



TOWN OF DANVILLE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019



TOWN COUNCIL

Robert Storer, Mayor
Karen Stepper, Vice Mayor
Newell Arnerich, Councilmember
Lisa Blackwell, Councilmember
Renee Morgan, Councilmember

TOWN STAFF

Joseph A. Calabrigo, Town Manager
Jed Johnson, Administrative Services Director
Lani Ha, Finance Manager/Treasurer

TOWN OF DANVILLE, CALIFORNIA



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For the Fiscal Year Ended June 30, 2019**

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Karen Stepper, Vice Mayor
Newell Arnerich, Councilmember
Lisa Blackwell, Councilmember
Renee Morgan, Councilmember

TOWN MANAGER
Joseph A. Calabrigo

Prepared by the
Finance Division

Lani Ha, Finance Manager/Treasurer

Danville, CA
(Cover Photo - by Geoff Gillette)



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Town of Danville
Comprehensive Annual Financial Report

For the Year Ended June 30, 2019

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INTRODUCTORY SECTION



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*"Small Town Atmosphere
Outstanding Quality of Life"*

November 19, 2019

Mayor and Town Council
Town of Danville

Subject: Fiscal Year 2018/19 Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) of the Town of Danville for the fiscal year (FY) ended June 30, 2019, 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 Department, 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 CAFR represents the culmination of all budgeting and accounting activities of the Town during FY 2018/19.

GENERAL INFORMATION ABOUT THE TOWN OF DANVILLE

Incorporated in 1982, Danville is located in Contra Costa County, approximately 30 miles east of San Francisco and lies in the center of the San Ramon Valley. The Town comprises 18.5 square miles and has 45,270 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 new 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

510 LA GONDA WAY, DANVILLE, CALIFORNIA 94526

Administration
(925) 314-3388

Building
(925) 314-3330

Engineering & Planning
(925) 314-3310

Transportation
(925) 314-3320

Maintenance
(925) 314-3450

Police
(925) 314-3700

Parks and Recreation
(925) 314-3400

the site of many holiday and special events which attract visitors throughout the year from around the Bay Area. While Danville has remained residential, neighboring cities have developed job centers including major commercial and light industrial business parks located within minutes from the Town.

The Town operates under the Council-Manager form of government and is 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 Directors 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 portions of its building inspection and recreation and maintenance services.

REPORTING ENTITY

A preliminary step in preparing the CAFR 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 of Danville 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, cleanup legislation 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 and winding down 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.

ECONOMIC CONDITION AND OUTLOOK

Current Economic Condition

As of June 30, 2019, 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, 2019, \$12,309,768 or 36.07% is designated for this purpose. Additional reserves against the General Fund include various future operating costs, including General Fund purchase order encumbrance carryovers; reserves for Certificate of Participation debt issued by the Town in 2001 and 2005; a contingency for unforeseen expenditures; compensated absences/personnel; reward funds to help recover Town property; a reserve for the receivable for the funds loaned to the former CDA and funds to be used for maintenance of Town's rental property. An additional \$3,185,422 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 \$27,268,611 represents 117.10% of total FY 2018/19 General Fund operating expenditures and 79.90% of operating expenditures from all funds. Additionally, the Town has \$26,047,266 of Special Revenue funds, and \$37,060,728 in Capital Projects funds.

The Town's five largest revenue sources account for 91.87% of all Town revenues. These include Property Tax providing 41.91% of revenues; Sales Tax providing 16.72%; Other Taxes providing 11.77%; Special Assessments providing 9.78% and Development Impact Fees providing 11.70% of revenues.

Property Tax increased by \$725,475 (4.96%) compared to FY 17-18, as assessed values were increased and the median sales price for a single family residential home 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 \$7,564 (.26%), reflecting a decrease in Building and Planning fees, offset by an increase in Development Engineering fees.

Sales Tax increased \$214,251 (3.63%) due to a stronger economy. Other Taxes and Intergovernmental Fund Revenues increased a net of \$534,816 (14.17%), reflecting higher

revenues from Gas Tax and Measure J funds and a slight decrease in SPCP Special Assessments. LLAD Special Assessments remained essentially flat.

The increase in Development Fees of \$1,010,668 (30.85%), reflects an increase in the permitting activity.

Danville's jobless rate as of May 2019 was 2.2% as compared to 3.6% nationwide, 4.2% in California, and 2.6% 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 2019/20 Operating Budget and Capital Improvement Program, was completed in May 2019 and adopted on June 4, 2019. General Fund revenues are projected to increase 1.27% from FY 2018/19 to FY 2019/20, largely attributable to a 1.50% increase in property tax revenue. Special Purpose revenues are projected to increase .85%, mostly due to a decrease in 12.53% in Building and Planning revenue and slight increase or no increase in other Special Revenues funds.

Looking forward 10 years, General Purpose revenues are projected to increase 1.27% in FY 2019/20 and an average of 1.40% thereafter. Special Purpose revenues are projected to increase .85% in FY 2019/20, and an average of 1.00% through FY 2028/29.

The 10-year projection includes cost increases that average 1.9% annually, reflecting anticipated adjustments to service demands as well as changes in the Consumer Price Index. The Town continues to evaluate the impact of current decisions on the long term fiscal stability of the Town.

By FY 2020/21, all four zones in the Lighting and Landscape Assessment District will require General Fund subsidies, or an increase in assessments, in order to maintain current service levels.

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

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

The Town's current funding of service delivery, capital projects, local streets and roads and long-term fiscal health depends on continued growth of the economy and avoidance of further negative fiscal actions by the State. 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 \$7.3 million in funds owed by the former Community Development Agency through annual payments, further action from the State could adversely affect the Town's fiscal condition.

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

MAJOR ACCOMPLISHMENTS AND INITIATIVES

For Fiscal Year 2018/19

Major events took place in the Town during FY 2018/19 that had or will have significant financial effects on the Town in the years to come. The Town:

1. Received the distinction of "Safest City in California" in 2019, for the third year in a row by Safewise, an independent review website.
2. Complete \$12.6 million acquisition of 500 La Gonda Way property to relocate Town Offices and Police Department.
3. Completed construction of the \$9.21 million Village Theatre Municipal Parking Lot expansion project increasing the number of parking spaces from 69 to 201.
4. Completed construction of the \$1.6 million One Bay Area Grant (OBAG) Project to improve El Cerro Boulevard from El Pintado to La Gonda Way and Sycamore Valley Road from Camino Ramon to San Ramon Valley Boulevard including the bus loop at the Park N Ride.
5. Completed construction of the \$150,000 Osage Station Park pathway improvements project.
6. Completed construction of the \$752,400 Front Street Creek Bank Stabilization project, which repaired a creek bank failure caused by heavy rains in 2014.
7. Completed replacement of all Railroad Avenue Parking Lot lights with LEDs.
8. Completed the construction of the \$3 million project to overlay Danville streets as part of the 2018/19 Pavement Rehabilitation program.
9. Continued the design work for the \$6 million project to replace the La Gonda Way bridge at Danville Boulevard.

10. Continued the design of the storm drain trash racks at Starview Drive, Loch Lomond Way and Westridge, pending response from FEMA on the Town's grant applications. Construction phase to proceed after FEMA determination.
11. Continued the design of the \$2.03 million Sycamore Valley Park and Ride Expansion Project, which will add 122 new public parking spaces and bicycle parking to serve commuters and users of the Iron Horse Trail.
12. Completed installation of bicycle video detection cameras at seven intersections (total of 12 cameras).
13. Completed installation of Rectangular Rapid Flashing Beacons (RRFBs) at ten (10) locations.
14. Completed installation of four (4) wayfinding guide signs on Interstate 680 within Town limits.
15. Completed replacement of traffic signal battery back-up systems at eight (8) intersections.
16. Replaced radar speed display signs at two (2) locations and replaced one (1) radar speed display trailer.
17. Initiated development of a Town-wide Bicycle Master Plan.
18. Continued with various Transportation programs including: Street Smarts traffic safety education program, Neighborhood Traffic Management Program and participation in Danville's TRAFFIX Student Transportation Program.
19. Worked with Tri-Valley Cities Coalition, Contra Costa Mayors Conference and state legislators to advocate for changes to housing legislation in a manner that lessens their impacts to Danville.
20. Continued the Town's commitment of \$1.45 million toward the San Ramon Valley High School Classroom Modernization project in order to fund 240 additional student parking spaces on campus and increasing the total supply of student on-campus parking spaces from 275 to 515 spaces, in order to alleviate parking congestion in adjacent neighborhoods and the north end of the downtown.
21. Expanded the Downtown Street Banner Program to include Railroad Avenue.
22. Continued implementation of the Community Marketing and Branding Plan, including publication of the Live Locally Guide, marketing material and rebranding of the Town's quarterly newsletter.
23. Increased efficiencies within the MUNIS Financial System, EnerGov Permitting & Land Management System and Office 365 suite by completing the move to cloud-based services that offer 24/7/365 availability with ISO 9000 security levels and automatic updates.
24. Completed the transition to a town wide MITEL voicemail system to address the lack of support from Microsoft for their voicemail system.

25. Provided Naloxone Kits to Police Department Patrol for use to combat the effects of opiate overdose. Kits have already been used several times to save people from opiate overdose.
26. Provided over 20 training presentation to San Ramon Valley Unified School District Employees on Active Shooter response through the “Run, Hide, Fight” program.
27. Renovated the turf in the large dog park at Hap Magee Ranch Park for a total of \$18,875. The dog park at Hap Magee Ranch Park is rated one of the best dog parks in the area by *Diablo Magazine*.
28. Completed the installation of the UV and filtration system at Oak Hill Park pond to improve water quality for a total of \$49,318.
29. Completed the annual creek cleaning through in-house and contract efforts (\$10,800) which helps protect the community and prevent damage to public and private property.
30. Worked with EBMUD to complete the installation of recycled water on El Capitan Drive near Crow Canyon Road.
31. Integration of arts into programs such as the Danville Dogs Art Program, which included calling for artists to design and paint ceramic dogs for display throughout the Town. Other opportunities are being explored with the funds raised by this successful event.
32. Continued efforts for the implementation of the Parks, Recreation & Arts Strategic Plan, with an emphasis on capital projects in parks, trails and public art.
33. Completed plans and specifications for replacement of the children’s play structure at Hap Magee Ranch Park with a projected cost of \$625,000.

For Fiscal Year 2019/20

During the upcoming FY 2019/20 the Town will:

1. Complete the design of the \$6 million project to replace the La Gonda Way bridge at Danville Boulevard.
2. Complete the design of the \$2.03 million Sycamore Valley Park and Ride Expansion Project, which will increase capacity by 122 public parking spaces and enhance bicycle parking.
3. Complete the design of storm drain trash racks at Starview Drive, Loch Lomond Way and Westridge, pending response from FEMA on the Town’s grant applications. Construction phase to proceed after FEMA determination
4. Complete installation of Rectangular Rapid Flashing Beacons (RRFBs).
5. Complete design that would improve 3.6 lane miles of on-street bicycle facilities on Diablo Road from downtown Danville to Green Valley Road.

6. Complete the development of a Town-wide Bicycle Master Plan.
7. Continue with various Transportation programs including: Street Smarts traffic safety education program, Neighborhood Traffic Management Program and participation in Danville's TRAFFIX Student Transportation Program.
8. Continue to work with Tri-Valley Cities Coalition, Contra Costa Mayors Conference and state legislators to advocate for changes to housing legislation in a manner that lessens their impacts to Danville.
9. Renovate the turf in the large dog park at Hap Magee Ranch Park for a total of \$18,615. The dog park at Hap Magee Ranch Park is rated one of the best dog parks in the area by *Diablo Magazine*.
10. Renew landscape maintenance contracts for parks (\$344,316) to provide well-manicured landscaping and recreation opportunities for the community.
11. Award a new landscape maintenance contract for roadsides - Lighting and Landscape Assessment District zones A and B.
12. Renew the street sweeping services contract for \$220,325 to continue providing clean and safe streets and prevent pollution of creeks.
13. Resurface the four tennis courts at Osage Station Park (\$28,908), which receive a considerable amount of recreational use.
14. Complete the annual creek cleaning through in-house and contract efforts (\$12,000), which helps prevent damage to public and private property.
15. Complete the upgrades to the keycard access system at all town-maintained buildings and replace A.D.A. doors at the Library and Veteran's Memorial buildings.
16. Continue the Disaster Preparedness Program to step up readiness efforts aimed at preparing for and responding to any natural or man-made disasters or emergencies that could befall the Town.
17. Finalize a five-year rolling strategic plan for Police Services that is updated annually.
18. Research technology solutions to optimize law enforcement strategies.
19. Implementation of the Master Plan for the Town Green as recommended in the Parks, Recreation and Arts Strategic Plan.
20. Continue to work with the Arts Advisory Board and Parks, Recreation and Arts Commission to prioritize and begin implementation of recommendations in the Parks, Recreation and Arts Strategic Plan.
21. Continue to explore potential locations for the multi-use skate park as identified in the latest feasibility study.
22. Complete the renovation of the children's play area at Hap Magee Ranch Park with a projected cost of \$625,000.
23. Design and planning of the Riverwalk bridge connecting Diablo Road to the Town Green.

24. Complete the sale of 115-125 Hartz Avenue property.
25. Expand and improve eSignature (DocuSign) system for contracts and other legal documents.
26. Continued efforts by the IT Department to implement additional security measures as warranted and monitor cybersecurity issues to protect the Town from these ongoing types of attacks.
27. Plan and mitigate the transfer of Town's technologies in preparation of the move to the newly acquired Town Offices building at 500 La Gonda Way.

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 2018/19, the budgetary level of control (that is the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget was at the fund level.

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

Risk Management

The Town is a member of the Municipal Pooling Authority (MPA), a consortium of 20 California cities, including 17 in Contra Costa County, one in San Mateo County, one in Santa Clara County and one in San Joaquin County. The Risk Management Authority is a risk-sharing, self-insured pool providing insurance benefits to its members. Insurance activities are financed by charges to member cities, and no long-term debt has been incurred by the Authority. The Town participates in the Authority's self-insured general and auto liability programs and purchases commercial property and earthquake insurance through MPA. Annual premiums are determined based on an actuarial study using a retrospective method. During FY 2018/19, 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 established in the General Fund \$34,510 in liability to 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

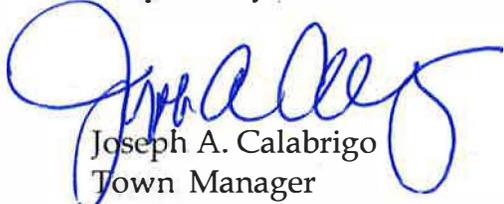
It is the policy of the Town of Danville to have an audit performed annually by an independent certified public accountant. The independent audit of the June 30, 2019 financial statements was performed by The Pun Group, LLP. Their opinion is included with the general purpose financial statements.

