



Town of Danville, California

# Annual Comprehensive Financial Report

for the Fiscal Year ended June 30, 2025



## Town Council

Reneé Morgan, Mayor • Newell Arnerich, Vice Mayor • Mark Belotz, Councilmember  
Karen Stepper, Councilmember • Robert Storer, Councilmember

## Town Staff

Tai J. Williams, Town Manager • Lani Ha, Finance Director/Treasurer



**TOWN OF DANVILLE, CALIFORNIA**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2025**

**TOWN COUNCIL**  
**Renee Morgan, Mayor**  
**Newell Arnerich, Vice Mayor**  
**Mark Belotz, Councilmember**  
**Karen Stepper, Councilmember**  
**Robert Storer, Councilmember**

**TOWN MANAGER**  
**Tai J. Williams**

**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, 2025**

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



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*"Small Town Atmosphere  
Outstanding Quality of Life"*

December 9, 2025

Mayor and Town Council  
Town of Danville

Subject: Fiscal Year 2024/25 Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report (ACFR) of the Town of Danville for the fiscal year (FY) ended June 30, 2025, 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 2024/25.

**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.

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, 2025, 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, 2025, \$16,009,768 or 39.1% 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 \$5,722,589 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 \$39,936,036 represents 139.56% of total FY 2024/25 General Fund operating expenditures and 96.32% of operating expenditures from all funds. Additionally, the Town has \$35,867,028 of Special Revenue funds, and \$38,311,790 in Capital Projects funds.

The Town's five largest revenue sources account for 86.54% of all Town revenues. These include Property Tax providing 35.73% of revenues; Sales Tax providing 11.93%; Other Taxes and Intergovernmental providing 19.28%; Special Assessments providing 6.25% and Use of Money and Property providing 13.36% of revenues.

Property Tax increased by \$859,619 (4.32%) compared to FY 23-24, 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 decreased by \$(96,406) (2.81%), as Building and Planning fees and Development Engineering fees decreased compared to FY 23-24. Recreation Fees slightly increased compared to prior year.

Sales Tax increased by \$133,572 (6.23%) as online sales activity and brick and mortar businesses (restaurant and retail) has slightly increased. Other Taxes and intergovernmental Fund Revenues increased by a net of \$28,603 (.26%), reflecting higher revenues from Gas Tax, lower Measure J fund; and SPCP Special Assessments remained the same. LLAD Special Assessments increased slightly due to new construction added. Use of money and property increased by \$1,082,039 (16.19%) reflecting higher market value of Town's investment and slight increase in rental revenues.

Danville's jobless rate as of August 2025 was 4.7% as compared to 4.3% nationwide, 5.8% in California, and 5.2% 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 2025/26 Operating Budget and Capital Improvement Program, was completed in April 2025 and adopted on June 17, 2025. General Fund revenues are projected to increase 4.10% from FY 2024/25 to FY 2025/26, largely attributable to a 5.60% increase in Property Tax Revenue, 1.50% increase in sales tax revenue, 18.30% increase in Franchise Solid Waste and 7.20% increase in Recreation Fees and Charges. Special Purpose revenues are projected to increase 15.30%, mostly due to increase of 34.20% in Engineering revenue, 2.50% in Gas Tax revenue, 2.50% in Measure J revenue, 35.80% in Solid Waste VIF revenue, 45.98% increase in LLAD revenue as property owners passed the new LLAD assessment in May 2025; and slight to no increases in other Special Revenues funds.

Looking forward 10 years, General Purpose revenues are projected to increase 4.10% in FY 2025/26 and an average of 1.19% thereafter. Special Purpose revenues are projected to increase 15.3% in FY 2025/26, and an average of 1.66% through FY 2034/35.

The 10-year projection includes cost increases that average 2.94% 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.

With the formation of the new LLAD 2025-01, which allowed an increase in assessments for the first time since 2003, the Lighting and Landscape Assessment District will be less dependent upon General Fund subsidies 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 \$659,401 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 2024/25**

During FY 2024/25, the Town made substantial progress on key initiatives that will have lasting effects on community safety, infrastructure, and quality of life:

#### **1. Lighting and Landscape Assessment District (LLAD)**

In fall 2024, the Town initiated a feasibility study to consider updates to the Town-wide LLAD 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. In spring 2025, the Town conducted a Proposition 218 ballot proceeding, asking Danville property owners to vote on an increase in LLAD Assessments, the first such increase since 2003. A majority of the weighted ballots returned supported the assessment increase. This was a significant result which will increase LLAD revenues by \$1.4 million for fiscal year 2025/26.

#### **2. Public Safety**

- Engage in proactive and ongoing education and outreach efforts aimed at promoting safety for operators of e-bikes, e-scooters and all e-mobility devices. Specific focus areas include the school and parent communities. Stepped up enforcement efforts related to violations.
- 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.
- Attained a 100% success rate in the juvenile diversion program, with four juveniles successfully completing the program.

- Handled a total of 23,886 service calls, marking an increase from 22,658, 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 3,850 to 4,907.
- Maintained a case closure rate for violent crimes (Homicide, Rape, Robbery, and Aggravated Assault) that is more than double the national average.

## **Major Capital Improvement Program (CIP) Projects**

### **3. Downtown Master Plan Catalyst Project**

Completed construction of this downtown safety project which added 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 enhanced traffic calming measures at two intersections.

### **4. Diablo Vista Park Playground Renovation**

The Town Council awarded a construction contract for the Diablo Vista Park Playground Renovation Project. The project will replace the existing play area which is the oldest among all of the Town's five community parks. Construction of the project began in May and will be completed in November 2025.

### **5. Diablo Road Multi-Purpose Trail Project**

As a result of severe 2022/23 winter storms which significantly eroded the creek bank and altered the adjacent terrain, much of the year was spent updating preliminary engineering efforts, including re-surveying the creekbank and adjacent roadway, re-designing the schematic project plans, and updating hydrology studies 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 for final approval and authorization to proceed with the project.

### **6. Town Green & Arts District Improvements - Pavilion and Maker Space**

Design work was completed for a new and enlarged pavilion at the Town Green, a key feature of the Town Green and Arts District Master Plan. The pavilion will replace the existing bandstand with an open-air structure designed for community events, performances and gatherings. Building plans are currently in the building plan review process. A new Arts District Maker Space (Town Studio) will be constructed adjacent to the pavilion. Another high-priority project, the Studio is intended to be a flexible space for recreation programming, arts and culture. The design phase of the project is complete.

## **7. San Ramon Valley Boulevard Improvements Project**

Construction began on this project which included slurry sealing and restriping San Ramon Valley Boulevard between the Town limits and Sycamore Valley Road, and a new pavement overlay from Sycamore Valley Road to Hartz Avenue. Both segments now include high visibility bike lane and crosswalk striping treatments and traffic signal video detection, pedestrian signal upgrades and fiber optic installation.

## **8. Fiber Optic Cable Interconnect Project**

Phase I of this project includes establishing fiber optic connections linking the Town Offices with six downtown locations including the Town Meeting Hall, Danville Community Center, Library, Village Theatre, Veterans Memorial Building and the future Arts District Town Studio. The project also connects 17 traffic signals along the San Ramon Valley Boulevard/Hartz Avenue Corridor. Construction of this project was completed September 2025.

## **Capital Maintenance Projects and Activities**

### **9. Parks and Athletic Facilities**

- Resurfaced two tennis courts at Osage Station Park.
- Resurfaced the basketball court at Diablo Vista Park.
- Renovated the turf in the large dog park at Hap Magee Ranch Park, rated the best dog park in the East Bay by Diablo Magazine.

### **10. Community Buildings**

Completed the Town Meeting Hall audio/visual renovation and replacement project.

### **11. Infrastructure**

- Awarded new contracts for roadside landscape maintenance services.
- Commenced AB1572 compliance efforts, replacing non-functional grass with less water-intensive plant material. Initial estimates related to AB1572 compliance were in the range of \$10 million.
- Continued 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.
- Completed the annual creek cleaning program to reduce flood risks across the Town's water system through in-house and contract efforts.

### **12. 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.

### **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. Community Events and Economic Development**

- Approved 13 Business Promotion Grants totaling \$35,000, providing assistance to over 140 local businesses. Actual reimbursed amount was \$24,617.
- Launched an in-house holiday marketing campaign, incorporating live performances at the new Prospect Park Plaza. Outreach resulted in more than 147,000 social media views and local television news coverage.
- Launched monthly email newsletter to businesses, with opportunities for promotional and educational events.
- Highlighted local businesses with the Open in Danville program, featuring six businesses on social media.
- Hosted 10 community events, drawing over 55,000 attendees in total, including the Kiwanis Danville July 4th Parade (40,000 attendees) and the Lighting of the Old Oak Tree (10,000 attendees).
- Launched the Discover Danville mobile tour app, highlighting historic sites, restaurants, and retail. The app was viewed more than 8,700 times by more than 1,000 users last fiscal year.

### **15. Communications**

- Created marketing materials for 173 programs, events, and projects.
- Launched the Not My Kid e-bike education campaign, with safety tips and training opportunities for families.
- Managed successful LLAD outreach and education campaign, resulting in property owners approving an increased assessment.
- Expanded email marketing efforts with arts newsletter and weekly family activities newsletter. Total email subscribers were to 8,435 with more than 16,000 subscriptions for FY 24-25.
- Town social media account followers at fiscal year-end: 12,358 Instagram, 11,239 Facebook.

### **16. Housing and Private Development**

- Reviewed and processed 156 planning applications ranging from variances and land use permits to subdivisions and development plans.
- Processed 2,731 building permits, conducted 2,020 plan checks and 9,282 building inspections.
- Serviced 3,302 walk-in customers at the Town of Danville Permit Center.
- Reviewed and processed 510 encroachment permits for private or utility-related construction activity within the public right-of-way.
- Opened and facilitated the resolution of 326 code enforcement cases.

## **17. Recreation**

- 4,987 households served through 1,657 recreation classes, which had a total of 16,977 participants. Of this total, 9,277 were senior participants.
- Provided social connections with 1,261 volunteers for various Town programs throughout Town.
- Facilitated 243 facility rentals, comprised of 493 picnic and 25 bocce court rentals.

## **18. 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.

## **19. Transportation and Traffic Safety**

- Completed design of the Brookside Drive (between Paraiso Drive and Sycamore Valley Road) Neighborhood Traffic Management Program (NTMP) Project. Category 1 & 2 measures including additional speed limit signs, radar display and pavement markings will be implemented in November 2025.
- Installed bicycle infrastructure including a high-visibility Class II bike lane, bike legends, sharrows, bike box and video detection during the San Ramon Valley Boulevard Improvements Project.
- Completed design for five Iron Horse Trail Crossings at West Prospect Avenue, West Linda Mesa Avenue, Love Lane, Del Amigo Road, Hartford Avenue, plus two School Crossing Safety Improvements at Railroad Avenue/Love Lane and Stone Valley Road/Monte Sereno Drive. The project is currently under construction and projected to be complete in Spring 2026.
- Completed design for raised crosswalks, high-visibility signage, pavement markings and drainage improvements along the Iron Horse Trail Crossings at Greenbrook Drive, Paraiso Drive, and El Capitan Drive. The project will go out to bid in November 2025.
- Speed surveys conducted for all required road segments in Danville. Surveys are required every 5-years per the California Vehicle Code and the Manual on Uniform Traffic Control Devices (MUTCD).
- 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.

## **20. Public Recognition**

Recognized for the outstanding financial reporting for the Annual Comprehensive Financial Report from the Government Finance Officers Association for 21 consecutive years.

### **For Fiscal Year 2025/26**

The Town will continue its momentum into FY 2025/26 with the following key projects and initiatives:

#### **1. Public Safety**

- Continue to engage in proactive and ongoing education and outreach efforts aimed at promoting safety for operators of e-bikes, e-scooters and all e-mobility devices. Specific focus areas include the school and parent communities.
- 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.

#### **Major Capital Improvement Program (CIP) Projects**

##### **2. Diablo Road Multi-Purpose Trail Project**

This project will construct a new, paved, multi-purpose trail connecting the existing multi-purpose trail (the Barbara Hale trail) which currently terminates at Fairway Drive with the existing trail/EVA at the Magee Preserve development approximately 0.8 miles to the east. A construction contract was awarded in August 2025. The project is projected to be completed in Winter 2026.

- 3. Major CIP Project – Diablo Vista Park Playground Renovation Project:** Construction of this project includes installation of play equipment, game tables, a shade structure, picnic tables and exercise equipment. The project is expected to be completed by December 1.

#### **4. Town Green & Arts District Improvements - Pavilion and Maker Space**

Design work was completed for a new and enlarged pavilion at the Town Green, a key feature of the Town Green and Arts District Master Plan. The new pavilion will replace the existing bandstand at the Town Green with an open-air structure designed for community events, performances and gatherings. A new Arts District Maker Space (Town Studio) will be constructed adjacent to the pavilion and will provide a flexible space for recreation programming, arts and culture. Construction of the pavilion and the studio are expected to begin in Summer 2026.

**5. Sycamore Valley Road Improvements Project:** This project will repave Sycamore Valley Road from Camino Ramon to Camino Tassajara. The overall scope of the project includes dig out repairs and pavement overlay, replacement of green bike lane striping, addition of a class IIB buffered bicycle lanes and ADA curb ramps. Design of the project is complete and will be combined with Phase II of the fiber optic project. Both projects will go out to bid Winter 2026.

**6. Pavement Management Project:** The 2025/26 Pavement Management Project will include a slurry seal maintenance treatment. Design has been completed. The project will go out to bid in March of 2026 with a projected construction start of Summer 2026.

### **Capital Maintenance Projects and Activities**

#### **7. Parks and Athletic Facilities**

- Replace the playground at Danville South Park.
- Repair and seal the safety surface at the Osage Station Park playground.

#### **8. Public Works Infrastructure**

- Repaint the exterior of the Veterans Memorial Building.
- Continue AB1572 compliance efforts, replacing non-functional grass with less water-intensive plant material. Initial estimates related to AB1572 compliance were in the range of \$10 million.
- 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.

#### **9. Emergency Response and Recovery**

- Complete and adopt the updated Emergency Operations Plan.

**10. 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.

## **11. Community Events and Economic Development**

- Manage an expanded Scarecrow Stroll program, utilizing the walking tour app to track voting and encourage local shopping.
- Launch business workshops series with the Chamber and SCORE.
- Secure membership in California Main Street and Main Street America programs.
- Revise Business Promotion Grant Program to encourage flexibility for more businesses and event types.

## **12. Communications**

- Launch a seniors-focused email newsletter.
- Redesign activity guide for better highlighting of programs and activities.
- Develop protocols and update outreach tools for ADA compliance.
- Revise social media strategy to align with revised algorithm results.

## **13. Housing and Private Development**

- The Nova is a 50-unit senior condominium development located on a 1.88-acre site at 375 West El Pintado Road. The project is currently under construction.
- The Orchard is a 43- unit affordable apartment development for low and very low-income households. The project is currently under construction.
- Darby Plaza is a 99-unit four-story senior condominium development located on 3.17-acre site at 425 El Pintado Road. The project is fully entitled.
- The Lanes at 200 Boone Court is a 47 unit townhome development with two junior accessory dwelling units on a 1.62-acre parcel. The project is currently under planning review.
- The Ivy at 828 Diablo Road is a 105-unit senior living and memory care facility on a 2.68-acre parcel by O&I Development. The project is currently undergoing a Phase II site remediation overseen by a third party.
- Evergreen Estates is 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). The Draft Environmental Impact Report is currently under review.
- Martin Hills Ranch is 20-unit single family home development on the 100-acre Elworthy East Property. The Draft Environmental Impact Report is currently under review.
- Danville Village Apartments at 107 Town & Country Drive is a 200-unit, four-story residential apartment building on a 3.89-acre site. The project design is being modified by the Developer based on Design Review Board comments.
- Community Presbyterian Church submitted a development plan for expansion of the existing church and school to include a new Youth Ministry Building, outdoor pavilion, expanded church sanctuary, sports fields and parking. The project is currently under Planning review.
- Wood Ranch Event Venue is a small, boutique indoor-outdoor event center on a 17-acre parcel located at 2900 Camino Tassajara. The project is currently under Planning Review.

**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 new hi-definition 4K security cameras at Library, Town Green, Community Center, and Village Theatre.
- Deploy a new solution for handling public LiveScan services in the police department.
- Continue collaborating with Development Services and Transportation on the Townwide Fiber Optic Interconnect project for Phase 2.
- Continue updating desktop computers to the Windows 11 operating system.
- Continue to evaluate and implement new security measures and monitor cybersecurity issues to protect the Town from ongoing attacks.
- Continue deploying monthly email phishing tests to all users and provide yearly cyber security awareness training in October for Cyber Security Awareness month.

**16. Transportation and Traffic Safety**

- Brookside Drive Neighborhood Traffic Management Program (NTMP) improvements including additional speed limit signs, radar display and pavement markings will be installed in November 2025.
- Construction of five Iron Horse Trail Crossings (at West Prospect Avenue, West Linda Mesa Avenue, Love Lane, Del Amigo Road, Hartford Avenue, plus two School Crossing Safety Improvements at Railroad Avenue/Love Lane and Stone Valley Road/Monte Sereno Drive) are currently under construction and projected to be complete in Spring 2026.
- Iron Horse Trail Improvements at the Greenbrook Drive, Paraiso Drive, and El Capitan Drive trail crossings will go out to bid in November 2025. Improvements include raised crosswalks, high-visibility signage, pavement markings and drainage improvements.
- The Town will continue 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.

