

## **FUND FINANCIAL STATEMENTS**

GASB 34 revises the format of the Fund Financial Statements so that only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between Fund types and the practice of combining like funds and presenting their totals in separate columns (Combined Financial Statements) has been discontinued, along with the use of the General Fixed Assets and General Long-term Debt Account Groups.

## **MAJOR GOVERNMENTAL FUNDS**

The funds described below were determined to be Major Funds by the City in fiscal 2004. 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.

### **DEVELOPMENT DEFERRED IMPROVEMENT FUND**

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  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2004

	General	Child Care Grant	Redevelopment Agency	Development Deferred Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$11,762,996	\$1,093,695	\$3,312,648	\$21,575,771	\$20,885,039	\$58,630,149
Cash with fiscal agent					1,135,543	1,135,543
Accrued interest	53,891	6,975	24,123	151,945	150,576	387,510
Receivables						
General accounts	2,133,593	16	343,479		764,200	3,241,288
Grants	1,535,673	7,769			1,087,776	2,631,218
Utility accounts	175,842				148,365	324,207
Loans	162,862		103,452	273,358	17,984,989	18,524,661
Mortgages					1,048,945	1,048,945
Due from other funds				1,233,635		1,233,635
Total Assets	<u>\$15,824,857</u>	<u>\$1,108,455</u>	<u>\$3,783,702</u>	<u>\$23,234,709</u>	<u>\$43,205,433</u>	<u>\$87,157,156</u>
<b>LIABILITIES</b>						
Payables						
Accounts	\$1,813,165	\$538,646	\$14,728	\$145,048	\$872,034	\$3,383,621
Grants		248,760				248,760
Leave benefits	610,220					610,220
Deposits	965,017			286,374	64,134	1,315,525
Deferred revenue	2,393,355	242,985		273,359	869,101	3,778,800
Due to other funds					452,212	452,212
Due to Yolo County			323,719			323,719
Advances from other funds			1,928,184			1,928,184
Total Liabilities	<u>5,781,757</u>	<u>1,030,391</u>	<u>2,266,631</u>	<u>704,781</u>	<u>2,257,481</u>	<u>12,041,041</u>
<b>FUND BALANCES</b>						
Fund balance						
Reserved						
Debt service					1,248,608	1,248,608
Encumbrances	1,619,193	18,860	63,171	3,326,931	5,117,877	10,146,032
Long-term loan receivable	162,862		53,858		14,362,141	14,578,861
Payment withheld by State	1,004,238					1,004,238
Low and moderate income housing					2,401,999	2,401,999
Unreserved:						
Designated						
Open space	395,962					395,962
PERS surplus set-aside	1,035,000					1,035,000
Undesignated, Reported in:						
General fund	5,825,845					5,825,845
Special Revenue Funds		59,204	1,400,042		12,578,209	14,037,455
Capital Projects Funds				19,202,997	5,239,118	24,442,115
Total Fund Balances	<u>10,043,100</u>	<u>78,064</u>	<u>1,517,071</u>	<u>22,529,928</u>	<u>40,947,952</u>	<u>75,116,115</u>
Total Liabilities and Fund Balances	<u>\$15,824,857</u>	<u>\$1,108,455</u>	<u>\$3,783,702</u>	<u>\$23,234,709</u>	<u>\$43,205,433</u>	<u>\$87,157,156</u>

See accompanying notes to financial statements

CITY OF DAVIS  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- FUND BALANCE  
 with the  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2004

Total fund balances reported on the governmental funds balance sheet \$75,116,115

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. 1,966,234,197

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	3,312,594
Accrued interest	30,223
Accounts receivable	21,333
Inventory	165,358
Capital assets, net	4,150,394
Accounts payable	(471,270)
Leave benefits	(138,445)
Deposits	(32,160)
Claims payable	(674,476)
Internal balances	3,198,799

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. 931,730

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	(24,481,222)
Interest payable	(392,361)
Non-current portion of compensated absences	(1,362,952)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$2,025,607,857

See accompanying notes to financial statements

CITY OF DAVIS  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED JUNE 30, 2004

