

City of Davis

Comprehensive

Annual Financial Report

For the Fiscal Year Ended June 30, 2009



CITY OF DAVIS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

PREPARED BY
FINANCE DEPARTMENT

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CITY OF DAVIS, CALIFORNIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009

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FINANCE DEPARTMENT

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Accounts Payable & Payroll – 530/757-5615 – FAX: 530/758-0204
Utilities, Business Licenses & Citations: 530/757-5651 – TDD 530/757-5666



December 1, 2009

Honorable Mayor and City Council
City of Davis
Davis, California

I hereby submit the Comprehensive Annual Financial Report (CAFR) of the City of Davis for the Fiscal Year ended June 30, 2009. This report was prepared by the City Manager's Office and responsibility for both the accuracy of the presented data and the completeness and fairness of its presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The City is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. The City's Single Audit for Fiscal Year 2008-2009 will be completed shortly and a separate Single Audit Report will be prepared.

This report includes information for all funds of the City of Davis. The City provides services to its citizens in the areas of public safety; community development; water, waste water and sanitation utilities; transportation, recreation, cultural and social assistance, as well as general government activities. In addition, the City Council of the City of Davis has financial responsibility and accountability for the following legally separate entities: Redevelopment Agency of the City of Davis, City of Davis Public Facilities Financing Authority and Community Facilities District 1991-2 (Mace Ranch). Financial information on these entities has, therefore, been included in this report.

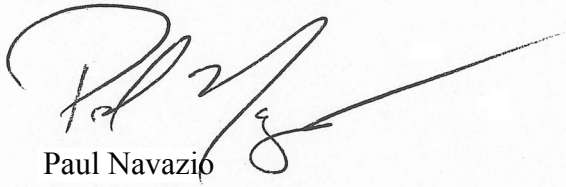
Included as a part of this letter are a series of attachments which provide important information regarding the operations, economic environment and financial position of the City. The attachments are:

Attachment A	Governmental Structure, Local Economic Condition and Outlook
Attachment B	Highlights and Accomplishments
Attachment C	Financial Information
Attachment D	Other Information



The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire Finance Division staff. Each member of the Division has our appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Navazio', with a long, sweeping horizontal line extending to the right.

Paul Navazio
Assistant City Manager

ATTACHMENT A

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City of Davis is a general law city and employs the Council/Manager form of government. The City Council is comprised of five council members. One of these serves as the Mayor and another as the Mayor Pro Tempore. Council members are elected for an overlapping four-year term on a citywide basis (called “at large”). The member elected with the greatest number of votes serves as Mayor Pro Tem for the first two years of their term and Mayor for the last two years of their term. The City Council acts as the legislative and policy-making body. Council appoints the City Manager and awards the contract for City Attorney services. The City Manager is the chief administrator, is responsible for hiring department directors, oversees the work of City staff in implementing the policies and priorities of the City Council, and the provision of services to the community.

The City of Davis is a university and residential community internationally known for its commitment to implementing progressive and innovative programs. Located just 13 miles west of the State Capital in Sacramento, the center of State government operations, and home to the University of California, Davis, the City’s local economy has traditionally mirrored employment trends in these two institutions.

UC Davis represents, by far, the largest employer in the Davis area with approximately 30,000 full time and part-time employees. The university has approximately 31,000 students enrolled; however, University officials expect an increase in student demand in the next several years. A number of significant infrastructure projects are being undertaken on the campus to prepare for this growth. Joint efforts between university and City officials in land use and infrastructure planning have received greater emphasis to ensure that the campus and the community can accommodate the growing student population, in terms of both housing needs and provision of services.

UC Davis has been estimated to contribute over \$2.5 billion annually to the regional economy. Besides its impact as an academic institution, the university is an acknowledged international leader in agricultural, biological, biotechnological and environmental science and has increased its efforts at strengthening ties with private industry. Mutually beneficial university-private relationships are encouraged and UC Davis is becoming an increasingly valuable “drawing card” for economic development efforts in the community and the region.

Like many regions across the state, the Sacramento Valley is witnessing severe impacts from the current recession. Buoyed by strong population growth and rising property values, the area was among the fastest growing regions over the past decade. However, fallout from the housing market collapse, combined with a general downturn in the economy, has resulted in a major revision to revenue forecasts for all public agencies that rely so heavily on property and sales tax revenues.

Sacramento had witnessed among the higher percentage gains in population, employment, income, and retail sales than any other region in the State over the last several years. The region

has emerged as a center for high-tech manufacturing and research & development firms. Back-office operations for large San Francisco Bay Area firms have also been moving into the Sacramento region with its lower land cost, access to labor pool, and relative earthquake safety, often cited as advantages of the region. While the duration and depth of the current economic slowdown remains unknown, the Sacramento region is also feeling negative impacts from potential downsizing of State agencies in response to unprecedented shortfalls facing the State budget.

Over the past several years, cities have successfully worked to greatly insulate their General Fund revenues from adverse impacts from State budget problems. After several years of annual property tax shifts and loss of vehicle license fee revenues, cities worked with the State to secure passage of Proposition 1A (November 2004) which now protects cities share of property and sales tax revenues. In addition, vehicle license fee revenues have been largely replaced by in-lieu property tax payments, which in turn, now fall under the constitutional protection of Proposition 1A.

More recently, in November 2006 voters in the State passed another Proposition 1A, which provides cities with additional protection against loss of (Prop 42) Transportation funding (from state sales tax on gasoline). While these recent statewide initiatives significantly protect local revenues from actions by the State, there remain a few areas where local revenues are still vulnerable to State actions. These include reimbursement for State Mandated Costs and local tax-increment revenues generated by local redevelopment agencies. These recent hard-fought initiatives to protect local revenues have recently been put to the test as the State targeted local property tax and Redevelopment tax revenues as cornerstones of the most recent state budget balancing plan. Recent estimates suggest the State will need to close an additional \$21 billion gap over the next 18 months, through FY 2010/11.

Overall development activity in the City continues at a reduced level. During FY 2008/09 106,045 square feet of commercial/industrial construction was finalized, as were 22 residential dwelling units. The City is currently in the process of updating the Housing Element of the General Plan to cover the 2012/13 planning horizon. Development capacity for limited additional multi-family development remains within the current plan, while the University has developed a project to help accommodate projected growth in student population on campus (outside the City boundary).

ATTACHMENT B

HIGHLIGHTS AND ACCOMPLISHMENTS

- The City completed renovation of the Manor Pool complex to include the addition of a zero-entry pool, splash pad with spray features, lap pool and waterslide.
- The City has aggressively begun to inventory Greenhouse Gas emissions and initiated community-wide initiatives aimed at establishing reduction targets and priority sustainability projects.
- The City has implemented selected reorganization efforts involving the City Manager's Office and Finance Department, split the Parks and Community Services Department into two new, independent departments (Community Services Department and Parks and General Services Department), and implemented the first phase of Public Safety Study recommendations related to management structure in the Police Department.
- The City continues to advance two significant utility infrastructure projects. The first is the master planning for an upgraded wastewater treatment plant to address more stringent environmental regulations; the second involve a joint project with the City of Woodland, UC Davis and local flood control agencies studying the feasibility of securing water rights from the Sacramento River to replace the City's current reliance on groundwater.

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ATTACHMENT C

FINANCIAL INFORMATION

The City's accounting records are organized and operated on the basis of funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts and fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

City management staff 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 and facilitates internal management reporting. 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.

In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council via the annual appropriation ordinance. Funds for all operating, special revenue, debt service and capital improvement activities of the City are appropriated in the annual budget. The legal level of budgetary control (that is, the level at which actual expenditures may not legally exceed the appropriated amount) is at the fund level. The City also maintains an encumbrance accounting system as one technique in accomplishing budgetary control. Open encumbrances at June 30, 2009 are reported as reservations of fund balance in the City's governmental funds. Management considers such encumbrances as a use of budgetary authority and they are reflected as equivalent to an expenditure in the accompanying budget and actual schedules. In conformance with generally accepted accounting principles, encumbrances are otherwise not included in the accompanying operating statements.

We believe that the statements and schedules included in the Financial Section of this report demonstrate that the City is meeting its responsibility for sound financial management.

For a more comprehensive analysis of the City's financial information, please refer to Management's Discussion and Analysis contained in the Financial Section.

CASH MANAGEMENT

The City pools all cash funds not held by fiscal agents in order to maximize investment opportunities and increase flexibility. Investment earnings are credited back to all funds contributing to the pool, based on the fund's cash balance as a percentage of the pool. Investment responsibility is located organizationally within the Finance Division, but internal control is rigorously maintained to provide accountability and to protect the City's cash assets.

Investments are conservatively managed with the three primary objectives of (1) safety of principal, (2) liquidity to meet disbursement requirements, and (3) investment yield pursued in that order.

During the 2008-09 Fiscal Year, a significant portion of the City's pooled cash was invested in the Local Agency Investment Fund, an investment pool for local agencies operated by the State of California Treasurer's Office. Investments were also placed in federally sponsored agency notes where opportunities presented themselves to enhance investment yield while maintaining safety and liquidity. Total year-end investment earnings for all funds held in the City treasury totaled \$2,859,385, a return of 2.911%.

At the June 30, 2009 close of the City's fiscal year, \$114,706,861 was held in the City's treasury with investments valued based on fair value (rather than the actual amount invested). During Fiscal Year 1997-98, the City adopted the requirements of Governmental Accounting Standards Board Statement 31, which calls for the recognition in the City's accounts of the unrealized net market value gain or loss on investments held by the City and its fiscal agents.

RISK MANAGEMENT

The Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) JPA handles the City's risk management. The deductible for general and auto liability is \$5,000 and for workers comp is \$1,000. This limits the City's risk to an insignificant amount.

ATTACHMENT D

OTHER INFORMATION

INDEPENDENT AUDIT

The City's financial statements were audited by the independent accounting firm of Maze & Associates Accountancy Corporation. Their unqualified opinion is presented at the front of the financial section. We wish to express our appreciation to the staff of Maze & Associates for their assistance during the audit process.

AWARDS

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 Davis for its comprehensive annual financial report for the ten consecutive fiscal years ending with the year ended June 30, 2007. 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. While we believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, we have discontinued submitting it to the GFOA due to budget constraints.

PRINCIPAL OFFICIALS

CITY OF DAVIS

JUNE 30, 2009

CITY COUNCIL

Mayor	Ruth Uy Asmundson
Mayor Pro-Tem	Don Saylor
Councilmember	Lamar Heystek
Councilmember	Stephen Souza
Councilmember	Sue Greenwald

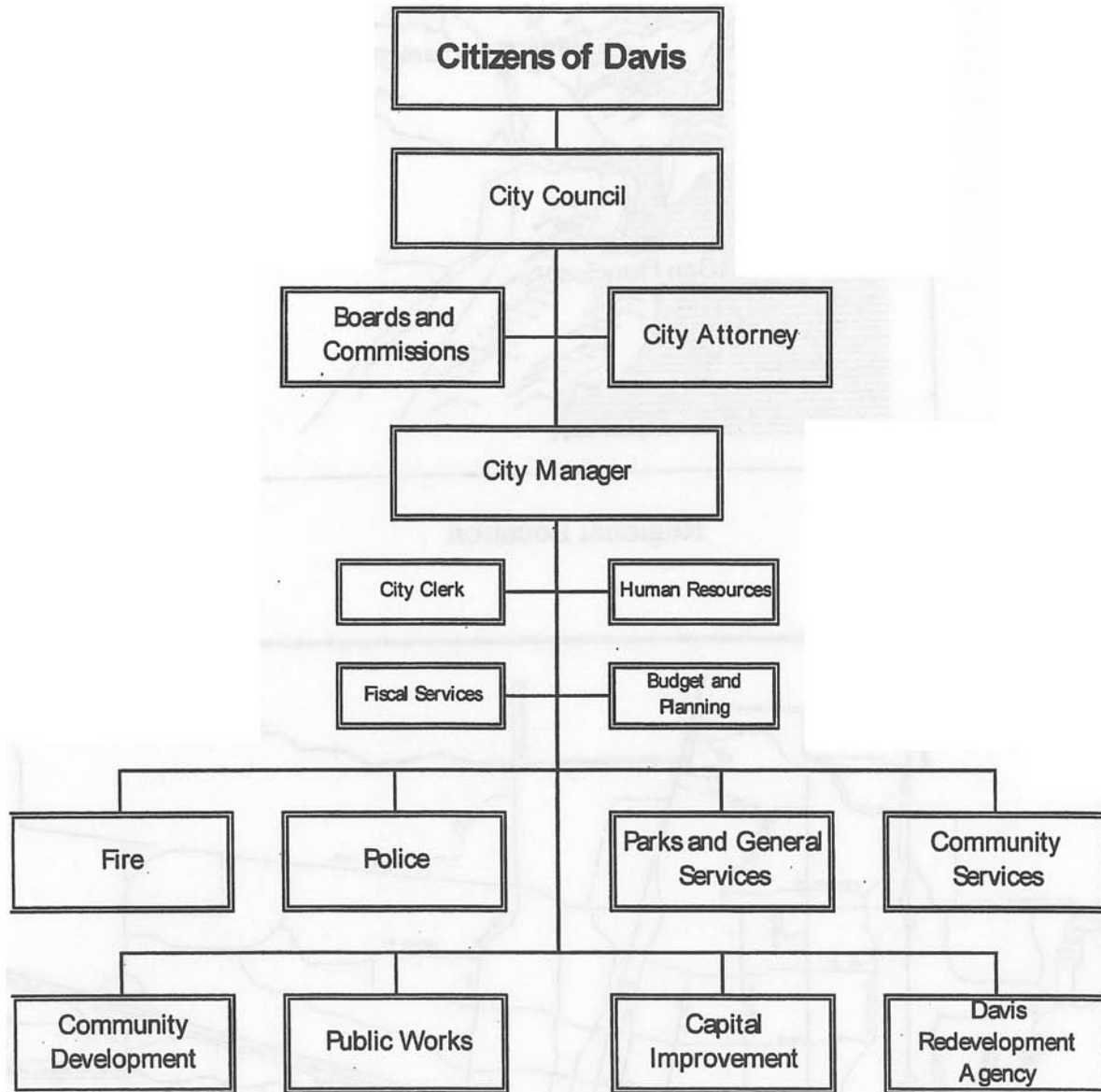
ADMINISTRATIVE OFFICIALS

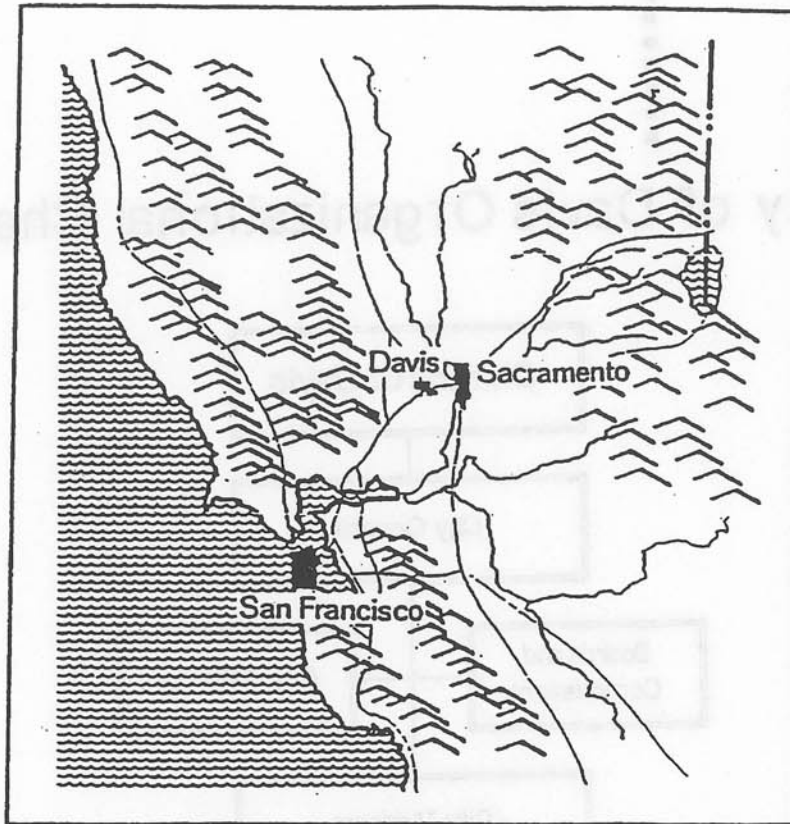
City Manager	William Emlen
City Attorney	Harriet Steiner
City Clerk	Zoe Mirabile
Assistant City Manager	Paul Navazio
Chief of Police	Landy Black
Community Development Director	Katherine Hess
Fire Chief	Rose Conroy
Parks & General Services Director	Donna Silva
Public Works Director	Bob Weir
Community Services Director	Elvia Garcia-Ayala

ADMINISTRATIVE STAFF

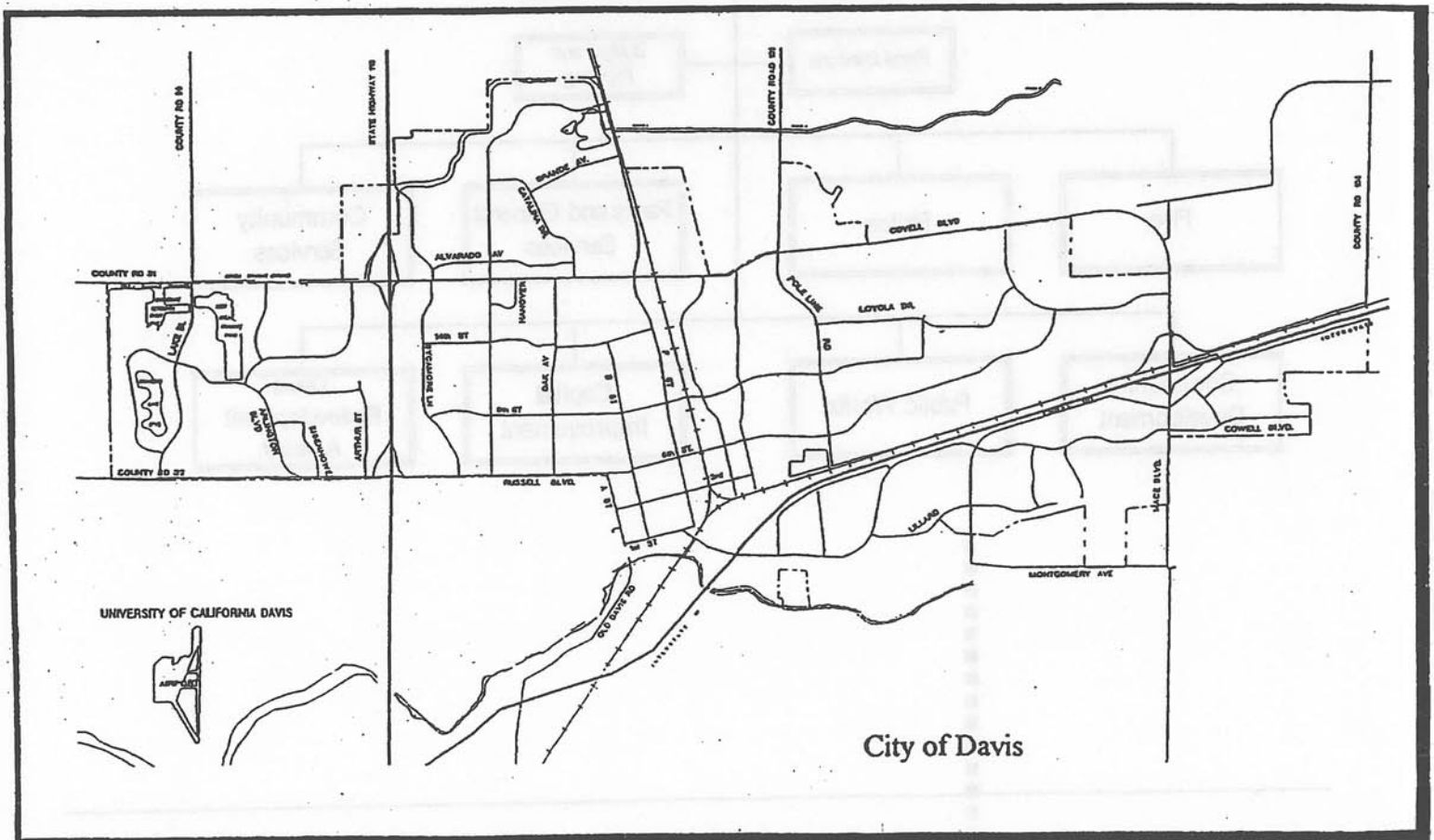
Financial Services Manager	Gail Buller
Financial Analyst	Sheila McCrory
Financial Supervisor	Pam Day
Financial Associate	Karen Bordigon

City of Davis Organizational Chart





Regional Location



INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

ACCOUNTANCY CORPORATION
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Pleasant Hill, California 94523
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maze@mazeassociates.com
www.mazeassociates.com

To the Honorable City Council of
the City of Davis, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Davis, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, the aggregate remaining fund information of the City of Davis, California, as of June 30, 2009 and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 6, 2009 on our consideration of the City of Davis' 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note 11, the City implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplemental section listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Maze & Associates

November 6, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

Government Accounting Standards Board Statement 34 (GASB 34) requires the City of Davis to provide this overview of its financial activities for the fiscal year. Please read it in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

Fiscal Year 2008/09 Financial Highlights

Like all cities in California, over the past decade Davis lost significant control over its revenues to the State. The diversion of local funds has allowed the State to meet its program funding obligations at the expense of important local services. These financial challenges have forced the City of Davis to search for creative ways to deal with permanent fiscal diversions. Over the years the City has implemented various budget balancing measures which have included layoffs, hiring freezes, new taxes and fee increases.

Financial highlights for the 2008/09 fiscal year include the following:

Citywide

- The City's total net assets decreased \$7 million to \$601 million in fiscal year 2009. At June 30, 2008 the City's net assets totaled \$608 million.
- Total City revenues, including program and general revenues were \$120.3 million, which was an increase of \$1.5 million from the prior year's \$118.8 million.
- Total Citywide expenses were \$127.7 million, an increase of \$7.6 million from the prior year's \$120.1 million.
- Net assets in Governmental funds decreased \$12.1 million, while net assets in Business-type Activities increased \$5.4 million.
- Governmental Program Revenues decreased \$0.3 million from fiscal year 2008's \$33.8 million.
- Governmental Program Expenses increased \$5.3 million from \$84.4 million in fiscal 2008.
- Revenues from Business-type Activities increased \$3.9 million in fiscal 2009 from \$38.9 million in fiscal 2008.
- Expenses of Business-type Activities increased \$1.8 million in fiscal 2009 from \$35.6 million in fiscal 2008.

Fund level

- Governmental Fund balances increased to \$95.8 million in fiscal 2009 from the prior year's \$91.0 million.
- Governmental Fund revenues decreased \$3.0 million in fiscal 2009 from the prior year's \$79.7 million.
- Governmental Fund expenditures decreased to \$72.3 million in fiscal 2009, down \$8.2 million from the prior year's \$80.5 million.

- General Fund balance of \$3.6 million in fiscal 2009 is down \$2.8 million from the prior year's \$6.4 million.
- General Fund revenues decreased to \$37.6 million, down \$1.0 million from the prior year's \$38.6 million and expenditures decreased \$2.8 million from prior year's \$43.1 million.

Financial Condition Summary

Uncertainty over the national and state economy as well as the local effect of the slowdown in retail sales and the real estate market will be guiding factors in updating the City's financial planning efforts. Elements of the long-range planning efforts include:

- Moving away from reliance on fund balances (saving) to meet operating needs;
- Addressing a number of unfunded liabilities, including retirement medical and deferred maintenance costs;
- Working to preserve tax revenues subject to renewal in the coming years; and
- Looking at means to provide additional funding for priority unmet needs.

Overview of the Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report (CAFR) is organized in six parts:

1. Introductory section, which includes the Transmittal Letter and general information,
2. Management's Discussion and Analysis (this part),
3. The Basic Financial Statements, which include the Government-wide and the Fund financial statements, along with the notes to these financial statements,
4. Required Supplemental Information,
5. Combining statements for Non-major Governmental Funds and Fiduciary Funds,
6. Statistical Information.

The Basic Financial Statements

The Basic Financial Statements comprise the City-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

The City-wide Financial Statements provide a longer-term view of the City's activities as a whole, and comprise the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the city's programs. The Statement of Activities explains in detail the change in Net Assets for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Assets and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

The Fund Financial Statements report the City's operations in more detail than the government-wide statements and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-major funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The fiduciary statements provide financial information about the activities of the Special Assessment Districts, for which the City acts solely as agent.

The Government-wide Financial Statements

- **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, planning and building, parks and general services, community services, public safety, public works, and general administrative services. These services are supported by general city revenues such as taxes, and by specific program revenues such as development fees.
- The City's general activities include the activities of a separate legal entity, the City of Davis Redevelopment Agency, because the city is financially accountable for the Agency.
- **Business-type activities** – All the City's enterprise activities are reported here, including water, sewer, sanitation, storm sewer and transit. Unlike governmental services, these services are supported by charges paid by users based on the amount of service they use.

City-wide financial statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented in a single column. Subordinate schedules present the detail of these Non-major funds. Major Funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of City's activities.

Fund Financial Statements include governmental, enterprise and internal service funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they only measure current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Enterprise and Internal Services Fund financial statements are prepared on the full accrual basis, as in the past, and include all their assets and liabilities, current and long-term.

Since the City's Internal Service Funds provide goods and services only to the City's governmental and business-type activities, their activities are reported only in total at the Fund level. Internal Service Funds may not be Major Funds because their revenues are derived from other City funds. These revenues are eliminated in the City-wide financial statements and any related profits or losses are returned to the Activities which created them, along with any residual net assets of the Internal Service Funds.

Comparisons of Budget and Actual financial information are presented only for the General Fund and other Major funds that are Special Revenue Funds.

Fiduciary Statements

The City is the agent for certain assessment districts, holding amounts collected from property owners which await transfer to these Districts' bond trustees. The City's fiduciary activities are reported in the separate Statements of Fiduciary Net Assets and the Agency Funds Statement of Changes in Assets and Liabilities. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

Financial Activities of the City as a Whole

This analysis focuses on the net assets and changes in net assets of the City's Governmental Activities and Business-Type Activities presented in the City-wide Statement of Net Assets and Statement of Activities that follow.

Governmental Activities

Table 1
Governmental Net Assets at June 30, 2009
(in Millions)

		<u>Governmental Activities</u>	
		2009	2008
Cash and investments		\$73.811	\$67.749
Other assets		41.682	41.078
Capital assets		<u>277.875</u>	<u>292.176</u>
Total Assets		<u>393.368</u>	<u>401.003</u>
Long-term debt outstanding		30.596	31.266
Other liabilities		<u>16.556</u>	<u>11.392</u>
Total Liabilities		<u>47.152</u>	<u>42.658</u>
Net assets:			
Invested in capital assets, net of debt		252.723	286.196
Restricted		90.708	82.004
Unrestricted		<u>2.784</u>	<u>8.146</u>
Total net assets		<u>346.215</u>	<u>358.345</u>

The City's net assets decreased \$12.1 million in 2009. This decrease, also noted in the Change in Net Assets shown in Table 2, is explained below:

- Cash and investments increased \$6.1 million and consists of \$73.6 million available to fund ongoing City operations. The remaining \$0.2 million is legally restricted as to what it can be spent on, such as capital projects funded with bond proceeds and bond reserves.
- Capital assets decreased \$14.3 million mainly due to depreciation of certain assets, which for this year exceeded the value of additions to assets.
- Other assets consist primarily of accounts receivables, loans and other receivables.
- Long-term debt decreased \$0.7 million due to the normal, scheduled retirement of existing obligations, with no major additions.
- Other liabilities consist primarily of accounts and claims payable as well as the City's compensated absences liability.

- Net assets invested in capital assets net of related debt decreased to \$252.7 million, and represents the net value of the City's capital assets financed through borrowing.
- Restricted net assets consists of net assets that are legally restricted to be spent on City capital projects, Redevelopment projects, special revenue funded projects and debt service reserves.
- Unrestricted net assets is the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements. Unrestricted net assets decreased \$5.4 million to \$2.8 million which is available to finance day-to-day operations and other expenditures approved by City Council.

