

**City of Davis**

**California**

***Comprehensive Annual Financial Report***



**Fiscal Year Ended June 30, 2020**





CITY OF DAVIS, CALIFORNIA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020**

PREPARED BY THE  
FINANCE DEPARTMENT

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CITY OF DAVIS, CALIFORNIA

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2020

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**Administrative Services Department  
Finance Division**

23 Russell Boulevard, Suite 3 – Davis, California 95616  
Phone: 530/757-5651 – TDD 530/757-5666  
City Hall FAX: 530/758-0204



January 29, 2021

Honorable Mayor, Members of the City Council and Citizens of Davis:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Davis, California, for the fiscal year ended June 30, 2020. The City of Davis is required to annually publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report of the City of Davis, for fiscal year ended June 30, 2020.

Responsibility for the accuracy of the information, and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the City. The format and content of this CAFR complies with the principles and standards of accounting and financial reporting adopted by the Governmental Accounting Standards Board (GASB), and contains all information needed for readers to gain a reasonable understanding of the City's financial position and operations.

**FORMAL TRANSMITTAL OF THE CAFR**

State statutes require an annual audit by independent certified public accountants. Maze & Associates has audited the City's financial statements. The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements and are fairly presented in conformity with GAAP. Maze & Associates issued an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2020. The auditor's report on the financial statements is presented as the first component of the financial section of the CAFR.

In conjunction with the annual CAFR, the City is also required to undergo an annual Single Audit in conformity with the provisions of the Federal Single Audit Act Amendments of 1996 and 2CFR part 200. The auditor's report related specifically to the Single Audit will be presented as a separate document.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A immediately follows the Independent Auditor's Report.

## **INTERNAL CONTROLS**

Management 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 GAAP. 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. Management is committed to maintaining the City's internal controls to adequately safeguard assets and to provide reasonable assurances of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by City management and staff.

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. 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 is at the fund level. 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.

## **PROFILE OF THE GOVERNMENT**

The City of Davis is a general law city. It operates under the Council-Manager form of government and provides municipal services that include public safety; community development, planning and sustainability; recreation, park maintenance, and social programs; transportation and infrastructure support; water, wastewater and sanitation utilities; and general government activities. The enclosed report includes information for all funds of the City of Davis.

## **GOVERNMENT STRUCTURE, LOCAL ECONOMIC CONDITIONS AND OUTLOOK**

The City of Davis was founded in 1868 as Davisville, named for Jerome C. Davis, a prominent local farmer. The Davisville post office shortened the town name in 1907 and the change was official when the city incorporated in March 1917. Davis celebrated its Centennial year in 2017.

The Davis City Council is comprised of five council members, previously elected at large by city residents. In the fall of 2019, the City Council approved a district election system for the election of City Council members, to begin with the November 2020 municipal election. One of the Council members serves as the Mayor and another as the Vice Mayor. Council members are elected for overlapping four-year terms. The City Council acts as the legislative and policy-making body, provides policy direction, establishes goals, and sets priorities for City government. The Council appoints the City Manager and awards the contract for City Attorney services. The City Manager serves as the administrative head of city government overseeing the departments of Administrative Services, City Manager's Office, Community Development & Sustainability, Parks and

Community Services, Fire, Police, Public Works Engineering & Transportation and Public Works Utilities & Operations.

The City of Davis is a university-oriented city with an estimated population in 2020 of 69,183. It is internationally known for its commitment to environmental awareness and implementing progressive and socially innovative programs. The city's quality of life and vigorous progressive community are reflected in its small-town style and many well-known symbols: energy conservation, environmental programs, greenbelts, parks, preservation of trees, British red double-decker buses, bicycle paths, record number of bicycles per capita, and the quality of its educational institutions

## **COMPONENT UNITS**

The City Council of the City of Davis also has financial responsibility and accountability for the following legally separate entities: City of Davis Redevelopment Successor Agency and City of Davis Public Facilities Financing Authority. Financial information on these entities has been included in this report.

The City also provides the financial and accounting services for the Woodland-Davis Clean Water Agency. It is a joint-powers authority (JPA) between the cities of Woodland and Davis to provide a sustainable, high-quality water supply. The JPA is responsible for its own financial statements.

## **BUDGET POLICIES/PROCESS**

The annual budget serves as the foundation for the City's financial planning and control. As such, the City maintains extensive budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. Budgetary control is established at the fund level. Budgets are prepared and expenditures recorded at the object of expenditure level. Accounting records are maintained using either the accrual basis of accounting or modified accrual basis, as appropriate. The City also maintains an encumbrance accounting system as one technique for accomplishing budgetary control.

The budget process begins with the Finance Division initializing the baseline budget for the coming year for departmental review. Funding requests and changes are submitted to the City Manager and the Finance Division, who balance and prioritize requests to fit with current financial obligations and to ensure they are within the constraints of revenue projections and fund balances. The City Manager presents the Proposed Budget to the City Council in May.

Following the presentation of the Proposed Budget, public hearings and discussions are scheduled to highlight and discuss discreet elements of the Proposed Budget. After the Council reviews the proposed budget and receives public comment, the City Council votes to adopt the budget, including any amendments to the proposed budget that may occur, by an affirmative vote of the majority of the five-member City Council. The budget is legally adopted through the passage of a Council resolution no later than June 30.

In fiscal year 2019/20 the City transitioned to a biennial budget, and will implement Year two of a rolling biennial budget beginning with fiscal year 2020/21. A rolling biennial budget is a single two-year spending document with an annual adoption of appropriations and a budget adjustment

process between years one and two. There are many advantages to utilizing a biennial budget. Staff believes that it will improve long-range and strategic planning, assist in integrating Council goal setting with the budgetary process and reinforce the commitment to long-term fiscal health by looking beyond a one-year time horizon.

Davis residents are encouraged to participate in the budget planning process through a variety of avenues, such as participating in Council-appointed boards and commissions or by attending budget sessions or public hearings at City Council meetings. Transparency in the budget process and the outcome is a central tenet to the City, as evidenced through a variety of resources. These include utilization of OpenGov's budget transparency portal on the City's website to make real-time budget numbers easy for the public to access and understand, the use of infographics to explain City expenditures, the ability for the public to view and comment on the budget document and the option to sign up to receive e-notifications about city issues through the City's web page at [www.cityofdavis.org](http://www.cityofdavis.org).

## **BUDGET INITIATIVE**

Davis' fiscal outlook stays stable due to one-cent local sales tax continuation (Measure Q) overwhelmingly approved by voters in March 2020. This tax contributed \$9.1 million to the General Fund in fiscal year 2019/20. Passage of Measure Q contributes to the fiscal health of the City's General Fund in light of the COVID-19 pandemic and protects essential services.

## **RISK MANAGEMENT**

The Yolo County Public Agency Risk Management Insurance Authority JPA handles the City's risk management. The deductible for general liability is \$5,000, auto liability is \$20,000 and workers compensation is \$1,000. This significantly limits the City's financial risk.

## **ECONOMIC CONDITION – LOCAL/REGIONAL ECONOMY**

The City of Davis is located near Sacramento and has a very strong legacy of agriculture, education and innovation. The Sacramento region is the nation's Farm-to-Fork Capital. Local policies and practices support preservation of agricultural land as well as an increasing dominance in the fields of agricultural research & development, agricultural technology, food science and animal husbandry. The City sits on the I-80 corridor between the state capital of Sacramento and the high tech San Francisco Bay Area, making the community a prominent location for a variety of innovative businesses. The City's adjacency to UC Davis has resulted in a community that boasts a highly skilled workforce, is known for a high-performing public school system, and attracts visitors and residents with varied and renowned talents.

A global public health crisis impacted the economic activity in the City of Davis starting in March 2020. The COVID-19 pandemic has wreaked havoc on City's revenue due to reduced recreational programming, enforcement of stringent social distancing orders, reduced travel, closure of restaurants and establishments, and lower fuel sales due to stay-at-home orders. To help minimize the General Fund impact of this pandemic, the City of Davis went through a grueling budget cycle, which included defunding and deferral of Capital Improvement Projects, revision of revenue projections, implementation of a hiring freeze, and deferral of the Other Post-Employment Benefits payment in excess of the pay-as-you-go amount to further preserve the General Fund reserve during this unprecedented time.

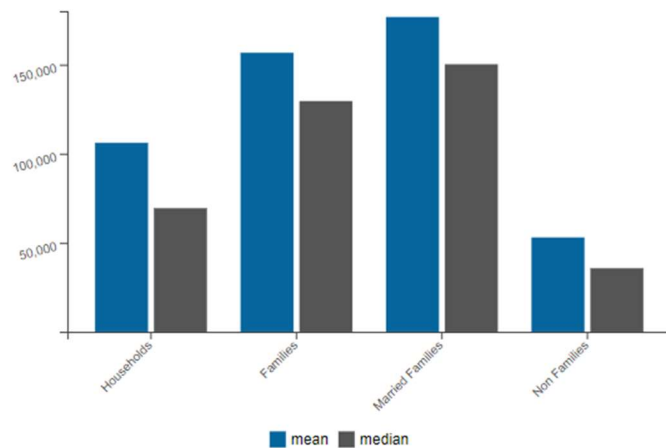
In the ninth month of the pandemic, the total unemployment rate is at 4.6%, which is the lowest in the region when compared with the 7.0% in El Dorado County, 6.2% in Placer County, 8.5% in Sacramento County and 7.0% in Yolo County. Prior to the pandemic in February 2020, City of Davis unemployment rate was at 2.5%.

Monthly Labor Force Data for Cities and Census Designated Places (CDP)						
December 2020 - Preliminary						
Data Not Seasonally Adjusted						
	Labor	Employ-	Unemployment		Census Ratios	
Area Name	Force	ment	Number	Rate	Emp	Unemp
Yolo County	106,500	99,100	7,500	7.0%	1.000000	1.000000
Davis city	34,700	33,100	1,600	4.6%	N/A	N/A
Esparto CDP	1,800	1,700	100	6.8%	0.017150	0.016513
West Sacramento city	25,400	23,500	1,900	7.6%	N/A	N/A
Winters city	3,800	3,500	300	7.4%	0.035656	0.037935
Woodland city	30,300	27,600	2,600	8.7%	N/A	N/A

Source: <http://www.labormarketinfo.edd.ca.gov>

With possible reprieve brought by the promise of vaccinations and the governor lifting statewide stay-home orders, it is expected that the unemployment rate will go down. The median household income was \$69,379 while the median family income was \$129,517. The income per capita in Davis was \$38,997, which is 5.53% higher than the California average of \$36,955.

Name	Median	CSV	JSON
		Mean	Mean
Households	\$69,379	\$106,058	
Families	\$129,517	\$156,640	
Married Families	\$150,181	\$176,719	
Non Families	\$35,644	\$52,956	



Stability in the Davis housing market has been an important contributor to the strength of the local economy. The median single-family home price in Davis was \$672,000 in December 2020, increase of 3% from prior year. Homes sell for approximately the asking price on average with more people looking to buy than there are homes available, making it the seller’s market.

Davis is addressing its lack of affordable housing as several residential rental projects have been, or are in the process, of being approved. In addition to formal, income-restricted affordable units, rental projects are generally more affordable for households than ownership opportunities. Construction is underway for the Lincoln 40 project with over 700 beds, 71 of those at income-

restricted, affordable rates; Davis Live with 66 affordable beds and a total of 440 beds; and Mutual at Fifth, an all-affordable project with 38 units. Creekside with 89 affordable units and Sterling with 160 units holding 540 beds have recently been completed. The Nishi project with up to 2200 affordable, student-oriented beds, including 330 designated affordable beds, has received its entitlements, but is not yet under construction. University Commons, Plaza 2555 (200 units), University Research Park (160 units) and 3820 Chiles (225 units) have also all received entitlement approvals and are preparing for construction.

The City has several new commercial projects as well. Nugget Markets corporate headquarters has completed construction on Mace Blvd, with additional commercial space for other users. Marriott Residence Inn opened and Hyatt House hotel is nearing completion. Both will provide the extended stay opportunities to help promote businesses that have both short and long-term stay needs, and will increase transient occupancy tax and sales tax revenues collected by the City. Other projects are in the review process and may provide additional opportunities for housing, office and commercial space and light industrial space.

## **LONG-RANGE FINANCIAL POLICIES AND PLANNING**

The City of Davis establishes its General Fund Reserve Policy as additional insurance against disasters, emergencies and unforeseen expenditures. The City Council established a minimum General Fund reserve target that states: “The City shall strive to maintain a General Fund reserve equal to 15% of General Fund expenditures, with up to 5% allocated to special capital projects for roads/paths, facilities and parks”. The appropriate level of General Fund reserves shall be reviewed annually. The unallocated reserve funds are set-aside to address potential needs in the following areas: a) A Reserve for Economic Uncertainty – funds designated to mitigate periodic revenue shortfalls due to downturn in economic cycles, thereby avoiding the need for service level reductions within the fiscal year; b) An Emergency Reserve – funds designated to mitigate costs of unforeseeable emergencies and natural disasters.

The City has developed a 20-year General Fund budget and financial forecast model that serves as an important fiscal strategic planning tool. It provides a macro level view of General Fund revenues and expenditures to assist in evaluating the impact of policy choices made today on the long-term fiscal health of the City. By identifying developing trends and potential issues that may arise in the future, it will help ensure long-term stability for the City by giving City Council improved information with which to craft prudent and timely budget solutions. The forecast model has been integrated into the budget process to aid in informing fiscal decisions to address unfunded liabilities.

## **AWARDS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

## ACKNOWLEDGEMENTS

The City Council should be acknowledged and thanked for its leadership and commitment to ensuring the long-term fiscal health of the City.

Appreciation for the entire Finance Department is also acknowledged for their effort in maintaining accurate accounting records from which this report is prepared. The dedicated City staff, who strive throughout the year to improve the quality of service, and financial information provided to the citizens of Davis, is also recognized. Finally, the City wishes to acknowledge the professional manner in which Maze and Associates conducted the audit, and to express appreciation for their assistance.

Respectfully submitted,



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Michael Webb  
City Manager



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Elena Adair  
Finance Director

**CITY OF DAVIS**

**PRINCIPAL OFFICIALS**

**CITY COUNCIL**

Mayor, Brett Lee  
Mayor Pro Tem, Gloria Partida  
Councilmember, Dan Carson  
Councilmember, Will Arnold  
Councilmember, Lucas Frerichs

**EXECUTIVE MANAGEMENT TEAM**

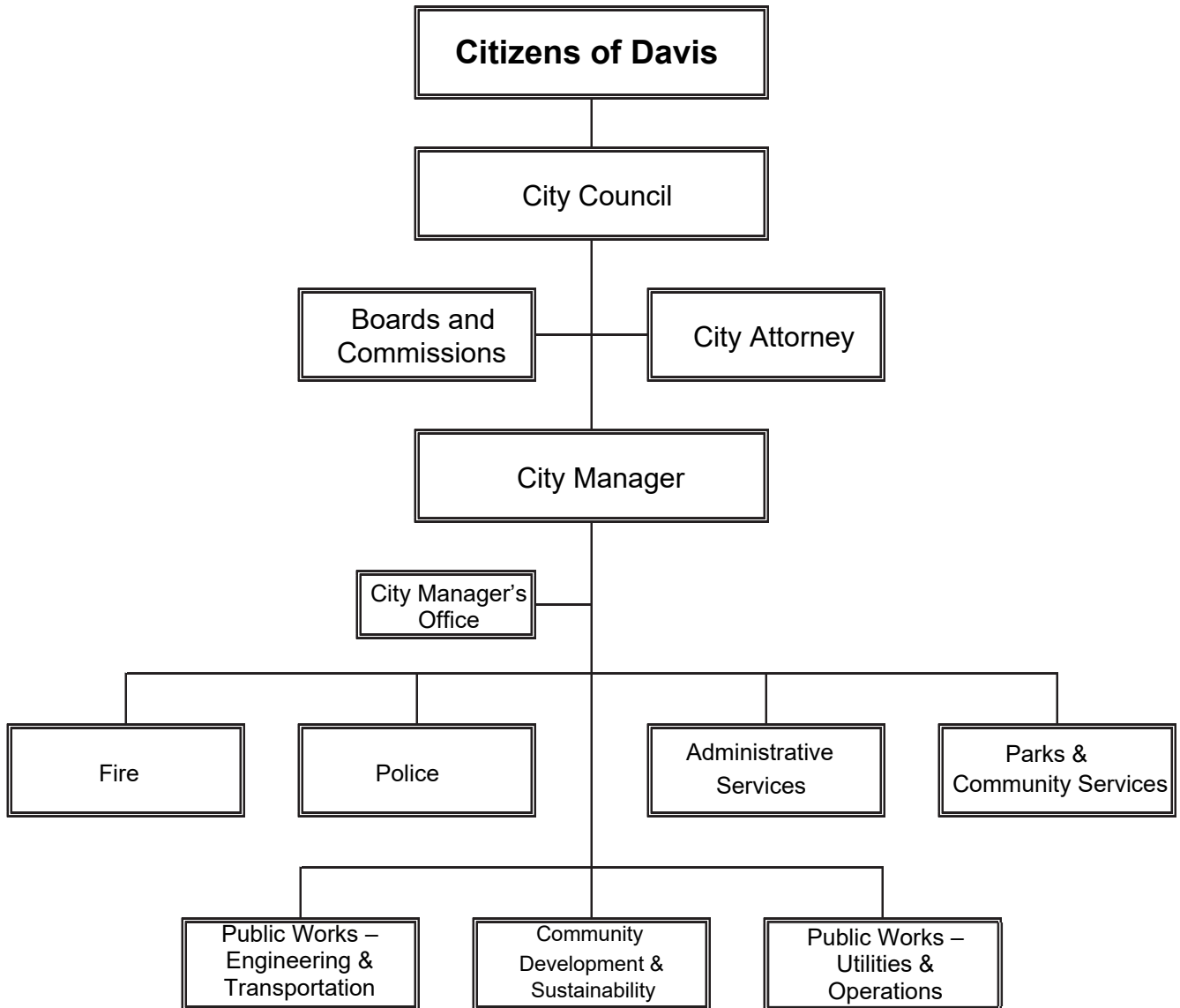
City Manager, Michael Webb  
City Attorney, Inder Khalsa  
Assistant City Manager, Kelly Stachowicz  
Assistant City Manager, Ashley Feeney  
Public Works – Engineering & Transportation, Robert Clarke  
Public Works – Utilities & Operations, Stan Gryczko  
Parks and Community Services Director, Dale Summersille  
Police Chief, Darren Pytel  
Fire Chief, Joseph Tenney  
City Clerk, Zoe Mirabile  
Finance Director, Elena Adair  
Information Technology Director, Jason Best  
Human Resources Director, Janet Emmett  
Community and Business Engagement Director, Diane Parro

**FINANCE STAFF**

Financial Services Manager, Pamela Day  
Accountant, Nicholas Chung

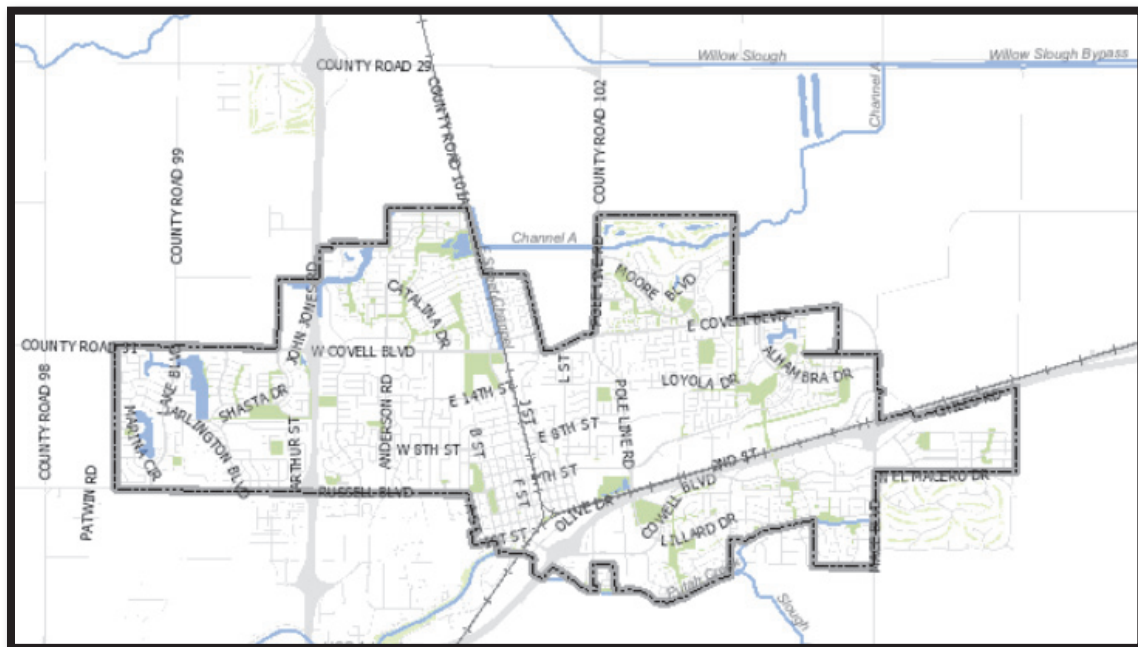


# City of Davis Organizational Chart





### City of Davis



## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Davis (City), California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplementary Information and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California  
January 29, 2021

CITY OF DAVIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

As management of the City of Davis (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found starting on page v of this report, and Basic Financial Statements.

**Financial Highlights**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, as of June 30, 2020, by \$518.2, an increase of \$0.3 from the prior year.
- At the close of the fiscal year, the General Fund reported total assets of \$35.9 million and total fund balance of \$21.3 million. This represents a decrease in fund balance of \$3.3 million, or 13.5% from prior fiscal year. Of the total fund balance, \$10.2 million, or 48%, was unassigned.
- To preserve short-term resources and to maintain General Fund unassigned fund balance within City Council established policy, funding options for a number of the General Fund funded capital projects were evaluated. This resulted in either replacing General Fund contributions with other available resources or defunding of capital projects with overall General Fund one-time savings of \$14.5 million.
- To address the unknown duration and outcome of the COVID-19 pandemic, the City chose not to fund the actuarially determined contribution for the other post-employment benefits (OPEB) with an intent to preserve cash in the short term. The citywide impact of this action was \$4.2 million of which General Fund share was \$3.0 million.

**Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide a broad overview of the City's activities as a whole and consist of the Statement of Net Position and the Statement of Activities. The Statement of Net Position 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 of accounting, 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 position for the year.

All of the City's activities are grouped into governmental activities and business-type activities, as explained below. They are separated into these activities in order to provide a summary of these two activities of the City as a whole.

CITY OF DAVIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**Governmental activities.** All of the City’s basic services are considered to be governmental activities, including general government, community development, economic development, public safety, engineering, community events, public improvements, planning and zoning and building inspections. These services are supported by general City revenues such as taxes, and by specific program revenues such as developer fees.

The *Statement of Net Position* presents financial information on all of the City’s assets and liabilities as well as any deferred outflows or inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The government-wide financial statements include not only the City itself (known as the primary government), but also its legally separate component units, including the Public Facilities Financing Authority.

**Business-type activities.** All the City’s enterprise activities are reported here, including sewer, water, storm sewer, sanitation, and public transit activity. Unlike governmental services, these services are supported by charges paid by users based on the amount of service they use.

The government-wide financial statements can be found on pages 19-21 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government’s near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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The City maintains 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Development Deferred Improvement Special Revenue Fund, the Low/Mod Housing Special Revenue Fund, and the Open Space Special Revenue Fund, all of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Required Supplementary Information section of this report.

The City adopts an annual appropriated budget for governmental funds that includes both operational and capital improvement expenditures. A budgetary comparison statement, found on pages 105-108 and 128-137, has been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 24-30 of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise Funds to account for its water, sewer, sanitation, storm sewer and public transit operations. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for the management of its retained risks and other central services costs. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the Government-wide Financial Statements.

Proprietary Funds provide the same type of information as the Government-wide Financial Statements, with the exception of more detail. The Proprietary Fund financial statements provide separate information for the water, sewer, sanitation, storm sewer and public transit operation, each of which are considered to be major funds of the City. Conversely, the Internal Service Funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the Internal Service Funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 32-37 of this report.

**Fiduciary Funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary Funds are not reported in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

The City maintains two different types of Fiduciary Funds. The *Private-Purpose Trust Fund* is used to report resources held in trust related to the dissolution of the former Redevelopment Agency. The *Agency Fund* reports resources held by the City in a custodial capacity for individuals, private organizations and other governments.

The Fiduciary Funds financial statements can be found on pages 40-41 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 43-94 of this report.



CITY OF DAVIS  
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**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City’s progress in funding its obligation to provide pension and Other Post-Employment Benefits (OPEB) benefits to its employees.

Required supplementary information can be found on pages 97-109 of this report.

**The combining statements and individual fund statements and schedules** referred to earlier in connection with Non-major Governmental Funds, Internal Service Funds and Agency Funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 116-137 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This section focuses on the net assets and changes in net assets of the City's governmental activities and business-type activities presented in the Government-wide Statement of Net Position and Statement of Activities. Changes in net position may serve over time as a beneficial indicator of the City’s financial position.

Tables 1 and 2 on the following pages present a summary and changes of the City’s net position as of June 30, 2020 and June 30, 2019.

**Table 1: Statement of Net Position  
For the Years Ended June 30, 2020 and 2019  
(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Cash and investments	\$ 98.28	\$ 90.32	\$ 69.38	\$ 67.21	\$ 167.66	\$ 157.53
Other assets	46.64	46.53	10.54	7.75	57.18	54.28
Capital assets	256.60	256.19	351.28	359.68	607.88	615.87
<b>Total Assets</b>	<b>401.52</b>	<b>393.04</b>	<b>431.20</b>	<b>434.64</b>	<b>832.72</b>	<b>827.68</b>
Deferred outflows of resources	18.84	22.27	6.46	7.10	25.30	29.37
Other liabilities	17.12	15.53	(37.01)	9.44	(19.89)	24.97
Long-term debt outstanding	158.48	154.16	192.97	155.26	351.45	309.42
<b>Total Liabilities</b>	<b>175.60</b>	<b>169.69</b>	<b>155.96</b>	<b>164.70</b>	<b>331.56</b>	<b>334.39</b>
Deferred inflows of resources	6.13	3.05	2.15	1.73	8.28	4.78
Net position:						
Net investment in capital	254.38	253.77	239.80	237.29	494.18	491.06
Restricted	75.77	69.07			75.77	69.07
Unrestricted	(91.51)	(80.26)	39.74	38.03	(51.77)	(42.23)
<b>Total Net Position</b>	<b>\$ 238.64</b>	<b>\$ 242.58</b>	<b>\$ 279.54</b>	<b>\$ 275.32</b>	<b>\$ 518.18</b>	<b>\$ 517.90</b>



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The largest portion of the City’s net position is net investment in capital with a balance of \$494.2 million, which increased by \$3.12 million over the prior year almost exclusively in the business-type activities. The balance reflects net investment in capital assets (infrastructure, land, buildings, and equipment), less any related outstanding debt used to acquire those assets. These capital assets are used by the City to provide services to citizens, making them unavailable for future spending. Although the City’s net investment in its capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 2: Statement of Changes in Net Position  
For the Years Ended June 30, 2020 and 2019  
(in millions)**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Expenses</b>						
General government:						
City Council	\$ 0.18	\$ 0.23			\$ 0.18	\$ 0.23
City Attorney	0.45	0.16			0.45	0.16
City Manager	4.36	3.82			4.36	3.82
Administrative Services	3.85	4.15			3.85	4.15
Community Development	6.64	7.09			6.64	7.09
Public Works	12.68	14.64			12.68	14.64
Special Projects	1.67	1.24			1.67	1.24
Parks and community services:						
Parks and Community Services	16.41	16.12			16.41	16.12
Public safety:						
Fire	18.25	14.76			18.25	14.76
Police	23.14	24.11			23.14	24.11
Interest on Long-Term Debt	0.02	0.03			0.02	0.03
Water			22.26	22.42	22.26	22.42
Sanitation			13.42	13.08	13.42	13.08
Sewer			15.34	20.77	15.34	20.77
Storm Sewer			3.99	3.98	3.99	3.98
Public transit			9.91	5.12	9.91	5.12
Total Expenses	<u>87.65</u>	<u>86.35</u>	<u>64.92</u>	<u>65.37</u>	<u>152.57</u>	<u>151.72</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	15.84	17.94	56.99	54.21	72.83	72.15
Operating Contributions and Grants	8.56	7.63	9.54	5.05	18.10	12.68
Capital Grants and Contributions	1.78	7.66			1.78	7.66
General Revenues:						
Taxes	53.34	52.74			53.34	52.74
Investment income	3.11	2.80	1.79	1.80	4.90	4.60
Miscellaneous	1.09	0.55	0.82	0.89	1.91	1.44
Total Revenues	<u>83.72</u>	<u>89.32</u>	<u>69.14</u>	<u>61.95</u>	<u>152.86</u>	<u>151.27</u>
Changes in Net Position	(3.93)	2.97	4.22	(3.42)	0.29	(0.45)
Net Position - Beginning	242.57	239.61	275.32	278.74	517.89	518.35
Net Position - Ending	<u>\$ 238.64</u>	<u>\$ 242.58</u>	<u>\$ 279.54</u>	<u>\$ 275.32</u>	<u>\$ 518.18</u>	<u>\$ 517.90</u>

CITY OF DAVIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
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**Governmental Activities**

The City's governmental activities rely on several sources of revenue to finance ongoing operations. The largest revenue sources are comprised on the taxes of \$46.2 million, charges for services of \$15.8 million, and operating grants and contributions of \$8.6 million. Property tax and sales tax are approximately 62% of tax revenues, with the remainder coming from municipal services, park maintenance, construction, open space, franchise, and transient occupancy. Charges for services are revenues that arise from charges to customers who purchase, use, or directly benefit from goods or services. Examples of these services include building permits, business licenses, and park and recreation fees. Also included in charges for services is an internal administrative overhead charge to departments within the City for services provided to them by the City Manager's, City Attorney's and City Clerk's offices; Human Resources; and Finance and Treasury Services. Capital grants and contributions are spent on major capital projects, and capital improvements. Operating grants and contributions include State Gas Tax, Federal HOME Grant funding for the housing program, Community Development Block Grant and other one-time grants.

At the end of fiscal year 2019/20, total revenue for governmental activities was \$83.7 million, a \$5.6 million decline from the prior year.

- Program revenues decreased by \$7.0 million, with most of the decline, \$5.9 million, occurring in capital grants and contribution and smaller reduction of \$2.1 million in charges for services.
  - The significant decrease in capital grants and contribution is attributed to grants totaling \$4.2 million from the State for one-time expenses associated with the 3<sup>rd</sup> St Improvements from A to B Street made in 2018/19.
  - A \$2.1 million decrease in charges for service are mainly in Parks and Community Services department caused by the COVID-19 pandemic. The City had to cancel almost all recreation activities and classes as a result of State issued stay-at-home orders. The City refunded the fees charged for canceled activities.
- General Revenues increased overall by \$1.5 million, with tax revenue and investment earnings increasing by \$0.6 million and \$0.3 million, respectively.
  - The general tax revenue increase was mainly impacted by \$1.1 million increase in property tax and \$0.8 million in cannabis tax offset by declines of \$0.8 million in construction tax and \$0.7 million in transient occupancy tax.
  - Investment earnings revenue increased by \$0.3 million largely due to the increased market value of the investment portfolio, which was caused by the low interest rate environment.

Total governmental activities expenditures were \$87.7 million, an increase of \$1.3 million compared to the prior year. The most significant fluctuations from prior year are listed below.

