



Town of Danville, California

Annual Comprehensive Financial Report

for the Fiscal Year ended June 30, 2024



Town Council

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

Town Staff

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

TOWN OF DANVILLE, CALIFORNIA



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024**

TOWN COUNCIL
Karen Stepper, Mayor
David Fong, Vice Mayor
Newell Arnerich, Councilmember
Renee Morgan, Councilmember
Robert Storer, 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, 2024

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INTRODUCTORY SECTION
(Unaudited)



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*"Small Town Atmosphere
Outstanding Quality of Life"*

November 19, 2024

Mayor and Town Council
Town of Danville

Subject: Fiscal Year 2023/24 Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report (ACFR) of the Town of Danville, California (Town) for the fiscal year (FY) ended June 30, 2024, 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 2023/24.

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 42,567 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

Administration
(925) 314-3388

Building
(925) 314-3330

Engineering & Planning
(925) 314-3310

Transportation
(925) 314-3320

Maintenance
(925) 314-3450

Police
(925) 314-3700

Parks and Recreation
(925) 314-3400

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, 2024, 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, 2024, \$16,009,768 or 41.3% 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 \$1,262,480 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 \$36,897,758 represents 137.66% of total FY 2023/24 General Fund operating expenditures and 95.07% of operating expenditures from all funds. Additionally, the Town has \$41,302,151 of Special Revenue funds, and \$33,951,008 in Capital Projects funds.

The Town's five largest revenue sources account for 83.23% of all Town revenues. These include Property Tax providing 34.38% of revenues; Sales Tax providing 11.74%; Other Taxes and Intergovernmental providing 19.30%; Special Assessments providing 6.27% and Use of Money and Property providing 11.54% of revenues.

Property Tax increased by \$967,851 (5.11%) compared to FY 22-23, 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 \$206,995 (6.60%), 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 decreased by \$668,661 (-8.95%) as online sales activity and brick and mortar businesses (restaurant and retail) has leveled off. Other Taxes and intergovernmental Fund Revenues increased by a net of \$456,815 (4.26%), reflecting higher revenues from Gas Tax, Measure J funds and SPCP Special Assessments. LLAD Special Assessments increased slightly due to new construction added.

Danville's jobless rate as of September 2024 was 4.4% as compared to 4.1% nationwide, 5.3% in California, and 4.8% 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 2024/25 Operating Budget and Capital Improvement Program, was completed in April 2024 and adopted on June 4, 2024. General Fund revenues are projected to increase 3.90% from FY 2023/24 to FY 2024/25, largely attributable to a 5.30% increase in Property Tax Revenue, 1.5% increase in sales tax revenue, 21.70% increase in Franchise Solid Waste and 3.50% increase in Recreation Fees and Charges. Special Purpose revenues are projected to increase 7.20%, mostly due to increase of 28.70% in Building and Planning revenue, 2.50% in Gas Tax revenue, 2.50% 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 3.90% in FY 2024/25 and an average of 1.38% thereafter. Special Purpose revenues are projected to increase 7.20% in FY 2024/25, and an average of 1.00% through FY 2033/34.

The 10-year projection includes cost increases that average 2.14% 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 \$1.76 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 2023/24

During FY 2023/24, the Town made substantial progress on key initiatives that will have lasting effects on community safety, infrastructure, and quality of life:

1. Major CIP Project - Downtown Master Plan Catalyst Project

Completed engineering design on schedule and initiated construction on the \$4.9 million project aimed at improving pedestrian safety and accessibility in Downtown Danville. Once complete, this project will add approximately 11,675 square feet of new public gathering space (Prospect Park Plaza, Village Theatre Plaza, and E. Linda Mesa Avenue seating area), artistic lighting elements, 18 new streetlights, three intersections with augmented bulb outs, and two raised intersections for traffic calming.

2. Major CIP Project - Diablo Vista Park Playground & Multi-Use Skate Park

Completed engineering design and bid package for this project. As a result of the bidding process, this project was subsequently separated into two separate CIP projects, each with its own cost projections, engineering designs, plans, and specifications with the goal of re-bidding these projects in FY 2024/25.

3. Major CIP Project - Diablo Road Multi-Purpose Trail

The December 31, 2022, winter storms significantly eroded the creek bank and altered the terrain upon which the future trail alignment depended. Consequently, much of the preliminary engineering efforts required updating. This included a new survey of the creekbank and adjacent roadway, re-design of the schematic project plans, and update to the hydrology study in response to State regulatory agencies' conditions of approval. Updated plans and studies were submitted to the California Department of Fish and Wildlife and the San Francisco Regional Water Quality Control Board, and are awaiting final approval.

4. **Major CIP Project – Town Green Master Plan**

Completed discussions with the Parks, Recreation & Arts Commission and Arts Advisory Board regarding project component priorities, which led to a focus on the Town Studio (Maker Space) and Pavilion on the Town Green as project priorities.

5. **Capital Maintenance – Parks and Athletic Facilities**

- Completed the replacement of 5 acres of synthetic turf at Sycamore Valley Park, extending the field’s usable life by another 8-10 years.
- Completed renovation of Oak Hill Park playground replacement project.
- Completed renovations of the turf in the large dog park at Hap Magee Ranch Park, rated best in the area by Diablo Magazine.
- Resurfaced two Town-maintained tennis courts at Monte Vista High School.

6. **Capital Maintenance – Community Buildings**

- Renovated the children’s reading area in the Danville Library, including new flooring, paint and furniture.
- Initiated design of the Town Meeting Hall audio/visual renovation and replacement effort.

7. **Capital Maintenance – Public Works Infrastructure**

- Completed construction of the Camino Ramon Improvements project.
- Completed construction of the El Pintado Loop Drainage and Pavement Improvements.
- Completed construction of the Loch Lomond, Starview, and Westridge Trash Rack projects.
- Completed a drainage improvement project on Van Patten Drive was completed, alleviating chronic flooding across 500 feet of roadway.
- Secured the authorization to proceed from Caltrans to construct the San Ramon Valley Boulevard Improvements project in the upcoming fiscal year, subsequent to the installation of fiber optic infrastructure along the same road alignment.
- Continued design work for the \$6 million project to replace the La Gonda Way bridge at Danville Boulevard.
- Managed the street sweeping services contract, covering over 210 miles of streets, to ensure clean roadways and prevent pollutants from entering the Town’s 34 miles of creeks.
- Completed installation of upgraded electric vehicle (EV) charging stations at four municipal parking lots downtown including the Clocktower parking lot, Railroad Avenue Parking Lot, Village Theatre Parking Lot and the Danville Library and Community Center Parking Lot.
- Completed the annual creek cleaning program to reduce flood risks across the Town’s water system through in-house and contract efforts.

8. **Capital Maintenance - Long Range Fiscal Planning**

Initiated a feasibility study to consider 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.

9. **Emergency Response and Recovery**

- Continued to work with the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES) to recover up to \$4.5 million in public assistance related to emergency repair and recovery costs attributable to the declared local emergency associated with the December 31, 2022, winter storms.
- Completed emergency repairs and reconstruction of 300 linear feet of the San Ramon Creek creekbank and Front Street north of Diablo Road.
- Completed emergency storm drain pipeline replacement on East Linda Mesa Avenue.

10. **Community Events and Economic Development**

- Approved 11 Business Promotion Grants totaling \$30,000, providing assistance to over 200 local businesses. This represents a 4.48% increase in grant dollars awarded over the prior year.
- Promoted 36 local businesses and reached over 55,000 people through regional holiday shopping marketing efforts. Developed and distributed a survey to participants to gather feedback as part of an ongoing effort to improve program effectiveness.
- Refocused the Business Resources webpage to enhance its interface to be more user-friendly and accessible. This includes launching the "Danville Prospector" tool for site selection to make it easier for businesses to find the right location in Danville.
- Developed and implemented the "Open in Danville" 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. 17 new businesses have been introduced.
- Hosted 10 community events, drawing over 53,000 attendees in total, including the Kiwanis Danville July 4th Parade (35,000 attendees) and the Lighting of the Old Oak Tree (8,000 attendees).
- Supported local community-based organizations, such as the Danville Area Chamber of Commerce, in their efforts to host community events including: Fall Rock N' Stroll (300 attendees), Health & Wellness Day on the Green (900 attendees), Spring Sip n' Stroll (475 attendees) and Summer Arts Fling (250 attendees).

11. **Communications**

- Created marketing materials for 168 programs, events, and projects.
- Ensured consistent and near-constant communication with downtown businesses owners over the first 3 months of the Downtown Catalyst Project construction through in person visits and 500 fliers, updates through weekly business-direct emails, as well as daily contact with the project management team and Economic Development staff.

- Posted weekly updates and traffic advisories to the Town's social media about the Downtown Master Plan Catalyst Project, as well as general posts about Downtown businesses open during construction. The 12 posts in the first 3 months of the project yielded 11,000 impressions.
- Launched a new email marketing platform as well as a new youth-focused recreation activities email. Total subscriptions on the platform are more than 15,000.
- Relaunched 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. Doubled followers from around 600 to more than 1,200 in this fiscal year, the first full year of activity.
- Town social media account followers at fiscal year-end: 10,163 Instagram, 10,095 Facebook.

12. Housing and Private Development

- Secured State certification on the Town's 2023–2031 Housing Element on April 9, 2024, the culmination of a 14-month effort responding to questions and modifications required by the California State Department of Housing and Community Development.
- Reviewed and processed 161 planning applications ranging from variances and land use permits to subdivisions and development plans.
- Revised and approved 943 building permits (71.8% of which were received online), conducting 686 plan checks and 3,199 building inspections.
- Reviewed and processed 500 encroachment permits for private or utility-related construction activity within the public right-of-way.
- Opened and facilitated the resolution of 416 code enforcement cases, a 37% increase from the prior year.

13. **Legislative Advocacy:** Continued working with Tri-Valley Cities Coalition and state legislators to advocate for changes to legislation in a manner that benefits Danville. The coalition tracked and provided input on 23 state bills, 3 federal bills, and 3 state measures.

14. Public Safety

- Engaged in a collaborative initiative with mental health response units A3 (Anyone, Anywhere, Anytime) and MHET (Mental Health Evaluation Team) to implement alternative strategies for addressing mental health crises. This effort resulted in a reduction of involuntary mental health commitments to 72 for the year, a decrease from the 10-year average of 91.4 commitments.
- Continued the Police Chief's weekly "10-8" live video podcast, which experienced viewership figures between 50 to 400 per episode on both Facebook and YouTube platforms.
- Attained an 83% success rate in the juvenile diversion program, with five juveniles successfully completing the program.

- Handled a total of 22,658 service calls, marking an increase from 19,337, primarily attributed to enhanced proactive community policing initiatives.
- Escalated traffic enforcement efforts in response to increased collision rates and public complaints regarding driving conduct, resulting in an increase in citations issued from 1,922 to 3,850.
- Maintained a case closure rate for violent crimes (Homicide, Rape, Robbery, and Aggravated Assault) that is more than double the national average.

15. Recreation

- 5,285 households served through 1,649 recreation classes which had a total of 20,753 participants. Of this total, 6,188 were senior participants.
- Provided social connections with 1,554 volunteers for various Town programs throughout Town.
- Facilitated 540 facility rentals, comprised of 530 picnic and 35 bocce court rentals.

16. Technology and Cyber Security

- Continued design of the Townwide Fiber Optic Interconnect project, incorporating and installing conduit within street segments under construction (such as Hartz Avenue and San Ramon Valley Boulevard).
- Implemented new and refined technologies and network infrastructure in the Town Offices. Improved bandwidth to the various Town sites and the Internet. Updated audio/video systems at various sites.
- Continued to implement additional security measures and monitor cybersecurity issues to protect the Town from these ongoing types of attacks.
- Deployed monthly email phishing tests to all users and provide yearly cyber security awareness training.
- Implemented new PCI compliant payment terminals at Permit Center and Recreation department for taking secure credit card payments.

17. Transportation and Traffic Safety

- Completed design and construction of the Paraiso Drive (west of Brookside Drive), Orange Blossom, and Greenbrook Neighborhood Traffic Management Program (NTMP) projects.
- Continued implementing the Townwide Bicycle Facility Improvements project including Camino Ramon Improvements and design of new bicycle facility for San Ramon Valley Blvd Improvements (to be implemented during construction).
- Completed design for three Iron Horse Trail Crossings (Love Lane, Del Amigo Road, West Linda Mesa) and one School Crossing Safety Improvements (Stone Valley Road at Monte Sereno) and currently awaiting authorization to proceed with construction from Caltrans.
- Continued design of additional improvements along the Iron Horse Trail Crossings at Greenbrook Drive, Paraiso Drive, and El Capitan Drive.

- Received Transportation Development Act (TDA) funds to acquire the Rectangular Rapid Flashing Beacon (RRFB) equipment needed to complete the Iron Horse Trail network (including Hartford Road and West Prospect Avenues).
- Continued to work with regional and subregional agencies such as the Contra Costa Transportation Authority (CCTA) and Tri-Valley Transportation Council (TVTC) to implement regional improvements to intraregional travel and minimize cut-through traffic in Danville.
- Continued to actively participate in the TRAFFIX Joint Powers Authority (JPA) and completed re-negotiation of a new contract for the school bus operator.

18. Public Recognition:

- Received the outstanding financial reporting for the Annual Comprehensive Financial Report from the Government Finance Officers Association for 20 consecutive years.
- Danville has been recognized as the safest city in California by multiple sources, such as Property Club and ADT. This distinction is based on comprehensive evaluations of crime statistics, community facilities, and overall quality of life, focusing on cities with populations over 30,000. This achievement marks the seventh consecutive year that Danville has been awarded this prestigious title by at least one online publication. (<https://propertyclub.nyc/article/safest-cities-in-california> - <https://www.adt.com/resources/safest-cities-california>)

For Fiscal Year 2024/25

The Town will continue its momentum into FY 2024/25 with the following key projects and initiatives:

1. **Major CIP Project - Downtown Master Plan Catalyst Project:** Complete construction of this downtown safety project which would add approximately 11,675 square feet of new public gathering space (8,500 SF at the Village Theatre Plaza, 2,800 SF at Prospect Park Plaza, and 375 SF at E. Linda Mesa Avenue), artistic lighting elements, 18 new streetlights, three intersections with augmented bulb outs, and two raised intersections for traffic calming.
2. **Major CIP Project - Diablo Vista Park Playground & Multi-Use Skate Park:** Complete construction of one or more park components.
3. **Major CIP Project - Diablo Road Multi-Purpose Trail:** Secure regulatory permits from CDFW and RWQCB and begin construction.
4. **Major CIP Project - Town Green Master Plan:** Complete the engineering design phase for the Town Green Master Plan, focusing on the Town Studio and Pavilion on the Town Green.

5. **Capital Maintenance – Parks and Athletic Facilities:**
 - Resurface the two tennis courts at Diablo Vista Park.
 - Resurface the basketball court and two tennis courts at Diablo Vista Park.
 - Renovate the turf in the large dog park at Hap Magee Ranch Park, rated the best dog park in the area by Diablo Magazine

6. **Capital Maintenance – Public Works Infrastructure**
 - Award new contracts for roadside landscape maintenance services.
 - Continue to manage street sweeping services contract, covering over 210 miles of streets, to ensure clean roadways and prevent pollutants from entering the Town’s 34 miles of creeks.
 - Complete the annual creek cleaning program to reduce flood risks across the town’s water system through in-house and contract efforts.
 - Complete installation of the fiber optic cable interconnect along Hartz Avenue and San Ramon Valley Boulevard
 - Complete the Camino Tassajara/Sycamore Valley Road Soundwall repairs
 - Continue with design work for the \$6 million project to replace the La Gonda Way bridge at Danville Boulevard.
 - Begin engineering design of the Sycamore Valley Road Improvement Project
 - Initiate next phase of Storm Drain Master Plan development (Phase 2)

7. **Capital Maintenance – Long Range Fiscal Planning:** Conduct a Proposition 218 ballot proceeding, asking Danville property owners to vote on an increase in Lighting and Landscape Assessments.

8. **Emergency Response and Recovery**
 - Continue to work with the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES) to recover up to \$2 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.
 - Complete one (1) EOC table-top exercise.
 - Update equipment/supplies staged for the EOC.
 - Complete and adopt the new Local Hazard Mitigation Plan.
 - Complete and adopt the updated Emergency Operations Plan.

9. **Community Events and Economic Development**
 - Launch the Town’s first Oktoberfest celebration, bringing back a family event to Downtown in the fall.
 - Launch a mobile Discover Danville walking tour app, with historic sites as well as dining and retail.
 - Launch a townwide email newsletter for businesses, providing updates and resources.
 - Initiate a regular meeting of Downtown business owners to foster collaboration and growth.

- Initiate programming for the new Prospect Park Plaza performance space in tandem with “shop local” holiday programs.

10. **Communications**

- Launch an arts and culture email newsletter.
- Support educational efforts for the Lighting and Landscape Assessment District ballot.
- Launch a fully in-house holiday marketing campaign.

11. **Housing and Private Development**

Consistent with the Danville 2030 General Plan, the Town’s 2023-2031 Housing Element certified by the State of California and State housing legislation:

- Review and process a 167-unit mixed Townhouse and apartment multifamily development on a 10-acre site is located at 3020 Fostoria Way. This project was approved by the Planning Commission on January 23, 2024 with 43 apartment units will be restricted to low and very low-income households.
- Review and process a 99-unit four-story senior condominium development located on 3.17-acre site at 425 El Pintado Road.
- Review and process an 18-unit single family development on 19.5-acre site located at 2570 Camino Tassajara and 45 Sherburne Hills Road, with all 18 residences to include Accessory Dwelling Units (ADUs).
- Review and process an application for a 105-unit assistant living facility on the 2.68-acre Sloat Garden Center site at 828 Diablo Road.
- Review and process an Environmental Impact Report (EIR) for a 19-unit single family development application on the 100-acre Elworthy East property accessible via Como Way.