Fiscal Year 2009 Governmental Activities

The Statement of Activities presents program revenues and expenses and general revenues in detail. All these are elements in the Changes in Governmental Net Assets summarized below.

Table 2
Changes in Governmental Net Assets
For the Year Ended June 30, 2009
(in Millions)

	<u>Governmental Activities</u>	
	2009	2008
Expenses		
City council	\$0.165	\$0.114
City attorney	0.362	0.384
City manager	2.248	2.306
Finance	2.305	2.157
Community Development	3.719	3.834
Parks and community services	30.072	28.900
Public safety - fire	10.258	10.022
Public safety - police	15.899	14.783
Public works	18.103	14.598
Special projects	5.230	6.833
Interest on debt	1.391	0.519
	<hr/>	<hr/>
Total expenses	89.752	84.449
	<hr/>	<hr/>
Revenues		
Program revenues:		
Charges for services	9.627	9.493
Operating contributions and grants	22.869	18.585
Development impact fees and permits	1.029	5.712
	<hr/>	<hr/>
Total program revenues	33.525	33.790
	<hr/>	<hr/>
General revenues:		
Taxes	35.550	37.432
Motor vehicle in-lieu	4.962	4.888
Investment income	1.895	3.314
Miscellaneous	1.569	0.720
Transfers, net	0.122	-0.215
	<hr/>	<hr/>
Total general revenues	44.098	46.140
	<hr/>	<hr/>
Total revenues	71.623	79.930
	<hr/>	<hr/>
Changes in net assets	12.130	(4.520)
	<hr/>	<hr/>

Governmental revenue decreased \$2.3 million mostly due to an decrease in tax revenues (\$1.9 million), investment income (\$1.4 million) and a decrease in development fees and permits (\$4.7 million), which offset smaller increases in charges for services, operating grants, motor vehicle in-lieu, miscellaneous income, and transfers.

Expenses increased \$5.3 million in fiscal 2009. Public works expenditures increased \$3.5 million largely in proportion to additional funding for transportation projects. MOU changes, as well as minor increases and decreases, in all other areas affected departments in varying amounts.

Governmental Activities

Table 3 presents the net cost of each of the City's largest programs. Net cost is defined as total program cost less the revenues generated by those specific activities.

Table 3
Net Governmental Activities
For the Year Ended June 30, 2009
(in Millions)

	<u>Net (Expense) Revenue</u>		
	<u>From Services</u>		
	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
City council	(\$0.165)	(\$0.114)	(\$0.051)
City attorney	(0.348)	(0.370)	0.022
City manager	(2.188)	(2.298)	0.110
Finance	0.030	(0.471)	0.501
Community development	(1.709)	(1.630)	(0.079)
Parks and community services	(15.547)	(13.491)	(2.056)
Public safety - fire	(6.753)	(6.516)	(0.237)
Public safety - police	(14.205)	(12.877)	(1.328)
Public works	(10.881)	(7.217)	(3.664)
Special projects	(3.070)	(5.159)	2.089
Interest on debt	(1.391)	(0.519)	(0.872)

- The principal expense for the City's major programs is payroll and payroll related expenses, as the primary cost in service related operations is personnel costs.
- Charges for services and operating grants and contributions are the primary program revenue source funding general governmental activities.
- Community development revenues are primarily generated from planning applications and building inspection and permit fees and development impact fees.
- Police activities primary program revenue sources are violation and services fees and grants.

- Fire activities generated program revenue primarily through fire protection services outside of the City and fire inspection services.
- Public works generates primary program revenues through service fees, such as engineering and plan checking, state and federal grants and developer contributions.
- Parks and community services programs generate program revenues primarily through charges for recreation programs.

Business-type Activities

Table 4
Business-Type Net Assets
As of June 30, 2009
(in Millions)

	<u>Business-Type Activities</u>	
	2009	2008
Cash and investments	\$31.744	\$28.574
Other current assets	4.628	5.883
Capital assets	<u>238.586</u>	<u>237.160</u>
Total Assets	<u>274.958</u>	<u>271.617</u>
Long-term debt outstanding	14.557	15.931
Other liabilities	<u>4.682</u>	<u>5.356</u>
Total Liabilities	<u>19.239</u>	<u>21.287</u>
Net assets:		
Invested in capital assets, net of related debt	224.029	221.229
Restricted	0.000	0.000
Unrestricted	<u>31.690</u>	<u>29.101</u>
Total net assets	<u>255.719</u>	<u>250.330</u>

The net assets of business-type activities consist primarily of capital assets used in operations.

Table 5
Changes in Business-Type Net Assets
For the Year Ended June 30, 2009
(in Millions)

		<u>Business-Type Activities</u>	
		2009	2008
Expenses			
	Water	\$9.236	\$9.393
	Sanitation	8.777	8.658
	Sewer	8.804	8.544
	Storm sewer	2.833	3.145
	Public Transit	<u>7.718</u>	<u>5.876</u>
	Total expenses	<u>37.368</u>	<u>35.616</u>
Revenues			
	Program revenues:		
	Charges for services	33.408	31.125
	Operating contributions and grants	7.375	5.891
	Development impact fees and permits	<u>0.865</u>	<u>0.238</u>
	Total program revenues	<u>41.648</u>	<u>37.255</u>
	General revenues:		
	Investment income	0.815	1.301
	Miscellaneous	0.294	0.135
	Transfers, net	<u>0.000</u>	<u>0.215</u>
	Total general revenues	<u>1.109</u>	<u>1.651</u>
	Total revenues	<u>42.757</u>	<u>38.906</u>
Changes in net assets		<u>5.389</u>	<u>3.290</u>

Water, sanitation, sewer and storm sewer are funded through user service fees. Public transit is funded with a combination of user fees and grants. Operating costs consist primarily of personnel costs and contractual services.

The City's Fund Financial Statements

Table 6 below summarizes activity and balances at the fund level:

Table 6
Financial Highlights at Fund Level
For the Year Ended June 30, 2009
(in Millions)

	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
Total assets	\$105.214	\$100.161	\$5.053
Total liabilities	9.449	9.297	0.152
Total fund balances	95.765	90.864	4.901
Total revenues	76.679	79.714	(3.035)
Total expenditures	72.360	80.537	(8.177)
Total other financing sources (uses)	0.474	(0.463)	0.937

Governmental Funds

At June 30, 2009, the City's governmental funds reported combined fund balances of \$95.8 million, which is an increase of \$4.9 million compared with last year. \$40.2 million is legally reserved as to how the funds are to be spent. \$55.3 million is available to fund ongoing City operations.

Revenues at the fund level decreased \$3.0 million this year to \$76.7 million. The General Fund accounted for 49.0%, Child Care Grant Fund accounted for 14.9% and the Redevelopment Agency accounted for 14.0% of this revenue. The remainder was primarily in the Non-Major funds. Governmental expenditures decreased \$8.2 million to \$72.3 million, of which the General Fund generated 55.7%, Child Care Grant Fund accounted for 15.7% and the Redevelopment Agency expenditures generated 5.8%. The remainder was spent in non-Major funds.

Proprietary Funds

Enterprise Fund net assets increased \$5.4 million to \$255.7 million at June 30, 2009. Enterprise operating revenues increased \$2.3 million to \$33.4 million this year, while net non-operating revenues increased to \$8.2 million from last year's \$7.2 million.

Enterprise Fund operating expenses increased \$1.3 million to \$37.1 million in fiscal 2009.

Analysis of Major Governmental Funds

General Fund

General Fund revenues consisted primarily of property taxes and other taxes, which decreased \$1.2 million to \$27.5 million or 73.2% of total fund revenue, for the year ended June 30, 2009. Charges for current services showed a decrease of \$0.5 million and represented 12.8% of total fund revenue. Other General Fund revenues showed increases and decreases and contributed to a overall decrease of \$1.0 million.

General Fund expenditures decreased \$2.8 million and consisted primarily of parks and community services (28%); police (33%) and fire (21%) for the year ended June 30, 2009. The primary expenditures associated with these services consisted of salaries and benefits. The net increase consists of MOU adjustments, and the decrease in other funds availability for use to help offset costs.

The General Fund shows several revenue and expenditure categories with significant budget variances, including; Taxes, Use of money and property, and various departmental expenditures. The variance between original and final budgets in Taxes is due primarily to property and sales taxes not meeting budget expectations. The variance in Use of money and property revenue is due to the decline in interest revenue. The departmental expenditure variances were the result of citywide cost-containment measures implemented due to declining revenues. Cost containment measures included a hiring freeze and elimination of non-essential travel and training.

At June 30, 2009 the General Fund Balance held \$2.1 million in unreserved, undesignated balances and \$1.5 million reserved or designated fund balances. Only the unreserved portion represents available liquid resources. The fund balance decreased \$2.7 million due primarily to the decreased revenues discussed above, and lack of offsetting expenditure decreases.

Child Care Grant

Child Care Grant fund revenues consist primarily of grant revenue which increased \$0.2 million and totaled \$11.1 million or 97.5% of total fund revenue, for the year ended June 30, 2009.

Expenditures of these funds occurred within parks and community services. The primary expenditures in this fund are salaries, benefits and provider payments.

At June 30, 2009 the Child Care fund balance held \$20,109 in designated or reserved fund balance and \$89,060 in undesignated fund balance.

Redevelopment Agency

The Redevelopment Agency revenues consist primarily of property taxes, which increased \$.3 million to a total of \$10.1 million or 94.3% of total fund revenue, for the year ended June 30, 2009.

Expenditures consisted primarily of special projects expenditures, which included property tax pass-through agreement payments inter-fund debt payments, and overhead cost payments.

Transfers out of the Redevelopment Agency fund consisted of transfers to the Redevelopment Agency Low/Moderate Housing Fund for the required 20% set-aside, and to the Debt Service fund for debt payments.

At June 30, 2009 the Redevelopment Agency fund balance held \$13.1 million in unreserved, undesignated fund balance and \$182,248 in restricted fund balance. The restricted fund balance is primarily due to a reserve for long-term receivables and encumbrances.

Redevelopment Agency Low Income Housing Fund

The Redevelopment Agency Low Income Housing Fund revenues consisted of investment income, which decreased \$145,244 to a total of \$270,140 or 78% of total fund revenue, for the year ended June 30, 2009.

Expenditures consisted primarily of special projects expenditures, which included administration of the Low Income Housing program.

Transfers into the Redevelopment Agency Low Income Housing Fund consisted of transfers from the Redevelopment Agency Fund for the required 20% set-aside.

At June 30, 2009 the Redevelopment Agency Low Income Housing Fund held \$25.0 million in designated or reserved fund balance. The Redevelopment Agency Low Income Housing fund is completely restricted in the use of fund balance.

Development Deferred Improvement

The Development Deferred Improvement revenues decreased \$3.7 million and consist primarily of development impact fees in the amount of \$0.9 million (\$3.4 million decrease) or 53.7% of total fund revenues, and Interest income in the amount of \$0.7 million (\$410,272 decrease) or 42.4% of total fund revenues, for the year ended June 30, 2009. Development impact fees are wholly dependent on new development and will decrease as the City moves closer to build out.

Primary expenditures for the Development Deferred Improvements fund are for capital projects. Capital projects expenditures decreased \$1.4 million and comprise \$1.4 million or 89.4% of total expenditures.

At June 30, 2009 the Development Deferred Improvements Fund held \$25.0 million in unreserved fund balance and \$251,565 in reserved fund balance. The fund balance in this fund can only be used for capital projects.

Proprietary Funds

Water

Water fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$9.5 million or 98.9% of total fund revenues. This represents a \$0.5 million increase in fee revenue.

Primary expenditures are for water production, distribution and system maintenance (\$5.5 million). There was a \$156,868 decrease in the amount of operating expenditures from the prior year.

Sanitation

Sanitation fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$8.8 million or 99.0% of total fund revenues. Revenues increased slightly (\$.2 million) from the prior year.

Primary expenditures are for waste collection and street sweeping (\$8.3 million). Fund expenditures increased \$0.1 million from the prior year.

Sewer

Sewer fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$13.5 million or 97.8% of total fund revenues. Sewer fee increases resulted in an additional \$1.6 million in revenues.

Primary expenditures are for sewage collection and treatment (\$5.3 million).

Storm Sewer

Storm Sewer fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$1.5 million or 80.3% of total fund revenues. Fee revenue decreased \$63,926.

Primary expenditures are for storm drainage system maintenance (\$1.1 million). Expenditures decreased \$97,277 from the prior year.

Public Transit

Public Transit fund revenues consist primarily of operating grants and subventions in the amount of \$7.3 million or 99.5% of total fund revenues. Grants and subventions increased \$1.5 million.

Primary expenditures are for the provision of public transportation services (\$7.6 million). This reflects an increase in expenditures of \$1.8 million primarily due to grant reimbursements for ongoing capital projects by Unitrans.

Capital Assets

GASB 34 requires the City to record all its capital assets including infrastructure, which was not recorded in prior years. The City completed the infrastructure implementation within the 2006/07 fiscal year. The City contracted to have an asset inventory and valuation study which was completed during fiscal year 2006/07. At the end of fiscal 2009 the City had \$516.5 million, net of depreciation, invested in a broad range of capital assets used in governmental and business-type activities, as shown in Table 7 below (further detail can be found in note 5 to the financial statements):

Table 7
Capital Assets at June 30, 2009
(in Millions)

	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
Governmental activities:			
Land	\$65.500	\$64.999	\$0.501
Construction in progress	31.499	30.519	0.980
Buildings and improvements	31.365	31.365	0.000
Equipment	13.441	12.643	0.798
Infrastructure - Streets	243.440	242.275	1.165
Infrastructure - Parks	52.839	52.765	0.074
Infrastructure - Bike/Ped Paths	<u>12.406</u>	<u>12.406</u>	<u>0.000</u>
Less accumulated depreciation	<u>-172.615</u>	<u>-154.797</u>	<u>-17.819</u>
Totals	<u>277.875</u>	<u>292.176</u>	<u>-14.301</u>
Business-type activities:			
Land	5.868	5.868	0.000
Construction in progress	14.409	9.512	4.897
Buildings	151.875	147.323	4.552
Pipes and Lines	137.214	140.663	-3.449
Equipment	<u>26.117</u>	<u>24.527</u>	<u>1.590</u>
Less accumulated depreciation	<u>-96.897</u>	<u>-90.734</u>	<u>-6.163</u>
Totals	<u>238.586</u>	<u>237.160</u>	<u>1.426</u>

Debt Administration

Each of the City's debt issues is discussed in detail in Note 6 to the financial statements. At June 30, 2009 the City's debt comprised:

Table 8
Outstanding Debt at June 30, 2008
(in Millions)

	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
Governmental activities:	\$30.596	\$31.266	-\$0.670
Business-type activities:	<u>14.557</u>	<u>15.931</u>	<u>-1.374</u>
Totals	<u>45.153</u>	<u>47.197</u>	<u>-2.044</u>

Special Assessment District Debt

At June 30, 2009, a total of \$40.205 million in special assessment district debt was outstanding, issued by seven special assessment districts. This debt is secured only by special assessments on the real property in the district issuing the debt, and is not the City's responsibility, although the City does act as these Districts' agent in the collection and remittance of assessments.

Economic Outlook and Major Initiative

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

Contacting the City's Financial Management

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Division, at 23 Russell Blvd, Davis, CA 95616.

CITY OF DAVIS

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

The purpose of the Statement of Net Assets and the Statement of Activities is to summarize the entire City's financial activities and financial position.

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities. The Statement of Activities reports increases and decreases in the City's net assets. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the modified accrual basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City, the Redevelopment Agency of the City of Davis, and the Public Facilities Financing Authority, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for the activities of these entities.

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CITY OF DAVIS
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 2)	\$73,598,653	\$31,033,618	\$104,632,271
Cash with fiscal agents (Note 2)	211,911	710,041	921,952
Accrued interest	391,478	169,892	561,370
Receivables:			
General accounts	4,025,697	2,287,361	6,313,058
Grants	4,781,270	434,457	5,215,727
Utility accounts	365,708	3,462,857	3,828,565
Loans (Note 4)	29,579,604		29,579,604
Mortgages (Note 4)	499,671		499,671
Inventory	311,942		311,942
Internal balances (Note 3D)	1,726,442	(1,726,442)	
Capital assets (Note 5):			
Non-depreciable	96,999,529	20,277,429	117,276,958
Depreciable, net of depreciation	180,875,673	218,308,954	399,184,627
Total Assets	393,367,578	274,958,167	668,325,745
LIABILITIES			
Payables:			
Accounts	3,919,694	1,530,315	5,450,009
Grants	31,679		31,679
Interest	476,450		476,450
Deposits	1,725,540	53,225	1,778,765
Unearned revenue	1,483,954	2,722,892	4,206,846
OPEB liability (Note 11)	5,840,409		5,840,409
Claims payable (Note 13)			
Due within one year	153,362		153,362
Due in more than one year	235,826		235,826
Compensated absences (Note 1H)			
Due within one year	116,833	375,807	492,640
Due in more than one year	2,572,653		2,572,653
Long-term debt (Note 6):			
Due within one year	923,828	1,412,456	2,336,284
Due in more than one year	29,671,805	13,144,888	42,816,693
Total Liabilities	47,152,033	19,239,583	66,391,616
NET ASSETS (Note 8):			
Invested in capital assets, net of related debt	252,723,158	224,029,039	476,752,197
Restricted for:			
Capital projects	32,614,787		32,614,787
Debt service	380,106		380,106
Redevelopment activities	38,317,546		38,317,546
Special revenue projects	19,395,584		19,395,584
Total Restricted Net Assets	90,708,023		90,708,023
Unrestricted	2,784,364	31,689,545	34,473,909
Total Net Assets	\$346,215,545	\$255,718,584	\$601,934,129

See accompanying notes to financial statements

CITY OF DAVIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Development Impact Fees and Permits
Governmental Activities:				
City council	\$165,297			
City attorney	362,152	\$13,997		
City manager	2,247,736	59,746		
Finance	2,305,333	2,335,059		
Community development	3,719,243	2,009,982		
Parks and community services	30,071,359	2,743,358	\$11,686,559	\$94,484
Public safety - fire	10,257,622	873,703	2,631,349	
Public safety - police	15,899,346	1,230,952	463,231	
Public works	18,102,895	360,110	6,119,902	742,038
Special projects	5,230,340		1,968,010	192,103
Debt service:				
Interest on long-term debt	1,391,009			
Total Governmental Activities	89,752,332	9,626,907	22,869,051	1,028,625
Business-type Activities:				
Water	9,236,481	9,545,841	4,422	864,944
Sanitation	8,777,295	8,821,374	34,579	
Sewer	8,803,769	13,502,462		
Storm sewer	2,832,790	1,506,083		
Public transit	7,718,465	32,644	7,335,893	
Total Business-type Activities	37,368,800	33,408,404	7,374,894	864,944
Total	\$127,121,132	\$43,035,311	\$30,243,945	\$1,893,569
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Municipal services				
Business license				
Park maintenance				
Construction				
Open space protection				
Franchise				
Transient occupancy				
Transfer				
Intergovernmental, unrestricted:				
Motor vehicle in-lieu				
Investment earnings				
Miscellaneous				
Total general revenues				
Change in Net Assets				
Beginning Net Assets				
Ending Net Assets				

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
(\$165,297)		(\$165,297)
(348,155)		(348,155)
(2,187,990)		(2,187,990)
29,726		29,726
(1,709,261)		(1,709,261)
(15,546,958)		(15,546,958)
(6,752,570)		(6,752,570)
(14,205,163)		(14,205,163)
(10,880,845)		(10,880,845)
(3,070,227)		(3,070,227)
(1,391,009)		(1,391,009)
(56,227,749)		(56,227,749)
	\$1,178,726	1,178,726
	78,658	78,658
	4,698,693	4,698,693
	(1,326,707)	(1,326,707)
	(349,928)	(349,928)
	4,279,442	4,279,442
(56,227,749)	4,279,442	(51,948,307)
19,909,233		19,909,233
7,733,047		7,733,047
2,239,758		2,239,758
1,351,827		1,351,827
1,341,289		1,341,289
237,777		237,777
640,287		640,287
1,066,032		1,066,032
1,031,031		1,031,031
121,909		121,909
4,961,873		4,961,873
1,895,335	814,923	2,710,258
1,568,513	294,249	1,862,762
44,097,911	1,109,172	45,207,083
(12,129,838)	5,388,614	(6,741,224)
358,345,383	250,329,970	608,675,353
\$346,215,545	\$255,718,584	\$601,934,129

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FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal 2009. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The fund is used for all general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

CHILD CARE GRANT FUND

This fund accounts for receipts and expenditures of funds from Federal, State and Local agencies that may be expended only for the purpose of providing child care services.

REDEVELOPMENT AGENCY FUND

This fund accounts for receipts and expenditures of the Redevelopment Agency of the City of Davis.

REDEVELOPMENT AGENCY LOW INCOME HOUSING FUND

This fund accounts for Redevelopment tax increment revenues set aside pursuant to State law for low-and-moderate-income housing efforts.

DEVELOPMENT DEFERRED IMPROVEMENT FUND

This fund accounts for collections from property developers at the time of subdivision for specific major offsite public improvements that impose a burden cost on the newly developed areas and that will be constructed at a later date.

CITY OF DAVIS
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2009

	General	Child Care Grant	Redevelopment Agency	Redevelopment Agency Low Income Housing
ASSETS				
Cash and investments (Note 2)	\$4,251,026	\$441,322	\$13,459,131	\$7,801,757
Cash with fiscal agents (Note 2)				
Accrued interest	19,741	3,822	72,297	35,277
Receivables:				
General accounts	2,666,991		595,438	
Grants	925,587	798,296		
Utility accounts	194,640			
Loans (Note 4)	171,318		63,187	17,294,097
Mortgages (Note 4)				
Due from other funds (Note 3A)				
Total Assets	\$8,229,303	\$1,243,440	\$14,190,053	\$25,131,131
LIABILITIES				
Payables:				
Accounts	\$2,234,192	\$810,137	\$17,455	\$27,710
Grants		31,679		
Deposits	1,165,796		12,769	
Deferred revenue	1,197,128	292,455	13,149	70,192
Due to other funds (Note 3A)				
Advances from other funds (Note 3B)			862,363	
Total Liabilities	4,597,116	1,134,271	905,736	97,902
FUND BALANCES				
Fund balance (Note 8):				
Reserved for:				
Debt service				
Encumbrances	472,089	20,109	153,281	24,907
Long-term loans receivable	171,318		28,967	16,677,469
Payment withheld by State	660,900			
Low and moderate income-housing				8,330,853
Unreserved:				
Designated for open space	220,000			
Undesignated, Reported in:				
General Fund	2,107,880			
Special Revenue Funds		89,060	13,102,069	
Capital Projects Funds				
Total Fund Balances	3,632,187	109,169	13,284,317	25,033,229
Total Liabilities and Fund Balances	\$8,229,303	\$1,243,440	\$14,190,053	\$25,131,131

See accompanying notes to financial statements

Development Deferred Improvement	Other Governmental Funds	Total Governmental Funds
\$24,362,877	\$14,252,488	\$64,568,601
	211,911	211,911
143,449	75,349	349,935
284,592	449,197	3,996,218
	3,057,387	4,781,270
	171,068	365,708
	12,051,002	29,579,604
	499,671	499,671
860,596		860,596
<u>\$25,651,514</u>	<u>\$30,768,073</u>	<u>\$105,213,514</u>
\$33,215	\$772,116	\$3,894,825
		31,679
411,030	62,825	1,652,420
	727,652	2,300,576
	706,806	706,806
		862,363
444,245	2,269,399	9,448,669
	380,106	380,106
251,565	1,017,047	1,938,998
	12,237,574	29,115,328
		660,900
		8,330,853
		220,000
		2,107,880
	11,233,664	24,424,793
24,955,704	3,630,283	28,585,987
25,207,269	28,498,674	95,764,845
<u>\$25,651,514</u>	<u>\$30,768,073</u>	<u>\$105,213,514</u>

CITY OF DAVIS
RECONCILIATION OF THE
GOVERNMENTAL FUNDS - FUND BALANCE
WITH THE
STATEMENT OF NET ASSETS
JUNE 30, 2009

Total fund balances reported on the governmental funds balance sheet	\$95,764,845
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Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets net of accumulated depreciation used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	268,854,360
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ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Assets.

