



TOWN OF DANVILLE, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



TOWN COUNCIL

Renee Morgan, Mayor

Newell Arnerich, Vice Mayor

David Fong, Councilmember

Karen Stepper Councilmember

Robert Storer, Councilmember

TOWN STAFF

Joseph A. Calabrigo, Town Manager

Lani Ha, Finance Director/Treasurer

TOWN OF DANVILLE, CALIFORNIA



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For the Fiscal Year Ended June 30, 2021**

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

TOWN MANAGER
Joseph A. Calabrigo

Prepared by the
Finance Division

Lani Ha, Finance Director/Treasurer

Danville, CA
(Cover Photo - by Engineering Division)



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Town of Danville
Comprehensive Annual Financial Report

For the Year Ended June 30, 2021

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INTRODUCTORY SECTION
(Unaudited)



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*"Small Town Atmosphere
Outstanding Quality of Life"*

November 16, 2021

Mayor and Town Council
Town of Danville

Subject: Fiscal Year 2020/21 Annual Comprehensive Financial Report

The Annual Comprehensive Annual Financial Report (ACFR) of the Town of Danville for the fiscal year (FY) ended June 30, 2021, 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 ACFR represents the culmination of all budgeting and accounting activities of the Town during FY 2020/21.

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 43,906 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 the site of many holiday and special events which attract visitors throughout the year from

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

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

The former Community Development Agency (CDA) of the Town 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, 2021, 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, 2021, \$13,809,768 or 42.94% 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 \$9,306,773 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 \$34,535,724 represents 151.57% of total FY 2020/21 General Fund operating expenditures and 107.40% of operating expenditures from all funds. Additionally, the Town has \$31,474,749 of Special Revenue funds, and \$30,013,137 in Capital Projects funds.

The Town's five largest revenue sources account for 84.19% of all Town revenues. These include Property Tax providing 40.45% of revenues; Sales Tax providing 15.63%; Other Taxes and Intergovernmental providing 12.70%; Special Assessments providing 8.49% and Development Impact Fees providing 6.91% of revenues.

Property Tax increased by \$1,185,251 (7.40%) compared to FY 19-20, 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 \$525,609 (26.00%), as Recreation classes and programs were significantly scaled back. Decreases in Recreation Fees and Charges were somewhat offset by an increase in Building and Planning fees and Development Engineering fees.

Sales Tax increased by \$912,683 (15.90%) largely attributable to a steep increase in on line sales activity and brick and mortar businesses (restaurant and retail) exceeding expectations in weathering the pandemic. Other Taxes and Intergovernmental Fund Revenues increased

a net of \$555,602 (11.45%), reflecting the receipt of Coronavirus Local Fiscal Recovery Funds (CLFRF) and Federal Emergency Management Agency (FEMA) from the federal government, lower revenues from Gas Tax and Measure J funds and a slight increase in SPCP Special Assessments. LLAD Special Assessments remained essentially flat.

The increase in Development Fees of \$470,754 (19.05%), reflects an increase in the permitting activity.

Danville's jobless rate as of June 2021 was 4.7% as compared to 5.9% nationwide, 7.9% in California, and 6.7% 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 2021/22 Operating Budget and Capital Improvement Program, was completed in May 2021 and adopted on June 15, 2021. General Fund revenues are projected to increase 9.38% from FY 2020/21 to FY 2021/22, largely attributable to a 4.79% increase in property tax revenue, 20.98% increase in sales tax revenue and 11.00% increase in Recreations. Special Purpose revenues are projected to increase 17.90%, mostly due to an increase in 20.46% in Building and Planning revenue, an increase in 71.79% in Gas Tax revenue, an increase in 23.23% in Measure J revenue and an increase in 44.76% in Solid Waste VIF revenue; and slight increase or no increase in other Special Revenues funds.

Looking forward 10 years, General Purpose revenues are projected to increase 9.38% in FY 2021/22 and an average of 1.84% thereafter. Special Purpose revenues are projected to increase 17.90% in FY 2021/22, and an average of 1.34% through FY 2030/31.

The 10-year projection includes cost increases that average 2.4% 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 2023/24, 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 \$5.06 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 2020/21

Major events took place in the Town during FY 2020/21 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" with a population of 50,000 or less, in 2021, for the fourth year in a row by Safewise, an independent review website.
2. Developed a series of programs and outreach to support local businesses during the pandemic, including but not limited to, targeted marketing programs, developed the online Danville Business Directory, Issued \$464,100 towards Forward Focus Grants , Served 68 businesses through the Business Assistance Program, Issued 58 Temporary Land Use Permits, erected 12 parklets downtown, established temporary 10-min curbside pick-up zones, etc.
3. Completed the \$12.6 million purchase of an office building at 500 La Gonda Way and began planning and construction work toward relocating the Danville Town Offices and Police Department to this new location.
4. Declared a local state of emergency in response to the COVID-19 pandemic which involved closing public facilities and implementing cost savings measures to reduce operating expenses by \$2.2 million to offset estimated revenue losses.
5. Adopted and adhered to various COVID-19 related health Orders issued by the Contra Costa County Department of Public Health and the State of California.
6. Adopted a balanced post pandemic 2021/22 operating budget through reducing expenditures and fund transfers without the need to utilize Town reserve funds.

7. Completed 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.
8. Continued the design work for the \$6 million project to replace the La Gonda Way bridge at Danville Boulevard.
9. 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.
10. Completed design and constructed the new San Ramon Creek trail bridge creating a pedestrian connection from Diablo Road to the Town Green and Library.
11. Completed the Town-wide Bicycle Master Plan.
12. Completed Phase I of the Traffic Signal Controller Upgrade at 29 intersections.
13. Completed Diablo Road Bicycle Facility Improvements, 1.8 miles.
14. Secured 100% funding including \$150K MTC grant for Diablo Road Trail.
15. Awarded \$1.6M Federal grant for the SRVB (North/South) Improvements.
16. Awarded \$240K State grant for Rectangular Flashing Beacons project.
17. 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.
18. 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.
19. 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.
20. Expanded the Downtown Street Banner Program to include Railroad Avenue.
21. 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.
22. Increased efficiencies within the MUNIS Financial System by implementing internal paperless/contactless/electronic routing and approval of both credit card and paper check vendor payments. Greatly expanded and improved online permit application submission to the Energov Permitting & Land Management System for contractors and Danville homeowners.
23. Moved ALL public meetings to the remote (ZOOM) format while adhering to the revised Brown act requirements.

24. Continued 10-8 program, a weekly live video podcast that allows for engagement and interaction with residents via Facebook and YouTube to replace in-person engagement due to the COVID-19 Pandemic.
25. Renovated the turf in the large dog park at Hap Magee Ranch Park for a total of \$18,870. The dog park at Hap Magee Ranch Park is rated the best dog park in the area by *Diablo Magazine*.
26. Awarded new contract for park maintenance services in Lighting and Landscape Assessment District Zone D (\$305,607).
27. Awarded new contract for fleet maintenance services (\$85,000).
28. Repainted the Town Service Center exterior (\$17,980).
29. Converted tennis court at Osage Station Park to two pickleball courts (\$10,500).
30. Completed the annual creek cleaning through in-house and contract efforts (\$14,950) which helps protect the community and prevent damage to public and private property.
31. Integration of arts into programs such as the Hearts Around Hearts Program, which included calling for artists to design and paint ceramic Hearts for display throughout the Town. Also, the Shrumen Lumen Exhibit which had 18 foot tall kinetic mushrooms on display at the Town Green and Art Gallery.
32. The Senior Advisory Commission along with Staff began work on an Age Friendly Road Map in an effort to make Danville more livable and better able to support people of all ages.
33. Continued efforts for the implementation of the Parks, Recreation and Arts Strategic Plan, with an emphasis on capital projects in parks, trails and public art. Specifically, the conversion of one tennis court into two pickleball courts.
34. Increased efficiency by implementing paperless digital routing and signature system for town agreements with vendors and contractors
35. Prepared a balance budget despite the pandemic.
36. Adhere to the order of the County Health Department.
37. Completed filing with and received fund from the Federal and State Agencies for COVID-19 related expenses reimbursed through FEMA and CRF (CARES Act).
38. American Rescue Plan Act: Reviewed guidelines, calculated revenue loss and identified an expenditure plan for use of CLFR Funds received through the first tranche disbursement of \$5,323,869.

For Fiscal Year 2021/22

During the upcoming FY 2021/22 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 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.
3. Begin the process to update the Town's Downtown Master/Beautification Plan.
4. Complete the Fiber Optic Cable Interconnect Master Plan.
5. Complete the Rectangular Rapid Flashing Beacons at four locations.
6. Complete Phase II of the Traffic Signal Controller Upgrades at 25 intersections.
7. Complete the Townwide Biennial Traffic Count Study.
8. Complete a Local Roadway Safety Plan.
9. Complete design of the Diablo Road Trail.
10. Begin the Downtown Traffic Signal Modernization Project.
11. Install high-visibility crosswalk markings at ten locations near schools and along Iron Horse Trail.
12. Continue the Neighborhood Traffic Management Program consisting of six active neighborhood applications.
13. 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.
14. 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.
15. Renovate the turf in the large dog park at Hap Magee Ranch Park The dog park at Hap Magee Ranch Park is rated the best dog park in the area by *Diablo Magazine*.
16. Renew the street sweeping services contract for \$200,295 to continue providing clean and safe streets and prevent pollution of creeks.
17. Complete the annual creek cleaning through in-house and contract efforts (approximately \$15,000), which helps prevent damage to public and private property.
18. Replace the gazebo at Hap Magee Ranch Park (approximately \$80,000, with half the cost being paid by Contra Costa County).
19. Complete the design of the Diablo Vista Park playground equipment replacement project (replacement will cost approximately \$700,000).
20. 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.
21. Research technology solutions to optimize law enforcement strategies.

22. Continue to integrate arts into programs such as the Hearts Around Hearts Program, which included calling for artists to design and paint ceramic Hearts for display throughout the Town. Other opportunities are being explored with the funds raised by this successful event.
23. Continue to work with The Senior Advisory Commission, along with Staff began work on an Age Friendly Road Map in an effort to make Danville more livable and better able to support people of all ages.
24. Continued efforts for the implementation of the Parks, Recreation and Arts Strategic Plan, with an emphasis on capital projects in parks, trails and public art. Specifically, the conversion of one tennis court into two pickleball courts.
25. Continue to explore potential locations for the multi-use skate park as identified in the latest feasibility study.
26. Expand and improve eSignature (DocuSign) system for contracts and other legal documents.
27. 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.
28. 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.
29. Continue to implement the American Rescue Plan Act: calculate revenue loss and identify an expenditure plan the use of CLFR Funds for the second tranche disbursement of \$5,323,869 for recommendation to the Town Council.

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 2020/21, 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 2020/21, 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, 2021 financial statements was performed by The Pun Group, LLP. Their opinion is included with the basic 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,

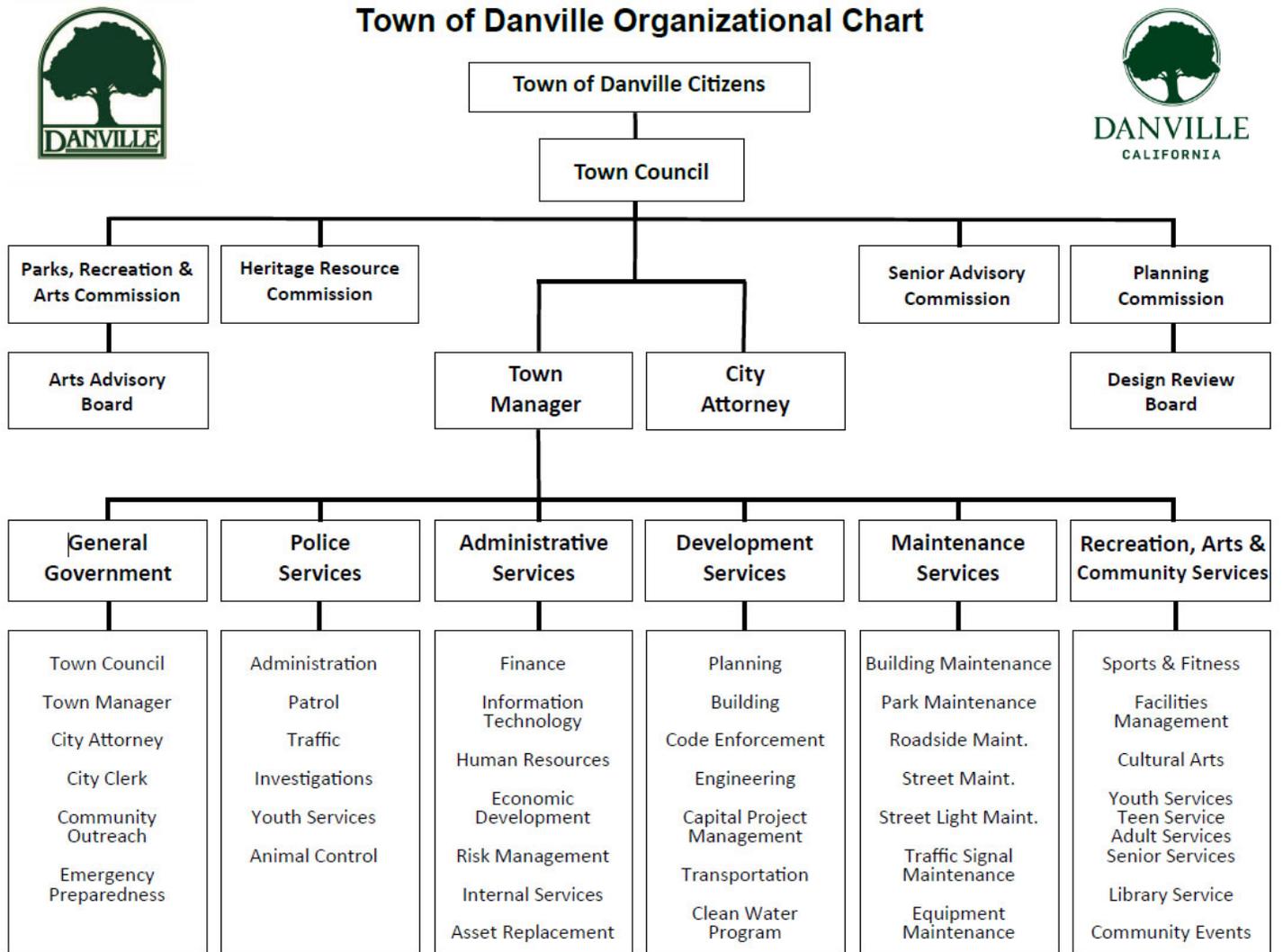

Joseph A. Calabriga
Town Manager


Lani Ha
Finance Manager/Treasurer



Town of Danville

Organizational Chart



Town of Danville

Directory of Public Officials

TOWN COUNCIL

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

TOWN STAFF

Joseph A. Calabrigo	Town Manager
Robert Ewing	City Attorney
Marie Sunseri	City Clerk
Tai Williams	Assistant Town Manager
Allan Shields	Chief of Police
Dave Casteel	Maintenance Services Director
Henry Perezalonso	Recreation, Arts & Community Services Director
Lani Ha	Finance Director/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, 2020

Christopher P. Morrill

Executive Director/CEO

Town of Danville

Statement of Purpose

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

To achieve this level of excellence, Danville will:

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

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



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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, 2021, and the related notes to the basic financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2021, 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.

Emphasis of a Matter

Implementation of GASB Statement No. 84

As described in Note 2N to the basic financial statements, the Town implemented GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 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.

To the Mayor and Members of the Town Council
of the Town of Danville
Danville, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2021, 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.

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Walnut Creek, California
November 9, 2021



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Danville, California (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Mayor and Members of the Town Council
of the Town of Danville
Danville, California
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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 Perini Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
November 9, 2021



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, 2021. 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, 2021 increased \$9,240,708 or 3.5% from \$263,589,115 to \$272,829,823.
- Total assets were \$286,907,325 and total liabilities were \$14,077,502, resulting in total net position of \$272,829,823. Of this amount \$65,882,561 is classified as unrestricted and, with the future receipt of \$5,059,401 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 \$96,023,610. Of this amount \$29,438,411 is restricted by external parties, \$58,171,955 is committed for ongoing and future activities and \$4,064,888 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 \$3,248,356 has been assigned for ongoing operations.
- The Town's General Fund fund balance increased 30.0% from \$26,574,948 to \$34,535,724. The fund balance includes funds reserved or designated for debt service, future capital projects, ongoing operations, and an operating reserve of \$13,809,768 (42.94% of FY 20/21 operating expenditures).

