

FINANCE DEPARTMENT

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MANAGEMENT DISCUSSION AND ANALYSIS

Fiscal year 2004/05 is the third year the city of Davis is required to issue its financial statements in the format prescribed by the provision of Government Accounting Standards Board Statement 34 (GASB 34), which requires the city to provide this overview of its financial activities for the fiscal year. Please read it in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

Fiscal Year 2004/05 Financial Highlights

The City of Davis was affected by the continuing economic slowdown and the State of California's budgetary crisis. In the past 20 years, Davis, like most local governments, lost more control over its revenues to the State. The diversion of local funds has allowed the State to meet its program funding obligations at the expense of important local services. These financial challenges have left the City of Davis in a bind having to search for creative ways to deal with permanent fiscal diversions. Over the years the City has implemented various budget reduction processes which have included layoffs, hiring freezes and flat budgeting.

Financial highlights for the 2004/05 fiscal year include the following:

Citywide

- The City's total net assets decreased \$71.3 million to \$2.0 billion in fiscal year 2005. This is primarily to depreciation expense of \$73.4 million. At June 30, 2004 the City's net assets totaled \$2.1 billion.
- Total City revenues, including program and general revenues were \$94.8 million, which was an increase of \$9.6 million from the prior year's \$85.2 million.
- Total Citywide expenses were \$166.2 million, an increase of \$5.1 million from the prior year's \$161.1 million.
- Net assets in Governmental funds decreased \$74.1 million, while net assets in Business-type Activities increased \$2.7 million.
- Governmental Program Revenues increased to \$28.4 million from fiscal year 2004's \$23.3 million.
- Governmental Program Expenses increased to \$140.5 million from \$134.1 million in fiscal 2004.
- Revenues from Business-type Activities decreased \$2.8 million in fiscal 2005 from \$29.4 million in fiscal 2004.

- Expenses of Business-type Activities decreased \$1.3 million in fiscal 2005 from \$27.0 million in fiscal 2004.

Fund level

- Governmental Fund balances increased to \$76.1 million in fiscal 2005 from the prior year's \$75.1 million.
- Governmental Fund revenues increased \$9.1 million in fiscal 2005 from the prior year's \$55.5 million.
- Governmental Fund expenditures increased to \$65.5 million in fiscal 2005, up \$12.4 million from the prior year's \$53.1 million.
- General Fund balance of \$13.0 million in fiscal 2005 is up \$3.0 million from the prior year's \$10.0 million.
- General Fund revenues increased to \$33.8 million, up \$4.5 million from the prior year's \$29.3 million and expenditures increased \$3.3 million from prior year's \$29.6 million.

Financial Condition Summary

The City began the fiscal year 2005 budget process by facing another tough fiscal outlook primarily due to the uncertainty of the State budget. In addition, we had continued to have unprecedented increases in retirement cost, largely due to investment losses by the California Public Employees Retirement System and increased public safety retirement benefits, and increasing insurance costs.

The State budget uncertainty will remain a cloud over local finances as we prepare our 2006/07 budget. Effectively dealing with this will mean continuing to follow our adopted fiscal policies, maintaining a virtually flat budget as well as planning ahead as best we can. Following this course will result in strengthening our fiscal condition and afford us the flexibility needed in effectively navigating the unknown ahead of us for many years to come.

We will continue to face challenges based on our local circumstances as well as from a continuing threat of more State takeaways from cities due to its inability to effectively manage its fiscal affairs in both good and bad times.

Overview of the Comprehensive Annual Financial Report

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

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

The Basic Financial Statements

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

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

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

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

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

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

The Government-wide Financial Statements

- **Governmental activities** – All of the city's basic services are considered to be governmental activities, including general government, planning and building, parks and community services, public safety, public works, and general administrative services. These services are supported by general city revenues such as taxes, and by specific program revenues such as development fees.
- The city's general activities include the activities of a separate legal entity, the City of Davis Redevelopment Agency, because the city is financially accountable for the Agency.