**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 2024/25, 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 program 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 2024/25, 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, 2025 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,



Tai J. Williams  
Town Manager



Lani Ha  
Finance Director/Treasurer





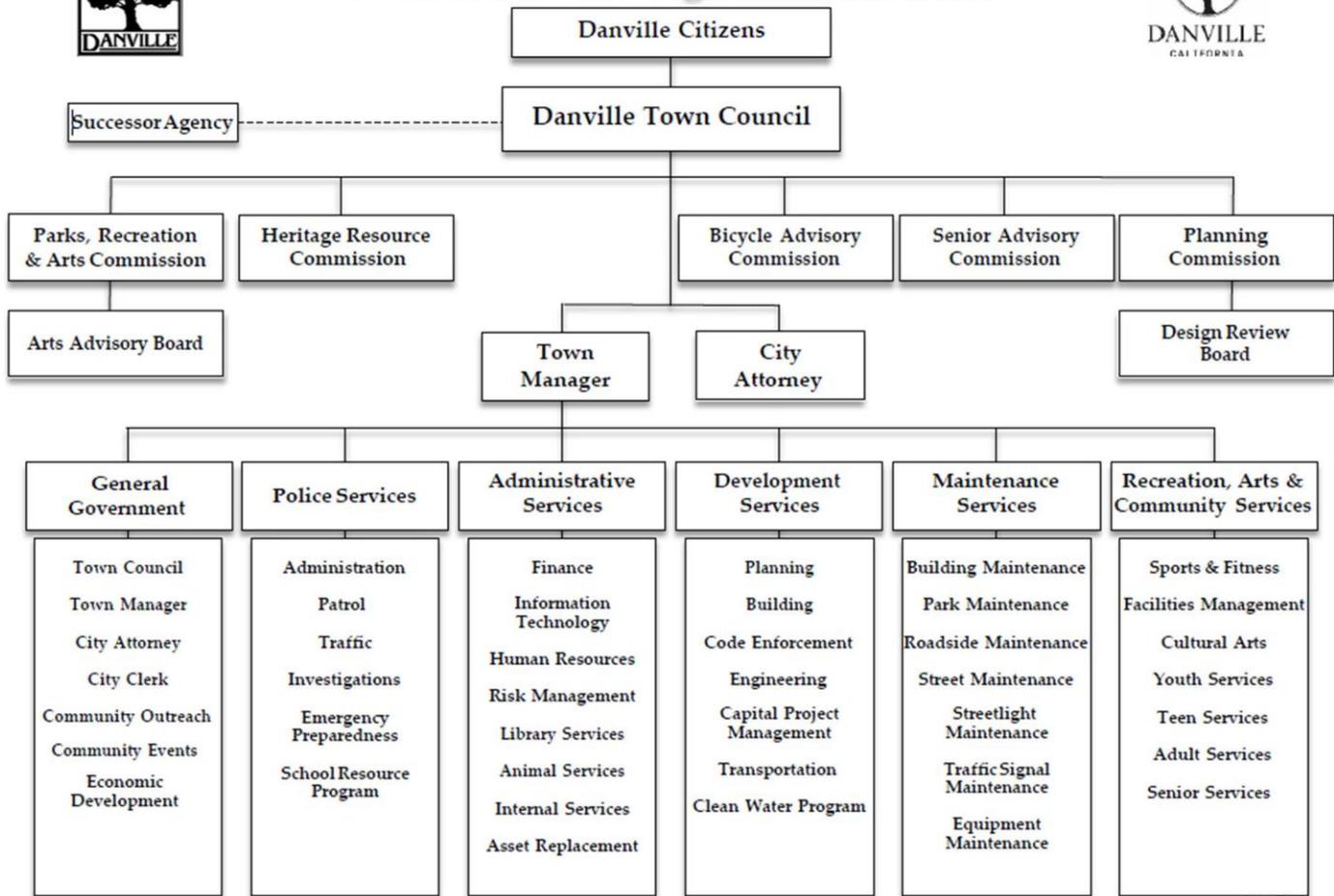
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# Town of Danville

## Organizational Chart



### Town of Danville Organizational Chart



February 27, 2025

# Town of Danville

## Directory of Public Officials

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### TOWN COUNCIL

Renee Morgan	Mayor
Newell Americh	Vice Mayor
Mark Belotz	Councilmember
Karen Stepper	Councilmember
Robert Storer	Councilmember

### TOWN STAFF

Tai J. Williams	Town Manager
Robert Ewing	City Attorney
Marie Sunseri	City Clerk
Dave Casteel	Assistant Town Manager/Maintenance Services Director
Thomas Rossberg	Chief of Police
Lani Ha	Finance Director/Treasurer
Diane Friedmann	Development Services Director
Jessica Wallner	Recreation, Arts & Community Services Director

**Town of Danville**

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

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Government Finance Officers Association

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

Presented to

**Town of Danville  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# Town of Danville

## Statement of Purpose

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

To achieve this level of excellence, Danville will:

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

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

## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S 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, 2025, 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, 2025, 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 Auditor's 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.

#### *Emphasis of a Matter – Change in Accounting Principle*

As discussed in Note 15 to the financial statements, the Town implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, effective July 1, 2024. The implementation of this standard required the Town to change its method of accounting for compensated absences and resulted in a restatement of beginning net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

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

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

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

***Auditor's 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 auditor's 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 auditor's 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 December 9, 2025, 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  
December 9, 2025



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

The Town of Danville, California's (the "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, 2025. 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, 2025 increased \$2,026,415 or .68% from \$299,493,013 (as previously reported) to \$301,519,428.
- Total assets were \$321,228,733 and total liabilities and deferred inflows of resources were \$19,709,305, leaving the Town with \$301,519,428 of total net position. Of this amount \$78,484,821 is classified as unrestricted and, with the future receipt of \$659,401 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 \$113,678,682. Of this amount \$33,469,679 is restricted by enabling legislation and/or external parties, \$75,992,469 is committed for ongoing and future activities, \$3,593,364 is assigned by management for specific future uses, and \$181,855 and \$441,315, respectively, are classified as nonspendable and unassigned.
- The Town's General Fund fund balance increased 8.2% from \$36,897,758 to \$39,936,036. The fund balance includes funds reserved or designated for debt service, future capital projects, ongoing operations, and an operating reserve of \$16,009,768 (39.1%) of FY 24/25 operating expenditures.

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

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

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

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

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

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

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

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

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

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

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

## Reporting the Town’s Fiduciary Responsibilities

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

## Notes to the Financial Statements

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

## Other Information

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

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

The Town’s combined Net Position for at June 30, 2025 and 2024 was the following:

**Table 1**  
**Net Position**  
**Governmental Activities**

	<u>2025</u>	<u>2024</u> <u>as restated</u>	<u>Increase</u> <u>(Decrease)</u>
Current and other assets	\$ 129,094,585	\$ 129,997,756	\$ (903,171)
Capital assets, net	<u>192,134,148</u>	<u>192,522,026</u>	<u>(387,878)</u>
<b>Total assets</b>	<u>321,228,733</u>	<u>322,519,782</u>	<u>(1,291,049)</u>
Current liabilities	10,398,467	14,891,125	(4,492,658)
Long-term liabilities	<u>3,709,233</u>	<u>5,082,997</u>	<u>(1,373,764)</u>
<b>Total liabilities</b>	<u>14,107,700</u>	<u>19,974,122</u>	<u>(5,866,422)</u>
Deferred inflows of resources	<u>5,601,605</u>	<u>3,429,995</u>	<u>2,171,610</u>
Net position:			
Net investment in capital assets	187,755,279	188,179,513	(424,234)
Restricted for:			
Debt service	2,662,484	1,777,459	885,025
Special projects	32,616,844	38,406,783	(5,789,939)
Unrestricted	<u>78,484,821</u>	<u>70,751,910</u>	<u>7,732,911</u>
<b>Total net position</b>	<u>\$ 301,519,428</u>	<u>\$ 299,115,665</u>	<u>\$ 2,403,763</u>

The Town's Net Position from Governmental Activities increased .80% from \$299,115,665 to \$301,519,428. This increase of \$2,403,763 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 decreased \$(1,291,049):

- Current and other assets decreased \$(903,171) reflecting an increase in cash and investments. Capital assets, net of depreciation, decreased \$(387,878) reflecting expenditures for capital projects during the year.

Total liabilities decreased \$(5,866,422):

- Current liabilities decreased by a net of \$(4,492,658), due largely to decrease in accounts payable, wages payable, retention (for capital projects), and deposit payable.
- Non-current liabilities decreased a net of \$(1,373,764) reflecting payment of long-term debt principal of \$600,000 that was paid according to schedule, an increase of \$111,236 and restatement of \$377,348 per GASB 101 in compensated absences; and a decrease in Subscription liability of \$(74,094).

Total deferred inflows of resources increased by \$2,171,610 with the addition of \$2,839,816 in new leases receivable.

Net Position:

- Restricted net position decreased a net of \$(4,904,914). Special Revenue funds were spent for capital projects as budgeted. Debt Service funds increased by \$885,025 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 decreased by \$2,757,841 as less funds were needed compared to prior year for operations or appropriated for capital expenditures.
- Unrestricted net position, which is designated by Council for specific future capital improvements or economic stability, increased by \$7,355,563, reflecting solid revenues and controlled costs, which enabled the transfer of \$4.23 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. Capital improvements include park improvements, road maintenance, traffic control measures and general Town improvements.

## Government Activities

Table 2 presents the gross revenues and expenses for the Town as whole for the years ended June 30, 2025 and 2024.

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

	2025	2024	Increase (Decrease)
<b>Revenues - Governmental Activities</b>			
Program revenues:			
Charges for services	\$ 10,600,195	\$ 10,511,778	\$ 88,417
Operating grants and contributions	2,869,273	3,876,515	(1,007,242)
Capital grants and contributions	5,657,909	3,759,810	1,898,099
<b>Total program revenues</b>	<b>19,127,377</b>	<b>18,148,103</b>	<b>979,274</b>
General revenues:			
Taxes:			
Property	20,765,297	19,905,678	859,619
Sales	6,932,759	6,799,187	133,572
Motor vehicle	68,850	53,934	14,916
Franchise	2,648,941	3,502,709	(853,768)
Other	343,114	360,676	(17,562)
Investment earnings (loss)	6,483,704	5,392,910	1,090,794
Miscellaneous	1,584,448	2,879,111	(1,294,663)
Reimbursement from Successor Agency	859,018	867,219	(8,201)
<b>Total general revenues</b>	<b>39,686,131</b>	<b>39,761,424</b>	<b>(75,293)</b>
<b>Total revenues</b>	<b>58,813,508</b>	<b>57,909,527</b>	<b>903,981</b>
<b>Expenses - Governmental Activities</b>			
General government	2,827,351	2,810,050	17,301
Police services	11,921,599	11,971,294	(49,695)
Maintenance services and Lighting and landscape	11,715,263	10,525,094	1,190,169
Development services	20,085,162	15,427,297	4,657,865
Administrative services	5,024,036	4,468,171	555,865
Recreation, arts, & community services	4,657,216	4,359,029	298,187
Interest on long-term debt	179,118	204,389	(25,271)
<b>Total expenses</b>	<b>56,409,745</b>	<b>49,765,324</b>	<b>6,644,421</b>
<b>Changes in Net Position</b>	<b>\$ 2,403,763</b>	<b>\$ 8,144,203</b>	<b>\$ (5,740,440)</b>
<b>Net Position:</b>			
Beginning of year, as previously reported	299,493,013	290,971,462	8,521,551
Restatement	(377,348)	-	(377,348)
Beginning of year, as restated	299,115,665	-	299,115,665
<b>End of year</b>	<b>\$ 301,519,428</b>	<b>\$ 299,115,665</b>	<b>\$ 2,403,763</b>

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 \$(6,117,788) reflecting higher change in expenses and higher change in revenues.

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

	<b>2025</b>	<b>2024</b>	<b>Increase (Decrease)</b>
<b>Revenues:</b>			
General revenues	\$ 39,686,131	\$ 39,761,424	\$ (75,293)
 Total general revenues	 39,686,131	 39,761,424	 (75,293)
<b>Net Expenses:</b>			
General government	(2,825,336)	(2,210,206)	(615,130)
Police services	(11,284,869)	(11,556,873)	272,004
Maintenance services and Lighting and landscape	(8,049,889)	(6,881,818)	(1,168,071)
Development services	(7,548,543)	(3,733,185)	(3,815,358)
Administrative services	(4,726,483)	(4,170,618)	(555,865)
Recreation, arts, & community services	(2,668,130)	(2,482,784)	(185,346)
Interest on long-term debt	(179,118)	(204,389)	25,271
Total net expenses	(37,282,368)	(31,239,873)	(6,042,495)
<b>Net Cost of Services</b>	<b>\$ 2,403,763</b>	<b>\$ 8,521,551</b>	<b>\$ (6,117,788)</b>

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

- Program revenues increased by \$979,274. An increase of \$88,417 in Charges for Services was due to increase in Receptions classes, increased activity in Police Services, and increase in the Development Services activity. Operating Grants decreased a net of \$(1,007,242) as grants for Police and Development Services decreased, as there were less state grants for the Planning division, compare to last fiscal year. Capital Grants and Contributions increased a net of \$1,898,099 as grant for capital projects increased compare to last fiscal year's grant.
- General revenues decreased \$(75,293) reflecting the net reported increase \$859,619 in property tax revenues, decreased \$(853,768) in franchise fees, increased \$1,090,794 in investment earning, and decreased \$(1,294,663) in miscellaneous, net with an increase in net reported \$133,572 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 \$39,936,036 a net increase of \$3,038,278 over last year. Revenues exceeded expenditures by \$13,139,499 and transfers out of \$(10,102,433) were made for future capital projects and additional funding for parks and building maintenance in the Lighting and Landscape Assessment District (\$1,450,000). Major revenue sources that exceeded budget include property and transfer taxes of \$2,406,517 sales taxes of \$367,759, Other taxes of \$90,129, intergovernmental of \$121,977, Miscellaneous of \$497,355 and uses of money and property of \$4,268,297 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 Charges for services \$(49,091) and Licenses and permits \$(2,781), as actual revenues received were lower than forecasted. 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 \$859,619. This was attributable to continued strong growth in assessed valuation. Sales tax showed an increase of \$133,572. The online sales activity and brick and mortar businesses (restaurant and retail) showed modest increase compared to last year. Other taxes increased by \$79,463, with motor vehicle receipts and franchise fees reflecting the increase in solid waste revenues per contract with the authority. Charges for services decreased by \$(49,091) as Recreation classes and activities and in-person operation returned to the pre pandemic level of service. Fines and forfeitures increased slightly by \$7,875, reflected in higher traffic and parking volumes. Uses of money increased by \$4,268,297 due to increase in rental from Town facilities and higher market value of the Town's investments as of June 30, 2025.

In fiscal year 2015, the Sacramento County Superior Court issued a ruling on September 5, 2014, concluding that the reentered Cooperative Agreement between the Successor Agency and the Town of Danville was an enforceable obligation. The State appealed the Superior Court decision, and in May 2015, the State dismissed its appeal. At the same time, the Department of Finance accepted the Agreement as an enforceable obligation. The Town has decided to retain the amount that was approved by the Department of Finance, \$659,401 as a loan receivable on its books, and reserve an offsetting amount in fund balance.

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 Assessment District Special Revenue Fund decreased by \$(289,514) 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 \$1,450,000 account for this increase in fund balance.

The Regional Traffic Impact Fees fund balance is reported higher by \$139,176 reflecting the increase in revenues, and decrease in expenditures.

The American Rescue Plan Act Special Revenue Fund had no change to fund balance as unearned revenue was recognized as revenue in the amount of \$3,798,968.

The fund balance in the Capital Improvement Projects Fund increased by a net of \$3,470,795 reflecting capital expenditures and a net transfer in of \$7,555,433, helping to offset appropriated capital expenditures in excess of revenues.

Non-major Special Revenue Funds decreased by a net of \$(5,720,957), 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: increase of the Building and Planning Fund by \$1,067,761 due to higher revenues resulting from more building and planning activities and additional state grant and less expenditures; increase of Development Engineering Fund by \$87,332 due to higher revenues resulting from higher volume of engineering services; increase of the Old Town Parking.

In-Lieu by \$59,480 due to increase of new downtown businesses activities; and Low and Moderate Income Housing increase by \$154,514 from interest income; offset by the decrease of PEG Fund by \$(189,242) as a result of transfer of fund to Asset Replacement and the decrease of subscribers from the cable services; decreased of Gas Tax Fund by \$(1,938,064) due to the Capital Improvement Program (CIP) expenditures spent pending grant receipts; decreased in Stormwater Pollution Control Program Fund by \$(51,694) due to less revenues from assessment fees and higher expenditures due to more use of consulting services; and the Solid Waste Vehicle Impact Fees Fund decrease by \$(2,141,213) due to higher expenditures in CIP compared to last fiscal year.

The Non-Major Capital Improvement Funds, increased by a net of \$889,987, due to an increase of \$1,103,799 in the Asset Replacement General Fund due to the transfer in from General Fund and other funds and less expenditures; offset by a decrease of \$(134,577) in the Park Facilities Fund due to higher expenses for various CIP projects; and a decrease of \$(65,677) in the Northeast Road Improvements Special Assessment 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 expenditures exceeded the final budget by \$1,289,477. 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 \$3,573,675. 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 \$4,231,004 (including \$1,450,000 to LLAD) to fund future capital projects throughout the Town.

### **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 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, 2025, 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 82% 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.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of FY 2025, the Town had a book value of \$192,134,148 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 \$(387,878) net of additions, retirements and depreciation, resulting in a .20% decrease over last year.

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

Depreciation 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, 2025 was 80, an increase from last year's pavement condition of 78. 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 and Note 5 to the Financial Statements and in the Required Supplementary Information.

**Table 4**  
**Capital Assets (Net of Accumulated Depreciation/Amortization)**  
**June 30, 2025**

	<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	(18,179,007)	46,214,890
Park improvements	24,267,438	(23,179,865)	1,087,573
Furniture and equipment	6,046,861	(4,610,337)	1,436,524
Subscription assets	161,099	(89,154)	71,945
Construction in progress	13,105,925	-	13,105,925
Infrastructure	<u>169,367,157</u>	<u>(70,971,733)</u>	<u>98,395,424</u>
<b>Total</b>	<u>\$ 309,164,244</u>	<u>\$ (117,030,096)</u>	<u>\$ 192,134,148</u>

**Table 5**  
**Capital Assets (Net of Accumulated Depreciation/Amortization)**  
**June 30, 2025 vs. June 30 2024**

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Land	\$ 31,821,867	\$ 31,821,867	\$ -
Buildings and parking lots	46,214,890	47,722,318	(1,507,428)
Park improvements	1,087,573	1,294,070	(206,497)
Furniture and equipment	1,436,524	1,544,502	(107,978)
Subscription assets	71,945	126,695	(54,750)
Construction in progress	13,105,925	11,767,848	1,338,077
Infrastructure	<u>98,395,424</u>	<u>98,244,726</u>	<u>150,698</u>
<b>Total</b>	<u>\$ 192,134,148</u>	<u>\$ 192,522,026</u>	<u>\$ (387,878)</u>

The Town's five-year Capital Improvement Plan projects will cost \$33,053,319 through FY 2028/29. 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 \$18,499,317 for pavement management. Additional details can be found in the Town's 2024/25 Operating Budget and Capital Improvement Program document available at [www.danville.ca.gov/Council and Government/Departments/Finance/](http://www.danville.ca.gov/Council_and_Government/Departments/Finance/).

**Debt**

At year end, the Town had \$5,304,233 in Certificates of Participation (COPs) and Subscription Liabilities and Compensated Absences outstanding versus \$5,489,743 last year, a net decrease of \$(185,510), as shown in Table 6 below.

