2,237,973	\$ -
Resources (Inflows):				
Taxes	1,616,446	1,616,446	2,017,974	401,528
Use of money and property	10,000	10,000	(31,939)	(41,939)
Amounts Available for Appropriations	3,864,419	3,864,419	4,224,008	359,589
Charges to Appropriation (Outflow):				
Public works	-	-	51,052	(51,052)
Capital outlay	3,587,959	3,587,959	772,656	2,815,303
Debt service:				
Principal retirement	-	-	665,000	(665,000)
Interest and fiscal charges	-	-	405,292	(405,292)
Transfers out	-	-	7,508	(7,508)
Total Charges to Appropriations	3,587,959	3,587,959	1,901,508	1,686,451
Budgetary Fund Balance, June 30	\$ 276,460	\$ 276,460	\$ 2,322,500	\$ 2,046,040

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
MEASURE W - SEWER & STORM DRAIN
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Deficit, July 1	\$ (934,404)	\$ (934,404)	\$ (934,404)	\$ -
Resources (Inflows):				
Taxes	-	-	2,851,777	2,851,777
Charges for services	-	-	606,384	606,384
Use of money and property	25,000	25,000	(23,190)	(48,190)
Amounts Available for Appropriations	(909,404)	(909,404)	2,500,567	3,409,971
Charges to Appropriation (Outflow):				
Public works	243,458	243,458	108,391	135,067
Capital outlay	2,270,000	2,270,000	442,390	1,827,610
Total Charges to Appropriations	2,513,458	2,513,458	550,781	1,962,677
Budgetary Fund Balance, June 30	\$ (3,422,862)	\$ (3,422,862)	\$ 1,949,786	\$ 5,372,648

CITY OF DOWNEY

**BUDGETARY COMPARISON SCHEDULE
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 261,173	\$ 261,173	\$ 261,173	\$ -
Resources (Inflows):				
Miscellaneous	-	-	101,798	101,798
Amounts Available for Appropriations	261,173	261,173	362,971	101,798
Charges to Appropriation (Outflow):				
Public works	-	-	46,034	(46,034)
Capital outlay	335,000	335,000	-	335,000
Total Charges to Appropriations	335,000	335,000	46,034	288,966
Budgetary Fund Balance, June 30	\$ (73,827)	\$ (73,827)	\$ 316,937	\$ 390,764

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 MEASURE M BOND 2021A
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Use of money and property	-	-	538	538
Other debts issued	-	17,691,638	17,691,635	(3)
Amounts Available for Appropriation	-	17,691,638	17,692,173	535
Charges to Appropriation (Outflow):				
General government	-	-	263,316	(263,316)
Public works	-	9,985,000	179,432	9,805,568
Capital outlay	-	5,250,000	3,404,383	1,845,617
Total Charges to Appropriations	-	15,235,000	3,847,131	11,387,869
Budgetary Fund Balance, June 30	\$ -	\$ 2,456,638	\$ 13,845,042	\$ 11,388,404

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 MEASURE R BOND 2021B
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Use of money and property	-	-	378	378
Other debts issued	-	12,773,737	12,773,740	3
Amounts Available for Appropriation	-	12,773,737	12,774,118	381
Charges to Appropriation (Outflow):				
General government	-	-	190,749	(190,749)
Public works	-	4,800,000	255,350	4,544,650
Capital outlay	-	7,800,000	4,727,730	3,072,270
Total Charges to Appropriations	-	12,600,000	5,173,829	7,426,171
Budgetary Fund Balance, June 30	\$ -	\$ 173,737	\$ 7,600,289	\$ 7,426,552

CITY OF DOWNEY

BUDGETARY COMPARISON SCHEDULE
 CITY CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,412,355	\$ 4,412,355	\$ 4,412,355	\$ -
Resources (Inflows):				
Charges for services	-	-	3,778	3,778
Use of money and property	-	-	(3,386)	(3,386)
Fines and forfeitures	1,720,000	1,720,000	1,975,717	255,717
Transfers in	125,000	1,783,466	1,045,966	(737,500)
Amounts Available for Appropriations	6,257,355	7,915,821	7,434,430	(481,391)
Charges to Appropriation (Outflow):				
Public works	-	-	9,717	(9,717)
Capital outlay	5,223,792	6,144,758	2,872,487	3,272,271
Transfers out	-	737,500	-	737,500
Total Charges to Appropriations	5,223,792	6,882,258	2,882,204	4,000,054
Budgetary Fund Balance, June 30	\$ 1,033,563	\$ 1,033,563	\$ 4,552,226	\$ 3,518,663

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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, 2022

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Equipment	Totals
Assets and Deferred Outflows of Resources:			
Assets:			
Current:			
Cash and investments	\$ 26,357,540	\$ 1,465,410	\$ 27,822,950
Receivables:			
Accounts	-	6,425	6,425
Prepaid costs	70,131	-	70,131
Due from other governments	-	8,272	8,272
Inventories	-	87,546	87,546
Advances to Successor Agency	1,271,173	-	1,271,173
Total Current Assets	27,698,844	1,567,653	29,266,497
Noncurrent:			
Capital assets - net of accumulated depreciation/amortization	-	4,207,838	4,207,838
Total Noncurrent Assets	-	4,207,838	4,207,838
Total Assets	27,698,844	5,775,491	33,474,335
Deferred Outflows of Resources:			
Deferred pension related items	-	41,313	41,313
Total Deferred Outflows of Resources	-	41,313	41,313
Total Assets and Deferred Outflows of Resources	\$ 27,698,844	\$ 5,816,804	\$ 33,515,648
Liabilities, Deferred Inflows of Resources, and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 13,281	\$ 175,522	\$ 188,803
Accrued liabilities	130	65,549	65,679
Accrued compensated absences	1,478,047	33,905	1,511,952
Accrued claims payable	3,372,000	-	3,372,000
Bonds, notes, loans and leases	-	507,444	507,444
Total Current Liabilities	4,863,458	782,420	5,645,878
Noncurrent:			
Accrued compensated absences	11,048,766	68,663	11,117,429
Accrued claims payable	4,003,418	-	4,003,418
Bonds, notes, loans and leases	-	1,757,283	1,757,283
Net pension liability	-	64,775	64,775
Total Noncurrent Liabilities	15,052,184	1,890,721	16,942,905
Total Liabilities	19,915,642	2,673,141	22,588,783
Deferred Inflows of Resources:			
Deferred pension related items	-	198,272	198,272
Total Deferred Inflows of Resources	-	198,272	198,272
Net Position:			
Net investment in capital assets	-	2,572,470	2,572,470
Unrestricted	7,783,202	372,921	8,156,123
Total Net Position	7,783,202	2,945,391	10,728,593
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 27,698,844	\$ 5,816,804	\$ 33,515,648

CITY OF DOWNEY

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Equipment	Totals
Operating Revenues:			
Interdepartmental charges	\$ 3,030,533	\$ 2,586,728	\$ 5,617,261
Miscellaneous	400,000	-	400,000
Total Operating Revenues	3,430,533	2,586,728	6,017,261
Operating Expenses:			
Maintenance and operations	-	2,010,786	2,010,786
General and administrative	-	82,730	82,730
Employee benefits	3,430,533	-	3,430,533
Depreciation/amortization expense	-	326,688	326,688
Total Operating Expenses	3,430,533	2,420,204	5,850,737
Operating Income (Loss)	-	166,524	166,524
Nonoperating Revenues (Expenses):			
Interest expense	-	(52,530)	(52,530)
Gain (loss) on disposal of capital assets	-	171,183	171,183
Total Nonoperating Revenues (Expenses)	-	118,653	118,653
Income (Loss) Before Transfers	-	285,177	285,177
Transfers in	-	136,500	136,500
Transfers out	-	(11,201)	(11,201)
Changes in Net Position	-	410,476	410,476
Net Position:			
Beginning of Year	7,783,202	2,534,915	10,318,117
End of Fiscal Year	\$ 7,783,202	\$ 2,945,391	\$ 10,728,593