In fiscal year 2015, the Sacramento County Superior Court issued a ruling on September 5, 2014, concluding that the reentered Cooperative Agreement between the Successor Agency and the Town of Danville was an enforceable obligation. The State appealed the Superior Court decision 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, \$5,059,401 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 ACFR 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, 2021 and 2020 were:

	2021	2020	Increase (Decrease)
Current and other assets	\$ 103,643,474	\$ 95,583,374	\$ 8,060,100
Capital Assets, net of depreciation	183,263,851	181,223,722	2,040,129
Total assets	286,907,325	276,807,096	10,100,229
Current liabilities	7,977,612	6,523,952	1,453,660
Long-term liabilities	6,099,890	6,694,029	(594,139)
Total liabilities	14,077,502	13,217,981	859,521
Net position:			
Net investment in capital assets	177,508,851	174,968,722	2,540,129
Restricted for:			
Debt service	1,623,438	1,629,404	(5,966)
Special projects	27,814,973	25,331,768	2,483,205
Unrestricted	65,882,561	61,659,221	4,223,340
Total net position	\$ 272,829,823	\$ 263,589,115	\$ 9,240,708

The Town's Net Positions from Governmental Activities increased 3.5% from \$263,589,115 to \$272,829,823. This increase of \$9,240,708 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 \$10,100,229:

- Current and other assets increased \$8,060,100 reflecting an increase in cash and investments. Capital assets, net of depreciation, increased \$2,040,129 reflecting expenditures for capital projects during the year.

Total liabilities increased \$859,521:

- Current liabilities increased by a net of \$1,453,660, due largely to an increase in accounts payable, wages payable, retention (for capital projects), unearned revenue, and deposit payable.
- Non-current liabilities decreased a net of \$(594,139) reflecting payment of long-term debt principal of \$520,000 that was paid according to schedule, a decrease of \$74,139 in compensated absences.

Net Position:

- Restricted net position increased a net of \$2,477,239. Special Revenue funds were spent for capital projects as budgeted. Debt Service funds decreased by \$(5,966) reflecting the net change in annual RPTTF funds received for scheduled debt service payments of the Town's COPs. Special Projects funds increased by \$2,483,205 as funds were needed for operations or appropriated for capital expenditures.
- Unrestricted net position, which are designated by Council for specific future capital improvements or economic stability, increased by \$4,223,340, reflecting solid revenues and controlled costs, which enabled the transfer of \$2.27 million of General Fund funds to be transferred to Capital Improvement funds for future capital projects and Asset Replacement funds and LLAD funds for its operating expenses and Contingency fund. Capital improvements include park improvements, road maintenance, traffic control measures and general Town improvements.

Government Activities

Table 2 presents the gross revenues and expenditures for the Town as whole.

Table 2
Revenues and Expenses
Governmental Activities

	2021	2020	Increase (Decrease)
Revenues - Governmental Activities			
Program revenues:			
Charges for services	\$ 7,849,397	\$ 8,188,723	\$ (339,326)
Operating grants and contributions	2,271,372	1,873,835	397,537
Capital grants and contributions	2,169,054	1,358,781	810,273
Total program revenues	<u>12,289,823</u>	<u>11,421,339</u>	<u>868,484</u>
General revenues:			
Taxes:			
Property	17,210,607	16,025,356	1,185,251
Sales	6,653,905	5,753,805	900,100
Motor vehicle	32,180	35,829	(3,649)
Franchise	3,044,834	2,836,124	208,710
Other	338,449	367,376	(28,927)
Investment earnings	174,503	3,183,434	(3,008,931)
Miscellaneous	1,447,189	1,838,208	(391,019)
Gain on sale of capital assets	5,439	345,523	(340,084)
Reimbursement from Successor Agency	789,051	812,456	(23,405)
Total general revenues	<u>29,696,157</u>	<u>31,198,111</u>	<u>(1,501,954)</u>
Total revenues	<u>41,985,980</u>	<u>42,619,450</u>	<u>(633,470)</u>
Expenses - Governmental Activities			
General government	1,727,404	1,988,737	(261,333)
Police services	9,141,598	9,824,261	(682,663)
Maintenance services and Lighting and landscape	8,999,904	9,400,476	(400,572)
Development services	6,238,126	5,769,904	468,222
Administrative services	3,632,890	3,816,145	(183,255)
Recreation, arts & community services	2,722,675	3,794,136	(1,071,461)
Interest on long-term debt	282,675	322,951	(40,276)
Total expenses	<u>32,745,272</u>	<u>34,916,610</u>	<u>(2,171,343)</u>
Changes in Net Position	9,240,708	7,702,840	1,537,868
Net Position:			
Beginning of year	263,589,115	255,886,275	7,702,840
End of year	<u>\$ 272,829,823</u>	<u>\$ 263,589,115</u>	<u>\$ 9,240,708</u>

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

Table 3 presents each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions. The net cost of program services increased by \$1,537,868 reflecting higher change in expenses compare to change in revenues.

**Table 3
Cost of Services
Governmental Activities**

	2021	2020	Increase (Decrease)
Revenues:			
General revenues	\$ 29,696,157	\$ 31,198,111	\$ (1,501,954)
Total general revenues	<u>29,696,157</u>	<u>31,198,111</u>	<u>(1,501,954)</u>
Net Expenses:			
General government	(1,727,404)	(1,988,737)	261,333
Police services	(8,758,536)	(9,341,933)	583,397
Maintenance services and Lighting and landscape	(5,858,363)	(6,341,146)	482,783
Development services	1,076,353	650,972	425,381
Administrative services	(3,028,954)	(3,784,452)	755,498
Recreation, arts, & community services	(1,875,870)	(2,367,024)	491,154
Interest on long-term debt	(282,675)	(322,951)	40,276
Total net expenses	<u>(20,455,449)</u>	<u>(23,495,271)</u>	<u>3,039,822</u>
Net Cost of Program Services	<u>\$ 9,240,708</u>	<u>\$ 7,702,840</u>	<u>\$ 1,537,868</u>

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

- Program revenues decreased by \$(1,501,954). A decrease of \$(339,326) in Charges for Services was largely due to Recreations classes were canceled due to the pandemic, decreased activity in Police Services, and net with the increase in the Development Services activity. Operating Grants increased a net of \$397,537 as grants for Police and Development Services increased, and the Town received the CRF (Coronavirus Relief Fund) and FEMA (Federal Emergency Management Agency) in the amount of \$575,791 from the federal government. Capital Grants and Contributions increased a net of \$810,273 as grant funding for capital projects increased.
- General revenues decreased \$1,501,954 reflecting the net reported an increase \$1,185,251 in property tax revenues, an increase in net reported \$900,100 in sales tax revenues, an increase \$208,710 in franchise fees, a decrease of \$3,008,931 in investment earning, and a decrease of \$(391,019) in miscellaneous revenues and a decrease of \$(340,084) in gain on sale of capital assets .

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

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

At year-end, the fund balance for the Town's General Fund was \$34,535,724 a net increase of \$7,960,776 over last year. Revenues exceeded expenditures by \$10,238,463, and transfers out of \$(2,825,240) were made for future capital projects and additional funding for parks and building maintenance in the Lighting and Landscape Assessment District. Major revenue sources that exceeded budget include property and transfer taxes of \$2,210,547, sales taxes of \$2,258,804, uses of money and property of \$1,087,826, which reported rental revenues, and Investment earning, which also reflects actual earning and unrealized market adjustments and the effect of discounts and premiums recognized in the year. These were offset by Other taxes of \$(23,461) and Charges for Services of \$(419,874). Across the board, cost containment resulted in operating expenditures below budget in all programs. Budget to actual cost savings totaled \$4,249,688. 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 increased by \$169,960, 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 \$900,000 and \$300,000 from Regional Traffic Impact Fees Special Revenue Fund for park and building maintenance account for this increase in fund balance.

The Regional Traffic Impact Fees fund balance is reported lower by \$(325,973) reflecting the decrease in revenues, and increase in expenditures.

The fund balance in the Capital Improvement Projects Fund decreased by a net of \$(3,363,434), reflecting capital expenditures and a net transfer in of \$1,675,240, helping to offset appropriated capital expenditures in excess of revenues.

Non-major Special Revenue Funds increased by a net of \$2,867,230, 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 Gas Tax Fund increase by \$374,608 due to higher revenues and no transfer to Capital Improvement Program; increase of the Building and Planning Fund by \$621,939 due to higher revenues resulting from more building and planning activities and less expenditures; increase of Development Engineering Fund by \$220,132 due to higher revenues resulting from higher volume of engineering services and less expenditures; increase in Stormwater Pollution Control Program Fund by \$115,296 due to slightly higher revenues and less expenditures due to less use of consulting services compared to budget; increase of Measure J Fund by \$549,724 due to higher revenues received from Contra Costa County Transportation and less expenditures, the Donation and Contributions Fund increase by \$127,195 due to higher revenues resulting from a one-time special event from Recreations and less expenditures; the Public Safety Fund increase by \$63,927 due to higher revenues received from the Contra Costa County and less expenditures; and the Solid Waste Vehicle Impact Fees Fund increase by \$718,924 due to higher revenues and no transfer out to the Capital Improvement Program.

The Non-Major Capital Improvement Funds, decreased by a net of \$(696,337) due a decrease of \$(665,693) in the Park Facilities Fund due to more expenditures and no transfer in from General Fund contributions; and a decrease of \$(35,594) in the Northeast Road Improvements Special Assessment due to higher expenditures; offset by an increase in the Asset Replacement General Fund by \$42,059 due to higher transfer in from PEG Fund and Building and Planning Fund 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 expenditures exceeded the final budget by \$10,120,778. 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 expenditures for the General Fund at year end were less than budgeted by \$4,249,688. 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 \$2,825,240 to fund future capital projects throughout the Town.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2021, the Town had a book value of \$183,263,851 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 \$2,040,129 net of additions, retirements and depreciation, resulting in a 4.13% increase over last year.

Changes reflect the 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, 2021 was 81, same as last year. This rating compares favorably with the target rating of 70. The average expense to maintain the streets is estimated by management to be a minimum of \$3,000,000 per year for the next three years. Further detail may be found in Note 2E to the Financial Statements and in Note 3 of the Required Supplementary Information.

Table 4
Capital Assets at June 30, 2021
(net of depreciation)

	Original Cost	Accumulated Depreciation	Book Value
Land	\$ 31,221,867	\$ -	\$ 31,221,867
Buildings and parking lots	39,958,769	(13,824,718)	26,134,051
Park improvements	24,041,510	(21,956,927)	2,084,583
Furniture and equipment	4,963,876	(4,656,488)	307,388
Construction in progress	25,429,776	-	25,429,776
Infrastructure	167,832,677	(69,746,491)	98,086,186
Total	\$ 293,448,475	\$ (110,184,624)	\$ 183,263,851

Table 5
Comparative Capital Assets at June 30, 2021 vs. June 30, 2020
(net of depreciation)
Governmental Activities

	2021	2020	Increase (Decrease)
Land	\$ 31,221,867	\$ 31,221,867	\$ -
Buildings and parking lots	26,134,051	27,154,816	(1,020,765)
Park improvements	2,084,583	2,356,143	(271,560)
Furniture and equipment	307,388	430,982	(123,594)
Construction in progress	25,429,776	21,660,504	3,769,272
Infrastructure	98,086,186	98,399,410	(313,224)
Total	\$ 183,263,851	\$ 181,223,722	\$ 2,040,129

The Town’s five-year Capital Improvement Plan projects will cost \$28,641,726 through FY 2024/25. 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 Town Office Improvements and infrastructure maintenance including \$9,564,597 for pavement management. Additional details can be found in the Town's 2020/21 Operating Budget and Capital Improvement Program document available at www.danville.ca.gov/Council_and_Government/Departments/Finance/.

Debt

At year end, the Town had \$6,729,890 in Certificates of Participation (COPs) and compensated absences outstanding versus \$7,304,629 last year, a net decrease of \$(574,739), as shown in Table 6 below.

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

	2021	2020	Increase (Decrease)
2001 & 2005 Certificates of Participation	\$ 5,755,000	\$ 6,255,000	\$ (500,000)
Compensated Absences	974,890	1,049,629	(74,739)
Total	<u>\$ 6,729,890</u>	<u>\$ 7,304,629</u>	<u>\$ (574,739)</u>

The \$500,000 decrease in the COP amount is due to scheduled debt service payments, the \$74,739 decrease in Compensated Absences is due to lower number of personnel compare to last year, and personnel earning less leaves hours than used.

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The 2021/22 Operating Budget and Capital Improvement Program (“Budget and CIP”) continue to reflect careful financial planning. All planned services address the Town’s highest priorities. The Budget is balanced, prudent reserves continue to be maintained, and ten-year forecasts show that Danville is holding to a course that is fiscally sustainable.

For 2021/22, total revenues of \$38,048,880 are forecast, including \$35,774,166 for the Town and \$2,274,714 for the Town Successor Agency. Total operating expenditures of \$34,424,678 are recommended, including \$33,249,964 for the Town and \$1,174,714 for the Successor Agency. Recommended capital appropriations for 2021/22 total \$9,413,612.

The global Coronavirus pandemic and the resultant Health Orders that began in mid-March 2020 created an immediate and significant financial impact upon the Town. Danville has operated in a continuous State of Emergency since March 17, 2020. The pandemic has presented budget planning challenges resulting from ongoing economic uncertainty and frequently changing state and county directives that impact how, and to what extent, services can be delivered.

For 2020/21, the Town Council adopted a budget that forecast a net revenue loss of \$5 million. Functionally, this has necessitated operating in a much more fluid manner, while adapting to changing conditions and increasing reliance upon virtual services and operations. Expenditures and staffing were reduced in all operating departments.

The 2020/21 mid-year budget review showed that these adjustments were effectively mitigating pandemic-driven fiscal impacts and the Town’s reserves remained intact.

Town businesses and the local economy have shown resilience in the face of operating limitations mandated by health orders. Though significantly impacted, the incidence of business failure has been limited. Initial concerns that consumers would react to by eliminating or reducing expenditures have been offset through a shift toward increased e-commerce. While this has helped to mitigate the fiscal impact upon the Town, it has accelerated the trend toward online commerce, which continues to pose an existential threat for all brick and mortar retail businesses.

With the arrival of spring 2021, efforts to vaccinate the population were well underway and state and county health orders had been adjusted to allow for the resumption of certain indoor Town activities. In March 2021, the State announced that normal business operations could resume for all sectors on June 15, 2021.

The 2021/22 Operating Budget continues to focus on the Town's highest priorities. The Budget is balanced, reserves funding for capital projects, and maintains strong reserves. With recovery expected to begin in 2021/22, forecast revenues are equivalent to 2018/19 levels while recommended expenditures are at levels equivalent to 2019/20.

Despite the significant negative fiscal impacts associated with the Coronavirus pandemic, the Town's overall financial condition continues to be positive. The 2021/22 Budget is balanced, while providing quality municipal services that address the highest priority community needs. Recommended capital projects are funded with no debt, and appropriate operating and capital reserves are maintained.

The Town has no unfunded future liabilities related to employee pension or medical costs, and ten-year forecasts for 2021/22 through 2030/31 illustrate that the Town is continuing on a course that continues to be fiscally sustainable while operating at minimally reduced service levels.

American Rescue Plan Act of 2021

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA), a \$1.9 trillion economic stimulus bill intended to speed up the United States' recovery from the economic and health effects of the Coronavirus pandemic. The ARPA includes \$65 billion for cities, to help bridge budget shortfalls and mitigate fiscal impacts resulting from the pandemic. These funds will assist the Town by offsetting pandemic-driven revenue losses and remediation costs. Based upon Treasury Department calculation, the Town was awarded \$10.65 million in Coronavirus Local Fiscal Recovery (CLFR) Funds under the ARPA.