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

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

Fund Financial Statements

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

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

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

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

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

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

Fiduciary Statements

The city is the agent for certain assessment districts, holding amounts collected from property owners which await transfer to these Districts’ bond trustees. The city’s fiduciary activities are reported in the separate Statements of Fiduciary Net Assets and the Agency Funds Statement of

Changes in Assets and Liabilities. These activities are excluded from the city's other financial statements because the city cannot use these assets to finance its own operations.

Financial Activities of the City as a Whole

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

Governmental Activities

Table 1
Governmental Net Assets at June 30, 2005
(in Millions)

	<u>Governmental Activities</u>	
	2005	2004
Cash and investments	60.097	63.078
Other assets	31.357	31.589
Capital assets	<u>1,896.957</u>	<u>1,970.384</u>
Total Assets	<u>1,988.411</u>	<u>2,065.051</u>
Long-term debt outstanding	25.320	24.481
Other liabilities	<u>11.568</u>	<u>14.962</u>
Total Liabilities	<u>36.888</u>	<u>39.443</u>
Net assets:		
Invested in capital assets, net of debt	1,867.320	1,941.360
Restricted	28.394	31.157
Unrestricted	<u>55.809</u>	<u>53.090</u>
Total net assets	<u>1,951.523</u>	<u>2,025.607</u>

The City's net assets decreased \$74.1 million in 2005. This decrease is the Change in Net Assets reflected in the Statement of Activities shown in Table 2 and is explained below:

- Cash and investments decreased \$3.0 million and consists of \$58.9 million available to fund ongoing City operations, the remaining \$1.1 million is legally restricted as to what it can be spent on, such as capital projects funded with bond proceeds and bond reserves.
- Capital assets decreased \$73.4 million due to depreciation.
- Other assets consist primarily of accounts receivables, loans and other receivables.
- Long-term debt decreased \$.8 million due to principal payments and consists of Certificates of Participation and Tax Allocation bonds issued to finance major capital assets of the City or to fund projects which benefit the Redevelopment Agency of the City of Davis.

- Other liabilities consist primarily of accounts and claims payable as well as the City's compensated absences liability.
- Net assets invested in capital assets net of related debt decreased to \$1.9 billion due to debt service payments, and represent the net value of the City's capital assets financed through borrowing.
- Restricted net assets consists of net assets that are legally restricted to be spent on City capital projects, Redevelopment projects, special revenue funded projects and debt service reserves.
- Unrestricted net assets is the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements. Unrestricted net assets increased \$2.7 million to \$55.8 million which are available to finance day-to-day operations and other expenditures approved by City Council.

Fiscal Year 2005 Governmental Activities

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

Table 2
Changes in Governmental Net Assets
For the Year Ended June 30, 2005
(in Millions)

	<u>Governmental Activities</u>	
	2005	2004
Expenses		
City council	.124	.132
City attorney	.326	.375
City manager	1.820	1.658
Finance	1.288	1.408
Planning & building	3.583	2.881
Parks and community services	18.685	18.095
Public safety – fire	7.157	6.601
Public safety - police	13.567	10.709
Public works	86.382	86.016
Special projects	6.292	4.293
Interest on debt	<u>1.246</u>	<u>1.903</u>
Total expenses	<u>140.470</u>	<u>134.071</u>
Revenues		
Program revenues:		
Charges for services	8.839	9.029
Operating contributions and grants	14.240	12.527
Capital grants and contributions	<u>5.371</u>	<u>1.815</u>
Total program revenues	<u>28.450</u>	<u>23.371</u>
General revenues:		
Taxes	30.498	26.942
Motor vehicle in-lieu	4.316	3.510
Investment income	2.046	.852
Miscellaneous	1.075	.927
Transfers, net	<u>.000</u>	<u>.038</u>
Total general revenues	<u>37.935</u>	<u>32.269</u>
Total revenues	<u>66.385</u>	<u>55.640</u>
Changes in net assets	(74.085)	(78.431)

Governmental revenue increased \$10.7 million mostly due to a 1/2 cent increase in sales tax (\$2.6 million); better investment returns (\$1.6 million); an increase in development fee collection (\$4.5 million), which offset a decrease in grant revenue ((\$2.3) million); an increase in miscellaneous revenues (\$1.4 million); an increase in property and other taxes (\$.9 million); and an increase in Motor Vehicle In-Lieu revenue (\$.8 million).

