



City of
Mountain View

CITY OF MOUNTAIN VIEW



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

Jesse Takahashi, Finance and Administrative Services Director
Helen He, Accounting Manager

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended June 30, 2022

Table of Contents

<u>INTRODUCTORY SECTION</u>	<u>Exhibit</u>
Letter of Transmittal	1
Directory of City Officials	2
City Government Organization	3
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	4
<u>FINANCIAL SECTION</u>	<u>Page</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis (Required Supplementary Information) (Unaudited)	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	21
Statement of Activities.....	22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	24
Reconciliation of the Balance Sheet of Governmental Funds to the Government- wide Statement of Net Position – Governmental Activities	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities - Governmental Activities	31
Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund.....	33
Shoreline Regional Park Community Fund	34
Housing Fund	35
Proprietary Funds:	
Statement of Net Position	36
Statement of Revenues, Expenses, and Changes in Net Position.....	38
Statement of Cash Flows	40
Custodial Funds:	
Statement of Fiduciary Net Position	42
Statement of Changes in Fiduciary Net Position	43

CITY OF MOUNTAIN VIEW, CALIFORNIA
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended June 30, 2022

Table of Contents

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Notes to Basic Financial Statements	45
Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan	101
Schedule of Changes in Net Pension Liability and Related Ratios – Safety Plan.....	102
Schedule of Employer Pension Contributions – Miscellaneous and Safety Plans	103
Schedule of Changes in Net OPEB Liability and Related Ratios.....	104
Schedule of Employer OPEB Contributions.....	105
Other Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Park Land Dedication Capital Projects Fund.....	107
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	114
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	118
Internal Service Funds:	
Combining Statement of Net Position.....	126
Combining Statement of Revenues, Expenses, and Changes in Net Position.....	128
Combining Statement of Cash Flows.....	130
Custodial Funds:	
Combining Statement of Fiduciary Net Position.....	134
Combining Statement of Changes in Fiduciary Net Position	135
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component – Last Ten Fiscal Years	138
Changes in Net Position – Last Ten Fiscal Years	140
Fund Balances of Governmental Funds – Last Ten Fiscal Years	144
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	146

CITY OF MOUNTAIN VIEW, CALIFORNIA
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended June 30, 2022

Table of Contents

	<u>Page</u>
<u>STATISTICAL SECTION (Continued)</u>	
Revenue Capacity:	
Assessed Value of Taxable Property – Last Ten Fiscal Years	148
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	150
Principal Property Tax Payers – Current Year and Nine Years Ago	151
Property Tax Levies and Collections – Last Ten Fiscal Years.....	153
Debt Capacity:	
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	154
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	156
Direct and Overlapping Governmental Activities Debt	157
Legal Debt Margin Information – Last Ten Fiscal Years	158
Debt Pledged–Revenue Coverage – Last Ten Fiscal Years.....	160
Demographic and Economic Information:	
Demographic Statistics – Last Ten Fiscal Years	164
Principal Employers – Current Year and Nine Years Ago	165
Operating Information:	
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years.....	166
Operating Indicators by Function/Program – Last Ten Fiscal Years	168
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	170
<u>COMPONENT UNIT FINANCIAL STATEMENTS SECTION</u>	
Mountain View Shoreline Regional Park Community.....	173

This page intentionally left blank

**FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT**

500 Castro Street, P.O. Box 7540
Mountain View, CA 94039-7540
650-903-6316 | MountainView.gov

November 18, 2022

Honorable Mayor, City Council, and Members of the Mountain View Community:

Despite challenges brought about from the COVID-19 pandemic, the City of Mountain View (City) has reaffirmed its commitment to bring relief to the community by dedicating resources for a variety of programs and services to help mitigate the negative effects of the pandemic on the most vulnerable members of our community. Emphasis was placed on providing resources and implementing programs for low-income residents, the homeless and unstably housed individuals, those at risk of losing their homes due to the inability to pay their rent, and small businesses. The City dedicated the first half of a \$15.7 million Federal award of Federal American Rescue Plan Act (ARPA) funds received during the year in a variety of ways, including direct assistance to residents in need through establishing a Guaranteed Basic Income pilot program and by providing direct relief funding to the Mountain View Solidarity Fund and Community Services Agency. In addition, funds were also used for utility bill relief, small business grants, development of an economic vitality strategy, nonprofit agencies, technology to support City operational efficiencies and remote work, funding for City employees, and for facility improvements and supplies required to maintain the health and safety of employees and the public. The City partnered with various community-based organizations to assist in the implementation of these programs to help numerous residents in the Mountain View community cope with the effects from the past years of the pandemic.

As the City began to return to normal operations, attention turned to addressing a growing staff workload as the business economy also continued to recover and see increased activity. In the first half of the year, the City experienced a higher-than-usual amount of turnover and vacancies resulting from both the impacts of the pandemic over the past couple of years and a higher number of retirements stemming from generational demographics. This put a strain on the City's timing and ability to deliver all the projects and initiatives currently in process. Nevertheless, City leadership remains committed to providing exceptional service to the community and has been taking steps to enhance our ability to retain current employees while also attracting new talent.

A study was also completed on the development review process which focused on streamlining and improving the review process for private development projects. As a result of the study, the City is in the process of implementing many of the recommendations that were made and is developing an enhanced and easier process for applicants as well as technology improvements. In addition, all City departments worked tirelessly to reintegrate their operations with the "new normal" postpandemic environment in which we now find ourselves.

As we move ahead, we are pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. The ACFR has been prepared in conformity with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and in compliance with the City Charter Section 1106.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. We believe the data, as presented, is accurate in all material respects, that its presentation fairly shows the financial position and the results of the City's operations as measured by the financial activity of the City's various funds, and, in conjunction with the included notes, will provide the reader with an understanding of the City's financial status.

To provide a basis for making these representations, City management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of the City's financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh its benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

The City's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of independent licensed certified public accountants, selected by and reporting to the City Council. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2022 are free of material misstatement. The independent auditor issued a "clean" opinion that the City's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The ACFR is divided into the following sections:

The Introductory Section includes this letter of transmittal, an overview of the organizational structure of the City, and prior awards received.

The Financial Section includes the following:

- Independent Auditor’s Report.
- Management’s Discussion and Analysis.
- Basic Financial Statements—Includes the government-wide financial statements that present an overview of the City’s entire financial operations and the fund financial statements that present financial information for each of the City’s major funds as well as other governmental, proprietary, and custodial funds.
- Notes to Basic Financial Statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.
- Required Supplementary Information—Includes schedules required to be presented, showing information related to the City’s pension plan and other postemployment benefits plan.
- Other Supplementary Information—Includes the Budgetary Schedule of the Park Land Dedication Capital Projects Fund, Combining Statements and Schedules of the nonmajor governmental funds, internal service funds, and custodial funds.

The Statistical Section includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the City that may be of interest to potential investors in the City’s bonds and to other readers. The data includes 10-year revenue and expenditure information as well as 10 years of net position/fund balance information.

This ACFR includes the results of financial activities of the primary government, which encompasses several enterprise activities as well as all of its component units: the Mountain View Shoreline Regional Park Community (Shoreline Community) and the City of Mountain View Capital Improvements Financing Authority (Financing Authority). *Separate financial statements for the Shoreline Community are included following the Statistical Section.* There is no legal requirement for a separate component unit report for the Financing Authority.

PROFILE OF THE GOVERNMENT

The City was incorporated on November 7, 1902. The City Charter was originally approved by voters in 1952 and requires the City to operate under a Council-Manager form of government. Seven Councilmembers are elected at-large for four-year terms that are staggered so three or

four seats are filled at the general municipal election in November of every even-numbered year. Continuous service on the City Council is limited to two consecutive terms. Each year, in January, Council elects one of its members as Mayor and another as Vice Mayor.

With a population of approximately 83,900 and occupying just over 12 square miles, Mountain View is situated in Silicon Valley, about 36 miles southeast of the City of San Francisco and 15 miles northwest of the City of San Jose.

The City provides the following full range of municipal services, which are reflected in this report:

- General government (city management, legal, human resources, information technology, and financial activities);
- Public safety (police and fire services);
- Public works (engineering, design, and utility maintenance);
- Community development (land use, development review, inspections, and affordable housing);
- Culture and recreation (library, parks, recreation, performing arts, and golf course); and
- The City also provides water, wastewater, and solid waste utility enterprise activities, and the financial information regarding these activities is included in this report.

The financial reporting entity includes all funds of the primary government (i.e., the City) as well as its component units. The Shoreline Community and Financing Authority are component units of the City and are blended in the reporting entity. However, this does not mean the City assumes the obligations or liabilities of these entities, and they are budgeted and accounted for separately from the City.

No other agencies or activities associated with the City, or utilizing a name similar to the City, meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

The City Council is required by the City Charter to adopt a budget by June 30 to be in effect for the ensuing fiscal year, which begins July 1. Budgets are approved at the fund and department level (legal level of control) and may not be exceeded without City Council approval. Transfers and adjustments between funds, departments, and capital projects must be submitted to the

City Council for approval. The City Charter requires approval by five votes of the seven-member City Council to amend the budget.

LOCAL ECONOMY

The City is centrally located in Silicon Valley and is serviced by several major freeways (U.S. 101, Interstate 280, State Route 85, and State Route 237) connecting the City to three international airports, shipping, and rail lines in the Bay Area. Mountain View is also a regional transportation hub and has transit stops for the Caltrain commuter train and Santa Clara Valley Transportation Authority (VTA) light rail system.

Effects of the COVID-19 pandemic continued to subside during the past year as the economy began to return to more normal activities. Many businesses brought employees back to the office as they returned to full operation and utilized some combination of in-person and work-from-home scheduling. Office vacancy rates in Silicon Valley, which were much higher during the pandemic, were approximately 10% at June 2022.

Another indicator of the local economy's health is unemployment. The unemployment rate in Mountain View at September 2022 was 1.6% compared to the prior-year rate of 2.4% for the same month, reflecting the relative strength of employment in the local region. In spite of the various challenges that have been presented to the City, the City has a history of maintaining prudent fiscal practices and budget discipline that have enabled the City to consistently maintain its AAA credit rating.

The economic vitality of the City relies upon a strong and diversified business community that is flexible enough to withstand economic challenges. As part of the City's economic development efforts, the City works to attract and retain companies with growth potential and make the City a desirable location for the corporate community. As a result, Mountain View continues to be recognized as a prime location in Silicon Valley in which to live and work. Mountain View's innovation economy includes major technology companies, including Google, Intuit, LinkedIn, Microsoft, NortonLifeLock, Omnicell, Pure Storage, Samsung, Siemens Medical Solutions, and Synopsys. Downtown Mountain View is a key location for businesses, especially start-up companies, because of the diverse number of retailers and restaurants and convenient access to public transportation.

The City is also committed to preserving its existing services and programs while investing in the future through prudent budgeting and infrastructure development. During the past decade, the City experienced a strong economy that, together with sound fiscal planning, has allowed the City to increase resources where needed and to pay down pension and other postemployment

benefit obligations. It has also allowed for the maintenance of adequate reserves for times of economic downturn.

LONG-TERM FINANCIAL PLANNING

The City annually prepares a five-year forecast for its General Operating Fund and, periodically, a Long-Range Financial Forecast to project revenue and expenditure trends for the next 10 years. A Five-Year Financial Forecast (Forecast) was developed for Fiscal Years 2022-23 through 2026-27. A financial forecast, even with fluctuating economic variables, can assist with the identification of long-term financial trends, causes of fiscal imbalances, future fiscal challenges, opportunities, and potential requirements, all of which may assist in keeping the City on a continuing path of fiscal sustainability. While it is challenging to accurately forecast revenues due to the variable nature of the revenue sources and their connection to regional, State, national, and international economic conditions, it is possible to identify reasonable financial trends and provide a conceptual financial picture that will be useful to the City's decision-making. The Forecast guides the City as it continues to confront the need to balance expenditures and revenues.

The General Fund Forecast shows positive ending balances for Fiscal Years 2022-23 through 2026-27. Operating and emergency reserves are also maintained at levels to withstand future economic downturns.

In summary, overall revenues are expected to continue to grow during the forecast period due to the continued growth in property and other taxes as well as from future anticipated new development projects in the City that will add to the tax base over time.

RELEVANT FINANCIAL POLICIES

The City Council has established a financial and budgetary policy framework which is reviewed and updated as necessary by the City Council. A comprehensive and consistent set of financial and budgetary policies provides a basis for sound financial planning, identifies appropriate directions for service-level developments, aids budgetary decision-making, and serves as an overall framework to guide financial management and operations of the City.

The City's adoption of financial policies also promotes public confidence and increases the City's credibility in the eyes of bond-rating agencies and potential investors. Such policies also provide the resources to react to potential financial emergencies in a prudent manner.

MAJOR INITIATIVES

In June 2021, the City adopted a Strategic Roadmap Action Plan (Action Plan) that focused on seven key priorities: (1) Intentional Development and Housing Options; (2) Mobility and Connectivity; (3) Sustainability and Climate Resiliency; (4) Livability and Quality of Life; (5) Economic Vitality; (6) Organizational Strength and Good Governance; and (7) Community for All. The Action Plan included 42 projects covering all categories with an initial two-year work plan. A number of the projects have been completed in the first year with the remaining ones in various stages of completion.

Below is a selection of accomplishments from the past year, including some that are related directly to the Action Plan:

- Expanded the Eviction Prevention Center into the Housing and Eviction Help Center to facilitate access to rent relief, legal services, and affordable housing.
- Approved the City's first two Senate Bill (SB) 35 affordable housing projects—Lot 12 and 1100 La Avenida.
- Developed an ordinance requiring the safe storage of firearms in residences and vehicles in Mountain View.
- Secured Project Homekey funding to redevelop the Crestview Hotel into permanent affordable housing and selected a developer.
- Facilitated the process to implement a new Strategic Roadmap for the City, including a new vision statement, seven new Strategic Priorities, and a Council work plan with projects and initiatives supporting the Strategic Priorities.
- Collaborated with the Cities of Los Altos and Palo Alto to receive \$2 million in Federal funding in support of developing alternative responses to mental health crises, as advanced by Congresswoman Anna Eshoo.
- Collaborated with State Senator John Becker to secure \$8 million in State funding for the City-owned Lot 12 affordable housing project.
- Launched a new and improved Safe Routes to School program, with the first major training events on April 7, 2022 at Graham Middle School for 800 students, April 26 and 27, 2022 at Edith Landels Elementary School for 330 students, and May 25, 2022 at Benjamin Bubb Elementary School for 380 students.

- Developed a Memorandum of Understanding with the County of Santa Clara to secure Measure A funds in the amount of \$80 million for Mountain View affordable housing developments to build up to 200 units of permanent supportive housing/rapid rehousing.
- Expanded the Crisis Negotiations Team (including the addition of four Spanish-speaking officers) to provide patrol teams with officers trained and experienced with advanced deescalation and tactical communication abilities to engage with community members experiencing a mental health crisis.
- Continued the Behavioral Services Unit (BSU) pilot program, staffed by a team of Officers with over 80 hours of specialized crisis training and a Community Services Officer who is an Associate Licensed Professional Clinical Counselor/Marriage and Family Therapist, to review and follow up on mental health-related calls, provide resources and referrals, and serve as a liaison with the Santa Clara County's Mobile Crisis Response Team to reduce or eliminate the need for further Police Officer contact.
- Completed the Ph.D. Research Fellow assessment of Mountain View Police Department Traffic Stop Data and presented it to the Public Safety Advisory Board, in conjunction with the Police Department.
- Created a Threat Assessment team to help Police Department staff evaluate and address an increase in the number of threats made via social media related to local businesses, dignitaries, and events.
- Took new investigative steps in 10 unsolved cold-case homicides, closing two cases in 2021 and solving a 30-year-old homicide case in 2022.
- Supported COVID-19 testing at the Mountain View Community Center and the Mountain View Center for Performing Arts in conjunction with the County of Santa Clara, with over 24,000 COVID-19 tests completed at City sites since May 2020 and over 7,000 completed in Fiscal Year 2021-22.
- Supported the County of Santa Clara's COVID-19 vaccination clinic site at the Community Center to provide vaccinations to the public, including booster shots and vaccinations for youth, with 137,561 vaccinations completed from January 22, 2021 through April 30, 2022 and over 58,000 completed in Fiscal Year 2021-22.

- Engaged with Audubon Society and GreenSpacesMV volunteers to establish and maintain a biodiverse pollinator habitat with native plants and sustainable landscaping at Cuesta Park.
- Transitioned the administration of the Below-Market-Rate (BMR) housing program to a new administrator who is able to implement Phase 2 modifications, which includes a homeowners association (HOA) reserve to help lower-income BMR households with increases in HOA fees.
- Completed construction and hosted a grand opening for Mora Park.
- Celebrated the graduation of the first person to complete the Library's Career Online High School program, with the graduate finishing the 18-month course in only 12 months.
- Created the City's first Human Services Division.
- Conducted the City's first Chinese Language Civic Leadership Academy.
- Conducted a Spanish Language Civic Leadership Academy.
- Adopted a Downtown Parking Strategy to improve the efficiency of existing parking, implement parking technology, support transportation demand management and multi-modal transportation goals, and identify and develop policies to increase parking supply.
- Incorporated American Sign Language (ASL) into story-time programming to increase accessibility.
- Reopened facilities for in-person programs and facility rentals for Recreation, Shoreline, and Center for the Performing Arts divisions, including, but not limited to, aquatics programs, after-school programs, senior programming, ParkStage and MainStage performances, barbecue reservations, athletic field reservations, Rengstorff House reservations, summer camps, and youth and adult classes.
- Implemented in-person City special events with the return of the Concert on the Plaza Series, Summer Outdoor Movie Night Series, Monster Bash, Community Tree Lighting Ceremony, Multicultural Festival, KidStock, and more.

- Developed agreements and worked with the Mountain View Solidarity Fund and Los Altos Mountain View Community Foundation to provide \$1 million in City funds for them to disburse one-time financial assistance to extremely low-income residents.
- Continued operation of the COVID-19 mobile vaccination program in coordination with the Santa Clara County Public Health Department, administering vaccinations and booster shots to elderly and homebound Mountain View residents.
- Adopted the Food Service Ware Ordinance update requiring compostable fiber single-use food and beverage containers to advance the City's Zero Waste Plan initiative, Food Ware Packaging Reduction Plan Phase 1.
- Launched a return to in-person programs with weekly outdoor story times in Pioneer Park, a Jazz in the Park concert, and monthly Drop-In Bike Clinics.
- Launched Common Core-aligned virtual field trips that incorporate the Library's History Center and other local history information for elementary students.
- Launched a second cohort of Cool Block neighborhood teams to help residents adopt sustainable practices, build community, and be more disaster-prepared and resilient.
- Developed an e-bike rebate program focused on low-income residents.
- Began construction of a new Rengstorff Aquatics Center.
- Adopted the Mandatory Organic Waste Disposal Reduction Ordinance for residents and businesses in compliance with SB 1383 to lower greenhouse gas emissions from methane, which is produced when organic material is landfilled.
- Provided essential services for unhoused and unstably housed residents.
- Streamlined the business license application process to reduce the wait time to receive a business license.
- Developed and implemented a refreshed City visual identity with a new City logo, colors, font, and other elements to reflect the City's vision and enhance community communications.
- Redesigned *The View* newsletter to provide enhanced access to relevant and timely City information to every household in Mountain View.