The draft 2021/22 Budget and CIP did not include ARPA funding as cities awaited additional and more specific guidelines for how the CLFR Funds were permitted to be spent. Following adoption of the 2021/22 Budget and CIP, the Town engaged in a separate process to review and consider the allocation and use of CLFR Funds, and an expenditure plan for the first tranche of funds totaling \$5.32 million was approved by the Town Council in September and October 2021.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Danville
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 66,205,543
Receivables (net of allowances):	
Accounts	2,637,541
Due from Successor Agency within one year (Note 6)	1,100,000
Interest	197,091
Total receivables	3,934,632
Prepaid items	105,487
Total current assets	70,245,662
Noncurrent assets:	
Restricted cash and investments:	
Held with fiscal agent	1,623,438
Held by the Town	27,814,973
Total restricted cash and investments	29,438,411
Due from Successor Agency in more than one year (Note 6)	3,959,401
Capital assets:	
Nondepreciable	149,727,528
Depreciable, net	33,536,323
Total capital assets	183,263,851
Total noncurrent assets	216,661,663
Total assets	286,907,325
LIABILITIES	
Current liabilities:	
Accounts payable	5,738,383
Accrued wages payable	577,539
Retention payable	118,218
Deposit payable	159,183
Interest payable	84,246
Claims liabilities	56,514
Unearned revenue	613,529
Long-term debt - due within one year (Note 8)	630,000
Total current liabilities	7,977,612
Noncurrent liabilities:	
Long-term debt - due in more than one year: (Note 8)	
Certificates of participation	5,235,000
Compensated absences	864,890
Total noncurrent liabilities	6,099,890
Total liabilities	14,077,502
NET POSITION	
Net investment in capital assets	177,508,851
Restricted for:	
Debt service	1,623,438
Special projects and programs	27,814,973
Total restricted	29,438,411
Unrestricted	65,882,561
Total net position	\$ 272,829,823

See accompanying Notes to the Basic Financial Statements.

Town of Danville
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities:					Governmental Activities
General government	\$ 1,727,404	\$ -	\$ -	\$ -	\$ (1,727,404)
Police services	9,141,598	187,548	195,514	-	(8,758,536)
Maintenance services and lighting and landscape	8,999,904	3,047,952	-	93,589	(5,858,363)
Development services	6,231,119	3,738,947	1,500,067	2,075,465	1,083,360
Administrative services	3,632,890	28,145	575,791	-	(3,028,954)
Recreation, arts, & community services	2,722,675	846,805	-	-	(1,875,870)
Interest expense	282,675	-	-	-	(282,675)
Total governmental activities	\$ 32,738,265	\$ 7,849,397	\$ 2,271,372	\$ 2,169,054	(20,448,442)
General revenues:					
Taxes:					
Property					17,210,607
Sales					6,653,905
Motor vehicle license fee					32,180
Franchise					3,044,834
Other					338,449
Total taxes					27,279,975
Investment earnings					174,503
Miscellaneous					1,447,189
Loss on disposal of capital assets					(1,568)
Reimbursement from Successor Agency					789,051
Total general revenues					29,689,150
Change in net position					9,240,708
Net position - beginning of year					263,589,115
Net position - end of year					\$ 272,829,823



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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, 2021

	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	\$ 31,712,045	\$ 5,045,960	\$ 4,350,951	\$ 22,066,576
Cash and investments with fiscal agent	809,518	-	-	-
Receivables (net of allowances):				
Accounts	2,421,172	53,407	5,796	117,798
Due from Successor Agency of former CDA	5,059,401	-	-	-
Interest	107,726	6,759	6,687	34,220
Prepaid items	105,487	-	-	-
Total assets	\$ 40,215,349	\$ 5,106,126	\$ 4,363,434	\$ 22,218,594
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,245,546	\$ 506,702	\$ 591	\$ 535,901
Accrued wages payable	375,232	71,254	-	3,809
Retention payable	-	-	-	109,423
Deposits payable	94,013	-	-	-
Claims liabilities	56,514	-	-	-
Unearned revenue	551,822	54,039	-	-
Total liabilities	5,323,127	631,995	591	649,133
Deferred Inflows of Resources:				
Unavailable revenue	356,498	-	-	-
Total deferred inflows of resources	356,498	-	-	-
Fund Balances:				
Nonspendable	4,064,888	-	-	-
Restricted	809,518	1,628,275	4,362,843	-
Committed	28,158,818	-	-	21,569,461
Assigned	402,500	2,845,856	-	-
Unassigned	1,100,000	-	-	-
Total fund balances	34,535,724	4,474,131	4,362,843	21,569,461
Total liabilities, deferred inflows of resources and fund balances	\$ 40,215,349	\$ 5,106,126	\$ 4,363,434	\$ 22,218,594

(Continued)

Town of Danville
Governmental Funds
Balance Sheet (Continued)
June 30, 2021

	Non-Major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 30,844,984	\$ 94,020,516
Cash and investments with fiscal agent	813,920	1,623,438
Receivables (net of allowances):		
Accounts	39,368	2,637,541
Due from Successor Agency of former CDA	-	5,059,401
Interest	41,699	197,091
Prepaid items	-	105,487
Total assets	\$ 31,739,971	\$ 103,643,474
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 449,643	\$ 5,738,383
Accrued wages payable	127,244	577,539
Retention payable	8,795	118,218
Deposits payable	65,170	159,183
Claims liabilities	-	56,514
Unearned revenue	7,668	613,529
Total liabilities	658,520	7,263,366
Deferred Inflows of Resources:		
Unavailable revenue	-	356,498
Total deferred inflows of resources	-	356,498
Fund Balances:		
Nonspendable	-	4,064,888
Restricted	22,637,775	29,438,411
Committed	8,443,676	58,171,955
Assigned	-	3,248,356
Unassigned	-	1,100,000
Total fund balances	31,081,451	96,023,610
Total liabilities, deferred inflows of resources and fund balances	\$ 31,739,971	\$ 103,643,474

(Concluded)



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Town of Danville
Reconciliation of Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds \$ 96,023,610

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	149,727,528
Depreciable capital assets, net	33,536,323
Total capital assets	183,263,851

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.	(84,246)
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Unavailable revenues recorded in Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	356,498
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Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.

Long-term debt due within one year	(630,000)
Long-term liabilities - due in more than one year:	
- Certificates of participation	(5,235,000)
- Compensated absences payable	(864,890)
Total long-term debt	(6,729,890)

Net Position of Governmental Activities	\$ 272,829,823
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Town of Danville
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2021

	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	\$ 17,210,607	\$ -	\$ -	\$ -
Sales taxes	6,652,729	-	-	-
Special assessments	-	3,036,793	-	-
Other taxes	2,280,557	-	-	-
Charges for services	703,196	-	-	-
Licenses and permits	331,206	-	-	-
Development fees	-	-	441,393	-
Intergovernmental	578,900	-	-	12,847
Fines and forfeitures	86,104	-	-	-
Use of money and property	1,679,369	35,070	-	-
Reimbursement from Successor Agency	789,051	-	-	-
Miscellaneous	311,947	113,323	-	-
Total revenues	30,623,666	3,185,186	441,393	12,847
EXPENDITURES:				
Current:				
General government	1,716,334	-	-	-
Police services	8,933,507	-	-	-
Maintenance services	2,171,607	17,336	-	237,461
Lighting and landscape	-	3,903,054	-	-
Development services	900,116	-	-	1,580,141
Administrative services	3,531,194	2,797	2,747	17,230
Recreation, arts, & community services	2,333,428	-	-	60,687
Capital outlay	9,966	-	464,619	3,156,002
Debt service:				
Principal	500,000	-	-	-
Interest	289,051	-	-	-
Total expenditures	20,385,203	3,923,187	467,366	5,051,521
REVENUES OVER (UNDER) EXPENDITURES	10,238,463	(738,001)	(25,973)	(5,038,674)
OTHER FINANCING SOURCES (USES):				
Transfers in	547,553	1,200,000	-	1,925,240
Transfers out	(2,825,240)	(292,039)	(300,000)	(250,000)
Total financing sources (uses)	(2,277,687)	907,961	(300,000)	1,675,240
NET CHANGE IN FUND BALANCES	7,960,776	169,960	(325,973)	(3,363,434)
FUND BALANCES:				
Beginning of year	26,574,948	4,304,171	4,688,816	24,932,895
End of year	<u>\$ 34,535,724</u>	<u>\$ 4,474,131</u>	<u>\$ 4,362,843</u>	<u>\$ 21,569,461</u>

(Continued)

Town of Danville
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Year Ended June 30, 2021

	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:		
Property taxes	\$ -	\$ 17,210,607
Sales taxes	-	6,652,729
Special assessments	574,643	3,611,436
Other taxes	2,547,556	4,828,113
Charges for services	792,757	1,495,953
Licenses and permits	7,243	338,449
Development fees	2,500,424	2,941,817
Intergovernmental	1,067,696	1,659,443
Fines and forfeitures	-	86,104
Use of money and property	57,128	1,771,567
Reimbursement from Successor Agency	-	789,051
Miscellaneous	162,160	587,430
Total revenues	7,709,607	41,972,699
EXPENDITURES:		
Current:		
General government	16,352	1,732,686
Police services	132,292	9,065,799
Maintenance services	1,389,716	3,816,120
Lighting and landscape	-	3,903,054
Development services	3,585,423	6,065,680
Administrative services	52,385	3,606,353
Recreation, arts, & community services	76,262	2,470,377
Capital outlay	280,770	3,911,357
Debt service:		
Principal	-	500,000
Interest	-	289,051
Total expenditures	5,533,200	35,360,477
REVENUES OVER (UNDER) EXPENDITURES	2,176,407	6,612,222
OTHER FINANCING SOURCES (USES):		
Transfers in	125,000	3,797,793
Transfers out	(130,514)	(3,797,793)
Total financing sources (uses)	(5,514)	-
NET CHANGE IN FUND BALANCES	2,170,893	6,612,222
FUND BALANCES:		
Beginning of year	28,910,558	89,411,388
End of year	\$ 31,081,451	\$ 96,023,610

(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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 6,612,222
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.	3,918,364
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.	(1,876,667)
The net effect of various miscellaneous adjustments (i.e. sales and deletions) involving capital assets.	(1,568)
Revenues that have not met the revenue recognition criteria in the Fund Financial Statements are recognized as revenue in the Government-Wide Financial Statements.	7,842
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.	74,139
Repayment of bond principal reduces long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments:	
- Certificates of participation	500,000
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.	6,376
Change in Net Position of Governmental Activities	<u><u>\$ 9,240,708</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.

CUSTODIAL FUNDS

Deposits Custodial 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 Activities
Statement of Fiduciary Net Position
June 30, 2021

	Successor Agency Private Purpose Trust Fund	Deposits Custodial Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 811,748	\$ 1,101,764
Cash and investments with fiscal agents	375,017	261,232
Total assets	<u>1,186,765</u>	<u>1,362,996</u>
LIABILITIES		
Accounts payable	3,080	12,343
Loan payable to Town (Note 6)	5,059,401	-
Loan payable, due within one year	195,000	-
Loan payable, due in more than one year	1,910,000	-
Interest payable	435,814	-
Total liabilities	<u>7,603,295</u>	<u>12,343</u>
NET POSITION (DEFICIT)		
Restricted	-	1,350,653
Unrestricted (deficit)	(6,416,530)	-
Total net position	<u>\$ (6,416,530)</u>	<u>\$ 1,350,653</u>

Town of Danville
Fiduciary Activities
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

	Successor Agency Private Purpose Trust Fund	Deposits Custodial Fund
ADDITIONS:		
Property tax receipts	\$ 2,290,330	\$ -
Miscellaneous	39	19,951
Total additions	2,290,369	19,951
DEDUCTIONS:		
Amount allocated to General Fund for principal payment	680,000	-
Interest	255,812	-
Other - staff expenses and miscellaneous	21,063	-
Total deductions	956,875	-
Changes in net position	1,333,494	19,951
NET POSITION (deficit):		
Beginning of year, as restated (Note 13)	(7,750,024)	1,330,702
End of year	\$ (6,416,530)	\$ 1,350,653



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NOTES TO THE BASIC FINANCIAL STATEMENTS

Town of Danville
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For the Year Ended June 30, 2021

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Town of Danville
Notes to the Basic Financial Statements
For the Year Ended June 30, 2021

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 43,906.

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 131.25 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.

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

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

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies

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

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

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

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

Deferred Outflows of Resources represent outflows of resources (consumption of net 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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements

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

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

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

The Town reports the following major Governmental Funds:

General Fund

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

Lighting and Landscaping Special Revenue Fund

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

Regional Traffic Impact Fees Special Revenue Fund

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

Capital Improvement Capital Projects Fund

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

Fiduciary Fund Financial Statements

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 seven members, was appointed to supervise the Successor Agency’s wind down of the former CDA.

The Town reports the following Custodial Fund:

Deposits Custodial 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 Agents

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

D. 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2020. 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 (74%), Building and Planning Special Revenue Fund (11%), and Other Special Revenue Funds (15%).

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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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.

<u>Property Tax</u>	<u>Secured</u>	<u>Unsecured</u>
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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

N. Implementation of New GASB Pronouncements

During fiscal year ended June 30, 2021, the Town has implemented the following new GASB Pronouncements:

- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities* (GASB Statement No. 84), to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. It also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

- In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61* (GASB Statement No. 90), to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Implementation of this statement was not applicable because the Town did not have any majority equity interests.

- In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Implementation of this did not have a material effect on the financial statements.

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, 2021:

	Primary Government Governmental Activities	Fiduciary Fund Financial Statements	Total
Cash and investments	\$ 66,205,543	\$ 1,913,512	\$ 68,119,055
Restricted cash and investments:			
Held by Town	27,814,973	-	27,814,973
Subtotal held by Town	94,020,516	1,913,512	95,934,028
Held by fiscal agents	1,623,438	636,249	2,259,687
Total cash and investments	\$ 95,643,954	\$ 2,549,761	\$ 98,193,715

At June 30, 2021, 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, 2021:

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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	\$ 1,326,107	N/A	N/A
Investments:			
U.S. Securities:			
U.S. Treasury	22,216,256	23.48%	Level 2
Federal Securities	36,064,950	38.12%	Level 2
Asset Backed Securities	3,406,141	3.60%	Level 2
Inter-American Dev Bank Note	1,114,157	1.18%	Level 2
Int'l Bank Recon & Development	353,830	0.37%	Level 2
U.S. Corporate Notes/FDIC:			
Apple Inc. Callable	750,057	0.79%	Level 2
Berkshire Hathaway Note	1,023,651	1.08%	Level 2
Paccar Financial Corp. Note	510,161	0.54%	Level 2
Chevron Corp Callable Note	261,096	0.28%	Level 2
Toyota Motor Credit Corp	1,036,115	1.10%	Level 2
US Bank NA Callable Note	778,034	0.82%	Level 2
Bank of NY Mellon Corp Callable Note	779,597	0.82%	Level 2
Apple Inc. Note	778,112	0.82%	Level 2
Wal-Mart Stores Callable Note	847,805	0.90%	Level 2
American Honda Finance Note	1,021,668	1.08%	Level 2
John Deere Capital Corp Note	614,369	0.65%	Level 2
Amazon.com Inc. Callable Note	568,934	0.60%	Level 2
Caterpillar Financial Service Note	902,269	0.95%	Level 2
John Deere Capital Corp Note	538,391	0.57%	Level 2
JP Morgan Chase & Co. Callable Note	748,620	0.79%	Level 2
Local Agency Investment Fund (LAIF)	20,151,592	21.30%	N/A
Money Market Funds	142,116	0.15%	N/A
Total investments	<u>94,607,921</u>	<u>100.00%</u>	
Total cash and investments	<u>\$ 95,934,028</u>		

Investments securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

A. Demand Deposits

The carrying amounts of the Town's cash deposits were \$1,326,107 at June 30, 2021. Bank balances as of June 30, 2021, were \$1,326,144 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 19, 2019. 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	\$ 1,225,739
Unrealized gain (loss) on changes in fair value of investments	(1,051,236)
Total investment earnings	\$ 174,503

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, 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, 2021, the Town had \$20,151,592 invested in the LAIF, which had invested 1.10% of the pool investment funds in structured notes and asset-backed securities.