- Fire department had the largest increase of \$3.5 million. This is primarily due to increased overtime coupled with recording of a large litigation settlement.
- Police department had a decrease in expenditures of \$1.0 million mainly due to vacancies in the department.
- Public Works expenditures were \$12.6 million, a \$2.0 million decrease over the prior year's total of \$14.6 million. The decrease is attributed to \$2.0 million lease payoff in prior fiscal year.

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**Analysis of Business-Type Activities**

The City has five business-type activities: Water, Sanitation, Sewer, Storm Sewer, and Public Transit. Most business-type activities report charges for services as their largest source of revenue, with Public Transit showing operating grants as the largest source of revenue.

Net position for the Enterprise Funds showed an overall increase in 2019/20. Water had an increase in net position of \$5.6 million and Sewer of \$1.2 million. The Sanitation, Storm Sewer, and Public Transit funds each experienced a deficit change of net position. The Sanitation Fund continues to operate at a loss at an ending net position of \$3.8 million. The Storm Sewer Fund also experienced a decrease in the net position of \$1.9 million bringing ending net position to \$56.9 million. The Public Transportation Fund had a minimal net loss of \$0.3 million, decreasing total net income to \$0.9 million.

Operating revenues and non-operating revenues in all business-type activities totaled \$69.1 million. The operating revenue consists of charges for current services, which increased \$2.8 million. The increases were in the Water, Sanitation and the Sewer Funds. Water Fund operating revenues increased \$1.2 million from prior year. This reflects a full year of 7.1% rate increase that took effect in January 2019. Improved consumption and some growth also added to the revenue improvement. The City completed the retrofit of radio read meters in fiscal year 2019-20. Broken or less accurate meters were replaced allowing for greater and more accurate water usage reading, which also improved billing and collection of related charges. Operating revenue for Sanitation Fund increased \$1.0 million due to full year of 13.5% service charges increase enacted in March 2019. Charges for services for the Sewer Fund increased \$0.6 million to \$15.6 million. Sewer charges are based on the average consumption of water for November through February and with the improved water usage reads, revenues increased.

Overall operating expenses for proprietary funds remained comparative to prior year at \$61.0 million. However, the Sewer Fund experienced a decrease of \$5.2 million and Public Transit Fund had an increase of \$4.8 million. The Sewer Fund increase was related to the expenses associated with water treatment plant that were determined to be non-capital in prior year. No such expenses were incurred in current fiscal year. Increase in Public Transit expenses were a result of increased operating costs and subsidies to Unitrans, City's transit partner and a grant subrecipient.

The Water, Sanitation and Storm Sewer Funds expenses did not have notable changes from prior year

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows and outflows and balances of resources that are available for spending. This information is presented as a comparison with the prior year and should prove useful in evaluating the City's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the City's governmental funds reported combined fund balances of \$98.3 million, an increase of \$2.7 million compared with last year. The unassigned portion of governmental fund balances was \$8.8 million, which is available for spending at the City's discretion.

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Table 3 provides a summary of Governmental and General Fund revenues for the year ended June 30, 2020, and compares the revenues to the prior fiscal year.

**Table 3: Revenues in the Governmental Funds  
For the Year Ended June 30, 2020 and 2019**

	Governmental Funds			General Fund *		
	2020	2019	\$ Change	2020	2019	\$ Change
Property Tax	16,763,097	\$15,627,636	1,135,461	16,286,222	\$15,025,653	\$1,260,569
Sales tax	16,438,460	16,504,386	(65,926)	16,438,460	16,504,386	(65,926)
Real Property Transfer	273,338	303,135	(29,797)	273,338	303,135	(29,797)
Municipal Services	3,203,631	3,138,065	65,566	3,203,631	3,138,065	65,566
Business License/Cannabis	3,379,723	2,577,091	802,632	3,379,723	2,577,091	802,632
Construction Tax	1,264,079	2,063,309	(799,230)	1,264,079	2,063,309	(799,230)
Franchise	1,441,409	1,818,388	(376,979)	1,441,409	1,818,388	(376,979)
Transient Occupancy	1,473,308	2,220,142	(746,834)	1,473,308	2,220,142	(746,834)
Motor Vehicle in-lieu	7,121,352	6,762,017	359,335	7,121,352	6,762,017	359,335
Park Maintenance	1,420,470	1,412,582	7,888			
Public Safety Tax	643,259	544,084	99,175			
Open Space Protection	657,620	671,714	(14,094)			
Fines and forfeitures	420,840	331,642	89,198	420,840	331,642	89,198
Use of money and property	3,393,823	2,919,644	474,179	1,986,393	1,928,056	58,337
Intergovernmental	6,181,306	10,234,310	(4,053,004)	545,416	573,060	(27,644)
Charges for current services	11,201,428	12,932,840	(1,731,412)	8,125,054	10,070,051	(1,944,997)
Development fees	1,655,728	3,643,599	(1,987,871)			0
Administrative fees	2,304,543	2,038,686	265,857	2,304,543	2,038,686	265,857
Other	3,282,805	2,952,002	330,803	2,457,496	2,938,206	(480,710)
Totals	\$82,520,219	\$88,695,272	(\$6,175,053)	\$66,721,264	\$68,291,887	(\$1,570,623)

\* The General Fund is a subset of the Governmental funds

**General Fund.** The General Fund is the primary governmental fund and chief operating fund of the City. The total fund balance for the General Fund decreased \$3.9 million. Overall, taxes increased \$0.4 million. Charges for services revenue totaled \$8.1 million, a decrease of \$1.9 million over last year's total of \$10.0 million. Most of the decrease was in the Parks and Community Services department and is attributed to recreation activities and classes revenues which were impacted by the State and Yolo County stay-at-home orders starting in March 2020. The City generally begins signups and registrations for the summer class activities in the spring.

**Other Governmental Funds.** Total revenues for Other Governmental Funds had a significant decrease over the prior year, a change of \$3.8 million, or approximately 24%. Most of the decline was in intergovernmental revenues, funds received from State and Federal government sources for streets, roads and bike paths, and development fees related to municipal arts. The reduction in grant revenues were as a result of several large capital improvement projects completed in prior year.

CITY OF DAVIS  
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Overall expenditures for Governmental Funds decreased by \$9.3 million over the prior year, totaling \$79.8 million. Table 4 provides a summary of Governmental and General Fund expenditures for the year ended June 30, 2020 and June 30, 2019.

**Table 4: Expenditures in the Governmental Funds  
For the Year Ended June 30, 2020 and 2019**

	Governmental Funds			General Fund *		
	2020	2019	Change from Prior Year	2020	2019	Change from Prior Year
City Council	\$187,826	\$186,873	\$953	\$187,826	\$186,873	\$953
City Attorney	446,722	164,759	281,963	446,722	164,759	281,963
City Manager	3,905,470	3,468,342	437,128	3,880,567	3,433,167	447,400
Administrative Services	3,660,722	3,902,696	(241,974)	2,937,478	3,157,123	(219,645)
Public Safety	35,431,131	32,912,622	2,518,509	32,097,082	29,575,231	2,521,851
Public Works	6,581,681	8,606,126	(2,024,445)	4,736,515	6,266,842	(1,530,327)
Community Development	6,010,731	6,498,516	(487,785)	5,952,156	6,348,649	(396,493)
Parks & Community Services	13,895,062	13,264,072	630,990	12,015,380	11,238,989	776,391
Special Projects	1,642,268	1,258,575	383,693			0
Debt Service	214,022	214,021	1	214,022	214,021	1
Capital Outlay	7,860,986	18,609,999	(\$10,749,013)	283,963	8,350,200	(8,066,237)
Totals	\$79,836,621	\$89,086,601	(\$9,249,980)	\$62,751,711	\$68,935,854	(\$6,184,143)

\* The General Fund is a subset of the Governmental funds

General Fund expenditures decreased by \$6.1 million, and Other Governmental Fund expenditures decreased by \$2.2 million. Major declines occurred in the Public Works department and capital outlay expenditures, which totaled \$12.7 million. In prior fiscal year, Public Works department had a one-time large expenditure related to an early payoff of a loan of \$2.0 million. Capital outlay expenditures declined because the City either fully defunded or delayed the start of several project as a result of COVID-19 pandemic. Knowing that the revenues were expected to suffer, the City proactively decided to preserve resources until there was a better understanding of the fiscal impact of the pandemic. Projects that were already started had minimal adjustments. In addition, the City made a reporting change in the current year related to the capital projects funded primarily by the General Fund. In the past, these have been reported as part of the General Fund. In current year, such capital projects were not only segregated into a separate fund, but also are being reported as the Capital Project Fund type for the financial presentation purposes. With this change, funding provided by the General Fund is now classified as transfers out and the capital expenditures are reported outside of the General Fund. Prior reporting structure created unnecessary confusion and misunderstanding of what resources were available for spending on general City operations.

City Attorney expenditures had an increase of \$0.3 million for total expenditures of \$0.4 million. This was as a result of City switching legal firms and the cost of the services increasing significantly. Program specific legal costs are included in the respective programs and departments.

The Fire Department expenditures saw an increase of \$2.0 million or 16%, totaling \$14.6 million in the 2019/20. This increase was primarily due to increased overtime expenditures and recording of a large legal settlement. The overtime costs were up due to mutual aid assistance provided through the State agreement and backfill for positions out on workers' compensation leave or other protected leave.

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In addition to the General Fund, three other funds that are classified as major funds. The activities of these are summarized in the following paragraphs.

**Low/Mod Housing Fund.** The Low/Mod Housing Fund is a special revenue fund that is used to develop, rehabilitate, and preserve affordable housing. Revenues are comprised of charges for services, interest on loans and investments and monitoring fees. Revenues increased \$0.5 million to \$0.9 million over the prior year. Expenditures total \$0.9 million and are classified as special projects. On June 30, 2020, the Low/Mod Housing Fund held \$33.2 million in restricted fund balance. Most of these funds are invested in loans and mortgages and are not available for spending.

**Open Space Fund.** This fund accounts for revenue from the Open Space Preservation Tax and is utilized for open space maintenance and protection. The assessments are placed on the tax roll to be paid by property owners with their property taxes. The assessment for fiscal year 2019/20 was \$0.7 million and overall revenues had minimal change from prior year. Expenditures were \$0.4 million for maintenance and \$0.1 million capital projects. On June 30, 2020, the Open Space restricted fund balance was \$6.2 million, an increase in fund balance of \$0.3 million from the prior year.

**Development Deferred Improvement Fund.** These capital funds account for major project financing fees collected to pay for infrastructure and improvement needs due to the additional burden created by development. This fund experienced \$1.3 million decrease in revenues. This was mainly due to Residence Inn, offices at 4699 Alhambra, and West Davis Veterinary Hospital's inability to obtain a certificate of occupancy in the current year. Impact fees are due when the certificate of occupancy is issued. It is anticipated that all three of these entities will receive certificate of occupancy in the 2020/21 fiscal year. Expenditures decreased by \$2.0 million primarily as a result of capital projects delay. The net impact on the fund balance was a decrease of \$0.5 million from prior year.

### **Enterprise Funds**

**Water Fund.** The operating revenues for this fund, which are charges for water service to the residents of Davis and some residents in Yolo County, totaled \$26.4 million. The revenues increased due to increases in rates, consumption and some growth. The base water rates increased 7.1% in January 2019. Metered rate also went up by 0.40/ccf for single-family residences.

Operating expenses for the Water fund totaled \$19.5 million, an increase of \$0.2 million from prior year.

**Sanitation Fund.** This fund had operating revenues of \$13.0 million, which is an increase of \$1.0 million over the prior year. Primary expenses are for waste removal, solid waste management, and street sweeping remains steady at \$12.2 million. Total operating expenses increased \$0.4 million from the prior year. Overall, the net assets for the Sanitation fund decreased \$0.3 million.

**Sewer Fund.** Operating revenues in the Sewer Fund were \$15.6 million for the current fiscal year, an increase of \$0.6 million over the prior year. Sewer charges are based on the average consumption of water for November through February, and with the increase in water usage, the corresponding revenues increased. The primary operating expenses for the Sewer Fund are sewage collection and treatment. Total expenses were \$14.2 million, \$5.2 million lower than prior year. The decrease was related to fiscal year 2018/19 non-capital expenditures associated with the construction of the new sewer treatment plant that was put in services in prior year. The Sewer Fund ended the year with a change in net position of \$1.2 million.

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**Storm Sewer Fund.** The operating revenues totaled \$1.9 million with minimal changes over the prior year. Primary operating expenses are for maintenance of the storm drainage system totaling \$1.5 million. Total operating expenses were \$4.0 million with no change from prior year. The Storm Sewer Fund ended the year with a net loss of \$1.9 million. The Public Works Department is currently doing a rate study, due to go to council in 2020/21

**Public Transit Fund.** The revenues in this fund consist primarily of operating grants and contributions from the Federal Transit Administration totaling approximately \$9.5 million. The City has a pass-through agreement with the University of California-Davis to provide partial funding for fixed-route public transportation services (Unitrans). The City directly provides the associated paratransit services. Grants and contributions increased \$4.5 million over the prior year. Operating expenses, which include the provision of public and special transportation services, total \$9.9 million. This reflects an increase in expenses of \$4.7 million from the prior year. The fund net position was \$0.9 million.

### **Fiduciary Funds**

The City maintains two different types of fiduciary funds. The Private-Purpose Trust Fund is used to report resources held in trust related to the dissolution of the former Redevelopment Agency. The Agency Fund reports resources held by the City in a custodial capacity for individuals, private organizations and other governments.

### **General Fund Budgetary Highlights**

In Fiscal Year 2019/20, the City of Davis implemented its first biennial budget. The biennial budget streamlined the budget preparation process internally, allowing time for staff to provide more in-depth analyses of fiscal issues and monitor budgetary trends closely.

In March of 2020, the COVID-19 crisis impacted economic activity in the City of Davis as well as the rest of the country. With the closures of non-essential businesses, travel restrictions and increased social distancing efforts, the local economy suffered greatly. In an effort to curb the impacts of COVID-19, the City of Davis took a proactive approach by defunding capital projects and reducing the other post-employment benefits payment to free up resources.

At the end of the fiscal year, General Fund revenues came in higher than the revised budget for property tax and as a result of a correction of transfer in. Property taxes came in above projection due to growth in the assessed valuation of secured properties. In addition, Sales Tax was expected to take the largest hit due to the pandemic closures, yet performed significantly better than anticipated. Actual Sales Tax revenue was \$0.2 million higher than the adjusted budget and \$2.1 million above the conservative year-end projections. Transient Occupancy Tax was largely impacted by the pandemic as well, coming in \$1.05 million less than the adjusted budget and \$0.4 million under the year-end projections. With travel restrictions, cancellations of large events and the transition to remote learning, travel to Davis was greatly reduced.

CITY OF DAVIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2020, the City's investment in capital assets totaled \$607.88 million, net of depreciation, invested in a broad range of capital assets used in governmental and business-type activities, as shown in Table 5 on the next page (further detail can be found in Note 8 in Notes to the Financial Statements):

**Table 5: Capital Assets at June 30, 2020 and 2019**  
(in millions)

	2020	2019	Net Change
<b>Governmental Activities:</b>			
Land	\$ 56.48	\$ 56.48	\$ -
Construction in progress	13.62	26.08	(12.46)
Buildings and improvements	56.75	49.94	6.81
Equipment	13.25	12.54	0.71
Infrastructure - Streets	287.36	273.90	13.46
Infrastructure - Parks	68.47	68.41	0.06
Infrastructure - Bike/Ped Paths	15.34	15.34	-
<b>Total Assets</b>	<b>511.27</b>	<b>502.69</b>	<b>8.58</b>
Less accumulated depreciation	(254.71)	(246.51)	(8.20)
<b>Net Governmental Assets</b>	<b>\$ 256.56</b>	<b>\$ 256.18</b>	<b>\$ 0.38</b>
<b>Business-Type Activities:</b>			
Land	\$ 21.78	\$ 21.78	\$ -
Construction in progress	3.41	17.60	(14.19)
Buildings	231.68	228.26	3.42
Pipes and Lines	226.77	215.55	11.22
Equipment	25.37	23.49	1.88
Intangible Assets	23.46	23.47	(0.01)
<b>Total Assets</b>	<b>532.47</b>	<b>530.15</b>	<b>2.32</b>
Less accumulated depreciation	(181.15)	(170.47)	(10.68)
<b>Net Business-Type Assets</b>	<b>\$ 351.32</b>	<b>\$ 359.68</b>	<b>\$ (8.36)</b>

Total capital assets, before depreciation, increased by \$10.9 million, with the majority of the change in governmental activities. Governmental assets increased \$8.6 million mostly in the construction in progress activities associated with Citywide Irrigation improvement, VMC interior modernization, H Street Improvements, Covell and L Street Intersection Improvement and Richards and I-80 Interchange Projects (design phase). Approximately \$1.6 million was associated with acquisition of vehicles and replacement of old playground equipment.

Business-Type Activities included completion of sludge removal and pond clean up, installation of public washroom and bathroom at the wastewater treatment plan (WWTP) as well as an installation of a walkway between digesters at the WWTP.



CITY OF DAVIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

**Debt Administration**

The City's debt issues are discussed in detail in Note 9 in Notes to the Financial Statements. On June 30, 2020, the City's debt comprised:

**Table 6: Outstanding Debt at June 30, 2020 and 2019  
(in millions)**

	2020	2019	Net Change
Governmental activities:			
Long-Term Debt	\$ 2.22	\$ 2.41	\$ (0.19)
Business-type activities:			
Long-Term Debt	91.50	101.96	(10.46)
Total	\$ 93.72	\$ 104.37	\$ (10.65)

Long-term debt for both the governmental and business-type activities decreased by \$10.65 million in fiscal year 2019/20. Most of the decrease was in the business-type activities caused by the \$8.0 million pay off of East Area Water Storage Tax Loan. The remaining reduction was a result of regularly scheduled debt service payments. During the year, Water and Wastewater Enterprise Funds drew additional funding of \$0.37 million on the two State Water Resource Control Board Loans.

Changes in long-term employee benefits were due to net pension liability and other post-employment benefits increases. Please refer to Note 12 and 13 in the Notes to the Financial Statements for more information.

**Private-Purpose Trust Fund**

The Private Purpose Trust Fund is used to report resources held in trust related to the dissolution of the former Redevelopment Agency. The balance of tax allocation bond debt is \$25.5 million with related unamortized premium of \$2.7 million, which will be amortized over the life of the bonds.

**Special Assessment District Debt**

On June 30, 2020, a total of \$26.5 million in special assessment district debt was outstanding, issued by four 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.

CITY OF DAVIS  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020

## **ECONOMIC OUTLOOK**

### **Economic Factors**

The City continues to seek new revenue sources by attracting new business and well-planned development, and looking for opportunities to cost share projects with other government partners. Cannabis revenues collection more than doubled compared to prior year and are expected to grow. The local sales tax measure placed on the ballot in March 2020 to eliminate sunset provision was approved by the voters and generated General Fund revenue totaling \$9.1 million. If not approved, the tax would have expired in December 2020. In the pandemic environment, this local sales tax accounts for more than half of the total sales and use tax revenues. The City continues to look for solutions to increasing pension and OPEB liabilities as well as deferred maintenance for infrastructure. The City Council and staff are dedicated to prudent fiscal management to ensure the continued financial health of the City.

Despite the onset of COVID-19 pandemic in March 2020, the City was able to complete several projects, including the Third Street surface improvements between A and B Streets, Mace Boulevard improvements Phase I, L Street improvements, Cannery Grade Separation Crossing and Water Meter Radio Network as well as several other smaller projects.

### **Next Year's Budget**

The impacts of the COVID-19 pandemic are continuing to be felt throughout the economy. Almost a year into the global health crisis, local economies are continuing to suffer. In an effort to minimize the effects of the ongoing pandemic, the City of Davis significantly revised sales tax projections for Fiscal Year 2020/21. The City also took steps to maintain General Fund reserves by furloughing employees and reducing OPEB to the pay-go amount.

Total all funds revenue for Fiscal Year 2020/21 is budgeted at \$212.3 million with General Fund revenues totaling \$66.0 million. Property Tax revenue is estimated at \$16.9 million and Sales Taxes are projected to be \$14 million. Transient Occupancy Tax revenue is being monitored closely as travel restrictions, remote learning and large event cancellations continue to be enforced having a significant impact on this revenue source.

Total all funds expenditures for the City in Fiscal Year 2020/21 are budgeted at \$253.6 million with General Fund expenditures totaling \$66.0 million. Budgeted expenditures exceed expected revenue due to carryover of encumbrances for capital projects from the previous year. Despite the reduction in discretionary funding of capital projects, the citywide capital improvement program still has large investment of resources and accounts for \$58 million in expenditures.

## **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. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the Director of Finance at the City of Davis, 23 Russell Blvd, Davis, CA 95616, or by email at [FinanceWeb@cityofdavis.org](mailto:FinanceWeb@cityofdavis.org). A complete copy of the financial report will be available by visiting the City's web page at [www.cityofdavis.org](http://www.cityofdavis.org).

**STATEMENT OF NET POSITION AND  
STATEMENT OF ACTIVITIES**

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

The Statement of Net Position reports the difference between the City's total assets and deferred outflows and the City's total liabilities and deferred inflows, including all the City's capital assets and all its long-term debt. The Statement of Net Position 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 Position. 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 Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Public Facilities Financing Authority which are legally separate but are considered to be component units of the City because they are controlled by the City, which is financially accountable for their activities.

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CITY OF DAVIS  
STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments (Note 4)	\$98,280,308	\$69,378,627	\$167,658,935
Cash and investments with fiscal agents (Note 4)		151	151
Accrued interest	235,635	202,871	438,506
Receivables:			
General accounts	8,548,011	3,261,610	11,809,621
Grants	2,658,673	2,723,766	5,382,439
Utility accounts	570,473	5,060,361	5,630,834
Loans (Note 6)	32,418,646		32,418,646
Mortgages (Note 6)	241,055		241,055
Inventory (Note 11)	279,689		279,689
Prepays	984,714		984,714
Internal balances (Note 5D)	698,854	(698,854)	
Capital assets (Note 7):			
Non-depreciable	70,091,894	25,195,516	95,287,410
Depreciable, net of depreciation	186,467,515	326,080,793	512,548,308
Total Assets	<u>401,475,467</u>	<u>431,204,841</u>	<u>832,680,308</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to OPEB (Note 13)	5,131,060	1,311,605	6,442,665
Related to pension (Note 12)	13,714,878	5,145,873	18,860,751
Total Assets and Deferred Outflows of Resources	<u>420,321,405</u>	<u>437,662,319</u>	<u>857,983,724</u>
<b>LIABILITIES</b>			
Payables:			
Accounts and other accrued liabilities	3,672,605	4,015,230	7,687,835
Wages	2,385,992	382,972	2,768,964
Grants	6,124		6,124
Interest		801,803	801,803
Deposits	8,509,827	55,626	8,565,453
Unearned revenue (Note 8)	1,889,145	2,289,632	4,178,777
Claims payable (Note 15):			
Due within one year	127,174		127,174
Due in more than one year	92,288		92,288
Compensated absences (Note 3):			
Due within one year	241,973	577,273	819,246
Due in more than one year	3,399,660		3,399,660
Long-term debt (Note 9):			
Due within one year	192,259	2,886,408	3,078,667
Due in more than one year	2,031,777	88,611,291	90,643,068
Long-term note payable to JPA (Note 16)			
Due within one year		491,920	491,920
Due in more than one year		19,485,525	19,485,525
OPEB liability, due in more than one year (Note 13)	46,308,937	10,883,224	57,192,161
Net pension liability, due in more than one year (Note 12)	106,737,059	25,481,830	132,218,889
Total Liabilities	<u>175,594,820</u>	<u>155,962,734</u>	<u>331,557,554</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to OPEB (Note 13)	2,628,818	516,309	3,145,127
Related to pension (Note 12)	3,502,043	1,639,048	5,141,091
Total Liabilities and Deferred Inflows of Resources	<u>181,725,681</u>	<u>158,118,091</u>	<u>339,843,772</u>
<b>NET POSITION (Note 1N):</b>			
Net investment in capital assets	254,335,373	239,801,165	494,136,538
Restricted for:			
Capital projects	31,963,689		31,963,689
Housing	35,190,988		35,190,988
Special revenue projects	8,613,733		8,613,733
Total Restricted Net Position	<u>75,768,410</u>		<u>75,768,410</u>
Unrestricted	(91,508,059)	39,743,063	(51,764,996)
Total Net Position	<u>\$238,595,724</u>	<u>\$279,544,228</u>	<u>\$518,139,952</u>

See accompanying notes to financial statements

CITY OF DAVIS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
City council	\$176,783			
City attorney	446,722	\$7,008		
City manager	4,358,734	1,280,955	\$1,198,758	
Administrative services	3,891,865	3,014,797		
Community development	6,641,973	5,605,655	225,072	\$108,541
Parks and community services	16,416,035	2,037,246	122,728	383,670
Public safety - fire	18,251,171	1,332,518		
Public safety - police	23,135,880	982,347	3,144,693	
Public works	12,675,608	1,582,853	3,872,341	1,286,653
Special projects	1,672,983			
Interest and fiscal charges	23,734			
<b>Total Governmental Activities</b>	<b>87,691,488</b>	<b>15,843,379</b>	<b>8,563,592</b>	<b>1,778,864</b>
<b>Business-type Activities:</b>				
Water	22,255,311	26,449,210		
Sanitation	13,416,044	12,996,132		
Sewer	15,345,222	15,612,853		
Storm sewer	3,988,354	1,899,028		
Public transit	9,911,772	30,339	9,538,546	
<b>Total Business-type Activities</b>	<b>64,916,703</b>	<b>56,987,562</b>	<b>9,538,546</b>	
<b>Total</b>	<b>\$152,608,191</b>	<b>\$72,830,941</b>	<b>\$18,102,138</b>	<b>\$1,778,864</b>

General revenues:

Taxes:

- Property taxes
- Sales taxes
- Municipal services
- Business license
- Park maintenance
- Construction
- Open space protection
- Franchise
- Transient occupancy

Intergovernmental, unrestricted:

- Motor vehicle in-lieu
- Investment earnings
- Miscellaneous

Total general revenues

Change in Net Position

Beginning Net Position

Ending Net Position

See accompanying notes to financial statements

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
(\$176,783)		(\$176,783)
(439,714)		(439,714)
(1,879,021)		(1,879,021)
(877,068)		(877,068)
(702,705)		(702,705)
(13,872,391)		(13,872,391)
(16,918,653)		(16,918,653)
(19,008,840)		(19,008,840)
(5,933,761)		(5,933,761)
(1,672,983)		(1,672,983)
(23,734)		(23,734)
<u>(61,505,653)</u>		<u>(61,505,653)</u>
	\$4,193,899	4,193,899
	(419,912)	(419,912)
	267,631	267,631
	(2,089,326)	(2,089,326)
	(342,887)	(342,887)
	<u>1,609,405</u>	<u>1,609,405</u>
<u>(61,505,653)</u>	<u>1,609,405</u>	<u>(59,896,248)</u>
16,929,481		16,929,481
16,438,460		16,438,460
3,203,631		3,203,631
3,379,723		3,379,723
1,420,470		1,420,470
1,264,079		1,264,079
657,620		657,620
1,441,409		1,441,409
1,473,308		1,473,308
7,121,352		7,121,352
3,109,681	1,792,171	4,901,852
1,089,407	821,084	1,910,491
<u>57,528,621</u>	<u>2,613,255</u>	<u>60,141,876</u>
(3,977,032)	4,222,660	245,628
242,572,756	275,321,568	517,894,324
<u>\$238,595,724</u>	<u>\$279,544,228</u>	<u>\$518,139,952</u>

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<b>FINANCIAL STATEMENTS</b>
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**MAJOR GOVERNMENTAL FUNDS**

The funds described below were determined to be Major Funds by the City in fiscal year 2020. Individual non-major funds may be found in the Supplemental section.

**GENERAL FUND**

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

**LOW/MOD INCOME HOUSING FUND**

This special revenue fund is used to develop, rehabilitate, and preserve affordable housing that serves households from extremely low to moderate incomes. This fund is funded by Federal HOME and Supportive Housing Grants and is used to account for housing assets of the former City Redevelopment Agency upon acceptance of the Housing Successor role by the City.

**OPEN SPACE FUND**

This special revenue fund accounts for revenue from the Open Space Preservation Tax. Such tax revenues are restricted to fund open space preservation and acquisition.

**DEVELOPMENT DEFERRED IMPROVEMENT FUND**

This special revenue fund accounts for restricted revenues from fees collected 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 those to be constructed at a later date.

CITY OF DAVIS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

	General	Low/ Mod Housing Fund	Open Space	Development Deferred Improvement
<b>ASSETS</b>				
Cash and investments (Note 4)	\$23,865,757	\$2,446,911	\$6,200,040	\$21,724,534
Accrued interest	92,884	7,229	18,437	
Receivables:				
General accounts	6,997,058	192,446	33,651	
Grants	733,402			
Utility accounts	301,255			
Loans (Note 6)	79,240	30,654,006		33,400
Mortgages (Note 6)		241,055		
Due from other funds (Note 5B)	3,838,076			
<b>Total Assets</b>	<b><u>\$35,907,672</u></b>	<b><u>\$33,541,647</u></b>	<b><u>\$6,252,128</u></b>	<b><u>\$21,757,934</u></b>
<b>LIABILITIES</b>				
Payables:				
Accounts and other accrued liabilities	\$3,009,286	\$39,524	\$31,337	\$80,029
Wages	2,233,499	2,613	3,640	
Grants				6,124
Deposits	8,351,608	26,006		132,213
Unearned revenue (Note 8)	273,121			
Due to other funds (Note 5B)				
<b>Total Liabilities</b>	<b><u>13,867,514</u></b>	<b><u>68,143</u></b>	<b><u>34,977</u></b>	<b><u>218,366</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue (Note 8)	732,602			
Unavailable mortgages (Note 8)		241,055		
<b>Total Deferred Inflows of Resources</b>	<b><u>732,602</u></b>	<b><u>241,055</u></b>		
<b>FUND BALANCES</b>				
Fund balance (Note 11):				
Nonspendable	79,240			
Restricted	263,075	33,232,449	6,217,151	21,539,568
Committed	3,965,499			
Assigned	6,768,951			
Unassigned	10,230,791			
<b>Total Fund Balances</b>	<b><u>21,307,556</u></b>	<b><u>33,232,449</u></b>	<b><u>6,217,151</u></b>	<b><u>21,539,568</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$35,907,672</u></b>	<b><u>\$33,541,647</u></b>	<b><u>\$6,252,128</u></b>	<b><u>\$21,757,934</u></b>

See accompanying notes to financial statements

Other Governmental Funds	Total Governmental Funds
\$14,719,588	\$68,956,830
31,025	149,575
706,793	7,929,948
1,925,271	2,658,673
269,218	570,473
1,652,000	32,418,646
	241,055
	3,838,076
<u>\$19,303,895</u>	<u>\$116,763,276</u>
\$300,435	\$3,460,611
36,288	2,276,040
	6,124
	8,509,827
1,616,024	1,889,145
<u>1,361,570</u>	<u>1,361,570</u>
<u>3,314,317</u>	<u>17,503,317</u>
	732,602
	<u>241,055</u>
	<u>973,657</u>
	79,240
14,415,165	75,667,408
2,959,936	6,925,435
	6,768,951
<u>(1,385,523)</u>	<u>8,845,268</u>
<u>15,989,578</u>	<u>98,286,302</u>
<u>\$19,303,895</u>	<u>\$116,763,276</u>

CITY OF DAVIS  
RECONCILIATION OF THE  
GOVERNMENTAL FUNDS - BALANCE SHEET  
TO THE GOVERNMENT-WIDE  
STATEMENT OF NET POSITION  
JUNE 30, 2020

Total fund balances reported on the governmental funds balance sheet \$98,286,302

Amounts reported for Governmental Activities in the Statement of Net Position 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. 250,542,625

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

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 Position.