12. **Legislative Advocacy:** Continue to work with the Tri-Valley Cities Coalition and state legislators to advocate for changes to legislation in a manner that benefits Danville.

13. **Public Safety**

- **Data-Driven Policing:** Employ advanced data analytics to optimize the deployment of officers' proactive efforts, ensuring that policing strategies are informed and adjusted based on quality data and analysis.
- **Expanding Collaborative Programs:** Deepen partnerships with mental health professionals to ensure that police officers are equipped with the latest training in de-escalation techniques, crisis intervention, and mental health awareness.
- **Neighborhood Watch Expansion:** Encourage and organize more neighborhood watch groups that actively involve community members in local safety, fostering a partnership between police and residents.
- **Mental Health Support System:** Establish or enhance a comprehensive mental health support system for officers, including regular check-ins, access to counseling, and stress management workshops. This initiative supports not just the officer’s well-being but also indirectly impacts the quality of community interactions by having mentally healthy officers on duty.

14. **Recreation:** Continue to work with the Parks, Recreation and Arts Commission and Arts Advisory Board toward the implementation and expansion of the strategies and recommendations of the Plan Update, focusing on the Town Green, Town Studio, Art Integration (Visual and Performing Arts), Community Outreach, Transportation, Park Facilities, and Social Vision

15. **Technology and Cyber Security**

- Configure and deploy a new Capital Improvement Program (CIP) planning and budgeting software to collect, prioritize, and evaluate capital investment projects in one system to understand long-term fiscal impacts to the operating budget.
- Deploy a new solution for the Police Department to accept credit card payments at the Police Front Counter.
- Complete installation of a new state-of-the-art audio/visual system at the Town Meeting Hall, including a high-definition video wall, wireless conference microphones, personal viewing monitors, HD camera, new assistive listening system and all new backend hardware.
- Continue collaborating with Development Services to design a Townwide Fiber Optic Interconnect project, incorporating and installing conduit within street segments under construction (such as Hartz Avenue and San Ramon Valley Boulevard) to avoid re-opening the pavement for fiber optic installation in the future.
- Continue updating audio/video systems at Town sites.
- Continue to implement additional security measures and monitor cybersecurity issues to protect the Town from these ongoing types of attacks.
- Continue deploying monthly email phishing tests to all users and provide yearly cyber security awareness training.

16. **Transportation and Traffic Safety**

- Begin engineering design of the CCTA “Smart Signals” project funded through the OBAG III grant with final recommendations targeted for early 2025.
- Begin engineering design of the Signal Modernization Project funded through a federal earmark with final design recommendations targeted for early 2025.
- Begin engineering design of the Signal Safety Corridor Project.
- Complete design of the HAWK signal for the Diablo Road Trail crossing at Fairway Drive, connecting to the Barbara Haile Trail.

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 2023/24, 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 2023/24, 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 \$65,243 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, 2024 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



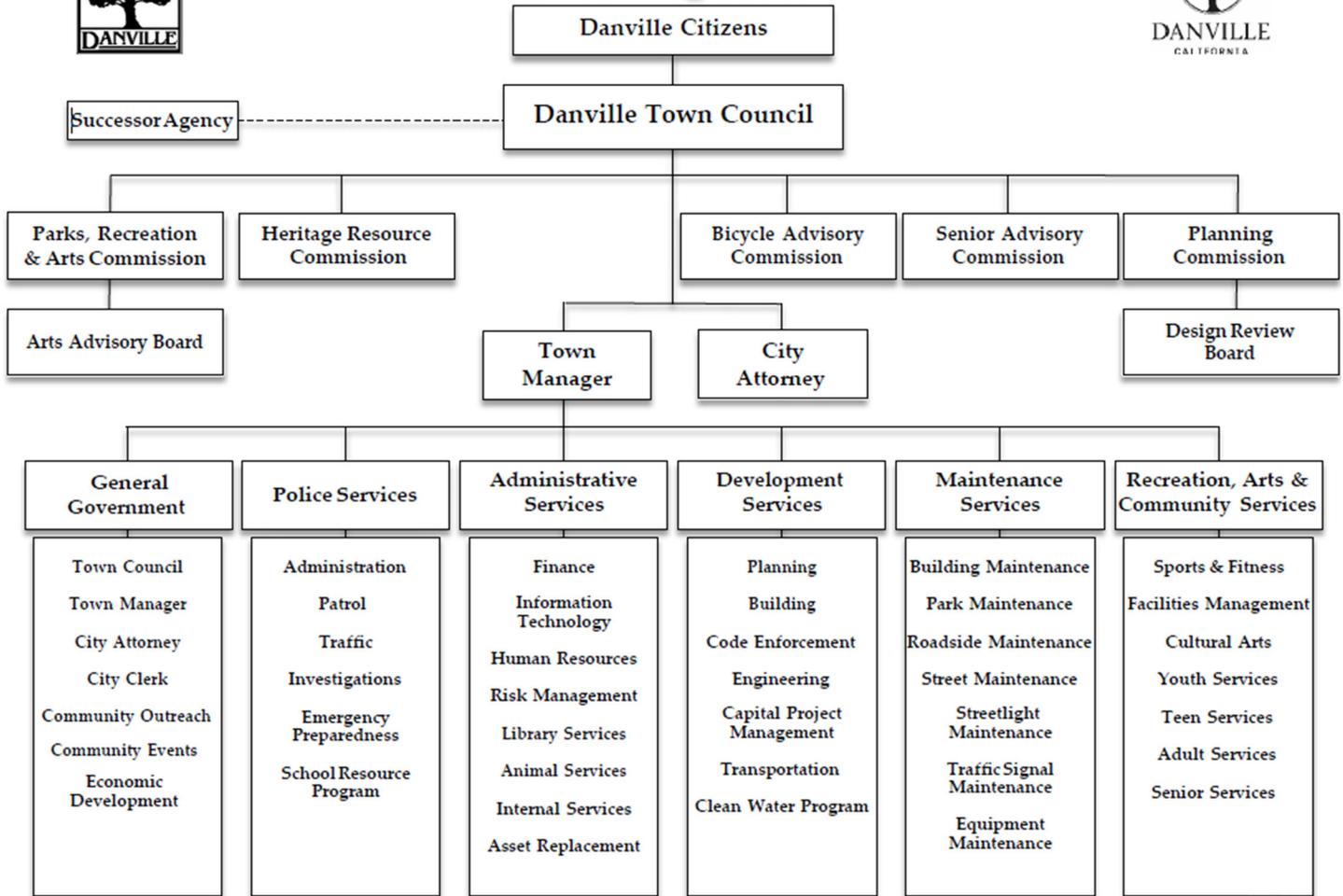
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Town of Danville

Organizational Chart



Town of Danville Organizational Chart



Town of Danville

Directory of Public Officials

TOWN COUNCIL

Karen Stepper	Mayor
David Fong	Vice Mayor
Newell Arnerich	Councilmember
Renee Morgan	Councilmember
Robert Storer	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
Diane Friedmann	Development Services Director
Henry Perezalonso	Recreation, Arts & Community Services Director

Town of Danville

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



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, 2023

Christopher P. Morrill

Executive Director/CEO

Town of Danville

Statement of Purpose

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, 2024, 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, 2024, 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 audit was 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 19, 2024, 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 19, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The Town of Danville's (Town) 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, 2024 increased \$8,521,551 or 2.9% from \$290,971,462 to \$299,493,013.
- Total assets were \$322,519,782 and total liabilities were \$19,596,774, leaving net position of \$299,493,013. Of this amount \$71,129,133 is classified as unrestricted and with the future receipt of \$1,759,401 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 \$112,150,917. Of this amount \$39,255,625 is restricted by external parties, \$67,758,647 is committed for ongoing and future activities, \$846,011 is classified as nonspendable, and \$881,914 is 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 has not been rendered by the Town, and \$3,408,720 has been assigned for ongoing operations.
- The Town's General Fund fund balance increased 27.5% from \$28,940,662 to \$36,897,758. The fund balance includes funds reserved or designated for debt service, future capital projects, ongoing operations, and an operating reserve of \$16,009,768 (41.3%) of FY 23/24 operating expenditures.

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, \$1,759,401 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 Annual Comprehensive Financial Report (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 for fiscal year ended June 30, 2024 and 2023 was:

Table 1
Net Position
Governmental Activities

	<u>2024</u>	<u>2023</u>	Increase (Decrease)
Current and other assets	\$ 129,997,756	\$ 122,315,458	\$ 7,682,298
Capital assets, net	192,522,026	192,929,870	(407,844)
Total assets	<u>322,519,782</u>	<u>315,245,328</u>	<u>7,274,454</u>
Current liabilities	14,891,125	15,402,556	(511,431)
Long-term liabilities	4,705,649	5,255,224	(549,575)
Total liabilities	<u>19,596,774</u>	<u>20,657,780</u>	<u>(1,061,006)</u>
Deferred inflows of resources	<u>3,429,995</u>	<u>3,616,086</u>	<u>(186,091)</u>
Net position:			
Net investment in capital assets	188,179,513	188,058,533	120,980
Restricted for:			
Debt service	1,777,459	1,641,685	135,774
Special projects	38,406,783	34,859,241	3,547,542
Unrestricted	<u>71,129,258</u>	<u>66,412,003</u>	<u>4,717,255</u>
Total net position	<u>\$ 299,493,013</u>	<u>\$ 290,971,462</u>	<u>\$ 8,521,551</u>

The Town's Net Positions from Governmental Activities increased 2.9% from \$290,971,462 to 299,493,013. This increase of \$8,521,551 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 \$7,274,454:

- Current and other assets increased \$7,682,298 reflecting an increase in cash and investments. Capital assets, net of depreciation, decreased \$(407,844) reflecting expenditures for capital projects during the year.

Total liabilities decreased \$(1,061,006):

- Current liabilities decreased by a net of \$(511,431), due largely to decrease in accounts payable, wages payable, retention (for capital projects), and deposit payable.
- Non-current liabilities decreased a net of \$(549,575) reflecting payment of long-term debt principal of \$580,000 that was paid according to schedule, an increase of \$114,489 in compensated absences, and a decrease in Subscription liability of \$(71,855).

Net Position:

- Restricted net assets increased a net of \$3,683,316. Special Revenue funds were spent for capital projects as budgeted. Debt Service funds increased by \$135,774 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 \$3,547,542 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 \$4,717,130, reflecting solid revenues and controlled costs, which enabled the transfer of \$4.86 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 Operating Reserve 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 Town as whole.

Table 2
Revenues and Expenses
Governmental Activities

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Revenues - Governmental Activities			
Program revenues:			
Charges for services	\$ 10,511,778	\$ 10,205,661	\$ 306,117
Operating grants and contributions	3,876,515	2,367,059	1,509,456
Capital grants and contributions	3,759,810	5,050,477	(1,290,667)
Total program revenues	<u>18,148,103</u>	<u>17,623,197</u>	<u>524,906</u>
General revenues:			
Taxes:			
Property	19,905,678	18,937,827	967,851
Sales	6,799,187	7,467,848	(668,661)
Motor vehicle	53,934	44,757	9,177
Franchise	3,502,709	3,383,163	119,546
Other	360,676	341,405	19,271
Investment earnings (loss)	5,392,910	998,731	4,394,179
Miscellaneous	2,879,111	2,501,924	377,187
Reimbursement from Successor Agency	867,219	825,175	42,044
Total general revenues	<u>39,761,424</u>	<u>34,500,830</u>	<u>5,260,594</u>
Total revenues	<u>57,909,527</u>	<u>52,124,027</u>	<u>5,785,500</u>
Expenses - Governmental Activities			
General government	2,432,702	2,999,255	(566,553)
Police services	11,971,294	10,594,467	1,376,827
Maintenance services and Lighting and landscape	10,525,094	11,973,823	(1,448,729)
Development services	15,427,297	6,931,034	8,496,263
Administrative services	4,468,171	3,798,969	669,202
Recreation, arts, & community services	4,359,029	4,096,414	262,615
Interest on long-term debt	204,389	234,055	(29,666)
Total expenses	<u>49,387,976</u>	<u>40,628,017</u>	<u>8,759,959</u>
Changes in Net Position	<u>\$ 8,521,551</u>	<u>\$ 11,496,010</u>	<u>\$ (2,974,459)</u>
Net Position:			
Beginning of year	290,971,462	279,475,452	11,496,010
End of year	<u>\$ 299,493,013</u>	<u>\$ 290,971,462</u>	<u>\$ 8,521,551</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 decreased by \$2,974,459 reflecting higher change in expenses and higher change in revenues.

**Table 3
Cost of Services
Governmental Activities**

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Revenues:			
General revenues	\$ 39,761,424	\$ 34,500,830	\$ 5,260,594
Total general revenues	<u>39,761,424</u>	<u>34,500,830</u>	<u>5,260,594</u>
Net Expenses:			
General government	(2,210,206)	(2,914,844)	704,638
Police services	(11,556,873)	(10,230,182)	(1,326,691)
Maintenance services and Lighting and landscape	(6,881,818)	(8,334,239)	1,452,421
Development services	(3,733,185)	4,585,384	(8,318,569)
Administrative services	(4,170,618)	(3,501,416)	(669,202)
Recreation, arts, & community services	(2,482,784)	(2,375,468)	(107,316)
Interest on long-term debt	(204,389)	(234,055)	29,666
Total net expenses	<u>(31,239,873)</u>	<u>(23,004,820)</u>	<u>(8,235,053)</u>
Net Cost of Services	<u>\$ 8,521,551</u>	<u>\$ 11,496,010</u>	<u>\$ (2,974,459)</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 \$524,906. An increase of \$306,117 in Charges for Services was due to increase in Recreations classes, increased activity in Police Services, and increase in the Development Services activity. Operating Grants increased a net of \$1,509,456 as grants for Police and Development Services increased, as there were more state grants for the Planning division. Capital Grants and Contributions decreased a net of \$(1,290,667) as grant for capital projects decreased as last fiscal year's grant included the funding from CLFRF (Coronavirus Local Fiscal Recovery Funds) from the federal (American Rescue Plan Act).
- General revenues increased \$5,260,594 reflecting the net reported increase \$967,851 in property tax revenues, increased \$119,549 in franchise fees, increased \$4,394,179 in investment earning, and increased \$377,187 in miscellaneous, net with a decrease in net reported \$(668,661) in sales tax revenues.

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 an 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 \$36,897,758 a net increase of \$7,957,096 over last year. Revenues exceeded expenses by \$11,649,793 and transfers out of \$(3,692,697) were made for future capital projects and additional funding for parks and building maintenance in the Lighting and Landscape Assessment District (\$1,350,000). Major revenue sources that exceeded budget include property and transfer taxes of \$2,453,678, sales taxes of \$159,187, Other taxes of \$295,878, charges for Services of \$1,963,085, intergovernmental of \$182,228 and uses of money and property of \$2,556,854 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 \$(5,342) and Miscellaneous \$(663,632). Across the board, cost containment resulted in operating expenditures below budget in all programs. Budget to actual cost savings totaled \$2,132,852. 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 \$967,851. This was attributable to continued strong growth in assessed valuation. Sales tax showed a decrease of \$668,661. The online sales activity has leveled off, with brick and mortar businesses (restaurant and retail) has reached their recovery compare to last year. Other taxes increased by \$101,472, with motor vehicle receipts and franchise fees reflecting the increase in solid waste revenues per contract with the authority. Charges for services increased by \$13,192 as Recreation classes and activities and in-person operation returned to the pre pandemic level of service. Fines and forfeitures increased slightly \$38,929, again reflected higher traffic and parking volumes. Uses of money increased by \$3,830,342 due to increase in rental from Town facilities and higher market value of the Town's investments as of June 30, 2024.

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 decreased by \$(187,802) which compares favorably to the planned and previously projected higher reduction in this fund balance. Cost containment efforts and a budgeted transfer in from the General Fund of \$1,350,000 account for this decrease in fund balance.

The Regional Traffic Impact Fees fund balance is reported higher by \$57,819 reflecting the increase in revenues, and decrease in expenditures.

The American Rescue Plan Act fund balance decreased by \$(219,016) as expenditures outpaced revenue recognition.

The fund balance in the Capital Improvement Projects Fund decreased by a net of \$(1,889,930) reflecting capital expenditures and a net transfer in of \$1,880,217, helping to offset appropriated capital expenditures in excess of revenues.

Non-major Special Revenue Funds increased by a net of \$3,772,099, 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: increased of Gas Tax Fund increase by \$754,489 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 \$1,399,064 due to higher revenues resulting from more building and planning activities and additional state grant and less expenditures; increase of Development Engineering Fund by \$283,682 due to higher revenues resulting from higher volume of engineering services; increase of Child Care Fund by \$23,012 due to the increase in building and planning activities; increased of Measure J Fund by \$631,534 due to higher revenues received from Contra Costa County Transportation and lowerer expenditures for CIP projects; increase if the General Development Impact Fee Fund by \$55,496 as expenditures were lower resulting from less expenses for CIP projects. Low and Moderate Income Housing increase by \$37,693 from interest income; and the Solid Waste Vehicle Impact Fees Fund increase by \$736,253 due to higher revenues and fund transferred to the Capital Improvement Program (CIP) has not been expended; offset by the increase of PEG Fund by \$(33,575) as a result of transfer of fund to Asset Replacement and the subscribers from the cable services remain the same; decreased in Stormwater Pollution Control Program Fund by \$(115,400) due to less revenues from assessment fees and higher expenditures due to more use of consulting services; and Public Safety Fund decrease by \$(28,479) due to less revenues received from the Contra Costa County and higher expenditures.