Expenses increased \$6.4 million in fiscal 2005. \$2.8 million of this increase can be attributed to a public safety radio tower project and the addition of seven new police officers; \$.7 million to increased activity in the planning division and a new code enforcement program in our building division; \$1.9 million in increases in grant funded housing programs as well as minor increases and decreases in all other areas.

Governmental Activities

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

Table 3
Net Governmental Activities
For the Year Ended June 30, 2005
(in Millions)

	Net (Expense) Revenue From Services		<u>Net Change</u>
	<u>2005</u>	<u>2004</u>	
City council	-.124	-.132	.008
City attorney	-.326	-.374	.048
City manager	-1.811	-1.658	-.153
Administrative services	-.270	-.397	.127
Planning & building	-.337	1.187	-.850
Parks and community services	-9.872	-8.999	-.873
Public safety – fire	-5.335	-4.883	-.452
Public safety – police	-10.527	-8.089	-2.438
Public works	-77.505	-82.711	5.206
Special projects	-4.666	-2.740	-1.926
Interest on debt	-1.246	-1.903	.657

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

- Public works generates primary program revenues through service fees, such as engineering and plan checking, state and federal grants and developer contributions.
- Parks and community services programs generate program revenues through charges for recreation programs.

Business-type Activities

Table 4
Business-Type Net Assets
As of June 30, 2005
(in Millions)

	<u>Business-Type Activities</u>	
	2005	2004
Cash and investments	20.674	19.674
Other current assets	3.214	5.239
Capital assets	80.400	<u>80.222</u>
Total assets	<u>104.288</u>	<u>105.135</u>
Long-term debt outstanding	20.121	21.370
Other liabilities	<u>3.953</u>	<u>6.289</u>
Total liabilities	<u>24.074</u>	<u>27.659</u>
Net assets:		
Invested in capital assets, net of related debt	63.247	58.702
Restricted	.086	.106
Unrestricted	<u>16.881</u>	<u>18.668</u>
Total net assets	<u>80.214</u>	<u>77.476</u>

The net assets of business-type activities consist primarily of capital assets used in operations. In prior year the City reported net assets in total. In fiscal year 2005, the City has reported net assets in the three standard categories.

Table 5
Changes in Business-Type Net Assets
For the Year Ended June 30, 2005
(in Millions)

	<u>Business-Type Activities</u>	
	2005	2004
Net Revenues from Business-type activities:		
Water	-.379	.689
Sanitation	-.181	-.003
Sewer	1.745	1.913
Storm sewer	-.313	-.220
Public transit	<u>.078</u>	<u>.012</u>
Total Business-type activities	<u>.950</u>	<u>2.391</u>

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

The City's Fund Financial Statements

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

Table 6
Financial Highlights at Fund Level at June 30
(in millions)

	<u>2005</u>	<u>2004</u>	<u>Net Change</u>
Total assets	88.893	87.157	1.736
Total liabilities	12.753	12.041	.712
Total fund balances	76.140	75.116	1.024
Total revenues	64.614	55.527	9.087
Total expenditures	65.569	53.136	12.433
Total other financing sources (uses)	1.979	2.229	-.250

Governmental Funds

At June 30, 2005, the city's governmental funds reported combined fund balances of \$76.1 million, which is an increase of \$1.0 million compared with last year. \$30.7 million is legally reserved as to how the funds are to be spent. In addition \$2.1 million has been designated by City management to fund certain projects. \$43.3 million is available to fund ongoing City operations.

Revenues at the fund level increased \$9.1 million this year to \$64.6 million. The General Fund accounted for 52.3% and the Redevelopment Agency accounted for 11.0% of this revenue. The remainder was primarily in the Non-Major funds. Governmental expenditures increased \$12.4 million to \$65.6 million; of which the General Fund generated 50.2% and the Redevelopment Agency expenditures generated 4.7% and the remainder was primarily in non-Major funds.