CITY OF DOWNEY

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Governmental Activities - Internal Service Funds		
	Employee Benefits	Equipment	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 3,030,533	\$ 2,590,517	\$ 5,621,050
Cash paid to suppliers for goods and services	(12,664)	(2,089,562)	(2,102,226)
Cash paid to employees for services	(3,072,465)	(221,427)	(3,293,892)
Net Cash Provided (Used) by Operating Activities	(54,596)	279,528	224,932
Cash Flows from Non-Capital Financing Activities:			
Repayment of Advance to other funds	104,749	-	104,749
Net Cash Provided (Used) by Non-Capital Financing Activities	104,749	125,299	230,048
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(311,288)	(311,288)
Principal paid on capital debt	-	(94,796)	(94,796)
Interest paid on capital debt	-	(52,530)	(52,530)
Proceeds from sales of capital assets	-	196,547	196,547
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(262,067)	(262,067)
Net Increase (Decrease) in Cash and Cash Equivalents	50,153	142,760	192,913
Cash and Cash Equivalents at Beginning of Year	26,307,387	1,322,650	27,630,037
Cash and Cash Equivalents at End of Year	\$ 26,357,540	\$ 1,465,410	\$ 27,822,950
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ -	\$ 166,524	\$ 166,524
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:			
Depreciation/ amortization	-	326,688	326,688
(Increase) decrease in accounts receivable	-	3,789	3,789
(Increase) decrease in due from other governments	-	27,498	27,498
(Increase) decrease in inventories	-	(24,122)	(24,122)
(Increase) decrease in prepaid expense	(12,664)	-	(12,664)
(Increase) decrease in deferred pension related outflows	-	728,413	728,413
Increase (decrease) in accounts payable	(41,932)	578	(41,354)
Increase (decrease) in accrued liabilities	-	4,759	4,759
Increase (decrease) in compensated absences	-	7,434	7,434
Increase (decrease) in net pension liability	-	(1,159,485)	(1,159,485)
Increase (decrease) in deferred pension related inflows	-	197,452	197,452
Total Adjustments	(54,596)	113,004	58,408
Net Cash Provided (Used) by Operating Activities	\$ (54,596)	\$ 279,528	\$ 224,932
Non-Cash Investing, Capital, and Financing Activities:			
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, 2022

	Cemetery District	1913 Act Bond	Elm Vista	Columbia Memorial Space Learning Center Foundation
Assets:				
Cash and investments	\$ 498,598	\$ 120,098	\$ 1,765	\$ 256,495
Receivables:				
Accounts	-	-	3,256	-
Taxes	3,750	-	-	-
Accrued interest receivable	976	-	-	-
Due from other governments	3,770	-	-	-
Advances to other funds	-	-	-	-
Capital Assets - not being depreciated	29,967	-	-	-
Capital Assets - net of accumulated depreciation	295,482	-	-	-
Total Assets	832,543	120,098	5,021	256,495
Liabilities:				
Accounts payable	4,667	-	-	11,001
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	5,000	-
Due to City:				
Due in more than one year	22,629	-	-	-
Total Liabilities	27,296	-	5,000	11,001
Net Position:				
Restricted for organizations and other governments	805,247	120,098	21	245,494
Total Net Position	\$ 805,247	\$ 120,098	\$ 21	\$ 245,494

CITY OF DOWNEY, CALIFORNIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2022

	SEAACA	Southeast Water Coalition	Totals
Assets:			
Cash and investments	\$ 5,504,093	\$ 2,553	\$ 6,383,602
Receivables:			
Accounts	45,319	-	48,575
Taxes	-	-	3,750
Accrued interest receivable	-	-	976
Due from other governments	14,231	-	18,001
Advances to other funds	2,800	-	2,800
Capital Assets - not being depreciated	80,523	-	110,490
Capital Assets - net of accumulated depreciation	2,804,497	-	3,099,979
Total Assets	8,451,463	2,553	9,668,173
Liabilities:			
Accounts payable	510,933	-	526,601
Accrued liabilities	600,686	-	600,686
Unearned revenues	66,917	-	66,917
Deposits payable	31,967	-	31,967
Due to other governments	835	-	5,835
Long-term liabilities:			
Due in more than one year	-	-	22,629
Total Liabilities	1,211,338	-	1,254,635
Net Position:			
Restricted for organizations and other governments	7,240,125	2,553	8,413,538
Total Net Position	\$ 7,240,125	\$ 2,553	\$ 8,413,538

CITY OF DOWNEY, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	Cemetery District	1913 Act Bond	Elm Vista	Columbia Memorial Space Learning Center Foundation
Additions:				
Investment earnings:				
Interest	\$ 3,718	\$ -	\$ -	\$ -
Taxes	99,575	-	-	-
Intergovernmental	-	-	-	32,300
Miscellaneous	20,694	-	-	163,677
Total Additions	123,987	-	-	195,977
Deductions:				
Benefits	-	-	-	-
Administrative expenses	68,107	-	-	122,957
Contractual services	-	-	-	47,468
Capital outlay	-	-	-	-
Depreciation expense	9,887	-	-	-
Total Deductions	77,994	-	-	170,425
Net Increase (Decrease) in Fiduciary Net Position	45,993	-	-	25,552
Net Position - Beginning	759,254	120,098	21	8,171
Restatement of Net Position	-	-	-	211,771
Net Position - Beginning, as Restated	759,254	120,098	21	219,942
Net Position - End of the Year	\$ 805,247	\$ 120,098	\$ 21	\$ 245,494

