



# TOWN OF DANVILLE, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



### TOWN COUNCIL

Robert Storer, Mayor  
Karen Stepper, Vice Mayor  
Newell Arnerich, Councilmember  
David Fong, Councilmember  
Renee Morgan, Councilmember

### TOWN STAFF

Joseph, A. Calabrigo, Town Manager  
Lani Ha, Finance Director/Treasurer



**TOWN OF DANVILLE, CALIFORNIA**

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**Renee Morgan, Councilmember**

**TOWN MANAGER**  
**Joseph A. Calabrigo**

**Prepared by the  
Finance Division**

**Lani Ha, Finance Director/Treasurer**

Danville, CA



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**Town of Danville**  
**Annual Comprehensive Financial Report**

**For the Year Ended June 30, 2023**

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**INTRODUCTORY SECTION**  
**(Unaudited)**



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*"Small Town Atmosphere  
Outstanding Quality of Life"*

November 14, 2023

Mayor and Town Council  
Town of Danville

Subject: Fiscal Year 2022/23 Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report (ACFR) of the Town of Danville for the fiscal year (FY) ended June 30, 2023, is submitted in compliance with laws of the State of California and as prescribed by the Government Accounting Standards Board (GASB) Statement 34. This report was prepared by the Town of Danville Finance Division, and the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge, the data included in the report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The ACFR represents the culmination of all budgeting and accounting activities of the Town during FY 2023.

**GENERAL INFORMATION ABOUT THE TOWN OF DANVILLE**

Incorporated in 1982, Danville is located in southern Contra Costa County, approximately 30 miles east of San Francisco and lies in the center of the San Ramon Valley. The Town comprises an area of 18.5 square miles and has 43,352 residents.

Danville began as a small rural village during the 1850s. The first post office was established in 1860. Although the Town is suburban, it still retains its small-town character. Older well-maintained neighborhoods coexist with newer subdivisions and their modern amenities. The community enjoys natural creeks, hiking and biking trails, and dedicated open space. Mt. Diablo, at an elevation of 3,849 feet, rises to the east and Las Trampas Regional Wilderness, elevation 2,049 feet, creates the Town's western boundary.

Danville's primary commercial district lies in the center of the community and offers resident-serving commercial businesses, boutique shopping, and fine dining. The Old Town area is the historical center of the Town. It is a source of pride to our residents and is the site of many holiday and special events which attract visitors throughout the year from around the Bay Area.

510 LA GONDA WAY, DANVILLE, CALIFORNIA 94526

While Danville has remained predominantly residential, neighboring cities have developed job centers including major business parks located within minutes from the Town.

The Town operates under the Council-Manager form of government, governed by a five-member Town Council elected at large and serving staggered four-year terms. Council elections are held in November of even-numbered years. The Town Manager and the City Attorney are appointed by the Town Council. The Town Manager appoints all Department Heads and through them all other employees of the Town.

Areas of service delivery for the Town include General Government, Police Services, Administrative Services, Development Services, Maintenance Services and Recreation, Arts and Community Services. The Town contracts with the Contra Costa County Sheriff's Office to provide police services. Additional services are provided by other agencies: fire service by the San Ramon Valley Fire Protection District, water service by the East Bay Municipal Utility District, wastewater service by the Central Contra Costa Sanitary District, and primary and secondary education by the San Ramon Valley Unified School District.

The Town also contracts with private companies and individuals to provide certain building inspection, recreation and maintenance services.

## **REPORTING ENTITY**

A preliminary step in preparing the ACFR for the Town was the identification of the reporting entity. In accordance with Government Accounting Standards Board Statement No. 14, related governmental entities were evaluated to determine if the Town was financially accountable for its operations. This report includes all fund types and account groups of the Town of Danville.

The former Community Development Agency (CDA) of the Town was dissolved by AB x1 26 on January 31, 2012. As a result, all assets and debt liabilities of the former CDA were transferred to a Fiduciary Trust Fund, the Successor Agency (SA) to the former Community Development Agency of the Town of Danville, in FY 2011/12. On June 27, 2012, AB 1484 was passed and directed that the Low and Moderate Income Housing assets be transferred from the SA to the Town. The SA does not meet the definition of a "component unit," and its financial activities and assets are therefore not included in the Town's financial statements. Although the SA is legally a separate entity, the governing board of the SA has the same membership as the Town Council. The Town is responsible for day-to-day activities, including the ability to appoint, hire, reassign or dismiss management. An Oversight Board consisting of seven members was appointed to the SA for the purpose of overseeing the dissolution of the CDA. The Town of Danville Financing Authority (a joint powers authority of the Town of Danville and the former CDA) is not included as a component unit since it is financially independent. In April 2017, the State Department of Finance approved the Last and Final Recognized Obligation Payment Schedule (ROPS) for the SA. This approval established the precise amount of each Redevelopment Property Tax Trust Fund (RPTTF) payment due to the SA until all of its obligations are retired in 2035.

The SA also completed disposition of all assets in 2017. Taken together, these steps eliminated the need for the Oversight Board and the preparation of any further ROPS.

## **ECONOMIC CONDITION AND OUTLOOK**

### Current Economic Condition

As of June 30, 2023, the Town of Danville's financial condition continues to be sound. An indicator of the Town's financial condition is the level of fund balance, reserved and unreserved, in its Governmental Funds, which include General, Special Revenue, Debt Service and Capital Projects. The Town has a policy of retaining a minimum of 20% of the coming year's operating expenditures as an operating reserve against the General Fund fund balance. As of June 30, 2023, \$13,809,768 or 37.4% is designated for this purpose. Additional reserves against the General Fund include various future operating costs, including General Fund purchase order encumbrance carryovers; reserves for Certificate of Participation debt issued by the Town in 2001 and 2005; a contingency for unforeseen expenditures; compensated absences/personnel; reward funds to help recover Town property; a reserve for the receivable for the funds loaned to the former CDA and funds to be used for maintenance of Town's rental property. An additional \$3,351,594 has been designated as a transfer to the Capital Improvement Program Project Fund.

The Town's conservative Investment Policy and practices continue to protect the principal of the Town's investment portfolio. The Town's portfolio is invested in U.S. Treasury bonds; U.S. Agency bonds; the State of California's pooled fund; LAIF; and U.S. Corporate Notes with ratings of AA- or higher.

The total General Fund fund balance of \$28,940,662 represents 114.23% of total FY 2022/23 General Fund operating expenditures and 78.35% of operating expenditures from all funds. Additionally, the Town has \$37,879,051 of Special Revenue funds, and \$36,955,042 in Capital Projects funds.

The Town's five largest revenue sources account for 85.35% of all Town revenues. These include Property Tax providing 36.76% of revenues; Sales Tax providing 14.49%; Other Taxes and Intergovernmental providing 20.81%; Special Assessments providing 7.00% and Development Impact Fees providing 6.3% of revenues.

Property Tax increased by \$903,979 (5.01%) compared to FY 21-22, as assessed values were increased. Revenue trends from the past four years illustrate strong growth in assessed valuation. December 31, 2015 marked the sunset of the Sales Tax for Property Tax swap known as "the triple flip" that was enacted by the passage of Proposition 57 in 2004.

Charges for Services increased by \$453,859 (16.92%), as Recreation classes and programs increased. Recreation Fees and Charges, Building and Planning fees and Development Engineering fees all increased compared to prior year.

Sales Tax increased by \$25,122 (.34%) as online sales activity and brick and mortar businesses (restaurant and retail) continue to remain strong. Other Taxes and Intergovernmental Fund Revenues increased by a net of \$5,497,789 (105.25%), reflecting the receipt of Coronavirus Local Fiscal Recovery Funds (CLFRF) from the federal government, higher revenues from Gas Tax and Measure J funds and a slight decrease in SPCP Special Assessments. LLAD Special Assessments remained essentially flat.

The increase in Development Fees of \$641,740 (24.67%), reflects an increase in permitting activity.

Danville's jobless rate as of September 2023 was 4.0% as compared to 3.8% nationwide, 4.7% in California, and 4.1% in Contra Costa County.

### Outlook for the Future

The Town uses a multi-year financial planning process that includes estimates of future revenue and operating expenditure growth as well as capital needs to be financed from all funds over the next 10 years. The annual update of this model, the 2023/24 Operating Budget and Capital Improvement Program, was completed in April 2023 and adopted on June 6, 2023. General Fund revenues are projected to increase 5.60% from FY 2022/23 to FY 2023/24, largely attributable to a 4.94% increase in Property Tax Revenue, 8.33% increase in sales tax revenue and 22.19% increase in Recreation Fees and Charges. Special Purpose revenues are projected to increase 1.30%, mostly due to increase of 2.78% in Gas Tax revenue, 8.34% in Measure J revenue, 3.00% in Solid Waste VIF revenue, and slight to no increases in other Special Revenues funds.

Looking forward 10 years, General Purpose revenues are projected to increase 5.60% in FY 2023/24 and an average of 1.43% thereafter. Special Purpose revenues are projected to increase 1.30% in FY 2023/24, and an average of 1.68% through FY 2032/33.

The 10-year projection includes cost increases that average 2.18% annually, reflecting anticipated adjustments to service demands as well as changes in the Consumer Price Index. The Town continues to evaluate the impact of current decisions on the long-term fiscal stability of the Town.

By FY 2026/27, all four zones in the Lighting and Landscape Assessment District will require further General Fund subsidies, or an increase in assessments, in order to maintain current service levels.

Despite the passage of Senate Bill 1 - The Road Repair and Accountability Act of 2017, which significantly increased the local streets and roads funds allocated back to Danville, Gas Tax revenues alone will not support all of the costs associated with maintaining the Town's street system over the next 10 years. Additional General Purpose and Special Purpose revenue resources, will continue to be needed to maintain the current Pavement Condition Index (PCI) and street maintenance service levels.

Furthermore, the Town's Capital Improvement Program will continue to require an annual infusion from the General Fund and other available resources in order to maintain the Town's practice of paying cash for capital projects.

The Town's current funding of service delivery, capital projects, local streets and roads and long-term fiscal health depends on continued growth of the economy and avoidance of further negative fiscal actions by the State or voters. The dissolution of the former Community Development Agency continues to have a major negative impact on the Town by eliminating a major annual funding source for downtown improvements. While the Town will be repaid \$2.86 million in funds owed by the former Community Development Agency through annual payments, further action from the State could adversely affect the Town's fiscal condition.

Additional financial information on the Town of Danville is provided in The Management Discussion and Analysis (MD&A). The Transmittal letter and MD&A are intended to provide complementary information to each other.

## **MAJOR ACCOMPLISHMENTS AND INITIATIVES**

### For Fiscal Year 2022/23

Major events took place in the Town during FY 2022/23 that had or will have significant financial effects on the Town in the years to come. The Town:

1. Completed the relocation of the Town Offices and Police Department to new facilities located at 500 La Gonda Way.
2. Ended the declared state of local emergency related to the Coronavirus pandemic which had been in place since March 2019.
3. Declared a local state of emergency due to flooding and mudslides experienced in several neighborhoods as a result of an atmospheric river that hit the San Francisco Bay Area on December 31, 2022, causing an estimated \$6 million in damage to public property.
4. Initiated several emergency repair projects and recovery efforts necessitated by the December 31, 2022 storms, including the replacement of a failing twelve foot diameter culvert on Diablo Road and reconstruction of approximately three hundred feet of creekbank along San Ramon Creek which resulted in the closure of Front Street north of Diablo Road.
5. Applied to the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES) to qualify for up to \$6 million in public assistance related to emergency repair and recovery costs attributable to the declared state or a local emergency due to the December 31, 2022 storms.
6. Provided approximately 45,000 sandbags for residents to assist with storm response efforts.

7. Provided frequent, timely, and accurate messages to residents related to the winter atmospheric rivers and its aftermath. Messages from the Town were viewed over 127,903 times on social media in January 2023. Frequent communication helped keep residents safe and informed during a difficult time.
8. Completed and adopted the 2023 - 2031 Housing Element for initial submittal to the State of California Department of Housing and Community Development.
9. Adopted a new Downtown Master Plan and began design work for the Downtown Master Plan Catalyst projects.
10. Continued to work with Tri-Valley Cities Coalition and state legislators to advocate for changes to legislation in a manner that benefits Danville.
11. Created and appointed a new Bicycle Advisory Commission to advise the Town Council on matters related to bicycle circulation and safety.
12. Continued to implement the American Rescue Plan Act: reporting and implementing approved expenditures for the use of CLRF for the first tranche of \$5,323,869 received in July 2021, and the second tranche disbursement of \$5,323,869 in July 2022.
13. Named safest city in California by several online sources, including Propertyclub.com, ADT.com, and isoldmyhouse.com. This designation is based on factors such as reported crime data, community amenities, and overall quality of life. These assessments include all cities with more than 30,000 residents.
14. Enhanced public safety by equipping seven police patrol vehicles with "StarChase" pursuit mitigation devices, which allow officers to tag fleeing vehicles with GPS trackers, reducing the risks associated with high-speed police pursuits.
15. Collaborated with various mental health agencies, including A3 (Anyone/Anywhere/Anytime), MHET (Mental Health Evaluation Team), and the San Ramon Valley Public Safety Mental Health Program to reduce incidents of mental health distress within the community.
16. Continued the Police Chief's "10-8 program," a weekly live video podcast, providing opportunities for residents to engage and interact with law enforcement via Facebook and YouTube.
17. Achieved a 100% juvenile diversion success rate, with all 14 juveniles referred to the program successfully completing it and avoiding further criminal activity. This marks a positive step in reducing juvenile recidivism.
18. Adopted Design Guidelines for the Temporary Outdoor Expanded Dining Program for restaurants.
19. Developed and produced the fifth annual "Danville Picks" Holiday Gift Guide, a comprehensive guide to holiday shopping in Danville, featuring local businesses and products. The Gift Guide was promoted as a part of a regional marketing campaign that included paid advertising.
20. Hosted 11 community events attracting over 53,000 attendees. Events included the Devil Mountain Run (2,000 attendees), Kiwanis Danville July 4<sup>th</sup> Parade (35,000 attendees), Hot Summer Sundays Car Show (8,000 attendees), and Lighting of the Old Oak Tree (8,000 attendees). These events are intended to build community spirit and support local businesses.

21. Awarded 60 Business Boost Grant applications valued at \$180,000. The grant is funded through the Cares Act and designed to support local businesses through their recovery from the Covid-19 pandemic.
22. Approved 12 Business Promotion Grant applications valued at \$20,542, assisting over 100 local businesses. Grants were used to support initiatives that boost the visibility and success of a wide spectrum of local businesses. Businesses utilized the grants for marketing, building improvements, upgrade of equipment and training.
23. Launched a monthly email newsletter to over 4,000 subscribers. The newsletter provides subscribers with information about upcoming events, local businesses, and other news and resources. It has helped to build a strong connection with the Danville community and support local businesses.
24. Processed 162 planning applications, ranging from variances and land use permits to subdivisions and development plans.
25. Issued 2,689 building permits (83 percent of which were received online), conducted 2,183 plan checks and 7,897 building inspections.
26. Processed 548 encroachment permits for private or utility-related construction activity within the public right-of-way.
27. Opened and facilitated the resolution of 295 code enforcement cases, more than doubling the case load from the prior year.
28. Continued design and environmental work toward construction of the Diablo Road Trail project.
29. Completed the schematic design work for the Diablo Vista Park playground and multi-use skate park.
30. Completed design for the Camino Ramon Improvements project and began construction.
31. Began construction of the Loch Lomond, Starview, and Westridge Trash Rack projects.
32. Continued the design for the San Ramon Valley Boulevard Improvements project.
33. Began construction of the Sycamore Valley Road Park & Ride bioretention and pedestrian improvements.
34. Completed the first phase of the Town-wide Storm Drain Master Plan.
35. Began construction of the Oak Hill Park playground replacement project.
36. Completed design work and awarded a contract to replace five acres of synthetic turf athletic fields at Sycamore Valley Park.
37. Continued the design of the El Pintado Pavement and Drainage Improvements project.
38. Completed design of the Rectangular Rapid Flashing Beacons at four locations.
39. Completed Phase I of the Townwide Traffic Signal Modernization project and begin design of Phase II consisting of the federal-funded portion of the project.
40. Completed replacement of five traffic signal battery back-up systems
41. Completed a Local Roadway Safety Plan.
42. Received \$611,000 in State grants for Traffic Signal Modernization project.
43. Received \$109,000 State grant for the Downtown Masterplan Catalyst Project.
44. Continued the Neighborhood Traffic Management Program consisting of five active neighborhood applications.

45. Installed radar speed display signs at 8 locations as part of the Neighborhood Traffic Management Program.
46. Installed Greenbrook Drive traffic calming improvements as part of the Neighborhood Traffic Management Program.
47. Continued with various Transportation programs including Street Smarts traffic safety education program, Neighborhood Traffic Management Program and participation in Danville's TRAFFIX Student Transportation Program.
48. Continued design of Camino Tassajara and Sycamore Valley Road Sound Wall Improvements
49. Continued with design of the Townwide Fiber Optic Cable Interconnect project.
50. Renovated the turf in the large dog park at Hap Magee Ranch Park. The dog park at Hap Magee Ranch Park is rated the best dog park in the area by Diablo Magazine.
51. Managed the street sweeping services contract to continue providing clean and safe streets and prevent pollution of creeks.
52. Completed the annual creek cleaning through in-house and contract efforts which helps prevent damage to public and private property.
53. Assumed maintenance responsibility for the landscaping along the I-680 corridor on Camino Ramon and San Ramon Valley Blvd.
54. Completed a large pruning project of the "Danville Oak Tree" on Diablo Road.
55. Resurfaced two Town-maintained tennis courts at Monte Vista High School.
56. Resurfaced the two basketball courts at Sycamore Valley Park.
57. Replaced HVAC units at the Village Theatre, Town Meeting Hall and Cottage at Hap Magee Ranch Park.
58. Converted lighting at the Library and Danville Community Center to LED for energy conservation.
59. Continue to implement additional security measures and monitor cybersecurity issues to protect the Town from these ongoing types of attacks.
60. Implemented an entirely new telephone system with security alerting.

#### For Fiscal Year 2023/24

During the upcoming FY 2023/24 the Town will:

1. Achieve State of California Department of Housing and Community Development certification for the 2023 - 2031 Housing Element and adopt the certified Housing Element.
2. Continue to work with Tri-Valley Cities Coalition and state legislators to advocate for changes to legislation in a manner that benefits Danville.
3. Continue to work with the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES) to recover up to \$6 million in public assistance related to emergency repair and recovery costs attributable to the declared state or a local emergency due to the December 31, 2022 storms.
4. Undertake a feasibility study to consider changes and updates to the Town-wide Lighting and Landscape Assessment District which supports ongoing maintenance of Town parks, buildings, roadside landscaping and street lighting, and contributes to the Town's overall quality of life and property values.

5. Complete construction of the Loch Lomond, Starview, and Westridge Trash Rack projects.
6. Complete construction of the Oak Hill Park playground replacement project.
7. Complete replacement of five acres of synthetic turf athletic fields at Sycamore Valley Park.
8. Complete emergency repairs of the San Ramon Creek creekbank and Front Street north of Diablo Road.
9. Complete the emergency storm drain pipeline replacement on East Linda Mesa Avenue.
10. Begin construction for the Downtown Master Plan Catalyst projects.
11. Construct the San Ramon Valley Boulevard Improvements project.
12. Complete construction of the Sycamore Valley Road Park & Ride bioretention and pedestrian improvements.
13. Complete construction of the Camino Ramon Improvements project.
14. Complete design and construct the El Pintado Loop Drainage and Pavement Improvements.
15. Begin design of the Town Green Master Plan projects.
16. Complete design and begin construction of the Diablo Road Trail project.
17. Complete design and begin construction of the Diablo Vista Park playground and multi-use skate park.
18. Complete construction of the Rectangular Rapid Flashing Beacons project at four locations.
19. Complete design and begin construction of Phase II of the Traffic Signal Modernization project.
20. Complete design of the Iron Horse Trail Crossings Improvements.
22. Continue design work for the \$6 million project to replace the La Gonda Way bridge at Danville Boulevard.
23. Increase the number of businesses that apply for the Business Promotion Grant program. Develop and distribute a survey to participants to gather feedback as part of an ongoing effort to improve program effectiveness.
24. Analyze data from the previous year's "shop local" holiday marketing campaign to identify areas for improvement. Gather feedback from participants as part of an ongoing effort to improve program effectiveness.
25. Relaunch the Business Concierge program to provide businesses with a one-stop shop for resources and assistance.
26. Refocus the Business Resources webpage to make it more user-friendly and accessible. This includes enhancing tools for site selection to make it easier for businesses to find the right location in Danville. Improve tools for new businesses to help them get started and succeed.
27. Develop and implement a "Welcome Wagon" program to welcome new businesses to Danville and introduce them to Town resources. The goal of the program is to help new businesses get started and succeed in Danville.

28. Implement the newly adopted Community Events Policy by developing a process for reviewing and approving requests for community event support. Track the number and monetary value of community events that receive support from the Town, and measure the impact of the support on the community.
29. Create and grow the Danville Police Department's Instagram account. Utilize the account to share public safety-related news and updates as well as to build continue the strong connection between the community and its police department.
30. Complete design and begin construction of the Townwide Fiber Optic Interconnect.
31. Continue implementation of Townwide Bicycle Facility Improvements
32. Complete replacement of five Electric Vehicle Charging Units (10 stations) in the downtown area.
33. Renovate the children's reading area in the Danville Library, including new flooring, paint and furniture.
34. Complete a drainage improvement project on Van Patten Drive to eliminate recurring flooding on the street.
35. Resurface two more Town-maintained tennis courts at Monte Vista High School.
36. Renovate the turf in the large dog park at Hap Magee Ranch Park, which continues to be rated as the bet dog park in the area by Diablo Magazine.
37. Manage the street sweeping services contract to continue providing clean and safe streets and prevent pollution of creeks.
38. Complete the annual creek cleaning through in-house and contract efforts, which helps prevent damage to public and private property.

## **FINANCIAL CONTROLS AND INFORMATION**

The Town's financial records for general governmental operations are maintained on a modified accrual basis with revenues recorded when available and measurable and expenditures recorded when the services or goods are received and the liability incurred.

Town Management is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss and theft or misuse; and for compiling accounting data which is adequate for the preparation of financial statements in conformity with generally accepted accounting principles. 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.

### Budgeting Controls

The Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. Activities of all governmental type funds are included in the annual appropriated budget. For FY 2022/23, the budgetary level of control (that is the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget was at the fund level.

For the capital improvement budget, the level of control was the individual capital improvement project. The Town also utilizes the encumbrance system as a management control technique to assist in controlling expenditures. All appropriations lapse at year-end. However, encumbrances and appropriations for unfinished capital and other projects are reviewed and, when warranted, are reappropriated ("carried over") as part of the following year's budget.

### Risk Management

The Town is a member of the Municipal Pooling Authority (MPA), a consortium of 20 California cities, including 17 in Contra Costa County, one in San Mateo County, one in Santa Clara County and one in San Joaquin County. The Risk Management Authority is a risk-sharing, self-insured pool providing insurance benefits to its members. Insurance activities are financed by charges to member cities, and no long-term debt has been incurred by the Authority. The Town participates in the Authority's self-insured general and auto liability programs and purchases commercial property and earthquake insurance through MPA. Annual premiums are determined based on an actuarial study using a retrospective method.

During FY 2022/23, the Town was responsible for the first \$5,000 of general liability costs and \$2,000 and \$3,000 for Town and police auto liability respectively, for each of its own claims.

The Town's limits of coverage per claim are \$29 million for general liability and \$250,000 for auto liability. The Town has set aside \$31,809 in the General Fund to offset a liability and finance anticipated settlement of claims.

The Town is also a member of the Authority's workers' compensation pool. The Authority is responsible for the first \$500,000, per claim. This program carries excess insurance above \$500,000 per claim.

The Town has implemented various risk control techniques and loss prevention and reduction programs, including employee training and education.

## **OTHER INFORMATION**

### Independent Audit

It is the policy of the Town of Danville to have an audit performed annually by an independent certified public accountant. The independent audit of the June 30, 2023 financial statements was performed by The Pun Group, LLP. Their opinion is included with the general purpose financial statements.

## Acknowledgments

The development of this report would not have been possible without the dedication and efforts of the entire Finance Division team. We would like to express our appreciation to all staff members of the Town and our independent auditing firm who made this report possible.

The Town's prudent fiscal management policies and practices are guided by the leadership and support of the Danville Town Council. We appreciate the Town Council's support and continued leadership.