Proprietary Funds

Enterprise Fund net assets increased \$2.7 million to \$80.2 million at June 30, 2005. Enterprise operating revenues increased \$1.2 million to \$23.4 million this year, while net non-operating revenues decreased to \$4.7 million from last year's \$7.0 million.

Enterprise Fund operating expenses decreased \$1.3 million to \$25.3 million in fiscal 2005.

Analysis of Major Governmental Funds

General Fund

General Fund revenues consisted primarily of property taxes and other taxes, which increased \$6 million to \$23.5 million or 69% of total fund revenue, for the year ended June 30, 2005.

Licenses and permits and Charges for current services showed increases due to an increase in development activity.

General Fund expenditures increased \$3.3 million consisted primarily of parks and community services (25%); police (33%) and fire (18%) for the year ended June 30, 2005. The primary expenditures associated with these services consisted of salaries and benefits. Police expenditures also included the installation of a public safety radio tower.

General Fund shows several revenue and expenditure categories with significant budget variances, including; Intergovernmental revenue, Charges for current services, Community Development and Parks and community services expenditures. The variance between original and final budgets in Intergovernmental revenue is due to new or additional grants that were awarded during the year (after the budget had been completed) for which the projects have not been completed. These grants require the work to be completed before request for payment can be made, which also explains the budget to actual variance. The Charges for current services and Community Development variances between original and final budgets offset each other and are due to additional unexpected planning projects. Some of these projects are still in process so the actual expenditures were lower than anticipated during 2004-05. Parks and community services had a variance between budget and actual. This was the result of salary savings from unfilled positions. These positions have been held open to help alleviate the impact of the State revenue reallocation.

At June 30, 2005 the General Fund Balance comprised \$8.6 million in unreserved, undesignated balances and \$4.5 million reserved or designated fund balances. Only the unreserved portion represents available liquid resources.

Child Care Grant

Child Care Grant fund revenues consist primarily of grant revenue which decreased \$.068 million and totaled \$6.7 million or 97% of total fund revenue, for the year ended June 30, 2005.

Expenditures consisted of parks and community services. The primary expenditures associated with these services consisted of salaries, benefits and provider payments.

At June 30, 2005 the Child Care fund balance comprised \$17,936 in designated or reserved fund balance and \$59,135 in undesignated fund balance.

Redevelopment Agency

The Redevelopment Agency revenues consist primarily of property taxes, which increased \$.7 million to a total of \$6.9 million or 97% of total fund revenue, for the year ended June 30, 2005.

Expenditures consisted primarily of special projects expenditures, which included property tax pass-through agreement payments and ERAF shifts in the amount of \$2.3 million.

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

At June 30, 2005 the Redevelopment Agency fund balance comprised \$1.2 is unreserved, undesignated fund balance and \$116,550 in restricted fund balance. The restricted fund balance is primarily due to a reserve for long-term receivables and encumbrances.

Redevelopment Agency Low Income Housing Fund

The Redevelopment Agency Low Income Housing Fund revenues consisted of investment income, which decreased \$7,874 to a total of \$82,977 or 100% of total fund revenue, for the year ended June 30, 2005.

Expenditures consisted primarily of special projects expenditures, which included administration of the Low Income Housing program in the amount of \$106,751.

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

At June 30, 2005 the Redevelopment Agency Low Income Housing fund balance comprised \$10.8 in designated or reserved fund balance. The Redevelopment Agency Low Income Housing fund is completely restricted in the use of fund balance.

Development Deferred Improvement

The Development Deferred Improvement revenues increased \$3.1 million and consist primarily of development impact fees in the amount of \$3.7 million (\$2.6 million increase) or 86% of total fund revenues, for the year ended June 30, 2005. Development impact fees are wholly dependent on new development and will decrease as the City moves closer to build out.

Primary expenditures for the Development Deferred Improvements fund are for capital projects. Capital projects expenditures which increased \$3.1 million and comprise \$4.1 million or 98% of total expenditures.