Cash and investments	9,030,052
Accrued interest	41,543
Accounts receivable	29,479
Inventory	311,942
Capital assets, net	9,020,842
Accounts payable	(24,869)
Leave benefits payable	(116,833)
Deposits	(73,120)
OPEB liability	(5,840,409)
Claims payable	(389,188)
Unearned revenue	(2,493)
Internal balances	2,435,015

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	819,115
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LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(30,595,633)
Interest payable	(476,450)
Non-current portion of compensated absences	(2,572,653)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$346,215,545
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See accompanying notes to financial statements

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CITY OF DAVIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	General	Child Care Grant	Redevelopment Agency	Redevelopment Agency Low Income Housing
REVENUES				
Taxes	\$27,494,387		\$10,141,530	
Licenses and permits	209			
Fines and forfeitures	884,624			
Use of money and property	271,012	\$19,342	558,134	\$270,140
Intergovernmental	1,360,700	11,113,257	47,069	
Charges for current services	4,819,624	271,026		
Development fees				9,270
Administrative fee - Enterprise Fund	2,280,423			
Other	448,232	850	5,467	65,376
Total Revenues	37,559,211	11,404,475	10,752,200	344,786
EXPENDITURES				
Current:				
City Council	124,022			
City Attorney	362,152			
City Manager	2,005,221			
Finance	1,963,319			
Community development	1,486,556		217,649	
Parks and community services	11,082,221	11,375,901		
Public safety - fire	8,474,903			
Public safety - police	13,449,408			
Public works	1,020,149			
Special projects			3,991,165	426,744
Capital improvements	133,479			
Debt service:				
Principal	170,687			
Interest and fiscal charges	34,971			
Total Expenditures	40,307,088	11,375,901	4,208,814	426,744
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,747,877)	28,574	6,543,386	(81,958)
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt (Note 6)				473,925
Transfers in (Note 3C)				2,037,720
Transfers (out) (Note 3C)			(3,408,964)	(577,290)
Total Other Financing Sources (Uses)			(3,408,964)	1,934,355
NET CHANGE IN FUND BALANCES	(2,747,877)	28,574	3,134,422	1,852,397
BEGINNING FUND BALANCES	6,380,064	80,595	10,149,895	23,180,832
ENDING FUND BALANCES	\$3,632,187	\$109,169	\$13,284,317	\$25,033,229

See accompanying notes to financial statements

Development Deferred Improvement	Other Governmental Funds	Total Governmental Funds
	\$3,101,875	\$40,737,792
		209
		884,624
\$692,997	447,517	2,259,142
59,657	7,965,356	20,546,039
	3,341,896	8,432,546
878,046	11,735	899,051
		2,280,423
4,619	222,733	747,277
<u>1,635,319</u>	<u>15,091,112</u>	<u>76,787,103</u>
		124,022
		362,152
	5,450	2,010,671
117,892	59,555	2,140,766
	1,718,225	3,422,430
2,281	2,197,249	24,657,652
	1,107,582	9,582,485
	1,229,749	14,679,157
	3,242,437	4,262,586
44,376	775,036	5,237,321
1,408,520	1,791,910	3,333,909
	890,000	1,060,687
	1,451,458	1,486,429
<u>1,573,069</u>	<u>14,468,651</u>	<u>72,360,267</u>
<u>62,250</u>	<u>622,461</u>	<u>4,426,836</u>
		473,925
	2,341,112	4,378,832
(183,380)	(209,198)	(4,378,832)
<u>(183,380)</u>	<u>2,131,914</u>	<u>473,925</u>
(121,130)	2,754,375	4,900,761
<u>25,328,399</u>	<u>25,744,299</u>	<u>90,864,084</u>
<u>\$25,207,269</u>	<u>\$28,498,674</u>	<u>\$95,764,845</u>

CITY OF DAVIS
RECONCILIATION OF THE
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
WITH THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$4,900,761
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay is therefore added back to fund balance	3,333,909
Other capitalized expenditures are therefore added back to fund balance	(94,832)
Loss on retirement of capital assets is deducted from the fund balance	(384,704)
Depreciation expense is deducted from the fund balance	
(Depreciation expense is net of internal service fund depreciation of \$1,115,484 which has already been allocated to serviced funds)	(17,335,503)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	1,143,892
Proceeds from the issuance of debt is deducted from fund balance	(473,925)

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Interest payable	12,215
Deferred revenue	497,186
Compensated absences	(74,755)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Assets - All Internal Service Funds	(3,654,082)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>(\$12,129,838)</u></u>
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See accompanying notes to financial statements

CITY OF DAVIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$30,272,310	\$30,272,310	\$27,494,387	(\$2,777,923)
Licenses and permits	100	100	209	109
Fines and forfeitures	931,800	931,800	884,624	(47,176)
Use of money and property	506,396	495,896	271,012	(224,884)
Intergovernmental	640,900	1,202,645	1,360,700	158,055
Charges for current services	4,714,742	4,682,670	4,819,624	136,954
Administrative fee - Enterprise Fund	2,280,423	2,280,423	2,280,423	
Other	168,875	168,875	448,232	279,357
Total Revenues	39,515,546	40,034,719	37,559,211	(2,475,508)
EXPENDITURES:				
Current:				
City Council	136,741	135,222	124,022	11,200
City Attorney	430,253	430,253	362,152	68,101
City Manager	2,271,276	2,268,072	2,005,221	262,851
Finance	2,088,492	2,095,636	1,963,319	132,317
Community development	1,746,859	1,668,908	1,486,556	182,352
Parks and community services	11,835,154	11,810,422	11,082,221	728,201
Public safety - fire	8,505,879	8,805,825	8,474,903	330,922
Public safety - police	13,875,453	14,058,981	13,449,408	609,573
Public works	1,135,750	989,702	1,020,149	(30,447)
Capital improvements	335,097	492,514	133,479	359,035
Debt service:				
Principal	170,686	170,687	170,687	
Interest and fiscal charges	34,972	34,971	34,971	
Total Expenditures	42,566,612	42,961,193	40,307,088	2,654,105
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,051,066)	(2,926,474)	(2,747,877)	178,597
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(\$3,051,066)	(\$2,926,474)	(2,747,877)	\$178,597
Beginning fund balance			6,380,064	
Ending fund balance			\$3,632,187	

See accompanying notes to financial statements

CITY OF DAVIS
CHILD CARE GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$32,483	\$32,483	\$19,342	(\$13,141)
Intergovernmental	10,239,531	11,698,184	11,113,257	(584,927)
Charges for current services	235,500	239,500	271,026	31,526
Other			850	850
Total Revenues	10,507,514	11,970,167	11,404,475	(565,692)
EXPENDITURES:				
Current:				
Parks and community services	10,536,008	12,020,920	11,375,901	645,019
Total Expenditures	10,536,008	12,020,920	11,375,901	645,019
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(28,494)	(50,753)	28,574	79,327
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(\$28,494)	(\$50,753)	28,574	\$79,327
Beginning fund balance			80,595	
Ending fund balance			\$109,169	

See accompanying notes to financial statements

CITY OF DAVIS
REDEVELOPMENT AGENCY FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	\$10,607,800	\$10,607,800	\$10,141,530	(\$466,270)
Use of money and property	300,393	300,393	558,134	257,741
Intergovernmental	44,300	44,300	47,069	2,769
Other	205,885	205,885	5,467	(200,418)
Total Revenues	11,158,378	11,158,378	10,752,200	(406,178)
EXPENDITURES:				
Current:				
Community development	192,765	304,391	217,649	86,742
Special projects	4,743,692	4,788,695	3,991,165	797,530
Total Expenditures	4,936,457	5,093,086	4,208,814	884,272
EXCESS OF REVENUES OVER EXPENDITURES	6,221,921	6,065,292	6,543,386	478,094
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(8,774,134)	(8,774,134)	(3,408,964)	5,365,170
Total other financing sources (uses)	(8,774,134)	(8,774,134)	(3,408,964)	5,365,170
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(\$2,552,213)</u>	<u>(\$2,708,842)</u>	3,134,422	<u>\$5,843,264</u>
Beginning fund balance			10,149,895	
Ending fund balance			<u>\$13,284,317</u>	

See accompanying notes to financial statements

CITY OF DAVIS
REDEVELOPMENT AGENCY LOW INCOME HOUSING FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$93,168	\$93,168	\$270,140	\$176,972
Development fees	\$4,188	4,188	9,270	5,082
Other	1,159	66,385	65,376	(1,009)
Total Revenues	98,515	163,741	344,786	181,045
EXPENDITURES:				
Current:				
Special projects	868,247	1,064,719	426,744	637,975
Total Expenditures	868,247	1,064,719	426,744	637,975
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(769,732)	(900,978)	(81,958)	819,020
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt			473,925	473,925
Transfers in	2,121,560	2,121,560	2,037,720	(83,840)
Transfers (out)			(577,290)	(577,290)
Total other financing sources (uses)	2,121,560	2,121,560	1,934,355	(187,205)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$1,351,828</u>	<u>\$1,220,582</u>	1,852,397	<u>\$631,815</u>
Beginning fund balance			<u>23,180,832</u>	
Ending fund balance			<u>\$25,033,229</u>	

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

WATER FUND

This fund accounts for the provision of water services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, billing and collection.

SANITATION FUND

This fund accounts for the activities associated with the various agreements entered into by the City relating to sanitation operations.

SEWER FUND

This fund accounts for the provision of sewer services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, billing and collection.

STORM SEWER FUND

This fund accounts for the provision of storm drain services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, billing and collection.

PUBLIC TRANSIT FUND

This fund accounts for special transportation funds derived from the City's share of motor fuel revenue to pay contracted transportation services. These funds are legally restricted items approved in the City's Transportation Development Act claim.

CITY OF DAVIS
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2009

	Business-type Activities-Enterprise Funds			
	Water	Sanitation	Sewer	Storm Sewer
ASSETS				
Current Assets				
Cash and investments (Note 2)	\$2,708,994	\$1,912,946	\$22,395,287	\$4,016,391
Cash with fiscal agents (Note 2)	710,041			
Accrued interest	18,531	9,872	114,123	26,884
Receivables:				
General accounts	1,779,874	1,458	214,891	290,298
Grants	27,049			
Utility accounts	1,119,006	788,730	1,341,645	213,476
Inventory				
Total Current Assets	6,363,495	2,713,006	24,065,946	4,547,049
Noncurrent Assets				
Advances to other funds (Note 3B)				
Capital Assets (Note 5):				
Non-depreciable	9,839,227	4,524	8,117,415	2,111,932
Depreciable	119,644,779	2,718	90,248,746	101,223,381
Accumulated depreciation	(35,092,013)	(2,669)	(38,400,685)	(22,452,406)
Total Noncurrent Assets	94,391,993	4,573	59,965,476	80,882,907
Total Assets	100,755,488	2,717,579	84,031,422	85,429,956
LIABILITIES				
Current Liabilities				
Accounts payable	284,034	674,380	323,106	30,826
Leave benefits payable (Note 1H)	167,007		200,225	
Deposits	44,625		8,600	
Deferred revenue	260,361	919,354	1,373,468	169,709
OPEB liability				
Due to other funds (Note 3A)				
Claims payable (Note 12)				
Loans payable (Note 6)	522,107		890,349	
Total Current Liabilities	1,278,134	1,593,734	2,795,748	200,535
Noncurrent Liabilities				
Advances from other funds (Note 3B)			786,326	786,326
Claims payable (Note 12)				
Long-term loans payable (Note 6)	4,129,424		9,015,464	
Total Noncurrent Liabilities	4,129,424		9,801,790	786,326
Total Liabilities	5,407,558	1,593,734	12,597,538	986,861
NET ASSETS (Note 8)				
Invested in capital assets, net of related debt	89,740,462	4,573	50,059,663	80,882,907
Unrestricted	5,607,468	1,119,272	21,374,221	3,560,188
Total Net Assets	\$95,347,930	\$1,123,845	\$71,433,884	\$84,443,095

See accompanying notes to financial statements

Public Transit	Totals	Governmental Activities- Internal Service Funds
	\$31,033,618	\$9,030,052
	710,041	
\$482	169,892	41,543
840	2,287,361	29,479
407,408	434,457	
	3,462,857	
		311,942
408,730	38,098,226	9,413,016
		2,435,015
204,331	20,277,429	718,488
4,086,463	315,206,087	15,541,202
(949,360)	(96,897,133)	(7,238,848)
3,341,434	238,586,383	11,455,857
3,750,164	276,684,609	20,868,873
217,969	1,530,315	24,869
8,575	375,807	116,833
	53,225	73,120
	2,722,892	2,493
		5,840,409
153,790	153,790	
		153,362
	1,412,456	
380,334	6,248,485	6,211,086
	1,572,652	
		235,826
	13,144,888	
	14,717,540	235,826
380,334	20,966,025	6,446,912
3,341,434	224,029,039	9,020,842
28,396	31,689,545	5,401,119
\$3,369,830	\$255,718,584	\$14,421,961

CITY OF DAVIS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUE, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities-Enterprise Funds			
	Water	Sanitation	Sewer	Storm Sewer
OPERATING REVENUES				
Charges for current services	\$9,545,841	\$8,821,374	\$13,502,462	\$1,506,083
Total Operating Revenues	9,545,841	8,821,374	13,502,462	1,506,083
OPERATING EXPENSES				
Administrative and billing	315,638	222,743	514,562	82,361
Payments to general government	477,527	229,031	722,739	112,162
Water production	2,414,274			
Water distribution	1,749,569			
Water system maintenance	1,346,743			
Street sweeping		669,898		
Waste removal and solid waste management		7,655,531		
Sewage collection			811,714	
Sewage treatment			4,458,682	
Storm drainage system maintenance				1,118,349
Public transportation service				
Special transportation service				
Central stores				
Central equipment				
Duplication - postal				
City administrative facility maintenance				
City electrical maintenance				
Insurance administration				
Insurance premiums				
Litigation				
MIS services				
OPEB expense				
Depreciation	2,597,045	39	1,943,877	1,519,918
Other	335,685	53	72,098	
Total Operating Expenses	9,236,481	8,777,295	8,523,672	2,832,790
Operating Income (Loss)	309,360	44,079	4,978,790	(1,326,707)
NONOPERATING REVENUES (EXPENSES)				
Interest income	90,560	45,869	544,769	131,073
Interest (expense)			(280,097)	
Operating grants and subventions	4,422	34,579		
Gain on disposal of capital assets				
Other	13,852	9,600	34,167	236,630
Total Nonoperating Revenues (Expenses)	108,834	90,048	298,839	367,703
Income (Loss) Before Contributions and Transfers	418,194	134,127	5,277,629	(959,004)
Contributions	302,003		223,596	339,345
Change in net assets	720,197	134,127	5,501,225	(619,659)
BEGINNING NET ASSETS	94,627,733	989,718	65,932,659	85,062,754
ENDING NET ASSETS	\$95,347,930	\$1,123,845	\$71,433,884	\$84,443,095

See accompanying notes to financial statements

Public Transit	Totals	Governmental Activities- Internal Service Funds
\$32,644	\$33,408,404	\$11,802,815
32,644	33,408,404	11,802,815
	1,135,304	
	1,541,459	
	2,414,274	
	1,749,569	
	1,346,743	
	669,898	
	7,655,531	
	811,714	
	4,458,682	
	1,118,349	
7,183,810	7,183,810	
432,212	432,212	
		205,728
		1,699,503
		243,093
		1,524,100
		183,685
		289,073
		3,167,359
		150,000
		1,627,217
		5,840,409
102,443	6,163,322	1,115,484
	407,836	
7,718,465	37,088,703	16,045,651
(7,685,821)	(3,680,299)	(4,242,836)
2,652	814,923	338,205
	(280,097)	
7,335,893	7,374,894	
		62,544
	294,249	188,005
7,338,545	8,203,969	588,754
(347,276)	4,523,670	(3,654,082)
	864,944	
(347,276)	5,388,614	(3,654,082)
3,717,106	250,329,970	18,076,043
\$3,369,830	\$255,718,584	\$14,421,961

CITY OF DAVIS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-type Activities-Enterprise Funds			
	Water	Sanitation	Sewer	Storm Sewer
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$9,496,345	\$8,739,269	\$13,279,550	\$1,474,375
Payments to suppliers	(5,475,320)	(8,327,332)	(5,248,085)	(1,136,718)
Payments to employees	(760,659)	(451,774)	(1,215,644)	(194,523)
Claims paid				
Other revenue (expenses)	(335,685)	(53)	912,391	
Cash Flows from Operating Activities	2,924,681	(39,890)	7,728,212	143,134
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants and contributions	(21,637)	34,579		
Interfund payments			(50,809)	(50,809)
Interfund receipts				
Cash Flows from Noncapital Financing Activities	(21,637)	34,579	(50,809)	(50,809)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash transfer to fiscal agent	(3,314)			
Acquisition of capital assets	(4,108,980)	(3,585)	(2,408,265)	(203,969)
Proceeds from sale of capital assets				
Principal payments on capital debt	(509,344)		(864,739)	
Interest paid			(280,097)	
Cash Flows from Capital and Related Financing Activities	(4,621,638)	(3,585)	(3,553,101)	(203,969)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	108,858	49,057	576,865	146,036
Cash Flows from Investing Activities	108,858	49,057	576,865	146,036
Net Cash Flows	(1,609,736)	40,161	4,701,167	34,392
Cash and investments at beginning of period	4,318,730	1,872,785	17,694,120	3,981,999
Cash and investments at end of period	\$2,708,994	\$1,912,946	\$22,395,287	\$4,016,391
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	\$309,360	\$44,079	\$4,978,790	(\$1,326,707)
Litigation settlement and other	13,852	9,600	34,167	236,630
Adjustments to reconcile operating income to cash flows from operating activities:				
Depreciation	2,597,045	39	1,943,877	1,519,918
Other revenues				
Change in assets and liabilities:				
Receivables:				
General accounts	313,361	19,105	(86,105)	(235,406)
Grants				
Utility accounts	(372,956)	(45,104)	(232,252)	(8,653)
Inventory				
Accounts payable	35,266	(1,903)	22,311	(18,369)
Prepays			984,489	
Leave benefits payable	32,506		21,657	
Refundable deposits				
Claims payable				
Deferred revenue	(3,753)	(65,706)	61,278	(24,279)
OPEB obligations				
Cash Flows from Operating Activities	\$2,924,681	(\$39,890)	\$7,728,212	\$143,134
Noncash transactions:				
Contributions of capital assets	\$302,003		\$223,596	\$339,345

See accompanying notes to financial statements

Public Transit	Totals	Governmental Activities- Internal Service Funds
\$2,483,242 (8,337,885)	\$35,472,781 (28,525,340) (2,622,600)	\$12,061,535 (9,288,453) (10,053) (238,197)
	576,653	
(5,854,643)	4,901,494	2,524,832
7,325,061 (1,472,588)	7,338,003 (1,574,206)	274,090
5,852,473	5,763,797	274,090
	(3,314) (6,724,799) (1,374,083) (280,097)	(1,296,293) 62,544
	(8,382,293)	(1,233,749)
2,170	882,986	358,312
2,170	882,986	358,312
	3,165,984	1,923,485
	27,867,634	7,106,567
	\$31,033,618	\$9,030,052
(\$7,685,821)	(\$3,680,299) 294,249	(\$4,242,836)
102,443	6,163,322	1,115,484 188,005
6,184 (406,701) 2,851,115	17,139 (406,701) 2,192,150	62,437
(716,609)	(679,304) 984,489	(23,876) (324,819)
(5,254)	48,909	(10,053) 8,240 (88,197) 38
	(32,460)	5,840,409
(\$5,854,643)	\$4,901,494	\$2,524,832
	\$864,944	

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FIDUCIARY FUNDS

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF DAVIS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and investments (Note 2)	\$7,618,666
Cash with fiscal agents (Note 2)	1,533,972
Accrued interest receivable	<u>35,809</u>
Total Assets	<u><u>\$9,188,447</u></u>
LIABILITIES	
Accounts payable	\$70,400
Due to bondholders	<u>9,118,047</u>
Total Liabilities	<u><u>\$9,188,447</u></u>

See accompanying notes to financial statements

CITY OF DAVIS Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Davis is a municipal corporation operating under the general laws of the State of California, under the Council-Manager form of government and provides the following services: public safety (police and fire); community planning and development; water, wastewater, and sanitation utilities; transportation; recreation, cultural and social assistance; and general administration services.

A. *Reporting Entity*

The City is governed by a five-member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set and modify budgets and fees, and sue or be sued. These financial statements present the government and its component unit-entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government.

PRIMARY GOVERNMENT

The financial statements of the primary government of the City of Davis include the activities of the City as well as the Redevelopment Agency of the City of Davis and the Public Facilities Financing Authority, both of which are controlled by and dependent on the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blending") with those of the primary government of the City in the accompanying financial statements.

BLENDED COMPONENT UNITS

The Redevelopment Agency of the City of Davis was established to assist in the clearance and rehabilitation of City areas determined to be in a declining condition. The Agency has the same governing board as the City, all accounting and administrative functions are performed by City staff and its activities are intended to finance capital improvements and economic development to benefit the City. The financial activities of the Agency have been included in the Redevelopment Agency and Redevelopment Agency Low Income Housing Special Revenue Funds, the Redevelopment Agency Debt Service Fund, and the Redevelopment Agency Capital Projects Fund. Audited annual financial statements are available from the Agency at 23 Russell Boulevard, Davis, CA 95616.

The Public Facilities Financing Authority was established solely to assist the City in the issuance of certain bonds for a series of Community Facilities Districts under the State Mello-Roos Act for the construction of infrastructure and improvements. The Authority is controlled by and financially dependent on the City; its financial activities are included in the Capital Projects Fund and Fiduciary Fund.

B. *Basis of Presentation*

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

CITY OF DAVIS
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the primary government (the City and its component units). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

CITY OF DAVIS
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reported the following major governmental funds in the accompanying financial statements:

GENERAL FUND

The General Fund is used for all general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

CHILD CARE GRANT

This fund accounts for receipts and expenditures of funds from Federal, State and Local agencies that may be expended only for the purpose of providing child care services.

REDEVELOPMENT AGENCY FUND

This fund accounts for receipts and expenditures of the Redevelopment Agency of the City of Davis.

REDEVELOPMENT AGENCY LOW INCOME HOUSING FUND

This fund accounts for Redevelopment tax increment revenues set aside pursuant to State law for low-and-moderate-income housing efforts.

DEVELOPMENT DEFERRED IMPROVEMENT FUND

This fund accounts for collections from property developers at the time of subdivision for specific major offsite public improvements that impose a burden cost on the newly developed areas and that will be constructed at a later date.

The City reported all its enterprise funds as major funds in the accompanying financial statements:

WATER FUND

This fund accounts for the provision of water services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance and billing, and collection.

SANITATION FUND

This fund accounts for the activities associated with the various agreements entered into by the City relating to sanitation operations.

SEWER FUND

This fund accounts for the provision of sewer services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

CITY OF DAVIS
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STORM SEWER FUND

This fund accounts for the provision of storm drain services to residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

PUBLIC TRANSIT FUND

This fund accounts for special transportation funds derived from the City's share of motor fuel revenue to pay contracted transportation services. This fund is legally restricted items approved in the City's Transportation Development Act claim.

INTERNAL SERVICE FUNDS

These funds account for general services, building maintenance, and City's self insurance; all of which are provided to other departments on a cost-reimbursement basis.

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the City as an agent for Public Facilities Financing Authority and Mello Roos Community Facilities District. The financial activities of these funds are excluded from the Entity-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

CITY OF DAVIS
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

The City follows Statements and interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

Those revenues susceptible to accrual are use of money and property revenue, charges for services and fines and penalties. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue.

E. *Utility Service Billing*

The City bills and collects service charges for water, sanitation, sewer, and storm sewer service. The City's utility accounts for sewer, sanitation and storm sewer are billed flat rates for services bimonthly, in advance, on the 1st of the months of February, April, June, August, October and December. The City also collects two additional charges for general government purposes, a Municipal Services tax and Public Safety charge, on the bills with the utility services.

The City has recorded all utility accounts receivable outstanding at June 30, 2009, and has deferred revenue recognition on one-half of the June 1, 2009 bi-monthly billing, representing July service.

F. *Budgets and Budgetary Accounting*

The City, by Ordinance, adopts annually the operating, debt service and capital improvement budgets for all governmental funds. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the fund level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. Upon approval by the City Manager and City Treasurer, however, amounts may be transferred between activities within a *fund's* operating budget appropriation total. The City Manager and City Treasurer may also approve routine minor new appropriations of \$10,000 or less subject to limitations. For the capital budget, the City Manager and City Treasurer may approve transfers between projects of \$15,000, as long as each *fund's* appropriation total remains intact. Increases in excess of the above limits and inter-fund transfers must be approved by the City Council. The budget data reflected in these financial statements incorporate all administrative and City Council amendments through June 30, 2009. Individual amendments were not material in relation to the original appropriations. All appropriations not expended or encumbered by year-end are canceled. All prior year unspent encumbrances are rolled over to the current fiscal year.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF DAVIS
Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Materials, Parts and Supplies

Materials, parts and supplies are held for consumption and are valued at the lower of cost or market. Cost is determined by the average cost method and materials, parts and supplies are recorded as expenditures or expenses as they are consumed.

H. Leave Benefits

The liability for compensated absences includes the unused vacation leave and compensatory time off, which are accrued as earned. No compensation is payable for sick leave. For governmental funds, a liability for these amounts is recorded only if they have matured, for example, as a result of employee resignations and retirements. The remaining amounts are reported as a liability in the Statement of Net Assets. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

Changes in compensated absences for the year ended June 30, 2009 were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$2,624,784	\$326,898	\$2,951,682
Additions	2,938,722	467,510	3,406,232
Payments	(2,874,020)	(418,601)	(3,292,621)
Ending Balance	<u>\$2,689,486</u>	<u>\$375,807</u>	<u>\$3,065,293</u>
Current Portion	<u>\$116,833</u>	<u>\$375,807</u>	<u>\$492,640</u>

I. Property Tax

Yolo County assesses properties and bills, collects, and distributes actual property taxes collected to the City five times per year. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. Property taxes levied are recorded as revenue and receivables in the fiscal year of levy.

J. New Fund

In Fiscal year 2008-09, the City established the Parking Special Revenue Fund to account for revenues and expenditures related to maintenance and operation of a paid parking lot. The City also established the Economic (ARRA) Stimulus Special Revenue Fund to account for the receipt and expenditure of federal economic stimulus grants.

CITY OF DAVIS
Notes to Financial Statements

NOTE 2 - CASH AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash with Fiscal Agents so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Investment income is allocated among funds on the basis of average daily cash and investment balances in these funds. Interest income on certain investments is allocated based on the source of the investment and legal requirements which apply.

Cash and investments with an original maturity of three months or less are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

<p style="text-align: center;">CITY OF DAVIS Notes to Financial Statements</p>

<p>NOTE 2 - CASH AND INVESTMENTS (Continued)</p>

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements. Cash and investments as of June 30, 2009 are as follows:

City cash and investments in primary government:	
Cash and investments	\$104,632,271
Cash with fiscal agents	<u>921,952</u>
Total City cash and investments in primary government	<u>105,554,223</u>
Cash and investments in Fiduciary Funds (Separate Statement):	
Cash and investments	7,618,666
Cash with fiscal agents	<u>1,533,972</u>
Total Fiduciary Funds cash and investments	<u>9,152,638</u>
Total cash and investments	<u><u>\$114,706,861</u></u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$7,503
Cash with financial institutions	2,198,105
Investments	<u>112,501,253</u>
Total Cash and Investments	<u><u>\$114,706,861</u></u>

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

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF DAVIS
Notes to Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

The City's investment policy and the California Government Code allow the City to invest in the following:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Bills, Bonds, and Notes	5 years	No Limit	No Limit	No Limit
Federal Agency Obligations	5 years	No Limit	No Limit	No Limit
Banker's Acceptance	180 days	No Limit	40%	(A)
Commercial Paper	270 days	AA	15%	10%
Negotiable Certificates of Deposit	2 years	No Limit	30%	No Limit
Security Swaps	No Limit	No Limit	No Limit	No Limit
Certificates of Deposit	No Limit	No Limit	No Limit	No Limit
Medium-Term Corporate Notes	5 years	AA	10%	No Limit
Money Market Mutual Funds	No Limit	AAA	15%	10%
Repurchase Agreements	1 year	No Limit	No Limit	No Limit
California Pooled Investment Authority (CPIA)	No Limit	No Limit	No Limit	No Limit
Local Agency Investment Fund	No Limit	No Limit	No Limit	\$40 million per account
California Asset Management Program (CAMP)	No Limit	No Limit	No Limit	No Limit

(A) No more than \$5 million or 10% of the cost value of the portfolio, whichever is less.

CITY OF DAVIS
Notes to Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Federal Securities	No Limit	N/A
U.S. Government Obligations	No Limit	N/A
U.S. Government Sponsored Obligations	No Limit	N/A
Banker's Acceptance	360 Days	A-1+
Money Market Accounts	N/A	AAm - AAAm
FDIC Insured Deposits	One year	N/A
Investment Agreements	No Limit	AA - AAAm
Commercial Paper	None to 270 days	A-1-A-1+
State Obligations:		
General Obligations	N/A	A
General Short-Term Obligations	No Limit	A-1
Special Revenue Bonds	No Limit	AA
Federal Funds	360 to 365 days	A-1
Repurchase Agreements	30 days	A
Local Agency Investment Fund	N/A	N/A
Pre-Refunded Municipal Obligations	No Limit	AAA

E. 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 DAVIS
Notes to Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

Investment Type	12 Months or less	13 to 18 Months	19 to 60 Months	Total
U.S. Government Sponsored Obligations:				
Callable	\$25,144,668	\$2,106,875	\$1,975,000	\$29,226,543
California Asset Management Program	5,015,376			5,015,376
California Local Agency Investment Fund	75,804,238			75,804,238
<i>Held by Trustees:</i>				
Money Market Mutual Funds (U.S. Securities)	2,244,145			2,244,145
U.S. Treasury Bill	210,951			210,951
Total Investments	<u>\$108,419,378</u>	<u>\$2,106,875</u>	<u>\$1,975,000</u>	112,501,253
 <i>Cash in banks and on hand</i>				<u>2,205,608</u>
 Total City Cash and Investments				<u><u>\$114,706,861</u></u>

The City is a 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 City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2009, these investments have an average maturity of 235 days.

Money market mutual funds are available for withdrawal on demand and at June 30, 2009, have an average maturity ranging from 1 to 46 days.

CITY OF DAVIS
Notes to Financial Statements

NOTE 2 - CASH AND INVESTMENTS (Continued)

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2009 are as follows:

Investment Type	AAA	AAAm	Total
U.S. Government-Sponsored Enterprise Agencies			
Callable	\$29,226,543		\$29,226,543
California Asset Management Program		\$5,015,376	5,015,376
Money Market Mutual Funds (U.S. Securities)			
<i>Held by Trustees:</i>			
Money Market Mutual Funds (U.S. Securities)		2,244,145	2,244,145
Totals	<u>\$29,226,543</u>	<u>\$7,259,521</u>	<u>36,486,064</u>
<i>Not rated:</i>			
U.S. Treasury Bill			210,951.00
California Local Agency Investment Fund			75,804,238
Money Market Mutual Funds (U.S. Securities)			
Cash in banks and on hand			<u>2,205,608</u>
Total Investments			<u>\$114,706,861</u>

G. Concentration of Credit Risk

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual City Funds in the securities of issuers other than U. S. Treasury securities, mutual funds and external investment pools. At June 30, 2009, those investments consisted of:

Reporting Unit	Issuer	Investment Type	Reported Amount
Entity-wide	Federal Home Loan Bank	US Government-Sponsored Enterprise Agencies	\$11,162,813
	Federal National Mortgage Association	US Government-Sponsored Enterprise Agencies	14,008,750

CITY OF DAVIS
Notes to Financial Statements

NOTE 3 - INTERFUND TRANSACTIONS

A. Current Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2009, the following funds have balances due to the Development Deferred Improvement Fund to temporarily fund short-term cash flow needs.