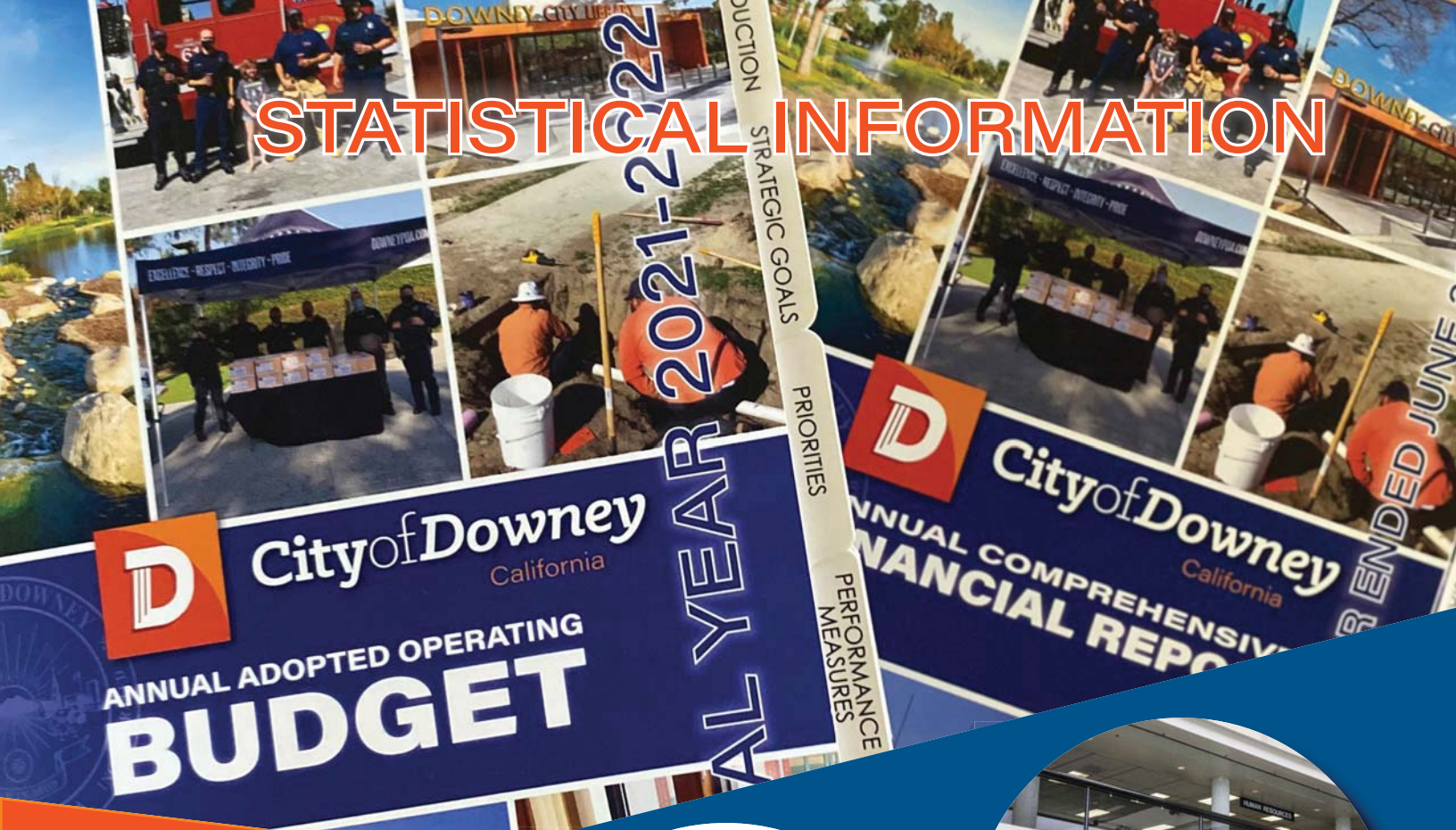
CITY OF DOWNEY, CALIFORNIA


COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

	SEAACA	Southeast Water Coalition	Totals
Additions:			
Investment earnings:			
Interest	\$ (65,750)	\$ (35)	\$ (62,067)
Taxes	-	-	99,575
Intergovernmental	6,299,352	-	6,331,652
Miscellaneous	212,686	-	397,057
Total Additions	6,446,288	(35)	6,766,217
Deductions:			
Benefits	14,159	-	14,159
Administrative expenses	4,671,483	-	4,862,547
Contractual services	107,854	-	155,322
Capital outlay	134,334	-	134,334
Depreciation expense	203,310	-	213,197
Total Deductions	5,131,140	-	5,379,559
Net Increase (Decrease) in Fiduciary Net Position	1,315,148	(35)	1,386,658
Net Position - Beginning	5,924,977	2,588	6,815,109
Restatement of Net Position	-	-	211,771
Net Position - Beginning, as Restated	5,924,977	2,588	7,026,880
Net Position - End of the Year	\$ 7,240,125	\$ 2,553	\$ 8,413,538

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STATISTICAL INFORMATION




GOVERNMENT FINANCE OFFICERS ASSOCIATION
*Distinguished
Budget Presentation
Award*
PRESENTED TO
**City of Downey
California**
For the Fiscal Year Beginning
July 01, 2021



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DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2022

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

Contents:	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time	162-170
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.....	173-179
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	180-186 stat
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.....	187-189
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.....	190-195

CITY OF DOWNEY

NET POSITION BY COMPONENT
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012-13	2013-14	2014-15	2015-16	2016-17
Governmental Activities:					
Net investment in capital assets	\$ 189,490	\$ 193,071	\$ 206,576	\$ 211,020	\$ 212,244
Restricted	29,332	26,203	23,592	30,009	30,653
Unreserved	31,965	48,162	(98,403)	(103,853)	(109,605)
Total governmental activities	250,787	267,436	131,765	137,176	133,292
Business-type Activities:					
Net investment in capital assets	34,116	41,719	34,744	35,577	35,265
Restricted	4,224	1,478	469	469	469
Unrestricted	3,602	5,941	1,084	6,032	11,124
Total business-type activities	41,942	49,138	36,297	42,078	46,858
Primary Government:					
Net investment in capital assets	223,606	234,790	241,320	246,597	247,509
Restricted	33,556	27,681	24,061	30,478	31,122
Unassigned	35,567	54,103	(97,319)	(97,821)	(98,481)
Total primary government	\$ 292,729	\$ 316,574	\$ 168,062	\$ 179,254	\$ 180,150

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)

	2017-18	2018-19	2019-20	2020-21	2021-22
Governmental Activities:					
Net investment in capital assets	\$ 151,973	\$ 191,436	\$ 246,763	\$ 216,976	\$ 231,094
Restricted	82,066	78,437	44,502	36,143	63,539
Unreserved	(173,874)	(184,334)	(208,799)	(170,512)	(170,064)
Total governmental activities	60,165	85,539	82,466	82,607	124,569
Business-type Activities:					
Net investment in capital assets	64,401	73,287	77,286	74,989	76,539
Restricted	36,006	35,064	34,007	34,130	33,854
Unrestricted	(23,706)	(25,220)	(26,669)	(16,020)	(14,293)
Total business-type activities	76,701	83,131	84,624	93,099	96,100
Primary Government:					
Net investment in capital assets	216,374	264,723	324,049	291,965	307,633
Restricted	118,072	113,501	78,509	70,273	97,393
Unassigned	(197,580)	(209,554)	(235,468)	(186,532)	(184,357)
Total primary government	\$ 136,866	\$ 168,670	\$ 167,090	\$ 175,706	\$ 220,669

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)

	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses					
Governmental Activities:					
General government	\$ 7,242	\$ 12,856	\$ 12,419	\$ 14,884	\$ 14,735
Public safety	46,414	52,127	54,196	58,397	65,666
Public works	7,349	10,209	13,598	15,479	15,486
Community services	8,959	5,821	6,703	7,975	9,404
Community development	5,821	5,115	4,893	7,257	5,870
Transit	3,992	3,317	-	-	-
Unallocated infrastructure depreciation	5,717	-	-	-	-
Interest on long term debt	46	1,052	1,617	1,662	1,704
Total expenses for governmental activities	<u>85,540</u>	<u>90,497</u>	<u>93,426</u>	<u>105,654</u>	<u>112,865</u>
Business-type Activities:					
Water	10,117	12,102	12,355	10,580	11,376
Golf	2,772	3,054	3,188	2,667	2,794
Total expenses for business-type activities	<u>12,889</u>	<u>15,156</u>	<u>15,543</u>	<u>13,247</u>	<u>14,170</u>
Total expenses for primary government	<u>\$ 98,429</u>	<u>\$ 105,653</u>	<u>\$ 108,969</u>	<u>\$ 118,901</u>	<u>\$ 127,035</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 104	\$ 5,109	\$ 5,530	\$ 6,436	\$ 7,700
Public safety	5,996	4,550	3,980	5,136	4,650
Public works	3,111	2,045	2,950	5,545	4,332
Community services	2,452	2,766	2,977	3,233	3,561
Community development	1,301	1,080	1,307	1,550	1,408
Operating grants and contributions	8,468	9,981	12,690	15,108	13,548
Capital grants and contributions	4,279	981	1,503	2,281	1,805
Total revenues for governmental activities	<u>25,711</u>	<u>26,512</u>	<u>30,937</u>	<u>39,289</u>	<u>37,004</u>
Business-type Activities:					
Charges for services:					
Water	15,194	18,104	17,399	16,120	16,874
Golf	2,639	2,765	2,763	2,798	2,800
Total revenues for business-type activities	<u>17,833</u>	<u>20,869</u>	<u>20,162</u>	<u>18,918</u>	<u>19,674</u>
Total revenues for primary government	<u>\$ 43,544</u>	<u>\$ 47,381</u>	<u>\$ 51,099</u>	<u>\$ 58,207</u>	<u>\$ 56,678</u>
Net (Expenses)/Revenues:					
Governmental activities	\$ (59,829)	\$ (63,985)	\$ (62,489)	\$ (66,365)	\$ (75,861)
Business-type activities	4,944	5,713	4,619	5,671	5,504
Total net position for primary government	<u>\$ (54,885)</u>	<u>\$ (58,272)</u>	<u>\$ (57,870)</u>	<u>\$ (60,694)</u>	<u>\$ (70,357)</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)