- Completed the 2021 Sea Level Study Update.
- Completed the Bonny/Beatrice Open Space Improvements project, which included the installation of a 6' asphalt walking path, over 150 plants, new irrigation lines, and new mulch.
- Partnered with a Stanford University neuroscience researcher to study the effects of critical decision-making as it relates to situational and physiological factors to help inform the most effective ways to train Officers for critical incidents.
- Celebrated California Arbor Day at Eagle Park with the planting of five 24" box flowering cherry trees and one 24" box valley oak tree.
- Approved 97 Mountain View small business grants totaling \$485,000 to support the recovery of the local economy.
- Implemented nine of the 10 Small Business Action Plan items to assist the City's small businesses during the pandemic economic crisis and strengthen their resilience for the longer term.
- Completed a cybersecurity threat assessment.
- Implemented a network and server monitoring system to identify and respond to cyberattacks.
- Developed new Firerun maps for the Fire Department, which provide fire-specific information, such as hydrants, road blockages, and buildings' Fire Department Connections.
- Started selling landfill gas to Google/Bloom Energy to generate power at their fuel cell system.
- Created an eLibrary card to provide access to the digital Library, Library computers, and study rooms.
- Approved the acquisition of 0.63 acre at 711 Calderon Avenue for a new mini-park.
- Offered in-person free tax preparation assistance to low-income members of the public in collaboration with United Way Bay Area.
- Installed additional touchless pedestrian push buttons at traffic signals.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 32nd consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements. The GFOA award is valid for a one-year period only. We believe our current ACFR continues to meet the program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the City's annual budget document for Fiscal Year 2021-22. In order to qualify for this Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

The preparation of the ACFR was made possible by the dedication of the entire Finance and Administrative Services Department staff, in particular Janet Shum, Acting Accounting Manager, and Marichi Valle, Accountant. Every member of the Department deserves recognition and thanks for their commitment to the City and their profession. We would also like to thank the members of the City Council for their leadership and policy guidance in managing the financial operations of the City in a fiscally responsible manner.

Respectfully submitted,



Jesse Takahashi
Finance and Administrative
Services Director



Kimbra McCarthy
City Manager

City of Mountain View California

City Officials

City Council

Mayor — Lucas Ramirez

Vice Mayor — Alison Hicks

Margaret Abe-Koga

Ellen Kamei

Sally Lieber

Lisa Matichak

Pat Showalter

Executive Staff

City Manager — Kimbra McCarthy

City Attorney — Jennifer Logue

City Clerk — Heather Glaser

Assistant City Manager/Chief Operating Officer — Audrey Seymour Ramberg

Human Resources Director — Sue Rush

CIO/Information Technology Director — Roger R. Jensen

Finance and Administrative Services Director — Jesse Takahashi

Assistant City Manager/Community Development Director — Aarti Shrivastava

Public Works Director — Dawn Cameron

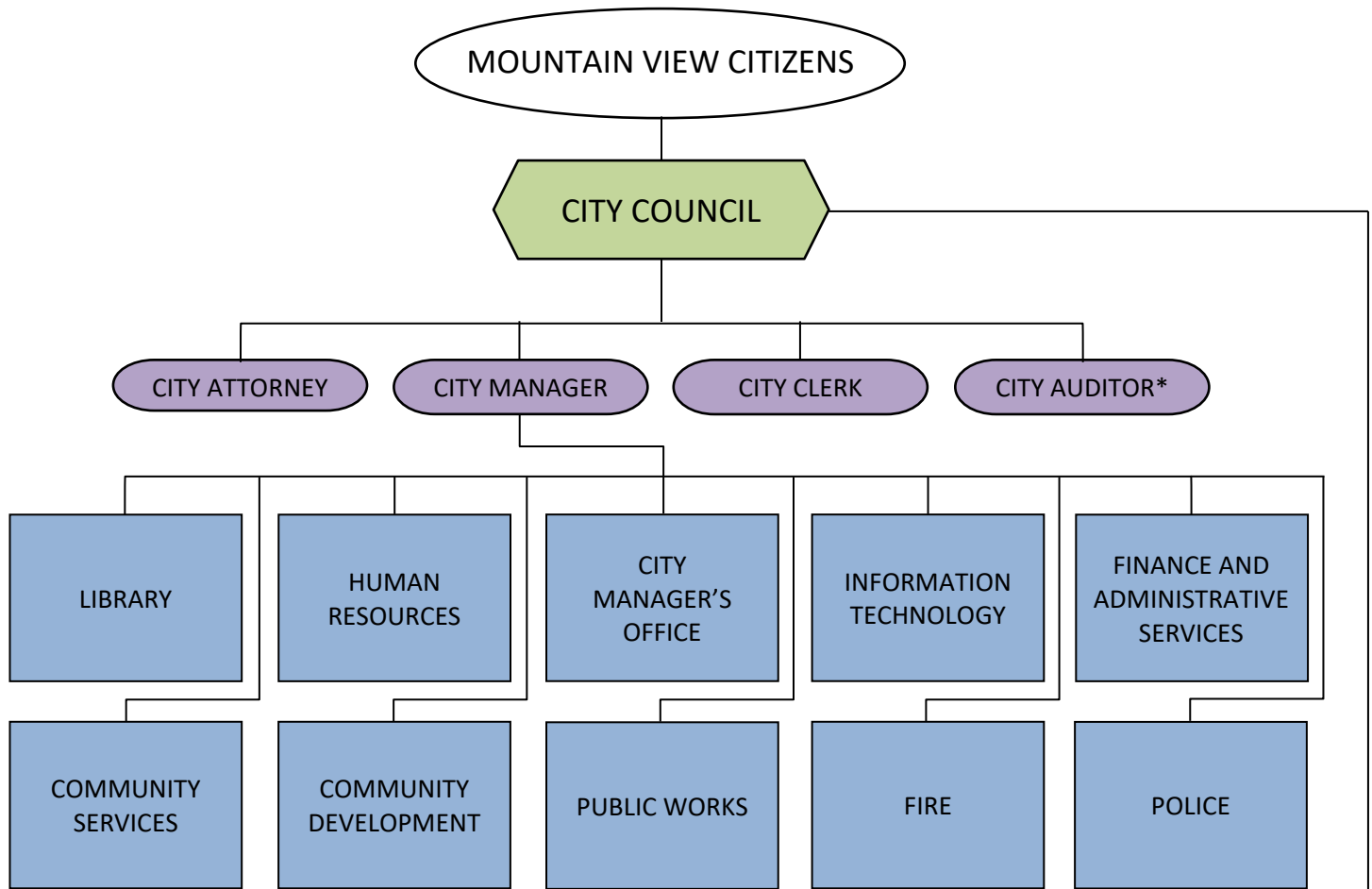
Community Services Director — John Marchant

Library Services Director — Tracy Gray

Fire Chief — Juan Diaz

Police Chief — Chris Hsiung

CITY GOVERNMENT ORGANIZATION



- KEY:**
-  ELECTED
 -  APPOINTED BY COUNCIL
 -  APPOINTED BY CITY MANAGER

CITY BOARDS, COMMISSIONS, AND COMMITTEES

Charter

- Environmental Planning Commission
- Library Board
- Parks and Recreation Commission
- Rental Housing Committee

Non-Charter

- Bicycle/Pedestrian Advisory Committee
- Downtown Committee
- Human Relations Commission
- Performing Arts Committee
- Senior Advisory Committee
- Visual Arts Committee
- Youth Advisory Committee

* Finance and Administrative Services Director serves as City Auditor.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mountain View
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

This page intentionally left blank



Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Mountain View, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mountain View, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Shoreline Regional Park Community Fund, and the Housing Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, as of July 1, 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, the schedule of employer pension contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of employer OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual and combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual and combining fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, and component unit financial statements section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, on our consideration of the City'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 solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.



Walnut Creek, California
November 18, 2022

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Fiscal Year Ended June 30, 2022

This section of the City of Mountain View's (City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in our letter of transmittal and to recognize that the financial statements focus on past results compared to the City's operating budget that focuses on future goals and allocation of resources.

FINANCIAL HIGHLIGHTS

The following are some of the key financial highlights for the fiscal year:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended June 30, 2022 by \$1.40 billion (net position).
- The City's total net position increased by \$172.9 million (excluding the impact of restatement) compared to the \$68.0 million increase in the prior fiscal year. This is primarily attributable to higher charges for services, additional grants and contributions, increased property taxes, sales taxes, and other taxes. Most of these increases are due to recovery from the COVID-19 pandemic as normal activities gradually return. Property tax increases resulted from the continued strength in the residential and commercial real estate markets as evidenced by another year of strong growth in assessed values.
- Total revenues for governmental funds are \$368.2 million, an increase of \$82.8 million or 29.0% over the prior fiscal year. Revenue increases are primarily due to increases in charges for services, intergovernmental revenue, and various tax revenue offset by a decrease in use of money and property revenue resulted from the impact of fair-value adjustments to the City's investments upon the increase in interest rates toward the end of the year.
- Expenditures for governmental funds totaled \$279.3 million, an increase of \$59.5 million or 27.1% over the prior fiscal year, primarily related to an increase in capital outlay expenditures for capital improvement projects.
- Overall, governmental fund revenues exceeded expenditures by \$88.9 million, excluding transfers. More details are discussed below.

- As of June 30, 2022, the City's governmental funds reported combined ending fund balances of \$929.9 million. Approximately 10.0% of this amount, \$93.4 million, represents General Fund unassigned fund balance that is available to meet the City's current and future needs. It is designated for future one-time expenditures, one-time payments toward unfunded liabilities, and emergency funds and is 56.5% of total General Fund expenditures for the fiscal year ended June 30, 2022, an increase of 37.8% over the prior fiscal year.
- The City's total current and other liabilities decreased by \$100.9 million compared with the prior fiscal year primality due to a decrease of net pension liability of \$99.0 million, resulting from higher investment returns during the measurement year.
- The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87), as of July 1, 2021, which resulted in a reduction of the beginning net position of governmental activities and fund balance of the General Fund of \$2.2 million. At June 30, 2022, the City, as a lessor, reported \$794.5 million of lease receivables and \$781.4 million of related deferred inflow of resources, while the City, as a lessee, reported right-to-use leased assets of \$6.5 million and lease liability of \$6.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the overall financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned, but unused, vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, and culture and recreation. The business-type activities of the City include water, wastewater, and solid waste operations (enterprise funds).

The government-wide financial statements include not only the City itself (known as the primary government) but also two legally separate entities for which the City is financially accountable: (1) Mountain View Shoreline Regional Park Community (Shoreline Community or SRPC); and (2) City of Mountain View Capital Improvements Financing Authority (Financing Authority). Although legally separate from the City, these component units are blended with the primary government because they have the same governing board as the City and because of their financial relationship with the City. In addition, separate financial statements for the Shoreline Community component unit is included within the City's ACFR.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds, and custodial funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Shoreline Regional Park Community Fund, Housing Fund, General Capital Projects Fund, and Park Land Dedication Capital Projects Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its major funds except the General Capital Projects Fund, which is budgeted on a project basis. Budgetary comparison statements and schedules have been provided for these funds to demonstrate compliance with budgets.

Proprietary funds are generally used to account for services for which the City charges customers, either external customers or internal customers or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, and solid waste operations, all of which are considered to be major funds of the City.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment maintenance and replacement, Retirees' Health Plan, Employee Benefits Plan, and various other self-insurance liability programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Custodial funds are used to account for fiduciary activities and resources held for the benefit of individuals, organizations, or other governments that are not part of the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other

Required Supplementary Information includes schedules required to be presented showing information related to the City's pension plans and other postemployment benefits plan.

Other Supplementary Information includes the combining statements and schedules of the nonmajor governmental funds, internal service funds, and custodial funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by accounting principles generally accepted in the United States of America. Two fiscal years of financial information and a comparative analysis of government-wide data are included in this MD&A.

Analysis of Net Position

A condensed summary of the City's net position for governmental and business-type activities is as follows:

Condensed Statement of Net Position						
(Dollars in Thousands)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets:						
Current and other assets	\$ 1,056,206	953,609	147,098	134,655	1,203,304	1,088,264
Lease receivables	794,487	-	-	-	794,487	-
Capital assets	527,671	485,944	97,965	96,581	625,636	582,525
Total assets	<u>2,378,364</u>	<u>1,439,553</u>	<u>245,063</u>	<u>231,236</u>	<u>2,623,427</u>	<u>1,670,789</u>
Deferred outflows of resources:						
Pension items	32,990	35,692	3,051	3,478	36,041	39,170
OPEB Items	9,332	9,426	341	329	9,673	9,755
Total deferred outflows of resources	<u>42,322</u>	<u>45,118</u>	<u>3,392</u>	<u>3,807</u>	<u>45,714</u>	<u>48,925</u>
Liabilities:						
Current and other liabilities	186,640	276,795	16,747	26,647	203,387	303,442
Noncurrent liabilities	161,576	156,335	14,916	16,221	176,492	172,556
Total liabilities	<u>348,216</u>	<u>433,130</u>	<u>31,663</u>	<u>42,868</u>	<u>379,879</u>	<u>475,998</u>
Deferred inflows of resources:						
Pension items	66,174	-	5,523	-	71,697	-
OPEB items	31,674	9,869	-	-	31,674	9,869
Leases	781,366	-	-	-	781,366	-
Total deferred inflows of resources	<u>879,214</u>	<u>9,869</u>	<u>5,523</u>	<u>-</u>	<u>884,737</u>	<u>9,869</u>
Net position:						
Net investment in capital assets	502,737	467,855	87,218	86,020	589,955	553,875
Restricted	624,062	562,840	-	-	624,062	562,840
Unrestricted	66,457	10,977	124,051	106,155	190,508	117,132
	<u>\$ 1,193,256</u>	<u>1,041,672</u>	<u>211,269</u>	<u>192,175</u>	<u>1,404,525</u>	<u>1,233,847</u>

The largest portion (44.4%) of the City's net position, or \$624.1 million, represents resources that are subject to external restrictions on how they may be used. An additional 42.0% of the City's net position, or \$590.0 million, reflects its investment in capital assets (e.g., land, buildings, other improvements, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its residents and, therefore, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated for these liabilities. The last portion of the City's net position, \$190.5 million (13.6%), represents unrestricted net position.

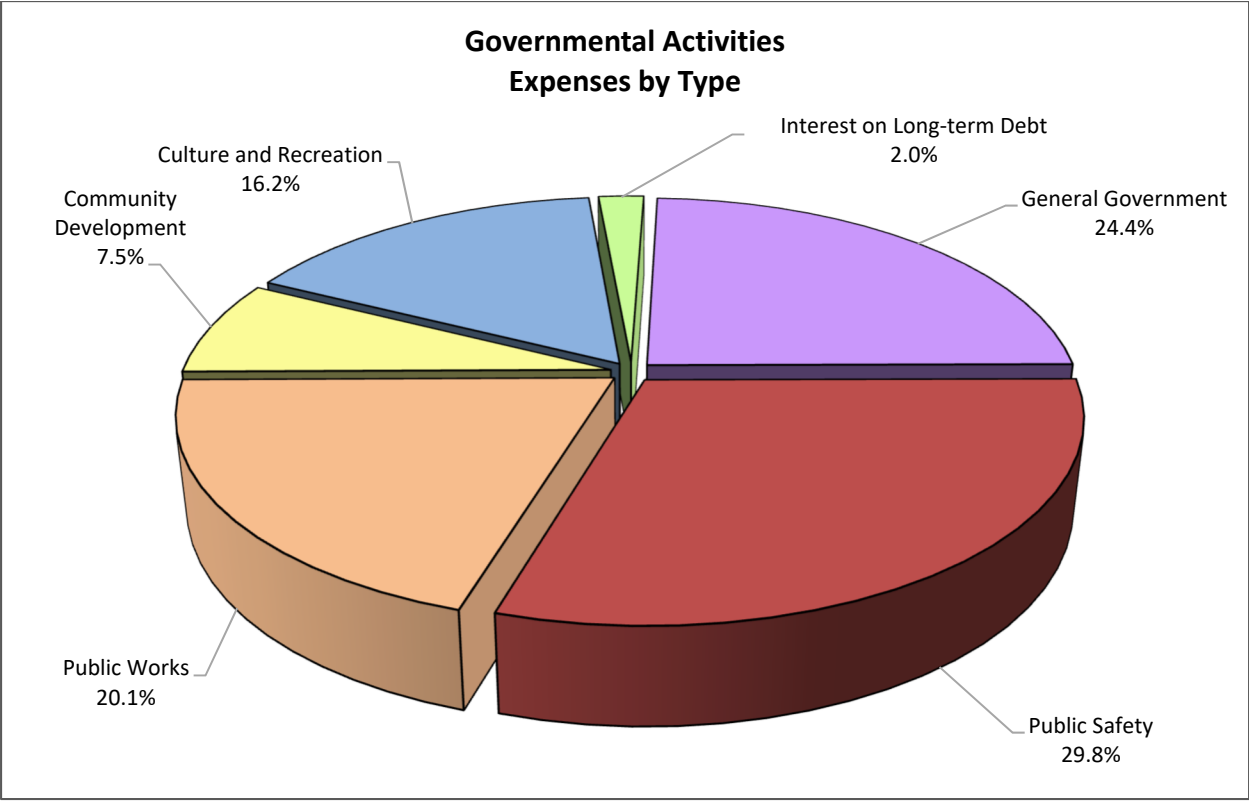
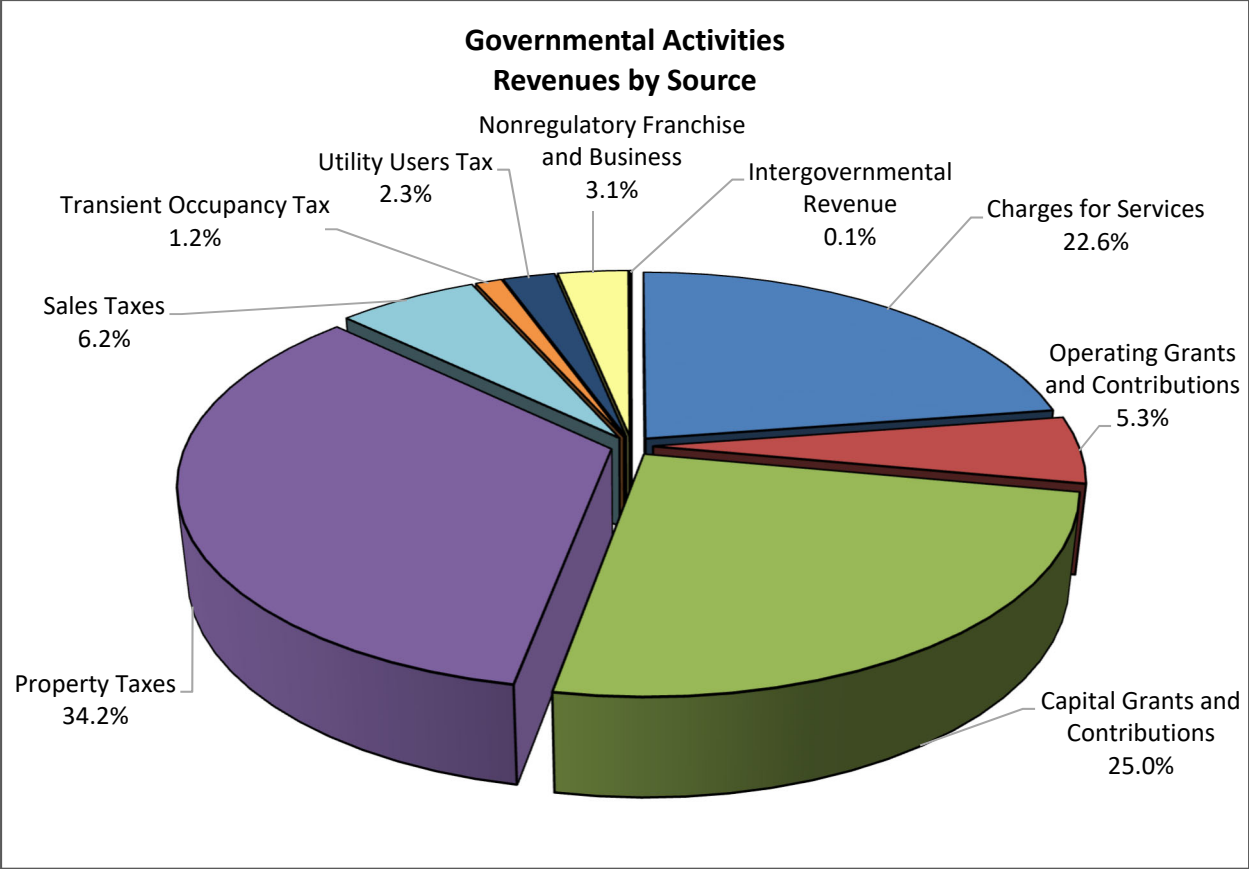
The City's total current and liabilities decreased by \$100.9 million, compared with the prior fiscal year, primarily due to a decrease of net pension liability of \$99.0 million resulting from higher investment returns during the measurement year.