Special Revenue Funds:	
Gas Tax	\$34,369
TDA Non-Transit Use Fund	26,873
Park Maintenance Tax Fund	28,399
ARRA Stimulus	138,633
Building Permits and Fees	40,842
Capital Projects Funds:	
Capital Grants Fund	437,690
Enterprise Fund:	
Public Transit Fund	153,790
	<hr/>
Total	<u><u>\$860,596</u></u>

B. Long-Term Advances

At June 30, 2009, the following funds had made advances which were not expected to be repaid within the next year.

<u>Fund Receiving Advance</u>	<u>Fund Making Advance</u>	<u>Amount of Advance</u>
Special Revenue Fund:		
Redevelopment Agency	General Services Internal Service Fund	\$862,363
Enterprise Funds:		
Sewer	General Services Internal Service Fund	786,326
Storm Sewer		<hr/> 786,326
		<hr/> <u>\$2,435,015</u>

The Redevelopment Agency began making annual interest and principal payments on its advance beginning July 1, 2004 with final repayment by fiscal year 2014. The interest rate is subject to an annual reset at average-cost-of-funds rate (twelve-month average investments earnings rate.) Principal and interest payments are reviewed annually during the budgeting process, with the intention of accelerating repayment when possible.

Sewer and Storm Sewer funds make annual principal and interest payment on July 1, with final repayment by fiscal year 2023. The interest rate is subject to an annual reset at average-cost-of-funds rate (twelve-month average investments earnings rate.) Principal and interest payments are reviewed annually during the budgeting process, with the intention of accelerating repayment when possible.

CITY OF DAVIS
Notes to Financial Statements

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

C. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2009 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred	
Redevelopment Agency Low Income Housing Fund	Redevelopment Agency Fund	\$2,037,720	(A)
Non-Major Governmental Funds	Redevelopment Agency Fund	1,371,244	(B)
	Redevelopment Agency Low Income Housing Fund	577,290	(B)
	Development Deferred Improvement Fund	183,380	(B)
	Non-Major Governmental Funds	<u>209,198</u>	(B)
Total Interfund Transfers		<u><u>\$4,378,832</u></u>	

(A) To fund the twenty percent set-aside in the Redevelopment Agency Low Income Housing Fund

(B) To fund debt service

D. Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

CITY OF DAVIS
Notes to Financial Statements

NOTE 4 - LOANS AND MORTGAGES RECEIVABLE

Loans receivable, including accrued interest and related deferred revenue, comprised balances from the following programs, all of which are discussed below:

Davis Mutual Housing Association	\$5,194,827
Davis Campus Cooperatives	990,534
Windmere II	1,183,931
Davis Area Cooperative Housing Association	3,888,099
Walnut Terrace	3,474,055
Tremont Green	2,722,379
Moore Village	3,811,415
Eleanor Roosevelt	2,969,868
Pence Gallery	49,216
Oakshade East	900,000
Other Commercial Rehabilitation, Housing Rehabilitation, and Affordable Housing	3,024,705
Community Housing Opportunities Corp	513,152
New Harmony Loan	686,105
Davis Musical Theater	48,250
Employee Computer Loans	123,068
	<hr/>
Total Loans Receivable	29,579,604
Mortgages Receivable	499,671
	<hr/>
Total Loans and Mortgages Receivable	<u><u>\$30,079,275</u></u>

A. Davis Mutual Housing Association

The Redevelopment Agency and the City entered into two agreements with the Davis Mutual Housing Association for affordable housing. Under the terms of the first agreement, the City loaned \$3,950,000 to assist in the development of affordable housing located at 3023 Albany Avenue. This agreement is guaranteed by four promissory notes based on different funding sources. These notes bear no annual interest. One of the promissory notes in the amount of \$807,396 requires monthly payments of \$1,346 that began on January 10, 2002, with a final payment of \$1,142 on January 10, 2052. The other three promissory notes require a total monthly payment of \$5,239, beginning January 10, 2006, with a total final payment of \$4,443 on January 10, 2056.

Under the terms of the second agreement, the City loaned \$1,271,190 to the Association to develop an affordable multi-family housing project consisting of thirty-six units. This note bears 3% interest and payments are to be made from residual cash flows. The remaining outstanding principal will be due on May 21, 2033.

Both agreements are secured by deeds of trust. As of June 30, 2009 the Association has drawn down \$5,194,827.

CITY OF DAVIS
Notes to Financial Statements

NOTE 4 - LOANS AND MORTGAGES RECEIVABLE (Continued)

B. *Davis Campus Cooperatives*

The City entered into two agreements with Davis Campus Cooperatives for affordable housing. Under the terms of the first agreement, the City loaned \$375,000 to assist in the development of affordable housing located at 1752 Drew Circle. The note bears annual interest of 6%. Monthly payments of \$2,248 commenced November 1, 2000. The remaining outstanding principal and any accrued but unpaid interest will be due on April 21, 2030. Under the second agreement, the City loaned \$642,000 to the same project. This note bears zero interest and payments are to be made from residual cash flows. The remaining outstanding principal will be due on April 21, 2030. Both agreements are secured by deeds of trust. The balance of the loans receivable arising from these two notes at June 30, 2009 was \$990,534.

C. *Windmere II*

The Redevelopment Agency of the City of Davis entered into two agreements with Windmere II for affordable housing. Under the terms of the first agreement, the Agency loaned \$445,000 to assist in the development of affordable housing located at 3100 Fifth Street. The note bears 3% simple interest. Annual interest only payments begin July 1, 2000. Commencing July 1, 2005, principal and interest payments are due annually with final payment expected in 2035. Under the terms of the second agreement, the Agency loaned \$148,000 to assist in the development of affordable housing located at 3100 Fifth Street. The note bears 3% simple interest and payments are to be made from residual cash flows. Annual interest only payments began July 1, 2000.

The City also entered into two agreements with Windmere II for affordable housing. Under the terms of the first agreement, the City loaned \$476,190 to assist in the development of affordable housing located at 3100 Fifth Street. The note bears 3% simple interest. Payments are to be made from residual cash flow. Under the terms of the second agreement, the City loaned \$151,824 to assist in the development of affordable housing located at 3100 Fifth Street. The note bears 3% simple interest and payments are to be made from residual cash flows. Annual interest only payments began July 1, 2001.

Commencing July 1, 2005, annual principal and interest payments are due with final payment expected in 2035. Both agreements are secured by deeds of trust. The balance of the loans receivable arising from these notes at June 30, 2009 was \$1,183,931.

D. *Davis Area Cooperative Housing Association*

In 2008, the City and Redevelopment Agency of the City of Davis entered into a consolidated loan agreement with Davis Area Cooperative Housing Association, Inc. in the total amount of \$4,153,429.

\$1,173,177 of the loan proceeds were used to refinance an existing loan that the Association had with the Redevelopment Agency and the City in amounts of \$1,073,177 and \$100,000 respectively. Under the original loan agreement, the Agency and the City loaned a combined original amount of \$1,240,000 for the acquisition of affordable housing units located at 5503, 5509, 5515, 5521, 5527, 5533 and 5539 Tufts Street in the City of Davis.

CITY OF DAVIS
Notes to Financial Statements

NOTE 4 - LOANS AND MORTGAGES RECEIVABLE (Continued)

In addition, \$2,980,252 of the loan proceeds is to provide affordable housing opportunities to a total of twenty single family housing units. As of June 30, 2009, the Association has drawn down \$2,714,922 of the loan proceeds for this purpose.

The loan bears 3% interest rate and a 55-year term. It is secured by a deed of trust. The balance of this loan receivable at June 30, 2009 was \$3,888,099.

E. Walnut Terrace

The Redevelopment Agency of the City of Davis entered into an agreement with Walnut Terrace Limited Partnership for affordable housing. Under the terms of the agreement, the Agency loaned \$2,108,792 interest free to assist in the development of affordable senior multi-family housing project consisting of thirty units located at 3101 Fifth Street. Subsequently, Walnut Terrace Limited secured other financing and repaid \$278,372 to the Agency. If the project generates any residual cash flow, 100% of the residual cash flow shall be paid to the Agency in the form of an annual payment, commencing November 1, 2005. All unpaid principal is due on November 1, 2060. The agreement is secured by a deed of trust.

The City also entered into another loan agreement with Walnut Terrace Limited Partnership. Under the terms of this agreement, the City loaned \$2,251,208 interest free to assist in the development of the same project discussed above. Subsequently, Walnut Terrace Limited secured other financing and repaid \$607,573 to the City. If the project generates any residual cash flow, 100% of the residual cash flow shall be paid to the City in the form of an annual payment, commencing November 1, 2005. All unpaid principal is due on November 1, 2060. The agreement is secured by a deed of trust.

The balance of the loans receivable arising from these notes at June 30, 2009 was \$3,474,055.

F. Tremont Green

The Redevelopment Agency and the City of Davis entered into an agreement with Yolo Mutual Housing Association for affordable housing. Under the terms of the agreement, the Agency and the City loaned \$2,722,379 for construction of a thirty-six unit residential rental property located at El Macero Estates. The note bears 3.0% interest. If the project generates any residual cash flow, principal and interest payments are due annually with final payment expected in 2058. The agreement is secured by a deed of trust.

The balance of the loan receivable arising from this note at June 30, 2009 was \$2,722,379.

G. Moore Village

The Redevelopment Agency and the City of Davis entered into an agreement with Yolo Mutual Housing Association for affordable housing. Under the terms of the agreement, the Agency and the City loaned \$3,811,415 for construction of a fifty-nine unit apartment complex. The note bears 3.0% simple interest. If the project generates any residual cash flow, principal and interest payments are due annually with final payment expected in 2059. The agreement is secured by a deed of trust.

The balance of the loan receivable arising from this note at June 30, 2009 was \$3,811,415.

CITY OF DAVIS
Notes to Financial Statements

NOTE 4 - LOANS AND MORTGAGES RECEIVABLE (Continued)

H. Eleanor Roosevelt

The Redevelopment Agency and the City of Davis entered into an agreement with Davis Senior Housing Cooperative for affordable housing. Under the terms of the agreement, the Agency and City of Davis have approved a loan in the amount not to exceed \$4,250,000 for the construction of a sixty-unit senior residential rental property. The note bears no interest for the first fifteen years, 6% simple interest for the next fifteen years, and 3% simple interest for the remaining twenty five years. The payments are to be made from residual cash flow. Commencing December 2020, annual principal and interest payments are due with final payment expected in 2060. The loan is secured by deeds of trust.

The balance of the loan receivable arising from this note at June 30, 2009 was \$2,969,868.

I. Pence Gallery

The Redevelopment Agency of the City of Davis entered into a loan agreement with Pence Gallery Association to assist in repayment of construction loans and development impact fees. Under the terms of agreement the Agency loaned the Association \$123,040. The note bears no annual interest. The loan is due and payable in March 2011. However, the Agency will forgive 20% of the principal loan amount on each loan agreement anniversary date if the Association continues to operate and maintain the Gallery for artistic exhibits and events. The balance of the loan receivable arising from this note at June 30, 2009 was \$49,216.

J. Oakshade East

The Redevelopment Agency of the City of Davis entered into an agreement with Yolo Mutual Housing Association and Sacramento Mutual Housing Association to develop 60 to 70 affordable two, three, and four bedroom apartments. Under terms of the agreement the Agency loaned the associations \$900,000. The note bears simple interest at 3%. If the projects generate any residual cash flow, principle and interest payments are due annually with final payment expected in 2065.

K. Other Commercial Rehabilitation, Housing Rehabilitation and Affordable Housing

The City and the Agency engage in programs designed to encourage construction or improvement in low-to-moderate-income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the terms of the loan agreements. The balance of the loans receivable arising from these programs at June 30, 2009 was \$3,024,705.

L. Community Housing Opportunities Corporation

The Redevelopment Agency of the City of Davis entered into an agreement with Community Housing Opportunities Corporation, a California nonprofit public benefit Corporation to construct a mixed-use development that will include a minimum of twenty-eight for-sale residential units and certain other improvements. Twenty-one out of the twenty-eight units will be sold to families with income that is 80% or less of the area median income. Under the terms of the agreement, the Agency will loan the Corporation \$1,908,000. This note bears simple interest at 3% and will be due on June 8, 2012. The balance of the loans receivable arising from this note at June 30, 2009 was \$513,152.

CITY OF DAVIS
Notes to Financial Statements

NOTE 4 - LOANS AND MORTGAGES RECEIVABLE (Continued)

M. *New Harmony Loan*

The City entered into an agreement with New Harmony, L.P. to construct and operate a sixty-nine-unit residential rental property at the corner of Cowell Boulevard and Drummand Avenue for low-income and very-low-income housing. The note is secured by a Deed of Trust. The term of this note is fifty-five years bearing a simple interest rate of 3%. The outstanding balance of principal and unpaid accrued interest of this Loan shall be due and payable in full upon the maturity date. Funds used for this project were provided exclusively by grant funds from HOME funds. The total amount of funds available under this agreement is \$1,240,664. As of June 30, 2009 the loan amount outstanding is \$686,105.

N. *Other Loan Receivables*

The City entered into an agreement with the Davis Musical Theatre Company to provide an unsecured loan to assist in constructing tenant improvements to the building and converting it into a theatre. The original principal balance was \$50,000 and bears interest at 4.8%. It was to be repaid through monthly installments of \$261.43 beginning on April 1, 2005 with a balloon payment in December 2007. The loan is delinquent and, as of June 30, 2009, has a balance of \$48,250.

The City began a loan program to assist its employees with the purchase of personal computers. These loans are for a maximum of \$3,000 for loans given before June 30, 2007. In June 2007 the City reduced the maximum computer loan to \$2,000 and added a bicycle loan program with the same parameters as the computer loan program. These loans bear no interest and are repaid by monthly deductions from the employee paychecks. As of June 30, 2009, the loans outstanding amounted to \$123,068.

O. *Mortgages Receivable*

The City has an agreement with the developers of low-to-moderate-income housing to defer certain developer fees so those houses can be sold at a lower cost to the home buyers. This fee is collected from the homeowners by the City, and is considered a loan. These loans are secured by second trust deeds on the property. Although these mortgages are expected to be repaid in full, their balance has been offset by deferred revenue or a reserve of fund balance, as they are not expected to be repaid during the next fiscal year. The balance of all the mortgages receivables at June 30, 2009 was \$499,671.

P. *Conditional Grants*

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate-income housing. These loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City accounts for these loans as conditional grants in the Entity-wide financial statements, and provides a reserve against their eventual forgiveness using the straight-line method over the life of the respective loan.

CITY OF DAVIS
Notes to Financial Statements

NOTE 5 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Buildings	50 years
Improvements	15 years
Vehicles	3-20 years
Computers	5-7 years
Equipment	15 years
Streets	25-40 years
Parks and Greenbelts	25-50 years
Belt and Pedestrian Pathways	75 years
Utility Underground Systems	30-50 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF DAVIS
Notes to Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2009 is as follows:

	Balance at June 30, 2008	Additions and Transfers	Retirements and Transfers	Balance at June 30, 2009
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Land	\$64,998,675	\$501,644		\$65,500,319
Construction in Progress	30,518,912	1,365,002	(\$384,704)	31,499,210
Total capital assets not being depreciated	95,517,587	1,866,646	(384,704)	96,999,529
Capital assets being depreciated:				
Buildings	26,873,366			26,873,366
Improvements	4,491,672			4,491,672
Vehicles	9,639,354	949,200	(660,264)	9,928,290
Computer and Equipment	3,003,852	543,286	(34,636)	3,512,502
Infrastructure				
Streets	242,275,002	1,164,871		243,439,873
Parks and Greenbelts	52,764,894	73,955		52,838,849
Bike and Pedestrian Pathways	12,406,488			12,406,488
Total capital assets being depreciated	351,454,628	2,731,312	(694,900)	353,491,040
Less accumulated depreciation:				
Buildings	(11,751,536)	(672,912)		(12,424,448)
Improvements	(3,493,637)	(1,020,888)		(4,514,525)
Vehicles	(4,902,703)	(759,588)	597,676	(5,064,615)
Computer and Equipment	(1,582,974)	(375,871)	34,636	(1,924,209)
Infrastructure				
Streets	(97,311,831)	(8,314,118)		(105,625,949)
Parks and Greenbelts	(29,582,381)	(4,208,203)		(33,790,584)
Bike and Pedestrian Pathways	(6,171,630)	(3,099,407)		(9,271,037)
Total accumulated depreciation	(154,796,692)	(18,450,987)	632,312	(172,615,367)
Net capital assets being depreciated	196,657,936	(15,719,675)	(62,588)	180,875,673
Governmental Activities Capital Assets, Net	\$292,175,523	(\$13,853,029)	(\$447,292)	\$277,875,202

CITY OF DAVIS
Notes to Financial Statements

NOTE 5 - CAPITAL ASSETS (Continued)

	Balance at June 30, 2008	Additions and Transfers	Retirements and Transfers	Balance at June 30, 2009
<i>Business-type Activities</i>				
Capital assets, not being depreciated:				
Land	\$5,867,878			\$5,867,878
Construction in Progress	9,512,460	\$5,100,475	(\$203,384)	14,409,551
Total capital assets not being depreciated	15,380,338	5,100,475	(203,384)	20,277,429
Capital assets, being depreciated:				
Buildings and Improvements	4,387,205			4,387,205
Water Wells, Pumps and Related Assets	45,875,556			45,875,556
Water Distribution System	59,286,660	325,215		59,611,875
Sewer Treatment Plant	42,000,001			42,000,001
Sewer Pipes and Pipelines	35,801,668	223,596		36,025,264
Drainage Facilities	100,635,395	553,714		101,189,109
Equipment	24,526,950	1,590,127		26,117,077
Net capital assets being depreciated	312,513,435	2,692,652		315,206,087
Less accumulated depreciation for:				
Buildings and Improvements	(1,036,645)	(109,758)		(1,146,403)
Water Wells, Pumps and Related Assets	(11,188,316)	(985,415)		(12,173,731)
Water Distribution System	(16,867,716)	(1,008,492)		(17,876,208)
Sewer Treatment Plant	(23,059,863)	(839,859)		(23,899,722)
Sewer Pipes and Pipe Lines	(9,565,922)	(743,822)		(10,309,744)
Drainage Facilities	(20,919,870)	(1,517,265)		(22,437,135)
Equipment	(8,095,479)	(958,711)		(9,054,190)
Total accumulated depreciation	(90,733,811)	(6,163,322)		(96,897,133)
Net capital assets being depreciated	221,779,624	(3,470,670)		218,308,954
Business-type Activities Capital Assets, Net	\$237,159,962	\$1,629,805	(\$203,384)	\$238,586,383

B. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are contributed.

<p style="text-align: center;">CITY OF DAVIS Notes to Financial Statements</p>

<p>NOTE 5 - CAPITAL ASSETS (Continued)</p>

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities

City Council	\$452
City Manager	42,470
Finance	1,111
Community development	9,437
Parks and community services	4,463,460
Public safety - fire	209,979
Public safety - police	410,424
Public works	13,313,654
Total Governmental Activities	\$18,450,987

Business-Type Activities

Water	\$2,597,045
Sanitation	39
Sewer	1,943,877
Storm sewer	1,519,918
Public transit	102,443
Total Business-Type Activities	\$6,163,322

CITY OF DAVIS
Notes to Financial Statements

NOTE 6 - LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

A. The City's Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2009 is as follows:

	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	Current Portion
<i>Governmental Activities Long-Term Debt:</i>					
<i>Redevelopment Agency Bonds:</i>					
2003 Tax Allocation Refunding Bonds 2.00%-5.00%, due 09/01/34	\$8,785,000		\$155,000	\$8,630,000	\$155,000
2007 Tax Allocation Refunding Bonds 4.00%-4.25%, due 9/1/2030	11,840,000		320,000	11,520,000	335,000
2007 Taxable Housing Tax Allocation Bonds 5.50%, due 9/1/2037	8,325,000		110,000	8,215,000	120,000
Special Assessment Payable Due 06/30/09	83,205		83,205		
<i>Certificates of Participation:</i>					
1995 Association of Bay Area Governments 5.00%-6.50%, due 03/01/16	1,280,000		125,000	1,155,000	135,000
1994 City of Davis Certificates of Participation 6.50%, due 07/01/14	180,000		180,000		
<i>Capital Lease Obligation</i>					
Central Controller and Ancillary Equipment 4.77%, due 10/1/11	733,168		170,687	562,481	178,828
California Housing Finance Agency Note Payable 3%, due August 8, 2012	39,227	\$473,925		513,152	
Total Governmental Activities Long-Term Debt	<u>\$31,265,600</u>	<u>\$473,925</u>	<u>\$1,143,892</u>	<u>\$30,595,633</u>	<u>\$923,828</u>
<i>Business-type Activities Long-Term Debt:</i>					
State Revolving Fund Loan #1 2.7%, due 7/25/15	\$2,089,106		\$237,600	\$1,851,506	\$243,861
State Revolving Fund Loan #2 2.6%, due 5/1/19	7,041,683		508,053	6,533,630	520,762
Department of Water Resources Loan #1 2.5%, due 10/1/11	1,049,484		290,649	758,835	297,909
Department of Water Resources Loan #2 2.6%, due 9/30/22	4,111,391		218,695	3,892,696	224,198
Sewer System Capital Improvement Loan 5.5%, due 12/15/18	1,639,763		119,086	1,520,677	125,726
Total Business-type Activities Long-Term Debt	<u>\$15,931,427</u>		<u>\$1,374,083</u>	<u>\$14,557,344</u>	<u>\$1,412,456</u>

CITY OF DAVIS
Notes to Financial Statements

NOTE 6 - LONG-TERM DEBT (Continued)

B. Debt Service Requirements

Future principal and interest payments on all Governmental and Business-type long-term debt were as follows at June 30, 2009:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$923,828	\$1,423,926	\$1,412,456	\$418,691
2011	967,358	1,381,991	1,452,952	378,196
2012	1,524,447	1,337,527	1,336,970	336,615
2013	855,000	1,290,310	1,217,409	298,700
2014	885,000	1,250,155	1,253,169	262,942
2015-2019	4,455,000	5,606,632	5,845,071	749,825
2020-2024	5,060,000	4,562,656	2,039,317	107,920
2025-2029	6,355,000	3,252,056		
2030-2034	7,505,000	1,555,703		
2035-2038	2,065,000	241,385		
Total	<u>\$30,595,633</u>	<u>\$21,902,341</u>	<u>\$14,557,344</u>	<u>\$2,552,889</u>

C. Description of the City's Long-Term Debt Issues

2003 Tax Allocation Refunding Bonds and 2007 Tax Allocation Refunding Bonds – On October 30, 2003, the Redevelopment Agency of the City of Davis issued the 2003 Tax Allocation Refunding Bonds in the amount of \$9,625,000. The proceeds from the sale of the Bonds were used to refund the Agency's outstanding Davis Redevelopment Project 1994 Tax Allocation Bonds. Agency's tax increment revenue; less amounts required to be set aside in the Redevelopment Agency Low Income Housing Fund and certain tax increment pass through payments, is pledged for the repayment of these bonds. Principal payments are payable annually on September 1 and interest is payable semi-annually each March 1 and September 1 through 2034.

On February 20, 2007, the Redevelopment Agency of the City of Davis issued the 2007 Tax Allocation Refunding Bonds in the amount of \$12,140,000. The proceeds from the sale of the Bonds were used to refund the Agency's outstanding Davis Redevelopment Project 2000 Tax Allocation Refunding Bonds. The Bonds' are secured on a parity with the 2003 Tax Allocation Refunding Bonds by a pledge of and first lien on Agency tax increment revenues less amounts required to be set aside in the Redevelopment Agency Low Income Housing Fund and certain tax increment pass through payment, from the Agency's Redevelopment Project. Interest is payable semi-annually each March 1 and September 1 and principal payments are payable annually on September 1 through 2030.

CITY OF DAVIS
Notes to Financial Statements

NOTE 6 - LONG-TERM DEBT (Continued)

As discussed above, the Agency has pledged all future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low Income Housing Fund and certain tax increment pass through payments, for the repayment of both the 2003 and 2007 Tax Allocation Bonds (non-housing revenues). The pledge of all future non-housing revenues ends upon repayment of the \$33,226,248 remaining debt service on the Bonds above, which is scheduled to occur in 2034. Projected non-housing tax increment revenues are expected to provide coverage over debt service of 568% over the life of the two Bonds. For fiscal year 2009, non-housing revenues amounted to \$5,483,124 which represented coverage of 404% over the \$1,357,678 of non-housing debt service.

2007 Taxable Housing Tax Allocation Bonds – On February 20, 2007, the Redevelopment Agency of the City of Davis issued the 2007 Taxable Housing Tax Allocation Bonds in the amount of \$8,675,000. The proceeds from the sale of the Bonds were used to aid the financing of redevelopment activities consisting of the increasing, improving and preserving of the supply of low and moderate income housing within the City. Agency housing tax revenue is pledged for the repayment of these bonds. Interest is payable semi-annually each March 1 and September 1 and principal payments are payable annually on September 1 through 2037.

The pledge of future tax increment revenues ends upon repayment of the \$16,671,482 in remaining debt service on this bond issue which is scheduled to occur in 2037. As disclosed in the originating offering documents, pledged future tax increment revenues are expected to provide coverage over debt service of 338% over the life of the long-term debt. For fiscal year 2009, tax increment revenues amounted to \$2,037,720 million which represented coverage of 355% over the \$574,115 in debt service.

Redevelopment Agency Special Assessment Payable - The Redevelopment Agency is responsible for paying the Special Assessment of \$887,517 levied on property it owns by the City of Davis Parking Assessment District #3 through June 30, 2009. The debt was repaid as of June 30, 2009.

1995 Certificates of Participation - On March 1, 1995, the City issued Certificates of Participation in the original principal amount of \$2,410,000 as part of an agreement with Association of Bay Area Governments (ABAG) to finance the installation and construction of improvements to its municipal golf course and the acquisition of two park sites. The Certificates are secured by a non-cancellable lease. Principal payments are payable annually on March 1 and interest payments payable semi-annually on September 1 and March 1, through March 2016. Since the lease is in essence a financing arrangement with ownership of the financed assets reverting to the City, the debt evidenced by the Certificates of Participation has been included in the City's financial statements.

1994 Certificates of Participation - The City issued Certificates of Participation in the original principal amount of \$405,000 for the 1994 Hunt-Boyer Mansion Administrative Office Facility Project. The Certificates are secured by a non-cancellable lease. Principal payments are payable annually on July 1 and interest payments payable semi-annually on January 1 and July 1, through July 2014. Since the lease is in essence a financing arrangement with ownership of the financed assets reverting to the City, the debt evidenced by the Certificates of Participation has been included in the City's financial statements. The debt was paid off for June 30, 2009.

CITY OF DAVIS
Notes to Financial Statements

NOTE 6 - LONG-TERM DEBT (Continued)

Capital Lease Obligation – On July 1, 2004, the City entered into a \$1,200,000 equipment lease-purchase agreement with Motorola, Inc. for the partial financing of a public safety radio tower. The lease interest and principal payments are due annually on October 1 with a final payment due on October 1, 2011. The lease is payable from general government revenues.

CalHFA Note Payable – On August 8, 2007, the Redevelopment Agency of City of Davis entered into a \$1,908,000 Residential Development Loan Program with California Housing Finance Agency (CalHFA) to assist with the predevelopment and construction development of a housing project with a minimum of twenty-eight units. The note bears 3% simple interest. Principal and interest payments are deferred and due on August 8, 2012. As of June 30, 2009, the note payable balance is \$513,152.

State Revolving Fund Loan #1 - The City entered into a contract in February 1994 to borrow funds from the State Water Resources Control Board. The funds are being used for a Wetland Project and a Pollution Load Reduction Program to improve water quality. The maximum loan amount is \$4,900,000 and bears interest at 2.7% per year for a term of twenty years.

State Revolving Fund Loan #2 - The City entered into a contract in March 1997 to borrow funds from the State Water Resources Control Board. The funds are being used for a Water Pollution Control Plant Expansion upgrade to the existing wastewater treatment facility to meet the City's future wastewater treatment needs. The maximum loan amount is \$10,603,414 and bears interest at 2.6% per year for a term of twenty years.

Department of Water Resources Loan #1 - The City entered into a contract with the Department of Water Resources to borrow funds to finance a water conservation project. The loan cannot exceed \$4,485,000 and bears interest at 2.5% per year. Repayment of principal commences upon completion of the project for a period not to exceed fifteen years.

