

**Town of Los Gatos
Statement of Activities
For the Year Ended June 30, 2019**

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Charges for Services	\$ 11,350,345	\$ 11,982,107
Operating Grants and Contribution:	2,175,277	1,906,224
Capital Grants and Contributions	146,792	348,437
General Revenues:		
Property Taxes	17,321,347	15,958,406
Sales Taxes	8,158,152	7,466,253
Franchise Taxes	2,475,916	2,474,814
Other Taxes	2,726,743	2,667,840
Motor Vehicle in Lieu	14,689	16,483
Investment Earnings	1,809,128	333,120
Miscellaneous	2,407,840	622,105
Total Revenues	<u>48,586,229</u>	<u>43,775,789</u>
Expenses:		
Police Department	16,635,726	15,545,521
Parks and Public Works	10,627,716	10,047,003
General Government	8,163,991	9,155,819
Community Development	5,064,637	4,667,609
Library Services	3,059,294	3,087,684
Sanitation	684,673	536,296
Total Expenses	<u>44,236,037</u>	<u>43,039,932</u>
Change in Net Position	<u>4,350,192</u>	<u>735,857</u>
Net Position, beginning	110,468,917	117,027,779
Prior Period Adjustments - GASB 75/87		(7,294,719)
Net Position, as restated - GASB 75/87		<u>109,733,060</u>
Net Position, Ending	<u>\$ 114,819,109</u>	<u>\$ 110,468,917</u>

The Town's Police Department (public safety) provides general law enforcement, crime prevention, dispatch and responses to emergency and non-emergency calls for services. Parks and Public Works provides engineering, construction and maintenance of public streets, street lighting, Town owned buildings, parks, and related infrastructure; as well as traffic engineering and engineering evaluation of private development proposals. Community Development provides planning and zoning services; and building plan check and inspection; and code enforcement services. The Library Department provides library, local history and cultural services to the community.

Total expenses increased \$1.2 million from the prior year. The increase was driven largely by the combination of the following factors:

- General Government expenses decreased ~~\$3.3~~ \$1.0 million from the prior year. The chief cause for this decrease is the payments made to the Town's IRS Section 115 pension trust in the prior year were considered expenses and have been reclassified to General Fund restricted cash in the current year due to implementation of Governmental Accounting Standards Board (GASB) 84.
- Public safety expenses grew by approximately ~~\$3.3~~ \$1.1 million from the prior year driven primarily by a FY 18/19 negotiated salary increase and increasing pension expenses.
- Community Development and Parks and Public Works expenses increased by ~~\$380K~~ \$400K and ~~\$670K~~ \$580K respectively for the year. Expense increases were primarily from negotiated salary increases to Town staff and pass-through expenses for private development activity.
- Sanitation (Urban Runoff – Non-Point Source) costs increased ~~\$147K~~ \$148K from the prior year due to increasing efforts to adhere to clean water standards imposed by Federal and State agencies.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

Recognizing the financial resources measurement focus, the Town's Governmental Funds provide information on near-term inflows and outflows, and balances of spendable resources. This information is useful in assessing the Town's financing requirements and may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unlike the Statement of Activities which does not include transfers, the Governmental Funds Balance Sheet does include transfers in and out.

Fund Balance – As discussed below, the Town's Governmental Funds Balance Sheet reports the following fund balances.

**TOWN OF LOS GATOS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 8,163,991	\$ 1,562,683	\$ -	\$ -	\$ (6,601,308)
Public safety	16,635,726	1,745,889	826,643	-	(14,063,194)
Parks and public works	10,627,716	2,910,936	1,301,152	146,792	(6,268,836)
Community development	5,064,637	4,155,231	-	-	(909,406)
Library services	3,059,294	9,476	47,482	-	(3,002,336)
Sanitation	684,673	966,130	-	-	281,457
Total Governmental Activities	\$ 44,236,037	\$ 11,350,345	\$ 2,175,277	\$ 146,792	(30,563,623)
General revenues:					
Taxes:					
Property taxes					17,321,347
Sales taxes					8,158,152
Franchise taxes					2,475,916
Other taxes					2,726,743
Motor vehicle in lieu					14,689
Investment earnings					1,809,128
Miscellaneous					2,407,840
Total general revenues					34,913,815
Change in Net Position					4,350,192
Net Position - Beginning, as restated					110,468,917
Net Position - Ending					\$ 114,819,109

The notes to the financial statements are an integral part of this statement.

2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$ 6,955,804	\$ 6,465,852	\$ 6,993,661	\$ 6,771,628	\$ 9,155,819	\$ 8,163,991
14,119,786	12,644,221	12,825,688	14,587,597	\$ 15,545,521	\$ 16,635,726
8,154,616	8,069,352	8,320,623	9,502,707	\$ 10,047,003	\$ 10,627,716
4,424,040	4,047,738	3,227,224	5,093,459	\$ 4,667,609	\$ 5,064,637
-	-	-	-	-	-
2,234,431	2,553,414	2,522,142	2,868,748	\$ 3,087,684	\$ 3,059,294
363,180	491,359	528,580	466,762	\$ 536,296	\$ 684,673
21,687	-	-	-	-	-
-	-	-	-	-	-
\$ 36,273,544	\$ 34,271,936	\$ 34,417,918	\$ 39,290,901	\$ 43,039,932	\$ 44,236,037

\$ 2,179,077	\$ 1,888,213	\$ 1,517,012	\$ 1,669,020	\$ 1,701,146	\$ 1,562,683
3,206,579	3,529,166	3,278,585	2,076,688	1,888,359	1,745,889
1,550,867	2,206,765	1,516,108	2,155,841	4,150,068	2,910,936
5,156,061	5,027,497	4,359,146	3,803,626	3,456,390	4,155,231
-	-	-	-	-	-
51,775	53,123	46,192	46,746	14,702	9,476
328,648	328,868	368,813	410,626	771,442	966,130
-	-	15,291	-	-	-
42,661	24,838	98,138	837,329	895,730	826,643
994,096	907,745	749,300	665,779	953,294	1,301,152
-	-	-	-	-	-
14,662	4,062	12,228	-	57,200	47,482
-	-	-	-	-	-
-	176,705	-	-	-	-
2,274,879	2,338,154	1,610,657	770,600	348,437	146,792
19,360	-	-	9,280	-	-
\$ 15,818,665	\$ 16,485,136	\$ 13,571,470	\$ 12,445,535	\$ 14,236,768	\$ 13,672,414

2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
\$ 11,712,312	\$ 12,931,603	\$ 13,763,458	\$ 14,756,214	\$ 15,958,406	\$ 17,321,347
8,029,571	8,202,678	7,501,175	8,925,276	7,466,253	8,158,152
-	2,215,430	2,258,892	2,366,908	2,474,814	2,475,916
3,718,405	2,062,893	1,997,497	2,351,223	2,667,840	2,726,743
13,068	-	12,308	14,056	16,483	14,689
772,200	428,772	698,324	192,260	333,120	1,809,128
-	-	-	-	-	-
-	-	-	-	-	-
350,468	813,324	598,170	528,946	622,105	2,407,840
-	-	-	-	-	-
\$ 24,596,024	\$ 26,654,700	\$ 26,829,824	\$ 29,134,883	\$ 29,539,021	\$ 34,913,815
\$ 4,141,145	\$ 8,867,900	\$ 5,983,376	\$ 2,289,517	\$ 735,857	\$ 4,350,192