	2017-18	2018-19	2019-20	2020-21	2021-22
Expenses					
Governmental Activities:					
General government	\$ 10,530	\$ 13,340	\$ 15,763	\$ 19,271	\$ 13,930
Public safety	70,552	74,434	82,960	83,139	64,532
Public works	15,075	13,289	14,320	15,176	15,338
Community services	10,152	13,171	11,050	9,281	9,978
Community development	7,626	6,856	6,187	6,636	6,156
Interest on long term debt	2,588	3,298	2,773	3,209	6,650
Total expenses for governmental activities	<u>116,523</u>	<u>124,388</u>	<u>133,053</u>	<u>136,712</u>	<u>116,584</u>
Business-type Activities:					
Water	15,881	14,157	14,789	10,825	15,778
Golf	2,899	2,853	2,979	3,119	3,081
Sewer and Storm Drain	4,102	3,657	3,812	1,933	2,268
Total expenses for business-type activities	<u>22,882</u>	<u>20,667</u>	<u>21,580</u>	<u>15,877</u>	<u>21,127</u>
Total expenses for primary government	<u>\$ 139,405</u>	<u>\$ 145,055</u>	<u>\$ 154,633</u>	<u>\$ 152,589</u>	<u>\$ 137,711</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 7,674	\$ 8,477	\$ 8,226	\$ 8,206	\$ 9,190
Public safety	5,244	5,102	5,128	5,295	5,759
Public works	1,157	3,566	3,305	3,467	4,461
Community services	2,166	2,137	1,119	723	2,177
Community development	1,232	1,025	1,004	1,149	1,735
Operating grants and contributions	9,853	11,678	13,151	22,366	19,997
Capital grants and contributions	2,195	8,281	2,301	1,288	1,007
Total revenues for governmental activities	<u>29,521</u>	<u>40,266</u>	<u>34,234</u>	<u>42,494</u>	<u>44,326</u>
Business-type Activities:					
Charges for services:					
Water	18,026	17,711	18,132	18,875	18,197
Golf	2,947	2,853	2,687	4,248	4,508
Sewer and Storm Drain	1,507	1,471	1,477	1,497	1,521
Operating grants and contributions	388	-	-	-	-
Total revenues for business-type activities	<u>22,868</u>	<u>22,035</u>	<u>22,296</u>	<u>24,620</u>	<u>24,226</u>
Total revenues for primary government	<u>\$ 52,389</u>	<u>\$ 62,301</u>	<u>\$ 56,530</u>	<u>\$ 67,114</u>	<u>\$ 68,552</u>
Net (Expenses)/Revenues:					
Governmental activities	\$ (87,001)	\$ (84,122)	\$ (98,819)	\$ (94,218)	\$ (72,258)
Business-type activities	(13)	1,368	716	8,743	3,099
Total net position for primary government	<u>\$ (87,014)</u>	<u>\$ (82,754)</u>	<u>\$ (98,103)</u>	<u>\$ (85,475)</u>	<u>\$ (69,159)</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)

	2012-13	2013-14	2014-15	2015-16	2016-17
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 21,116	\$ 21,842	\$ 23,152	\$ 24,709	\$ 25,378
Transient occupancy taxes	1,219	1,315	1,317	1,629	1,701
Sales and use taxes	11,925	11,395	17,062	20,039	24,606
Property tax in lieu of sales and use taxes	3,732	4,385	4,231	3,349	2,106
Franchise taxes	2,303	2,282	2,257	2,625	2,433
Utility taxes	7,170	7,562	7,595	7,229	7,065
Other taxes	1,426	1,633	1,661	1,903	1,898
Earning on investments	267	5,189	3,343	3,738	1,089
Gain/(loss) on sales of capital assets	-	-	-	45	(112)
Miscellaneous	2,782	16,321	7,201	4,759	4,806
Transfer-in	1,629	1,311	1,777	1,359	1,051
Total governmental activities	<u>53,569</u>	<u>73,235</u>	<u>69,596</u>	<u>71,384</u>	<u>72,021</u>
Business-type Activities:					
Sales taxes	4,310	4,685	-	-	-
Earning on investments	164	489	458	519	300
Gain/(loss) on sales of capital assets	2	-	-	39	(1)
Miscellaneous	135	648	2,291	970	27
Transfer-in	(1,629)	(1,311)	(1,777)	(1,359)	(1,050)
Total business-type activities	<u>2,982</u>	<u>4,511</u>	<u>972</u>	<u>169</u>	<u>(724)</u>
Total primary government	<u>\$ 56,551</u>	<u>\$ 77,746</u>	<u>\$ 70,568</u>	<u>\$ 71,553</u>	<u>\$ 71,297</u>
Changes in Net Position					
Governmental activities	\$ 53,569	\$ 9,250	\$ 69,596	\$ 71,384	\$ (14,980)
Business-type activities	2,982	10,224	972	169	(737)
Total net position for primary government	<u>\$ 56,551</u>	<u>\$ 19,474</u>	<u>\$ 70,568</u>	<u>\$ 71,553</u>	<u>\$ (15,717)</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)

	2017-18	2018-19	2019-20	2020-21	2021-22
General Revenues and Other Changes in Net Position:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 26,976	\$ 28,817	\$ 30,184	\$ 32,209	\$ 32,699
Transient occupancy taxes	1,705	1,537	1,348	1,298	1,769
Sales and use taxes	26,993	31,673	30,055	32,777	37,791
Property tax in lieu of sales and use taxes	9,154	10,384	9,937	11,192	12,421
Franchise taxes	2,670	2,778	2,854	2,981	3,284
Utility taxes	6,735	6,411	6,303	6,617	10,394
Other taxes	2,128	2,516	2,404	2,012	2,101
Earning on investments	1,682	4,173	3,481	1,416	48
Gain/(loss) on sales of capital assets	-	1,345	4,712	91	9,029
Miscellaneous	5,639	4,396	4,263	4,708	4,334
Transfer-in	148	153	205	898	351
Extraordinary gain		14,263	-	-	-
Total governmental activities	<u>83,830</u>	<u>108,446</u>	<u>95,746</u>	<u>96,199</u>	<u>114,221</u>
Business-type Activities:					
Earning on investments	500	1,076	779	138	(149)
Gain/(loss) on sales of capital assets	-	14	-	16	6
Miscellaneous	176	249	202	477	397
Transfer-in	(147)	(153)	(205)	(898)	(351)
Total business-type activities	<u>529</u>	<u>1,186</u>	<u>776</u>	<u>(267)</u>	<u>(97)</u>
Total primary government	<u>\$ 84,359</u>	<u>\$ 109,632</u>	<u>\$ 96,522</u>	<u>\$ 95,932</u>	<u>\$ 114,124</u>
Changes in Net Position					
Governmental activities	\$ (3,171)	\$ 24,324	\$ (3,073)	\$ 1,981	\$ 41,963
Business-type activities	516	2,554	1,492	8,476	3,002
Total net position for primary government	<u>\$ (2,655)</u>	<u>\$ 26,878</u>	<u>\$ (1,581)</u>	<u>\$ 10,457</u>	<u>\$ 44,965</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)