Acknowledgments

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

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

Respectfully submitted,

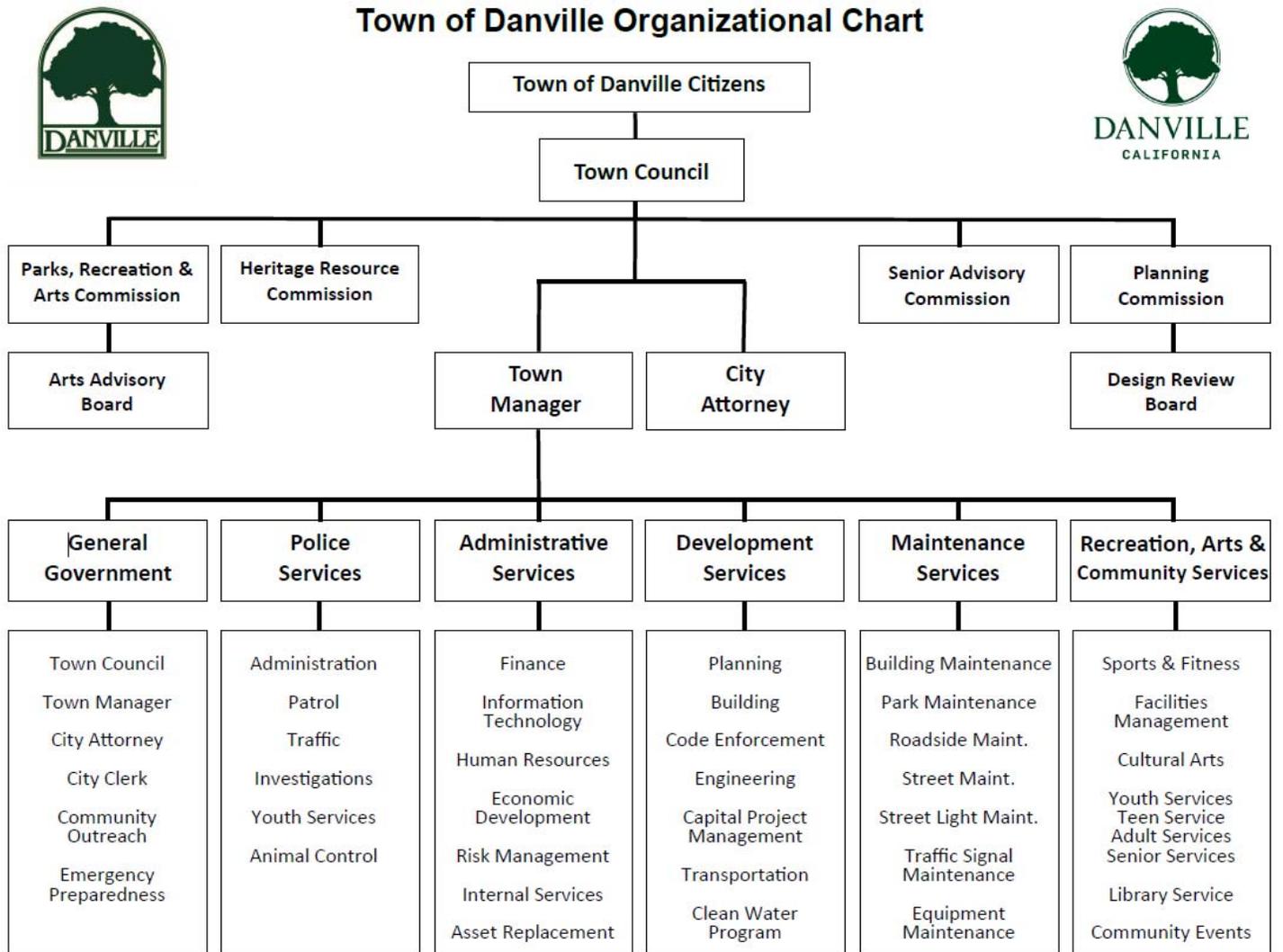

Joseph A. Calabrigo
Town Manager


Lani Ha
Finance Manager/Treasurer



Town of Danville

Organizational Chart



Town of Danville

Directory of Public Officials

TOWN COUNCIL

Robert Storer	Mayor
Karen Stepper	Vice Mayor
Newell Arnerich	Councilmember
Lisa Blackwell	Councilmember
Renee Morgan	Councilmember

TOWN STAFF

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

Town of Danville

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



Government Finance Officers Association

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

Presented to

**Town of Danville
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Town of Danville

Statement of Purpose

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

To achieve this level of excellence, Danville will:

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

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



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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2019, 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.

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

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, and Regional Traffic Impact Fee 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019, 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.



Walnut Creek, California
November 12, 2019



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Danville, California (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 12, 2019.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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*.

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

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 entity'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 Per Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
November 12, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Danville's Financial Statements are issued in the format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB No. 34). This discussion and analysis of the Town's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2019. 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, 2019 increased \$4,195,621 or 1.7% from \$251,690,654 to \$255,886,275.
- Total liabilities were \$17,288,947. Total assets were \$273,175,222. Of this amount \$65,271,882 is classified as unrestricted and, with the future receipt of \$7,259,401 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 \$90,376,605. Of this amount \$24,398,492 is restricted by external parties, \$56,066,038 is committed for ongoing and future activities and \$7,325,019 is classified as nonspendable reflecting the future of receiving the loan proceeds from the cooperative agreement to the former Community Development Agency and fund received for services that has not been rendered by the Town, and \$2,587,056 has been assigned for ongoing operations.
- The Town's General Fund fund balance decreased -.0004% from \$27,279,727 to \$27,268,611. The fund balance includes funds reserved or designated for debt service, future capital projects, ongoing operations, and an operating reserve of \$12,309,768 (36.07% of FY 2018/19 operating expenditures).

Subsequent to the end of the fiscal year 2013-14, 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 afterward, and in May 2015, the State dismissed its appeal, and 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, \$7,259,401 as a loan receivable on its books, and reserve an offsetting amount in fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Government-Wide Financial Statements provide a longer-term view of the financial position of the Town as a whole, including all capital assets and long-term liabilities on the *full accrual* basis. This presentation is similar to that of a private-sector business. Over time, increases or decreases in the Town's net assets 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 CAFR for Danville include the Deposits fund, Assessment District funds and the Successor Agency Trust Fund.

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

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

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

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

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

Reporting the Town's Fiduciary Responsibilities

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

Notes to the Financial Statements

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

Other Information

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

THE TOWN AS A WHOLE - GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined Net Position for fiscal year ended June 30, 2019 and 2018 were:

Table 1
Net Position
Governmental Activities

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 100,224,321	\$ 96,310,685	\$ 3,913,636
Capital assets, net	172,950,901	170,193,663	2,757,238
Total assets	<u>273,175,222</u>	<u>266,504,348</u>	<u>6,670,874</u>
Current liabilities	10,161,641	7,230,888	2,930,753
Long-term liabilities	7,127,306	7,582,806	(455,500)
Total liabilities	<u>17,288,947</u>	<u>14,813,694</u>	<u>2,475,253</u>
Net position:			
Net investment in capital assets	166,215,901	162,998,663	3,217,238
Restricted for:			
Debt service	1,634,467	1,627,885	6,582
Special projects	22,764,025	22,156,848	607,177
Unrestricted	65,271,882	64,907,258	364,624
Total net position	<u>\$ 255,886,275</u>	<u>\$ 251,690,654</u>	<u>\$ 4,195,621</u>

The Town's Net Positions from Governmental Activities increased 1.7% from \$251,690,654 to \$255,886,275. This increase of \$4,195,621 comes from the change in net assets as recorded in the Statement of Activities and flows through the Statement of Net Position. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to permanent fund principal, special, and extraordinary items, and total assets are presented in the Statement of Activities and Changes in Net Position.

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

Total assets increased \$6,670,874:

- Current and other assets increased \$3,913,636 reflecting an increase in cash and investments. Capital assets, net of depreciation, increased \$2,757,238, reflecting expenditures for capital projects during the year.

Total liabilities increased \$2,475,253:

- Current liabilities increased by a net of \$2,930,753, due largely to an increase in accounts payable and wages payable, an increase in retention (for capital projects), a slight decrease in unearned revenue, and a decrease in deposit payable.
- Non-current liabilities decreased a net of \$(455,500) reflecting payment of long-term debt principal of \$480,000 that was paid according to schedule, an increase of \$24,500 in compensated absences.

Net Position:

- Restricted net assets decreased a net of \$613,759. Special Revenue funds were spent for capital projects as budgeted. Debt Service funds increased by \$6,582 reflecting the net change in annual RPTTF funds received for scheduled debt service payments of the Town's COPs. Special Projects funds increased by \$607,177 as funds were needed for operations or appropriated for capital expenditures.
- Unrestricted net position, which are designated by Council for specific future capital improvements or economic stability, increased by \$364,624, reflecting solid revenues and controlled costs, which enabled the transfer of \$4.19 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 expenditures for the Town as whole.

Table 2
Revenues and Expenses
Governmental Activities

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Revenues - Governmental Activities			
Program revenues:			
Charges for services	\$ 9,908,259	\$ 9,243,238	\$ 665,021
Operating grants and contributions	2,132,610	1,205,123	927,487
Capital grants and contributions	3,880,922	2,521,475	1,359,447
Total program revenues	<u>15,921,791</u>	<u>12,969,836</u>	<u>2,951,955</u>
General revenues:			
Taxes:			
Property	15,354,728	14,629,253	725,475
Sales	6,126,449	5,914,835	211,614
Motor vehicle	21,310	22,821	(1,511)
Franchise	2,609,820	2,588,989	20,831
Other	390,562	362,196	28,366
Investment earnings	3,028,554	368,995	2,659,559
Miscellaneous	834,318	854,998	(20,680)
Reimbursement from Successor Agency	792,456	792,316	140
Total general revenues	<u>29,158,197</u>	<u>25,534,403</u>	<u>3,623,794</u>
Total revenues	<u>45,079,988</u>	<u>38,504,239</u>	<u>6,575,749</u>
Expenses - Governmental Activities			
General government	1,648,107	1,821,906	(173,799)
Police services	9,908,945	9,668,148	240,797
Maintenance services and Lighting and landscape	8,512,749	7,824,106	688,643
Development services	12,589,561	12,113,185	476,376
Administrative services	3,625,899	3,511,181	114,718
Recreation, arts, & community services	4,273,896	4,016,368	257,528
Interest on long-term debt	325,210	345,473	(20,263)
Total expenses	<u>40,884,367</u>	<u>39,300,367</u>	<u>1,584,000</u>
Changes in Net Position	<u>\$ 4,195,621</u>	<u>\$ (796,128)</u>	<u>\$ 4,991,749</u>

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

Table 3 presents each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions. The net cost of programs increased by \$4,991,749 reflecting higher change in revenues compare to change in expenses.

**Table 3
Cost of Services
Governmental Activities**

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Revenues:			
General revenues	\$ 29,158,197	\$ 25,437,956	\$ 3,720,241
Total general revenues	<u>29,158,197</u>	<u>25,437,956</u>	<u>3,720,241</u>
Net Expenses:			
General government	(1,646,981)	(1,371,281)	(275,700)
Police services	(9,414,305)	(9,213,199)	(201,106)
Maintenance services and Lighting and landscape	(5,466,274)	(4,686,219)	(780,055)
Development services	(2,289,319)	(5,184,777)	2,895,458
Administrative services	(3,587,773)	(3,474,781)	(112,992)
Recreation, arts, & community services	(2,232,714)	(1,958,354)	(274,360)
Interest on long-term debt	<u>(325,210)</u>	<u>(345,473)</u>	<u>20,263</u>
Total net expenses	<u>(24,962,576)</u>	<u>(26,234,084)</u>	<u>1,271,508</u>
Net Cost of Services	<u>\$ 4,195,621</u>	<u>\$ (796,128)</u>	<u>\$ 4,991,749</u>

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

- Program revenues increased by \$ 2,951,955. An increase of \$665,021 in Charges for Services was largely due to slight increased activity in Police Services, with an increase in the Development Services activity. Operating Grants increased a net of \$927,487 as grants for Police and Development Services increased. Capital Grants and Contributions increased a net of \$1,374,447 as grant funded for capital projects continued.
- General revenues increased \$3,720,241 reflecting the net reported increase \$725,475 in property tax revenues, increase in net reported \$211,614 in sales tax revenues, increase \$2,659,559 in investment earning, net with \$(20,680) decreased in miscellaneous 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 a cost effective manner and the Town is efficient in recovering the cost of these services with program revenues from user fees and other contributions. See the Statement of Activities for further detail on program revenues and general revenues.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

At year-end, the fund balance for the Town's General Fund was \$27,268,611 a net decrease of \$(11,116) over last year. Revenues exceeded expenses by \$7,454,497, and transfers out of \$(7,765,666) were made for future capital projects and additional funding for parks and building maintenance in the Lighting and Landscape Assessment District (\$650,000). Major revenue sources that exceeded budget include property and transfer taxes of \$1,122,458, sales taxes of \$442,531, uses of money and property of \$1,317,892, which reported 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 Other taxes of \$(109,427) and Charges for Services of \$(127,721). Across the board, cost containment resulted in operating expenditures below budget in all programs. Budget to actual cost savings totaled \$2,585,874. Capital outlay for operations was budgeted within each program and is broken out for year-end reporting on a separate line.

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

The Lighting and Landscape Special Revenue Fund decreased by \$(510,840), which compares favorably to the planned and previously projected reduction in this fund balance. Cost containment efforts and a budgeted transfer in from the General Fund of \$650,000 for park and building maintenance account for this decrease in fund balance.

The Regional Traffic Impact Fees fund balance is reported higher by \$1,008,661 reflecting the increase in revenues, and decrease in expenditures. The fund balance in the Capital Improvement Projects Fund decreased by a net of \$297,959, reflecting capital expenditures and a transfer in of \$7,513,166, helping to offset appropriated capital expenditures in excess of revenues.

Non-major Special Revenue Funds increased by a net of \$4,598, reflecting normal revenues and use of these funds for the operational or capital projects to which they are restricted. Non-major Special Revenue funds with major changes include: the increased of Development Engineering Fund by \$47,586 due to more revenues and less expenditures; the increase of SPCP Fund by \$66,620 due to more revenues and less expenditures, the General Development Impact Fee Fund increased of \$655,537 due to more revenues and less expenditures; the Public Safety Fund increased by \$52,200 due to more revenues and less expenditures; the Old Town Parking In-Lieu increased by \$61,009 due to more revenues and less expenditures; and the Solid Waste Vehicle Impact Fee increased by \$79,426 due to more revenues and less expenditures; offset by the PEG Fund decreased by \$(35,223) as transfer to Assets Replacement plus expenditures were higher than revenues collected, the Gas Tax Fund decreased by \$(672,790) as revenues were lower than expenditure; and the Measure J Fund decreased by \$(303,450) as revenues were lower than expenditures.

The Non-Major Capital Improvement Funds, decreased by a net of \$(69,629) due a decrease of \$(193,511) in the Asset Replacement General Fund due to transfer in from General fund, PEG Fund and Building Fund were higher than expenditures; and a decrease of \$(19,888) in the Technology Fund due to more expenditures and no transfer in from General Fund contributions; offset by an increase in the Civic Facilities Fund by \$107,817 due to higher revenues than expenditures. All activity in the above funds reflects anticipated revenues and appropriated transfers and expenditures for these funds.

General Fund Budgetary Highlights

Actual revenues over expenses exceeded the final budget by \$5,303,826. This is primarily due to very conservative revenue projections, the absence of State raids on local revenues, steady sales tax, and actual 5% increase in average local property values. Final expenses for the General Fund at year end were less than budgeted by \$2,585,874. The budget to actual variance in appropriations reflects conservation efforts, leaving staffing positions vacant and postponement of some operational activities by management. These proactive fiscal measures enabled the Town to transfer \$10,879,437 to fund future capital projects throughout the Town.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2019, the Town had a book value of \$172,950,901 invested in a broad range of capital assets, including land, buildings, furniture and equipment, park improvements and infrastructure. (See tables 4 and 5 below.) This amount represents an increase of \$2,757,238, net of additions, retirements and depreciation, resulting in a 1.62% increase over last year.

Changes reflect construction of capital assets, offset by depreciation 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, 2019 was 80, same as last year. This rating compares favorably with the target rating of 75. The average expense to maintain the streets is estimated by management to be a minimum of \$3,000,000 per year for the next three years. Further detail may be found in Note 1F to the Financial Statements and in Note 3 of the Required Supplementary Information.

Table 4
Capital Assets at June 30, 2019
(net of depreciation)

	<u>Original Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$ 31,239,825	\$ -	\$ 31,239,825
Buildings and parking lots	36,628,607	(11,832,278)	24,796,329
Park improvements	23,875,267	(21,222,130)	2,653,137
Furniture and equipment	5,069,577	(4,449,620)	619,957
Construction in progress	14,902,726	-	14,902,726
Infrastructure	167,832,677	(69,093,750)	98,738,927
Total	<u>\$ 279,548,679</u>	<u>\$ (106,597,778)</u>	<u>\$ 172,950,901</u>

Table 5
Comparative Capital Assets at June 30, 2019 vs. June 30, 2018
(net of depreciation)

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Land	\$ 31,239,825	\$ 31,239,825	\$ -
Buildings and parking lots	24,796,329	20,799,325	3,997,004
Park improvements	2,653,137	3,139,062	(485,925)
Furniture and equipment	619,957	800,352	(180,395)
Construction in progress	14,902,726	15,101,446	(198,720)
Infrastructure	98,738,927	99,113,653	(374,726)
Total	<u>\$ 172,950,901</u>	<u>\$ 170,193,663</u>	<u>\$ 2,757,238</u>

The Town's five-year Capital Improvement Plan projects will cost \$35,149,694 through FY 2022/23. 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 Park and Ride Expansion Project and Town Office Improvements and infrastructure maintenance including \$14,758,401 for pavement management. Additional details can be found in the Town's 2018/19 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 \$7,717,306 in Certificates of Participation (COPs) and Compensated Absences outstanding versus \$8,152,806 last year, a net decrease of \$(435,500), as shown in Table 6 below.