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

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
2001 & 2005 Certificates of Participation	\$ 3,510,000	\$ 4,110,000	\$ (600,000)
Subscription liabilities	-	74,094	(74,094)
Compensated absences	<u>1,794,233</u>	<u>1,305,649</u>	<u>488,584</u>
<b>Total</b>	<u>\$ 5,304,233</u>	<u>\$ 5,489,743</u>	<u>\$ (185,510)</u>

The \$(600,000) decrease in the COP amount is due to scheduled debt service payments, decrease of \$(74,094) in the Subscription liabilities, and the \$488,584 increase in Compensated Absences is due to higher cost of personnel compare to last year, personnel earning more leaves hours than used and the restatement of the Compensated Absences.

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

**CONTACTING THE TOWN’S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**



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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



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**Town of Danville**  
**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and investments (Note 3)	\$ 116,405,082
Receivables (net of allowances):	
Accounts	3,412,389
Due from Successor Agency within one year (Note 7)	659,401
Leases (Note 4)	662,824
Interest	801,342
Total receivables	5,535,956
Prepaid items	181,855
<b>Total current assets</b>	122,122,893
<b>Noncurrent assets:</b>	
Restricted cash and investments (Note 3):	
Held with fiscal agents	1,809,649
Total restricted cash and investments	1,809,649
Leases receivable (Note 4)	5,162,043
Capital assets (Note 5):	
Nondepreciable	138,003,677
Depreciable/amortizable, net	54,130,471
Total capital assets, net	192,134,148
<b>Total noncurrent assets</b>	199,105,840
<b>Total assets</b>	321,228,733
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable	5,113,145
Accrued wages payable	389,765
Retention payable	868,869
Deposits payable	241,416
Interest payable	49,000
Claims liabilities (Note 12)	2,903
Unearned revenue (Note 8)	2,138,369
Long-term debt - due within one year (Note 9)	1,595,000
<b>Total current liabilities</b>	10,398,467
<b>Noncurrent liabilities:</b>	
Long-term debt - due in more than one year: (Note 9)	
Certificates of participation	2,880,000
Compensated absences	829,233
<b>Total noncurrent liabilities</b>	3,709,233
<b>Total liabilities</b>	14,107,700
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Lease-related deferred inflows of resources (Note 4)	5,601,605
<b>Total deferred inflows of resources</b>	5,601,605
<b>NET POSITION</b>	
Net investment in capital assets (Note 11)	187,755,279
Restricted for:	
Capital projects	4,028,564
Debt service	2,662,484
Assessment districts	1,317,535
Transportation	9,902,696
Public safety	662,541
Housing	2,116,000
Community development	374,929
Public works	13,894,560
Other programs	320,019
Total restricted	35,279,328
Unrestricted	78,484,821

See accompanying Notes to the Basic Financial Statements.

Total net position

**Town of Danville**

\$ 301,519,428

**Town of Danville**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Governmental activities:</b>					
General government	\$ 2,827,351	\$ 1,015	\$ 1,000	\$ -	\$ (2,825,336)
Police services	11,921,599	310,255	326,475	-	(11,284,869)
Maintenance services and lighting and landscape	11,715,263	3,643,936	1,000	20,438	(8,049,889)
Development services	20,085,162	4,358,350	2,540,798	5,637,471	(7,548,543)
Administrative services	5,024,036	297,553	-	-	(4,726,483)
Recreation, arts, & community services	4,657,216	1,989,086	-	-	(2,668,130)
Interest expense	179,118	-	-	-	(179,118)
<b>Total governmental activities</b>	<b>\$ 56,409,745</b>	<b>\$ 10,600,195</b>	<b>\$ 2,869,273</b>	<b>\$ 5,657,909</b>	<b>(37,282,368)</b>
<b>General revenues:</b>					
Taxes:					
Property					20,765,297
Sales					6,932,759
Motor vehicle license fee					68,850
Franchise					2,648,941
Other					343,114
Total taxes					30,758,961
Investment earnings (Note 3)					6,483,704
Miscellaneous					1,584,448
Reimbursement from Successor Agency (Note 7)					859,018
<b>Total general revenues</b>					<b>39,686,131</b>
<b>Change in net position</b>					<b>2,403,763</b>
<b>Net position - beginning of year, as previously reported</b>					<b>299,493,013</b>
<b>Restatement (Note 15)</b>					<b>(377,348)</b>
<b>Net position - beginning of year, as restated</b>					<b>299,115,665</b>
<b>Net position - end of year</b>					<b>\$ 301,519,428</b>

**FUND FINANCIAL STATEMENTS**



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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**



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# Town of Danville

## Governmental Fund Financial Statements

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### **General Fund**

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

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

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

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

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

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

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

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

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

**Town of Danville**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2025**

	Major Funds			
	General Fund	Lighting and Landscape Assessment District Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	American Rescue Plan Act Special Revenue Fund
<b>ASSETS</b>				
Cash and investments	\$ 41,806,981	\$ 4,772,931	\$ 4,637,726	\$ 1,221,788
Cash and investments with fiscal agents	852,835	-	-	-
Receivables (net of allowances):				
Accounts	1,966,119	38,887	5,480	-
Leases	5,824,867	-	-	-
Due from Successor Agency of former CDA	659,401	-	-	-
Interest	464,035	28,457	19,616	-
Prepaid items	181,855	-	-	-
<b>Total assets</b>	<b>\$ 51,756,093</b>	<b>\$ 4,840,275</b>	<b>\$ 4,662,822</b>	<b>\$ 1,221,788</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,620,601	\$ 390,190	\$ 11,486	\$ 317,300
Accrued wages payable	268,921	40,718	-	-
Retention payable	-	-	-	238,488
Deposits payable	198,746	-	-	-
Claims liabilities	2,903	-	-	-
Unearned revenue	1,152,489	59,734	-	884,086
<b>Total liabilities</b>	<b>5,243,660</b>	<b>490,642</b>	<b>11,486</b>	<b>1,439,874</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	974,792	-	-	-
Lease-related deferred inflows of resources	5,601,605	-	-	-
<b>Total deferred inflows of resources</b>	<b>6,576,397</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	181,855	-	-	-
Restricted	852,835	1,317,535	4,651,336	-
Committed	37,680,679	-	-	-
Assigned	561,266	3,032,098	-	-
Unassigned (deficit)	659,401	-	-	(218,086)
Total fund balances	39,936,036	4,349,633	4,651,336	(218,086)
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 51,756,093</b>	<b>\$ 4,840,275</b>	<b>\$ 4,662,822</b>	<b>\$ 1,221,788</b>

(Continued)

**Town of Danville**  
**Governmental Funds**  
**Balance Sheet (Continued)**  
**June 30, 2025**

	Major Funds		
	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 29,680,457	\$ 34,285,199	\$ 116,405,082
Cash and investments with fiscal agents	-	956,814	1,809,649
Receivables (net of allowances):			
Accounts	85,039	1,316,864	3,412,389
Leases	-	-	5,824,867
Due from Successor Agency of former CDA	-	-	659,401
Interest	166,207	123,027	801,342
Prepaid items	-	-	181,855
<b>Total assets</b>	<b>\$ 29,931,703</b>	<b>\$ 36,681,904</b>	<b>\$ 129,094,585</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 390,917	\$ 382,651	\$ 5,113,145
Accrued wages payable	2,168	77,958	389,765
Retention payable	97,413	532,968	868,869
Deposits payable	-	42,670	241,416
Claims liabilities	-	-	2,903
Unearned revenue	-	42,060	2,138,369
<b>Total liabilities</b>	490,498	1,078,307	8,754,467
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	85,039	-	1,059,831
Lease-related deferred inflows of resources	-	-	5,601,605
<b>Total deferred inflows of resources</b>	85,039	-	6,661,436
<b>Fund Balances:</b>			
Nonspendable	-	-	181,855
Restricted	-	26,647,973	33,469,679
Committed	29,356,166	8,955,624	75,992,469
Assigned	-	-	3,593,364
Unassigned (deficit)	-	-	441,315
Total fund balances	29,356,166	35,603,597	113,678,682
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 29,931,703</b>	<b>\$ 36,681,904</b>	<b>\$ 129,094,585</b>

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**Town of Danville**  
**Reconciliation of Governmental Funds Balance Sheet to the**  
**Government-Wide Statement of Net Position**  
**June 30, 2025**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 113,678,682</b>
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	138,003,677
Depreciable/amortizable capital assets, net	54,130,471
Total capital assets	192,134,148
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.	
	(49,000)
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.	
	1,059,831
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	(1,595,000)
Long-term liabilities - due in more than one year:	
- Certificates of participation	(2,880,000)
- Compensated absences payable	(829,233)
Total long-term debt	(5,304,233)
<b>Net Position of Governmental Activities</b>	<b>\$ 301,519,428</b>

**Town of Danville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2025**

	Major Funds			
	General Fund	Lighting and Landscape Assessment District4 Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	American Rescue Plan Act Special Revenue Fund
<b>REVENUES:</b>				
Property taxes	\$ 20,765,297	\$ -	\$ -	\$ -
Sales taxes	6,932,759	-	-	-
Special assessments	-	3,053,116	-	-
Other taxes	2,664,129	-	-	-
Charges for services	2,157,074	-	-	-
Licenses and permits	347,219	-	-	-
Development fees	-	-	125,705	-
Intergovernmental	160,716	-	-	3,798,968
Fines and forfeitures	157,875	-	-	-
Use of money and property	5,819,518	126,510	99,709	-
Reimbursement from Successor Agency	859,018	-	-	-
Miscellaneous	931,575	137,081	-	-
<b>Total revenues</b>	<b>40,795,180</b>	<b>3,316,707</b>	<b>225,414</b>	<b>3,798,968</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,771,468	-	-	-
Police services	10,727,781	-	-	-
Maintenance services	3,383,491	-	-	-
Lighting and landscape	-	4,726,540	-	-
Development services	1,105,364	35,609	84,110	3,029,926
Administrative services	4,562,596	294,072	2,128	-
Recreation, arts, & community services	4,245,963	-	-	-
Capital outlay	-	-	-	769,042
Debt service:				
Principal	674,094	-	-	-
Interest	184,924	-	-	-
<b>Total expenditures</b>	<b>27,655,681</b>	<b>5,056,221</b>	<b>86,238</b>	<b>3,798,968</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>13,139,499</b>	<b>(1,739,514)</b>	<b>139,176</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	1,212	-	-	-
Transfers in (Note 6)	-	1,450,000	-	-
Transfers out (Note 6)	(10,102,433)	-	-	-
<b>Total financing sources (uses)</b>	<b>(10,101,221)</b>	<b>1,450,000</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3,038,278</b>	<b>(289,514)</b>	<b>139,176</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	36,897,758	4,639,147	4,512,160	(218,086)
End of year	\$ 39,936,036	\$ 4,349,633	\$ 4,651,336	\$ (218,086)

(Continued)

**Town of Danville**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2025**

	Major Funds		
	Capital Improvement Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Property taxes	\$ -	\$ -	\$ 20,765,297
Sales taxes	-	-	6,932,759
Special assessments	-	579,153	3,632,269
Other taxes	-	3,532,428	6,196,557
Charges for services	-	1,092,262	3,249,336
Licenses and permits	-	5,232	352,451
Development fees	-	3,140,683	3,266,388
Intergovernmental	105,193	945,140	5,010,017
Fines and forfeitures	-	-	157,875
Use of money and property	947,585	773,110	7,766,432
Reimbursement from Successor Agency	-	-	859,018
Miscellaneous	(1,289,827)	156,851	(64,320)
<b>Total revenues</b>	<u>(237,049)</u>	<u>10,224,859</u>	<u>58,124,079</u>
<b>EXPENDITURES:</b>			
Current:			
General government	-	40,120	2,811,588
Police services	299,789	500,092	11,527,662
Maintenance services	684,607	1,266,164	5,334,262
Lighting and landscape	-	-	4,726,540
Development services	253,995	11,748,495	16,257,499
Administrative services	-	33,250	4,892,046
Recreation, arts, & community services	64,958	99,429	4,410,350
Capital outlay	2,544,240	2,465,279	5,778,561
Debt service:			
Principal	-	-	674,094
Interest	-	-	184,924
<b>Total expenditures</b>	<u>3,847,589</u>	<u>16,152,829</u>	<u>56,597,526</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,084,638)</u>	<u>(5,927,970)</u>	<u>1,526,553</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of property	-	-	1,212
Transfers in (Note 6)	7,555,433	1,197,000	10,202,433
Transfers out (Note 6)	-	(100,000)	(10,202,433)
<b>Total financing sources (uses)</b>	<u>7,555,433</u>	<u>1,097,000</u>	<u>1,212</u>
<b>NET CHANGE IN FUND BALANCES</b>	3,470,795	(4,830,970)	1,527,765
<b>FUND BALANCES (DEFICIT):</b>			
Beginning of year	25,885,371	40,434,567	112,150,917
End of year	<u>\$ 29,356,166</u>	<u>\$ 35,603,597</u>	<u>\$ 113,678,682</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, 2025**

---

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,527,765

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. 2,193,659

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. (2,574,542)

Revenues that have not met the revenue recognition criteria in the Fund Financial Statements are recognized as revenue in the Government-Wide Financial Statements. 695,212

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but they do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds. The following amount represents the change in long-term compensated absences from the prior year. (111,236)

Repayment of bond principal reduces long-term liabilities in the Government-Wide Statement of Net Position.

Long-term debt repayments:

- Certificates of participation 600,000
- Subscription liability 74,094

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. 5,806

**Change in Net Position of Governmental Activities** \$ 2,403,763

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**FIDUCIARY FUND FINANCIAL STATEMENTS**



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# Town of Danville

## Fiduciary Fund Financial Statements

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### **TRUST FUND**

#### **Successor Agency Trust Fund**

The Successor Agency to the former Community Development Agency (CDA) of the Town of Danville was established as a result of the passage of Assembly Bill x1 26, which dissolved all Redevelopment Agencies in the State of California effective February 1, 2012. On January 10, 2012, pursuant to Health and Safety Code Section 341 73, 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, 2025**

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	Successor Agency Private Purpose Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and investments (Note 3)	\$ 896,565	\$ 2,039,042
Cash and investments with fiscal agents (Note 3)	387,567	361,666
<b>Total assets</b>	1,284,132	2,400,708
<b>LIABILITIES</b>		
Accounts payable	-	291,161
Loan payable to Town (Note 7)	659,401	-
Loan payable, due within one year (Note 9)	270,000	-
Loan payable, due in more than one year (Note 9)	950,000	-
Interest payable	623,348	-
Deposits	-	887,411
<b>Total liabilities</b>	2,502,749	1,178,572
<b>NET POSITION (DEFICIT)</b>		
Restricted for individuals, organizations, and other governments	-	1,222,136
Unrestricted (deficit)	(1,218,617)	-
<b>Total net position (deficit)</b>	\$ (1,218,617)	\$ 1,222,136

**Town of Danville**  
**Fiduciary Activities**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2025**

---

	Successor Agency Private Purpose Trust Fund	Custodial Fund
<b>ADDITIONS:</b>		
Property tax receipts	\$ 2,292,850	\$ -
Miscellaneous	256,449	-
<b>Total additions</b>	2,549,299	-
<b>DEDUCTIONS:</b>		
Amount allocated to General Fund for principal payment	850,000	-
Amount allocated to General Fund for interest payment	9,018	-
Interest	289,932	-
Other	21,874	11,468
<b>Total deductions</b>	1,170,824	11,468
<b>Changes in net position</b>	1,378,475	(11,468)
<b>NET POSITION (DEFICIT):</b>		
Beginning of year	(2,597,092)	1,233,604
End of year	\$ (1,218,617)	\$ 1,222,136

**NOTES TO THE BASIC FINANCIAL STATEMENTS**



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**Town of Danville**  
**Index to Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**Town of Danville**  
**Index to Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Town of Danville**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**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 42,960.

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 129.5 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, 2025**

---

**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.

**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

**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.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

---

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

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

**Governmental Fund Financial Statements (Continued)**

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 Assessment District 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, 2025**

---

**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 341 73, 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, 2025**

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**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, 2025**

---

**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, 2025**

---

**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, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, 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, 2025. 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, 2025**

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**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, which is typically defined as within 90 days after the balance sheet date. 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 balance sheet and revenue is recognized.

**H. Compensated Absences**

The Town accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is recognized for leave benefits (such as vacation and sick leave) when the benefits are attributable to services already rendered, accumulate for use in future periods, and are more likely than not to be used or paid. The liability is measured using the employee's pay rate in effect at the financial statement date and includes salary-related payments. 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.

**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.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

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

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

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

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

**K. Deferred Outflows and Inflows of Resources**

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.

**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.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**M. 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.

**N. Spending Policies**

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

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

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

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**O. Property Taxes**

Property taxes are levied on all taxable real and personal property located within the Town’s boundaries. The County of Contra Costa levies, bills, and collects property taxes and special assessments for the Town. The County remits to the Town the full amount of its property tax and assessment levies under the Teeter Plan, whereby the County advances participating local agencies 100 percent of the current secured tax levies, regardless of actual collections. In exchange, the County retains all penalties and interest on delinquent accounts when collected. Revenue is recognized in the fiscal year for which the tax and assessment are levied.

Property taxes attach as an enforceable lien on property as of January 1 and are levied and collected according to the following schedule:

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

**P. Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates are used in connection with the valuation of assets and liabilities, the disclosure of contingent assets and liabilities, and the determination of revenues, expenditures, and expenses, as applicable.

**Q. Implementation of New GASB Pronouncements**

During fiscal year ended June 30, 2025, the Town has implemented the following new 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 had a moderate effect on the Town’s financial reporting for the fiscal year ended June 30, 2025. See Note 15.