Respectfully submitted,



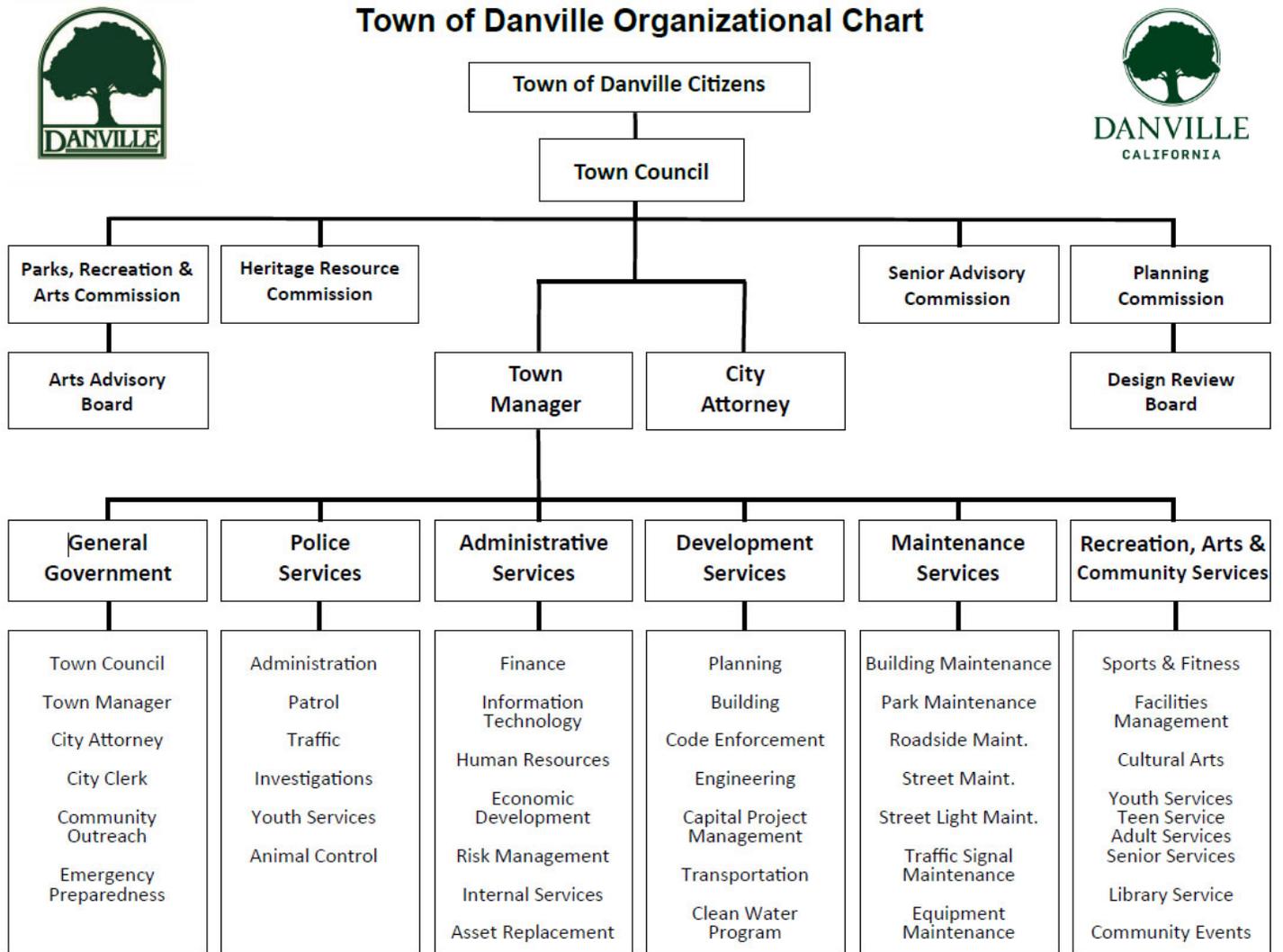
Joseph A. Calabrigo  
Town Manager



Lani Ha  
Finance Director/Treasurer

# Town of Danville

## Organizational Chart



# Town of Danville

## Directory of Public Officials

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### TOWN COUNCIL

Robert Storer	Mayor
Karen Stepper	Vice Mayor
Newell Arnerich	Councilmember
David Fong	Councilmember
Renee Morgan	Councilmember

### TOWN STAFF

Joseph A. Calabrigo	Town Manager
Robert Ewing	City Attorney
Marie Sunseri	City Clerk
Tai Williams	Assistant Town Manager
Allan Shields	Chief of Police
Lani Ha	Finance Director/Treasurer
Dave Casteel	Maintenance Services Director
Henry Perezalonso	Recreation, Arts & Community Services Director

**Town of Danville**

**Certificate of Achievement for Excellence in Financial Reporting –  
Government Finance Officers Association**

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Danville  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Town of Danville

## Statement of Purpose

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### **DANVILLE IS A COMMUNITY DEDICATED TO PROVIDING AN EXCEPTIONAL QUALITY OF LIFE FOR ITS CITIZENS**

To achieve this level of excellence, Danville will:

- Value and enhance its heritage and natural environment;
- Build innovative processes for citizen involvement and stimulate active participation in local government decision making;
- Foster personal responsibility, ethical standards and commitment among citizens;
- Achieve high quality development in scale with the natural surroundings;
- Deliver superior municipal and educational services;
- Encourage the arts, cultural and recreation activities, and community celebrations; and
- Exercise strong leadership in regional issues.

These goals enhance a sense of positive “small town” values related to the family, neighborhood, and community.

**FINANCIAL SECTION**



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## INDEPENDENT AUDITORS' REPORT



To the Mayor and Members of the Town Council  
of the Town of Danville  
Danville, California

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Danville, California (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of a Matter**

##### *Implementation of GASB Statement No. 96*

As described in Notes 2Q and 15 to the basic financial statements, the Town implemented GASB Statement No. 96, *Subscription-Based Information Technology Agreements*. Our opinion is not modified with respect to this matter.

##### *Responsibilities of Management for the Financial Statements*

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Information, Budgetary Comparison Schedules for General Fund, Lighting and Landscaping Special Revenue Fund, Regional Traffic Impact Fee Special Revenue Fund, and American Rescue Plan Act Special Revenue Fund, and Modified Approach for Town Street Infrastructure Capital Assets 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.

*Supplementary Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS and *Government Auditing Standards*. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023, on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California  
November 14, 2023



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Independent Auditors' Report**

To the Mayor and Members of the Town Council  
of the Town of Danville  
Danville, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Danville, California (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 14, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

To the Mayor and Members of the Town Council  
of the Town of Danville  
Danville, California  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The Per Group, LLP*

Walnut Creek, California  
November 14, 2023



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Town of Danville's Financial Statements are issued in the format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB No. 34). This discussion and analysis of the Town's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the accompanying transmittal letter, the Basic Financial Statements and the accompanying notes to those financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Town's net position as of June 30, 2023 increased \$11,496,010 or 4.1% from \$279,475,452 to \$290,971,462.
- Total liabilities and deferred inflows of resources were \$24,273,866. Total assets were \$315,245,328. Of this amount \$66,412,003 is classified as unrestricted and, with the future receipt of \$2,859,401 of loan receivable from the former Community Development Agency (CDA), may be used to provide ongoing services and capital projects to residents and creditors.
- Governmental funds for the Town have combined fund balances of \$103,774,755. Of this amount \$35,687,006 is restricted by external parties, \$61,784,328 is committed for ongoing and future activities and \$1,915,461 is classified as nonspendable and unassigned, reflecting the future of receiving the loan proceeds from the cooperative agreement to the former Community Development Agency and fund received for services that have not been rendered by the Town, \$3,287,960 has been assigned for ongoing operations and \$1,100,000 is unassigned.
- The Town's General Fund fund balance increased 4.6% from \$27,676,880 to \$28,940,662. The fund balance includes funds reserved or designated for debt service, future capital projects, ongoing operations, and an operating reserve of \$13,809,768 (37.4%) of FY 22/23 operating expenditures.

In fiscal year 2015, the Sacramento County Superior Court issued a ruling on September 5, 2014, concluding that the reentered Cooperative Agreement between the Successor Agency and the Town of Danville was an enforceable obligation. The State appealed the Superior Court decision, and in May 2015, the State dismissed its appeal. At the same time, the Department of Finance accepted the Agreement as an enforceable obligation. The Town has decided to retain the amount that was approved by the Department of Finance, \$2,859,401 as a loan receivable on its books, and reserve an offsetting amount in fund balance.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which consists of three components: 1) Government-wide Financial Statements, 2) Governmental Fund Financial Statements and 3) Notes to the Basic Financial Statements. This report also contains supplementary information in addition to the basic financial statements.

## Reporting the Town as a Whole - Government-Wide Financial Statements

The Government-Wide Financial Statements provide a longer-term view of the financial position of the Town as a whole, including all capital assets and long-term liabilities on the *full accrual* basis. This presentation is similar to that of a private-sector business. Over time, increases or decreases in the Town's net position may serve as one useful indicator of the Town's overall financial health. Other factors to consider are changes in the Town's property tax base and the condition of the Town's roads.

The *Statement of Activities and Changes in Net Position* provides information on how the Town's net position changed during the 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 the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, long term debt payments due and capital asset depreciation). There is an emphasis on measuring net revenues and expenses of each of the Town's programs.

The Fiduciary Fund Financial Statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government. Fiduciary funds reported in the ACFR for Danville include the Deposits fund and the Successor Agency Trust Fund.

In the *Statement of Net Position* and the *Statement of Activities and Changes in Net Position*, the Town's activities are separated as follows:

**Governmental Activities:** All of the Town's basic services are considered to be governmental activities, including general government, police, maintenance, development, transportation and recreation services. Governmental activities are generally supported by taxes and intergovernmental revenues.

## Reporting the Town's Most Significant Funds - Governmental Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds and group the remaining funds together under the column heading, "Non-Major Governmental Funds." Some funds are required to be established by State law and by bond covenants. In addition, the Town Council may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- ***Governmental Funds***—Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The Governmental Fund Statements provide a detailed *short-term view* of the Town's general government operations and the basic services it provides. Governmental funds information help determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements. The relationship (or differences) between governmental *activities* (reported in the *Statement of Net Position* and the *Statement of Activities and Changes in Net Position*) and Governmental Funds Financial Statements are explained in a reconciliation schedule following each Governmental Fund Financial Statement.

## Reporting the Town’s Fiduciary Responsibilities

The Town is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, assessment district bond holders, the Successor Agency and others. The Town’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. The Town provides a Defined Contribution Pension Plan for all qualified employees. We exclude these activities from the Town’s other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## Notes to the Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Governmental Fund Financial Statements.

## Other Information

In addition to the Basic Financial Statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the Town’s funding of its obligation to provide pension benefits to its employees, budgetary comparison schedules for the General Fund, each major Special Revenue Fund and schedules and disclosure of the modified approach for reporting the Town’s infrastructure.

## THE TOWN AS A WHOLE - GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town’s combined Net Position as of June 30, 2023 and 2022 were:

	<b>2023</b>	<b>2022</b>	Increase (Decrease)
Current and other assets	\$ 122,315,458	\$ 111,100,663	\$ 11,214,795
Capital Assets, net of depreciation	192,929,870	188,660,632	4,269,238
<b>Total assets</b>	<b>315,245,328</b>	<b>299,761,295</b>	<b>15,484,033</b>
Current liabilities	15,402,556	12,519,902	2,882,654
Long-term liabilities	5,255,224	5,659,468	(404,244)
<b>Total liabilities</b>	<b>20,657,780</b>	<b>18,179,370</b>	<b>2,478,410</b>
Deferred inflows of resources	3,616,086	2,206,276	1,409,810
Net position:			
Net investment in capital assets	188,058,533	183,525,435	4,533,098
Restricted for:			
Debt service	1,641,685	1,623,569	18,116
Special projects	34,859,241	30,027,429	4,831,812
Unrestricted	66,412,003	64,299,019	2,112,984
<b>Total net position</b>	<b>\$ 290,971,462</b>	<b>\$ 279,475,452</b>	<b>\$ 11,496,010</b>

The Town's Net Positions from Governmental Activities increased 4.11% from \$279,475,452 to \$290,971,462. This increase of \$11,496,010 comes from the change in net position as recorded in the Statement of Activities and flows through the Statement of Net Position. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to permanent fund principal, special, and extraordinary items, and total assets are presented in the Statement of Activities and Changes in Net Position.

The following is an explanation of the changes between fiscal years as shown in Table 1:

Total assets increased \$15,484,033:

- Current and other assets increased \$11,214,795 reflecting an increase in cash and investments. Capital assets, net of depreciation, increased \$4,269,238 reflecting expenditures for capital projects during the year.

Total liabilities increased \$2,478,410:

- Current liabilities increased by a net of \$2,882,654, due largely to an increase in accounts payable, wages payable, retention (for capital projects), unearned revenue, and deposit payable.
- Non-current liabilities decreased a net of \$(404,244) reflecting payment of long-term debt principal of \$545,000 that was paid according to schedule, and an increase of \$111,692 in compensated absences.
- Deferred inflows of resources increased \$1,409,810 due to the addition of new leases receivable and remeasurement of existing leases receivable.

Net Position:

- Restricted net position increased a net of \$4,849,928. Special Revenue funds were spent for capital projects as budgeted. Debt Service funds increased by \$18,116 reflecting the net change in annual RPTTF funds received for scheduled debt service payments of the Town's COPs and the increase in the reserved fund for debt service. Special Projects funds increased by \$4,831,812 as funds were needed for operations or appropriated for capital expenditures.
- Unrestricted net position, which are designated by Council for specific future capital improvements or economic stability, increased by \$2,112,294, reflecting solid revenues and controlled costs, which enabled the transfer of \$4.73 million of General Fund funds to be transferred to Capital Improvement funds for future capital projects and Asset Replacement funds and LLAD funds for its operating expenses and Contingency fund. Capital improvements include park improvements, road maintenance, traffic control measures and general Town improvements.

## Government Activities

Table 2 presents the gross revenues and expenditures for the fiscal years ending June 30, 2023 and 2022.

**Table 2**  
**Revenues and Expenses**  
**Governmental Activities**

	2023	2022	Increase (Decrease)
<b>Revenues - Governmental Activities</b>			
Program revenues:			
Charges for services	\$ 10,205,661	\$ 9,650,921	\$ 554,740
Operating grants and contributions	2,367,059	3,445,191	(1,078,132)
Capital grants and contributions	5,050,477	1,542,184	3,508,293
Total program revenues	<u>17,623,197</u>	<u>14,638,296</u>	<u>2,984,901</u>
General revenues:			
Taxes:			
Property	18,937,827	18,033,848	903,979
Sales	7,467,848	7,443,450	24,398
Motor vehicle	44,757	50,723	(5,966)
Franchise	3,383,163	3,252,012	131,151
Other	341,405	340,497	908
Investment earnings	998,731	(2,626,475)	3,625,206
Miscellaneous	2,501,924	563,904	1,938,020
Reimbursement from Successor Agency	825,175	785,175	40,000
Total general revenues	<u>34,500,830</u>	<u>27,843,134</u>	<u>6,657,696</u>
<b>Total revenues</b>	<u>52,124,027</u>	<u>42,481,430</u>	<u>9,642,597</u>
<b>Expenses - Governmental Activities</b>			
General government	2,999,255	2,673,481	325,774
Police services	10,594,467	9,972,541	621,926
Maintenance services and lighting and landscape	11,973,823	8,990,730	2,983,093
Development services	6,931,034	7,246,100	(315,066)
Administrative services	3,798,969	3,558,462	240,507
Recreation, arts & community services	4,096,414	3,137,966	958,448
Interest on long-term debt	234,055	256,521	(22,466)
<b>Total expenses</b>	<u>40,628,017</u>	<u>35,835,801</u>	<u>4,792,216</u>
<b>Changes in Net Position</b>	11,496,010	6,645,629	4,850,381
<b>Net Position:</b>			
Beginning of year, as restated	<u>279,475,452</u>	<u>272,829,823</u>	<u>6,645,629</u>
End of year	<u>\$ 290,971,462</u>	<u>\$ 279,475,452</u>	<u>\$ 11,496,010</u>

Variances shown above are reflected in the net numbers of Table 3 and are discussed following Table 3.

Table 3 presents each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions. The net cost of programs increased by \$4,950,184 reflecting lower change in expenses and higher change in revenues.

**Table 3**  
**Cost of Services**  
**Governmental Activities**

	2023	2022	Increase (Decrease)
<b>Revenues:</b>			
General revenues	\$ 34,500,830	\$ 27,843,134	\$ 6,657,696
Total general revenues	<u>34,500,830</u>	<u>27,843,134</u>	<u>6,657,696</u>
<b>Net Expenses:</b>			
General government	(2,914,844)	(1,426,781)	(1,488,063)
Police services	(10,230,182)	(9,615,158)	(615,024)
Maintenance services and lighting and landscape	(8,334,239)	(5,773,559)	(2,560,680)
Development services	4,585,384	459,801	4,126,303
Administrative services	(3,501,416)	(2,925,168)	(576,248)
Recreation, arts, & community services	(2,375,468)	(1,759,202)	(616,266)
Interest on long-term debt	(234,055)	(256,521)	22,466
Total net expenses	<u>(23,004,820)</u>	<u>(21,297,308)</u>	<u>(1,707,512)</u>
<b>Net Cost of Services</b>	<u>\$ 11,496,010</u>	<u>\$ 6,545,826</u>	<u>\$ 4,950,184</u>

Variances shown above are reflected in the net numbers of Tables 2 and 3 and are discussed following Table 3.

- Program revenues increased by \$ 2,984,901. An increase of \$554,740 in Charges for Services was largely due to Recreations classes restored from prior year's classes canceled due to the pandemic, decreased activity in Police Services, and net with the increase in the Development Services activity. Operating Grants decreased a net of (\$1,078,132) as grants for Police and Development Services increased, offset by no longer receiving funding from CLRRF (Coronavirus Local Fiscal Recovery Funds) from the federal (American Rescue Plan Act). Capital Grants and Contributions increased a net of \$3,508,293 as grant for capital projects increased with the funding from CLFRF (Coronavirus Local Fiscal Recovery Funds) from the federal (American Rescue Plan Act).
- General revenues increased \$6,657,696 reflecting the net reported increase \$903,979 in property tax revenues, increase in net reported \$24,398 in sales tax revenues, increase \$131,151 in franchise fees, increase \$3,625,206 in investment earning, and increase \$2,815,257 in miscellaneous.

The Net Direct Cost of Program Services indicates that the overall cost of government is well below the available general revenues and transfers. This shows that the Town's ongoing revenues cover its operational and capital expenditures. The services provided by the Town are provided in a cost effective manner and the Town is efficient in recovering the cost of these services with program revenues from user fees and other contributions. See the Statement of Activities for further detail on program revenues and general revenues.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

At year-end, the fund balance for the Town's General Fund was \$28,940,662 a net increase of \$1,263,782 over last year. Revenues exceeded expenses by \$9,124,120, and transfers out of \$(8,076,594) were made for future capital projects and additional funding for parks and building maintenance in the Lighting and Landscape Assessment District (\$1,300,000). Major revenue sources that exceeded budget include property and transfer taxes of \$2,087,827, sales taxes of \$1,342,848, Other taxes of \$212,226, charges for services of \$86,703, and use of money and property of \$101,756 which reported rental revenues, and Investment earning, which also reflects actual earning and unrealized market adjustments and the effect of discounts and premiums recognized in the year. These were offset by Fine and forfeitures \$(44,271) and intergovernmental \$(61,379). Across the board, cost containment resulted in operating expenditures below budget in all programs. Budget to actual cost savings totaled \$2,147,148. Capital outlay for operations was budgeted within each program and is broken out for year-end reporting on a separate line.

Compared to last fiscal year, property and transfer tax revenues increased by \$903,979. This was attributable to continued strong growth in assessed valuation, and a robust sales market that increased the volume of property transfer activity. Sales tax showed a slight increase, by \$24,398. The online sales activity remains strong, with brick and mortar businesses (restaurant and retail) continuing their recovery. Other taxes increased by \$108,128, with motor vehicle receipts and franchise fees reflecting the continuing recovery from the pandemic. Charges for services increased by \$694,729 as Recreation classes and activities and in-person operation continued to return to the pre pandemic level of service. Fines and forfeitures increased slightly \$28,881, again reflected higher traffic and parking volumes. Uses of money increased by \$101,756 due to increase in rental from Town facilities and lower market value of the Town's investments as of June 30, 2023.

Additional detail comparing the budgeted and actual amounts for the General Fund can be found in the Required Supplementary Information, Budgetary Comparison Schedule, General Fund.

The Lighting and Landscape Special Revenue Fund increased by \$268,602, which compares favorably to the planned and previously projected reduction in this fund balance. Cost containment efforts and a budgeted transfer in from the General Fund of \$1,300,000 account for this increase in fund balance.

The Regional Traffic Impact Fees fund balance is reported higher by \$43,723 reflecting the increase in revenues, and decrease in expenditures.

The fund balance in the Capital Improvement Projects Fund increased by a net of \$2,460,835 reflecting capital expenditures and a net transfer in of \$5,701,594, helping to offset appropriated capital expenditures in excess of revenues.

Non-major Special Revenue Funds increased by a net of \$4,103,999, reflecting normal revenues and use of these funds for the operational or capital projects to which they are restricted. Non-major Special Revenue funds with major changes include: the increase of PEG Fund by \$66,252 as a result of more subscribers from the cable services; increased of Gas Tax Fund increase by \$943,387 due to higher revenues, resulting from the increase of demand for gasoline and the gasoline price and less expenditures, compared to prior year; increase of the Building and Planning Fund by \$1,130,994 due to higher revenues resulting from more building and planning activities and less expenditures; increase of Development Engineering Fund by \$199,864 due to higher revenues resulting from higher volume of engineering services; increase of Child Care Fund by \$66,426 due to the increase in building and planning activities; increase of Measure J Fund by \$509,797 due to higher revenues received from Contra Costa County Transportation and lowerer expenditures for CIP projects; Public Safety Fund increase by \$75,105 due to higher revenues received from the Contra Costa County and less expenditures; Low and Moderate Income Housing increase by \$641,913 from the sale of its property; and the Solid Waste Vehicle Impact Fees Fund increase by \$877,238 due to higher revenues and fund transferred to the Capital Improvement Program (CIP) has not been expended; offset by decrease in Stormwater Pollution Control Program Fund by \$98,296 due to less revenues from assessment fees and higher expenditures due to more use of consulting services; and the General Development Impact Fee Fund decreased by \$(302,293) as expenditures were higher resulting from expenses for CIP projects.

The Non-Major Capital Improvement Funds, decreased by a net of \$(1,113,166), due to an increase of \$408,281 in the Asset Replacement General Fund resulted from the transfer of \$1,125,000 from General and other funds, and higher expenditures from the purchase of vehicles; offset by a decrease of \$(1,076,203) in the Park Facilities Fund due to higher expenses for various CIP projects; and a decrease of \$(337,264) in the Technology Fund, due to increase in expenditures from the purchase of new technology equipment's. All activity in the above funds reflects anticipated revenues and appropriated transfers and expenditures for these funds.

**General Fund Budgetary Highlights**

Actual revenues over expenses exceeded the final budget by \$9,124,120. This is primarily due to very conservative revenue projections, the absence of State raids on local revenues, steady sales tax, and actual 5% increase in average local property values. Final expenses for the General Fund at year end were less than budgeted by \$2,147,148. The budget to actual variance in appropriations reflects conservation efforts, leaving staffing positions vacant and postponement of some operational activities by management. These proactive fiscal measures enabled the Town to transfer \$8,076,594 (including \$1,300,000 to LLAD) to fund future capital projects throughout the Town.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of FY 2023, the Town had a book value of \$192,929,870 invested in a broad range of capital assets, including land, buildings, furniture and equipment, park improvements and infrastructure. (See tables 4 and 5 below.) This amount represents an increase of \$4,169,435 net of additions, retirements and depreciation, resulting in a 2.21% increase over last year.

Changes reflect construction of capital assets, offset by depreciation/amortization expenses.

Depreciation/amortization on capital assets is recognized in the Government-Wide Financial Statements. The Town has elected to use the modified approach for their streets and roads, wherein the value is not depreciated but rather pavement condition and maintenance expenses are tracked. The pavement condition as of June 30, 2023 was 77, a decrease from last year's pavement condition of 80. This rating compares favorably with the target rating of 70. The average expense to maintain the streets is estimated by management to be a minimum of \$3,000,000 per year for the next three years. Further detail may be found in Note 1F to the Financial Statements and in Note 3 of the Required Supplementary Information.

**Table 4  
Capital Assets at June 30, 2023  
(net of depreciation/amortization)**

	Original Cost	Accumulated Depreciation/ Amortization	Book Value
Land	\$ 31,821,867	\$ -	\$ 31,821,867
Buildings and parking lots	41,408,769	(15,679,625)	25,729,144
Park improvements	24,267,438	(22,725,629)	1,541,809
Furniture and equipment	6,033,822	(4,584,106)	1,449,716
Subscription assets	331,124	(109,747)	221,377
Construction in progress	33,610,738	-	33,610,738
Infrastructure	168,916,511	(70,361,292)	98,555,219
<b>Total</b>	<b>\$ 306,390,269</b>	<b>\$ (113,460,399)</b>	<b>\$ 192,929,870</b>

**Table 5**  
**Comparative Capital Assets at June 30, 2023 vs. June 30, 2022**  
**(net of depreciation/amortization)**  
**Governmental Activities**

	2023	2022	Increase (Decrease)
Land	\$ 31,821,867	\$ 31,221,867	\$ 600,000
Buildings and parking lots	25,729,144	26,673,212	(944,068)
Park improvements	1,541,809	1,893,932	(352,123)
Furniture and equipment	1,449,716	381,425	1,068,291
Subscription assets	221,377	99,803	121,574
Construction in progress	33,610,738	29,620,687	3,990,051
Infrastructure	98,555,219	98,869,509	(314,290)
<b>Total</b>	<u>\$ 192,929,870</u>	<u>\$ 188,760,435</u>	<u>\$ 4,169,435</u>

The Town's five-year Capital Improvement Plan projects will cost \$40,092,233 through FY 2026/27. No debt financing is required for these projects. Funding will come from current fund balances and projected revenues over the next five years. The most significant projects include town-wide park renovations and enhancements with an emphasis on Downtown Master Plan Improvements, Camino Ramon and San Ramon Valley Boulevard Improvement, Town Green Master Plan and Diablo Road Trail project, and infrastructure maintenance including \$13,000,000 for pavement management. Additional details can be found in the Town's 2022/23 Operating Budget and Capital Improvement Program document available at [www.danville.ca.gov/Council\\_and\\_Government/Departments/Finance/](http://www.danville.ca.gov/Council_and_Government/Departments/Finance/).

## Debt

At year end, the Town had \$6,027,109 in Certificates of Participation (COPs) and Subscription Liabilities and Compensated Absences outstanding versus \$6,314,468 last year, a net decrease of \$(287,359), as shown in Table 6 below.

**Table 6**  
**Outstanding Debt**  
**June 30, 2023 vs June 30, 2022**

	2023	2022	Increase (Decrease)
2001 & 2005 Certificates of Participation	\$ 4,690,000	\$ 5,235,000	\$ (545,000)
Subscription liabilities	145,949	-	145,949
Compensated absences	1,191,160	1,079,468	111,692
<b>Total</b>	<u>\$ 6,027,109</u>	<u>\$ 6,314,468</u>	<u>\$ (287,359)</u>

The \$545,000 decrease in the COP amount is due to scheduled debt service payments, the new reporting of the Subscription liabilities, and the \$116,692 increase in Compensated Absences is due to higher number of personnel compare to last year, and personnel earning more leaves hours than used.