Department of Water Resources Loan #2 - The City entered into a contract with the Department of Water Resources to borrow funds to assist in the funding of the City's Water Storage Tank project. The loan cannot exceed \$5,000,000 and bears interest at 2.6% per year. Repayment of principal commences upon completion of the project for a period not to exceed twenty years.

Sewer System Capital Improvement Loan - On December 15, 1998, the City entered into an installment sale agreement in the amount of \$2,500,000 with LaSalle National Bank for the purchase of the 1998 Sewer System Improvement Project. Principal and interest of 5.5% are payable semi-annually through December 15, 2018.

Line of Credit - In July 2008, the City Council authorized to execute a credit agreement with Union Bank of California for a non-revolving, three-year line of credit in the amount not to exceed \$15,000,000 for the purpose of providing interim financing for the engineering/design phase of the secondary grade to the wastewater treatment plant. As of June 30, 2009, the City had not yet drawn down any funds associated with this line of credit.

CITY OF DAVIS
Notes to Financial Statements

NOTE 7 - SPECIAL ASSESSMENT DEBT WITHOUT CITY COMMITMENT

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2009 is as follows:

Description	Issue Year	Maturity Year	Outstanding June 30, 2009
Parking Assessment District #3, \$2,080,000 original principal	1993	2010	\$195,000
University Research Park Improvement, \$2,265,000 original principal	1993	2018	1,345,000
Public Facilities Financing Authority, \$9,785,000 original principal	1999	2030	9,785,000
Community Facilities District No. 1999-2 \$9,640,000 original principal	2000	2024	6,265,000
Public Facilities Financing Authority, \$5,355,000 original principal	2004	2016	3,350,000
Community Facilities District No. 1991-2 \$14,115,000 original principal	2007	2026	13,755,000
Community Facilities District No. 2007-2 \$5,510,000 original principal	2008	2037	5,510,000
Total			<u>\$40,205,000</u>

NOTE 8 - NET ASSETS AND FUND BALANCES

A. Net Assets

Net assets is the excess of all the City's assets over all its liabilities, regardless of fund. Net assets are divided into three captions on the Statement of Net Assets. These captions apply only to net assets, which is determined only at the Government-wide level, and are described below:

Invested in Capital Assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low-and-moderate-income housing purposes.

Unrestricted describes the portion of Net Assets which is not restricted to use.

CITY OF DAVIS
Notes to Financial Statements

NOTE 8 - NET ASSETS AND FUND BALANCES (Continued)

B. Fund Equity

Fund equity consists of reserved and unreserved amounts. Reserved fund equity represents that portion of a fund balance or net assets, which has been appropriated for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved. Net Assets is reserved for debt service requirements.

A portion of unreserved fund balance may be designated to indicate plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans are subject to change and may never be legally authorized or result in expenditures.

C. Fund Deficits

As of June 30, 2009, the Building Permits and Fees Special Revenue Fund had a negative fund balance of \$64,674 and the City Self-Insurance Internal Service Fund for self-insurance had a negative net asset of \$4,805,662 which is expected to be repaid by future contributions from other funds.

NOTE 9 - COMPARISONS WITH BUDGET

The following funds incurred Council approved expenditures in excess of their budgets in the amounts below as the result of unanticipated disbursements, for which sufficient additional revenues were available for the year ended June 30, 2009:

	<u>Expenditures in Excess of Budget</u>
Special Revenue Funds	
Parking Fund	\$450

CITY OF DAVIS
Notes to Financial Statements

NOTE 10 – PENSION PLANS

A. CALPERS Safety and Miscellaneous Employees Plans

Substantially all City employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan 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, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect at June 30, 2009, are summarized as follows:

	<u>Safety</u>	<u>Miscellaneous</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as a % of annual salary	3%	1.426-2.500%
Required employee contribution rates	9%	7-8%
Required employer contribution rates	22.755%	12.542%

The City's labor contracts require the City to pay employee contributions as well as its own.

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City does not have a net pension obligation since it pays these actuarially required contributions monthly.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.0%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

CITY OF DAVIS
Notes to Financial Statements

NOTE 10 – PENSION PLANS (Continued)

The Plans' actuarial value (which differs from market value) and funding progress over the most recent past three years available are set forth below at their actuarial valuation date of June 30:

Safety Plan:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2005	\$59,716,043	\$50,738,465	\$8,977,578	85.0%	\$7,093,447	126.6%
2006	65,026,332	55,264,336	9,761,996	85.0%	7,558,614	129.2%
2007	71,668,977	60,173,065	11,495,912	84.0%	8,455,249	136.0%

Miscellaneous Plan:

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2005	\$80,546,708	\$73,568,760	\$6,977,948	91.3%	\$17,298,871	40.3%
2006	92,087,083	80,517,110	11,569,973	87.4%	19,171,182	60.4%
2007	105,221,089	90,238,909	14,982,180	85.8%	20,567,718	72.8%

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709. CALPERS reports this information approximately seventeen months after the end of its June 30 fiscal year.

Actuarially required contributions for fiscal years 2009, 2008 and 2007 were \$7,629,285, \$7,271,532, and \$5,929,741, respectively. The City made these contributions as required, together with certain immaterial amounts required as the result of the payment of overtime and other additional employee compensation.

CITY OF DAVIS
Notes to Financial Statements

NOTE 11 – POST EMPLOYMENT BENEFITS

During fiscal year 2009, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). The provisions of this statement are applied prospectively and do not affect prior years financial statements. Required disclosures are presented below.

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees under third-party insurance plans. A summary of eligibility and benefits offered are shown below:

	Miscellaneous		Safety
■ Eligibility	<ul style="list-style-type: none"> • Retire directly from the City • Participate in PEMHCA 		<ul style="list-style-type: none"> • Retire directly from the City • Participate in PEMHCA
■ Benefit	<u>Hired before July 1, 1996</u> <ul style="list-style-type: none"> • City pays full medical premium • Capped at 100% Bay Area/Sac Kaiser family rate 	<u>Hired after July 1, 1996</u> <ul style="list-style-type: none"> • Under Age 60 <ul style="list-style-type: none"> › City Pays 50% medical premium › Capped at 50% Bay Area/Sac Kaiser family Rate • 60 or Over <ul style="list-style-type: none"> › City pays full medical premium › Capped at 100% Bay Area/Sac Kaiser family rate 	<u>All Safety Employees</u> <ul style="list-style-type: none"> • City pays full medical premium • Capped at 100% Bay Area/Sac Kaiser family rate
■ Surviving Spouse Benefit	<ul style="list-style-type: none"> • Eligibility - CalPERS retirement plan election • Benefit - same benefit continues 		
■ Dental	<ul style="list-style-type: none"> • Retiree participates in City's dental plan at own expense • Retiree pays the same premium rate as actives 		
■ Vision & Life	<ul style="list-style-type: none"> • None 		

As of June 30, 2009, approximately 177 participants were eligible to receive benefits.

CITY OF DAVIS
Notes to Financial Statements

NOTE 11 – POST EMPLOYMENT BENEFITS (Continued)

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions shown in the table below include (a) 4.25% investment rate of return, (b) 3.25% projected annual salary increase, (c) 3.00% of general inflation increase, and (d) a healthcare trend of declining annual increases ranging from 9.70% to 10.50% in 2009 to 4.50% for years starting 2017. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a thirty-year amortization period.

Concurrent with implementing Statement No. 45, the City Council passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of City Council. This Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Funding Progress and Funded Status

During the fiscal year ended June 30, 2009, the City made contributions toward the ARC amounting to \$1,593,437 to the plan which represented 5% of the \$31,904,917 covered payroll. As a result, the City has recorded the Net OPEB, representing the difference between the ARC, the amortization of the Net OPEB Asset and actual contributions, as presented below:

Annual required contribution (ARC)	<u>\$7,433,846</u>
Annual pension cost	7,433,846
Contributions	<u>(1,593,437)</u>
(Decrease) increase in net OPEB obligations	<u>5,840,409</u>
Net OPEB obligation at June 30, 2008	<u>0</u>
Net OPEB obligation at June 30, 2009	<u>5,840,409</u>
Percentage of ARC Contributed	<u><u>21%</u></u>

CITY OF DAVIS
Notes to Financial Statements

NOTE 11 – POST EMPLOYMENT BENEFITS (Continued)

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the January 1, 2007 actuarial study is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
1/1/2007	\$0	\$65,531,000	(\$65,531,000)	0.00%	31,904,917	(205%)

NOTE 12 – DEFERRED COMPENSATION

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

NOTE 13 - RISK MANAGEMENT

The City manages risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

CITY OF DAVIS
Notes to Financial Statements

NOTE 13 - RISK MANAGEMENT (Continued)

A. Risk Coverage

The City is a member of the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA) which provides coverage for general and auto liability, property, workers' compensation, fidelity and boiler and machinery claims. Once the City's deductible is met, YCPARMIA becomes responsible for payment of all claims up to the limit. In addition, the California Joint Powers Risk Management Authority (CJPRMA), United States Fidelity and Guarantee Company, CSAC-EIA, National Union and Great American Alliance Insurance provide coverage for amounts in excess of YCPARMIA's limits. During the fiscal year ended June 30, 2009, the City contributed \$1,375,950 for coverage.

The contributions made to each risk pool equal the ratio of their respective payrolls to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

The following types of loss risks are covered by the above authorities under the terms of their respective joint-powers agreements and through commercial insurance policies as follows:

Type of Coverage	Deductible	Coverage Limits
General Liability and Auto Liability	\$5,000	\$40,000,000
Workers' Compensation	1,000	5,000,000 per occurrence
Property	1,000	714,356,856
Fidelity Coverage	1,000	2,000,000
Underground Storage Tank	25,000	1,000,000

Financial statements for the risk pools may be obtained from YCPARMIA at 77 West Lincoln Avenue, Woodland, CA 95695 and from CJPRMA at 6140 Stoneridge Mall Road, Suite 389, Pleasanton, CA 94588-3235.

For the years ended June 30, 2009, 2008, and 2007 the amount of settlement did not exceed insurance coverage.

B. Insurance Internal Service Funds

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

CITY OF DAVIS
Notes to Financial Statements

NOTE 13 - RISK MANAGEMENT (Continued)

The City's liability for uninsured *General Liability Claims*, including claims incurred but not reported is reported in the City's Self-Insurance Internal Service Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2009	2008
Beginning balance	\$47,960	\$39,477
Liability for current fiscal year claims	155,000	45,000
Decrease in estimated liability for prior year claims	(104,547)	(23,697)
Payments made on current year claims	(20,565)	(2,040)
Payments made on prior year claims	(15,000)	(10,780)
Ending balance	<u>\$62,848</u>	<u>\$47,960</u>
Current Portion	<u>\$62,848</u>	<u>\$47,960</u>

The change in the *Workers' Compensation Claims* liability, including claims incurred but not reported, is reported in the City's Self-Insurance Internal Service Fund. This liability is based on an independent actuarial study prepared annually and was computed as follows at June 30:

	2009	2008
Beginning balance	\$17,032	\$8,512
Liability for current fiscal year claims	92,000	18,000
Decrease in estimated liability for prior year claims	(49,379)	(2,910)
Payments made on current year claims	(35,508)	(1,283)
Payments made on prior year claims	(5,663)	(5,287)
Ending balance	<u>\$18,482</u>	<u>\$17,032</u>
Current Portion	<u>\$18,482</u>	<u>\$17,032</u>

The City's liability for uninsured *Long-Term Disability* claims is reported in the City's Self-Insurance Internal Service Fund. The liability is based on a City computed potential future liability adjusted by a present value factor and was computed as follows at June 30:

	2009	2008
Beginning balance	\$412,393	\$393,586
Liability for current fiscal year claims		
Increase in estimated liability for prior year claims	(32,503)	111,073
Payments made on current year claims		
Payments made on prior year claims	(72,032)	(92,266)
Ending balance	<u>\$307,858</u>	<u>\$412,393</u>
Current Portion	<u>\$72,032</u>	<u>\$92,266</u>

CITY OF DAVIS
Notes to Financial Statements

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The State of California believes the Redevelopment Agency is responsible for clean-up of certain real property located in downtown Davis which has been identified as environmentally contaminated; the Agency does not agree. The Agency could be obligated by State and/or federal agencies to provide resources to remediate all or a portion of the contamination. Management has not been able to determine the extent of the contamination or the costs to the Agency for cleanup, if any; accordingly, no provision for any loss which may result has been recorded.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no other pending litigation, which is likely to have a material adverse effect on the financial position of the City.

NOTE 15 – SUBSEQUENT EVENT

The State of California adopted AB26 4X in July 2009 which directs that a portion of the incremental property taxes which had been received in fiscal year 2006-07 by redevelopment agencies be paid instead to the County supplemental educational revenue augmentation fund (SERAF) in fiscal years 2009-10 and 2010-11. The State Department of Finance will determine each agency's SERAF payment by November 15 of each year, and payments are due by May 10 of the applicable year. Based on the calculations in AB26 4X, the Agency's SERAF's are estimated to be \$3,199,920 in fiscal year 2009-10 and \$658,807 in fiscal year 2010-11. The Agency can use any legally available funds to make the SERAF payments. The payment due in fiscal year 2009-10 represents 14.84% of the Agency's cash and cash equivalents at June 30, 2009. The obligation to make the SERAF payment is subordinate to obligations to repay bonds, however if the Agency fails to make the SERAF payment the Agency may not encumber or expend future funds other than to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on Agency administration for the preceding fiscal year until the SERAF is paid in full.

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BUDGETED MAJOR GOVERNMENTAL FUNDS OTHER THAN GENERAL FUND AND SPECIAL REVENUE FUNDS

DEVELOPMENT DEFERRED IMPROVEMENT

This fund accounts for collections from property developers at time of subdivision for specific major offsite public improvements that impose a burden cost on the newly developed areas and that will be constructed at a later date.

CITY OF DAVIS
DEVELOPMENT DEFERRED IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Use of money and property	\$633,445	\$633,445	\$752,654	\$119,209
Development fees	2,575,000	2,696,024	878,046	(1,817,978)
Other			4,619	4,619
Total Revenues	<u>3,208,445</u>	<u>3,329,469</u>	<u>1,635,319</u>	<u>(1,694,150)</u>
EXPENDITURES				
Current:				
Finance	216,232	115,288	117,892	(2,604)
Parks and community services	6,004	10,475	2,281	8,194
Special projects	139,681	249,786	44,376	205,410
Capital improvements	<u>1,585,736</u>	<u>1,815,444</u>	<u>1,408,520</u>	<u>406,924</u>
Total Expenditures	<u>1,947,653</u>	<u>2,190,993</u>	<u>1,573,069</u>	<u>617,924</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,260,792</u>	<u>1,138,476</u>	<u>62,250</u>	<u>(1,076,226)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>475,000</u>	<u>(192,513)</u>	<u>(183,380)</u>	<u>9,133</u>
Total Other Financing Sources (Uses)	<u>475,000</u>	<u>(192,513)</u>	<u>(183,380)</u>	<u>9,133</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$1,735,792</u>	<u>\$945,963</u>	<u>(121,130)</u>	<u>(\$1,067,093)</u>
BEGINNING FUND BALANCE			<u>25,328,399</u>	
ENDING FUND BALANCE			<u>\$25,207,269</u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes.

GAS TAX

This fund accounts for receipts and expenditures of funds apportioned to the City under the State Streets and Highways Code Section 2105, 2106, 2107 and 2107.5. The allocations are restricted for maintenance and construction of streets and roads.

TDA NON-TRANSIT USE

This fund accounts for funds received by the City under the State Transportation Development Act that are used for the maintenance and construction of streets, roads and bicycle or pedestrian facilities.

OPEN SPACE

This fund accounts for revenue from the Open Space Preservation Tax. Such tax revenues will be used to fund open space preservation and acquisition.

PARK MAINTENANCE TAX

This fund accounts for the receipts of the City's Parks Maintenance Tax, which provides the funding for the maintenance of community parks, greenbelts, open space, swimming pools and related public facilities.

CABLE TV

This fund accounts for receipts and expenditures of the City's local Cable TV activities.

PUBLIC SAFETY

This fund accounts for receipts and expenditures of funds produced by the Public Safety fee charged to each parcel within the City. The fee was implemented by City ordinance and may be expended only for Public Safety purposes.

HOUSING IN-LIEU

This fund accounts for payments received from developers in lieu of directly providing low-cost housing units. The purpose of the fee is to promote affordable housing opportunities.

MUNICIPAL ARTS

This fund accounts for funds produced by City ordinance requiring a contribution for works of art equal to at least one percent of the cost from each City construction project. A contribution is not required where source funds restrictions will not permit it as legitimate project expenditure and funds generated must be used for art acquisition.

CONSTRUCTION TAX

This fund accounts for receipts and expenditures of the City's Construction Tax on local building activity.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

SUBDIVISION IN-LIEU PARK FEES

This fund accounts for receipts and expenditures of funds from the City's In Lieu Park fee charged against property at subdivision. Collections may be expended only for the purpose of providing land for park or recreational facilities.

IN-LIEU OF PARKING PAYMENTS

This fund accounts for payments received from developers in lieu of the on-site parking required for projects in certain zoning areas in the City. Receipts must be expended to acquire and/or develop off-street parking and related facilities.

PARKING

This fund accounts for revenues and expenditures related to maintenance and operation of a paid parking lot.

FEDERAL/STATE HIGHWAY GRANTS

This fund accounts for receipts and expenditures related to grants received for highway construction projects.

COMMUNITY DEVELOPMENT BLOCK GRANT

This fund accounts for financial activity under the Federal Department of Housing and Urban Development Block Grant Program.

OPERATIONAL GRANTS

This fund accounts for the receipt of various grants from State and Federal sources restricted to expenditure for specific programs or services.

ECONOMIC (ARRA) STIMULUS

This fund accounts for the receipt and expenditure of federal economic stimulus grants.

AGRICULTURE LAND ACQUISITION

This fund accounts for the receipts of in lieu fees for agricultural mitigation.

BUILDING PERMITS AND FEES

This fund accounts for the collection of building permit fees and related expenditures.

DAVISVILLE BOOK FUND

This fund accounts for funds received from the sale of "Davisville '68, the History and Heritage of the City of Davis," published by the Davis Historical Commission.

HISTORICAL FUND

This fund accounts for proceeds of fund raising activities of the Davis Historical and Landmarks Commission and the expenditure of those proceeds for the activities of the Commission.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

BRINLEY/HATTIE WEBER

This fund accounts for donations to be used for the Hattie Weber Museum and related expenditures.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the payment of general long-term debt of the City and for resources accumulated for this purpose.

Funds have been created for the following long-term obligations:

Association of Bay Area Governments Certificates of Participation
Public Facility Certificates of Participation.
Redevelopment Agency Bonds and Special Assessment Payable

CAPITAL PROJECTS FUNDS

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City, with the exception of those assets financed by proprietary funds.

DAVIS RESEARCH PARK

The City is the custodian of funds received from the issuance of bonds for the Davis Research Park special assessment district. These funds are restricted for the construction or acquisition of improvements benefiting the District.

ARLINGTON BOULEVARD BENEFIT AREA

This fund accounts for collections of fees from the property developed in and adjacent to the Arlington Boulevard Area of Benefit and the expenditures made for development of this major street.

CAPITAL GRANTS

This fund accounts for intergovernmental grants received for specific capital projects.

DAVIS LAND ACQUISITION

This fund accounts for moneys reserved for the acquisition of land by the City of Davis.

PUBLIC FACILITIES FINANCING AUTHORITY

This fund accounts for expenditures incurred in connection with the establishment of a series of Community Facilities Districts under the State Mello-Roos Act for the construction of infrastructure and improvements.

REDEVELOPMENT AGENCY

This fund accounts for expenditures of the City's Redevelopment Agency for capital purposes in furtherance of the Redevelopment plan.

OXFORD CIRCLE PARK AND PARKING LOT

The City is the custodian of funds received from the issuance of bonds for Oxford Circle Park and Parking Lot special assessment district. These funds are restricted for the construction or acquisition of improvements benefiting the District.

SPECIAL REVENUE FUNDS

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SPECIAL REVENUE FUNDS

Public Safety	Housing In-Lieu	Municipal Arts	Construction Tax	Subdivision In-Lieu Park Fees	In-Lieu of Parking Payments	Parking Fund	Federal/State Highway Grant
\$181,418	\$412,753	\$230,015	\$302,301	\$374,831	\$397,911	\$24,383	\$2,562,189
1,455	1,785	1,295	4,035	2,595	2,237	56	7,751
130,082						2,801	834,712
171,068	4,965,377						
	291,951						
<u>\$484,023</u>	<u>\$5,671,866</u>	<u>\$231,310</u>	<u>\$306,336</u>	<u>\$377,426</u>	<u>\$400,148</u>	<u>\$27,240</u>	<u>\$3,404,652</u>
\$3,358			\$45,234		\$9		\$31,008
200,992	\$291,951			\$49,500			234,709
<u>204,350</u>	<u>291,951</u>		<u>45,234</u>	<u>49,500</u>	<u>9</u>		<u>265,717</u>
15,905	14,311	\$4,610	157,577				490,781
263,768	4,944,229						
	421,375	226,700	103,525	327,926	\$400,139	\$27,240	\$2,648,154
279,673	5,379,915	231,310	261,102	327,926	400,139	27,240	3,138,935
<u>\$484,023</u>	<u>\$5,671,866</u>	<u>\$231,310</u>	<u>\$306,336</u>	<u>\$377,426</u>	<u>\$400,148</u>	<u>\$27,240</u>	<u>\$3,404,652</u>

(Continued)

CITY OF DAVIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

	SPECIAL REVENUE FUNDS					
	Community Development Block Grant	Operational Grants	Economic (ARRA) Stimulus	Agriculture Land Acquisition	Building Permits and Fees	Davisville Book Fund
ASSETS						
Cash and investments	\$35,527	\$1,310,733		\$559,978		\$23,398
Cash with fiscal agents						
Accrued interest		6,332		3,062	\$853	130
Receivables:						
General accounts		21,514		7,000	21,180	
Grants	263,359	666,523	\$138,633			
Utility accounts						
Loans	1,794,478	5,291,147				
Mortgages		207,720				
Total Assets	<u>\$2,093,364</u>	<u>\$7,503,969</u>	<u>\$138,633</u>	<u>\$570,040</u>	<u>\$22,033</u>	<u>\$23,528</u>
LIABILITIES						
Accounts payable	\$104,212	\$438,962		\$9,999	\$45,865	\$5
Deposits						
Deferred revenue						
Due to other funds			\$138,633		40,842	
Total Liabilities	<u>104,212</u>	<u>438,962</u>	<u>138,633</u>	<u>9,999</u>	<u>86,707</u>	<u>5</u>
FUND EQUITY						
Fund balances:						
Reserved for						
Debt service						
Encumbrances	79,157	85,544		1	120	
Long-term loan receivable	1,794,478	5,498,867				
Unreserved, Undesignated	115,517	1,480,596		560,040	(64,794)	23,523
Total Fund Balances	<u>1,989,152</u>	<u>7,065,007</u>		<u>560,041</u>	<u>(64,674)</u>	<u>23,523</u>
Total Liabilities and Fund Balances	<u>\$2,093,364</u>	<u>\$7,503,969</u>	<u>\$138,633</u>	<u>\$570,040</u>	<u>\$22,033</u>	<u>\$23,528</u>

SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
Historical Fund	Brinley/Hattie Weber	Association of Bay Area Governments Certificates of Participation	Public Facility	Redevelopment Agency	Davis Research Park	Arlington Boulevard Benefit Area	Capital Grants
\$6,452	\$2,377	\$166,138	\$1,232		\$770,131	\$368,249	
36	48	211,911			4,302	2,057	
		825					\$882,559
<u>\$6,488</u>	<u>\$2,425</u>	<u>\$378,874</u>	<u>\$1,232</u>		<u>\$774,433</u>	<u>\$370,306</u>	<u>\$882,559</u>
	\$14						\$2,452
							437,690
	14						440,142
		\$378,874	\$1,232				42,990
<u>\$6,488</u>	<u>2,411</u>				<u>\$774,433</u>	<u>\$370,306</u>	<u>399,427</u>
<u>6,488</u>	<u>2,411</u>	<u>378,874</u>	<u>1,232</u>		<u>774,433</u>	<u>370,306</u>	<u>442,417</u>
<u>\$6,488</u>	<u>\$2,425</u>	<u>\$378,874</u>	<u>\$1,232</u>		<u>\$774,433</u>	<u>\$370,306</u>	<u>\$882,559</u>

(Continued)

CITY OF DAVIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

CAPITAL PROJECTS FUNDS					
	Davis Land Acquisition	Public Facilities Financing Authority	Redevelopment Agency	Oxford Circle Park and Parking Lot	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$1,523,014	\$213,081	\$300,942	\$48,360	\$14,252,488
Cash with fiscal agents					211,911
Accrued interest	8,507	1,190	2,834	270	75,349
Receivables:					
General accounts					449,197
Grants					3,057,387
Utility accounts					171,068
Loans					12,051,002
Mortgages					499,671
Total Assets	<u>\$1,531,521</u>	<u>\$214,271</u>	<u>\$303,776</u>	<u>\$48,630</u>	<u>\$30,768,073</u>
LIABILITIES					
Accounts payable			\$3,345		\$772,116
Deposits					62,825
Deferred revenue					727,652
Due to other funds					706,806
Total Liabilities			<u>3,345</u>		<u>2,269,399</u>
FUND EQUITY					
Fund balances:					
Reserved for					
Debt service					380,106
Encumbrances			8,736		1,017,047
Long-term loan receivable					12,237,574
Unreserved, Undesignated	<u>\$1,531,521</u>	<u>\$214,271</u>	<u>291,695</u>	<u>\$48,630</u>	<u>14,863,947</u>
Total Fund Balances	<u>1,531,521</u>	<u>214,271</u>	<u>300,431</u>	<u>48,630</u>	<u>28,498,674</u>
Total Liabilities and Fund Balances	<u>\$1,531,521</u>	<u>\$214,271</u>	<u>\$303,776</u>	<u>\$48,630</u>	<u>\$30,768,073</u>

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CITY OF DAVIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

SPECIAL REVENUE FUNDS

	Gas Tax	TDA Non-Transit Use	Open Space	Park Maintenance Tax	Cable TV	Public Safety
REVENUES						
Taxes			\$640,286	\$1,341,289	\$495,394	\$387,129
Use of money and property	\$5,725	\$3,298	84,655	1,238	27,296	6,079
Intergovernmental	1,072,940	656,690			136,744	104,121
Charges for current services						1,933,834
Development fees						
Other			5,100		75,375	
Total Revenues	1,078,665	659,988	730,041	1,342,527	734,809	2,431,163
EXPENDITURES						
Current:						
City Manager						
Finance						59,555
Community development						
Parks and community services			186,913	1,330,894	522,613	
Public safety - fire						1,107,582
Public safety - police						1,229,749
Public works	1,545,069	660,779				
Special projects						
Capital improvements			109,797			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures	1,545,069	660,779	296,710	1,330,894	522,613	2,396,886
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(466,404)	(791)	433,331	11,633	212,196	34,277
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(466,404)	(791)	433,331	11,633	212,196	34,277
BEGINNING FUND BALANCES	477,329	149,061	3,011,161	15,196	965,659	245,396
ENDING FUND BALANCES	\$10,925	\$148,270	\$3,444,492	\$26,829	\$1,177,855	\$279,673

SPECIAL REVENUE FUNDS

Housing In-Lieu	Municipal Arts	Construction Tax	Subdivision In-Lieu Park Fees	In-Lieu of Parking Payments	Parking Fund	Federal/State Highway Grants	Community Development Block Grant
		\$237,777					
\$37,897	\$6,284	19,366	\$12,564	\$10,815	\$32,690	\$36,152	\$670
10,381		16,498				3,773,587	691,390
	11,715		20				
		1,731					
48,278	17,999	275,372	12,584	10,815	32,690	3,809,739	692,060
					5,450		
	4,273	87,646					
	9,404	122,422					
		90,553				946,036	
16,383		30,967					727,686
		546,356		4,021		164,897	
16,383	13,677	877,944		4,021	5,450	1,110,933	727,686
31,895	4,322	(602,572)	12,584	6,794	27,240	2,698,806	(35,626)
		(62,759)	(146,439)				
		(62,759)	(146,439)				
31,895	4,322	(665,331)	(133,855)	6,794	27,240	2,698,806	(35,626)
5,348,020	226,988	926,433	461,781	393,345		440,129	2,024,778
\$5,379,915	\$231,310	\$261,102	\$327,926	\$400,139	\$27,240	\$3,138,935	\$1,989,152
(Continued)							