**Table 6
Outstanding Debt at Year-end
Governmental Activities**

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
2001 & 2005 Certificates of Participation	\$ 6,735,000	\$ 7,195,000	\$ (460,000)
Compensated absences	982,306	957,806	24,500
Total	<u>\$ 7,717,306</u>	<u>\$ 8,152,806</u>	<u>\$ (435,500)</u>

The \$460,000 decrease in the COP amount is due to scheduled debt service payments, the \$24,500 increase in Compensated Absences is due to personnel earning more leaves hours than used.

Additional information on outstanding debt is presented in Note 8 to the Basic Financial Statements.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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



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BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Danville
Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 63,835,479
Receivables (net of allowances):	
Accounts	2,668,035
Due from Successor Agency of the former Community Development Agency (Note 6)	7,259,401
Interest	362,828
Total receivables	10,290,264
Prepaid items	65,618
Total current assets	74,191,361
Noncurrent assets:	
Restricted cash and investments:	
Held with fiscal agent	1,634,467
Held by the Town	24,398,493
Total restricted cash and investments	26,032,960
Capital assets:	
Nondepreciable	139,218,436
Depreciable, net	33,732,465
Total capital assets	172,950,901
Total noncurrent assets	198,983,861
Total assets	273,175,222
LIABILITIES	
Current liabilities:	
Accounts payable	7,205,554
Accrued wages payable	603,601
Retention payable	525,582
Deposit payable	150,537
Interest payable	100,127
Claims liabilities	34,510
Unearned revenue	951,730
Long-term debt - due within one year (Note 8)	590,000
Total current liabilities	10,161,641
Noncurrent liabilities:	
Long-term debt - due in more than one year: (Note 8)	
Certificates of participation	6,255,000
Compensated absences	872,306
Total noncurrent liabilities	7,127,306
Total liabilities	17,288,947
NET POSITION	
Net investment in capital assets	166,215,901
Restricted for:	
Debt service	1,634,467
Special projects and programs	22,764,025
Total restricted	24,398,492
Unrestricted	65,271,882
Total net position	\$ 255,886,275

Town of Danville
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:					
General government	\$ 1,648,107	\$ 1,126	\$ -	\$ -	\$ (1,646,981)
Police services	9,908,945	308,210	186,430	-	(9,414,305)
Maintenance services and lighting and landscape	8,512,749	3,046,475	-	-	(5,466,274)
Development services	12,589,561	4,473,140	1,946,180	3,880,922	(2,289,319)
Administrative services	3,625,899	38,126	-	-	(3,587,773)
Recreation, arts, & community services	4,273,896	2,041,182	-	-	(2,232,714)
Interest expense	325,210	-	-	-	(325,210)
Total governmental activities	\$ 40,884,367	\$ 9,908,259	\$ 2,132,610	\$ 3,880,922	(24,962,576)
General revenues:					
Taxes:					
Property					15,354,728
Sales					6,126,449
Motor vehicle					21,310
Franchise					2,609,820
Other					390,562
Total taxes					24,502,869
Investment earnings					3,028,554
Miscellaneous					834,318
Reimbursement from Successor Agency					792,456
Total general revenues					29,158,197
Change in net position					4,195,621
Net position - beginning of year					251,690,654
Net position - end of year					\$ 255,886,275



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FUND FINANCIAL STATEMENTS



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GOVERNMENTAL FUND FINANCIAL STATEMENTS



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Town of Danville

Governmental Fund Financial Statements

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.

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, 2019

	Major Funds			
	General Fund	Lighting and Landscape Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	Capital Improvement Capital Projects Fund
ASSETS				
Cash and investments	\$ 22,461,978	\$ 4,508,784	\$ 4,059,434	\$ 30,006,497
Cash and investments with fiscal agent	820,547	-	-	-
Receivables (net of allowances):				
Accounts	1,897,279	91,060	187,825	190,375
Due from Successor Agency of former CDA	7,259,401	-	-	-
Interest	176,744	13,625	9,695	90,989
Prepaid items	65,618	-	-	-
Total assets	\$ 32,681,567	\$ 4,613,469	\$ 4,256,954	\$ 30,287,861
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,604,610	\$ 428,053	\$ 575	\$ 2,213,064
Accrued wages payable	434,875	58,279	-	2,717
Retention payable	-	-	-	516,787
Deposits payable	85,367	-	-	-
Claims liabilities	34,510	-	-	-
Unearned revenue	877,392	36,170	-	20,575
Total liabilities	5,036,754	522,502	575	2,753,143
Deferred Inflows of Resources:				
Unavailable revenue	376,202	-	-	-
Total deferred inflows of resources	376,202	-	-	-
Fund Balances:				
Nonspendable	7,325,019	-	-	-
Restricted	820,547	1,621,646	4,256,379	-
Committed	19,005,310	-	-	27,534,718
Assigned	117,735	2,469,321	-	-
Total fund balances	27,268,611	4,090,967	4,256,379	27,534,718
Total liabilities, deferred inflows of resources and fund balances	\$ 32,681,567	\$ 4,613,469	\$ 4,256,954	\$ 30,287,861

(Continued)

Town of Danville
Governmental Funds
Balance Sheet (Continued)
June 30, 2019

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and investments	\$ 27,197,279	\$ 88,233,972
Cash and investments with fiscal agent	813,920	1,634,467
Receivables (net of allowances):		
Accounts	301,496	2,668,035
Due from Successor Agency of former CDA	-	7,259,401
Interest	71,775	362,828
Prepaid items	-	65,618
Total assets	<u><u>\$ 28,384,470</u></u>	<u><u>\$ 100,224,321</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 959,252	\$ 7,205,554
Accrued wages payable	107,730	603,601
Retention payable	8,795	525,582
Deposits payable	65,170	150,537
Claims liabilities	-	34,510
Unearned revenue	17,593	951,730
Total liabilities	<u>1,158,540</u>	<u>9,471,514</u>
Deferred Inflows of Resources:		
Unavailable revenue	-	376,202
Total deferred inflows of resources	<u>-</u>	<u>376,202</u>
Fund Balances:		
Nonspendable	-	7,325,019
Restricted	17,699,920	24,398,492
Committed	9,526,010	56,066,038
Assigned	-	2,587,056
Total fund balances	<u>27,225,930</u>	<u>90,376,605</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 28,384,470</u></u>	<u><u>\$ 100,224,321</u></u>

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Town of Danville
Reconciliation of Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2019

Total Fund Balances - Total Governmental Funds \$ 90,376,605

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	139,218,436
Depreciable capital assets, net	<u>33,732,465</u>
Total capital assets	<u>172,950,901</u>

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.

(100,127)

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.

376,202

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	(590,000)
Long-term liabilities - due in more than one year:	
- Certificates of participation	(6,255,000)
- Compensated absences payable	<u>(872,306)</u>
Total long-term debt	<u>(7,717,306)</u>

Net Position of Governmental Activities \$ 255,886,275

See accompanying notes to basic financial statements.

Town of Danville
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

	Major Funds			
	General Fund	Lighting and Landscape Special Revenue Fund	Regional Traffic Impact Fees Special Revenue Fund	Capital Improvement Capital Projects Fund
REVENUES:				
Property taxes	\$ 15,354,728	\$ -	\$ -	\$ -
Sales taxes	6,124,320	-	-	-
Special assessments	-	3,035,944	-	-
Other taxes	2,228,400	-	-	-
Charges for services	2,083,745	-	-	-
Licenses and permits	384,736	-	-	-
Development fees	-	-	828,207	-
Intergovernmental	2,413	-	-	693,089
Fines and forfeitures	187,979	-	-	-
Use of money and property	2,261,879	64,901	182,491	638,207
Miscellaneous	259,419	104,350	-	-
Total revenues	28,887,619	3,205,195	1,010,698	1,331,296
EXPENDITURES:				
Current:				
General government	1,602,259	-	-	-
Police services	9,523,065	-	-	-
Maintenance services	2,204,325	-	-	78,078
Lighting and landscape	-	4,067,377	-	-
Development services	935,897	-	-	4,944,589
Administrative services	3,434,842	3,343	2,037	23,160
Recreation, arts, & community services	3,732,734	3,276	-	20,130
Capital outlay	-	-	-	3,480,546
Total expenditures	21,433,122	4,073,996	2,037	8,546,503
REVENUES OVER (UNDER) EXPENDITURES	7,454,497	(868,801)	1,008,661	(7,215,207)
OTHER FINANCING SOURCES (USES):				
Transfers in	300,053	650,000	-	7,515,666
Transfers out	(7,765,666)	(292,039)	-	(2,500)
Total financing sources (uses)	(7,465,613)	357,961	-	7,513,166
NET CHANGE IN FUND BALANCES	(11,116)	(510,840)	1,008,661	297,959
FUND BALANCES:				
Beginning of year	27,279,727	4,601,807	3,247,718	27,236,759
End of year	\$ 27,268,611	\$ 4,090,967	\$ 4,256,379	\$ 27,534,718

(Continued)

Town of Danville
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Year Ended June 30, 2019

	Other Governmental Funds	Total Governmental Funds
REVENUES:		
Property taxes	\$ -	\$ 15,354,728
Sales taxes	-	6,124,320
Special assessments	545,638	3,581,582
Other taxes	2,081,796	4,310,196
Charges for services	783,587	2,867,332
Licenses and permits	11,974	396,710
Development fees	3,458,184	4,286,391
Intergovernmental	2,157,641	2,853,143
Fines and forfeitures	-	187,979
Use of money and property	776,715	3,924,193
Miscellaneous	61,185	424,954
Total revenues	9,876,720	44,311,528
EXPENDITURES:		
Current:		
General government	21,837	1,624,096
Police services	167,818	9,690,883
Maintenance services	1,022,665	3,305,068
Lighting and landscape	-	4,067,377
Development services	6,466,424	12,346,910
Administrative services	91,915	3,555,297
Recreation, arts, & community services	164,357	3,920,497
Capital outlay	1,301,221	4,781,767
Total expenditures	9,236,237	43,291,895
REVENUES OVER (UNDER) EXPENDITURES	640,483	1,019,633
OTHER FINANCING SOURCES (USES):		
Transfers in	300,000	8,765,719
Transfers out	(705,514)	(8,765,719)
Total financing sources (uses)	(405,514)	-
NET CHANGE IN FUND BALANCES	234,969	1,019,633
FUND BALANCES:		
Beginning of year	26,990,961	89,356,972
End of year	\$ 27,225,930	\$ 90,376,605

(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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ 1,019,633
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 expense. This is the amount of capital assets recorded in the current period.	4,781,767
Depreciation 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 expense is not reported as expenditures in Governmental Funds.	(2,024,529)
Revenues that have not met the revenue recognition criteria in the Fund Financial Statements are recognized as revenue in the Government-Wide Financial Statements.	(23,996)
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.	(24,500)
Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments:	
- Certificates of participation	460,000
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.	7,246
Change in Net Position of Governmental Activities	<u><u>\$ 4,195,621</u></u>

FIDUCIARY FUND FINANCIAL STATEMENTS



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Town of Danville

Fiduciary Fund Financial Statements

TRUST FUND

Successor Agency Trust Fund

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

AGENCY FUNDS

Deposits Fund

This fund is comprised of money temporarily deposited with the Town. Examples of deposits include cash improvement bonds posted by developers, performance bonds posted by contractors, third party pass-through fees and employee benefit allocations.

Town of Danville
Fiduciary Fund
Statement of Fiduciary Net Position
June 30, 2019

	Successor Agency Trust Fund	Agency Funds
ASSETS		
Cash and investments	\$ 768,768	\$ 2,116,446
Cash and investments with fiscal agents	384,878	231,618
Total assets	1,153,646	\$ 2,348,064
LIABILITIES		
Accounts payable	-	\$ 828,338
Loan payable to Town	7,259,401	-
Loan payable	2,450,000	-
Interest payable	511,675	-
Deposits	-	1,519,726
Total liabilities	10,221,076	\$ 2,348,064
NET POSITION (DEFICIT)		
Unrestricted (deficit)	(9,067,430)	
Total net position	\$ (9,067,430)	

Town of Danville
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

	Successor Agency Trust Fund
ADDITIONS:	
Property tax receipt	\$ 2,288,060
Miscellaneous	6,407
Total additions	2,294,467
DEDUCTIONS:	
Amount allocated to General Fund for principal payment	615,000
Interest	356,673
Other - Staff expenses and miscellaneous	23,369
Total deduction	995,042
Changes in net position	1,299,425
NET POSITION (deficit):	
Beginning of year	(10,366,855)
End of year	\$ (9,067,430)



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NOTES TO BASIC FINANCIAL STATEMENTS

Town of Danville
Index to Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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Town of Danville
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 – Reporting Entity

The Town of Danville 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 45,270.

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 132.25 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.

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.

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

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

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 position) 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 position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Government – Wide Financial Statements

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. 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 Funds 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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation, Basis of Accounting, and Measurement Focus (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 Special Revenue Fund

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

Regional Traffic Impact Fees Special Revenue Fund

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

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 Agency Funds and a Private Purpose Trust Fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary Funds are accounted for using the accrual basis of accounting.

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation, Basis of Accounting, and Measurement Focus (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 of Danville was established as a result of the passage of Assembly Bill x1 26, which dissolved all Redevelopment Agencies in the State of California effective February 1, 2012. On January 10, 2012 pursuant to Health and Safety Code Section 34173, the Town Council declared that the Town 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 7 members, was appointed to supervise the Successor Agency’s wind down of the former CDA.

The Town reports the following Agency Funds:

Deposits Fund

This Fund is comprised of money temporarily deposited with the Town. Examples of deposits include cash improvement bonds posted by developers, performance bonds posted by contractors, third party pass-through fees and employee benefit allocations.

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Cash and Investments (Continued)

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 in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

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

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

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

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

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

C. Cash and Investments with Fiscal Agent

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. Land Held for Redevelopment

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

E. 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

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

E. Capital Assets (Continued)

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

The following conditions were defined:

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

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

For all other infrastructure systems, the Town elected to use the Basic Approach as defined by GASB Statement No. 34. The Town appraised its own infrastructure as of July 1, 2001 and has completed an internal update for June 30, 2017. 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.

F. Unearned Revenues

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

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

G. Compensated Absences

Compensated absences include general leave, which covers vacations up to the cap amount based on years of services and hire date, and is accounted for in accordance with U.S. GAAP. It is the policy of the Town to pay when an employee retires or terminates. This amount is funded at a level that recognizes each employee's ability to request leave during employment and is included as a liability in the Government-Wide Financial Statements. Compensated absences liabilities of governmental activities are generally liquidated by the General Fund of 71%; Building and Planning Special Revenue Fund of 11% and Other Special Revenue Funds of 18%.

H. 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.

I. Fund Balance

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

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

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

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

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

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

J. 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, reduced by the outstanding balances of bonds, mortgages, notes, 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.

K. 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.

L. Property Taxes

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

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

M. Use of Accounting Estimates

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

N. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2019, the Town has implemented the following new GASB Pronouncements:

GASB Statement No. 83

In November 2016, GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (ARO). This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. Application of this statement did not have a material effect on the Town’s financial statements for the fiscal year ending June 30, 2019.

GASB Statement No. 88

In April 2018, GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. Application of this statement did not have a material effect on the Town’s financial statements for the fiscal year ending June 30, 2019.