Additional information on outstanding debt is presented in Note 9 to the Basic Financial Statements.

## CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's Finance Department at the Town of Danville, 510 La Gonda Way, Danville, California 94526-1740



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## **BASIC FINANCIAL STATEMENTS**



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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Town of Danville**  
**Statement of Net Position**  
**June 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and investments (Note 3)	\$ 75,565,069
Receivables (net of allowances):	
Accounts	2,335,734
Due from Successor Agency within one year (Note 7)	1,100,000
Leases (Note 4)	528,284
Interest	378,037
Total receivables	4,342,055
Prepaid items	156,060
<b>Total current assets</b>	80,063,184
<b>Noncurrent assets:</b>	
Restricted cash and investments (Note 3):	
Held with fiscal agent	1,641,685
Held by the Town	35,628,391
Total restricted cash and investments	37,270,076
Due from Successor Agency in more than one year (Note 7)	1,759,401
Leases receivable (Note 4)	3,222,797
Capital assets (Note 5):	
Nondepreciable	158,508,490
Depreciable/amortizable, net	34,421,380
Total capital assets, net	192,929,870
<b>Total noncurrent assets</b>	235,182,144
<b>Total assets</b>	315,245,328
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable	6,970,892
Accrued wages payable	273,684
Retention payable	181,337
Deposits payable	191,895
Interest payable	65,781
Claims liabilities (Note 12)	31,809
Unearned revenue (Note 8)	6,915,273
Long-term debt - due within one year (Note 9)	771,885
<b>Total current liabilities</b>	15,402,556
<b>Noncurrent liabilities:</b>	
Long-term debt - due in more than one year: (Note 9)	
Certificates of participation	4,110,000
Subscription liability	74,064
Compensated absences	1,071,160
<b>Total noncurrent liabilities</b>	5,255,224
<b>Total liabilities</b>	20,657,780
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Lease-related deferred inflows of resources (Note 4)	3,616,086
<b>Total deferred inflows of resources</b>	3,616,086
<b>NET POSITION</b>	
Net investment in capital assets	188,058,533
Restricted for:	
Capital projects	5,434,956
Debt service	1,641,685
Assessment districts	1,807,139
Transportation	13,207,208
Public safety	683,812
Housing	1,923,793
Community development	367,048
Public works	11,153,135
Other programs	282,150
Total restricted	36,500,926
Unrestricted	66,412,003
<b>Total net position</b>	\$ 290,971,462

See accompanying Notes to the Basic Financial Statements.

**Town of Danville**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
General government	\$ 2,999,255	\$ 15,923	\$ 68,488	\$ -	\$ (2,914,844)
Police services	10,594,467	173,594	190,691	-	(10,230,182)
Maintenance services and lighting and landscape	11,973,823	3,611,916	-	27,668	(8,334,239)
Development services	6,931,034	4,386,782	2,106,827	5,022,809	4,585,384
Administrative services	3,798,969	297,553	-	-	(3,501,416)
Recreation, arts, & community services	4,096,414	1,719,893	1,053	-	(2,375,468)
Interest expense	234,055	-	-	-	(234,055)
<b>Total governmental activities</b>	<b>\$ 40,628,017</b>	<b>\$ 10,205,661</b>	<b>\$ 2,367,059</b>	<b>\$ 5,050,477</b>	<b>(23,004,820)</b>
<b>General revenues:</b>					
Taxes:					
Property					18,937,827
Sales					7,467,848
Motor vehicle license fee					44,757
Franchise					3,383,163
Other					341,405
Total taxes					30,175,000
Investment earnings (losses) (Note 3)					998,731
Miscellaneous					2,501,924
Reimbursement from Successor Agency (Note 7)					825,175
<b>Total general revenues</b>					<b>34,500,830</b>
<b>Change in net position</b>					<b>11,496,010</b>
<b>Net position - beginning of year, as restated (Note 15)</b>					<b>279,475,452</b>
<b>Net position - end of year</b>					<b>\$ 290,971,462</b>



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## **FUND FINANCIAL STATEMENTS**



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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**



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# Town of Danville

## Governmental Fund Financial Statements

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### **General Fund**

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for administration, legislation, public safety, parks and recreation and other services.

### **Lighting and Landscaping Special Revenue Fund**

Assessments paid by property owners who receive street lighting services and assessments paid by all property owners for landscape and park maintenance are received into this Fund. The income is used to pay energy costs for the street lighting system, community roadside, median and park landscape costs.

### **Regional Traffic Impact Fees Fund**

Development impact fees are collected for local, sub-regional and regional traffic improvements. Sub-regional and regional fees are collected on behalf of other agencies and distributed to the lead agency for project construction.

### **American Rescue Plan Act Special Revenue Fund**

This fund is used to track the revenues and expenditures of the American Rescue Plan Act funding received by the Town.

### **Capital Improvement Capital Projects Fund**

This Fund receives contributions from the General Fund for future capital improvements, in accordance with the Town's Capital Improvement Program.

**Town of Danville**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2023**

	Major Funds			
	General Fund	Lighting and Landscape Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	American Rescue Plan Act Special Revenue Fund
<b>ASSETS</b>				
Cash and investments	\$ 28,919,790	\$ 5,225,225	\$ 4,454,841	\$ 5,941,155
Cash and investments with fiscal agent	827,765	-	-	-
Receivables (net of allowances):				
Accounts	1,631,340	43,962	7,412	-
Leases	3,751,081	-	-	-
Due from Successor Agency of former CDA	2,859,401	-	-	-
Interest	197,775	15,256	9,126	-
Prepaid items	156,060	-	-	-
<b>Total assets</b>	<b>\$ 38,343,212</b>	<b>\$ 5,284,443</b>	<b>\$ 4,471,379</b>	<b>\$ 5,941,155</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,102,497	\$ 365,144	\$ -	\$ 94,395
Accrued wages payable	181,103	32,616	-	-
Retention payable	-	-	17,038	-
Deposits payable	149,225	-	-	-
Claims liabilities	31,809	-	-	-
Unearned revenue	962,103	59,734	-	5,845,830
<b>Total liabilities</b>	<b>5,426,737</b>	<b>457,494</b>	<b>17,038</b>	<b>5,940,225</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	359,727	-	-	-
Lease-related deferred inflows of resources	3,616,086	-	-	-
<b>Total deferred inflows of resources</b>	<b>3,975,813</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	1,915,461	-	-	-
Restricted	827,765	1,807,139	4,454,341	930
Committed	24,829,286	-	-	-
Assigned	268,150	3,019,810	-	-
Unassigned	1,100,000	-	-	-
Total fund balances	28,940,662	4,826,949	4,454,341	930
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 38,343,212</b>	<b>\$ 5,284,443</b>	<b>\$ 4,471,379</b>	<b>\$ 5,941,155</b>

(Continued)

**Town of Danville**  
**Governmental Funds**  
**Balance Sheet (Continued)**  
**June 30, 2023**

	<u>Major Funds</u>		
	<u>Capital Improvement Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 28,243,777	\$ 38,408,672	\$ 111,193,460
Cash and investments with fiscal agent	-	813,920	1,641,685
Receivables (net of allowances):			
Accounts	120,918	532,102	2,335,734
Leases	-	-	3,751,081
Due from Successor Agency of former CDA	-	-	2,859,401
Interest	78,843	77,037	378,037
Prepaid items	-	-	156,060
<b>Total assets</b>	<u>\$ 28,443,538</u>	<u>\$ 39,831,731</u>	<u>\$ 122,315,458</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 555,326	\$ 1,853,530	\$ 6,970,892
Accrued wages payable	1,622	58,343	273,684
Retention payable	111,289	53,010	181,337
Deposits payable	-	42,670	191,895
Claims liabilities	-	-	31,809
Unearned revenue	-	47,606	6,915,273
<b>Total liabilities</b>	<u>668,237</u>	<u>2,055,159</u>	<u>14,564,890</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	-	-	359,727
Lease-related deferred inflows of resources	-	-	3,616,086
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>3,975,813</u>
<b>Fund Balances:</b>			
Nonspendable	-	-	1,915,461
Restricted	-	28,596,831	35,687,006
Committed	27,775,301	9,179,741	61,784,328
Assigned	-	-	3,287,960
Unassigned	-	-	1,100,000
Total fund balances	<u>27,775,301</u>	<u>37,776,572</u>	<u>103,774,755</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 28,443,538</u>	<u>\$ 39,831,731</u>	<u>\$ 122,315,458</u>

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**Town of Danville**  
**Reconciliation of Governmental Funds Balance Sheet to the**  
**Government-Wide Statement of Net Position**  
**June 30, 2023**

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**Total Fund Balances - Total Governmental Funds** \$ 103,774,755

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.

Non-depreciable capital assets	158,508,490
Depreciable/amortizable capital assets, net	34,421,380
Total capital assets	192,929,870

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(65,781)
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Unavailable revenues recorded in Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	359,727
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Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.

Long-term debt due within one year	(771,885)
Long-term liabilities - due in more than one year:	
- Certificates of participation	(4,110,000)
- Subscription liability	(74,064)
- Compensated absences payable	(1,071,160)
Total long-term debt	(6,027,109)

**Net Position of Governmental Activities** \$ 290,971,462

**Town of Danville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

	Major Funds			
	General Fund	Lighting and Landscape Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	American Rescue Plan Act Special Revenue Fund
<b>REVENUES:</b>				
Property taxes	\$ 18,937,827	\$ -	\$ -	\$ -
Sales taxes	7,467,848	-	-	-
Special assessments	-	3,044,932	-	-
Other taxes	2,483,194	-	-	-
Charges for services	2,017,446	-	-	-
Licenses and permits	341,405	-	-	-
Development fees	-	-	166,362	-
Intergovernmental	2,537	-	-	3,455,415
Fines and forfeitures	105,729	-	-	-
Use of money and property	1,212,003	52,119	39,812	-
Reimbursement from Successor Agency	825,175	-	-	-
Miscellaneous	794,763	144,627	-	-
<b>Total revenues</b>	<b>34,187,927</b>	<b>3,241,678</b>	<b>206,174</b>	<b>3,455,415</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,982,536	-	-	-
Police services	9,927,832	292,039	-	-
Maintenance services	2,759,549	59,205	-	-
Lighting and landscape	-	3,913,128	-	-
Development services	923,405	6,045	160,617	356,378
Administrative services	3,611,933	2,659	2,034	-
Recreation, arts, & community services	3,728,310	-	-	-
Capital outlay	271,069	-	-	3,099,037
Debt service:				
Principal	615,307	-	-	-
Interest	243,866	-	-	-
<b>Total expenditures</b>	<b>25,063,807</b>	<b>4,273,076</b>	<b>162,651</b>	<b>3,455,415</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,124,120</b>	<b>(1,031,398)</b>	<b>43,523</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	-	-	-	-
Proceeds from issuance of debt	216,256	-	-	-
Transfers in	-	1,300,000	-	-
Transfers out	(8,076,594)	-	-	-
<b>Total financing sources (uses)</b>	<b>(7,860,338)</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,263,782</b>	<b>268,602</b>	<b>43,523</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of year	27,676,880	4,558,347	4,410,818	930
End of year	\$ 28,940,662	\$ 4,826,949	\$ 4,454,341	\$ 930

See accompanying Notes to the Basic Financial Statements.

(Continued)

**Town of Danville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2023**

	Major Funds		
	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Property taxes	\$ -	\$ -	\$ 18,937,827
Sales taxes	-	-	7,467,848
Special assessments	-	556,698	3,601,630
Other taxes	-	3,004,508	5,487,702
Charges for services	-	1,118,955	3,136,401
Licenses and permits	-	5,667	347,072
Development fees	-	3,077,078	3,243,440
Intergovernmental	417,470	1,358,032	5,233,454
Fines and forfeitures	-	-	105,729
Use of money and property	305,614	288,078	1,897,626
Reimbursement from Successor Agency	-	-	825,175
Miscellaneous	217,385	81,518	1,238,293
<b>Total revenues</b>	<b>940,469</b>	<b>9,490,534</b>	<b>51,522,197</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	500	2,983,036
Police services	476	217,619	10,437,966
Maintenance services	1,466,329	2,536,017	6,821,100
Lighting and landscape	-	-	3,913,128
Development services	1,161,448	4,084,323	6,692,216
Administrative services	14,694	47,238	3,678,558
Recreation, arts, & community services	-	103,135	3,831,445
Capital outlay	1,538,281	1,185,869	6,094,256
Debt service:			
Principal	-	-	615,307
Interest	-	-	243,866
<b>Total expenditures</b>	<b>4,181,228</b>	<b>8,174,701</b>	<b>45,310,878</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,240,759)</b>	<b>1,315,833</b>	<b>6,211,319</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of property	-	600,000	600,000
Proceeds from issuance of debt	-	-	216,256
Transfers in	5,701,594	1,125,000	8,126,594
Transfers out	-	(50,000)	(8,126,594)
<b>Total financing sources (uses)</b>	<b>5,701,594</b>	<b>1,675,000</b>	<b>816,256</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,460,835</b>	<b>2,990,833</b>	<b>7,027,575</b>
<b>FUND BALANCES:</b>			
Beginning of year	25,314,466	34,785,739	96,747,180
End of year	<b>\$ 27,775,301</b>	<b>\$ 37,776,572</b>	<b>\$ 103,774,755</b>

**Town of Danville**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances to Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2023**

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 7,027,575</b>
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount of capital assets recorded in the current period.	6,094,256
Depreciation/amortization expense on capital assets is reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in Governmental Funds.	(1,924,821)
Revenues that have not met the revenue recognition criteria in the Fund Financial Statements are recognized as revenue in the Government-Wide Financial Statements.	1,830
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds. The following amount represents the change in long-term compensated absences from the prior year.	(111,692)
Repayment of bond principal reduces long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments:	
- Certificates of participation	545,000
- Subscription liability	70,307
Issuance of debt provided current financial resources in the governmental funds, but was converted to long-term debt on the Government-Wide Financial Statements.	(216,256)
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities but they do not require the use of current financial resources. Therefore, interest expense is not reported as expenditures in Governmental Funds. The following amount represents the change in accrued interest from the prior year.	9,811
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 11,496,010</b>

**FIDUCIARY FUND FINANCIAL STATEMENTS**



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# Town of Danville

## Fiduciary Fund Financial Statements

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### TRUST FUND

#### Successor Agency Trust Fund

The Successor Agency to the former Community Development Agency (CDA) of the Town of Danville was established as a result of the passage of Assembly Bill x1 26, which dissolved all Redevelopment Agencies in the State of California effective February 1, 2012. On January 10, 2012, pursuant to Health and Safety Code Section 34173, the Town Council declared that the Town of Danville would act in a special limited capacity as Successor Agency for the dissolved Community Development Agency of the Town of Danville, effective February 1, 2012. The Successor Agency is responsible for day to day administration of the former CDA, including identification and payment of enforceable and recognized obligations of the former CDA, and disbursement of available assets. An Oversight board, consisting of 7 members, was appointed to supervise the Successor Agency's wind down of the former CDA.

### CUSTODIAL FUNDS

#### Custodial Fund

This Fund is comprised of assets that are not held in a trust or equivalent arrangement that are held temporarily by the Town on behalf of others.

**Town of Danville**  
**Fiduciary Activities**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**

---

	Successor Agency Private Purpose Trust Fund	Custodial Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and investments	\$ 839,192	\$ 2,008,924
Cash and investments with fiscal agents	386,074	298,625
<b>Total assets</b>	<u>1,225,266</u>	<u>2,307,549</u>
<b>LIABILITIES</b>		
Accounts payable	-	362,070
Loan payable to Town (Note 7)	2,859,401	-
Loan payable, due within one year	230,000	-
Loan payable, due in more than one year	1,470,000	-
Interest payable	393,350	-
Deposits	-	610,248
<b>Total liabilities</b>	<u>4,952,751</u>	<u>972,318</u>
<b>NET POSITION (DEFICIT)</b>		
Restricted for individuals, organizations, and other governments	-	1,335,231
Unrestricted (deficit)	(3,727,485)	-
<b>Total net position (deficit)</b>	<u>\$ (3,727,485)</u>	<u>\$ 1,335,231</u>

**Town of Danville**  
**Fiduciary Activities**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2023**

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	Successor Agency Private Purpose Trust Fund	Custodial Fund
<b>ADDITIONS:</b>		
Property tax receipts	\$ 2,505,177	\$ -
Miscellaneous	10,902	628,119
<b>Total additions</b>	2,516,079	628,119
<b>DEDUCTIONS:</b>		
Amount allocated to General Fund for principal payment	755,000	-
Amount allocated to General Fund for interest payment	70,175	-
Interest	323,175	-
Other	23,857	628,117
<b>Total deductions</b>	1,172,207	628,117
<b>Changes in net position</b>	1,343,872	2
<b>NET POSITION (deficit):</b>		
Beginning of year	(5,071,357)	1,335,229
End of year	\$ (3,727,485)	\$ 1,335,231



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**NOTES TO THE BASIC FINANCIAL STATEMENTS**



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**Town of Danville**  
**Index to Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**Town of Danville**  
**Index to Notes to the Basic Financial Statements (Continued)**  
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**Town of Danville**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**Note 1 – Reporting Entity**

The Town of Danville (the “Town”) is a largely residential community located in the San Ramon Valley area of Contra Costa County, California. The Town was incorporated as a municipal corporation in 1982, and encompasses eighteen square miles with a population of 42,823.

The Town operates under the Council-Manager form of government, with five elected Council members served by a full-time Town Manager and staff. The Town’s staff of 128 employees, as well as 30 County Sheriff’s Department employees under contract with the Town, are responsible for the following Town services:

- Public Safety – The Town provides round-the-clock police services from a central station, using trained personnel provided under contract with the County Sheriff’s Department.
- Streets and Roads – The Town builds and maintains its streets, curbs, gutters and related public property using Town employees. Major projects may be contracted to reduce costs.
- Parks and recreation, public improvements, planning, zoning and other services are provided by Town employees.
- Maintenance – In addition to Town staff, the Town employs varying numbers of seasonal personnel for maintenance and recreation services.

The accompanying financial statements include the financial activities of the Town (the primary government) and its component units. The component units discussed below are included in the Town’s reporting entity because of the significance of their operational or financial relationships with the Town, including the Town Council, which acts as the governing board. In addition, Town staff performs all administrative and accounting functions for these entities, and these entities provide their services entirely to the Town. These blended component units, although legally separate entities, are, in substance, part of the Town’s operations.

**Town of Danville Financing Authority** – The Town of Danville Financing Authority (the “Authority”) is a joint powers authority that was organized by the Town and the former Danville Community Development Agency of the Town of Danville (“CDA”) on December 7, 1993, under the laws of the State of California. The Authority was organized to provide financial assistance to the Town and former CDA for public improvements for the benefit of the residents of the Town and the surrounding areas. Administrative and related normal business expenditures incurred in the day-to-day operations of the Authority are provided by the Town.

**Town of Danville Lighting and Landscaping Assessment District** - The Lighting and Landscape Assessment District Fund (the “District”) of the Town was formed in 1983 to provide a funding source for the operation, maintenance and servicing of landscaping, street lighting and Town park facilities within the District. The District is responsible for Town improvements including future improvements located within incorporated limits of the Town. Because of varying degrees of operation and maintenance for each improvement type, the District is separated into four zones: landscaping improvements (Zones A and B), street lighting (Zone C) and Town parks (Zone D).

The Town created a special revenue fund to account for each zone’s assessment revenues and expenditures. The District is fully integrated within the Town, which performs all maintenance, administrative and accounting functions.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 2 – Summary of Significant Accounting Policies**

**A. Basis of Presentation, Basis of Accounting, and Measurement Focus**

The basic financial statements of the Town have been prepared in conformity with accounting principles generally accepted of the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Statement of Net Position/Balance Sheet reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

*Deferred Outflows of Resources* represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

*Deferred Inflows of Resources* represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

**Government – Wide Financial Statements**

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town. Fiduciary activities of the Town are not included in these statements.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the Town in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated. The following interfund activities have been eliminated:

- Due To/From Other Funds
- Transfers In/Out

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**A. Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)**

**Governmental Fund Financial Statements**

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered to be available when they are collectible within the current period as soon as enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the Town, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences.

The Town reports the following major Governmental Funds:

**General Fund**

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this fund are property taxes, sales taxes, unrestricted revenues from the State, licenses and permits, fines and forfeitures and interest income. Expenditures are made for administration, legislation, public safety, parks and recreation and other services.

**Lighting and Landscaping Special Revenue Fund**

Assessments paid by property owners who receive street lighting services and assessments paid by all property owners for landscape and park maintenance are received into this Fund. The income is used to pay energy costs for the street lighting system and community roadside, median and park landscape costs.

**Regional Traffic Impact Fees Special Revenue Fund**

Development impact fees are collected for local, sub-regional and regional traffic improvements. Sub-regional and regional fees are collected on behalf of other agencies and distributed to the lead agency for project construction.

**American Rescue Plan Act Special Revenue Fund**

This fund is used to record the revenues and expenditures of proceeds from the American Rescue Plan Act.

**Capital Improvement Capital Projects Fund**

This Fund receives contributions from the General Fund for future capital improvements, in accordance with the Town’s Capital Improvement Program.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**A. Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)**

**Fiduciary Fund Financial Statements**

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town's Fiduciary Funds represent a Private Purpose Trust Fund and a Custodial Fund. The Fiduciary Funds are accounted for using the accrual basis of accounting.

The Town reports the following Private Purpose Trust Fund:

**Successor Agency Trust Fund**

The Successor Agency to the former Community Development Agency ("CDA") of the Town was established as a result of the passage of Assembly Bill x1 26, which dissolved all Redevelopment Agencies in the State of California effective February 1, 2012. On January 10, 2012 pursuant to Health and Safety Code Section 34173, the Town Council declared that the Town would act in a special limited capacity as Successor Agency for the dissolved CDA, effective February 1, 2012. The Successor Agency is responsible for day to day administration of the former CDA, including identification and payment of enforceable and recognized obligations of the former CDA, and disbursement of available assets. An Oversight board, consisting of seven members, was appointed to supervise the Successor Agency's wind down of the former CDA.

The Town reports the following Custodial Fund:

**Custodial Fund**

This Fund is comprised of assets that are not held in a trust or equivalent arrangement that are held temporarily by the Town on behalf of others.

**B. Cash and Investments**

The Town pools its available cash for investment purposes. The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments.

Certain disclosure requirements for deposits and investment risks were made in the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentrations of credit risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**B. Cash and Investments (Continued)**

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical the asset or liability in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The Town maintains a cash and investment pool, which includes cash balances and authorized investments of all funds, which the Town Treasurer invests to enhance interest earnings. The pooled interest earned is allocated to each fund based on its average monthly cash and investment balances.

The Town participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk with changes in interest rates.

**C. Cash and Investments with Fiscal Agents**

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

**D. Prepaid Items**

Payments made to vendors that will benefit periods beyond the fiscal year end are recorded as prepaid items.

**E. Leases Receivable**

The Town is a lessor for leases of buildings and land and recognizes leases receivable and lease-related deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the net present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**E. Leases Receivable (Continued)**

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

- The Town uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by the Town's financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease receivables and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**F. Land Held for Redevelopment**

The Successor Agency of the Town holds one parcel of land acquired by the former CDA as part of that entity's primary purpose before dissolution to develop or redevelop Town properties. The property was deeded to the Town on March 28, 2016 for capital projects.

**G. Capital Assets**

Capital assets, which include lands, buildings, improvements, furniture, equipment and infrastructure assets (e.g., roads, bridges, signal systems and similar items) are reported in the applicable governmental activities in the Government-Wide Financial Statements.

The Town defines infrastructure as the primary physical assets that allow the Town to conduct its business. The Town's infrastructure assets include:

- Street system
- Street signal system
- Park and recreation lands and improvement systems
- Storm water conveyance system
- Bridges
- Buildings combined with site amenities such as parking and landscaped areas

Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into the following:

- Pavement
- Medians
- Curb and gutters
- Landscaping and land

The detail of these subsystems is not presented in the basic financial statements. However, the operating departments maintain information regarding the subsystems.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**G. Capital Assets (Continued)**

Capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at their estimated acquisition value on the date donated. Town policy has set the capitalization thresholds for reporting capital assets at the following:

- All buildings (no threshold)
- \$20,000 for roads and bridges/box culverts
- \$10,000 for traffic signals and storm drain pipes
- \$5,000 for furniture, fixtures, equipment, catch basins and manholes

Depreciation is recorded on a straight-line basis over the useful lives of all other assets, except for infrastructure, as follows:

Building and parking lots	40 years
Park improvements	5 years
Furnitures and equipment	3 - 10 years
Infrastructure	30 - 50 years

The Town elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting of its streets, concrete and asphalt pavements. This condition assessment will be performed every three years. Each homogeneous segment of Town-owned street was assigned a physical condition based on potential defects. A Pavement Condition Index (PCI) was assigned to each street segment. The PCI is expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to segments of street that have the physical characteristics of a new street.

The following conditions were defined:

Very good condition	70 - 100
Good condition	50 - 69
Poor condition	26 - 49
Very poor condition	0 - 25

The Town's policy relative to maintaining the street assets is to achieve an average rating of 65-70 for all street segments. This acceptable rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds.

For all other infrastructure systems, the Town elected to use the Basic Approach as defined by GASB Statement No. 34. The Town appraised its own infrastructure as of July 1, 2001 and has completed an internal update for June 30, 2023. The 2001 appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways:

1. Historical records;
2. Standard unit costs appropriate for the construction/acquisition date;
3. Present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date.

The accumulated depreciation from the date of construction/acquisition to the current date was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**H. Unearned Revenues**

For the Government-wide Financial Statements, unearned revenue is recognized in connection with a transaction before the earnings process is completed.

For the Governmental Fund Financial Statements, unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, unearned revenues are removed from the combined balance sheet and revenue is recognized.