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

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

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

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 \$1,623,438 in the Governmental-wide Statement of Net Position and \$636,249 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, 2021, 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	\$ 1,326,107	\$ 1,326,107	\$ -	\$ -	\$ -	\$ -
Investments:						
U.S. Securities:						
U.S. Treasury	22,216,256	5,345,232	4,970,512	6,024,590	5,875,922	-
Federal Securities	36,064,950	5,550,990	16,769,719	13,744,241	-	-
Asset Backed Securities	3,406,141	15,679	102,641	700,643	1,309,759	1,277,419
Inter-American Dev Bank Note	1,114,157	1,114,157	-	-	-	-
Int'l Bank Recon & Development	353,830	-	-	353,830	-	-
U.S. Corporate Notes/FDIC:						
Apple Inc. Callable	750,057	750,057	-	-	-	-
Berkshire Hathaway Note	1,023,651	1,023,651	-	-	-	-
Paccar Financial Corp. Note	510,161	-	510,161	-	-	-
Chevron Corp Callable Note	261,096	-	261,096	-	-	-
Toyota Motor Credit Corp	1,036,115	-	1,036,115	-	-	-
US Bank NA Callable Note	778,034	-	778,034	-	-	-
Bank of NY Mellon Corp Callable Note	779,597	-	779,597	-	-	-
Apple Inc. Note	778,112	-	778,112	-	-	-
Wal-Mart Stores Callable Note	847,805	-	847,805	-	-	-
American Honda Finance Note	1,021,668	-	-	1,021,668	-	-
John Deere Capital Corp Note	614,369	-	-	614,369	-	-
Amazon.com Inc. Callable Note	568,934	-	-	568,934	-	-
Caterpillar Financial Service Note	902,269	-	-	902,269	-	-
John Deere Capital Corp Note	538,391	-	-	538,391	-	-
JP Morgan Chase & Co. Callable Note	748,620	-	-	-	748,620	-
Local Agency Investment Fund (LAIF)	20,151,592	20,151,592	-	-	-	-
Money Market Funds	142,116	142,116	-	-	-	-
Total investments	94,607,921	34,093,474	26,833,792	24,468,935	7,934,301	1,277,419
Total cash and investments	\$ 95,934,028	\$ 35,419,581	\$ 26,833,792	\$ 24,468,935	\$ 7,934,301	\$ 1,277,419

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, the Town's investments are rated as follows:

	Credit Quality Rating	
	Moody's	S&P
Investments:		
U.S. Securities:		
U.S. Treasury	Aaa	AA+
Federal Securities	Aaa	AA+
Asset Backed Securities	Aaa	AAA
Inter-American Dev Bank Note	Aaa	AAA
Int'l Bank Recon & Development	Aaa	AAA
U.S. Corporate Notes/FDIC:		
Apple Inc. Callable	Aa1	AA+
Berkshire Hathaway Note	Aa2	AA
Paccar Financial Corp. Note	A1	A+
Chevron Corp Callable Note	Aa2	AA-
Toyota Motor Credit Corp	A1	A+
US Bank NA Callable Note	A1	AA-
Bank of NY Mellon Corp Callable Note	A1	A
Apple Inc. Note	Aa1	AA+
Wal-Mart Stores Callable Note	Aa2	AA
American Honda Finance Note	A3	A-
John Deere Capital Corp Note	A2	A
Amazon.com Inc. Callable Note	A1	AA
Caterpillar Financial Service Note	A2	A
John Deere Capital Corp Note	A2	A
JP Morgan Chase & Co. Callable Note	A2	A-
Local Agency Investment Fund (LAIF)	Not Rated	Not Rated
Money Market Funds	Aaa	AAA

Custodial Credit Risk

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2021
Governmental Activities:					
Capital assets, not being depreciated					
Land	\$ 31,221,867	\$ -	\$ -	\$ -	\$ 31,221,867
Construction in progress	21,660,504	3,860,934	(1,568)	(90,094)	25,429,776
Infrastructure - streets, concrete & asphalt pavements	93,075,885	-	-	-	93,075,885
Total capital assets not being depreciated	<u>145,958,256</u>	<u>3,860,934</u>	<u>(1,568)</u>	<u>(90,094)</u>	<u>149,727,528</u>
Capital assets being depreciated					
Buildings and parking lots/street	39,873,605	-	(4,930)	90,094	39,958,769
Park improvements	24,041,510	-	-	-	24,041,510
Furniture and equipment	4,978,441	57,430	(71,995)	-	4,963,876
Infrastructure:					
Drainage system	56,689,603	-	-	-	56,689,603
Bridges	11,069,233	-	-	-	11,069,233
Signal system	6,997,956	-	-	-	6,997,956
Total capital assets being depreciated	<u>143,650,348</u>	<u>57,430</u>	<u>(76,925)</u>	<u>90,094</u>	<u>143,720,947</u>
Accumulated depreciation					
Buildings and parking lots	(12,718,789)	(1,105,929)	-	-	(13,824,718)
Park improvements	(21,685,367)	(271,560)	-	-	(21,956,927)
Furniture and equipment	(4,547,459)	(185,954)	76,925	-	(4,656,488)
Infrastructure:					
Drainage system	(56,209,211)	(23,728)	-	-	(56,232,939)
Bridges	(7,618,227)	(162,390)	-	-	(7,780,617)
Signal system	(5,605,829)	(127,106)	-	-	(5,732,935)
Total accumulated depreciation	<u>(108,384,882)</u>	<u>(1,876,667)</u>	<u>76,925</u>	<u>-</u>	<u>(110,184,624)</u>
Total capital assets, being depreciated, net	<u>35,265,466</u>	<u>(1,819,237)</u>	<u>-</u>	<u>90,094</u>	<u>33,536,323</u>
Governmental activities capital assets, net	<u><u>\$ 181,223,722</u></u>	<u><u>\$ 2,041,697</u></u>	<u><u>\$ (1,568)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 183,263,851</u></u>

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 4 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Depreciation expenses by program for capital assets for the year ended June 30, 2021, were as follows:

Police Services	
Building	\$ 19,250
Furniture & equipment (vehicle)	57,918
Subtotal	<u>77,168</u>
Maintenance Services	
Building	489,875
Parking lots	270,907
Park improvements	466,895
Furniture & equipment (vehicle)	74,962
Subtotal	<u>1,302,639</u>
Development Services	
Furniture & equipment (vehicle)	7,846
Infrastructure - drainage	23,728
Infrastructure - bridge	162,390
Subtotal	<u>193,964</u>
Transportation Services	
Furniture & equipment (vehicle)	1,362
Infrastructure - signal	127,106
Subtotal	<u>128,468</u>
Administrative Services	
Building	1,212
Furniture & equipment (vehicle)	37,062
Subtotal	<u>38,274</u>
Parks and Recreation Services	
Building	126,491
Park improvements	2,859
Furniture & equipment (vehicle)	6,804
Subtotal	<u>136,154</u>
Total depreciation expense	<u>\$ 1,876,667</u>

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 5 – Interfund Transactions

A. Transfers In/Out

Transfers in/out for the year ended June 30, 2021, 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)	
General Fund	\$ -	\$ 900,000	\$ 1,925,240	\$ -	\$ 2,825,240
Lighting & Landscape Special Revenue Fund	292,039	-	-	-	292,039
Regional Traffic Impact Fees Special Revenue Fund	-	300,000	-	-	300,000
Capital Improvement Capital Projects Fund	250,000	-	-	-	250,000
Non-Major Governmental Fund	5,514	-	-	125,000	130,514
Total	\$ 547,553	\$ 1,200,000	\$ 1,925,240	\$ 125,000	\$ 3,797,793

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 Funds from other Non-Major Governmental Funds were to fund various capital projects.
- (4) Transfers in to the General Fund from the Non-Major Governmental Funds were for reimbursements for administration.

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, 2021:

Government-Wide Financial Statements

Loans Receivable	
Cooperative Loan Agreement	\$ 5,059,401
Total	<u>\$ 5,059,401</u>
Reimbursements from Successor Agency	<u>\$ 789,051</u>

Funds Financial Statements

General Fund

Due from Successor Agency from Former Community Development Agency	\$ 5,059,401
Total	<u>\$ 5,059,401</u>

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

**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
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	\$ 5,059,401

Note 7 – Unearned Revenue

Unearned revenue in Government-Wide Financial Statements and governmental funds statements represents amounts for which revenues have not been earned. At June 30, 2021, unearned revenues in the Government-Wide Financial Statements and governmental funds statements were as follows:

	Governmental Activities
Business Licenses	\$ 159,032
Other Town-reimbursed fees	205,845
Recreation program registration	248,652
Total	\$ 613,529

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Long-Term Obligations

A. Governmental Activities

A summary of changes in long-term debt for the year ended June 30, 2021 is as follows:

Description	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Classification	
					Due Within One Year	Due in More than One Year
Publicly offered COPs:						
2001 issue	\$ 2,645,000	\$ -	\$ (325,000)	\$ 2,320,000	\$ 340,000	\$ 1,980,000
2005 issue	3,610,000	-	(175,000)	3,435,000	180,000	3,255,000
Compensated absences	1,049,029	740,013	(814,152)	974,890	110,000	864,890
Total	\$ 7,304,029	\$ 740,013	\$ (1,314,152)	\$ 6,729,890	\$ 630,000	\$ 6,099,890

Certificates of Participation – 2001 Issue

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

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

The annual debt service requirements for the 2001 COPs outstanding at June 30, 2021 are as follows:

For the Years Ending June 30,	Principal	Interest	Total
2023	355,000	90,125	445,125
2024	380,000	71,750	451,750
2025	395,000	52,375	447,375
2026	415,000	32,125	447,125
2027	435,000	10,875	445,875
Total	\$ 2,320,000	\$ 364,750	\$ 2,684,750

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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. In the event of default, there is no acceleration clause, however, the Town may be forced to relinquish possession and use of the property until the curing of such default.

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

The annual debt service requirements for the 2005 COPs outstanding at June 30, 2021, are as follows:

For the Years Ending				
June 30,	Principal	Interest	Total	
2022	\$ 180,000	\$ 157,676	\$ 337,676	
2023	190,000	149,800	339,800	
2024	200,000	141,250	341,250	
2025	205,000	132,250	337,250	
2026	215,000	123,025	338,025	
2027-2031	1,235,000	456,488	1,691,488	
2032-2035	1,210,000	143,375	1,353,375	
Total	\$ 3,435,000	\$ 1,303,864	\$ 4,738,864	

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

Compensated Absences

The Town's liability for vested and unpaid compensated absences (accrued vacation and sick pay) has been accrued and amounts to \$974,890 at June 30, 2021. It is estimated that \$110,000 will be needed to cover employees who leave employment within one year.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 8 – Long-Term Obligations (Continued)

B. Fiduciary Fund Financial Statements

Summary of changes in long-term obligations for the year ended June 30, 2021 was as follows:

Description	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Classification	
					Due Within One Year	Due in More than One Year
Loans payable	\$ 2,285,000	\$ -	\$ (180,000)	\$ 2,105,000	\$ 195,000	\$ 1,910,000
Total	\$ 2,285,000	\$ -	\$ (180,000)	\$ 2,105,000	\$ 195,000	\$ 1,910,000

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, 2021 are as follows:

For the Years Ending June 30,	Principal			Interest			Total		
2022	\$	195,000	\$	170,638	\$	365,638			
2023		210,000		153,425		363,425			
2024		230,000		134,725		364,725			
2025		250,000		114,325		364,325			
2026		270,000		92,225		362,225			
2027-2029		950,000		125,801		1,075,801			
Total	\$	2,105,000	\$	791,139	\$	2,896,139			

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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, 2021, was \$8,163,615. Total employee contributions paid by the Town amounted to \$1,219,788 or 15.18% 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, 2021, the Plan had 159 participants and the market value of the Plan amounted to \$27,485,176.

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 \$57,030. As of June 30, 2021, the Plan had two participants and the market value of the Plan amounted to \$358,103.

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 10 – Fund Balance Classification

At June 30, 2021, 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	\$ 3,959,401	\$ -	\$ -	\$ -	\$ -	\$ 3,959,401
Prepaid items	105,487	-	-	-	-	105,487
Total nonspendable	4,064,888	-	-	-	-	4,064,888
Restricted						
Special revenue	-	1,628,275	4,362,843	-	22,637,775	28,628,893
Debt services	809,518	-	-	-	-	809,518
Total restricted	809,518	1,628,275	4,362,843	-	22,637,775	29,438,411
Committed						
Capital projects	12,308,924	-	-	21,569,461	8,443,676	42,322,061
Operating reserve	13,809,768	-	-	-	-	13,809,768
Contingency	834,787	-	-	-	-	834,787
Reward fund	10,000	-	-	-	-	10,000
Compensated absences/personnel	1,195,339	-	-	-	-	1,195,339
Total committed	28,158,818	-	-	21,569,461	8,443,676	58,171,955
Assigned						
Townwide bonus program	26,000	-	-	-	-	26,000
Town Council	5,000	-	-	-	-	5,000
Emergency preparedness COVID-19	78,256	-	-	-	-	78,256
Finance consulting services	40,000	-	-	-	-	40,000
Information technology consulting services	20,000	-	-	-	-	20,000
Human resources temporary salaries	40,000	-	-	-	-	40,000
ED retail incentive program	153,229	-	-	-	-	153,229
ED retail consultant	13,015	-	-	-	-	13,015
Transportation equipment maintenance	22,000	-	-	-	-	22,000
Townwide special events equipment	5,000	-	-	-	-	5,000
Lighting and landscaping	-	2,845,856	-	-	-	2,845,856
Total assigned	402,500	2,845,856	-	-	-	3,248,356
Unassigned	1,100,000	-	-	-	-	1,100,000
Total fund balance	\$ 34,535,724	\$ 4,474,131	\$ 4,362,843	\$ 21,569,461	\$ 31,081,451	\$ 96,023,610

Operating Reserve

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

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

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 \$596,291 for fiscal year 2020/2021 are in accordance with formulas established by the MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

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

Fiscal Year	Beginning of Year Liability	Claims and Changes in Estimates	Payments for Current and Prior Years	End of Year Liability
2018-2019	\$ 41,919	\$ 3,072	\$ (10,481)	\$ 34,510
2019-2020	34,510	33,060	(13,580)	53,990
2020-2021	53,990	8,013	(5,489)	56,514

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

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

Insurance cost	\$ 576,291
Less: dividend received	-
Net insurance cost	<u>\$ 576,291</u>

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 11 – Risk Management (Continued)

The MPA's audited condensed financial information as of and for the year ended June 30, 2020, are as follows:

Total assets	\$ 81,547,292
Total deferred outflows of resources	<u>\$ 626,506</u>
Total liabilities	<u>\$ 52,525,196</u>
Total deferred inflows of resources	<u>\$ 77,680</u>
Total net position	<u>\$ 29,570,922</u>
Total operating revenues	<u>\$ 31,902,314</u>
Total operating expenses	<u>\$ 32,043,707</u>
Net operating (loss)	<u>\$ (141,393)</u>
Non-operating revenues (expenses)	<u>\$ 3,699,141</u>
Change in net position	<u>\$ 3,557,748</u>

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.

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, 2021, the Town's appropriations limit totals \$43,684,464 and the Town's appropriations subject to limitation were \$20,120,533.

Town of Danville
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2021

Note 12 – Commitments and Contingencies (Continued)

2021 Appropriation Limit

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

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

Construction Commitments

The Town has several outstanding or planned construction projects as of June 30, 2021. These projects are evidenced by contractual commitments with contractors. As of June 30, 2021, the Town's outstanding contractual commitments amount were \$5,406,643.