***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 did not have an effect on the Town’s financial reporting for the fiscal year ended June 30, 2025.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**R. Upcoming Government Accounting Standards Implementation**

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

***GASB Statement No. 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.

***GASB Statement No. 104*** – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. 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, 2025:

	Primary Governmental Activities	Fiduciary Fund Financial Statements	Total
Cash and investments	\$ 116,405,082	\$ 2,935,607	\$ 119,340,689
Subtotal held by Town	116,405,082	2,935,607	119,340,689
Held by fiscal agents	1,809,649	749,233	2,558,882
<b>Total cash and investments</b>	<b>\$ 118,214,731</b>	<b>\$ 3,684,840</b>	<b>\$ 121,899,571</b>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

At June 30, 2025, 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, 2025:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Percentage of Investments</b>	<b>Measurement Input</b>
<b>Demand deposits</b>	\$ 3,149,223	N/A	N/A
<b>Investments:</b>			
U.S. Securities:			
U.S. Treasury	45,099,925	37.98%	Level 2
Federal Securities	19,340,758	16.29%	Level 2
Asset Backed Securities	5,254,444	4.42%	Level 2
Collateralized Mortgage Obligations	8,718,064	7.34%	Level 2
Supranational:			
Inter-American Dev Bank Note	1,007,610	0.85%	Level 2
Int'l Bank Recon & Development	1,488,833	1.25%	Level 2
International Finance Corp Note	931,879	0.78%	Level 2
U.S. Corporate Notes/FDIC:		0.00%	
Amazon.com Inc. Callable Note	983,711	0.83%	Level 2
Apple Inc. Callable	745,293	0.63%	Level 2
Apple Inc. Note	464,203	0.39%	Level 2
Bank of America NA Callable Note	1,014,183	0.85%	Level 2
Bank of NY Mellon Corp Callable Note	1,259,559	1.06%	Level 2
Blackrock Funding Inc.	698,425	0.59%	Level 2
Caterpillar Financial Service Note	1,017,024	0.86%	Level 2
Cisco Systems, Inc.	1,012,126	0.85%	Level 2
Colgate Palmolive Co. Note	469,101	0.40%	Level 2
Honeywell International Callable Note	977,743	0.82%	Level 2
John Deere Capital Corp Note	1,006,285	0.85%	Level 2
JP Morgan Chase & Co. Callable Note	410,127	0.35%	Level 2
Microsoft Callable Note	995,659	0.84%	Level 2
Morgan Stanley Bank NA Callable Note	449,259	0.38%	Level 2
Paccar Financial Corp. Note	520,376	0.44%	Level 2
Pepsico Inc. Callable Note	364,536	0.31%	Level 2
State Street Corp Callable Note	1,080,413	0.91%	Level 2
Toyota Motor Credit Corp	970,536	0.82%	Level 2
Visa Inc.	976,025	0.82%	Level 2
Wal-Mart Stores Callable Note	699,370	0.59%	Level 2
Local Agency Investment Fund (LAIF)	16,884,795	14.22%	N/A
Money Market Funds	3,910,086	3.29%	N/A
<b>Total investments</b>	<u>118,750,348</u>	<u>100.00%</u>	
<b>Total cash and investments</b>	<u>\$ 121,899,571</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.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**A. Demand Deposits**

The carrying amounts of the Town's cash deposits were \$3,149,223 at June 30, 2025. Bank balances as of June 30, 2025, were \$3,403,114 which were fully insured and collateralized with securities held by the pledging financial institutions in the Town's name as discussed in the following.

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

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

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 15, 2024. 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

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**B. Investments (Continued)**

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

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

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

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

Interest earnings	\$ 4,028,049
Unrealized gain (loss) on changes in fair value of investments	2,455,655
<b>Total investment earnings</b>	<b>\$ 6,483,704</b>

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**

California Local Agency Investment Fund (LAIF) – The Town is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had \$16,884,795 invested in LAIF. 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. LAIF is reported at amortized cost, which approximates fair value.

**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 \$1,809,649 in the Governmental-wide Statement of Net Position and Balance Sheet – Governmental Funds and \$749,233 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.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**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:

Maturity	Maximum Investment
Up to six months	25%
Six months to five years	75%

Specific maturities of investments depend on liquidity needs. At June 30, 2025, 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
<b>Demand deposits</b>	\$ 3,149,223	\$ 3,149,223	\$ -	\$ -	\$ -	\$ -
<b>Investments:</b>						
U.S. Securities:						
U.S. Treasury	45,099,925	13,028,622	12,348,472	10,305,008	3,943,274	5,474,549
Federal Securities	19,340,758	3,000,663	3,532,257	9,795,251	1,537,402	1,475,185
Asset Backed Securities	5,254,444	25,946	275,480	791,587	2,171,822	1,989,609
Collateralized Mortgage Obligations	8,718,064	-	1,970,413	3,777,282	2,970,369	-
Supranational:						
Inter-American Dev Bank Note	1,007,610	-	1,007,610	-	-	-
Int'l Bank Recon & Development	1,488,833	-	-	-	1,488,833	-
International Finance Corp Note	931,879	-	931,879	-	-	-
U.S. Corporate Notes/FDIC:						
Amazon.com Inc. Callable Note	983,711	-	-	983,711	-	-
Apple Inc. Callable	745,293	745,293	-	-	-	-
Apple Inc. Note	464,203	-	-	-	-	464,203
Bank of America NA Callable Note	1,014,183	-	1,014,183	-	-	-
Bank of NY Mellon Corp Callable Note	1,259,559	-	-	-	1,259,559	-
Blackrock Funding Inc.	698,425	-	-	698,425	-	-
Caterpillar Financial Service Note	1,017,024	-	1,017,024	-	-	-
Cisco Systems, Inc.	1,012,126	-	1,012,126	-	-	-
Colgate Palmolive Co. Note	469,101	469,101	-	-	-	-
Honeywell International Callable Note	977,743	-	977,743	-	-	-
John Deere Capital Corp Note	1,006,285	-	1,006,285	-	-	-
JP Morgan Chase & Co. Callable Note	410,127	-	410,127	-	-	-
Microsoft Callable Note	995,659	995,659	-	-	-	-
Morgan Stanley Bank NA Callable Note	449,259	-	449,259	-	-	-
Paccar Financial Corp. Note	520,376	-	520,376	-	-	-
Pepsico Inc. Callable Note	364,536	-	364,536	-	-	-
State Street Corp Callable Note	1,080,413	-	1,080,413	-	-	-
Toyota Motor Credit Corp	970,536	970,536	-	-	-	-
Visa Inc.	976,025	-	-	976,025	-	-
Wal-Mart Stores Callable Note	699,370	699,370	-	-	-	-
Local Agency Investment Fund (LAIF)	16,884,795	16,884,795	-	-	-	-
Money Market Funds	3,910,086	3,910,086	-	-	-	-
<b>Total investments</b>	118,750,348	40,730,071	27,918,183	27,327,289	13,371,259	9,403,546
<b>Total cash and investments</b>	\$ 121,899,571	\$ 43,879,294	\$ 27,918,183	\$ 27,327,289	\$ 13,371,259	\$ 9,403,546

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**E. Risk Disclosures (Continued)**

Credit Risk

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

At June 30, 2025, the Town's investments are rated as follows:

	Credit Quality Rating	
	Moody's	S&P
Investments:		
U.S. Securities:		
U.S. Treasury	Aa1	AA+
Federal Securities	Aa1	AA+
Asset Backed Securities	Aaa	AAA
Collateralized Mortgage Obligations	Aa1	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:		
Amazon.com Inc. Callable Note	A1	AA
Apple Inc. Callable	Aaa	AA+
Apple Inc. Note	Aaa	AA+
Bank of America NA Callable Note	Aa2	A+
Bank of NY Mellon Corp Callable Note	Aa3	A
Blackrock Funding Inc.	Aa3	AA-
Caterpillar Financial Service Note	A2	A
Cisco Systems, Inc.	A1	AA-
Colgate Palmolive Co. Note	Aa3	A+
Honeywell International Callable Note	A2	A
John Deere Capital Corp Note	A1	A
JP Morgan Chase & Co. Callable Note	Aa2	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 Corp Callable Note	Aa3	A
Toyota Motor Credit Corp	A1	A+
Visa Inc.	Aa3	AA-
Wal-Mart Stores Callable Note	Aa2	A+
Local Agency Investment Fund (LAIF)	Not Rated	Not Rated
Money Market Funds	Aaa	AAA

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**E. Risk Disclosures (Continued)**

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.

**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, 2025, the Town recognized \$668,704 in lease revenue and \$129,885 in interest revenue, and the outstanding net present value of the lease receivable amount is \$5,824,867.

A summary of changes in lease receivable for the fiscal year ended June 30, 2025 is as follows:

Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts due within one year	Amounts due in more than one year
\$ 3,546,194	\$ 2,839,816	\$ (561,143)	\$ 5,824,867	\$ 662,824	\$ 5,162,043

As of June 30, 2025, the required payments for these leases, including interest, are:

Year Ending June 30	Principal	Interest	Total Lease Payments
2026	\$ 662,824	\$ 150,281	\$ 813,105
2027	594,046	131,693	725,739
2028	517,284	115,806	633,090
2029	545,966	100,407	646,373
2030	560,909	84,148	645,057
2031-2035	988,291	304,570	1,292,861
2036-2040	602,451	194,179	796,630
2041-2045	375,181	136,668	511,849
2046-2050	477,728	87,394	565,122
2051-2055	500,187	25,940	526,127
Total	\$ 5,824,867	\$ 1,331,086	\$ 7,155,953

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

As of June 30, 2025, the amounts reported as deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Year Ending June 30	Total
2026	\$ 779,057
2027	658,563
2028	545,939
2029	545,639
2030	532,351
2031-2035	1,015,759
2036-2040	557,469
2041-2045	339,172
2046-2050	339,172
2051-2055	288,484
Total	<u>\$ 5,601,605</u>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 5 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2025
<b>Governmental Activities:</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 31,821,867	\$ -	\$ -	\$ -	\$ 31,821,867
Construction in progress	11,767,848	1,795,718	(6,995)	(450,646)	13,105,925
Infrastructure - streets, concrete & asphalt pavements	93,075,885	-	-	-	93,075,885
Total capital assets not being depreciated/amortized	136,665,600	1,795,718	(6,995)	(450,646)	138,003,677
Capital assets being depreciated/amortized:					
Buildings and parking lots/street	64,393,897	-	-	-	64,393,897
Park improvements	24,267,438	-	-	-	24,267,438
Furniture and equipment	5,730,828	351,710	(35,677)	-	6,046,861
Subscription assets	331,124	46,231	(216,256)	-	161,099
Infrastructure:					
Drainage system	56,689,603	-	-	450,646	57,140,249
Bridges	12,153,067	-	-	-	12,153,067
Signal system	6,997,956	-	-	-	6,997,956
Total capital assets being depreciated/amortized	170,563,913	397,941	(251,933)	450,646	171,160,567
Accumulated depreciation/amortization:					
Buildings and parking lots	(16,671,579)	(1,507,428)	-	-	(18,179,007)
Park improvements	(22,973,368)	(206,497)	-	-	(23,179,865)
Furniture and equipment	(4,186,326)	(459,688)	35,677	-	(4,610,337)
Subscription assets	(204,429)	(100,981)	216,256	-	(89,154)
Infrastructure:					
Drainage system	(56,304,123)	(24,980)	-	-	(56,329,103)
Bridges	(8,302,166)	(175,403)	-	-	(8,477,569)
Signal system	(6,065,496)	(99,565)	-	-	(6,165,061)
Total accumulated depreciation/amortization	(114,707,487)	(2,574,542)	251,933	-	(117,030,096)
Total capital assets, being depreciated/amortized, net	55,856,426	(2,176,601)	-	450,646	54,130,471
<b>Governmental activities capital assets, net</b>	<b>\$ 192,522,026</b>	<b>\$ (380,883)</b>	<b>\$ (6,995)</b>	<b>\$ -</b>	<b>\$ 192,134,148</b>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**A. Governmental Activities (Continued)**

Depreciation/amortization expenses by program for capital assets for the year ended June 30, 2025, were as follows:

Police Services	
Building	\$ 19,250
Furniture & equipment (vehicle)	372,755
Subtotal	392,005
Maintenance Services	
Building	1,053,317
Parking lots	307,158
Park improvements	203,638
Furniture & equipment (vehicle)	59,444
Subtotal	1,623,557
Development Services	
Furniture & equipment (vehicle)	13,129
Infrastructure - drainage	24,980
Infrastructure - bridge	175,403
Subtotal	213,512
Transportation (Community) Services	
Infrastructure - signal	99,565
Subtotal	99,565
Administrative Services	
Building	1,212
Furniture & equipment (vehicle)	13,793
Subscription assets	100,981
Subtotal	115,986
Parks and Recreation Services	
Building	126,491
Park improvements	2,859
Furniture & equipment (vehicle)	567
Subtotal	129,917
Total depreciation/amortization expense	\$ 2,574,542

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 6 – Interfund Transactions**

**A. Transfers In/Out**

Transfers in/out for the year ended June 30, 2025, were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>			<b>Total</b>
	Lighting Landscape Special Revenue Fund (1)	Capital Improvement Capital Projects Fund (1)	Non-Major Governmental Funds (2)	
General Fund	\$ 1,350,000	\$ 7,555,433	\$ 1,197,000	\$ 10,102,433
Non-Major Governmental Funds	100,000	-	-	100,000
<b>Total</b>	<b>\$ 1,450,000</b>	<b>\$ 7,555,433</b>	<b>\$ 1,197,000</b>	<b>\$ 10,202,433</b>

The following are explanations for the transfers in and out:

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

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

In fiscal year 2012, the Town’s Successor Agency Trust Fund was established to replace the former Community Development Agency pursuant to state redevelopment agency dissolution legislation (see Note 1 for additional information). The loan receivable represents amounts advanced by the Town to the former Agency under a Cooperative Loan Agreement to finance redevelopment activities. Below are the accounts and transactions as of and for the year ended June 30, 2025:

<b>Government-Wide Financial Statements</b>	
Loans Receivable	
Cooperative Loan Agreement	<u>\$ 659,401</u>
Total	<u>\$ 659,401</u>
Reimbursement from Successor Agency	<u>\$ 859,018</u>
 <b>Governmental Funds Financial Statements</b>	
<b>General Fund</b>	
Due from Successor Agency of	
Former Community Development Agency	<u>\$ 659,401</u>
<b>Total</b>	<u>\$ 659,401</u>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

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

Prior to the State of California's (State) dissolution of all redevelopment agencies, the Town 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
2026	\$ 659,401
Total	\$ 659,401

**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, 2025, unearned revenues in the Government-Wide Financial Statements and governmental funds statements were as follows:

	Governmental Activities
American Rescue Plan Act unspent funds	\$ 884,086
Recreation program registration	938,757
Business licenses	209,913
Other	105,613
Total	\$ 2,138,369

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

**Note 9 – Long-Term Obligations**

**A. Governmental Activities**

A summary of changes in long-term debt for the year ended June 30, 2025 is as follows:

Description	Balance July 1, 2024	GASB 101 Restatement (Note 15)	Additions	Retirements	Net Change	Balance June 30, 2025	Classification	
							Due Within One Year	Due in More than One Year
Publicly offered COPs:								
2001 issue	\$ 1,245,000	\$ -	\$ -	\$ (395,000)	\$ -	\$ 850,000	\$ 415,000	\$ 435,000
2005 issue	2,865,000	-	-	(205,000)	-	2,660,000	215,000	2,445,000
Subscription liability	74,094	-	-	(74,094)	-	-	-	-
Compensated absences	1,305,649	377,348	-	-	111,236	1,794,233	965,000	829,233
<b>Total</b>	<b>\$ 5,489,743</b>	<b>\$ 377,348</b>	<b>\$ -</b>	<b>\$ (674,094)</b>	<b>\$ 111,236</b>	<b>\$ 5,304,233</b>	<b>\$ 1,595,000</b>	<b>\$ 3,709,233</b>

**Certificates of Participation – 2001 Issue**

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

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

The annual debt service requirements for the 2001 COPs outstanding at June 30, 2025 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2027	435,000	10,875	445,875
<b>Total</b>	<b>\$ 850,000</b>	<b>\$ 43,000</b>	<b>\$ 893,250</b>

**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.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**A. Governmental Activities (Continued)**

**Certificates of Participation – 2005 Issue (Continued)**

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, 2025, are as follows:

For the Years Ending June 30,	Principal	Interest	Total
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	260,000	80,475	340,475
2031-2035	1,480,000	211,825	1,691,825
<b>Total</b>	<b>\$ 2,660,000</b>	<b>\$ 722,888</b>	<b>\$ 3,382,888</b>

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

**Subscription Liability**

The Town entered into various subscription-based IT arrangements and has recorded a liability to offset the right-to-use assets. These were calculated using the Town’s incremental borrowing rate of 3.0%. At June 30, 2025, the outstanding balance was \$0.

**Compensated Absences**

The Town's liability for vested and unpaid compensated absences (accrued vacation and sick pay plus salary -related costs) has been accrued and amounts to \$1,794,233 at June 30, 2025. It is estimated that \$965,000 will either be used as time off or will be paid out in the next fiscal year.

**B. Fiduciary Fund Financial Statements**

Summary of changes in long-term obligations for the year ended June 30, 2025 was as follows:

Description	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Classification	
					Due Within One Year	Due in More than One Year
Loans payable	\$ 1,470,000	\$ -	\$ (250,000)	\$ 1,220,000	\$ 270,000	\$ 950,000
<b>Total</b>	<b>\$ 1,470,000</b>	<b>\$ -</b>	<b>\$ (250,000)</b>	<b>\$ 1,220,000</b>	<b>\$ 270,000</b>	<b>\$ 950,000</b>

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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

**B. Fiduciary Fund Financial Statements (Continued)**

**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, 2025 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2026	\$ 270,000	\$ 92,225	\$ 362,225
2027	290,000	68,425	358,425
2028	315,000	42,713	357,713
2029	345,000	14,663	359,663
<b>Total</b>	<b>\$ 1,220,000</b>	<b>\$ 218,026</b>	<b>\$ 1,438,026</b>

**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.

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 10 – Defined Contribution Pension Plan**

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

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, 2025, was \$10,721,163. Total employee contributions paid by the Town amounted to \$1,425,111 or 13.29% 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, 2025, the Plan had 178 participants and the market value of the Plan amounted to \$27,018,484.

**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 \$66,352. As of June 30, 2025, the Plan had two participants and the market value of the Plan amounted to \$622,627.