**I. Compensated Absences**

Compensated absences include general leave, which covers vacations up to the cap amount based on years of services and hire date, and is accounted for in accordance with U.S. GAAP. It is the policy of the Town to pay when an employee retires or terminates. This amount is funded at a level that recognizes each employee's ability to request leave during employment and is included as a liability in the Government-wide Financial Statements. Compensated absences liabilities of governmental activities are generally liquidated by the General Fund (74%), Building and Planning Special Revenue Fund (13%), and Other Special Revenue Funds (13%).

**J. Long-Term Debt**

In the Government-wide Financial Statements, long-term debt is reported as liabilities. Bonds payable are reported net of the applicable bond premium or discount.

For Governmental Fund Financial Statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

**K. Subscription-Based Information Technology Arrangements (SBITAs)**

The Town has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$10,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the Town's incremental borrowing rate and the Town recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

---

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**K. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)**

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

- The Town uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the Town has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the Town is reasonably certain to exercise. The Town monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported on the statement of net position.

**L. Fund Balance**

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

*Nonspendable* – Items cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

*Restricted* – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The Town Council is considered the highest authority for the Town. A Town resolution is required to have fund balance committed.

*Assigned* – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Town Council has authorized the Town Manager and the Finance Manager/Treasurer for that purpose.

*Unassigned* – This category is for any balances that have no restrictions placed upon them. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**M. Net Position**

For the Government-Wide Financial Statements, net position is classified in the following categories:

*Net Investment in Capital Assets* component of net position consists of capital assets net of accumulated depreciation/amortization, reduced by the outstanding balances of bonds, mortgages, notes, subscription liabilities, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted* component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**N. Spending Policies**

For Government-Wide Financial Statements, when an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town’s policy is to apply restricted net position first.

For Governmental Fund Financial Statements, the Town’s policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available, except for instances wherein a Town ordinance or resolution specifies the funding source or a fund balance to use.

The Town’s policy is that committed and assigned fund balances are considered to have been spent first before unassigned fund balances have been spent, when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, except for instances wherein a Town ordinance specifies the fund balance to use.

**O. Property Taxes**

Revenue is recognized in the fiscal year for which the tax and assessment is levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the Town and remits the full assessment regardless of the amounts received under a Teeter plan arrangement.

Property Tax	Secured	Unsecured
Lien Date	January 1 (Preceding fiscal year)	January 1 (Preceding fiscal year)
Due Date	November 1 & February 1	August 31
Delinquent Date	December 10 & April 10	September 1

**P. Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Q. Implementation of New GASB Pronouncements**

During fiscal year ended June 30, 2023, the Town has implemented the following new GASB Pronouncements:

***GASB Statement No. 91*** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement did not have an effect on the Town’s financial reporting for the year ended June 30, 2023.

***GASB Statement No. 94*** – In March 2020, GASB issued Statement No. 94, *Public–Private and Public–Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public–private and public–public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange–like transaction. Application of this statement did not have an effect on the Town’s financial reporting for the year ended June 30, 2023.

***GASB Statement No. 96*** – In May 2020, GASB issued Statement No. 96, *Subscription–Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription–based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right–to–use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement did have an effect on the Town’s financial reporting for the year ended June 30, 2023. See Notes 5, 9, and 15.

***GASB Statement No. 99*** – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Application of this statement did not have an effect on the Town’s financial reporting for the year ended June 30, 2023.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**R. Upcoming Government Accounting Standards Implementation**

The Town is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

**GASB Statement No. 100** – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the Town’s fiscal year ending June 30, 2024.

**GASB Statement No. 101** – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the Town’s fiscal year ending June 30, 2025.

**Note 3 – Cash and Investments**

The following is a summary of pooled cash and investments, including restricted cash and investments held by the Town, and cash and investments held by fiscal agents, at June 30, 2023:

	Primary Government	Fiduciary	
	Governmental Activities	Fund Financial Statements	Total
Cash and investments	\$ 75,565,069	\$ 2,848,116	\$ 78,413,185
Restricted cash and investments:			
Held by Town	35,628,391	-	35,628,391
Subtotal held by Town	111,193,460	2,848,116	114,041,576
Held by fiscal agents	1,641,685	684,699	2,326,384
<b>Total cash and investments</b>	<b>\$ 112,835,145</b>	<b>\$ 3,532,815</b>	<b>\$ 116,367,960</b>

At June 30, 2023, cash and investments, excluding restricted cash and investments held by fiscal agent, are reported at fair value based on quoted market prices. The following table presents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2023:

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 3 – Cash and Investments (Continued)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Measurement Input</u>
<b>Demand deposits</b>	\$ 2,090,326	N/A	N/A
<b>Investments:</b>			
U.S. Securities:			
U.S. Treasury	42,464,210	37.16%	Level 2
Federal Securities	24,743,011	21.65%	Level 2
Asset Backed Securities	4,454,767	3.90%	Level 2
Collateralized Mortgage Obligations	3,526,114	3.09%	Level 2
Inter-American Dev Bank Note	1,177,688	1.03%	Level 2
Int'l Bank Recon & Development	347,957	0.30%	Level 2
International Finance Corp Note	951,216	0.83%	Level 2
U.S. Corporate Notes/FDIC:			
Amazon.com Inc. Callable Note	958,729	0.84%	Level 2
American Honda Finance Note	939,572	0.82%	Level 2
Apple Inc. Callable	1,188,117	1.04%	Level 2
Caterpillar Financial Service Note	866,266	0.76%	Level 2
Charles Schwab Corp Callable Note	964,749	0.84%	Level 2
Colgate Palmolive Co. Note	452,486	0.40%	Level 2
Honeywell International Callable Note	933,649	0.82%	Level 2
John Deere Capital Corp Note	1,113,801	0.97%	Level 2
JP Morgan Chase & Co. Callable Note	712,978	0.62%	Level 2
MasterCard Inc. Callable Note	950,480	0.83%	Level 2
Microsoft Callable Note	962,594	0.84%	Level 2
Paccar Financial Corp. Note	364,474	0.32%	Level 2
State Street Bank Callable Note	248,286	0.22%	Level 2
Wal-Mart Stores Callable Note	686,030	0.60%	Level 2
Local Agency Investment Fund (LAIF)	22,300,336	19.51%	N/A
Money Market Funds	2,970,124	2.60%	N/A
<b>Total investments</b>	<u>114,277,634</u>	<u>100.00%</u>	
<b>Total cash and investments</b>	<u>\$ 116,367,960</u>		

Investments securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments in LAIF are uncategorized as deposits and withdrawals are made on the basis of \$1 and not fair value.

**A. Demand Deposits**

The carrying amounts of the Town's cash deposits were \$2,090,326 at June 30, 2023. Bank balances as of June 30, 2023, were \$2,294,142 which were fully insured and collateralized with securities held by the pledging financial institutions in the Town's name as discussed in the following.

The California Government Code (Code) requires California banks and savings and loan associations to secure the Town's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the Town's name.

The market value of pledged securities must equal at least 110% of the Town's cash deposits. California law also allows institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150% of the Town's total cash deposits.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 3 – Cash and Investments (Continued)**

**A. Demand Deposits (Continued)**

The Town has waived collateral requirements for cash deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

**B. Investments**

The Town reviews and refines its Investment Policy (Policy) annually, with the most recent revision approved by the Town Council on November 15, 2022. The Policy states that the primary investment objective is safety with investments being legally permitted and sufficiently liquid to meet forecasted needs. Maximization of interest earnings is a secondary objective.

Further, the Policy states that the Town Treasurer has the ultimate responsibility to protect, preserve and maintain cash and investments.

The Policy also established internal controls and reporting requirements and stipulates "Permitted Investments and Limitation on Investments".

The Town is authorized by State statutes (California Government Code 53601) and in accordance with the Town's Policy to invest in the following:

- U.S. Treasury Securities
- U.S. Government Federal Agencies
- Certificates of Deposit
- Bankers Acceptances
- Commercial Paper (Corporations)
- Medium-Term Corporate Notes
- Repurchase Agreements collateralized by U.S. Securities or U.S. Government Federal Agencies
- California Local Agency Investment Fund (LAIF)
- U.S. Government Mortgage Pass-Through Securities
- Collateralized Mortgage Obligations (CMOs)
- Asset-Backed Securities (ABS)
- Money Market Mutual Funds
- Passbook Savings and Demand Deposits Accounts

Additionally, the Town's Policy specifies the maximum percentage of the total investment portfolio that may be held in each of the aforementioned securities.

In addition to State statutes, the Town establishes that funds on deposit in banks must be federally insured or collateralized and investments shall:

- (1) have maximum maturity not to exceed five years;
- (2) be laddered and based on cash flow forecasts; and
- (3) be subject to limitations to a certain percent of the portfolio for each of the authorized investments.

Investments were stated at fair value using the aggregate method in all funds and component units, resulting in the following investment earnings in all funds and component units:

Interest earnings	\$ 1,675,718
Unrealized gain (loss) on changes in fair value of investments	(676,987)
<b>Total investment earnings</b>	<u><u>\$ 998,731</u></u>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 3 – Cash and Investments (Continued)**

**B. Investments (Continued)**

The Town’s investment practices are in compliance with California Government Code 53601 et seq., and the Town’s Policy. Securities that are purchased and maintain their rating are held to maturity with no exception. Therefore, while GASB Statement No. 31 requires that investments be stated as “fair value” for annual financial reporting purposes, the Town cannot realize either gains or losses in this valuation of the investments.

**C. External Investment Pool**

The Town invests in the Local Agency Investment Fund (LAIF), a State of California external investment pool. The LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The Town’s investments with LAIF at June 30, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

These investments may include the following:

*Structured Notes* which are debt securities (other than asset-backed securities) with cash flow characteristics (coupon rate, redemption amount, or stated maturity) that depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities*, the bulk of which are mortgage-backed securities, entitle its purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO’s) or credit card receivables.

As of June 30, 2023, the Town had \$22,300,336 invested in LAIF, which had invested 2.78% of the pool investment funds in structured notes and asset-backed securities.

The fair value of the Town’s position in the LAIF pool is the same as the value of the pool shares.

The Pooled Money Investment Board provides oversight to the State Treasurer’s pooled investment program. The purpose of the board is to design and administer an effective cash management and investment program, using all monies flowing through the State Treasurer’s Office bank accounts and keeping all available funds invested in a manner consistent with the goals of safety, liquidity, and yield. The Pooled Money Investment Board is comprised of the State Treasurer as chair, the State Controller, and the Director of Finance. The investment program is not registered with the Securities and Exchange Commission as an investment company.

The State Treasurer’s Office reports its investments at fair value. The fair value of securities in the State Treasurer’s pooled investment program generally is based off of quoted market prices. The value of deposits in the State Treasurer’s pooled investment program, including the Local Agency Investment Fund, is equal to the dollars deposited in the program.

Certain funds have elected to participate in the pooled investment program even though they have the authority to make their own investments. Others may be required by legislation to participate in the program; as a result, the deposits of these funds or accounts may be considered voluntary. However, these funds or accounts are part of the State’s reporting entity. The remaining participation in the pool, the Local Agency Investment Fund, is voluntary.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 3 – Cash and Investments (Continued)**

**D. Restricted Cash and Investments Held with Fiscal Agent**

Restricted cash and investments with fiscal agents, which can be only used for specific capital outlays, payment of certain long-term debt and maintaining required reserves, consists of \$1,641,685 in the Governmental-wide Statement of Net Position and Balance Sheet – Governmental Funds and \$684,699 in the Statement of Fiduciary Net Position. These funds have been invested only as permitted by specific State statutes governing these investments or by applicable Town ordinance, resolution or bond indenture.

**E. Risk Disclosures**

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's Policy provides that final maturities of securities limits as follows:

<u>Maturity</u>	<u>Maximum Investment</u>
Up to six months	25%
Six months to five years	75%

Specific maturities of investments depend on liquidity needs. At June 30, 2023, the Town's pooled cash and investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
		<u>1 year or less</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>3-4 years</u>	<u>4-5 years</u>
<b>Demand deposits</b>	\$ 2,090,326	\$ 2,090,326	\$ -	\$ -	\$ -	\$ -
<b>Investments:</b>						
U.S. Securities:						
U.S. Treasury	42,464,210	6,772,334	15,432,791	12,852,327	3,190,975	4,215,783
Federal Securities	24,743,011	13,416,964	5,445,368	2,903,311	-	2,977,368
Asset Backed Securities	4,454,767	-	887,497	1,972,698	1,594,572	-
Collateralized Mortgage Obligations	3,526,114	-	-	-	1,898,236	1,627,878
Inter-American Dev Bank Note	1,177,688	-	1,177,688	-	-	-
Int'l Bank Recon & Development	347,957	347,957	-	-	-	-
International Finance Corp Note	951,216	-	951,216	-	-	-
U.S. Corporate Notes/FDIC:						
Amazon.com Inc. Callable Note	958,729	958,729	-	-	-	-
American Honda Finance Note	939,572	939,572	-	-	-	-
Apple Inc. Callable	465,844	-	465,844	-	-	-
Apple Inc. Note	722,273	-	-	722,273	-	-
Caterpillar Financial Service Note	866,266	866,266	-	-	-	-
Charles Schwab Corp Callable Note	964,749	964,749	-	-	-	-
Colgate Palmolive Co. Note	452,486	-	-	452,486	-	-
Honeywell International Callable Note	933,649	933,649	-	-	-	-
John Deere Capital Corp Note	1,113,801	1,113,801	-	-	-	-
JP Morgan Chase & Co. Callable Note	712,978	-	712,978	-	-	-
MasterCard Inc. Callable Note	950,480	-	950,480	-	-	-
Microsoft Callable Note	962,594	-	-	962,594	-	-
Paccar Financial Corp. Note	364,474	-	364,474	-	-	-
State Street Bank Callable Note	248,286	-	-	248,286	-	-
Wal-Mart Stores Callable Note	686,030	-	-	686,030	-	-
Local Agency Investment Fund (LAIF)	22,300,336	22,300,336	-	-	-	-
Money Market Funds	2,970,124	2,970,124	-	-	-	-
<b>Total investments</b>	<b>114,277,634</b>	<b>51,584,481</b>	<b>26,388,336</b>	<b>20,800,005</b>	<b>6,683,783</b>	<b>8,821,029</b>
<b>Total cash and investments</b>	<b>\$ 116,367,960</b>	<b>\$ 53,674,807</b>	<b>\$ 26,388,336</b>	<b>\$ 20,800,005</b>	<b>\$ 6,683,783</b>	<b>\$ 8,821,029</b>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 3 – Cash and Investments (Continued)**

**E. Risk Disclosures (Continued)**

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. According to the Town's Policy, no more than 5% of the total portfolio may be invested in securities of any single issuer, other than the U.S. Government, its agencies and instrumentalities and LAIF. If a security (other than LAIF) is downgraded by either Moody's or S&P to a level below the minimum quality required by the Town, the Town will determine whether to retain or liquidate the security based upon criteria set forth in the Town's Policy.

At June 30, 2023, the Town's investments are rated as follows:

	Credit Quality Rating	
	Moody's	S&P
Investments:		
U.S. Securities:		
U.S. Treasury	Aaa	AA+
Federal Securities	Aaa	AA+
Asset Backed Securities	Aaa	AAA
Collateralized Mortgage Obligations	Aaa	AA+
Inter-American Dev Bank Note	Aaa	AAA
Int'l Bank Recon & Development	Aaa	AAA
International Finance Corp Note	Aaa	AAA
U.S. Corporate Notes/FDIC:		
Amazon.com Inc. Callable Note	A1	AA
American Honda Finance Note	A3	A-
Apple Inc. Callable	Aaa	A+
Apple Inc. Note	Aaa	AA+
Caterpillar Financial Service Note	A2	A
Charles Schwab Corp Callable Note	A2	A
Colgate Palmolive Co. Note	Aa3	AA-
Honeywell International Callable Note	A2	A
John Deere Capital Corp Note	A2	A
JP Morgan Chase & Co. Callable Note	A2	A-
MasterCard Inc. Callable Note	Aa3	A+
Microsoft Callable Note	Aaa	AAA
Paccar Financial Corp. Note	A1	A+
State Street Bank Callable Note	A1	A
Wal-Mart Stores Callable Note	Aa2	AA
Local Agency Investment Fund (LAIF)	Not Rated	Not Rated
Money Market Funds	Aaa	AAA

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have any custodial credit risk.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 4 – Leases Receivable and Lease-Related Deferred Inflows of Resources**

The Town leases various types of property including land, buildings and easements. Leases receivable consist of agreements with other entities for the “right-to-use” the underlying assets at various locations owned by the Town. The remaining terms of the agreements range from 5 to 30 years. The Town applies an implied interest rate to the total scheduled lease payments to calculate the net present value of the lease receivable. The interest rates used by the Town to calculate the net present value of the lease receivable vary depending on the length of the lease.

For the fiscal year ended June 30, 2023, the Town recognized \$505,320 in lease revenue and \$86,132 in interest revenue, and the outstanding net present value of the lease receivable amount is \$3,751,081.

A summary of changes in lease receivable for the fiscal year ended June 30, 2023 is as follows:

Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts due within one year	Amounts due in more than one year
\$ 2,244,353	\$ 1,961,328	\$ (454,600)	\$ 3,751,081	\$ 528,284	\$ 3,222,797

As of June 30, 2023, the required payments for these leases, including interest, are:

Year Ending June 30	NPV Leases Receivable	Interest	Total Lease Payments
2024	\$ 528,284	\$ 103,939	\$ 632,223
2025	422,411	90,323	512,734
2026	390,642	77,698	468,340
2027	324,958	67,341	392,299
2028	332,386	57,621	390,007
2029-2033	1,177,187	157,816	1,335,003
2034-2038	509,246	41,014	550,260
2039-2042	65,967	1,408	67,375
Total	<u>\$ 3,751,081</u>	<u>\$ 597,160</u>	<u>\$ 4,348,241</u>

As of June 30, 2023, the amounts reported as deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Year Ending June 30	Total
2024	\$ 579,084
2025	456,282
2026	409,097
2027	335,033
2028	327,028
2029-2033	1,071,810
2034-2038	397,785
2039-2042	39,967
Total	<u>\$ 3,616,086</u>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 5 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Prior Period Adjustment	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2023
<b>Governmental Activities:</b>						
Capital assets, not being depreciated/amortized:						
Land	\$ 31,221,867	\$ -	\$ 600,000	\$ -	\$ -	\$ 31,821,867
Construction in progress	29,620,687	-	4,733,526	-	(743,475)	33,610,738
Infrastructure - streets, concrete & asphalt pavements	93,075,885	-	-	-	-	93,075,885
Total capital assets not being depreciated/amortized	<u>153,918,439</u>	<u>-</u>	<u>5,333,526</u>	<u>-</u>	<u>(743,475)</u>	<u>158,508,490</u>
Capital assets being depreciated/amortized:						
Buildings and parking lots/street	41,408,769	-	-	-	-	41,408,769
Park improvements	24,267,438	-	-	-	-	24,267,438
Furniture and equipment	4,985,865	-	544,474	(239,992)	743,475	6,033,822
Subscription assets	-	114,868	216,256	-	-	331,124
Infrastructure:						
Drainage system	56,689,603	-	-	-	-	56,689,603
Bridges	12,153,067	-	-	-	-	12,153,067
Signal system	6,997,956	-	-	-	-	6,997,956
Total capital assets being depreciated/amortized	<u>146,502,698</u>	<u>114,868</u>	<u>760,730</u>	<u>(239,992)</u>	<u>743,475</u>	<u>147,881,779</u>
Accumulated depreciation/amortization:						
Buildings and parking lots	(14,735,557)	-	(944,068)	-	-	(15,679,625)
Park improvements	(22,373,506)	-	(352,123)	-	-	(22,725,629)
Furniture and equipment	(4,604,440)	-	(219,658)	239,992	-	(4,584,106)
Subscription assets	-	(15,065)	(94,682)	-	-	(109,747)
Infrastructure:						
Drainage system	(56,256,667)	-	(23,728)	-	-	(56,280,395)
Bridges	(7,941,180)	-	(180,493)	-	-	(8,121,673)
Signal system	(5,849,155)	-	(110,069)	-	-	(5,959,224)
Total accumulated depreciation/amortization	<u>(111,760,505)</u>	<u>(15,065)</u>	<u>(1,924,821)</u>	<u>239,992</u>	<u>-</u>	<u>(113,460,399)</u>
Total capital assets, being depreciated/amortized, net	<u>34,742,193</u>	<u>99,803</u>	<u>(1,164,091)</u>	<u>-</u>	<u>743,475</u>	<u>34,421,380</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 188,660,632</u>	<u>\$ 99,803</u>	<u>\$ 4,169,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,929,870</u>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 5 – Capital Assets (Continued)**

**A. Governmental Activities (Continued)**

Depreciation/amortization expenses by program for capital assets for the year ended June 30, 2023, were as follows:

Police Services	
Building	\$ 19,250
Furniture & equipment (vehicle)	135,319
Subtotal	154,569
Maintenance Services	
Building	489,957
Parking lots	307,158
Park improvements	349,264
Furniture & equipment (vehicle)	62,312
Subtotal	1,208,691
Development Services	
Furniture & equipment (vehicle)	5,348
Infrastructure - drainage	23,728
Infrastructure - bridge	180,493
Subtotal	209,569
Transportation (Community) Services	
Furniture & equipment (vehicle)	1,362
Infrastructure - signal	110,069
Subtotal	111,431
Administrative Services	
Building	1,212
Furniture & equipment (vehicle)	8,513
Subscription assets	94,682
Subtotal	104,407
Parks and Recreation Services	
Building	126,491
Park improvements	2,859
Furniture & equipment (vehicle)	6,804
Subtotal	136,154
Total depreciation/amortization expense	\$ 1,924,821

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 6 – Interfund Transactions**

**A. Transfers In/Out**

Transfers in/out for the year ended June 30, 2023, were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>			Total
	Lighting Landscape Special Revenue Fund (1)	Capital Improvement Capital Projects Fund (1)	Non-Major Governmental Funds (2)	
General Fund	\$ 1,300,000	\$ 5,701,594	\$ 1,075,000	\$ 8,076,594
Non-Major Governmental Funds	-	-	50,000	50,000
<b>Total</b>	<b>\$ 1,300,000</b>	<b>\$ 5,701,594</b>	<b>\$ 1,125,000</b>	<b>\$ 8,126,594</b>

The following are explanations for the transfers in and out:

- (1) Transfers in to the Capital Improvement Capital Projects Fund and Lighting and Landscape Special Revenue Fund were to fund various capital projects.
- (2) Transfers in to the Non-Major Governmental Funds from other Non-Major Governmental Funds were to fund various capital projects.

**Note 7 – Loans Receivable from Successor Agency to the Former Community Development Agency**

In the fiscal year 2012, the Successor Agency Trust Fund was established to replace the Town's Community Development Agency. Below are the accounts and transactions as of and for the year ended June 30, 2023:

**Government-Wide Financial Statements**

Loans Receivable	
Cooperative Loan Agreement	\$ 2,859,401
Total	\$ 2,859,401
Reimbursements from Successor Agency	\$ 825,175

**Funds Financial Statements**

**General Fund**

Due from Successor Agency of	
Former Community Development Agency	\$ 2,859,401
<b>Total</b>	<b>\$ 2,859,401</b>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 7 – Loans Receivable from Successor Agency to the Former Community Development Agency  
(Continued)**

**A. Successor Agency (SA) Cooperative Agreement Loan Receivable**

Prior to the State of California's (State) dissolution of all redevelopment agencies, the Town of Danville and the former Community Development Agency (CDA) had entered into a Cooperation Agreement (Agreement), under which the Town advanced funds to the former CDA that were subject to later repayment by the former CDA. The Successor Agency to the former CDA and the Successor Agency's Oversight Board approved re-entry into the Agreement, as provided for in AB 1X 26 (the Dissolution Act).

The State Department of Finance determined that the Agreement was not an enforceable obligation, leading the Town to file a lawsuit in the Sacramento County Superior Court (Superior Court) against the State challenging that determination. The Town won its suit in Superior Court, leading to an appeal by the State. In May 2015, the State dismissed its appeal, and at the same time, the Department of Finance accepted the Agreement as an enforceable obligation. As a result, the Town received its first payment in June 2015 under the Agreement.

The Agreement incorporated the following payment schedule, which the Successor Agency and the Town will follow when preparing future Recognized Obligation Payment Schedule (ROPS) statements. However, due to the fact that the State refused to allow payment for the first several years post-dissolution, those amounts will be paid in years subsequent to those shown in the Agreement. Therefore, an additional \$3,195,604 was approved in addition to the original amount and was recognized as special item in the basic financial statements.

Fiscal Year	Amount
2023-2024	\$ 1,100,000
2024-2025	1,100,000
2025-2026	659,401
Total	\$ 2,859,401

**Note 8 – Unearned Revenue**

Unearned revenue in Government-Wide Financial Statements and governmental funds statements represents amounts for which revenues have not been earned. At June 30, 2023, unearned revenues in the Government-Wide Financial Statements and governmental funds statements were as follows:

	Governmental Activities
American Rescue Plan Act unspent funds	\$ 5,845,830
Business licenses	168,873
Other Town-reimbursed fees	641,067
Recreation program registration	259,503
Total	\$ 6,915,273

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 9 – Long-Term Obligations**

**A. Governmental Activities**

A summary of changes in long-term debt for the year ended June 30, 2023 is as follows:

Description	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Classification	
					Due Within One Year	Due in More than One Year
Publicly offered COPs:						
2001 issue	\$ 1,980,000	\$ -	\$ (355,000)	\$ 1,625,000	\$ 380,000	\$ 1,245,000
2005 issue	3,255,000	-	(190,000)	3,065,000	200,000	2,865,000
Subscription liability	-	216,256	(70,307)	145,949	71,885	74,064
Compensated absences	1,079,468	857,515	(745,823)	1,191,160	120,000	1,071,160
<b>Total</b>	<b>\$ 6,314,468</b>	<b>\$ 1,073,771</b>	<b>\$ (1,361,130)</b>	<b>\$ 6,027,109</b>	<b>\$ 771,885</b>	<b>\$ 5,255,224</b>

**Certificates of Participation – 2001 Issue**

The Town issued \$6,700,000 principal amount of 2001 Certificates of Participation (2001 COPs) on October 1, 2001. The purpose of the 2001 COPs was to provide funds to refund the outstanding 1992 Certificates of Participation, to defease the 1994 Tax Allocation Bonds, and to provide funds for the lease of certain real property and improvements. The 2001 COPs in the amount of \$3,745,000 matured on September 1, 2018, and bore interest rates ranging from 3.50% to 4.625%. The 2001 COPs in the amount of \$635,000 mature through September 1, 2020, and bear interest at the rate of 4.75% per annum. The 2001 COPs in the amount of \$2,320,000 mature through September 1, 2026, and bear interest at the rate of 5.00% per annum. In the event of default, there is no acceleration clause. The Town will only be liable for lease payments on an annual basis as they come due and the trustee would be required to seek separate judgments for the annual lease payments.