Note 13 – Prior Period Adjustments

In order to implement GASB Statement No. 84 – *Fiduciary Activities*, the Town made the following prior period adjustments to beginning net position in the Fiduciary Activities Deposits Custodial Fund as follows:

	Deposits Custodial Fund
Net position July 1, 2020	\$ -
Restatement for GASB 84	1,330,702
Restated net position July 1, 2020	\$ 1,330,702

Note 14 – Subsequent Events

American Rescue Plan Act of 2021

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (ARPA), a \$1.9 trillion economic stimulus bill intended to speed up the United States' recovery from the economic and health effects of the Coronavirus pandemic. The ARPA includes \$65 billion for cities, to help bridge budget shortfalls and mitigate fiscal impacts resulting from the pandemic. These funds will assist the Town by offsetting pandemic-driven revenue losses and remediation costs. Based upon Treasury Department calculation, the Town was awarded \$10.65 million in Coronavirus Local Fiscal Recovery (CLFR) Funds under the ARPA.



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**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Town of Danville
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2021

Note 1 – Budgetary Information

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

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

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

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2021

Note 2 – Budgetary Comparison Schedule

General Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Property taxes	\$ 15,000,060	\$ 15,000,060	\$ 17,210,607	\$ 2,210,547
Sales taxes	4,393,925	4,393,925	6,652,729	2,258,804
Other taxes	2,304,018	2,304,018	2,280,557	(23,461)
Charges for services	1,123,070	1,123,070	703,196	(419,874)
Licenses and permits	146,060	146,060	331,206	185,146
Intergovernmental	1,010	1,010	578,900	577,890
Fines and forfeitures	141,400	141,400	86,104	(55,296)
Use of money and property	591,543	591,543	1,679,369	1,087,826
Reimbursement from Successor Agency	789,051	789,051	789,051	-
Miscellaneous	262,439	262,439	311,947	49,508
Total revenues	<u>24,752,576</u>	<u>24,752,576</u>	<u>30,623,666</u>	<u>5,871,090</u>
EXPENDITURES:				
Current:				
General government	1,836,661	2,029,828	1,716,334	313,494
Police services	10,072,889	10,131,647	8,933,507	1,198,140
Maintenance services	2,371,738	2,494,955	2,171,607	323,348
Development services	871,194	887,481	900,116	(12,635)
Administrative services	3,733,471	4,357,360	3,531,194	826,166
Recreation, arts, & community services	3,884,286	3,928,969	2,333,428	1,595,541
Capital outlay	15,600	15,600	9,966	5,634
Debt service:				
Principal	500,000	500,000	500,000	-
Interest	289,051	289,051	289,051	-
Total expenditures	<u>23,574,890</u>	<u>24,634,891</u>	<u>20,385,203</u>	<u>4,249,688</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,177,686</u>	<u>117,685</u>	<u>10,238,463</u>	<u>10,120,778</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	547,553	547,553
Transfers out	(4,085,422)	(4,085,422)	(2,825,240)	1,260,182
Total other financing sources (uses)	<u>(4,085,422)</u>	<u>(4,085,422)</u>	<u>(2,277,687)</u>	<u>1,807,735</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,907,736)</u>	<u>\$ (3,967,737)</u>	<u>7,960,776</u>	<u>\$ 11,928,513</u>
FUND BALANCE:				
Beginning of year			26,574,948	
End of year			<u>\$ 34,535,724</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2021

Note 2 – Budgetary Comparison Schedule (Continued)

Lighting and Landscape Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance From Final Budget
REVENUES:				
Special assessments	\$ 3,031,853	\$ 3,031,853	\$ 3,036,793	\$ 4,940
Use of money and property	8,999	8,999	35,070	26,071
Miscellaneous	88,898	88,898	113,323	24,425
Total revenues	<u>3,129,750</u>	<u>3,129,750</u>	<u>3,185,186</u>	<u>55,436</u>
EXPENDITURES:				
Current:				
Maintenance services	305,021	305,021	17,336	287,685
Lighting and landscape	3,878,570	4,034,769	3,903,054	131,715
Development services	291,209	291,209	-	291,209
Administrative services	2,426	2,426	2,797	(371)
Recreation, arts, & community services	27,504	27,504	-	27,504
Capital outlay	250	250	-	250
Total expenditures	<u>4,504,980</u>	<u>4,661,179</u>	<u>3,923,187</u>	<u>737,992</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,375,230)</u>	<u>(1,531,429)</u>	<u>(738,001)</u>	<u>793,428</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,200,000	1,200,000
Transfers out	(292,039)	(292,039)	(292,039)	-
Total other financing sources (uses)	<u>(292,039)</u>	<u>(292,039)</u>	<u>907,961</u>	<u>1,200,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,667,269)</u>	<u>\$ (1,823,468)</u>	<u>169,960</u>	<u>\$ 1,993,428</u>
FUND BALANCE:				
Beginning of year			<u>4,304,171</u>	
End of year			<u>\$ 4,474,131</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2021

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	\$ -	\$ -	\$ 441,393	\$ 441,393
Intergovernmental	114,632	-	-	-
Miscellaneous	4,735	4,735	-	(4,735)
Total revenues	<u>119,367</u>	<u>4,735</u>	<u>441,393</u>	<u>436,658</u>
EXPENDITURES:				
Current:				
Administrative services	10,398	10,398	2,747	7,651
Capital outlay	1,391,049	1,180,001	464,619	715,382
Total expenditures	<u>1,401,447</u>	<u>1,190,399</u>	<u>467,366</u>	<u>723,033</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,282,080)</u>	<u>(1,185,664)</u>	<u>(25,973)</u>	<u>1,159,691</u>
OTHER FINANCING (USES)				
Transfers out	-	-	(300,000)	(300,000)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,282,080)</u>	<u>\$ (1,185,664)</u>	<u>(325,973)</u>	<u>\$ 859,691</u>
FUND BALANCE:				
Beginning of year			<u>4,688,816</u>	
End of year			<u>\$ 4,362,843</u>	

Town of Danville
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2021

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 April 2020, 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 2017. 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, 2021

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

The Town's policy is to achieve a minimum average rating of 70 for all streets, which is a "very good" rating. As of June 30, 2021, the Town's street system was rated at a PCI index of 81 on the average with the detail condition as follows:

Street Condition	% of Streets
Very Good (PCI 70-100)	80%
Good (PCI 50-69)	17%
Poor (PCI 26-49)	3%
Very Poor (PCI 0-25)	0%
	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 \$1,792,695 of the General Fund monies on street maintenance for the fiscal year ended June 30, 2021. 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 2021 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			
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
2019-20	3,000,000	966,845	140,711	1,107,556	81
2020-21	-	1,792,695	256,185	2,048,880	81

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, 2021, approximately 20% of the Town's streets were rated below the average standard of 70. The Town will continue to rehabilitate these segments of the streets. Total deficiencies (deferred maintenance) identified in the Pavement Management System amounted to approximately \$16,500,000 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 cents (\$0.60) per month per subscriber to support Public, Educational and Governmental ("PEG") channel facilities. This fund is restricted to capital expenditures allowing the Town to provide PEG programming to residents.

Gas Tax Fund

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

Building/Planning Fund

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

Development Engineering Fund

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

Child Care Fund

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

Stormwater Pollution Control Program (SPCP) Fund

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

Measure C/J Fund

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

Donations and Contributions Fund

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

General Development Impact Fees Fund

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

Town of Danville

Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Public Safety Fund

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

Old Town Parking In-Lieu Fund

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

Solid Waste Vehicle Impact Fee Fund

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

Low and Moderate Income Housing Fund

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

CAPITAL PROJECTS FUNDS

Asset Replacement General Fund

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

Asset Replacement Library Fund

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

Civic Facilities Capital Projects Fund

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

Park Facilities Fund

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

Northeast Road Improvements Assessment District Fund

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

Town of Danville

Non-Major Governmental Funds

Tassajara Road Improvements Assessment District Fund

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

Sycamore Valley Assessment District Fund

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

Technology Fund

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

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2021

	Special Revenue				
	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
ASSETS					
Cash and investments	\$ 273,089	\$ 3,689,221	\$ 4,061,264	\$ 1,843,882	\$ 297,459
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	19,088	-	100	-	-
Interest	663	5,610	-	-	524
Total assets	\$ 292,840	\$ 3,694,831	\$ 4,061,364	\$ 1,843,882	\$ 297,983
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	15,578	88,667	60,188	-	47
Accrued wages	-	35,112	77,480	6,057	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	65,170	-
Unearned revenue	-	-	7,668	-	-
Total liabilities	15,578	123,779	145,336	71,227	47
Fund Balances:					
Restricted	277,262	3,571,052	3,916,028	1,772,655	297,936
Committed	-	-	-	-	-
Total fund balances	277,262	3,571,052	3,916,028	1,772,655	297,936
Total liabilities and fund balances	\$ 292,840	\$ 3,694,831	\$ 4,061,364	\$ 1,843,882	\$ 297,983

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2021

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
ASSETS					
Cash and investments	\$ 2,310,163	\$ 2,590,263	\$ 305,152	\$ 4,003,256	\$ 546,761
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	11,269	2,288	-	-	6,623
Interest	4,221	4,538	579	6,223	1,168
Total assets	<u>\$ 2,325,653</u>	<u>\$ 2,597,089</u>	<u>\$ 305,731</u>	<u>\$ 4,009,479</u>	<u>\$ 554,552</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	27,506	22,335	3,301	112,259	105
Accrued wages	523	7,801	-	-	271
Retention payable	-	-	-	8,615	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>28,029</u>	<u>30,136</u>	<u>3,301</u>	<u>120,874</u>	<u>376</u>
Fund Balances:					
Restricted	2,297,624	2,566,953	302,430	3,888,605	554,176
Committed	-	-	-	-	-
Total fund balances	<u>2,297,624</u>	<u>2,566,953</u>	<u>302,430</u>	<u>3,888,605</u>	<u>554,176</u>
Total liabilities and fund balances	<u>\$ 2,325,653</u>	<u>\$ 2,597,089</u>	<u>\$ 305,731</u>	<u>\$ 4,009,479</u>	<u>\$ 554,552</u>

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2021

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fees	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
ASSETS					
Cash and investments	\$ 609,316	\$ 1,338,122	\$ 1,242,520	\$ 2,939,550	\$ 853,573
Cash and investments with fiscal agent	-	-	-	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	1,066	-	2,401	4,324	1,283
Total assets	\$ 610,382	\$ 1,338,122	\$ 1,244,921	\$ 2,943,874	\$ 854,856
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	96	-	275	40,846	10,535
Accrued wages	-	-	-	-	-
Retention payable	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	96	-	275	40,846	10,535
Fund Balances:					
Restricted	610,286	1,338,122	1,244,646	-	-
Committed	-	-	-	2,903,028	844,321
Total fund balances	610,286	1,338,122	1,244,646	2,903,028	844,321
Total liabilities and fund balances	\$ 610,382	\$ 1,338,122	\$ 1,244,921	\$ 2,943,874	\$ 854,856

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2021

	Capital Projects				
	Civic Facilities	Park Facilities	Northeast Road Improvements Special Assessment	Tassajara Ranch Assessment District	Sycamore Valley Assessment District
ASSETS					
Cash and investments	\$ 380,301	\$ 2,250,142	\$ 443,377	\$ 35,448	\$ 16,703
Cash and investments with fiscal agent	-	-	813,920	-	-
Receivables (net of allowances):					
Accounts	-	-	-	-	-
Interest	773	3,822	4,418	69	17
Total assets	\$ 381,074	\$ 2,253,964	\$ 1,261,715	\$ 35,517	\$ 16,720
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	70	52,740	12,792	1	2
Accrued wages	-	-	-	-	-
Retention payable	180	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	250	52,740	12,792	1	2
Fund Balances:					
Restricted	-	-	-	-	-
Committed	380,824	2,201,224	1,248,923	35,516	16,718
Total fund balances	380,824	2,201,224	1,248,923	35,516	16,718
Total liabilities and fund balances	\$ 381,074	\$ 2,253,964	\$ 1,261,715	\$ 35,517	\$ 16,720

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Balance Sheet (Continued)
June 30, 2021

	<u>Capital Projects</u>	
	Technology Fund	Total Non-Major Governmental Funds
ASSETS		
Cash and investments	\$ 815,422	\$ 30,844,984
Cash and investments with fiscal agent	-	813,920
Receivables (net of allowances):		
Accounts	-	39,368
Interest	-	41,699
Total assets	\$ 815,422	\$ 31,739,971
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	2,300	449,643
Accrued wages	-	127,244
Retention payable	-	8,795
Deposits payable	-	65,170
Unearned revenue	-	7,668
Total liabilities	2,300	658,520
Fund Balances:		
Restricted	-	22,637,775
Committed	813,122	8,443,676
Total fund balances	813,122	31,081,451
Total liabilities and fund balances	\$ 815,422	\$ 31,739,971

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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, 2021

	Special Revenue				
	PEG	Gas Tax	Building/ Planning	Development Engineering	Child Care
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	77,533	1,751,099	-	-	-
Charges for services	-	-	412,259	370,082	-
License and permits	-	-	7,243	-	-
Development fees	-	-	2,320,143	1,546	-
Intergovernmental	-	-	-	-	-
Use of money and property	4,080	30,794	-	-	1,572
Miscellaneous	-	-	-	-	-
Total revenues	81,613	1,781,893	2,739,645	371,628	1,572
EXPENDITURES:					
Current:					
General government	16,352	-	-	-	-
Police services	-	-	-	-	-
Maintenance services	-	820,720	-	-	-
Development services	-	581,982	2,067,706	151,496	-
Administrative services	270	4,583	-	-	236
Recreation, arts & community services	-	-	-	-	-
Capital outlay	15,519	-	-	-	-
Total expenditures	32,141	1,407,285	2,067,706	151,496	236
REVENUES OVER (UNDER) EXPENDITURES	49,472	374,608	671,939	220,132	1,336
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(75,000)	-	(50,000)	-	(600)
Total other financing sources (uses)	(75,000)	-	(50,000)	-	(600)
NET CHANGE IN FUND BALANCES	(25,528)	374,608	621,939	220,132	736
FUND BALANCES:					
Beginning of year	302,790	3,196,444	3,294,089	1,552,523	297,200
End of year	<u>\$ 277,262</u>	<u>\$ 3,571,052</u>	<u>\$ 3,916,028</u>	<u>\$ 1,772,655</u>	<u>\$ 297,936</u>

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
For the Year Ended June 30, 2021

	Special Revenue				
	Stormwater Pollution Control Program	Measure C/J	Donation and Contributions	General Development Impact Fees	Public Safety
REVENUES:					
Special assessments	\$ 574,643	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	10,416	-	-	-	-
License and permits	-	-	-	-	-
Development fees	-	-	-	131,615	-
Intergovernmental	-	889,182	-	-	178,514
Use of money and property	24,309	20,577	3,487	-	7,462
Miscellaneous	-	-	135,112	-	-
Total revenues	609,368	909,759	138,599	131,615	185,976
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police services	-	-	10,715	-	121,577
Maintenance services	7,184	84,264	493	3,000	-
Development services	481,559	274,134	-	17,946	-
Administrative services	1,714	1,637	196	2,992	472
Recreation, Arts & Community Services	-	-	-	65,662	-
Capital outlay	3,615	-	-	32,746	-
Total expenditures	494,072	360,035	11,404	122,346	122,049
REVENUES OVER (UNDER) EXPENDITURES	115,296	549,724	127,195	9,269	63,927
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	115,296	549,724	127,195	9,269	63,927
FUND BALANCES:					
Beginning of year	2,182,328	2,017,229	175,235	3,879,336	490,249
End of year	\$ 2,297,624	\$ 2,566,953	\$ 302,430	\$ 3,888,605	\$ 554,176

(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, 2021

	Special Revenue			Capital Projects	
	Old Town Parking In- Lieu	Solid Waste Vehicle Impact Fees	Low and Moderate Income Housing	Asset Replacement General	Asset Replacement Library
REVENUES:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	718,924	-	-	-
Charges for services	-	-	-	-	-
License and permits	-	-	-	-	-
Development fees	47,120	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	2,513	-	16,530	(49,183)	(6,098)
Miscellaneous	-	-	27,048	-	-
Total revenues	49,633	718,924	43,578	(49,183)	(6,098)
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	-	-
Maintenance services	-	-	-	-	10,420
Development services	-	-	-	-	-
Administrative services	448	-	1,755	25,008	568
Recreation, arts & community services	-	-	-	-	-
Capital outlay	-	-	-	8,750	-
Total expenditures	448	-	1,755	33,758	10,988
REVENUES OVER (UNDER) EXPENDITURES	49,185	718,924	41,823	(82,941)	(17,086)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	125,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	125,000	-
NET CHANGE IN FUND BALANCES	49,185	718,924	41,823	42,059	(17,086)
FUND BALANCES:					
Beginning of year	561,101	619,198	1,202,823	2,860,969	861,407
End of year	<u>\$ 610,286</u>	<u>\$ 1,338,122</u>	<u>\$ 1,244,646</u>	<u>\$ 2,903,028</u>	<u>\$ 844,321</u>