	2012-13	2013-14	2014-15	2015-16	2016-17
General Fund:					
Nonspendable	\$ 7,118	\$ 7,146	\$ 7,592	\$ 7,609	\$ 7,413
Restricted	4,793	4,877	-	-	-
Assigned	-	15,689	17,578	20,003	20,003
Unassigned	6,438	7,401	11,922	10,662	7,894
Total general fund	<u>\$ 18,349</u>	<u>\$ 35,113</u>	<u>\$ 37,092</u>	<u>\$ 38,274</u>	<u>\$ 35,310</u>
All Other Governmental Funds:					
Nonspendable	\$ 6,845	\$ -	\$ 3,279	\$ 11	\$ 11
Restricted	5,086	9,683	6,237	13,935	14,480
Assigned	6,671	6,298	5,092	2,073	3,295
Unassigned	(142)	(525)	760	(2,189)	(3,686)
Total all other governmental funds	<u>\$ 18,460</u>	<u>\$ 15,456</u>	<u>\$ 15,368</u>	<u>\$ 13,830</u>	<u>\$ 14,100</u>

Notes:

1. GASB Statement #54 was implemented in 2011; prior years have no comparable data.

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

CITY OF DOWNEY

FUND BALANCES OF GOVERNMENTAL FUNDS
(amounts expressed in thousands)

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2017-18	2018-19	2019-20	2020-21	2021-22
General Fund:					
Nonspendable	\$ 8,308	\$ 8,503	\$ 8,240	\$ 8,093	\$ 6,882
Unassigned	25,553	29,732	25,896	26,355	46,580
Total general fund	<u>\$ 33,861</u>	<u>\$ 38,235</u>	<u>\$ 34,136</u>	<u>\$ 34,448</u>	<u>\$ 53,462</u>
All Other Governmental Funds:					
Restricted	\$ 65,680	\$ 62,336	\$ 26,797	\$ 18,513	\$ 45,418
Assigned	3,490	3,362	4,392	4,412	4,552
Unassigned	(1,774)	(1,565)	(4,527)	(5,824)	(5,751)
Total all other governmental funds	<u>\$ 67,396</u>	<u>\$ 64,133</u>	<u>\$ 26,662</u>	<u>\$ 17,101</u>	<u>\$ 44,219</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)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenues:					
Taxes	\$ 50,163	\$ 52,054	\$ 57,363	\$ 61,521	\$ 65,130
License and permits	1,171	1,390	1,726	2,173	1,999
Fines and forfeitures	1,362	1,435	1,512	1,856	2,851
Investment and rental	750	4,785	1,784	2,046	1,497
Intergovernmental revenue	8,469	9,846	14,945	17,304	15,333
Charges for services	11,209	12,379	12,280	14,094	14,213
Other revenue	3,901	16,401	5,883	6,119	6,183
Total revenues	<u>77,025</u>	<u>98,290</u>	<u>95,493</u>	<u>105,113</u>	<u>107,206</u>
Expenditures:					
Current:					
General government	6,533	12,660	10,789	12,091	11,387
Public safety	43,917	44,837	46,683	51,103	56,712
Public works	5,535	10,040	12,983	14,431	14,707
Community services	8,012	4,990	5,862	6,413	8,540
Community development	5,816	4,013	4,412	6,097	5,430
Capital outlay	5,381	6,593	13,264	16,794	13,272
Debt service:					
Principal	250	250	645	460	611
Interest and fiscal charges	51	38	975	1,630	1,652
Total expenditures	<u>75,495</u>	<u>83,421</u>	<u>95,613</u>	<u>109,019</u>	<u>112,311</u>
Excess of revenues over (under) expenditures	<u>1,530</u>	<u>14,869</u>	<u>(120)</u>	<u>(3,906)</u>	<u>(5,105)</u>
Other Financing Sources (Uses):					
Transfers in	4,219	3,926	9,118	9,210	5,820
Transfers out	(4,735)	(5,709)	(8,341)	(7,823)	(4,770)
Sale of property	248	-	-	-	-
Issuance of debt	-	600	-	668	705
Sale of capital assets	-	-	350	2,163	700
Total other financing sources (uses)	<u>(268)</u>	<u>(1,183)</u>	<u>1,127</u>	<u>4,218</u>	<u>2,455</u>
Special Item: Pension contribution due to bond issuance					
Extraordinary Gain	<u>530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,792	13,686	1,007	312	(2,650)
Fund balances - July 1	<u>35,017</u>	<u>36,883</u>	<u>52,747</u>	<u>51,793</u>	<u>52,060</u>
Fund balances - June 30	<u>36,809</u>	<u>50,569</u>	<u>53,754</u>	<u>52,105</u>	<u>49,410</u>
Debt service as a percentage of noncapital expenditures	0.42%	0.37%	1.97%	2.22%	2.30%

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)

	2017-18	2018-19	2019-20	2020-21	2021-22
Revenues:					
Taxes	\$ 76,104	\$ 84,299	\$ 82,993	\$ 89,097	\$ 100,213
License and permits	1,837	1,486	1,536	1,681	1,781
Fines and forfeitures	3,051	3,456	3,586	3,469	3,725
Investment and rental	1,918	4,769	3,726	1,416	48
Intergovernmental revenue	12,167	13,325	13,615	23,742	20,477
Charges for services	13,262	13,535	12,104	12,093	15,924
Other revenue	6,954	12,579	5,819	6,305	6,226
Total revenues	<u>115,293</u>	<u>133,449</u>	<u>123,379</u>	<u>137,803</u>	<u>148,394</u>
Expenditures:					
Current:					
General government	10,786	11,649	13,661	10,822	13,424
Public safety	58,694	62,543	65,129	70,062	65,372
Public works	13,835	11,781	13,565	13,812	14,453
Community services	9,263	11,950	10,295	8,178	9,261
Community development	7,236	6,929	5,969	8,586	6,534
Capital outlay	8,309	36,176	58,254	29,345	26,733
Debt service:					
Principal	681	2,844	2,822	3,346	5,230
Interest and fiscal charges	2,696	3,513	2,958	3,447	6,669
Total expenditures	<u>111,500</u>	<u>147,385</u>	<u>172,653</u>	<u>147,598</u>	<u>147,676</u>
Excess of revenues over (under) expenditures	<u>3,793</u>	<u>(13,936)</u>	<u>(49,274)</u>	<u>(9,795)</u>	<u>718</u>
Other Financing Sources (Uses):					
Transfers in	5,552	11,126	11,455	18,734	12,829
Transfers out	(6,216)	(5,148)	(11,250)	(17,336)	(12,604)
Proceeds from long-term debt	51,949	3,000	-	-	-
Capital Leases	-	3,433	192	356	854
Issuance of debt	744	-	-	108,446	30,465
Sale of capital assets	-	2,514	5,404	-	13,870
Total other financing sources (uses)	<u>52,028</u>	<u>14,925</u>	<u>5,801</u>	<u>110,200</u>	<u>45,414</u>
Special Item: Pension contribution due to bond issuance	-	-	-	(107,814)	-
Net change in fund balances	55,821	989	(43,473)	(7,409)	46,132
Fund balances - July 1	<u>45,436</u>	<u>101,378</u>	<u>102,367</u>	<u>58,958</u>	<u>51,549</u>
Fund balances - June 30	<u>\$ 101,257</u>	<u>\$ 102,367</u>	<u>\$ 58,894</u>	<u>\$ 51,549</u>	<u>\$ 97,681</u>
Debt service as a percentage of noncapital expenditures	3.26%	5.76%	4.56%	4.26%	10.05%