The 2001 COPs are payable semiannually on each March 1 and September 1, commencing March 1, 2002 and are subject to optional and mandatory early redemption provisions.

The annual debt service requirements for the 2001 COPs outstanding at June 30, 2023 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2025	395,000	52,375	447,375
2026	415,000	32,125	447,125
2027	435,000	10,875	445,875
<b>Total</b>	<b>\$ 1,625,000</b>	<b>\$ 167,125</b>	<b>\$ 1,792,125</b>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 9 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Certificates of Participation – 2005 Issue**

The Town issued \$5,600,000 principal amount of 2005 Certificates of Participation (2005 COPs) on March 1, 2005. The purpose of the 2005 COPs was to provide funds to finance the acquisition and improvement of certain property for use as a public parking facility and other capital improvements with the Town. The 2005 COPs in the amount of \$3,155,000 mature through March 1, 2026, and bear interest rates ranging from 4.000% to 4.625%. The 2005 COPs in the amount of \$965,000 mature through March 1, 2030, and bear interest at the rate of 4.625% per annum. In the event of default, there is no acceleration clause, however, the Town may be forced to relinquish possession and use of the property until the curing of such default.

The 2005 COPs in the amount of \$1,480,000 mature through March 1, 2035, and bear interest at the rate of 4.625% per annum. The 2005 COPs are payable semiannually on each March 1 and September 1, commencing September 1, 2005. The 2005 COPs are subject to optional and mandatory early redemption provisions.

The annual debt service requirements for the 2005 COPs outstanding at June 30, 2023, are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 200,000	\$ 141,250	\$ 341,250
2025	205,000	132,250	337,250
2026	215,000	123,025	338,025
2027	225,000	113,082	338,082
2028	235,000	102,675	337,675
2029-2033	1,350,000	339,706	1,689,706
2034-2035	635,000	44,400	679,400
<b>Total</b>	<b>\$ 3,065,000</b>	<b>\$ 996,388</b>	<b>\$ 4,061,388</b>

In accordance with the final Recognized Obligation Payment Schedule (ROPS) approved for the Successor Agency to the the former Community Development Agency by the State Department of Finance, the Town receives annual repayments from the Successor Agency in an amount equivalent to the annual principal and interest payments for the 2001 and 2005 COPs.

**Subscription Liability**

The Town entered into various subscription-based IT arrangements and has recorded a liability to offset the right-to-use assets. These are calculated using the Town’s incremental borrowing rate of 3.0%.

Future minimum payments on SBITA liabilities are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2024	\$ 71,885	\$ 2,364	\$ 74,249
2025	74,064	185	74,249
<b>Total</b>	<b>\$ 145,949</b>	<b>\$ 2,549</b>	<b>\$ 148,498</b>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 9 – Long-Term Obligations (Continued)**

**A. Governmental Activities (Continued)**

**Compensated Absences**

The Town's liability for vested and unpaid compensated absences (accrued vacation and sick pay) has been accrued and amounts to \$1,191,160 at June 30, 2023. It is estimated that \$120,000 will be needed to cover employees who leave employment within one year.

**B. Fiduciary Fund Financial Statements**

Summary of changes in long-term obligations for the year ended June 30, 2023 was as follows:

Description	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Classification	
					Due Within One Year	Due in More than One Year
Loans payable	\$ 1,910,000	\$ -	\$ (210,000)	\$ 1,700,000	\$ 230,000	\$ 1,470,000
<b>Total</b>	<b>\$ 1,910,000</b>	<b>\$ -</b>	<b>\$ (210,000)</b>	<b>\$ 1,700,000</b>	<b>\$ 230,000</b>	<b>\$ 1,470,000</b>

**Loan Payable**

The Authority issued \$3,570,000 principal amount of Taxable Revenue Bonds, 2001 Series A (Bonds) on December 1, 2001. The proceeds of the Bonds were loaned to the former CDA pursuant to a Loan Agreement, dated as of December 1, 2001 and used to finance low and moderate income housing project within the project area. The Bonds in the amount of \$35,000 matured through August 1, 2006, and bore interest at the rate of 6.15% per annum. The Bonds in the amount of \$260,000 mature through August 1, 2011, and bear interest at the rate of 7.25% per annum. The Bonds in the amount of \$1,170,000 mature through August 1, 2020, and bear interest at the rate of 8.15% per annum. The Bonds in the amount of \$2,105,000 mature through August 1, 2028, and bear interest at the rate of 8.50% per annum.

The Bonds are payable semiannually on each February 1 and August 1, commencing August 1, 2002. The Bonds are subject to optional and mandatory early redemption provisions.

The Bonds are special obligations of the Authority payable from and secured by loan payments made by the former CDA under the Loan Agreement and certain other amounts on deposit in the funds and accounts established under the Indenture. The Loan Agreement is secured by the tax increment revenues of the former CDA. This loan has been transferred to the Successor Agency Trust Fund.

The annual debt service requirements for the Bonds outstanding at June 30, 2023 are as follows:

For the Years Ending June 30,	Principal		Interest		Total	
2024	\$ 230,000	\$	134,725	\$	364,725	
2025	250,000		114,325		364,325	
2026	270,000		92,225		362,225	
2027	290,000		68,425		358,425	
2028	315,000		42,713		357,713	
2029	345,000		14,663		359,663	
<b>Total</b>	<b>\$ 1,700,000</b>	<b>\$</b>	<b>467,076</b>	<b>\$</b>	<b>2,167,076</b>	

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 10 – Defined Contribution Pension Plan**

**A. Section 401(a) Qualified Defined Contribution Pension Plan**

All qualified Town employees participate in the Section 401(a) qualified defined contribution pension plan as allowed under the Internal Revenue Code. The plan type sponsored by the Town is the Money Purchase Plan (Plan), which was last amended on July 1, 2010. The Plan is a defined contribution retirement plan in which the employer's contribution is nondiscretionary and is based on a formula that is not related to profits. The Plan sponsor guarantees no benefit and bears no investment risk while the Plan participants bear all investment risk and have no guaranteed level of benefits.

An administrative committee comprised of Town personnel governs the Plan. The Town Council has the authority to establish or amend the Plan's provisions. The Plan's provisions and contribution requirements are established and may be amended by Town Council resolution.

Eligible employees begin participating the first day of the month following their employment date of work. The Plan is entirely funded by Town contributions of 15% of the participants' gross pay for employees who contribute 5% of their salary to the deferred compensation plan. The Town's contributions vest at 20% per plan year of uninterrupted employment.

Participants are eligible to begin receiving benefits at age 55 and are required to begin receiving benefits no later than April after age 70-1/2. The employees may also roll their funds to another retirement plan upon separation of service.

The Town's payroll for employees covered by the Plan for the year ended June 30, 2023, was \$9,860,784. Total employee contributions paid by the Town amounted to \$1,336,987 or 13.56% of covered payroll and of total payroll.

The Plan's assets are invested with Lincoln National Life, a mutual fund company that offers participants multiple mutual fund category selections from which they can choose. As of June 30, 2023, the Plan had 169 participants and the market value of the Plan amounted to \$26,308,610.

**B. Section 415(m) Benefit Restoration Plan**

Qualified Town employees may participate in a Section 415(m) benefit restoration plan (415 Plan) as allowed under the Internal Revenue Code. The 415 Plan is a qualified governmental excess benefit arrangement for employees who are not able to receive their entire contribution to the Section 401(a) Plan because of the application of Internal Revenue Code Section 415. The 415 Plan is a defined contribution retirement plan in which the employer's contribution is nondiscretionary and is based on a formula that is not related to profits. The Plan sponsor guarantees no benefit and bears no investment risk while the Plan participants bear all investment risk and have no guaranteed level of benefits.

Participants are eligible to begin receiving benefits at age 55 and are required to begin receiving benefits no later than April after age 70-1/2.

The Plan's assets are invested with a mutual fund company that offers participants multiple mutual fund category selections from which they can choose. Total employee contributions paid by the Town amounted to \$50,386. As of June 30, 2023, the Plan had two participants and the market value of the Plan amounted to \$463,123.

The Defined Contribution Pension Plan and the Benefit Restoration Plan are not included in the accompanying financial statements.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 11 – Fund Balance Classification**

At June 30, 2023, fund balances are classified as follows:

	Major Funds						Total
	General Fund	Lighting and Landscape Fund	Regional Traffic Impact Fee Special Revenue Fund	ARPA Special Revenue Fund	Capital Improvement Project Fund	Non-Major Governmental Funds	
<b>Fund Balances:</b>							
<b>Nonspendable</b>							
Due from Successor Agency of Former CDA	\$ 1,759,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,759,401
Prepaid items	156,060	-	-	-	-	-	156,060
<b>Total nonspendable</b>	<u>1,915,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,915,461</u>
<b>Restricted</b>							
Special revenue	-	1,807,139	4,454,341	930	-	28,596,831	34,859,241
Debt service	827,765	-	-	-	-	-	827,765
<b>Total restricted</b>	<u>827,765</u>	<u>1,807,139</u>	<u>4,454,341</u>	<u>930</u>	<u>-</u>	<u>28,596,831</u>	<u>35,687,006</u>
<b>Committed</b>							
Capital projects	8,762,220	-	-	-	27,775,301	9,179,741	45,717,262
Operating reserve	13,809,768	-	-	-	-	-	13,809,768
Contingency	782,066	-	-	-	-	-	782,066
Reward fund	10,000	-	-	-	-	-	10,000
Compensated absences/personnel	1,465,232	-	-	-	-	-	1,465,232
<b>Total committed</b>	<u>24,829,286</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,775,301</u>	<u>9,179,741</u>	<u>61,784,328</u>
<b>Assigned</b>							
Townwide bonus program	26,000	-	-	-	-	-	26,000
Town Council	5,000	-	-	-	-	-	5,000
Emergency preparedness COVID-19	78,250	-	-	-	-	-	78,250
Finance consulting services	10,000	-	-	-	-	-	10,000
Information technology consulting services	15,000	-	-	-	-	-	15,000
Information technology software	10,000	-	-	-	-	-	10,000
Human resources consulting services	60,000	-	-	-	-	-	60,000
Police management equipment	6,900	-	-	-	-	-	6,900
Police management software	20,000	-	-	-	-	-	20,000
Internal services equipment	11,000	-	-	-	-	-	11,000
Economic development consultant	9,000	-	-	-	-	-	9,000
Transportation equipment maintenance	17,000	-	-	-	-	-	17,000
Lighting and landscaping	-	3,019,810	-	-	-	-	3,019,810
<b>Total assigned</b>	<u>268,150</u>	<u>3,019,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,287,960</u>
<b>Unassigned</b>	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>
<b>Total fund balance</b>	<u>\$ 28,940,662</u>	<u>\$ 4,826,949</u>	<u>\$ 4,454,341</u>	<u>\$ 930</u>	<u>\$ 27,775,301</u>	<u>\$ 37,776,572</u>	<u>\$ 103,774,755</u>

**Operating Reserve**

The Town maintains a minimum operating reserve of 20% of the fiscal year operating budget, which may only be used in the event of a financial emergency, subject to Town Council authorization. Town Resolution No. 35-98 defines the purpose and uses of the General Fund operating reserve.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 12 - Risk Management**

The Town participates in the Municipal Pooling Authority (MPA), a joint powers agreement between 19 cities, which provides insurance coverage for liability, auto, property and workers' compensation claims. Claim liabilities are accrued when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The MPA covers claims in an amount up to \$29,000,001. The Town has a deductible of \$5,000 per claim for liability cases and up to these pay for workers' compensation claims. The MPA is self-insured up to \$1,000,000 per claim and has excess coverage to a maximum of \$29,000,000.

The MPA is governed by a board consisting of representatives from each member municipality. The Board, which controls the operations of the MPA, including the selection of management and the approval of operating budgets, is independent of any influence by member municipalities beyond their representation on the Board.

The Town's net general liability premium payments to the MPA in the amount of \$499,022 for fiscal year 2022/2023 are in accordance with formulas established by the MPA. 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.

Estimates of deductibles for incurred, but not reported, (IBNR) liability claims are included in the Town's claims estimates and are based upon historical experiences as calculated by the MPA. During the year, the Town did not receive a dividend from the MPA based on the results of prior years' activities. The following provides a reconciliation of the amount accrued for estimated out of pocket amounts to be paid for IBNR deductibles:

Fiscal Year	Beginning of Year Liability	Claims and Changes in Estimates	Payments for Current and Prior Years	End of Year Liability
2020-2021	\$ 53,990	\$ 8,013	\$ (5,489)	\$ 56,514
2021-2022	56,514	18,323	(29,623)	45,214
2022-2023	45,214	7,934	(21,339)	31,809

The Town has had no settlements that exceeded insurance coverage in the last three fiscal years, and no changes in insurance coverage from the prior year.

Because dividends cannot be guaranteed and may fluctuate significantly, these types of results should not be used to forecast future years' results.

Insurance cost	\$ 516,371
Less: dividend received	<u>(17,349)</u>
Net insurance cost	<u>\$ 499,022</u>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 12 – Risk Management (Continued)**

The MPA's audited condensed financial information as of and for the year ended June 30, 2022, are as follows:

Total assets	\$ 83,445,725
Total deferred outflows of resources	<u>\$ 1,367,618</u>
Total liabilities	<u>\$ 60,447,844</u>
Total deferred inflows of resources	<u>\$ 1,264,839</u>
Total net position	<u>\$ 23,100,660</u>
Total operating revenues	<u>\$ 41,229,074</u>
Total operating expenses	<u>\$ 42,807,473</u>
Net operating (loss)	<u>\$ (1,578,399)</u>
Non-operating revenues (expenses)	<u>\$ (2,821,109)</u>
Change in net position	<u>\$ (4,399,508)</u>

Detailed financial information may be obtained from the Municipal Pooling Authority (MPA) in Walnut Creek, California.

**Note 13 – Commitments and Contingencies**

Lawsuits

The Town is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the Town Attorney, these actions, when finally adjudicated, will not have a material adverse effect on the financial position of the Town.

Annual Appropriations

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the Town is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rates or revised fee schedules. For the fiscal year ended June 30, 2023, the Town's appropriations limit totals \$49,825,433 and the Town's appropriations subject to limitation were \$24,054,155.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 13 – Commitments and Contingencies (Continued)**

2023 Appropriation Limit

Proposition 4, passed by the voters in 1978, requires that the Town Council adopt an annual appropriation limit for proceeds of taxes. This limit fixes the amount of general tax revenue that can be appropriated in a given fiscal year. Any excess must be returned to the taxpayers. The limit is adjusted each year by established adjustment factors.

Proposition 111, passed by the voters in June 1990, allows each local agency's governing body to annually choose which adjustment factors are to be used. The Town Council has the discretion to choose one of two inflation factors: (1) population growth in California per capita income *or* (2) growth in nonresidential assessed valuation from new construction within the Town. Additionally, the Town Council may choose from one of two population adjustment factors: population growth within the Town *or* population growth within Contra Costa County. The Town chose to use the population growth within Contra Costa County. The chosen population adjustment factor is multiplied by the growth in California per capita income.

Construction Commitments

The Town has several outstanding or planned construction projects as of June 30, 2023. These projects are evidenced by contractual commitments with contractors. As of June 30, 2023, the Town's outstanding contractual commitments amount were \$3,205,201.

**Note 14 – Other Required Disclosures**

**A. Expenditures Exceeding Appropriations**

For the year ended June 30, 2023, the following funds had excess expenditures over appropriations, which are expected to be covered with existing fund balance or had sufficient available revenue:

Fund	Function	Excess Expenditures over Appropriations
General Fund	General government	\$ 430,025
General Fund	Maintenance services	126,849
Lighting and Landscaping Special Revenue Fund	Administrative services	233
Public Safety Special Revenue Fund	Administrative services	171

**Note 15 – Prior Period Adjustments**

In order to implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, net position as of July 1, 2022 has been restated as follows:

	Governmental Activities
Net position July 1, 2022	\$ 279,375,649
GASB 96 implementation	99,803
Restated net position July 1, 2022	\$ 279,475,452

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**



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**Town of Danville**  
**Required Supplementary Information (Unaudited)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Budgetary Information**

The Town follows these procedures in establishing the budgetary data for all governmental funds except for capital projects funds:

- Town Council determines community needs, priorities and opportunities for the upcoming year commencing July 1.
- By June 30, the Town Manager submits to the Town Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution during a Town Council meeting in the month of June.
- The Town Manager is authorized to transfer budgeted amounts within an activity, for example, within a program (legal, finance, etc.). The Town Manager is able to authorize the purchase of office equipment instead of the original budgeted for expense to pay for consultants, for example. However, any revisions that alter the total expenditures (increase/decrease budget for a program) must be approved by the Town Council.
- Formal budgeting is employed as a management control device during the year.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgeted amounts are as originally adopted or as amended by the Town Council. Individual amendments were not material in relation to the original appropriations.

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2023**

**Note 2 – Budgetary Comparison Schedule**

**General Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES:</b>				
Property taxes	\$ 16,850,000	\$ 16,850,000	\$ 18,937,827	\$ 2,087,827
Sales taxes	6,125,000	6,125,000	7,467,848	1,342,848
Other taxes	2,270,968	2,270,968	2,483,194	212,226
Charges for services	1,930,743	1,930,743	2,017,446	86,703
Licenses and permits	350,000	350,000	341,405	(8,595)
Intergovernmental	1,010	63,916	2,537	(61,379)
Fines and forfeitures	150,000	150,000	105,729	(44,271)
Use of money and property	1,110,247	1,110,247	1,212,003	101,756
Reimbursement from Successor Agency	-	784,925	825,175	40,250
Miscellaneous	174,915	174,915	794,763	619,848
<b>Total revenues</b>	<b>28,962,883</b>	<b>29,810,714</b>	<b>34,187,927</b>	<b>4,377,213</b>
<b>EXPENDITURES:</b>				
Current:				
General government				
Town Council	233,346	301,252	238,858	62,394
Town Manager	775,871	801,871	614,458	187,413
Town Attorney	429,750	636,313	578,236	58,077
Town Clerk	328,512	328,512	255,115	73,397
Community outreach	261,684	270,929	221,349	49,580
Emergency preparedness	135,378	213,634	1,074,520	(860,886)
<b>Total general government</b>	<b>2,164,541</b>	<b>2,552,511</b>	<b>2,982,536</b>	<b>(430,025)</b>
Police services				
Administration	1,738,492	1,844,890	1,603,421	241,469
Patrol	6,278,863	6,351,825	5,456,292	895,533
Traffic	1,313,314	1,313,438	1,073,433	240,005
Investigations	1,006,615	1,006,615	993,646	12,969
PS Youth Services	551,432	551,432	451,109	100,323
Animal control	349,930	349,930	349,931	(1)
<b>Total police services</b>	<b>11,238,646</b>	<b>11,418,130</b>	<b>9,927,832</b>	<b>1,490,298</b>
Maintenance services				
Management	408,809	408,809	358,883	49,926
Building maintenance	480,084	493,409	916,137	(422,728)
Park maintenance	1,292,136	1,352,694	1,112,986	239,708
Equipment maintenance	384,500	427,714	371,543	56,171
<b>Total maintenance services</b>	<b>2,565,529</b>	<b>2,682,626</b>	<b>2,759,549</b>	<b>(126,849)</b>
Development services				
Management	309,166	309,166	143,814	165,352
Planning	239,594	239,594	190,582	49,012
Engineering	-	300	290	10
Capital project management	678,754	678,754	582,240	96,514
Transportation	-	24,000	6,479	17,521
<b>Total development services</b>	<b>1,227,514</b>	<b>1,251,814</b>	<b>923,405</b>	<b>328,409</b>

(Continued)

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2023**

**Note 2 – Budgetary Comparison Schedule (Continued)**

**General Fund (Continued)**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>EXPENDITURES (Continued):</b>				
Current (Continued):				
Administrative services				
Management	208,132	208,132	215,311	(7,179)
Finance	892,536	933,511	786,841	146,670
Information technology	790,332	816,996	631,187	185,809
Human resources	489,706	558,126	289,029	269,097
Economic development	450,513	688,074	659,658	28,416
Risk management	779,200	779,200	777,787	1,413
Internal services	275,012	347,593	252,120	95,473
Total administrative services	<u>3,885,431</u>	<u>4,331,632</u>	<u>3,611,933</u>	<u>719,699</u>
Recreation, arts, and community services				
Management	429,873	440,981	383,228	57,753
Sports and fitness	716,325	727,958	531,256	196,702
Facilities management	556,440	556,440	526,721	29,719
Culture arts	690,642	690,642	634,485	56,157
Youth services	516,116	516,116	481,863	34,253
Teen services	422,461	422,461	401,114	21,347
Adult services	132,805	132,805	103,617	29,188
Senior services	359,598	361,631	287,647	73,984
Library service	172,620	172,620	151,539	21,081
Special events	257,748	275,342	226,840	48,502
Total recreation, arts, and community services	<u>4,254,628</u>	<u>4,296,996</u>	<u>3,728,310</u>	<u>510,933</u>
Capital outlay	-	-	271,069	(271,069)
Debt service:				
Principal	-	545,000	615,307	(70,307)
Interest	-	239,925	243,866	(3,941)
<b>Total expenditures</b>	<u>25,336,289</u>	<u>27,318,634</u>	<u>25,063,807</u>	<u>2,147,148</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,626,594</u>	<u>2,492,080</u>	<u>9,124,120</u>	<u>2,230,065</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from debt issuance	-	-	216,256	216,256
Transfers out	(4,726,594)	(8,076,594)	(8,076,594)	-
<b>Total other financing sources (uses)</b>	<u>(4,726,594)</u>	<u>(8,076,594)</u>	<u>(7,860,338)</u>	<u>216,256</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,100,000)</u>	<u>\$ (5,584,514)</u>	<u>1,263,782</u>	<u>\$ 2,446,321</u>
<b>FUND BALANCE:</b>				
Beginning of year			27,676,880	
End of year			<u>\$ 28,940,662</u>	

(Concluded)

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2023**

**Note 2 – Budgetary Comparison Schedule (Continued)**

**Lighting and Landscape Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES:</b>				
Special assessments	\$ 3,031,853	\$ 3,031,853	\$ 3,044,932	\$ 13,079
Use of money and property	8,999	8,999	52,119	43,120
Miscellaneous	88,898	88,898	144,627	55,729
<b>Total revenues</b>	<b>3,129,750</b>	<b>3,129,750</b>	<b>3,241,678</b>	<b>111,928</b>
<b>EXPENDITURES:</b>				
Current:				
Police services				
Administration	-	292,039	292,039	-
Total police services	-	292,039	292,039	-
Maintenance services				
Capital project management	220,039	220,039	-	220,039
Building maintenance	59,160	66,952	59,205	7,747
Total maintenance services	279,199	286,991	59,205	227,786
Development services				
Engineering	291,209	291,209	6,045	285,164
Total maintenance services	291,209	291,209	6,045	285,164
Lighting and landscape				
Building maintenance	420,426	425,959	397,930	28,029
Park maintenance	1,380,205	1,440,762	1,142,414	298,348
Roadside maintenance	2,123,757	2,192,035	1,766,785	425,250
Street light maintenance	787,430	817,018	605,999	211,019
Total lighting and landscape	4,711,818	4,875,774	3,913,128	962,646
Administrative services				
Finance	2,426	2,426	2,659	(233)
Total administrative services	2,426	2,426	2,659	(233)
Capital outlay				
	-	-	-	-
<b>Total expenditures</b>	<b>5,284,652</b>	<b>5,748,439</b>	<b>4,273,076</b>	<b>1,475,363</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,154,902)</b>	<b>(2,618,689)</b>	<b>(1,031,398)</b>	<b>1,587,291</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	1,300,000	1,300,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,300,000</b>	<b>1,300,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,154,902)</b>	<b>\$ (2,618,689)</b>	<b>268,602</b>	<b>\$ 2,887,291</b>
<b>FUND BALANCE:</b>				
Beginning of year			4,558,347	
End of year			<u>\$ 4,826,949</u>	

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2023**

**Note 2 – Budgetary Comparison Schedule (Continued)**

**Regional Traffic Impact Fees Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES:</b>				
Development fees	\$ -	\$ -	\$ 166,362	\$ 166,362
Intergovernmental	237,790	111,885	-	(111,885)
Use of money and property	-	-	39,812	39,812
Miscellaneous	1,310	1,310	-	(1,310)
<b>Total revenues</b>	<b>239,100</b>	<b>113,195</b>	<b>206,174</b>	<b>92,979</b>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Capital project management	949,688	826,783	160,617	666,166
Total development services	949,688	826,783	160,617	666,166
Administrative services				
Finance	10,398	10,398	2,034	8,364
Total administrative services	10,398	10,398	2,034	8,364
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>960,086</b>	<b>837,181</b>	<b>162,651</b>	<b>674,530</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (720,986)</b>	<b>\$ (723,986)</b>	<b>43,523</b>	<b>\$ 767,509</b>
<b>FUND BALANCE:</b>				
Beginning of year			4,410,818	
End of year			<u>\$ 4,454,341</u>	

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 2 – Budgetary Comparison Schedule (Continued)**

**American Rescue Plan Act Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 3,455,415	\$ 3,455,415
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,455,415</b>	<b>3,455,415</b>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Capital project management	1,500,000	3,250,000	356,378	2,893,622
Total development services	1,500,000	3,250,000	356,378	2,893,622
Capital outlay	6,678,306	6,052,175	3,099,037	2,953,138
<b>Total expenditures</b>	<b>8,178,306</b>	<b>9,302,175</b>	<b>3,455,415</b>	<b>5,846,760</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (8,178,306)</b>	<b>\$ (9,302,175)</b>	<b>-</b>	<b>\$ 9,302,175</b>
<b>FUND BALANCE:</b>				
Beginning of year			930	
End of year			\$ 930	

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 3 – Modified Approach for Town Street Infrastructure Capital Assets**

The Town defines infrastructure as the basic physical assets including the street system; traffic control improvements; park and recreation lands and improvement system; storm water conveyance systems; and site amenities such as parking and landscaped areas used by the Town in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into asphalt pavements, concrete curb and gutters, medians, traffic control devices (signs, signals and pavement markings), landscaping and land. Subsystem detail is not presented in these Basic Financial Statements; however, the Town maintains detailed information on these subsystems.