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
For the Year Ended June 30, 2021

	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	3,472	-	3,091	547	(6,025)
Miscellaneous	-	-	-	-	-
Total revenues	3,472	-	3,091	547	(6,025)
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Police services	-	-	-	-	-
Maintenance services	-	463,635	-	-	-
Development services	-	10,600	-	-	-
Administrative services	339	1,463	1,071	4	9
Recreation, arts & community services	-	10,600	-	-	-
Capital outlay	8,045	179,395	32,700	-	-
Total expenditures	8,384	665,693	33,771	4	9
REVENUES OVER (UNDER) EXPENDITURES	(4,912)	(665,693)	(30,680)	543	(6,034)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(4,914)	-	-
Total other financing sources (uses)	-	-	(4,914)	-	-
NET CHANGE IN FUND BALANCES	(4,912)	(665,693)	(35,594)	543	(6,034)
FUND BALANCES:					
Beginning of year	385,736	2,866,917	1,284,517	34,973	22,752
End of year	<u>\$ 380,824</u>	<u>\$ 2,201,224</u>	<u>\$ 1,248,923</u>	<u>\$ 35,516</u>	<u>\$ 16,718</u>

(Continued)

Town of Danville
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
For the Year Ended June 30, 2021

	<u>Capital Projects</u>	
	Technology Fund	Total Non-Major Governmental Funds
REVENUES:		
Special assessments	\$ -	\$ 574,643
Other taxes	-	2,547,556
Charges for services	-	792,757
License and permits	-	7,243
Development fees	-	2,500,424
Intergovernmental	-	1,067,696
Use of money and property	-	57,128
Miscellaneous	-	162,160
Total revenues	-	7,709,607
EXPENDITURES:		
Current:		
General government	-	16,352
Police services	-	132,292
Maintenance services	-	1,389,716
Development services	-	3,585,423
Administrative services	9,620	52,385
Recreation, arts & community services	-	76,262
Capital outlay	-	280,770
Total expenditures	9,620	5,533,200
REVENUES OVER (UNDER) EXPENDITURES	(9,620)	2,176,407
OTHER FINANCING SOURCES (USES):		
Transfers in	-	125,000
Transfers out	-	(130,514)
Total other financing sources (uses)	-	(5,514)
NET CHANGE IN FUND BALANCES	(9,620)	2,170,893
FUND BALANCES:		
Beginning of year	822,742	28,910,558
End of year	\$ 813,122	\$ 31,081,451

(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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 92,217	\$ 92,217	\$ 77,533	\$ (14,684)
Use of money and property	-	-	4,080	4,080
Total revenues	<u>92,217</u>	<u>92,217</u>	<u>81,613</u>	<u>(10,604)</u>
EXPENDITURES:				
Current:				
General government	16,352	16,352	16,352	-
Administrative services	514	514	270	244
Capital outlay	276,566	276,566	15,519	261,047
Total expenditures	<u>293,432</u>	<u>293,432</u>	<u>32,141</u>	<u>261,291</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(201,215)</u>	<u>(201,215)</u>	<u>49,472</u>	<u>250,687</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(100,000)	(100,000)	(75,000)	25,000
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(75,000)</u>	<u>25,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (301,215)</u>	<u>\$ (301,215)</u>	<u>(25,528)</u>	<u>\$ 275,687</u>
FUND BALANCE:				
Beginning of year			<u>302,790</u>	
End of year			<u>\$ 277,262</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 954,252	\$ 954,252	\$ 1,751,099	\$ 796,847
Use of money and property	14,828	14,828	30,794	15,966
Total revenues	<u>969,080</u>	<u>969,080</u>	<u>1,781,893</u>	<u>812,813</u>
EXPENDITURES:				
Current:				
Maintenance services	798,511	856,764	820,720	36,044
Development services	1,979,929	2,019,932	581,982	1,437,950
Administrative services	4,903	4,903	4,583	320
Capital outlay	500	500	-	500
Total expenditures	<u>2,783,843</u>	<u>2,882,099</u>	<u>1,407,285</u>	<u>1,474,814</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,814,763)</u>	<u>\$ (1,913,019)</u>	374,608	<u>\$ 2,287,627</u>
FUND BALANCE:				
Beginning of year			<u>3,196,444</u>	
End of year			<u>\$ 3,571,052</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 351,200	\$ 351,200	\$ 412,259	\$ 61,059
Licenses and permits	-	-	7,243	7,243
Development fees	1,431,258	1,431,258	2,320,143	888,885
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	<u>1,787,458</u>	<u>1,787,458</u>	<u>2,739,645</u>	<u>952,187</u>
EXPENDITURES:				
Current:				
Development services	1,927,944	2,368,801	2,067,706	301,095
Total expenditures	<u>1,927,944</u>	<u>2,368,801</u>	<u>2,067,706</u>	<u>301,095</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(140,486)</u>	<u>(581,343)</u>	<u>671,939</u>	<u>1,253,282</u>
OTHER FINANCING (USES)				
Transfers out	(100,000)	(100,000)	(50,000)	50,000
Total other financing (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(50,000)</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (240,486)</u>	<u>\$ (681,343)</u>	<u>621,939</u>	<u>\$ 1,303,282</u>
FUND BALANCE:				
Beginning of year			<u>3,294,089</u>	
End of year			<u>\$ 3,916,028</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 260,035	\$ 260,035	\$ 370,082	\$ 110,047
Development fees	500	500	1,546	1,046
Total revenues	<u>260,535</u>	<u>260,535</u>	<u>371,628</u>	<u>111,093</u>
EXPENDITURES:				
Current:				
Development services	180,336	190,336	151,496	38,840
Total expenditures	<u>180,336</u>	<u>190,336</u>	<u>151,496</u>	<u>38,840</u>
NET CHANGE IN FUND BALANCE	<u>\$ 80,199</u>	<u>\$ 70,199</u>	220,132	<u>\$ 149,933</u>
FUND BALANCE:				
Beginning of year			<u>1,552,523</u>	
End of year			<u>\$ 1,772,655</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 1,199	\$ 1,199	\$ 1,572	\$ 373
Total revenues	<u>1,199</u>	<u>1,199</u>	<u>1,572</u>	<u>373</u>
EXPENDITURES				
Current:				
Administrative services	207	207	236	(29)
Total expenditures	<u>207</u>	<u>207</u>	<u>236</u>	<u>(29)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>992</u>	<u>992</u>	<u>1,336</u>	<u>344</u>
OTHER FINANCING (USES)				
Transfers out	(600)	(600)	(600)	-
Total other financing (uses)	<u>(600)</u>	<u>(600)</u>	<u>(600)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 392</u>	<u>\$ 392</u>	<u>736</u>	<u>\$ 344</u>
FUND BALANCE:				
Beginning of year			<u>297,200</u>	
End of year			<u>\$ 297,936</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Special assessments	\$ 562,154	\$ 562,154	\$ 574,643	\$ 12,489
Charges for services	1,010	11,725	10,416	(1,309)
Intergovernmental	(11,780)	(11,780)	-	11,780
Use of money and property	9,536	9,536	24,309	14,773
Total revenues	560,920	571,635	609,368	37,733
EXPENDITURES:				
Current:				
Maintenance services	16,393	21,393	7,184	14,209
Development services	547,826	570,931	481,559	89,372
Administrative services	1,383	1,383	1,714	(331)
Recreation, arts & community services	3,651	3,651	-	3,651
Capital outlay	162,600	162,600	3,615	158,985
Total expenditures	731,853	759,958	494,072	265,886
NET CHANGE IN FUND BALANCE	\$ (170,933)	\$ (188,323)	115,296	\$ 303,619
FUND BALANCE:				
Beginning of year			2,182,328	
End of year			<u>\$ 2,297,624</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 6,470,532	\$ 6,495,532	\$ 889,182	\$ (5,606,350)
Use of money and property	10,139	10,139	20,577	10,438
Total revenues	6,480,671	6,505,671	909,759	(5,595,912)
EXPENDITURES:				
Current:				
Maintenance services	396,103	376,103	84,264	291,839
Development services	3,654,295	3,771,795	274,134	3,497,661
Administrative services	1,518	1,518	1,637	(119)
Capital outlay	3,722,907	3,722,907	-	3,722,907
Total expenditures	7,774,823	7,872,323	360,035	7,512,288
REVENUES OVER (UNDER) EXPENDITURES	(1,294,152)	(1,366,652)	549,724	1,916,376
NET CHANGE IN FUND BALANCE	\$ (1,294,152)	\$ (1,366,652)	549,724	\$ 1,916,376
FUND BALANCE:				
Beginning of year			2,017,229	
End of year			<u>\$ 2,566,953</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ 974	\$ 974	\$ 3,487	\$ 2,513
Miscellaneous	3,760	3,760	135,112	131,352
Total revenues	<u>4,734</u>	<u>4,734</u>	<u>138,599</u>	<u>133,865</u>
EXPENDITURES:				
Current:				
General government	1,500	1,500	-	1,500
Police services	-	9,142	10,715	(1,573)
Maintenance services	35,084	35,368	493	34,875
Administrative services	275	275	196	79
Total expenditures	<u>36,859</u>	<u>46,285</u>	<u>11,404</u>	<u>34,881</u>
NET CHANGE IN FUND BALANCE	<u>\$ (32,125)</u>	<u>\$ (41,551)</u>	127,195	<u>\$ 168,746</u>
FUND BALANCE:				
Beginning of year			<u>175,235</u>	
End of year			<u>\$ 302,430</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Development fees	\$ -	\$ -	\$ 131,615	\$ 131,615
Intergovernmental	4,732	4,732	-	(4,732)
Use of money and property	-	-	-	-
Miscellaneous	40,670	93,170	-	(93,170)
Total revenues	45,402	97,902	131,615	33,713
EXPENDITURES:				
Current:				
Maintenance services	656,289	708,789	3,000	705,789
Development services	376,177	393,177	17,946	375,231
Administrative services	3,371	3,371	2,992	379
Recreation, Arts & Community Services	341,239	498,739	65,662	433,077
Capital outlay	709,650	709,650	32,746	676,904
Total expenditures	2,086,726	2,313,726	122,346	2,191,380
NET CHANGE IN FUND BALANCE	\$ (2,041,324)	\$ (2,215,824)	9,269	\$ 2,225,093
FUND BALANCE:				
Beginning of year			3,879,336	
End of year			<u>\$ 3,888,605</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 119,000	\$ 119,000	\$ 178,514	\$ 59,514
Use of money and property	1,246	1,246	7,462	6,216
Total revenues	<u>120,246</u>	<u>120,246</u>	<u>185,976</u>	<u>65,730</u>
EXPENDITURES:				
Current:				
Police services	140,000	140,000	121,577	18,423
Administrative services	275	275	472	(197)
Total expenditures	<u>140,275</u>	<u>140,275</u>	<u>122,049</u>	<u>18,226</u>
NET CHANGE IN FUND BALANCE	<u>\$ (20,029)</u>	<u>\$ (20,029)</u>	63,927	<u>\$ 83,956</u>
FUND BALANCE:				
Beginning of year			<u>490,249</u>	
End of year			<u>\$ 554,176</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Development fees	\$ -	\$ -	\$ 47,120	\$ 47,120
Use of money and property	-	-	2,513	2,513
Total revenues	<u>-</u>	<u>-</u>	<u>49,633</u>	<u>49,633</u>
EXPENDITURES:				
Current:				
Administrative services	512	512	448	64
Total expenditures	<u>512</u>	<u>512</u>	<u>448</u>	<u>64</u>
NET CHANGE IN FUND BALANCE	<u>\$ (512)</u>	<u>\$ (512)</u>	49,185	<u>\$ 49,697</u>
FUND BALANCE:				
Beginning of year			<u>561,101</u>	
End of year			<u>\$ 610,286</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 585,000	\$ 585,000	\$ 718,924	\$ 133,924
Total revenues	<u>585,000</u>	<u>585,000</u>	<u>718,924</u>	<u>133,924</u>
EXPENDITURES:				
Current:				
Development services	475,000	475,000	-	475,000
Total expenditures	<u>475,000</u>	<u>475,000</u>	<u>-</u>	<u>475,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 110,000</u>	<u>\$ 110,000</u>	718,924	<u>\$ 608,924</u>
FUND BALANCE:				
Beginning of year			<u>619,198</u>	
End of year			<u>\$ 1,338,122</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, 2021

	Budgeted		Actual	Variance From Final Budget
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 16,530	\$ 16,530
Miscellaneous	-	-	27,048	27,048
Total revenues	<u>-</u>	<u>-</u>	<u>43,578</u>	<u>43,578</u>
EXPENDITURES:				
Current:				
Administrative services	800	1,418	1,755	(337)
Total expenditures	<u>800</u>	<u>1,418</u>	<u>1,755</u>	<u>(337)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (800)</u>	<u>\$ (1,418)</u>	41,823	<u>\$ 43,241</u>
FUND BALANCE:				
Beginning of year			<u>1,202,823</u>	
End of year			<u>\$ 1,244,646</u>	

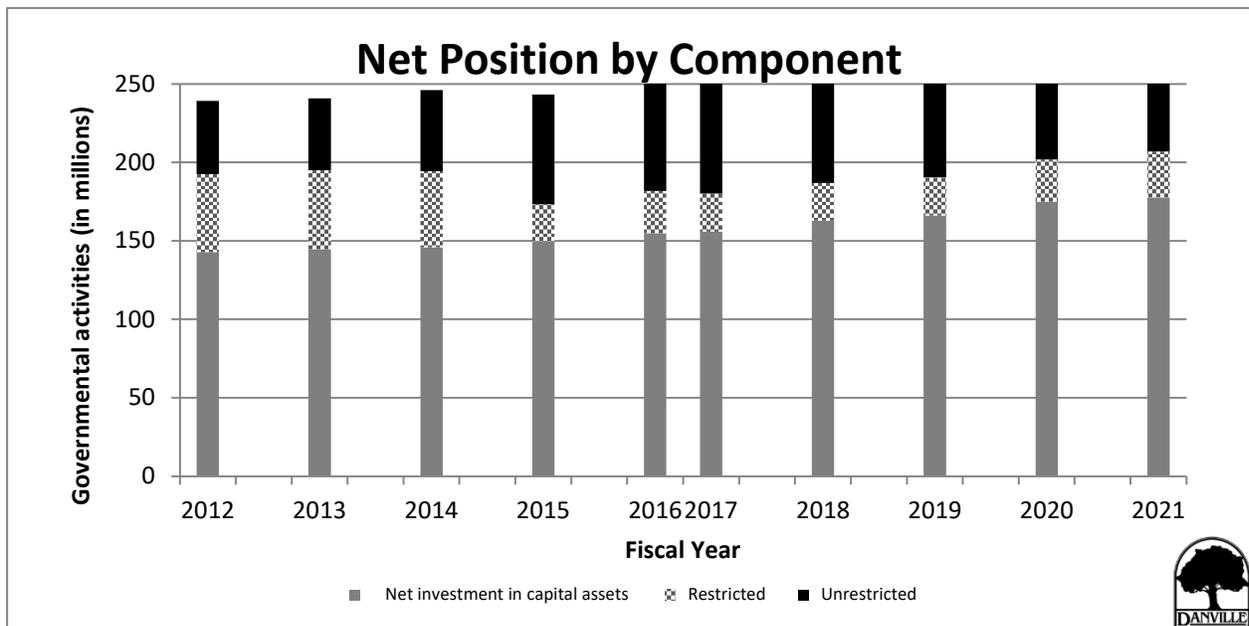
**STATISTICAL SECTION
(Unaudited)**

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net investment in capital assets	\$ 142,812,475	\$ 144,710,384	\$ 145,858,981	\$ 149,697,964	\$ 154,909,051
Restricted	49,692,031	50,198,481	48,477,964	23,655,107	26,812,236
Unrestricted	46,716,135	46,009,779	51,728,377	69,968,657	68,822,679
Total Governmental Activities Net Position	<u>\$ 239,220,641</u>	<u>\$ 240,918,644</u>	<u>\$ 246,065,322</u>	<u>\$ 243,321,728</u>	<u>\$ 250,543,966</u>
Primary Government:					
Net investment in capital assets	\$ 142,812,475	\$ 144,710,384	\$ 145,858,981	\$ 149,697,964	\$ 154,909,051
Restricted	49,692,031	50,198,481	48,477,964	23,655,107	26,812,236
Unrestricted	46,716,135	46,009,779	51,728,377	69,968,657	68,822,679
Total Primary Governmental Net Position	<u>\$ 239,220,641</u>	<u>\$ 240,918,644</u>	<u>\$ 246,065,322</u>	<u>\$ 243,321,728</u>	<u>\$ 248,532,815</u>