The City implemented GASB 87 as of July 1, 2021, which resulted in a reduction of the beginning net position of governmental activities of \$2.2 million. At June 30, 2022, the City's governmental activities, as a lessor, reported \$794.5 million of lease receivables and \$781.4 million of related deferred inflow of resources, while the City, as a lessee, reported right-to-use leased assets of \$6.5 million and lease liability of \$6.5 million.

Analysis of Statement of Activities

The changes in net position for governmental and business-type activities are as follows:

	Condensed Statement of Activities					
	(Dollars in Thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 85,260	65,311	78,687	75,898	163,947	141,209
Operating grants and contributions	20,073	4,572	546	-	20,619	4,572
Capital grants and contributions	94,132	56,217	9,465	5,033	103,597	61,250
General Revenues:						
Property taxes	128,861	119,678	-	-	128,861	119,678
Sales taxes	23,456	18,284	-	-	23,456	18,284
Transient occupancy tax	4,437	1,918	-	-	4,437	1,918
Utility users tax	8,717	7,654	-	-	8,717	7,654
Nonregulatory franchise and business	11,784	9,408	-	-	11,784	9,408
Intergovernmental revenue	281	242	-	-	281	242
Investment income	(14,108)	1,056	(2,230)	(24)	(16,338)	1,032
Total revenues	<u>362,893</u>	<u>284,340</u>	<u>86,468</u>	<u>80,907</u>	<u>449,361</u>	<u>365,247</u>
Expenses:						
General government	50,952	51,531	-	-	50,952	51,531
Public safety	62,335	77,385	-	-	62,335	77,385
Public works	42,119	39,487	-	-	42,119	39,487
Community development	15,726	17,143	-	-	15,726	17,143
Culture and recreation	33,840	35,164	-	-	33,840	35,164
Interest on long-term debt	4,179	4,176	-	-	4,179	4,176
Water	-	-	32,425	36,982	32,425	36,982
Wastewater	-	-	22,359	21,847	22,359	21,847
Solid Waste	-	-	12,543	13,573	12,543	13,573
Total expenses	<u>209,151</u>	<u>224,886</u>	<u>67,327</u>	<u>72,402</u>	<u>276,478</u>	<u>297,288</u>
Change in net position before transfers	153,742	59,454	19,141	8,505	172,883	67,959
Transfers, net	47	(9)	(47)	9	-	-
Change in net position	<u>153,789</u>	<u>59,445</u>	<u>19,094</u>	<u>8,514</u>	<u>172,883</u>	<u>67,959</u>
Beginning net position, as previously reported	1,041,672	982,227	192,175	183,661	1,233,847	1,165,888
Change in accounting principles	(2,205)	-	-	-	(2,205)	-
Beginning net position, as restated	<u>1,039,467</u>	<u>982,227</u>	<u>192,175</u>	<u>183,661</u>	<u>1,231,642</u>	<u>1,165,888</u>
Ending net position	<u>\$ 1,193,256</u>	<u>1,041,672</u>	<u>211,269</u>	<u>192,175</u>	<u>1,404,525</u>	<u>1,233,847</u>



The City's overall net position increased by \$172.9 million during the current fiscal year, excluding the impact of restatement of \$2.2 million.

Governmental activities increased the City's net position by \$153.8 million compared to \$59.4 million for the prior fiscal year. Key factors are as follows:

- Total revenues increased to \$362.9 million, \$78.6 million or 27.6% higher than the prior fiscal year. Charges for services increased by \$19.9 million, primarily due to the \$21.6 million overall increase in lease revenue upon the implementation of GASB 87. Operating grants and contributions increased \$15.5 million, primarily due to \$7.8 million funding received under the American Rescue Plan Act of 2021 and an \$8.0 million in State funding received. Capital grants and contributions increased \$37.9 million, primarily related to a one-time public benefit in-lieu fee of \$20.4 million and increases in developer fees collected. Property taxes increased by \$9.2 million over the prior fiscal year as the residential and commercial real estate markets continued to experience strong growth in assessed values. Sales taxes and transient occupancy tax increased \$5.2 million and \$2.5 million, respectively, over the prior fiscal year, showing recovery from the impact of the COVID-19 pandemic. The total increase in revenue in the above-mentioned areas is offset by a \$15.2 million decrease in investment income, mainly due to the impact of fair-value adjustments to the City's investments upon the increase in interest rates toward the end of the year.
- Total expenses decreased to \$209.2 million, \$15.7 million or 7.0% lower than the prior fiscal year, primarily due to higher investment returns from the California Public Employees' Retirement System (CalPERS) pension plans, resulting in significantly lower pension expenses for the year.

Business-type activities increased the City's net position by \$19.1 million. Key factors for this increase are as follows:

- Water net position increased by \$9.4 million, primarily due to net operating income of \$4.2 million and developer capital contribution of \$5.6 million.
- Wastewater net position increased by \$7.8 million, primarily due to net operating income of \$5.3 million and developer capital contribution of \$2.4 million.
- Solid waste net position increased by \$1.9 million, primarily due to net operating income of \$2.4 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds—The focus of the City's governmental funds is to account for the near-term inflows, outflows, and balances of resources that are available for spending. This information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

At June 30, 2022, the City's governmental funds reported combined ending fund balances of \$929.9 million, an increase of \$101.3 million compared to the prior fiscal year, excluding the impact of restatement. The components for the change are increases of \$39.5 million in the General Fund, \$22.0 million in the Shoreline Regional Park Community Fund, \$32.6 million in the Housing Fund, and \$28.5 million in Other Governmental Funds, offset by a decrease of \$2.5 million in the General Capital Projects Fund and \$18.8 million in the Park Land Dedication Capital Projects Fund.

For the General Fund, revenues continued to exceed expenditures due, in large part, to the growth in property taxes, sales taxes and other taxes, and grant funding received. The increase in the Shoreline Regional Park Community Fund is due primarily to growth in property taxes and increase in developer fees and contributions. The increase in the Housing Fund resulted from fees generated from development-related activities. The decrease in the General Capital Projects Fund is due to increased capital expenditures as well as decreased use of money and property revenue. The decrease in the Park Land Dedication Capital Projects Fund was due to a one-time development-related fee collected in the prior fiscal year and increased transfer out to other funds for capital projects.

Total fund balance is comprised of an unassigned fund balance of \$93.4 million that is available for spending at the City's discretion. The remainder of the fund balance is nonspendable (\$0.9 million), restricted (\$696.9 million), committed (\$132.8 million), and assigned (\$5.9 million), none of which are available for new discretionary spending. The restricted fund balance increased to \$696.9 million, or \$63.6 million over the prior fiscal year, mainly as a result of the restricted fund balances increases in the Shoreline Regional Park Community Fund and the Housing Fund due to factors mentioned above.

Total revenues for governmental funds were \$368.2 million, representing an increase of \$82.8 million from the prior fiscal year. This increase was primarily related to higher property taxes, sales taxes, other taxes, intergovernmental revenues, and developer fees and contributions, offset in part by a decrease in use of money and property revenue. Total expenditures for governmental funds were \$279.3 million, an increase of \$59.5 million from the prior fiscal year. The increase was primarily due to \$28.5 million in capital outlay expenditures

for Plymouth Street Realignment Property Acquisition. Revenues for governmental funds exceeded expenditures by \$88.9 million.

The General Fund is used to account for all revenues and expenditures necessary to carry out basic government activities of the City that is not accounted for through other funds. At June 30, 2022, the unassigned fund balance of \$93.4 million was \$25.6 million higher than the prior fiscal year.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of \$93.4 million represents 47.3% of total fund balance, 56.5% of fund expenditures of \$165.2 million, while total fund balance represents 119.4% of that same amount.

The fund balance of the City's General Fund increased by \$37.3 million during the current fiscal year. Total General Fund revenues increased to \$213.2 million, an increase of \$47.6 million over the prior fiscal year. The increase is primarily due to increases in property taxes, sales taxes, other taxes, intergovernmental revenues, and lease revenue upon the implementation of GASB 87.

The Shoreline Regional Park Community Fund receives property taxes on property within the Shoreline Community. The fund accounts for the revenues and expenditures of the Shoreline Community.

Revenues were \$69.1 million for the fiscal year ended June 30, 2022, an increase of \$16.2 million over the prior fiscal year. Revenues increased due to higher property taxes and developer fees collected for the Google Landings Office Development Project.

Expenditures were \$26.8 million compared to \$24.9 million in the prior fiscal year. Of this amount, \$21.3 million was expended on general government and \$3.9 million on culture and recreation, which are comparable to the prior fiscal year.

In addition, \$21.5 million was transferred out for capital improvement projects and debt service payments. The fund balance as of June 30, 2022 of \$76.1 million may be used only for expenditures of the Shoreline Community.

The Housing Fund accounts for fees paid by developers to provide for increasing and improving the supply of extremely low-, very low-, low-, and moderate-income housing (affordable housing).

Revenues were \$23.0 million for the fiscal year ended June 30, 2022, an increase of \$11.9 million from the prior fiscal year. This was primarily due to higher development-related fees related to the Google Landings Office Development Project. The fund balance of \$176.9 million is available for increasing the supply of affordable housing.

The General Capital Projects Fund accounts for all general capital improvements not funded from proprietary funds.

Revenues were a negative \$9.1 million for the fiscal year ended June 30, 2022, a decrease of \$11.5 million from the prior fiscal year, primarily due to decreased used of money and property revenue that resulted from the impact of fair-value adjustments to the City's investments upon the increase in interest rates toward the end of the year.

Expenditures were \$66.8 million, which was \$37.7 million more than the prior fiscal year. These funds were expended on capital outlay projects, including: Plymouth Street Realignment Property Acquisition, Fire Department Fleet Replacement, South Whisman Park Construction, and Civic Center Infrastructure, Phase I. The fund balance of \$272.1 million is available to fund capital projects.

The Park Land Dedication Capital Projects Fund accounts for revenues derived from fees on residential subdivisions used for park and recreation projects.

Revenues were \$18.9 million for the fiscal year ended June 30, 2022, a decrease of \$12.7 million from the prior fiscal year. The decrease was primarily due to decreased developer contributions. There was no expenditure incurred in the current year. The fund balance of \$79.7 million is available for park and recreation projects.

Proprietary Funds—The City's proprietary funds statements provide the same type of information found in the government-wide financial statements but in more detail.

At the end of the fiscal year, the unrestricted net positions for the Water, Wastewater, and Solid Waste Funds are \$58.1 million, \$51.0 million, and \$15.0 million, respectively. The total increase in net position for the enterprise funds from the prior fiscal year is \$19.1 million. The net operating income of the Water Fund (\$4.2 million), Wastewater Fund (\$5.3 million), and Solid Waste Fund (\$2.4 million) increased by \$2.4 million, \$3.8 million, and \$1.3 million, respectively, when compared to the prior year. The Water Fund's increase is due to lower expenses resulting from the San Francisco Public Utilities Commission waiving the City's minimum water purchase requirement due to drought water conservation mandates. The Wastewater Fund's increase is due to higher service charge revenue and Solid Waste Fund's increase is due to higher savings in operating expenditures. The internal service funds have an unrestricted net position of \$35.2 million at June 30, 2022. Factors concerning the finances of the enterprise funds have also been addressed previously in the discussion of the City's business-type activities.

Custodial Funds—The City maintains custodial funds for fiduciary activities and assets held by the City in custodial capacity for the benefit of agencies outside of the City or employees. As of June 30, 2022, the assets of the custodial funds totaled \$0.4 million, comparable to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund differences between the original Fiscal Year 2021-22 budget and the final amended budget resulted in an increase of \$2.2 million in budgeted revenue related to Other Revenues and Charges for Services and a \$13.3 million increase in expenditure appropriations. Approximately \$7.9 million of the adjustment in expenditure appropriations is related to prior-year encumbrances that carry forward at the beginning of the fiscal year as specified in the City Charter. An additional \$1.2 million of appropriations was established for the payment for building inspection and fire plan checking contract services related to development activity, which are cost-recovered by fees from developers. An additional \$3.3 million of appropriations was established for the payment of compensated absences. The balance of adjustments was made midyear for various operational needs not anticipated during budget adoption and grants or reimbursements received during the fiscal year.

General Fund actual revenues are \$30.0 million or 16.4% higher than the final amended budget for the fiscal year. The variance is primarily due to higher-than-budgeted tax revenues, lease revenue upon the implementation of GASB 87, and other revenues. Actual expenditures for the General Fund are \$29.4 million lower than the final amended budget for the fiscal year. Most of the departments' expenditures are lower than budget due to salary and benefit savings incurred from vacant positions as the City experienced higher-than-usual turnover driven by a considerable number of retirements and resignations. The effect of the higher revenues and the underutilization of appropriations contributed to the positive net change in fund balances compared to budget for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2022 was \$625.6 million (net of accumulated depreciation). Capital assets include land, leased assets, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total net increase in the City's capital assets as of June 30, 2022 is \$43.1 million or 7.4%.

The change in capital assets, net of depreciation, for the governmental and business-type activities are as follows:

Capital Assets						
(Dollars in Thousands)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 138,782	110,311	220	220	139,002	110,531
Leased assets - Land	6,549	-	-	-	6,549	-
Construction in progress	80,481	61,465	21,793	17,859	102,274	79,324
Buildings	188,468	188,468	8,748	8,748	197,216	197,216
Improvements other than buildings	227,032	220,007	169,890	164,640	396,922	384,647
Machinery and equipment	39,144	41,540	8,655	8,516	47,799	50,056
Traffic signals	15,513	15,378	-	-	15,513	15,378
Streetlights	10,942	10,535	-	-	10,942	10,535
Bridges and culverts	18,440	18,440	-	-	18,440	18,440
Sidewalks, curbs and gutters	116,041	115,170	-	-	116,041	115,170
Streets and roads	284,304	278,714	-	-	284,304	278,714
Less accumulated depreciation	<u>(598,025)</u>	<u>(574,084)</u>	<u>(111,341)</u>	<u>(103,402)</u>	<u>(709,366)</u>	<u>(677,486)</u>
	<u>\$ 527,671</u>	<u>485,944</u>	<u>97,965</u>	<u>96,581</u>	<u>625,636</u>	<u>582,525</u>

Major capital asset activities during the current fiscal year included the following:

- Total capital assets increased by \$43.1 million due to a net increase in assets of \$75.0 million, offset by a \$31.9 million net increase in accumulated depreciation.
- Construction in progress increased by \$23.0 million. Some of the major projects worked on and/or completed during the year included: Plymouth Street Realignment Property Acquisition, Fire Department Fleet Replacement, South Whisman Park Construction, and Civic Center Infrastructure, Phase I.

Additional information about the City's capital assets is discussed in Note 6 to the financial statements.

Debt Administration

As of June 30, 2022, the City had \$161.6 million of outstanding noncurrent liabilities related to governmental activities and \$14.9 million related to business-type activities, for a total of \$176.5 million. Noncurrent liabilities outstanding as of June 30, 2022, with a comparison to prior year and the net change, are as follows:

Noncurrent Liabilities			
(Dollars in Thousands)			
	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
Revenue bonds	\$ 91,252	93,554	(2,302)
Compensated absences	11,260	12,765	(1,505)
Landfill containment	43,268	41,564	1,704
Claims liabilities	9,297	8,452	845
Lease liabilities	6,499	-	6,499
Total governmental activities debt	<u>161,576</u>	<u>156,335</u>	<u>5,241</u>
Business-type activities	<u>14,916</u>	<u>16,221</u>	<u>(1,305)</u>
Total	<u>\$ 176,492</u>	<u>172,556</u>	<u>3,936</u>

The increases to noncurrent liabilities were primarily due to the addition of a lease in the current fiscal year upon the implementation of GASB 87 offset by the scheduled retirement of long-term debt during the normal course of business.

The City Charter limits bonded indebtedness for General Obligation bonds to 15.0% of the total assessed valuation of all real and personal property within the City. The City has no general obligation debt outstanding as of June 30, 2022 and has maintained its underlying “AAA” issuer credit rating from Standard & Poor’s since July 2014.

Additional information regarding the City’s noncurrent liabilities is discussed in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The City’s revenues performed better than projected as the recovery from the COVID-19 pandemic continued. Except for the Transit Occupancy Tax, major revenues are projected to be higher and return to prepandemic levels.
- Overall, property taxes for the City are expected to increase in the upcoming fiscal year based on increases in property taxes from new development, change in ownership, and the 2.0% increase in assessed value due to the positive California Consumer Price Index.

- Sales tax revenue is expected to be slightly lower than the current fiscal year. However, a moderate increase is forecasted for future years.
- Business License revenue is estimated to be about the same as the current fiscal year, and Utility Users Tax is projected to be about 8.0% higher than Fiscal Year 2021-22, primarily from higher collections for energy services. Transient Occupancy Tax is projected to be slightly lower than the current year because business travel is still slowly recovering from the pandemic.
- Average increases in potable water, wastewater, and solid waste rates of 12.0%, 8.0%, and 6.0%, respectively, have been adopted for Fiscal Year 2022-23 to recover the costs of providing those services. All of the rate increases are effective starting July 1, 2022.

All of these factors were considered in preparing the City's budget for Fiscal Year 2022-23.

Although the level economy has stabilized from the past couple years, current developments around the world and recent inflation have contributed to increased uncertainty about the future of the economy. The City continues to promote sound fiscal practices and budget discipline to allow the City to be prepared for fiscal challenges that may arise in the upcoming years.

REQUESTS FOR INFORMATION

These financial statements are intended to provide residents, taxpayers, investors, and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Finance and Administrative Services Department, 500 Castro Street, P.O. Box 7540, Mountain View, California, 94039-7540, or financeadmin@mountainview.gov.