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, 2025**

**Note 11 – Fund Balance Classification and Net Position**

At June 30, 2025, fund balances are classified as follows:

	Major Funds						Total
	General Fund	Regional Traffic				Non-Major Governmental Funds	
		Lighting and Landscape Fund	Impact Fee Special Revenue Fund	ARPA Special Revenue Fund	Capital Improvement Project Fund		
<b>Fund Balances:</b>							
<b>Nonspendable</b>							
Prepaid items	\$ 181,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,855
<b>Total nonspendable</b>	181,855	-	-	-	-	-	181,855
<b>Restricted</b>							
Special revenue	-	1,317,535	4,651,336	-	-	26,647,973	32,616,844
Debt service	852,835	-	-	-	-	-	852,835
<b>Total restricted</b>	852,835	1,317,535	4,651,336	-	-	26,647,973	33,469,679
<b>Committed</b>							
Capital projects	18,564,331	-	-	-	29,356,166	8,955,624	56,876,121
Operating reserve	16,009,768	-	-	-	-	-	16,009,768
Contingency	881,348	-	-	-	-	-	881,348
Reward fund	10,000	-	-	-	-	-	10,000
Compensated absences/personnel	2,215,232	-	-	-	-	-	2,215,232
<b>Total committed</b>	37,680,679	-	-	-	29,356,166	8,955,624	75,992,469
<b>Assigned</b>							
Economic Development consultant	14,000	-	-	-	-	-	14,000
Emergency preparedness COVID-19	85,256	-	-	-	-	-	85,256
Engineering software	10,000	-	-	-	-	-	10,000
Equipment maintenance	50,000	-	-	-	-	-	50,000
Finance consulting services	10,000	-	-	-	-	-	10,000
Human resources consulting services	60,000	-	-	-	-	-	60,000
Information technology consulting services	22,000	-	-	-	-	-	22,000
Information technology equipment	25,000	-	-	-	-	-	25,000
Internal services equipment	10,010	-	-	-	-	-	10,010
Internal services internet	22,000	-	-	-	-	-	22,000
Lighting and landscape	-	3,032,098	-	-	-	-	3,032,098
Police management canine supplies	7,000	-	-	-	-	-	7,000
Police management equipment	110,000	-	-	-	-	-	110,000
Police management software	40,000	-	-	-	-	-	40,000
Police management training	20,000	-	-	-	-	-	20,000
Town Council	5,000	-	-	-	-	-	5,000
Townwide bonus program	26,000	-	-	-	-	-	26,000
Townwide special events	20,000	-	-	-	-	-	20,000
Transportation consulting services	25,000	-	-	-	-	-	25,000
<b>Total assigned</b>	561,266	3,032,098	-	-	-	-	3,593,364
<b>Unassigned (deficit)</b>	659,401	-	-	(218,086)	-	-	441,315
<b>Total fund balance (deficit)</b>	\$ 39,936,036	\$ 4,349,633	\$ 4,651,336	\$ (218,086)	\$ 29,356,166	\$ 35,603,597	\$ 113,678,682

**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, 2025**

**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, 2025, are presented below:

	Governmental Activities
Capital assets, not being depreciated	\$ 138,003,677
Capital assets, net of depreciation and amortization	54,130,471
Less: debt related to capital assets	
2001 COPs	(850,000)
2005 COPs	(2,660,000)
Less: retentions payable	(868,869)
Net investment in capital assets	\$ 187,755,279

**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 \$1,597,054 for fiscal year 2024/2025 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
2022-2023	\$ 45,214	\$ 7,934	\$ (21,339)	\$ 31,809
2023-2024	31,809	75,395	(41,961)	65,243
2024-2025	65,243	(6,151)	(56,189)	2,903

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**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. The Town's net insurance cost for the year ended June 30, 2025 was the following:

Insurance cost	\$ 1,227,737
Less: dividend received	-
Net insurance cost	<u>\$ 1,227,737</u>

The MPA's audited condensed financial information as of and for the year ended June 30, 2024 (most recently available), are as follows:

Total assets	<u>\$ 101,905,586</u>
Total deferred outflows of resources	<u>\$ 1,594,333</u>
Total liabilities	<u>\$ 20,965,712</u>
Total deferred inflows of resources	<u>\$ 294,481</u>
Total net position	<u>\$ 27,858,225</u>
Total operating revenues	<u>\$ 56,395,411</u>
Total operating expenses	<u>\$ 57,643,086</u>
Net operating (loss)	<u>\$ (1,247,675)</u>
Non-operating revenues (expenses)	<u>\$ 4,842,168</u>
Change in net position	<u>\$ 3,594,493</u>

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

**Note 13 – Commitments and Contingencies**

Lawsuits

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

Annual Appropriations

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the Town is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rates or revised fee schedules. For the fiscal year ended June 30, 2025, 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, 2025**

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

2025 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, 2025. These projects are evidenced by contractual commitments with contractors. As of June 30, 2025, the Town's outstanding contractual commitments amount were \$2,261,595.

**Note 14 – Other Required Disclosures**

**A. Expenditures Exceeding Appropriations**

For the year ended June 30, 2025, 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>
American Rescue Plan Act Special Revenue Fund	Development services	\$ 3,029,926
American Rescue Plan Act Special Revenue Fund	Capital outlay	769,042
Gas Tax Special Revenue Fund	Administrative services	1,249
Child Care Special Revenue Fund	Administrative services	22
Measure C/J Special Revenue Fund	Capital outlay	1,830,938
General Development Impact Fees Special Revenue Fund	Recreation, arts, and community services	79,629
Public Safety Special Revenue Fund	Administrative services	171

**B. Deficit Net Position/Fund Balance**

The following funds have deficit fund balance or net position at June 30, 2025:

<u>Fund</u>	<u>Balance</u>
American Rescue Plan Act Special Revenue Fund	\$ (218,086)
Successor Agency Private Purpose Trust Fund	(1,218,617)

**Town of Danville**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2025**

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**Note 14 – Other Required Disclosures (Continued)**

**B. Deficit Net Position/Fund Balance (Continued)**

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

**Note 15 – Prior Period Adjustment – Change in Accounting Principle**

Beginning net position on the government-wide statement of activities has been restated as follows in order to implement GASB Statement No. 101, *Compensated Absences*:

	Governmental Activities
Net position July 1, 2024, as previously reported	\$ 299,493,013
GASB 101 implementation	(377,348)
Restated net position July 1, 2024	\$ 299,115,665

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**



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**Town of Danville**  
**Required Supplementary Information (Unaudited)**  
**For the Year Ended June 30, 2025**

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**Note 1 – Budgetary Information**

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

- Town Council determines community needs, priorities and opportunities for the upcoming year commencing July 1.
- By June 30, the Town Manager submits to the Town Council a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of a resolution during a Town Council meeting in the month of June.
- The 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, 2025**

**General Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES:</b>				
Property taxes	\$ 18,358,780	\$ 18,358,780	\$ 20,765,297	\$ 2,406,517
Sales taxes	6,565,000	6,565,000	6,932,759	367,759
Other taxes	2,574,000	2,574,000	2,664,129	90,129
Charges for services	2,206,165	2,206,165	2,157,074	(49,091)
Licenses and permits	350,000	350,000	347,219	(2,781)
Intergovernmental	1,200	38,739	160,716	121,977
Fines and forfeitures	150,000	150,000	157,875	7,875
Use of money and property	1,113,163	1,551,221	5,819,518	4,268,297
Reimbursement from Successor Agency		784,625	859,018	74,393
Miscellaneous	130,000	434,220	931,575	497,355
<b>Total revenues</b>	<b>31,448,308</b>	<b>33,012,750</b>	<b>40,795,180</b>	<b>7,782,430</b>
<b>EXPENDITURES:</b>				
Current:				
General government				
Town Council	262,278	395,889	319,995	75,894
Town Manager	1,156,752	1,183,361	857,863	325,498
Town Attorney	481,502	517,266	576,848	(59,582)
Town Clerk	318,813	348,935	317,033	31,902
Community outreach	372,071	398,071	341,507	56,564
Economic development	515,319	535,978	358,222	177,756
<b>Total general government</b>	<b>3,106,735</b>	<b>3,379,500</b>	<b>2,771,468</b>	<b>608,032</b>
Police services				
Administration	2,097,885	2,211,980	2,002,692	209,288
Patrol	6,724,517	6,828,179	5,855,259	972,920
Traffic	1,290,946	1,292,946	1,186,614	106,332
Investigations	1,175,519	1,200,353	1,086,417	113,936
PS Youth Services	603,590	603,590	490,632	112,958
Emergency preparedness	134,863	228,772	106,167	122,605
<b>Total police services</b>	<b>12,027,320</b>	<b>12,365,820</b>	<b>10,727,781</b>	<b>1,638,039</b>
Maintenance services				
Management	445,608	564,936	533,614	31,322
Building maintenance	540,745	1,108,564	1,108,030	534
Park maintenance	1,442,347	1,483,316	1,398,705	84,611
Equipment maintenance	421,500	481,313	343,142	138,171
<b>Total maintenance services</b>	<b>2,850,200</b>	<b>3,638,129</b>	<b>3,383,491</b>	<b>223,316</b>
Development services				
Management	31,338	31,338	26,427	4,911
Planning	239,594	239,594	223,462	16,132
Engineering	152,014	156,014	145,025	10,989
Capital project management	721,683	721,683	710,450	11,233
Transportation		23,667	-	23,667
<b>Total development services</b>	<b>1,144,629</b>	<b>1,172,296</b>	<b>1,105,364</b>	<b>66,932</b>

(Continued)

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules (Continued)**  
**For the Year Ended June 30, 2025**

**General Fund (Continued)**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>EXPENDITURES (Continued):</b>				
Current (Continued):				
Administrative services				
Management	357,370	357,370	345,741	11,629
Finance	762,495	818,679	670,022	148,657
Information technology	805,809	892,319	630,055	262,264
Animal control	467,608	467,608	467,608	-
Human resources	486,707	577,152	364,979	212,173
Risk management	292,012	382,833	232,524	150,309
Internal services	189,882	209,882	183,567	26,315
Total administrative services	<u>5,029,983</u>	<u>5,373,943</u>	<u>4,562,596</u>	<u>811,347</u>
Recreation, arts, and community services				
Management	393,545	393,545	390,274	3,271
Sports and fitness	736,349	739,779	720,439	19,340
Facilities management	654,873	654,873	654,048	825
Culture arts	774,639	774,639	767,614	7,025
Youth services	577,816	577,816	535,722	42,094
Teen services	441,648	441,648	404,052	37,596
Adult services	159,857	159,857	138,394	21,463
Senior services	394,481	399,445	345,500	53,945
Special events	322,783	333,641	289,920	43,721
Total recreation, arts, and community services	<u>4,455,991</u>	<u>4,475,243</u>	<u>4,245,963</u>	<u>226,009</u>
Debt service:				
Principal	-	674,094	674,094	-
Interest	-	184,924	184,924	-
Total expenditures	<u>28,614,858</u>	<u>31,263,949</u>	<u>27,655,681</u>	<u>3,573,675</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,833,450</u>	<u>1,748,801</u>	<u>13,139,499</u>	<u>11,390,698</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of property	-	-	1,212	1,212
Transfers out	-	-	(10,102,433)	(10,102,433)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,101,221)</u>	<u>(10,101,221)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,833,450</u>	<u>\$ 1,748,801</u>	<u>3,038,278</u>	<u>\$ 1,289,477</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>36,897,758</u>	
End of year			<u>\$ 39,936,036</u>	

(Concluded)

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules (Continued)**  
**For the Year Ended June 30, 2025**

**Lighting and Landscape Assessment District Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES :</b>				
Special assessments	\$ 3,031,856	\$ 3,031,856	\$ 3,053,116	\$ 21,260
Use of money and property	8,999	8,999	126,510	117,511
Miscellaneous	88,898	88,898	137,081	48,183
<b>Total revenues</b>	<b>3,129,753</b>	<b>3,129,753</b>	<b>3,316,707</b>	<b>186,954</b>
<b>EXPENDITURES :</b>				
Current:				
Maintenance services				
Capital project management	257,470	228,656	-	228,656
Total maintenance services	257,470	228,656	-	228,656
Development services				
Engineering	269,566	269,599	35,609	233,990
Total development services	269,566	269,599	35,609	233,990
Lighting and landscape				
Building maintenance	540,745	542,682	542,553	129
Park maintenance	1,442,914	1,483,883	1,385,133	98,750
Roadside maintenance	2,321,358	2,407,241	2,037,164	370,077
Street light maintenance	919,244	919,244	761,690	157,554
Total lighting and landscape	5,224,261	5,353,050	4,726,540	626,510
Administrative services				
Finance	2,616	294,655	294,072	583
Total administrative services	2,616	294,655	294,072	583
<b>Total expenditures</b>	<b>5,753,913</b>	<b>6,145,960</b>	<b>5,056,221</b>	<b>1,089,739</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,624,160)</b>	<b>(3,016,207)</b>	<b>(1,739,514)</b>	<b>1,276,693</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,450,000	1,450,000	1,450,000	-
<b>Total other financing sources (uses)</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,174,160)</b>	<b>\$ (1,566,207)</b>	<b>(289,514)</b>	<b>\$ 1,276,693</b>
<b>FUND BALANCE:</b>				
Beginning of year			4,639,147	
End of year			<u>\$ 4,349,633</u>	

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules (Continued)**  
**For the Year Ended June 30, 2025**

**Regional Traffic Impact Fees Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES :</b>				
Development fees	\$ -	\$ -	\$ 125,705	\$ 125,705
Use of money and property	-	-	99,709	99,709
Miscellaneous	1,310	1,310	-	(1,310)
<b>Total revenues</b>	1,310	1,310	225,414	224,104
<b>EXPENDITURES :</b>				
Current:				
Development services				
Capital project management	1,705,082	1,542,852	84,110	1,458,742
Total development services	1,705,082	1,542,852	84,110	1,458,742
Administrative services				
Finance	11,437	11,437	2,128	9,309
Total administrative services	11,437	11,437	2,128	9,309
<b>Total expenditures</b>	1,716,519	1,554,289	86,238	1,468,051
<b>NET CHANGE IN FUND BALANCE</b>	\$ (1,715,209)	\$ (1,552,979)	139,176	\$ 1,692,155
<b>FUND BALANCE:</b>				
Beginning of year			4,512,160	
End of year			\$ 4,651,336	

**Town of Danville**  
**Required Supplementary Information (Unaudited) (Continued)**  
**Budgetary Comparison Schedules (Continued)**  
**For the Year Ended June 30, 2025**

**American Rescue Plan Act Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance From Final Budget
<b>REVENUES :</b>				
Intergovernmental	\$ -	\$ -	\$ 3,798,968	\$ 3,798,968
<b>Total revenues</b>	-	-	3,798,968	3,798,968
<b>EXPENDITURES :</b>				
Current:				
Development services				
Capital project management	-	-	3,029,926	(3,029,926)
Total development services	-	-	3,029,926	(3,029,926)
Capital outlay	-	-	769,042	(769,042)
<b>Total expenditures</b>	-	-	3,798,968	(3,798,968)
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ -	-	\$ -
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of year			(218,086)	
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, 2025**

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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, 2025**

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, 2025, the Town's street system was rated at a PCI index of 80 on the average with the detail condition as follows:

<u>Street Condition</u>	<u>% of Streets</u>
Very Good (PCI 70-100)	84%
Good (PCI 50-69)	12%
Poor (PCI 26-49)	3%
Very Poor (PCI 0-25)	1%
	<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 \$3,140,991 of the General Fund monies on street maintenance for the fiscal year ended June 30, 2025. 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 2025 is a minimum of \$3,000,000.

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

Fiscal Year	General Fund		Other Funds Actual	Total Actual	PCI Rating
	Final Budget	Actual			
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
2024-25	995,000	3,140,991	13,388,513	16,529,504	80

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, 2025, approximately 16% 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

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### **SPECIAL REVENUE FUNDS**

#### **PEG Fund**

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

#### **Gas Tax Fund**

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

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

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

#### **Development Engineering Fund**

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

#### **Child Care Fund**

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

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

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

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

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

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

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

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

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

# Town of Danville

## Non-Major Governmental Funds (Continued)

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### **SPECIAL REVENUE FUNDS**

#### **Public Safety Fund**

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

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

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

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

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

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

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

### **CAPITAL PROJECTS FUNDS**

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

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

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

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

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

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

#### **Park Facilities Fund**

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

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

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

# Town of Danville

## Non-Major Governmental Funds (Continued)

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

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

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

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

### **Technology Fund**

This Fund receives ad-hoc contributions from the General Fund and other sources for the implementation of the Town's five-year Technology Master Plan.

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2025**

Special Revenue

	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
<b>ASSETS</b>					
Cash and investments	\$ 111,952	\$ 4,056,657	\$ 8,139,707	\$ 3,072,845	\$ 372,875
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	12,740	125,370	300	-	-
Interest	554	22,761	-	-	2,112
<b>Total assets</b>	<u>\$ 125,246</u>	<u>\$ 4,204,788</u>	<u>\$ 8,140,007</u>	<u>\$ 3,072,845</u>	<u>\$ 374,987</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	4,443	80,869	8,185	22,818	58
Accrued wages	-	18,858	44,673	5,948	-
Retention payable	7,043	160,137	-	-	-
Deposits payable	-	-	-	42,670	-
Unearned revenue	-	30,120	11,940	-	-
<b>Total liabilities</b>	<u>11,486</u>	<u>289,984</u>	<u>64,798</u>	<u>71,436</u>	<u>58</u>
<b>Fund Balances:</b>					
Restricted	113,760	3,914,804	8,075,209	3,001,409	374,929
Committed	-	-	-	-	-
<b>Total fund balances</b>	<u>113,760</u>	<u>3,914,804</u>	<u>8,075,209</u>	<u>3,001,409</u>	<u>374,929</u>
<b>Total liabilities and fund balances</b>	<u>\$ 125,246</u>	<u>\$ 4,204,788</u>	<u>\$ 8,140,007</u>	<u>\$ 3,072,845</u>	<u>\$ 374,987</u>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2025**

Special Revenue

	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
<b>ASSETS</b>					
Cash and investments	\$ 2,060,361	\$ (235,133)	\$ 318,256	\$ 3,007,176	\$ 653,340
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	97,927	1,075,964	-	-	4,563
Interest	11,197	(2,606)	1,816	15,864	4,738
<b>Total assets</b>	<b>\$ 2,169,485</b>	<b>\$ 838,225</b>	<b>\$ 320,072</b>	<b>\$ 3,023,040</b>	<b>\$ 662,641</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	41,076	63,739	53	464	100
Accrued wages	5,163	3,316	-	-	-
Retention payable	-	181,971	-	24,984	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>46,239</b>	<b>249,026</b>	<b>53</b>	<b>25,448</b>	<b>100</b>
<b>Fund Balances:</b>					
Restricted	2,123,246	589,199	320,019	2,997,592	662,541
Committed	-	-	-	-	-
<b>Total fund balances</b>	<b>2,123,246</b>	<b>589,199</b>	<b>320,019</b>	<b>2,997,592</b>	<b>662,541</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,169,485</b>	<b>\$ 838,225</b>	<b>\$ 320,072</b>	<b>\$ 3,023,040</b>	<b>\$ 662,641</b>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2025**