The Town has elected to use the "Modified Approach" for infrastructure reporting for its Streets Pavement System. Eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The Town manages the eligible infrastructure capital assets using an asset management system with characteristics of: (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- The Town documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

In September 2023, the Town commissioned a study to update the physical condition assessment of the arterials and collector for residential streets. The prior assessment study was completed in August 2020. The streets, primarily asphalt pavements, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. Town owned streets are classified based on land use, access and traffic utilization into the following four classifications: arterial/major, secondary, collector and local. This condition assessment will be performed at least every three years. Street assessments have historically been funded with grants and performed approximately every three years. Each street was assigned a physical condition based on potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned to the physical characteristics of a new street.

The following conditions were defined:

<b>PCI Conditions</b>	<b>PCI Rating</b>
Very Good	70-100
Good	50-69
Poor	26-49
Very Poor	0-25

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedule (Continued)**  
**For the Year Ended June 30, 2023**

**Note 3 – Modified Approach for Town Street Infrastructure Capital Assets (Continued)**

The Town's policy is to achieve a minimum average rating of 70 for all streets, which is a "very good" rating. As of June 30, 2023, the Town's street system was rated at a PCI index of 77 on the average with the detail condition as follows:

Street Condition	% of Streets
Very Good (PCI 70-100)	70%
Good (PCI 50-69)	20%
Poor (PCI 26-49)	9%
Very Poor (PCI 0-25)	1%
	100%

The Town's streets are constantly deteriorating as a result of following four factors: (1) traffic using the streets; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; and (4) water damage from natural precipitation and other urban runoff. The Town is continuously taking actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and sidewalk repairs. The Town expended \$2,649,986 of the General Fund monies on street maintenance for the fiscal year ended June 30, 2023. These expenditures delayed deterioration. The Town has estimated that the amount of annual expenditures required to maintain the Town's streets at the average PCI rating of 70 through the year 2023 is a minimum of \$3,000,000.

A schedule of estimated annual amount calculated to maintain and preserve its streets at the current level compared to actual expenditures for street maintenance for the last ten years is presented below. The availability and use of other funds has enabled the Town to maintain the underlying drainage, associated curbs and gutters and to repair small but costly pavement areas needing complete replacement.

Fiscal Year	General Fund		Other Funds Actual	Total Actual	PCI Rating
	Final Budget	Actual			
2013-14	\$ 3,000,000	\$ 914,271	\$ 583,827	\$ 1,498,098	74
2014-15	3,000,000	2,800,816	1,359,695	4,160,511	74
2015-16	3,000,000	684,250	708,280	1,392,530	76
2016-17	3,000,000	1,417,001	2,986,762	4,403,763	75
2017-18	3,000,000	6,184,143	1,906,277	8,090,420	80
2018-19	3,000,000	3,629,281	3,865,363	7,494,644	78
2019-20	3,000,000	966,845	140,711	1,107,556	81
2020-21	-	1,792,695	256,185	2,048,880	81
2021-22	250,000	294,363	2,103,352	2,397,715	80
2022-23	900,000	2,649,980	523,839	3,173,875	77

The Town also has an on-going street rehabilitation program funded in the Capital Improvement Program that is intended to improve the condition rating of Town streets. The rehabilitation program is formulated based on deficiencies identified as a part of its Pavement Management System. As of June 30, 2023, approximately 30% of the Town's streets were rated below the average standard of 70. The Town will continue to rehabilitate these segments of the streets. Total deficiencies (deferred maintenance) identified in the Pavement Management System amounted to approximately \$20,500,000 for all streets.

**SUPPLEMENTARY INFORMATION**



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**NON-MAJOR GOVERNMENTAL FUNDS**

# Town of Danville

## Non-Major Governmental Funds

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### **SPECIAL REVENUE FUNDS**

#### **PEG Fund**

Any state video franchisee offering service within the Town pays sixty cents (\$0.60) per month per subscriber to support Public, Educational and Governmental ("PEG") channel facilities. This fund is restricted to capital expenditures allowing the Town to provide PEG programming to residents.

#### **Gas Tax Fund**

This fund is used to account for the portion of the taxes paid on the purchase of gasoline, which the Town receives from the State of California. Use of the fund is restricted to street and related improvements and maintenance costs.

#### **Building/Planning Fund**

This fund receives fees for planning applications and permits and building inspection and plan review fees collected during the building permit process. Use of this fund is restricted to offsetting the costs of providing building and planning services to permittees.

#### **Development Engineering Fund**

This fund receives fees for permits and plan review for engineering and subdivision applications. Use of this fund is restricted to offsetting the costs of providing these services.

#### **Child Care Fund**

This Fund receives child care fees paid by new developments. All funds are restricted to the development or promotion of child care facilities within Danville.

#### **Stormwater Pollution Control Program (SPCP) Fund**

This Fund is used to account for National Pollution Discharge Elimination Services (NPDES) assessments paid by property owners for administration, inspection and maintenance of storm drain systems, including street sweeping, necessary to comply with the stormwater pollution permits issued by the Regional Water Quality Control Board.

#### **Measure C/J Fund**

Since 1988, Contra Costa County voters have paid a one-half cent sales tax for transportation purposes to be collected through 2034. Eighteen percent of the funds collected throughout the County are distributed back to each local jurisdiction on the basis of population and road miles. Receipt of these funds is tied to compliance with the Town's General Plan Growth Management Element. Use of this fund is restricted to street and pavement management and transportation planning.

#### **Donations and Contributions Fund**

The Town receives donations and contributions for selected programs such as the police K-9 program and downtown beautification. Use of these funds is restricted to the specific terms of the individual donation.

#### **General Development Impact Fees Fund**

The Town levies a number of development impact fees to mitigate the impacts of new development, primarily transportation impact fees. The use of these funds is limited by the specific purpose of the individual fee and the impact to be mitigated.

# Town of Danville

## Non-Major Governmental Funds (Continued)

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### **SPECIAL REVENUE FUNDS**

#### **Public Safety Fund**

Special revenues for police programs are reported in this fund. Included are Supplemental Law Enforcement Services Funds (SLESF) funds provided by the State, Abandoned Vehicle and Asset Seizure revenues. The use of these funds is limited to use by the Police Department by the specific purpose of the fee.

#### **Old Town Parking In-Lieu Fund**

A development impact mitigation fee imposed on new developments in the Downtown Business District which rely, at least in part, on off-site public parking. Use of the Fund is restricted to the provision of additional Town-owned parking.

#### **Solid Waste Vehicle Impact Fee Fund**

This fund receives impact fees collected through the solid waste franchise to partially offset the impacts associated with solid waste, recycling and yard waste refuse vehicles using Town streets. The use of this Fund is restricted to street and pavement rehabilitation.

#### **Low and Moderate Income Housing Fund**

Prior to the State of California's dissolution of redevelopment agencies in 2011, the Town's Community Development Agency (CDA) maintained a Low and Moderate-Income Housing Fund as required by the law. Upon dissolution, the Town opted to create a Successor Housing Agency to assume all of the housing assets and liabilities of the former CDA. The use of this Fund is restricted to the creation, rehabilitation or addition of low or moderate-income housing within the Town.

### **CAPITAL PROJECTS FUNDS**

#### **Asset Replacement General Fund**

Contributions are made into this Fund from the General Fund for the eventual replacement and refurbishment of fixed assets.

#### **Asset Replacement Library Fund**

Contributions are made into this Fund from private donations and the General Fund for the eventual replacement and refurbishment of Library equipment.

#### **Civic Facilities Capital Projects Fund**

This Fund receives contributions from the General Fund and is used to account for the construction of community facilities such as the Danville Library, Community Center, Town Offices, Oak Hill Park Community Center and future new park and recreation facilities.

#### **Park Facilities Fund**

Contributions are made into this Fund from the General Fund for the construction and renovation of parks within the Town.

#### **Northeast Road Improvements Assessment District Fund**

During the period from 1985 to 1990, the Northeast Road Improvements Assessment District (NERIAD) were formed within the Town of Danville to construct improvements in these areas.

## Town of Danville

### Non-Major Governmental Funds (Continued)

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#### **Tassajara Road Improvements Assessment District Fund**

Assessment District formed for the Tassajara Ranch developments to fund the development of Diablo Vista Park, traffic improvements to mitigate project related impacts, and maintenance of existing improvements for the benefit of district properties.

#### **Sycamore Valley Assessment District Fund**

Development impact fees are collected on residential units in excess of the original 278 units located within the Sycamore Valley Benefit District. Funds are used for traffic mitigation, projects and maintenance of existing improvements for the benefit of the benefit district properties.

#### **Technology Fund**

This Fund was created in FY 2011/12 and receives contributions from the General Fund for the implementation of the Town's five-year Technology Master Plan.

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2023**

	Special Revenue				
	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
<b>ASSETS</b>					
Cash and investments	\$ 140,276	\$ 5,199,851	\$ 5,708,010	\$ 2,695,260	\$ 366,255
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	195,384	176,295	100	-	-
Interest	955	14,541	-	-	825
<b>Total assets</b>	<b>\$ 336,615</b>	<b>\$ 5,390,687</b>	<b>\$ 5,708,110</b>	<b>\$ 2,695,260</b>	<b>\$ 367,080</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	38	247,062	45,883	21,430	32
Accrued wages	-	15,126	36,357	765	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	42,670	-
Unearned revenue	-	30,120	17,486	-	-
<b>Total liabilities</b>	<b>38</b>	<b>292,308</b>	<b>99,726</b>	<b>64,865</b>	<b>32</b>
<b>Fund Balances:</b>					
Restricted	336,577	5,098,379	5,608,384	2,630,395	367,048
Committed	-	-	-	-	-
<b>Total fund balances</b>	<b>336,577</b>	<b>5,098,379</b>	<b>5,608,384</b>	<b>2,630,395</b>	<b>367,048</b>
<b>Total liabilities and fund balances</b>	<b>\$ 336,615</b>	<b>\$ 5,390,687</b>	<b>\$ 5,708,110</b>	<b>\$ 2,695,260</b>	<b>\$ 367,080</b>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2023**

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
<b>ASSETS</b>					
Cash and investments	\$ 2,190,711	\$ 2,853,497	\$ 317,884	\$ 3,362,159	\$ 677,104
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	148,982	-	83	6,541	4,717
Interest	6,366	8,264	555	8,977	2,225
<b>Total assets</b>	<u>\$ 2,346,059</u>	<u>\$ 2,861,761</u>	<u>\$ 318,522</u>	<u>\$ 3,377,677</u>	<u>\$ 684,046</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	53,512	135,141	37,302	408,603	87
Accrued wages	2,207	3,741	-	-	147
Retention payable	-	-	-	8,615	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>55,719</u>	<u>138,882</u>	<u>37,302</u>	<u>417,218</u>	<u>234</u>
<b>Fund Balances:</b>					
Restricted	2,290,340	2,722,879	281,220	2,960,459	683,812
Committed	-	-	-	-	-
<b>Total fund balances</b>	<u>2,290,340</u>	<u>2,722,879</u>	<u>281,220</u>	<u>2,960,459</u>	<u>683,812</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,346,059</u>	<u>\$ 2,861,761</u>	<u>\$ 318,522</u>	<u>\$ 3,377,677</u>	<u>\$ 684,046</u>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2023**

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fees	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
<b>ASSETS</b>					
Cash and investments	\$ 622,396	\$ 3,073,529	\$ 1,918,135	\$ 3,436,773	\$ 822,103
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	1,686	-	5,890	8,937	1,890
<b>Total assets</b>	<b>\$ 624,082</b>	<b>\$ 3,073,529</b>	<b>\$ 1,924,025</b>	<b>\$ 3,445,710</b>	<b>\$ 823,993</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	66	4,000	232	253,984	9,562
Accrued wages	-	-	-	-	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>66</b>	<b>4,000</b>	<b>232</b>	<b>253,984</b>	<b>9,562</b>
<b>Fund Balances:</b>					
Restricted	624,016	3,069,529	1,923,793	-	-
Committed	-	-	-	3,191,726	814,431
<b>Total fund balances</b>	<b>624,016</b>	<b>3,069,529</b>	<b>1,923,793</b>	<b>3,191,726</b>	<b>814,431</b>
<b>Total liabilities and fund balances</b>	<b>\$ 624,082</b>	<b>\$ 3,073,529</b>	<b>\$ 1,924,025</b>	<b>\$ 3,445,710</b>	<b>\$ 823,993</b>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2023**

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
<b>ASSETS</b>					
Cash and investments	\$ 338,333	\$ 4,107,100	\$ 341,328	\$ 36,357	\$ 16,952
Cash and investments with fiscal agent	-	-	813,920	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	1,074	12,119	2,597	110	26
<b>Total assets</b>	<b>\$ 339,407</b>	<b>\$ 4,119,219</b>	<b>\$ 1,157,845</b>	<b>\$ 36,467</b>	<b>\$ 16,978</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	9,386	614,848	156	1	1
Accrued wages	-	-	-	-	-
Retention payable	180	44,215	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>9,566</b>	<b>659,063</b>	<b>156</b>	<b>1</b>	<b>1</b>
<b>Fund Balances:</b>					
Restricted	-	-	-	-	-
Committed	329,841	3,460,156	1,157,689	36,466	16,977
<b>Total fund balances</b>	<b>329,841</b>	<b>3,460,156</b>	<b>1,157,689</b>	<b>36,466</b>	<b>16,977</b>
<b>Total liabilities and fund balances</b>	<b>\$ 339,407</b>	<b>\$ 4,119,219</b>	<b>\$ 1,157,845</b>	<b>\$ 36,467</b>	<b>\$ 16,978</b>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2023**

	<u>Capital Projects</u>	
	Technology Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>		
Cash and investments	\$ 184,659	\$ 38,408,672
Cash and investments with fiscal agent	-	813,920
Receivables (net of allowances):		
Accounts	-	532,102
Interest	-	77,037
<b>Total assets</b>	<b>\$ 184,659</b>	<b>\$ 39,831,731</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	12,204	1,853,530
Accrued wages	-	58,343
Retention payable	-	53,010
Deposits payable	-	42,670
Unearned revenue	-	47,606
<b>Total liabilities</b>	<b>12,204</b>	<b>2,055,159</b>
<b>Fund Balances:</b>		
Restricted	-	28,596,831
Committed	172,455	9,179,741
<b>Total fund balances</b>	<b>172,455</b>	<b>37,776,572</b>
<b>Total liabilities and fund balances</b>	<b>\$ 184,659</b>	<b>\$ 39,831,731</b>

(Concluded)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

	Special Revenue				
	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	67,489	2,059,781	-	-	-
Charges for services	-	-	523,396	593,819	-
License and permits	-	-	5,667	-	-
Development fees	-	-	2,896,318	2,204	63,492
Intergovernmental	-	-	35,930	-	-
Use of money and property	3,954	56,675	-	-	3,720
Miscellaneous	-	840	-	-	-
<b>Total revenues</b>	<b>71,443</b>	<b>2,117,296</b>	<b>3,461,311</b>	<b>596,023</b>	<b>67,212</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	-	-
Maintenance services	-	858,275	-	-	-
Development services	-	309,794	2,280,317	396,159	-
Administrative services	191	5,840	-	-	786
Recreation, arts & community services	-	-	-	-	-
Capital outlay	5,000	-	-	-	-
<b>Total expenditures</b>	<b>5,191</b>	<b>1,173,909</b>	<b>2,280,317</b>	<b>396,159</b>	<b>786</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>66,252</b>	<b>943,387</b>	<b>1,180,994</b>	<b>199,864</b>	<b>66,426</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(50,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>66,252</b>	<b>943,387</b>	<b>1,130,994</b>	<b>199,864</b>	<b>66,426</b>
<b>FUND BALANCES:</b>					
Beginning of year	270,325	4,154,992	4,477,390	2,430,531	300,622
End of year	<b>\$ 336,577</b>	<b>\$ 5,098,379</b>	<b>\$ 5,608,384</b>	<b>\$ 2,630,395</b>	<b>\$ 367,048</b>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2023**

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
<b>REVENUES:</b>					
Special assessments	\$ 556,698	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	1,740	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	115,064	-
Intergovernmental	11,125	1,102,869	-	-	180,440
Use of money and property	27,803	28,238	3,267	68,169	9,114
Miscellaneous	-	360	12,333	6,541	-
<b>Total revenues</b>	<b>597,366</b>	<b>1,131,467</b>	<b>15,600</b>	<b>189,774</b>	<b>189,554</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	500	-	-
Police services	-	-	4,345	-	114,003
Maintenance services	8,686	-	-	401,602	-
Development services	685,519	354,356	-	21,065	-
Administrative services	1,457	1,542	177	2,040	446
Recreation, arts & community services	-	-	23,711	63,060	-
Capital outlay	-	265,772	450	4,300	-
<b>Total expenditures</b>	<b>695,662</b>	<b>621,670</b>	<b>29,183</b>	<b>492,067</b>	<b>114,449</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(98,296)</b>	<b>509,797</b>	<b>(13,583)</b>	<b>(302,293)</b>	<b>75,105</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(98,296)</b>	<b>509,797</b>	<b>(13,583)</b>	<b>(302,293)</b>	<b>75,105</b>
<b>FUND BALANCES:</b>					
Beginning of year	2,388,636	2,213,082	294,803	3,262,752	608,707
End of year	<b>\$ 2,290,340</b>	<b>\$ 2,722,879</b>	<b>\$ 281,220</b>	<b>\$ 2,960,459</b>	<b>\$ 683,812</b>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2023**

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fees	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	877,238	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	7,577	-	21,275	31,313	(10,088)
Miscellaneous	-	-	22,745	8,816	-
<b>Total revenues</b>	<u>7,577</u>	<u>877,238</u>	<u>44,020</u>	<u>40,129</u>	<u>(10,088)</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	4,631	-
Maintenance services	-	-	-	243,427	9,488
Development services	-	-	-	24,404	-
Administrative services	382	-	2,107	19,128	430
Recreation, arts & community services	-	-	-	-	-
Capital outlay	-	-	-	465,258	-
<b>Total expenditures</b>	<u>382</u>	<u>-</u>	<u>2,107</u>	<u>756,848</u>	<u>9,918</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>7,195</u>	<u>877,238</u>	<u>41,913</u>	<u>(716,719)</u>	<u>(20,006)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	-	-	600,000	-	-
Transfers in	-	-	-	1,125,000	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>1,125,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>7,195</u>	<u>877,238</u>	<u>641,913</u>	<u>408,281</u>	<u>(20,006)</u>
<b>FUND BALANCES:</b>					
Beginning of year	616,821	2,192,291	1,281,880	2,783,445	834,437
End of year	<u>\$ 624,016</u>	<u>\$ 3,069,529</u>	<u>\$ 1,923,793</u>	<u>\$ 3,191,726</u>	<u>\$ 814,431</u>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2023**

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	-	-
Intergovernmental	-	27,668	-	-	-
Use of money and property	3,829	57,038	(24,465)	496	163
Miscellaneous	-	29,883	-	-	-
<b>Total revenues</b>	<b>3,829</b>	<b>114,589</b>	<b>(24,465)</b>	<b>496</b>	<b>163</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police services	-	-	4,916	-	-
Maintenance services	33,969	980,570	-	-	-
Development services	-	12,709	-	-	-
Administrative services	254	2,989	875	4	11
Recreation, arts & community services	-	16,364	-	-	-
Capital outlay	-	178,160	27,968	-	-
<b>Total expenditures</b>	<b>34,223</b>	<b>1,190,792</b>	<b>33,759</b>	<b>4</b>	<b>11</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(30,394)</b>	<b>(1,076,203)</b>	<b>(58,224)</b>	<b>492</b>	<b>152</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(30,394)</b>	<b>(1,076,203)</b>	<b>(58,224)</b>	<b>492</b>	<b>152</b>
<b>FUND BALANCES:</b>					
Beginning of year	360,235	4,536,359	1,215,913	35,974	16,825
End of year	<u>\$ 329,841</u>	<u>\$ 3,460,156</u>	<u>\$ 1,157,689</u>	<u>\$ 36,466</u>	<u>\$ 16,977</u>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2023**

	<u>Capital Projects</u>	
	Technology Fund	Total Non-Major Governmental Funds
<b>REVENUES:</b>		
Special assessments	\$ -	\$ 556,698
Other taxes	-	3,004,508
Charges for services	-	1,118,955
License and permits	-	5,667
Development fees	-	3,077,078
Intergovernmental	-	1,358,032
Use of money and property	-	288,078
Miscellaneous	-	81,518
<b>Total revenues</b>	-	9,490,534
<b>EXPENDITURES:</b>		
Current:		
General government	-	500
Police services	89,724	217,619
Maintenance services	-	2,536,017
Development services	-	4,084,323
Administrative services	8,579	47,238
Recreation, arts & community services	-	103,135
Capital outlay	238,961	1,185,869
<b>Total expenditures</b>	337,264	8,174,701
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(337,264)	1,315,833
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds from sale of property	-	600,000
Transfers in	-	1,125,000
Transfers out	-	(50,000)
<b>Total other financing sources (uses)</b>	-	1,675,000
<b>NET CHANGE IN FUND BALANCES</b>	(337,264)	2,990,833
<b>FUND BALANCES:</b>		
Beginning of year	509,719	34,785,739
End of year	\$ 172,455	\$ 37,776,572

(Concluded)