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, 2019:

	Primary Government	Fiduciary	
	Governmental	Fund Financial	
	Activities	Statements	Total
Cash and investments	\$ 63,835,479	\$ 2,885,214	\$ 66,720,693
Restricted cash and investment:			
Held by Town	24,398,493	-	24,398,493
Held by fiscal agent	1,634,467	616,496	2,250,963
Total cash and investments	\$ 89,868,439	\$ 3,501,710	\$ 93,370,149

At June 30, 2019, 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, 2019:

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percentage of Investments</u>	<u>Measurement Input</u>
Demand deposits	\$ 922,325	N/A	N/A
Investments:			
U.S. Securities:			
U.S. Treasury	21,788,180	24.16%	Level 2
Federal Securities	31,314,481	34.72%	Level 2
Commercial paper	1,400,144	1.55%	Level 2
Asset Backed Security	901,114	1.00%	Level 2
Inter-American Dev Bank Note	1,235,236	1.37%	Level 2
Int'l Bank Recon & Development	1,494,298	1.66%	Level 2
International Finance Corp	1,005,290	1.11%	Level 2
Inter-American Dev Bank	1,098,226	1.22%	Level 2
U.S. Corporate Notes/FDIC:			
Paccar Financial Corp	679,068	0.75%	Level 2
American Honda	999,305	1.11%	Level 2
Bank of New York Callable	1,000,027	1.11%	Level 2
John Deere Capital Corp	999,758	1.11%	Level 2
Oracle Corp	1,000,069	1.11%	Level 2
State Street Bank	803,555	0.89%	Level 2
PNC Bank Callable	908,324	1.01%	Level 2
Blackrock Inc.	1,039,905	1.15%	Level 2
Apple Inc. Callable	742,742	0.82%	Level 2
IBM Corp.	761,190	0.84%	Level 2
Berkshire Hathaway	1,028,028	1.14%	Level 2
Chevron Corp Callable	256,190	0.28%	Level 2
Toyota Motor Credie Corp	1,016,058	1.13%	Level 2
US Bank NA Callable	763,617	0.85%	Level 2
Apple Inc.	757,427	0.84%	Level 2
Wal-Mart Stores Callable	840,822	0.93%	Level 2
Local Agency Investment Fund (LAIF)	16,252,739	18.02%	Uncategorized
Money Market Funds	111,068	0.12%	Uncategorized
Total investments	<u>90,196,861</u>	<u>100.00%</u>	
Total cash and investments	<u>\$ 91,119,186</u>		

A. Demand Deposits

The carrying amounts of the Town's cash deposits were \$922,325 at June 30, 2019. Bank balances as of June 30, 2019, were \$758,001 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.

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

B. Investments

The Town reviews and refines its Investment Policy (Policy) annually, with the most recent revision approved by the Town Council on November 20, 2018. The Policy states that the primary investment objective is safety with investments being legally permitted and sufficiently liquid to meet forecasted needs. Maximization of interest earnings is a secondary objective.

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

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

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

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

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

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

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

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

Interest earnings	\$ 1,545,408
Unrealized (loss) in changes in fair value of investments	1,483,146
Total investment earnings	<u>\$ 3,028,554</u>

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

B. Investments (Continued)

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

C. External Investment Pool

The Town invests in the Local Agency Investment Fund (LAIF), a State of California external investment pool. The LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The Town's investments with the LAIF at June 30, 2019, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

These investments may include the following:

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

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

As of June 30, 2019, the Town had \$16,252,739 invested in the LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Backed Securities.

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

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

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

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

D. Restricted Cash and Investments Held with Fiscal Agent

Restricted cash and investments with fiscal agents, which can be only used for specific capital outlays, payment of certain long-term debt and maintaining required reserves, consists of \$1,634,467 in the Governmental-wide Statement of Net Position and \$616,496 in the Statement of Fiduciary Net Position. These funds have been invested only as permitted by specific State statutes governing these investments or by applicable Town ordinance, resolution or bond indenture.

E. Risk Disclosures

Interest Rate Risk

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

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, 2019, the Town's pooled cash and investments had the following maturities:

Investment Type	Fair Value	Maturities (in years)				
		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years
Demand deposits	\$ 922,325	\$ 922,325	\$ -	\$ -	\$ -	\$ -
Investments:						
U.S. Securities:						
U.S. Treasury	21,788,180	2,981,238	8,653,242	5,302,921	4,850,779	-
Federal Securities	31,314,481	13,316,792	3,346,638	6,589,435	8,061,616	-
Commercial paper	1,400,144	1,400,144	-	-	-	-
Asset Backed Security	901,114	-	-	278,424	622,690	-
Inter-American Dev Bank Note	1,235,236	1,235,236	-	-	-	-
Int'l Bank Recon & Development	1,494,298	-	1,494,298	-	-	-
International Finance Corp	1,005,290	-	1,005,290	-	-	-
Inter-American Dev Bank	1,098,226	-	-	1,098,226	-	-
U.S. Corporate Notes/FDIC:						
Paccar Financial Corp	679,068	679,068	-	-	-	-
American Honda	999,305	999,305	-	-	-	-
Bank of New York Callable	1,000,027	1,000,027	-	-	-	-
John Deere Capital Corp	999,758	999,758	-	-	-	-
Oracle Corp	1,000,069	1,000,069	-	-	-	-
State Street Bank	803,555	-	803,555	-	-	-
PNC Bank Callable	908,324	-	908,324	-	-	-
Blackrock Inc.	1,039,905	-	1,039,905	-	-	-
Apple Inc. Callable	742,742	-	-	742,742	-	-
IBM Corp.	761,190	-	-	761,190	-	-
Berkshire Hathaway	1,028,028	-	-	1,028,028	-	-
Chevron Corp Callable	256,190	-	-	-	256,190	-
Toyota Motor Credie Corp	1,016,058	-	-	-	1,016,058	-
US Bank NA Callable	763,617	-	-	-	763,617	-
Apple Inc.	757,427	-	-	-	757,427	-
Wal-Mart Stores Callable	840,822	-	-	-	840,822	-
Local Agency Investment Fund (LAIF)	16,252,739	16,252,739	-	-	-	-
Money Market Funds	111,068	111,068	-	-	-	-
Total investments	90,196,861	39,975,444	17,251,252	15,800,966	17,169,199	-
Total cash and investments	\$ 91,119,186	\$ 40,897,769	\$ 17,251,252	\$ 15,800,966	\$ 17,169,199	\$ -

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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 the LAIF. If a security (other than the 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, 2019, the Town's investments are rated as follows:

	Credit Quality Rating	
	Moody's	S&P
Investments:		
U.S. Securities:		
U.S. Treasury	Aaa	AA+
Federal Securities	Aaa	AA+
Commercial paper	P-1	A-1+
Asset Backed Security	Aaa	AAA
Inter-American Dev Bank Note	Aaa	AAA
Int'l Bank Recon & Development	Aaa	AAA
International Finance Corp	Aaa	AAA
Inter-American Dev Bank	Aaa	AAA
U.S. Corporate Notes/FDIC:		
Paccar Financial Corp	A1	A+
American Honda	A2	A
Bank of New York Callable	A1	A
John Deere Capital Corp	A2	A
Oracle Corp	A1	AA-
State Street Bank	A1	A
PNC Bank Callable	A2	A
Blackrock Inc.	Aa3	AA-
Apple Inc. Callable	Aa1	AA+
IBM Corp.	A1	A
Berkshire Hathaway	Aa2	AA
Chevron Corp Callable	Aa2	AA
Toyota Motor Credie Corp	Aa3	AA-
US Bank NA Callable	A1	AA-
Apple Inc.	Aa1	AA+
Wal-Mart Stores Callable	Aa2	AA
Local Agency Investment Fund (LAIF)	Not Rated	Not Rated
Money Market Funds	Aaa	AAA

Custodial Credit Risk

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2019
Governmental Activities:					
Capital assets, not being depreciated					
Land	\$ 31,239,825	\$ -	\$ -	\$ -	\$ 31,239,825
Construction in progress	15,101,446	4,565,703	-	(4,764,423)	14,902,726
Infrastructure - streets, concrete & asphalt pavements	93,075,885	-	-	-	93,075,885
Total capital assets not being depreciated	<u>139,417,156</u>	<u>4,565,703</u>	<u>-</u>	<u>(4,764,423)</u>	<u>139,218,436</u>
Capital assets being depreciated					
Buildings and parking lots/street	31,868,728	-	-	4,759,879	36,628,607
Park improvements	23,875,267	-	-	-	23,875,267
Furniture and equipment	5,073,690	216,064	(220,177)	-	5,069,577
Infrastructure:					
Drainage system	56,685,059	-	-	4,544	56,689,603
Bridges	11,069,233	-	-	-	11,069,233
Signal system	6,997,956	-	-	-	6,997,956
Total capital assets being depreciated	<u>135,569,933</u>	<u>216,064</u>	<u>(220,177)</u>	<u>4,764,423</u>	<u>140,330,243</u>
Accumulated depreciation					
Buildings and parking lots	(11,069,403)	(762,875)	-	-	(11,832,278)
Park improvements	(20,736,205)	(485,925)	-	-	(21,222,130)
Furniture and equipment	(4,273,338)	(396,459)	220,177	-	(4,449,620)
Infrastructure:					
Drainage system	(56,161,894)	(23,589)	-	-	(56,185,483)
Bridges	(7,257,569)	(185,096)	-	-	(7,442,665)
Signal system	(5,295,017)	(170,585)	-	-	(5,465,602)
Total accumulated depreciation	<u>(104,793,426)</u>	<u>(2,024,529)</u>	<u>220,177</u>	<u>-</u>	<u>(106,597,778)</u>
Total capital assets, being depreciated, net	<u>30,776,507</u>	<u>(1,808,465)</u>	<u>-</u>	<u>4,764,423</u>	<u>33,732,465</u>
Governmental activities capital assets, net	<u><u>\$ 170,193,663</u></u>	<u><u>\$ 2,757,238</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 172,950,901</u></u>

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Depreciation expenses by program for capital assets for the year ended June 30, 2019, were as follows:

Police Services	
Building	\$ 19,250
Furniture & equipment (vehicle)	198,323
Subtotal	<u>217,573</u>
Maintenance Services	
Building	449,117
Parking lots	74,019
Park improvements	536,299
Furniture & equipment (vehicle)	80,869
Subtotal	<u>1,140,304</u>
Development Services	
Building	-
Furniture & equipment (vehicle)	33,966
Infrastructure - drainage	23,589
Infrastructure - signal	185,096
Subtotal	<u>242,651</u>
Transportation Services	
Furniture & equipment (vehicle)	127
Infrastructure - signal	170,585
Subtotal	<u>170,712</u>
Administrative Services	
Building	1,212
Furniture & equipment (vehicle)	69,390
Subtotal	<u>70,602</u>
Parks and Recreation Services	
Building	168,103
Park improvements	800
Furniture & equipment (vehicle)	13,784
Subtotal	<u>182,687</u>
Total depreciation expense	<u>\$ 2,024,529</u>

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 5 – Interfund Transactions

A. Transfers In/Out

Transfers in/out for the year ended June 30, 2019, were as follows:

Transfers Out	Transfers In				Total
	General Fund (1)(4)	Lighting Landscape Special Revenue Fund (2)	Capital Improvement Capital Projects Fund (2)	Non-Major Governmental Fund (3)(5)	
General Fund	\$ -	\$ 650,000	\$ 7,015,666	\$ 100,000	\$ 7,765,666
Lighting & Landscape Special Revenue Fund	292,039	-	-	-	292,039
Capital Improvement Capital Projects Fund	2,500	-	-	-	2,500
Non-Major Governmental Fund	5,514	-	500,000	200,000	705,514
Total	<u>\$ 300,053</u>	<u>\$ 650,000</u>	<u>\$ 7,515,666</u>	<u>\$ 300,000</u>	<u>\$ 8,765,719</u>

The following are explanations for the transfers in and out:

- (1) Transfers in to the General Fund were for overhead expenses chargeable to Special Revenue Funds.
- (2) Transfers in to the Capital Improvement Capital Projects Fund and Lighting and Landscape Special Revenue Fund were to fund various capital projects.
- (3) Transfers in to the Non-Major Governmental Fund from other Non-Major Funds were to fund various capital projects.
- (4) Transfers in to the General Fund from the Non-Major Governmental Fund were for overhead expense chargeable to the Special Revenue Funds.
- (5) Transfer in to Non-Major Fund from the General Fund were for various capital projects.

Note 6 – Loans Receivable from Successor Agency to the Former Community Development Agency

In the fiscal year 2012, the Successor Agency Trust Fund was established to replace the Town's Community Development Agency. Below are the accounts and transactions as of and for the year ended June 30, 2019:

Government-Wide Financial Statements

Loans Receivable	
Cooperative Loan Agreement	\$ 7,259,401
Total	<u>\$ 7,259,401</u>
Transfers from Successor Agency	<u>\$ 792,456</u>

Funds Financial Statements

General Fund

Due from Successor Agency from Former Community Development Agency	\$ 7,259,401
Total	<u>\$ 7,259,401</u>

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 6 – Loans Receivable from Successor Agency to the Former Community Development Agency (Continued)

A. Successor Agency (SA) Cooperative Agreement Loan Receivable

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

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

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

Fiscal Year	Amount
2019-2020	\$ 1,100,000
2020-2021	1,100,000
2021-2022	1,100,000
2022-2023	1,100,000
2023-2024	1,100,000
2024-2025	1,100,000
2025-2026	659,401
Total	\$ 7,259,401

Note 7 – Unearned Revenue

Unearned revenue in Government-Wide Financial Statements represents amounts for which revenues have not been earned. At June 30, 2019, unearned revenues in the Government-Wide Financial Statements were as follows:

	Governmental Activities
Business Licenses	\$ 114,602
Parking-in-lieu fees	14,238
Other Town-reimbursed fees	56,908
Recreation Program Registration	765,982
Total	\$ 951,730

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Long-Term Obligations

A. Governmental Activities

Summary of changes in long-term debt for the year ended June 30, 2019 was as follows:

Description	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Classification	
					Due Within One Year	Due in More than One Year
COPs:						
2001 issue	\$ 3,255,000	\$ -	\$ (300,000)	\$ 2,955,000	\$ 310,000	\$ 2,645,000
2005 issue	3,940,000	-	(160,000)	3,780,000	170,000	3,610,000
Compensated absences	957,806	853,129	(828,629)	982,306	110,000	872,306
Total	\$ 8,152,806	\$ 853,129	\$ (1,288,629)	\$ 7,717,306	\$ 590,000	\$ 7,127,306

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 and to defease the 1994 Tax Allocation Bonds. The 2001 COPs in the amount of \$3,745,000 mature through September 1, 2018, and bear 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.

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 2001 COPs represent lease payments (Lease Payments) to be paid by the Town under a Lease Agreement, dated as of October 1, 2001, by and between the Town of Danville Financing Authority (Authority) and the Town, for a lease of certain real property and improvements (Property). The Lease Payments will be in amounts calculated to be sufficient to pay principal and interest with respect to the Certificates when due. The Lease Payments are payable by the Town from its General Fund for the right to the use and possession by the Town of the Property.

The annual debt service requirements for the 2001 COPs outstanding at June 30, 2019 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
	2020	\$ 310,000	\$ 138,800
2021	325,000	123,719	448,719
2022	340,000	107,500	447,500
2023	355,000	90,125	445,125
2024	380,000	71,750	451,750
2025-2027	1,245,000	95,375	1,340,375
Total	\$ 2,955,000	\$ 627,269	\$ 3,582,269

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Long-Term Obligations (Continued)

A. Governmental Activities (Continued)

Certificates of Participation – 2005 Issue

The Town issued \$5,600,000 principal amount of 2005 Certificates of Participation (2005 COPs) on March 1, 2005. The purpose of the 2005 COPs was to provide funds to finance the acquisition and improvement of certain property for use as a public parking facility and other capital improvements with the Town. The 2005 COPs in the amount of \$3,155,000 mature through March 1, 2026, and bear interest rates ranging from 4.000% to 4.625%. The 2005 COPs in the amount of \$965,000 mature through March 1, 2030, and bear interest at the rate of 4.625% per annum.

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 2005 COPs represent lease payments (Lease Payments) to be paid by the Town under a Lease Agreement, dated as of March 23, 2005, by and between the Authority and the Town, for a lease of certain real property and improvements (Property). The Lease Payments will be in amounts calculated to be sufficient to pay principal and interest with respect to the Certificates when due. The Lease Payments are payable by the Town from its General Fund for the right to the use and possession by the Town of the Property.

The annual debt service requirements for the 2005 COPs outstanding at June 30, 2019, are as follows:

For the Years Ending				
June 30,	Principal	Interest	Total	
2020	\$ 170,000	\$ 172,556	\$	342,556
2021	175,000	165,332		340,332
2022	180,000	157,676		337,676
2023	190,000	149,800		339,800
2024	200,000	141,250		341,250
2025-2029	1,125,000	562,840		1,687,840
2030-2034	1,415,000	277,268		1,692,268
2035	325,000	25,032		350,032
Total	\$ 3,780,000	\$ 1,651,754	\$	5,431,754

Compensated Absences

The Town's liability for vested and unpaid compensated absences (accrued vacation and sick pay) has been accrued and amounts to \$982,306 at June 30, 2019. It is estimated that \$110,000 will be needed to cover employees who leave employment within one year.