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fees	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
<b>ASSETS</b>					
Cash and investments	\$ 690,966	\$ 1,824,272	\$ 2,103,388	\$ 4,169,640	\$ 818,856
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	3,835	-	12,958	22,122	3,703
<b>Total assets</b>	<b>\$ 694,801</b>	<b>\$ 1,824,272</b>	<b>\$ 2,116,346</b>	<b>\$ 4,191,762</b>	<b>\$ 822,559</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	105	1,050	346	8,316	22,516
Accrued wages	-	-	-	-	-
Retention payable	-	158,653	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>105</b>	<b>159,703</b>	<b>346</b>	<b>8,316</b>	<b>22,516</b>
<b>Fund Balances:</b>					
Restricted	694,696	1,664,569	2,116,000	-	-
Committed	-	-	-	4,183,446	800,043
<b>Total fund balances</b>	<b>694,696</b>	<b>1,664,569</b>	<b>2,116,000</b>	<b>4,183,446</b>	<b>800,043</b>
<b>Total liabilities and fund balances</b>	<b>\$ 694,801</b>	<b>\$ 1,824,272</b>	<b>\$ 2,116,346</b>	<b>\$ 4,191,762</b>	<b>\$ 822,559</b>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2025**

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
<b>ASSETS</b>					
Cash and investments	\$ 365,276	\$ 2,331,049	\$ 215,923	\$ 21,645	\$ 17,368
Cash and investments with fiscal agent	-	-	956,814	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	2,297	11,971	9,525	124	56
<b>Total assets</b>	<u>\$ 367,573</u>	<u>\$ 2,343,020</u>	<u>\$ 1,182,262</u>	<u>\$ 21,769</u>	<u>\$ 17,424</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	64	40,724	87,725	-	-
Accrued wages	-	-	-	-	-
Retention payable	180	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<u>244</u>	<u>40,724</u>	<u>87,725</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	-	-	-	-	-
Committed	367,329	2,302,296	1,094,537	21,769	17,424
<b>Total fund balances</b>	<u>367,329</u>	<u>2,302,296</u>	<u>1,094,537</u>	<u>21,769</u>	<u>17,424</u>
<b>Total liabilities and fund balances</b>	<u>\$ 367,573</u>	<u>\$ 2,343,020</u>	<u>\$ 1,182,262</u>	<u>\$ 21,769</u>	<u>\$ 17,424</u>

(Continued)

**Town of Danville**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2025**

	<u>Capital Projects</u>	
	Technology	Total
	Fund	Non-Major
		Governmental
		Funds
<b>ASSETS</b>		
Cash and investments	\$ 168,780	\$ 34,285,199
Cash and investments with fiscal agent	-	956,814
Receivables (net of allowances):		
Accounts	-	1,316,864
Interest	-	123,027
<b>Total assets</b>	<u>\$ 168,780</u>	<u>\$ 36,681,904</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	-	382,651
Accrued wages	-	77,958
Retention payable	-	532,968
Deposits payable	-	42,670
Unearned revenue	-	42,060
<b>Total liabilities</b>	<u>-</u>	<u>1,078,307</u>
<b>Fund Balances:</b>		
Restricted	-	26,647,973
Committed	168,780	8,955,624
<b>Total fund balances</b>	<u>168,780</u>	<u>35,603,597</u>
<b>Total liabilities and fund balances</b>	<u>\$ 168,780</u>	<u>\$ 36,681,904</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, 2025**

	Special Revenue				
	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	53,662	2,401,204	-	-	-
Charges for services	-	-	576,262	513,594	-
License and permits	-	-	5,232	-	-
Development fees	-	-	2,560,531	7,664	14,086
Intergovernmental	-	-	6,011	-	-
Use of money and property	6,024	158,757	-	-	11,129
Miscellaneous	-	5,610	-	-	-
<b>Total revenues</b>	<b>59,686</b>	<b>2,565,571</b>	<b>3,148,036</b>	<b>521,258</b>	<b>25,215</b>
<b>EXPENDITURES:</b>					
Current:					
General government	39,620	-	-	-	-
Police services	-	-	-	-	-
Maintenance services	-	949,448	-	-	-
Development services	-	3,547,588	2,030,275	433,926	39,500
Administrative services	153	6,599	-	-	846
Recreation, arts & community services	-	-	-	-	-
Capital outlay	159,155	-	-	-	-
<b>Total expenditures</b>	<b>198,928</b>	<b>4,503,635</b>	<b>2,030,275</b>	<b>433,926</b>	<b>40,346</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(139,242)</b>	<b>(1,938,064)</b>	<b>1,117,761</b>	<b>87,332</b>	<b>(15,131)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(50,000)	-	(50,000)	-	-
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(189,242)</b>	<b>(1,938,064)</b>	<b>1,067,761</b>	<b>87,332</b>	<b>(15,131)</b>
<b>FUND BALANCES:</b>					
Beginning of year	303,002	5,852,868	7,007,448	2,914,077	390,060
End of year	\$ 113,760	\$ 3,914,804	\$ 8,075,209	\$ 3,001,409	\$ 374,929

(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, 2025**

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
<b>REVENUES:</b>					
Special assessments	\$ 579,153	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	2,406	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	517,459	-
Intergovernmental	10,944	638,793	-	-	213,120
Use of money and property	59,502	53,434	9,028	92,910	22,562
Miscellaneous	-	6,667	13,336	20,438	-
<b>Total revenues</b>	<b>652,005</b>	<b>698,894</b>	<b>22,364</b>	<b>630,807</b>	<b>235,682</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	500	-	-
Police services	-	-	-	-	227,991
Maintenance services	377,522	-	-	45,878	-
Development services	324,913	1,631,758	-	521,760	-
Administrative services	1,264	1,412	195	1,903	483
Recreation, arts & community services	-	-	-	79,629	-
Capital outlay	-	1,830,938	-	-	-
<b>Total expenditures</b>	<b>703,699</b>	<b>3,464,108</b>	<b>695</b>	<b>649,170</b>	<b>228,474</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(51,694)</b>	<b>(2,765,214)</b>	<b>21,669</b>	<b>(18,363)</b>	<b>7,208</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(51,694)</b>	<b>(2,765,214)</b>	<b>21,669</b>	<b>(18,363)</b>	<b>7,208</b>
<b>FUND BALANCES:</b>					
Beginning of year	2,174,940	3,354,413	298,350	3,015,955	655,333
End of year	\$ 2,123,246	\$ 589,199	\$ 320,019	\$ 2,997,592	\$ 662,541

(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, 2025**

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fees	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	1,077,562	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	40,943	-	-	-	-
Intergovernmental	-	-	-	76,272	-
Use of money and property	18,940	-	63,706	142,009	21,869
Miscellaneous	-	-	110,800	-	-
<b>Total revenues</b>	<b>59,883</b>	<b>1,077,562</b>	<b>174,506</b>	<b>218,281</b>	<b>21,869</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	264,482	412
Maintenance services	-	-	-	-	-
Development services	-	3,218,775	-	-	-
Administrative services	403	-	19,992	-	-
Recreation, arts & community services	-	-	-	-	-
Capital outlay	-	-	-	-	33,906
<b>Total expenditures</b>	<b>403</b>	<b>3,218,775</b>	<b>19,992</b>	<b>264,482</b>	<b>34,318</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>59,480</b>	<b>(2,141,213)</b>	<b>154,514</b>	<b>(46,201)</b>	<b>(12,449)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	1,150,000	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,150,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>59,480</b>	<b>(2,141,213)</b>	<b>154,514</b>	<b>1,103,799</b>	<b>(12,449)</b>
<b>FUND BALANCES:</b>					
Beginning of year	635,216	3,805,782	1,961,486	3,079,647	812,492
End of year	\$ 694,696	\$ 1,664,569	\$ 2,116,000	\$ 4,183,446	\$ 800,043

(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, 2025**

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
<b>REVENUES:</b>					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	13,296	62,478	36,559	626	281
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>13,296</b>	<b>62,478</b>	<b>36,559</b>	<b>626</b>	<b>281</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Police services	249	1,177	5,768	2	11
Maintenance services	(108,170)	1,486	-	-	-
Development services	-	-	-	-	-
Administrative services	-	-	-	-	-
Recreation, arts & community services	19,800	-	-	-	-
Capital outlay	130,345	214,372	96,563	-	-
<b>Total expenditures</b>	<b>42,224</b>	<b>217,035</b>	<b>102,331</b>	<b>2</b>	<b>11</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(28,928)</b>	<b>(154,557)</b>	<b>(65,772)</b>	<b>624</b>	<b>270</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	27,000	20,000	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>27,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,928)</b>	<b>(134,557)</b>	<b>(65,772)</b>	<b>624</b>	<b>270</b>
<b>FUND BALANCES:</b>					
Beginning of year	369,257	2,436,853	1,160,309	21,145	17,154
End of year	\$ 367,329	\$ 2,302,296	\$ 1,094,537	\$ 21,769	\$ 17,424

(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, 2025**

	<u>Capital Projects</u>	
	Technology Fund	Total Non-Major Governmental Funds
<b>REVENUES:</b>		
Special assessments	\$ -	\$ 579,153
Other taxes	-	3,532,428
Charges for services	-	1,092,262
License and permits	-	5,232
Development fees	-	3,140,683
Intergovernmental	-	945,140
Use of money and property	-	773,110
Miscellaneous	-	156,851
<b>Total revenues</b>	-	10,224,859
<b>EXPENDITURES:</b>		
Current:		
General government	-	40,120
Police services	-	500,092
Maintenance services	-	1,266,164
Development services	-	11,748,495
Administrative services	-	33,250
Recreation, arts & community services	-	99,429
Capital outlay	-	2,465,279
<b>Total expenditures</b>	-	16,152,829
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	(5,927,970)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	-	1,197,000
Transfers out	-	(100,000)
<b>Total other financing sources (uses)</b>	-	1,097,000
<b>NET CHANGE IN FUND BALANCES</b>	-	(4,830,970)
<b>FUND BALANCES:</b>		
Beginning of year	168,780	40,434,567
End of year	\$ 168,780	\$ 35,603,597

(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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 82,000	\$ 82,000	\$ 53,662	\$ (28,338)
Use of money and property	-	-	6,024	6,024
<b>Total revenues</b>	<b>82,000</b>	<b>82,000</b>	<b>59,686</b>	<b>(22,314)</b>
<b>EXPENDITURES:</b>				
Current:				
General government				
City Clerk	30,490	40,490	39,620	870
Total general government	30,490	40,490	39,620	870
Administrative services				
Finance	558	558	153	405
Total administrative services	558	558	153	405
Capital outlay	280,056	252,297	159,155	93,142
<b>Total expenditures</b>	<b>311,104</b>	<b>293,345</b>	<b>198,928</b>	<b>94,417</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(229,104)</b>	<b>(211,345)</b>	<b>(139,242)</b>	<b>72,103</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(50,000)	(50,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>(50,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (229,104)</b>	<b>\$ (211,345)</b>	<b>(189,242)</b>	<b>\$ 22,103</b>
<b>FUND BALANCE:</b>				
Beginning of year			303,002	
End of year			<u>\$ 113,760</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 1,881,051	\$ 1,887,718	\$ 2,401,204	\$ 513,486
Use of money and property	14,828	14,828	158,757	143,929
Miscellaneous	-	-	5,610	5,610
<b>Total revenues</b>	<u>1,895,879</u>	<u>1,902,546</u>	<u>2,565,571</u>	<u>663,025</u>
<b>EXPENDITURES:</b>				
Current:				
Maintenance services				
Street maintenance	730,937	738,311	696,600	41,711
Traffic signal maintenance	241,500	273,800	252,848	20,952
Total maintenance services	<u>972,437</u>	<u>1,012,111</u>	<u>949,448</u>	<u>62,663</u>
Development services				
Management	73,491	73,491	69,114	4,377
Capital project management	2,860,251	3,565,251	3,212,652	352,599
Transportation	403,810	430,389	265,822	164,567
Total development services	<u>3,337,552</u>	<u>4,069,131</u>	<u>3,547,588</u>	<u>521,543</u>
Administrative services				
Finance	5,350	5,350	6,599	(1,249)
Total administrative services	<u>5,350</u>	<u>5,350</u>	<u>6,599</u>	<u>(1,249)</u>
<b>Total expenditures</b>	<u>4,315,339</u>	<u>5,086,592</u>	<u>4,503,635</u>	<u>582,957</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,419,460)</u>	<u>\$ (3,184,046)</u>	<u>(1,938,064)</u>	<u>\$ 1,245,982</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,852,868</u>	
End of year			<u>\$ 3,914,804</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 341,200	\$ 341,200	\$ 576,262	\$ 235,062
Licenses and permits	-	-	5,232	5,232
Development fees	2,235,000	2,235,000	2,560,531	325,531
Intergovernmental	177,000	177,000	6,011	(170,989)
<b>Total revenues</b>	<u>2,753,200</u>	<u>2,753,200</u>	<u>3,148,036</u>	<u>394,836</u>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Management	291,844	291,844	287,192	4,652
Planning	512,474	875,818	434,829	440,989
Building	1,415,608	1,671,493	1,203,234	468,259
Code enforcement	132,884	132,884	105,020	27,864
Total development services	<u>2,352,810</u>	<u>2,972,039</u>	<u>2,030,275</u>	<u>941,764</u>
<b>Total expenditures</b>	<u>2,352,810</u>	<u>2,972,039</u>	<u>2,030,275</u>	<u>941,764</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>400,390</u>	<u>(218,839)</u>	<u>1,117,761</u>	<u>1,336,600</u>
<b>OTHER FINANCING (USES)</b>				
Transfers out	-	-	(50,000)	(50,000)
<b>Total other financing (uses)</b>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 400,390</u>	<u>\$ (218,839)</u>	<u>1,067,761</u>	<u>\$ 1,286,600</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>7,007,448</u>	
End of year			<u>\$ 8,075,209</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 301,705	\$ 301,705	\$ 513,594	\$ 211,889
Development fees	500	500	7,664	7,164
<b>Total revenues</b>	<u>302,205</u>	<u>302,205</u>	<u>521,258</u>	<u>219,053</u>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Engineering	476,765	476,765	433,926	42,839
Total development services	<u>476,765</u>	<u>476,765</u>	<u>433,926</u>	<u>42,839</u>
<b>Total expenditures</b>	<u>476,765</u>	<u>476,765</u>	<u>433,926</u>	<u>42,839</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (174,560)</u>	<u>\$ (174,560)</u>	87,332	<u>\$ 261,892</u>
<b>FUND BALANCE:</b>				
Beginning of year			2,914,077	
End of year			<u>\$ 3,001,409</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES</b>				
Development fees	\$ -	\$ -	\$ 14,086	\$ 14,086
Use of money and property	1,200	1,200	11,129	9,929
<b>Total revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>25,215</u>	<u>24,015</u>
<b>EXPENDITURES</b>				
Current:				
Development services				
Engineering	474,340	474,340	39,500	434,840
Total development services	<u>474,340</u>	<u>474,340</u>	<u>39,500</u>	<u>434,840</u>
Administrative services				
Management	-	600	846	(246)
Finance	224	224	-	224
Total administrative services	<u>224</u>	<u>824</u>	<u>846</u>	<u>(22)</u>
<b>Total expenditures</b>	<u>224</u>	<u>824</u>	<u>40,346</u>	<u>(22)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>976</u>	<u>376</u>	<u>(15,131)</u>	<u>23,993</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 976</u>	<u>\$ 376</u>	<u>(15,131)</u>	<u>\$ 23,993</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>390,060</u>	
End of year			<u>\$ 374,929</u>	