The Non-Major Capital Improvement Funds, decreased by a net of \$(1,114,104), due to an increase of \$39,416 in the Civic Facilities fund due to the transfer in from General Fund and less expenditures; offset by a decrease of \$(112,079) in the Asset Replacement General Fund as a result from higher expenditures from the purchase of vehicles, despite the transfer of \$175,000 from General and other funds; and a decrease of \$(1,023,303) in the Park Facilities Fund due to higher expenses for various CIP projects. 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 \$4,847,989. 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 \$2,32,852. The budget to actual variance in appropriations reflects conservation efforts, leaving postponement of some operational activities by management. These proactive fiscal measures enabled the Town to transfer \$3,692,697 (including \$1,350,000 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 \$192,522,206 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 a decrease of \$(407,844) net of additions, retirements and depreciation, resulting in a .21% decrease over last year.

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

Depreciation and 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, 2024 was 78, an increase from last year’s pavement condition of 77. 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 the Required Supplementary Information.

**Table 4
Capital Assets at June 30, 2024
(net of depreciation and amortization)**

	<u>Original Cost</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Book Value</u>
Land	\$ 31,821,867	\$ -	\$ 31,821,867
Buildings and parking lots	64,393,897	(16,671,579)	47,722,318
Park improvements	24,267,438	(22,973,368)	1,294,070
Furniture and equipment	5,730,828	(4,186,326)	1,544,502
Subscription assets	331,124	(204,429)	126,695
Construction in progress	11,767,848	-	11,767,848
Infrastructure	168,916,511	(70,671,785)	98,244,726
Total	<u>\$ 307,229,513</u>	<u>\$ (114,707,487)</u>	<u>\$ 192,522,026</u>

Table 5
Comparative Capital Assets at June 30, 2024 vs. June 30, 2023
(net of depreciation and amortization)
Governmental Activities

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Land	\$ 31,821,867	\$ 31,821,867	\$ -
Buildings and parking lots	47,722,318	25,729,144	21,993,174
Park improvements	1,294,070	1,541,809	(247,739)
Furniture and equipment	1,544,502	1,449,716	94,786
Subscription assets	126,695	221,377	(94,682)
Construction in progress	11,767,848	33,610,738	(21,842,890)
Infrastructure	98,244,726	98,555,219	(310,493)
Total	<u>\$ 192,522,026</u>	<u>\$ 192,929,870</u>	<u>\$ (407,844)</u>

The Town's five-year Capital Improvement Plan projects will cost \$31,536,894 through FY 2027/28. 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 \$17,957,910 for pavement management. Additional details can be found in the Town's 2023/24 Operating Budget and Capital Improvement Program document available at www.danville.ca.gov/Council_and_Government/Departments/Finance/.

Debt

At year end, the Town had \$5,489,743 in Certificates of Participation (COPs) and Subscription Liabilities and Compensated Absences outstanding versus \$6,027,109 last year, a net decrease of \$(537,366), as shown in Table 6 below.

Table 6
Outstanding Debt
June 30, 2024 vs June 30, 2023

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
2001 & 2005 Certificates of Participation	\$ 4,110,000	\$ 4,690,000	\$ (580,000)
Subscription liabilities	74,094	145,949	(71,855)
Compensated absences	1,305,649	1,191,160	114,489
Total	<u>\$ 5,489,743</u>	<u>\$ 6,027,109</u>	<u>\$ (537,366)</u>

The \$(580,000) decrease in the COP amount is due to scheduled debt service payments, decrease of \$(71,855) in the Subscription liabilities, and the \$114,489 increase in Compensated Absences is due to higher cost 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.

ECONOMIC FACTORS

Economic recovery from the Coronavirus pandemic has been aided by strong property values that continue to increase the Town share of property taxes. Sales tax, which acts as a benchmark for local business performance, reached an all-time high level by the end of 2022, before dropping off in 2023. Sales continue to outperform pre-pandemic levels and sales tax revenue continues to exceed the Town's budget forecasts.

New fiscal challenges are expected to be driven by a variety of factors. Inflation, interest rates, oil prices and stock market volatility continue to affect the nation's economy. Recent economic data suggests positive but slower growth this year fueled by consumer spending. Inflationary trends are subsiding, but core levels remain above targets set by the Federal Reserve. The cumulative effects of restrictive monetary policy and tighter financial conditions suggest that the economy will gradually soften, and the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should employment data warrant.

As of June 30, 2024, the Town'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.

NEXT YEAR'S BUDGET

The 2025/26 Budget will continue to focus on the Town's highest priorities while reserving funding for capital projects and maintaining strong reserves. The Town will continue to rely upon a combination of General Fund and Special Revenues to provide ongoing service. The Town's five largest revenue sources are Property Tax, Sales Tax, Other Taxes and Intergovernmental, Special Assessments and Use of Money and Property. These sources will continue account for more than 83% of all Town revenues.

From a service delivery standpoint, current service levels will be carried forward into 2025/26. The economy will continue to impact availability and costs for utilities, materials and supplies, contracted services and personnel. This will require the Town to evaluate Lighting and Landscape (LLAD) operations and seek an increase in assessments in 2025. Current LLAD assessments have been set at a fixed rate with no escalator since 2003.

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

BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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Town of Danville
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 3)	\$ 82,334,792
Receivables (net of allowances):	
Accounts	4,064,980
Due from Successor Agency within one year (Note 7)	1,100,000
Leases (Note 4)	538,966
Interest	699,929
Total receivables	6,403,875
Prepaid items	186,610
Total current assets	88,925,277
Noncurrent assets:	
Restricted cash and investments (Note 3):	
Held with fiscal agents	1,777,459
Held by the Town	35,628,391
Total restricted cash and investments	37,405,850
Due from Successor Agency in more than one year (Note 7)	659,401
Leases receivable (Note 4)	3,007,228
Capital assets (Note 5):	
Nondepreciable	136,665,600
Depreciable/amortizable, net	55,856,426
Total capital assets, net	192,522,026
Total noncurrent assets	233,594,505
Total assets	322,519,782
LIABILITIES	
Current liabilities:	
Accounts payable	7,503,527
Accrued wages payable	296,163
Retention payable	158,419
Deposits payable	212,377
Interest payable	54,806
Claims liabilities (Note 12)	65,243
Unearned revenue (Note 8)	5,816,496
Long-term debt - due within one year (Note 9)	784,094
Total current liabilities	14,891,125
Noncurrent liabilities:	
Long-term debt - due in more than one year: (Note 9)	
Certificates of participation	3,510,000
Compensated absences	1,195,649
Total noncurrent liabilities	4,705,649
Total liabilities	19,596,774
DEFERRED INFLOWS OF RESOURCES	
Lease-related deferred inflows of resources (Note 4)	3,429,995
Total deferred inflows of resources	3,429,995
NET POSITION	
Net investment in capital assets (Note 11)	188,179,513
Restricted for:	
Capital projects	6,155,870
Debt service	1,777,459
Assessment districts	1,525,693
Transportation	14,688,310
Public safety	655,333
Housing	1,961,486
Community development	390,060
Public works	12,731,681
Other programs	298,350
Total restricted	40,184,242
Unrestricted	71,129,258
Total net position	\$ 299,493,013

See accompanying Notes to the Basic Financial Statements.

Town of Danville
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities:					
General government	\$ 2,432,702	\$ 23,184	\$ 199,312	\$ -	\$ (2,210,206)
Police services	11,971,294	189,558	224,863	-	(11,556,873)
Maintenance services and lighting and landscape	10,525,094	3,641,347	1,929	-	(6,881,818)
Development services	15,427,297	4,484,293	3,450,009	3,759,810	(3,733,185)
Administrative services	4,468,171	297,553	-	-	(4,170,618)
Recreation, arts, & community services	4,359,029	1,875,843	402	-	(2,482,784)
Interest expense	204,389	-	-	-	(204,389)
Total governmental activities	\$ 49,387,976	\$ 10,511,778	\$ 3,876,515	\$ 3,759,810	(31,239,873)
General revenues:					
Taxes:					
Property					19,905,678
Sales					6,799,187
Motor vehicle license fee					53,934
Franchise					3,502,709
Other					360,676
Total taxes					30,622,184
Investment earnings (Note 3)					5,392,910
Miscellaneous					2,879,111
Reimbursement from Successor Agency (Note 7)					867,219
Total general revenues					39,761,424
Change in net position					8,521,551
Net position - beginning of year					290,971,462
Net position - end of year					\$ 299,493,013

FUND FINANCIAL STATEMENTS



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GOVERNMENTAL FUND FINANCIAL STATEMENTS



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Town of Danville

Governmental Fund Financial Statements

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, 2024

	Major Funds			
	General Fund	Lighting and Landscape Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	American Rescue Plan Act Special Revenue Fund
ASSETS				
Cash and investments	\$ 38,882,137	\$ 5,103,370	\$ 4,555,554	\$ 5,087,704
Cash and investments with fiscal agents	848,842	-	-	-
Receivables (net of allowances):				
Accounts	1,816,614	39,225	6,737	-
Leases	3,546,194	-	-	-
Due from Successor Agency of former CDA	1,759,401	-	-	-
Interest	411,335	26,895	16,477	-
Prepaid items	186,610	-	-	-
Total assets	\$ 47,451,133	\$ 5,169,490	\$ 4,578,768	\$ 5,087,704
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,282,639	\$ 438,768	\$ 66,608	\$ 622,736
Accrued wages payable	203,398	31,841	-	-
Retention payable	-	-	-	-
Deposits payable	169,707	-	-	-
Claims liabilities	65,243	-	-	-
Unearned revenue	1,037,774	59,734	-	4,683,054
Total liabilities	6,758,761	530,343	66,608	5,305,790
Deferred Inflows of Resources:				
Unavailable revenue	364,619	-	-	-
Lease-related deferred inflows of resources	3,429,995	-	-	-
Total deferred inflows of resources	3,794,614	-	-	-
Fund Balances:				
Nonspendable	846,011	-	-	-
Restricted	848,842	1,525,693	4,512,160	-
Committed	33,807,639	-	-	-
Assigned	295,266	3,113,454	-	-
Unassigned (deficit)	1,100,000	-	-	(218,086)
Total fund balances	36,897,758	4,639,147	4,512,160	(218,086)
Total liabilities, deferred inflows of resources and fund balances	\$ 47,451,133	\$ 5,169,490	\$ 4,578,768	\$ 5,087,704

(Continued)

Town of Danville
Governmental Funds
Balance Sheet (Continued)
June 30, 2024

	Major Funds		
	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 24,949,730	\$ 39,384,688	\$ 117,963,183
Cash and investments with fiscal agents	-	928,617	1,777,459
Receivables (net of allowances):			
Accounts	1,289,827	912,577	4,064,980
Leases	-	-	3,546,194
Due from Successor Agency of former CDA	-	-	1,759,401
Interest	118,417	126,805	699,929
Prepaid items	-	-	186,610
Total assets	\$ 26,357,974	\$ 41,352,687	\$ 129,997,756
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 312,637	\$ 780,139	\$ 7,503,527
Accrued wages payable	1,727	59,197	296,163
Retention payable	158,239	180	158,419
Deposits payable	-	42,670	212,377
Claims liabilities	-	-	65,243
Unearned revenue	-	35,934	5,816,496
Total liabilities	472,603	918,120	14,052,225
Deferred Inflows of Resources:			
Unavailable revenue	-	-	364,619
Lease-related deferred inflows of resources	-	-	3,429,995
Total deferred inflows of resources	-	-	3,794,614
Fund Balances:			
Nonspendable	-	-	846,011
Restricted	-	32,368,930	39,255,625
Committed	25,885,371	8,065,637	67,758,647
Assigned	-	-	3,408,720
Unassigned (deficit)	-	-	881,914
Total fund balances	25,885,371	40,434,567	112,150,917
Total liabilities, deferred inflows of resources and fund balances	\$ 26,357,974	\$ 41,352,687	\$ 129,997,756

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Town of Danville
Reconciliation of Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds	\$ 112,150,917
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	136,665,600
Depreciable/amortizable capital assets, net	55,856,426
Total capital assets	192,522,026
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.	
	(54,806)
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.	
	364,619
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	(784,094)
Long-term liabilities - due in more than one year:	
- Certificates of participation	(3,510,000)
- Compensated absences payable	(1,195,649)
Total long-term debt	(5,489,743)
Net Position of Governmental Activities	\$ 299,493,013

Town of Danville
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2024

	Major Funds			
	General Fund	Lighting and Landscape Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	American Rescue Plan Act Special Revenue Fund
REVENUES:				
Property taxes	\$ 19,905,678	\$ -	\$ -	\$ -
Sales taxes	6,799,187	-	-	-
Special assessments	-	3,050,957	-	-
Other taxes	2,584,666	-	-	-
Charges for services	2,030,638	-	-	-
Licenses and permits	388,935	-	-	-
Development fees	-	-	123,530	-
Intergovernmental	204,173	-	111,885	1,162,776
Fines and forfeitures	144,658	-	-	-
Use of money and property	5,042,345	121,935	66,350	-
Reimbursement from Successor Agency	867,219	-	-	-
Miscellaneous	468,222	135,570	-	-
Total revenues	38,435,721	3,308,462	301,765	1,162,776
EXPENDITURES:				
Current:				
General government	2,388,580	-	-	-
Police services	11,105,059	-	-	-
Maintenance services	3,146,660	179,653	-	-
Lighting and landscape	-	4,306,195	-	-
Development services	1,185,604	15,599	137,578	1,363,842
Administrative services	4,033,608	295,495	2,085	-
Recreation, arts, & community services	4,053,053	-	-	-
Capital outlay	6,145	49,322	104,283	17,950
Debt service:				
Principal	651,855	-	-	-
Interest	215,364	-	-	-
Total expenditures	26,785,928	4,846,264	243,946	1,381,792
REVENUES OVER (UNDER) EXPENDITURES	11,649,793	(1,537,802)	57,819	(219,016)
OTHER FINANCING SOURCES (USES):				
Transfers in (Note 6)	-	1,350,000	-	-
Transfers out (Note 6)	(3,692,697)	-	-	-
Total financing sources (uses)	(3,692,697)	1,350,000	-	-
NET CHANGE IN FUND BALANCES	7,957,096	(187,802)	57,819	(219,016)
FUND BALANCES (DEFICIT):				
Beginning of year	28,940,662	4,826,949	4,454,341	930
End of year	<u>\$ 36,897,758</u>	<u>\$ 4,639,147</u>	<u>\$ 4,512,160</u>	<u>\$ (218,086)</u>

(Continued)

Town of Danville
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Year Ended June 30, 2024

	Major Funds		
	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:			
Property taxes	\$ -	\$ -	\$ 19,905,678
Sales taxes	-	-	6,799,187
Special assessments	-	579,341	3,630,298
Other taxes	-	3,318,227	5,902,893
Charges for services	-	1,312,758	3,343,396
Licenses and permits	-	5,676	394,611
Development fees	-	3,017,917	3,141,447
Intergovernmental	1,845,959	1,950,285	5,275,078
Fines and forfeitures	-	-	144,658
Use of money and property	676,517	777,246	6,684,393
Reimbursement from Successor Agency	-	-	867,219
Miscellaneous	1,170,709	41,276	1,815,777
Total revenues	<u>3,693,185</u>	<u>11,002,726</u>	<u>57,904,635</u>
EXPENDITURES:			
Current:			
General government	-	25,106	2,413,686
Police services	66,424	497,147	11,668,630
Maintenance services	583,068	1,133,284	5,042,665
Lighting and landscape	-	-	4,306,195
Development services	2,151,523	5,236,730	10,090,876
Administrative services	-	15,523	4,346,711
Recreation, arts, & community services	-	44,918	4,097,971
Capital outlay	4,662,317	1,854,503	6,694,520
Debt service:			
Principal	-	-	651,855
Interest	-	-	215,364
Total expenditures	<u>7,463,332</u>	<u>8,807,211</u>	<u>49,528,473</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,770,147)</u>	<u>2,195,515</u>	<u>8,376,162</u>
OTHER FINANCING SOURCES (USES):			
Transfers in (Note 6)	1,880,217	587,480	3,817,697
Transfers out (Note 6)	-	(125,000)	(3,817,697)
Total financing sources (uses)	<u>1,880,217</u>	<u>462,480</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,889,930)	2,657,995	8,376,162
FUND BALANCES (DEFICIT):			
Beginning of year	<u>27,775,301</u>	<u>37,776,572</u>	<u>103,774,755</u>
End of year	<u>\$ 25,885,371</u>	<u>\$ 40,434,567</u>	<u>\$ 112,150,917</u>

(Concluded)

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 8,376,162
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.	1,597,824
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.	(2,005,668)
Revenues that have not met the revenue recognition criteria in the Fund Financial Statements are recognized as revenue in the Government-Wide Financial Statements.	4,892
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.	(114,489)
Repayment of bond principal reduces long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments:	
- Certificates of participation	580,000
- Subscription liability	71,855
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.	10,975
Change in Net Position of Governmental Activities	\$ 8,521,551

FIDUCIARY FUND FINANCIAL STATEMENTS



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Town of Danville

Fiduciary Fund Financial Statements

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.