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**PEG Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 82,000	\$ 82,000	\$ 67,489	\$ (14,511)
Use of money and property	-	-	3,954	3,954
<b>Total revenues</b>	<u>82,000</u>	<u>82,000</u>	<u>71,443</u>	<u>(10,557)</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
City Clerk	32,421	32,421	-	32,421
Total general government	<u>32,421</u>	<u>32,421</u>	<u>-</u>	<u>32,421</u>
Administrative services				
Finance	514	514	191	323
Total administrative services	<u>514</u>	<u>514</u>	<u>191</u>	<u>323</u>
Capital outlay	<u>257,297</u>	<u>257,297</u>	<u>5,000</u>	<u>252,297</u>
<b>Total expenditures</b>	<u>290,232</u>	<u>290,232</u>	<u>5,191</u>	<u>285,041</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (208,232)</u>	<u>\$ (208,232)</u>	66,252	<u>\$ 274,484</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>270,325</u>	
End of year			<u>\$ 336,577</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ -	\$ -	\$ 2,059,781	\$ 2,059,781
Use of money and property	-	-	56,675	56,675
Miscellaneous	-	-	840	840
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>2,117,296</u>	<u>2,117,296</u>
<b>EXPENDITURES:</b>				
Current:				
Maintenance services				
Street maintenance	666,039	677,214	605,427	71,787
Traffic signal maintenance	233,500	265,361	252,848	12,513
Total maintenance services	<u>899,539</u>	<u>942,575</u>	<u>858,275</u>	<u>84,300</u>
Development services				
Management	69,984	69,984	45,556	24,428
Transportation	331,514	348,910	264,238	84,672
Total development services	<u>401,498</u>	<u>418,894</u>	<u>309,794</u>	<u>109,100</u>
Administrative services				
Finance	4,903	4,903	5,840	(937)
Total administrative services	<u>4,903</u>	<u>4,903</u>	<u>5,840</u>	<u>(937)</u>
<b>Total expenditures</b>	<u>1,305,940</u>	<u>1,366,372</u>	<u>1,173,909</u>	<u>192,463</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,305,940)</u>	<u>\$ (1,366,372)</u>	943,387	<u>\$ 2,309,759</u>
<b>FUND BALANCE:</b>				
Beginning of year			4,154,992	
End of year			<u>\$ 5,098,379</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Building and Planning Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 341,200	\$ 341,200	\$ 523,396	\$ 182,196
Licenses and permits	-	-	5,667	5,667
Development fees	1,635,000	1,635,000	2,896,318	1,261,318
Intergovernmental	177,000	177,000	35,930	(141,070)
<b>Total revenues</b>	<b>2,153,200</b>	<b>2,153,200</b>	<b>3,461,311</b>	<b>1,308,111</b>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Management	251,924	251,924	233,227	18,697
Planning	559,052	1,043,765	555,843	487,922
Building	1,478,001	1,598,001	1,397,902	200,099
Code enforcement	114,329	114,329	93,345	20,984
Total development services	<u>2,403,306</u>	<u>3,008,019</u>	<u>2,280,317</u>	<u>727,702</u>
<b>Total expenditures</b>	<b>2,403,306</b>	<b>3,008,019</b>	<b>2,280,317</b>	<b>727,702</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(250,106)</b>	<b>(854,819)</b>	<b>1,180,994</b>	<b>2,035,813</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	-	-	(50,000)	(50,000)
<b>Total other financing (uses)</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>(50,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (250,106)</b>	<b>\$ (854,819)</b>	<b>1,130,994</b>	<b>\$ 1,985,813</b>
<b>FUND BALANCE:</b>				
Beginning of year			4,477,390	
End of year			<u>\$ 5,608,384</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Development Engineering Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 301,705	\$ 301,705	\$ 593,819	\$ 292,114
Development fees	500	500	2,204	1,704
<b>Total revenues</b>	<u>302,205</u>	<u>302,205</u>	<u>596,023</u>	<u>293,818</u>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Engineering	460,698	485,571	396,159	89,412
Total development services	<u>460,698</u>	<u>485,571</u>	<u>396,159</u>	<u>89,412</u>
<b>Total expenditures</b>	<u>460,698</u>	<u>485,571</u>	<u>396,159</u>	<u>89,412</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (158,493)</u></u>	<u><u>\$ (183,366)</u></u>	199,864	<u><u>\$ 383,230</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,430,531</u>	
End of year			<u><u>\$ 2,630,395</u></u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Child Care Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES</b>				
Development fees	\$ -	\$ -	\$ 63,492	\$ 63,492
Use of money and property	1,199	1,199	3,720	2,521
<b>Total revenues</b>	<u>1,199</u>	<u>1,199</u>	<u>67,212</u>	<u>66,013</u>
<b>EXPENDITURES</b>				
Current:				
Administrative services				
Management	-	600	600	-
Finance	207	207	186	21
Total administrative services	<u>207</u>	<u>807</u>	<u>786</u>	<u>21</u>
<b>Total expenditures</b>	<u>207</u>	<u>807</u>	<u>786</u>	<u>21</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 992</u>	<u>\$ 392</u>	66,426	<u>\$ 66,034</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>300,622</u>	
End of year			<u>\$ 367,048</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Stormwater Pollution Control Program (SPCP) Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Special assessments	\$ 562,154	\$ 562,154	\$ 556,698	\$ (5,456)
Charges for services	1,010	1,010	1,740	730
Intergovernmental	34,050	34,050	11,125	(22,925)
Use of money and property	572,700	572,700	27,803	(544,897)
<b>Total revenues</b>	<b>1,169,914</b>	<b>1,169,914</b>	<b>597,366</b>	<b>(572,548)</b>
<b>EXPENDITURES:</b>				
Current:				
Maintenance services				
Steet maintenance	13,859	18,859	8,686	10,173
Total maintenance services	13,859	18,859	8,686	10,173
Development services				
Capital project management	93,000	93,000	87,000	6,000
Clean water program	724,213	587,093	598,519	(11,426)
Total development services	817,213	680,093	685,519	(5,426)
Administrative services				
Finance	13,833	1,383	1,457	(74)
Total administrative services	13,833	1,383	1,457	(74)
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>844,905</b>	<b>700,335</b>	<b>695,662</b>	<b>4,673</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 325,009</b>	<b>\$ 469,579</b>	<b>(98,296)</b>	<b>\$ (567,875)</b>
<b>FUND BALANCE:</b>				
Beginning of year			2,388,636	
End of year			<u>\$ 2,290,340</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Measure C/J Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 8,807,700	\$ 8,889,214	\$ 1,102,869	\$ (7,786,345)
Use of money and property	10,139	10,139	28,238	18,099
Miscellaneous	-	-	360	360
<b>Total revenues</b>	<u>8,817,839</u>	<u>8,899,353</u>	<u>1,131,467</u>	<u>(7,767,886)</u>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Management	69,984	69,984	44,855	25,129
Capital project management	4,263,172	4,749,686	157,213	4,592,473
Transportation	222,154	222,154	152,288	69,866
Total development services	<u>4,555,310</u>	<u>5,041,824</u>	<u>354,356</u>	<u>4,687,468</u>
Administrative services				
Finance	1,518	1,518	1,542	(24)
Administrative services	<u>1,518</u>	<u>1,518</u>	<u>1,542</u>	<u>(24)</u>
Capital outlay	<u>4,875,272</u>	<u>4,630,772</u>	<u>265,772</u>	<u>4,365,000</u>
<b>Total expenditures</b>	<u>9,432,100</u>	<u>9,674,114</u>	<u>621,670</u>	<u>9,052,444</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (614,261)</u>	<u>\$ (774,761)</u>	509,797	<u>\$ 1,284,558</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,213,082</u>	
End of year			<u>\$ 2,722,879</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Donations and Contributions Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 974	\$ 974	\$ 3,267	\$ 2,293
Miscellaneous	3,760	3,760	12,333	8,573
<b>Total revenues</b>	<b>4,734</b>	<b>4,734</b>	<b>15,600</b>	<b>10,866</b>
<b>EXPENDITURES:</b>				
Current:				
General government				
Town Council	500	500	500	-
Total general government	500	500	500	-
Police services				
Patrol	-	26,713	4,345	22,368
Total police services	-	26,713	4,345	22,368
Maintenance services				
Park maintenance	3,000	3,000	-	3,000
Total maintenance services	3,000	3,000	-	3,000
Administrative services				
Finance	275	275	177	98
Total administrative services	275	275	177	98
Recreation, arts & community services				
Recreation management	93,494	93,494	23,711	69,783
Culture arts	2,000	2,000	-	2,000
Total recreation, arts & community services	95,494	95,494	23,711	71,783
Capital outlay	-	-	450	(450)
<b>Total expenditures</b>	<b>99,269</b>	<b>125,982</b>	<b>29,183</b>	<b>96,799</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (94,535)</b>	<b>\$ (121,248)</b>	<b>(13,583)</b>	<b>\$ 107,665</b>
<b>FUND BALANCE:</b>				
Beginning of year			294,803	
End of year			<u>\$ 281,220</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Development Impact Fees Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Development fees	\$ -	\$ -	\$ 115,064	\$ 115,064
Use of money and property	-	-	68,169	68,169
Miscellaneous	165,670	185,670	6,541	(179,129)
<b>Total revenues</b>	<u>165,670</u>	<u>185,670</u>	<u>189,774</u>	<u>4,104</u>
<b>EXPENDITURES:</b>				
Current:				
Maintenance services				
Park maintenance	826,434	846,434	401,602	444,832
Total maintenance services	<u>826,434</u>	<u>846,434</u>	<u>401,602</u>	<u>444,832</u>
Development services				
Capital project management	59,888	66,664	21,065	45,599
Total development services	<u>59,888</u>	<u>66,664</u>	<u>21,065</u>	<u>45,599</u>
Administrative services				
Finance	3,371	3,371	2,040	1,331
Total administrative services	<u>3,371</u>	<u>3,371</u>	<u>2,040</u>	<u>1,331</u>
Recreation, arts & community services				
Recreation management	468,691	593,691	63,060	530,631
Total recreation, arts & community services	<u>468,691</u>	<u>593,691</u>	<u>63,060</u>	<u>530,631</u>
Capital outlay	298,160	308,160	4,300	303,860
<b>Total expenditures</b>	<u>1,656,544</u>	<u>1,818,320</u>	<u>492,067</u>	<u>1,326,253</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,490,874)</u>	<u>\$ (1,632,650)</u>	(302,293)	<u>\$ 1,330,357</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>3,262,752</u>	
End of year			<u>\$ 2,960,459</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Public Safety Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 124,000	\$ 124,000	\$ 180,440	\$ 56,440
Use of money and property	1,246	1,246	9,114	7,868
<b>Total revenues</b>	<u>125,246</u>	<u>125,246</u>	<u>189,554</u>	<u>64,308</u>
<b>EXPENDITURES:</b>				
Current:				
Police services				
Youth services	140,000	140,000	114,003	25,997
<b>Total police services</b>	<u>140,000</u>	<u>140,000</u>	<u>114,003</u>	<u>25,997</u>
Administrative services				
Finance	275	275	446	(171)
<b>Total administrative services</b>	<u>275</u>	<u>275</u>	<u>446</u>	<u>(171)</u>
<b>Total expenditures</b>	<u>140,275</u>	<u>140,275</u>	<u>114,449</u>	<u>25,826</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (15,029)</u>	<u>\$ (15,029)</u>	75,105	<u>\$ 90,134</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>608,707</u>	
End of year			<u>\$ 683,812</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Old Town Parking In-Lieu Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 7,577	\$ 7,577
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>7,577</u>	<u>7,577</u>
<b>EXPENDITURES:</b>				
Current:				
Administrative services				
Finance	512	512	382	130
Total administrative services	<u>512</u>	<u>512</u>	<u>382</u>	<u>130</u>
<b>Total expenditures</b>	<u>512</u>	<u>512</u>	<u>382</u>	<u>130</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (512)</u>	<u>\$ (512)</u>	7,195	<u>\$ 7,707</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>616,821</u>	
End of year			<u>\$ 624,016</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Solid Waste Vehicle Impact Fee Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 872,257	\$ 872,257	\$ 877,238	\$ 4,981
<b>Total revenues</b>	<u>872,257</u>	<u>872,257</u>	<u>877,238</u>	<u>4,981</u>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Capital project management	1,925,000	2,775,000	-	2,775,000
Total development services	<u>1,925,000</u>	<u>2,775,000</u>	<u>-</u>	<u>2,775,000</u>
<b>Total expenditures</b>	<u>1,925,000</u>	<u>2,775,000</u>	<u>-</u>	<u>2,775,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,052,743)</u>	<u>\$ (1,902,743)</u>	877,238	<u>\$ 2,779,981</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,192,291</u>	
End of year			<u>\$ 3,069,529</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Low and Moderate Income Housing Special Revenue Fund**  
**For the Year Ended June 30, 2023**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 21,275	\$ 21,275
Miscellaneous	-	-	22,745	22,745
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>44,020</u>	<u>44,020</u>
<b>EXPENDITURES:</b>				
Current:				
Administrative services				
Finance	2,800	3,708	2,107	1,601
Total administrative services	<u>2,800</u>	<u>3,708</u>	<u>2,107</u>	<u>1,601</u>
<b>Total expenditures</b>	<u>2,800</u>	<u>3,708</u>	<u>2,107</u>	<u>1,601</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,800)</u>	<u>(3,708)</u>	<u>41,913</u>	<u>45,621</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of property	-	-	600,000	600,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,800)</u>	<u>\$ (3,708)</u>	<u>641,913</u>	<u>\$ 645,621</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,281,880</u>	
End of year			<u>\$ 1,923,793</u>	



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## **STATISTICAL SECTION**

### **(Unaudited)**

Included in this section of the Town of Danville annual comprehensive financial report is detailed information to assist in analysis and understanding of the information presented in the financial statements, notes and required supplementary information.

### **Contents**

#### *Financial Trends*

These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.

#### *Revenue Capacity*

These schedules contain detailed information to help the reader assess the Town's most significant local revenue source, property tax.

#### *Debt Capacity*

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

#### *Demographic and Economic Information*

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

#### *Operating Information*

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



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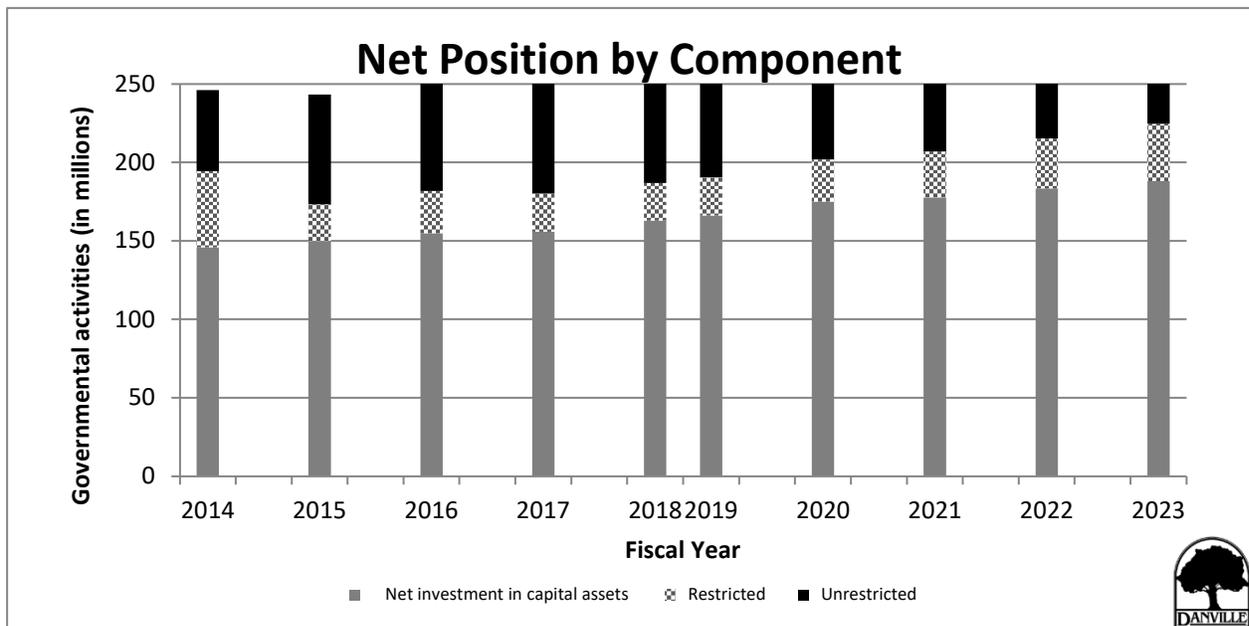
## **FINANCIAL TRENDS**

**Town of Danville**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net investment in capital assets	\$ 145,858,981	\$ 149,697,964	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663
Restricted	48,477,964	23,655,107	26,812,236	24,437,153	23,784,733
Unrestricted	51,728,377	69,968,657	68,822,679	72,257,190	64,907,258
Total Governmental Activities Net Position	<u>\$ 246,065,322</u>	<u>\$ 243,321,728</u>	<u>\$ 250,543,966</u>	<u>\$ 252,486,782</u>	<u>\$ 251,690,654</u>
Primary Government:					
Net investment in capital assets	\$ 145,858,981	\$ 149,697,964	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663
Restricted	48,477,964	23,655,107	26,812,236	24,437,153	23,784,733
Unrestricted	51,728,377	69,968,657	68,822,679	72,257,190	64,907,258
Total Primary Governmental Net Position	<u>\$ 246,065,322</u>	<u>\$ 243,321,728</u>	<u>\$ 248,532,815</u>	<u>\$ 252,486,782</u>	<u>\$ 251,690,654</u>

**Town of Danville**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 166,215,901	\$ 174,968,722	\$ 177,508,851	\$ 183,525,435	\$ 188,058,533
Restricted	24,398,492	26,961,172	29,438,411	31,650,998	36,500,926
Unrestricted	65,271,882	61,659,221	65,882,561	64,299,019	66,412,003
<b>Total Governmental Activities Net Position</b>	<b>\$ 255,886,275</b>	<b>\$ 263,589,115</b>	<b>\$ 272,829,823</b>	<b>\$ 279,475,452</b>	<b>\$ 290,971,462</b>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 166,215,901	\$ 174,968,722	\$ 177,508,851	\$ 183,525,435	\$ 188,058,533
Restricted	24,398,492	26,961,172	29,438,411	31,650,998	36,500,926
Unrestricted	65,271,882	61,659,221	65,882,561	64,299,019	66,412,003
<b>Total Primary Governmental Net Position</b>	<b>\$ 251,690,654</b>	<b>\$ 263,589,115</b>	<b>\$ 272,829,823</b>	<b>\$ 279,475,452</b>	<b>\$ 290,971,462</b>



Note:  
The Town of Danville does not have any business-type activities.

**Town of Danville**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Expenses:</b>					
Governmental activities:					
General Government	\$ 1,707,946	\$ 1,527,466	\$ 1,592,763	\$ 1,658,023	\$ 1,821,906
Police Services	7,192,736	8,565,667	8,914,297	9,107,939	9,668,148
Maintenance Services & Lighting & Landscape	6,136,448	7,589,476	8,262,373	7,963,358	7,824,106
Development Services	7,545,035	14,348,084	5,233,296	8,568,817	12,113,185
Administrative Services	2,301,375	3,244,813	4,080,262	3,690,675	3,511,181
Recreation Services	3,711,977	3,877,829	3,847,434	4,129,417	4,016,368
Interest on long-term debt	415,129	369,274	364,866	345,931	345,473
Total governmental activities expenses	<u>29,010,646</u>	<u>39,522,609</u>	<u>32,295,291</u>	<u>35,464,160</u>	<u>39,300,367</u>
Total primary government expenses	<u>\$ 29,010,646</u>	<u>\$ 39,522,609</u>	<u>\$ 32,295,291</u>	<u>\$ 35,464,160</u>	<u>\$ 39,300,367</u>
<b>Program Revenues:</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ -	\$ -	\$ 10	\$ 30	\$ 30
Police Services	499,517	429,625	424,470	314,597	295,805
Maintenance Services, Lighting & Landscape	3,110,836	3,033,384	3,036,737	3,142,080	3,060,686
Development Services	3,686,295	4,196,817	4,285,454	3,575,751	3,792,303
Administrative Services	-	-	35,186	36,308	36,400
Recreation, Arts & Community Services	2,178,636	2,433,110	2,079,801	2,196,610	2,058,014
Operating grants and contributions	933,466	1,110,167	950,437	911,003	1,205,123
Capital grants and contributions	1,936,672	1,676,661	1,276,567	2,591,351	2,521,475
Total governmental activities program revenues	<u>\$ 12,345,422</u>	<u>\$ 12,879,764</u>	<u>\$ 12,088,662</u>	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>
Total primary government program revenues	<u>\$ 12,345,422</u>	<u>\$ 12,879,764</u>	<u>\$ 12,088,662</u>	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	<u>\$ (16,665,224)</u>	<u>\$ (26,642,845)</u>	<u>\$ (20,206,629)</u>	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>
Total Primary Government, Net Expenses	<u>\$ (16,665,224)</u>	<u>\$ (26,642,845)</u>	<u>\$ (20,206,629)</u>	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>

Notes:

1. Depreciation was netted against program expenditures beginning in 2004.
2. The Town of Danville does not have any business-type activities.

\*FY 2008-09 Transportation Services program was combined with Development Services program

\*\*FY 2014-15: Legislative, Town Manager and Legal Services programs were combined with General Government Community Development program was combined with Development Services

**Town of Danville**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Expenses:</b>					
Governmental activities:					
General Government	\$ 1,648,107	\$ 1,988,737	\$ 1,727,404	\$ 2,773,284	\$ 2,999,255
Police Services	9,908,945	9,824,261	9,141,598	9,972,541	10,594,467
Maintenance Services & Lighting & Landscape	8,512,749	9,400,476	8,999,904	8,990,730	11,973,823
Development Services	12,589,561	5,769,904	6,231,119	7,246,100	6,931,034
Administrative Services	3,625,899	3,816,145	3,632,890	3,558,462	3,798,969
Recreation, Arts & Community Services	4,273,896	3,794,136	2,722,675	3,137,966	4,096,414
Interest on long-term debt	325,210	325,210	282,675	256,521	234,055
Total governmental activities expenses	<u>40,884,367</u>	<u>34,916,610</u>	<u>32,738,265</u>	<u>35,935,604</u>	<u>40,628,017</u>
Total primary government expenses	<u>\$ 40,884,367</u>	<u>\$ 34,916,610</u>	<u>\$ 32,738,265</u>	<u>\$ 35,935,604</u>	<u>\$ 40,628,017</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ 1,126	\$ -	\$ -	\$ 10	\$ 15,923
Police Services	308,210	296,126	187,548	179,616	173,594
Maintenance Services, Lighting & Landscape	3,046,475	3,059,330	3,047,952	3,050,308	3,611,916
Development Services	4,473,140	3,374,462	3,738,947	4,471,835	4,386,782
Administrative Services	38,126	31,693	28,145	570,388	297,553
Recreation, Arts & Community Services	2,041,182	1,427,112	846,805	1,378,764	1,719,893
Operating grants and contributions	2,132,610	1,873,835	2,271,372	3,445,191	2,367,059
Capital grants and contributions	3,880,922	1,358,781	2,169,054	1,542,184	5,050,477
Total governmental activities program revenues	<u>\$ 15,921,791</u>	<u>\$ 11,421,339</u>	<u>\$ 12,289,823</u>	<u>\$ 14,638,296</u>	<u>\$ 17,623,197</u>
Total primary government program revenues	<u>\$ 15,921,791</u>	<u>\$ 11,421,339</u>	<u>\$ 12,289,823</u>	<u>\$ 14,638,296</u>	<u>\$ 17,623,197</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	<u>\$ (24,962,576)</u>	<u>\$ (23,495,271)</u>	<u>\$ (20,448,442)</u>	<u>\$ (21,297,308)</u>	<u>\$ (23,004,820)</u>
Total Primary Government, Net Expenses	<u>\$ (24,962,576)</u>	<u>\$ (23,495,271)</u>	<u>\$ (20,448,442)</u>	<u>\$ (21,297,308)</u>	<u>\$ (23,004,820)</u>

Notes:

1. Depreciation was netted against program expenditures beginning in 2004.

2. The Town of Danville does not have any business-type activities.

\*FY 2008-09 Transportation Services program was combined with Development Services program

\*\*FY 2014-15: Legislative, Town Manager and Legal Services programs were combined with General Government  
Community Development program was combined with Development Services

**Town of Danville**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property taxes	\$ 12,716,297	\$ 13,593,483	\$ 14,153,561	\$ 13,978,818	\$ 14,629,253
Sales taxes	3,947,577	4,098,412	4,569,470	5,546,298	5,914,835
Motor Vehicle taxes	18,486	17,857	17,629	19,203	22,821
Franchise Taxes	2,155,691	2,215,165	2,299,491	2,419,118	2,588,989
Other taxes	385,044	391,856	404,744	371,237	362,196
Investment earnings	900,451	636,474	1,265,876	296,610	368,995
Miscellaneous	1,514,199	1,559,647	741,674	1,235,646	854,998
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers from Successor Agency	790,542	769,972	780,818	772,316	792,316
Special item	-	-	3,195,604	-	-
Total governmental activities	<u>\$ 22,428,287</u>	<u>\$ 23,282,866</u>	<u>\$ 27,428,867</u>	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>
Total primary government	<u>\$ 22,428,287</u>	<u>\$ 23,282,866</u>	<u>\$ 27,428,867</u>	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$ (4,214,558)</u>	<u>\$ 3,076,237</u>	<u>\$ 4,732,437</u>	<u>\$ 1,942,816</u>	<u>\$ (7,796,128)</u>
Total primary government	<u>\$ (4,214,558)</u>	<u>\$ 3,076,237</u>	<u>\$ 4,732,437</u>	<u>\$ 1,942,816</u>	<u>\$ (7,796,128)</u>

Note:  
The Town of Danville does not have any business-type activities.

**Town of Danville**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property taxes	\$ 15,354,728	\$ 16,025,356	\$ 17,210,607	\$ 18,033,848	\$ 18,937,827
Sales taxes	6,126,449	5,753,805	6,653,905	7,443,450	7,467,848
Motor Vehicle taxes	21,310	35,829	32,180	50,723	44,757
Franchise Taxes	2,609,820	2,836,124	3,044,834	3,252,012	3,383,163
Other Taxes	390,562	367,376	338,449	340,497	341,405
Investment earnings	3,028,554	3,183,434	174,503	(2,626,475)	998,731
Miscellaneous	834,318	1,838,208	1,447,189	563,904	2,501,924
Gain (loss) on sale of capital assets	-	345,523	(1,568)	-	-
Transfers from Successor Agency	792,456	812,456	789,051	785,175	825,175
Special item	-	-	-	-	-
Total governmental activities	<u>\$ 29,158,197</u>	<u>\$ 31,198,111</u>	<u>\$ 29,689,150</u>	<u>\$ 27,843,134</u>	<u>\$ 34,500,830</u>
Total primary government	<u>\$ 29,158,197</u>	<u>\$ 31,198,111</u>	<u>\$ 29,689,150</u>	<u>\$ 27,843,134</u>	<u>\$ 34,500,830</u>
 <b>Change in Net Position</b>					
Governmental activities	<u>\$ 4,195,621</u>	<u>\$ 7,702,840</u>	<u>\$ 9,240,708</u>	<u>\$ 6,545,826</u>	<u>\$ 11,496,010</u>
Total primary government	<u>\$ 4,195,621</u>	<u>\$ 7,702,840</u>	<u>\$ 9,240,708</u>	<u>\$ 6,545,826</u>	<u>\$ 11,496,010</u>

Note:  
The Town of Danville does not have any business-type activities.