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Long-Term Obligations (Continued)

B. Fiduciary Fund Financial Statements

Summary of changes in long-term obligations for the year ended June 30, 2019 was as follows:

Description	Balance			Balance June 30, 2019	Classification	
	July 1, 2018	Additions	Retirements		Due Within One Year	Due in More than One Year
Loans payable	\$ 2,605,000	\$ -	\$ (155,000)	\$ 2,450,000	\$ 165,000	\$ 2,285,000
Total	\$ 2,605,000	\$ -	\$ (155,000)	\$ 2,450,000	\$ 165,000	\$ 2,285,000

Loan Payable

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

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

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

The annual debt service requirements for the Bonds outstanding at June 30, 2019 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
	2020	\$ 165,000	\$ 200,319
2021	180,000	186,261	366,261
2022	195,000	170,638	365,638
2023	210,000	153,425	363,425
2024	230,000	134,725	364,725
2025-2029	1,470,000	332,351	1,802,351
Total	\$ 2,450,000	\$ 1,177,719	\$ 3,627,719

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 9 – Defined Contribution Pension Plan

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

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

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

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

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

The Town's payroll for employees covered by the Plan for the year ended June 30, 2019, was \$8,809,044. Total employee contributions paid by the Town amounted to \$1,257,995 or 14.28% 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, 2019, the Plan had 165 participants and the market value of the Plan amounted to \$22,552,904.

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 \$30,652. As of June 30, 2019, the Plan had 2 participants and the market value of the Plan amounted to \$236,054.

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

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Fund Balance Classification

At June 30, 2019, fund balances are classified as follows:

	Major Funds					Total
	General Fund	Lighting and Landscape Fund	Regional Traffic Impact Fee Special Revenue Fund	Capital Improvement Project Fund	Non-Major Governmental Funds	
Fund Balances:						
Nonspendable						
Due from Successor Agency of Former CDA	\$ 7,259,401	\$ -	\$ -	\$ -	\$ -	\$ 7,259,401
Prepaid items	65,618	-	-	-	-	65,618
Total nonspendable	7,325,019	-	-	-	-	7,325,019
Restricted						
*Special revenue	-	1,621,646	4,256,379	-	17,699,920	23,577,945
*Debt services	820,547	-	-	-	-	820,547
Total restricted	820,547	1,621,646	4,256,379	-	17,699,920	24,398,492
Committed						
Capital projects	4,895,755	-	-	27,534,718	9,526,010	41,956,483
Operating reserve	12,309,768	-	-	-	-	12,309,768
Contingency	594,448	-	-	-	-	594,448
Reward fund	10,000	-	-	-	-	10,000
Compensated absences/personnel	1,195,339	-	-	-	-	1,195,339
Total committed	19,005,310	-	-	27,534,718	9,526,010	56,066,038
Assigned						
Townwide bonus program	26,000	-	-	-	-	26,000
City Clerk record management software	10,000	-	-	-	-	10,000
Finance temporary salaries	15,000	-	-	-	-	15,000
Information Technology consulting services	15,000	-	-	-	-	15,000
Human Resources claims	20,000	-	-	-	-	20,000
ED Retail Incentive Program	9,800	-	-	-	-	9,800
Equipment Maintenance repairs	21,935	-	-	-	-	21,935
Transferred from General Fund	-	2,469,321	-	-	-	2,469,321
Total assigned	117,735	2,469,321	-	-	-	2,587,056
Total fund balance	\$ 27,268,611	\$ 4,090,967	\$ 4,256,379	\$ 27,534,718	\$ 27,225,930	\$ 90,376,605

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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 11 - Risk Management

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

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

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

The Town's net general liability premium payments to the MPA in the amount of \$574,264 for fiscal year 2018/19 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. The following provides a reconciliation of claims and judgments:

Fiscal Year	Beginning of Year Liability	Claims and Changes in Estimates	Payments for Current and Prior Years	End of Year Liability
2016-2017	\$ 14,823	\$ 47,866	\$ (16,943)	\$ 45,746
2017-2018	45,746	20,040	(23,867)	41,919
2018-2019	41,919	3,072	(10,481)	34,510

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.

Estimates of 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.

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

Insurance cost	\$ 574,264
Less: Dividend received	-
Net insurance cost	\$ 574,264

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 11 - Risk Management (Continued)

The MPA's audited condensed financial information as of and for the year ended June 30, 2019, are as follows:

Total assets	\$ 60,547,800
Total deferred inflows of resources	\$ 82,144
Total liabilities	\$ 45,504,179
Total deferred outflows of resources	\$ 494,408
Total net position	\$ 14,631,357
Total operating revenues	\$ 27,380,488
Total operating expenses	\$ 23,574,971
Net operating (loss)	\$ 3,805,517
Non-operating revenues (expenses)	\$ 1,481,968
Change in net position	\$ 5,287,485

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

Note 12 - 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.

Lease Agreements

The Town had entered several operating lease agreements for office equipment in the conduct of its day-to-day operations to provide for facilities and/or services. None of these operating leases are considered to be significant commitments.

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, 2019, the Town's appropriations limit totals \$40,166,035 and the Town's appropriations subject to limitation were \$22,578,939.

Town of Danville
Notes to Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Commitments and Contingencies (Continued)

2018/19 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 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, 2019. These projects are evidenced by contractual commitments with contractors. As of June 30, 2019, the Town's outstanding contractual commitments amount were \$2,388,628.



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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Town of Danville
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2019

Note 1 – Budgetary Information

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

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

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

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2019

Note 2 – Budgetary Comparison Schedule

General Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Property taxes	\$ 14,232,270	\$ 14,232,270	\$ 15,354,728	\$ 1,122,458
Sales taxes	5,681,789	5,681,789	6,124,320	442,531
Other taxes	2,320,359	2,337,827	2,228,400	(109,427)
Charges for services	2,211,466	2,211,466	2,083,745	(127,721)
Licenses and permits	365,150	365,150	384,736	19,586
Intergovernmental	1,000	1,000	2,413	1,413
Fines and forfeitures	175,000	175,000	187,979	12,979
Use of money and property	943,987	943,987	2,261,879	1,317,892
Miscellaneous	221,178	221,178	259,419	38,241
Total revenues	26,152,199	26,169,667	28,887,619	2,717,952
EXPENDITURES:				
Current:				
General government	1,778,670	1,883,154	1,602,259	280,895
Police services	9,937,954	10,047,357	9,523,065	524,292
Maintenance services	2,483,358	2,571,595	2,204,325	367,270
Development services	1,025,752	1,034,275	935,897	98,378
Administrative services	3,952,142	4,222,776	3,434,842	787,934
Recreation, arts, & community services	4,175,903	4,211,949	3,732,734	479,215
Capital outlay	10,550	47,890	-	47,890
Total expenditures	23,364,329	24,018,996	21,433,122	2,585,874
REVENUES OVER (UNDER) EXPENDITURES	2,787,870	2,150,671	7,454,497	5,303,826
OTHER FINANCING SOURCES (USES):				
Transfers in	300,053	300,053	300,053	-
Transfers out	(4,085,422)	(4,085,422)	(7,765,666)	(3,680,244)
Total other financing sources (uses)	(3,785,369)	(3,785,369)	(7,465,613)	(3,680,244)
NET CHANGE IN FUND BALANCE	\$ (997,499)	\$ (1,634,698)	(11,116)	\$ 1,623,582
FUND BALANCE:				
Beginning of year			27,279,727	
End of year			<u>\$ 27,268,611</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2019

Note 2 – Budgetary Comparison Schedule (Continued)

Lighting and Landscape Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Special assessments	\$ 3,022,785	\$ 3,022,785	\$ 3,035,944	\$ 13,159
Use of money and property	8,999	8,999	64,901	55,902
Miscellaneous	88,898	88,898	104,350	15,452
Total revenues	<u>3,120,682</u>	<u>3,120,682</u>	<u>3,205,195</u>	<u>84,513</u>
EXPENDITURES:				
Current:				
Maintenance services	435,199	436,758	-	436,758
Lighting and landscape	4,170,369	4,286,164	4,067,377	218,787
Development services	291,209	291,209	-	291,209
Administrative services	2,426	2,426	3,343	(917)
Recreation, arts, & community services	30,780	30,780	3,276	27,504
Capital outlay	7,000	7,000	-	7,000
Total expenditures	<u>4,936,983</u>	<u>5,054,337</u>	<u>4,073,996</u>	<u>980,341</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,816,301)</u>	<u>(1,933,655)</u>	<u>(868,801)</u>	<u>1,064,854</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	900,000	900,000	650,000	(250,000)
Transfers out	(292,039)	(292,039)	(292,039)	-
Total other financing sources (uses)	<u>607,961</u>	<u>607,961</u>	<u>357,961</u>	<u>(250,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,208,340)</u>	<u>\$ (1,325,694)</u>	<u>(510,840)</u>	<u>\$ 814,854</u>
FUND BALANCE:				
Beginning of year			<u>4,601,807</u>	
End of year			<u>\$ 4,090,967</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2019

Note 2 – Budgetary Comparison Schedule (Continued)

Regional Traffic Impact Fees Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Development fees	\$ -	\$ -	\$ 828,207	\$ 828,207
Intergovernmental	1,225,851	1,225,851	-	(1,225,851)
Use of money and property	-	-	182,491	182,491
Miscellaneous	1,310	1,310	-	(1,310)
Total revenues	<u>1,227,161</u>	<u>1,227,161</u>	<u>1,010,698</u>	<u>(216,463)</u>
EXPENDITURES:				
Current:				
Development services	1,036,049	1,036,049	-	1,036,049
Administrative services	10,398	10,398	2,037	8,361
Total expenditures	<u>1,046,447</u>	<u>1,046,447</u>	<u>2,037</u>	<u>1,044,410</u>
NET CHANGE IN FUND BALANCE	<u>\$ 180,714</u>	<u>\$ 180,714</u>	<u>1,008,661</u>	<u>\$ 827,947</u>
FUND BALANCE:				
Beginning of year			<u>3,247,718</u>	
End of year			<u>\$ 4,256,379</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2019

Note 3 – Modified Approach for Town Street Infrastructure Capital Assets

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

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

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

In December 2017, 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 December 2015. 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:

PCI Conditions	PCI Rating
Very Good	70-100
Good	50-69
Poor	26-49
Very Poor	0-25

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2019

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

The Town's policy is to achieve a minimum average rating of 75 for all streets, which is a "very good" rating. As of June 30, 2019, the Town's street system was rated at a PCI index of 78 on the average with the detail condition as follows:

Street Condition	% of Street
Very Good (PCI 70-100)	78%
Good (PCI 50-69)	17%
Poor (PCI 26-49)	4%
Very Poor (PCI 0-25)	1%
	100%

The Town's streets are constantly deteriorating as a result of following four factors: (1) traffic using the streets; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; and (4) water damage from natural precipitation and other urban runoff. The Town is continuously taking actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and sidewalk repairs. The Town expended \$3,629,281 of the General Fund monies on street maintenance for the fiscal year ended June 30, 2019. 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 2019 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			
2009-10	\$ 1,050,000	\$ 1,027,962	\$ 572,330	\$ 1,600,292	72
2010-11	2,000,000	1,780,787	4,292,945	6,073,732	73
2011-12	2,000,000	332,348	1,767,382	2,099,730	70
2012-13	2,000,000	3,219,853	1,269,507	4,489,360	72
2013-14	3,000,000	914,271	583,827	1,498,098	74
2014-15	3,000,000	2,800,816	1,359,695	4,160,511	74
2015-16	3,000,000	684,250	708,280	1,392,530	76
2016-17	3,000,000	1,417,001	2,986,762	4,403,763	75
2017-18	3,000,000	6,184,143	1,906,277	8,090,420	80
2018-19	3,000,000	3,629,281	3,865,363	7,494,644	78

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, 2019, approximately 24% of the Town's streets were rated below the average standard of 75. The Town will continue to rehabilitate these segments of the streets. Total deficiencies (deferred maintenance) identified in the Pavement Management System amounted to approximately \$11,700,000 for all streets.



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SUPPLEMENTARY INFORMATION



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NON-MAJOR GOVERNMENTAL FUNDS

Town of Danville

Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

PEG Fund

Any state video franchisee offering service within the Town pays sixty (\$0.60) cents per month per subscriber to support Public, Educational and Governmental ("PEG") channel facilities.

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, and are restricted to street and related improvements and maintenance costs.

Building/Planning Fund

This Fund receives building inspection and plan review fees collected during the building permit process. This Fund receives development planning fees during the building planning process.

Development Engineering Fund

This Fund receives engineering and subdivision development fees collected during the building permit process.

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 for by property owners for administration, inspection and maintenance of storm drain systems and for street sweeping.

Measure C/J Fund

In 1988, Contra Costa County voters approved a one-half cent sales tax for transportation purposes to be collected through 2008. In 2004, Contra Costa County voters approved a one-half cent sales tax for transportation purposes to be collected from 2009 through 2034. Eighteen percent of the funds collected throughout the County will be distributed back to each local jurisdiction on the basis of population and road miles. The Town will utilize a portion of these funds for pavement management and transportation planning, including a school bus program feasibility study. Receipt of these funds is tied to compliance with the Town's General Plan Growth Management Element.

Donations and Contributions Fund

The Town receives donations and contributions for selected programs such as the police K-9 program and downtown beautification.

General Development Impact Fees Fund

Development impact fees are deposited into this fund for off-site improvements to accommodate the new development.

Public Safety Fund

Special revenues for police programs are reported in this fund. Included are SLESF funds provided by the State, Abandoned Vehicle and Asset Seizure revenues.

Town of Danville

Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Old Town Parking In-Lieu Fund

A development fee which provides funding for off-site parking for the downtown business community with Town owned parking lots.

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.

Low and Moderate Income Housing Fund

In 2011, the State of California enacted AB x126, which dissolved all redevelopment agencies throughout the state. As part of the dissolution process, all cities with redevelopment agencies were required to decide whether they would retain the housing assets of the former redevelopment agency, including real property and unexpended funds in the former agency's low and moderate income housing fund. The Town elected to assume this function as the Successor Housing Agency. In April 2013, the State Department of Finance approved the transfer of all assets from the former agency's Low and Moderate Income Housing Fund to this fund of 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.

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.