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Town of Danville
Fiduciary Activities
Statement of Fiduciary Net Position
June 30, 2024

	Successor Agency Private Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and investments (Note 3)	\$ 851,803	\$ 1,957,891
Cash and investments with fiscal agents (Note 3)	403,854	330,512
Total assets	<u>1,255,657</u>	<u>2,288,403</u>
LIABILITIES		
Accounts payable	-	183,065
Loan payable to Town (Note 7)	1,759,401	-
Loan payable, due within one year (Note 9)	250,000	-
Loan payable, due in more than one year (Note 9)	1,220,000	-
Interest payable	623,348	-
Deposits	-	871,734
Total liabilities	<u>3,852,749</u>	<u>1,054,799</u>
NET POSITION (DEFICIT)		
Restricted for individuals, organizations, and other governments	-	1,233,604
Unrestricted (deficit)	(2,597,092)	-
Total net position (deficit)	<u>\$ (2,597,092)</u>	<u>\$ 1,233,604</u>

Town of Danville
Fiduciary Activities
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Successor Agency Private Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Property tax receipts	\$ 2,292,850	\$ -
Miscellaneous	18,537	670,220
Total additions	2,311,387	670,220
DEDUCTIONS:		
Amount allocated to General Fund for principal payment	810,000	-
Amount allocated to General Fund for interest payment	57,219	-
Interest	290,506	-
Other	23,269	771,847
Total deductions	1,180,994	771,847
Changes in net position	1,130,393	(101,627)
NET POSITION (deficit):		
Beginning of year	(3,727,485)	1,335,231
End of year	\$ (2,597,092)	\$ 1,233,604

NOTES TO THE BASIC FINANCIAL STATEMENTS



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Town of Danville
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For the Year Ended June 30, 2024

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Town of Danville
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For the Year Ended June 30, 2024

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Town of Danville
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Reporting Entity

The Town of Danville, California (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 42,567.

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, 2024

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, 2024

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 - This fund is used to account for development impact fees that are collected to support infrastructure improvements that mitigate the impacts of new development on the local transportation system.

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.

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 full accrual and economic resources measurement focus basis of accounting.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Fiduciary Fund Financial Statements (Continued)

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.

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, 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.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Cash and Investments (Continued)

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

Certain payments applicable to future accounting periods are recorded as prepaid items. Prepaid items are reported under the consumption method, which recognizes the expenditure/expense in the period associated with the goods consumed or the services rendered. Prepaid items do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable in governmental funds.

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.

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.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Leases Receivable (Continued)

- 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. 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.

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Capital Assets (Continued)

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, 2024. 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.

G. Unearned Revenues

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

G. Unearned Revenues (Continued)

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.

H. 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 (80%), Building and Planning Special Revenue Fund (10%), and Other Special Revenue Funds (10%).

I. 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.

J. 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.

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.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

J. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

- 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.

K. 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, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

L. 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.

M. 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.

N. 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

O. 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, 2024

Note 2 – Summary of Significant Accounting Policies (Continued)

P. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2024, the Town has implemented the following new 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 did not have a significant effect on the Town’s financial reporting for the fiscal year end June 30, 2024.

Q. 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. 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.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. Application of this statement is effective for the Town’s fiscal year ending June 30, 2025.

GASB Statement No. 103 – In December 2023, GASB issued Statement No. *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Application of this statement is effective for the Town’s fiscal year ending June 30, 2026.

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, 2024:

	Primary Government	Fiduciary	
	Governmental	Fund Financial	
	Activities	Statements	Total
Cash and investments	\$ 82,334,792	\$ 2,809,694	\$ 85,144,486
Restricted cash and investments:			
Held by Town	35,628,391	-	35,628,391
Subtotal held by Town	117,963,183	2,809,694	120,772,877
Held by fiscal agents	1,777,459	734,366	2,511,825
Total cash and investments	\$ 119,740,642	\$ 3,544,060	\$ 123,284,702

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

At June 30, 2024, 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, 2024:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Measurement Input</u>
Demand deposits	\$ 5,891,741	N/A	N/A
Investments:			
U.S. Securities:			
U.S. Treasury	42,305,144	36.04%	Level 2
Federal Securities	21,243,581	18.10%	Level 2
Asset Backed Securities	4,284,515	3.65%	Level 2
Collateralized Mortgage Obligations	6,565,748	5.59%	Level 2
Supranational:			
Inter-American Dev Bank Note	2,228,844	1.90%	Level 2
Int'l Bank Recon & Development	1,445,311	1.23%	Level 2
International Finance Corp Note	1,906,677	1.62%	Level 2
U.S. Corporate Notes/FDIC:			
Apple Inc. Callable	1,211,495	1.03%	Level 2
Bank of America NA Callable Note	1,007,100	0.86%	Level 2
Caterpillar Financial Service Note	1,000,616	0.85%	Level 2
Cisco Systems, Inc.	997,296	0.85%	Level 2
Colgate Palmolive Co. Note	459,832	0.39%	Level 2
Honeywell International Callable Note	945,131	0.81%	Level 2
John Deere Capital Corp Note	990,047	0.84%	Level 2
JP Morgan Chase & Co. Callable Note	404,935	0.34%	Level 2
MasterCard Inc. Callable Note	978,054	0.83%	Level 2
Microsoft Callable Note	975,205	0.83%	Level 2
Morgan Stanley Bank NA Callable Note	445,427	0.38%	Level 2
Paccar Financial Corp. Note	897,490	0.76%	Level 2
Pepsico Inc. Callable Note	361,582	0.31%	Level 2
State Street Bank Callable Note	258,570	0.22%	Level 2
State Street Corp Callable Note	1,063,712	0.91%	Level 2
Toyota Motor Credit Corp	926,075	0.79%	Level 2
Wal-Mart Stores Callable Note	689,953	0.59%	Level 2
Local Agency Investment Fund (LAIF)	21,103,867	17.98%	N/A
Money Market Funds	2,696,754	2.30%	N/A
Total investments	<u>117,392,961</u>	<u>100.00%</u>	
Total cash and investments	<u>\$ 123,284,702</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 \$5,891,741 at June 30, 2024. Bank balances as of June 30, 2024, were \$5,981,070 which were fully insured and collateralized with securities held by the pledging financial institutions in the Town's name as discussed in the following.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

A. Demand Deposits (Continued)

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.

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 October 17, 2023. 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.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

B. Investments (Continued)

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	\$ 2,682,853
Unrealized gain (loss) on changes in fair value of investments	2,710,057
Total investment earnings	\$ 5,392,910

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, 2024, 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, 2024, the Town had \$21,103,867 invested in LAIF, which had invested 1.40% 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.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

C. External Investment Pool (Continued)

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.

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 \$1,777,459 in the Governmental-wide Statement of Net Position and Balance Sheet – Governmental Funds and \$734,366 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%

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Interest Rate Risk (Continued)

Specific maturities of investments depend on liquidity needs. At June 30, 2024, the Town's pooled cash and investments had the following maturities:

Investment Type	Fair Value	Maturities (in years)				
		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years
Demand deposits	\$ 5,891,741	\$ 5,891,741	\$ -	\$ -	\$ -	\$ -
Investments:						
U.S. Securities:						
U.S. Treasury	42,305,144	17,520,178	11,715,299	6,690,537	4,669,903	1,709,227
Federal Securities	21,243,581	5,628,229	2,933,989	3,492,436	7,682,624	1,506,303
Asset Backed Securities	4,284,515	-	737,189	1,221,814	175,548	2,149,964
Collateralized Mortgage Obligations	6,565,748	-	-	1,914,963	2,720,571	1,930,214
Supranational:						
Inter-American Dev Bank Note	2,228,844	1,236,020	-	992,824	-	-
Int'l Bank Recon & Development	1,445,311	-	-	-	-	1,445,311
International Finance Corp Note	1,906,677	988,260	-	918,417	-	-
U.S. Corporate Notes/FDIC:						
Apple Inc. Callable	1,211,495	482,522	728,973	-	-	-
Bank of America NA Callable Note	1,007,100	-	-	1,007,100	-	-
Caterpillar Financial Service Note	1,000,616	-	-	1,000,616	-	-
Cisco Systems, Inc.	997,296	-	-	997,296	-	-
Colgate Palmolive Co. Note	459,832	-	459,832	-	-	-
Honeywell International Callable Note	945,131	-	-	945,131	-	-
John Deere Capital Corp Note	990,047	-	-	990,047	-	-
JP Morgan Chase & Co. Callable Note	404,935	-	-	404,935	-	-
MasterCard Inc. Callable Note	978,054	978,054	-	-	-	-
Microsoft Callable Note	975,205	-	975,205	-	-	-
Morgan Stanley Bank NA Callable Note	445,427	-	-	445,427	-	-
Paccar Financial Corp. Note	897,490	383,018	-	514,472	-	-
Pepsico Inc. Callable Note	361,582	-	-	361,582	-	-
State Street Bank Callable Note	258,570	-	258,570	-	-	-
State Street Corp Callable Note	1,063,712	-	-	1,063,712	-	-
Toyota Motor Credit Corp	926,075	-	926,075	-	-	-
Wal-Mart Stores Callable Note	689,953	-	689,953	-	-	-
Local Agency Investment Fund (LAIF)	21,103,867	21,103,867	-	-	-	-
Money Market Funds	2,696,754	2,696,754	-	-	-	-
Total investments	117,392,961	51,016,902	19,425,085	22,961,309	15,248,646	8,741,019
Total cash and investments	\$ 123,284,702	\$ 56,908,643	\$ 19,425,085	\$ 22,961,309	\$ 15,248,646	\$ 8,741,019

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.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Credit Risk (Continued)

At June 30, 2024, 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+
Supranational:		
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:		
Apple Inc. Callable	Aaa	AA+
Bank of America NA Callable Note	Aa1	A+
Caterpillar Financial Service Note	A2	A
Cisco Systems, Inc.	A1	AA-
Colgate Palmolive Co. Note	Aa3	AA-
Honeywell International Callable Note	A2	A
John Deere Capital Corp Note	A1	A
JP Morgan Chase & Co. Callable Note	Aa2	A+
MasterCard Inc. Callable Note	Aa3	A+
Microsoft Callable Note	Aaa	AAA
Morgan Stanley Bank NA Callable Note	Aa3	A+
Paccar Financial Corp. Note	A1	A+
Pepsico Inc. Callable Note	A1	A+
State Street Bank Callable Note	A1	A
State Street Corp Callable Note	A1	A
Toyota Motor Credit Corp	Not Rated	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, 2024

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, 2024, the Town recognized \$605,294 in lease revenue and \$114,248 in interest revenue, and the outstanding net present value of the lease receivable amount is \$3,546,194.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts due within one year	Amounts due in more than one year
\$ 3,751,081	\$ -	\$ (204,887)	\$ 3,546,194	\$ 538,966	\$ 3,007,228

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30	NPV Leases Receivable	Interest	Total Lease Payments
2025	\$ 538,966	\$ 98,389	\$ 637,355
2026	514,476	82,192	596,668
2027	418,594	68,206	486,800
2028	329,226	57,347	386,573
2029	345,829	47,311	393,140
2030-2034	992,850	125,092	1,117,942
2035-2039	389,392	27,467	416,859
2040-2042	16,861	105	16,966
Total	\$ 3,546,194	\$ 506,109	\$ 4,052,303

As of June 30, 2024, the amounts reported as deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Year Ending June 30	Total
2025	\$ 605,294
2026	558,109
2027	437,645
2028	324,721
2029	324,721
2030-2034	883,347
2035-2039	286,171
2040-2042	9,987
Total	\$ 3,429,995

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2024
Governmental Activities:					
Capital assets, not being depreciated/amortized:					
Land	\$ 31,821,867	\$ -	\$ -	\$ -	\$ 31,821,867
Construction in progress	33,610,738	1,142,238	-	(22,985,128)	11,767,848
Infrastructure - streets, concrete & asphalt pavements	93,075,885	-	-	-	93,075,885
Total capital assets not being depreciated/amortized	<u>158,508,490</u>	<u>1,142,238</u>	<u>-</u>	<u>(22,985,128)</u>	<u>136,665,600</u>
Capital assets being depreciated/amortized:					
Buildings and parking lots/street	41,408,769	-	-	22,985,128	64,393,897
Park improvements	24,267,438	-	-	-	24,267,438
Furniture and equipment	6,033,822	455,586	(758,580)	-	5,730,828
Subscription assets	331,124	-	-	-	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>147,881,779</u>	<u>455,586</u>	<u>(758,580)</u>	<u>22,985,128</u>	<u>170,563,913</u>
Accumulated depreciation/amortization:					
Buildings and parking lots	(15,679,625)	(991,954)	-	-	(16,671,579)
Park improvements	(22,725,629)	(247,739)	-	-	(22,973,368)
Furniture and equipment	(4,584,106)	(360,800)	758,580	-	(4,186,326)
Subscription assets	(109,747)	(94,682)	-	-	(204,429)
Infrastructure:					
Drainage system	(56,280,395)	(23,728)	-	-	(56,304,123)
Bridges	(8,121,673)	(180,493)	-	-	(8,302,166)
Signal system	(5,959,224)	(106,272)	-	-	(6,065,496)
Total accumulated depreciation/amortization	<u>(113,460,399)</u>	<u>(2,005,668)</u>	<u>758,580</u>	<u>-</u>	<u>(114,707,487)</u>
Total capital assets, being depreciated/amortized, net	<u>34,421,380</u>	<u>(1,550,082)</u>	<u>-</u>	<u>22,985,128</u>	<u>55,856,426</u>
Governmental activities capital assets, net	<u>\$ 192,929,870</u>	<u>\$ (407,844)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,522,026</u>

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Depreciation/amortization expenses by program for capital assets for the year ended June 30, 2024, were as follows:

Police Services	
Building	\$ 19,250
Furniture & equipment (vehicle)	281,482
Subtotal	300,732
Maintenance Services	
Building	537,843
Parking lots	307,158
Park improvements	244,881
Furniture & equipment (vehicle)	55,448
Subtotal	1,145,330
Development Services	
Furniture & equipment (vehicle)	6,255
Infrastructure - drainage	23,728
Infrastructure - bridge	180,493
Subtotal	210,476
Transportation (Community) Services	
Furniture & equipment (vehicle)	1,248
Infrastructure - signal	106,272
Subtotal	107,520
Administrative Services	
Building	1,212
Furniture & equipment (vehicle)	9,562
Subscription assets	94,682
Subtotal	105,456
Parks and Recreation Services	
Building	126,491
Park improvements	2,859
Furniture & equipment (vehicle)	6,804
Subtotal	136,154
Total depreciation/amortization expense	\$ 2,005,668

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – Interfund Transactions

A. Transfers In/Out

Transfers in/out for the year ended June 30, 2024, were as follows:

Transfers Out	Transfers In			Total
	Lighting Landscape Special Revenue Fund (1)	Capital Improvement Capital Projects Fund (1)	Non-Major Governmental Funds (2)	
General Fund	\$ 1,350,000	\$ 1,880,217	\$ 462,480	\$ 3,692,697
Non-Major Governmental Funds	-	-	125,000	125,000
Total	\$ 1,350,000	\$ 1,880,217	\$ 587,480	\$ 3,817,697

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, 2024:

Government-Wide Financial Statements

Loans Receivable	
Cooperative Loan Agreement	\$ 1,759,401
Total	\$ 1,759,401
Reimbursements from Successor Agency	\$ 867,219

Funds Financial Statements

General Fund

Due from Successor Agency of	
Former Community Development Agency	\$ 1,759,401
Total	\$ 1,759,401

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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
2025	\$ 1,100,000
2026	659,401
Total	\$ 1,759,401

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, 2024, unearned revenues in the Government-Wide Financial Statements and governmental funds statements were as follows:

	Governmental Activities
American Rescue Plan Act unspent funds	\$ 4,683,054
Recreation program registration	841,634
Business licenses	201,954
Other - gas tax	89,854
Total	\$ 5,816,496

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Obligations

A. Governmental Activities

A summary of changes in long-term debt for the year ended June 30, 2024 is as follows:

Description	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Classification	
					Due Within One Year	Due in More than One Year
Publicly offered COPs:						
2001 issue	\$ 1,625,000	\$ -	\$ (380,000)	\$ 1,245,000	\$ 395,000	\$ 850,000
2005 issue	3,065,000	-	(200,000)	2,865,000	205,000	2,660,000
Subscription liability	145,949	-	(71,855)	74,094	74,094	-
Compensated absences	1,191,160	918,804	(804,315)	1,305,649	110,000	1,195,649
Total	\$ 6,027,109	\$ 918,804	\$ (1,456,170)	\$ 5,489,743	\$ 784,094	\$ 4,705,649

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, 2024 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
Total	\$ 1,245,000	\$ 95,375	\$ 1,340,375

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, are as follows:

June 30,	Principal	Interest	Total
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	245,000	91,806	336,806
2030-2034	1,415,000	277,269	1,692,269
2035	325,000	15,031	340,031
Total	\$ 2,865,000	\$ 855,138	\$ 3,720,138

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:

June 30,	Principal	Interest	Total
2024	\$ 74,094	\$ 185	\$ 74,279
Total	\$ 74,094	\$ 185	\$ 74,279

Compensated Absences

The Town's liability for vested and unpaid compensated absences (accrued vacation and sick pay) has been accrued and amounts to \$1,305,649 at June 30, 2024. It is estimated that \$110,000 will be needed to cover employees who leave employment within one year.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – Long-Term Obligations (Continued)

B. Fiduciary Fund Financial Statements

Summary of changes in long-term obligations for the year ended June 30, 2024 was as follows:

Description	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year	Due in More than One Year
Loans payable	\$ 1,700,000	\$ -	\$ (230,000)	\$ 1,470,000	\$ 250,000	\$ 1,220,000
Total	\$ 1,700,000	\$ -	\$ (230,000)	\$ 1,470,000	\$ 250,000	\$ 1,220,000

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, 2024 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
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
Total	\$ 1,470,000	\$ 332,351	\$ 1,802,351

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, was \$10,316,669. Total employee contributions paid by the Town amounted to \$1,404,446 or 13.61% 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, 2024, the Plan had 175 participants and the market value of the Plan amounted to \$27,992,207.

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 \$55,207. As of June 30, 2024, the Plan had two participants and the market value of the Plan amounted to \$534,799.