**Town of Danville**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ -	\$ -	\$ 10,427,986	\$ 9,427,986	\$ 8,427,986
Restricted	809,635	809,718	809,504	809,820	813,965
Committed	17,118,585	17,067,689	18,374,622	17,249,253	17,868,716
Assigned	9,482,365	9,397,184	344,844	313,036	169,060
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<b>27,410,585</b>	<b>27,274,591</b>	<b>29,956,956</b>	<b>27,800,095</b>	<b>27,279,727</b>
All Other Governmental Funds					
Special revenue funds					
Restricted	28,492,880	24,215,659	26,129,555	23,594,077	22,970,768
Assigned	-	-	-	-	-
Debt service fund					
Restricted	811,448	813,511	-	-	-
Capital projects funds					
Restricted	356,953	356,953	-	-	-
Committed	42,268,737	39,887,688	38,430,064	42,743,649	36,532,398
Assigned	-	2,183,781	2,364,889	2,507,297	2,574,079
<b>Total all other Governmental Funds</b>	<b>71,930,018</b>	<b>67,457,592</b>	<b>66,924,508</b>	<b>68,845,023</b>	<b>62,077,245</b>
<b>Total Governmental Funds</b>	<b>\$ 99,340,603</b>	<b>\$ 94,732,183</b>	<b>\$ 96,881,464</b>	<b>\$ 96,645,118</b>	<b>\$ 89,356,972</b>

Note: Information presented according to GASB 54 which was implemented in 2010

**Town of Danville**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
General Fund					
Nonspendable	\$ 7,325,019	\$ 5,167,108	\$ 4,064,888	\$ 2,976,418	\$ 1,915,461
Restricted	820,547	815,484	809,518	809,649	827,765
Committed	19,005,310	20,401,468	28,158,818	22,299,041	24,829,286
Assigned	117,735	190,888	402,500	491,770	268,150
Unassigned	-	-	1,100,000	1,100,002	1,100,000
Total General Fund	<u>27,268,611</u>	<u>26,574,948</u>	<u>34,535,724</u>	<u>27,676,880</u>	<u>28,940,662</u>
All Other Governmental Funds					
Special revenue funds					
Restricted	23,577,945	26,145,688	28,628,893	30,841,349	34,859,241
Assigned	2,469,321	2,617,844	2,845,856	2,621,578	3,019,810
Debt service fund					
Restricted	-	-	-	-	-
Capital projects funds					
Restricted	-	-	-	-	-
Committed	37,060,728	34,072,908	30,013,137	35,607,373	36,955,042
Assigned	-	-	-	-	-
Total all other Governmental Funds	<u>63,107,994</u>	<u>62,836,440</u>	<u>61,487,886</u>	<u>69,070,300</u>	<u>74,834,093</u>
Total Governmental Funds	<u>\$ 90,376,605</u>	<u>\$ 89,411,388</u>	<u>\$ 96,023,610</u>	<u>\$ 96,747,180</u>	<u>\$ 103,774,755</u>

Note: Information presented according to GASB 54 which was implemented in 2010

**Town of Danville**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>REVENUES:</b>					
Property taxes	\$ 12,716,297	\$ 13,593,483	\$ 14,153,561	\$ 13,978,818	\$ 14,629,253
Sales taxes	3,943,899	4,080,378	4,558,712	5,535,422	5,910,069
Special assessments	3,999,378	4,033,766	3,270,354	3,264,713	3,645,895
Gas & other taxes	3,579,918	3,574,570	3,590,353	3,554,065	3,775,380
Charges for services	2,455,673	2,792,321	2,752,180	2,859,100	2,874,896
Licenses and permits	385,033	391,856	404,744	371,237	362,196
Development fees	2,926,192	3,166,893	3,705,128	3,096,371	3,275,723
Intergovernmental	181,003	547,347	1,026,474	1,918,820	1,735,441
Fines and forfeitures	248,965	242,325	267,732	163,825	167,822
Uses of money and property	1,507,294	1,379,939	2,024,361	995,448	1,054,042
Miscellaneous	1,060,380	1,589,780	1,155,013	897,019	279,040
Reimbursement from Successor Agency	-	-	-	-	-
<b>Total Revenues</b>	<b>33,004,032</b>	<b>35,392,658</b>	<b>36,908,612</b>	<b>36,634,838</b>	<b>37,709,757</b>
<b>EXPENDITURES:</b>					
Current:					
General government	1,708,465	1,526,324	1,591,047	1,622,521	1,830,739
Police services	6,980,859	8,356,060	8,691,261	8,881,254	9,426,989
Maintenance services	2,547,337	3,728,641	4,381,322	3,686,266	3,339,317
Lighting and landscape	3,043,620	3,105,346	3,127,403	3,374,354	3,644,177
Development services	6,920,225	14,097,237	4,986,759	8,186,500	11,741,330
Administrative services	2,207,468	3,362,284	4,000,431	3,536,546	3,472,727
Recreation, arts & community services	3,593,125	3,523,333	3,467,371	3,693,259	3,697,618
Capital outlay	2,382,338	5,102,019	6,466,296	2,102,572	8,692,182
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>29,383,437</b>	<b>42,801,244</b>	<b>36,711,890</b>	<b>35,083,272</b>	<b>45,845,079</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,620,595</b>	<b>(7,408,586)</b>	<b>196,722</b>	<b>1,551,566</b>	<b>(8,135,322)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of assets	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-
Transfers in	6,248,451	6,300,714	8,710,450	9,937,410	7,276,333
Transfers out	(6,248,451)	(6,300,714)	(8,710,450)	(9,937,410)	(7,276,333)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary/Special item*</b>	<b>-</b>	<b>-</b>	<b>3,195,604</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 3,620,595</b>	<b>\$ (7,408,586)</b>	<b>\$ 3,392,326</b>	<b>\$ 1,551,566</b>	<b>\$ (8,135,322)</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

**Town of Danville**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>REVENUES:</b>					
Property taxes	\$ 15,354,728	\$ 16,025,356	\$ 17,210,607	\$ 18,033,848	\$ 18,937,827
Sales taxes	6,124,320	5,740,046	6,652,729	7,442,726	7,467,848
Special assessments	3,581,582	3,594,673	3,611,436	3,610,222	3,601,630
Gas & other taxes	4,310,196	4,722,089	4,828,113	5,223,367	5,487,702
Charges for services	2,867,332	2,021,562	1,495,953	2,682,710	3,136,401
Licenses and permits	396,710	367,376	338,449	340,497	347,072
Development fees	4,286,391	2,471,063	2,941,817	2,571,419	3,243,440
Intergovernmental	2,853,143	1,208,170	1,659,443	2,980,425	5,233,454
Fines and forfeitures	187,979	128,312	86,104	76,848	105,729
Uses of money and property	3,924,193	4,265,728	1,771,567	(2,007,851)	1,897,626
Miscellaneous	424,954	944,642	587,430	731,381	1,238,293
Reimbursement from Successor Agency	-	812,456	789,051	785,175	825,175
<b>Total Revenues</b>	<b>44,311,528</b>	<b>42,301,473</b>	<b>41,972,699</b>	<b>42,470,767</b>	<b>51,522,197</b>
<b>EXPENDITURES:</b>					
Current:					
General government	1,624,096	1,922,014	1,732,686	2,764,179	2,983,036
Police services	9,690,883	9,658,510	9,065,799	9,909,768	10,437,966
Maintenance services	3,305,068	4,411,816	3,816,120	3,537,339	6,821,100
Lighting and landscape	4,067,377	3,703,613	3,903,054	4,181,235	3,913,128
Development services	12,346,910	5,549,402	6,065,680	6,671,315	6,692,216
Administrative services	3,555,297	3,777,435	3,606,353	3,503,165	3,678,558
Recreation, arts & community services	3,920,497	3,508,153	2,470,377	2,866,846	3,831,445
Capital outlay	4,781,767	13,198,230	3,911,357	7,542,018	6,094,256
Debt service:					
Principal	-	480,000	500,000	520,000	615,307
Interest and fiscal charges	-	332,456	289,051	265,175	243,866
<b>Total Expenditures</b>	<b>43,291,895</b>	<b>46,541,629</b>	<b>35,360,477</b>	<b>41,761,040</b>	<b>45,310,878</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,019,633</b>	<b>(4,240,156)</b>	<b>6,612,222</b>	<b>709,727</b>	<b>6,211,319</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of assets	-	3,274,939	-	13,843	600,000
Proceeds from debt issuance	-	-	-	-	216,256
Transfers in	8,765,719	11,932,028	3,797,793	13,967,014	8,126,594
Transfers out	(8,765,719)	(11,932,028)	(3,797,793)	(13,967,014)	(8,126,594)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,274,939</b>	<b>-</b>	<b>13,843</b>	<b>816,256</b>
<b>Extraordinary/Special item*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,019,633</b>	<b>\$ (965,217)</b>	<b>\$ 6,612,222</b>	<b>\$ 723,570</b>	<b>\$ 7,027,575</b>
Debt service as a percentage of noncapital expenditures	0.00%	2.50%	2.57%	2.27%	2.24%



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## **REVENUE CAPACITY**

**Town of Danville**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

<b>Fiscal Year</b>	<b>Property Tax (1)</b>	<b>Sales Tax</b>	<b>Community Development Agency Tax Increment (2)</b>	<b>Franchise Tax</b>	<b>Property Transfer Tax</b>	<b>Motor Vehicle Tax</b>	<b>Business License &amp; Other Taxes</b>	<b>Total</b>
2014	\$ 12,221,986	\$ 3,947,577	\$ -	\$ 2,155,691	\$ 494,311	\$ 18,486	\$ 385,044	\$ 18,634,531
2015	13,076,172	4,098,412	-	2,215,165	517,311	17,857	391,856	19,223,095
2016	12,534,667	4,569,470	-	2,299,491	568,870	17,629	404,744	20,316,773
2017	13,392,392	5,546,298	-	2,419,118	586,426	19,203	371,237	20,394,871
2018	13,980,610	5,914,835	-	2,588,989	648,643	22,821	362,196	22,334,674
2019	14,740,670	6,126,449	-	2,609,820	614,058	21,310	390,562	24,502,869
2020	16,360,607	5,753,805	-	2,836,124	850,000	35,829	367,376	26,203,741
2021	17,210,607	6,653,905	-	3,044,834	850,000	32,180	338,449	28,103,216
2022	17,020,160	7,443,450	-	3,252,012	1,013,688	50,723	340,497	29,120,530
2023	18,421,172	7,467,848	-	3,383,163	516,655	44,757	341,405	30,175,000

Note:

1. The State shifted revenues from motor vehicle fees/tax and sales tax to property tax beginning 2005.
2. The former Community Development Agency was dissolved by AB x1 26 on January 31, 2012.

**Town of Danville**  
**Assessed Value**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

Fiscal Year Ended June 30	Assessed Value				Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Rate
	Real Property		Personal Property				
	Secured	Unsecured	Secured	Unsecured			
2014	\$ 9,812,406,625	\$ 52,547,546	\$ 2,315,399	\$ 39,737,234	\$ 171,279,730	\$ 9,735,727,074	0.07827%
2015	10,526,929,712	44,289,615	2,298,728	45,995,923	169,288,561	10,450,225,417	0.07752%
2016	11,231,575,805	49,320,732	3,732,903	42,680,915	170,375,283	11,156,935,072	0.07758%
2017	11,904,105,603	47,645,411	3,290,428	43,296,151	172,930,520	11,825,407,073	0.07763%
2018	12,497,304,292	48,065,757	3,371,837	45,354,774	176,396,870	12,417,699,790	0.07767%
2019	13,131,043,886	53,546,262	5,685,542	48,122,854	184,522,193	13,053,876,351	0.07769%
2020	13,815,833,911	53,545,615	5,301,255	49,668,729	176,668,847	13,747,680,663	0.07772%
2021	15,100,093,985	50,900,862	5,470,622	51,204,460	188,744,738	15,018,925,191	0.07774%
2022	16,250,530,439	63,082,569	5,281,835	48,291,089	190,505,017	16,176,680,915	0.07775%
2023	17,203,527,256	64,829,758	5,293,380	49,385,188	177,631,946	17,145,403,636	0.07777%

Note:

In 1978 the voters of the State of California passed Proposition 13 which limited basic property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At those times, the new assessed value is the purchase price. The estimated market value of taxable property is not available.

**Town of Danville**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Rate Expressed in Percentage)**

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<b>Fiscal Year</b>	<b>Danville</b>	<b>County Wide <sup>1</sup></b>	<b>San Ramon Valley Unified School District</b>	<b>Bay Area Rapid Transit (BART)</b>	<b>Miscellaneous</b>	<b>Total Direct &amp; Overlapping Rate</b>
2014	0.07827%	1.00%	0.0696%	0.0075%	0.0138%	0.07827%
2015	0.07752%	1.00%	0.0651%	0.0045%	0.0121%	0.07752%
2016	0.07758%	1.00%	0.0624%	0.0026%	0.0125%	0.07758%
2017	0.07763%	1.00%	0.0652%	0.0080%	0.0152%	0.07763%
2018	0.07767%	1.00%	0.0552%	0.0084%	0.0135%	0.07767%
2019	0.07769%	1.00%	0.0750%	0.0070%	0.0131%	0.07769%
2020	0.07720%	1.00%	0.0750%	0.1200%	0.0282%	0.07720%
2021	0.07774%	1.00%	0.0750%	0.1390%	0.0175%	0.07774%
2022	0.07767%	1.00%	0.0750%	0.0060%	0.0196%	0.07767%
2023	0.07777%	1.00%	0.0657%	0.0140%	0.0220%	0.07767%

Note:

- 1 Countywide rate of 1% is levied with the proceeds distributed to all taxing agencies according to formulas specified by State legislature.
- 2 Individual agencies' rates are for payments of voter approved indebtedness.

**Town of Danville**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Collected Within the Fiscal Year of the Levy</b>			<b>Total Collections To Date</b>	
	<b>Total Tax Levied and Collected for Fiscal Year</b>	<b>Percentage of Levy</b>	<b>Delinquent Tax Collections</b>	<b>Collected Amount</b>	<b>Percentage of Levy</b>
2014	\$ 13,190,148	100%	n/a	\$ 13,190,148	100%
2015	14,171,661	100%	n/a	14,171,661	100%
2016	14,736,156	100%	n/a	14,736,156	100%
2017	14,430,722	100%	n/a	14,430,722	100%
2018	14,629,254	100%	n/a	14,629,254	100%
2019	15,928,730	100%	n/a	15,928,730	100%
2020	16,678,857	100%	n/a	16,678,857	100%
2021	17,330,169	100%	n/a	17,330,169	100%
2022	18,204,149	100%	n/a	18,204,149	100%
2023	19,616,343	100%	n/a	19,616,343	100%

**Note:**

1. The data in this table includes basic and supplemental city property taxes, Redevelopment Agency tax increments, ERAF refunds, property tax in-lieu of motor vehicle license fees and the sales tax triple flip.
2. Contra Costa County assesses, bills, collects and distributes property taxes to all taxing entities including the Town. Under a State law, known as the Teeter Plan, the County remits the entire amount levied to the Town. The County handles all delinquencies and retains all interest and penalties.

Source: County of Contra Costa

**Town of Danville**  
**Principal Property Taxpayers**  
**Current Year and Nine Fiscal Years Ago**

Employer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MM Danville Apartments, LLC	\$ 101,149,849	1	0.63%			
Danville Livery & Mercantile	53,559,508	2	0.33%	\$ 23,522,878	3	0.24%
Reg8 Tassajara Crossing, LLC	42,664,545	3	0.26%	36,558,737	1	0.38%
Danville Park Apartments LLC	42,500,000	4	0.26%	17,679,967	6	0.18%
ROIC California, LLC	37,500,000	5	0.23%			
Davidon Homes	36,515,099	6	0.23%			
Costco Wholesale Corporation	30,806,319	7	0.19%	23,215,641	2	0.24%
Rose Garden Associates Danville, LLC	29,461,722	8	0.18%	20,250,000	4	0.21%
Carl A and Jan A Cox Trust	18,480,322	9	0.11%			
Rassier Properties Danville Medical Ctr.	17,686,171	10	0.11%	14,077,755	9	0.14%
Alamo Group Iron Horse LLC				19,981,000	5	0.21%
KB Home Sout Bay, Inc				15,874,472	7	0.16%
Montair Associates, LLC				14,907,234	8	0.15%
Diablo Lodge				13,007,919	10	0.14%
<b>Totals</b>	<b>\$ 410,323,535</b>		<b>2.53%</b>	<b>\$ 199,075,603</b>		<b>2.05%</b>

Note:

The amounts shown above include assessed value data for both the Town and the Successor Agency. Because of the many ways a business or individual can hold title, the above list is an approximation of the top taxpayers within the Town of Danville.

Source: HdL

## **DEBT CAPACITY**

**Town of Danville**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificate of Participation <sup>1</sup>	Subscription Liabilities <sup>2</sup>			
2014	\$ 8,860,000	-	\$ 8,860,000	**	\$ 205.35
2015	8,860,000	-	8,860,000	**	202.79
2016	8,055,000	-	8,055,000	**	187.92
2017	7,635,000	-	7,635,000	**	178.12
2018	7,195,000	-	7,195,000	**	167.85
2019	6,735,000	-	6,735,000	**	148.77
2020	6,255,000	-	6,255,000	**	140.16
2021	5,755,000	-	5,755,000	**	131.08
2022	5,235,000	-	5,235,000	**	119.23
2023	4,690,000	145,949	4,835,949	**	110.35

**Note:**

1. COP is paid with property tax increment of the Property Tax Trust Fund.
2. Subscription liabilities came about from implementation of GASB 96 in 2023.

**Town of Danville**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Outstanding General Bonded Debt</b>		<b>Less: Amount Available in Debt Service Fund</b>	<b>Total (net)</b>
	<b>General Obligation Bonds</b>	<b>Tax Allocation Bonds</b>		
2014	\$ -	\$ -	\$ -	\$ -
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

Note: The Town of Danville does not have any General Bonded debt.



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**Town of Danville**  
**Direct and Overlapping Governmental Activities Debt**  
**Current Year**

2021-2022 Assessed Valuation:	\$ 16,240,782,715		
Redevelopment Incremental Valuation	\$ 557,378,782		
Adjusted Assessed Valuation:			
	Total Debt		Town's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2023</u>	<u>% Applicable (1)</u>	<u>Debt (6/30/2023)</u>
Bay Area Rapid Transit District	\$ 2,484,285,000	1.705%	\$ 42,357,059
Contra Costa Community College District	649,015,000	6.458%	41,913,389
San Ramon Valley Unified School District	383,235,000	27.067%	103,730,217
East Bay Regional Park District	175,955,000	2.699%	4,749,025
<b>SUBTOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 192,749,690</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	\$ 193,515,000	6.437%	\$ 12,456,561
San Ramon Valley Unified School District General Fund Obligations	15,667,512	27.067%	4,240,725
San Ramon Valley Fire Protection District - COP	46,233,247	27.215%	12,582,378
<b>Town of Danville Certificates of Participation (COP)</b>	<b>4,690,000</b>	<b>100%</b>	<b>4,690,000</b>
<b>SUBTOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 33,969,664</b>
Less: Contra Costa County obligations supported from revenue funds			(3,278,323)
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 30,691,341</b>
 OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	 \$ 1,700,000	 100%	 1,700,000
 <b>TOTAL DIRECT DEBT</b>			 <b>4,690,000</b>
TOTAL GROSS OVERLAPPING DEBT			\$ 223,729,354
TOTAL NET OVERLAPPING DEBT			220,451,031
 <b>GRAND TOTAL DIRECT AND OVERLAPPING DEBT</b>		 <b>(2)</b>	 <b>\$ 228,419,354</b>
NET COMBINED TOTAL DEBT			\$ 225,141,031

- (1) The percentage of overlapping debt applicable to the Town 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 Town divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded lease and subscription obligations.

Ratios to 2022/2023 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.19%
<b>Total Direct Debt (\$5,235,000)</b>	<b>0.03%</b>
Gross Combined Total Debt	1.41%
Net Combined Total Debt	1.39%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$557,378,782):

<b>Total Overlapping Tax Increment Debt</b>	<b>0.30%</b>
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Note: This schedule presents fiscal capacity and debt for overlapping governments. It is intended to demonstrate the total property tax burden on the taxpayers within Danville and the total debt that their property taxes will be expected to pay. This schedule excludes tax and revenue anticipation notes, revenue bonds, mortgage revenue bonds, tax allocation bonds, obligations, lease and subscription obligations.

Source: HDL Coren & Cone

**Town of Danville**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 365,089,765	\$ 391,883,453	\$ 418,385,065	\$ 443,452,765	\$ 465,663,742
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 365,089,765</u>	<u>\$ 391,883,453</u>	<u>\$ 418,385,065</u>	<u>\$ 443,452,765</u>	<u>\$ 465,663,742</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note: The Government Code of the State of California provides for a legal debt limit of 3.75% of gross assessed valuation.  
Source: County of Contra Costa

**Town of Danville**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 489,520,363	\$ 515,538,025	\$ 563,209,695	\$ 606,625,534	\$ 645,952,636
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 489,520,363</u>	<u>\$ 515,538,025</u>	<u>\$ 515,538,025</u>	<u>\$ 606,625,534</u>	<u>\$ 645,952,636</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed Value	\$ 17,145,403,636
Add back: exempt real property	177,631,946
Total assessed value	<u>\$ 17,323,035,582</u>
Debt Limit (3.75% of assessed value)	\$ 642,952,636
Total net debt applicable to limit	-
Legal Debt Margin	<u>\$ 642,952,636</u>

Note: The Government Code of the State of California provides for a legal debt limit of 3.75% of gross assessed valuation.  
Source: County of Contra Costa

**Town of Danville**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Certificates of Participation				Taxable Revenue Bond			
	Tax Increment	Debt Service		Coverage <sup>1</sup>	Tax Increment	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2014	\$ -	\$ 370,000	\$ 420,541	-	\$ -	\$ 95,000	\$ 263,889	-
2015	-	395,000	404,973	-	-	105,000	255,739	-
2016	-	410,000	388,256	-	-	120,000	246,570	-
2017	-	420,000	370,819	-	-	130,000	236,383	-
2018	-	440,000	352,316	-	-	140,000	225,380	-
2019	-	460,000	332,456	-	-	155,000	213,359	-
2020	-	480,000	311,356	-	-	165,000	200,289	-
2021	-	500,000	289,051	-	-	180,000	186,261	-
2022	-	520,000	265,176	-	-	195,000	170,638	-
2023	-	545,000	243,866	-	-	210,000	153,425	-

Note:

1. Fund balance used to cover debt service

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**Town of Danville**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population <sup>1</sup></b>	<b>Median Household Income</b>	<b>Persons per Household Unit <sup>2</sup></b>	<b>Per Capita Income</b>	<b>Personal Income (in thousands)</b>	<b>Public School Enrollment <sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2014	43,146	**	2.77	**	**	31,398	3.3%
2015	43,691	140,809	2.79	**	**	31,954	4.1%
2016	42,865	**	2.97	**	**	32,255	3.9%
2017	43,355	**	**	**	**	32,425	3.5%
2018	44,396	**	**	**	**	32,504	2.9%
2019	45,270	**	**	**	**	32,138	2.7%
2020	44,626	**	**	**	**	31,911	10.0%
2021	43,906	**	**	**	**	30,726	4.7%
2022	43,352	**	**	**	**	30,068	6.5%
2023	42,823	**	**	**	**	29,680	4.2%

**Note:**

Per Capita Income and Personal Income is for County of Contra Costa since reliable Town specific data is not available.

**Sources:**

1. California State Department of Finance
2. U.S. Department of Commerce Census, Bureau American Community Surveys
3. California Department of Education (Schools within the San Ramon Valley Unified School District)
4. California State Employment Development Department

\*\*Figures not available

**Town of Danville**  
**Principal Employers in the Town of Danville**  
**Current Year and Previous Year**

<b>Employer</b>	<b>2023</b>			<b>2022</b>		
	<b>Number of Employees<sup>1</sup></b>	<b>Rank</b>	<b>% of Top 10</b>	<b>Number of Employees<sup>1</sup></b>	<b>Rank</b>	<b>% of Top 10</b>
Costco	437	1	43.9%	420	1	38.1%
Common Interest Management Services	106	2	10.6%	109	3	9.9%
Lunardi's Market	82	3	8.2%	64	6	5.8%
Trader Joe's	77	4	7.7%	79	5	7.2%
Sunrise Assisted Living of Danville	58	5	5.8%	51	8	4.6%
Danville Nursing & Rehabilitation Center	51	6	5.1%	51	9	4.6%
Brookdale Danville Diablo Road	50	7	5.0%	50	10	4.5%
Lucky	49	8	4.9%			
Piatti Restaurant	43	9	4.3%			
Safeway	43	10	4.3%			
Keller Williams Realty				143	2	13.0%
Crow Canyon Management Corp.				80	4	7.3%
Marshalls of Danville				55	7	5.0%
Total Employees:	996			1,102		

Note:

1. Data compiled from Town of Danville Business License Division.



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## **OPERATING INFORMATION**

**Town of Danville**  
**Full-Time Equivalent Town Government Employees by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Legislative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	4.00	6.75	6.50	8.25	8.25	7.75	7.75	6.75	6.75	6.25
Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Services*	34.00	36.75	37.75	37.75	37.75	37.75	37.75	37.75	37.75	37.75
Development Services	25.50	25.50	29.75	27.00	27.00	26.50	25.50	23.50	23.50	23.50
Transportation Services	4.25	4.25	3.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00
Community Services										
Maintenance	24.00	29.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Recreation, Arts &										
Community Services	15.25	37.75	37.75	38.25	38.25	42.00	42.00	42.00	42.00	42.00
Finance	5.50	5.25	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00
Support Services	3.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	6.00
Community Events**	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources	2.00	2.00	2.50	2.50	2.50	2.25	2.25	2.00	2.00	2.00
Total	<u>119.75</u>	<u>119.75</u>	<u>154.25</u>	<u>160.75</u>	<u>160.75</u>	<u>160.25</u>	<u>161.25</u>	<u>158.00</u>	<u>158.00</u>	<u>159.00</u>

Source: Adopted Town Budgets

\* includes 30 County contract sworn officers in FY 2016/17

FY 2014-15: Legislative, Administration and Legal were combined with General Government

\*\*Community Services and Special Events were combined with Recreation, Arts & Community Services

**Town of Danville**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police: <sup>1</sup>										
Arrests	574	618	515	500	447	391	281	165	229	250
Traffic violations	6,001	5,345	3,875	2,605	3,702	2,786	2,482	1,177	959	3,093
Parking violations	2,373	1,619	1,625	1,774	1,367	1,593	1,346	482	868	1,380
Public works:										
Street resurfacing (miles)	18.7	14.2	24	15.2	5.9	5.5	10.23	0	6.2	6.4
Pot holes repaired	160	111	181	249	84	309	149	163	84	547
Parks and recreation:										
Course registration	22,191	17,176	18,147	20,352	19,174	18,146	13,593	4,592	12,912	15,763
Facility rentals/permits <sup>2</sup>	13,894	816	716	804	786	638	538	8	97	172
Picnic rentals	535	460	241	413	406	354	205	130	545	590

Note:

1. Police Statistics are reported end of calendar year
2. Facility rentals were previously tracked by the number of bookings, which may have included multiple bookings on one rental permit.  
As a result of the implementation of Active Network, a new registration software, rentals are now tracked only by rental permit.

Source: Various Town departments

**Town of Danville**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	13	12	13	13	13	13	13	13	13
Public works:										
Street (miles)	144.6	144.6	144.6	144.6	144.6	157.89	158.15	158.15	158.28	158.49
Street lights	1,417	1,417	1,417	1,417	1,158	1,158	1,158	1,158	1,158	1,158
Signalized intersections	51	52	51	52	54	54	54	54	54	54
Parks and recreation:										
Parks acreage	312.5	312.5	312.5	312.5	312.5	312.5	312.5	312.5	312.5	312.5
Parks	5	5	5	5	5	5	5	5	5	5
Swimming pools	0	0	0	0	0	0	0	0	0	0
Tennis courts	10	10	10	10	10	10	10	10	9	9
Pickleball courts	0	0	0	0	0	0	0	2	2	2
Community centers	3	3	3	3	3	3	3	3	3	3

Source: Various Town departments