Cash and investments	29,323,478
Accrued interest	86,060
Accounts receivable	618,063
Inventory	279,689
Prepays	984,714
Capital assets, net	6,016,784
Accounts payable	(211,994)
Wages payable	(109,952)
Claims payable	(219,462)
Leave benefits payable	(241,973)
Net pension liability and related deferred outflows and inflows of resources	(3,945,723)
Net OPEB liability and related deferred outflows and inflows of resources	(6,257,092)
Internal balances	(1,777,652)

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. 973,657

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	(2,224,036)
Net OPEB liability and related deferred outflows and inflows of resources	(37,549,603)
Net pension liability and related deferred outflows and inflows of resources	(92,578,501)
Non-current portion of compensated absences	(3,399,660)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$238,595,724

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, 2020

	<u>General</u>	<u>Low/ Mod Housing Fund</u>	<u>Open Space</u>	<u>Development Deferred Improvement</u>
<b>REVENUES</b>				
Taxes	\$50,881,522		\$657,620	
Fines and forfeitures	420,840			
Use of money and property	1,986,393	\$479,428		\$535,693
Intergovernmental	545,416	107,439	163,738	
Charges for current services	8,125,054	227,217		
Development fees				1,607,108
Administrative fee - other funds	2,304,543			
Other	2,457,496	79,360		40,000
<b>Total Revenues</b>	<u>66,721,264</u>	<u>893,444</u>	<u>821,358</u>	<u>2,182,801</u>
<b>EXPENDITURES</b>				
Current:				
City Council	187,826			
City Attorney	446,722			
City Manager	3,880,567			
Administrative services	2,937,478		620	
Community development	5,952,156			
Parks and community services	12,015,380		430,719	
Public safety - fire	12,966,983			
Public safety - police	19,130,099			
Public works	4,736,515			
Special projects		928,138		
Debt Service:				
Principal	190,288			
Interest	23,734			
Capital outlay	283,963		99,407	2,677,432
<b>Total Expenditures</b>	<u>62,751,711</u>	<u>928,138</u>	<u>530,746</u>	<u>2,677,432</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,969,553</u>	<u>(34,694)</u>	<u>290,612</u>	<u>(494,631)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in (Note 5A)				
Transfers out (Note 5A)	(7,292,438)			
<b>Total other financing sources (uses)</b>	<u>(7,292,438)</u>			
<b>NET CHANGE IN FUND BALANCES</b>	(3,322,885)	(34,694)	290,612	(494,631)
<b>BEGINNING FUND BALANCES, AS ADJUSTED (Note 1S)</b>	<u>24,630,441</u>	<u>33,267,143</u>	<u>5,926,539</u>	<u>22,034,199</u>
<b>ENDING FUND BALANCES</b>	<u>\$21,307,556</u>	<u>\$33,232,449</u>	<u>\$6,217,151</u>	<u>\$21,539,568</u>

See accompanying notes to financial statements

Other Governmental Funds	Total Governmental Funds
\$2,540,604	\$54,079,746
	420,840
392,309	3,393,823
5,364,713	6,181,306
2,849,157	11,201,428
48,620	1,655,728
	2,304,543
705,949	3,282,805
<u>11,901,352</u>	<u>82,520,219</u>
	187,826
	446,722
24,903	3,905,470
722,624	3,660,722
58,575	6,010,731
1,448,963	13,895,062
1,620,219	14,587,202
1,713,830	20,843,929
1,845,166	6,581,681
714,130	1,642,268
	190,288
	23,734
4,800,184	7,860,986
<u>12,948,594</u>	<u>79,836,621</u>
<u>(1,047,242)</u>	<u>2,683,598</u>
7,292,438	7,292,438
<u>7,292,438</u>	<u>(7,292,438)</u>
6,245,196	2,683,598
9,744,382	95,602,704
<u>\$15,989,578</u>	<u>\$98,286,302</u>

CITY OF DAVIS  
RECONCILIATION OF THE  
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
WITH THE  
STATEMENT OF NET ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

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 Position 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	\$2,683,598
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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.

Capital outlay and improvement expenditures are added back to fund balance	8,083,888
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$839,471 which has already been allocated to serviced funds.)	(7,759,430)

LONG-TERM DEBT

Repayment of debt principal is added back to fund balance	190,288
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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):

Unavailable revenue	(81,630)
Compensated absences	(842,191)
Net OPEB liability and related deferred outflows and inflows of resources	(1,699,710)
Net pension liability and related deferred outflows and inflows of resources	(8,260,018)

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 Position - All Internal Service Funds	3,708,173
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	(\$3,977,032)
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See accompanying notes to financial statements



<b>MAJOR PROPRIETARY FUNDS</b>
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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.

**ENTERPRISE FUNDS:**

**Water Fund**

This fund accounts for the revenues and expenses of the City's water operations.

**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 revenues and expenses of the City's sewer operations.

**Storm Sewer Fund**

This fund accounts for the provision of storm drain services to residents of the City and some residents of the County.

**Public Transit Fund**

This fund accounts for the revenues and expenses of the City's public transit operations.

**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.

CITY OF DAVIS  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2020

	Business-type Activities-Enterprise Funds			
	Water	Sanitation	Sewer	Storm Sewer
<b>ASSETS</b>				
Current Assets:				
Cash and investments (Note 4)	\$34,276,555	\$2,262,554	\$28,020,754	\$4,818,764
Cash and investments with fiscal agents (Note 4)	151			
Accrued interest	96,806	7,425	82,437	15,371
Receivables:				
General accounts	2,890,761	4,873	365,976	
Grants				
Utility accounts	2,253,882	1,173,988	1,274,837	357,654
Inventory (Note 11)				
Prepays				
Total Current Assets	<u>39,518,155</u>	<u>3,448,840</u>	<u>29,744,004</u>	<u>5,191,789</u>
Noncurrent Assets:				
Advances to other funds (Note 5C)			5,000,000	
Capital Assets (Note 7)				
Non-depreciable				
Land and construction in progress	1,582,151		19,168,008	4,445,357
Depreciable	214,606,468		185,038,948	103,313,521
Accumulated depreciation	<u>(67,887,086)</u>		<u>(60,591,554)</u>	<u>(50,505,094)</u>
Total Noncurrent Assets	<u>148,301,533</u>		<u>148,615,402</u>	<u>57,253,784</u>
Total Assets	<u>187,819,688</u>	<u>3,448,840</u>	<u>178,359,406</u>	<u>62,445,573</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pension (Note 12)	2,056,210	313,219	2,102,124	507,534
Related to OPEB (Note 13)	<u>491,714</u>	<u>113,106</u>	<u>541,297</u>	<u>116,417</u>
Total Deferred Outflows of Resources	<u>2,547,924</u>	<u>426,325</u>	<u>2,643,421</u>	<u>623,951</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	190,764	957,625	649,797	21,361
Wages payable	122,005	22,639	180,458	38,761
Interest payable	613,869		187,934	
Compensated absences (Note 3)	195,485	56,978	261,337	40,458
Deposits	44,625		10,000	
Unearned revenue (Note 8)		1,055,821	1,130,976	102,835
Due to other funds (Note 5B)				
Claims payable (Note 15)				
Long-term debt, due in one year (Note 9)	1,531,308		1,355,100	
Long-term note payable to JPA, due in one year (Note 16)	<u>491,920</u>			
Total Current Liabilities	<u>3,189,976</u>	<u>2,093,063</u>	<u>3,775,602</u>	<u>203,415</u>
Noncurrent Liabilities:				
Advances from other funds (Note 5C)		3,000,000		2,154,447
Net OPEB Liability (Note 13)	3,943,036	886,148	4,619,686	1,014,563
Claims payable (Note 15)				
Net pension liability (Note 12)	9,947,863	1,619,141	10,423,002	2,596,671
Long-term debt, due in more than one year (Note 9)	41,009,490		47,601,801	
Long-term note payable to JPA, due in more than one year (Note 16)	<u>19,485,525</u>			
Total Noncurrent Liabilities	<u>74,385,914</u>	<u>5,505,289</u>	<u>62,644,489</u>	<u>5,765,681</u>
Total Liabilities	<u>77,575,890</u>	<u>7,598,352</u>	<u>66,420,091</u>	<u>5,969,096</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pension (Note 12)	671,356	77,300	644,852	193,668
Related to OPEB (Note 13)	<u>172,141</u>	<u>35,891</u>	<u>232,231</u>	<u>54,758</u>
Total Deferred Inflows of Resources	<u>843,497</u>	<u>113,191</u>	<u>877,083</u>	<u>248,426</u>
<b>NET POSITION (Note 1N):</b>				
Net investment in capital assets	85,783,290		94,658,501	57,253,784
Unrestricted	<u>26,164,935</u>	<u>(3,836,378)</u>	<u>19,047,152</u>	<u>(401,782)</u>
Total Net Position	<u>\$111,948,225</u>	<u>(\$3,836,378)</u>	<u>\$113,705,653</u>	<u>\$56,852,002</u>

See accompanying notes to financial statements

Public Transit	Totals	Governmental Activities- Internal Service Funds
	\$69,378,627	\$29,323,478
	151	
\$832	202,871	86,060
	3,261,610	618,063
2,723,766	2,723,766	
	5,060,361	
		279,689
		984,714
<u>2,724,598</u>	<u>80,627,386</u>	<u>31,292,004</u>
	5,000,000	154,447
	25,195,516	505,083
4,268,026	507,226,963	15,433,047
<u>(2,162,436)</u>	<u>(181,146,170)</u>	<u>(9,921,346)</u>
<u>2,105,590</u>	<u>356,276,309</u>	<u>6,171,231</u>
<u>4,830,188</u>	<u>436,903,695</u>	<u>37,463,235</u>
166,786	5,145,873	3,277,223
<u>49,071</u>	<u>1,311,605</u>	<u>825,572</u>
<u>215,857</u>	<u>6,457,478</u>	<u>4,102,795</u>
2,195,683	4,015,230	211,994
19,109	382,972	109,952
	801,803	
23,015	577,273	241,973
1,001	55,626	
	2,289,632	
544,407	544,407	1,932,099
		127,174
	2,886,408	
	<u>491,920</u>	
<u>2,783,215</u>	<u>12,045,271</u>	<u>2,623,192</u>
	5,154,447	
419,791	10,883,224	6,859,257
		92,288
895,153	25,481,830	6,881,333
	88,611,291	
	<u>19,485,525</u>	
<u>1,314,944</u>	<u>149,616,317</u>	<u>13,832,878</u>
<u>4,098,159</u>	<u>161,661,588</u>	<u>16,456,070</u>
51,872	1,639,048	341,613
<u>21,288</u>	<u>516,309</u>	<u>223,407</u>
<u>73,160</u>	<u>2,155,357</u>	<u>565,020</u>
2,105,590	239,801,165	6,016,784
<u>(1,230,864)</u>	<u>39,743,063</u>	<u>18,528,156</u>
<u>\$874,726</u>	<u>\$279,544,228</u>	<u>\$24,544,940</u>

CITY OF DAVIS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES  
 AND CHANGES IN NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds			
	Water	Sanitation	Sewer	Storm Sewer
<b>OPERATING REVENUES</b>				
Charges for current services	\$26,449,210	\$12,996,132	\$15,612,853	\$1,899,028
Total Operating Revenues	<u>26,449,210</u>	<u>12,996,132</u>	<u>15,612,853</u>	<u>1,899,028</u>
<b>OPERATING EXPENSES</b>				
Administrative and billing	917,636	467,936	1,348,025	233,536
Payments to general government	592,421	628,094	324,447	68,584
Water production	9,824,340			
Water distribution	3,063,303			
Water system maintenance	376,601			
Street sweeping		528,604		
Waste removal and solid waste management		11,703,047		
Sewage collection			1,133,810	
Sewage treatment			7,275,478	
Storm drainage system maintenance				1,548,666
Public transportation service				
Special transportation service				
Central stores				
Central equipment				
Duplication - postal				
City administrative facility maintenance				
Insurance administration				
Insurance premiums and claims payments				
MIS services				
OPEB expense	109,233	22,063	155,305	37,421
Depreciation	4,650,830		3,985,712	2,012,541
Other				87,606
Total Operating Expenses	<u>19,534,364</u>	<u>13,349,744</u>	<u>14,222,777</u>	<u>3,988,354</u>
Operating Income (Loss)	<u>6,914,846</u>	<u>(353,612)</u>	<u>1,390,076</u>	<u>(2,089,326)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	847,373	67,280	734,246	136,257
Interest (expense)	(2,720,947)	(66,300)	(1,122,445)	
Grants and subventions				
Other	585,717	21,097	164,180	50,090
Total Nonoperating Revenues (Expenses)	<u>(1,287,857)</u>	<u>22,077</u>	<u>(224,019)</u>	<u>186,347</u>
Change in net position	5,626,989	(331,535)	1,166,057	(1,902,979)
BEGINNING NET POSITION	<u>106,321,236</u>	<u>(3,504,843)</u>	<u>112,539,596</u>	<u>58,754,981</u>
ENDING NET POSITION	<u>\$111,948,225</u>	<u>(\$3,836,378)</u>	<u>\$113,705,653</u>	<u>\$56,852,002</u>

See accompanying notes to financial statements

Public Transit	Totals	Governmental Activities- Internal Service Funds
\$30,339	\$56,987,562	\$24,768,589
30,339	56,987,562	24,768,589
	2,967,133	
	1,613,546	
	9,824,340	
	3,063,303	
	376,601	
	528,604	
	11,703,047	
	1,133,810	
	7,275,478	
	1,548,666	
9,086,771	9,086,771	
672,658	672,658	
		299,661
		1,741,879
		137,325
		2,469,993
		518,759
		10,971,062
		2,681,882
14,275	338,297	2,676,551
138,068	10,787,151	839,171
	87,606	
9,911,772	61,007,011	22,336,283
(9,881,433)	(4,019,449)	2,432,306
		769,940
7,015	1,792,171	
	(3,909,692)	
9,538,546	9,538,546	
	821,084	505,927
9,545,561	8,242,109	1,275,867
(335,872)	4,222,660	3,708,173
1,210,598	275,321,568	20,836,767
\$874,726	\$279,544,228	\$24,544,940

CITY OF DAVIS  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2020

	Business-type Activities-Enterprise Funds			
	Water	Sanitation	Sewer	Storm Sewer
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$26,283,164	\$13,010,531	\$15,751,000	\$1,897,924
Receipts from interfund charges				
Payments to suppliers	(13,545,196)	(12,235,988)	(8,258,647)	(1,571,191)
Payments to employees	(1,323,747)	(1,043,795)	(1,305,475)	(213,302)
Claims paid and claims adjustments				
Other revenue (expenses)				(87,606)
Cash Flows from Operating Activities	11,414,221	(269,252)	6,186,878	25,825
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating grants and contributions				
Interfund receipts				
Interfund (payments)				(60,816)
Cash Flows from Noncapital Financing Activities				(60,816)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisitions of capital assets	(446,439)		(1,900,533)	(33,795)
Proceeds from the issuance of long-term debt	188,428		184,984	
Principal payments on capital debt	(9,947,382)		(1,345,004)	
Interest paid	(2,677,382)	(66,300)	(934,511)	
Cash Flows from Capital and Related Financing Activities	(12,882,775)	(66,300)	(3,995,064)	(33,795)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	881,953	69,030	752,002	140,043
Cash Flows from Investing Activities	881,953	69,030	752,002	140,043
Net Cash Flows	(586,601)	(266,522)	2,943,816	71,257
Cash and investments at beginning of period	34,863,307	2,529,076	25,076,938	4,747,507
Cash and investments at end of period	\$34,276,706	\$2,262,554	\$28,020,754	\$4,818,764
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>				
Cash Flows from Operating Activities:				
Operating income (loss)	\$6,914,846	(\$353,612)	\$1,390,076	(\$2,089,326)
Other non operating income	585,717	21,097	164,180	50,090
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	4,650,830		3,985,712	2,012,541
Other revenues				
Change in assets and liabilities:				
Receivables:				
General accounts	(628,810)	1,143	(16,968)	
Utility accounts	(122,953)	25,338	(9,065)	(3,430)
Prepaid expenses				
Inventory				
Deposits				
Accounts payable	(280,952)	(4,337)	150,641	(22,525)
Wages payable	7,722	2,412	28,646	7,933
Leave benefits payable	(42,044)	6,058	28,516	2,563
Claims payable				
Unearned revenue		(33,179)	(2,849)	(47,764)
Net OPEB liability, and related deferred outflows and deferred inflows	109,233	22,063	155,305	37,421
Net pension liability , and related deferred outflows and deferred inflows	220,632	43,765	312,684	78,322
Cash Flows from Operating Activities	\$11,414,221	(\$269,252)	\$6,186,878	\$25,825

See accompanying notes to financial statements

Public Transit	Totals	Governmental Activities- Internal Service Funds
\$31,340	\$56,973,959	
(7,109,192)	(42,720,214)	\$24,703,479
	(3,886,319)	(16,538,937)
	(87,606)	(4,996,434)
(7,077,852)	10,279,820	(16,454)
		3,151,654
7,600,357	7,600,357	
(529,028)	(589,844)	60,816
7,071,329	7,010,513	(521,504)
		(460,688)
1	(2,380,766)	(886,469)
	373,412	
	(11,292,386)	
	(3,678,193)	
1	(16,977,933)	(886,469)
6,522	1,849,550	790,951
6,522	1,849,550	790,951
	2,161,950	2,595,448
	67,216,828	26,728,030
	\$69,378,778	\$29,323,478
(\$9,881,433)	(\$4,019,449)	\$2,432,306
	821,084	
138,068	10,787,151	839,171
		505,927
428,895	(215,740)	(567,611)
	(110,110)	
		101,664
		(18,467)
1,001	1,001	
2,188,500	2,031,327	(426,322)
654	47,367	(11,168)
5,431	524	(56,807)
		(16,454)
	(83,792)	
14,275	338,297	125,025
26,757	682,160	244,390
(\$7,077,852)	\$10,279,820	\$3,151,654

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<b>FIDUCIARY FUNDS</b>
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**FIDUCIARY FUNDS**

**REDEVELOPMENT (RDA) OBLIGATION RETIREMENT PRIVATE-PURPOSE TRUST FUND**

The Redevelopment Obligation Retirement Private-Purpose Trust Fund accounts for the successor agency activities of the former City redevelopment agency.

**AGENCY 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 POSITION  
 JUNE 30, 2020

	RDA Obligation Retirement Private-Purpose Trust Fund	Agency Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments (Note 4)	\$2,596,496	\$14,486,749
Cash and investments with fiscal agents (Note 4)	6,118,239	5,667,298
Accounts receivable		182,146
Loans receivable (Note 19D)	186,526	
Accrued interest receivable		15,543
	<u>8,901,261</u>	<u>\$20,351,736</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding	<u>2,590,397</u>	
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	56,980	\$697,047
Wages payable	2,912	
Interest payable (Note 19E)	238,117	
Deposits payable		50,000
Long-term debt, due in one year (Note 19F)	1,770,000	
Due to members		11,479,705
Due to bondholders		8,124,984
Noncurrent liabilities:		
Long-term debt, due in more than one year (Note 19F)	<u>23,738,165</u>	
	<u>25,806,174</u>	<u>\$20,351,736</u>
<b>NET POSITION</b>	<u><u>(\$14,314,516)</u></u>	

See accompanying notes to financial statements

CITY OF DAVIS  
 FIDUCIARY FUNDS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2020

	RDA Obligation Retirement Private-Purpose Trust Fund
ADDITIONS	
Property tax revenues	\$3,275,910
Investment earnings	94,277
Total additions	3,370,187
DEDUCTIONS	
Program expenses	278,424
Interest and fiscal charges	1,123,615
Total deductions	1,402,039
CHANGES IN NET POSITION	1,968,148
Beginning net position	(16,282,664)
Ending net position	(\$14,314,516)

See accompanying notes to financial statements

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**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Reporting Entity***

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.

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 units 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, thus, 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 Public Facilities Financing Authority, both of which are controlled by and dependent on the City. While the Public Facilities Financing Authority is a separate legal entity, its financial activities are integral to those of the City, and its 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 Unit

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. Separate financial statements are not prepared for the Authority.

Joint Ventures

The City is a member of a number of joint powers authorities in which the City has only a residual equity interest in the related entity. The City is not liable for the liabilities of the entities if they dissolve. The City is a member of the following joint ventures: Regional Water Authority (advances water issues), YCPARMIA (risk management), the Sacramento Area Council of Governments (transportation planning agency), Woodland Davis Water Supply JPA (water treatment plant), Yolo County Transportation District (bus service), Unitrans (bus service), Valley Clean Energy, Yolo Habitat Conservancy (habitat conservation), and Yolo Subbasin Groundwater Authority (groundwater management). The financial statements of the joint powers authorities are available on the websites of the related entities, if applicable.

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

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government-wide Statements: The Statement of Net Position 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 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 and deferred outflows, liabilities and deferred inflows, 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.

**GOVERNMENTAL FUNDS:**

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.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**LOW/MOD HOUSING FUND**

The purpose of the Low Mod Income Housing Asset Special Revenue Fund is to account for the activities of the housing assets of the former Redevelopment Agency of the City of Davis, including loans receivable and payments thereon, state and federal grants and reimbursements from other agencies for low income housing activities as allowed by AB 1484. When loans recorded in the Low and Moderate Income Housing Fund are repaid, the resources must be used for housing activities within three years, or 20% of the resulting residual funds are required to be submitted to the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund in accordance with AB 1484.

**OPEN SPACE FUND**

This special revenue fund accounts for revenue from the Open Space Preservation Tax. Such tax revenues are restricted to fund open space preservation and acquisition.

**DEVELOPMENT DEFERRED IMPROVEMENT FUND**

This special revenue fund accounts for restricted revenues from fees collected 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 those to be constructed at a later date.

**PROPRIETARY FUNDS:**

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 and maintenance.

**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 and maintenance.

**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 and maintenance.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 includes legally restricted items approved in the City's Transportation Development Act claim.

**INTERNAL SERVICE FUNDS**

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

**FIDUCIARY FUNDS:**

The City reported the following fiduciary funds, which are excluded from the government-wide financial statement, and are presented in separate Fiduciary Fund financial statements.

**REDEVELOPMENT (RDA) OBLIGATION RETIREMENT PRIVATE-PURPOSE TRUST FUND**

The Redevelopment Obligation Retirement Private-Purpose Trust Fund accounts for the successor agency activities of the former City redevelopment agency. On February 1, 2012, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities. All assets and liabilities of the City's former redevelopment agency were transferred to the Redevelopment (RDA) Obligation Retirement Private-Purpose Trust Fund effective February 1, 2012.

**AGENCY FUNDS**

Agency Funds are used to account for assets held by the City as an agent for Public Facilities Financing Authority, Mello Roos Community Facilities District, University Research Park, Special Assessment Parking District #3, the Woodland-Davis Clean Water Agency JPA and Cannery Community Facilities District and Debt Service Fund.

**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.

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. Those revenues susceptible to accrual include but are not limited to property taxes, 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.



**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**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 position 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.

**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 on a monthly basis, on the 1st of the month. Water is billed on a consumption basis in arrears for the prior month. The City also collects two additional charges for general government purposes, a Municipal Service Tax, and Public Safety charge, on the bills with the utility services. Utility billing for all types service charges are included in a single bill on each billing date.

**F. *Compensated Absences***

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 Position. Proprietary funds' liability for compensated absences is recorded in and liquidated by each proprietary fund. The liability for compensated absences is determined annually.

**G. *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.

**H. *Cash and Cash Equivalents***

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the City's pooled investments to be cash equivalents.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Inventories**

Inventories are recorded as expenditures or expenses when consumed rather than when purchased and includes items such as materials, parts, and supplies held for consumption. Inventories are valued at the lower of cost or market and are accounted for using the first-in first-out method with cost determined using the average cost method. Inventories, as reported in the fund financial statements, are offset by a nonspendable fund balance designation to indicate they do not constitute resources available for appropriation.

**J. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**K. Capital Assets**

Contributed capital assets are valued at their estimated fair value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Generally, capital assets acquisitions in excess of \$25,000 are capitalized if they have an expected useful life of greater than three years, and 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	10-40 years
Vehicles	3-20 years
Computers	5-7 years
Equipment	3-20 years
Streets	25-40 years
Parks and Greenbelts	20-50 years
Belt and Pedestrian Pathways	30-75 years
Utility Underground Systems	20-50 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Capitalized Interest**

For the City's business-type activities, interest costs relating to the acquisition or construction of capital assets are capitalized as a component of the cost of the capital assets. In situations where the construction of capital assets is financed with proceeds from tax-exempt debt, the amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on investment proceeds over the same period. In situations where the construction of capital assets is financed with proceeds from taxable debt, the amount of interest to be capitalized is calculated by applying the specific or otherwise determined borrowing rate to the average accumulated expenditures pertaining to the project, including previously any capitalized interest on incomplete projects. Under both methods, interest is only capitalized up to the amount of interest incurred during the fiscal year.

**M. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statements of Net Position and Governmental Fund Balance Sheet report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then.

This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**N. Net Position**

The government-wide, business type activities, and fiduciary fund financial statements utilize a net position presentation. These classifications are described below.

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

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

*Unrestricted* describes the portion of net position which is not restricted to use.

When expenses are incurred for purposes for which both restricted and unrestricted net position is available, it is the City's policy to first apply restricted fund balance.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Fund Balance**

The City's fund balances are classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendable* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed, or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action (ordinance or resolution, both of which are equally binding), of the City Council which may be altered only by the same formal action of the City Council. Formal action must be taken prior to the end of the fiscal year.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed only by the City Council and may be changed at the discretion of only the City Council as a designee has not yet been appointed by the City Council.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, it is the City's policy to first apply restricted fund balance. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts.

**P. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements**

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement, which became effective during the year ended June 30, 2020.

**GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance** – This Statement extended the implementation dates for 15 GASB Statements and Implementation Guides by one year or more. However, many of the Statements could be early-implemented, as applicable.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Q. Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***R. OPEB Liabilities, OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by OPEB Trust. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

***S. Fund Recategorization***

In fiscal year 2019-20, the City determined that the Capital Project Fund that was previously reported as part of the General Fund in the City's Comprehensive Annual Financial Report (CAFR) should be presented separately on the CAFR. As a result, the beginning fund balance of the General Fund was reduced by \$610,507.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 2 – DEFICIT FUND EQUITY**

The following funds reported deficit fund equity at June 30, 2020. These deficits are expected to be eliminated by future revenues.

Fund	Amount
<b>Special Revenue Funds:</b>	
Federal/ State Highway Grants	\$1,385,523
<b>Proprietary Fund:</b>	
Sanitation	\$3,836,378
<b>Internal Service Funds:</b>	
Building Maintenance	\$438,468
City Self-Insurance	2,028,938
Employee Benefits	970,142

**NOTE 3 – COMPENSATED ABSENCES**

*Compensated Absences* - The long-term portion of the liability for vested vacation, time off in lieu of overtime and sick pay for governmental fund type operations is recorded as compensated absences in the government-wide financial statements. The portion expected to be permanently liquidated (matured due to termination) is recorded in the governmental funds. Vested vacation and sick pay of proprietary fund type operations is recorded in the respective proprietary fund type. Compensated absences attributable to governmental funds are typically liquidated by the General Fund. Compensated Absences are presented below as of June 30, 2020:

The changes in compensated absences were as follow:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$2,856,249	\$576,749	\$3,432,998
Additions	3,350,101	393,175	3,743,276
Payments	(2,564,717)	(392,651)	(2,957,368)
Ending Balance	\$3,641,633	\$577,273	\$4,218,906
Current Portion	\$241,973	\$577,273	\$819,246

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS**

**A. Policies**

The City invests in individual investments and in investment pools. Individual investments are evidenced in paper form 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 percent of the City's cash on deposit or first trust deed mortgage notes with a value of 150 percent 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.

**B. 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. The City follows the practice of pooling cash and investments for all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 4 – 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, Notes and Bonds	5 years	No Limit	No Limit	No Limit
Federal Agency Obligations	5 years	No Limit	No Limit	No Limit
Municipal Obligations	No Limit	A or A-1	30%	5%
Banker's Acceptances	180 days	No Limit	40%	\$5 million
Commercial Paper	270	P-1 or A-1	25%	10%
Negotiable Certificates of Deposit	2 years	No Limit	30%	No Limit
Local Agency Investment Program	No Limit	No Limit	No Limit	\$75 million per account
California Asset Management Program	No Limit	No Limit	No Limit	No Limit
Certificates of Deposit	5 years	No Limit	30%	No Limit
Medium-Term Corporate Notes	5 years	A	30%	No Limit
Money Market Mutual Funds	No Limit	AAA	20%	10%
Asset-Backed Securities	5 years	A	20%	No Limit
Supranational Obligations	5 years	AA	30%	No Limit
Repurchase Agreements	1 year	No Limit	No Limit	No Limit
Security Transactions	No Limit	No Limit	No Limit	No Limit

\* No more than \$5 million at time of purchase.



**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS (Continued)**

**C. 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 investment held by fiscal agents. The bond indentures contain no limitations on 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 Acceptances	360 days	A-1+
Money Market Account	N/A	Aam - AAAm
Money Market Mutual Funds	N/A	AAAm
FDIC Insured Deposits	1 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
Any investment meeting the requirement for "hedge bond" status	N/A	N/A

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS (Continued)**

**D. 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 City agreements. Cash and investments as of June 30, 2020, are as follows:

City Cash and Investments in Primary Government:	
Cash and investments	\$167,658,935
Cash and investments with fiscal agents	<u>151</u>
Total City Cash and Investments in Primary Government	<u>167,659,086</u>
Cash and Investments in Fiduciary Funds	
Cash and investments	17,083,245
Cash and investments with fiscal agents	<u>11,785,537</u>
Total Fiduciary Funds Cash and Investments	<u>28,868,782</u>
Total Cash and Investments	<u><u>\$196,527,868</u></u>
Cash and Investments as of June 30, 2020, consist of the following:	
Cash on hand	\$11,900
Cash with financial institutions	10,261,362
Investments	<u>186,254,606</u>
Total Cash and Investments	<u><u>\$196,527,868</u></u>

**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 higher 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 BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 4 – 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 24 months	25 to 60 months	Total
<b><i>Held by City:</i></b>				
California Asset Management Program	\$49,717,999			\$49,717,999
California Local Agency Investment Fund	69,773,206			69,773,206
Certificates of Deposit	255,045			255,045
U.S. Treasury	660,875	\$6,041,500	\$10,879,168	17,581,543
Supernational Obligations	250,548		1,019,355	1,269,903
Municipal Bond Note	595,922		1,267,918	1,863,840
Federal Agency Collateralized Mortgage Obligation		191,183	1,676,927	1,868,110
U.S. Agency Securities	541,071	975,256	7,965,822	9,482,149
Corporate Notes	4,116,235	2,889,167	7,611,526	14,616,928
Commercial Paper	1,383,639			1,383,639
Negotiable Certificate of Deposit	2,806,464	503,105		3,309,569
Asset-Backed Securities	86,085	442,429	2,794,413	3,322,927
<b><i>Held by Trustees:</i></b>				
Money Market	11,809,748			11,809,748
Total investments	<u>\$141,996,837</u>	<u>\$11,042,640</u>	<u>\$33,215,129</u>	<u>\$186,254,606</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 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. On June 30, 2020, these investments matured in an average of 191 days.