CITY OF MOUNTAIN VIEW
Statement of Net Position
June 30, 2022
(Dollars in Thousands)

	Primary Government		
	Governmental Activities	Business- type Activities	Total
Assets:			
Cash and investments	\$ 847,981	85,002	932,983
Restricted cash and investments	78,390	3,117	81,507
Receivables:			
Accounts	3,282	15,296	18,578
Taxes	5,435	-	5,435
Interest	3,198	483	3,681
Loans and notes	102,665	-	102,665
Leases	794,487	-	794,487
Internal balances	(43,200)	43,200	-
Inventory	839	-	839
Deposits and prepaid items	31,521	-	31,521
Net OPEB asset	26,095	-	26,095
Capital assets:			
Nondepreciable	225,812	22,013	247,825
Depreciable, net of accumulated depreciation	301,859	75,952	377,811
Total assets	<u>2,378,364</u>	<u>245,063</u>	<u>2,623,427</u>
Deferred outflows of resources:			
Pension items	32,990	3,051	36,041
OPEB items	9,332	341	9,673
Total deferred outflows of resources	<u>42,322</u>	<u>3,392</u>	<u>45,714</u>
Liabilities:			
Accounts payable and accrued liabilities	22,489	3,392	25,881
Interest payable	1,782	-	1,782
Refundable deposits	7,147	478	7,625
Unearned revenue	39,048	-	39,048
Noncurrent and other liabilities:			
Due within one year:			
Long-term liabilities	6,932	1,473	8,405
Due in more than one year:			
Long-term liabilities	154,644	13,443	168,087
Net pension liability	116,174	12,536	128,710
Net OPEB liability	-	341	341
Total liabilities	<u>348,216</u>	<u>31,663</u>	<u>379,879</u>
Deferred inflows of resources:			
Pension items	66,174	5,523	71,697
OPEB items	31,674	-	31,674
Leases	781,366	-	781,366
Total deferred inflows of resources	<u>879,214</u>	<u>5,523</u>	<u>884,737</u>
Net position:			
Net investment in capital assets	502,737	87,218	589,955
Restricted for:			
Capital projects	285,928	-	285,928
Debt service	45	-	45
Low and moderate income housing	189,548	-	189,548
Shoreline Regional Park Community	76,062	-	76,062
Grants and regulations	72,479	-	72,479
Unrestricted	66,457	124,051	190,508
Total net position	<u>\$ 1,193,256</u>	<u>211,269</u>	<u>1,404,525</u>

CITY OF MOUNTAIN VIEW
Statement of Activities
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Function/Program Activities:				
Primary government:				
Governmental activities:				
General government	\$ 50,952	59,868	6,497	150
Public safety	62,335	823	1,912	-
Public works	42,119	3,553	3,624	14,430
Community development	15,726	14,352	7,745	58,283
Culture and recreation	33,840	6,664	295	21,269
Interest on long-term debt	4,179	-	-	-
Total governmental activities	<u>209,151</u>	<u>85,260</u>	<u>20,073</u>	<u>94,132</u>
Business-type activities:				
Water	32,425	36,373	353	6,086
Wastewater	22,359	27,347	193	3,379
Solid Waste	12,543	14,967	-	-
Total business-type activities	<u>67,327</u>	<u>78,687</u>	<u>546</u>	<u>9,465</u>
Total primary government	<u>\$ 276,478</u>	<u>163,947</u>	<u>20,619</u>	<u>103,597</u>

General revenues:

Property taxes
Sales taxes
Transient occupancy tax
Utility users tax
Nonregulatory franchise and business, unrestricted
Intergovernmental - Not restricted to specific programs
Investment income

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as previously reported

Cumulative effect of change in accounting principles

Net position, beginning of year, as restated

Net position, end of year

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business- type Activities	Total
15,563	-	15,563
(59,600)	-	(59,600)
(20,512)	-	(20,512)
64,654	-	64,654
(5,612)	-	(5,612)
(4,179)	-	(4,179)
<u>(9,686)</u>	<u>-</u>	<u>(9,686)</u>
-	10,387	10,387
-	8,560	8,560
-	2,424	2,424
<u>-</u>	<u>21,371</u>	<u>21,371</u>
<u>(9,686)</u>	<u>21,371</u>	<u>11,685</u>
128,861	-	128,861
23,456	-	23,456
4,437	-	4,437
8,717	-	8,717
11,784	-	11,784
281	-	281
(14,108)	(2,230)	(16,338)
47	(47)	-
<u>163,475</u>	<u>(2,277)</u>	<u>161,198</u>
<u>153,789</u>	<u>19,094</u>	<u>172,883</u>
1,041,672	192,175	1,233,847
<u>(2,205)</u>	<u>-</u>	<u>(2,205)</u>
<u>1,039,467</u>	<u>192,175</u>	<u>1,231,642</u>
<u>\$ 1,193,256</u>	<u>211,269</u>	<u>1,404,525</u>

CITY OF MOUNTAIN VIEW
Governmental Funds
Balance Sheet
June 30, 2022
(Dollars in Thousands)

	General	Shoreline Regional Park Community	Housing
Assets:			
Cash and investments	\$ 215,187	80,585	100,059
Restricted cash and investments	-	-	4,714
Receivables:			
Accounts	1,272	57	154
Taxes	5,435	-	-
Interest	1,054	588	388
Loans and notes	2,377	-	72,323
Leases	794,487	-	-
Due from other funds	292	-	-
Inventory	767	-	-
Deposits and prepaid items	3,068	-	10,844
Total assets	<u>\$ 1,023,939</u>	<u>81,230</u>	<u>188,482</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 11,592	5,002	33
Due to other funds	-	-	-
Refundable deposits	5,154	40	1,600
Unearned revenue	28,542	126	9,984
Advances from other funds	-	-	-
Total liabilities	<u>45,288</u>	<u>5,168</u>	<u>11,617</u>
Deferred inflows of resources:			
Leases	<u>781,366</u>	-	-
Fund balances:			
Nonspendable	835	-	-
Restricted	436	76,062	176,865
Committed	96,704	-	-
Assigned	5,920	-	-
Unassigned	93,390	-	-
Total fund balances	<u>197,285</u>	<u>76,062</u>	<u>176,865</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,023,939</u>	<u>81,230</u>	<u>188,482</u>

General Capital Projects	Park Land Dedication Capital Projects	Other Governmental Funds	Total Governmental Funds
254,449	62,213	92,659	805,152
66,317	-	6,510	77,541
140	-	694	2,317
-	-	-	5,435
-	476	481	2,987
-	-	27,965	102,665
-	-	-	794,487
-	-	-	292
-	-	72	839
-	17,000	609	31,521
<u>320,906</u>	<u>79,689</u>	<u>128,990</u>	<u>1,823,236</u>
5,609	-	80	22,316
-	-	292	292
-	-	353	7,147
-	-	396	39,048
<u>43,200</u>	-	-	<u>43,200</u>
<u>48,809</u>	-	<u>1,121</u>	<u>112,003</u>
-	-	-	<u>781,366</u>
-	-	72	907
272,097	79,689	91,730	696,879
-	-	36,067	132,771
-	-	-	5,920
-	-	-	93,390
<u>272,097</u>	<u>79,689</u>	<u>127,869</u>	<u>929,867</u>
<u>320,906</u>	<u>79,689</u>	<u>128,990</u>	<u>1,823,236</u>

This page intentionally left blank

CITY OF MOUNTAIN VIEW

**Reconciliation of the Balance Sheet of Governmental Funds to the
Government-wide Statement of Net Position - Governmental Activities
June 30, 2022
(Dollars in Thousands)**

Fund balances - total governmental funds	\$ 929,867
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets including leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	527,671
Internal service funds are used to charge the costs of management of equipment maintenance and replacement, insurance, retirees' health plan and employee benefits plan and related billings to other City departments and individual funds. The assets and liabilities are included in governmental activities in the statement of net position.	35,238
Interest payable on long-term debt does not require the use of current financial resources and, therefore, interest payable is not accrued as a liability in the balance sheet of governmental funds.	(1,782)
Deferred outflows and inflows of resources for pension and OPEB items in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources	42,322
Deferred inflows of resources	(97,848)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	
Net pension liability	\$ (116,174)
Net OPEB asset (liability)	26,095
Bonds and loans payable	(91,252)
Lease liabilities	(6,499)
Landfill containment	(43,268)
Compensated absences	(11,114)
	<u>(242,212)</u>
Net position of governmental activities	<u>\$ 1,193,256</u>

CITY OF MOUNTAIN VIEW
Governmental Funds
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	General	Shoreline Regional Park Community	Housing
Revenues:			
Property taxes	\$ 72,256	55,486	-
Sales taxes	23,456	-	-
Other taxes	19,431	-	-
Licenses, permits and fees	11,867	-	-
Fines and forfeitures	316	-	-
Use of money and property	37,672	(901)	(1,690)
Intergovernmental	8,072	-	-
Charges for services	26,520	76	150
Developer fees and contributions	1,223	14,428	24,396
Other	12,419	53	150
Total revenues	<u>213,232</u>	<u>69,142</u>	<u>23,006</u>
Expenditures:			
Current:			
General government	32,181	21,287	-
Public safety	74,924	90	-
Public works	20,093	1,126	-
Community development	14,086	289	959
Culture and recreation	23,253	3,913	-
Capital outlay	672	62	6,549
Debt service:			
Principal	-	-	50
Interest and fiscal charges	-	-	106
Total expenditures	<u>165,209</u>	<u>26,767</u>	<u>7,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,023</u>	<u>42,375</u>	<u>15,342</u>
Other financing sources (uses):			
Lease financing	-	-	6,549
Transfers in	2,415	1,120	11,789
Transfers out	(10,966)	(21,537)	(1,086)
Total other financing sources (uses)	<u>(8,551)</u>	<u>(20,417)</u>	<u>17,252</u>
Net change in fund balances	<u>39,472</u>	<u>21,958</u>	<u>32,594</u>
Fund balances, beginning of year, as previously reported	160,018	54,104	144,271
Cumulative effect of change in accounting principles	(2,205)	-	-
Fund balances, beginning of year, as restated	<u>157,813</u>	<u>54,104</u>	<u>144,271</u>
Fund balances, end of year	<u>\$ 197,285</u>	<u>76,062</u>	<u>176,865</u>

General Capital Projects	Park Land Dedication Capital Projects	Other Governmental Funds	Total Governmental Funds
-	-	1,118	128,860
-	-	-	23,456
-	-	10,308	29,739
-	-	-	11,867
-	-	-	316
(12,994)	(2,400)	(1,328)	18,359
1,405	-	12,602	22,079
-	-	5,749	32,495
-	21,269	24,269	85,585
2,537	-	289	15,448
<u>(9,052)</u>	<u>18,869</u>	<u>53,007</u>	<u>368,204</u>
-	-	137	53,605
-	-	229	75,243
-	-	26	21,245
-	-	2,647	17,981
-	-	3,418	30,584
66,799	-	26	74,108
-	-	2,085	2,135
-	-	4,333	4,439
<u>66,799</u>	<u>-</u>	<u>12,901</u>	<u>279,340</u>
<u>(75,851)</u>	<u>18,869</u>	<u>40,106</u>	<u>88,864</u>
-	-	-	6,549
89,653	1,636	7,800	114,413
<u>(16,308)</u>	<u>(39,273)</u>	<u>(19,383)</u>	<u>(108,553)</u>
<u>73,345</u>	<u>(37,637)</u>	<u>(11,583)</u>	<u>12,409</u>
<u>(2,506)</u>	<u>(18,768)</u>	<u>28,523</u>	<u>101,273</u>
274,603	98,457	99,346	830,799
-	-	-	(2,205)
<u>274,603</u>	<u>98,457</u>	<u>99,346</u>	<u>828,594</u>
<u>272,097</u>	<u>79,689</u>	<u>127,869</u>	<u>929,867</u>

This page intentionally left blank

CITY OF MOUNTAIN VIEW

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-wide Statement of Activities - Governmental Activities:
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)**

Net change in fund balances - total governmental funds		\$ 101,273
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital assets additions	\$ 62,610	
Donated assets received	1,244	
Capital assets retirements	(348)	
Depreciation	<u>(28,325)</u>	35,181
<p>Revenues recognized in the governmental funds that were earned and recognized in previous years are reported as beginning net position in the statement of activities. Revenues earned in the current year that did not meet the revenue recognition criteria for governmental funds are reported as revenues in the statement of activities.</p>		
		(5,016)
<p>Pension and OPEB contributions made subsequent to the measurement date are expenditures in the governmental funds, but reported as deferred outflows of resources in the government-wide financial statements.</p>		
		34,125
<p>Pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		(2,838)
<p>Lease financing are reported as other financing sources and capital outlay in governmental funds and thus contribute to the change in fund balances. However, lease financing change long-term liabilities and capital assets in the statement of net position and do not affect the statement of activities.</p>		
Lease liabilities addition	(6,549)	
Lease assets addition	<u>6,549</u>	-
<p>The repayment of the principal of long-term debt and lease liabilities consume the current financial resources of governmental funds.</p>		
		2,135
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Amortization of bond premium	217	
Change in accrued interest payable	43	
Change in landfill containment	(1,704)	
Change in compensated absences	<u>1,509</u>	65
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.</p>		
		<u>(11,136)</u>
Change in net position of governmental activities		<u>\$ 153,789</u>

This page intentionally left blank

CITY OF MOUNTAIN VIEW
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 66,108	66,108	72,256	6,148
Sales taxes	18,477	18,477	23,456	4,979
Other taxes	16,775	16,775	19,431	2,656
Licenses, permits and fees	14,168	14,168	11,867	(2,301)
Fines and forfeitures	665	665	316	(349)
Use of money and property	27,140	27,140	37,672	10,532
Intergovernmental	8,930	8,930	8,072	(858)
Charges for services	23,747	24,574	26,520	1,946
Developer fees and contributions	800	800	1,223	423
Other	4,215	5,608	12,419	6,811
	<u>181,025</u>	<u>183,245</u>	<u>213,232</u>	<u>29,987</u>
Expenditures:				
Current:				
General government:				
City council	424	445	256	189
City clerk	985	985	896	89
City attorney	2,625	2,841	2,309	532
City manager	9,095	10,184	5,378	4,806
Human services	3,298	6,805	6,445	360
Information technology	8,080	8,368	6,709	1,659
Finance and administrative services	14,174	14,706	10,188	4,518
Public safety:				
Fire	29,691	30,808	30,709	99
Police	46,618	47,051	44,215	2,836
Public works	21,919	24,304	20,093	4,211
Community development	14,776	17,195	14,086	3,109
Culture and recreation:				
Community services	19,480	19,784	17,147	2,637
Library services	7,138	7,469	6,106	1,363
Capital outlay	3,026	3,674	672	3,002
	<u>181,329</u>	<u>194,619</u>	<u>165,209</u>	<u>29,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304)</u>	<u>(11,374)</u>	<u>48,023</u>	<u>59,397</u>
Other financing sources (uses):				
Transfers in	1,931	1,931	2,415	484
Transfers out	(8,573)	(11,936)	(10,966)	970
	<u>(6,642)</u>	<u>(10,005)</u>	<u>(8,551)</u>	<u>1,454</u>
Net change in fund balance	<u>\$ (6,946)</u>	<u>(21,379)</u>	<u>39,472</u>	<u>60,851</u>
Fund balance, beginning of year, as previously reported			160,018	
Cumulative effect of change in accounting principles			<u>(2,205)</u>	
Fund balance, beginning of year, as restated			<u>157,813</u>	
Fund balance, end of year			<u>\$ 197,285</u>	

CITY OF MOUNTAIN VIEW
Shoreline Regional Park Community Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 49,074	49,074	55,486	6,412
Use of money and property	1,807	1,807	(901)	(2,708)
Charges for services	55	55	76	21
Developer fees and contributions	-	-	14,428	14,428
Other	34	34	53	19
	<u>50,970</u>	<u>50,970</u>	<u>69,142</u>	<u>18,172</u>
Total revenues				
Expenditures:				
Current:				
General government:				
City attorney	10	20	6	14
Finance and administrative services	20,740	21,310	21,281	29
Public safety:				
Fire	169	173	50	123
Police	40	40	40	-
Public works	1,378	1,440	1,126	314
Community development	536	537	289	248
Culture and recreation:				
Community services	4,479	4,572	3,913	659
Capital outlay	67	67	62	5
	<u>27,419</u>	<u>28,159</u>	<u>26,767</u>	<u>1,392</u>
Total expenditures				
Excess of revenues over expenditures	<u>23,551</u>	<u>22,811</u>	<u>42,375</u>	<u>19,564</u>
Other financing sources (uses):				
Transfers in	-	-	1,120	1,120
Transfers out	(20,005)	(21,540)	(21,537)	3
	<u>(20,005)</u>	<u>(21,540)</u>	<u>(20,417)</u>	<u>1,123</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ 3,546</u>	<u>1,271</u>	21,958	<u>20,687</u>
Fund balance, beginning of year			<u>54,104</u>	
Fund balance, end of year			<u>\$ 76,062</u>	

CITY OF MOUNTAIN VIEW
Housing Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 1,236	1,236	(1,690)	(2,926)
Charges for services	-	-	150	150
Developer fees and contributions	-	-	24,396	24,396
Other	-	-	150	150
Total revenues	<u>1,236</u>	<u>1,236</u>	<u>23,006</u>	<u>21,770</u>
Expenditures:				
Current:				
Community development	5,794	24,547	959	23,588
Capital outlay	-	-	6,549	(6,549)
Debt service:				
Principal	-	-	50	(50)
Interest and fiscal charges	-	-	106	(106)
Total expenditures	<u>5,794</u>	<u>24,547</u>	<u>7,664</u>	<u>16,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,558)</u>	<u>(23,311)</u>	<u>15,342</u>	<u>38,653</u>
Other financing uses:				
Lease financing	-	-	6,549	6,549
Transfers in	624	624	11,789	11,165
Transfers out	<u>(1,086)</u>	<u>(1,086)</u>	<u>(1,086)</u>	<u>-</u>
Total other financing uses	<u>(462)</u>	<u>(462)</u>	<u>17,252</u>	<u>17,714</u>
Net change in fund balance	<u>\$ (5,020)</u>	<u>(23,773)</u>	<u>32,594</u>	<u>56,367</u>
Fund balance, beginning of year			<u>144,271</u>	
Fund balance, end of year			<u>\$ 176,865</u>	

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Net Position
June 30, 2022
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Assets:			
Current assets:			
Cash and investments	\$ 39,297	30,793	14,912
Restricted cash and investments	-	3,117	-
Receivables:			
Accounts	6,396	4,636	4,264
Interest	243	179	61
Due from other funds	-	-	-
Total current assets	<u>45,936</u>	<u>38,725</u>	<u>19,237</u>
Noncurrent assets:			
Advance to other funds	22,552	19,936	712
Capital assets:			
Nondepreciable	13,107	8,056	850
Depreciable, net of accumulated depreciation	45,065	28,701	2,186
Total noncurrent assets	<u>80,724</u>	<u>56,693</u>	<u>3,748</u>
Total assets	<u>126,660</u>	<u>95,418</u>	<u>22,985</u>
Deferred outflows of resources:			
Pension items	1,540	905	606
OPEB items	166	72	103
Total deferred outflows of resources	<u>1,706</u>	<u>977</u>	<u>709</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	1,889	40	1,463
Due to other funds	-	-	-
Refundable deposits	478	-	-
Current portion of accrued compensated absences	76	65	43
Current portion of accrued self-insurance costs	-	-	-
Current portion of revenue bonds	460	-	-
Current portion of loans payable	250	579	-
Total current liabilities	<u>3,153</u>	<u>684</u>	<u>1,506</u>
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	375	285	208
Noncurrent portion of accrued self-insurance costs	-	-	-
Noncurrent portion of revenue bonds	3,235	-	-
Noncurrent portion of loans payable	1,500	7,840	-
Net pension liability	6,451	3,318	2,767
Net OPEB liability	166	72	103
Total liabilities	<u>14,880</u>	<u>12,199</u>	<u>4,584</u>
Deferred inflows of resources:			
Pension items	2,696	1,713	1,114
Net position:			
Net investment in capital assets	52,727	31,455	3,036
Unrestricted	58,063	51,028	14,960
Total net position	<u>\$ 110,790</u>	<u>82,483</u>	<u>17,996</u>

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
85,002	42,829
3,117	849
15,296	965
483	211
-	546
<u>103,898</u>	<u>45,400</u>
43,200	-
22,013	-
75,952	-
<u>141,165</u>	<u>-</u>
<u>245,063</u>	<u>45,400</u>
3,051	-
341	-
<u>3,392</u>	<u>-</u>
3,392	173
-	546
478	-
184	24
-	3,180
460	-
829	-
<u>5,343</u>	<u>3,923</u>
868	122
-	6,117
3,235	-
9,340	-
12,536	-
341	-
<u>31,663</u>	<u>10,162</u>
<u>5,523</u>	<u>-</u>
87,218	-
124,051	35,238
<u>211,269</u>	<u>35,238</u>