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)
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%
2021-22	13,984,192	1,620	870,497	13,115,315	396,894	1,643	395,251	13,510,566	2.85%

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

	2012-13	2013-14	2014-15	2015-16	2016-17
Residential	\$ 6,813,822	\$ 7,042,493	\$ 7,393,326	\$ 7,803,812	\$ 8,284,859
Commercial	1,102,810	1,131,294	1,144,938	1,191,137	1,277,960
Industrial	365,085	396,484	378,085	312,043	321,456
Government owned					620
Institutional	55,963	62,578	65,961	66,176	70,995
Miscellaneous	13	13	2,458	1,012	1,027
Recreational	25,643	25,780	25,860	26,516	31,953
Unknown	487	3,384	499	509	517
Vacant Land	46,386	44,154	59,703	67,132	61,299
SBE Nonunitary	560	560	560	560	560
Possessory Int.	118,890	130,482	132,961	-	138,570
Unsecured	291,256	260,999	321,263	394,680	395,266
Exempt	-	-	-	(83,552)	(82,326)
TOTALS	\$ 8,820,915	\$ 9,098,221	\$ 9,525,614	\$ 9,863,577	\$ 10,585,082
Total Direct Rate	0.1815%	0.1387%	0.1399%	0.1393%	0.1396%

Note: Exempt values are not included in Total.

CITY OF DOWNEY

ASSESSED VALUE OF TAXABLE PROPERTY
(amounts expressed in thousands)

Last Ten Fiscal Years

	2017-18	2018-19	2019-20	2020-21	2021-22
Residential	\$ 8,709,975	\$ 9,232,913	\$ 9,738,633	\$ 10,218,058	\$ 10,585,620
Commercial	1,400,109	1,447,981	1,617,909	1,690,314	1,681,952
Industrial	334,314	396,068	394,148	426,171	450,432
Government owned	632	1,025	1,178	1,202	1,078
Institutional	76,903	96,087	72,370	86,243	90,881
Miscellaneous	3,549	3,619	3,692	3,765	3,804
Recreational	32,592	98,867	99,407	101,478	96,659
Unknown	527	0	0	0	0
Vacant Land	46,663	39,308	42,486	41,149	53,494
SBE Nonunitary	1,011	1,011	1,011	1,011	1,620
Possessory Int.	140,024	136,628	140,933	145,026	149,775
Unsecured	379,260	311,363	411,983	421,904	395,251
Exempt	(82,336)	(82,245)	(82,245)	(81,846)	(81,558)
TOTALS	\$ 11,125,559	\$ 11,764,870	\$ 12,523,750	\$ 13,136,321	\$ 13,510,566
Total Direct Rate	0.1396%	0.1401%	0.1411%	0.1419%	0.1414%

Note: Exempt values are not included in Total.

CITY OF DOWNEY

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

Last Ten Fiscal Years

	2012-13	2013-14	2014-15	2015-16	2016-17
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	0.02594	0.02502	0.04809	0.04829	0.04698
Compton Community College Dist	0.01531	0.00963	0.00987	0.00926	0.00920
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Downey Unified School District	0.07132	0.06603	0.06549	0.11466	0.11473
LA Community College District	0.04875	0.04454	0.04017	0.03575	0.03596
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.06942	0.08537	0.07964	0.06522	0.07527
Los Angeles Unified School District	0.17561	0.14644	0.14688	0.12971	0.13110
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Montebello Unified School District	0.09630	0.09457	0.08750	0.08715	0.14705
Norwalk-La Mirada Unified	0.06997	0.07238	0.07063	0.14114	0.13400
Rio Hondo Community College Dist	0.02812	0.02892	0.02821	0.02712	0.02808
Whittier Union High School Dist	0.04556	0.04473	0.05270	0.05063	0.06035
Total Voter Approved Rate	0.64980	0.62113	0.63268	0.71244	0.78621
TOTAL DIRECT & OVERLAPPING2 TAX RATE	1.64980	1.62113	1.63268	1.71244	1.78621
Rate producing Revenue for City and Redevelopment Agency (RDA)					
City General Fund Direct Rate 3	0.013973	0.013973	0.013973	0.013973	0.013973
Total Direct Rate5	0.18154	0.13874	0.13902	0.13929	0.13960

Notes:

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

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

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

4. Redevelopment Rate is based on the largest RDA tax rate area (KA) 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 2017/18 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

	2017-18	2018-19	2019-20	2020-21	2021-22
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	0.04370	0.04446	0.44490	0.04348	0.04251
Compton Community College Dist	0.00954	0.02335	0.02323	0.00899	0.00906
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000	0.00000
Downey Unified School District	0.10538	0.10113	0.09708	0.08771	0.09504
LA Community College District	0.04599	0.04621	0.02717	0.04016	0.04376
LA County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Little Lake City School District	0.07876	0.07611	0.06532	0.06606	0.06200
Los Angeles Unified School District	0.12219	0.12323	0.12552	0.13993	0.11323
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Montebello Unified School District	0.13514	0.13921	0.09306	0.09706	0.09031
Norwalk-La Mirada Unified	0.13818	0.13425	0.14019	0.12220	0.14250
Rio Hondo Community College Dist	0.02748	0.02554	0.02571	0.01361	0.01526
Whittier Union High School Dist	0.05781	0.05822	0.05502	0.05433	0.05395
Total Voter Approved Rate	0.76768	0.77521	1.10070	0.67703	0.67112
TOTAL DIRECT & OVERLAPPING2 TAX RATE	1.76768	1.77522	1.70029	1.66702	1.67113
Rate producing Revenue for City and Redevelopment Agency (RDA)					
City General Fund Direct Rate 3	0.013973	0.13973	0.13973	0.13973	0.13973
Total Direct Rate5	0.13959	0.14013	0.14112	0.14185	0.14142

Notes:

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

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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	2021-22		2012-13	
	Taxable Assessed Value	% of Total City Taxable Assessed Value	Taxable Assessed Value	% of Total City Taxable Assessed Value
US VI Downey LLC	\$ 177,258	1.31%	\$ -	-
Gary L. Ball Trust	119,168	0.88%	102,695	1.16%
Downey Landing LLC	103,852	0.77%	68,542	0.78%
PRC Multi-Family LLC	92,005	0.68%	31,651	0.36%
Reyes Coca-Cola Bottling LLC	90,024	0.67%	92,550	1.05%
Macerich Stonewood LLC	64,118	0.47%	54,531	0.62%
Kaiser Foundation Health Plan, Inc.	56,597	0.42%	98,205	1.11%
Lone Oak-Downey, LLC	54,262	0.40%	-	0.00%
Fremont Rancho Limited	50,482	0.37%	43,504	0.49%
Hall Stewart and Gray Road LLC	49,405	0.37%	-	0.00%
Top Ten Total	<u>857,171</u>	<u>6.34%</u>	<u>491,678</u>	<u>5.57%</u>

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

CITY OF DOWNEY

PROPERTY TAX LEVIES AND COLLECTIONS
(amounts expressed in thousands)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Current Tax Collected Amount	Percent of Levy Collected	Collections in Subsequent Fiscal Year	Total Collections to Date	
					Tax Collected Amount	Percent of Total Tax Collections
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%
2021-22	18,465	17,798	96.39%	14	17,812	96.46%