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California *Government Code* Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California *Government Code*. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share in accordance with GASB 79 requirements. At June 30, 2020, the fair value approximated is the City's cost. On June 30, 2020, these investments matured in an average of 53 days.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS (Continued)**

The City, as a CAMP shareholder, may withdraw all or any portion of the funds in its CAMP account at any time by redeeming shares. The CAMP Declaration of Trust permits the CAMP trustee to suspend the right of withdrawal from CAMP or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the CAMP trustees, an emergency exists such that disposal of the CAMP pool securities or determination of its net asset value is not reasonably practicable. If the right of withdrawal is suspended, the City may either withdraw its request for that withdrawal or receive payment based on the net asset value of the CAMP pool next determined after termination of the suspension of the right of withdrawal.

**F. Fair Value Hierarchy**

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

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
U.S. Treasury	\$17,581,543		\$17,581,543
U.S. Agency Securities		\$9,482,149	9,482,149
Supernational Obligations		1,269,903	1,269,903
Municipal Bond/Note		1,863,840	1,863,840
Federal Agency Collateralized Mortgage Obligation		1,868,110	1,868,110
Corporate Notes		14,616,928	14,616,928
Commercial Paper		1,383,639	1,383,639
Negotiable Certificate of Deposit		3,309,569	3,309,569
Asset-Backed Securities		3,322,927	3,322,927
Total Investments	\$17,581,543	\$37,117,065	54,698,608
 <i>Investments Measured at Net Asset Value Per Share:</i>			
California Asset Management Program			49,717,999
 <i>Investments Measured at Amortized Cost:</i>			
Money Market Mutual Fund			11,809,748
California Local Agency Investment Fund (LAIF)			69,773,206
Certificates of Deposit			255,045
 <i>Cash in banks and on hand</i>			
Total Cash and investments			10,273,262 \$196,527,868

Investments classified in Level 1 of the fair value hierarchy are valued using a quoted price in an active market for an identical asset. Investments classified in Level 2 of the fair value hierarchy, are valued using pricing techniques or matrix pricing or market corroborated pricing, with inputs such as yield curves or indices. These prices are obtained from various pricing sources by our custodian bank. Fair value is defined as the quoted market value on the last trading day of the period.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 4 - CASH AND INVESTMENTS (Continued)**

**G. 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, 2020, are as follows:

Investment Type	Aaa	Aa1 - Aa3	A 1 - A 3	Baa1	P-1	Total
<i>Held by City:</i>						
California Asset Management Program	\$49,717,999					\$49,717,999
U.S. Treasury	17,581,543					17,581,543
U.S. Agency Securities	9,482,149					9,482,149
Corporate Notes		\$585,106	\$13,427,235	\$604,587		14,616,928
Commercial Paper					\$1,383,639	1,383,639
Negotiable Certificate of Deposit			503,105		2,806,464	3,309,569
Asset-Backed Securities	3,322,927					3,322,927
Supra-National Agency Bond/Notes	1,269,903					1,269,903
Municipal Bond Note	533,197	1,237,727	92,916			1,863,840
Federal Agency Collateralized Mortgage Obligation	1,868,110					1,868,110
<i>Held by Trustees:</i>						
Money Market Mutual Funds	11,809,748					11,809,748
	<u>\$95,585,576</u>	<u>\$1,822,833</u>	<u>\$14,023,256</u>	<u>\$604,587</u>	<u>\$4,190,103</u>	
<i>Not rated:</i>						
California Local Agency Investment Fund						69,773,206
Certificates of Deposit						255,045
Total investments						<u>\$186,254,606</u>

**H. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code has provisions for financial institutions that limit custodial credit risk for deposits. Financial institutions are required to secure deposits made by State or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. The City's financial institutions also have insurance through the Federal Depository Insurance Corporation (FDIC). The City's investment policy has no additional provisions for limiting custodial credit risk for deposits.

**NOTE 5 – INTERFUND TRANSACTIONS**

**A. Transfers**

Resources may be transferred from one City fund to another. Transfers routinely fund capital projects or capital outlays, lease or debt service payments, and operating expenses. During the fiscal year ended June 30, 2020 the General fund transferred \$7,292,438 to the Capital Projects Fund to fund projects.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 5 – INTERFUND TRANSACTIONS (Continued)**

**B. Interfund Receivables/Payables**

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, 2020, the following funds have balances due to the General Fund to temporarily fund short-term cash flow needs.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	\$1,361,570
	Public Transit Enterprise Fund	544,407
	Employee Benefits Internal Service Fund	<u>1,932,099</u>
		<u>\$3,838,076</u>

All balances pertain to short-term loans to cover cash shortages as of June 30, 2020. The City expects these balances to be repaid in fiscal year 2020-21.

**C. Interfund Advances**

At June 30, 2020, the following funds had made advances, which were not expected to be repaid within the next year.

<u>Fund Making Advance</u>	<u>Fund Receiving Advance</u>	<u>Amount of Advance</u>
General Services Internal Services Fund	Storm Sewer Enterprise Fund	\$154,447
Sewer Enterprise Fund	Sanitation Enterprise Fund	3,000,000
	Storm Sewer Enterprise Fund	<u>2,000,000</u>
		<u>\$5,154,447</u>

Storm Sewer Enterprise Funds make annual principal and interest payment on July 1, with final repayment by fiscal year 2023. As of June 30, 2020, the outstanding loan balance was \$154,447.

In fiscal year 2018, the Sewer Enterprise fund loaned \$3,000,000 to the Sanitation Fund for cash flow purposes until the completion of the solid waste study. Simple interest accrues at a variable rate equal to the average annual yield, plus 0.25% and repayments are due annually by June 30, with final repayment by fiscal year 2029. As of June 30, 2020, the outstanding loan balance was \$3,000,000.

In fiscal year 2018, the Sewer Enterprise fund loaned \$2,000,000 to the Storm Sewer Fund for costs relating to the construction of underground storm drain infrastructure related to the Third Street Improvements Project. Interest accrues at a rate of average annual yield, plus 0.25% per annum and repayments are due annually by June 30, with final repayment by fiscal year 2022. As of June 30, 2020, the outstanding loan balance was \$2,000,000.

**D. Internal Balances**

Internal balances are presented in the government-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 BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 6 – LOANS AND NOTES RECEIVABLES**

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

	<u>Balance at June 30, 2020</u>
Loans Receivable:	
Davis Mutual Housing Association	\$4,212,623
New Harmony Loan	9,099,572
Walnut Terrace	3,474,055
Tremont Green	2,722,379
Moore Village	3,811,415
Eleanor Roosevelt	4,250,000
Oakshade East	1,571,197
Davis Diamonds	34,321
Other Commercial Rehabilitation	
Housing Rehabilitation, and Affordable Housing	935,025
Community Housing Opportunities Corporation	1,856,523
Barlett Commons- Cannery	574,768
Exploirit	21,427
Employee Computer Loans	<u>41,867</u>
Total Loans Receivable - Governmental Activities	<u>32,605,172</u>
Mortgages Receivable	<u>241,055</u>
Total Loans and Mortgages Receivable	<u><u>\$32,846,227</u></u>

**A. *Davis Mutual Housing Association***

The former Redevelopment Agency (Agency) and the City entered into two agreements with the Davis Mutual Housing Association (the 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 three percent 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, 2020, the Association had a remaining balance of \$4,212,623.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 6 – LOANS AND NOTES RECEIVABLES (Continued)**

**B. *New Harmony Loan***

The City and the former Redevelopment Agency of the City of Davis entered into an agreement with New Harmony, LLP to construct and operate a 69-unit residential rental property at the corner of Cowbell Boulevard and Drummond Avenue for low-income and very-low-income housing. These notes are secured by a Deed of Trust. The term of this note is fifty-five years bearing a simple interest rate of three percent. 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 by grant funds from HOME funds and the Low/Mod Housing Fund. The amount of funds available under this agreement is \$9,579,195. As of June 30, 2020, the loan amount outstanding is \$9,099,572.

**C. *Windmere II***

The former 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. 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 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. 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 balance of the loans receivable was repaid in full in fiscal 2019-20.

**D. *Walnut Terrace***

The former Redevelopment Agency of the City of Davis entered into an agreement with Walnut Terrace Limited Partnership (formerly called Yolo Mutual Housing Association) 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 percent 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 percent 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, 2020 was \$3,474,055.



**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 6 – LOANS AND NOTES RECEIVABLES (Continued)**

**E. *Tremont Green***

The former 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 three percent 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, 2020 was \$2,722,379.

**F. *Moore Village***

The former 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 three percent 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, 2020 was \$3,811,415.

**G. *Eleanor Roosevelt***

The former 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 percent simple interest for the next fifteen years, and three percent 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 a deed of trust. The balance of the loan receivable arising from this note at June 30, 2020 was \$4,250,000.

**H. *Oakshade East***

The former 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 three percent. If the projects generate any residual cash flow, principle and interest payments are due annually with final payment expected in 2065. The balance of the loan receivable arising from this note, including accrued interests, was \$1,571,197 at June 30, 2020.

**I. *Davis Diamonds***

The City of Davis entered into an agreement with Davis DISC LP, a California Limited Partnership, to develop a new gymnastics facility on the vacant land parcel 2800 Cowell Boulevard, owned by DISC LP. Under terms of the agreement, the City loaned the partnership \$98,427. The loan accrues interest at the rate of six percent. The loan is secured by deeds of trust. The balance of the loan receivable was \$34,321 at June 30, 2020.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 6 – LOANS AND NOTES RECEIVABLES (Continued)**

**J. *Other Commercial Rehabilitation, Housing Rehabilitation, and Affordable Housing***

Prior to the dissolution of the City's former Redevelopment Agency, the City and the Redevelopment Agency were engaged in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the terms of the loan agreements. During fiscal year 2020 the City funded a new rehabilitation loan in the amount of \$15,025. The balance of the loans receivable arising from these programs at June 30, 2020 was \$935,025.

**K. *Community Housing Opportunities Corporation***

The City entered into multiple agreements with Community Housing Opportunities Corporation, a California nonprofit public benefit Corporation for the acquisition, rehabilitation and construction of 61 affordable housing rental units. All of the units are rented to households with income that is 80% or less of the area median income, with 27 of the units restricted to households with income that is 50% or less of the area median income. Under the terms of the various agreements, the Agency has loaned the Corporation \$1,645,496. The note for the acquisition of the Rosa Parks property in the amount of \$245,000 bears no interest and the balance of the loan is due on sale of the property. The note for the rehabilitation of Rosa Parks Apartments in the amount of \$50,660, for the installation of new HVAC units, bears simple interest at three percent and will be due on December 16, 2064. The note for Olive Court Apartments in the amount of \$100,000 bears simple interest at three percent, and is due May 29, 2028. The note on the acquisition and rehabilitation of the Homestead Apartments in the amount of \$723,395, bears simple interest at three percent and will be due April 25, 2061. In October 2018, the City agreed to loan an additional \$737,468 to Owendale Mutual Housing Community (Third City Loan) for a 45-unit affordable rental housing facility located at 3023 Albany Avenue for rehabilitation work. The Third City Loan will not accrue interest and shall be due under one of the following circumstances (i) default under the loan agreement, (ii) abandonment, sale, or transfer of interest other than transfer permitted under the agreement, or (iii) fifty-five years after the completion of rehabilitation work. The balance of these loans receivable arising from these notes at June 30, 2020 was \$1,856,523.

**L. *Bartlett Commons***

The City entered into a loan agreement with Cannery Loft Investors to be used to repay certain construction costs related to the construction of the Bartlett Commons housing project. Under the terms of the agreement, the City has Cannery Loft Investors \$574,768. The loan bears simple interest at three percent and is secured by a deed of trust on the property. The balance of the loan as of June 30, 2020 was \$574,768.

**M. *Explorit Science Center***

The City entered into a loan agreement with Explorit Science Center a Davis non-profit institution since 1982 to be used to create a fall fundraiser with sponsorships for the Anne Hance Exploration Gallery and expand the organizations resources. Under the terms of the agreement, the City issued a loan amount of \$20,000. The loan bears simple interest at 2.37%. The balance of the loan as of June 30, 2020 was \$21,427.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 6 – LOANS AND NOTES RECEIVABLES (Continued)**

***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 percent. It was to be repaid through monthly installments of \$261 beginning on April 1, 2005, with a balloon payment in December 2007. The loan was delinquent at June 30, 2010. On February 2, 2011, the City agreed to restructure the loan on the unpaid balance of \$48,506 and the new interest rate is two percent. The terms of the loan state that principal and interest payments of \$245 are to be made monthly until March 5, 2031. During the current fiscal year, the City wrote off the entire loan amount the was due.

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, 2020, the loans outstanding amounted to \$41,867.

***O. Mortgage Receivables***

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 restriction 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, 2020 was \$241,055.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 7 – CAPITAL ASSETS**

**A. Capital Asset Additions and Retirements**

Capital assets activity of governmental activities for the year ended June 30, 2020, is as follows:

	Balance at June 30, 2019	Additions	Retirements	Transfers	Balance at June 30, 2020
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$56,476,321				\$56,476,321
Construction in Progress	26,081,942	\$7,376,188		(\$19,842,557)	13,615,573
Total capital assets not being depreciated	82,558,263	7,376,188		(19,842,557)	70,091,894
Capital assets being depreciated:					
Buildings	28,372,829	486,764		264,264	29,123,857
Improvements	21,570,242			6,061,649	27,631,891
Vehicles	9,429,653	1,107,405	(\$284,341)		10,252,717
Computer and Equipment	3,114,730		(118,939)		2,995,791
Infrastructure					
Streets	273,904,422			13,458,472	287,362,894
Parks and Greenbelts	68,413,499			58,172	68,471,671
Bike and Pedestrian Pathways	15,341,499				15,341,499
Total capital assets being depreciated	420,146,874	1,594,169	(403,280)	19,842,557	441,180,320
Less accumulated depreciation:					
Buildings	(13,231,248)	(553,863)			(13,785,111)
Improvements	(7,642,107)	(854,562)			(8,496,669)
Vehicles	(6,818,969)	(728,429)	284,341		(7,262,357)
Computer and Equipment	(1,928,317)	(176,825)	118,939		(1,986,203)
Infrastructure					
Streets	(159,305,580)	(5,371,143)			(164,676,723)
Parks and Greenbelts	(44,751,579)	(840,404)			(45,591,983)
Bike and Pedestrian Pathways	(12,839,684)	(73,375)			(12,913,059)
Total accumulated depreciation	(246,517,484)	(8,598,601)	403,280		(254,712,805)
Net capital assets being depreciated	173,629,390	(7,004,432)		19,842,557	186,467,515
Governmental Activities Capital Assets, Net	\$256,187,653	\$371,756			\$256,559,409

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 7 – CAPITAL ASSETS (Continued)**

Capital assets activity of business-type activities for the year ended June 30, 2020, is as follows:

	Balance at June 30, 2019	Additions	Retirements	Transfers	Balance at June 30, 2020
<b><i>Business-type Activities</i></b>					
Capital assets, not being depreciated:					
Land	\$21,783,379				\$21,783,379
Construction in Progress	17,603,817	\$2,290,646		(\$16,482,326)	3,412,137
Total capital assets not being depreciated	<u>39,387,196</u>	<u>2,290,646</u>		<u>(16,482,326)</u>	<u>25,195,516</u>
Capital assets, being depreciated:					
Buildings and Improvements	4,226,505				4,226,505
Water Wells, Pumps and Related Assets	73,046,833				73,046,833
Water Distribution System	106,114,106			10,581,663	116,695,769
Sewer Treatment Plant	122,552,157			1,597,518	124,149,675
Sewer Pipes and Pipelines	36,392,537			626,269	37,018,806
Drainage Facilities	101,483,928			1,811,856	103,295,784
Equipment	23,488,040	90,120	(\$115,203)	1,865,020	25,327,977
Intangible Assets	23,465,614				23,465,614
Net capital assets being depreciated	<u>490,769,720</u>	<u>90,120</u>	<u>(115,203)</u>	<u>16,482,326</u>	<u>507,226,963</u>
Less accumulated depreciation for:					
Buildings and Improvements	(2,084,216)	(103,189)			(2,187,405)
Water Wells, Pumps and Related Assets	(31,302,203)	(1,307,678)			(32,609,881)
Water Distribution System	(27,844,394)	(2,270,111)			(30,114,505)
Sewer Treatment Plant	(32,754,087)	(2,464,905)			(35,218,992)
Sewer Pipes and Pipe Lines	(17,922,823)	(688,698)			(18,611,521)
Drainage Facilities	(48,483,980)	(2,005,219)			(50,489,199)
Equipment	(7,021,807)	(927,107)	115,203		(7,833,711)
Intangible Assets	(3,060,712)	(1,020,244)			(4,080,956)
Total accumulated depreciation	<u>(170,474,222)</u>	<u>(10,787,151)</u>	<u>115,203</u>		<u>(181,146,170)</u>
Net capital assets being depreciated	<u>320,295,498</u>	<u>(10,697,031)</u>		<u>16,482,326</u>	<u>326,080,793</u>
Business-type Activities Capital Assets, Net	<u>\$359,682,694</u>	<u>(\$8,406,385)</u>			<u>\$351,276,309</u>

**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.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 7 – CAPITAL ASSETS (Continued)**

**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 is as follows:

***Governmental Activities***

City council	\$7,179
City manager	39,932
Administrative services	3,620
Parks and community services	2,001,582
Public safety - fire	92,900
Public safety - police	168,557
Public works	5,445,660
Internal Services Funds	839,171
	<hr/>
Total Governmental Activities	<u><u>\$8,598,601</u></u>

***Business-Type Activities***

Water	\$4,650,830
Sewer	3,985,712
Storm sewer	2,012,541
Public transit	138,768
	<hr/>
Total Business-Type Activities	<u><u>\$10,787,851</u></u>

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 8 – UNEARNED REVENUE AND DEFERRED INFLOWS/OUTFLOWS**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also delay revenue recognition in connection with resources that have been received, but not yet earned and report those as unearned revenue. As of June 30, 2020, the various components of unavailable and unearned revenue reported in the governmental funds are as follows:

	Deferred Inflow of Resources-Unavailable	Unearned	Total
Grants, fees, and other receipts received prior to meeting all eligibility requirements		\$1,889,145	\$1,889,145
Receivables collected after the 60-day period of availability	\$732,602		732,602
Second mortgage loans not available within 60-day period of availability	241,055		241,055
<b>Total Governmental Funds</b>	<b>\$973,657</b>	<b>\$1,889,145</b>	<b>\$2,862,802</b>

Proprietary funds also delay revenue recognition in connection with resources have been received, but not yet earned and report those as unearned revenue. As of June 30, 2020, the unearned revenue reported in proprietary funds are \$2,289,632.

**NOTE 9 – 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, 2020 is as follows:

	Balance at June 30, 2019	Retirements	Balance at June 30, 2020	Current Portion	
<b>Governmental Activity Long-Term Debt:</b>					
<b>Direct Borrowings:</b>					
State Revolving Fund Loan #5 - Energy Conservation 1.0%, due 6/22/32	\$2,414,324	\$190,288	\$2,224,036	\$192,259	
<b>Total Governmental Activity Long-Term Debt</b>	<b>\$2,414,324</b>	<b>\$190,288</b>	<b>\$2,224,036</b>	<b>\$192,259</b>	
	Balance		Balance	Current	
	June 30, 2019	Additions	June 30, 2020	Portion	
<b>Business-type Activities Long-Term Debt:</b>					
<b>Direct Borrowings:</b>					
State Revolving Fund Loan #3 1.5%, due 10/01/48	\$50,116,921	\$184,984	\$1,340,002	\$48,961,903	\$1,360,102
State Revolving Fund Loan #4 1.6%, due 12/31/48	24,192,821	188,428	639,565	23,741,684	649,798
East Area Water Storage Tank Loan 4.0%, due 8/01/38	8,001,975		8,001,975		
U.S. Bank Water Revenue Refunding Bonds Due 10/01/36	19,653,162		854,048	18,799,114	881,510
<b>Total Business-type Activities Long-Term Debt</b>	<b>\$101,964,879</b>	<b>\$373,412</b>	<b>\$10,835,590</b>	<b>\$91,502,701</b>	<b>\$2,891,410</b>

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 9 – LONG-TERM DEBT (Continued)**

**B. Debt Service Requirements**

Future principal and interest payments on long-term debt are as follows at June 30, 2020:

Fiscal Year Ending June 30,	Governmental-Type Activities - Direct Borrowings			Business-Type Activities Direct Borrowings:		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$192,259	\$21,763	\$214,022	\$2,891,410	\$1,707,013	\$4,598,423
2022	194,186	19,835	214,021	2,950,552	1,647,870	4,598,422
2023	196,132	17,888	214,020	3,011,079	1,587,343	4,598,422
2024	198,057	15,965	214,022	3,073,026	1,525,397	4,598,423
2025	200,085	13,937	214,022	3,136,431	1,461,992	4,598,423
2026-2030	1,030,894	39,211	1,070,105	16,687,023	6,305,089	22,992,112
2031-2035	212,423	1,596	214,019	18,514,456	4,477,656	22,992,112
2036-2040				15,160,248	2,672,069	17,832,317
2041-2045				14,046,307	1,574,669	15,620,976
2046-2049				12,032,169	464,615	12,496,784
Total	\$2,224,036	\$130,195	\$2,354,231	\$91,502,701	\$23,423,713	\$114,926,414

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

**State Revolving Fund Loan #5** – On July 10, 2015, the City entered into a contract to borrow funds from the State of California Energy Commission. The funds are being used for an energy savings project, including bike path and pedestrian path lights with LED fixtures. The maximum loan amount is \$3,000,000, of which the City had drawn \$2,774,876. The loan bears interest at 1.0 percent per year for a term of thirty years. As of June 30, 2020, the City owed \$2,224,036 on the loan.

**State Revolving Fund Loan #3** – The City entered into a contract in December 2014 to borrow funds from the State Water Resources Control Board. The funds are being used for a Davis Wastewater Treatment Plant Secondary and Tertiary Improvements project to meet the City's future wastewater treatment needs. The maximum loan amount is \$81,057,000, of which the City had drawn \$50,116,921. The loan bears interest at 1.5 percent per year for a term of thirty years. As of June 30, 2020, the City owed \$48,961,903 on the loan.

**State Revolving Fund Loan #4** – The City entered into a contract in July 2015 to borrow funds from the State Water Resources Control Board. The funds are being used for a Clean Water Revolving Fund project to distribute a new source of drinking water to the City of Davis residents. The maximum loan amount is \$35,500,000, of which the City had drawn \$24,192,821. The loan bears interest at 1.6 percent per year for a term of thirty years. As of June 30, 2020, the City owed \$23,741,684 on the loan.

**East Area Water Storage Tank Loan** – In July 2009, City Council executed an enterprise fund installment sale agreement with the California Infrastructure and Economic Development Bank. The funds are to provide financing for the East Area Tank and other components of the Davis Wells Capacity EIR project. The maturity date for the loan is August 1, 2038, in the amount not to exceed \$10,000,000. As of June 30, 2020, the City had fully paid the loan.

**U.S. Bank Water Revenue Refunding Bonds** – In October 2018, the City of Davis entered into a private agreement in the amount of \$20,121,050 to refinance the outstanding balance of the City of Davis Public Facilities Financing Authority, Wells Fargo 2013 Water Revenue Bond. The maturity date for the bond is October 1, 2036. The note bears an interest rate of 3.19 percent per annum. The outstanding principal balance on the bonds as of June 30, 2020 is \$18,799,114.



**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 10 – 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, 2020, is as follows:

Description	Issue Year	Maturity Year	Outstanding June 30, 2020
Public Facilities Financing Authority \$9,570,000 original principal	2009	2030	\$7,375,000
Community Facilities District No. 2015-01 \$9,665,000 original principal	2015	2045	9,400,000
2016 Special Tax Refunding Bonds (Community Facilities District No. 2007-2) \$4,342,128 original principal	2017	2037	3,881,639
Community Facilities District (2017) 1991-2 \$8,663,131 original principal	2017	2025	<u>5,832,041</u>
Total			<u><u>\$26,488,680</u></u>

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 11– CLASSIFICATION OF FUND BALANCE**

Detailed classifications of the City's fund balances, as of June 30, 2020, are below.

Fund Balance Classifications	General Fund	Low/Mod Housing	Open Space	Development Deferred Improvement	Other Governmental Funds	Total
<b>Nonspendables:</b>						
Items not in spendable form:						
Loans Receivable	\$79,240					\$79,240
<b>Total Nonspendable Fund Balances</b>	<b>79,240</b>					<b>79,240</b>
<b>Restricted for:</b>						
Development Services				\$1,398,446		1,398,446
Roadways and Street Improvements				7,967,362	\$7,837,152	15,804,514
Parks			\$6,217,151	5,698,726	715,523	12,631,400
Public Safety				3,294,188		3,294,188
General Facilities				1,347,037		1,347,037
Open Space				1,833,809		1,833,809
Grants					2,896,116	2,896,116
Public Facilities					235,320	235,320
Land Acquisition					1,436,019	1,436,019
District Improvements					1,295,035	1,295,035
Low-Income Housing		\$33,232,449				33,232,449
Parks Operations	263,075					263,075
<b>Total Restricted Fund Balances</b>	<b>263,075</b>	<b>33,232,449</b>	<b>6,217,151</b>	<b>21,539,568</b>	<b>14,415,165</b>	<b>75,667,408</b>
<b>Committed to:</b>						
Municipal Arts					821,974	821,974
In-Lieu-of Parking and Parking					542,523	542,523
Agriculture Land Acquisition					275,445	275,445
Cable TV					1,136,239	1,136,239
Public Safety					183,755	183,755
Building and Planning						
Capital Projects	2,598,939					2,598,939
General Operations	967,028					967,028
Information Technology	399,532					399,532
<b>Total Committed Fund Balances</b>	<b>3,965,499</b>				<b>2,959,936</b>	<b>6,925,435</b>
<b>Assigned:</b>						
Capital Projects	973,814					973,814
Building and Planning	1,095,137					1,095,137
Information Technology	3,000,000					3,000,000
Long-Term Obligations	1,700,000					1,700,000
<b>Total Unassigned Fund Balances</b>	<b>6,768,951</b>					<b>6,768,951</b>
<b>Unassigned:</b>						
General Fund	10,230,791					10,230,791
Other Fund Deficit Residuals					(1,385,523)	(1,385,523)
<b>Total Unassigned Fund Balances</b>	<b>10,230,791</b>				<b>(1,385,523)</b>	<b>8,845,268</b>
<b>Total Fund Balances</b>	<b>\$21,307,556</b>	<b>\$33,232,449</b>	<b>\$6,217,151</b>	<b>\$21,539,568</b>	<b>\$15,989,578</b>	<b>\$98,286,302</b>

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s pension plans (Plans) administered by the California Public Employees’ Retirement System (CalPERS) and additions to/deductions from the Plans’ fiduciary net positions have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**A. General Information and Summary of Balances by Plan**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire) cost-sharing or Miscellaneous (all other) agent multiple-employer defined benefit pension plans, administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Below is a summary of the deferred outflows of resources, net pension liabilities, and deferred inflows of resources by Plan for the year ended June 30, 2020:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	\$8,630,671	\$76,804,657	\$1,321,057
Safety	10,230,080	55,414,232	3,820,034
Total	<u>\$18,860,751</u>	<u>\$132,218,889</u>	<u>\$5,141,091</u>

**B. Miscellaneous Agent Multiple-Employer Defined Benefit Pension Plan**

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

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

	Miscellaneous	
	Classic Plan	PEPRA Plan
Benefit formula	2.0% @ 55 or 2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%; 2.0% - 2.5%	1.0% - 2.5%
Required employee contribution rates	8.000%	6.25%
Required employer contribution rates	10.095%	12.500%

Beginning in fiscal year 2016, CalPERS collect employer contributions for the Plan as a percentage of payroll for the normal cost portions as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contributions for the unfunded liability in the Miscellaneous Plan for the year ended June 30, 2020 was \$6,395,072 which was made under the lump sum option.

**Employees Covered** – At June 30, 2018 actuarial valuation date and the June 30, 2019 measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous	
	June 30, 2018	June 30, 2019
Inactive employees or beneficiaries currently receiving benefits	419	436
Inactive employees entitled to but not yet receiving benefits	298	314
Active employees	261	258
Total	978	1,008

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**Net Pension Liability** - The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2018</b>	\$216,357,359	\$143,574,319	\$72,783,040
<b>Changes in the year:</b>			
Service cost	3,212,631		3,212,631
Interest on the total pension liability	15,379,855		15,379,855
Differences between actual and expected experience	2,929,253		2,929,253
Changes in assumptions			
Plan to plan resource movement			
Changes in benefit terms			
Contribution - employer		6,532,938	(6,532,938)
Contribution - employees		1,572,060	(1,572,060)
Net investment income		9,497,248	(9,497,248)
Administrative expenses		(102,458)	102,458
Benefit payments, including refunds of employee contributions	(11,580,130)	(11,580,130)	
Other Miscellaneous Income/(Expense)		334	(334)
<b>Net changes</b>	<u>9,941,609</u>	<u>5,919,992</u>	<u>4,021,617</u>
<b>Balance at June 30, 2019</b>	<u>\$226,298,968</u>	<u>\$149,494,311</u>	<u>\$76,804,657</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the Plan, calculated using the discount rate the Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$105,776,583
Current Discount Rate	7.15%
Net Pension Liability	\$76,804,657
1% Increase	8.15%
Net Pension Liability	\$52,753,656

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions** – For the year ended June 30, 2020, the City recognized negative pension expense of \$5,640,860 for the Miscellaneous Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$6,395,072	
Differences between actual and expected experience	2,235,599	
Changes in assumptions		(\$352,950)
Net differences between projected and actual earnings on plan investments		(968,107)
Total	\$8,630,671	(\$1,321,057)

\$6,395,072 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2021	\$1,535,474
2022	(465,088)
2023	(277,472)
2024	121,628
Total	\$914,542

Actuarial assumptions and information regarding the discount rate are discussed in Note 12D.

**C. Safety Cost-Sharing Multiple-Employer Defined Benefit Plan**

The City’s Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (two fire and two police) within the safety risk pool.

**Benefits Provided** - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

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

	<u>Safety - Fire</u>	
	<u>Classic Plan</u>	<u>PEPRA Plan</u>
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0%-2.7%
Required employee contribution rates	9.0%	12.0%
Required employer contribution rates	20.985%	13.034%

	<u>Safety - Police</u>	
	<u>Classic Plan</u>	<u>PEPRA Plan</u>
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0%-2.7%
Required employee contribution rates	9.0%	12.0%
Required employer contribution rates	21.929%	13.034%

Beginning in fiscal year 2016, CalPERS collect employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contributions for the unfunded liability in the Safety Plan for the year ended June 30, 2020 was \$4,159,124, which was made under the lump sum option.