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Operating revenues:			
Charges for services	\$ 34,618	26,582	14,621
Other	1,755	765	346
Total operating revenues	<u>36,373</u>	<u>27,347</u>	<u>14,967</u>
Operating expenses:			
Salaries and related expenses	6,049	3,390	2,436
Insurance claims and premiums	-	-	-
Cost of sales and services	17,957	12,739	7,430
General and administrative	3,501	2,944	2,248
Depreciation	4,649	2,993	429
Total operating expenses	<u>32,156</u>	<u>22,066</u>	<u>12,543</u>
Operating income (loss)	<u>4,217</u>	<u>5,281</u>	<u>2,424</u>
Nonoperating revenues (expenses):			
Investment income	(962)	(870)	(398)
Interest expense	(233)	(291)	-
Intergovernmental revenue	353	193	-
Loss on disposal of capital assets	(36)	(2)	-
Total nonoperating revenues (expenses)	<u>(878)</u>	<u>(970)</u>	<u>(398)</u>
Income (loss) before contributions and transfers	3,339	4,311	2,026
Capital contributions - developer fees	5,587	2,365	-
Capital contributions - other	499	1,014	-
Transfers in	392	305	65
Transfers out	(417)	(230)	(162)
Change in net position	9,400	7,765	1,929
Net position, beginning of year	<u>101,390</u>	<u>74,718</u>	<u>16,067</u>
Net position, end of year	<u><u>\$ 110,790</u></u>	<u><u>82,483</u></u>	<u><u>17,996</u></u>

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
75,821	12,115
2,866	1,222
<u>78,687</u>	<u>13,337</u>
11,875	6,941
-	5,855
38,126	-
8,693	4,322
8,071	3
<u>66,765</u>	<u>17,121</u>
<u>11,922</u>	<u>(3,784)</u>
(2,230)	(1,539)
(524)	-
546	-
(38)	-
<u>(2,246)</u>	<u>(1,539)</u>
9,676	(5,323)
7,952	-
1,513	-
762	3,308
(809)	(9,121)
<u>19,094</u>	<u>(11,136)</u>
<u>192,175</u>	<u>46,374</u>
<u><u>211,269</u></u>	<u><u>35,238</u></u>

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Cash flows from operating activities:			
Cash receipts from customers	\$ 34,503	26,476	14,464
Cash paid to suppliers for goods and services	(23,576)	(15,691)	(9,476)
Cash paid to employees for services	(7,114)	(4,076)	(2,872)
Claims paid	-	-	-
Other receipts	1,853	765	346
Net cash provided by (used in) operating activities	<u>5,666</u>	<u>7,474</u>	<u>2,462</u>
Cash flows from noncapital financing activities			
Transfers in	392	305	65
Transfers out	(417)	(230)	(162)
Advances received from other funds	-	-	215
Advances paid to other funds	(127)	(2,458)	-
Intergovernmental revenue received	353	193	-
Net cash provided by (used in) noncapital financing activities	<u>201</u>	<u>(2,190)</u>	<u>118</u>
Cash flows from capital and related financing activities:			
Principal payment on capital debt	(440)	-	-
Principal payment on loan payable	(300)	-	-
Principal payment on direct financing arrangement	-	(560)	-
Interest paid	(185)	(293)	-
Acquisition of capital assets	(4,098)	(3,297)	(585)
Contributions from developers	5,587	2,365	-
Net cash provided by (used in) capital and related financing activities	<u>564</u>	<u>(1,785)</u>	<u>(585)</u>
Cash flows from investing activities:			
Interest received (loss)	(981)	(887)	(400)
Net increase (decrease) in cash and cash equivalents	5,450	2,612	1,595
Cash and cash equivalents, beginning of year	<u>33,847</u>	<u>31,298</u>	<u>13,317</u>
Cash and cash equivalents, end of year	<u>\$ 39,297</u>	<u>33,910</u>	<u>14,912</u>
Reconciliation of cash and cash equivalents:			
Cash and investments	\$ 39,297	30,793	14,912
Restricted cash and investments	-	3,117	-
Total cash and cash equivalents	<u>\$ 39,297</u>	<u>33,910</u>	<u>14,912</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 4,217	5,281	2,424
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	4,649	2,993	429
Changes in assets and liabilities:			
Accounts receivable	(115)	(106)	(157)
Accounts payable and accrued liabilities	(2,118)	(8)	202
Refundable deposits	98	-	-
Accrued compensated absences	(7)	(40)	(8)
Accrued self-insurance costs	-	-	-
Deferred outflows of resources - pension items	262	80	85
Deferred inflows of resources - pension items	2,696	1,713	1,114
Net pension liability	(4,016)	(2,439)	(1,627)
Deferred outflows of resources - OPEB items	12	25	(49)
Net OPEB liability	(12)	(25)	49
Net cash provided by (used in) operating activities	<u>\$ 5,666</u>	<u>7,474</u>	<u>2,462</u>
Supplemental disclosure of noncash capital and related financing activities:			
Receipt of capital assets contributions	\$ 499	1,014	-

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
75,443	12,372
(48,743)	(7,927)
(14,062)	(6,937)
-	(1,307)
2,964	-
<u>15,602</u>	<u>(3,799)</u>
762	3,308
(809)	(9,121)
215	-
(2,585)	-
546	-
<u>(1,871)</u>	<u>(5,813)</u>
(440)	-
(300)	-
(560)	-
(478)	-
(7,980)	-
7,952	-
<u>(1,806)</u>	<u>-</u>
<u>(2,268)</u>	<u>(1,533)</u>
9,657	(11,145)
78,462	54,823
<u>88,119</u>	<u>43,678</u>
85,002	42,829
3,117	849
<u>88,119</u>	<u>43,678</u>
11,922	(3,784)
8,071	3
(378)	(965)
(1,924)	98
98	-
(55)	4
-	845
427	-
5,523	-
(8,082)	-
(12)	-
12	-
<u>15,602</u>	<u>(3,799)</u>
1,513	-

CITY OF MOUNTAIN VIEW
Custodial Funds
Statement of Fiduciary Net Position
June 30, 2022
(Dollars in Thousands)

Assets:	
Cash and investments	\$ 38
Restricted cash and investments	403
	<hr/>
Total assets	441
	<hr/>
Net Position:	
Restricted for others	\$ 441
	<hr/> <hr/>

CITY OF MOUNTAIN VIEW
Custodial Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

Additions:

Fees and others collected	\$ 522
---------------------------	--------

Deductions:

Distribution to others	587
------------------------	-----

Change in net position	(65)
------------------------	------

Net position, beginning of year	<u>506</u>
--	------------

Net position, end of year	<u><u>\$ 441</u></u>
----------------------------------	----------------------

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mountain View (City) was incorporated in 1902 and is a charter city, having had its charter granted by the State of California in 1952. The City operates under the Council-Manager form of government and provides the following services: public safety (police, fire, and paramedic), public works, utilities (water, wastewater, and solid waste), community development, cultural and recreation services and administration and support services.

A. Reporting Entity

The accompanying basic financial statements present the financial activities of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units, which are described below, are all blended.

The Mountain View Shoreline Regional Park Community (Shoreline Community) is a separate government entity created for the purpose of developing approximately 1,550 acres of bayfront lands. The Shoreline Community's governing board is the same as the City and the City's management has operational responsibility for the Shoreline Community. Its financial activities have been blended in the accompanying financial statements in the Shoreline Regional Park Community Special Revenue Fund and the nonmajor debt service funds. Separate financial statements for the Shoreline Community are also included as a component of the City's Annual Comprehensive Financial Report.

The City of Mountain View Capital Improvements Financing Authority (Financing Authority) is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital improvements within the City. The Financing Authority's governing board is the same as the City, the Financing Authority provides services solely to the City, and a financial benefit/burden relationship exists between the City and the Financing Authority. Its financial activities have been blended in the accompanying financial statements in the nonmajor debt service funds. Separate financial statements for the Financing Authority are not required and therefore, not issued.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities. These standards require that the financial statements described below be presented.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Statements - The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component units). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that arise from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program, and (c) grants and contributions of capital assets or resources that are restricted for capital purposes. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as contributions and investment income, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets combined with deferred outflow of resources, liabilities combined with deferred inflow of resources, revenues or expenditures/expenses equal to 10.0 percent of their fund-type total and 5.0 percent of the grand total of governmental and enterprise funds. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund, and the City may select other funds it believes should be presented as major funds.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports major governmental funds in the basic financial statements as follows:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Shoreline Regional Park Community Fund (Special Revenue) - This fund receives property tax revenues on properties within the Shoreline Community. The fund accounts for the revenues and expenditures of the Shoreline Community.

Housing Fund (Special Revenue) - This fund accounts for fees paid by developers to provide for increasing and improving the supply of extremely low, very low, low, and moderate income housing (affordable housing).

General Capital Projects Fund (Capital Projects) - This fund accounts for all capital improvement projects activities not funded from proprietary funds.

Park Land Dedication Capital Projects Fund (Capital Projects) - This fund accounts for revenues derived from fees on residential subdivisions used for park and recreation projects.

The City reports all of its enterprise funds as major funds in the accompanying financial statements:

Water Fund – This fund accounts for the revenues and expenses related to the operation, maintenance and capital outlay required to supply, distribute and meter water. The City has agreements with the San Francisco Public Utilities Commission and the Santa Clara Valley Water District for the supply of wholesale water.

Wastewater Fund – This fund accounts for the revenues and expenses related to the operation, maintenance and capital outlay required to provide wastewater services. The City has an agreement with the City of Palo Alto to purchase treatment capacity at the Palo Alto Regional Water Quality Control Plant (Treatment Plant).

Solid Waste Fund – This fund accounts for the revenues and expenses related to disposal services, recycling operations, other solid waste operations, capital outlay and certain costs related to maintenance of the closed landfill sites. Collection operations are provided by an outside private contractor. The City has an agreement with the Cities of Palo Alto and Sunnyvale for disposal transfer capacity at the Sunnyvale Materials and Recovery Transfer (SMaRT®) Station.

The City also reports the following fund types:

Internal Service funds – These funds account for equipment maintenance and replacement, workers' compensation insurance, unemployment self-insurance, liability self-insurance, retirees' health plan, and employee benefits plan, all of which are provided to other funds on a cost-reimbursement basis.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial funds – These funds are fiduciary funds used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. These include custodial balances and activities of the labor unions, flexible benefits, and Center for Performing Arts. The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate fiduciary fund financial statements.

D. *Basis of Accounting*

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues, except sales taxes, reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year end. A ninety days availability period is used for sales taxes in order to include the State of California (State) final distribution of sales taxes revenue for the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, landfill containment costs and compensated absences, which are recognized as expenditures to the extent they have matured and are due and payable at year end. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt issuance and leases financing are reported as other financing sources.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Those revenues susceptible to accrual are property taxes, sales taxes, certain intergovernmental revenues, transient occupancy taxes, utility user taxes, earned grant entitlements, special assessments due within the current fiscal year and investment revenue. All other revenue items are considered to be measurable and available only when cash is received.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certain indirect costs are included in program expenses reported for individual functions and activities.

As a general rule, the effect of interfund activity has been eliminated in the preparation of the government-wide financial statements. Exceptions to this general rule are charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources and taxes are reported as *general revenues* rather than as program revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

E. *Inventory*

Inventories are valued at cost (first in, first out). Inventories of the General Fund consist of expendable supplies held for consumption. The cost is recorded as expenditures at the time individual inventory items are consumed. Inventories of the Shoreline Golf Links Nonmajor Special Revenue Fund consist of merchandise held for resale to consumers. The cost is recorded as expenditures at the time individual inventory items are sold.

F. *Property Taxes*

The County of Santa Clara (County) assesses properties and it bills, collects and distributes property taxes to the City. The County remits to the City the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1 for the fiscal year.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Secured property tax becomes a lien on January 1 and is due in two installments, on November 1 and February 1. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax bills are distributed in July and are due upon receipt, and become delinquent after August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings and are secured by liens on the property owner. Property tax revenues are recognized by the City in the fiscal year they are levied, provided they become available as defined above.

G. *Compensated Absences*

Compensated absences, representing earned but unused vacation, sick leave pay and related costs, are reported in the Statement of Net Position. All compensated absences and related costs are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they become due and payable. The City uses the vesting method for the calculation of compensated absences.

H. *Deferred Outflows and Inflows of Resources*

In addition to assets, the Statement of Net Position and Balance Sheets report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and Balance Sheets report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

I. *Pension and Other Postemployment Benefits (OPEB) Items*

For purposes of measuring the net pension liability and net OPEB liability, deferred outflows/inflows of resources related to pension and OPEB, pension and OPEB expenses, information about the fiduciary net position of the City’s Pension and OPEB plans, and additions to/deductions from the plans’ fiduciary net positions have been determined on the same basis as they are reported by the California Public Employees’ Retirement System (CalPERS) and the California Employer’s Retiree Benefit Trust (CERBT) Fund Program, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. CalPERS plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value. The governmental activities’ share of net pension liability and net OPEB liability are typically liquidated by the General Fund.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Effects of New GASB Pronouncements

As of July 1, 2021, the City implemented the following GASB Statements:

- In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The purpose of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of this statement resulted in the reduction of \$2.2 million for the fund balance of the General Fund as of June 30, 2021, from \$160.0 million to \$157.8 million, and the reduction of \$2.2 million for the net position of governmental activities as of June 30, 2021, from \$1,041.7 million to \$1,039.5 million. The \$2.2 million restated amount is comprised of the addition of lease receivables of \$805.4 million, addition of deferred inflow of resources of \$810.5 million, and reduction of unearned revenue of \$2.9 million. Further discussion on the City's leases is included in Note 11.
- In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2022.
- In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2022.
- In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2022.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this statement did not have a significant impact on the City’s financial statements for the fiscal year ended June 30, 2022.
- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (a) practice issues that been identified during implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. The requirements related to the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. Implementation of these requirements did not have a significant impact on the City’s financial statements for the fiscal year ended June 30, 2022.

The City is currently analyzing its accounting practices to identify the potential impact on the financial statements for the GASB statements as follows:

- In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosure. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2023.
- In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2023.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2023.
- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The requirements related to leases, public-private partnerships (PPPs), and SBITAs are effective for the City’s fiscal year ending June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the City’s fiscal year ending June 30, 2024.
- In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2024.
- In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2025.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgets and Budgetary Accounting*

The City adopts an annual budget on or before June 30 for the ensuing fiscal year for the General Fund and all Special Revenue Funds except for the Deferred Assessments Fund.

No annual budgets are adopted for the Debt Service Funds. Repayment of the debt is authorized by the adoption of the indenture provisions for the life of the debt.

The Storm Drain Construction and Park Land Dedication Capital Projects Funds are budgeted annually. All other Capital Projects Funds are budgeted on a project basis. Such budgets are based on a project time frame, rather than a fiscal year operating time frame, whereby unused appropriations continue until project completion.

Budget appropriations become effective on each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund and department level. Appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

All Governmental Fund Type annual budgets are presented on a basis consistent with the basic financial statements prepared in accordance with GAAP.

Budgeted revenue amounts represent the original budget modified by adjustments authorized during the fiscal year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the fiscal year and reappropriated amounts for encumbrances, grants, and donations outstanding at the end of each prior fiscal year.

The City Council must approve appropriation increases to departmental budgets; however, management may transfer Council-approved budgeted amounts within fund and departmental expenditure classifications. Judgments, settlements and certain accrual entries are not subject to budgetary control and expenditures exceeding budget due to these items do not constitute a violation of budget policy or control. Supplemental appropriations were approved during the course of the fiscal year as needed.

B. *Encumbrance Accounting*

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration. Encumbrances outstanding at fiscal year end are automatically reappropriated for inclusion in the following fiscal year's budget.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except Restricted Cash and Investments, so the pool of funds can be invested consistent with goals for safety and liquidity, while maximizing yield. Cash is pooled so individual funds can make expenditures at any time.

A. Policies

For custodial credit risk, California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110.0 percent of the City’s cash on deposit, or first trust deed mortgage notes with a fair value of 150.0 percent of the deposit, as collateral for these deposits. Under California Law, this collateral is held in a separate investment pool by another institution in the City’s name and places the City ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the trust department of a bank as the custodian of certain City managed investments, regardless of their form.

The City’s investments are carried at fair value. The carrying value of these investments are periodically adjusted to reflect their fair value at each fiscal year end and the effects of these adjustments are included as income or expense for that fiscal year.

Investment income is allocated among funds on the basis of average daily cash and investment balances in each fund, unless there are specific legal or contractual requirements to do otherwise.

Cash and investments with an original maturity of three months or less are considered to be cash equivalents in the proprietary fund Statements of Cash Flows because these assets are highly liquid and are expended to liquidate liabilities arising during the fiscal year.

B. Classification

Cash and investments are classified in the financial statements, based on whether or not their use is restricted under the terms of debt instruments. Investments are carried at fair value as of June 30, 2022. Cash and investments are as follows (dollars in thousands):

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 847,981	85,002	38	933,021
Restricted cash and investments	78,390	3,117	403	81,910
Total cash and investments	<u>\$ 926,371</u>	<u>88,119</u>	<u>441</u>	<u>1,014,931</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2022 consist of the following (dollars in thousands):

Cash on hand	\$	14
Deposits with financial institutions		9,011
Investments		1,005,906
Total cash and investments	\$	1,014,931

C. Investments Authorized by the California Government Code and the City's Investment Policy

The California Government Code and the City's Investment Policy authorize the investment types in the following table, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maximum maturities are not exceeded. The table also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy.

The City's Investment Policy and the California Government Code allow the City to invest in the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	(A)	No limit
U.S. Agency Securities	5 years	50%	25%
U.S. Agency Mortgage-backed Securities	5 years	20%	25%
Callable Securities (Treasuries, Agencies, Corp. Notes)	5 years	10%	5%
Commercial Paper	180 days	15%	5%
Banker's Acceptances	180 days	20%	5%
Medium-term Notes Issued by U.S. Corporations	5 years	15%	5%
Mutual Funds Invested in U.S Government Securities	N/A	10%	5%
Certificates of Deposit:			
FDIC Insured Time Deposits	2 years	10%	5%
Collateralized Time Deposits	2 years	10%	5%
Negotiable Time Deposits	2 years	10%	5%
Municipal Bonds Issued by the City or any of its Component Units	(B)	(B)	(B)
Local Agency Investment Fund (LAIF)	N/A	20%	N/A
Supranational Securities	5 years	10%	5%

(A) The policy requires a minimum of 25 percent of the total portfolio to be invested in U.S. Treasury Obligations.

(B) The policy allows only municipal bonds issued by the City of Mountain View or its component units at limits and maturities as approved by the City Council.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City fails to meet its obligations under these debt issues. The investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s Investment Policy. These debt agreements do not address interest rate, credit, and concentration of credit risks.