**Town of Danville**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Stormwater Pollution Control Program Special Revenue Fund**  
**For the Year Ended June 30, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Special assessments	\$ 567,786	\$ 567,786	\$ 579,153	\$ 11,367
Charges for services	1,010	1,010	2,406	1,396
Intergovernmental	34,288	44,185	10,944	(33,241)
Use of money and property	9,536	9,536	59,502	49,966
<b>Total revenues</b>	<u>612,620</u>	<u>622,517</u>	<u>652,005</u>	<u>29,488</u>
<b>EXPENDITURES:</b>				
Current:				
Maintenance services				
Street maintenance	434,542	434,542	377,522	57,020
Total maintenance services	<u>434,542</u>	<u>434,542</u>	<u>377,522</u>	<u>57,020</u>
Development services				
Capital project management	(9,005)	18,180	13,386	4,794
Clean water program	318,097	318,097	311,527	6,570
Total development services	<u>309,092</u>	<u>336,277</u>	<u>324,913</u>	<u>11,364</u>
Administrative services				
Finance	1,492	1,492	1,264	228
Total administrative services	<u>1,492</u>	<u>1,492</u>	<u>1,264</u>	<u>228</u>
<b>Total expenditures</b>	<u>745,126</u>	<u>772,311</u>	<u>703,699</u>	<u>68,612</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (132,506)</u>	<u>\$ (149,794)</u>	<u>(51,694)</u>	<u>\$ 98,100</u>
<b>FUND BALANCE:</b>				
Beginning of year			2,174,940	
End of year			<u>\$ 2,123,246</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 41,000	\$ 33,000	\$ 638,793	\$ 605,793
Use of money and property	10,139	10,139	53,434	43,295
Miscellaneous	8,000	6,667	6,667	-
<b>Total revenues</b>	<u>59,139</u>	<u>49,806</u>	<u>698,894</u>	<u>649,088</u>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Management	73,491	73,491	69,201	4,290
Capital project management	10,229,436	10,640,997	1,446,240	9,194,757
Transportation	222,423	229,089	116,317	112,772
Total development services	<u>10,525,350</u>	<u>10,943,577</u>	<u>1,631,758</u>	<u>9,311,819</u>
Administrative services				
Finance	1,637	1,637	1,412	225
Administrative services	<u>1,637</u>	<u>1,637</u>	<u>1,412</u>	<u>225</u>
Capital outlay	-	-	1,830,938	(1,830,938)
<b>Total expenditures</b>	<u>10,526,987</u>	<u>10,945,214</u>	<u>3,464,108</u>	<u>7,481,106</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (10,467,848)</u>	<u>\$ (10,895,408)</u>	<u>(2,765,214)</u>	<u>\$ 8,130,194</u>
<b>FUND BALANCE:</b>				
Beginning of year			3,354,413	
End of year			<u>\$ 589,199</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 974	\$ 974	\$ 9,028	\$ 8,054
Miscellaneous	3,760	13,760	13,336	(424)
<b>Total revenues</b>	<b>4,734</b>	<b>14,734</b>	<b>22,364</b>	<b>7,630</b>
<b>EXPENDITURES:</b>				
Current:				
General government				
Town Council	500	500	500	-
Total general government	500	500	500	-
Police services				
Patrol	-	26,041	-	26,041
Total police services	-	26,041	-	26,041
Administrative services				
Finance	-	-	195	(195)
Total administrative services	-	-	195	(195)
Recreation, arts & community services				
Culture arts	2,000	2,000	-	2,000
Total recreation, arts & community services	2,000	2,000	-	2,000
<b>Total expenditures</b>	<b>2,500</b>	<b>28,541</b>	<b>695</b>	<b>27,846</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 2,234</b>	<b>\$ (13,807)</b>	<b>21,669</b>	<b>\$ 35,476</b>
<b>FUND BALANCE:</b>				
Beginning of year			298,350	
End of year			<u>\$ 320,019</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Development fees	\$ 182,319	\$ 204,819	\$ 517,459	\$ 312,640
Use of money and property	-	-	92,910	92,910
Miscellaneous	-	-	20,438	20,438
<b>Total revenues</b>	<u>182,319</u>	<u>204,819</u>	<u>630,807</u>	<u>425,988</u>
<b>EXPENDITURES:</b>				
Current:				
Maintenance services				
Capital project management	614,138	913,125	25,438	887,687
Park maintenance	-	-	20,440	(20,440)
Total maintenance services	<u>614,138</u>	<u>913,125</u>	<u>45,878</u>	<u>867,247</u>
Development services				
Capital project management	1,600,462	1,754,962	521,760	1,233,202
Total development services	<u>1,600,462</u>	<u>1,754,962</u>	<u>521,760</u>	<u>1,233,202</u>
Administrative services				
Finance	3,666	3,666	1,903	1,763
Total administrative services	<u>3,666</u>	<u>3,666</u>	<u>1,903</u>	<u>1,763</u>
Recreation, arts & community services				
Recreation management	-	-	79,629	(79,629)
Total recreation, arts & community services	<u>-</u>	<u>-</u>	<u>79,629</u>	<u>(79,629)</u>
<b>Total expenditures</b>	<u>2,218,266</u>	<u>2,671,753</u>	<u>649,170</u>	<u>2,022,583</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,035,947)</u>	<u>\$ (2,466,934)</u>	<u>(18,363)</u>	<u>\$ 2,448,571</u>
<b>FUND BALANCE:</b>				
Beginning of year			3,015,955	
End of year			<u>\$ 2,997,592</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 123,000	\$ 123,000	\$ 213,120	\$ 90,120
Use of money and property	1,246	1,246	22,562	21,316
<b>Total revenues</b>	<u>124,246</u>	<u>124,246</u>	<u>235,682</u>	<u>111,436</u>
<b>EXPENDITURES:</b>				
Current:				
Police services				
Youth services	229,748	229,748	227,991	1,757
Total police services	<u>229,748</u>	<u>229,748</u>	<u>227,991</u>	<u>1,757</u>
Administrative services				
Finance	312	312	483	(171)
Total administrative services	<u>312</u>	<u>312</u>	<u>483</u>	<u>(171)</u>
<b>Total expenditures</b>	<u>230,060</u>	<u>230,060</u>	<u>228,474</u>	<u>1,586</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (105,814)</u>	<u>\$ (105,814)</u>	7,208	<u>\$ 113,022</u>
<b>FUND BALANCE:</b>				
Beginning of year			655,333	
End of year			<u>\$ 662,541</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Development fees	\$ -	\$ -	\$ 40,943	\$ 40,943
Use of money and property	-	-	18,940	18,940
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>59,883</b>	<b>59,883</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative services				
Finance	563	563	403	160
Total administrative services	563	563	403	160
<b>Total expenditures</b>	<b>563</b>	<b>563</b>	<b>403</b>	<b>160</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (563)</b>	<b>\$ (563)</b>	<b>59,480</b>	<b>\$ 60,043</b>
<b>FUND BALANCE:</b>				
Beginning of year			635,216	
End of year			<u>\$ 694,696</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 925,376	\$ 925,376	\$ 1,077,562	\$ 152,186
<b>Total revenues</b>	<u>925,376</u>	<u>925,376</u>	<u>1,077,562</u>	<u>152,186</u>
<b>EXPENDITURES:</b>				
Current:				
Development services				
Capital project management	3,419,852	4,319,852	3,218,775	1,101,077
Total development services	<u>3,419,852</u>	<u>4,319,852</u>	<u>3,218,775</u>	<u>1,101,077</u>
<b>Total expenditures</b>	<u>3,419,852</u>	<u>4,319,852</u>	<u>3,218,775</u>	<u>1,101,077</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,494,476)</u>	<u>\$ (3,394,476)</u>	<u>(2,141,213)</u>	<u>\$ 1,253,263</u>
<b>FUND BALANCE:</b>				
Beginning of year			3,805,782	
End of year			<u>\$ 1,664,569</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, 2025**

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 63,706	\$ 63,706
Miscellaneous	-	-	110,800	110,800
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>174,506</b>	<b>174,506</b>
<b>EXPENDITURES:</b>				
Current:				
Administrative services				
Finance	2,800	28,773	19,992	8,781
Total administrative services	2,800	28,773	19,992	8,781
<b>Total expenditures</b>	<b>2,800</b>	<b>28,773</b>	<b>19,992</b>	<b>8,781</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,800)</b>	<b>\$ (28,773)</b>	<b>154,514</b>	<b>\$ 183,287</b>
<b>FUND BALANCE:</b>				
Beginning of year			1,961,486	
End of year			<u>\$ 2,116,000</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				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net investment in capital assets	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901	\$ 174,968,722
Restricted	26,812,236	24,437,153	23,784,733	24,398,492	26,961,172
Unrestricted	68,822,679	72,257,190	64,907,258	65,271,882	61,659,221
<b>Total Governmental Activities Net Position</b>	<b>\$ 250,543,966</b>	<b>\$ 252,486,782</b>	<b>\$ 251,690,654</b>	<b>\$ 255,886,275</b>	<b>\$ 263,589,115</b>
Primary Government:					
Net investment in capital assets	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901	\$ 174,968,722
Restricted	26,812,236	24,437,153	23,784,733	24,398,492	26,961,172
Unrestricted	68,822,679	72,257,190	64,907,258	65,271,882	61,659,221
<b>Total Primary Governmental Net Position</b>	<b>\$ 248,532,815</b>	<b>\$ 252,486,782</b>	<b>\$ 251,690,654</b>	<b>\$ 251,690,654</b>	<b>\$ 263,589,115</b>

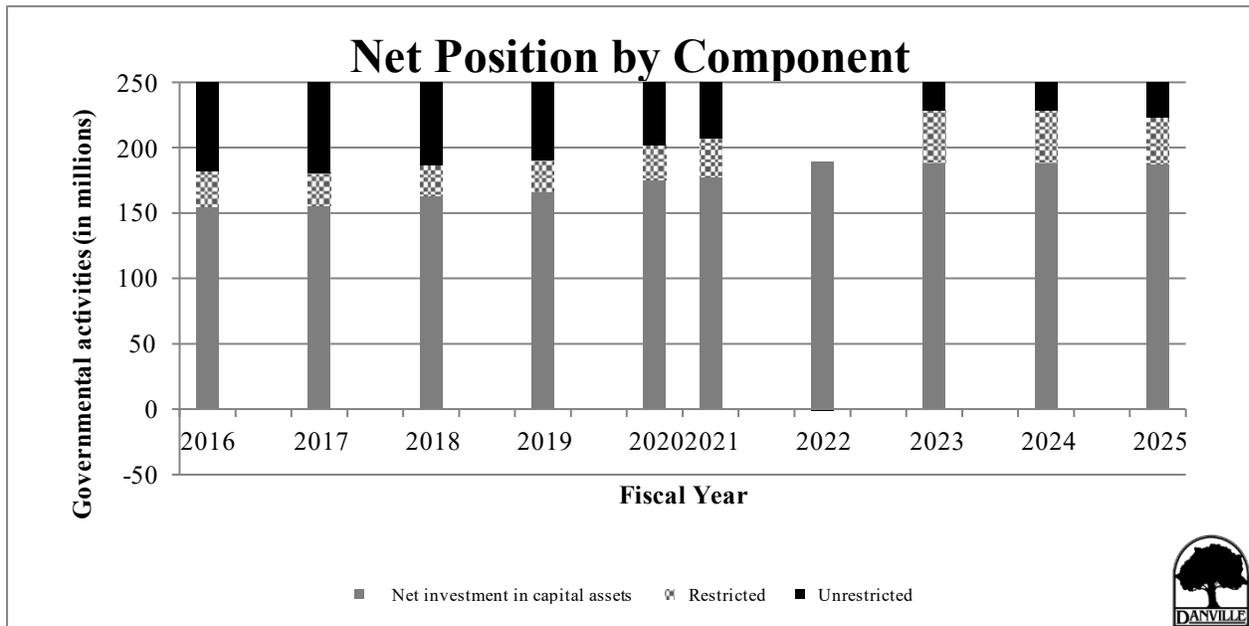
Source: Town Audited Financial Statements

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				
	2021	2022	2023	2024	2025
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 177,508,851	\$ 189,012,026	\$ 188,179,513	\$ 188,179,513	\$ 187,755,279
Restricted	29,438,411	-	40,184,242	40,184,242	35,279,328
Unrestricted	65,882,561	(1,360,455)	71,129,258	70,751,910	78,484,821
<b>Total Governmental Activities Net Position</b>	<b>\$ 272,829,823</b>	<b>\$ 187,651,571</b>	<b>\$ 299,493,013</b>	<b>\$ 299,115,665</b>	<b>\$ 301,519,428</b>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 177,508,851	\$ 189,012,026	\$ 188,179,513	\$ 188,179,513	\$ 187,755,279
Restricted	29,438,411	-	40,184,242	40,184,242	35,279,328
Unrestricted	65,882,561	(1,360,455)	71,129,258	70,751,910	78,484,821
<b>Total Primary Governmental Net Position</b>	<b>\$ 272,829,823</b>	<b>\$ 187,651,571</b>	<b>\$ 299,493,013</b>	<b>\$ 299,115,665</b>	<b>\$ 301,519,428</b>



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				
	2016	2017	2018	2019	2020
<b>Expenses:</b>					
Governmental activities:					
General Government	\$ 1,592,763	\$ 1,658,023	\$ 1,821,906	\$ 1,648,107	\$ 1,988,737
Police Services	8,914,297	9,107,939	9,668,148	9,908,945	9,824,261
Maintenance Services & Lighting & Landscape	8,262,373	7,963,358	7,824,106	8,512,749	9,400,476
Development Services	5,233,296	8,568,817	12,113,185	12,589,561	5,769,904
Administrative Services	4,080,262	3,690,675	3,511,181	3,625,899	3,816,145
Recreation Services	3,847,434	4,129,417	4,016,368	4,273,896	3,794,136
Interest on long-term debt	364,866	345,931	345,473	325,210	325,210
Total governmental activities expenses	<u>32,295,291</u>	<u>35,464,160</u>	<u>39,300,367</u>	<u>40,884,367</u>	<u>34,916,610</u>
Total primary government expenses	<u>\$ 32,295,291</u>	<u>\$ 35,464,160</u>	<u>\$ 39,300,367</u>	<u>\$ 40,884,367</u>	<u>\$ 34,916,610</u>
<b>Program Revenues:</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ 10	\$ 30	\$ 30	\$ 1,126	\$ -
Police Services	424,470	314,597	295,805	308,210	296,126
Maintenance Services, Lighting & Landscape	3,036,737	3,142,080	3,060,686	3,046,475	3,059,330
Development Services	4,285,454	3,575,751	3,792,303	4,473,140	3,374,462
Administrative Services	35,186	36,308	36,400	38,126	31,693
Recreation, Arts & Community Services	2,079,801	2,196,610	2,058,014	2,041,182	1,427,112
Operating grants and contributions	950,437	911,003	1,205,123	2,132,610	1,873,835
Capital grants and contributions	1,276,567	2,591,351	2,521,475	3,880,922	1,358,781
Total governmental activities program revenues	<u>\$ 12,088,662</u>	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>	<u>\$ 15,921,791</u>	<u>\$ 11,421,339</u>
Total primary government program revenues	<u>\$ 12,088,662</u>	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>	<u>\$ 15,921,791</u>	<u>\$ 11,421,339</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	<u>\$ (20,206,629)</u>	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>	<u>\$ (24,962,576)</u>	<u>\$ (23,495,271)</u>
Total Primary Government, Net Expenses	<u>\$ (20,206,629)</u>	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>	<u>\$ (24,962,576)</u>	<u>\$ (23,495,271)</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				
	2021	2022	2023	2024	2025
<b>Expenses:</b>					
Governmental activities:					
General Government	\$ 1,727,404	\$ 2,773,284	\$ 2,999,255	\$ 2,432,702	\$ 2,827,351
Police Services	9,141,598	9,972,541	10,594,467	11,971,294	11,921,599
Maintenance Services & Lighting & Landscape	8,999,904	8,990,730	11,973,823	10,525,094	11,715,263
Development Services	6,231,119	7,246,100	6,931,034	15,427,297	20,085,162
Administrative Services	3,632,890	3,558,462	3,798,969	4,468,171	5,024,036
Recreation Services	2,722,675	3,137,966	4,096,414	4,359,029	4,657,216
Interest on long-term debt	282,675	256,521	234,055	204,389	179,118
Total governmental activities expenses	<u>32,738,265</u>	<u>35,935,604</u>	<u>40,628,017</u>	<u>49,387,976</u>	<u>56,409,745</u>
Total primary government expenses	<u>\$ 32,738,265</u>	<u>\$ 35,935,604</u>	<u>\$ 40,628,017</u>	<u>\$ 49,387,976</u>	<u>\$ 56,409,745</u>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$ -	\$ 10	\$ 15,923	\$ 23,184	\$ 1,015
Police Services	187,548	179,616	173,594	189,558	310,255
Maintenance Services, Lighting & Landscape	3,047,952	3,050,308	3,611,916	3,641,347	3,643,936
Development Services	3,738,947	4,471,835	4,386,782	4,484,293	4,358,350
Administrative Services	28,145	570,388	297,553	297,553	297,553
Recreation, Arts & Community Services	846,805	1,378,764	1,719,893	1,875,843	1,989,086
Operating grants and contributions	2,271,372	3,445,191	2,367,059	3,876,515	2,869,273
Capital grants and contributions	2,169,054	1,542,184	5,050,477	3,759,810	5,657,909
Total governmental activities program revenues	<u>\$ 12,289,823</u>	<u>\$ 14,638,296</u>	<u>\$ 17,623,197</u>	<u>\$ 18,148,103</u>	<u>\$ 19,127,377</u>
Total primary government program revenues	<u>\$ 12,289,823</u>	<u>\$ 14,638,296</u>	<u>\$ 17,623,197</u>	<u>\$ 18,148,103</u>	<u>\$ 19,127,377</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	<u>\$ (20,448,442)</u>	<u>\$ (21,297,308)</u>	<u>\$ (23,004,820)</u>	<u>\$ (31,239,873)</u>	<u>\$ (37,282,368)</u>
Total Primary Government, Net Expenses	<u>\$ (20,448,442)</u>	<u>\$ (21,297,308)</u>	<u>\$ (23,004,820)</u>	<u>\$ (31,239,873)</u>	<u>\$ (37,282,368)</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				
	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property taxes	\$ 14,153,561	\$ 13,978,818	\$ 14,629,253	\$ 15,354,728	\$ 16,025,356
Sales taxes	4,569,470	5,546,298	5,914,835	6,126,449	5,753,805
Motor Vehicle taxes	17,629	19,203	22,821	21,310	35,829
Franchise Taxes	2,299,491	2,419,118	2,588,989	2,609,820	2,836,124
Other taxes	404,744	371,237	362,196	390,562	367,376
Investment earnings	1,265,876	296,610	368,995	3,028,554	3,183,434
Miscellaneous	741,674	1,235,646	854,998	834,318	1,838,208
Gain (loss) on sale of capital assets	-	-	-	-	345,523
Transfers from Successor Agency	780,818	772,316	792,316	792,456	812,456
Special item	3,195,604	-	-	-	-
Total governmental activities	<u>\$ 27,428,867</u>	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>	<u>\$ 29,158,197</u>	<u>\$ 31,198,111</u>
Total primary government	<u>\$ 27,428,867</u>	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>	<u>\$ 29,158,197</u>	<u>\$ 31,198,111</u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$ 4,732,437</u>	<u>\$ 1,942,816</u>	<u>\$ (7,796,128)</u>	<u>\$ 4,195,621</u>	<u>\$ 7,702,840</u>
Total primary government	<u>\$ 4,732,437</u>	<u>\$ 1,942,816</u>	<u>\$ (7,796,128)</u>	<u>\$ 4,195,621</u>	<u>\$ 7,702,840</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				
	2021	2022	2023	2024	2025
<b>General Revenues and Other</b>					
<b>Changes in Net Position</b>					
Governmental Activities					
Taxes					
Property taxes	\$ 17,210,607	\$ 18,033,848	\$ 18,937,827	\$ 19,905,678	\$ 20,765,297
Sales taxes	6,653,905	7,443,450	7,467,848	6,799,187	6,932,759
Motor Vehicle taxes	32,180	50,723	44,757	53,934	68,850
Franchise Taxes	3,044,834	3,252,012	3,383,163	3,502,709	2,648,941
Other Taxes	338,449	340,497	341,405	360,676	343,114
Investment earnings	174,503	(2,626,475)	998,731	5,392,910	6,483,704
Miscellaneous	1,447,189	563,904	2,501,924	2,879,111	1,584,448
Gain (loss) on sale of capital assets	(1,568)	-	-	-	-
Transfers from Successor Agency	789,051	785,175	825,175	867,219	859,018
Special item	-	-	-	-	-
Total governmental activities	<u>\$ 29,689,150</u>	<u>\$ 27,843,134</u>	<u>\$ 34,500,830</u>	<u>\$ 39,761,424</u>	<u>\$ 39,686,131</u>
Total primary government	<u>\$ 29,689,150</u>	<u>\$ 27,843,134</u>	<u>\$ 34,500,830</u>	<u>\$ 39,761,424</u>	<u>\$ 39,686,131</u>
<b>Change in Net Position</b>					
Governmental activities	<u>\$ 9,240,708</u>	<u>\$ 6,545,826</u>	<u>\$ 11,496,010</u>	<u>\$ 8,521,551</u>	<u>\$ 2,403,763</u>
Total primary government	<u>\$ 9,240,708</u>	<u>\$ 6,545,826</u>	<u>\$ 11,496,010</u>	<u>\$ 8,521,551</u>	<u>\$ 2,403,763</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				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 10,427,986	\$ 9,427,986	\$ 8,427,986	\$ 7,325,019	\$ 5,167,108
Restricted	809,504	809,820	813,965	820,547	815,484
Committed	18,374,622	17,249,253	17,868,716	19,005,310	20,401,468
Assigned	344,844	313,036	169,060	117,735	190,888
Unassigned	-	-	-	-	-
Total General Fund	29,956,956	27,800,095	27,279,727	27,268,611	26,574,948
All Other Governmental Funds					
Special revenue funds					
Restricted	26,129,555	23,594,077	22,970,768	23,577,945	26,145,688
Assigned	-	-	-	2,469,321	2,617,844
Committed	38,430,064	42,743,649	36,532,398	37,060,728	34,072,908
Assigned	2,364,889	2,507,297	2,574,079	-	-
Unassigned (deficit)	-	-	-	-	-
Total all other Governmental Funds	66,924,508	68,845,023	62,077,245	63,107,994	62,836,440
Total Governmental Funds	\$ 96,881,464	\$ 96,645,118	\$ 89,356,972	\$ 90,376,605	\$ 89,411,388