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, the contributions to the Safety Plan were as follows:

Contributions - employer	<u>Safety</u> \$4,159,124
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**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions** – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2020, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Safety	\$55,414,232

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

	Safety
Proportion - June 30, 2018	0.88%
Proportion - June 30, 2019	0.89%
Change - Increase (Decrease)	0.01%

For the year ended June 30, 2020, the City recognized pension expense of \$3,545,798 for the Safety Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the pensions for the Safety Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Safety Plan</u>		
Pension contributions subsequent to measurement date	\$4,159,124	
Differences between actual and expected experience	3,618,050	
Changes in assumptions	2,271,333	(\$443,249)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	181,573	(2,614,468)
Net differences between projected and actual earnings on plan investments		(762,317)
Total	\$10,230,080	(\$3,820,034)



**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

\$4,159,124 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2021	\$2,759,218
2022	(922,633)
2023	266,013
2024	148,324
	\$2,250,922

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Safety
1% Decrease	6.15%
Net Pension Liability	\$77,942,320
Current Discount Rate	7.15%
Net Pension Liability	\$55,414,232
1% Increase	8.15%
Net Pension Liability	\$36,944,728

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

**D. Information Common to the Miscellaneous and Safety Plans**

**Actuarial Assumptions** – For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 total pension liability was determined using the following actuarial assumptions:

	All Plans		
Valuation Date		June 30, 2018	
Measurement Date		June 30, 2019	
Actuarial Cost Method	Entry-Age Normal Cost Method		
Actuarial Assumptions:			
Discount Rate		7.15%	
Inflation		2.50%	
Payroll Growth		3.0%	
Projected Salary Increase	Varies by Entry Age and Service		
Investment Rate of Return		7.15% (1)	
Mortality	Derived using CalPERS Membership Data for all Funds (2)		
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies		

- (1) Net of pension plan investment expenses, including inflation
- (2) The mortality tables used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018, valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Discount Rate** – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each plan.

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

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 12 – PENSION PLANS (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equal rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rate of return by asset class.

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

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

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website (<http://www.calpers.ca.gov/>) for details on how to obtain a copy of its financial reports.

**E. Subsequent Event – CalPERS Pension Contribution Rates**

The CalPERS Board of Administration has adopted a new amortization policy effective with June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City's contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS**

**A. General Information about the City’s Other Post Employment Benefit (OPEB) Plan**

The City’s Post Employment Benefit Plan is an agent multiple employer plan. 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:

	Retire by December 31, 2015	Retire Jan.1, 2016 through Dec. 31,2025	Retire January 1, 2026 or later
Employees hired before July 1, 1996 with at least 25 years City service.	<b>No change to current benefit</b> (100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.)	100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.	75% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.
Employees hired before July 1, 1996 with less than 25 years City service.	<b>No change to current benefit</b> (100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.)	75% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.	<b>Does not apply.</b>
Employees hired July 1, 1996 through December 31, 2012 with at least 25 years City service.	<b>No change to current benefit</b> (Age 55-59 50% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents, age 60-65 100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.)	50% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents until age 60. After age 60, 100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.	50% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. After age 60, 75% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.
Employees hired July 1,1996 through December 31, 2012 with less than 25 years service.	<b>No change to current benefit</b> (Age 55-59 50% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents, age 60-65 100% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.)	50% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents until age 60. After age 60, 75% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.	50% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. After age 60, 75% of the CalPERS Kaiser Bay Area rate for employee plus two or more dependents. Once the employee has transferred to a Medicare plan, the City will pay the Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus two or more dependents.
Employees hired January 1, 2013 and after	Medicare Supplemental/Managed Medicare Monthly rate based on the CalPERS Kaiser Bay Area rate for employee plus one dependent.		

For the year ended June 30, 2020, the City’s contributions to the Plan were \$4,181,733.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Employees Covered by Benefit Terms* – Membership in the plan consisted of the following at the measurement date of June 30, 2020:

Active employees	350
Inactives currently receiving benefit payments	321
Inactive entitled to but not yet receiving benefit payments	39
Total	710

**B. Net OPEB Liability**

*Actuarial Methods and Assumptions* – The City’s total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation that was rolled forward using standard update procedures to determine the total OPEB liability as of the measurement date based on the following dates, actuarial methods and assumptions:

Actuarial Assumptions	June 30, 2019 Measurement Date
Valuation Date	• June 30, 2018
Actuarial Cost Method	• Entry Age Normal, Level Percentage of Payroll
Contribution Policy	• City contributes full Actuarial Determined Contribution
Discount Rate and Long Term Expected Rate of Return on Assets	• 6.50% at June 30, 2019
	• 6.50% at June 30, 2018
	• Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
General Inflation	• 2.50% per annum
Mortality, Retirement, Disability, Termination	• CalPERS 2017 Experience Study
Mortality Improvement	• Post-retirement mortality projected fully generational with Scale MP-2016
Salary Increases	• Aggregate - 2.75%
	• Merit - CalPERS December 2017 Experience Study
Healthcare Cost Trend	• Non-Medicare - 6.9% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
	• Medicare - 5.6% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
PEMHCA Minimum Increases	• 3.75%
Healthcare participation	• 100% if covered as active, 95% if waived as active

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	59.0%	4.76%
Fixed income	25.0%	2.01%
TIPS	5.0%	1.20%
Commodities	3.0%	2.39%
REITs	8.0%	4.53%
Total	<u>100.0%</u>	

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

**C. Changes in Net OPEB Liability**

The changes in the net OPEB liability follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2018, Measurement Date	\$96,270,752	\$35,233,624	\$61,037,128
Changes Recognized for the Measurement Period:			
Service Cost	2,597,615		2,597,615
Interest on the total OPEB liability	6,290,476		6,290,476
Changes in benefit terms			
Differences between expected and actual experience			
Changes of assumptions	(3,231,840)		(3,231,840)
Contributions from the employer		7,294,033	(7,294,033)
Net investment income		2,214,817	(2,214,817)
Other additions			
Benefit payments	(4,183,615)	(4,183,615)	
Administrative expenses		(7,632)	7,632
Other deductions			
Net changes	<u>1,472,636</u>	<u>5,317,603</u>	<u>(3,844,967)</u>
Balance at June 20, 2019, Measurement Date	<u>\$97,743,388</u>	<u>\$40,551,227</u>	<u>\$57,192,161</u>

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Detailed information about the OPEB plan’s fiduciary net position is available in the separately CalPERS CAFR that may be obtained CalPERS website.

**D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(5.5%)	(6.5%)	(7.5%)
\$70,407,550	\$57,192,161	\$46,373,847

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates as discussed above:

Net OPEB Liability/(Asset)		
1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
\$44,529,712	\$57,192,161	\$72,890,734

**E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the City recognized negative OPEB expense of \$2,163,032. At June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$4,181,733	
Differences between actual and expected experience	616,185	
Changes of assumptions	1,644,747	(\$2,680,331)
Net differences between projected and actual earnings on plan investments		(464,796)
Total	\$6,442,665	(\$3,145,127)

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

\$4,181,733 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2021	(\$185,046)
2022	(184,046)
2023	(13,048)
2024	(27,760)
2025	(474,295)
Total	(\$884,195)

**NOTE 14 – 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 15 – 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 BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 15 – RISK MANAGEMENT (Continued)**

**A. Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA)**

The City is a member of the Yolo County Public Agency Risk Management Insurance Authority (YCPARMIA), which provides coverage for general and auto liability, workers' compensation, property, fidelity, boiler and machinery, and pollution legal liability 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), Fidelity and Deposit of MD, Ironshore, Lloyd's of London, and CSAC-EIA, provide coverage for amounts in excess of YCPARMIA's limits. During the fiscal year ended June 30, 2020, the City contributed \$1,887,060 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
Fidelity Insurance	\$1,000	\$2,000,000
Cyber Liability	0	1,000,000
General Liability	5,000	40,000,000
Auto Liability	5,000	40,000,000
Pollution Legal Liability	0	10,000,000
Property Insurance	1,000	600,000,000
Underground Storage Tank Insurance	250,000	1,000,000
Workers' Compensation Insurance	1,000	Statutory

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, California 94588-3235.

For the years ended June 30, 2020, 2019, and 2018, the amount of settlement did not exceed insurance coverage.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 15 – RISK MANAGEMENT (Continued)**

**B. Self-Insurance Internal Service Funds**

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

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:

	2020	2019
Beginning balance	\$56,384	\$14,884
Liability for current fiscal year claims and	85,000	130,000
Decrease in estimated liability for prior year claims	(52,471)	(51,736)
Payments made on current year claims	(8,173)	(23,500)
Payments made on prior year claims	(8,696)	(13,264)
Ending balance	<u>\$72,044</u>	<u>\$56,384</u>
Current Portion	<u>\$72,044</u>	<u>\$56,384</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:

	2020	2019
Beginning balance	\$13,151	\$9,557
Liability for current fiscal year claims	55,000	98,000
Increase (decrease) in estimated liability for prior year claims	(22,746)	(54,815)
Payments made on current year claims	(28,186)	(33,866)
Payments made on prior year claims	(8,367)	(5,725)
Ending balance	<u>\$8,852</u>	<u>\$13,151</u>
Current Portion	<u>\$8,852</u>	<u>\$13,151</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:

	2020	2019
Beginning balance	\$166,381	\$202,176
Increase in estimated liability for prior year claims	18,463	30,267
Payments made on current year claims		(11,420)
Payments made on prior year claims	(46,278)	(54,642)
Ending balance	<u>\$138,566</u>	<u>\$166,381</u>
Current Portion	<u>\$46,278</u>	<u>\$47,477</u>

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 16 – JOINTLY GOVERNED ORGANIZATION / INVESTMENT IN JOINT VENTURE**

*Woodland-Davis Clean Water Agency*

*Woodland-Davis Clean Water Agency*, a separate joint powers authority, was formed in 2009 between the City of Davis and City of Woodland to coordinate the construction, ownership and operation of the Woodland-Davis Water Supply Capital Improvement Project which is scheduled to be completed in 2016. As defined in the JPA agreement assets will be owned and operated by the Agency and its liabilities are owed by the Agency and not its members. Each member is entitled to certain sole use assets which will be owned and maintained by each member on completion of the Project. Also, upon Project completion, each member will be entitled to capacity rights for the treatment and distribution of surface water. The City of Davis' proportion of such rights will be 44.4%. To fund a portion of its share of the above Project costs the City issued \$30 million of Wells Fargo 2013 Water Revenue Bonds. The project has been completed and all contributions have been reclassified as capacity rights or infrastructure assets.

On December 1, 2015, the Agency issued the 2015 Subordinate Refunding Water Revenue Bonds, Series A (City of Davis, California) in the amount of \$19,495,000. In addition, on December 10, 2015, the Agency issued the 2015 Subordinate Refunding Water Revenue Bonds, Series B (City of Davis, California) in the amount of \$1,881,117. The purpose of the bonds is to repay the outstanding portion of a note payable previously obtained by the Agency. The purpose of the original note payables was to help finance the acquisition of certain water rights on behalf of the City of Davis. The Water rights have been recorded as part of the City's Capital Assets, as detailed in Note 7. The Bonds are solely secured by an installment payment agreement between the Agency and the City. Therefore, a loan payable to the Agency has been reported on the City's financial statements. Future principal and interest payments on the payable were as follows as of June 30, 2020.

	Balance at June 30, 2019	Retirements	Balance at June 30, 2020	Current Portion
2015 Subordinate Refunding Water Revenue Bonds, Series A 3.00% - 5.00%, due 3/1/39	\$18,615,000	\$415,000	\$18,200,000	\$455,000
2015 Second Subordinate Bonds, Series B 4.697%, due 3/1/39	1,814,239	36,794	1,777,445	36,920
Total Business-type Activities Long-Term Debt	<u>\$20,429,239</u>	<u>\$451,794</u>	<u>\$19,977,445</u>	<u>\$491,920</u>

At June 30, 2020 future debt service requirements for the 2015 Subordinate Refunding Water Revenue Bonds (Series A and B) were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$491,920	\$826,430	\$1,318,350
2022	533,772	811,046	1,344,818
2023	577,524	794,290	1,371,814
2024	623,277	776,074	1,399,351
2025	682,367	745,070	1,427,437
2026-2030	4,431,323	3,167,230	7,598,553
2031-2035	6,133,296	2,261,642	8,394,938
2036-2039	6,503,966	836,847	7,340,813
	<u>\$19,977,445</u>	<u>\$10,218,629</u>	<u>\$30,196,074</u>

Financial statements of the Agency may be obtained by mailing a request to the City of Davis, 23 Russell Blvd., Davis, California 95616.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 17 – COMMITMENTS AND CONTINGENCIES**

**A. *Single Audit***

The City participates in several Federal and State grant programs. These programs are subject to audits by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended, and applicable State requirements. No cost disallowances have been 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.

**B. *Litigation***

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.

**C. *Long-term Commitments***

Large commitments outstanding as of June 30, 2020 were as listed below:

3rd Street Improvements A to B Streets	\$2,331,548
Sanitary Sewer Rehabilitation	1,617,870
SCADA Water Plan	1,017,000
Total	\$4,966,418

These commitments were encumbered and included in the adjusted budget in fiscal year 2020.

**NOTE 18 – COVID-19 GLOBAL PANDEMIC**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. Although many of the City's services are considered essential, City Hall was closed to the public, certain other services transitioned to online-only and because the City's major revenue sources, including businesses that collect sales taxes, are directly impacted by these events, it is probable that this matter will negatively impact the City. However, the ultimate financial impact and duration cannot be reasonably estimated at this time.

**NOTE 19 – SUCCESSOR AGENCY TRUST OF THE FORMER REDEVELOPMENT AGENCY**

**A. *Background***

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

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 19 – SUCCESSOR AGENCY TRUST OF THE FORMER REDEVELOPMENT AGENCY**  
**(Continued)**

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of State and local government. On August 23, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 12-003.

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

The Successor Agencies will only be allocated revenues in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

**B. *Property Taxes***

Property taxes are assessed under various legislative provisions, contained in the Government Code and the Revenue and Taxation Code, by the County Assessor. Taxes on real property are limited to one percent of assessed valuation plus additional taxes for repayment of any existing voted indebtedness. The Successor Agency receives a portion of the property tax income based on a formula prescribed in Section 26912(b) of the Government Code and Sections 95-100 of the California Revenue and Taxation Code and as amended by the passage of AB 454.

The Successor Agency's main source of funding is property taxes allocated by the County Auditor-Controller (CAC) from the Redevelopment Property Tax Trust Fund (RPTTF). The allocation of property taxes is related to the repayment of the former Redevelopment Agency's enforceable obligations. The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) estimating the RPTTF funds required to pay its obligations for each six-month period (January - June and July - December). The ROPS is subject to review and approval of the Oversight Board, CAC, and State Department of Finance (DOF).

The Successor Agency receives allocation of property taxes for its approved ROPS items after payment of the County's administrative costs and pass-through payments to affected taxing entities. Property tax revenue allocations are reported under tax increment revenues in the statement of changes in fiduciary net position and are recognized in the same fiscal year as the underlying six month ROPS to which they pertain. In addition to the ROPS payments, the Successor Agency is allocated an annual administrative allowance equal to 3% of the approved RPTTF funding or the minimum amount of \$250,000, whichever is greater.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 19 – SUCCESSOR AGENCY TRUST OF THE FORMER REDEVELOPMENT AGENCY**  
**(Continued)**

**C. Cash and Investments**

The Successor Agency'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 Successor Agency pools cash from all sources, except Cash with Fiscal Agents, with the City of Davis so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. See Note 4 for details of the City's Cash and Investments at June 30, 2020, for the City's Investment Policy and the California Government Code.

**D. Notes and Loans**

The Successor Agency loaned a total balance of \$204,269 to housing associations, which had been fully repaid as of June 30, 2020.

**E. Current Liabilities**

**Interest Payable**

The Successor Agency accrues for interest payments on the debt of an enforceable obligation identified on the approved Successor Agency ROPS schedule. Interest payable on the long-term obligations was \$238,117 as of June 30, 2020.

**F. Long-Term Obligations**

**1. Tax Allocation Bonds**

The following is a summary of long-term debt transactions of the Successor Agency for the fiscal year ended June 30, 2020:

	Balance at June 30, 2019	Additions	Retirements	Balance at June 30, 2020	Current Portion
<b>Tax Allocation Bonds:</b>					
2003 Tax Allocation Refunding Bonds 2.00% - 5.00%, due 9/1/2033	\$6,810,000		\$6,810,000		
2007 Tax Allocation Refunding Bonds 4.00% - 4.24%, due 9/1/2030	7,475,000		7,475,000		
2007 Taxable Housing Refunding Bonds 5.50%, due 9/01/2037	6,700,000		6,700,000		
2011 Subordinate Tax Allocation Bonds, Series A 6.50% - 7.00%, due 12/01/2036	13,310,000		13,310,000		
2011 Subordinate Tax Allocation Bonds, Series B 3.25% - 5.00%, due 12/01/2022	1,775,000		1,775,000		
2019 Tax Allocation Refunding Bonds, Series A 4.00% - 5.00%, due 9/01/2037		\$10,600,000		\$10,600,000	
2019 Taxable Tax Allocation Refunding Bonds, Series B 1.680% - 2.30%, due 9/01/2029		12,220,000		12,220,000	\$1,770,000
Plus Bond Premium		2,846,932	(158,767)	2,688,165	
Less Bond Issuance Discounts	(393,981)		393,981		
<b>Total Long-Term Debt</b>	<b>\$35,676,019</b>	<b>\$25,666,932</b>	<b>\$36,305,214</b>	<b>\$25,508,165</b>	<b>\$1,770,000</b>

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 19 – SUCCESSOR AGENCY TRUST OF THE FORMER REDEVELOPMENT AGENCY**  
**(Continued)**

**2. Debt Service Requirements**

Future principal and interest payments on all the Successor Agency’s long-term debt were as follows at June 30, 2020:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$1,770,000	\$699,320	\$2,469,320
2022	1,200,000	674,195	1,874,195
2023	1,225,000	653,580	1,878,580
2024	1,245,000	632,151	1,877,151
2025	1,265,000	609,556	1,874,556
2026-2030	6,720,000	2,623,768	9,343,768
2031-2035	6,725,000	1,226,750	7,951,750
2036-2038	2,670,000	163,000	2,833,000
Plus Bond Premium	2,688,165		2,688,165
Total	<u>\$25,508,165</u>	<u>\$7,282,320</u>	<u>\$32,790,485</u>

**3. Description of the Successor Agency’s Long-Term Debt**

***2003 Tax Allocation Refunding Bonds***

On October 30, 2003, the former 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 former Redevelopment Agency's outstanding Davis Redevelopment Project 1994 Tax Allocation Bonds.

During fiscal year 2019-20 the City issued the 2019 Tax Allocation Refunding Bonds to defease \$6,810,000 of the 2003 Bonds.

***2007 Taxable Allocation Refunding Bonds***

On February 20, 2007, the former 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 former Redevelopment Agency's outstanding Davis Redevelopment Project 2000 Tax Allocation Refunding Bonds.

During the fiscal year ended June 30, 2020, the City issued the 2019 Tax Allocation Refunding Bonds to defease \$7,475,000 of the 2007 Taxable Allocation Refunding Bonds.

***2007 Taxable Housing Tax Allocation Bonds***

On February 20, 2007, the former 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.

**CITY OF DAVIS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020**

**NOTE 19 – SUCCESSOR AGENCY TRUST OF THE FORMER REDEVELOPMENT AGENCY**  
**(Continued)**

During the fiscal year ended June 30, 2020, the City issued the 2019 Tax Allocation Refunding Bonds to defease \$6,700,000 of the 2007 Taxable Housing Tax Allocation Bonds.

***2011 Subordinate Tax Allocation Bonds, Series A and Series B***

On March 1, 2011, the former Redevelopment Agency of the City of Davis issued the 2011 Subordinate Tax Allocation Bonds, Series A, in the amount of \$13,310,000, and 2011 Subordinate Taxable Tax Allocation Bond, Series B, in the amount of \$4,690,000. The proceeds will be used to fund certain redevelopment activities of benefit to the former Redevelopment Agency's Davis Redevelopment Successor Agency Project.

During the fiscal year ended June 30, 2020, the City issued he 2019 Tax Allocation Refunding Bonds to advance refund \$15,085,000 of the 2011 Tax Allocation Bonds Series A and Series B. The net proceeds of the 2019 Bonds together with Successor Agency's resources were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2011 Bonds. As a result the 2011 Bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. At June 30, 2020, \$14,450,000 of defeased bonds remain outstanding.

***2019 Tax Allocation Refunding Bonds, Series A and Series B***

On August 20, 2019, the Successor Agency of the City of Davis issued the 2019 Tax Allocation Refunding Bonds, Series A, in the amount of \$10,600,000, and 2019 Taxable Tax Allocation Refunding Bonds, Series B, in the amount of \$12,220,000. The 2019 TARBS proceeds together with \$11,337,480 of Successor Agency's other restricted cash and investments were used to refund the outstanding balances of the 2003 Tax Allocation Refunding Bonds, 2007 Tax Allocation Refunding Bonds, 2007 Taxable Housing Refunding Bonds and the 2011 Subordinate Tax Allocation Bonds, Series A and B. The remaining proceeds were used to pay the costs of issuance of the 2019 Bonds and to purchase a 2019 Reserve Policy.

The above bond refinancing, together with the utilization of \$11,337,480 prior funds on hand, reduced the Successor Agency's total debt service payments by \$12,482,261 to obtain a net economic gain of \$8,764,314. The bonds are payable from and secured by a pledge of tax revenues. Principal payments are payable annually on September 1 and interest is payable semi-annually each March 1 and September 1.

As discussed above, the Successor Agency has pledged all future tax increment revenues for the repayment of the 2019 Series A and B Tax Allocation Refunding Bonds. The pledge of all future tax increment revenues end upon repayment of the combined remaining debt service of \$30,102,320 on the Bonds above, which is scheduled to occur in 2038. For fiscal year 2019-2020, net tax increment revenues amounted to \$3,275,910, while debt service of the bonds amounted to \$325,433.



**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**1. PENSION PLANS**

**Agent Multiple-Employer Defined Benefit Pension Plan:**

*Schedule of Changes in the Net Pension Liability and Related Ratios*

This schedule reports the beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the year presented by cause (similar to the note disclosure). It also reports the total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, the payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered-employee payroll.

*Schedule of Contributions*

This schedule reports the agent multiple-employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined contributions, and a ratio of the actual contributions divided by covered-employee payroll.

**Cost-Sharing Employer Defined Benefit Pension Plan:**

*Schedule of Proportionate Share of the Net Pension Liability*

This schedule reports the proportion (percentage) of the collective net pension liability, the proportionate share (amount) of the collective net pension liability, the employer's covered employee payroll, the proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered employee payroll and the pension plan's fiduciary net position as a percentage of the total pension liability.

*Schedule of Contributions*

This schedule reports the cost sharing employer's contributions to the plan which are actuarially determined, the employer's actual contributions, the difference between the actual and actuarially determined.

**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**1. PENSION PLANS (Continued)**

Miscellaneous Plan  
Agent Multiple-Employer  
Last 10 Years\*

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

<b>Measurement Date</b>	Miscellaneous Plan		
	<b>6/30/2014</b>	<b>6/30/2015</b>	<b>6/30/2016</b>
<b>Total Pension Liability</b>			
Service Cost	\$3,147,626	\$2,785,521	\$2,725,273
Interest	12,920,680	13,336,226	13,776,661
Differences between expected and actual experience		(2,152,773)	(1,273,504)
Changes in assumptions		(3,206,955)	
Changes in benefits			
Benefit payments, including refunds of employee contributions	(8,202,831)	(8,744,147)	(9,377,495)
<b>Net change in total pension liability</b>	<b>7,865,475</b>	<b>2,017,872</b>	<b>5,850,935</b>
<b>Total pension liability - beginning</b>	<b>174,803,327</b>	<b>182,668,802</b>	<b>184,686,674</b>
<b>Total pension liability - ending (a)</b>	<b>\$182,668,802</b>	<b>\$184,686,674</b>	<b>\$190,537,609</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$3,558,115	\$3,936,577	\$4,355,132
Contributions - employee	1,643,358	1,350,680	1,309,552
Net investment income	19,449,181	2,875,200	686,326
Plan to plan resource movement		(58,660)	
Administrative expenses		(144,696)	(78,298)
Benefit payments, including refunds of employee contributions	(8,202,831)	(8,744,147)	(9,377,495)
Other Miscellaneous Income/(Expense)			
<b>Net change in plan fiduciary net position</b>	<b>16,447,823</b>	<b>(785,046)</b>	<b>(3,104,783)</b>
<b>Plan fiduciary net position - beginning</b>	<b>112,810,277</b>	<b>129,258,100</b>	<b>128,473,054</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$129,258,100</b>	<b>\$128,473,054</b>	<b>\$125,368,271</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$53,410,702</b>	<b>\$56,213,620</b>	<b>\$65,169,338</b>
Plan fiduciary net position as a percentage of the total pension liability	70.76%	69.56%	65.80%
Covered payroll	\$16,345,659	\$16,448,436	\$16,260,801
Net pension liability as percentage of covered payroll	326.76%	341.76%	400.78%

**Notes to Schedule:**

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

**Changes in assumptions.** GASB 68, paragraph 68 states that the long term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In 2018 and 2019, there were no changes. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts were based on the 7.5% discount rate. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 and 2016 measurement date.

\* Fiscal year 2015 was the 1st year of implementation.

**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**1. PENSION PLANS (Continued)**

Miscellaneous Plan		
6/30/2017	6/30/2018	6/30/2019
\$3,060,195	\$3,197,240	\$3,212,631
14,174,637	14,683,109	15,379,855
(436,564)	1,359,674	2,929,253
11,523,152	(1,361,376)	
<u>(9,815,233)</u>	<u>(10,565,084)</u>	<u>(11,580,130)</u>
18,506,187	7,313,563	9,941,609
<u>190,537,609</u>	<u>209,043,796</u>	<u>216,357,359</u>
<u>\$209,043,796</u>	<u>\$216,357,359</u>	<u>\$226,298,968</u>
\$5,231,459	\$5,636,259	\$6,532,938
1,423,366	1,562,038	1,572,060
13,939,545	11,549,829	9,497,248
43,704	(334)	
(185,098)	(211,935)	(102,458)
(9,815,233)	(10,565,084)	(11,580,130)
	(402,468)	334
<u>10,637,743</u>	<u>7,568,305</u>	<u>5,919,992</u>
<u>125,368,271</u>	<u>136,006,014</u>	<u>143,574,319</u>
<u>\$136,006,014</u>	<u>\$143,574,319</u>	<u>\$149,494,311</u>
<u>\$73,037,782</u>	<u>\$72,783,040</u>	<u>\$76,804,657</u>
65.06%	66.36%	66.06%
\$17,279,336	\$17,524,711	\$19,466,904
422.69%	415.32%	394.54%

**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**1. PENSION PLANS (Continued)**

Miscellaneous Plan  
Agent Multiple-Employer  
Last 10 Years\*

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended June 30:	Miscellaneous Plan					
	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$3,935,948	\$4,354,487	\$6,154,074	\$5,225,289	\$6,432,957	\$6,395,072
Contributions in relation to the actuarially determined contributions	3,935,948	4,354,487	6,154,074	5,225,289	6,432,957	6,395,072
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$16,448,436	\$16,260,801	\$17,279,336	\$17,524,711	\$19,466,904	\$19,477,610
Contributions as a percentage of covered payroll	23.93%	26.78%	35.62%	29.82%	33.05%	32.83%

**Notes to Schedule**

Valuation date: 6/30/2013 6/30/2014 6/30/2015 6/30/2016 6/30/2017 6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Asset valuation method	Market Value of Assets
Inflation	2.75% for 2015 to 2019 and 2.875% for 2020
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, and 7.25% for 2020, net of pension plan investment expense, including inflation
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019 and 2020, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

\* Fiscal year 2015 was the 1st year of implementation.

**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**1. PENSION PLANS (Continued)**

Safety Plan  
 Cost-Sharing Multiple-Employer  
 Last 10 Years\*

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Measurement Date	Safety Plan					
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan's Proportion of the Net Pension Liability (Asset)	0.61%	0.90%	0.87%	0.85%	0.88%	0.89%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$22,835,706	\$37,270,097	\$44,955,218	\$50,931,008	\$51,822,653	\$55,414,232
Plan's Covered Payroll (A)	\$9,768,195	\$9,475,749	\$9,243,560	\$8,848,363	\$10,025,155	\$10,972,143
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	233.78%	393.32%	486.34%	575.60%	516.93%	505.04%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%	70.45%	66.09%	65.20%	66.17%	66.29%

**Notes to Schedule:**

(A) Covered payroll is compensation to active employees on which the employer bases contributions to a pension plan.

\* Fiscal year 2015 was the 1st year of implementation.

**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**1. PENSION PLANS (Continued)**

Safety Plan  
 Cost-Sharing Multiple Employer  
 Last 10 Years\*

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year Ended June 30:	Safety Plan					
	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$2,705,123	\$1,504,861	\$1,780,246	\$3,871,021	\$2,776,563	\$4,159,124
Contributions in relation to the actuarially determined contributions	(2,705,123)	(1,504,861)	(1,780,246)	(3,871,021)	(2,776,563)	(4,159,124)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$9,475,749	\$9,243,560	\$8,848,363	\$10,025,155	\$10,972,143	\$11,945,894
Contributions as a percentage of covered payroll	28.55%	16.28%	20.12%	38.61%	25.31%	34.82%
<b>Notes to Schedule</b>						
Valuation date:	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018

\* Fiscal year 2015 was the 1st year of implementation.



**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**2. OTHER POST RETIREMENT BENEFIT PLAN**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

Retiree Healthcare OPEB Plan - Agent Multiple Employer  
Last 10 fiscal years\*

Measurement Date	6/30/17	6/30/18	6/30/19
<b>Total OPEB Liability</b>			
Service Cost	\$2,299,000	\$2,367,970	\$2,597,615
Interest	5,714,000	5,995,382	6,290,476
Changes in benefit terms			
Differences between expected and actual experience		935,453	
Changes of assumptions	(3,872,000)	2,496,947	(3,231,840)
Benefit payments		(3,955,000)	(4,183,615)
<b>Net change in total OPEB liability</b>	4,141,000	7,840,752	1,472,636
<b>Total OPEB liability - beginning</b>	84,289,000	88,430,000	96,270,752
<b>Total OPEB liability - ending (a)</b>	<u>\$88,430,000</u>	<u>\$96,270,752</u>	<u>\$97,743,388</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$10,146,000	\$7,391,743	\$7,294,033
Contributions - employee			
Net investment income	2,472,000	2,356,688	2,214,817
Other additions		171	
Administrative expense	(22,000)	(15,947)	(7,632)
Benefit payments	(3,872,000)	(3,955,000)	(4,183,615)
Other deductions		(39,031)	
<b>Net change in plan fiduciary net position</b>	8,724,000	5,738,624	5,317,603
<b>Plan fiduciary net position - beginning</b>	20,771,000	29,495,000	35,233,624
<b>Plan fiduciary net position - ending (b)</b>	<u>\$29,495,000</u>	<u>\$35,233,624</u>	<u>\$40,551,227</u>
Net OPEB liability - ending (a)-(b)	<u>\$58,935,000</u>	<u>\$61,037,128</u>	<u>\$57,192,161</u>
Plan fiduciary net position as a percentage of the total OPEB liability	33.35%	36.60%	41.49%
Covered payroll	<u>\$265,776,669</u>	<u>\$27,549,867</u>	<u>\$32,754,164</u>
Net OPEB liability as a percentage of covered payroll	<u>22.17%</u>	<u>221.55%</u>	<u>174.61%</u>

\* Fiscal year 2018 was the first year of implementation.

**CITY OF DAVIS**  
**Required Supplemental Information**  
**For the year ended June 30, 2020**

**2. OTHER POST RETIREMENT BENEFIT PLAN (Continued)**

**SCHEDULE OF CONTRIBUTIONS**  
Retiree Healthcare OPEB Plan - Agent Multiple Employer  
Last 10 fiscal years\*

Fiscal Year Ended June 30,	2018	2019	2020
Actuarially determined contribution	\$6,125,000	\$6,310,000	\$7,259,000
Contributions in relation to the actuarially determined contribution	7,408,000	7,243,033	4,181,733
Contribution deficiency (excess)	(\$1,283,000)	(\$933,033)	\$3,077,267
Covered payroll	\$27,549,867	\$32,754,164	\$35,085,739
Contributions as a percentage of covered payroll	26.89%	22.11%	11.92%

\* Fiscal year 2018 was the first year of implementation.