Town of Danville

Non-Major Governmental Funds

Sycamore Valley Assessment District Fund

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

Technology Fund

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

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue				
	PEG	Gas Tax	Building and Planning	Development Engineering	Child Care
ASSETS					
Cash and investments	\$ 282,576	\$ 2,935,052	\$ 3,508,112	\$ 1,668,819	\$ 290,666
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	20,926	215	-	-	-
Interest	1,496	9,259	-	-	1,023
Total assets	\$ 304,998	\$ 2,944,526	\$ 3,508,112	\$ 1,668,819	\$ 291,689
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	802	662,229	71,455	5,219	61
Accrued wages	-	24,642	62,759	8,443	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	65,170	-
Unearned revenue	-	-	3,192	-	-
Total liabilities	802	686,871	137,406	78,832	61
Fund Balances:					
Restricted	304,196	2,257,655	3,370,706	1,589,987	291,628
Committed	-	-	-	-	-
Total fund balances	304,196	2,257,655	3,370,706	1,589,987	291,628
Total liabilities and fund balances	\$ 304,998	\$ 2,944,526	\$ 3,508,112	\$ 1,668,819	\$ 291,689

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2019

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fee	Public Safety
ASSETS					
Cash and investments	\$ 2,037,554	\$ 1,740,087	\$ 172,227	\$ 3,696,490	\$ 416,910
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	197,297	-	2,000	61,458	5,198
Interest	7,188	5,648	599	12,931	1,816
Total assets	\$ 2,242,039	\$ 1,745,735	\$ 174,826	\$ 3,770,879	\$ 423,924
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	22,100	55,781	531	7,412	110
Accrued wages	4,575	6,375	-	-	936
Retention payable	-	-	-	8,615	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	26,675	62,156	531	16,027	1,046
Fund Balances:					
Restricted	2,215,364	1,683,579	174,295	3,754,852	422,878
Committed	-	-	-	-	-
Total fund balances	2,215,364	1,683,579	174,295	3,754,852	422,878
Total liabilities and fund balances	\$ 2,242,039	\$ 1,745,735	\$ 174,826	\$ 3,770,879	\$ 423,924

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2019

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fee	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
ASSETS					
Cash and investments	\$ 372,212	\$ 79,426	\$ 1,177,741	\$ 2,573,372	\$ 855,714
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	14,238	-	-	-	-
Interest	1,180	-	4,562	6,457	2,560
Total assets	\$ 387,630	\$ 79,426	\$ 1,182,303	\$ 2,579,829	\$ 858,274
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	70	-	272	15,085	4,523
Accrued wages	-	-	-	-	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	14,237	-	-	-	-
Total liabilities	14,307	-	272	15,085	4,523
Fund Balances:					
Restricted	373,323	79,426	1,182,031	-	-
Committed	-	-	-	2,564,744	853,751
Total fund balances	373,323	79,426	1,182,031	2,564,744	853,751
Total liabilities and fund balances	\$ 387,630	\$ 79,426	\$ 1,182,303	\$ 2,579,829	\$ 858,274

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2019

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
ASSETS					
Cash and investments	\$ 621,233	\$ 3,399,955	\$ 460,268	\$ 34,214	\$ 17,867
Cash and investments with fiscal agent	-	-	813,920	-	-
Receivables (net of allowances):					
Accounts	-	164	-	-	-
Interest	2,184	9,601	5,104	134	33
Total assets	\$ 623,417	\$ 3,409,720	\$ 1,279,292	\$ 34,348	\$ 17,900
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	83,961	25,450	316	1	2
Accrued wages	-	-	-	-	-
Retention payable	180	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	164	-	-	-
Total liabilities	84,141	25,614	316	1	2
Fund Balances:					
Restricted	-	-	-	-	-
Committed	539,276	3,384,106	1,278,976	34,347	17,898
Total fund balances	539,276	3,384,106	1,278,976	34,347	17,898
Total liabilities and fund balances	\$ 623,417	\$ 3,409,720	\$ 1,279,292	\$ 34,348	\$ 17,900

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2019

	<u>Capital Projects</u>	
	Technology Fund	Total Other Governmental Funds
ASSETS		
Cash and investments	\$ 856,784	\$ 27,197,279
Cash and investments with fiscal agent	-	813,920
Receivables (net of allowances):		
Accounts	-	301,496
Interest	-	71,775
Total assets	\$ 856,784	\$ 28,384,470
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	3,872	959,252
Accrued wages	-	107,730
Retention payable	-	8,795
Deposits payable	-	65,170
Unearned revenue	-	17,593
Total liabilities	3,872	1,158,540
Fund Balances:		
Restricted	-	17,699,920
Committed	852,912	9,526,010
Total fund balances	852,912	27,225,930
Total liabilities and fund balances	\$ 856,784	\$ 28,384,470

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Town of Danville
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

	Special Revenue				
	PEG	Gas Tax	Building and Planning	Development Engineering	Child Care
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	84,903	1,679,066	-	-	-
Charges for services	-	-	453,408	324,663	-
License and permits	-	-	11,974	-	-
Development fees	-	-	2,173,428	3,609	-
Intergovernmental	-	-	-	-	-
Use of money and property	5,897	48,849	-	-	6,136
Miscellaneous	-	904	-	-	-
Total revenues	90,800	1,728,819	2,638,810	328,272	6,136
EXPENDITURES:					
Current:					
General government	20,706	-	6	-	-
Police services	-	-	-	-	-
Maintenance services	-	933,466	-	-	-
Development services	-	1,460,411	2,035,157	280,686	-
Administrative services	5,317	4,059	-	-	253
Recreation, Arts & Community Services	-	-	-	-	-
Capital outlay	-	3,673	-	-	-
Total expenditures	26,023	2,401,609	2,035,163	280,686	253
REVENUES OVER (UNDER) EXPENDITURES	64,777	(672,790)	603,647	47,586	5,883
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(100,000)	-	(600,000)	-	(600)
Total other financing sources (uses)	(100,000)	-	(600,000)	-	(600)
NET CHANGE IN FUND BALANCES	(35,223)	(672,790)	3,647	47,586	5,283
FUND BALANCES:					
Beginning of year	339,419	2,930,445	3,367,059	1,542,401	286,345
End of year	\$ 304,196	\$ 2,257,655	\$ 3,370,706	\$ 1,589,987	\$ 291,628

(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, 2019

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fee	Public Safety
REVENUES:					
Special assessments	\$ 545,638	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	5,516	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	1,228,116	-
Intergovernmental	-	1,850,725	-	137,899	169,017
Use of money and property	34,883	19,969	2,618	107,278	7,645
Miscellaneous	-	-	22,522	-	322
Total revenues	586,037	1,870,694	25,140	1,473,293	176,984
EXPENDITURES:					
Current:					
General government	-	5	1,120	-	-
Police services	-	-	2,380	-	124,274
Maintenance services	3,423	-	2,482	3,000	-
Development services	514,192	1,897,609	-	21,269	-
Administrative services	1,802	938	141	2,763	490
Recreation, Arts & Community Services	-	-	-	132,372	-
Capital outlay	-	275,592	-	658,352	-
Total expenditures	519,417	2,174,144	6,123	817,756	124,764
REVENUES OVER (UNDER) EXPENDITURES	66,620	(303,450)	19,017	655,537	52,220
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	66,620	(303,450)	19,017	655,537	52,220
FUND BALANCES:					
Beginning of year	2,148,744	1,987,029	155,278	3,099,315	370,658
End of year	\$ 2,215,364	\$ 1,683,579	\$ 174,295	\$ 3,754,852	\$ 422,878

(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, 2019

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fee	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	317,827	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	53,031	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	8,237	-	19,975	104,029	30,755
Miscellaneous	-	-	7,883	7,825	-
Total revenues	61,268	317,827	27,858	111,854	30,755
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	41,164	-
Maintenance services	-	-	-	6,000	30,001
Development services	-	238,401	-	-	-
Administrative services	259	-	2,142	48,946	649
Recreation, Arts & Community Services	-	-	-	-	-
Capital outlay	-	-	-	209,255	-
Total expenditures	259	238,401	2,142	305,365	30,650
REVENUES OVER (UNDER) EXPENDITURES	61,009	79,426	25,716	(193,511)	105
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	300,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	300,000	-
NET CHANGE IN FUND BALANCES	61,009	79,426	25,716	106,489	105
FUND BALANCES:					
Beginning of year	312,314	-	1,156,315	2,458,255	853,646
End of year	\$ 373,323	\$ 79,426	\$ 1,182,031	\$ 2,564,744	\$ 853,751

(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, 2019

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	215,130	147,484	12,557	643	4,630
Miscellaneous	-	21,729	-	-	-
Total revenues	215,130	169,213	12,557	643	4,630
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	-	-
Maintenance services	21,136	23,157	-	-	-
Development services	-	18,699	-	-	-
Administrative services	554	2,429	1,272	5	8
Recreation, Arts & Community Services	-	31,985	-	-	-
Capital outlay	85,623	68,726	-	-	-
Total expenditures	107,313	144,996	1,272	5	8
REVENUES OVER (UNDER) EXPENDITURES	107,817	24,217	11,285	638	4,622
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(4,914)	-	-
Total other financing sources (uses)	-	-	(4,914)	-	-
NET CHANGE IN FUND BALANCES	107,817	24,217	6,371	638	4,622
FUND BALANCES:					
Beginning of year	431,459	3,359,889	1,272,605	33,709	13,276
End of year	\$ 539,276	\$ 3,384,106	\$ 1,278,976	\$ 34,347	\$ 17,898

(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, 2019

	<u>Capital Projects</u>	
	Technology Fund	Total Other Governmental Funds
REVENUES:		
Special assessments	\$ -	\$ 545,638
Other taxes	-	2,081,796
Charges for services	-	783,587
License and permits	-	11,974
Development fees	-	3,458,184
Intergovernmental	-	2,157,641
Use of money and property	-	776,715
Miscellaneous	-	61,185
Total revenues	-	9,876,720
EXPENDITURES:		
Current:		
General government	-	21,837
Police services	-	167,818
Maintenance services	-	1,022,665
Development services	-	6,466,424
Administrative services	19,888	91,915
Recreation, Arts & Community Services	-	164,357
Capital outlay	-	1,301,221
Total expenditures	19,888	9,236,237
REVENUES OVER (UNDER) EXPENDITURES	(19,888)	640,483
OTHER FINANCING SOURCES (USES):		
Transfers in	-	300,000
Transfers out	-	(705,514)
Total other financing sources (uses)	-	(405,514)
NET CHANGE IN FUND BALANCES	(19,888)	234,969
FUND BALANCES:		
Beginning of year	872,800	26,990,961
End of year	\$ 852,912	\$ 27,225,930

(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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 91,304	\$ 91,304	\$ 84,903	\$ (6,401)
Use of money and property	-	-	5,897	5,897
Total revenues	<u>91,304</u>	<u>91,304</u>	<u>90,800</u>	<u>(504)</u>
EXPENDITURES:				
Current:				
General government	20,376	29,769	20,706	9,063
Administrative services	515	515	5,317	(4,802)
Capital outlay	276,566	276,566	-	276,566
Total expenditures	<u>297,457</u>	<u>306,850</u>	<u>26,023</u>	<u>280,827</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(206,153)</u>	<u>(215,546)</u>	<u>64,777</u>	<u>280,323</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (306,153)</u>	<u>\$ (315,546)</u>	<u>(35,223)</u>	<u>\$ 280,323</u>
FUND BALANCE:				
Beginning of year			<u>339,419</u>	
End of year			<u>\$ 304,196</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 1,828,568	\$ 1,828,568	\$ 1,679,066	\$ (149,502)
Use of money and property	11,862	11,862	48,849	36,987
Miscellaneous	-	-	904	904
Total revenues	<u>1,840,430</u>	<u>1,840,430</u>	<u>1,728,819</u>	<u>(111,611)</u>
EXPENDITURES:				
Current:				
Maintenance services	833,820	1,135,447	933,466	201,981
Development services	765,499	1,516,101	1,460,411	55,690
Administrative services	4,903	4,903	4,059	844
Capital outlay	1,000	1,000	3,673	(2,673)
Total expenditures	<u>1,605,222</u>	<u>2,657,451</u>	<u>2,401,609</u>	<u>255,842</u>
NET CHANGE IN FUND BALANCE	<u>\$ 235,208</u>	<u>\$ (817,021)</u>	<u>(672,790)</u>	<u>\$ 144,231</u>
FUND BALANCE:				
Beginning of year			<u>2,930,445</u>	
End of year			<u>\$ 2,257,655</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 393,200	\$ 393,200	\$ 453,408	\$ 60,208
Licenses and permits	-	-	11,974	11,974
Development fees	2,131,000	2,131,000	2,173,428	42,428
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	2,529,200	2,529,200	2,638,810	109,610
EXPENDITURES:				
Current:				
General government	-	-	6	(6)
Development services	2,413,773	2,537,051	2,035,157	501,894
Capital outlay	1,000	1,000	-	1,000
Total expenditures	2,414,773	2,538,051	2,035,163	502,888
REVENUES OVER (UNDER) EXPENDITURES	114,427	(8,851)	603,647	612,498
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(600,000)	(500,000)
Total other financing sources (uses)	(100,000)	(100,000)	(600,000)	(500,000)
NET CHANGE IN FUND BALANCE	\$ 14,427	\$ (108,851)	3,647	\$ 112,498
FUND BALANCE:				
Beginning of year			3,367,059	
End of year			<u>\$ 3,370,706</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 137,350	\$ 146,350	\$ 324,663	\$ 178,313
Development fees	500	500	3,609	3,109
Use of money and property	-	-	-	-
Total revenues	<u>137,850</u>	<u>146,850</u>	<u>328,272</u>	<u>181,422</u>
EXPENDITURES:				
Current:				
Development services	298,506	362,995	280,686	82,309
Total expenditures	<u>298,506</u>	<u>362,995</u>	<u>280,686</u>	<u>82,309</u>
NET CHANGE IN FUND BALANCE	<u>\$ (160,656)</u>	<u>\$ (216,145)</u>	47,586	<u>\$ 263,731</u>
FUND BALANCE:				
Beginning of year			<u>1,542,401</u>	
End of year			<u>\$ 1,589,987</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 1,199	\$ 1,199	\$ 6,136	\$ 4,937
Total revenues	<u>1,199</u>	<u>1,199</u>	<u>6,136</u>	<u>4,937</u>
EXPENDITURES				
Current:				
Administrative services	207	207	253	(46)
Total expenditures	<u>207</u>	<u>207</u>	<u>253</u>	<u>(46)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>992</u>	<u>992</u>	<u>5,883</u>	<u>4,891</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(600)	(600)	(600)	-
Total other financing sources (uses)	<u>(600)</u>	<u>(600)</u>	<u>(600)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 392</u>	<u>\$ 392</u>	<u>5,283</u>	<u>\$ 4,891</u>
FUND BALANCE:				
Beginning of year			<u>286,345</u>	
End of year			<u>\$ 291,628</u>	

Town of Danville
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Stormwater Pollution Control Program (SPCP) Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Special assessments	\$ 562,154	\$ 562,154	\$ 545,638	\$ (16,516)
Charges for services	1,010	1,010	5,516	4,506
Intergovernmental	(11,780)	(11,780)	-	11,780
Use of money and property	7,629	7,629	34,883	27,254
Total revenues	559,013	559,013	586,037	27,024
EXPENDITURES:				
Current:				
Maintenance services	17,888	22,888	3,423	19,465
Development services	655,706	730,437	514,192	216,245
Administrative services	1,383	1,383	1,802	(419)
Recreation, Arts & Community Services	3,651	3,651	-	3,651
Capital outlay	166,000	166,000	-	166,000
Total expenditures	844,628	924,359	519,417	404,942
NET CHANGE IN FUND BALANCE	\$ (285,615)	\$ (365,346)	66,620	\$ 431,966
FUND BALANCE:				
Beginning of year			2,148,744	
End of year			<u>\$ 2,215,364</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 6,858,555	\$ 6,858,555	\$ 1,850,725	\$ (5,007,830)
Use of money and property	8,111	8,111	19,969	11,858
Total revenues	<u>6,866,666</u>	<u>6,866,666</u>	<u>1,870,694</u>	<u>(4,995,972)</u>
EXPENDITURES:				
Current:				
General government	-	-	5	(5)
Maintenance services	213,603	213,603	-	213,603
Development services	3,363,698	3,833,698	1,897,609	1,936,089
Administrative services	1,518	1,518	938	580
Capital outlay	4,362,692	4,142,692	275,592	3,867,100
Total expenditures	<u>7,941,511</u>	<u>8,191,511</u>	<u>2,174,144</u>	<u>6,017,367</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,074,845)</u>	<u>(1,324,845)</u>	<u>(303,450)</u>	<u>1,021,395</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,074,845)</u>	<u>\$ (1,324,845)</u>	<u>(303,450)</u>	<u>\$ 1,021,395</u>
FUND BALANCE:				
Beginning of year			<u>1,987,029</u>	
End of year			<u>\$ 1,683,579</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 974	\$ 974	\$ 2,618	\$ 1,644
Miscellaneous	3,760	18,760	22,522	3,762
Total revenues	<u>4,734</u>	<u>19,734</u>	<u>25,140</u>	<u>5,406</u>
EXPENDITURES:				
Current:				
General government	500	500	1,120	(620)
Police services	-	15,090	2,380	12,710
Maintenance services	2,584	2,584	2,482	102
Administrative services	275	275	141	134
Total expenditures	<u>3,359</u>	<u>18,449</u>	<u>6,123</u>	<u>12,326</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,375</u>	<u>\$ 1,285</u>	19,017	<u>\$ 17,732</u>
FUND BALANCE:				
Beginning of year			<u>155,278</u>	
End of year			<u>\$ 174,295</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Development fees	\$ -	\$ -	\$ 1,228,116	\$ 1,228,116
Intergovernmental	157,275	157,275	137,899	(19,376)
Use of money and property	-	-	107,278	107,278
Miscellaneous	45,025	45,025	-	(45,025)
Total revenues	202,300	202,300	1,473,293	1,270,993
EXPENDITURES:				
Current:				
Maintenance services	688,800	688,800	3,000	685,800
Development services	363,767	380,767	21,269	359,498
Administrative services	3,371	3,371	2,763	608
Recreation, Arts & Community Services	293,923	433,923	132,372	301,551
Capital outlay	871,931	871,931	658,352	213,579
Total expenditures	2,221,792	2,378,792	817,756	1,561,036
NET CHANGE IN FUND BALANCE	\$ (2,019,492)	\$ (2,176,492)	655,537	\$ 2,832,029
FUND BALANCE:				
Beginning of year			3,099,315	
End of year			<u>\$ 3,754,852</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 119,000	\$ 119,000	\$ 169,017	\$ 50,017
Use of money and property	996	996	7,645	6,649
Miscellaneous	-	-	322	322
Total revenues	<u>119,996</u>	<u>119,996</u>	<u>176,984</u>	<u>56,988</u>
EXPENDITURES:				
Current:				
Police services	157,250	158,750	124,274	34,476
Administrative services	291	291	490	(199)
Total expenditures	<u>157,541</u>	<u>159,041</u>	<u>124,764</u>	<u>34,277</u>
NET CHANGE IN FUND BALANCE	<u>\$ (37,545)</u>	<u>\$ (39,045)</u>	52,220	<u>\$ 91,265</u>
FUND BALANCE:				
Beginning of year			<u>370,658</u>	
End of year			<u>\$ 422,878</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Development fees	\$ -	\$ -	\$ 53,031	\$ 53,031
Use of money and property	-	-	8,237	8,237
Total revenues	<u>-</u>	<u>-</u>	<u>61,268</u>	<u>61,268</u>
EXPENDITURES:				
Current:				
Administrative services	512	512	259	253
Total expenditures	<u>512</u>	<u>512</u>	<u>259</u>	<u>253</u>
NET CHANGE IN FUND BALANCE	<u>\$ (512)</u>	<u>\$ (512)</u>	61,009	<u>\$ 61,521</u>
FUND BALANCE:				
Beginning of year			<u>312,314</u>	
End of year			<u>\$ 373,323</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 238,401	\$ 238,401	\$ 317,827	\$ 79,426
Total revenues	<u>238,401</u>	<u>238,401</u>	<u>317,827</u>	<u>79,426</u>
EXPENDITURES:				
Current:				
Development services	238,401	238,401	238,401	-
Total expenditures	<u>238,401</u>	<u>238,401</u>	<u>238,401</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	79,426	<u>\$ 79,426</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ 79,426</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, 2019