	General	Child Care Grant	Redevelopment Agency	Development Deferred Improvement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$17,480,028		\$6,165,001		\$3,437,558	\$27,082,587
Licenses and permits	877,681					877,681
Fines and forfeitures					997,748	997,748
Use of money and property	251,312	\$7,843	62,188	\$160,613	294,885	776,841
Intergovernmental	4,397,694	6,589,680	48,586		4,875,140	15,911,100
Charges for current services	4,915,074	161,585			1,644,007	6,720,666
Development fees				1,115,955	403,710	1,519,665
Administrative fee - Enterprise Fund	955,493					955,493
Other	507,893			2,756	174,828	685,477
<b>Total Revenues</b>	<b>29,385,175</b>	<b>6,759,108</b>	<b>6,275,775</b>	<b>1,279,324</b>	<b>11,827,876</b>	<b>55,527,258</b>
<b>EXPENDITURES</b>						
<b>Current:</b>						
City Council	115,392					115,392
City Attorney	374,657					374,657
City Manager	1,613,398					1,613,398
Administrative services	1,159,074			42,886	176,933	1,378,893
Planning and building	2,644,483		85,039		108,121	2,837,643
Parks and community services	8,082,213	6,756,546			2,047,300	16,886,059
Public safety - fire	5,729,123				743,316	6,472,439
Public safety - police	8,771,599				1,533,912	10,305,511
Public works	845,821				1,613,066	2,458,887
Special projects			2,207,127	36,136	2,049,970	4,293,233
<b>Debt service</b>						
Principal					340,000	340,000
Interest and fiscal charges					1,719,446	1,719,446
Special assessment					133,997	133,997
Capital improvements	271,048		959	1,040,221	2,894,090	4,206,318
<b>Total Expenditures</b>	<b>29,606,808</b>	<b>6,756,546</b>	<b>2,293,125</b>	<b>1,119,243</b>	<b>13,360,151</b>	<b>53,135,873</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(221,633)</b>	<b>2,562</b>	<b>3,982,650</b>	<b>160,081</b>	<b>(1,532,275)</b>	<b>2,391,385</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from refunding bonds					9,265,000	9,265,000
Payment of refunded bond escrow agent					(7,022,700)	(7,022,700)
Transfers in (Note 3C)					4,798,387	4,798,387
Transfers (out) (Note 3C)	(11,212)		(2,648,156)	(38,850)	(2,113,413)	(4,811,631)
<b>Total Other Financing Sources (Uses)</b>	<b>(11,212)</b>		<b>(2,648,156)</b>	<b>(38,850)</b>	<b>4,927,274</b>	<b>2,229,056</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(232,845)</b>	<b>2,562</b>	<b>1,334,494</b>	<b>121,231</b>	<b>3,394,999</b>	<b>4,620,441</b>
<b>BEGINNING FUND BALANCES</b>	<b>10,275,945</b>	<b>75,502</b>	<b>182,577</b>	<b>22,408,697</b>	<b>37,552,953</b>	<b>70,495,674</b>
<b>ENDING FUND BALANCES</b>	<b>\$10,043,100</b>	<b>\$78,064</b>	<b>\$1,517,071</b>	<b>\$22,529,928</b>	<b>\$40,947,952</b>	<b>\$75,116,115</b>

See accompanying notes to financial statements

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, 2004

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 \$4,620,441

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 and other expenditures are therefore added back to fund balance 4,523,927

Depreciation expense is deducted from the fund balance  
 (Depreciation expense is net of internal service fund depreciation of \$709,483 which has already been allocated to serviced funds) (85,024,315)

Net retirements of capital assets (193,027)

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 340,000

Repayment of special assessment obligation is added back to fund balance 61,870

Proceeds from the issuance of debt are deducted from fund balance (9,265,000)

Payments made to refunded debt escrow agent are added back to fund balance 7,022,700

Bond issuance costs are deducted from fund balance (137,700)

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 25,920

Deferred revenue (49,431)

Compensated absences (77,871)

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 (277,909)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (\$78,430,395)