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Amortization Method	Straight-line amortization over a closed 5-year period
Amortization Period	18-year fixed period for 2018/19
Asset Valuation Method	Investment gains and losses spread over 5-year closed period
Discount Rate	6.50%
General Inflation	2.50%
Medical Trend	<ul style="list-style-type: none"> <li>• Non-Medicare - 6.9% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years</li> <li>• Medicare - 5.6% for 2018, decreasing to an ultimate rate of 4.0% in 2076 and later years</li> </ul>
Mortality, Retirement, Disability, Termination	• CalPERS December 2017 Experience Study
Mortality Improvement	<ul style="list-style-type: none"> <li>• Based on assumptions for Public Agency Miscellaneous, Police and Fire members published in the December 2017 CalPERS Experience Study.</li> <li>These tables include 15 years of static mortality improvement using 90% of scale MP-2016.</li> </ul>

CITY OF DAVIS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$49,683,035	\$49,726,027	\$50,881,522	\$1,155,495
Fines and forfeitures	350,000	450,000	420,840	(29,160)
Use of money and property	1,528,685	1,545,273	1,986,393	441,120
Intergovernmental	60,150	185,150	545,416	360,266
Charges for current services	8,734,290	9,527,262	8,125,054	(1,402,208)
Development fees				
Administrative fee - other funds	2,397,176	2,304,974	2,304,543	(431)
Other	1,796,478	1,794,240	2,457,496	663,256
	<u>64,549,814</u>	<u>65,532,926</u>	<u>66,721,264</u>	<u>1,188,338</u>
<b>EXPENDITURES:</b>				
Current:				
City Council	239,105	239,105	187,826	51,279
City Attorney	170,217	170,217	446,722	(276,505)
City Manager	4,141,687	4,550,136	3,880,567	669,569
Administrative services	3,438,409	4,020,047	2,937,478	1,082,569
Community development	3,171,085	7,056,000	5,952,156	1,103,844
Parks and community services	12,442,258	13,137,090	12,015,380	1,121,710
Public safety - fire	11,215,787	11,707,247	12,966,983	(1,259,736)
Public safety - police	19,945,541	20,850,767	19,130,099	1,720,668
Public works	5,430,540	6,456,355	4,736,515	1,719,840
Debt Service:				
Principal	190,288	190,288	190,288	
Interest	23,734	23,734	23,734	
Capital outlay	(667,814)	2,082,199	283,963	1,798,236
	<u>59,740,837</u>	<u>70,483,185</u>	<u>62,751,711</u>	<u>7,731,474</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out			(7,292,438)	7,292,438
			<u>(7,292,438)</u>	<u>7,292,438</u>
Net Change in Fund Balance	<u>\$4,808,977</u>	<u>(\$4,950,259)</u>	(3,322,885)	<u>\$749,302</u>
Beginning fund balance, as adjusted			<u>24,630,441</u>	
Ending fund balance			<u>\$21,307,556</u>	

CITY OF DAVIS  
 LOW/MOD HOUSING FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$42,458	\$36,986	\$479,428	\$442,442
Intergovernmental	366,282	422,320	107,439	(314,881)
Charges for services	254,232	554,232	227,217	(327,015)
Other	45,000	50,000	79,360	29,360
Total Revenues	<u>707,972</u>	<u>1,063,538</u>	<u>893,444</u>	<u>(170,094)</u>
EXPENDITURES:				
Current:				
Special projects		1,336,303	928,138	408,165
Total Expenditures		<u>1,336,303</u>	<u>928,138</u>	<u>408,165</u>
Net Change in Fund Balance	<u>\$707,972</u>	<u>(\$272,765)</u>	(34,694)	<u>\$238,071</u>
Beginning fund balance			<u>33,267,143</u>	
Ending fund balance			<u>\$33,232,449</u>	

CITY OF DAVIS  
OPEN SPACE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$657,620	\$673,496	\$657,620	(\$15,876)
Intergovernmental	<u>163,738</u>	<u>89,507</u>	<u>163,738</u>	<u>74,231</u>
Total Revenues	<u>821,358</u>	<u>763,003</u>	<u>821,358</u>	<u>58,355</u>
EXPENDITURES:				
Current:				
Administrative services		620	620	
Parks and community services	<u>209,867</u>	<u>487,156</u>	<u>430,719</u>	<u>56,437</u>
Total Expenditures	<u>209,867</u>	<u>710,905</u>	<u>530,746</u>	<u>180,159</u>
Net Changes in Fund Balance	<u>\$611,491</u>	<u>\$52,098</u>	290,612	<u>\$238,514</u>
Beginning fund balance			<u>5,926,539</u>	
Ending fund balance			<u>\$6,217,151</u>	

CITY OF DAVIS  
DEVELOPMENT DEFERRED IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$535,693	\$370,896	\$535,693	\$164,797
Development fees	1,607,108	2,515,000	1,607,108	(907,892)
Other			40,000	40,000
Total Revenues	2,142,801	2,885,896	2,182,801	(703,095)
EXPENDITURES				
Capital outlay	8,335,908	11,405,767	2,677,432	8,728,335
Total Expenditures	8,335,908	11,405,767	2,677,432	8,728,335
Net Change in Fund Balance	(6,193,107)	(\$8,519,871)	(494,631)	(\$9,431,430)
BEGINNING FUND BALANCE			22,034,199	
ENDING FUND BALANCE			\$21,539,568	

**CITY OF DAVIS**  
**Notes to Required Supplemental Information**  
**For the year ended June 30, 2020**

**1. BUDGETS AND BUDGETARY ACCOUNTING**

The City, by resolution, adopts annually the operating, debt service and capital improvement budgets for all governmental funds. The City Manager submits to the City Council a proposed bi-annual operating budget for the next two fiscal years commencing the following July 1. 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. The City Manager and City Treasurer may approve operating funds new appropriations of \$50,000 or less subject to limitations. For the capital budget, the City Manager and City Treasurer may approve transfers between projects up to \$175,000, 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 incorporates all administrative and City Council amendments through June 30, 2020. 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.

Departments shall observe the budget document to ensure their financial activities comply for their respective departments and/or areas of operations. Where funds are restricted by law, such as developer fees, gas tax funds, trust funds, etc., departments shall ensure compliance with legal restrictions for such funds under their control.

Each department shall establish internal budget controls to administer compliance with the City's policy.

**Expenditures in Excess of Appropriations**

The Davis Land Acquisition Capital Projects Fund had expenditures exceeding the appropriations by \$2,960 for the year ended June 30, 2020.

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**SUPPLEMENTARY INFORMATION**

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## 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 Sections 2105, 2106, 2017, 2017.5 and The Road Repair and Accountability Act of 2017 (SB1).

**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.

**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.

**Municipal Arts** - This fund accounts for funds set aside per 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. Collections must be used for art acquisition.

**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 for which the fund balance has been committed to acquire and/or develop off-street parking and related facilities.

**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.

## NON-MAJOR GOVERNMENTAL FUNDS (Continued)

***Agriculture Land Acquisition*** - This fund accounts for the receipts of in lieu fees for agricultural mitigation.

***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.

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

### **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 assigned 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.

**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.

**Capital Projects** – This fund accounts for expenditures of General Fund and contributions funded capital projects, including acquisition and improvements of public property, facilities, equipment and infrastructure.

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CITY OF DAVIS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Gas Tax	TDA Non-Transit Use	Park Maintenance Tax	Cable TV
<b>ASSETS</b>				
Cash and investments	\$1,774,751	\$215,153	\$913	\$1,002,396
Accrued interest	3,937	1,299		3,508
Receivables:				
General accounts			71,801	117,916
Grants	86,994	281,922		25,297
Utility accounts				
Loans				
Total Assets	\$1,865,682	\$498,374	\$72,714	\$1,149,117
<b>LIABILITIES</b>				
Accounts payable			\$816	\$3,819
Wages payable	\$6,764			9,059
Unearned revenue				
Due to other funds				
Total Liabilities	6,764		816	12,878
<b>FUND BALANCES</b>				
Fund balances:				
Restricted	1,858,918	\$498,374	71,898	
Committed				1,136,239
Unassigned				
Total Fund Balances	1,858,918	498,374	71,898	1,136,239
Total Liabilities and Fund Balances	\$1,865,682	\$498,374	\$72,714	\$1,149,117

SPECIAL REVENUE FUNDS

Public Safety	Municipal Arts	Subdivision In-Lieu Park Fees	In-Lieu of Parking Payments	Parking	Federal/State Highway Grant
\$71,307	\$813,874	\$642,757	\$494,342	\$47,304	
2,649	2,559	2,193	1,528	350	
75,655					\$1,000
1,605					1,379,345
269,218					
<u>\$420,434</u>	<u>\$816,433</u>	<u>\$644,950</u>	<u>\$495,870</u>	<u>\$47,654</u>	<u>\$1,380,345</u>
	\$1,000			\$198	\$24,953
\$236,679		\$1,325		803	1,379,345
					1,361,570
<u>236,679</u>	<u>1,000</u>	<u>1,325</u>		<u>1,001</u>	<u>2,765,868</u>
183,755	815,433	643,625	\$495,870	46,653	
					(1,385,523)
<u>183,755</u>	<u>815,433</u>	<u>643,625</u>	<u>495,870</u>	<u>46,653</u>	<u>(1,385,523)</u>
<u>\$420,434</u>	<u>\$816,433</u>	<u>\$644,950</u>	<u>\$495,870</u>	<u>\$47,654</u>	<u>\$1,380,345</u>

(Continued)

CITY OF DAVIS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Community Development Block Grant	Operational Grants	Agriculture Land Acquisition	Davisville Book
<b>ASSETS</b>				
Cash and investments	\$318,364	\$466,253	\$274,593	\$2,192
Accrued interest	709	709	852	7
Receivables:				
General accounts		1,738		
Grants	7,266	142,842		
Utility accounts				
Loans	1,652,000			
	<u>1,652,000</u>	<u>144,581</u>	<u>275,445</u>	<u>2,199</u>
Total Assets	<u>\$1,978,339</u>	<u>\$611,542</u>	<u>\$275,445</u>	<u>\$2,199</u>
<b>LIABILITIES</b>				
Accounts payable	\$19,140	\$137,560		
Wages payable	660			
Unearned revenue				
Due to other funds				
	<u>19,800</u>	<u>137,560</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>19,800</u>	<u>137,560</u>	<u>0</u>	<u>0</u>
<b>FUND BALANCES</b>				
Fund balances:				
Restricted	1,958,539	473,982		
Committed			\$275,445	\$2,199
Unassigned				
	<u>1,958,539</u>	<u>473,982</u>	<u>275,445</u>	<u>2,199</u>
Total Fund Balances	<u>1,958,539</u>	<u>473,982</u>	<u>275,445</u>	<u>2,199</u>
Total Liabilities and Fund Balances	<u>\$1,978,339</u>	<u>\$611,542</u>	<u>\$275,445</u>	<u>\$2,199</u>



SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

Historical Fund	Brinley/Hattie Weber	Davis Research Park	Arlington Boulevard Benefit Area	Capital Grants	Davis Land Acquisition	Public Facilities Financing Authority
\$11	\$4,318 13	\$847,890 2,622	\$405,431 1,254	\$462,174 1,421	\$1,431,445 4,574	\$234,595 725
<u>\$11</u>	<u>\$4,331</u>	<u>\$850,512</u>	<u>\$406,685</u>	<u>\$463,595</u>	<u>\$1,436,019</u>	<u>\$235,320</u>
\$11	\$4,331	\$850,512	\$406,685	463,595	\$1,436,019	\$235,320
11	4,331	850,512	406,685	463,595	1,436,019	235,320
<u>\$11</u>	<u>\$4,331</u>	<u>\$850,512</u>	<u>\$406,685</u>	<u>\$463,595</u>	<u>\$1,436,019</u>	<u>\$235,320</u>

(Continued)

CITY OF DAVIS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2020

	CAPITAL PROJECTS FUNDS		Total Nonmajor Governmental Funds
	Oxford Circle Park and Parking Lot	Capital Projects	
<b>ASSETS</b>			
Cash and investments	\$37,722	\$5,171,803	\$14,719,588
Accrued interest	116		31,025
Receivables:			
General accounts		438,683	706,793
Grants			1,925,271
Utility accounts			269,218
Loans			1,652,000
	<u>\$37,838</u>	<u>\$5,610,486</u>	<u>\$19,303,895</u>
Total Assets	<u>\$37,838</u>	<u>\$5,610,486</u>	<u>\$19,303,895</u>
<b>LIABILITIES</b>			
Accounts payable		\$112,949	\$300,435
Wages payable		17,677	36,288
Unearned revenue			1,616,024
Due to other funds			1,361,570
		<u>130,626</u>	<u>3,314,317</u>
Total Liabilities		<u>130,626</u>	<u>3,314,317</u>
<b>FUND EQUITY</b>			
Fund balances:			
Restricted	\$37,838	5,479,860	14,415,165
Committed			2,959,936
Unassigned			(1,385,523)
	<u>37,838</u>	<u>5,479,860</u>	<u>15,989,578</u>
Total Fund Balances	<u>37,838</u>	<u>5,479,860</u>	<u>15,989,578</u>
Total Liabilities and Fund Balances	<u>\$37,838</u>	<u>\$5,610,486</u>	<u>\$19,303,895</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, 2020

	SPECIAL REVENUE FUNDS			
	Gas Tax	TDA Non-Transit Use	Park Maintenance Tax	Cable TV
REVENUES				
Taxes			\$1,420,470	\$476,875
Use of money and property	\$37,954	\$11,492	96	29,886
Intergovernmental	2,701,483	970,859		103,155
Charges for current services				
Development fees				
Other				5,000
Total Revenues	<u>2,739,437</u>	<u>982,351</u>	<u>1,420,566</u>	<u>614,916</u>
EXPENDITURES				
Current:				
City Manager				24,903
Administrative service				638,325
Community development				
Parks and community services			1,348,667	100,296
Public safety - fire				
Public safety - police				
Public works	1,067,802	752,411		
Special projects				
Capital outlay	963,315			
Total Expenditures	<u>2,031,117</u>	<u>752,411</u>	<u>1,348,667</u>	<u>763,524</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>708,320</u>	<u>229,940</u>	<u>71,899</u>	<u>(148,608)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Total other financing sources (uses)				
Net Change in Fund Balance	708,320	229,940	71,899	(148,608)
BEGINNING FUND BALANCES, AS ADJUSTED	<u>1,150,598</u>	<u>268,434</u>	<u>(1)</u>	<u>1,284,847</u>
ENDING FUND BALANCES	<u><u>\$1,858,918</u></u>	<u><u>\$498,374</u></u>	<u><u>\$71,898</u></u>	<u><u>\$1,136,239</u></u>

SPECIAL REVENUE FUNDS

Public Safety	Municipal Arts	Subdivision In-Lieu Park Fees	In-Lieu of Parking Payments	Parking	Federal/State Highway Grants
\$643,259					
24,049	\$21,598	\$19,487	\$13,553	\$58,481	
165,822					\$1,000
2,809,157					
	1,650	46,970			
	5,000				
<u>3,642,287</u>	<u>28,248</u>	<u>66,457</u>	<u>13,553</u>	<u>58,481</u>	<u>1,000</u>
59,404				24,895	
	30,808			24,857	
1,620,219					
1,713,830					24,953
		117,525		72,191	56,797
<u>3,393,453</u>	<u>30,808</u>	<u>117,525</u>		<u>121,943</u>	<u>81,750</u>
248,834	(2,560)	(51,068)	13,553	(63,462)	(80,750)
248,834	(2,560)	(51,068)	13,553	(63,462)	(80,750)
(65,079)	817,993	694,693	482,317	110,115	(1,304,773)
<u>\$183,755</u>	<u>\$815,433</u>	<u>\$643,625</u>	<u>\$495,870</u>	<u>\$46,653</u>	<u>(\$1,385,523)</u>

(Continued)

CITY OF DAVIS  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS			
	Community Development Block Grant	Operational Grants	Agriculture Land Acquisition	Davisville Book
REVENUES				
Taxes				
Use of money and property	\$68,448	\$4,222	\$7,538	\$61
Intergovernmental	565,167	768,102		
Charges for current services				
Development fees				
Other	7,266			
	640,881	772,324	7,538	61
Total Revenues				
EXPENDITURES				
Current:				
City Manager				
Administrative service				
Community development			2,910	
Parks and community services				
Public safety - fire				
Public safety - police				
Public works				
Special projects	296,476	417,654		
Capital outlay	265,884			
	562,360	417,654	2,910	
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	78,521	354,670	4,628	61
OTHER FINANCING SOURCES (USES):				
Transfers in				
Total other financing sources (uses)				
Net Change in Fund Balance	78,521	354,670	4,628	61
BEGINNING FUND BALANCES, AS ADJUSTED	1,880,018	119,312	270,817	2,138
ENDING FUND BALANCES	\$1,958,539	\$473,982	\$275,445	\$2,199

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS				
Historical	Brinley/Hattie Weber	Davis Research Park	Arlington Boulevard Benefit Area	Capital Grants	Davis Land Acquisition	Public Facilities Financing Authority
\$1	\$119	\$23,249	\$11,117	\$12,991 89,125	\$40,500	\$6,432
1	119	23,249	11,117	102,116	40,500	6,432
					172,592	
					172,592	
1	119	23,249	11,117	102,116	(132,092)	6,432
1	119	23,249	11,117	102,116	(132,092)	6,432
10	4,212	827,263	395,568	361,479	1,568,111	228,888
\$11	\$4,331	\$850,512	\$406,685	\$463,595	\$1,436,019	\$235,320

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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, 2020

	CAPITAL PROJECTS FUNDS		Total Nonmajor Governmental Funds
	Oxford Circle Park and Parking Lot	Capital Projects	
REVENUES			
Taxes			\$2,540,604
Use of money and property	\$1,035		392,309
Intergovernmental			5,364,713
Charges for current services		\$40,000	2,849,157
Development fees			48,620
Other		688,683	705,949
Total Revenues	1,035	728,683	11,901,352
EXPENDITURES			
Current:			
City Manager			24,903
Administrative service			722,624
Community development			58,575
Parks and community services			1,448,963
Public safety - fire			1,620,219
Public safety - police			1,713,830
Public works			1,845,166
Special projects			714,130
Capital outlay	112	3,151,768	4,800,184
Total Expenditures	112	3,151,768	12,948,594
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	923	(2,423,085)	(1,047,242)
OTHER FINANCING SOURCES (USES):			
Transfers in		7,292,438	7,292,438
Total other financing sources (uses)		7,292,438	7,292,438
Net Change in Fund Balance	923	4,869,353	6,245,196
BEGINNING FUND BALANCES, AS ADJUSTED	36,915	610,507	9,744,382
ENDING FUND BALANCES	\$37,838	\$5,479,860	\$15,989,578



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CITY OF DAVIS  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	GAS TAX			TDA NON-TRANSIT USE		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property	\$15,999	\$37,954	\$21,955	\$116	\$11,492	\$11,376
Intergovernmental	2,933,279	2,701,483	(231,796)	498,320	970,859	472,539
Charges for current services						
Development fees						
Other						
Total Revenues	2,949,278	2,739,437	(209,841)	498,436	982,351	483,915
EXPENDITURES						
Current:						
City Manager						
Administrative services						
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works	1,306,181	1,067,802	238,379	752,411	752,411	
Special projects						
Capital outlay	1,149,382	963,315	186,067			
Total Expenditures	2,455,563	2,031,117	424,446	752,411	752,411	
OTHER FINANCING SOURCES (USES):						
Transfers in						
Total other financing sources (uses)						
Net Change in Fund Balance	\$493,715	708,320	\$214,605	(\$253,975)	229,940	\$483,915
BEGINNING FUND BALANCE, AS ADJUSTED		1,150,598			268,434	
ENDING FUND BALANCE		\$1,858,918			\$498,374	

PARK MAINTENANCE TAX			CABLE TV			PUBLIC SAFETY		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,414,700	\$1,420,470	\$5,770	\$550,000	\$476,875	(\$73,125)	\$560,900	\$643,259	\$82,359
	96	96	19,379	29,886	10,507	1,030	24,049	23,019
			60,000	103,155	43,155	120,000	165,822	45,822
						2,877,045	2,809,157	(67,888)
				5,000	5,000			
<u>1,414,700</u>	<u>1,420,566</u>	<u>5,866</u>	<u>629,379</u>	<u>614,916</u>	<u>(14,463)</u>	<u>3,558,975</u>	<u>3,642,287</u>	<u>83,312</u>
			32,210	24,903	7,307			
			943,966	638,325	305,641	59,404	59,404	
1,405,529	1,348,667	56,862	204,543	100,296	104,247			
						1,685,219	1,620,219	65,000
						1,778,233	1,713,830	64,403
<u>1,405,529</u>	<u>1,348,667</u>	<u>56,862</u>	<u>1,180,719</u>	<u>763,524</u>	<u>417,195</u>	<u>3,522,856</u>	<u>3,393,453</u>	<u>129,403</u>
<u>\$9,171</u>	71,899	<u>\$62,728</u>	<u>(\$551,340)</u>	(148,608)	<u>\$402,732</u>	<u>\$36,119</u>	248,834	<u>\$212,715</u>
	(1)			1,284,847			(65,079)	
	<u>\$71,898</u>			<u>\$1,136,239</u>			<u>\$183,755</u>	

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CITY OF DAVIS  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	MUNICIPAL ARTS			SUBDIVISION IN-LIEU PARK FEES		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>						
Taxes						
Use of money and property	\$1,924	\$21,598	\$19,674	\$12,712	\$19,487	\$6,775
Intergovernmental						
Charges for current services						
Development fees	10,000	1,650	(8,350)	125,000	46,970	(78,030)
Other		5,000	5,000			
<b>Total Revenues</b>	<u>11,924</u>	<u>28,248</u>	<u>16,324</u>	<u>137,712</u>	<u>66,457</u>	<u>(71,255)</u>
<b>EXPENDITURES</b>						
Current:						
City Manager						
Administrative services	50,029	30,808	19,221			
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital outlay				629,406	117,525	511,881
<b>Total Expenditures</b>	<u>50,029</u>	<u>30,808</u>	<u>19,221</u>	<u>629,406</u>	<u>117,525</u>	<u>511,881</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in						
<b>Total other financing sources (uses)</b>						
<b>Net Change in Fund Balance</b>	<u>(\$38,105)</u>	<u>(2,560)</u>	<u>\$35,545</u>	<u>(\$491,694)</u>	<u>(51,068)</u>	<u>\$440,626</u>
<b>BEGINNING FUND BALANCE, AS ADJUSTED</b>		<u>817,993</u>			<u>694,693</u>	
<b>ENDING FUND BALANCE</b>		<u>\$815,433</u>			<u>\$643,625</u>	

IN-LIEU OF PARKING PAYMENTS			PARKING			FEDERAL/STATE HIGHWAY GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$7,846	\$13,553	\$5,707	\$101,035	\$58,481	(\$42,554)	\$9,472,989	\$1,000	(\$9,471,989)
<u>7,846</u>	<u>13,553</u>	<u>5,707</u>	<u>101,035</u>	<u>58,481</u>	<u>(42,554)</u>	<u>9,472,989</u>	<u>1,000</u>	<u>(9,471,989)</u>
			32,996	24,895	8,101			
			31,332	24,857	6,475			
						362,238	24,953	337,285
			164,984	72,191	92,793	9,527,199	56,797	9,470,402
			229,312	121,943	107,369	9,889,437	81,750	9,807,687
<u>\$7,846</u>	13,553	<u>\$5,707</u>	<u>(\$128,277)</u>	(63,462)	<u>\$64,815</u>	<u>(\$416,448)</u>	(80,750)	<u>\$335,698</u>
	<u>482,317</u>			<u>110,115</u>			<u>(1,304,773)</u>	
	<u>\$495,870</u>			<u>\$46,653</u>			<u>(\$1,385,523)</u>	

(Continued)

CITY OF DAVIS  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	COMMUNITY DEVELOPMENT BLOCK GRANT			OPERATIONAL GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property	\$2,566	\$68,448	\$65,882	\$5,957	\$4,222	(\$1,735)
Intergovernmental	600,000	565,167	(34,833)	1,089,422	768,102	(321,320)
Charges for current services						
Development fees						
Other		7,266	7,266			
Total Revenues	<u>602,566</u>	<u>640,881</u>	<u>38,315</u>	<u>1,095,379</u>	<u>772,324</u>	<u>(323,055)</u>
EXPENDITURES						
Current:						
City Manager						
Administrative services						
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works						
Special projects	463,656	296,476	167,180	1,403,730	417,654	986,076
Capital outlay	658,918	265,884	393,034			
Total Expenditures	<u>1,122,574</u>	<u>562,360</u>	<u>560,214</u>	<u>1,403,730</u>	<u>417,654</u>	<u>986,076</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Total other financing sources (uses)						
Net Change in Fund Balance	<u>(\$520,008)</u>	78,521	<u>\$598,529</u>	<u>(\$308,351)</u>	354,670	<u>\$663,021</u>
BEGINNING FUND BALANCE, AS ADJUSTED		<u>1,880,018</u>			<u>119,312</u>	
ENDING FUND BALANCE		<u>\$1,958,539</u>			<u>\$473,982</u>	

<u>AGRICULTURE LAND ACQUISITION</u>			<u>DAVISVILLE BOOK</u>			<u>HISTORICAL</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$5,863	\$7,538	\$1,675	\$34	\$61	\$27		\$1	\$1
<u>5,863</u>	<u>7,538</u>	<u>1,675</u>	<u>34</u>	<u>61</u>	<u>27</u>		<u>1</u>	<u>1</u>
13,000	2,910	10,090						
<u>13,000</u>	<u>2,910</u>	<u>10,090</u>						
<u>(\$7,137)</u>	4,628	<u>\$11,765</u>	<u>\$34</u>	61	<u>\$27</u>		1	<u>\$1</u>
	<u>270,817</u>			<u>2,138</u>			<u>10</u>	
	<u>\$275,445</u>			<u>\$2,199</u>			<u>\$11</u>	

(Continued)

CITY OF DAVIS  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>BRINLEY/HATTIE WEBER</u>			<u>DAVIS RESEARCH PARK</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Taxes						
Use of money and property	\$68	\$119	\$51	\$13,458	\$23,249	\$9,791
Intergovernmental						
Charges for current services						
Development fees						
Other						
Total Revenues	<u>68</u>	<u>119</u>	<u>51</u>	<u>13,458</u>	<u>23,249</u>	<u>9,791</u>
EXPENDITURES						
Current:						
City Manager						
Administrative services						
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital outlay						
Total Expenditures						
OTHER FINANCING SOURCES (USES):						
Transfers in						
Total other financing sources (uses)						
Net Change in Fund Balance	<u>\$68</u>	119	<u>\$51</u>	<u>\$13,458</u>	23,249	<u>\$9,791</u>
BEGINNING FUND BALANCE, AS ADJUSTED		<u>4,212</u>			<u>827,263</u>	
ENDING FUND BALANCE		<u>\$4,331</u>			<u>\$850,512</u>	



ARLINGTON BOULEVARD BENEFIT AREA			CAPITAL GRANTS			DAVIS LAND ACQUISITION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$6,435	\$11,117	\$4,682	\$4,194 240,000	\$12,991 89,125	\$8,797 (150,875)	\$25,860	\$40,500	\$14,640
<u>6,435</u>	<u>11,117</u>	<u>4,682</u>	<u>244,194</u>	<u>102,116</u>	<u>(142,078)</u>	<u>25,860</u>	<u>40,500</u>	<u>14,640</u>
			<u>525,552</u>		<u>525,552</u>	<u>169,632</u>	<u>172,592</u>	<u>(2,960)</u>
			<u>525,552</u>		<u>525,552</u>	<u>169,632</u>	<u>172,592</u>	<u>(2,960)</u>
<u>\$6,435</u>	11,117	<u>\$4,682</u>	<u>(\$281,358)</u>	102,116	<u>\$383,474</u>	<u>(\$143,772)</u>	(132,092)	<u>\$11,680</u>
	<u>395,568</u>			<u>361,479</u>			<u>1,568,111</u>	
	<u>\$406,685</u>			<u>\$463,595</u>			<u>\$1,436,019</u>	

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CITY OF DAVIS  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	PUBLIC FACILITIES FINANCING AUTHORITY			OXFORD CIRCLE PARK AND PARKING LOT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Taxes						
Use of money and property	\$3,724	\$6,432	\$2,708	\$600	\$1,035	\$435
Intergovernmental						
Charges for current services						
Development fees						
Other						
	<u>3,724</u>	<u>6,432</u>	<u>2,708</u>	<u>600</u>	<u>1,035</u>	<u>435</u>
EXPENDITURES						
Current:						
City Manager						
Administrative services						
Community development						
Parks and community services						
Public safety - fire						
Public safety - police						
Public works						
Special projects						
Capital outlay				112	112	
				<u>112</u>	<u>112</u>	
OTHER FINANCING SOURCES (USES):						
Transfers in						
Total other financing sources (uses)						
Net Change in Fund Balance	<u>\$3,724</u>	6,432	<u>\$2,708</u>	<u>\$488</u>	923	<u>\$435</u>
BEGINNING FUND BALANCE, AS ADJUSTED		<u>228,888</u>			<u>36,915</u>	
ENDING FUND BALANCE		<u>\$235,320</u>			<u>\$37,838</u>	

CAPITAL PROJECTS

Budget	Actual	Variance Positive (Negative)
\$40,000	\$40,000	
677,683	688,683	\$11,000
717,683	728,683	11,000
8,009,284	3,151,768	4,857,516
8,009,284	3,151,768	4,857,516
	7,292,438	(7,292,438)
	7,292,438	(7,292,438)
(\$7,291,601)	4,869,353	(\$12,138,954)
	610,507	
	\$5,479,860	

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## 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 activities 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 services.

***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.

***Employee Benefits Fund*** – This fund is used to account for accrued leave benefits and as a clearing fund for payroll taxes and liabilities.