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	Finance Purchase Agreement*	Other			
2012-13	19,260	-	13,353	32,613	7,149	-	39,762	1577.1%	354
2013-14	18,933	-	13,893	32,826	6,783	-	39,609	1530.8%	351
2014-15	18,545	-	13,949	32,494	5,875	-	38,369	2349.6%	537
2015-16	18,092	-	16,165	34,257	5,480	-	39,737	2719.7%	625
2016-17	17,569	-	16,630	34,199	5,070	-	39,269	1495.8%	344
2017-18	67,580	-	17,470	85,050	4,645	281	89,976	3404.6%	790
2018-19	64,691	-	9,321	74,012	4,200	213	78,425	2840.1%	687
2019-20	62,368	-	9,168	71,536	3,740	144	75,420	2594.2%	660
2020-21	168,675	-	8,593	177,268	3,265	4,581	185,114	5990.5%	1,631
2021-22	194,809	-	7,811	202,620	2,770	4,509	209,899	6165.0%	1,864

* Finance purchase agreement was issued to prepay the 2002 Certificates of Participation

CITY OF DOWNEY

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

Last Ten Fiscal Years

Calendar Year	Population	Assessed Value (in thousands)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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	177,268	-	177,268	1349.5%	159.1%
2021-22	112,584	13,511	202,620	-	202,620	1499.7%	180.0%

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

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CITY OF DOWNEY

SCHEDULE OF DIRECT AND OVERLAPPING DEBT

June 30, 2022

City Assessed Valuation	\$ 13,510,566,910
Incremental Valuation	(846,242,237)
Total Assessed Valuation	<u>\$ 12,664,324,673</u>

Debt to Assessed Valuation Ratios:	Direct Debt	1.60%
	Overlapping Debt	2.73%
	Total Debt	4.33%

	Gross Bonded Debt Balance 6/30/2022	Percent Applicable to City of Downey	Net Bonded Debt
Metropolitan Water District*	\$ 9,835,780	0.818	\$ 80,408
Little Lake City SD DS 00SR D-1QSCBS	4,440,000	3.486	154,765
Little Lake City SD DS 2011 Refunding Bond	999,901	3.486	34,854
Little Lake City SD DS 2012 Series A	7,370,000	3.486	256,896
Little Lake City SD DS 2014 Ref Bonds Series A	4,140,000	3.486	144,308
Little Lake City SD DS 2014 Ref Bonds Series B	2,470,000	3.486	86,097
Little Lake City SD DS 2012 Series B	11,260,000	3.486	392,490
Whittier UN High DS 2008 Series 2014B	4,995,682	0.589	29,417
Whittier UN High DS 2008 Series 2015C	6,190,000	0.589	36,450
Whittier UN High DS 2015 Ref Bonds	20,080,000	0.589	118,241
Whittier UN High DS 2016 Ref Bonds	111,533,679	0.589	656,766
Cerritos CCD DS 2004 Series 2012D	30,896,885	24.033	7,425,363
Cerritos CCD DS 2012 Series 2014A	73,900,000	24.033	17,760,183
Cerritos CCD DS 2014 Refunding Bonds Series A	72,380,000	24.033	17,394,885
Cerritos CCD DS 2014 Refunding Bonds Series B	5,255,000	24.033	1,262,920
Cerritos CCD DS 2012 Series 2018B	52,770,000	24.033	12,682,068
Cerritos CCD DS 2012 Series 2019C	93,325,000	24.033	22,428,539
Cerritos CCD DS 2020 Ref Bonds	51,350,000	24.033	12,340,804
Cerritos CCD DS 2012 Series 2021D	75,000,000	24.033	18,024,543
Compton CCD DS 2002 Series 2012C	5,382,720	0.654	41,774
Compton CCD DS 2012 Ref Bonds	2,095,000	0.654	13,711
Compton CCD DS 2002 Series 2013D	149,624	0.654	979
Compton CCD DS 2014 Ref	5,770,000	0.654	37,763
Compton CCD DS 2015 Ref Bonds	5,300,000	0.654	34,687
Compton CCD DS 2014 Series A	16,035,000	0.654	104,946
Compton CCD DS 2002 Series 2018E	10,145,677	0.654	66,401
Compton CCD DS 2020 Ref Bonds Series A	79,945,000	0.654	523,223
LA CCD DS 2003 Taxable Series 2004B	2,115,000	0.002	50
LA CCD DS 2001 Taxable Series 2004A	31,555,000	0.002	743
LA CCD DS 2008, 2009 Taxable Series B	75,000,000	0.002	1,767
LA CCD DS 2008, 2010 Taxable Series D	125,000,000	0.002	2,945
LA CCD Debt 2008, 2010 Tax Ser E (BABS)	900,000,000	0.002	21,203
LA CCD DS 2013	13,000,000	0.002	306
LA CCD DS 2013 Ref Bonds	8,380,000	0.002	197
LA CCD DS 2008 Series G	30,765,000	0.002	725
LA CCD DS 2015 Ref Series A	144,260,000	0.002	3,399
LA CCD DS 2015 Ref Series B	14,965,000	0.002	353
LA CCD DS 2015 Ref Series C	178,565,000	0.002	4,207
LA CCD DS 2008 Series I	184,220,000	0.002	4,340
LA CCD DS 2008 Series J	173,020,000	0.002	4,076
LA CCD DS 2016 Ref Bonds	239,880,000	0.002	5,651
LA CCD DS 2020 Ref Bonds	1,750,350,000	0.002	41,237
LA CCD DS 2016 Series C	275,440,000	0.002	6,489
Rio Hondo CCD DS Ref 2004 2019 Series B	113,112,824	0.377	426,512
Downey Unified DS Refunding 1999 Series A	1,730,256	91.665	1,586,036
Downey USD DS 2007 Refunding Bonds	9,335,000	91.665	8,556,910
Downey USD DS 2014 Series A	34,935,000	91.665	32,023,101
Downey USD DS 2015 Ref Bonds	2,940,000	91.665	2,694,945
Downey USD DS 2016 Ref Bonds	4,565,000	91.665	4,184,499
Downey USD DS 2014 Series B	116,900,000	91.665	107,156,162
Downey USD DS 2014 Series C	9,997,984	91.665	9,164,633
Downey USD DS 2021 Ref Bonds	73,270,000	91.665	67,162,806
Montebello USD DS 1998 Series 1998	1,352,514	0.121	1,635
Montebello USD DS 1998 Series 1999	1,659,946	0.121	2,007
Montebello USD DS 1998 Series 2001	2,156,550	0.121	2,607
Montebello USD DS 1998 Series 2004	4,509,982	0.121	5,452
Montebello USD DS 1998 Series 2002	3,683,332	0.121	4,453
Montebello USD DS Ref 2004 Series 2013A	13,815,000	0.121	16,701
Montebello USD DS Ref Bond Series 2015	25,065,000	0.121	30,302
Montebello USD DS Ref Bonds 2016 Series A	12,200,000	0.121	14,749
Montebello USD DS 2016 Series A	91,520,000	0.121	110,641
Total Overlapping Debt			345,375,321
Total Direct Debt			202,620,249
Total Direct and Overlapping Debt			<u>\$ 547,995,570</u>

Notes:

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

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

2. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF DOWNEY

SCHEDULE OF LEGAL DEBT MARGIN
(amounts expressed in thousands)

Last Ten Fiscal Years

	2012-13	2013-14	2014-15	2015-16	2016-17
Assessed Valuation	\$ 8,646,847	\$ 8,820,915	\$ 9,525,614	\$ 9,998,371	\$ 10,585,083
Charter Debt Limited (15% of Assessed Valuation)	1,297,027	1,323,137	1,428,842	1,499,756	1,587,762
Legal Debt Margin	<u>\$ 1,297,027</u>	<u>\$ 1,323,137</u>	<u>\$ 1,428,842</u>	<u>\$ 1,499,756</u>	<u>\$ 1,587,762</u>
Total Debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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