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				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ 4,064,888	\$ 2,976,418	\$ 1,915,461	\$ 846,011	\$ 181,855
Restricted	809,518	809,649	827,765	848,842	852,835
Committed	28,158,818	22,299,041	24,829,286	33,807,639	37,680,679
Assigned	402,500	491,770	268,150	295,266	561,266
Unassigned	1,100,000	1,100,002	1,100,000	1,100,000	659,401
Total General Fund	34,535,724	27,676,880	28,940,662	36,897,758	39,936,036
All Other Governmental Funds					
Special revenue funds					
Restricted	28,628,893	30,841,349	34,859,241	38,406,783	32,616,844
Assigned	2,845,856	2,621,578	3,019,810	3,113,454	3,032,098
Committed	30,013,137	35,607,373	36,955,042	33,951,008	38,311,790
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	(218,086)	(218,086)
Total all other Governmental Funds	61,487,886	69,070,300	74,834,093	75,253,159	73,742,646
Total Governmental Funds	\$ 96,023,610	\$ 96,747,180	\$ 103,774,755	\$ 112,150,917	\$ 113,678,682

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				
	2016	2017	2018	2019	2020
<b>REVENUES:</b>					
Property taxes	\$ 14,153,561	\$ 13,978,818	\$ 14,629,253	\$ 15,354,728	\$ 16,025,356
Sales taxes	4,558,712	5,535,422	5,910,069	6,124,320	5,740,046
Special assessments	3,270,354	3,264,713	3,645,895	3,581,582	3,594,673
Gas & other taxes	3,590,353	3,554,065	3,775,380	4,310,196	4,722,089
Charges for services	2,752,180	2,859,100	2,874,896	2,867,332	2,021,562
Licenses and permits	404,744	371,237	362,196	396,710	367,376
Development fees	3,705,128	3,096,371	3,275,723	4,286,391	2,471,063
Intergovernmental	1,026,474	1,918,820	1,735,441	2,853,143	1,208,170
Fines and forfeitures	267,732	163,825	167,822	187,979	128,312
Uses of money and property	2,024,361	995,448	1,054,042	3,924,193	4,265,728
Miscellaneous	1,155,013	897,019	279,040	424,954	944,642
Reimbursement from Successor Agency	-	-	-	-	812,456
<b>Total Revenues</b>	<b>36,908,612</b>	<b>36,634,838</b>	<b>37,709,757</b>	<b>44,311,528</b>	<b>42,301,473</b>
<b>EXPENDITURES:</b>					
Current:					
General government	1,591,047	1,622,521	1,830,739	1,624,096	1,922,014
Police services	8,691,261	8,881,254	9,426,989	9,690,883	9,658,510
Maintenance services	4,381,322	3,686,266	3,339,317	3,305,068	4,411,816
Lighting and landscape	3,127,403	3,374,354	3,644,177	4,067,377	3,703,613
Development services	4,986,759	8,186,500	11,741,330	12,346,910	5,549,402
Administrative services	4,000,431	3,536,546	3,472,727	3,555,297	3,777,435
Recreation, arts & community services	3,467,371	3,693,259	3,697,618	3,920,497	3,508,153
Capital outlay	6,466,296	2,102,572	8,692,182	4,781,767	13,198,230
Debt service:					
Principal	-	-	-	-	480,000
Interest and fiscal charges	-	-	-	-	332,456
<b>Total Expenditures</b>	<b>36,711,890</b>	<b>35,083,272</b>	<b>45,845,079</b>	<b>43,291,895</b>	<b>46,541,629</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>196,722</b>	<b>1,551,566</b>	<b>(8,135,322)</b>	<b>1,019,633</b>	<b>(4,240,156)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of assets	-	-	-	-	3,274,939
Transfers in	8,710,450	9,937,410	7,276,333	8,765,719	11,932,028
Transfers out	(8,710,450)	(9,937,410)	(7,276,333)	(8,765,719)	(11,932,028)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,274,939</b>
<b>Extraordinary/Special item*</b>	<b>3,195,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 3,392,326</b>	<b>\$ 1,551,566</b>	<b>\$ (8,135,322)</b>	<b>\$ 1,019,633</b>	<b>\$ (965,217)</b>

Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	2.44%
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\* 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				
	2021	2022	2023	2024	2025
<b>REVENUES:</b>					
Property taxes	\$ 17,210,607	\$ 18,033,848	\$ 18,937,827	\$ 19,905,678	\$ 20,765,297
Sales taxes	6,652,729	7,442,726	7,467,848	6,799,187	6,932,759
Special assessments	3,611,436	3,610,222	3,601,630	3,630,298	3,632,269
Gas & other taxes	4,828,113	5,223,367	5,487,702	5,902,893	6,196,557
Charges for services	1,495,953	2,682,710	3,136,401	3,343,396	3,249,336
Licenses and permits	338,449	340,497	347,072	394,611	352,451
Development fees	2,941,817	2,571,419	3,243,440	3,141,447	3,266,388
Intergovernmental	1,659,443	2,980,425	5,233,454	5,275,078	5,010,017
Fines and forfeitures	86,104	76,848	105,729	144,658	157,875
Uses of money and property	1,771,567	(2,007,851)	1,897,626	6,684,393	7,766,432
Miscellaneous	587,430	731,381	1,238,293	1,815,777	(64,320)
Reimbursement from Successor Agency	789,051	785,175	825,175	867,219	859,018
<b>Total Revenues</b>	<b>41,972,699</b>	<b>42,470,767</b>	<b>51,522,197</b>	<b>57,904,635</b>	<b>58,124,079</b>
<b>EXPENDITURES:</b>					
Current:					
General government	1,732,686	2,764,179	2,983,036	2,413,686	2,811,588
Police services	9,065,799	9,909,768	10,437,966	11,668,630	11,527,662
Maintenance services	3,816,120	3,537,339	6,821,100	5,042,665	5,334,262
Lighting and landscape	3,903,054	4,181,235	3,913,128	4,306,195	4,726,540
Development services	6,065,680	6,671,315	6,692,216	10,090,876	16,257,499
Administrative services	3,606,353	3,503,165	3,678,558	4,346,711	4,892,046
Recreation, arts & community services	2,470,377	2,866,846	3,831,445	4,097,971	4,410,350
Capital outlay	3,911,357	7,542,018	6,094,256	6,694,520	5,778,561
Debt service:					
Principal	500,000	520,000	615,307	651,855	674,094
Interest and fiscal charges	289,051	265,175	243,866	215,364	184,924
<b>Total Expenditures</b>	<b>35,360,477</b>	<b>41,761,040</b>	<b>45,310,878</b>	<b>49,528,473</b>	<b>56,597,526</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,612,222</b>	<b>709,727</b>	<b>6,211,319</b>	<b>8,376,162</b>	<b>1,526,553</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of assets	-	13,843	600,000	-	1,212
Transfers in	3,797,793	13,967,014	8,126,594	3,817,697	10,202,433
Transfers out	(3,797,793)	(13,967,014)	(8,126,594)	(3,817,697)	(10,202,433)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>13,843</b>	<b>816,256</b>	<b>-</b>	<b>1,212</b>
<b>Extraordinary/Special item*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 6,612,222</b>	<b>\$ 723,570</b>	<b>\$ 7,027,575</b>	<b>\$ 8,376,162</b>	<b>\$ 1,527,765</b>
Debt service as a percentage of noncapital expenditures	2.51%	2.29%	2.19%	2.02%	1.69%

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)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Property Transfer Tax</b>	<b>Motor Vehicle Tax</b>	<b>Business License &amp; Other Taxes</b>	<b>Total</b>
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	30,175,000
2025	19,595,678	6,932,759	2,648,941	1,169,619	68,850	343,114	30,758,961

Source: Town Audited Financial Statements

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

Fiscal Year Ended	Assessed Value				Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Rate
	Real Property		Personal Property				
June 30	Secured	Unsecured	Secured	Unsecured			
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%
2025	18,968,303,460	66,967,402	6,822,457	45,079,807	210,738,275	18,876,434,851	0.07783%

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)**

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<b>Fiscal Year</b>	<b>Danville</b>	<b>County Wide <sup>1</sup></b>	<b>San Ramon Valley Unified School District</b>	<b>Bay Area Rapid Transit (BART)</b>	<b>Miscellaneous</b>	<b>Total Direct &amp; Overlapping Rate</b>
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%
2025	0.00000%	1.00%	0.0521%	0.0148%	0.0155%	0.07783%

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**

<b>Fiscal Year Ended June 30</b>	<b>Collected Within the Fiscal Year of the Levy</b>			<b>Total Collections To Date</b>	
	<b>Total Tax Levied and Collected for Fiscal Year</b>	<b>Percentage of Levy</b>	<b>Delinquent Tax Collections</b>	<b>Collected Amount</b>	<b>Percentage of Levy</b>
2008	\$ 13,596,591	100%	n/a	\$ 13,596,591	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%
2025	21,362,979	100%	n/a	21,362,979	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	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MM Danville Apartments, LLC	\$ 105,148,090	1	0.59%			
Danville Livery & Mercantile	55,662,133	2	0.31%	\$ 43,209,289	1	0.39%
Davidon Homes	52,203,879	3	0.29%			
Danville Park Apartments LLC	44,525,600	4	0.25%			
Reg8 Tassajara Crossing, LLC	44,388,187	5	0.25%	37,458,470	2	0.34%
ROIC California, LLC	38,000,000	6	0.21%	21,091,000	5	0.19%
Costco Wholesale Corporation	33,341,227	7	0.19%	23,786,990	3	0.21%
Rose Garden Associates Danville, LLC	30,651,973	8	0.17%	23,770,000	4	0.21%
Carl A and Jan A Cox Trust	23,117,130	9	0.13%			
600 VENTURES LLC	21,669,777	10	0.12%			
Danville Park RE LLC				18,115,082	6	0.16%
Rassier Properties Danville Medical Ctr.				15,605,691	7	0.14%
Montair Associates, LLC				15,274,101	8	0.14%
JKDSQ, LLC				13,346,073	9	0.12%
Diablo Lodge, LLC				13,328,051	10	0.12%
JKDSQ, LLC						
<b>Totals</b>	<b>\$ 448,707,996</b>		<b>2.51%</b>	<b>\$ 224,984,747</b>		<b>2.02%</b>

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**

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>Certificate of Participation<sup>1</sup></u>	<u>Subscription Liabilities<sup>2</sup></u>			
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	4,835,949	**	98.29
2025	3,510,000	-	3,510,000	**	81.94

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		
2016	\$ -	\$ -	\$ -	\$ -
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

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**

2024-2025 Assessed Valuation:	\$ 17,987,613,311		
Redevelopment Incremental Valuation	614,036,426		
Adjusted Assessed Valuation:			
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>	<b>Total Debt</b>	<b>% Applicable (1)</b>	<b>Town's Share of</b>
	<b>6/30/2025</b>		<b>Debt (6/30/2025)</b>
Bay Area Rapid Transit District	\$ 2,391,260,000	1.717%	\$ 41,057,934
Contra Costa Community College District	591,375,000	6.458%	38,223,288
San Ramon Valley Unified School District	310,930,000	27.544%	85,642,559
East Bay Regional Park District	145,930,000	2.678%	3,908,005
<b>SUBTOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 168,831,786</b>
 <b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Contra Costa County General Fund Obligations	\$ 150,845,000	6.414%	\$ 9,711,401
San Ramon Valley Unified School District General Fund Obligations	10,614,704	27.348%	2,923,714
San Ramon Valley Fire Protection District - COP	46,605,000	27.497%	12,906,789
<b>Town of Danville subscription liability</b>	<b>10,046</b>	<b>100%</b>	<b>10,046</b>
<b>Town of Danville Certificates of Participation (COP)</b>	<b>3,510,000</b>	<b>100%</b>	<b>3,510,000</b>
Contra Costa Mosquito District General Fund Obligations	8,050,000	6.438%	518,259
<b>SUBTOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 29,580,209</b>
Less: Contra Costa County obligations supported from revenue funds			(2,229,791)
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 27,350,418</b>
 OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	 \$ 1,220,000	 100%	 1,220,000
<b>TOTAL DIRECT DEBT</b>			<b>\$ 3,520,046</b>
TOTAL GROSS OVERLAPPING DEBT			\$ 196,111,949
TOTAL NET OVERLAPPING DEBT			193,882,158
 <b>GRAND TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>(2) \$ 199,631,995</b>
NET COMBINED TOTAL DEBT			\$ 197,402,204

- (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	0.94%
<b>Total Direct Debt (\$5,235,000)</b>	<b>0.02%</b>
Gross Combined Total Debt	1.11%
Net Combined Total Debt	1.10%

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

<b>Total Overlapping Tax Increment Debt</b>	<b>0.20%</b>
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Note: This schedule presents fiscal capacity and debt for overlapping governments. It is intended to demonstrate the total property tax burden on the taxpayers within Danville and the total debt that their property taxes will be expected to pay. This schedule excludes tax and revenue anticipation notes, revenue bonds, mortgage revenue bonds, tax allocation bonds, obligations, lease and subscription obligations.

Source: California Municipal Statistics, Inc.

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 418,385,065	\$ 443,452,765	\$ 465,663,742	\$ 489,520,363	\$ 515,538,025
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 418,385,065</u>	<u>\$ 443,452,765</u>	<u>\$ 465,663,742</u>	<u>\$ 489,520,363</u>	<u>\$ 515,538,025</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				
	2021	2022	2023	2024	2025
Debt Limit	\$ 563,209,695	\$ 606,625,534	\$ 642,952,636	\$ 672,198,882	\$ 707,866,307
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 515,538,025</u>	<u>\$ 606,625,534</u>	<u>\$ 642,952,636</u>	<u>\$ 672,198,882</u>	<u>\$ 707,866,307</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 2025**

Assessed Value	\$ 18,876,464,851
Add back: exempt real property	210,738,275
Total assessed value	<u>\$ 19,087,203,126</u>
Debt Limit (3.75% of assessed value)	\$ 707,866,307
Total net debt applicable to limit	-
Legal Debt Margin	<u>\$ 707,866,307</u>

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

Source: County of Contra Costa

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

Fiscal Year	Certificates of Participation				Taxable Revenue Bond			
	Tax Increment	Debt Service		Coverage	Tax Increment	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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	-
2025	-	600,000	184,625	-	-	250,000	114,325	-

Source: Town Audited Financial Statements

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

<u>Year</u>	<u>Population <sup>1</sup></u>	<u>Median Household Income</u>	<u>Persons per Household Unit <sup>2</sup></u>	<u>Per Capita Income</u>	<u>Personal Income (in thousands)</u>	<u>Public School Enrollment <sup>3</sup></u>	<u>Unemployment Rate <sup>4</sup></u>
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	**	**	**	**	29,680	4.1%
2025	42,960	**	**	**	**	28,615	5.1%

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**

<b>Employer</b>	<b>2025</b>			<b>2024</b>		
	<b>Number of Employees <sup>1</sup></b>	<b>Rank</b>	<b>% of Top 10</b>	<b>Number of Employees <sup>1</sup></b>	<b>Rank</b>	<b>% of Top 10</b>
Costco	265	1	33.9%	435	1	47.1%
Bay Club Crow Canyon	94	2	12.0%			
Face Reality Acne Clinic	67	3	8.6%	47	7	5.1%
Brookdale Danville Diablo Road	66	4	8.4%	58	5	6.3%
Sunrise Assisted Living Of Danville	66	5	8.4%			
Danville Post Acute Rehabilitation	57	6	7.3%			
Lunardi's Market	57	7	7.3%	60	4	6.5%
Locanda Ravello	40	8	5.1%			
Piatti Restaurant	37	9	4.0%	37	9	4.0%
Smart & Final	35	10	4.5%	36	10	3.9%
Walgreens	35	10	4.5%	39	8	4.2%
Trader Joe's				86	2	9.3%
Marshalls of Danville				77	3	8.3%
Safeway				48	6	5.2%
<b>Total Employees:</b>	<b>819</b>			<b>923</b>		

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Legislative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	6.50	8.25	8.25	7.75	7.75	6.75	6.75	6.25	7.00	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*	37.75	37.75	37.75	37.75	37.75	37.75	37.75	37.75	38.75	37.75
Development Services	29.75	27.00	27.00	26.50	25.50	23.50	23.50	23.50	23.50	23.50
Transportation Services	3.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Community Services										
Maintenance	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.75	31.75
Recreation, Arts &										
Community Services	37.75	38.25	38.25	42.00	42.00	42.00	42.00	42.00	41.00	33.00
Finance	5.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Support Services	4.50	4.50	4.50	4.50	4.50	4.50	4.50	6.00	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	2.50	2.50	2.50	2.25	2.25	2.00	2.00	2.00	2.00	2.00
Total	<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>	<u>150.50</u>

Source: Adopted Town Budgets

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

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police: <sup>1</sup>										
Arrests	515	500	447	391	281	165	229	250	328	312
Traffic violations	3,875	2,605	3,702	2,786	2,482	1,177	959	3,093	3,684	4,341
Parking violations	1,625	1,774	1,367	1,593	1,346	482	868	1,380	1,086	1,375
Public works:										
Street resurfacing (miles)	24	15.2	5.9	5.5	10.23	0	6.2	6.4	16.3	11.5
Pot holes repaired	181	249	84	309	149	163	84	547	109	481
Parks and recreation:										
Course registration	18,147	20,352	19,174	18,146	13,593	4,592	12,912	15,763	20,539	17,189
Facility rentals/permits <sup>2</sup>	716	804	786	638	538	8	97	172	540	221
Picnic rentals	241	413	406	354	205	130	545	590	530	493

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	13	13	13	13	13	13	13	13	13
Public works:										
Street (miles)	144.6	144.6	144.6	157.89	158.15	158.15	158.28	158.49	158.49	158.49
Street lights	1,417	1,417	1,158	1,158	1,158	1,158	1,158	1,158	1,182	1,200
Signalized intersections	51	52	54	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	9	9	9	9
Pickleball courts	0	0	0	0	0	2	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 Auditor's 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, 2025, 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 December 9, 2025.

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

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

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

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

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

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

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

***Purpose of this Report***

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

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

Walnut Creek, California  
December 9, 2025