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, 2024

Note 11 – Fund Balance Classification and Net Position

At June 30, 2024, 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	
Fund Balances:							
Nonspendable							
Due from Successor Agency of Former CDA	\$ 659,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 659,401
Prepaid items	186,610	-	-	-	-	-	186,610
Total nonspendable	846,011	-	-	-	-	-	846,011
Restricted							
Special revenue	-	1,525,693	4,512,160	-	-	32,368,930	38,406,783
Debt service	848,842	-	-	-	-	-	848,842
Total restricted	848,842	1,525,693	4,512,160	-	-	32,368,930	39,255,625
Committed							
Capital projects	14,562,169	-	-	-	25,885,371	8,065,637	48,513,177
Operating reserve	16,009,768	-	-	-	-	-	16,009,768
Contingency	1,010,470	-	-	-	-	-	1,010,470
Reward fund	10,000	-	-	-	-	-	10,000
Compensated absences/personnel	2,215,232	-	-	-	-	-	2,215,232
Total committed	33,807,639	-	-	-	25,885,371	8,065,637	67,758,647
Assigned							
Townwide bonus program	26,000	-	-	-	-	-	26,000
Town Council	5,000	-	-	-	-	-	5,000
Emergency preparedness COVID-19	78,256	-	-	-	-	-	78,256
Finance consulting services	10,000	-	-	-	-	-	10,000
Information technology consulting services	15,000	-	-	-	-	-	15,000
Information technology equipment	20,000	-	-	-	-	-	20,000
Human resources consulting services	60,000	-	-	-	-	-	60,000
Internal services software	11,000	-	-	-	-	-	11,000
Internal services equipment	10,010	-	-	-	-	-	10,010
Economic development consultant	10,000	-	-	-	-	-	10,000
Maintenance equipment maintenance	50,000	-	-	-	-	-	50,000
Lighting and landscaping	-	3,113,454	-	-	-	-	3,113,454
Total assigned	295,266	3,113,454	-	-	-	-	3,408,720
Unassigned (deficit)	1,100,000	-	-	(218,086)	-	-	881,914
Total fund balance (deficit)	\$ 36,897,758	\$ 4,639,147	\$ 4,512,160	\$ (218,086)	\$ 25,885,371	\$ 40,434,567	\$ 112,150,917

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, 2024

Note 11 – Fund Balance Classification and Net Position (Continued)

Net Investment in Capital Assets

The details of net investment in capital assets in the Statement of Net Position as of June 30, 2024, are presented below:

	Governmental Activities
Capital assets, not being depreciated	\$ 136,665,600
Capital assets, net of depreciation and amortization	55,856,426
Less: debt related to capital assets	
2001 COPs	(1,245,000)
2005 COPs	(2,865,000)
Subscription liability	(74,094)
Less: retentions payable	(158,419)
Net investment in capital assets	\$ 188,179,513

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 \$29,000,000. 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 \$994,667 for fiscal year 2023/2024 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
2021-2022	\$ 56,514	\$ 18,323	\$ (29,623)	\$ 45,214
2022-2023	45,214	7,934	(21,339)	31,809
2023-2024	31,809	75,395	(41,961)	65,243

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Risk Management (Continued)

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	\$ 994,667
Less: dividend received	-
Net insurance cost	\$ 994,667

The MPA's audited condensed financial information as of and for the year ended June 30, 2023, are as follows:

Total assets	\$ 89,015,003
Total deferred outflows of resources	\$ 1,999,852
Total liabilities	\$ 66,355,741
Total deferred inflows of resources	\$ 395,382
Total net position	\$ 24,263,732
Total operating revenues	\$ 47,399,643
Total operating expenses	\$ 47,558,867
Net operating (loss)	\$ (159,224)
Non-operating revenues (expenses)	\$ 1,158,446
Change in net position	\$ 999,222

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, 2024, the Town's appropriations limit totals \$51,850,346 and the Town's appropriations subject to limitation were \$25,270,077.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Commitments and Contingencies (Continued)

2024 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, 2024. These projects are evidenced by contractual commitments with contractors. As of June 30, 2024, the Town's outstanding contractual commitments amount were \$2,844,030.

Note 14 – Other Required Disclosures

A. Expenditures Exceeding Appropriations

For the year ended June 30, 2024, the following funds had excess expenditures over appropriations, which are expected to be covered with existing fund balance or had sufficient available revenue:

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures over Appropriations</u>
General Fund	Maintenance services	\$ 373,344
General Fund	Capital outlay	6,145
Lighting and Landscaping Special Revenue Fund	Maintenance services	21,210
Lighting and Landscaping Special Revenue Fund	Administrative services	292,879
Lighting and Landscaping Special Revenue Fund	Capital outlay	49,322
American Rescue Plan Act Special Revenue Fund	Capital outlay	17,950
Gas Tax Special Revenue Fund	Administrative services	1,239
Child Care Special Revenue Fund	Administrative services	608
Stormwater Pollution Control Program Special Revenue Fund	Development services	174,854
Measure C/J Special Revenue Fund	Administrative services	46
Measure C/J Special Revenue Fund	Capital outlay	91,074
Donations and Contributions Special Revenue Fund	Maintenance services	5,558
Public Safety Special Revenue Fund	Police services	2
Public Safety Special Revenue Fund	Administrative services	189

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – Other Required Disclosures (Continued)

B. Deficit Net Position/Fund Balance

The following funds have deficit fund balance or net position at June 30, 2024:

<u>Fund</u>	<u>Balance</u>
American Rescue Plan Act Special Revenue Fund	\$ (218,086)
Successor Agency Private Purpose Trust Fund	(2,597,092)

Deficit balances in governmental funds are expected to be covered by future revenues. The deficit fund balance in the Successor Agency private-purpose trust fund is expected to be covered by receipt of tax increment funding.



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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**



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Town of Danville
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2024

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 legal level of budgetary control is at the program level. 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 accounting principles generally accepted in the United States of America (U.S. 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 Schedules
For the Year Ended June 30, 2024

General Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Property taxes	\$ 17,452,000	\$ 17,452,000	\$ 19,905,678	\$ 2,453,678
Sales taxes	6,640,000	6,640,000	6,799,187	159,187
Other taxes	2,288,788	2,288,788	2,584,666	295,878
Charges for services	67,553	67,553	2,030,638	1,963,085
Licenses and permits	350,000	350,000	388,935	38,935
Intergovernmental	1,010	21,945	204,173	182,228
Fines and forfeitures	150,000	150,000	144,658	(5,342)
Use of money and property	2,485,491	2,485,491	5,042,345	2,556,854
Reimbursement from Successor Agency	867,249	867,249	867,219	(30)
Miscellaneous	1,131,854	1,131,854	468,222	(663,632)
Total revenues	31,433,945	31,454,880	38,435,721	6,980,841
EXPENDITURES:				
Current:				
General government				
Town Council	253,651	258,651	194,729	63,922
Town Manager	845,683	871,683	712,736	158,947
Town Attorney	458,257	579,110	542,758	36,352
Town Clerk	283,022	287,314	251,803	35,511
Community outreach	401,021	427,478	284,652	142,826
Economic development	468,501	496,781	401,902	94,879
Total general government	2,710,135	2,921,017	2,388,580	532,437
Police services				
Administration	1,845,765	2,138,120	2,015,715	122,405
Patrol	6,303,841	6,402,344	6,056,747	345,597
Traffic	1,273,741	1,276,518	1,228,646	47,872
Investigations	1,051,156	1,063,588	1,038,754	24,834
PS Youth Services	571,927	571,927	480,807	91,120
Emergency preparedness	137,189	422,101	284,390	137,711
Total police services	11,183,619	11,874,598	11,105,059	769,539
Maintenance services				
Management	450,516	480,516	410,537	69,979
Building maintenance	490,073	501,793	1,134,997	(633,204)
Park maintenance	1,372,231	1,437,086	1,248,486	188,600
Equipment maintenance	393,900	423,900	352,640	71,260
Total maintenance services	2,706,720	2,843,295	3,146,660	(373,344)
Development services				
Management	333,307	333,307	271,725	61,582
Planning	239,594	239,594	179,316	60,278
Engineering	146,207	146,207	124,716	21,491
Capital project management	633,699	633,699	609,847	23,852
Transportation	-	17,000	-	17,000
Total development services	1,352,807	1,369,807	1,185,604	184,203

(Continued)

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules (Continued)
For the Year Ended June 30, 2024

General Fund (Continued)

	Original Budget	Final Budget	Actual	Variance From Final Budget
EXPENDITURES (Continued):				
Current (Continued):				
Administrative services				
Management	364,110	364,110	334,490	29,620
Finance	766,511	822,954	680,678	142,276
Information technology	879,639	927,858	684,673	243,185
Animal control	394,936	394,936	382,985	11,951
Human resources	471,708	539,243	360,863	178,380
Risk management	1,185,152	1,185,239	1,212,558	(27,319)
Internal services	292,012	375,448	220,849	154,599
Library services	180,204	180,204	156,512	23,692
Total administrative services	<u>4,534,272</u>	<u>4,789,992</u>	<u>4,033,608</u>	<u>756,384</u>
Recreation, arts, and community services				
Management	389,231	389,231	373,743	15,488
Sports and fitness	704,441	711,353	674,310	37,043
Facilities management	580,947	580,947	571,249	9,698
Culture arts	762,591	762,591	712,430	50,161
Youth services	547,792	547,792	547,705	87
Teen services	421,069	426,800	375,703	51,097
Adult services	173,776	173,776	131,171	42,605
Senior services	398,231	398,231	374,005	24,226
Special events	338,585	347,598	292,737	54,861
Total recreation, arts, and community services	<u>4,316,663</u>	<u>4,338,319</u>	<u>4,053,053</u>	<u>269,778</u>
Capital outlay	-	-	6,145	(6,145)
Debt service:				
Principal	651,855	651,855	651,855	-
Interest	225,394	215,364	215,364	-
Total expenditures	<u>27,681,465</u>	<u>29,004,247</u>	<u>26,785,928</u>	<u>2,132,852</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,752,480</u>	<u>2,450,633</u>	<u>11,649,793</u>	<u>4,847,989</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,726,594)	(8,076,594)	(3,692,697)	4,383,897
Total other financing sources (uses)	<u>(4,726,594)</u>	<u>(8,076,594)</u>	<u>(3,692,697)</u>	<u>4,383,897</u>
NET CHANGE IN FUND BALANCE	<u>\$ (974,114)</u>	<u>\$ (5,625,961)</u>	7,957,096	<u>\$ 9,231,886</u>
FUND BALANCE:				
Beginning of year			28,940,662	
End of year			<u>\$ 36,897,758</u>	

(Concluded)

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules (Continued)
For the Year Ended June 30, 2024

Lighting and Landscape Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Special assessments	\$ 3,031,853	\$ 3,031,853	\$ 3,050,957	\$ 19,104
Use of money and property	8,999	8,999	121,935	112,936
Miscellaneous	90,000	90,000	135,570	45,570
Total revenues	3,130,852	3,130,852	3,308,462	177,610
EXPENDITURES:				
Current:				
Maintenance services				
Capital project management	130,939	130,939	179,653	(48,714)
Building maintenance	27,504	27,504	-	27,504
Total maintenance services	158,443	158,443	179,653	(21,210)
Development services				
Engineering	404,700	404,700	15,599	389,101
Total development services	404,700	404,700	15,599	389,101
Lighting and landscape				
Building maintenance	490,072	501,792	303,050	198,742
Park maintenance	1,372,791	1,437,646	1,248,051	189,595
Roadside maintenance	2,206,601	2,365,366	1,939,590	425,776
Street light maintenance	794,034	915,050	815,504	99,546
Total lighting and landscape	4,863,498	5,219,854	4,306,195	913,659
Administrative services				
Finance	2,616	2,616	295,495	(292,879)
Total administrative services	2,616	2,616	295,495	(292,879)
Capital outlay	-	-	49,322	(49,322)
Total expenditures	5,429,257	5,785,613	4,846,264	939,349
REVENUES OVER (UNDER) EXPENDITURES	(2,298,405)	(2,654,761)	(1,537,802)	1,116,959
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,350,000	1,350,000
Total other financing sources (uses)	-	-	1,350,000	1,350,000
NET CHANGE IN FUND BALANCE	\$ (2,298,405)	\$ (2,654,761)	(187,802)	\$ 2,466,959
FUND BALANCE:				
Beginning of year			4,826,949	
End of year			<u>\$ 4,639,147</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules (Continued)
For the Year Ended June 30, 2024

Regional Traffic Impact Fees Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Development fees	\$ -	\$ -	\$ 123,530	\$ 123,530
Intergovernmental	111,885	111,885	111,885	-
Use of money and property	-	-	66,350	66,350
Miscellaneous	1,310	1,310	-	(1,310)
Total revenues	<u>113,195</u>	<u>113,195</u>	<u>301,765</u>	<u>188,570</u>
EXPENDITURES:				
Current:				
Development services				
Capital project management	1,606,411	1,606,411	137,578	1,468,833
Total development services	<u>1,606,411</u>	<u>1,606,411</u>	<u>137,578</u>	<u>1,468,833</u>
Administrative services				
Finance	11,437	11,437	2,085	9,352
Total administrative services	<u>11,437</u>	<u>11,437</u>	<u>2,085</u>	<u>9,352</u>
Capital outlay	111,885	111,885	104,283	7,602
Total expenditures	<u>1,729,733</u>	<u>1,729,733</u>	<u>243,946</u>	<u>1,485,787</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,616,538)</u>	<u>\$ (1,616,538)</u>	57,819	<u>\$ 1,674,357</u>
FUND BALANCE:				
Beginning of year			4,454,341	
End of year			<u>\$ 4,512,160</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules (Continued)
For the Year Ended June 30, 2024

American Rescue Plan Act Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 1,162,776	\$ 1,162,776
Total revenues	-	-	1,162,776	1,162,776
EXPENDITURES:				
Current:				
Development services				
Capital project management	5,846,614	5,846,614	1,363,842	4,482,772
Total development services	5,846,614	5,846,614	1,363,842	4,482,772
Capital outlay	-	-	17,950	(17,950)
Total expenditures	5,846,614	5,846,614	1,381,792	4,464,822
NET CHANGE IN FUND BALANCE	\$ (5,846,614)	\$ (5,846,614)	(219,016)	\$ 5,627,598
FUND BALANCE (DEFICIT):				
Beginning of year			930	
End of year			\$ (218,086)	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
Modified Approach for Town Street Infrastructure Assets
For the Year Ended June 30, 2024

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 April 2024, 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 September 2023. 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:

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

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
Modified Approach for Town Street Infrastructure Assets (Continued)
For the Year Ended June 30, 2024

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, 2024, the Town's street system was rated at a PCI index of 77 on the average with the detail condition as follows:

<u>Street Condition</u>	<u>% of Streets</u>
Very Good (PCI 70-100)	78%
Good (PCI 50-69)	18%
Poor (PCI 26-49)	4%
Very Poor (PCI 0-25)	0%
	<u>100%</u>

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 \$3,720,080 of the General Fund monies on street maintenance for the fiscal year ended June 30, 2024. 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 2024 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	<u>General Fund</u>		<u>Other Funds</u>	<u>Total</u>	PCI Rating
	<u>Final Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	
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
2023-24	5,086,541	3,720,080	4,138,251	7,858,331	78

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, 2024, approximately 22% 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 \$20,000,000 for all streets.

SUPPLEMENTARY INFORMATION



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NON-MAJOR GOVERNMENTAL FUNDS

Town of Danville

Non-Major Governmental Funds

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)

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)

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, 2024

	Special Revenue				
	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
ASSETS					
Cash and investments	\$ 287,094	\$ 5,946,964	\$ 7,140,903	\$ 2,987,008	\$ 388,196
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	14,457	124,105	100	-	-
Interest	1,497	29,435	-	-	1,922
Total assets	\$ 303,048	\$ 6,100,504	\$ 7,141,003	\$ 2,987,008	\$ 390,118
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	46	201,151	92,249	30,056	58
Accrued wages	-	16,365	35,492	205	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	42,670	-
Unearned revenue	-	30,120	5,814	-	-
Total liabilities	46	247,636	133,555	72,931	58
Fund Balances:					
Restricted	303,002	5,852,868	7,007,448	2,914,077	390,060
Committed	-	-	-	-	-
Total fund balances	303,002	5,852,868	7,007,448	2,914,077	390,060
Total liabilities and fund balances	\$ 303,048	\$ 6,100,504	\$ 7,141,003	\$ 2,987,008	\$ 390,118

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2024

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
ASSETS					
Cash and investments	\$ 2,155,061	\$ 2,895,499	\$ 296,932	\$ 3,002,911	\$ 653,214
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	138,161	635,754	-	-	-
Interest	10,760	14,425	1,467	13,451	3,684
Total assets	<u>\$ 2,303,982</u>	<u>\$ 3,545,678</u>	<u>\$ 298,399</u>	<u>\$ 3,016,362</u>	<u>\$ 656,898</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	126,512	188,112	49	407	113
Accrued wages	2,530	3,153	-	-	1,452
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>129,042</u>	<u>191,265</u>	<u>49</u>	<u>407</u>	<u>1,565</u>
Fund Balances:					
Restricted	2,174,940	3,354,413	298,350	3,015,955	655,333
Committed	-	-	-	-	-
Total fund balances	<u>2,174,940</u>	<u>3,354,413</u>	<u>298,350</u>	<u>3,015,955</u>	<u>655,333</u>
Total liabilities and fund balances	<u>\$ 2,303,982</u>	<u>\$ 3,545,678</u>	<u>\$ 298,399</u>	<u>\$ 3,016,362</u>	<u>\$ 656,898</u>

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2024

	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
ASSETS					
Cash and investments	\$ 632,316	\$ 3,914,876	\$ 1,951,353	\$ 3,086,922	\$ 809,411
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	2,991	-	10,452	13,437	3,178
Total assets	<u>\$ 635,307</u>	<u>\$ 3,914,876</u>	<u>\$ 1,961,805</u>	<u>\$ 3,100,359</u>	<u>\$ 812,589</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	91	109,094	319	20,712	97
Accrued wages	-	-	-	-	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>91</u>	<u>109,094</u>	<u>319</u>	<u>20,712</u>	<u>97</u>
Fund Balances:					
Restricted	635,216	3,805,782	1,961,486	-	-
Committed	-	-	-	3,079,647	812,492
Total fund balances	<u>635,216</u>	<u>3,805,782</u>	<u>1,961,486</u>	<u>3,079,647</u>	<u>812,492</u>
Total liabilities and fund balances	<u>\$ 635,307</u>	<u>\$ 3,914,876</u>	<u>\$ 1,961,805</u>	<u>\$ 3,100,359</u>	<u>\$ 812,589</u>