CITY OF DOWNEY

SCHEDULE OF LEGAL DEBT MARGIN
(amounts expressed in thousands)

Last Ten Fiscal Years

	2017-18	2018-19	2019-20	2020-21	2021-22
Assessed Valuation	\$ 11,125,558	\$ 11,764,870	\$ 12,523,750	\$ 13,136,321	\$ 13,510,567
Charter Debt Limited (15% of Assessed Valuation)	1,668,834	1,764,731	1,878,563	1,970,448	2,026,585
Legal Debt Margin	<u>\$ 1,668,834</u>	<u>\$ 1,764,731</u>	<u>\$ 1,878,563</u>	<u>\$ 1,970,448</u>	<u>\$ 2,026,585</u>
Total Debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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

CITY OF DOWNEY

GOLF COURSE REVENUE COVERAGE
(amounts expressed in thousands)

Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
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	4,313	2,991	1,322	475	130	605	2.19
2021-22	4,694	2,978	1,716	495	112	607	2.83

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

CITY OF DOWNEY
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
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%
2021	112,584	3,404,669	30,241	8.9%

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CITY OF DOWNEY

PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior

Employer	2021-22		2012-13	
	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	1,800	4.75%	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	703	1.85%	-	-
Lakewood Health Center	400	1.05%	325	0.60%

CITY OF DOWNEY

FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	2012-13	2013-14	2014-15	2015-16	2016-17
General Government	33	31	32	36	38
Police	166	167	161	166	166
Fire	86	94 ¹	98 ²	89	94
Community Services	337	379	469 ³	477	373
Public Works	83	74	76	81	79
Community Development	30	21	21	21	21
Total	<u>735</u>	<u>766</u>	<u>857</u>	<u>870</u>	<u>771</u>

Notes:

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

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

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

CITY OF DOWNEY

FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function	2017-18	2018-19	2019-20	2020-21	2021-22
General Government	39	41	40	40	38
Police	181	189	195	188	185
Fire	115	105	125	120	113
Community Services	441	402	369	249	275
Public Works	79	81	83	83	72
Community Development	23	23	22	20	20
Total	878	841	834	700	703

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

	2012-13	2013-14	2014-15	2015-16	2016-17
Police:					
Number of arrests	3,376	3,368	3,942	3,947	3,498
Number of collision reports issued	1,135	1,170	1,199	1,280	1,112
Number of traffic citations issued	32,031	35,643	16,008	14,696	14,111
Number of reported crimes & incidents	9,759	8,198	9,331	9,729	8,576
Fire:					
Number of emergency incidents	6,979	6,996	7,346	8,081	7,915
Number of fire & other incidents	1,268	1,363	1,339	1,635	1,689
Number of special service & other incidents	171	312	410	374	449
Number of traffic accidents	812	853	1,026	1,121	1,073
Parks and Recreation:					
Number of general park attendance	954,696	1,404,361	1,652,469	2,004,311	1,620,000
Number of participants in theatre	47,943	42,219	45,869	51,762	45,500
Number of library attendance	356,586	363,640	360,211	371,625	326,941
Public works:					
Engineering (CIP related improvement)					
Street striping (lineal feet)	5,798	39,750	39,218	55,392	93,640
Asphalt replacement (tons)	5,201	21,484	19,998	30,728	39,730
Trees planted (each)	n/a	n/a	437	105	118
Trees removed (each)	151	220	100	332	89
Maintenance					
Pavement markings (square feet)	35,038	57,229	38,485	24,985	48,070
Street striping (linear feet)	260,463	29,751	8,721	2,084	803,231
Asphalt repair (tons)	403	375	403	422	450
Graffiti removed (square feet)	633,950	645,000	676,623	752,655	581,479
Trees trimmed (each)	5,820	8,169	3,677	8,034	8,889
Trees planted (each)	123	204	81	95	473
Trees removed (each)	618	228	205	185	145
Vehicles serviced - preventative maintenance (each)	1,332	455	1,604	1,494	550
Vehicles serviced - repairs (each)	849	660	656	547	646
Water:					
Number of customers	23,486	22,961	23,039	23,341	23,314
Annual supply (acre feet)	17,215	17,279	15,768	13,911	14,352
Maximum daily capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000
Sanitary Sewer:					
Sewer main cleaned (no. of miles)	57	45	35	70	78
Vector coating applied to sewer manholes	1,650	1,350	1,650	25	1,650
Golf course:					
Golf rounds played	66,276	60,152	52,828	58,576	65,658

CITY OF DOWNEY

OPERATING INDICATORS

Last Ten Fiscal Years

	2017-18	2018-19	2019-20	2020-21	2021-22
Police:					
Number of arrests	3,471	4,516	3,016	2,464	2,535
Number of collision reports issued	1,023	1,055	1,075	831	957
Number of traffic citations issued	14,085	16,017	13,004	13,175	12,048
Number of reported crimes & incidents	12,839	9,736	7,555	7,625	8,834
Fire:					
Number of emergency incidents	8,114	8,054	9,027	8,314	8,916
Number of fire & other incidents	1,424	1,335	1,260	1,161	1,748
Number of special service & other incidents	416	377	464	395	345
Number of traffic accidents	907	1,004	632	475	581
Parks and Recreation:					
Number of general park attendance	1,954,297	1,950,000	2,250,000	1,764,865	2,592,959
Number of participants in theatre	107,130	110,000	115,000	0	97,092
Number of library attendance	320,311	181,821	0	11,629	150,030
Public works:					
Engineering (CIP related improvement)					
Street striping (lineal feet)	40,205	19,805	887,509	4,360	69,101
Asphalt replacement (tons)	23,150	11,957	28,566	18,923	73,658
Trees planted (each)	106	16	214	138	35
Trees removed (each)	46	0	19	26	156
Maintenance					
Pavement markings (square feet)	41,640	12,386	7,154	2,639	2,933
Street striping (linear feet)	792	0	896	0	0
Asphalt repair (tons)	417	274	355	311	256
Graffiti removed (square feet)	568,449	378,070	408,418	444,339	390,236
Trees trimmed (each)	8,220	8,873	8,646	7,183	6,990
Trees planted (each)	129	544	2,034	117	81
Trees removed (each)	124	239	212	122	205
Vehicles serviced - preventative maintenance (each)	1,031	1,113	921	827	836
Vehicles serviced - repairs (each)	532	537	379	267	272
Water:					
Number of customers	23,336	23,482	23,555	23,010	23,044
Annual supply (acre feet)	14,796	14,298	13,802	14,289	14,456
Maximum daily capacity (thousands of gallons)	40,000	40,000	40,000	40,000	40,000
Sanitary Sewer:					
Sewer main cleaned (no. of miles)	77	91	85	86	100
Vector coating applied to sewer manholes	1,650	1,650	1,650	1,750	1,800
Golf course:					
Golf rounds played	63,574	63,500	62,000	85,027	86,645

CITY OF DOWNEY

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function	2012-13	2013-14	2014-15	2015-16	2016-17
Public Safety					
Number of Police stations	1	1	1	1	1
Number of Fire stations	4	4	4	4	4
Highways and streets					
Miles of streets	210	210	210	210	210
Traffic signals	116	116	116	116	116
No. of street lights	5,430	5,430	5,430	5,430	5,430
Water					
Number of active water wells	20	20	20	20	20
Number of reservoirs	1	1	1	1	1
Miles of lines & mains	276	276	276	276	276
Sewer					
Miles of sanitary sewer	187	187	193	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

Function	2017-18	2018-19	2019-20	2020-21	2021-22
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	215
Traffic signals	116	116	116	118	118
No. of street lights	5430	5430	5436	5440	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	1	1	1	1	1
Culture and Recreation					
Number of parks	12	12	12	12	13
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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