The investment types that are authorized for investments held by bond trustee are as follows:

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	No Limit
U.S. Agency Securities	No Limit
Deposit Accounts, Federal Funds and Banker's Acceptances	360 days
FDIC Insured Certificates of Deposit	No Limit
Commercial Paper	270 days
Money Market Mutual Funds	No Limit
State and Local Agency Bonds	No Limit
Insurer Approved Investment Contracts	No Limit
Insurer Approved Other Forms of Investments Including Repurchase Agreements	No Limit
Local Agency Investment Fund (LAIF)	No Limit

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the modified duration (modified duration is a measure of a fixed income’s cash flows using present values, weighted for cash flows as a percentage of the investments’ full price) of its portfolio. The City monitors interest rate risk inherent in investments held by the trustee by using specific identification.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City's interest rate risk by investment type and fair value is as follows (dollars in thousands):

Investment Type	Fair Value Amount	Modified Duration (in years)
Held by the City:		
LAIF	\$ 148,275	N/A
U.S. Treasury Obligations	461,041	2.23
U.S. Agency Securities	202,956	2.11
Medium-Term Notes	69,172	2.60
Supranational Securities	42,583	2.56
Municipal Bonds - Shoreline Regional Park Community 2011 and 2018 Revenue Bonds	8,816	1.50
Money Market Mutual Funds	250	N/A
The modified duration of the City's portfolio as of June 30, 2022		1.88
The modified duration of the City's portfolio as of June 30, 2022, excluding Shoreline Regional Park Community 2011 and 2018 Revenue Bonds		1.89
Held by Bond Trustee:		
Money Market Mutual Funds	16,970	N/A
U.S. Treasury Obligations	55,843	*
Total investments	<u>\$ 1,005,906</u>	

* Maturity date: \$12,487 on 9/30/2022, \$12,963 on 12/15/2022, \$11,318 on 3/31/2023, and \$19,075 on 6/15/2023.

Through the City's Investments Policy, the City manages its exposure to fair value losses arising from increasing interest rates by limiting the modified duration of its investment portfolio to within 15.0 percent of the modified duration of a benchmark portfolio as defined in the Investment Policy. As of June 30, 2022, the allowed modified duration ranged from 1.60 to 2.16 years and the actual is within this range.

Investments in municipal bonds shown above represent the City's investment in the Shoreline Regional Park Community 2011 and 2018 Revenue Bonds. The balance as of June 30, 2022, is stated at amortized cost, which approximates fair value.

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by the State, which are recorded on an amortized cost basis. LAIF is part of the State's Pooled Money Investment Account (PMIA). The total balance of the PMIA is approximately \$234.5 billion as of June 30, 2022. Of that amount, 98.12 percent was invested in nonderivative financial products and 1.88 percent in structured notes and asset backed securities. As of June 30, 2022, LAIF had an average maturity of 311 days.

Mutual Money Market Funds investments are available for withdrawal on demand and as of June 30, 2022, have an average maturity of less than 60 days.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City’s Investment Policy is to apply the prudent investor’s standard in managing the overall portfolio. The standard states that investments shall not be made for speculation but shall be made with judgment and care, which investors of prudence, discretion and intelligence exercise considering the safety of principal, liquidity, and return on investment in this priority order. As of June 30, 2022, the City’s investment in Money Market Mutual Funds, and Supranational Securities are rated AAA by Standard & Poor’s. U.S. Agency Securities are rated AA by Standard & Poor’s. The Medium-Term Notes are rated between A and AA by Standard & Poor’s. The U.S. Treasury Obligations are exempt from credit rating disclosure. The Municipal Bonds - Shoreline Regional Park Community 2011 and 2018 Revenue Bonds are rated A+ by Standard & Poor’s. The Local Agency Investment Fund were not rated as of June 30, 2022.

G. Concentration of Credit Risk

The City’s Investment Policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of 5.0 percent or more of investments in any one issuer other than U.S. Treasury obligations, money market mutual funds and external investment pools. As of June 30, 2022, those investments held by the City consisted of the following (dollars in thousands):

Issuer	Investment Type	Amount
Federal National Mortgage Association	Federal Agency Securities	\$ 77,351
Federal Home Loan Bank	Federal Agency Securities	70,982
Federal Home Loan Mortgage Association	Federal Agency Securities	54,623

H. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the investments are measured using level 2 inputs, except for investments in LAIF and money market mutual funds, which are not subject to the fair value hierarchy. Investments measured using level 2 inputs are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these investments. Matrix pricing is used to value investments based on the investments’ relationship to benchmark quoted prices.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE

As of June 30, 2022, the City’s loans and notes receivable are as follows (dollars in thousands):

CDBG Rehabilitation	\$ 95
Mid-Peninsula Support network	55
Ginzton Terrace	892
Project Match	132
Central Park Apartments	3,583
Sierra Vista Apartments Affordance Housing	238
Stoney Pine Charities	124
HomeSafe	100
San Antonio Place LP	5,465
Tyrella Gardens	1,215
Bill Wilson Center	133
San Veron Park	779
SR Fountains LP	1,816
Franklin Street Family Apartments	12,547
El Camino West Affordable Studios	3,452
Rengstorff Affordable Housing	8,166
Palo Alto Housing	8,000
East Evelyn Affordable Housing	21,700
North Shoreline Housing	8,157
El Camino Real	18,059
Housing Trust Silicon Valley	5,000
MV Lot 12 Housing Partners	580
Employee Homebuyer Program	<u>2,377</u>
Total	<u><u>\$ 102,665</u></u>

The City engages in programs designed to encourage construction or improvement of housing for persons with extremely low to moderate income or other such projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City’s terms. The City does not expect to collect these loans in the near term, and most of the loan terms are deferred to the future. Any proceeds collected are restricted by grant requirements and thus these balances have been offset by a restriction of fund balance in the fund financial statements. Due to the nature of the repayment structures of the City’s housing loans, the City is not accruing interest on these loans. Interest revenue is recognized upon receipt.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

These loan programs are funded by Community Development Block Grants (CDBG) funds, Home Investment Partnership Act (HOME) grant funds, Housing Fund, General Fund, and former Mountain View Revitalization Authority (Authority). With the dissolution of the Authority effective January 31, 2012, the City became the Housing Successor Agency. The balances of the loans were transferred to the Housing Successor Special Revenue Fund (Housing Successor) of the City.

A. *CDBG Rehabilitation*

The City administers a housing rehabilitation loan program initially funded with CDBG funds. Under this program, individuals with incomes below a stated level are eligible to receive low-interest loans for rehabilitation work on their home. These loans are secured by deeds of trust, which may be subordinated with the prior written consent of the City. The loan repayments may be amortized over the life of the loans, deferred to maturity or a combination of both. There are three such loans outstanding totaling \$95,000 as of June 30, 2022.

B. *Mid-Peninsula Support Network*

On December 23, 1980, the City loaned \$55,000 to Mid-Peninsula Support Network for the acquisition and rehabilitation of a residential structure for the purpose of providing temporary shelter for battered parents and their children. The loan was funded by CDBG funds and becomes payable upon demand by the City upon failure to comply with the terms of the loan agreement. The loan carries a 12.0 percent annual interest rate and shall accrue beginning 30 days following the date of demand. The loan is collateralized by a first deed of trust. As of June 30, 2022, the amount of the loan outstanding is \$55,000.

C. *Ginzton Terrace*

On December 11, 1991, the City loaned \$380,000 to the Mid-Peninsula Housing Coalition (Coalition) for predevelopment and land acquisition costs related to the development of a 107-unit affordable senior housing complex located at 375 Oaktree Drive. On May 1, 1993, the City amended the loan agreement and loaned the Coalition an additional \$215,000 for the purpose of paying park and recreation fees required prior to occupancy of the land. On February 12, 1996, excess funds not used were returned to the City in the amount of \$78,000. The loan balance of \$517,000 was funded by CDBG funds.

On May 21, 2013, the City approved another modification to extend the loan term to May 31, 2038, reducing the annual simple interest rate from 6.0 percent to 3.0 percent effective June 1, 2013, and restructured the repayment to be based on 50.0 percent of the residual receipts. The loan balance and accrued interest will become payable on May 31, 2038.

On April 21, 2015, the City awarded \$340,000 in CDBG funds and \$185,000 in HOME funds for rehabilitation activities. The CDBG and HOME loans are to be repaid by January 31, 2066 and January 31, 2071, respectively, with zero percent interest.

During Fiscal Year 2021-22, \$114,000 was repaid and as of June 30, 2022, the total outstanding amount of all loans related to Ginzton Terrace is \$892,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

D. Project Match

On May 1, 1997, the City loaned \$132,000 to Project Match for the acquisition of the house located at 1675 South Wolfe Road, Sunnyvale, to provide affordable housing for low-income seniors. The loan was funded by HOME grant funds. The loan is to be repaid over a 30-year period at 3.0 percent annual simple interest. Interest and principal amounts are deferred. The loan is collateralized by a second deed of trust. As of June 30, 2022, the amount of the loan outstanding is \$132,000.

E. Central Park Apartments

On July 1, 1998, the City and Housing Successor funds loaned \$2.2 million to the Coalition for the acquisition and rehabilitation of a 149-unit apartment complex known as Central Park Apartments at 90 Sierra Vista Avenue to be used to provide housing for very-low- to low-income seniors. The entire project was initially funded by three loans: \$388,000 from Housing set aside funds to be repaid over nine years, commencing in Fiscal Year 1998-99 and bearing 3.0 percent annual interest; \$1.2 million of CDBG funds to be repaid over 36 years commencing in Fiscal Year 2012-13 and bearing 3.0 percent annual interest; and \$612,000 from HOME grant funds to be repaid over 21 years commencing in Fiscal Year 2004-05 and bearing 3.0 percent annual interest.

On August 19, 2004, the City loaned \$498,000 to the Coalition for the rehabilitation of the Central Park Apartments. The loan was funded by CDBG funds to be repaid over 16 years commencing in Fiscal Year 2017-18 and bearing 1.2 percent annual interest.

On April 17, 2006, the City approved a \$748,000 loan to the Coalition for the construction of the New Central Park Apartments. The loan was funded by CDBG funds with zero percent interest and repayment is deferred until January 1, 2054, or upon the repayment of the \$1.3 million HOME loans described below.

On June 1, 2007, the City approved a loan of \$1.3 million to fund the development cost of 104 apartments. The loan was funded by HOME grant funds with zero percent interest and repayment is deferred until the later of January 1, 2041, or upon repayment of the \$851,000 Housing Successor's loan. During Fiscal Year 2021-22, \$315,000 was repaid and as of June 30, 2022, the outstanding HOME loan balance is \$494,000.

On July 24, 2007, the City approved a \$405,000 loan to the Coalition for the development of the New Central Park Apartments. The loan was funded by CDBG funds with zero percent interest and final payment is deferred until July 1, 2063. As of June 30, 2022, the amount of this CDBG loan is \$367,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

On April 23, 2013, the City approved an additional loan of \$275,000 from CDBG funds to the Coalition. The loan was used to upgrade the utilities and install energy-efficient hot water heaters in the original 149-unit apartment complex. The loan bears annual interest at 1.5 percent, with repayment deferred until calendar year 2034 or upon repayment of the \$498,000 CDBG loan.

As of June 30, 2022, the total outstanding balance of all loans related to Central Park apartments is \$3.6 million.

F. *Sierra Vista Apartment Affordable Housing*

On February 1, 1999, the City approved to loan up to \$100,000 to Sierra Vista I Limited Partnership/Charities Housing Corporation for the development and renovation of a 34-unit affordable apartment complex to low and moderate income families to be located at 1909 Hackett Avenue. An additional loan in the amount of \$255,000 was approved on January 16, 2007. The loans were funded by CDBG funds with 6.0 percent interest and a term of September 2019 and January 2032, respectively.

On September 24, 2013, the City approved an amendment to the loan agreements with Charities Housing Corporation. This CDBG loan funding will bear interest at 3.3 percent, compound annually on September 1. The term of the loan will be 57 years, maturing on October 1, 2070. As of June 30, 2022, the amount of the loans outstanding is \$238,000.

G. *Stoney Pine Charities*

On August 16, 2000, the City loaned \$124,000 to the Stoney Pine Charities Housing Corporation for the construction of a 23-unit apartment complex at 212 North Mathilda Avenue and 271-283 West California Avenue, Sunnyvale, to provide affordable housing for very low income persons with developmental disabilities. The loan was funded by \$9,000 of CDBG funds and \$115,000 of HOME grant funds. The loans bear simple interest at 3.0 percent, but repayment of interest and principal is deferred for 40 years. The loans and accumulated interest remain deferred unless during the term of the loan, or after 40 years, the apartments no longer meet the affordability test for very low income persons with developmental disabilities, or if the property is sold or transferred. The loan is collateralized by a second deed of trust. As of June 30, 2022, the amount of the loan outstanding is \$124,000.

H. *HomeSafe*

On February 21, 2001, the City loaned \$100,000 to the HomeSafe Santa Clara L.P. for the construction of a 25-unit apartment complex at 611 El Camino Real, Santa Clara, to provide affordable housing for women and children who are victims of domestic violence. The loan was funded by \$100,000 of HOME grant funds. The loan bears simple interest at 3.0 percent, but repayment of interest and principal is deferred for 55 years unless during the term of the loan, the apartments no longer meet the affordability test for very-low to low-income victims of domestic violence, or if the property is sold or transferred. The loan is collateralized by a first deed of trust. As of June 30, 2022, the amount of the loan outstanding is \$100,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

I. San Antonio Place LP (Charities Housing Development Corporation)

On April 25, 2002, the City approved an agreement to loan up to \$5.3 million to Charities Housing Development Corporation (Corporation) for development of an efficiency studios housing project to provide affordable housing for very-low to low-income persons. On July 1, 2004, the Corporation assigned to the San Antonio Place LP all of the rights and obligations under the agreements. The loan amount was amended to loan up to \$5.5 million on December 1, 2006, which would be funded by \$2.5 million of CDBG funds, \$2.2 million of HOME grant funds and \$809,000 of the Housing Successor funds. The loan is provided at zero percent interest with repayment deferred for 55 years unless the San Antonio Place LP no longer meets the terms and conditions of the agreement. As of June 30, 2022, the amount of the loan outstanding is \$5.5 million.

J. Tyrella Gardens

On May 20, 2003, the City approved to loan up to \$390,000 to Mid-Peninsula Tyrella Associates for the development and renovation of an affordable apartment complex to low and moderate income families to be located at 449 Tyrella Avenue. The loan was funded by CDBG funds with 3.0 percent interest and a term of 55 years.

On April 22, 2014, the City awarded Mid-Peninsula Tyrella Associates additional loans of \$172,000 from CDBG funds and \$653,000 from HOME funds to rehabilitate 56 existing rental units. The loan agreement for CDBG funds was executed on July 1, 2015, with 3.0 percent simple interest and is due in 50 years. The loan agreement from HOME funds was executed on July 1, 2015, with 3.0 percent simple interest and is due in 43 years.

As of June 30, 2022, the total outstanding balance of all loans related to Tyrella Gardens is \$1.2 million.

K. Bill Wilson Center

On December 5, 2008, the City loaned \$133,000 to The Bill Wilson Center, a nonprofit corporation, for the acquisition and operation of a youth and counseling services shelter. The loan was funded by CDBG funds and is due in 30 years and has a term of 3.0 percent simple interest. As of June 30, 2022, the amount of the loan outstanding is \$133,000.

L. San Veron Park

On December 1, 2009, the City amended an agreement with San Veron Corporation to loan up to \$898,000 to renovate one hundred twenty-four affordable Town home units for very-low and low-income households. The loan was funded by HOME grant funds, however, the construction did not occur until Fiscal Year 2012-13. On July 1, 2013, the City approved and authorized the provision of increasing the loan amount to \$1.1 million, and to be drawn from the HOME grant funds. During Fiscal Year 2021-22, \$308,000 was repaid and as of June 30, 2022, the amount of the loan outstanding is \$779,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

M. *SR Fountains LP*

On December 1, 2009, the City approved to loan up to \$255,000 to SR Fountains Limited Partnership for the rehabilitation of 124 existing units at The Fountains Apartments property located at 2005 San Ramon Avenue. The loan was funded by HOME grant funds with zero percent interest and repayment is deferred until December 1, 2019. In 2010 and 2012, the City approved an additional \$466,000 and \$305,000, respectively, loan to SR Fountains Limited Partnership.

On April 19, 2016, the City authorized an additional \$675,000 loan from CDBG funds. This loan bears no interest and repayment is deferred until December 31, 2026. Subsequently on May 2, 2017, the City awarded an additional \$450,000 in CDBG funding, increasing this deferred loan to a total of \$1.1 million. An amendment to the loan agreement was entered on June 1, 2018, with no changes to the key loan terms.

During Fiscal Year 2021-22, \$206,000 was repaid and as of June 30, 2022, the total outstanding balance of all loans related to SR Fountains LP is \$1.8 million.

N. *Franklin Street Family Apartments*

On April 18, 2011, the City approved an agreement to loan up to \$1.3 million to ROEM Development Corporation (ROEM) to acquire a long-term ground lease of property known as 135 Franklin Street. The loan was funded by CDBG funds at 4.0 percent interest and a term of 55 years.

On April 18, 2011, the City approved an agreement to loan up to \$10.6 million to ROEM for the development of an affordable family rental housing development to be located at the property mentioned above. The loan was funded by Housing Successor funds with 4.0 percent interest and a term of 55 years.

On April 18, 2011, the City approved an agreement to loan up to \$646,000 from the Housing fund to ROEM for the same project mentioned above. The loan was funded with 4.0 percent interest and a term of 55 years.

On November 1, 2011, the full loan was assigned to Franklin Street Family Apartments. As of June 30, 2022, the total outstanding balance of all loans related to Franklin Street Family Apartments is \$12.5 million.

O. *El Camino West Affordable Studios*

On January 22, 2013, the City approved an agreement to loan up to \$3.5 million to First Community Housing to acquire 0.48 acre of property located at 1581-1585 El Camino Real West. The loan was funded by HOME grant funds and Housing funds for the amounts of \$920,000 and \$2.5 million, respectively. The term of the loan is 3.0 percent interest for 55 years. As of June 30, 2022, the amount of the loan outstanding is \$3.5 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

P. Rengstorff Affordable Housing

On June 3, 2013, the City approved an agreement to loan up to \$9.0 million to ROEM for the development of an affordable family rental housing development to be located at 819 North Rengstorff Avenue. The loan was funded by Housing funds with 3.0 percent interest and a term of 55 years. As of June 30, 2022, the amount of the loan outstanding is \$8.2 million.

Q. Palo Alto Housing

On December 20, 2015, the City entered into a predevelopment funding agreement with Palo Alto Housing Corporation for predevelopment activities at 1701 West El Camino Real. This prefunding loan of \$1.0 million was funded from Housing funds. On April 3, 2017, the City entered into a permanent loan agreement with 1701 ECR, LP where the outstanding principal balance of the predevelopment loan was rolled over into the permanent loan. The approved total amount of loan funded by Housing funds for this housing development was \$8.0 million, with 3.0 percent simple interest rate commencing upon City's issuance of a final certificate of occupancy. As of June 30, 2022, the amount of the loan outstanding is \$8.0 million.

R. East Evelyn Affordable Housing

On May 31, 2016, the City entered into a loan agreement with Evelyn Avenue Family Apartments, LP for an affordable housing development at 779 East Evelyn Avenue. The total loan amount is \$21.7 million and was funded by Housing funds. The loan has a 55-year term with 3.0 percent simple interest rate. As of June 30, 2022, the amount of the loan outstanding is \$21.7 million.

S. North Shoreline Housing

On April 1, 2019, the City entered into an agreement to loan up to \$8.2 million to MP Shorebreeze Associates, L.P. for the development of an affordable multi-family residential rental development to be located at 460 North Shoreline Boulevard. The \$8.2 million loan was funded by HOME grant funds, CDBG grants funds, and Housing funds for the amounts of \$421,000, \$96,000, and \$7.6 million, respectively. The term of the loan is 3.0 percent interest for 55 years. As of June 30, 2022, the amount of the loan outstanding is \$8.2 million.