CITY OF DAVIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	SPECIAL REVENUE FUNDS					
	Operational Grants	Economic (ARRA) Stimulus	Agriculture Land Acquisition	Building Permits and Fees	Davisville Book Fund	Historical Fund
REVENUES						
Taxes						
Use of money and property	\$35,236		\$21,594	\$4,082	\$632	\$174
Intergovernmental	932,193	138,633				
Charges for current services				1,397,551	130	
Development fees						
Other	129,015			511		
Total Revenues	1,096,444	138,633	21,594	1,402,144	762	174
EXPENDITURES						
Current:						
City Manager						
Finance						
Community development				1,626,306		
Parks and community services			10,000			
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital improvements		138,633	69,691			
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures		138,633	79,691	1,626,306		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,096,444		(58,097)	(224,162)	762	174
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,096,444		(58,097)	(224,162)	762	174
BEGINNING FUND BALANCES	5,968,563		618,138	159,488	22,761	6,314
ENDING FUND BALANCES	\$7,065,007		\$560,041	(\$64,674)	\$23,523	\$6,488

SPECIAL REVENUE FUND	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS			
Brinley/Hattie Weber	Association of Bay Area Governments Certificates of Participation	Public Facility	Redevelopment Agency	Davis Research Park	Arlington Boulevard Benefit Area	Capital Grants	Davis Land Acquisition
\$274	\$7,233	\$19	\$346	\$20,797	\$9,944	\$442,560	\$41,129
10,003							
10,277	7,233	19	346	20,797	9,944	442,560	41,129
15,003							
						402,151	
	125,000	180,000	585,000				
	84,198	3,380	1,363,880				
15,003	209,198	183,380	1,948,880			402,151	
(4,726)	(201,965)	(183,361)	(1,948,534)	20,797	9,944	40,409	41,129
	209,198	183,380	1,948,534				
	209,198	183,380	1,948,534				
(4,726)	7,233	19		20,797	9,944	40,409	41,129
7,137	371,641	1,213		753,636	360,362	402,008	1,490,392
\$2,411	\$378,874	\$1,232		\$774,433	\$370,306	\$442,417	\$1,531,521
(Continued)							

CITY OF DAVIS
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	CAPITAL PROJECTS FUNDS			
	Public Facilities Financing Authority	Redevelopment Agency	Oxford Circle Park and Parking Lot	Total Nonmajor Governmental Funds
REVENUES				
Taxes				\$3,101,875
Use of money and property	\$5,754	\$14,268	\$1,306	447,517
Intergovernmental				7,965,356
Charges for current services				3,341,896
Development fees				11,735
Other		998		222,733
Total Revenues	5,754	15,266	1,306	15,091,112
EXPENDITURES				
Current:				
City Manager				5,450
Finance				59,555
Community development				1,718,225
Parks and community services				2,197,249
Public safety - fire				1,107,582
Public safety - police				1,229,749
Public works				3,242,437
Special projects				775,036
Capital improvements		356,364		1,791,910
Debt service:				
Principal				890,000
Interest and fiscal charges				1,451,458
Total Expenditures		356,364		14,468,651
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,754	(341,098)	1,306	622,461
OTHER FINANCING SOURCES (USES)				
Transfers in				2,341,112
Transfers (out)				(209,198)
Total Other Financing Sources (Uses)				2,131,914
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	5,754	(341,098)	1,306	2,754,375
BEGINNING FUND BALANCES	208,517	641,529	47,324	25,744,299
ENDING FUND BALANCES	\$214,271	\$300,431	\$48,630	\$28,498,674

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CITY OF DAVIS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	GAS TAX			TDA NON-TRANSIT USE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property	\$8,121	\$5,725	(\$2,396)		\$3,298	\$3,298
Intergovernmental	1,197,500	1,072,940	(124,560)	\$694,698	656,690	(38,008)
Charges for current services						
Development fees						
Other						
Total Revenues	<u>1,205,621</u>	<u>1,078,665</u>	<u>(126,956)</u>	<u>694,698</u>	<u>659,988</u>	<u>(34,710)</u>
EXPENDITURES						
Current:						
City Manager						
Finance						
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works	1,768,917	1,545,069	223,848	717,797	660,779	57,018
Special projects						
Capital improvements						
Debt service:						
Principal						
Interest and fiscal charges						
Special assessment						
Total Expenditures	<u>1,768,917</u>	<u>1,545,069</u>	<u>223,848</u>	<u>717,797</u>	<u>660,779</u>	<u>57,018</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(563,296)</u>	<u>(466,404)</u>	<u>96,892</u>	<u>(23,099)</u>	<u>(791)</u>	<u>22,308</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u><u>(\$563,296)</u></u>	<u><u>(466,404)</u></u>	<u><u>\$96,892</u></u>	<u><u>(\$23,099)</u></u>	<u><u>(791)</u></u>	<u><u>\$22,308</u></u>
BEGINNING FUND BALANCE		<u>477,329</u>			<u>149,061</u>	
ENDING FUND BALANCE		<u><u>\$10,925</u></u>			<u><u>\$148,270</u></u>	

OPEN SPACE			PARK MAINTENANCE TAX			CABLE TV		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$636,400	\$640,286	\$3,886	\$1,335,400	\$1,341,289	\$5,889	\$440,000	\$495,394	\$55,394
56,810	84,655	27,845		1,238	1,238	27,994	27,296	(698)
						130,000	136,744	6,744
5,100	5,100					85,073	75,375	(9,698)
698,310	730,041	31,731	1,335,400	1,342,527	7,127	683,067	734,809	51,742
236,298	186,913	49,385	1,348,105	1,330,894	17,211	625,447	522,613	102,834
109,797	109,797							
346,095	296,710	49,385	1,348,105	1,330,894	17,211	625,447	522,613	102,834
352,215	433,331	81,116	(12,705)	11,633	24,338	57,620	212,196	154,576
\$352,215	433,331	\$81,116	(\$12,705)	11,633	\$24,338	\$57,620	212,196	\$154,576
	3,011,161			15,196			965,659	
	\$3,444,492			\$26,829			\$1,177,855	

(Continued)

CITY OF DAVIS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	PUBLIC SAFETY			HOUSING IN-LIEU		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes	\$421,500	\$387,129	(\$34,371)			
Use of money and property	701	6,079	5,378	\$39,074	\$37,897	(\$1,177)
Intergovernmental	90,000	104,121	14,121			
Charges for current services	1,931,000	1,933,834	2,834		10,381	10,381
Development fees						
Other						
Total Revenues	2,443,201	2,431,163	(12,038)	39,074	48,278	9,204
EXPENDITURES						
Current:						
City Manager						
Finance	59,925	59,555	370			
Community development						
Parks and community services						
Public safety - fire	1,133,010	1,107,582	25,428			
Public safety - police	1,241,340	1,229,749	11,591			
Public works						
Special projects				74,595	16,383	58,212
Capital improvements						
Debt service:						
Principal						
Interest and fiscal charges						
Special assessment						
Total Expenditures	2,434,275	2,396,886	37,389	74,595	16,383	58,212
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,926	34,277	25,351	(35,521)	31,895	67,416
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$8,926	34,277	\$25,351	(\$35,521)	31,895	\$67,416
BEGINNING FUND BALANCE		245,396			5,348,020	
ENDING FUND BALANCE		\$279,673			\$5,379,915	

MUNICIPAL ARTS			CONSTRUCTION TAX			SUBDIVISION IN-LIEU PARK FEES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$896,331	\$237,777	(\$658,554)			
\$4,596	\$6,284	\$1,688	87,020	19,366	(67,654)	\$6,811	\$12,564	\$5,753
			16,498	16,498				
16,200	11,715	(4,485)					20	20
				1,731	1,731			
20,796	17,999	(2,797)	999,849	275,372	(724,477)	6,811	12,584	5,773
	4,273	(4,273)	99,013	87,646	11,367			
30,919	9,404	21,515	122,422	122,422				
			90,791	90,553	238			
			30,968	30,967	1			
			783,142	546,356	236,786			
30,919	13,677	17,242	1,126,336	877,944	248,392			
(10,123)	4,322	14,445	(126,487)	(602,572)	(476,085)	6,811	12,584	5,773
			(63,917)	(62,759)	1,158	(149,140)	(146,439)	2,701
			(63,917)	(62,759)	1,158	(149,140)	(146,439)	2,701
(\$10,123)	4,322	\$14,445	(\$190,404)	(665,331)	(\$474,927)	(\$142,329)	(133,855)	\$8,474
	226,988			926,433			461,781	
	\$231,310			\$261,102			\$327,926	

(Continued)

CITY OF DAVIS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	IN-LIEU OF PARKING PAYMENTS			PARKING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property	\$9,206	\$10,815	\$1,609		\$32,690	\$32,690
Intergovernmental						
Charges for current services						
Development fees	82,000		(82,000)			
Other						
Total Revenues	<u>91,206</u>	<u>10,815</u>	<u>(80,391)</u>		<u>32,690</u>	<u>32,690</u>
EXPENDITURES						
Current:						
City Manager				\$5,000	5,450	(450)
Finance						
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital improvements	4,481	4,021	460			
Debt service:						
Principal						
Interest and fiscal charges						
Special assessment						
Total Expenditures	<u>4,481</u>	<u>4,021</u>	<u>460</u>	<u>5,000</u>	<u>5,450</u>	<u>(450)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>86,725</u>	<u>6,794</u>	<u>(79,931)</u>	<u>(5,000)</u>	<u>27,240</u>	<u>32,240</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$86,725</u>	<u>6,794</u>	<u>(\$79,931)</u>	<u>(\$5,000)</u>	<u>27,240</u>	<u>\$32,240</u>
BEGINNING FUND BALANCE		<u>393,345</u>				
ENDING FUND BALANCE		<u>\$400,139</u>			<u>\$27,240</u>	

FEDERAL/STATE HIGHWAY GRANTS			COMMUNITY DEVELOPMENT BLOCK GRANT			OPERATIONAL GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$67,445	\$36,152	(\$31,293)	\$991	\$670	(\$321)	\$26,241	\$35,236	\$8,995
3,861,613	3,773,587	(88,026)	796,863	691,390	(105,473)	875,440	932,193	56,753
							129,015	129,015
3,929,058	3,809,739	(119,319)	797,854	692,060	(105,794)	901,681	1,096,444	194,763
970,149	946,036	24,113						
650,000	164,897	485,103	866,986	727,686	139,300	1,047,410		1,047,410
1,620,149	1,110,933	509,216	866,986	727,686	139,300	1,047,410		1,047,410
2,308,909	2,698,806	389,897	(69,132)	(35,626)	33,506	(145,729)	1,096,444	1,242,173
\$2,308,909	2,698,806	\$389,897	(\$69,132)	(35,626)	\$33,506	(\$145,729)	1,096,444	\$1,242,173
	440,129			2,024,778			5,968,563	
	\$3,138,935			\$1,989,152			\$7,065,007	

(Continued)

CITY OF DAVIS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	ECONOMIC (ARRA) STIMULUS			AGRICULTURE LAND ACQUISITION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property						
Intergovernmental	\$138,634	\$138,633	(\$1)	\$29,986	\$21,594	(\$8,392)
Charges for current services						
Development fees						
Other						
Total Revenues	<u>138,634</u>	<u>138,633</u>	<u>(1)</u>	<u>29,986</u>	<u>21,594</u>	<u>(8,392)</u>
EXPENDITURES						
Current:						
City Manager						
Finance						
Community development						
Parks and community services				20,000	10,000	10,000
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital improvements	138,634	138,633	1	69,691	69,691	
Debt service:						
Principal						
Interest and fiscal charges						
Special assessment						
Total Expenditures	<u>138,634</u>	<u>138,633</u>	<u>1</u>	<u>89,691</u>	<u>79,691</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				<u>(59,705)</u>	<u>(58,097)</u>	<u>1,608</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u></u>	<u></u>	<u></u>	<u>(\$59,705)</u>	<u>(58,097)</u>	<u>\$1,608</u>
BEGINNING FUND BALANCE					<u>618,138</u>	
ENDING FUND BALANCE		<u></u>			<u>\$560,041</u>	

BUILDING PERMITS AND FEES			DAVISVILLE BOOK FUND			HISTORICAL FUND		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$4,082	\$4,082	\$554	\$632	\$78	\$198	\$174	(\$24)
\$1,577,480	1,397,551	(179,929)	10	130	120			
	511	511						
1,577,480	1,402,144	(175,336)	564	762	198	198	174	(24)
1,764,164	1,626,306	137,858						
1,764,164	1,626,306	137,858						
(186,684)	(224,162)	(37,478)	564	762	198	198	174	(24)
(\$186,684)	(224,162)	(\$37,478)	\$564	762	\$198	\$198	174	(\$24)
	159,488			22,761			6,314	
	(\$64,674)			\$23,523			\$6,488	
								(Continued)

CITY OF DAVIS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	BRINLEY/HATTIE WEBER			ASSOCIATION OF BAY AREA GOVERNMENTS CERTIFICATES OF PARTICIPATION		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property	\$887	\$274	(\$613)	\$12,961	\$7,233	(\$5,728)
Intergovernmental						
Charges for current services						
Development fees						
Other	10,003	10,003				
Total Revenues	10,890	10,277	(613)	12,961	7,233	(5,728)
EXPENDITURES						
Current:						
City Manager						
Finance						
Community development	15,003	15,003				
Parks and community services						
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital improvements						
Debt service:						
Principal				125,000	125,000	
Interest and fiscal charges				88,057	84,198	3,859
Special assessment						
Total Expenditures	15,003	15,003		213,057	209,198	3,859
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,113)	(4,726)	(613)	(200,096)	(201,965)	(1,869)
OTHER FINANCING SOURCES (USES)						
Transfers in				213,057	209,198	(3,859)
Transfers (out)						
Total Other Financing Sources (Uses)				213,057	209,198	(3,859)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(\$4,113)	(4,726)	(\$613)	\$12,961	7,233	(\$5,728)
BEGINNING FUND BALANCE		7,137			371,641	
ENDING FUND BALANCE		\$2,411			\$378,874	

PUBLIC FACILITY			REDEVELOPMENT AGENCY DEBT SERVICE			DAVIS RESEARCH PARK		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$591	\$19	(\$572)	\$172,229	\$346	(\$171,883)	\$18,442	\$20,797	\$2,355
591	19	(572)	172,229	346	(171,883)	18,442	20,797	2,355
180,000	180,000		585,000	585,000				
12,513	3,380	9,133	1,615,154	1,363,880	251,274			
			88,323		88,323			
192,513	183,380	9,133	2,288,477	1,948,880	339,597			
(191,922)	(183,361)	8,561	(2,116,248)	(1,948,534)	167,714	18,442	20,797	2,355
192,513	183,380	(9,133)	939,759	1,948,534	1,008,775			
192,513	183,380	(9,133)	939,759	1,948,534	1,008,775			
\$591	19	(\$572)	(\$1,176,489)		\$1,176,489	\$18,442	20,797	\$2,355
	1,213						753,636	
	\$1,232						\$774,433	

(Continued)

CITY OF DAVIS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	ARLINGTON BOULEVARD BENEFIT AREA			CAPITAL GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property	\$8,818	\$9,944	\$1,126			
Intergovernmental				\$834,525	\$442,560	(\$391,965)
Charges for current services						
Development fees						
Other						
Total Revenues	8,818	9,944	1,126	834,525	442,560	(391,965)
EXPENDITURES						
Current:						
City Manager						
Finance						
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital improvements				644,786	402,151	242,635
Debt service:						
Principal						
Interest and fiscal charges						
Special assessment						
Total Expenditures				644,786	402,151	242,635
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,818	9,944	1,126	189,739	40,409	(149,330)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$8,818</u>	<u>9,944</u>	<u>\$1,126</u>	<u>\$189,739</u>	<u>40,409</u>	<u>(\$149,330)</u>
BEGINNING FUND BALANCE		<u>360,362</u>			<u>402,008</u>	
ENDING FUND BALANCE		<u>\$370,306</u>			<u>\$442,417</u>	

DAVIS LAND ACQUISITION			PUBLIC FACILITIES FINANCING AUTHORITY			REDEVELOPMENT AGENCY CAPITAL PROJECTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$36,466	\$41,129	\$4,663	\$33,981	\$5,754	(\$28,227)	\$38,340	\$14,268	(\$24,072)
							998	998
36,466	41,129	4,663	33,981	5,754	(28,227)	38,340	15,266	(23,074)
3		3				5,680,188	356,364	5,323,824
3		3				5,680,188	356,364	5,323,824
36,463	41,129	4,666	33,981	5,754	(28,227)	(5,641,848)	(341,098)	5,300,750
			217,693		(217,693)	6,296,930		(6,296,930)
			217,693		(217,693)	6,296,930		(6,296,930)
\$36,463	41,129	\$4,666	\$251,674	5,754	(\$245,920)	\$655,082	(341,098)	(\$996,180)
	1,490,392			208,517			641,529	
	\$1,531,521			\$214,271			\$300,431	

(Continued)

CITY OF DAVIS
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	OXFORD CIRCLE PARK AND PARKING LOT		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes			
Use of money and property	\$1,158	\$1,306	\$148
Intergovernmental			
Charges for current services			
Development fees			
Other			
Total Revenues	1,158	1,306	148
EXPENDITURES			
Current:			
City Manager			
Finance			
Community development			
Parks and community services			
Public safety - fire			
Public safety - police			
Public works			
Special projects			
Capital improvements			
Debt service:			
Principal			
Interest and fiscal charges			
Special assessment			
Total Expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,158	1,306	148
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers (out)			
Total Other Financing Sources (Uses)			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$1,158	1,306	\$148
BEGINNING FUND BALANCE		47,324	
ENDING FUND BALANCE		\$48,630	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for special activities and services performed by a designated City department for other departments on a cost reimbursement basis.

GENERAL SERVICES FUND

This fund accounts for the financial activity of the City's centralized duplicating and postal operation, its central garage and vehicle maintenance services, central data processing and telecommunications services and the central stores inventory service.

BUILDING MAINTENANCE FUND

This fund accumulates the costs for the City's building and electrical maintenance services.

CITY SELF-INSURANCE FUND

This fund accumulates costs of the City's insurance and risk management programs to permit a cost recovery insurance fee to be charged against City operating programs.

CITY OF DAVIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2009

	General Services	Building Maintenance	City Self- Insurance	Total
ASSETS				
Cash and investments	\$7,411,966	\$460,869	\$1,157,217	\$9,030,052
Accrued interest	37,806	2,080	1,657	41,543
Accounts receivable	23,028		6,451	29,479
Inventory	311,942			311,942
Advances to other funds	2,435,015			2,435,015
Capital assets:				
Non-depreciable	718,488			718,488
Depreciable	15,541,202			15,541,202
Accumulated depreciation	(7,238,848)			(7,238,848)
Total Assets	<u>19,240,599</u>	<u>462,949</u>	<u>1,165,325</u>	<u>20,868,873</u>
LIABILITIES				
Payables:				
Accounts	233,040	50,439	(258,610)	24,869
Leave benefits	97,346	19,487		116,833
Deposits payable	73,120			73,120
Deferred revenue	2,493			2,493
OPEB liability			5,840,409	5,840,409
Claims payable:				
Due within one year			153,362	153,362
Due in more than one year			235,826	235,826
Total Liabilities	<u>405,999</u>	<u>69,926</u>	<u>5,970,987</u>	<u>6,446,912</u>
NET ASSETS				
Invested in capital assets	9,020,842			9,020,842
Unrestricted	<u>9,813,758</u>	<u>393,023</u>	<u>(4,805,662)</u>	<u>5,401,119</u>
Total Net Assets	<u><u>\$18,834,600</u></u>	<u><u>\$393,023</u></u>	<u><u>(\$4,805,662)</u></u>	<u><u>\$14,421,961</u></u>

CITY OF DAVIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	General Services	Building Maintenance	City Self- Insurance	Total
OPERATING REVENUES				
Charges for current services	\$5,287,446	\$1,678,699	\$4,836,670	\$11,802,815
Total Operating Revenues	5,287,446	1,678,699	4,836,670	11,802,815
OPERATING EXPENSES				
Central stores	205,728			205,728
Central equipment	1,699,503			1,699,503
Duplication - postal	243,093			243,093
City administrative facility maintenance	152,342	1,371,758		1,524,100
City electrical maintenance		183,685		183,685
Insurance administration			289,073	289,073
Insurance premiums			3,167,359	3,167,359
Litigation			150,000	150,000
MIS services	1,627,217			1,627,217
OPEB expense			5,840,409	5,840,409
Depreciation	1,115,484			1,115,484
Total Operating Expenses	5,043,367	1,555,443	9,446,841	16,045,651
Operating Income (Loss)	244,079	123,256	(4,610,171)	(4,242,836)
NONOPERATING REVENUES				
Interest income	318,688	10,112	9,405	338,205
Gain on disposal of capital assets	62,544			62,544
Other	178,145		9,860	188,005
Total Nonoperating Revenues	559,377	10,112	19,265	588,754
Income (Loss) before transfers	803,456	133,368	(4,590,906)	(3,654,082)
Change in Net Assets	803,456	133,368	(4,590,906)	(3,654,082)
BEGINNING NET ASSETS (DEFICIT)	18,031,144	259,655	(214,756)	18,076,043
ENDING NET ASSETS (DEFICIT)	\$18,834,600	\$393,023	(\$4,805,662)	\$14,421,961

CITY OF DAVIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2009

	General Services	Building Maintenance	City Self- Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$5,455,846	\$1,678,699	\$4,926,990	\$12,061,535
Payments to suppliers	(3,937,269)	(1,565,666)	(3,785,518)	(9,288,453)
Payments to employees	(6,665)	(3,388)		(10,053)
Claims paid			(238,197)	(238,197)
Cash Flows from Operating Activities	1,511,912	109,645	903,275	2,524,832
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts	274,090			274,090
Cash Flows from Noncapital Financing Activities	274,090			274,090
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital asset additions, net	(1,296,293)			(1,296,293)
Proceeds from sale of capital assets	62,544			62,544
Cash Flows from Capital and Related Financing Activities	(1,233,749)			(1,233,749)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	339,978	10,586	7,748	358,312
Cash Flows from Investing Activities	339,978	10,586	7,748	358,312
Net Cash Flows	892,231	120,231	911,023	1,923,485
Cash and investments at beginning of period	6,519,735	340,638	246,194	7,106,567
Cash and investments at end of period	\$7,411,966	\$460,869	\$1,157,217	\$9,030,052
Reconciliation of operating income to net cash flows from operating activities:				
Operating income (loss)	\$244,079	\$123,256	(\$4,610,171)	(\$4,242,836)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	1,115,484			1,115,484
Other revenues	178,145		9,860	188,005
Change in assets and liabilities:				
General accounts receivable	(18,023)		80,460	62,437
Inventory	(23,876)			(23,876)
Accounts payable	14,490	(10,223)	(329,086)	(324,819)
Leave benefits payable	(6,665)	(3,388)		(10,053)
Claims payable			(88,197)	(88,197)
Deposits payable	8,240			8,240
Deferred revenue	38			38
OPEB obligations			5,840,409	5,840,409
Cash Flows from Operating Activities	\$1,511,912	\$109,645	\$903,275	\$2,524,832

AGENCY FUNDS

Agency Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

Agency Funds are maintained for the following:

PUBLIC FACILITIES FINANCING AUTHORITY
MELLO ROOS COMMUNITY FACILITIES DISTRICT
UNIVERSITY RESEARCH PARK
SPECIAL ASSESSMENT PARKING DISTRICT #3

These funds account for assessments collected from property owners in the respective assessment districts and the repayment of any debt issued by these assessment districts.