CITY OF DAVIS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	General Services	Building Maintenance	City Self- Insurance	Employee Benefits	Total
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$27,547,745	\$883,237	\$892,496		\$29,323,478
Accrued interest	82,814	2,501	745		86,060
Accounts receivable	22,296		592,211	\$3,556	618,063
Inventory	279,689				279,689
Prepaid				984,714	984,714
<b>Total Current Assets</b>	<b>27,932,544</b>	<b>885,738</b>	<b>1,485,452</b>	<b>988,270</b>	<b>31,292,004</b>
Noncurrent Assets:					
Advances to other funds	154,447				154,447
Capital assets:					
Non-depreciable	505,083				505,083
Depreciable	15,195,509	237,538			15,433,047
Accumulated depreciation	(9,887,695)	(33,651)			(9,921,346)
<b>Total Noncurrent Assets</b>	<b>5,967,344</b>	<b>203,887</b>			<b>6,171,231</b>
<b>Total Assets</b>	<b>33,899,888</b>	<b>1,089,625</b>	<b>1,485,452</b>	<b>988,270</b>	<b>37,463,235</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pension	1,567,412	392,428	1,317,383		3,277,223
Deferred outflows related to OPEB	287,036	84,847	453,689		825,572
<b>Total Deferred Outflows of Resources</b>	<b>1,854,448</b>	<b>477,275</b>	<b>1,771,072</b>		<b>4,102,795</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Payables:					
Accounts	99,318	101,353	11,323		211,994
Wages	94,898	15,054			109,952
Leave benefits	197,338	18,322		26,313	241,973
Due to other funds				1,932,099	1,932,099
Claims payable:					
Due within one year			127,174		127,174
<b>Total Current Liabilities</b>	<b>391,554</b>	<b>134,729</b>	<b>138,497</b>	<b>1,958,412</b>	<b>2,623,192</b>
Noncurrent Liabilities:					
Claims payable:					
Due in more than one year			92,288		92,288
Net pension liability	4,566,472	1,050,731	1,264,130		6,881,333
Net OPEB liability	2,505,180	665,365	3,688,712		6,859,257
<b>Total Noncurrent Liabilities</b>	<b>7,071,652</b>	<b>1,716,096</b>	<b>5,045,130</b>		<b>13,832,878</b>
<b>Total Liabilities</b>	<b>7,463,206</b>	<b>1,850,825</b>	<b>5,183,627</b>	<b>1,958,412</b>	<b>16,456,070</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pension	241,641	62,843	37,129		341,613
Deferred inflows related to OPEB	133,652	25,049	64,706		223,407
<b>Total Deferred Inflows of Resources</b>	<b>375,293</b>	<b>87,892</b>	<b>101,835</b>		<b>565,020</b>
<b>NET POSITION</b>					
Net investment in capital assets	5,812,897	203,887			6,016,784
Unrestricted	22,102,940	(575,704)	(2,028,938)	(970,142)	18,528,156
<b>Total Net Position</b>	<b>\$27,915,837</b>	<b>(\$371,817)</b>	<b>(\$2,028,938)</b>	<b>(\$970,142)</b>	<b>\$24,544,940</b>

CITY OF DAVIS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Services	Building Maintenance	City Self- Insurance	Employee Benefits	Total
<b>OPERATING REVENUES</b>					
Charges for current services	\$7,701,501	\$1,821,714	\$11,935,592	\$3,309,782	\$24,768,589
Total Operating Revenues	<u>7,701,501</u>	<u>1,821,714</u>	<u>11,935,592</u>	<u>3,309,782</u>	<u>24,768,589</u>
<b>OPERATING EXPENSES</b>					
Central stores	299,661				299,661
Central equipment	1,741,879				1,741,879
Duplication - postal	137,325				137,325
City administrative facility maintenance	754,943	1,715,050			2,469,993
Insurance administration			518,759		518,759
Insurance premiums and claims payments			10,971,062		10,971,062
MIS services	2,681,882				2,681,882
Leave benefits paid				2,551,526	2,551,526
OPEB expense	91,065	14,926	19,034		125,025
Depreciation	834,420	4,751			839,171
Total Operating Expenses	<u>6,541,175</u>	<u>1,734,727</u>	<u>11,508,855</u>	<u>2,551,526</u>	<u>22,336,283</u>
Operating Income (Loss)	<u>1,160,326</u>	<u>86,987</u>	<u>426,737</u>	<u>758,256</u>	<u>2,432,306</u>
<b>NONOPERATING REVENUES</b>					
Interest income	738,606	22,000	9,334		769,940
Other	505,902		25		505,927
Total Nonoperating Revenues	<u>1,244,508</u>	<u>22,000</u>	<u>9,359</u>		<u>1,275,867</u>
Income (Loss) before transfers	<u>2,404,834</u>	<u>108,987</u>	<u>436,096</u>	<u>758,256</u>	<u>3,708,173</u>
Change in Net Assets	2,404,834	108,987	436,096	758,256	3,708,173
BEGINNING NET POSITION (DEFICIT)	<u>25,511,003</u>	<u>(480,804)</u>	<u>(2,465,034)</u>	<u>(1,728,398)</u>	<u>20,836,767</u>
ENDING NET POSITION (DEFICIT)	<u>\$27,915,837</u>	<u>(\$371,817)</u>	<u>(\$2,028,938)</u>	<u>(\$970,142)</u>	<u>\$24,544,940</u>

CITY OF DAVIS  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED JUNE 30, 2020

	General Services	Building Maintenance	City Self- Insurance	Employee Benefits	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund charges	\$8,211,388	\$1,818,288	\$11,367,577	\$3,306,226	\$24,703,479
Payments to suppliers	(5,045,625)		(11,493,312)		(16,538,937)
Payments to employees	(521,673)	(1,690,039)		(2,784,722)	(4,996,434)
Claims paid and claims adjustments			(16,454)		(16,454)
Cash Flows from Operating Activities	<u>2,644,090</u>	<u>128,249</u>	<u>(142,189)</u>	<u>521,504</u>	<u>3,151,654</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund receipts	60,816				60,816
Interfund (payments)				(521,504)	(521,504)
Cash Flows from Noncapital Financing Activities	<u>60,816</u>			<u>(521,504)</u>	<u>(460,688)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Sales (Acquisitions) of capital assets, net	(886,469)				(886,469)
Cash Flows from Capital and Related Financing Activities	<u>(886,469)</u>				<u>(886,469)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	753,797	22,499	14,655		790,951
Cash Flows from Investing Activities	<u>753,797</u>	<u>22,499</u>	<u>14,655</u>		<u>790,951</u>
Net Cash Flows	2,572,234	150,748	(127,534)		2,595,448
Cash and investments at beginning of period	<u>24,975,511</u>	<u>732,489</u>	<u>1,020,030</u>		<u>26,728,030</u>
Cash and investments at end of period	<u>\$27,547,745</u>	<u>\$883,237</u>	<u>\$892,496</u>		<u>\$29,323,478</u>
<b>Reconciliation of operating income to net cash flows</b>					
from operating activities:					
Operating income (loss)	\$1,160,326	\$86,987	\$426,737	\$758,256	\$2,432,306
Adjustments to reconcile operating income to net cash flows					
from operating activities:					
Depreciation	834,420	4,751			839,171
Other revenues	505,902		25		505,927
Change in assets and liabilities:					
General accounts receivable	3,985		(568,040)	(3,556)	(567,611)
Prepaid expenses				101,664	101,664
Inventory	(18,467)				(18,467)
Accounts payable	(166,411)	(3,426)	(16,695)	(239,790)	(426,322)
Wages payable	10,849	(2,238)	(19,779)		(11,168)
Leave benefits payable	42,824	(4,561)		(95,070)	(56,807)
Claims payable			(16,454)		(16,454)
Due to retirement system	179,597	31,810	32,983		244,390
Net OPEB liability, and related deferred outflows and deferred inflows	<u>91,065</u>	<u>14,926</u>	<u>19,034</u>		<u>125,025</u>
Cash Flows from Operating Activities	<u>\$2,644,090</u>	<u>\$128,249</u>	<u>(\$142,189)</u>	<u>\$521,504</u>	<u>\$3,151,654</u>



## 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:

***Public Facilities Financing Authority*** - This fund accounts for assessments collected from property owners for a series of Community Facilities Districts under the State Mello-Roos Act and the repayment of certain debt issued through the financing authority for the construction of infrastructure and improvements.

***Mello Roos Community Facilities District*** - This fund accounts for assessments collected from property owners in the Mello Roos Community Facilities District and the repayment of underlying debt issued by this district.

***University Research Park*** - This fund accounts for assessments collected from property owners in the University Research Park Improvement District and the repayment of underlying debt issued by this district.

***Special Assessment Parking District #3*** - This fund accounts for assessments collected from property owners in the Special Assessment Parking District #3 and the repayment of underlying debt issued by this district.

***Woodland-Davis Clean Water Agency*** - This fund accounts for the Woodland-Davis Clean Water Agency joint powers authority formed between the City of Davis and the City of Woodland for the joint construction and ownership of the Woodland-Davis Water Supply Capital Improvement Project.

***Cannery Community Facilities District and Debt Service Fund*** – This fund accounts for the expenditures of the bond proceeds and to account for assessments collected from property owners living in the district to pay the debt service associated with those bonds.

CITY OF DAVIS  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Balance at June 30, 2019	Additions	Deductions	Balance at June 30, 2020
<u>Public Facilities Financing Authority</u>				
Assets:				
Cash and investments	\$3,932,005	\$80,378		\$4,012,383
Cash and investments with fiscal agents	1,245,360	13,865		1,259,225
Accrued interest receivable	14,457		\$3,039	11,418
Accounts receivable	48,886		879	48,007
Total Assets	<u>\$5,240,708</u>	<u>\$94,243</u>	<u>\$3,918</u>	<u>\$5,331,033</u>
Liabilities:				
Due to bondholders	<u>\$5,240,708</u>	<u>\$94,243</u>	<u>\$3,918</u>	<u>\$5,331,033</u>
Total Liabilities	<u>\$5,240,708</u>	<u>\$94,243</u>	<u>\$3,918</u>	<u>\$5,331,033</u>
<u>Mello Roos Community Facilities District</u>				
Assets:				
Cash and investments	\$1,447,449	\$2,424		\$1,449,873
Cash and investments with fiscal agents	77,935		\$1,519	76,416
Accrued interest receivable	4,093		1,776	2,317
Accounts receivable	67,856		433	67,423
Total Assets	<u>\$1,597,333</u>	<u>\$2,424</u>	<u>\$3,728</u>	<u>\$1,596,029</u>
Liabilities:				
Deposits payable	\$50,000			\$50,000
Due to bondholders	<u>1,547,333</u>	<u>\$2,424</u>	<u>\$3,728</u>	<u>1,546,029</u>
Total Liabilities	<u>\$1,597,333</u>	<u>\$2,424</u>	<u>\$3,728</u>	<u>\$1,596,029</u>
<u>University Research Park</u>				
Assets:				
Cash and investments	\$56,207	\$3,425		\$59,632
Accrued interest receivable	463		\$86	377
Total Assets	<u>\$56,670</u>	<u>\$3,425</u>	<u>\$86</u>	<u>\$60,009</u>
Liabilities:				
Due to bondholders	<u>\$56,670</u>	<u>\$3,425</u>	<u>\$86</u>	<u>\$60,009</u>
Total Liabilities	<u>\$56,670</u>	<u>\$3,425</u>	<u>\$86</u>	<u>\$60,009</u>
<u>Special Assessment Parking District #3</u>				
Assets:				
Cash and investments	\$85,072	\$24,455	\$31,882	\$77,645
Accrued interest receivable	481		90	391
Total Assets	<u>\$85,553</u>	<u>\$24,455</u>	<u>\$31,972</u>	<u>\$78,036</u>
Liabilities:				
Accounts payable		\$24,455		\$24,455
Due to bondholders	<u>\$85,553</u>		<u>\$31,972</u>	<u>53,581</u>
Total Liabilities	<u>\$85,553</u>	<u>\$24,455</u>	<u>\$31,972</u>	<u>\$78,036</u>

CITY OF DAVIS  
AGENCY FUNDS  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	Balance at June 30, 2019	Additions	Deductions	Balance at June 30, 2020
<u>Woodland-Davis Clean Water Agency JPA</u>				
Assets:				
Cash and investments	\$8,450,442	\$244,303	\$240,478	\$8,454,267
Cash and investments with fiscal agents	2,663,152	996,927		3,660,079
Accounts receivable		37,951		37,951
Accrued interest receivable	42,497		42,497	
Total Assets	<u>\$11,156,091</u>	<u>\$1,279,181</u>	<u>\$282,975</u>	<u>\$12,152,297</u>
Liabilities:				
Accounts payable	\$955,567		\$282,975	\$672,592
Due to members	10,200,524	\$1,279,181		11,479,705
Total Liabilities	<u>\$11,156,091</u>	<u>\$1,279,181</u>	<u>\$282,975</u>	<u>\$12,152,297</u>
<u>Cannery Bond and Debt Service</u>				
Assets:				
Cash and investments	\$413,844	\$19,105		\$432,949
Cash and investments with fiscal agents	677,991		\$6,413	671,578
Accounts receivable	26,498	2,720		29,218
Accrued interest receivable	1,039		452	587
Total Assets	<u>\$1,119,372</u>	<u>\$21,825</u>	<u>\$6,865</u>	<u>\$1,134,332</u>
Liabilities:				
Due to bondholders	\$1,119,372	\$21,825	\$6,865	\$1,134,332
Total Liabilities	<u>\$1,119,372</u>	<u>\$21,825</u>	<u>\$6,865</u>	<u>\$1,134,332</u>
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$14,385,019	\$374,090	\$272,360	\$14,486,749
Cash and investments with fiscal agents	4,664,438	1,010,792	7,932	5,667,298
Accounts receivable	143,239	40,671	1,764	182,146
Accrued interest receivable	63,031		47,488	15,543
Total Assets	<u>\$19,255,727</u>	<u>\$1,425,553</u>	<u>\$329,544</u>	<u>\$20,351,736</u>
Liabilities:				
Accounts payable	\$955,567	\$24,455	\$282,975	\$697,047
Deposits payable	50,000			50,000
Due to members	10,200,524	1,279,181		11,479,705
Due to bondholders	8,049,636	121,917	46,569	8,124,984
Total Liabilities	<u>\$19,255,727</u>	<u>\$1,425,553</u>	<u>\$329,544</u>	<u>\$20,351,736</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 wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
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. Citywide Assessed Value and Estimated Actual Value of Taxable Property
2. Assessed Value of Property by Use Code, Citywide
3. Principal Property Tax Payers
4. Property Tax Levies and Collections
5. Direct and Overlapping Property Tax Rates
6. Principal Sales Tax Producers
7. Historical Sales Tax Amounts by Benchmark Year

### ***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. Direct and Overlapping Debt Schedule

### ***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.

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# City of Davis

## Net Position by Component (Unaudited) Last Ten Fiscal Years (Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Invested in capital assets,										
net of related debt	\$219,145,446	\$250,695,740	\$247,797,970	\$242,575,554	\$240,360,485	\$242,813,290	\$241,337,805	\$242,447,283	\$253,773,329	\$254,377,390
Restricted	95,845,260	66,227,858	67,365,068	69,746,280	75,927,570	69,365,224	69,931,590	68,793,279	69,074,772	75,768,410
Unrestricted	(8,572,349)	13,515,454	15,540,261	18,474,120	(46,521,260)	(38,118,928)	(33,453,924)	(71,631,357)	(80,275,345)	(91,508,059)
Total governmental activities net position	\$306,418,357	\$330,439,052	\$330,703,299	\$330,795,954	\$269,766,795	\$274,059,586	\$277,815,471	\$239,609,205	\$242,572,756	\$238,637,741
<b>Business-type activities</b>										
Net investment in capital assets	\$223,254,657	\$222,630,293	\$222,668,422	\$225,975,439	\$235,769,713	\$274,098,197	\$238,517,438	\$239,731,489	\$237,288,576	\$239,801,165
Restricted	69,850									
Unrestricted	37,774,437	44,957,358	50,530,091	55,468,805	33,484,489	7,571,560	47,934,347	39,009,779	38,032,992	39,743,063
Total business-type activities net position	\$261,098,944	\$267,587,651	\$273,198,513	\$281,444,244	\$269,254,202	\$281,669,757	\$286,451,785	\$278,741,268	\$275,321,568	\$279,544,228
<b>Primary government</b>										
Net investment in capital assets	\$442,400,103	\$473,326,033	\$470,466,392	\$468,550,993	\$476,130,198	\$516,911,487	\$479,855,243	\$482,178,772	\$491,061,905	\$494,178,555
Restricted	95,915,110	66,227,858	67,365,068	69,746,280	75,927,570	69,365,224	69,931,590	68,793,279	69,074,772	75,768,410
Unrestricted	29,202,088	58,472,812	66,070,352	73,942,925	(13,036,771)	(30,547,368)	14,480,423	(32,621,578)	(42,242,353)	(51,764,996)
Total primary government net position	\$567,517,301	\$598,026,703	\$603,901,812	\$612,240,198	\$539,020,997	\$555,729,343	\$564,267,256	\$518,350,473	\$517,894,324	\$518,181,969

Source:

City of Davis Comprehensive Annual Financial Report

Notes:

(1) Accounting standards require that governments report net position for the last ten years, showing the three components of the Statement of Net Assets: net investment in capital assets; restricted; and unrestricted.

# City of Davis

Changes in Net Position (Unaudited)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental Activities:										
City Council	\$174,137	\$171,419	\$159,950	\$123,958	\$161,024	\$145,424	\$180,359	\$180,802	\$227,060	\$176,783
City Attorney	307,893	347,920	256,183	545,258	296,143	323,152	638,231	589,212	164,759	446,722
City Manager	2,464,895	2,655,486	2,479,529	2,675,550	1,950,060	2,278,240	2,700,596	3,586,783	3,816,385	4,358,854
Finance/ Administrative Services	2,206,587	2,007,813	2,928,562	2,638,260	3,038,094	2,947,477	4,835,955	4,137,561	4,149,905	3,849,848
Public Safety	25,224,672	24,116,311	25,379,748	25,827,801	26,983,139	30,392,941	32,609,249	36,725,989	38,879,308	41,387,051
Public Works	28,375,753	11,729,258	11,017,979	11,648,005	13,115,703	16,982,041	12,324,982	15,191,625	15,884,092	14,348,591
Community Development	3,307,303	3,145,307	3,720,192	3,986,695	5,290,390	4,911,814	5,010,995	6,577,645	7,088,490	6,641,973
Parks and Community Services	21,141,859	19,844,557	18,631,071	20,402,817	16,284,031	12,508,057	12,860,303	14,776,597	16,115,041	16,416,035
Interest on Long Term Debt	2,798,312	1,612,400				1,700		41,931	25,559	23,734
Total Governmental Activities Expenses	\$86,001,411	\$65,630,471	\$64,573,214	\$67,848,344	\$67,118,584	\$70,490,296	\$71,160,670	\$81,808,145	\$86,350,599	\$87,649,471
Business-Type Activities:										
Water	\$9,946,088	\$9,918,275	\$10,068,660	\$11,723,007	\$9,861,390	\$10,973,763	\$15,009,598	\$20,435,600	\$22,420,606	\$22,255,311
Sanitation	9,169,294	9,312,527	9,627,387	9,943,532	10,358,515	11,146,472	11,812,422	12,611,082	13,079,911	13,416,044
Sewer	8,247,337	8,554,364	8,230,219	8,368,186	8,759,829	7,937,827	9,110,218	10,599,307	20,774,240	15,345,222
Storm Sewer	3,868,242	3,529,576	3,733,250	3,713,758	3,669,452	3,940,656	3,819,462	3,696,659	3,978,285	3,988,354
Public Transit	4,306,554	4,183,327	4,254,687	5,818,308	6,387,279	3,639,352	7,969,174	5,755,393	5,117,262	9,911,772
Total Business-Type Activities Expenses	35,537,515	35,498,069	35,914,203	39,566,791	39,036,465	37,638,070	47,720,874	53,098,041	65,370,304	64,916,703
Total Primary Government Expenses	\$121,538,926	\$101,128,540	\$100,487,417	\$107,415,135	\$106,155,049	\$108,128,366	\$118,881,544	\$134,906,186	\$151,720,903	\$152,566,174
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
City Council	\$100,942	\$70,706		\$10,131		\$1,198,861	\$1,402,353	\$1,533,856	\$2,793,109	\$7,008
City Attorney	125,140	208,453	125,140	1,685,900	\$1,305,413	\$1,198,861	\$1,402,353	\$1,533,856	\$2,793,109	1,280,955
City Manager	6,312	1,174,427	1,040,984	2,025,757	2,133,568	2,161,816	1,831,299	2,079,935	1,896,642	3,014,797
Finance/ Administrative Services	2,593,006	1,331,101	2,010,666	2,144,146	2,095,092	2,286,771	2,361,692	2,098,186	2,193,478	2,314,865
Public Safety	2,169,650	2,173,112	2,002,577	2,110,862	1,767,216	2,373,366	1,421,458	1,426,288	1,175,848	1,582,853
Public Works	333,556	376,451	1,274,263	1,110,862	1,421,458	1,421,458	1,421,458	1,426,288	1,175,848	1,582,853
Community Development	2,378,826	2,675,128	2,897,864	2,410,773	4,634,131	4,365,102	4,391,769	6,097,061	5,686,804	5,605,655
Parks and Community Services	2,740,804	3,123,734	3,132,569	4,510,095	3,109,507	3,306,893	3,439,496	3,226,910	4,193,075	2,037,246
Operating Grants and Contributions	15,277,248	13,784,334	12,304,697	9,602,308	12,610,463	8,127,576	8,326,639	7,486,782	7,629,978	8,563,592
Development impact fees and permits	655,983									
Capital Grants and Contributions	3,800,498	28,748,180	28,435,332	7,124,647	2,849,594	1,025,372	2,702,977	2,519,875	7,657,472	1,778,864
Total Governmental Activities Program Revenues	26,170,494	28,748,180	28,435,332	30,624,619	30,504,984	24,845,757	25,877,683	26,468,893	33,226,406	26,185,835
Business-Type Activities:										
Charges for Services:										
Water	10,131,953	10,479,767	11,310,371	15,825,471	12,079,724	15,343,083	17,532,566	19,802,459	25,288,329	26,449,210
Sanitation	8,975,404	9,134,378	9,454,530	10,118,187	10,604,488	10,805,280	11,033,701	11,427,201	12,026,195	12,996,132
Sewer	12,613,144	13,120,690	14,103,581	14,264,259	14,709,852	14,595,546	13,873,913	13,443,065	15,029,017	15,612,853
Storm Sewer	1,561,457	1,605,903	1,662,303	1,701,784	1,742,022	1,724,277	1,747,635	1,790,662	1,828,176	1,899,028
Public Transit	32,585	30,012	31,105	32,241	31,963	34,104	32,108	33,531	39,433	30,339
Operating Grants and Contributions	3,998,505	4,103,691	4,328,525	5,714,463	6,275,145	3,199,273	7,693,559	5,095,586	5,049,062	9,538,546
Capital Grants and Contributions	1,205,085	1,205,085				40,000				
Total Business-Type Activities Program Revenue	37,313,048	39,679,526	40,890,415	47,656,405	45,443,194	45,741,563	51,913,482	51,592,504	59,260,212	66,526,108
Total Primary Government Program Revenues	\$63,483,542	\$68,427,706	\$69,325,747	\$78,281,024	\$75,948,178	\$70,587,320	\$77,791,165	\$78,061,397	\$92,486,618	\$92,711,943
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$59,830,917)	(\$36,882,291)	(\$36,137,882)	(\$37,223,725)	(\$36,613,600)	(\$45,644,539)	(\$45,282,987)	(\$55,339,252)	(\$53,124,193)	(\$61,463,636)
Business-Type Activities	1,775,533	4,181,457	4,976,212	8,089,614	6,406,729	8,103,493	4,192,608	(1,505,537)	(6,110,092)	1,609,405
Total Primary Government Net Expense	(\$58,055,384)	(\$32,700,834)	(\$31,161,670)	(\$29,134,111)	(\$30,206,871)	(\$37,541,046)	(\$41,090,379)	(\$56,844,789)	(\$59,234,285)	(\$59,854,231)



**City of Davis  
Changes in Net Position (Unaudited)  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$20,462,811	\$10,070,329	\$10,741,612	\$11,926,326	\$12,156,824	\$13,721,604	\$14,324,190	\$16,069,030	\$16,171,720	\$16,929,481
Sales Taxes	7,894,939	8,279,385	10,267,444	10,282,592	13,302,816	16,192,725	15,660,664	15,603,649	16,504,386	16,438,460
Municipal Services	2,417,072	2,492,849	2,578,655	2,669,472	2,770,291	2,878,914	2,937,053	3,031,057	3,138,065	3,203,631
Business License	1,466,725	1,556,797	1,470,124	1,669,289	1,735,021	1,719,258	1,804,618	2,012,568	2,577,091	3,379,723
Park Maintenance	1,329,056	1,334,629	1,334,782	1,339,536	1,360,149	1,367,935	1,382,436	1,412,582	1,420,470	1,420,470
Construction	342,590	925,461	905,411	229,577	562,206	1,167,502	1,146,893	952,455	2,063,309	1,264,079
Open Space Protection	634,857	637,161	636,293	640,980	649,634	644,914	649,222	652,422	671,714	657,620
Franchise	1,067,657	1,089,210	1,119,918	1,141,883	1,359,272	1,704,481	1,793,833	1,708,183	1,216,404	1,441,409
Transient Occupancy Tax	958,434	925,477	1,436,067	1,250,725	1,319,909	1,453,819	1,784,072	2,146,184	2,220,142	1,473,308
Transfer Taxes			194,326	225,977	367,464	306,001	386,182	387,230		
Other Taxes										
Motor Vehicle In-Lieu	5,213,376	4,879,324	4,979,748	5,291,098	5,523,938	6,146,238	6,107,171	6,414,751	6,762,017	7,121,352
Investment Earnings	236,141	281,322	301,030	417,751	135,148	468,830	503,676	381,196	2,796,717	3,109,681
Miscellaneous	2,495,652	554,551	436,719	231,174	1,264,593	2,165,109	558,862	230,485	553,597	1,089,407
Special Item: Transfer of loan from Successor Agency										
Extraordinary Gain: RDA Dissolution		24,083,029		37,316,380	42,507,265	49,937,330	49,038,872	50,977,194	56,087,744	57,528,621
Total Government Activities	44,519,310	58,794,428	36,402,129	37,316,380	42,507,265	49,937,330	49,038,872	50,977,194	56,087,744	57,528,621
Business-Type Activities:										
Interest Earnings	\$298,741	\$174,215	\$110,170	\$77,279	\$75,698	\$306,459	\$347,197	\$701,252	\$1,795,864	\$1,792,171
Miscellaneous	336,868	298,808	524,480	78,838	245,077	4,005,603	242,223	460,193	894,528	821,084
Total Business-Type Activities	635,609	473,023	634,650	156,117	320,775	4,312,062	589,420	1,161,445	2,690,392	2,613,255
Total Primary Government	\$45,154,919	\$59,267,451	\$37,036,779	\$37,472,497	\$42,828,040	\$54,249,392	\$49,628,292	\$52,138,639	\$58,778,136	\$60,141,876
<b>Change in Net Position</b>										
Governmental Activities	(\$15,311,607)	\$21,912,137	\$264,247	\$92,655	\$5,893,665	\$4,292,791	\$3,755,885	(\$4,362,058)	\$2,963,551	(\$3,935,015)
Business-Type Activities	2,411,142	4,654,480	5,610,862	8,245,731	6,727,504	12,415,555	4,782,028	(344,092)	(3,419,700)	4,222,660
Total Primary Government	(\$12,900,465)	\$26,566,617	\$5,875,109	\$8,338,386	\$12,621,169	\$16,708,346	\$8,537,913	(\$4,706,150)	(\$456,149)	\$287,645

Source:

City of Davis Comprehensive Annual Financial Report

Notes:

(1) Net position of the governmental activities and business-type activities as of June 30, 2011 were restated in fiscal year 2012 to adopt the correction of errors. Prior year revenues and expenses presented in this schedule have not been restated. Refer to Note 2 in the notes to the financial statements fiscal year ended June 2012.

(2) Beginning net position of the governmental activities and business-type activities as of June 30, 2014 were restated in fiscal year 2015 due to the requirements of GASB 68.

# City of Davis

## Fund Balances of Governmental Funds (Unaudited) Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Reserved										
Unreserved		\$153,020	\$122,840	\$104,343	\$147,093	\$137,664	\$130,309	\$116,038	\$66,621	\$79,240
Nonspendable										263,075
Restricted										3,965,499
Committed										6,768,951
Assigned				1,458,749						10,230,791
Unassigned	6,350,652	6,101,878	7,797,107	7,973,690	15,536,438	21,551,825	23,119,561	25,768,877	25,174,327	
Total General Fund	\$6,541,258	\$6,254,898	\$7,919,947	\$9,536,782	\$15,683,531	\$21,689,489	\$23,249,870	\$25,884,915	\$25,240,948	\$21,307,556
<b>All Other Governmental Funds</b>										
Reserved										
Unreserved, reported in:										
Special revenue funds										
Capital project funds										
Nonspendable		\$33,952,695	\$9,795,953	\$1,795,533						
Restricted	\$87,819,702	29,321,073	55,900,967	67,657,120	\$69,329,025	\$67,911,538	\$68,332,845	\$68,474,641	\$68,064,467	\$75,404,333
Committed	9,899,535	8,409,293	7,654,337	8,058,386	8,334,135	3,620,540	3,581,941	3,289,614	3,667,142	2,959,936
Assigned		1,555,674	1,559,189	383,420						
Unassigned	(399,822)	(201,277)	142,500	(1,095,591)		(406,990)	(307,927)	(1,655,137)	(1,369,853)	(1,385,523)
Total all other governmental funds	\$97,319,415	\$73,037,458	\$75,052,946	\$76,798,868	\$77,663,160	\$71,125,088	\$71,606,859	\$70,109,118	\$70,361,756	\$76,978,746

Source:

City of Davis Comprehensive Annual Financial Report

Notes:

(1) Fund balances of the General Fund and Child Care Grant fund at June 30, 2011 were restated in fiscal year 2012 to adopt the correction errors. Prior year revenue and expenses presented in this schedule have not been restated. Refer to Note 2 in the notes to the financial statements 2012.

(2) In FY 2011, the City implemented GASB 54, which changed the classification of fund balances.