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental Activities:					
Net investment in capital assets	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901	\$ 174,968,722	\$ 177,508,851
Restricted	24,437,153	23,784,733	24,398,492	26,961,172	29,438,411
Unrestricted	72,257,190	64,907,258	65,271,882	61,659,221	65,882,561
Total Governmental Activities Net Position	\$ 252,486,782	\$ 251,690,654	\$ 255,886,275	\$ 263,589,115	\$ 272,829,823
Primary Government:					
Net investment in capital assets	\$ 155,792,439	\$ 162,998,663	\$ 166,215,901	\$ 174,968,722	\$ 177,508,851
Restricted	24,437,153	23,784,733	24,398,492	26,961,172	29,438,411
Unrestricted	72,257,190	64,907,258	65,271,882	61,659,221	65,882,561
Total Primary Governmental Net Position	\$ 252,486,782	\$ 251,690,654	\$ 251,690,654	\$ 263,589,115	\$ 272,829,823



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

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses:					
Governmental activities:					
General Government	\$ 1,672,908	\$ 1,657,519	\$ 1,707,946	\$ 1,527,466	\$ 1,592,763
Police Services	7,518,544	7,592,846	7,192,736	8,565,667	8,914,297
Maintenance Services & Lighting & Landscape	6,284,672	7,803,026	6,136,448	7,589,476	8,262,373
Development Services	8,909,136	10,298,111	7,545,035	14,348,084	5,233,296
Administrative Services	2,105,205	2,461,355	2,301,375	3,244,813	4,080,262
Recreation Services	3,373,081	3,360,852	3,711,977	3,877,829	3,847,434
Interest on long-term debt	367,482	430,191	415,129	369,274	364,866
Total governmental activities expenses	<u>30,231,028</u>	<u>33,603,900</u>	<u>29,010,646</u>	<u>39,522,609</u>	<u>32,295,291</u>
Total primary government expenses	<u>\$ 30,231,028</u>	<u>\$ 33,603,900</u>	<u>\$ 29,010,646</u>	<u>\$ 39,522,609</u>	<u>\$ 32,295,291</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	\$ -	\$ -	\$ -	\$ -	\$ 10
Police Services	323,053	312,873	499,517	429,625	424,470
Maintenance Services, Lighting & Landscape	3,040,340	3,021,029	3,110,836	3,033,384	3,036,737
Development Services	3,028,929	3,757,908	3,686,295	4,196,817	4,285,454
Administrative Services	-	-	-	-	35,186
Recreation, Arts & Community Services	1,754,367	1,810,376	2,178,636	2,433,110	2,079,801
Operating grants and contributions	804,432	748,772	933,466	1,110,167	950,437
Capital grants and contributions	2,492,782	1,877,029	1,936,672	1,676,661	1,276,567
Total governmental activities program revenues	<u>\$ 11,443,903</u>	<u>\$ 11,527,987</u>	<u>\$ 12,345,422</u>	<u>\$ 12,879,764</u>	<u>\$ 12,088,662</u>
Total primary government program revenues	<u>\$ 11,443,903</u>	<u>\$ 11,527,987</u>	<u>\$ 12,345,422</u>	<u>\$ 12,879,764</u>	<u>\$ 12,088,662</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (18,787,125)</u>	<u>\$ (22,075,913)</u>	<u>\$ (16,665,224)</u>	<u>\$ (26,642,845)</u>	<u>\$ (20,206,629)</u>
Total Primary Government, Net Expenses	<u>\$ (18,787,125)</u>	<u>\$ (22,075,913)</u>	<u>\$ (16,665,224)</u>	<u>\$ (26,642,845)</u>	<u>\$ (20,206,629)</u>

Notes:

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

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

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

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

Community Development program was combined with Development Services

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Expenses:					
Governmental activities:					
General Government	\$ 1,658,023	\$ 1,821,906	\$ 1,648,107	\$ 1,988,737	\$ 1,727,404
Police Services	9,107,939	9,668,148	9,908,945	9,824,261	9,141,598
Maintenance Services & Lighting & Landscape	7,963,358	7,824,106	8,512,749	9,400,476	8,999,904
Development Services	8,568,817	12,113,185	12,589,561	5,769,904	6,231,119
Administrative Services	3,690,675	3,511,181	3,625,899	3,816,145	3,632,890
Recreation, Arts & Community Services	4,129,417	4,016,368	4,273,896	3,794,136	2,722,675
Interest on long-term debt	345,931	345,473	325,210	325,210	282,675
Total governmental activities expenses	<u>35,464,160</u>	<u>39,300,367</u>	<u>40,884,367</u>	<u>34,916,610</u>	<u>32,738,265</u>
Total primary government expenses	<u>\$ 35,464,160</u>	<u>\$ 39,300,367</u>	<u>\$ 40,884,367</u>	<u>\$ 34,916,610</u>	<u>\$ 32,738,265</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 30	\$ 30	\$ 1,126	\$ -	\$ -
Police Services	314,597	295,805	308,210	296,126	187,548
Maintenance Services, Lighting & Landscape	3,142,080	3,060,686	3,046,475	3,059,330	3,047,952
Development Services	3,575,751	3,792,303	4,473,140	3,374,462	3,738,947
Administrative Services	36,308	36,400	38,126	31,693	28,145
Recreation, Arts & Community Services	2,196,610	2,058,014	2,041,182	1,427,112	846,805
Operating grants and contributions	911,003	1,205,123	2,132,610	1,873,835	2,271,372
Capital grants and contributions	2,591,351	2,521,475	3,880,922	1,358,781	2,169,054
Total governmental activities program revenues	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>	<u>\$ 15,921,791</u>	<u>\$ 11,421,339</u>	<u>\$ 12,289,823</u>
Total primary government program revenues	<u>\$ 12,767,730</u>	<u>\$ 12,969,836</u>	<u>\$ 15,921,791</u>	<u>\$ 11,421,339</u>	<u>\$ 12,289,823</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>	<u>\$ (24,962,576)</u>	<u>\$ (23,495,271)</u>	<u>\$ (20,448,442)</u>
Total Primary Government, Net Expenses	<u>\$ (22,696,430)</u>	<u>\$ (22,696,430)</u>	<u>\$ (24,962,576)</u>	<u>\$ (23,495,271)</u>	<u>\$ (20,448,442)</u>

Notes:

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

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

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

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

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes	\$ 12,967,656	\$ 12,242,443	\$ 12,716,297	\$ 13,593,483	\$ 14,153,561
Sales taxes	3,835,342	3,897,260	3,947,577	4,098,412	4,569,470
Motor Vehicle taxes	21,557	22,337	18,486	17,857	17,629
Franchise Taxes	2,067,703	2,098,137	2,155,691	2,215,165	2,299,491
Other taxes	366,926	374,354	385,044	391,856	404,744
Investment earnings	915,317	251,901	900,451	636,474	1,265,876
Miscellaneous	1,470,094	2,360,129	1,514,199	1,559,647	741,674
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers from Successor Agency		795,191	790,542	769,972	780,818
Special item	6,956,544	1,732,164	-	-	3,195,604
Total governmental activities	<u>\$ 28,601,139</u>	<u>\$ 23,773,916</u>	<u>\$ 22,428,287</u>	<u>\$ 23,282,866</u>	<u>\$ 27,428,867</u>
Total primary government	<u>\$ 28,601,139</u>	<u>\$ 23,773,916</u>	<u>\$ 22,428,287</u>	<u>\$ 23,282,866</u>	<u>\$ 27,428,867</u>
Change in Net Position					
Governmental activities	<u>\$ 6,525,226</u>	<u>\$ 7,108,692</u>	<u>\$ (4,214,558)</u>	<u>\$ 3,076,237</u>	<u>\$ 4,732,437</u>
Total primary government	<u>\$ 6,525,226</u>	<u>\$ 7,108,692</u>	<u>\$ (4,214,558)</u>	<u>\$ 3,076,237</u>	<u>\$ 4,732,437</u>

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

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

	Fiscal Year				
	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position					
Governmental Activities					
Taxes					
Property taxes	\$ 13,978,818	\$ 14,629,253	\$ 15,354,728	\$ 16,025,356	\$ 17,210,607
Sales taxes	5,546,298	5,914,835	6,126,449	5,753,805	6,653,905
Motor Vehicle taxes	19,203	22,821	21,310	35,829	32,180
Franchise Taxes	2,419,118	2,588,989	2,609,820	2,836,124	3,044,834
Other Taxes	371,237	362,196	390,562	367,376	338,449
Investment earnings	296,610	368,995	3,028,554	3,183,434	174,503
Miscellaneous	1,235,646	854,998	834,318	1,838,208	1,447,189
Gain (loss) on sale of capital assets	-	-	-	345,523	(1,568)
Transfers from Successor Agency	772,316	792,316	792,456	812,456	789,051
Special item	-	-	-	-	-
Total governmental activities	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>	<u>\$ 29,158,197</u>	<u>\$ 31,198,111</u>	<u>\$ 29,689,150</u>
Total primary government	<u>\$ 24,639,246</u>	<u>\$ 25,534,403</u>	<u>\$ 29,158,197</u>	<u>\$ 31,198,111</u>	<u>\$ 29,689,150</u>
Change in Net Position					
Governmental activities	<u>\$ 1,942,816</u>	<u>\$ (7,796,128)</u>	<u>\$ 4,195,621</u>	<u>\$ 7,702,840</u>	<u>\$ 9,240,708</u>
Total primary government	<u>\$ 1,942,816</u>	<u>\$ (7,796,128)</u>	<u>\$ 4,195,621</u>	<u>\$ 7,702,840</u>	<u>\$ 9,240,708</u>

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



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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
2012	\$ 11,243,968	\$ 3,835,342	\$ 1,371,457	\$ 2,067,703	\$ 352,231	\$ 21,557	\$ 366,926	\$ 19,415,557
2013	11,809,390	3,897,260	-	2,098,137	433,053	22,337	374,354	19,259,184
2014	12,221,986	3,947,577	-	2,155,691	494,311	18,486	385,044	18,634,531
2015	13,076,172	4,098,412	-	2,215,165	517,311	17,857	391,856	19,223,095
2016	12,534,667	4,569,470	-	2,299,491	568,870	17,629	404,744	20,316,773
2017	13,392,392	5,546,298	-	2,419,118	586,426	19,203	371,237	20,394,871
2018	13,980,610	5,914,835	-	2,588,989	648,643	22,821	362,196	22,334,674
2019	14,740,670	6,126,449	-	2,609,820	614,058	21,310	390,562	24,502,869
2020	16,360,607	5,753,805	-	2,836,124	850,000	35,829	367,376	26,203,741
2021	16,360,607	6,653,905	-	3,044,834	850,000	32,180	338,449	27,279,975

Note:

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

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 10,427,986
Restricted	809,519	809,536	809,635	809,718	809,504
Committed	17,697,557	17,670,672	17,118,585	17,067,689	18,374,622
Assigned	8,430,419	9,247,992	9,482,365	9,397,184	344,844
Unassigned	-	-	-	-	-
Total General Fund	26,937,495	27,728,200	27,410,585	27,274,591	29,956,956
All Other Governmental Funds					
Special revenue funds					
Restricted	28,429,093	27,540,889	28,492,880	24,215,659	26,129,555
Assigned	-	-	-	-	-
Debt service fund					
Restricted	808,787	811,282	811,448	813,511	-
Capital projects funds					
Restricted	-	-	356,953	356,953	-
Committed	40,669,255	39,639,637	42,268,737	39,887,688	38,430,064
Assigned	-	-	-	2,183,781	2,364,889
Total all other Governmental Funds	69,907,135	67,991,808	71,930,018	67,457,592	66,924,508
Total Governmental Funds	\$ 96,844,630	\$ 95,720,008	\$ 99,340,603	\$ 94,732,183	\$ 96,881,464

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

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

	Fiscal Year				
	2017	2018	2019	2020	2021
General Fund					
Nonspendable	\$ 9,427,986	\$ 8,427,986	\$ 7,325,019	\$ 5,167,108	\$ 4,064,888
Restricted	809,820	813,965	820,547	815,484	809,518
Committed	17,249,253	17,868,716	19,005,310	20,401,468	28,158,818
Assigned	313,036	169,060	117,735	190,888	402,500
Unassigned	-	-	-	-	1,100,000
Total General Fund	<u>27,800,095</u>	<u>27,279,727</u>	<u>27,268,611</u>	<u>26,574,948</u>	<u>34,535,724</u>
All Other Governmental Funds					
Special revenue funds					
Restricted	23,594,077	22,970,768	23,577,945	26,145,688	28,628,893
Assigned	-	-	2,469,321	2,617,844	2,845,856
Debt service fund					
Restricted	-	-	-	-	-
Capital projects funds					
Restricted	-	-	-	-	-
Committed	42,743,649	36,532,398	37,060,728	34,072,908	30,013,137
Assigned	2,507,297	2,574,079	-	-	-
Total all other Governmental Funds	<u>68,845,023</u>	<u>62,077,245</u>	<u>63,107,994</u>	<u>62,836,440</u>	<u>61,487,886</u>
Total Governmental Funds	<u>\$ 96,645,118</u>	<u>\$ 89,356,972</u>	<u>\$ 90,376,605</u>	<u>\$ 89,411,388</u>	<u>\$ 96,023,610</u>