T. El Camino Real

On June 1, 2020, the City entered into a loan agreement with 950 El Camino Real, L.P. (950 ECR) for an affordable housing development at 950 West El Camino Real. The total loan amount is \$22.7 million and was funded by Housing funds. The loan has a 55-year term with 3.0 percent simple interest rate. As of June 30, 2022, the amount of the loan outstanding is \$18.1 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

During the year ended June 30, 2020, 950 ECR entered into a loan agreement with a third party. The City's loan is subordinate to the third party loan. 950 ECR, the third party, and the City entered into a subordination agreement in which the City is required to holdback loan proceeds of \$4.7 million and deposit into a segregated bank account. As of June 30, 2022, the holdback balance of \$4.7 million was held in a segregated bank account and reported as restricted cash and investments.

U. *Housing Trust Silicon Valley*

On June 20, 2019, the City entered into an assignment and assumption agreement with LinkedIn Corporation and accepted the assignment of a promissory note of \$10.0 million with Housing Trust Silicon Valley. LinkedIn Corporation assigned the promissory note to the City as payment for the housing impact fees related to its development projects. The note has a final maturity date of April 30, 2022, with 1.5 percent interest rate payable semi-annually. During Fiscal Year 2021-22, the outstanding loan balance of \$10.0 million was paid off.

On May 26, 2022, the City entered into an assignment and assumption agreement with Google LLC and accepted the assignment of a promissory note of \$5.0 million with Housing Trust Silicon Valley. Google LLC assigned the promissory note to the City as payment for the housing impact fees related to its development projects. The note has a final maturity date of January 31, 2025, with 1.5 percent interest rate payable semi-annually. As of June 30, 2022, the amount of the loan outstanding is \$5.0 million and is considered unearned.

V. *MV Lot 12 Housing Partners*

On March 2, 2022, the City entered into a predevelopment loan agreement with MV Lot 12 Housing Partners, L.P. for funding of predevelopment activities on a 1.5-acre real property bounded by California, Bryant, and Mercy Streets. The loan was funded by Housing funds, and the term of the loan is 3.0 percent simple interest and matures on the earlier of i) March 2, 2026, and ii) the date of closing for any construction/permanent loan provided by the City. As of June 30, 2022, the amount of the loan outstanding is \$580,000.

W. *Employee Homebuyer Program*

The City has an Employee Homebuyer Program to provide home buying and relocation assistance to eligible City employees. The program was funded by General Fund and the notes have terms of thirty years and interest based on applicable federal rate. Payment is deducted from the employee's biweekly paycheck. As of June 30, 2022, there are two employee loans and the outstanding balance is \$2.4 million.

NOTE 5 – INTERFUND TRANSACTIONS

A. *Transfers Between Funds*

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to allocate resources from the fund that receives them to the fund where they will be spent without a requirement for repayment. Less often, a transfer may be made to open or close a fund.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

Transfers between funds during the fiscal year ended June 30, 2022, are as follows (dollars in thousands):

Funds Receiving Transfers	Funds Making Transfers	Amount Transferred	Funding Purpose
General Fund	Shoreline Regional Park Community	\$ 89	C
	Housing	7	C
	General Capital Projects	484	B
	Nonmajor Governmental	1,615	C
	Water	<u>220</u>	C
		<u>2,415</u>	
Shoreline Regional Park Community	General Capital Projects	<u>1,120</u>	B
Housing	General Fund	654	C
	General Capital Projects	<u>11,135</u>	B
		<u>11,789</u>	
General Capital Projects	General Fund	7,858	C
	Shoreline Regional Park Community	14,905	C
	Housing	1,076	C
	Park Land Dedication Capital Projects	39,273	C
	Nonmajor Governmental	17,541	C
	Internal Service	<u>9,000</u>	C
		<u>89,653</u>	
Park Land Dedication Capital Projects	General Capital Projects	<u>1,636</u>	B
Nonmajor Governmental	General Fund	107	C
	Shoreline Regional Park Community	6,416	A
	General Capital Projects	<u>1,277</u>	B
		<u>7,800</u>	
Water	General Capital Projects	331	B
	Internal Service	<u>61</u>	C
		<u>392</u>	
Wastewater	General Capital Projects	296	B
	Internal Service	<u>9</u>	C
		<u>305</u>	
Solid Waste	General Capital Projects	14	B
	Internal Service	<u>51</u>	C
		<u>65</u>	
Internal Service Funds	General Fund	2,347	C
	Shoreline Regional Park Community	127	C
	Housing	3	C
	General Capital Projects	15	B
	Nonmajor Governmental	227	C
	Water	197	C
	Wastewater	230	C
	Solid Waste	<u>162</u>	C
		<u>3,308</u>	
	Total Interfund Transfers	<u>\$ 118,483</u>	

The reasons for these transfers are as follows:

- A. To fund debt service payments.
- B. To transfer remaining balances on completed capital improvement projects, interest back to original funding source, and other funds.
- C. Recurring transfers for capital, operating costs, or equipment replacement.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

B. *Current Interfund Balances*

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2022, the Mobile Home Rent Stabilization Nonmajor Special Revenue Fund owed General Fund \$292,000 while the Retirees’ Health Plan Internal Service Fund owed Equipment Maintenance & Replacement Internal Service Fund \$546,000.

C. *Interfund Advances*

Advances are not expected to be repaid within the next fiscal year. As part of the City’s capital projects budgeting and funding process, resources from enterprise funds are advanced to the General Capital Projects Fund where the project costs are budgeted for and incurred. These advances are reduced as funds are expended on enterprise fund projects. Any unspent advances will be repaid to the enterprise fund upon the completion of the projects. As of June 30, 2022, the General Capital Projects Fund has outstanding advances of \$22.6 million, \$19.9 million, and \$712,000 from the Water, Wastewater, and Solid Waste enterprise funds, respectively.

D. *Internal Balances*

Internal balances are presented only in the government-wide financial statements. They represent the net receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 6 – CAPITAL ASSETS

All capital assets, including intangible assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value. The City defines capital assets as assets with an initial individual cost of more than \$100,000 for land and infrastructure, \$25,000 for buildings and improvements other than buildings, and \$5,000 for others, and an estimated useful life in excess of two years.

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each fiscal year until the asset is fully depreciated. The City has assigned the useful lives to capital assets as follows:

Buildings	25 to 50 years
Improvements other than buildings	5 to 50 years
Machinery and equipment	3 to 20 years
Traffic signals	20 years
Streetlights	50 years
Bridges and culverts	60 years
Sidewalks, curbs, and gutters	40 years
Streets and roads	40 years

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

A. Capital Asset Activities

Capital assets activity for the fiscal year ended June 30, 2022, is as follows (dollars in thousands):

	Balance June 30, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 110,311	28,471	-	-	138,782
Lease assets - land (Note 11)	-	6,549	-	-	6,549
Construction in progress	<u>61,465</u>	<u>32,770</u>	<u>-</u>	<u>(13,754)</u>	<u>80,481</u>
Total capital assets not being depreciated	<u>171,776</u>	<u>67,790</u>	<u>-</u>	<u>(13,754)</u>	<u>225,812</u>
Capital assets being depreciated:					
Buildings	188,468	-	-	-	188,468
Improvements other than buildings	220,007	-	(60)	7,085	227,032
Machinery and equipment	41,540	1,635	(4,031)	-	39,144
Traffic signals	15,378	-	(46)	181	15,513
Streetlights	10,535	109	(20)	318	10,942
Bridges and culverts	18,440	-	-	-	18,440
Sidewalks, curbs and gutters	115,170	605	(229)	495	116,041
Streets and roads	<u>278,714</u>	<u>264</u>	<u>(349)</u>	<u>5,675</u>	<u>284,304</u>
Total capital assets being depreciated	<u>888,252</u>	<u>2,613</u>	<u>(4,735)</u>	<u>13,754</u>	<u>899,884</u>
Less accumulated depreciation for:					
Buildings	(100,131)	(5,158)	-	-	(105,289)
Improvements other than buildings	(168,643)	(9,123)	-	-	(177,766)
Machinery and equipment	(30,023)	(2,964)	3,959	-	(29,028)
Traffic signals	(8,363)	(714)	-	-	(9,077)
Streetlights	(6,997)	(93)	-	-	(7,090)
Bridges and culverts	(6,185)	(309)	-	-	(6,494)
Sidewalks, curbs and gutters	(76,327)	(2,795)	166	-	(78,956)
Streets and roads	<u>(177,415)</u>	<u>(7,172)</u>	<u>262</u>	<u>-</u>	<u>(184,325)</u>
Total accumulated depreciation	<u>(574,084)</u>	<u>(28,328)</u>	<u>4,387</u>	<u>-</u>	<u>(598,025)</u>
Net capital assets being depreciated	<u>314,168</u>	<u>(25,715)</u>	<u>(348)</u>	<u>13,754</u>	<u>301,859</u>
Governmental activities capital assets, net	<u>\$ 485,944</u>	<u>42,075</u>	<u>(348)</u>	<u>-</u>	<u>527,671</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance June 30, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 220	-	-	-	220
Construction in progress	<u>17,859</u>	<u>7,801</u>	<u>-</u>	<u>(3,867)</u>	<u>21,793</u>
Total capital assets not being depreciated	<u>18,079</u>	<u>7,801</u>	<u>-</u>	<u>(3,867)</u>	<u>22,013</u>
Capital assets being depreciated:					
Buildings	8,748	-	-	-	8,748
Improvements other than buildings	164,640	1,513	(121)	3,858	169,890
Machinery and equipment	<u>8,516</u>	<u>179</u>	<u>(49)</u>	<u>9</u>	<u>8,655</u>
Total capital assets being depreciated	<u>181,904</u>	<u>1,692</u>	<u>(170)</u>	<u>3,867</u>	<u>187,293</u>
Less accumulated depreciation for:					
Buildings	(8,543)	(14)	-	-	(8,557)
Improvements other than buildings	(88,612)	(7,687)	83	-	(96,216)
Machinery and equipment	<u>(6,247)</u>	<u>(370)</u>	<u>49</u>	<u>-</u>	<u>(6,568)</u>
Total accumulated depreciation	<u>(103,402)</u>	<u>(8,071)</u>	<u>132</u>	<u>-</u>	<u>(111,341)</u>
Net capital assets being depreciated	<u>78,502</u>	<u>(6,379)</u>	<u>(38)</u>	<u>3,867</u>	<u>75,952</u>
Business-type activities capital assets, net	<u>\$ 96,581</u>	<u>1,422</u>	<u>(38)</u>	<u>-</u>	<u>97,965</u>

B. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function for the fiscal year ended June 30, 2022, are as follows (dollars in thousands):

Governmental Activities:

General government	\$ 2,092
Public safety	1,749
Public works	16,430
Community development	335
Culture and recreation	7,719
Internal services funds	<u>3</u>
Total	<u>\$ 28,328</u>

Business-type Activities:

Water	\$ 4,649
Wastewater	2,993
Solid Waste	<u>429</u>
Total	<u>\$ 8,071</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS (Continued)

C. Construction Commitments

The City has active construction projects that include land; improvements other than buildings; buildings; infrastructure; and water, wastewater, and solid waste improvements. Commitments for construction, as of June 30, 2022, are as follows (dollars in thousands):

	Spent to Date	Remaining Commitment
Governmental activities:		
Land	\$ -	59
Improvements other than buildings	53,668	9,753
Buildings	6,042	24,266
Infrastructure	20,771	12,031
Total governmental activities	\$ 80,481	46,109
Business-type activities:		
Water projects	\$ 12,900	2,507
Wastewater projects	8,043	966
Solid Waste projects	850	122
Total business-type activities	\$ 21,793	3,595

Commitments are funded from 1) revenues received directly by the capital projects fund and 2) general fund, special revenue fund and enterprise fund revenues transferred to the capital projects fund.

D. Joint Use Open Space and Recreational Facilities at a Future School Site

The Los Altos School District (LASD) intended to acquire an approximately 11.65-acre site (Property) within the City for the construction of a new school facility. Of the total site, 9.65-acre of the property (School Site) will be retained by LASD to develop as a school site and for joint use recreational purposes with the City. The remaining 2.0-acre open space (Open Space Park) is planned to be developed into a community park and recreational facilities. On December 11, 2018, the City Council authorized a contribution of \$43.0 million toward the site acquisition, of which \$23.0 million is for the School Site and \$20.0 million is for the Open Space Park.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS (Continued)

On July 16, 2019, the City executed a funding and joint use agreement with LASD outlining the City's involvement in the development of the School Site and the opportunities for use of certain joint use recreational facilities during non-school days and non-school hours serving the community. During the year ended June 30, 2020, LASD acquired the Property and the City contributed \$23.0 million to LASD.

On November 19, 2019, the City entered into a property transfer agreement where LASD agrees to transfer the title of the Open Space Park to the City upon the acquisition of the Property and the completion of pre-transfer due diligence activities. As of June 30, 2022, pre-transfer due diligence activities are not completed and the \$20.0 million payment made by the City for the Open Space Park was reported as deposits and prepaid items.

NOTE 7 – NONCURRENT LIABILITIES

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The City's debt issues and other liability transactions are summarized below and discussed in detail thereafter.

A. Composition and Changes

Noncurrent liabilities activities for the fiscal year ended June 30, 2022, are as follows (dollars in thousands):

	Original Issue Amount	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Governmental Activities:						
Revenue Bonds:						
Shoreline Regional Park Community						
2011 Revenue Refunding Bonds						
2.0% to 5.75%, due Fiscal Year 2040-41	\$ 39,030	23,880	-	(2,085)	21,795	695
Shoreline Regional Park Community						
2018 Revenue Bonds Series A						
5.0%, due Fiscal Year 2048-49	53,485	53,485	-	-	53,485	-
Add unamortized premium	6,416	5,874	-	(217)	5,657	217
Subtotal 2018 Revenue Bonds Series A	59,901	59,359	-	(217)	59,142	217
Shoreline Regional Park Community						
2018 Revenue Bonds Series B						
3.36% to 4.24%, due Fiscal Year 2031-32	10,315	10,315	-	-	10,315	920
Total Revenue Bonds	109,246	93,554	-	(2,302)	91,252	1,832
Compensated Absences	-	12,765	10	(1,515)	11,260	1,877
Landfill Containment	-	41,564	1,704	-	43,268	-
Lease Liabilities (Note 11)	-	-	6,549	(50)	6,499	43
Claims liabilities	-	8,452	2,152	(1,307)	9,297	3,180
Total governmental activities	<u>\$ 109,246</u>	<u>156,335</u>	<u>10,415</u>	<u>(5,174)</u>	<u>161,576</u>	<u>6,932</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 7 – NONCURRENT LIABILITIES (Continued)

	Original Issue Amount	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Business-type activities:						
Water Revenue Bonds						
2004 Series A						
3.0%-4.5%, due Fiscal Year 2028-29	\$ 9,700	4,135	-	(440)	3,695	460
City of Palo Alto Loan						
0%, due Fiscal Year 2028-29	6,000	2,400	-	(300)	2,100	300
Less unamortized discount	(1,000)	(400)	-	50	(350)	(50)
Wastewater Direct Financing Arrangement						
3.4%, due Fiscal Year 2033-34	10,100	8,979	-	(560)	8,419	579
Compensated Absences	-	1,107	95	(150)	1,052	184
Total business-type activities	\$ 24,800	16,221	95	(1,400)	14,916	1,473

B. Descriptions of Noncurrent Liabilities

2011 Revenue Bonds Shoreline Regional Park Community - On July 19, 2011, the Shoreline Community issued \$39.0 million of 2011 Revenue Bonds, Series A. Proceeds from the bonds were used to call the outstanding Shoreline Community's Tax Allocation Bonds, 1996 Series A and provide funds to acquire and construct certain capital improvements of benefit to the Shoreline Community. The 2011 Bonds are special obligations of the Shoreline Community and are secured by a portion of all taxes levied upon all taxable property within the Shoreline Community. Principal payments are payable annually on August 1 and interest payments semi-annually on August 1 and February 1 from property tax revenues generated within the Shoreline Community. The Shoreline Community is considered to be in default if the Shoreline Community fails to pay the principal of and interest on the outstanding bonds when they become due and payable. If an event of default has occurred and is continuing, the trustee may, and if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, declare the principal of the bonds, together with the accrued interest, to be due and payable immediately.

2018 Revenue Bonds Shoreline Regional Park Community - On December 19, 2018, the Shoreline Community issued 2018 Revenue Bonds, Series A (Tax-Exempt) and Series B (Taxable) (2018 Bonds) of \$53.5 million and \$10.3 million, respectively. Proceeds from the 2018 Bonds were used to provide funds to acquire and construct certain capital improvements of benefit to the Shoreline Community. The 2018 Bonds are special obligations of the Shoreline Community and are secured by a portion of all taxes levied upon all taxable property within the Shoreline Community. Principal payments are payable annually on August 1 and interest payments semi-annually on August 1 and February 1 from property tax revenues generated within the Shoreline Community. The Shoreline Community is considered to be in default if the Shoreline Community fails to pay the principal of and interest on the outstanding bonds when they become due and payable. If an event of default has occurred and is continuing, the trustee may, and if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, declare the accreted value and principal of the bonds, together with the accrued interest, to be due and payable immediately.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 7 – NONCURRENT LIABILITIES (Continued)

Compensated Absences - Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated by contributions from various funds, but primarily the General Fund.

Landfill Containment - The City is responsible for managing and controlling methane gas and containment of leachate at three former City-operated landfill sites.

Pursuant to a Postclosure Maintenance Plan filed with the State, the City is obligated for additional postclosure care costs for two of its landfill sites. The estimated costs of postclosure care are subject to changes such as the effects of inflation, revision of laws and other variables. The estimated amount of this obligation as of June 30, 2022, is approximately \$43.3 million. Annual revenues from the Solid Waste Enterprise Fund will fund the postclosure care costs. In accordance with a State-mandated Financial Assurance Mechanism (FAM), the City has pledged Solid Waste Enterprise Fund revenues in the amount of \$2.8 million as of June 30, 2022, for postclosure care costs on these two landfill sites. A third landfill site maintained by the City did not require a FAM to be established for the closure of the site and the City's postclosure care cost is not estimable.

Claims Liabilities – The City has established various self-insurance programs to account for and finance its uninsured risks of loss. Estimated liabilities are recorded for claims when it is probable that a loss has occurred and the amount of the loss can be reasonably determined. Further discussion on the City's claim liabilities and Risk Management is included in Note 10.

2004 Water Revenue Bonds - On September 29, 2004, the City issued \$9.7 million of 2004 Water Revenue Bonds, 2004 Series A, to fund the construction of Graham Reservoir. Water fund revenues are pledged to pay the debt service on the bonds. Principal payments are payable annually on June 1 and interest payments semi-annually on June 1 and December 1 from Water Fund Revenues. The City is considered to be in default if the City fails to pay the principal of and interest on the outstanding bonds when they become due and payable and such default has continued for a period of thirty days. Upon the occurrence and during the continuance of any event of default, the trustee may, and upon written notice from the owners of a majority in aggregate principal amount of the bonds then outstanding, declare the principal of the bonds, together with the accrued interest, to be due and payable immediately.