**City of Davis**  
**Changes in Fund Balance of Governmental Funds (Unaudited)**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$41,786,803	\$32,472,106	\$36,141,112	\$36,981,511	\$40,921,164	\$47,758,142	\$48,006,878	\$50,365,513	\$53,642,549	\$54,079,746
Licenses, permits and fees	182	317	353	301						
Fines and forfeitures	1,004,144	961,642	826,972	833,513	661,160	660,313	567,834	466,574	331,642	420,840
Use of money and property	1,031,044	715,761	648,017	3,362,708	2,097,332	1,640,957	1,570,346	1,970,695	2,919,644	3,393,823
Intergovernmental revenues	13,442,401	10,975,947	12,410,582	10,408,899	14,157,718	5,045,096	4,228,914	5,124,979	10,234,310	6,181,306
Charges for services	8,698,620	9,541,440	9,939,479	9,614,559	12,080,275	12,293,260	11,665,050	11,855,798	12,932,840	11,201,428
Development fees	494,460	2,583,790	2,238,192	2,011,157	923,944	797,720	2,840,272	3,293,794	3,643,599	1,655,728
Administrative fee - Enterprise Fund	2,296,790	2,523,552	2,541,485	2,626,107	2,329,522	2,260,874	1,876,317	1,798,636	2,038,686	2,304,543
Other	1,795,965	254,482	1,069,570	476,872	1,121,047	3,449,409	3,805,856	2,109,611	2,952,002	3,282,805
<b>Total Revenues</b>	<b>70,550,409</b>	<b>60,029,037</b>	<b>65,815,762</b>	<b>66,315,627</b>	<b>74,292,162</b>	<b>73,905,771</b>	<b>74,561,467</b>	<b>76,985,600</b>	<b>88,695,272</b>	<b>82,520,219</b>
<b>Expenditures</b>										
<b>Current:</b>										
City Council	161,532	146,932	150,439	124,507	168,389	162,094	187,422	188,777	186,873	187,826
City Attorney	307,893	362,967	265,804	555,619	296,143	323,152	638,231	589,212	164,759	446,722
City Manager	2,322,778	2,607,106	2,469,750	2,710,000	2,063,550	2,511,944	3,231,499	2,997,221	3,468,342	3,905,470
Finance/Administrative Services	2,119,014	2,051,852	2,983,681	2,728,275	3,204,437	3,266,870	5,298,775	3,797,877	3,902,696	3,660,722
Public safety	24,168,701	24,227,418	25,616,115	26,368,580	27,838,666	28,686,821	30,254,413	31,831,541	32,912,622	35,431,131
Public works	4,210,546	5,103,770	3,702,414	5,173,502	6,227,483	5,849,339	7,927,980	6,061,775	8,606,126	6,581,681
Community development	3,181,665	3,178,808	3,780,789	4,096,916	5,467,094	5,227,343	5,539,962	6,017,911	6,498,516	6,010,731
Parks and Community Services	18,663,508	18,077,634	16,938,350	18,163,238	14,971,458	11,681,163	12,019,873	12,846,833	13,264,072	13,895,062
Special Projects	16,750,622	1,916,055	1,996,757	1,926,030	2,077,228	7,742,821	1,741,902	2,286,213	1,258,575	1,642,268
Debt service:										
Principal repayment	1,493,799	2,316,295						172,090	188,462	190,288
Interest and fiscal charges	2,713,521	1,352,117				1,700		41,931	25,559	23,734
Special assessment										
Capital Improvements	3,118,144	5,241,669	4,402,828	4,199,574	4,966,673	8,984,638	7,108,003	10,363,048	18,609,999	7,860,986
Total Expenditures	79,211,723	66,582,623	62,306,927	66,046,241	67,281,121	74,437,885	73,948,060	77,194,427	89,086,601	79,836,621
Excess (deficiency) of revenues over (under) expenditures	(8,661,314)	(6,553,586)	3,508,835	269,386	7,011,041	(532,114)	613,407	(208,827)	(391,329)	2,683,598
<b>Other Financing Sources (Uses)</b>										
Transfers in	29,491,616	8,278,245	660,680	8,832,713		382,804				7,292,438
Transfers (out)	(29,687,094)	(8,326,775)	(754,850)	(8,832,713)		(382,804)				(7,292,438)
Issuance of long-term debt										
Sale of real property	18,000,000						1,428,745	1,346,131		
Total other financing sources (uses)	17,804,522	(48,530)	(94,170)	3,093,371			1,428,745	1,346,131		
<b>Special and Extraordinary Items</b>										
Special Item		1,684,904								
Extraordinary Item		(18,856,040)								
Total special and extraordinary items		(17,171,136)								
<b>Net Change in fund balances</b>	<b>\$9,143,208</b>	<b>(\$2,377,325)</b>	<b>\$3,414,665</b>	<b>\$3,362,757</b>	<b>\$7,011,041</b>	<b>(\$532,114)</b>	<b>\$2,042,152</b>	<b>\$1,137,304</b>	<b>(\$391,329)</b>	<b>\$2,683,598</b>
Debt service as a percentage of noncapital expenditures	5.5%	6.4%						0.3%		

Source:  
 City of Davis Comprehensive Annual Financial Report

# *City of Davis*

## Citywide Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Secured Property	Unsecured Property	Total Assessed Value (1)	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)	Assessed Value as a Percentage of Actual Value
2011	\$ 6,040,438,139	\$ 152,101,938	\$ 6,192,540,077	1.00000%	\$ 6,192,540,077	\$ -	100.00%
2012	6,045,152,582	149,987,064	6,195,139,646	1.00000%	6,195,139,646	-	100.00%
2013	6,174,002,301	148,643,161	6,322,645,462	1.00000%	6,322,645,462	-	100.00%
2014	6,532,936,548	149,162,860	6,682,099,408	1.00000%	6,682,099,408	-	100.00%
2015	6,827,198,602	151,707,098	6,978,905,700	1.00000%	6,978,905,700	-	100.00%
2016	7,133,136,703	150,409,221	7,283,545,924	1.00000%	9,868,221,448	1.354865	73.81%
2017	7,536,741,273	155,727,533	7,692,468,806	1.00000%	10,188,159,538	1.324433	75.50%
2018	7,935,081,647	147,857,902	8,082,939,549	1.00000%	12,754,830,111	1.577994	63.37%
2019	8,366,776,263	157,197,512	8,523,973,775	1.00000%	12,904,605,001	1.513919	66.05%
2020	8,835,649,405	144,241,059	8,979,890,464	1.00000%	12,776,760,566	1.422819	70.28%

Source: Yolo Assessor data, MuniServices, LLC

Source: 2015 and prior: Prior Published CAFR

(1) Total value does not include state unitary value of \$1,716,947.

(2) Total Direct Tax Rate is represented by TRA 001-000

(3) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

**City of Davis**  
**Assessed Value of Property by Use Code, Citywide**  
**Last Three Fiscal Years**

Category	2017-18	2018-19	2019-20
Agriculture	\$0	\$0	\$0
Commercial	557,747,426	786,586,652	838,122,740
Government	0	0	0
Industrial	124,302,572	134,967,671	194,881,919
Institution	217,983,593	217,254,596	211,123,003
Professional	227,720,376	35,873,773	37,451,833
Public	0	1,577,289	1,608,834
Recreation	27,233,410	25,774,511	25,955,260
Residential	7,010,888,923	7,407,192,281	7,816,464,639
Rural	4,726,238	5,190,761	5,256,572
Social	46,561,398	47,460,863	48,228,501
Unknown	61,112,369	73,032,502	82,239,441
Vacant	119,515,039	117,284,914	69,183,184
Net Secured Value	8,397,791,344	8,852,195,813	9,330,515,926
Unsecured	222,765,230	236,308,718	226,498,295
Exemptions	537,617,025	564,530,756	577,123,757
Net Taxable Value (1)	\$8,082,939,549	\$8,523,973,775	\$8,979,890,464

Source: County Assessor, MuniServices, LLC / an Avenu Insights & Analytics Company  
Use code categories are based on San Mateo County Assessor's data  
(1) Net value does not include state unitary value of \$1,718,897.

***City of Davis***  
**Principal Property Tax Payers**  
**Last Fiscal Year and Nine Years Ago**

Taxpayer	2019-20		2010-11	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Tilden Spectrum Llc	154,742,791	1.72%		
San Carlos Retail Venture Ltd.	64,751,316	0.72%		
Tanglewood Apts Llc	58,075,354	0.65%		
Mori Seiki Davis Land Holding	52,710,525	0.59%		
Ucd J Street Owner Llc	51,375,167	0.57%		
Bridge Ellington Lp	46,239,297	0.51%		
Pac West Office Equities Lp	41,784,363	0.47%		
Oakshade Regency Llc	40,218,726	0.45%		
Marketplace Center Inc.	39,056,913	0.43%	22,392,468	0.36%
Centro Watt Property Owner I	36,580,000	0.41%	18,134,088	0.29%
Vtr Covell Lp	33,491,670	0.37%		
Target Corp	30,471,238	0.34%	28,529,474	0.46%
Carlton Plaza Of Davis Lp	26,831,198	0.30%		
Olive Drive Partners	25,456,044	0.28%	22,341,180	0.36%
Angstenberger Rev Liv Trust	22,856,223	0.25%		
Wga Sycamore Lane Lp	22,545,471	0.25%	19,412,068	0.31%
Schilling Robotics Llc	21,077,139	0.23%	15,197,132	0.25%
Dartbrook Twin Oaks Lp	19,798,891	0.22%		
110 F Street Llc	19,798,530	0.22%		
Academy Lane Partners Ltd. Ptp	19,545,970	0.22%		
Adobe At Evergreen Apts Llc	19,359,530	0.22%	16,632,757	0.27%
Kaiser Found Health Plan Inc.	18,615,735	0.21%	15,103,796	0.24%
Sfc Lakeshore Investors Lp	18,367,262	0.20%	48,123,521	0.78%
Comcast Of Ca X Inc	17,652,289	0.20%	35,234,905	0.57%
Sfc Stonegate Village Investor	17,537,688	0.20%		
Sequoia Equities-Cypress Etal			44,025,623	0.71%
Kirkwood Village Assoc Etal			33,598,700	0.54%
Kw Davis Llc			25,408,706	0.41%
Fine Arts Lp			23,748,283	0.38%
Arv Covell Llc			21,615,752	0.35%
Buzz Oats Llc Etal			19,675,547	0.32%
Se-Davis Llc			19,257,029	0.31%
Ten Davis Llc			15,171,227	0.24%
Fairfield Cambridge Glen Llc			14,240,630	0.23%
5Th & G Plaza Inc			13,924,919	0.22%
Conagra Foods Pkgd Foods Llc			13,801,005	0.22%
Davis Dtl Llc Etal			13,781,636	0.22%
Walnut Park Apartments			13,569,992	0.22%
Arlington Farm Partners			13,553,493	0.22%
Renaissance Park 176 Llc			11,947,833	0.19%
<b>Total Top Taxpayers</b>	<b>918,939,330</b>	<b>10.23%</b>	<b>538,421,764</b>	<b>8.69%</b>
<b>Total Taxable Value</b>	<b>8,979,890,464</b>	<b>100.00%</b>	<b>6,192,540,077</b>	<b>100.00%</b>

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

# *City of Davis*

## Property Tax Levies and Collections (Unaudited) Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2009	23,426,537	23,426,537	100.0000%	19,556	23,426,537	100.0000%
2010	23,763,685	23,763,685	100.0000%	5,545	23,763,685	100.0000%
2011	24,165,876	24,165,876	100.0000%	21,275	24,165,876	100.0000%
2012	23,993,724	23,993,724	100.0000%	2,777	23,993,724	100.0000%
2013	24,777,767	24,777,767	100.0000%	1,770	24,777,767	100.0000%
2014	21,233,005	21,233,005	100.0000%	3,998	21,233,005	100.0000%
2015	22,233,001	22,233,001	100.0000%	3,652	22,233,001	100.0000%
2016	23,503,506	23,503,506	100.0000%	1,358	23,503,506	100.0000%
2017	24,954,659	24,954,659	100.0000%	3,878	24,954,659	100.0000%
2018	25,779,228	25,779,228	100.0000%	na	25,779,228	100.0000%
2019	26,897,577	26,897,577	100.0000%	na	26,897,577	100.0000%
2020	25,411,284	25,411,284	100.0000%	1,342	25,411,284	100.0000%

Source:

Yolo County Auditor - Controller's Assessed Value Summaries

Notes:

(1.) 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.

***City of Davis***  
**Direct and Overlapping Property Tax Rates**  
**Last Three Fiscal Years**

	2017-18	2018-19	2019-20
<b>Basic City and County Levy</b>			
County General Fund	0.091511	0.091511	0.091511
County ACO Fund	0.010952	0.010952	0.010952
County Library	0.016370	0.016370	0.016370
City of Davis	0.211176	0.211176	0.211176
Davis Cemetery District	0.002627	0.002627	0.002627
Sacto-Yolo Mosquito & Vector Control	0.007701	0.007701	0.007701
Yolo County Flood Control District	0.005614	0.005614	0.005614
County Schools	0.027663	0.027663	0.027663
Davis Joint Unified School District	0.333422	0.333422	0.333422
Los Rios Community College	0.041369	0.041369	0.041369
County General Fund	0.175706	0.175706	0.175706
County Library	0.008457	0.008457	0.008457
City of Davis	0.063363	0.063363	0.063363
Davis Cemetery District	0.000608	0.000608	0.000608
Yolo County Flood Control District	0.003462	0.003462	0.003462
Total	1.000000	1.000000	1.000000
<b>Override Assessments</b>			
DAVIS JUSD 2000 BD	0.017000	0.016000	0.012000
DAVIS JUSD 2018 BD	0.000000	0.000000	0.055800
LOS ROIS CCD 2002 BD	0.013000	0.013100	0.023200
Total	0.030000	0.029100	0.091000
<b>Total Tax Rate</b>	1.030000	1.029100	1.091000

Source: MuniServices, LLC / an Avenu Insights & Analytics Company  
(1.) Total Tax Rate is represented by TRA 001-000



***City of Davis***  
**Principal Sales Tax Producers**  
**Last Fiscal Year and Nine Years Ago**

2019-20		2010-11	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
BME Boise Mobile Equipment	Auto Parts/Repair	Chevron Service Stations	Service Stations
Braun Northwest	Auto Parts/Repair	Circle K Service Stations	Service Stations
Chevron Service Stations	Service Stations	Crepeville	Restaurants
Circle K Service Stations	Service Stations	CVS/Pharmacy	Drug Stores
Crepeville	Restaurants	Davis Food Co-Op	Food Markets
CVS/Pharmacy	Drug Stores	Davis Lumber & Hardware	Bldg.Matls-Whsle
Davis Ace Hardware	Bldg.Matls-Retail	Hanlees Chevrolet	Auto Sales - New
Dos Coyotes Border Cafe	Restaurants	Hanlees Nissan	Auto Sales - New
F Street Dispensary-MMD	Drug Stores	Hanlees Toyota	Auto Sales - New
Hanlees Chevrolet	Auto Sales - New	Hibbert Lumber	Bldg.Matls-Retail
Hanlees Chrysler Dodge Jeep Ram Kia	Auto Sales - New	HME	Electronic Equipment
Hanlees Nissan	Auto Sales - New	La Mesa R.V. Center	Misc. Vehicle Sales
Hanlees Toyota	Auto Sales - New	Nugget Market	Food Markets
In-N-Out Burgers	Restaurants	Officemax	Office Equipment
Mikuni Japanese Restaurant & Sushi Bar	Restaurants	Rite Aid Drug Stores	Drug Stores
Nugget Market	Food Markets	Safeway Supermarkets	Food Markets
Rite Aid Drug Stores	Drug Stores	Save Mart Supermarkets	Food Markets
Safeway Stores	Food Markets	Shell Service Stations	Service Stations
Shell Service Stations	Service Stations	Sunmart Service Stations	Service Stations
Shottenkirk Honda of Davis	Auto Sales - New	Swift Jeep/Chrysler/Dodge	Auto Sales - New
Target Stores	Department Stores	Target Stores	Department Stores
TJ Maxx	Apparel Stores	Union 76 Service Stations	Service Stations
Union 76 Service Stations	Service Stations	University Honda	Auto Sales - New
Valero Service Stations	Service Stations	Valero Service Stations	Service Stations

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

## City of Davis

### Historical Sales Tax Amounts by Benchmark Year

Category Name	2020 Q1	2019 Q1	2018 Q1	2017 Q1	2016 Q1	2015 Q1	2014 Q1	2013 Q1	2012 Q1	2011 Q1
Accommodation and Food Services	1,289,674	1,320,962	1,321,968	1,263,400	1,198,263	1,163,299	1,049,137	974,850	907,723	848,607
Agriculture, Forestry, Fishing and Hunting	47,852	32,543	17,710	6,881	16,678	19,411	10,789	9,743	10,994	16,810
Arts, Entertainment, and Recreation	2,520	3,235	3,855	3,665	3,360	2,140	1,554	1,337	1,456	-
Construction	6,846	5,209	1,017	562	538	424	620	682	387	1,240
Educational Services	22,558	25,329	29,162	23,746	33,693	13,143	11,004	63,844	6,153	4,367
Information	33,006	35,344	39,009	36,773	36,379	36,880	38,368	36,259	32,227	36,423
Manufacturing	262,790	205,623	143,087	100,725	204,229	157,839	111,609	218,764	101,252	129,702
Mining, Quarrying, and Oil and Gas Extraction	22,793	6,546	43,261	3,396	6,282	40,121	42,850	111,811	3,074	7,517
Other Services (except Public Administration)	90,033	93,338	95,977	90,925	84,834	73,439	67,118	61,477	54,129	49,201
Professional, Scientific, and Technical Services	64,370	50,593	46,665	41,845	45,525	51,211	40,071	32,220	26,718	26,907
Real Estate and Rental and Leasing	13,508	20,572	22,812	20,608	18,490	15,681	15,422	14,215	12,270	22,845
Retail Trade	4,337,856	4,559,265	4,836,751	4,862,548	4,681,111	4,436,863	4,271,910	4,009,639	3,730,884	3,294,138
Utilities	98,588	94,619	108,288	113,227	82,834	71,634	37,804	47,291	44,713	39,775
Not Classified by CDTFA	31,887	32,211	30,134	28,239	26,398	27,718	25,049	21,549	19,004	21,036
<b>Grand Total</b>	<b>6,324,281</b>	<b>6,485,389</b>	<b>6,739,695</b>	<b>6,596,540</b>	<b>6,438,613</b>	<b>6,109,804</b>	<b>5,723,305</b>	<b>5,603,681</b>	<b>4,950,982</b>	<b>4,498,567</b>

Source: MuniServices, LLC / an Avenu Insights & Analytics Company

The data contained in this report is economic and therefore constantly changing as adjustments, fund transfers, late filings and audits are recorded.

The categories listed in previous reports were based on SBOE NAICS codes and have been updated to reflect current updated CDTFA standards.

# City of Davis

## Ratio of Outstanding Debt by Type (Unaudited) Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Total
	Tax Allocation Bonds	Certificates of Participation	Special Assessment Debt	General Obligation Bond	Capital Lease Obligations	State Revolving Fund Loans		
2011	\$45,120,000	\$875,000		\$196,295				\$46,191,295
2012	(2)							
2013								
2014								
2015								
2016								
2017						\$1,428,745		1,428,745
2018						2,602,786		2,602,786
2019						2,414,324		2,414,324
2020						2,224,036		2,224,036

Fiscal Year	Business-Type Activities							Total Primary Government
	Department of Water Resources Loans	State Revolving Fund Loans	Sewer System Capital Improvement Loan	East Area Water Storage Tank Loan	Line of Credit	Water Revenue Bonds	Total	
2010	\$4,129,424	\$7,620,513	\$1,394,951					\$13,144,888
2011	3,593,956	6,835,765	1,262,215	\$7,234,117	\$3,000,000			21,926,053
2012	3,202,182	6,030,364		9,614,850	6,270,000			25,117,396
2013	2,960,053	5,203,765		9,410,645	11,970,000			29,544,463
2014		3,790,855		9,198,271		\$30,000,000		42,989,126
2015		3,484,726		8,977,402		29,155,000		41,617,128
2016		28,081,729		8,747,699		49,661,117		86,490,545
2017		55,881,438		8,508,807		27,390,000		91,780,245
2018		72,340,280		8,260,360		26,470,000		107,070,640
2019		74,309,742		8,001,975		19,653,162		101,964,879
2020		72,703,586				18,799,114		91,502,700

Sources:

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

Notes:

- (1.) Debt amounts exclude any premiums, discounts, or other amortization amounts.
- (2.) Tax allocation bonds in the amount of \$43,875,000 were transferred to the Successor Agency as part of the RDA dissolution and are now accounted for in the Redevelopment Obligation Retirement Trust Fund.
- (3.) See the (Demographic Statistics) for personal income and population data.

**City of Davis**  
**Direct and Overlapping Debt Schedule**  
**as of June 30, 2020**

2019-20 Assessed Valuation: \$9,041,778,464

	Total Debt		City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2020</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/20</u>
Los Rios Community College District	\$455,515,000	4.353%	\$19,828,568
Davis Joint Unified School District	160,310,000	89.169	142,946,824
Davis Joint Unified School District Community Facilities District No. 2	14,210,000	96.215	13,672,152
City of Davis Community Facilities District No. 1990-1	478,638	100	478,638
City of Davis Community Facilities District No. 1990-2	2,652,050	100	2,652,050
City of Davis Community Facilities District No. 1990-3	1,590,050	100	1,590,050
City of Davis Community Facilities District No. 1990-4	2,267,075	100	2,267,075
City of Davis Community Facilities District No. 1990-5	387,188	100	387,188
City of Davis Community Facilities District No. 1991-2	5,832,041	100	5,832,041
City of Davis Community Facilities District No. 2007-2	3,881,639	100	3,881,639
City of Davis Community Facilities District No. 2015-1	9,400,000	100	9,400,000
Yolo County Library Community Facilities District No. 1989-1	5,240,000	89.789	4,704,944
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$207,641,169</b>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Yolo County Certificates of Participation	\$37,396,305	31.280%	\$11,697,564
Yolo County Board of Education Certificates of Participation	5,375,000	31.28	1,681,300
Davis Joint Unified School District General Fund Obligations	25,808,586	89.169	23,013,258
<b>City of Davis General Fund Obligations</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$36,392,122</b>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$22,820,000	100.00%	\$22,820,000
<b>TOTAL DIRECT DEBT</b>			<b>\$0</b>
TOTAL OVERLAPPING DEBT			\$266,853,291
COMBINED TOTAL DEBT			\$266,853,291 (2)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

**Ratios to 2019-20 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	2.30%
<b>Total Direct Debt</b>	<b>0.00%</b>
Combined Total Debt	2.95%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,564,943,480):

Total Overlapping Tax Increment Debt	1.46%
--------------------------------------	-------

***City of Davis***  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	City Population (1)	Personal Income (In Thousands)	Per Capita Income	Unemployment Rate (2)	County Population (1)	City population as a % of County	Public School Enrollment (3)
2011	66,011	2,191,235	33,195	7.7%	201,759	32.72%	-
2012	65,052	2,163,369	33,256	6.9%	202,133	32.18%	-
2013	66,471	2,187,361	32,907	6.0%	205,999	32.27%	-
2014	66,656	2,060,121	30,860	6.7%	206,381	32.30%	-
2015	66,757	2,246,106	33,646	5.4%	207,212	32.22%	-
2016	68,314	2,336,407	34,201	4.9%	214,555	31.84%	8,562
2017	68,740	2,464,123	35,847	4.4%	218,896	31.40%	8,582
2018	68,704	2,619,522	38,128	2.5%	221,270	31.05%	8,630
2019	69,761	2,805,542	40,216	2.2%	222,581	31.34%	8,587
2020	69,183	2,893,760	41,828	7.4%	221,705	31.20%	8,546

(-) Data Unavailable.

Source: MuniServices, LLC / an Avenu Insights & Analytics Company, U.S. Census Bureau, 2010 American Community Survey.

Source: 2008-09 and prior: prior year previous CAFR reports.

(1) Population Projections are provided by the California Department of Finance Projections.

(2) Unemployment/Employment and Labor Force Data are provided by the EDD's Bureau of Labor Statistics Department.

(3) Public School Enrollment reflects the total number of students enrolled in Davis Joint Unified School District only.

***City of Davis***  
**Principal Employers**  
**Last Fiscal Year & Nine Years Ago**

Business Name	2019-20		2010-11	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
UC Davis	25,227	77.1%	28,411	43.3%
Davis Joint Unified School District	1,120	3.4%	972	1.5%
Sutter Davis Hospital	505	1.5%	396	0.6%
City of Davis*	341	1.0%	492	0.7%
Nugget Market (2 Locations)	265	0.8%	166	0.3%
Unitrans	260	0.8%		
Safeway Stores (2 Locations)	188	0.6%	200	0.3%
Courtyard Healthcare Center	162	0.5%		
University Retirement Community	160	0.5%		
Davis Food Co-Op	117	0.4%	133	0.2%
USDA			200	0.3%
PG&E			200	0.3%
Target			191	0.3%
<b>Total Top 10 Employers</b>	<b>28,345</b>	<b>86.7%</b>	<b>31,361</b>	<b>47.8%</b>
<b>Total City Labor Force (1)</b>	<b>32,700</b>		<b>65,622</b>	

Source: MuniServices, LLC / *an Avenu Insights & Analytics Company*

Source: 2010-11 count from previous published CAFR

Results based on direct correspondence with city's local businesses.

1.) Total City Labor Force is provided by EDD Labor Force Data and includes all employable adult residents of the City of Davis.

\* FTE only

**City of Davis**  
**Full-Time Equivalent City Government Employees by Function (Unaudited)**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2014	2016	2017	2018	2019	2020
<b>Function</b>										
General government	42.23	41.74	46.74	49.24	49.24	45.52	49.33	49.38	49.16	47.20
Public safety	151.27	146.82	145.03	140.03	140.03	140.21	142.94	145.10	148.10	148.10
Public Works	119.24	117.53	126.98	118.79	118.79	110.32	113.01	121.57	113.80	113.80
Community development	26.07	26.39	22.30	22.30	22.30	24.00	28.36	30.36	30.91	30.91
Parks & Community Services	165.62	149.79	113.56	102.58	102.58	103.16	105.34	101.59	98.73	98.73
<b>Total</b>	<u>504.43</u>	<u>482.27</u>	<u>454.61</u>	<u>432.94</u>	<u>432.94</u>	<u>423.21</u>	<u>438.98</u>	<u>448.00</u>	<u>440.70</u>	<u>438.74</u>

Source: City of Davis

**City of Davis**  
Operating Indicators by Function/Program (Unaudited)  
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public safety:</b>										
<b>Fire:</b>										
Fire calls for service	\$193	\$196	\$255	\$173	\$152	\$250	\$272	\$1,254	\$222	\$357
Medical calls for service	2,448	2,538	2,845	3,011	3,041	3,973	4,268	4,252	3,751	4,146
Other calls for service	1,432	1,547	1,210	1,628	1,572	1,658	1,981	984	1,864	1,662
Primary fire inspections conducted	1,806	1,503	1,806	1,198	1,115	1,768	1,101	1,356	870	715
Fire loss	591,107	576,395	822,500	1,384,310	623,821	748,000	1,005,000	2,450,200	1,413,900	2,966,000
<b>Police:</b>										
Communication Center calls answered (911)	12,083	12,008	12,538	12,959	13,690	13,164	13,787	14,996	17,305	17,880
Police calls for Service	57,540	60,830	53,630	49,442	51,358	48,961	49,978	45,767	46,080	43,243
<b>Law violations:</b>										
Part I and Part II crimes	1,823	1,603	1,573	1,802	1,703	1,881	1,873	1,837	1,934	2,371
Warrants processed (adult and juvenile)	666	845	742	756	756	689	994	537	520	529
Driving under influence arrests (DUI)	164	265	253	156	185	162	104	75	66	52
Property loss	2,235,868	1,196,213	1,196,512	2,215,301	2,261,182	2,253,215	3,305,098	3,348,530	361,449	2,667,903
Property recovered	574,448	510,747	511,747	490,507	533,942	905,034	1,106,738	1,122,125	215,899	162,068
Cases written	5,407	4,730	4,760	4,667	4,830	5,681	5,055	5,682	4,903	5,720
Animal related calls	353	327	386	402	430	451	454	424	424	375
Civilian complaints	12	15	15	11	12	8	4	8	7	13
Noise complaints	2,919	2,230	2,073	1,792	1,449	1,553	1,211	1,348	1,212	1,177
Moving violations	2,554	4,963	5,019	5,082	3,706	4,738	3,979	2,246	1,216	910
Parking violations	18,020	16,570	15,470	15,253	14,082	11,228	8,479	7,116	10,078	6,648
<b>Public works</b>										
Tons of material used for the pothole repairs	11	9	10	10.5	7	25	30	24	28	34
<b>Parks and Community Services</b>										
<b>Community Services:</b>										
Recreation Program Participants	19,316	19,746	18,297	15,747	16,583	15,858	15,087	18,595	14,773	12,140
Athletic Field Rentals						5,023	7,011	3,943	3,802	232
Park & Picnic Rentals						1,130	675	627	708	157
Performing Arts Center Rentals		192	137	132	193	207	209	271	241	133
Pool Rentals						65	60	80	66	34
Public Facility Rentals						3,327	2,770	2,759	2,920	375
<b>Water</b>										
Water service connections	16,430	16,430	16,572	16,139	16,756	16,794	16,852	17,005	16,392	177,220
Average daily consumption (thousands of gallons)	10,699	10,478	10,340	10,306	7,723	8,133	8,456	9,219	10,286	9,363
Average daily consumption (millions of gallons/day)	10.70	10.48	10.34	10.31	7.72	8.13	8.46	9.22	10.29	9.36
<b>Wastewater</b>										
Sewer service connections	16,430	16,430	16,430	16,572	N/A	16,179	16,852	16,516***	16,542	16,363
Average daily treatment (millions of gallons/day) *	4.84	5.07	4.60	4.60	4.22	3.70	4.39	4.00	5.00	4.48
<b>Solid Waste *</b>										
CalRecycle EAR Disposal (tons)	31,449	31,867	32,533	32,766	35,055	35,543	34,751	38,323	37,791	not yet available
CalRecycle Calculated Generation (tons)	91,928	89,700	91,574	92,230	91,868	96,474	94,324	97,085	95,737	not yet available
CalRecycle Calculated Diverted (tons)	60,479	57,833	59,041	59,464	56,813	60,931	59,573	58,762	57,946	not yet available
CalRecycle Calculated Diverted (%)	66%	64%	64%	64%	62%	63%	63%	61%	61%	not yet available
CalRecycle Calculated Disposal (%)	34%	36%	36%	36%	38%	37%	37%	39%	39%	not yet available

\* corrected basis of measurement

Source: City of Davis

Notes:

(1) "N/A" denotes information not available.

\* Solid Waste section has been updated with the official numbers issued by the state for each calendar year.

\*\*\* This number was revised down from 17,612



# City of Davis

## Capital Asset Statistics by Function/Program (Unaudited) Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public safety:</b>										
Fire stations	6	3	3	3	3	3	3	3	3	3
Police stations	1	1	1	1	1	1	1	1	1	1
Number of sworn personnel	61	61	63	63	61	61	61	61	61	61
Police patrol units	34	37	37	37	34	34	34	34	34	34
<b>Public Works</b>										
Miles of streets	166	166	165	165	179	179	179	179	179	179
Street lights	5,699	5,699	5,710	5,710	6,100	6,100	4,540	4,027	4,027	4,027
Traffic Signals	61	61	59	58	60	60	67	57	58	58
<b>Culture and Recreation:</b>										
<b>Community services:</b>										
City parks	36	36	36	36	34	37	37	37	37	37
City trees	26,000	26,000	21,500	20,616	20,616	19,556	19,125	40,009	38,767	34,326
Playgrounds	69	69	69	69	65	67	67	67	67	67
Miles of on-street bike lanes	55	55	55	55	55.8	55.8	56	58	58	58
Miles of off-street bike paths	56	56	53	53	53.3	58.8	56	58	58	58
Community gardens	1	1	1	1	1	2	2	2	2	2
Senior centers	1	1	1	1	1	1	1	1	1	1
Performing arts centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	4	4	4	4	9	9	9	9	9	9
Tennis courts	33	33	33	33	32	30	30	30	30	30
Pickleball courts						8	8	8	8	8
Bocce Ball courts						3	3	3	3	3
City buildings maintained **	87	91	92	91	91	92	61**	63**	63	62***
Square footage of City Buildings	305,093	305,093	305,093	305,093	305,093	307,973	301,469	306,169	312,104	301,104
Outdoor Amphitheater						1	1	1	1	2
Outdoor Fitness Equipment Areas	0	0	0	0	0	0	2	4	4	4
<b>Water</b>										
Miles of water mains	180	183	198	188	187.8	188	191	191	191	192
Number of wells	20	20	20	20	20	20	10	10	10	9
Fire hydrants	1,703	1,706	1,708	1,078	1,708	1,750	1,708	1,750	1,754	1,757
<b>Wastewater</b>										
Miles of sewer mains	164	164	164	164	164	160	164	164	166	164
Miles of storm sewers	127	127	127	127	127	80	127	127	128	129
Number of treatment plants			1	1	1	1	1	1	1	1
Treatment capacity (millions of gallons)*	7.5	7.5	7.5	7.5	7.5	7.5	6.5	6.5	6.5	6.5

Source: City of Example

Notes:

(1.) "N/A" denotes information not available.

\* Corrected basis of measurement. The permit is for 7.5, but the new plant was designed for 6.5

\*\*The definition of city buildings maintained has changed (no longer includes park restrooms, storage shed at 1818 and green belt sheds, etc.). Addition of Cannery barn and Cannery shed

\*\*\* Removal of Old City Hall after sale (reduction of approx 11,000 sq ft) <https://turtoncom.com/wp-content/uploads/2017/09/226-F-Street-Davis-Brochure.pdf>

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