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

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

	Fiscal Year				
	2012	2013	2014	2015	2016
REVENUES:					
Property Taxes	\$ 12,967,656	\$ 12,242,443	\$ 12,716,297	\$ 13,593,483	\$ 14,153,561
Sales Taxes	3,835,342	3,897,260	3,943,899	4,080,378	4,558,712
Gas & Other Taxes	3,818,359	3,731,881	3,999,378	4,033,766	3,270,354
Special assessments	3,572,176	3,580,120	3,579,918	3,574,570	3,590,353
Charges for services	3,641,623	4,602,791	2,455,673	2,792,321	2,752,180
Licenses and permits	366,886	374,354	385,033	391,856	404,744
Development fees	144,416	1,207,211	2,926,192	3,166,893	3,705,128
Intergovernmental	1,276,852	155,815	181,003	547,347	1,026,474
Fines and forfeitures	190,982	237,209	248,965	242,325	267,732
Uses of money and property	1,463,143	870,157	1,507,294	1,379,939	2,024,361
Miscellaneous	1,802,671	972,999	1,060,380	1,589,780	1,155,013
Reimbursement from Successor Agency	-	-	-	-	-
Total Revenues	33,080,106	31,872,240	33,004,032	35,392,658	36,908,612
EXPENDITURES:					
Current:					
General Government	1,667,416	1,658,489	1,708,465	1,526,324	1,591,047
Police services	7,300,734	7,374,868	6,980,859	8,356,060	8,691,261
Maintenance services	2,403,824	4,362,329	2,547,337	3,728,641	4,381,322
Lighting and landscape	3,288,256	2,991,535	3,043,620	3,105,346	3,127,403
Development services	7,458,197	9,588,981	6,920,225	14,097,237	4,986,759
Administrative services	1,901,419	2,446,641	2,207,468	3,362,284	4,000,431
Recreation, Arts & Community services	3,245,655	3,242,901	3,593,125	3,523,333	3,467,371
Capital outlay	5,763,393	1,342,965	2,382,338	5,102,019	6,466,296
Debt service:					
Principal	420,000	-	-	-	-
Interest and fiscal charges	503,764	-	-	-	-
Total Expenditures	33,952,658	33,008,709	29,383,437	42,801,244	36,711,890
REVENUES OVER (UNDER) EXPENDITURES	(872,552)	(1,136,469)	3,620,595	(7,408,586)	196,722
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	-	-	-	-	-
Transfers in	7,385,966	5,272,109	6,248,451	6,300,714	8,710,450
Transfers out	(7,385,966)	(5,272,109)	(6,248,451)	(6,300,714)	(8,710,450)
Total other financing sources (uses)	-	-	-	-	-
Extraordinary/Special item*	7,757,281	11,847	-	-	3,195,604
NET CHANGE IN FUND BALANCES	\$ 6,884,729	\$ (1,124,622)	\$ 3,620,595	\$ (7,408,586)	\$ 3,392,326
Debt service as a percentage of noncapital expenditures	3.39%	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
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2017	2018	2019	2020	2021
REVENUES:					
Property Taxes	\$ 13,978,818	\$ 14,629,253	\$ 15,354,728	\$ 16,025,356	\$ 17,210,607
Sales Taxes	5,535,422	5,910,069	6,124,320	5,740,046	6,652,729
Gas & Other Taxes	3,264,713	3,645,895	3,581,582	3,594,673	3,611,436
Special assessments	3,554,065	3,775,380	4,310,196	4,722,089	4,828,113
Charges for services	2,859,100	2,874,896	2,867,332	2,021,562	1,495,953
Licenses and permits	371,237	362,196	396,710	367,376	338,449
Development fees	3,096,371	3,275,723	4,286,391	2,471,063	2,941,817
Intergovernmental	1,918,820	1,735,441	2,853,143	1,208,170	1,659,443
Fines and forfeitures	163,825	167,822	187,979	128,312	86,104
Uses of money and property	995,448	1,054,042	3,924,193	4,265,728	1,771,567
Miscellaneous	897,019	279,040	424,954	944,642	587,430
Reimbursement from Successor Agency	-	-	-	812,456	789,051
Total Revenues	<u>36,634,838</u>	<u>37,709,757</u>	<u>44,311,528</u>	<u>42,301,473</u>	<u>41,972,699</u>
EXPENDITURES:					
Current:					
General Government	1,622,521	1,830,739	1,624,096	1,922,014	1,732,686
Police services	8,881,254	9,426,989	9,690,883	9,658,510	9,065,799
Maintenance services	3,686,266	3,339,317	3,305,068	4,411,816	3,816,120
Lighting and landscape	3,374,354	3,644,177	4,067,377	3,703,613	3,903,054
Development services	8,186,500	11,741,330	12,346,910	5,549,402	6,065,680
Administrative services	3,536,546	3,472,727	3,555,297	3,777,435	3,606,353
Recreation, Arts & Community services	3,693,259	3,697,618	3,920,497	3,508,153	2,470,377
Capital outlay	2,102,572	8,692,182	4,781,767	13,198,230	3,911,357
Debt service:					
Principal	-	-	-	480,000	500,000
Interest and fiscal charges	-	-	-	332,456	289,051
Total Expenditures	<u>35,083,272</u>	<u>45,845,079</u>	<u>43,291,895</u>	<u>46,541,629</u>	<u>35,360,477</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,551,566</u>	<u>(8,135,322)</u>	<u>1,019,633</u>	<u>(4,240,156)</u>	<u>6,612,222</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	-	-	-	3,274,939	-
Transfers in	9,937,410	7,276,333	8,765,719	11,932,028	3,797,793
Transfers out	(9,937,410)	(7,276,333)	(8,765,719)	(11,932,028)	(3,797,793)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,274,939</u>	<u>-</u>
Extraordinary/Special item*	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,551,566</u>	<u>\$ (8,135,322)</u>	<u>\$ 1,019,633</u>	<u>\$ (965,217)</u>	<u>\$ 6,612,222</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	2.50%	2.57%

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



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

Fiscal Year Ended June 30	Assessed Value				Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Rate
	Real Property		Personal Property				
	Secured	Unsecured	Secured	Unsecured			
2012	\$ 9,170,986,676	\$ 50,217,076	\$ 2,604,516	\$ 47,076,779	\$ 173,327,421	\$ 9,097,557,626	0.10319%
2013	9,236,967,610	52,627,724	2,468,870	41,018,620	172,442,279	9,160,640,545	0.10323%
2014	9,812,406,625	52,547,546	2,315,399	39,737,234	171,279,730	9,735,727,074	0.07827%
2015	10,526,929,712	44,289,615	2,298,728	45,995,923	169,288,561	10,450,225,417	0.07752%
2016	11,231,575,805	49,320,732	3,732,903	42,680,915	170,375,283	11,156,935,072	0.07758%
2017	11,904,105,603	47,645,411	3,290,428	43,296,151	172,930,520	11,825,407,073	0.07763%
2018	12,497,304,292	48,065,757	3,371,837	45,354,774	176,396,870	12,417,699,790	0.07767%
2019	13,131,043,886	53,546,262	5,685,542	48,122,854	184,522,193	13,053,876,351	0.07769%
2020	13,815,833,911	53,545,615	5,301,255	49,668,729	176,668,847	13,747,680,663	0.07772%
2021	15,100,093,985	50,900,862	5,470,622	51,204,460	188,744,738	15,018,925,191	0.00000%

Note:

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

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

Fiscal Year	Danville	County Wide ¹	San Ramon Valley Unified School District	Bay Area Rapid Transit (BART)	Miscellaneous	Total Direct & Overlapping Rate
2012	0.10319%	1.00%	0.0664%	0.0041%	0.0217%	1.19943%
2013	0.10323%	1.00%	0.0705%	0.0043%	0.0214%	1.16917%
2014	0.07827%	1.00%	0.0696%	0.0075%	0.0138%	0.07827%
2015	0.07752%	1.00%	0.0651%	0.0045%	0.0121%	0.07752%
2016	0.07758%	1.00%	0.0624%	0.0026%	0.0125%	0.07758%
2017	0.07763%	1.00%	0.0652%	0.0080%	0.0152%	0.07763%
2018	0.07767%	1.00%	0.0552%	0.0084%	0.0135%	0.07767%
2019	0.07769%	1.00%	0.0750%	0.0070%	0.0131%	0.07769%
2020	0.07720%	1.00%	0.0750%	0.1200%	0.0282%	0.07720%
2021	0.07774%	1.00%	0.0750%	0.1390%	0.0175%	0.07774%

Note:

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

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

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
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%
2020	16,678,857	100%	n/a	16,678,857	100%
2021	17,330,169	100%	n/a	17,330,169	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			
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
2020	6,255,000	-	6,255,000	**	140.16
2021	5,755,000	-	5,755,000	**	131.08

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
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Outstanding General Bonded Debt		Less: Amount Available in Debt Service Fund	Total (net)
	General Obligation Bonds	Tax Allocation Bonds		
2012	\$ -	\$ -	\$ -	\$ -
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-

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

Town of Danville
Direct and Overlapping Governmental Activities Debt
Current Year

	Gross Bonded Debt Balance	Percent Applicable To Town	Net Bonded Debt
Direct debt:			
421600 Danville 2001 COPS	\$ 2,320,000	100.000%	\$ 2,320,000
421600 Danville 2005 COPS	3,435,000	100.000%	3,435,000
Total direct debt			5,755,000
Overlapping debt:			
100300 CCC Pension Obligation Bond	44,925,000	6.375%	2,863,911
100300 CCC PFA 1998A LRB	6,435,000	6.375%	410,223
100300 CCC PFA 1999A LRB	6,310,000	6.375%	402,254
100300 CCC PFA 2002A LRB	4,065,000	6.375%	259,139
100300 CCC PFA 2003A LRB	3,445,000	6.375%	219,614
100300 CCC PFA 2007A LRB	61,030,000	6.375%	3,890,584
100300 CCC PFA 2009A LRB	6,407,008	6.375%	408,439
100300 CCC PFA 2010A-2 LRB	11,995,000	6.375%	764,666
100300 CCC PFA 2010A-3 LRB	20,700,000	6.375%	1,319,598
100300 CCC PFA 2010B LRB	6,055,000	6.375%	385,998
100300 CCC PFA 2012 LRB	6,212,865	6.375%	396,062
100300 CCC PFA 2015 A&B LRB	37,900,000	6.375%	2,416,076
100300 CCC PFA 2017A LRB	42,320,000	6.375%	2,697,845
100300 CCC PFA 2017B LRB	76,930,000	6.375%	4,904,188
400800 BART Bond	328,172,932	6.375%	20,920,602
402700 East Bay Regional Park Bond	125,395,149	6.375%	7,993,779
789600 San Ramon Unified 2002 Bond	431,415,000	26.544%	114,514,432
789700 San Ramon Unified 2012 Bond	235,950,000	26.544%	62,630,368
792100 Contra Costa Community College 2002 Bond	311,230,151	6.396%	19,907,135
792200 Contra Costa Community College 2006 Bond	354,509,849	6.396%	22,675,424
792300 Contra Costa Community College 2014 Bond	274,130,000	6.396%	17,534,108
Total overlapping debt			287,514,445
Total direct and overlapping debt			\$ 293,269,445

2020/21 Assessed Valuation: \$13,939,583,737 after deducting \$493,371,586 incremental value.

Debt to assessed valuation ratios:	Direct debt	0.040%
	Overlapping debt	2.060%
	Total debt	2.100%

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the Town.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is with the Town's boundaries and dividing it by each unit's total taxable assessed value.

Source: HdL Coren & Cone, Contra Costa County Assessor and Auditor Combined 2020/21 lien date tax rolls.

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

Employer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
MM Danville Apartments, LLC	\$ 54,252,589	1	0.38%			
Danville Livery & Mercantile	52,020,460	2	0.36%	\$ 41,495,850	1	0.45%
ROIC California, LLC	46,609,519	3	0.33%			
Reg8 Tassajara Crossing, LLC	41,399,094	4	0.29%	35,139,120	2	0.38%
Costco Wholesale Corporation	30,167,747	5	0.21%	22,314,153	3	0.24%
Rose Garden Associates Danville, LLC	28,587,872	6	0.20%	18,860,000	5	0.20%
Danville Park RE LLC	19,907,369	7	0.14%	13,500,000	9	0.15%
Rassier Properties Danville Medical Ctr.	17,161,597	8	0.12%			
Montair Associates, LLC	16,785,286	9	0.12%	14,328,376	8	
Danville Senior Living, LLC	14,152,000	10	0.10%			
Alamo Group Iron Horse LLC				18,454,000	6	0.20%
Davidon Homes				18,397,561	7	0.20%
Diablo Lodge				12,502,809	10	0.13%
GS Associates - Joint Venture				21,868,748	4	0.24%
Totals	\$ 321,043,533		2.25%	\$ 216,860,617		2.19%

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				
	2012	2013	2014	2015	2016
Debt Limit	\$ 341,158,411	\$ 343,524,020	\$ 365,089,765	\$ 391,883,453	\$ 418,385,065
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 341,158,411</u>	<u>\$ 343,524,020</u>	<u>\$ 365,089,765</u>	<u>\$ 391,883,453</u>	<u>\$ 418,385,065</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				
	2017	2018	2019	2020	2021
Debt Limit	\$ 443,452,765	\$ 465,663,742	\$ 489,520,363	\$ 515,538,025	\$ 563,209,695
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 443,452,765</u>	<u>\$ 465,663,742</u>	<u>\$ 489,520,363</u>	<u>\$ 515,538,025</u>	<u>\$ 563,209,695</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	\$ 15,018,925,191
Add back: exempt real property	188,744,738
Total assessed value	<u>\$ 15,207,669,929</u>
Debt Limit (3.75% of assessed value)	\$ 563,209,695
Total net debt applicable to limit	-
Legal Debt Margin	<u>\$ 563,209,695</u>

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

Town of Danville
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Certificates of Participation				Taxable Revenue Bond			
	Tax Increment	Debt Service		Coverage ¹	Tax Increment	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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	-
2020	-	480,000	311,356	-	-	165,000	200,289	-
2021	-	500,000	289,051	-	-	180,000	186,261	-

Note:

1. Fund balance used to cover debt service

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
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%
2020	44,626	**	**	**	**	31,911	10.0%
2021	43,906	**	**	**	**	30,726	4.7%

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 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	2021			2020		
	Number of Employees ¹	Rank	% of Top 10	Number of Employees 1	Rank	% of Top 10
Costco	424	1	35.1%	204	2	17.8%
Keller Williams Realty	213	2	17.6%	342	1	29.9%
Safeway, Inc.	94	3	7.8%	98	3	8.6%
Common Interest Management Services	85	4	7.0%			
Trader Joe's	85	5	7.0%	82	4	7.2%
Lunardi's Market	81	6	6.7%	67	8	5.9%
Danville Nursing & Rehabilitation Center	61	7	5.0%	66	9	5.8%
Crow Canyon Management Corp.	60	8	5.0%	74	6	6.5%
Sunrise Assisted Living of Danville	60	9	5.0%	60	10	5.2%
Sereno Group, Inc.	45	10	3.7%			
Brookfield Calwest Builders				80	5	7.0%
J. Rockcliff Realtors				72	7	6.3%
Pacific Gas & Electric						
Total Employees:	1,208			1,145		

Note:

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

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	6.75	6.50	8.25	8.25	7.75	7.75	6.75
Legal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Services*	35.75	34.75	34.00	36.75	37.75	37.75	37.75	37.75	37.75	37.75
Development Services	25.25	24.25	25.50	25.50	29.75	27.00	27.00	26.50	25.50	23.50
Transportation Services	4.50	4.50	4.25	4.25	3.25	3.75	3.25	3.00	3.00	3.00
Community Services										
Maintenance	23.00	24.00	24.00	29.00	31.00	31.00	31.00	31.00	31.00	31.00
Recreation, Arts &										
Community Services	15.50	15.50	15.25	37.75	37.75	38.25	38.25	42.00	42.00	42.00
Finance	5.50	5.50	5.50	5.25	5.25	5.25	5.25	5.00	5.00	5.00
Support Services	3.00	3.00	3.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Community Events**	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.25	2.25	2.00
Total	<u>120.75</u>	<u>120.75</u>	<u>119.75</u>	<u>119.75</u>	<u>154.25</u>	<u>160.75</u>	<u>160.75</u>	<u>160.25</u>	<u>161.25</u>	<u>158.00</u>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police: ¹										
Arrests	654	701	574	618	515	500	447	391	281	165
Traffic violations	2,109	4,220	6,001	5,345	3,875	2,605	3,702	2,786	2,482	1,177
Parking violations	1,398	2,009	2,373	1,619	1,625	1,774	1,367	1,593	1,346	482
Public works:										
Street resurfacing (miles)	9.7	24	18.7	14.2	24	15.2	5.9	5.5	10.23	0
Pot holes repaired	110	151	160	111	181	249	84	309	149	163
Parks and recreation:										
Course registration	17,396	20,101	22,191	17,176	18,147	20,352	19,174	18,146	13,593	4,592
Facility rentals/permits ²	13,790	13,915	13,894	816	716	804	786	638	538	8
Picnic rentals	505	511	535	460	241	413	406	354	205	130

Note:

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

Source: Various Town departments

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

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	14	12	13	12	13	13	13	13	13
Public works:										
Street (miles)	144.6	144.6	144.6	144.6	144.6	144.6	144.6	157.89	158.15	158.15
Street lights	3,449	1,417	1,417	1,417	1,417	1,417	1,158	1,158	1,158	1,158
Signalized intersections	51	51	51	52	51	52	54	54	54	54
Parks and recreation:										
Parks acreage	312.5	312.5	312.5	312.5	312.5	312.5	312.5	312.5	312.5	312.5
Parks	5	5	5	5	5	5	5	5	5	5
Swimming pools	0	0	0	0	0	0	0	0	0	0
Tennis courts	7	10	10	10	10	10	10	10	10	10
Pickleball courts	0	0	0	0	0	0	0	0	0	2
Community centers	3	3	3	3	3	3	3	3	3	3

Source: Various Town departments



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