CITY OF DAVIS
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Public Facilities Financing Authority</u>				
Assets:				
Cash and investments	\$4,227,734	\$170,041		\$4,397,775
Cash with fiscal agents	1,166,588		\$1,673	1,164,915
Accrued interest receivable	33,476	22,089	33,476	22,089
Total Assets	<u>\$5,427,798</u>	<u>\$192,130</u>	<u>\$35,149</u>	<u>\$5,584,779</u>
Liabilities:				
Accounts payable	\$31	\$20,369		\$20,400
Due to bondholders	5,427,767	171,761	\$35,149	5,564,379
Total Liabilities	<u>\$5,427,798</u>	<u>\$192,130</u>	<u>\$35,149</u>	<u>\$5,584,779</u>
<u>Mello Roos Community Facilities District</u>				
Assets:				
Cash and investments	\$2,085,582	\$411,557		\$2,497,139
Cash with fiscal agents	418,462		\$49,405	369,057
Accrued interest receivable	12,260	10,016	12,260	10,016
Total Assets	<u>\$2,516,304</u>	<u>\$421,573</u>	<u>\$61,665</u>	<u>\$2,876,212</u>
Liabilities:				
Accounts payable	\$54,307	\$50,000	\$54,307	\$50,000
Due to bondholders	2,461,997	371,573	7,358	2,826,212
Total Liabilities	<u>\$2,516,304</u>	<u>\$421,573</u>	<u>\$61,665</u>	<u>\$2,876,212</u>

CITY OF DAVIS
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<hr/> University Research Park <hr/>				
Assets:				
Cash and investments	\$220,731	\$173,645		\$394,376
Accrued interest receivable	2,426	1,724	\$2,426	1,724
Total Assets	<u>\$223,157</u>	<u>\$175,369</u>	<u>\$2,426</u>	<u>\$396,100</u>
Liabilities:				
Due to bondholders	<u>\$223,157</u>	<u>\$175,369</u>	<u>\$2,426</u>	<u>\$396,100</u>
Total Liabilities	<u>\$223,157</u>	<u>\$175,369</u>	<u>\$2,426</u>	<u>\$396,100</u>
<hr/> Special Assessment Parking District #3 <hr/>				
Assets:				
Cash and investments	\$405,205		\$75,829	\$329,376
Accrued interest receivable	3,336	\$1,980	3,336	1,980
Total Assets	<u>\$408,541</u>	<u>\$1,980</u>	<u>\$79,165</u>	<u>\$331,356</u>
Liabilities:				
Due to bondholders	<u>\$408,541</u>	<u>\$1,980</u>	<u>\$79,165</u>	<u>\$331,356</u>
Total Liabilities	<u>\$408,541</u>	<u>\$1,980</u>	<u>\$79,165</u>	<u>\$331,356</u>
<hr/> Total Agency Funds <hr/>				
Assets:				
Cash and investments	\$6,939,252	\$755,243	\$75,829	\$7,618,666
Cash with fiscal agents	1,585,050		51,078	1,533,972
Accrued interest receivable	51,498	35,809	51,498	35,809
Total Assets	<u>\$8,575,800</u>	<u>\$791,052</u>	<u>\$178,405</u>	<u>\$9,188,447</u>
Liabilities:				
Accounts payable	\$54,338	\$70,369	\$54,307	\$70,400
Due to bondholders	<u>8,521,462</u>	<u>720,683</u>	<u>124,098</u>	<u>9,118,047</u>
Total Liabilities	<u>\$8,575,800</u>	<u>\$791,052</u>	<u>\$178,405</u>	<u>\$9,188,447</u>

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STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Assets by Component
2. Changes in Net Assets
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Bonded Debt Pledged Revenue Coverage, Redevelopment Agency Tax Allocation Bonds

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

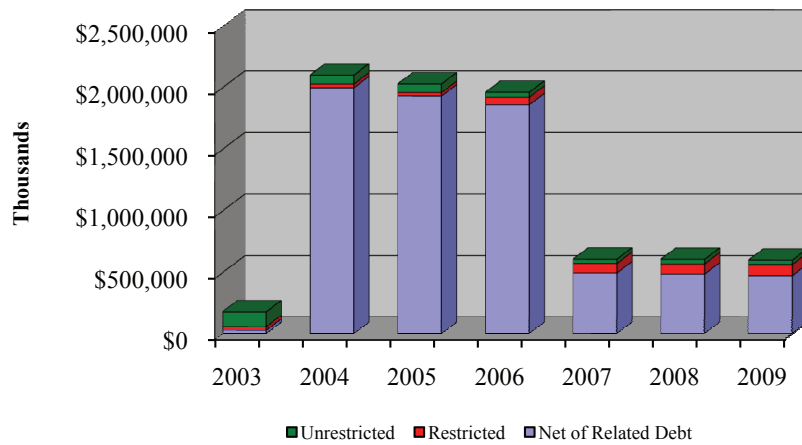
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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CITY OF DAVIS
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$27,704,789	\$1,941,360,614	\$1,872,781,202	\$1,794,829,805	\$274,639,149	\$268,196,258	\$252,723,158
Restricted	29,878,869	31,157,599	28,394,469	62,362,455	77,157,422	82,394,483	90,708,023
Unrestricted	50,153,144	53,089,644	50,347,342	24,637,626	11,068,382	7,754,642	2,784,364
Total governmental activities net assets	<u>\$107,736,802</u>	<u>\$2,025,607,857</u>	<u>\$1,951,523,013</u>	<u>\$1,881,829,886</u>	<u>\$362,864,953</u>	<u>\$358,345,383</u>	<u>\$346,215,545</u>
Business-type activities							
Invested in capital assets, net of related debt		\$58,702,409	\$60,969,494	\$67,057,515	\$223,527,504	\$221,228,535	\$224,029,039
Restricted	\$106,216	\$106,216	85,847	85,847	85,847		
Unrestricted	74,828,266	18,667,746	19,158,757	14,934,763	23,426,544	29,101,435	31,689,545
Total business-type activities net assets	<u>\$74,934,482</u>	<u>\$77,476,371</u>	<u>\$80,214,098</u>	<u>\$82,078,125</u>	<u>\$247,039,895</u>	<u>\$250,329,970</u>	<u>\$255,718,584</u>
Primary government							
Invested in capital assets, net of related debt	\$27,704,789	\$2,000,063,023	\$1,933,750,696	\$1,861,887,320	\$498,166,653	\$489,424,793	\$476,752,197
Restricted	29,985,085	31,263,815	28,480,316	62,448,302	77,243,269	82,394,483	90,708,023
Unrestricted	124,981,410	71,757,390	69,506,099	39,572,389	34,494,926	36,856,077	34,473,909
Total primary government net assets	<u>\$182,671,284</u>	<u>\$2,103,084,228</u>	<u>\$2,031,737,111</u>	<u>\$1,963,908,011</u>	<u>\$609,904,848</u>	<u>\$608,675,353</u>	<u>\$601,934,129</u>

CITY OF DAVIS
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)

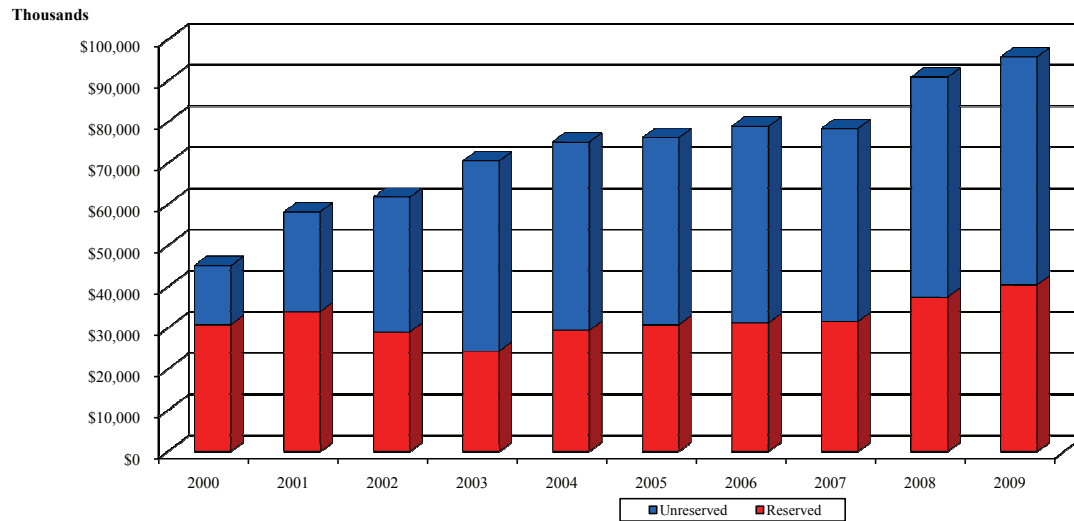
Fiscal Year Ended June 30, 2008

	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities:							
General Government	\$3,225,626	\$3,225,626	\$3,571,950	\$3,558,319	\$4,147,737	\$4,960,591	\$5,080,518
Public Safety	15,461,386	15,461,386	17,309,890	20,723,420	19,574,310	24,805,660	26,156,968
Public Works and Special Projects	7,381,924	7,381,924	90,309,525	92,673,791	92,661,922	21,430,517	23,333,235
Community Development	3,874,644	3,874,644	2,881,783	3,583,231	3,562,456	3,834,291	3,719,243
Parks and Community Services	16,445,283	16,445,283	18,094,869	18,685,011	18,554,243	28,899,628	30,071,359
Interest on Long Term Debt	1,811,617	1,811,617	1,903,353	1,246,150	1,276,405	518,674	1,391,009
Total Governmental Activities Expenses	<u>48,200,480</u>	<u>48,200,480</u>	<u>134,071,370</u>	<u>140,469,922</u>	<u>139,777,073</u>	<u>84,449,361</u>	<u>89,752,332</u>
Business-Type Activities:							
Water	5,557,625	5,557,625	6,272,414	6,670,915	6,657,576	9,393,349	9,236,481
Sanitation	7,315,874	7,315,874	7,565,779	7,680,397	7,906,456	8,657,912	8,777,295
Sewer	5,885,551	5,885,551	5,135,805	6,446,797	7,249,341	8,543,712	8,803,769
Storm Sewer	1,288,905	1,288,905	1,454,896	1,704,263	1,827,081	3,145,490	2,832,790
Public transit	3,461,619	3,461,619	6,609,123	3,195,770	4,512,019	5,875,783	7,718,465
Total Business-Type Activities Expenses	<u>23,509,574</u>	<u>23,509,574</u>	<u>27,038,017</u>	<u>25,698,142</u>	<u>28,152,473</u>	<u>35,616,246</u>	<u>37,368,800</u>
Total Primary Government Expenses	<u>\$71,710,054</u>	<u>\$71,710,054</u>	<u>\$161,109,387</u>	<u>\$166,168,064</u>	<u>\$167,929,546</u>	<u>\$120,065,607</u>	<u>\$127,121,132</u>
Program Revenues							
Governmental Activities:							
Charges for Services:							
General Government	\$699,240	\$699,240	\$1,010,879	\$1,026,383	\$1,035,092	\$1,708,030	\$2,408,802
Public Safety	1,876,887	1,876,887	3,005,892	2,264,993	1,964,664	2,438,460	2,104,655
Public Works	267,186	267,186	442,050	165,807	191,953	548,021	360,110
Community Development	2,976,417	2,976,417	2,456,030	3,246,174	2,590,696	2,204,448	2,009,982
Parks and Community Services	2,153,542	2,153,542	2,113,853	2,135,708	2,255,983	2,594,141	2,743,358
Operating Grants and Contributions	14,026,809	14,026,809	12,527,085	14,240,090	14,423,942	18,585,069	22,869,051
Development impact fees and permits	4,374,463	4,374,463	1,815,385	5,370,574	1,515,806	5,711,509	1,028,625
Total Government Activities Program Revenues	<u>26,374,544</u>	<u>26,374,544</u>	<u>23,371,174</u>	<u>28,449,729</u>	<u>23,978,136</u>	<u>33,789,678</u>	<u>33,524,583</u>
Business-Type Activities:							
Charges for Services:							
Water	5,282,564	5,282,564	6,308,856	5,781,440	6,275,459	9,018,403	9,545,841
Sanitation	7,475,904	7,475,904	7,544,575	7,481,207	8,069,352	8,592,544	8,821,374
Sewer	5,013,322	5,013,322	7,048,496	7,836,303	9,145,774	11,919,343	13,502,462
Storm Sewer	1,219,046	1,219,046	1,234,991	1,295,695	1,451,252	1,567,009	1,506,083
Public transit	13,843	13,843	16,090	15,685	16,043	28,110	32,644
Operating Grants and Contributions	4,132,729	4,132,729	7,276,079	3,275,727	3,958,332	5,891,383	7,374,894
Development impact fees and permits	101,061	101,061		961,984	509,050	238,444	864,944
Total Business-Type Activities Program Revenue	<u>23,238,469</u>	<u>23,238,469</u>	<u>29,429,087</u>	<u>26,648,041</u>	<u>29,425,262</u>	<u>37,255,236</u>	<u>41,648,242</u>
Total Primary Government Program Revenues	<u>\$49,613,013</u>	<u>\$49,613,013</u>	<u>\$52,800,261</u>	<u>\$55,097,770</u>	<u>\$53,403,398</u>	<u>\$71,044,914</u>	<u>\$75,172,825</u>
Net (Expense)/Revenue							
Governmental Activities	(\$21,825,936)	(\$21,825,936)	(\$110,700,196)	(\$112,020,193)	(\$115,798,937)	(\$50,659,683)	(\$56,227,749)
Business-Type Activities	(271,105)	(271,105)	2,391,070	949,899	1,272,789	1,638,990	4,279,442
Total Primary Government Net Expense	<u>(\$22,097,041)</u>	<u>(\$22,097,041)</u>	<u>(\$108,309,126)</u>	<u>(\$111,070,294)</u>	<u>(\$114,526,148)</u>	<u>(\$49,020,693)</u>	<u>(\$51,948,307)</u>

CITY OF DAVIS
Changes in Net Assets
(continued)
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,						
	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes:							
Property Taxes	\$11,737,158	\$13,717,077	\$14,150,857	\$17,016,586	\$18,437,026	\$19,717,475	\$19,909,233
Sales Taxes	5,548,113	5,434,627	8,052,765	8,988,381	8,834,409	9,117,999	7,733,047
Municipal Services	1,772,132	1,853,167	1,921,115	2,001,032	2,076,696	2,165,883	2,239,758
Business License	1,043,991	1,075,340	1,139,725	1,179,106	1,258,072	1,283,451	1,351,827
Park Maintenance	1,305,426	1,292,315	1,312,782	1,315,708	1,315,081	1,337,888	1,341,289
Construction	1,154,752	852,777	847,051	787,699	371,489	856,186	237,777
Open Space Protection	630,112	615,616	625,694	627,096	627,345	637,786	640,287
Franchise	794,452	849,649	876,117	877,670	1,003,229	1,022,880	1,066,032
Transient Occupancy Tax	908,964	981,074	928,090	940,886	1,056,691	1,120,983	1,031,031
Transfer	239,465	270,800	334,523	257,580	236,092	(214,596)	
Other Taxes	360,631		309,593				
Motor Vehicle In-Lieu	3,578,071	3,509,788	4,316,129	4,618,842	4,723,196	4,888,366	4,961,873
Investment Earnings	2,673,312	852,878	2,045,947	1,295,101	3,542,701	3,313,964	1,895,335
Miscellaneous	849,025	964,693	1,074,961	2,791,561	1,452,218	719,943	1,568,513
Total Government Activities	<u>32,595,604</u>	<u>32,269,801</u>	<u>37,935,349</u>	<u>42,697,248</u>	<u>44,934,245</u>	<u>45,968,208</u>	<u>43,976,002</u>
Business-Type Activities:							
Interest Earnings	343,612	116,518	480,419	404,646	1,128,852	1,301,203	814,923
Miscellaneous	868,382	34,301	1,307,409	449,358	326,244	135,286	294,249
Total Business-Type Activities	<u>1,211,994</u>	<u>150,819</u>	<u>1,787,828</u>	<u>854,004</u>	<u>1,455,096</u>	<u>1,436,489</u>	<u>1,109,172</u>
Total Primary Government	<u>\$33,807,598</u>	<u>\$32,420,620</u>	<u>\$39,723,177</u>	<u>\$43,551,252</u>	<u>\$46,389,341</u>	<u>\$47,404,697</u>	<u>\$45,085,174</u>
Change in Net Assets							
Governmental Activities	\$10,769,668	(\$78,430,395)	(\$74,084,844)	(\$73,101,689)	(\$5,060,205)	(\$4,691,475)	(\$12,129,838)
Business-Type Activities	940,889	2,541,889	2,737,727	2,126,793	4,062,297	3,075,479	5,388,614
Total Primary Government	<u>\$11,710,557</u>	<u>(\$75,888,506)</u>	<u>(\$71,347,117)</u>	<u>(\$70,974,896)</u>	<u>(\$997,908)</u>	<u>(\$1,615,996)</u>	<u>(\$6,741,224)</u>

CITY OF DAVIS
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	Fiscal Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund:										
Reserved	\$687,886	\$658,554	\$811,491	\$1,052,593	\$2,786,293	\$3,210,614	\$2,887,364	\$3,183,616	\$1,308,154	\$1,304,307
Unreserved	3,142,025	6,289,261	8,041,626	9,223,352	7,256,807	9,846,736	9,038,007	8,200,515	5,071,910	2,327,880
Total General Fund	<u>\$3,829,911</u>	<u>\$6,947,815</u>	<u>\$8,853,117</u>	<u>\$10,275,945</u>	<u>\$10,043,100</u>	<u>\$13,057,350</u>	<u>\$11,925,371</u>	<u>\$11,384,131</u>	<u>\$6,380,064</u>	<u>\$3,632,187</u>
All Other Governmental Funds:										
Reserved	\$30,104,536	\$33,210,506	\$28,185,703	\$23,286,280	\$26,593,445	\$27,522,772	\$28,319,649	\$28,319,649	\$36,173,371	\$39,121,878
Unreserved, reported in:										
Special revenue funds	(1,789,061)	2,317,843	3,521,759	13,210,393	14,037,455	11,969,346	15,336,726	15,336,726	19,495,729	24,424,793
Capital project funds	12,944,735	15,644,466	21,146,138	23,723,056	24,442,115	23,590,901	23,344,253	23,344,253	28,814,920	28,585,987
Total All Other Governmental Funds	<u>\$41,260,210</u>	<u>\$51,172,815</u>	<u>\$52,853,600</u>	<u>\$60,219,729</u>	<u>\$65,073,015</u>	<u>\$63,083,019</u>	<u>\$67,000,628</u>	<u>\$67,000,628</u>	<u>\$84,484,020</u>	<u>\$92,132,658</u>

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

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CITY OF DAVIS
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2000	2001	2002	2003	2004
Revenues					
Taxes	\$22,042,415	\$23,709,406	\$24,075,386	\$25,434,082	\$27,082,587
Licenses, permits and fees	1,492,489	1,277,593	927,267	1,022,193	877,681
Fines and forfeitures	636,662	383,546	615,553	905,959	997,748
Use of money and property	2,551,796	5,401,909	3,011,331	2,476,607	776,841
Kirkwood Village Assoc. ETAL	12,167,190	13,460,444	16,085,891	16,542,689	15,911,100
Charges for current services	4,760,569	5,232,829	6,205,880	7,565,251	6,720,666
Development fees	10,353,022	5,662,874	2,511,439	3,570,435	1,519,665
Administrative fee - Enterprise Fund	649,297	640,278	740,944	849,371	955,493
Other	8,044,299	2,305,797	456,983	849,025	685,477
Total Revenues	62,697,739	58,074,676	54,630,674	59,215,612	55,527,258
Expenditures					
Current:					
General government	3,300,137	3,352,341	3,071,701	3,149,546	3,482,340
Public safety	11,710,315	12,552,060	14,048,087	14,750,154	16,777,950
Public works	2,965,676	2,281,519	3,552,472	3,631,578	2,458,887
Community development	2,543,096	2,512,524	2,377,021	2,926,577	2,837,643
Parks and community services	11,701,117	13,432,722	14,658,793	16,301,173	16,886,059
Special projects	2,942,511	3,284,578	3,277,709	3,695,386	4,293,233
Debt service:					
Principal repayment	246,000	2,731,000	230,000	310,000	340,000
Interest and fiscal charges	906,827	1,482,132	1,309,345	1,293,840	1,719,446
Special assessment	87,060	85,406	428,837	159,233	133,997
Capital improvements	9,505,099	17,262,496	7,638,898	4,209,168	4,206,318
Total Expenditures	45,907,838	58,976,778	50,592,863	50,426,655	53,135,873
Excess (deficiency) of revenues over (under) expenditures	16,789,901	(902,102)	4,037,811	8,788,957	2,391,385
Other Financing Sources (Uses)					
Transfers in	3,784,540	6,885,860	9,762,711	8,581,648	4,798,387
Transfers (out)	(5,887,923)	(7,362,849)	(10,214,435)	(8,581,648)	(4,811,631)
Proceeds from issuance of debts		13,000,000			9,265,000
Payments to refunded bond escrow					(7,022,700)
Sale of real property		525,000			
Total other financing sources (uses)	(2,103,383)	13,048,011	(451,724)		2,229,056
Net Change in fund balances	\$14,686,518	\$12,145,909	\$3,586,087	\$8,788,957	\$4,620,441
Debt service as a percentage of noncapital expenditures					
	(a)	(a)	(a)	4.0%	4.7%

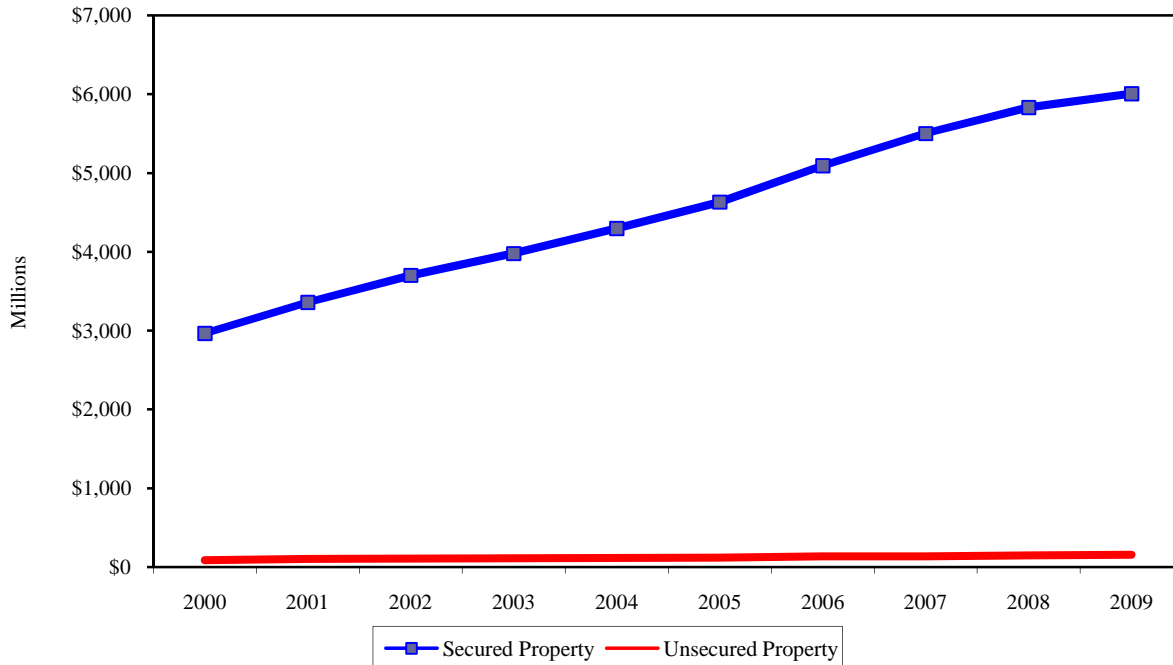
NOTE:

(a) The City implemented GASB Statement 34 in fiscal year 2003. Therefore this calculation is included only for fiscal years subsequent to that date.

Fiscal Year Ended June 30,

2005	2006	2007	2008	2009
\$30,498,312	\$38,633,353	\$39,781,903	\$42,254,186	\$40,737,792
1,004,427	1,540,924	107	115	209
1,131,340	888,727	941,447	944,583	884,624
1,854,330	1,661,219	3,297,325	3,671,372	2,259,142
17,226,773	15,320,106	17,973,506	16,785,328	20,546,039
7,879,991	6,510,429	8,586,539	9,054,124	8,432,546
3,846,464	701,840	1,423,911	4,705,005	899,051
1,040,717	1,118,422	1,405,458	1,794,961	2,280,423
131,968	1,075,316	629,277	504,120	747,277
<u>64,614,322</u>	<u>67,450,336</u>	<u>74,039,473</u>	<u>79,713,794</u>	<u>76,787,103</u>
3,381,214	4,064,483	4,709,156	5,088,011	4,637,611
19,866,978	20,160,141	22,482,705	24,678,723	24,261,642
3,530,097	3,893,669	4,647,856	4,431,330	4,262,586
3,482,608	3,520,994	3,629,991	3,913,194	3,422,430
17,151,735	17,983,887	22,286,696	25,113,063	24,657,652
6,408,977	6,689,316	4,962,370	6,850,876	5,237,321
295,000	463,419	685,498	1,107,915	1,060,687
1,199,786	1,247,229	1,964,862	958,487	1,486,429
116,907	86,587	87,526	88,231	
<u>10,135,957</u>	<u>5,396,131</u>	<u>3,445,108</u>	<u>8,307,585</u>	<u>3,333,909</u>
<u>65,569,259</u>	<u>63,505,856</u>	<u>68,901,768</u>	<u>80,537,415</u>	<u>72,360,267</u>
<u>(954,937)</u>	<u>3,944,480</u>	<u>5,137,705</u>	<u>(823,621)</u>	<u>4,426,836</u>
5,751,571	6,107,112	5,006,158	3,500,822	4,378,832
(4,972,420)	(7,265,962)	(5,006,158)	(4,003,532)	(4,378,832)
1,200,000		20,815,000	39,227	473,925
		(12,727,516)		
<u>1,979,151</u>	<u>(1,158,850)</u>	<u>8,087,484</u>	<u>(463,483)</u>	<u>473,925</u>
<u>\$1,024,214</u>	<u>\$2,785,630</u>	<u>\$13,225,189</u>	<u>(\$1,287,104)</u>	<u>\$4,900,761</u>
3.0%	3.2%	4.4%	3.1%	3.8%

CITY OF DAVIS
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

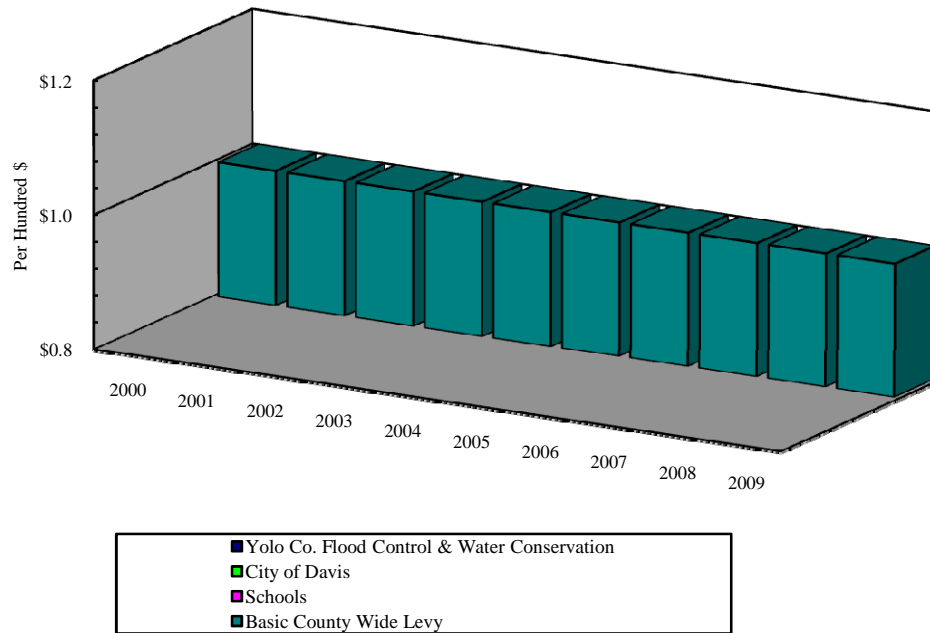


Fiscal Year	Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
2000	\$2,877,974,547	\$86,631,960	\$2,964,606,507	\$2,964,606,507	1%
2001	3,258,797,718	101,098,970	3,359,896,688	3,359,896,688	1%
2002	3,592,309,287	108,995,676	3,701,304,963	3,701,304,963	1%
2003	3,865,177,730	113,350,054	3,978,527,784	3,978,527,784	1%
2004	4,182,229,896	114,517,651	4,296,747,547	4,296,747,547	1%
2005	4,510,927,115	120,164,717	4,631,091,832	4,631,091,832	1%
2006	4,956,350,623	135,042,126	5,091,392,749	5,091,392,749	1%
2007	5,362,509,751	138,051,430	5,500,561,181	5,500,561,181	1%
2008	5,684,262,465	147,078,407	5,831,340,872	5,831,340,872	1%
2009	5,849,305,791	156,635,502	6,005,941,293	6,005,941,293	1%

Source: Yolo County Auditor - Controller Assessed Value Summaries

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Davis encompasses more than 15 tax rate areas.