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2024

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
ASSETS					
Cash and investments	\$ 367,464	\$ 2,430,840	\$ 230,795	\$ 21,041	\$ 17,108
Cash and investments with fiscal agent	-	-	928,617	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	2,037	11,030	6,888	104	47
Total assets	\$ 369,501	\$ 2,441,870	\$ 1,166,300	\$ 21,145	\$ 17,155
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	64	5,017	5,991	-	1
Accrued wages	-	-	-	-	-
Retention payable	180	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	244	5,017	5,991	-	1
Fund Balances:					
Restricted	-	-	-	-	-
Committed	369,257	2,436,853	1,160,309	21,145	17,154
Total fund balances	369,257	2,436,853	1,160,309	21,145	17,154
Total liabilities and fund balances	\$ 369,501	\$ 2,441,870	\$ 1,166,300	\$ 21,145	\$ 17,155

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2024

	<u>Capital Projects</u>	
ASSETS	<u>Technology</u>	<u>Total</u>
	<u>Fund</u>	<u>Non-Major</u>
		<u>Governmental</u>
		<u>Funds</u>
Cash and investments	\$ 168,780	\$ 39,384,688
Cash and investments with fiscal agent	-	928,617
Receivables (net of allowances):		
Accounts	-	912,577
Interest	-	126,805
Total assets	<u>\$ 168,780</u>	<u>\$ 41,352,687</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	-	780,139
Accrued wages	-	59,197
Retention payable	-	180
Deposits payable	-	42,670
Unearned revenue	-	35,934
Total liabilities	<u>-</u>	<u>918,120</u>
Fund Balances:		
Restricted	-	32,368,930
Committed	168,780	8,065,637
Total fund balances	<u>168,780</u>	<u>40,434,567</u>
Total liabilities and fund balances	<u>\$ 168,780</u>	<u>\$ 41,352,687</u>

(Concluded)

Town of Danville
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Special Revenue				
	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	60,576	2,291,551	-	-	-
Charges for services	-	-	642,616	667,516	-
License and permits	-	-	5,676	-	-
Development fees	-	-	2,761,194	4,152	16,690
Intergovernmental	-	-	150,000	-	-
Use of money and property	5,650	122,437	-	-	7,154
Miscellaneous	-	-	-	-	-
Total revenues	66,226	2,413,988	3,559,486	671,668	23,844
EXPENDITURES:					
Current:					
General government	24,606	-	-	-	-
Police services	-	-	-	-	-
Maintenance services	-	859,801	-	-	-
Development services	-	793,134	2,110,422	387,986	-
Administrative services	195	6,564	-	-	832
Recreation, arts & community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	24,801	1,659,499	2,110,422	387,986	832
REVENUES OVER (UNDER) EXPENDITURES	41,425	754,489	1,449,064	283,682	23,012
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(75,000)	-	(50,000)	-	-
Total other financing sources (uses)	(75,000)	-	(50,000)	-	-
NET CHANGE IN FUND BALANCES	(33,575)	754,489	1,399,064	283,682	23,012
FUND BALANCES:					
Beginning of year	336,577	5,098,379	5,608,384	2,630,395	367,048
End of year	<u>\$ 303,002</u>	<u>\$ 5,852,868</u>	<u>\$ 7,007,448</u>	<u>\$ 2,914,077</u>	<u>\$ 390,060</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, 2024

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
REVENUES:					
Special assessments	\$ 579,341	\$ -	\$ -	\$ -	\$ -
Other taxes	-	54,699	-	-	-
Charges for services	2,626	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	235,881	-
Intergovernmental	3,436	1,589,513	-	-	207,336
Use of money and property	46,594	69,135	5,597	92,826	14,318
Miscellaneous	-	1,200	20,767	19,309	-
Total revenues	631,997	1,714,547	26,364	348,016	221,654
EXPENDITURES:					
Current:					
General government	-	-	500	-	-
Police services	-	-	176	-	140,002
Maintenance services	5,495	-	8,558	239,374	-
Development services	740,525	990,256	-	38,719	-
Administrative services	1,377	1,683	-	1,659	486
Recreation, arts & community services	-	-	-	12,768	-
Capital outlay	-	91,074	-	-	109,645
Total expenditures	747,397	1,083,013	9,234	292,520	250,133
REVENUES OVER (UNDER) EXPENDITURES	(115,400)	631,534	17,130	55,496	(28,479)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(115,400)	631,534	17,130	55,496	(28,479)
FUND BALANCES:					
Beginning of year	2,290,340	2,722,879	281,220	2,960,459	683,812
End of year	\$ 2,174,940	\$ 3,354,413	\$ 298,350	\$ 3,015,955	\$ 655,333

(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, 2024

	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
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	911,401	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	11,585	-	40,035	97,816	19,238
Miscellaneous	-	-	-	-	-
Total revenues	11,585	911,401	40,035	97,816	19,238
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	345,175	413
Maintenance services	-	-	-	-	-
Development services	-	175,148	-	-	-
Administrative services	385	-	2,342	-	-
Recreation, arts & community services	-	-	-	-	-
Capital outlay	-	-	-	39,720	20,764
Total expenditures	385	175,148	2,342	384,895	21,177
REVENUES OVER (UNDER) EXPENDITURES	11,200	736,253	37,693	(287,079)	(1,939)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	175,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	175,000	-
NET CHANGE IN FUND BALANCES	11,200	736,253	37,693	(112,079)	(1,939)
FUND BALANCES:					
Beginning of year	624,016	3,069,529	1,923,793	3,191,726	814,431
End of year	<u>\$ 635,216</u>	<u>\$ 3,805,782</u>	<u>\$ 1,961,486</u>	<u>\$ 3,079,647</u>	<u>\$ 812,492</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, 2024

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	12,697	64,101	167,474	410	179
Miscellaneous	-	-	-	-	-
Total revenues	12,697	64,101	167,474	410	179
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police services	278	1,633	5,791	2	2
Maintenance services	-	20,056	-	-	-
Development services	-	-	540	-	-
Administrative services	-	-	-	-	-
Recreation, arts & community services	32,150	-	-	-	-
Capital outlay	13,333	1,405,715	158,523	15,729	-
Total expenditures	45,761	1,427,404	164,854	15,731	2
REVENUES OVER (UNDER) EXPENDITURES	(33,064)	(1,363,303)	2,620	(15,321)	177
OTHER FINANCING SOURCES (USES):					
Transfers in	72,480	340,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	72,480	340,000	-	-	-
NET CHANGE IN FUND BALANCES	39,416	(1,023,303)	2,620	(15,321)	177
FUND BALANCES:					
Beginning of year	329,841	3,460,156	1,157,689	36,466	16,977
End of year	<u>\$ 369,257</u>	<u>\$ 2,436,853</u>	<u>\$ 1,160,309</u>	<u>\$ 21,145</u>	<u>\$ 17,154</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, 2024

	<u>Capital Projects</u>	
	Technology Fund	Total Non-Major Governmental Funds
REVENUES:		
Special assessments	\$ -	\$ 579,341
Other taxes	-	3,318,227
Charges for services	-	1,312,758
License and permits	-	5,676
Development fees	-	3,017,917
Intergovernmental	-	1,950,285
Use of money and property	-	777,246
Miscellaneous	-	41,276
Total revenues	-	11,002,726
EXPENDITURES:		
Current:		
General government	-	25,106
Police services	3,675	497,147
Maintenance services	-	1,133,284
Development services	-	5,236,730
Administrative services	-	15,523
Recreation, arts & community services	-	44,918
Capital outlay	-	1,854,503
Total expenditures	3,675	8,807,211
REVENUES OVER (UNDER) EXPENDITURES	(3,675)	2,195,515
OTHER FINANCING SOURCES (USES):		
Transfers in	-	587,480
Transfers out	-	(125,000)
Total other financing sources (uses)	-	462,480
NET CHANGE IN FUND BALANCES	(3,675)	2,657,995
FUND BALANCES:		
Beginning of year	172,455	37,776,572
End of year	\$ 168,780	\$ 40,434,567

(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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 82,000	\$ 82,000	\$ 60,576	\$ (21,424)
Use of money and property	-	-	5,650	5,650
Total revenues	82,000	82,000	66,226	(15,774)
EXPENDITURES:				
Current:				
General government				
City Clerk	32,909	42,909	24,606	18,303
Total general government	32,909	42,909	24,606	18,303
Administrative services				
Finance	554	554	195	359
Total administrative services	554	554	195	359
Capital outlay	252,297	252,297	-	252,297
Total expenditures	285,760	295,760	24,801	270,959
REVENUES OVER (UNDER) EXPENDITURES	(203,760)	(213,760)	41,425	255,185
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(75,000)	(75,000)
Total other financing sources (uses)	-	-	(75,000)	(75,000)
NET CHANGE IN FUND BALANCE	\$ (203,760)	\$ (213,760)	(33,575)	\$ 180,185
FUND BALANCE:				
Beginning of year			336,577	
End of year			<u>\$ 303,002</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 1,835,172	\$ 1,835,172	\$ 2,291,551	\$ 456,379
Use of money and property	14,828	14,828	122,437	107,609
Total revenues	1,850,000	1,850,000	2,413,988	563,988
EXPENDITURES:				
Current:				
Maintenance services				
Street maintenance	697,595	697,595	606,953	90,642
Traffic signal maintenance	234,000	234,000	252,848	(18,848)
Total maintenance services	<u>931,595</u>	<u>931,595</u>	<u>859,801</u>	<u>71,794</u>
Development services				
Management	73,491	73,491	47,834	25,657
Capital project management	2,633,637	3,183,637	398,386	2,785,251
Transportation	379,038	398,948	346,914	52,034
Total development services	<u>3,086,166</u>	<u>3,656,076</u>	<u>793,134</u>	<u>2,862,942</u>
Administrative services				
Finance	5,325	5,325	6,564	(1,239)
Total administrative services	<u>5,325</u>	<u>5,325</u>	<u>6,564</u>	<u>(1,239)</u>
Total expenditures	4,023,086	4,592,996	1,659,499	2,933,497
NET CHANGE IN FUND BALANCE	\$ (2,173,086)	\$ (2,742,996)	754,489	\$ 3,497,485
FUND BALANCE:				
Beginning of year			<u>5,098,379</u>	
End of year			<u>\$ 5,852,868</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 389,750	\$ 389,750	\$ 642,616	\$ 252,866
Licenses and permits	-	-	5,676	5,676
Development fees	1,750,000	1,750,000	2,761,194	1,011,194
Intergovernmental	-	-	150,000	150,000
Miscellaneous	200	200	-	(200)
Total revenues	<u>2,139,950</u>	<u>2,139,950</u>	<u>3,559,486</u>	<u>1,419,536</u>
EXPENDITURES:				
Current:				
Development services				
Management	291,844	291,844	63,332	228,512
Planning	515,124	895,612	555,843	339,769
Building	1,486,804	1,568,202	1,397,902	170,300
Code enforcement	136,350	136,350	93,345	43,005
Total development services	<u>2,430,122</u>	<u>2,892,008</u>	<u>2,110,422</u>	<u>781,586</u>
Total expenditures	<u>2,430,122</u>	<u>2,892,008</u>	<u>2,110,422</u>	<u>781,586</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(290,172)</u>	<u>(752,058)</u>	<u>1,449,064</u>	<u>2,201,122</u>
OTHER FINANCING (USES)				
Transfers out	-	-	(50,000)	(50,000)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (290,172)</u>	<u>\$ (752,058)</u>	<u>1,399,064</u>	<u>\$ 2,151,122</u>
FUND BALANCE:				
Beginning of year			<u>5,608,384</u>	
End of year			<u>\$ 7,007,448</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 301,705	\$ 301,705	\$ 667,516	\$ 365,811
Development fees	500	500	4,152	3,652
Total revenues	<u>302,205</u>	<u>302,205</u>	<u>671,668</u>	<u>369,463</u>
EXPENDITURES:				
Current:				
Development services				
Engineering	432,436	507,194	387,986	119,208
Total development services	<u>432,436</u>	<u>507,194</u>	<u>387,986</u>	<u>119,208</u>
Total expenditures	<u>432,436</u>	<u>507,194</u>	<u>387,986</u>	<u>119,208</u>
NET CHANGE IN FUND BALANCE	<u>\$ (130,231)</u>	<u>\$ (204,989)</u>	283,682	<u>\$ 488,671</u>
FUND BALANCE:				
Beginning of year			<u>2,630,395</u>	
End of year			<u>\$ 2,914,077</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Development fees	\$ -	\$ -	\$ 16,690	\$ 16,690
Use of money and property	1,199	1,199	7,154	5,955
Total revenues	<u>1,199</u>	<u>1,199</u>	<u>23,844</u>	<u>22,645</u>
EXPENDITURES				
Current:				
Administrative services				
Management	-	-	600	(600)
Finance	224	224	232	(8)
Total administrative services	<u>224</u>	<u>224</u>	<u>832</u>	<u>(608)</u>
Total expenditures	<u>224</u>	<u>224</u>	<u>832</u>	<u>(608)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>975</u>	<u>975</u>	<u>23,012</u>	<u>22,037</u>
OTHER FINANCING (USES)				
Transfers out	-	-	-	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 975</u>	<u>\$ 975</u>	<u>23,012</u>	<u>\$ 22,037</u>
FUND BALANCE:				
Beginning of year			<u>367,048</u>	
End of year			<u>\$ 390,060</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Special assessments	\$ 562,154	\$ 562,154	\$ 579,341	\$ 17,187
Charges for services	1,010	1,010	2,626	1,616
Intergovernmental	45,175	45,175	3,436	(41,739)
Use of money and property	9,536	9,536	46,594	37,058
Total revenues	<u>617,875</u>	<u>617,875</u>	<u>631,997</u>	<u>14,122</u>
EXPENDITURES:				
Current:				
Maintenance services				
Steet maintenance	164,364	169,364	5,495	163,869
Total maintenance services	<u>164,364</u>	<u>169,364</u>	<u>5,495</u>	<u>163,869</u>
Development services				
Capital project management	93,000	93,000	86,490	6,510
Clean water program	465,178	472,671	654,035	(181,364)
Total development services	<u>558,178</u>	<u>565,671</u>	<u>740,525</u>	<u>(174,854)</u>
Administrative services				
Finance	1,491	1,491	1,377	114
Total administrative services	<u>1,491</u>	<u>1,491</u>	<u>1,377</u>	<u>114</u>
Total expenditures	<u>724,033</u>	<u>736,526</u>	<u>747,397</u>	<u>(10,871)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (106,158)</u>	<u>\$ (118,651)</u>	<u>(115,400)</u>	<u>\$ 3,251</u>
FUND BALANCE:				
Beginning of year			<u>2,290,340</u>	
End of year			<u>\$ 2,174,940</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 11,594,939	\$ 11,594,939	\$ 1,589,513	\$ (10,005,426)
Other taxes	-	-	54,699	54,699
Use of money and property	10,139	10,139	69,135	58,996
Miscellaneous	-	-	1,200	1,200
Total revenues	<u>11,605,078</u>	<u>11,605,078</u>	<u>1,714,547</u>	<u>(9,890,531)</u>
EXPENDITURES:				
Current:				
Development services				
Management	73,491	73,491	680,755	(607,264)
Capital project management	11,661,810	12,311,810	157,213	12,154,597
Transportation	226,040	226,040	152,288	73,752
Total development services	<u>11,961,341</u>	<u>12,611,341</u>	<u>990,256</u>	<u>11,621,085</u>
Administrative services				
Finance	1,637	1,637	1,683	(46)
Administrative services	<u>1,637</u>	<u>1,637</u>	<u>1,683</u>	<u>(46)</u>
Capital outlay	-	-	91,074	(91,074)
Total expenditures	<u>11,962,978</u>	<u>12,612,978</u>	<u>1,083,013</u>	<u>11,529,965</u>
NET CHANGE IN FUND BALANCE	<u>\$ (357,900)</u>	<u>\$ (1,007,900)</u>	631,534	<u>\$ 1,639,434</u>
FUND BALANCE:				
Beginning of year			<u>2,722,879</u>	
End of year			<u>\$ 3,354,413</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 974	\$ 974	\$ 5,597	\$ 4,623
Miscellaneous	3,760	13,760	20,767	7,007
Total revenues	<u>4,734</u>	<u>14,734</u>	<u>26,364</u>	<u>11,630</u>
EXPENDITURES:				
Current:				
General government				
Town Council	500	500	500	-
Total general government	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Police services				
Patrol	297	26,338	176	26,162
Total police services	<u>297</u>	<u>26,338</u>	<u>176</u>	<u>26,162</u>
Maintenance services				
Park maintenance	3,000	3,000	8,558	(5,558)
Total maintenance services	<u>3,000</u>	<u>3,000</u>	<u>8,558</u>	<u>(5,558)</u>
Recreation, arts & community services				
Culture arts	2,000	2,000	-	2,000
Total recreation, arts & community services	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>5,797</u>	<u>31,838</u>	<u>9,234</u>	<u>22,604</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,063)</u>	<u>\$ (17,104)</u>	17,130	<u>\$ 34,234</u>
FUND BALANCE:				
Beginning of year			281,220	
End of year			<u>\$ 298,350</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Development fees	\$ -	\$ -	\$ 235,881	\$ 235,881
Use of money and property	-	-	92,826	92,826
Miscellaneous	179,129	201,629	19,309	(182,320)
Total revenues	179,129	201,629	348,016	146,387
EXPENDITURES:				
Current:				
Maintenance services				
Park maintenance	611,727	634,227	239,374	394,853
Total maintenance services	611,727	634,227	239,374	394,853
Development services				
Capital project management	281,152	320,652	38,719	281,933
Total development services	281,152	320,652	38,719	281,933
Administrative services				
Finance	3,666	3,666	1,659	2,007
Total administrative services	3,666	3,666	1,659	2,007
Recreation, arts & community services				
Recreation management	533,843	638,843	12,768	626,075
Total recreation, arts & community services	533,843	638,843	12,768	626,075
Capital outlay	199,199	199,199	-	199,199
Total expenditures	1,629,587	1,796,587	292,520	1,504,067
NET CHANGE IN FUND BALANCE	\$ (1,450,458)	\$ (1,594,958)	55,496	\$ 1,650,454
FUND BALANCE:				
Beginning of year			2,960,459	
End of year			<u>\$ 3,015,955</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 123,000	\$ 123,000	\$ 207,336	\$ 84,336
Use of money and property	1,246	1,246	14,318	13,072
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>125,246</u>	<u>125,246</u>	<u>221,654</u>	<u>96,408</u>
EXPENDITURES:				
Current:				
Police services				
Youth services	140,000	140,000	140,002	(2)
Total police services	<u>140,000</u>	<u>140,000</u>	<u>140,002</u>	<u>(2)</u>
Administrative services				
Finance	297	297	486	(189)
Total administrative services	<u>297</u>	<u>297</u>	<u>486</u>	<u>(189)</u>
Capital outlay	-	140,000	109,645	30,355
Total expenditures	<u>140,297</u>	<u>280,297</u>	<u>250,133</u>	<u>30,164</u>
NET CHANGE IN FUND BALANCE	<u>\$ (15,051)</u>	<u>\$ (155,051)</u>	<u>(28,479)</u>	<u>\$ 126,572</u>
FUND BALANCE:				
Beginning of year			<u>683,812</u>	
End of year			<u>\$ 655,333</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 11,585	\$ 11,585
Total revenues	<u>-</u>	<u>-</u>	<u>11,585</u>	<u>11,585</u>
EXPENDITURES:				
Current:				
Administrative services				
Finance	563	563	385	178
Total administrative services	<u>563</u>	<u>563</u>	<u>385</u>	<u>178</u>
Total expenditures	<u>563</u>	<u>563</u>	<u>385</u>	<u>178</u>
NET CHANGE IN FUND BALANCE	<u>\$ (563)</u>	<u>\$ (563)</u>	11,200	<u>\$ 11,763</u>
FUND BALANCE:				
Beginning of year			<u>624,016</u>	
End of year			<u>\$ 635,216</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 898,424	\$ 898,424	\$ 911,401	\$ 12,977
Total revenues	<u>898,424</u>	<u>898,424</u>	<u>911,401</u>	<u>12,977</u>
EXPENDITURES:				
Current:				
Development services				
Capital project management	2,775,000	3,595,000	175,148	3,419,852
Total development services	<u>2,775,000</u>	<u>3,595,000</u>	<u>175,148</u>	<u>3,419,852</u>
Total expenditures	<u>2,775,000</u>	<u>3,595,000</u>	<u>175,148</u>	<u>3,419,852</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,876,576)</u>	<u>\$ (2,696,576)</u>	736,253	<u>\$ 3,432,829</u>
FUND BALANCE:				
Beginning of year			<u>3,069,529</u>	
End of year			<u>\$ 3,805,782</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, 2024