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 19,975	\$ 19,975
Miscellaneous	-	-	7,883	7,883
Total revenues	<u>-</u>	<u>-</u>	<u>27,858</u>	<u>27,858</u>
EXPENDITURES:				
Current:				
Administrative services	-	10,400	2,142	8,258
Total expenditures	<u>-</u>	<u>10,400</u>	<u>2,142</u>	<u>8,258</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (10,400)</u>	25,716	<u>\$ 36,116</u>
FUND BALANCE:				
Beginning of year			<u>1,156,315</u>	
End of year			<u>\$ 1,182,031</u>	

Town of Danville
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>Deposits Fund</u>				
ASSETS				
Cash and investments	\$ 2,051,620	\$ 764,085	\$ (699,259)	\$ 2,116,446
Cash and investments with fiscal agents	197,914	33,704	-	231,618
Total assets	\$ 2,249,534	\$ 797,789	\$ (699,259)	\$ 2,348,064
LIABILITIES				
Accounts payable	\$ 88,399	\$ 1,459,383	\$ (719,444)	\$ 828,338
Deposits	2,161,135	1,244,663	(1,886,072)	1,519,726
Total liabilities	\$ 2,249,534	\$ 2,704,046	\$ (2,605,516)	\$ 2,348,064
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 2,051,620	\$ 764,085	\$ (699,259)	\$ 2,116,446
Cash and investments with fiscal agents	197,914	33,704	-	231,618
Total assets	\$ 2,249,534	\$ 797,789	\$ (699,259)	\$ 2,348,064
LIABILITIES				
Accounts payable	\$ 88,399	\$ 1,459,383	\$ (719,444)	\$ 828,338
Deposits	2,161,135	1,244,663	(1,886,072)	1,519,726
Total liabilities	\$ 2,249,534	\$ 2,704,046	\$ (2,605,516)	\$ 2,348,064



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STATISTICAL SECTION



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STATISTICAL SECTION

This part of the Town of Danville’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health. The Statistical Section was presented in conformance with GASB 44 for the first time in FY 2008-09. Tables with blanks or less than 10 years of data reflect the absence of comparable or reliable historic data.

Financial data for government-wide trends are presented on the accrual basis of accounting, whereas governmental fund trend data are presented on the modified accrual basis of accounting.

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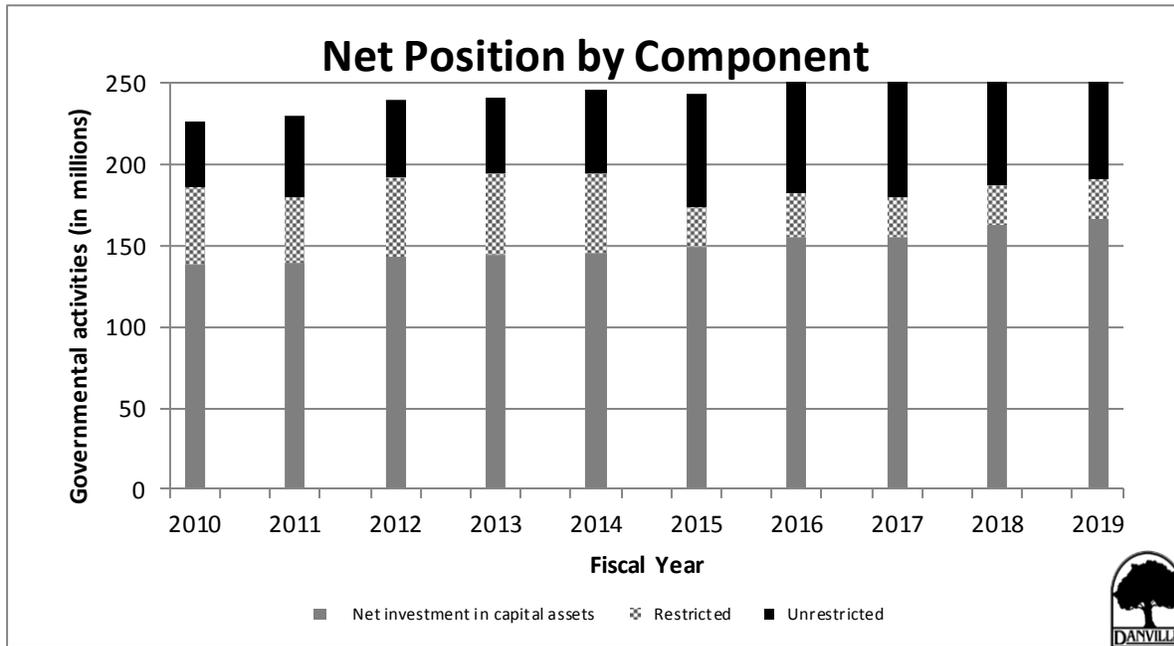
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Financial Trends.....	112
<i>These schedules contain trend information to help the reader understand how the Town of Danville’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	123
<i>These schedules contain information to help the reader assess the Town of Danville’s most significant local revenue source, the property tax.</i>	
Debt Capacity.....	124
<i>These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and its ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	130
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information.....	132
<i>These schedules contain service and infrastructure data to help the reader understand how the financial report relates to the services the Town provides and the activities it performs.</i>	

Town of Danville
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities:					
Net investment in capital assets	\$ 138,586,977	\$ 139,431,946	\$ 142,812,475	\$ 144,710,384	\$ 145,858,981
Restricted	47,655,916	40,454,304	49,692,031	50,198,481	48,477,964
Unrestricted	39,598,060	49,520,377	46,716,135	46,009,779	51,728,377
Total Governmental Activities Net Position	<u>\$ 225,840,953</u>	<u>\$ 229,406,627</u>	<u>\$ 239,220,641</u>	<u>\$ 240,918,644</u>	<u>\$ 246,065,322</u>
Primary Government:					
Net investment in capital assets	\$ 138,586,977	\$ 139,431,946	\$ 142,812,475	\$ 144,710,384	\$ 145,858,981
Restricted	47,655,916	40,454,304	49,692,031	50,198,481	48,477,964
Unrestricted	39,598,060	49,520,377	46,716,135	46,009,779	51,728,377
Total Primary Governmental Net Position	<u>\$ 225,840,953</u>	<u>\$ 229,406,627</u>	<u>\$ 239,220,641</u>	<u>\$ 240,918,644</u>	<u>\$ 246,065,322</u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental Activities:					
Net investment in capital assets	\$ 149,697,964	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901
Restricted	23,655,107	26,812,236	24,437,153	23,784,733	24,398,492
Unrestricted	69,968,657	68,822,679	72,257,190	64,907,258	65,271,882
Total Governmental Activities Net Position	\$ 243,321,728	\$ 250,543,966	\$ 252,486,782	\$ 251,690,654	\$ 255,886,275
Primary Government:					
Net investment in capital assets	\$ 149,697,964	\$ 154,909,051	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901
Restricted	23,655,107	23,655,107	24,437,153	23,784,733	24,398,492
Unrestricted	69,968,657	69,968,657	72,257,190	64,907,258	65,271,882
Total Primary Governmental Net Position	\$ 243,321,728	\$ 248,532,815	\$ 252,486,782	\$ 251,690,654	\$ 255,886,275



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

Town of Danville
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses:					
Governmental activities:					
General Government	\$ 1,835,430	\$ 1,727,619	\$ 1,672,908	\$ 1,657,519	\$ 1,707,946
Police Services	7,264,962	7,301,762	7,518,544	7,592,846	7,192,736
Maintenance Services & Lighting & Landscape	5,165,178	5,508,781	6,284,672	7,803,026	6,136,448
Development Services	9,495,734	13,388,097	8,909,136	10,298,111	7,545,035
Administrative Services	1,868,912	2,049,307	2,105,205	2,461,355	2,301,375
Recreation Services	3,744,474	3,405,850	3,373,081	3,360,852	3,711,977
Interest on long-term debt	755,747	732,585	367,482	430,191	415,129
Total governmental activities expenses	<u>30,130,437</u>	<u>34,114,001</u>	<u>30,231,028</u>	<u>33,603,900</u>	<u>29,010,646</u>
Total primary government expenses	<u>\$ 30,130,437</u>	<u>\$ 34,114,001</u>	<u>\$ 30,231,028</u>	<u>\$ 33,603,900</u>	<u>\$ 29,010,646</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	\$ 6,061	\$ 6,208	\$ -	\$ -	\$ -
Police Services	312,277	293,550	323,053	312,873	499,517
Maintenance Services, Lighting & Landscape	3,010,264	3,028,247	3,040,340	3,021,029	3,110,836
Development Services	2,005,945	2,757,149	3,028,929	3,757,908	3,686,295
Administrative Services	-	-	-	-	-
Recreation, Arts & Community Services	1,440,828	1,645,913	1,754,367	1,810,376	2,178,636
Operating grants and contributions	1,260,187	798,926	804,432	748,772	933,466
Capital grants and contributions	1,807,849	6,728,897	2,492,782	1,877,029	1,936,672
Total governmental activities program revenues	<u>\$ 9,843,411</u>	<u>\$ 15,258,890</u>	<u>\$ 11,443,903</u>	<u>\$ 11,527,987</u>	<u>\$ 12,345,422</u>
Total primary government program revenues	<u>\$ 9,843,411</u>	<u>\$ 15,258,890</u>	<u>\$ 11,443,903</u>	<u>\$ 11,527,987</u>	<u>\$ 12,345,422</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (20,287,026)</u>	<u>\$ (18,855,111)</u>	<u>\$ (18,787,125)</u>	<u>\$ (22,075,913)</u>	<u>\$ (16,665,224)</u>
Total Primary Government, Net Expenses	<u>\$ (20,287,026)</u>	<u>\$ (18,855,111)</u>	<u>\$ (18,787,125)</u>	<u>\$ (22,075,913)</u>	<u>\$ (16,665,224)</u>

Notes:

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

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

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

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

Town of Danville
Changes in Net Position (Continued)
Last Ten Fiscal Years

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

Notes:

1. Depreciation was netted against program expenditures beginning in 2004.
 2. The Town of Danville does not have any business-type activities.
- *FY 2008-09 Transportation Services program was combined with Development Services program
**FY 2014-15: Legislative, Town Manager and Legal Services programs were combined with General Government
Community Development program was combined with Development Services

Town of Danville
Changes in Net Position (Continued)
Last Ten Fiscal Years

**General Revenues and Other
Changes in Net Position**

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities					
Taxes					
Property taxes	\$ 13,308,701	\$ 13,283,437	\$ 12,967,656	\$ 12,242,443	\$ 12,716,297
Sales taxes	3,254,413	3,531,936	3,835,342	3,897,260	3,947,577
Motor Vehicle taxes	127,142	199,005	21,557	22,337	18,486
Franchise Taxes	1,812,081	2,039,307	2,067,703	2,098,137	2,155,691
Other taxes	360,149	361,872	366,926	374,354	385,044
Investment earnings	2,632,269	1,399,674	915,317	251,901	900,451
Miscellaneous	1,973,241	1,605,554	1,470,094	2,360,129	1,514,199
Transfers from Successor Agency				795,191	790,542
Special item	-	-	6,956,544	1,732,164	-
Total governmental activities	<u>\$ 23,467,996</u>	<u>\$ 22,420,785</u>	<u>\$ 28,601,139</u>	<u>\$ 23,773,916</u>	<u>\$ 22,428,287</u>
Total primary government	<u>\$ 23,467,996</u>	<u>\$ 22,420,785</u>	<u>\$ 28,601,139</u>	<u>\$ 23,773,916</u>	<u>\$ 22,428,287</u>
Change in Net Position					
Governmental activities	<u>\$ 4,612,885</u>	<u>\$ 3,633,660</u>	<u>\$ 6,525,226</u>	<u>\$ 7,108,692</u>	<u>\$ (4,214,558)</u>
Total primary government	<u>\$ 4,612,885</u>	<u>\$ 3,633,660</u>	<u>\$ 6,525,226</u>	<u>\$ 7,108,692</u>	<u>\$ (4,214,558)</u>

Note:

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

Town of Danville
Changes in Net Position (Continued)
Last Ten Fiscal Years

**General Revenues and Other
Changes in Net Position**

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

Note:

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

Town of Danville
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years

(Accrual Basis of Accounting)

Fiscal Year	Property Tax (1)	Sales Tax	Community Development Agency Tax Increment (2)	Franchise Tax	Property Transfer Tax	Motor Vehicle Tax	Business License & Other Taxes	Total
2010	\$ 11,306,623	\$ 3,254,413	\$ 1,640,532	\$ 1,812,081	\$ 361,546	\$ 127,142	\$ 360,149	\$ 18,862,486
2011	10,994,774	3,531,936	1,949,292	2,039,307	339,371	199,005	361,872	19,415,557
2012	11,243,968	3,835,342	1,371,457	2,067,703	352,231	21,557	366,926	19,259,184
2013	11,809,390	3,897,260	-	2,098,137	433,053	22,337	374,354	18,634,531
2014	12,221,986	3,947,577	-	2,155,691	494,311	18,486	385,044	19,223,095
2015	13,076,172	4,098,412	-	2,215,165	517,311	17,857	391,856	20,316,773
2016	12,534,667	4,569,470	-	2,299,491	568,870	17,629	404,744	20,394,871
2017	13,392,392	5,546,298	-	2,419,118	586,426	19,203	371,237	22,334,674
2018	13,980,610	5,914,835	-	2,588,989	648,643	22,821	362,196	23,518,094
2019	14,740,670	6,126,449	-	2,609,820	614,058	21,310	390,562	24,502,869

Note:

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

Town of Danville
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	809,519	809,536	809,635
Committed	17,481,215	18,334,708	17,697,557	17,670,672	17,118,585
Assigned	578,251	8,327,574	8,430,419	9,247,992	9,482,365
Total General Fund	18,059,466	26,662,282	26,937,495	27,728,200	27,410,585
All Other Governmental Funds					
Special revenue funds					
Restricted	29,740,733	30,370,267	28,429,093	27,540,889	28,492,880
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Debt service fund					
Restricted	2,049,301	1,031,209	808,787	811,282	811,448
Unassigned	-	(8,063,814)	-	-	-
Capital projects funds					
Restricted	746,199	340,851	-	-	356,953
Committed	16,234,896	16,814,633	40,669,255	39,639,637	42,268,737
Assigned	24,420,575	22,804,473	-	-	-
Total all other Governmental Funds	73,191,704	63,297,619	69,907,135	67,991,808	71,930,018
Total Governmental Funds	\$ 91,251,170	\$ 89,959,901	\$ 96,844,630	\$ 95,720,008	\$ 99,340,603