At June 30, 2005 the Development Deferred Improvements fund balance was comprised of \$21.7 million in unreserved fund balance and \$.9 million in reserved fund balance. The fund balance in this fund can only be used for capital projects.

Proprietary Funds

Water

Water fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$6.3 million or 88.8% of total fund revenues. This represents a \$17,108 decrease in fee revenue.

Primary expenditures are for water production and distribution (\$3.6 million). There was a \$.4 million increase in the amount of expenditures from the prior year.

Sanitation

Sanitation fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$7.5 million or 99.3% of total fund revenues. Revenues decreased slightly (\$33,742) from the prior year.

Primary expenditures are for waste collection and street sweeping (\$7.4 million). This reflects a slight increase in expenditures (\$.1 million).

Sewer

Sewer fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$8.2 million or 98.5% of total fund revenues. Sewer fee increases resulted in an additional \$1.1 million in revenues.

Primary expenditures are for sewage collection and treatment (\$3.6 million).

Storm Sewer

Storm Sewer fund revenues consist primarily of charges for services to the residents of Davis in the amount of \$1.4 million or 75.3% of total fund revenues. This is approximately the same as the prior year.

Primary expenditures are for storm drainage system maintenance (\$1.1 million). Expenditures increased slightly (\$.3 million) from the prior year.

Public Transit

Public Transit fund revenues consist primarily of operating grants and subventions in the amount of \$3.3 million or 99.1% of total fund revenues. Grants and subventions decreased \$3.3 million due to the completion of the capital grant funding for a new Unitrans facility.

Primary expenditures are for the provision of public transportation services (\$2.8 million). This reflects a decrease in expenditures of \$3.4 million primarily due to the completion of the new Unitrans facility.

Capital Assets

GASB 34 requires the City to record all its capital assets including infrastructure, which was not recorded in prior years. The city intends to complete the infrastructure implementation within the 2005/06 fiscal year. At the end of fiscal 2005 the City had \$2.0 billion, net of depreciation, invested in a broad range of capital assets used in governmental and business-type activities, as shown in Table 6 below (further detail can be found in note 5 to the financial statements):

Table 7
Capital Assets at June 30, 2005
(in Millions)

	<u>2005</u>	<u>2004</u>	<u>Net Change</u>
Governmental activities:			
Land	12.846	13.015	-.169
Construction in progress	26.175	17.878	8.297
Buildings and improvements	43.543	40.652	2.891
Equipment	17.655	17.305	0.350
Infrastructure – Streets	2,545.734	2,544.790	0.944
Infrastructure – Parks	<u>0.122</u>	<u>0.122</u>	<u>0.000</u>
Less accumulated depreciation	<u>749.117</u>	<u>663.378</u>	<u>85.739</u>
Totals	<u>1,896.958</u>	<u>1,970.385</u>	<u>-73.426</u>
Business-type activities:			
Land	5.127	5.130	-.003
Construction in progress	12.692	11.254	1.438
Buildings	44.902	44.507	0.395
Pipes and Lines	51.052	50.383	0.669
Equipment	<u>2.513</u>	<u>2.247</u>	<u>0.266</u>
Less accumulated depreciation	<u>35.886</u>	<u>33.299</u>	<u>2.587</u>
Totals	<u>80.400</u>	<u>80.222</u>	<u>0.178</u>

Debt Administration

Each of the City's debt issues is discussed in detail in Note 6 to the financial statements. At June 30, 2005 the City's debt comprised:

Table 8
Outstanding Debt at June 30, 2005
(in Millions)

	<u>2005</u>	<u>2004</u>	<u>Net Change</u>
Governmental activities:	25.320	24.481	0.839
Business-type activities:	20.121	21.370	-1.249

Special Assessment District Debt

At June 30, 2005, a total of \$40.020 million in special assessment district debt was outstanding, issued by five special assessment districts. This debt is secured only by special assessments on the real property in the district issuing the debt, and is not the City's responsibility, although the City does act as these Districts' agent in the collection and remittance of assessments.

Economic Outlook and Major Initiative

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

Contacting the City's Financial Management

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