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 40,035	\$ 40,035
Total revenues	<u>-</u>	<u>-</u>	<u>40,035</u>	<u>40,035</u>
EXPENDITURES:				
Current:				
Administrative services				
Finance	3,800	3,893	2,342	1,551
Total administrative services	<u>3,800</u>	<u>3,893</u>	<u>2,342</u>	<u>1,551</u>
Total expenditures	<u>3,800</u>	<u>3,893</u>	<u>2,342</u>	<u>1,551</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,800)</u>	<u>\$ (3,893)</u>	37,693	<u>\$ 41,586</u>
FUND BALANCE:				
Beginning of year			<u>1,923,793</u>	
End of year			<u>\$ 1,961,486</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				
	2015	2016	2017	2018	2019
Governmental Activities:					
Net investment in capital assets	\$ 149,697,964	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901
Restricted	23,655,107	26,812,236	24,437,153	23,784,733	24,398,492
Unrestricted	69,968,657	68,822,679	72,257,190	64,907,258	65,271,882
Total Governmental Activities Net Position	<u>\$ 243,321,728</u>	<u>\$ 250,543,966</u>	<u>\$ 252,486,782</u>	<u>\$ 251,690,654</u>	<u>\$ 255,886,275</u>
Primary Government:					
Net investment in capital assets	\$ 149,697,964	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901
Restricted	23,655,107	26,812,236	24,437,153	23,784,733	24,398,492
Unrestricted	69,968,657	68,822,679	72,257,190	64,907,258	65,271,882
Total Primary Governmental Net Position	<u>\$ 243,321,728</u>	<u>\$ 248,532,815</u>	<u>\$ 252,486,782</u>	<u>\$ 251,690,654</u>	<u>\$ 251,690,654</u>

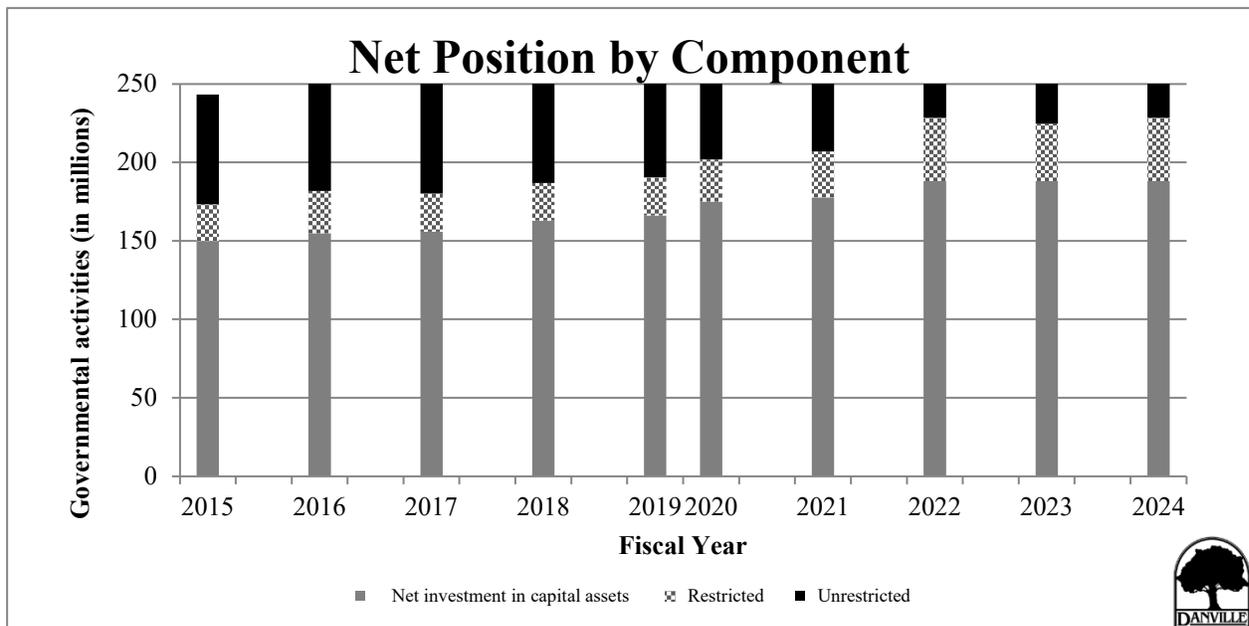
Source: Town Audited Financial Statements

Note:

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

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

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental Activities:					
Net investment in capital assets	\$ 174,968,722	\$ 177,508,851	\$ 188,179,513	\$ 188,058,533	\$ 188,179,513
Restricted	26,961,172	29,438,411	40,184,242	36,500,926	40,184,242
Unrestricted	61,659,221	65,882,561	71,129,258	66,412,003	71,129,258
Total Governmental Activities Net Position	\$ 263,589,115	\$ 272,829,823	\$ 299,493,013	\$ 290,971,462	\$ 299,493,013
Primary Government:					
Net investment in capital assets	\$ 174,968,722	\$ 177,508,851	\$ 188,179,513	\$ 188,058,533	\$ 188,179,513
Restricted	26,961,172	29,438,411	40,184,242	36,500,926	40,184,242
Unrestricted	61,659,221	65,882,561	71,129,258	66,412,003	71,129,258
Total Primary Governmental Net Position	\$ 263,589,115	\$ 272,829,823	\$ 299,493,013	\$ 290,971,462	\$ 299,493,013



Source: Town Audited Financial Statements

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				
	2015	2016	2017	2018	2019
Expenses:					
Governmental activities:					
General Government	\$ 1,527,466	\$ 1,592,763	\$ 1,658,023	\$ 1,821,906	\$ 1,648,107
Police Services	8,565,667	8,914,297	9,107,939	9,668,148	9,908,945
Maintenance Services & Lighting & Landscape	7,589,476	8,262,373	7,963,358	7,824,106	8,512,749
Development Services	14,348,084	5,233,296	8,568,817	12,113,185	12,589,561
Administrative Services	3,244,813	4,080,262	3,690,675	3,511,181	3,625,899
Recreation Services	3,877,829	3,847,434	4,129,417	4,016,368	4,273,896
Interest on long-term debt	369,274	364,866	345,931	345,473	325,210
Total governmental activities expenses	<u>39,522,609</u>	<u>32,295,291</u>	<u>35,464,160</u>	<u>39,300,367</u>	<u>40,884,367</u>
Total primary government expenses	<u>\$ 39,522,609</u>	<u>\$ 32,295,291</u>	<u>\$ 35,464,160</u>	<u>\$ 39,300,367</u>	<u>\$ 40,884,367</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	\$ -	\$ 10	\$ 30	\$ 30	\$ 1,126
Police Services	429,625	424,470	314,597	295,805	308,210
Maintenance Services, Lighting & Landscape	3,033,384	3,036,737	3,142,080	3,060,686	3,046,475
Development Services	4,196,817	4,285,454	3,575,751	3,792,303	4,473,140
Administrative Services	-	35,186	36,308	36,400	38,126
Recreation, Arts & Community Services	2,433,110	2,079,801	2,196,610	2,058,014	2,041,182
Operating grants and contributions	1,110,167	950,437	911,003	1,205,123	2,132,610
Capital grants and contributions	1,676,661	1,276,567	2,591,351	2,521,475	3,880,922
Total governmental activities program revenues	<u>\$ 12,879,764</u>	<u>\$ 12,088,662</u>	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>	<u>\$ 15,921,791</u>
Total primary government program revenues	<u>\$ 12,879,764</u>	<u>\$ 12,088,662</u>	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>	<u>\$ 15,921,791</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (26,642,845)</u>	<u>\$ (20,206,629)</u>	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>	<u>\$ (24,962,576)</u>
Total Primary Government, Net Expenses	<u>\$ (26,642,845)</u>	<u>\$ (20,206,629)</u>	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>	<u>\$ (24,962,576)</u>

Source: Town Audited Financial Statements

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				
	2020	2021	2022	2023	2024
Expenses:					
Governmental activities:					
General Government	\$ 1,988,737	\$ 1,727,404	\$ 2,773,284	\$ 2,999,255	\$ 2,432,702
Police Services	9,824,261	9,141,598	9,972,541	10,594,467	11,971,294
Maintenance Services & Lighting & Landscape	9,400,476	8,999,904	8,990,730	11,973,823	10,525,094
Development Services	5,769,904	6,231,119	7,246,100	6,931,034	15,427,297
Administrative Services	3,816,145	3,632,890	3,558,462	3,798,969	4,468,171
Recreation Services	3,794,136	2,722,675	3,137,966	4,096,414	4,359,029
Interest on long-term debt	325,210	282,675	256,521	234,055	204,389
Total governmental activities expenses	<u>34,916,610</u>	<u>32,738,265</u>	<u>35,935,604</u>	<u>40,628,017</u>	<u>49,387,976</u>
Total primary government expenses	<u>\$ 34,916,610</u>	<u>\$ 32,738,265</u>	<u>\$ 35,935,604</u>	<u>\$ 40,628,017</u>	<u>\$ 49,387,976</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ -	\$ -	\$ 10	\$ 15,923	\$ 23,184
Police Services	296,126	187,548	179,616	173,594	189,558
Maintenance Services, Lighting & Landscape	3,059,330	3,047,952	3,050,308	3,611,916	3,641,347
Development Services	3,374,462	3,738,947	4,471,835	4,386,782	4,484,293
Administrative Services	31,693	28,145	570,388	297,553	297,553
Recreation, Arts & Community Services	1,427,112	846,805	1,378,764	1,719,893	1,875,843
Operating grants and contributions	1,873,835	2,271,372	3,445,191	2,367,059	3,876,515
Capital grants and contributions	1,358,781	2,169,054	1,542,184	5,050,477	3,759,810
Total governmental activities program revenues	<u>\$ 11,421,339</u>	<u>\$ 12,289,823</u>	<u>\$ 14,638,296</u>	<u>\$ 17,623,197</u>	<u>\$ 18,148,103</u>
Total primary government program revenues	<u>\$ 11,421,339</u>	<u>\$ 12,289,823</u>	<u>\$ 14,638,296</u>	<u>\$ 17,623,197</u>	<u>\$ 18,148,103</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (23,495,271)</u>	<u>\$ (20,448,442)</u>	<u>\$ (21,297,308)</u>	<u>\$ (23,004,820)</u>	<u>\$ (31,239,873)</u>
Total Primary Government, Net Expenses	<u>\$ (23,495,271)</u>	<u>\$ (20,448,442)</u>	<u>\$ (21,297,308)</u>	<u>\$ (23,004,820)</u>	<u>\$ (31,239,873)</u>

Source: Town Audited Financial Statements

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				
	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes	\$ 13,593,483	\$ 14,153,561	\$ 13,978,818	\$ 14,629,253	\$ 15,354,728
Sales taxes	4,098,412	4,569,470	5,546,298	5,914,835	6,126,449
Motor Vehicle taxes	17,857	17,629	19,203	22,821	21,310
Franchise Taxes	2,215,165	2,299,491	2,419,118	2,588,989	2,609,820
Other taxes	391,856	404,744	371,237	362,196	390,562
Investment earnings	636,474	1,265,876	296,610	368,995	3,028,554
Miscellaneous	1,559,647	741,674	1,235,646	854,998	834,318
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers from Successor Agency	769,972	780,818	772,316	792,316	792,456
Special item	-	3,195,604	-	-	-
Total governmental activities	<u>\$ 23,282,866</u>	<u>\$ 27,428,867</u>	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>	<u>\$ 29,158,197</u>
Total primary government	<u>\$ 23,282,866</u>	<u>\$ 27,428,867</u>	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>	<u>\$ 29,158,197</u>
Change in Net Position					
Governmental activities	\$ 3,076,237	\$ 4,732,437	\$ 1,942,816	\$ (7,796,128)	\$ 4,195,621
Total primary government	<u>\$ 3,076,237</u>	<u>\$ 4,732,437</u>	<u>\$ 1,942,816</u>	<u>\$ (7,796,128)</u>	<u>\$ 4,195,621</u>

Source: Town Audited Financial Statements

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				
	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes	\$ 16,025,356	\$ 17,210,607	\$ 18,033,848	\$ 18,937,827	\$ 19,905,678
Sales taxes	5,753,805	6,653,905	7,443,450	7,467,848	6,799,187
Motor Vehicle taxes	35,829	32,180	50,723	44,757	53,934
Franchise Taxes	2,836,124	3,044,834	3,252,012	3,383,163	3,502,709
Other Taxes	367,376	338,449	340,497	341,405	360,676
Investment earnings	3,183,434	174,503	(2,626,475)	998,731	5,392,910
Miscellaneous	1,838,208	1,447,189	563,904	2,501,924	2,879,111
Gain (loss) on sale of capital assets	345,523	(1,568)	-	-	-
Transfers from Successor Agency	812,456	789,051	785,175	825,175	867,219
Special item	-	-	-	-	-
Total governmental activities	<u>\$ 31,198,111</u>	<u>\$ 29,689,150</u>	<u>\$ 27,843,134</u>	<u>\$ 34,500,830</u>	<u>\$ 39,761,424</u>
Total primary government	<u>\$ 31,198,111</u>	<u>\$ 29,689,150</u>	<u>\$ 27,843,134</u>	<u>\$ 34,500,830</u>	<u>\$ 39,761,424</u>
Change in Net Position					
Governmental activities	<u>\$ 7,702,840</u>	<u>\$ 9,240,708</u>	<u>\$ 6,545,826</u>	<u>\$ 11,496,010</u>	<u>\$ 8,521,551</u>
Total primary government	<u>\$ 7,702,840</u>	<u>\$ 9,240,708</u>	<u>\$ 6,545,826</u>	<u>\$ 11,496,010</u>	<u>\$ 8,521,551</u>

Source: Town Audited Financial Statements

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				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ -	\$ 10,427,986	\$ 9,427,986	\$ 8,427,986	\$ 7,325,019
Restricted	809,718	809,504	809,820	813,965	820,547
Committed	17,067,689	18,374,622	17,249,253	17,868,716	19,005,310
Assigned	9,397,184	344,844	313,036	169,060	117,735
Unassigned	-	-	-	-	-
Total General Fund	27,274,591	29,956,956	27,800,095	27,279,727	27,268,611
All Other Governmental Funds					
Special revenue funds					
Restricted	24,215,659	26,129,555	23,594,077	22,970,768	23,577,945
Assigned	-	-	-	-	2,469,321
Debt service fund					
Restricted	813,511	-	-	-	-
Capital projects funds					
Restricted	356,953	-	-	-	-
Committed	39,887,688	38,430,064	42,743,649	36,532,398	37,060,728
Assigned	2,183,781	2,364,889	2,507,297	2,574,079	-
Unassigned (deficit)	-	-	-	-	-
Total all other Governmental Funds	67,457,592	66,924,508	68,845,023	62,077,245	63,107,994
Total Governmental Funds	\$ 94,732,183	\$ 96,881,464	\$ 96,645,118	\$ 89,356,972	\$ 90,376,605