See accompanying notes to financial statements

**This Page Left Intentionally Blank**

CITY OF DAVIS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$17,792,600	\$17,792,600	\$17,480,028	(\$312,572)
Licenses and permits	1,137,100	1,137,100	877,681	(259,419)
Use of money and property	230,027	230,027	251,312	21,285
Intergovernmental	4,358,000	4,385,094	4,397,694	12,600
Charges for current services	4,035,977	4,242,644	4,915,074	672,430
Administrative fee - Enterprise Fund	885,946	885,946	955,493	69,547
Other	791,248	792,138	507,893	(284,245)
<b>Total Revenues</b>	<u>29,230,898</u>	<u>29,465,549</u>	<u>29,385,175</u>	<u>(80,374)</u>
<b>EXPENDITURES:</b>				
Current:				
City Council	120,962	120,962	115,392	5,570
City Attorney	466,888	261,888	374,657	(112,769)
City Manager	1,915,155	1,791,697	1,613,398	178,299
Administrative services	1,928,635	1,309,851	1,159,074	150,777
Planning and building	3,358,419	3,212,832	2,644,483	568,349
Parks and community services	11,074,517	8,964,448	8,082,213	882,235
Public safety - fire	6,598,116	5,819,933	5,729,123	90,810
Public safety - police	9,985,560	8,729,427	8,771,599	(42,172)
Public works	8,395,408	910,643	845,821	64,822
Capital improvements	66,906	2,671,154	271,048	2,400,106
<b>Total Expenditures</b>	<u>43,910,566</u>	<u>33,792,835</u>	<u>29,606,808</u>	<u>4,186,027</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(14,679,668)</u>	<u>(4,327,286)</u>	<u>(221,633)</u>	<u>4,105,653</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)			(11,212)	(11,212)
<b>Total other financing sources (uses)</b>			<u>(11,212)</u>	<u>(11,212)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(\$14,679,668)</u>	<u>(\$4,327,286)</u>	(232,845)	<u>\$4,094,441</u>
Beginning fund balance			10,275,945	
Ending fund balance			<u>\$10,043,100</u>	

See accompanying notes to financial statements

CITY OF DAVIS  
CHILD CARE GRANT FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$26,142	\$26,142	\$7,843	(\$18,299)
Intergovernmental	7,025,372	8,465,218	6,589,680	(1,875,538)
Charges for current services	101,800	101,800	161,585	59,785
Total Revenues	<u>7,153,314</u>	<u>8,593,160</u>	<u>6,759,108</u>	<u>(1,834,052)</u>
EXPENDITURES:				
Current:				
Parks and community services	7,145,680	8,585,526	6,756,546	1,828,980
Total Expenditures	<u>7,145,680</u>	<u>8,585,526</u>	<u>6,756,546</u>	<u>1,828,980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,634</u>	<u>7,634</u>	<u>2,562</u>	<u>(5,072)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$7,634</u>	<u>\$7,634</u>	2,562	<u>(\$5,072)</u>
Beginning fund balance			<u>75,502</u>	
Ending fund balance			<u>\$78,064</u>	

See accompanying notes to financial statements

CITY OF DAVIS  
REDEVELOPMENT AGENCY FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$5,515,126	\$5,515,126	\$6,165,001	\$649,875
Use of money and property	34,500	34,500	62,188	27,688
Intergovernmental	50,400	50,400	48,586	(1,814)
Total Revenues	<u>5,600,026</u>	<u>5,600,026</u>	<u>6,275,775</u>	<u>675,749</u>
EXPENDITURES:				
Current:				
Planning and building	340	96,137	85,039	11,098
Special projects	2,227,882	2,930,686	2,207,127	723,559
Capital improvements			959	(959)
Total Expenditures	<u>2,228,222</u>	<u>3,026,823</u>	<u>2,293,125</u>	<u>733,698</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,371,804</u>	<u>2,573,203</u>	<u>3,982,650</u>	<u>1,409,447</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)			(2,648,156)	(2,648,156)
Total other financing sources (uses)			<u>(2,648,156)</u>	<u>(2,648,156)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$3,371,804</u>	<u>\$2,573,203</u>	1,334,494	<u>(\$1,238,709)</u>
Beginning fund balance			<u>182,577</u>	
Ending fund balance			<u>\$1,517,071</u>	

See accompanying notes to financial statements

**This Page Left Intentionally Blank**