Town of Danville
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years

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

Town of Danville
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2010	2011	2012	2013	2014
REVENUES :					
Property Taxes	\$ 13,308,701	\$ 13,283,437	\$ 12,967,656	\$ 12,242,443	\$ 12,716,297
Sales Taxes	3,250,820	3,531,862	3,835,342	3,897,260	3,943,899
Gas & Other Taxes	3,720,070	3,960,259	3,818,359	3,731,881	3,999,378
Special assessments	3,546,477	3,579,045	3,572,176	3,580,120	3,579,918
Charges for services	2,849,818	3,379,595	3,641,623	4,602,791	2,455,673
Licenses and permits	357,369	360,957	366,886	374,354	385,033
Development fees	398,080	1,101,893	144,416	1,207,211	2,926,192
Intergovernmental	904,088	5,134,660	1,276,852	155,815	181,003
Fines and forfeitures	250,991	219,432	190,982	237,209	248,965
Uses of money and property	3,189,418	1,943,830	1,463,143	870,157	1,507,294
Miscellaneous	1,466,878	1,079,236	1,802,671	972,999	1,060,380
Total Revenues	33,242,710	37,574,206	33,080,106	31,872,240	33,004,032
EXPENDITURES :					
Current:					
General Government	1,746,893	1,683,425	1,667,416	1,658,489	1,708,465
Police services	7,090,622	7,128,461	7,300,734	7,374,868	6,980,859
Maintenance services	1,839,102	1,958,607	2,403,824	4,362,329	2,547,337
Lighting and landscape	2,766,842	3,029,522	3,288,256	2,991,535	3,043,620
Development services	7,158,008	11,027,548	7,458,197	9,588,981	6,920,225
Administrative services	1,836,358	1,998,345	1,901,419	2,446,641	2,207,468
Recreation, Arts & Community services	3,660,187	3,307,586	3,245,655	3,242,901	3,593,125
Capital outlay	2,943,931	7,592,460	5,763,393	1,342,965	2,382,338
Debt service:					
Principal	375,000	395,000	420,000	-	-
Interest and fiscal charges	761,452	744,521	503,764	-	-
Total Expenditures	30,178,395	38,865,475	33,952,658	33,008,709	29,383,437
REVENUES OVER (UNDER) EXPENDITURES	3,064,315	(1,291,269)	(872,552)	(1,136,469)	3,620,595
OTHER FINANCING SOURCES (USES) :					
Transfers in	2,559,375	13,547,919	7,385,966	5,272,109	6,248,451
Transfers out	(2,559,375)	(13,547,919)	(7,385,966)	(5,272,109)	(6,248,451)
Total other financing sources (uses)	-	-	-	-	-
Extraordinary/Special item*	-	-	7,757,281	11,847	-
NET CHANGE IN FUND BALANCES	\$ 3,064,315	\$ (1,291,269)	\$ 6,884,729	\$ (1,124,622)	\$ 3,620,595
Debt service as a percentage of noncapital expenditures					
	4.35%	3.78%	3.39%	0.00%	0.00%

Notes:

1. Revenues & expenditures were categorized differently prior to the implementation of GASB 34 in 2002.
2. Assets transferred from the former Community Development Agency (CDA) of the Town of Danville to the Successor Agency Trust Fund

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

(Modified Accrual Basis of Accounting)

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

Notes:

1. Revenues & expenditures were categorized differently prior to the implementation of GASB 34 in 2002.
2. Assets transferred from the former Community Development Agency (CDA) of the Town of Danville to the Successor Agency Trust Fund

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

Fiscal Year Ended June 30	Collected Within the Fiscal Year of the Levy			Total Collections To Date	
	Total Tax Levied and Collected for Fiscal Year	Percentage of Levy	Delinquent Tax Collections	Collected Amount	Percentage of Levy
2010	\$ 12,947,154	100%	n/a	\$ 12,947,154	100%
2011	12,944,065	100%	n/a	12,944,065	100%
2012	12,967,656	100%	n/a	12,967,656	100%
2013	12,242,443	100%	n/a	12,242,443	100%
2014	13,190,148	100%	n/a	13,190,148	100%
2015	14,171,661	100%	n/a	14,171,661	100%
2016	14,736,156	100%	n/a	14,736,156	100%
2017	14,430,722	100%	n/a	14,430,722	100%
2018	14,629,254	100%	n/a	14,629,254	100%
2019	15,928,730	100%	n/a	15,928,730	100%

Note:

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

Source: County of Contra Costa

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

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificate of Participation	Taxable Revenue Bonds Loan Payable			
2010	\$ 10,275,000	\$ 3,405,000	\$ 13,680,000	**	\$ 313.95
2011	9,940,000	3,345,000	13,285,000	**	314.70
2012	9,590,000	-	9,590,000	**	226.98
2013	9,230,000	-	9,230,000	**	216.06
2014	8,860,000	-	8,860,000	**	205.35
2015	8,860,000	-	8,860,000	**	202.79
2016	8,055,000	-	8,055,000	**	187.92
2017	7,635,000	-	7,635,000	**	178.12
2018	7,195,000	-	7,195,000	**	167.85
2019	6,735,000	-	6,735,000	**	148.77

Note:

1. COP is paid with property tax increment of the Property Tax Trust Fund.
2. Taxable Revenue Bonds Loan Payable was transferred to the Successor Agency Trust Fund.
3. Bank notes for child care facilities and capital leases.
4. Reliable information is not available.

Town of Danville
Direct and Overlapping Governmental Activities Debt
Current Year

2018-2019 Assessed Valuation: \$ 13,123,354,151
 Redevelopment Incremental Valuation \$ 13,123,354,151
 Adjusted Assessed Valuation:

	Total Debt 6/30/19	% Applicable (1)	Town's Share of Debt (6/30/19)
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Bay Area Rapid Transit District	\$ 809,660,000	1.746%	\$ 14,136,664
Contra Costa Community College District	397,065,000	6.422%	25,499,514
San Ramon Valley Unified School District	448,665,000	26.536%	119,057,744
East Bay Regional Park District	178,710,000	2.765%	4,941,332
SUBTOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 163,635,254</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	\$ 261,890,558	6.400%	\$ 16,760,996
Contra Costa County Pension Obligations	122,585,000	6.400%	7,845,440
San Ramon Valley Unified School District General Fund Obligations	25,187,287	26.536%	6,683,698
San Ramon Valley Fire Protection District - COP	16,357,475	26.676%	4,363,520
Town of Danville Certificates of Participation (COP)	6,735,000	100%	<u>6,735,000</u>
SUBTOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 42,388,654</u>
Less: Contra Costa County obligations supported from revenue funds			(6,577,221)
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 35,811,433</u>
OVERLAPPING TAX INCREMENT DEBT (Successor Agency)	\$ 2,450,000	100%	\$ 2,450,000
TOTAL DIRECT DEBT			\$ 6,735,000
TOTAL GROSS OVERLAPPING DEBT			\$ 201,738,908
TOTAL NET OVERLAPPING DEBT			\$ 195,161,687
GRAND TOTAL DIRECT AND OVERLAPPING DEBT			\$ 208,473,908 (2)
NET COMBINED TOTAL DEBT			\$ 201,896,687

- (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 capital lease obligations.

Ratios to 2018/19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.25%
Total Direct Debt (\$7,635,000)	0.06%
Gross Combined Total Debt	1.59%
Net Combined Total Debt	1.54%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$405,524,438):

Total Overlapping Tax Increment Debt	0.60%
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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 notes, revenue bonds, mortgage revenue bonds, tax allocation bonds, obligations and capital lease obligations.

Source: California Municipal Statistics, Inc.

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

Employer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Danville Livery & Mercantile	\$ 49,317,796	1	0.38%	\$ 41,283,585	1	0.44%
ROIC California, LLC	44,799,617	2	0.34%			
Reg8 Tassajara Crossing, LLC	39,791,520	3	0.31%			
Costco Wholesale Corporation	28,880,967	4	0.22%			
Rose Garden Associates Danville, LLC	27,477,772	5	0.21%	23,882,175	5	0.25%
Danville Park RE LLC	19,134,344	6	0.15%	14,361,600	7	0.15%
Rassier Properties Danville Medical Ctr.	16,495,199	7	0.13%			
Montair Associates, LLC	16,133,502	8	0.12%	14,255,084	8	0.15%
Tan DFC LLC	15,043,854	9	0.12%			
Danville Senior Living, LLC	13,380,000	10	0.10%	12,552,181	10	0.13%
Regency Centers, LP				34,959,358	2	0.37%
Alamo Group Iron Horse, LLC				28,634,199	3	0.30%
GS Associates - Joint Venture				21,756,877	6	0.23%
Fostoria Associates, Ltd.				24,432,278	4	0.26%
RGV Property, LLC				13,867,000	9	0.15%
Totals	\$ 270,454,571		2.08%	\$ 229,984,337		2.43%

Note:

The amounts shown above include assessed value data for both the Town and the Successor Agency.

Because of the many ways a business or individual can hold title, the above list is an approximation of the top taxpayers within the Town of Danville.

Source: HdL

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 349,357,579	\$ 341,994,482	\$ 341,158,411	\$ 343,524,020	\$ 365,089,765
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 349,357,579</u>	<u>\$ 341,994,482</u>	<u>\$ 341,158,411</u>	<u>\$ 343,524,020</u>	<u>\$ 365,089,765</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				
	2015	2016	2017	2018	2019
Debt Limit	\$ 391,883,453	\$ 418,385,065	\$ 443,452,765	\$ 465,663,742	\$ 489,520,363
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 391,883,453	\$ 418,385,065	\$ 443,452,765	\$ 465,663,742	\$ 489,520,363
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 2019

Assessed Value	\$ 13,053,876,351
Add back: exempt real property	184,522,193
Total assessed value	\$ 13,238,398,544
Debt Limit (3.75% of assessed value)	\$ 489,520,363
Total net debt applicable to limit	-
Legal Debt Margin	\$ 489,520,363

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

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

Fiscal Year	Certificates of Participation				Taxable Revenue Bond			
	Tax	Debt Service		Coverage ¹	Tax	Debt Service		Coverage
	Increment	Principal	Interest		Increment	Principal	Interest	
2010	\$1,162,288	\$ 325,000	\$ 513,534	1.39	\$ 478,244	\$ 50,000	\$ 285,518	1.43
2011	1,528,523	335,000	462,991	1.92	420,770	60,000	281,530	1.23
2012	1,099,265	350,000	449,391	1.38	272,192	70,000	276,818	0.78
2013	1,188,645	360,000	435,192	1.49	404,571	80,000	271,020	1.15
2014	-	370,000	420,541	-	-	95,000	263,889	-
2015	-	395,000	404,973	-	-	105,000	255,739	-
2016	-	410,000	388,256	-	-	120,000	246,570	-
2017	-	420,000	370,819	-	-	130,000	236,383	-
2018	-	440,000	352,316	-	-	140,000	225,380	-
2019	-	460,000	332,456	-	-	155,000	213,359	-

Note:

1. Fund balance used to cover debt service

Information presented according to GASB34 which was implemented in 2002

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

Year	Population ¹	Median Household Income ²	Persons per Household Unit ³	Per Capita Income ²	Personal Income (in thousands)	Public School Enrollment ⁴	Unemployment Rate ⁵
2010	43,574	**	2.78	**	**	27,937	6.0%
2011	42,215	141,879	2.81	\$ 64,412	**	28,987	5.9%
2012	42,450	133,888	2.73	63,404	**	29,884	4.9%
2013	42,720	**	2.75	**	**	30,757	3.8%
2014	43,146	**	2.77	**	**	31,398	3.3%
2015	43,691	140,809	2.79	**	**	31,954	4.1%
2016	42,865	**	2.97	**	**	32,255	3.9%
2017	43,355	**	**	**	**	32,425	3.5%
2018	44,396	**	**	**	**	32,504	2.9%
2019	45,270	**	**	**	**	32,138	2.7%

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. For FYE 2007 the actual median household income was projected at a growth rate of .8%.
For FY 2011: SperlingViews; www.bestplaces.net/economy/city/california/danville
For FY 2012: US Census Bureau, 2009-2011 American Community Survey: \$133,888 +/- \$10,705
3. U.S. Department of Commerce Census, Bureau American Community Surveys
4. California Department of Education (Schools within the San Ramon Valley Unified School District)
5. California State Employment Development Department

**Figures not available

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

Employer	2019			2018		
	Number of Employees ¹	Rank	% of Top 10	Number of Employees ¹	Rank	% of Top 10
Keller Williams Realty	345	1	27.6%	345	1	28.9%
Costco	195	2	15.6%	195	2	16.4%
Pacific Gas & Electric	145	3	11.6%			
Safeway, Inc.	101	4	8.1%	104	4	8.7%
Crow Canyon Management Corp.	95	5	7.6%	73	7	6.1%
J. Rockcliff Realtors	89	6	7.1%	142	3	11.9%
Trader Joe's	77	7	6.2%	77	5	6.5%
Sunrise Assisted Living of Danville	72	8	5.8%			
Danville Nursing & Rehabilitation Center	66	9	5.3%	66	8	5.5%
Lunardi's Market	63	10	5.0%	63	9	5.3%
Brookdale Danville Diablo Road				76	6	6.4%
Piatti Restaurant Co.				51	10	4.3%
Total Employees:	1,248			1,192		

Note:

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

Town of Danville
Full-Time Equivalent Town Government Employees by Function
Current Year and Previous Year

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Legislative	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administration	4.00	4.00	4.00	4.00	4.00	6.75	6.50	8.25	8.25	7.75
Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Services*	34.00	34.75	35.75	34.75	34.00	36.75	37.75	37.75	37.75	37.75
Development Services	26.75	25.25	25.25	24.25	25.50	25.50	29.75	27.00	27.00	26.50
Transportation Services	3.75	4.50	4.50	4.50	4.25	4.25	3.25	3.75	3.25	3.00
Community Services										
Maintenance	23.00	23.00	23.00	24.00	24.00	29.00	31.00	31.00	31.00	31.00
Recreation, Arts &										
Community Services	15.25	15.25	15.50	15.50	15.25	37.75	37.75	38.25	38.25	42.00
Finance	5.50	5.50	5.50	5.50	5.50	5.25	5.25	5.25	5.25	5.00
Support Services	3.00	3.00	3.00	3.00	3.00	4.50	4.50	4.50	4.50	4.50
Community Events**	2.50	1.50	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.25
Total	121.75	120.75	120.75	119.75	119.75	154.25	160.75	160.75	160.25	162.25

Source: Adopted Town Budgets

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

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

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

Town of Danville
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police: ¹										
Arrests	462	745	654	701	574	618	515	500	447	391
Traffic violations	4,623	4,563	2,109	4,220	6,001	5,345	3,875	2,605	3,702	2,786
Parking violations	1,897	1,700	1,398	2,009	2,373	1,619	1,625	1,774	1,367	1,593
Public works:										
Street resurfacing (miles)	9	5.72	9.7	24	18.7	14.2	24	15.2	5.9	5.5
Pot holes repaired	180	134	110	151	160	111	181	249	84	309
Parks and recreation:										
Course registration	20,238	18,352	17,396	20,101	22,191	17,176	18,147	20,352	19,174	18,146
Facility rentals/permits ²	13,047	13,401	13,790	13,915	13,894	816	716	804	786	638
Picnic rentals	417	385	505	511	535	460	241	413	406	354

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 Assets Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	16	16	14	12	13	12	13	13	13
Public works:										
Street (miles)	144.6	144.6	144.6	144.6	144.6	144.6	144.6	144.6	144.6	157.89
Street lights	3,207	3,207	3,449	1,417	1,417	1,417	1,417	1,417	1,158	1,158
Signalized intersections	51	51	51	51	51	52	51	52	54	54
Parks and recreation:										
Parks acreage	312.45	312.45	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	0	0	7	10	10	10	10	10	10	10
Community centers	3	3	3	3	3	3	3	3	3	3

Source: Various Town departments

Note

1. The Town of Danville owns 1,158 street light fixtures, including 614 Town owned and maintained and an additional 514 LED street light fixtures owned by the Town, but maintained by PG&E.

Source: Various Town departments