Source: Town Audited Financial Statements

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

	Fiscal Year				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 5,167,108	\$ 4,064,888	\$ 2,976,418	\$ 1,915,461	\$ 846,011
Restricted	815,484	809,518	809,649	827,765	848,842
Committed	20,401,468	28,158,818	22,299,041	24,829,286	33,807,639
Assigned	190,888	402,500	491,770	268,150	295,266
Unassigned	-	1,100,000	1,100,002	1,100,000	1,100,000
Total General Fund	<u>26,574,948</u>	<u>34,535,724</u>	<u>27,676,880</u>	<u>28,940,662</u>	<u>36,897,758</u>
All Other Governmental Funds					
Special revenue funds					
Restricted	26,145,688	28,628,893	30,841,349	34,859,241	38,406,783
Assigned	2,617,844	2,845,856	2,621,578	3,019,810	3,113,454
Debt service fund					
Restricted	-	-	-	-	-
Capital projects funds					
Restricted	-	-	-	-	-
Committed	34,072,908	30,013,137	35,607,373	36,955,042	33,951,008
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(218,086)
Total all other Governmental Funds	<u>62,836,440</u>	<u>61,487,886</u>	<u>69,070,300</u>	<u>74,834,093</u>	<u>75,253,159</u>
Total Governmental Funds	<u>\$ 89,411,388</u>	<u>\$ 96,023,610</u>	<u>\$ 96,747,180</u>	<u>\$ 103,774,755</u>	<u>\$ 112,150,917</u>

Source: Town Audited Financial Statements

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

	Fiscal Year				
	2015	2016	2017	2018	2019
REVENUES:					
Property taxes	\$ 13,593,483	\$ 14,153,561	\$ 13,978,818	\$ 14,629,253	\$ 15,354,728
Sales taxes	4,080,378	4,558,712	5,535,422	5,910,069	6,124,320
Special assessments	4,033,766	3,270,354	3,264,713	3,645,895	3,581,582
Gas & other taxes	3,574,570	3,590,353	3,554,065	3,775,380	4,310,196
Charges for services	2,792,321	2,752,180	2,859,100	2,874,896	2,867,332
Licenses and permits	391,856	404,744	371,237	362,196	396,710
Development fees	3,166,893	3,705,128	3,096,371	3,275,723	4,286,391
Intergovernmental	547,347	1,026,474	1,918,820	1,735,441	2,853,143
Fines and forfeitures	242,325	267,732	163,825	167,822	187,979
Uses of money and property	1,379,939	2,024,361	995,448	1,054,042	3,924,193
Miscellaneous	1,589,780	1,155,013	897,019	279,040	424,954
Reimbursement from Successor Agency	-	-	-	-	-
Total Revenues	<u>35,392,658</u>	<u>36,908,612</u>	<u>36,634,838</u>	<u>37,709,757</u>	<u>44,311,528</u>
EXPENDITURES:					
Current:					
General government	1,526,324	1,591,047	1,622,521	1,830,739	1,624,096
Police services	8,356,060	8,691,261	8,881,254	9,426,989	9,690,883
Maintenance services	3,728,641	4,381,322	3,686,266	3,339,317	3,305,068
Lighting and landscape	3,105,346	3,127,403	3,374,354	3,644,177	4,067,377
Development services	14,097,237	4,986,759	8,186,500	11,741,330	12,346,910
Administrative services	3,362,284	4,000,431	3,536,546	3,472,727	3,555,297
Recreation, arts & community services	3,523,333	3,467,371	3,693,259	3,697,618	3,920,497
Capital outlay	5,102,019	6,466,296	2,102,572	8,692,182	4,781,767
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>42,801,244</u>	<u>36,711,890</u>	<u>35,083,272</u>	<u>45,845,079</u>	<u>43,291,895</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,408,586)</u>	<u>196,722</u>	<u>1,551,566</u>	<u>(8,135,322)</u>	<u>1,019,633</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	-	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-
Transfers in	6,300,714	8,710,450	9,937,410	7,276,333	8,765,719
Transfers out	(6,300,714)	(8,710,450)	(9,937,410)	(7,276,333)	(8,765,719)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extraordinary/Special item*	<u>-</u>	<u>3,195,604</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (7,408,586)</u>	<u>\$ 3,392,326</u>	<u>\$ 1,551,566</u>	<u>\$ (8,135,322)</u>	<u>\$ 1,019,633</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

* Extraordinary/special item in 2016 was for assets transferred from the former Community Development Agency (CDA) of the Town of Danville subsequent to a due diligence review by the State of California subsequent to the dissolution of California Redevelopment Agencies.

Source: Town Audited Financial Statements

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

	Fiscal Year				
	2020	2021	2022	2023	2024
REVENUES:					
Property taxes	\$ 16,025,356	\$ 17,210,607	\$ 18,033,848	\$ 18,937,827	\$ 19,905,678
Sales taxes	5,740,046	6,652,729	7,442,726	7,467,848	6,799,187
Special assessments	3,594,673	3,611,436	3,610,222	3,601,630	3,630,298
Gas & other taxes	4,722,089	4,828,113	5,223,367	5,487,702	5,902,893
Charges for services	2,021,562	1,495,953	2,682,710	3,136,401	3,343,396
Licenses and permits	367,376	338,449	340,497	347,072	394,611
Development fees	2,471,063	2,941,817	2,571,419	3,243,440	3,141,447
Intergovernmental	1,208,170	1,659,443	2,980,425	5,233,454	5,275,078
Fines and forfeitures	128,312	86,104	76,848	105,729	144,658
Uses of money and property	4,265,728	1,771,567	(2,007,851)	1,897,626	6,684,393
Miscellaneous	944,642	587,430	731,381	1,238,293	1,815,777
Reimbursement from Successor Agency	812,456	789,051	785,175	825,175	867,219
Total Revenues	<u>42,301,473</u>	<u>41,972,699</u>	<u>42,470,767</u>	<u>51,522,197</u>	<u>57,904,635</u>
EXPENDITURES:					
Current:					
General government	1,922,014	1,732,686	2,764,179	2,983,036	2,413,686
Police services	9,658,510	9,065,799	9,909,768	10,437,966	11,668,630
Maintenance services	4,411,816	3,816,120	3,537,339	6,821,100	5,042,665
Lighting and landscape	3,703,613	3,903,054	4,181,235	3,913,128	4,306,195
Development services	5,549,402	6,065,680	6,671,315	6,692,216	10,090,876
Administrative services	3,777,435	3,606,353	3,503,165	3,678,558	4,346,711
Recreation, arts & community services	3,508,153	2,470,377	2,866,846	3,831,445	4,097,971
Capital outlay	13,198,230	3,911,357	7,542,018	6,094,256	6,694,520
Debt service:					
Principal	480,000	500,000	520,000	615,307	651,855
Interest and fiscal charges	332,456	289,051	265,175	243,866	215,364
Total Expenditures	<u>46,541,629</u>	<u>35,360,477</u>	<u>41,761,040</u>	<u>45,310,878</u>	<u>49,528,473</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,240,156)</u>	<u>6,612,222</u>	<u>709,727</u>	<u>6,211,319</u>	<u>8,376,162</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	3,274,939	-	13,843	600,000	-
Proceeds from debt issuance	-	-	-	216,256	-
Transfers in	11,932,028	3,797,793	13,967,014	8,126,594	3,817,697
Transfers out	(11,932,028)	(3,797,793)	(13,967,014)	(8,126,594)	(3,817,697)
Total other financing sources (uses)	<u>3,274,939</u>	<u>-</u>	<u>13,843</u>	<u>816,256</u>	<u>-</u>
Extraordinary/Special item*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (965,217)</u>	<u>\$ 6,612,222</u>	<u>\$ 723,570</u>	<u>\$ 7,027,575</u>	<u>\$ 8,376,162</u>
Debt service as a percentage of noncapital expenditures	0.00%	2.57%	2.35%	2.24%	2.07%

Source: Town Audited Financial Statements



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REVENUE CAPACITY

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Property Transfer Tax	Motor Vehicle Tax	Business License & Other Taxes	Total
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
2024	19,339,061	6,799,187	3,502,709	566,617	53,934	360,676	30,622,184

Source: Town Audited Financial Statements

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			
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%
2024	18,001,816,440	70,758,118	5,923,057	48,191,698	201,385,802	17,925,303,511	0.07780%

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.

Source: County of Contra Costa

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

Fiscal Year	Danville	County Wide ¹	San Ramon Valley Unified School District	Bay Area Rapid Transit (BART)	Miscellaneous	Total Direct & Overlapping Rate
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%
2024	0.00000%	1.00%	0.0544%	0.0134%	0.0203%	0.07780%

Notes:

- 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.

Source: County of Contra Costa

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

Fiscal Year Ended June 30	Collected Within the Fiscal Year of the Levy			Total Collections To Date	
	Total Tax Levied and Collected for Fiscal Year	Percentage of Levy	Delinquent Tax Collections	Collected Amount	Percentage of Levy
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%
2024	20,531,904	100%	n/a	20,531,904	100%

Notes:

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	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MM Danville Apartments, LLC	\$ 103,142,308	1	0.60%			
Davidon Homes	55,570,169	2	0.32%			
Danville Livery & Mercantile	54,595,103	3	0.32%	\$ 41,808,358	1	0.38%
Reg8 Tassajara Crossing, LLC	43,517,833	4	0.25%	36,724,712	2	0.33%
Danville Park Apartments LLC	43,350,000	5	0.25%			
ROIC California, LLC	38,000,000	6	0.22%			
Costco Wholesale Corporation	31,569,281	7	0.18%	23,321,038	3	0.21%
Rose Garden Associates Danville, LLC	30,050,955	8	0.17%	21,333,000	4	0.19%
Carl A and Jan A Cox Trust	22,227,479	9	0.13%			
115 TWN and County DR INVST LLC	20,808,000	10	0.12%			
KB Home South Bay, Inc.				29,074,991	5	0.26%
Alamo Group Iron Horse, LLC				19,981,000	6	0.18%
Danville Park RE LLC				17,760,233	7	0.16%
Rassier Properties Danville Medical Ctr.				15,300,000	8	0.14%
Montair Associates, LLC				14,974,907	9	0.14%
JKDSQ, LLC				13,084,644	10	0.12%
Totals	\$ 442,831,128		2.56%	\$ 233,362,883		2.12%

Notes:

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 Companies

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 Participation¹	Subscription Liabilities²			
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
2024	4,110,000	74,094	4,184,094	**	98.29

Notes:

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.
- ** Not available

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

Fiscal Year	Outstanding General Bonded Debt		Less: Amount Available in Debt Service Fund	Total (net)
	General Obligation Bonds	Tax Allocation Bonds		
2015	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-

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

2023-2024 Assessed Valuation:	\$ 17,208,248,236		
Redevelopment Incremental Valuation	\$ 591,174,439		
Adjusted Assessed Valuation:			
	Total Debt		Town's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2024</u>	<u>% Applicable (1)</u>	<u>Debt (6/30/2024)</u>
Bay Area Rapid Transit District	\$ 2,445,575,000	1.704%	\$ 41,672,598
Contra Costa Community College District	618,770,000	6.435%	39,817,850
San Ramon Valley Unified School District	347,840,000	27.348%	95,127,283
East Bay Regional Park District	144,520,000	2.678%	3,870,246
SUBTOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 180,487,977
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	\$ 171,495,000	6.414%	\$ 10,999,689
San Ramon Valley Unified School District General Fund Obligations	13,171,586	27.348%	3,602,165
San Ramon Valley Fire Protection District - COP	50,484,000	27.497%	13,881,585
Town of Danville subscription liability	74,094	100%	74,094
Town of Danville Certificates of Participation (COP)	4,110,000	100%	4,110,000
SUBTOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 32,667,533
Less: Contra Costa County obligations supported from revenue funds			(2,727,545)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 29,939,988
 OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	 \$ 1,470,000	 100%	 1,470,000
 TOTAL DIRECT DEBT			 4,184,094
TOTAL GROSS OVERLAPPING DEBT			\$ 210,441,416
TOTAL NET OVERLAPPING DEBT			207,713,871
 GRAND TOTAL DIRECT AND OVERLAPPING DEBT		 (2)	 \$ 214,625,510
NET COMBINED TOTAL DEBT			\$ 211,897,965

- (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 2023/2024 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.05%
Total Direct Debt (\$5,235,000)	0.03%
Gross Combined Total Debt	1.25%
Net Combined Total Debt	1.23%

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

Total Overlapping Tax Increment Debt	0.25%
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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: California Municipal Statistics, Inc.

Town of Danville
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 391,883,453	\$ 418,385,065	\$ 443,452,765	\$ 465,663,742	\$ 489,520,363
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 391,883,453</u>	<u>\$ 418,385,065</u>	<u>\$ 443,452,765</u>	<u>\$ 465,663,742</u>	<u>\$ 489,520,363</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				
	2020	2021	2022	2023	2024
Debt Limit	\$ 515,538,025	\$ 563,209,695	\$ 606,625,534	\$ 642,952,636	\$ 672,198,882
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 515,538,025</u>	<u>\$ 515,538,025</u>	<u>\$ 606,625,534</u>	<u>\$ 642,952,636</u>	<u>\$ 672,198,882</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 2024

Assessed Value	\$ 17,925,303,511
Add back: exempt real property	201,385,802
Total assessed value	<u>\$ 18,126,689,313</u>
Debt Limit (3.75% of assessed value)	\$ 672,198,882
Total net debt applicable to limit	-
Legal Debt Margin	<u>\$ 672,198,882</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	Debt Service		Coverage	Tax	Debt Service		Coverage
	Increment	Principal	Interest		Increment	Principal	Interest	
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	-
2024	-	580,000	215,364	-	-	230,000	134,725	-

Source: Town Audited Financial Statements

DEMOGRAPHIC AND ECONOMIC INFORMATION

Town of Danville
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ¹	Median Household Income	Persons per Household Unit ²	Per Capita Income	Personal Income (in thousands)	Public School Enrollment ³	Unemployment Rate ⁴
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%
2024	42,567	**	**	**	**	29,235	4.1%

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

Employer	2024			2023		
	Number of Employees¹	Rank	% of Top 10	Number of Employees¹	Rank	% of Top 10
Costco	435	1	47.1%	437	1	43.9%
Trader Joe's	86	2	9.3%	77	4	7.7%
Marshalls of Danville	77	3	8.3%			
Lunardi's Market	60	4	6.5%	82	3	8.2%
Brookdale Danville Diablo Road	58	5	6.3%	50	7	5.0%
Safeway	48	6	5.2%	43	10	4.3%
Face Reality Acne Clinic	47	7	5.1%			
Walgreens	39	8	4.2%			
Piatti Restaurant	37	9	4.0%	43	9	4.3%
Smart and Final	36	10	3.9%			
Common Interest Management Services				106	2	10.6%
Sunrise Assisted Living of Danville				58	5	5.8%
Danville Nursing & Rehabilitation Center				51	6	5.1%
Lucky				49	8	4.9%
Total Employees:	923			996		

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legislative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	6.75	6.50	8.25	8.25	7.75	7.75	6.75	6.75	6.25	7.00
Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Services*	36.75	37.75	37.75	37.75	37.75	37.75	37.75	37.75	37.75	38.75
Development Services	25.50	29.75	27.00	27.00	26.50	25.50	23.50	23.50	23.50	23.50
Transportation Services	4.25	3.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00
Community Services										
Maintenance	29.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.75
Recreation, Arts &										
Community Services	37.75	37.75	38.25	38.25	42.00	42.00	42.00	42.00	42.00	41.00
Finance	5.25	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	4.00
Support Services	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	6.00	6.00
Community Events	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources	2.00	2.50	2.50	2.50	2.25	2.25	2.00	2.00	2.00	2.00
Total	<u>154.25</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>	<u>159.50</u>

Source: Adopted Town Budgets

Town of Danville
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police: ¹										
Arrests	618	515	500	447	391	281	165	229	250	328
Traffic violations	5,345	3,875	2,605	3,702	2,786	2,482	1,177	959	3,093	3,684
Parking violations	1,619	1,625	1,774	1,367	1,593	1,346	482	868	1,380	1,086
Public works:										
Street resurfacing (miles)	14.2	24	15.2	5.9	5.5	10.23	0	6.2	6.4	16.3
Pot holes repaired	111	181	249	84	309	149	163	84	547	109
Parks and recreation:										
Course registration	17,176	18,147	20,352	19,174	18,146	13,593	4,592	12,912	15,763	20,539
Facility rentals/permits ²	816	716	804	786	638	538	8	97	172	540
Picnic rentals	460	241	413	406	354	205	130	545	590	530

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	12	13	13	13	13	13	13	13	13
Public works:										
Street (miles)	144.6	144.6	144.6	144.6	157.89	158.15	158.15	158.28	158.49	158.49
Street lights	1,417	1,417	1,417	1,158	1,158	1,158	1,158	1,158	1,158	1,182
Signalized intersections	52	51	52	54	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	9	9	9
Pickleball courts	0	0	0	0	0	0	2	2	2	2
Community centers	3	3	3	3	3	3	3	3	3	3

Source: Various Town departments



**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, 2024, 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 19, 2024.

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
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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 PwC Group, LLP

Walnut Creek, California
November 19, 2024