**CITY OF DAVIS
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



Fiscal Year	Basic County Wide Levy	City of Davis	Schools	Yolo Co. Flood Control & Water Conservation	Total
2000	\$1.0000				\$1.0000
2001	1.0000				1.0000
2002	1.0000				1.0000
2003	1.0000				1.0000
2004	1.0000				1.0000
2005	1.0000				1.0000
2006	1.0000				1.0000
2007	1.0000				1.0000
2008	1.0000				1.0000
2009	1.0000				1.0000

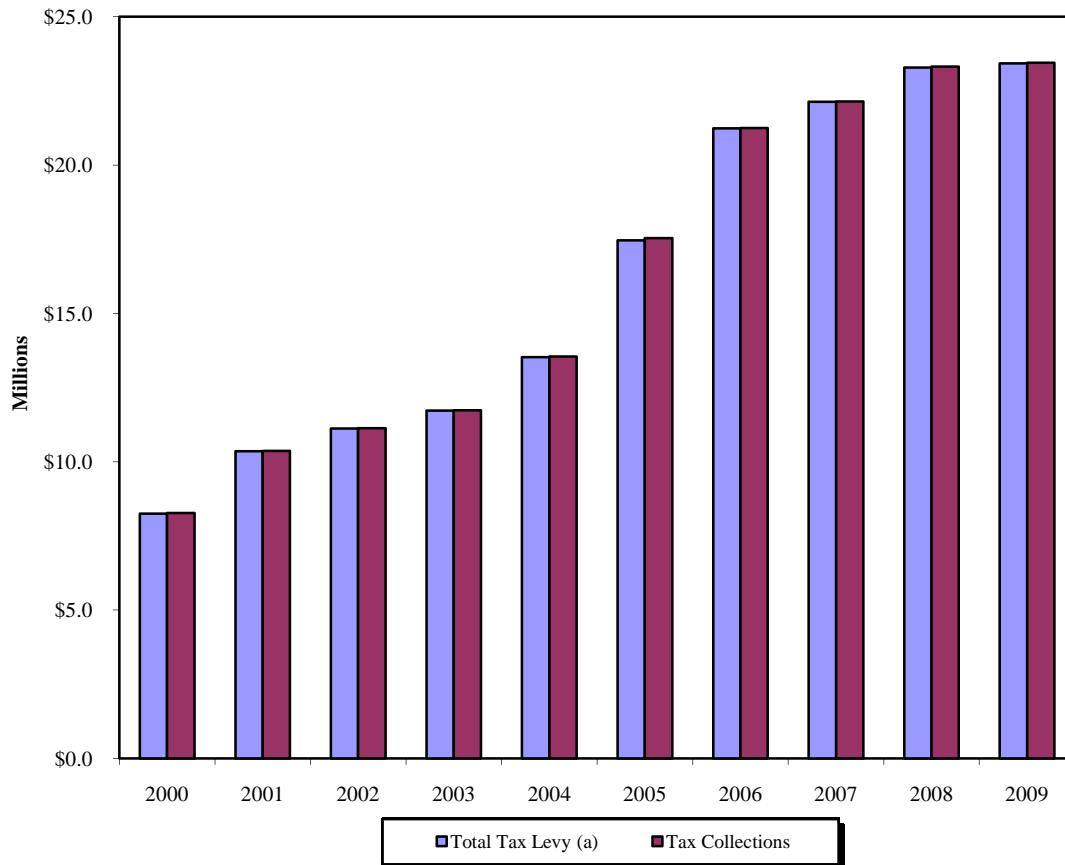
Source: Yolo County Auditor - Controller's Assessed Value Summaries,
State of California Department of Finance and Davis Chamber of Commerce

CITY OF DAVIS
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2008-09			1999-2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sequoia Equities - Cypress ETAL	43,300,267	1	17.4%			
Kirkwood Village Assoc. ETAL	32,972,529	2	13.3%			
KW Davis LLC	32,972,529	3	13.3%			
Fine Arts LP	23,334,074	4	9.4%			
Olive Drive Partners	21,879,969	5	8.8%			
ARV Assisted Living, Inc.	21,247,951	6	8.5%	12,339,709	7	6.92%
WGA Sycamore Lane LP	19,064,324	7	7.7%			
SE-Davis LLC	18,846,745	8	7.6%			
Centro Watt Property Owners 1	17,820,345	9	7.2%			
Marketplace Center, Inc	17,197,332	10	6.9%			
Southern Pacific Land/Hunt Wesson				42,267,148	1	23.70%
SFC Greystone Invest LP. ETAL				13,322,634	4	7.47%
Kaiser Found Health Plan, Inc.				12,585,136	6	7.06%
Oates Marvin L TR ETAL						
Tanglewood Associates				15,586,459	3	8.74%
Walnut Park Apartments						
Waggener Ranch Ltd. Partnership				12,921,150	5	7.24%
5th & G Plaza						
Arlington Farm Partners				11,386,349	8	6.38%
Walnut Park Apartments						
F & F Ivy Towne Assoc LP						
University Retirement Comm at Davis Inc.				35,586,080	2	19.95%
Alhambra Apartments LP				11,386,349	8	6.38%
Wildhorses Group				10,980,617	10	6.16%
Subtotal	<u>\$248,636,065</u>		<u>100.0%</u>	<u>\$178,361,631</u>		<u>100.0%</u>

Total Net Assessed Valuation:
Fiscal Year 2008/09 \$6,005,941,293
Fiscal Year 1999/00 \$2,964,606,507

**CITY OF DAVIS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections (b)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2000	\$8,249,545	\$8,249,545	100.0000%	\$21,424	\$8,270,969	100.2597%
2001	10,355,838	10,355,838	100.0000%	5,116	10,360,954	100.0494%
2002	11,121,408	11,121,408	100.0000%	10,112	11,131,520	100.0909%
2003	11,728,523	11,728,523	100.0000%	8,635	11,737,158	100.0736%
2004	13,521,441	13,521,441	100.0000%	20,582	13,542,023	100.1522%
2005	17,463,356	17,463,356	100.0000%	69,778	17,533,134	100.3996%
2006	21,239,917	21,239,917	100.0000%	11,628	21,251,545	100.0547%
2007	22,126,532	22,126,532	100.0000%	18,356	22,144,888	100.0830%
2008	23,286,515	23,286,515	100.0000%	32,657	23,319,172	100.1402%
2009	23,426,537	23,426,537	100.0000%	19,556	23,446,093	100.0835%

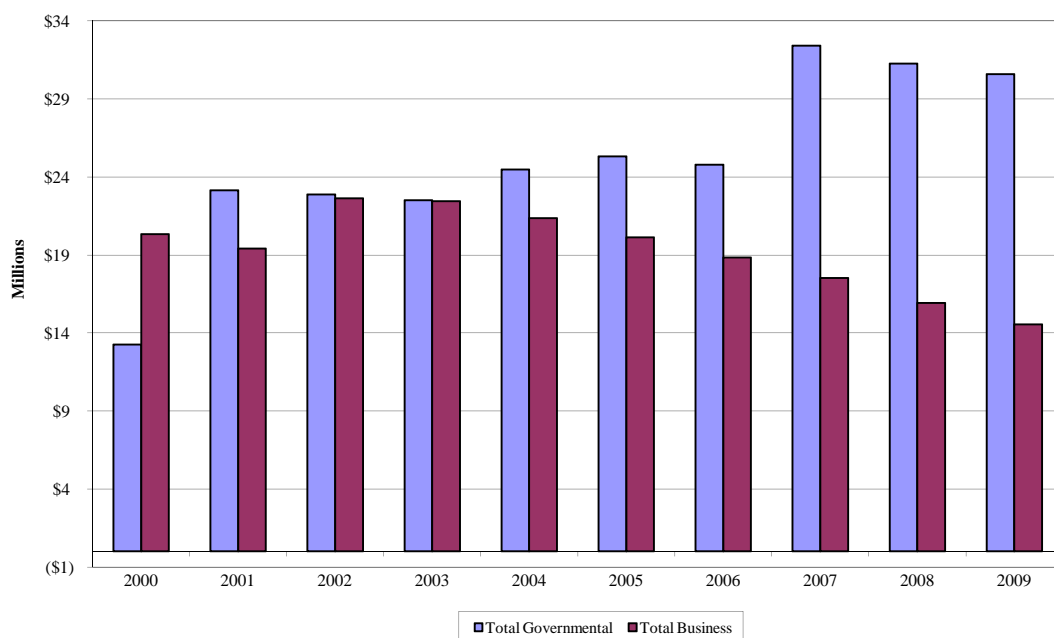
Source: Yolo County Auditor - Controller's Assessed Value Summaries

NOTE: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

(b) Includes unsecured property taxes that are not included in the Teeter Plan

CITY OF DAVIS
Ratio of Outstanding Debt by Type (b)
Last Ten Fiscal Years



Fiscal Year	Governmental Activities						Total
	Tax Allocation Bonds	Certificates of Participation	Special Assessment Payable	General Obligation Bond	Capital Lease Obligations	Note Payable	
2000	\$9,925,000	\$2,405,000	\$919,764	\$11,000			\$13,260,764
2001	20,300,000	2,310,000	546,165				23,156,165
2002	20,170,000	2,210,000	492,829				22,872,829
2003	19,965,000	2,105,000	433,092				22,503,092
2004	22,120,000	1,990,000	371,222				24,481,222
2005	21,945,000	1,870,000	305,085		\$1,200,000		25,320,085
2006	21,755,000	1,745,000	236,814		1,051,581		24,788,395
2007	29,750,000	1,605,000	162,143		896,083		32,413,226
2008	28,950,000	1,460,000	83,205		733,168	\$39,227	31,265,600
2009	28,365,000	1,155,000			562,481	513,152	30,595,633

Fiscal Year	Business-Type Activities						Per Capita (a)
	Department of Water Resources Loan	State Revolving Fund Loans	Sewer System Capital Improvement Loan	Total	Total Primary Government	Percentage of Personal Income (a)	
2000	\$3,131,210	\$14,821,977	\$2,391,853	\$20,345,040	\$33,605,804	732.27%	\$573.19
2001	2,892,877	14,200,845	2,314,690	19,408,412	42,564,577	888.11%	707.04
2002	6,753,082	13,642,056	2,233,236	22,628,374	45,501,203	932.24%	718.55
2003	7,398,398	12,909,068	2,147,240	22,454,706	44,957,798	884.85%	699.63
2004	7,075,773	12,237,597	2,056,449	21,369,819	45,851,041	854.79%	708.67
2005	6,612,138	11,548,453	1,960,597	20,121,188	45,441,273	790.91%	704.52
2006	6,140,320	10,841,172	1,859,400	18,840,892	43,629,287	736.58%	675.53
2007	5,656,387	10,115,277	1,752,560	17,524,224	49,937,450	760.87%	269.86
2008	5,160,443	9,130,789	1,639,763	15,930,995	47,196,595	N/A	716.52
2009	4,651,531	8,385,136	1,520,677	14,557,344	45,152,977	N/A	678.27

Sources: City of Davis
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

Notes: (a) See page ____ (Demographic Statistics) for personal income and population data.
Personal Income information is not available for fiscal 2008 to 2009
(b) Debt amounts exclude any premiums, discounts, or other amortization amounts.

CITY OF DAVIS
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Tax Allocation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
2000	\$9,925,000	0.33%	\$169.28
2001	20,300,000	0.60%	337.20
2002	20,170,000	0.54%	318.52
2003	19,965,000	0.50%	310.70
2004	22,120,000	0.51%	341.89
2005	21,945,000	0.47%	340.23
2006	21,755,000	0.43%	336.84
2007	29,750,000	0.54%	458.13
2008	28,950,000	0.50%	439.88
2009	28,365,000	0.47%	429.74

CITY OF DAVIS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2009

2007-08 Assessed Valuation \$6,005,941,293

	Net Debt Outstanding	Percentage Applicable to City of Davis	Amount Applicable to City of Davis
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
City of Davis - Certificates of Participation	<u>\$1,155,000</u>	100.00%	<u>\$1,155,000</u>
 TOTAL DIRECT AND OVERLAPPING DEBT	 <u><u>\$1,155,000</u></u>		 <u><u>\$1,155,000</u></u>
 Overlapping Bonded Debt Per Capita			 <u><u>\$17.50</u></u>

Source: City of Davis

CITY OF DAVIS
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2008

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$5,849,305,791
-----------------------------------------------------------------	-----------------

BONDED DEBT LIMIT (15% OF ASSESSED VALUE)	\$877,395,869
-------------------------------------------	---------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

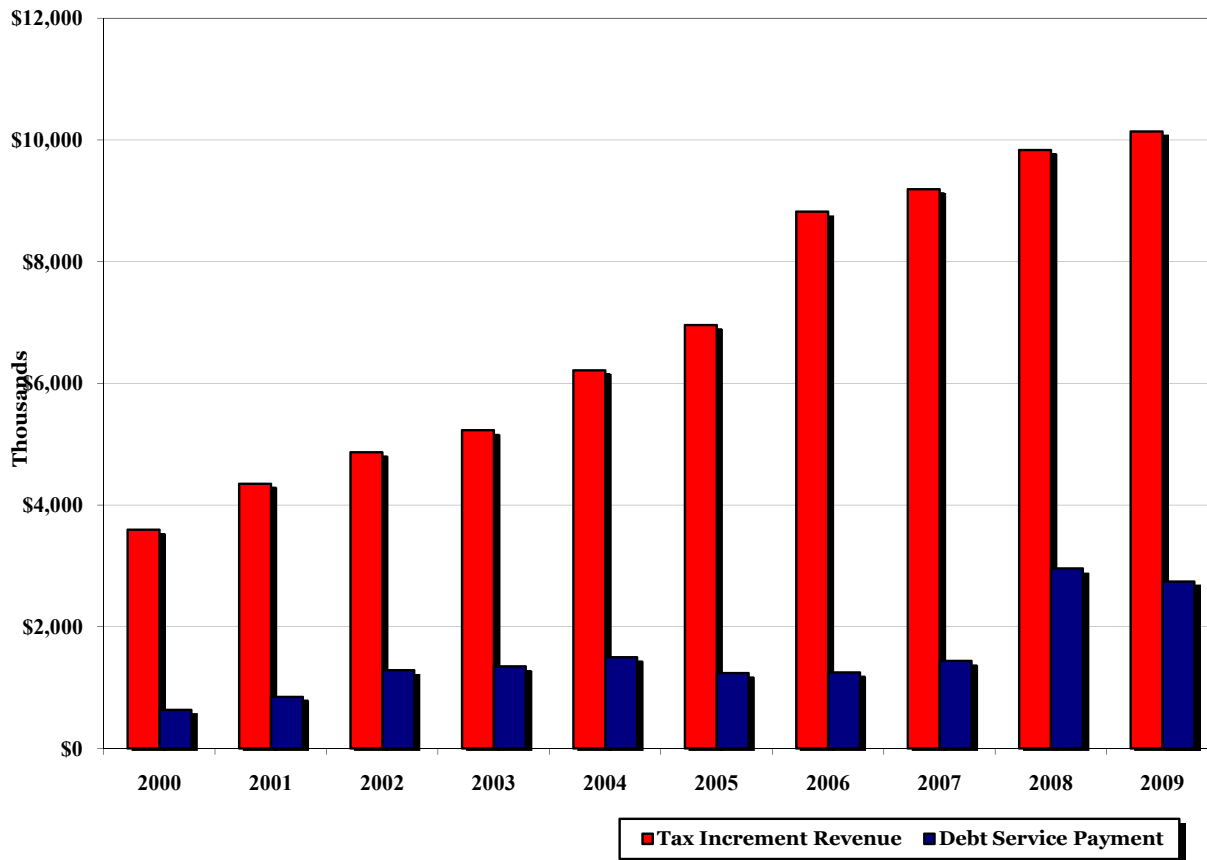
Total Bonded Debt	\$29,520,000
Less: Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	29,520,000

Amount of debt subject to limit	
---------------------------------	--

LEGAL BONDED DEBT MARGIN	\$877,395,869
--------------------------	---------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2000	\$444,664,412	\$11,000	\$444,653,412	0.00%
2001	503,984,503		503,984,503	0.00%
2002	555,195,744		555,195,744	0.00%
2003	596,779,168		596,779,168	0.00%
2004	644,512,137		644,512,137	0.00%
2005	694,663,775		694,663,775	0.00%
2006	732,237,018		732,237,018	0.00%
2007	804,376,463		804,376,463	0.00%
2008	852,639,370		852,639,370	0.00%
2009	877,395,869		877,395,869	0.00%

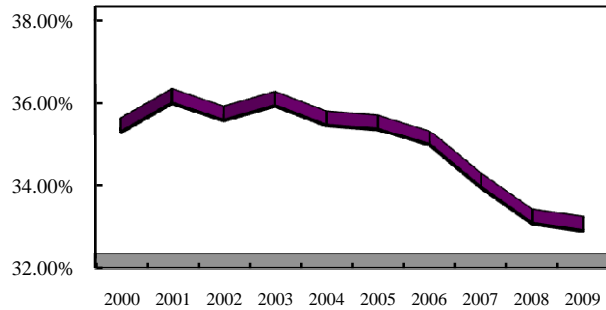
CITY OF DAVIS
BONDED DEBT PLEDGED REVENUE COVERAGE
REDEVELOPMENT AGENCY TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



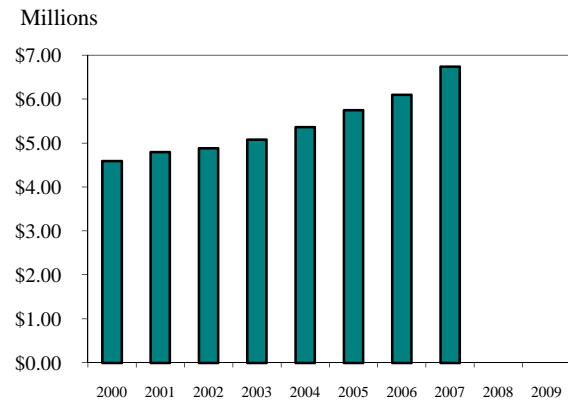
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2000	\$3,594,831	\$120,000	\$515,135	\$635,135	5.66
2001	4,349,879	125,000	724,427	849,427	5.12
2002	4,869,155	130,000	1,156,240	1,286,240	3.79
2003	5,231,587	205,000	1,146,736	1,351,736	3.87
2004	6,213,587	225,000	1,274,787	1,499,787	4.14
2005	6,958,112	175,000	1,066,084	1,241,084	5.61
2006	8,823,668	190,000	1,060,402	1,250,402	7.06
2007	9,190,651	390,000	1,050,006	1,440,006	6.38
2008	9,834,550	800,000	2,158,908	2,958,908	3.32
2009	10,141,530	585,000	2,158,908	2,743,908	3.70

Sources: Redevelopment Agency of the City of Davis Annual Financial Statements
Official Statements of the 2000 Tax Allocation Refunding Bonds
and 2003 Tax Allocation Refunding Bonds

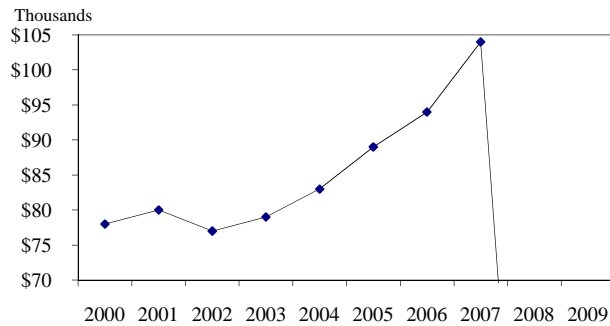
CITY OF DAVIS DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS



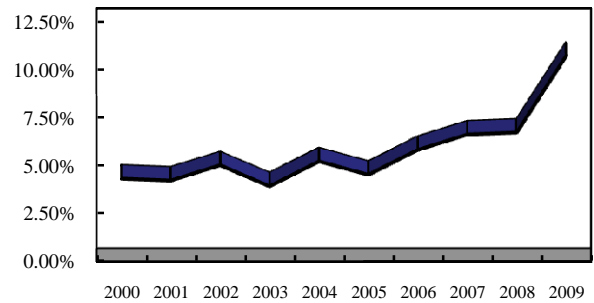
■ City Population as a % of County Population



■ Total Personal Income



◆ Per Capita Personal..



■ Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate (%)	Yolo County Population	City Population % of County
2000	58,629	\$4,589,286	\$78,000	4.3%	\$162,928	35.28%
2001	60,201	4,792,716	80,000	4.2%	169,265	35.98%
2002	63,324	4,880,859	77,000	5.0%	176,289	35.57%
2003	64,259	5,080,810	79,000	3.9%	181,291	35.92%
2004	64,700	5,364,000	83,000	5.2%	183,042	35.45%
2005	64,500	5,745,453	89,000	4.5%	184,500	35.35%
2006	64,585	6,097,020	94,000	5.8%	190,344	34.96%
2007	64,938	6,736,246	104,000	6.6%	193,983	33.93%
2008	65,814	(A)	N/A	6.7%	199,066	33.06%
2009	66,005	(A)	N/A	10.7%	200,709	32.89%

Source: California State Department of Finance

Note: (A) Information not available

CITY OF DAVIS
Principal Employers
Current Year and Three Years Ago (A)

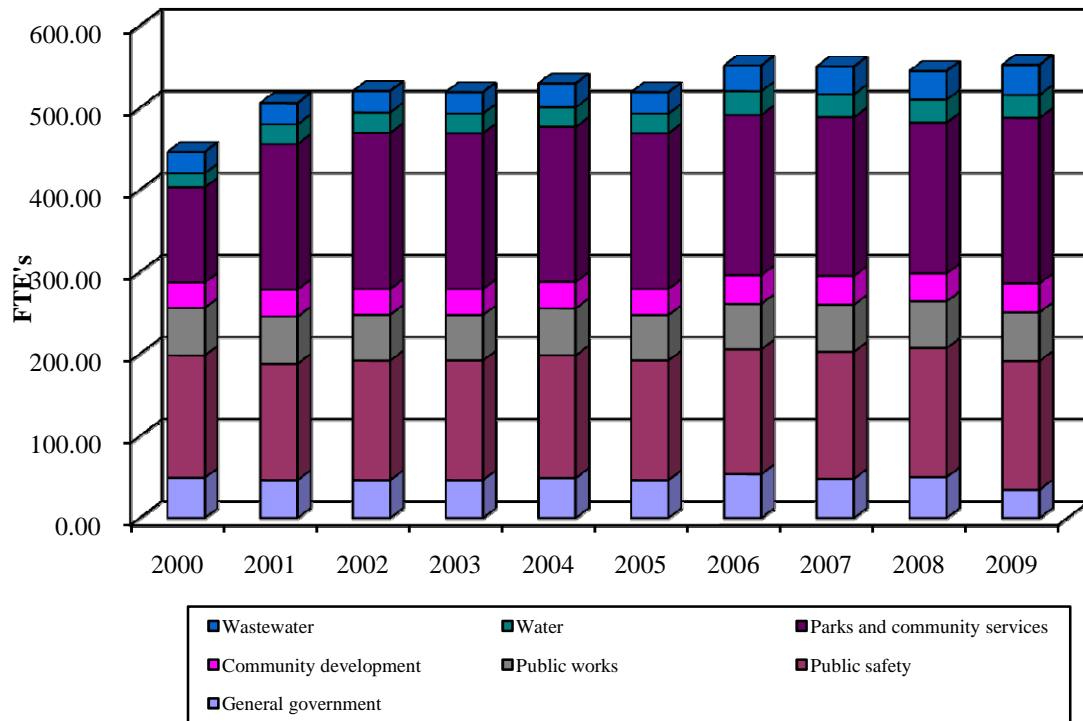
Employer	2008-09			2006-07		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
UC Davis	30,201	1	45.8%	17,637	1	27.2%
Davis Joint Unified School District	976	2	1.5%	976	2	1.5%
City of Davis	630 *	3	1.0%	447	3	0.7%
Sutter Davis Hospital	380	4	0.6%	430	4	0.7%
Safeway	230	7	0.3%	270	7	0.4%
USDA	200	6	0.3%	200	6	0.3%
Nugget Market	197	5	0.3%	236	5	0.4%
PG&E	270	8	0.4%	166	8	0.3%
Davis Food Co-op	143	10	0.2%			
Sierra Health Care	125	9	0.2%	131	9	0.2%
Digi International (Z-World)				135	10	0.2%
						31.7%
Subtotal	<u>33,352</u>		<u>50.5%</u>	<u>20,628</u>		
Total City Day Population	<u>66,005</u>			<u>65,814</u>		

Source: City of Davis phone survey, fall 2008

Historical data not available

* includes seasonal employees

CITY OF DAVIS
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function										
General government	49.00	46.20	46.20	46.20	48.68	46.20	53.37	47.79	49.78	34.55
Public safety	149.00	141.79	145.68	145.78	149.42	145.78	152.05	154.67	157.22	156.64
Public works	58.00	57.44	55.87	55.38	57.45	55.38	55.44	57.44	57.00	59.45
Community development	31.00	33.00	31.32	31.69	32.17	31.69	35.01	35.18	33.98	35.18
Parks and community services	116.00	177.26	190.19	189.80	188.82	189.80	195.28	193.29	183.83	201.74
Water	17.00	24.00	25.00	24.00	24.00	24.00	28.96	27.96	27.96	27.96
Wastewater	26.00	26.00	26.00	26.00	29.00	26.00	31.21	33.83	34.83	36.68
Total	422.00	446.00	505.69	520.26	518.85	529.54	518.85	551.32	544.60	552.20

Source: City of Davis

CITY OF DAVIS
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year			
	2000	2001	2002	2003
Function/Program				
Public safety:				
Fire:				
Fire calls for service	313	252	305	316
Medical calls for service	1,401	1,610	1,547	1,859
Other calls for service	1,003	1,169	1,428	1,356
Primary fire inspections conducted	856	1,142	991	1,192
Fire loss	\$824,882	\$712,730	\$1,403,080	\$827,250
Police:				
Communication center calls answered (911)	9,076	8,263	8,664	8,664
Police calls for service	49,307	58,355	49,386	51,005
Law violations:				
Part I and Part II crimes	1,637	1,817	2,540	2,154
Warrants processed (adult and juvenile)	997	902	1,261	832
Driving under influence arrests (DUI)	251	251	160	211
Property loss	\$2,007,966	\$2,007,966	\$2,927,592	\$2,957,154
Property recovered	\$810,791	\$810,791	\$1,390,769	\$1,371,897
Cases written	7,064	7,376	7,613	7,174
Bicycle thefts	1,016	287	62	(A)
Recovered stolen bicycles	149	22	8	(A)
Animal related calls	666	516	767	449
Citizen complaints	17	9	17	11
Noise complaints	3,284	2,793	3,158	2,862
Moving violations	7,258	5,321	3,643	3,472
Parking violations	19,495	19,124	22,866	25,372
Public works:				
Annual vandalism expenses	\$29,167	\$27,207	\$27,207	\$72,000
Parks and Community Service:				
Recreation class participants	15,517	15,517	18,913	29,737
Water:				
Water service connections	15,192	15,292	15,806	15,806
Average daily consumption (thousands of gallons)	4,638,000,000	4,594,000,000	4,850,000,000	4,900,000,000
Solid Waste:				
Tons of solid waste generated	75,158	74,353	74,353	80,418
Tons of solid waste diverted from landfill	33,108	32,303	32,303	38,669

Source: City of Davis

Note: (A) Information not available

Fiscal Year					
2004	2005	2006	2007	2008	2009
316	240	216	216	232	265
1,859	2,010	2,036	2,036	2,281	2,432
1,356	1,254	1,402	1,402	1,490	1,573
1,192	1,247	1,590	1,590	1,195	1,563
\$827,250	\$792,863	\$792,863	\$905,185	\$2,569,901	1,980,190
8,664	8,054	21,602	21,602	8,920	9,095
51,005	58,256	61,646	61,646	57,326	61,328
2,154	2,527	2,368	2,368	2,543	2,464
832	877	1,083	1,083	1,047	917
211	230	305	305	173	245
\$2,957,154	\$3,079,862	\$2,815,926	\$2,815,926	\$2,555,708	\$3,316,075
\$1,371,897	\$1,160,869	\$69,142	\$691,422	\$605,887	\$763,045
7,174	7,902	7,430	7,430	6,968	6,815
(A)	(A)	(A)	(A)	(A)	(A)
(A)	(A)	(A)	(A)	(A)	(A)
449	471	217	217	588	283
11	23	34	34	33	20
2,862	3,526	3,288	3,288	2,708	601
3,472	3,526	6,698	6,698	6,059	5,651
25,372	25,466	26,445	26,445	18,483	17,116
\$72,000	\$72,000	\$72,000	\$17,744	\$37,553	11,415
29,737	16,270	33,640	24,152	24,407	24,720
15,806	15,371	16,229	16,229	16,292	16,292
4,900,000,000	4,900,000,000	4,700,000,000	4,700,000,000	4,700,000,000	460,000,000
80,418	80,999	80,999	80,999	91,545	89,445
38,669	38,317	38,317	38,317	49,259	(A)

CITY OF DAVIS
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year			
	2000	2001	2002	2003
Function/Program				
Public safety:				
Fire stations	3	3	3	3
Number of firefighters and officers	45	45	45	46
Number of chief officers	4	4	4	4
Police stations	1	1	1	1
Number of sworn personnel	53	54	54	55
Public works:				
Miles of streets	156	155	156	155
Street lights	4,969	4,983	5,095	5,101
Traffic signals	56	54	56	54
Culture and recreation:				
Community services:				
City parks	31	30	31	31
City trees	25,000	30,000	30,000	30,000
Miles of on-street bike lanes	47	48	49	48
Miles of off-street bike paths	47	48	49	48
Swimming pools	4	5	4	4
Tennis courts	28	25	25	33
City buildings maintained	79	83	83	84
Square footage of City buildings	239,478	287,092	287,092	287,631
Water:				
Miles of water mains	170	170	175	179
Number of wells	21	22	20	20
Fire hydrants	1,644	1,644	1,667	1,667
Wastewater:				
Miles of sewer mains	153	154	162	173
Miles of storm sewers	92	92	94	124
Treatment capacity (thousands of gallons)	2,750,000,000	1,330,000,000	2,220,000,000	2,101,000,000

Source: City of Davis

Fiscal Year					
2004	2005	2006	2007	2008	2009
3	3	3	3	3	3
46	46	46	46	46	46
4	4	4	4	4	4
1	1	1	1	1	1
55	60	60	60	61	61
155	157	257	157	162	165
5,101	5,494	5,494	5,494	5,403	5,426
54	54	59	59	60	60
31	31	31	31	31	31
30,000	30,000	30,000	30,000	30,000	26,000
48	51	51	51	54	54
48	51	51	51	55	55
4	4	4	4	4	4
33	32	33	33	33	33
84	88	87	87	87	87
287,631	29,700	296,694	296,694	301,853	305,093
179	179	180	180	178	179
20	23	23	23	21	20
1,667	1,938	1,942	1,942	1,699	1,703
173	162	162	162	156	157
124	95	95	95	126	127
2,101,000,000	2,141,000,000	2,141,000,000	2,141,000,000	2,460,000,000	2,002,000,000

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