City of Palo Alto Loan – The Cities of Palo Alto and Mountain View began a joint project to construct a reclaimed water pipeline (Project) in 2004. In October 2007, the City of Palo Alto approved a \$9.0 million loan agreement with the State Water Resources Control Board (SWRCB) to finance a portion of the Project. Under the terms of the loan agreement, the Project received \$7.5 million in proceeds. The additional \$1.5 million due on the loan represents in-substance interest. Payments are due annually on the loan for twenty years following the completion of the construction. The City agreed to repay the City of Palo Alto a \$6.0 million share of this loan to finance \$5.0 million of the costs of the Project within the City under the same terms as the original loan agreement with SWRCB. The City will pay \$300,000 annually for twenty years. The project has been completed and payments on the loan commenced on June 30, 2010. There are no acceleration provisions in the event of a payment default for this loan.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 7 – NONCURRENT LIABILITIES (Continued)

Wastewater Direct Financing Arrangement – On November 1, 2018, the City executed an Installment Sale Agreement between the City and the Financing Authority and an Assignment Agreement between the Financing Authority and Opus Bank to provide funds for Wastewater infrastructure capital projects. The financing arrangement is for up to \$10.1 with a maximum term of 15 years. Wastewater fund revenues are pledged to pay the debt service on the direct financing arrangement. Principal payments are payable annually on December 1 and interest payments semi-annually on June 1 and December 1 from Wastewater Fund Revenues. The City is considered to be in default if the City fails to pay the installment payments when they become due and payable. If an event of default has occurred and is continuing, the lender has the right to declare all unpaid installment payments, principal and accrued interest, to be due and payable immediately.

C. Debt Service Requirements

The pledge of future tax increment revenues ends upon repayment of the \$156.8 million in remaining debt service on the Shoreline Community’s Revenue Bonds, which is scheduled to occur in Fiscal Year 2048-49. For the fiscal year ended June 30, 2022, tax increment revenues amounted to \$55.5 million, which represented coverage of 8.6 over the \$6.4 million in debt service.

The pledge of future water fund revenues ends upon repayment of the \$6.5 million in remaining debt service on the Water Revenue Bonds and City of Palo Alto Loan, which are both scheduled to occur in Fiscal Year 2028-29. For the fiscal year ended June 30, 2022, Water Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$41.4 million and operating expenses, excluding depreciation or amortization amounted to \$27.5 million. Net Revenues available for debt service amounted to \$13.9 million, which represented coverage of 15.0 over the \$925,000 in debt service.

The pledge of future wastewater fund revenues ends upon repayment of the \$10.2 million in remaining debt service on the Wastewater Direct Financing Arrangement, which are scheduled to occur in Fiscal Year 2033-34. For the fiscal year ended June 30, 2022, Wastewater Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$29.2 million and operating expenses, excluding depreciation or amortization amounted to \$19.1 million. Net Revenues available for debt service amounted to \$10.1 million, which represented coverage of 11.8 over the \$853,000 in debt service.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 7 – NONCURRENT LIABILITIES (Continued)

Annual debt service requirements to maturity are as follows (dollars in thousands):

For the Fiscal Year Ending June 30	Governmental Activities		Business-type Activities (Excluding Wastewater Direct Financing Arrangement)		Wastewater Direct Financing Arrangement	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 1,615	4,243	760	166	579
2024	1,680	4,175	780	146	599	253
2025	1,750	4,103	805	124	619	233
2026	1,825	4,026	825	101	641	212
2027	1,905	3,945	850	77	663	189
2028-2032	10,830	18,297	1,775	80	3,669	594
2033-2037	13,895	15,193	-	-	1,649	56
2038-2042	18,010	10,969	-	-	-	-
2043-2047	23,130	5,743	-	-	-	-
2048-2049	10,955	554	-	-	-	-
Total	\$ 85,595	71,248	5,795	694	8,419	1,810

There are a number of limitations, covenants and restrictions contained in the various bond indentures. The City is in compliance with all material limitations, covenants and restrictions.

NOTE 8 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – All qualified regular and probationary employees are eligible to participate in either the City’s Miscellaneous (all other) or Safety (police and fire) plans (Plans), agent multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, age at retirement and compensation. The cost-of-living adjustments for the CalPERS plans are applied as specified by the Public Employees’ Retirement Law. The California Public Employees’ Pension Reform Act (PEPRA), which became effective in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. As such, members who established CalPERS membership on or after January 1, 2013 are known as “PEPRA” members.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50+	52+
Required employee contribution rates	8.00%	7.00%
Required employer contribution rates	34.99%	34.99% (A)
	Safety	
	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50+	50+
Required employee contribution rates	9.00%	11.25%
Required employer contribution rates	51.98%	51.98% (A)

(A) The minimum employer contribution rate under PEPRA is the greater of the required employer rate cost or the employer normal costs.

Employees Covered – Employees covered by the benefit terms for each Plan as of June 30, 2021, the most recent actuarial valuations information available, are as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	719	320
Inactive employees entitled to but not yet receiving benefits	543	103
Active employees	<u>454</u>	<u>153</u>
Total	<u><u>1,716</u></u>	<u><u>576</u></u>

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers to be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. The actuarially determined rate is the projected amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

actuarially determined rate and the contribution rate of employees. For the purpose of increasing the funded status of the Plans, the City contributed \$2.2 million and \$1.4 million in excess of the actuarially determined contributions for the Miscellaneous and Safety Plans, respectively, during the fiscal year ended June 30, 2022.

B. Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using actuarial assumptions as follows:

	Miscellaneous and Safety Plans
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	The lessor of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.
Mortality	Derived using CalPERS Membership Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90 percent of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the 2017 CalPERS Experience Study available on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the 2017 CalPERS Experience Study can be found on the CalPERS website under Forms and Publications.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent for each Plan. The projection of cash flows used to determine the discount rate assumed that the contributions from employers will be made at current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated and adjusted to account for assumed administrative expenses.

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS Board effective on July 1, 2020, are as follows:

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11+²</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.00	(0.92)

- (1) An expected inflation rate of 2.00 percent is used for this period.
(2) An expected inflation rate of 2.92 percent is used for this period.

On November 17, 2021, the CalPERS Board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expenses assumption support a discount rate of 6.90% (net of investment expenses but without a reduction for administrative expense) for financial reporting purposes.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the accounting valuation reports for the June 30, 2022 measurement date.

C. Changes in the Net Pension Liability

The changes in the net pension liability for each Plan are as follows (dollars in thousands):

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
Balance at June 30, 2020	\$ 464,397	347,566	116,831
Changes during the measurement period:			
Service cost	8,642	-	8,642
Interest on the total pension liability	32,778	-	32,778
Differences between expected and actual experience	1,435	-	1,435
Contributions - employer	-	15,273	(15,273)
Contributions - employee	-	5,489	(5,489)
Investment income	-	78,758	(78,758)
Administrative expenses	-	(347)	347
Benefit payments, including refunds of employee contributions	(23,432)	(23,432)	-
Net changes	19,423	75,741	(56,318)
Balance at June 30, 2021	<u>\$ 483,820</u>	<u>423,307</u>	<u>60,513</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
Balance at June 30, 2020	\$ 399,718	288,837	110,881
Changes during the measurement period:			
Service cost	7,933	-	7,933
Interest on the total pension liability	28,366	-	28,366
Differences between expected and actual experience	2,993	-	2,993
Contributions - employer	-	12,508	(12,508)
Contributions - employee	-	4,329	(4,329)
Investment income	-	65,428	(65,428)
Administrative expenses	-	(289)	289
Benefit payments, including refunds of employee contributions	(19,902)	(19,902)	-
Net changes	19,390	62,074	(42,684)
Balance at June 30, 2021	<u>\$ 419,108</u>	<u>350,911</u>	<u>68,197</u>
Total Net Pension Liability - All Plans at June 30, 2021	<u>\$ 902,928</u>	<u>774,218</u>	<u>128,710</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 121,694	60,513	9,714
Safety Plan	122,816	68,197	22,943
Total	<u>\$ 244,510</u>	<u>128,710</u>	<u>32,657</u>

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2022, the City recognized pension expense of \$2.4 million and \$4.5 million for the Miscellaneous and Safety Plans, respectively.

The City reported deferred outflows of resources related to pensions by sources for the fiscal year ended June 30, 2022 as follows (dollars in thousands):

Miscellaneous Plan:	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 17,342	-
Differences between expected and actual experience	2,197	-
Net differences between projected and actual earnings on plan investments	-	39,241
Total	<u>\$ 19,539</u>	<u>39,241</u>
Safety Plan:	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 13,748	-
Differences between expected and actual experience	2,754	-
Net differences between projected and actual earnings on plan investments	-	32,456
Total	<u>\$ 16,502</u>	<u>32,456</u>
Total - All Plans	<u>\$ 36,041</u>	<u>71,697</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLANS (Continued)

As of June 30, 2022, the City reported \$17.3 million and \$13.7 million as deferred outflows of resources related to contributions subsequent to the measurement date for the Miscellaneous and Safety Plans, respectively, which will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense are as follows (dollars in thousands):

Fiscal Year Ending June 30,	Miscellaneous Plan	Safety Plan	Total
2023	\$ (8,093)	(6,396)	(14,489)
2024	(8,704)	(6,516)	(15,220)
2025	(9,433)	(7,807)	(17,240)
2026	(10,814)	(8,983)	(19,797)
Total	<u>\$ (37,044)</u>	<u>(29,702)</u>	<u>(66,746)</u>

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

Plan Descriptions – By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retirees (spouse and dependents are not included for CalPERS Miscellaneous employees, but are included for CalPERS Safety employees in the CalPERS Health Program governed by the Public Employees’ Medical and Hospital Care Act (PEHMCA)) under a single employer defined benefit OPEB plan. In December 2008, the City entered into an agreement with CalPERS to participate in the CERBT, an agent multiple-employer other postemployment benefits plan, to fund the City’s OPEB. CERBT, administrated by CalPERS, is managed by an appointed board not under the control of the City Council. CERBT issues a publicly available financial report that can be found on the CalPERS website at www.calpers.ca.gov.

The City also offers a Defined Contribution (DC) Plan to eligible miscellaneous employees. If an employee elects to participate in the DC Plan, the City makes contributions on behalf of the employee into a Health Savings Account (HSA). Employees who have elected the DC Plan are not included in the City’s actuarial valuation for OPEB.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided – The City provides medical and vision OPEB benefits. The City provided OPEB by group and eligibility is as follows:

Group	Hire Date	Minimum Years of Service	CalPERS Retirement Date	City-Paid Benefit
MVFF Safety	Any	5 years CalPERS service	Any	PEMHCA benefits; Same contribution % as active employees
POA Safety				
Fire and Police Managers				
Non-Sworn POA	Prior to July 1, 1990	5	Prior to July 1, 1992	100% of single premium
			July 1, 1992 and later	85% of single premium
	July 1, 1990 through June 30, 2007	15	Any	85% of single premium
	July 1, 2007 and later*			85% of single premium for any open City HMO plan
SEIU Maintenance	Prior to September 1, 1989	5	Any	100% of single premium
	September 1, 1989 through June 30, 2007	15		85% of single premium for any open City HMO plan
	July 1, 2007 and later*			
SEIU Clerical and Technical	Prior to September 1, 1989	5	Prior to March 1, 1993	100% of single premium
			March 1, 1993 through June 27, 1998	85% of single premium
			After June 27, 1998	100% of any single HMO premium; 85% of any single PPO premium
	September 1, 1989 through June 30, 2007	15	Any	85% of single premium for any City HMO plan
	July 1, 2007 and later*			
EAGLES and Unrepresented	Prior to August 1, 1989	5	Prior to March 1, 1993	100% of single premium
			March 1, 1993 and later	85% of single premium
	August 1, 1989 through June 30, 2007	15	Prior to January 1, 1997	No Coverage or Benefits
		5, but less than 10	January 1, 1997 and later	50% of single premium
		10, but less than 15		65% of single premium
		15 or more		85% of single premium
	July 1, 2007 and later*	15	Any	85% of single premium for any open City HMO plan

*The following employees may elect the Defined Contribution plan in lieu of the Defined Benefit plan (described above):

- Non-Sworn POA hired July 1, 2015 and later
- SEIU hired July 1, 2010 and later
- EAGLES and Unrepresented hired July 1, 2007 and later

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered – Employees covered by the benefit terms as of June 30, 2021, the most recent actuarial valuations information available, are as follows:

Inactive employees or beneficiaries currently receiving benefits	435
Active employees	364
Total	<u>799</u>

Contributions – The City’s OPEB funding policy is to contribute 100 percent or more of the actuarially determined contribution each year. For the year ended June 30, 2022, the City’s contributions totaled \$5.8 million. For the purpose of increasing the funded status of the OPEB Plan, the City contributed \$2.7 million in excess of the actuarially determined contributions during the fiscal year ended June 30, 2022.

B. Net OPEB Liability (Asset)

The City’s net OPEB liability (asset) is measured as the total OPEB liability, less the OPEB plan’s fiduciary net position. The net OPEB liability (asset) is measured as of June 30, 2021 using an annual actuarial valuation as of June 30, 2021. The table below shows how the net pension liability (asset) are of June 30, 2022 are distributed:

Governmental activities	\$ (26,095)
Business-type activities	<u>341</u>
Total	<u>\$ (25,754)</u>

Actuarial Assumptions – The total OPEB liability in the June 30, 2021 actuarial valuation were determined using actuarial assumptions as follows:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Projected Salary Increase	3.00%
Post Retirement Benefit Increase	For medical plan premiums: 5.70% for the year beginning January 1, 2022 and graded down until 4.00% ultimate rate is reached.
	For vision premiums: 3.00%
Mortality	Derived using CalPERS Membership Data for all Funds (1)

(1) Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2018 applied generationally from 2015 as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Change in Assumptions – During the measurement period 2021, the discount rate was reduced from 6.25 percent to 6.00 percent. Inflation rate was reduced from 2.75 percent to 2.50 percent. Other assumptions including projected salary increase, post retirement benefit increase, and other demographic assumptions were also changed.

Discount Rate – The discount rate used to measure the total OPEB liability is 6.00 percent. The projection of cash flows used to determine the discount rate assumed that the City’s contribution will be made equal to the actuarially determined contribution. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OEPB plan investments is applied to all periods of projected benefit payments to determine the total OPEB Liability.

The long-term expected rate of return for OPEB plan investments is 6.00 percent. Using historical returns of all the funds’ asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. The long-term expected real rate of return by asset class and the target allocation are as follows:

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10 ¹</u>	<u>Real Return Years 11+ ²</u>
Global Equity	40.0%	4.80%	5.98%
Fixed Income	43.0	1.10	2.62
REITS	8.0	3.20	5.00
TIPS	5.0	0.25	1.46
Commodities	4.0	1.50	2.87

(1) An expected inflation rate of 2.00 percent is used for this period.

(2) An expected inflation rate of 2.92 percent is used for this period.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Changes in the Net OPEB Liability (Asset)

The changes in the net OPEB liability (asset) are as follows (dollars in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2020	\$ 151,256	145,880	5,376
Changes during the measurement period:			
Service cost	3,428	-	3,428
Interest on the total OPEB liability	9,456	-	9,456
Changes in assumptions	4,921	-	4,921
Differences between expected and actual experience	(13,543)	-	(13,543)
Contributions - employer	-	6,772	(6,772)
Investment income	-	28,673	(28,673)
Administrative expenses	-	(53)	53
Benefit payments	(6,772)	(6,772)	-
Net changes	(2,510)	28,620	(31,130)
Balance at June 30, 2021	\$ 148,746	174,500	(25,754)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The net OPEB liability (asset) of the City, calculated using the discount rate of 6.00 percent, as well as what the City’s net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

Discount Rate	Current Discount Rate	Discount Rate
-1% (5.00%)	(6.00%)	+1% (7.00%)
\$ (5,457)	(25,754)	(42,394)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates – The net OPEB liability (asset) of the City, as well as what the City’s net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

Healthcare Cost Trend Rate -1%	Healthcare Cost Trend Current Rate	Healthcare Cost Trend Rate +1%
\$ (43,485)	(25,754)	(4,004)

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CERBT financial report.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB income of \$3.4 million.

The City reported deferred outflows of resources and deferred inflows of resources related to OPEB by sources for the fiscal year ended June 30, 2022 are as follows (dollars in thousands):

	Deferred Outflows	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 5,848	-
Differences between expected and actual experience	-	16,332
Changes in assumptions	3,825	301
Net differences between projected and actual earnings on plan investments	-	15,041
Total	\$ 9,673	31,674

As of June 30, 2022, the City reported \$5.8 million as deferred outflows of resources related to contributions for OPEB subsequent to the measurement date, which will be recognized as a reduction (addition) of the net OPEB liability (asset) in the fiscal year ending June 30, 2023. Net amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense are as follows (dollars in thousands):

Fiscal Year Ending June 30,		
2023	\$	(8,083)
2024		(8,201)
2025		(6,713)
2026		(4,852)
Total	\$	(27,849)

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, errors and omissions, injuries to employees or others, unemployment and certain health care benefits of employees. The City has established various self-insurance programs to account for and finance its uninsured risks of loss. Under the self-insurance programs, the City retains the risk of loss up to a maximum of \$1.0 million for general liability claims, \$750,000 for workers' compensation claims with statutory excess insurance and actual costs incurred for unemployment and certain healthcare benefits.

For general liability claims, the City has excess liability coverage through the Authority for California Cities Excess Liabilities (ACCEL) to cover the risk of loss for claims in excess of \$1.0 million per incident. ACCEL is a joint powers authority of medium-sized California municipalities, which pools catastrophic general liability, automobile liability and public officials' errors and omissions losses. Amounts of settlements have not exceeded insurance coverage in the past three years.

Charges to the General Fund and other insured funds are determined from an analysis of self-insured claims costs and reserve requirements and are recorded as operating expenditures or expenses of such funds and operating revenues of the various internal service funds.

Estimated liabilities are recorded for claims in cases where such amounts are reasonably determinable and where the liability is likely for claims which are incurred through the end of the fiscal year but not reported until after that date. The estimated liability is determined based upon historical claims data discounted at 2.0% annually and independently determined estimates of the amounts needed to pay prior and current year claims.

Changes in accrued self-insurance claims for the fiscal year ended June 30 are as follows (dollars in thousands):

	<u>2021</u>	<u>2022</u>
Beginning Balance	\$ 10,205	8,452
Liability for current and change in prior fiscal year claims and claims incurred but not reported (IBNR)	791	2,152
Claims paid	<u>(2,544)</u>	<u>(1,307)</u>
Ending Balance	<u>\$ 8,452</u>	<u>9,297</u>
Current portion	<u>\$ 2,837</u>	<u>3,180</u>

The City has not significantly reduced its insurance coverage from the prior fiscal year. Furthermore, settlements have not exceeded insurance coverage for the past three fiscal years.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 11 – LEASES

The City entered into various lease agreements as either a lessor or lessee for land, equipment, and other asset classes. As a lessee, the City is required to recognize a lease liability and an intangible right-to-use lease asset. As a lessor, the City is required to recognize a lease receivable and a deferred inflow of resources. The City defines leases as balances with an initial individual value of more than \$200,000.

A. City as Lessor

As a lessor, the City entered into lease agreements with lease terms ranging from 1 to 65 years. Most leases include periodic adjustments to the lease amount at determined intervals. For the year ended June 30, 2022, the City received an immaterial amount of variable and other payments from the lease arrangements.

Information about lease revenues and interest revenues recognized during the year ended June 30, 2022, as well as lease receivable and lease related deferred inflows of resources as of June 30, 2022 are as follows (dollars in thousands):

	General Fund	Governmental Activities
Lease revenue for the year	\$ 29,160	29,160
Lease interest revenue for the year	12,402	12,402
Lease receivable at year-end	794,487	794,487
Deferred inflow of resources at year-end	781,366	781,366

The annual lease receipt schedule for the lease receivables is as follows (dollars in thousands):

For the Fiscal Year Ending June 30	General Fund/ Governmental Activities		
	Principal	Interest	Total
2023	\$ 10,741	13,391	24,132
2024	11,706	13,237	24,943
2025	12,729	13,068	25,797
2026	12,438	12,884	25,322
2027	12,127	12,695	24,822
2028-2032	73,256	60,113	133,369
2033-2037	94,227	53,134	147,361
2038-2042	128,149	43,660	171,809
2043-2047	174,114	30,773	204,887
2048-2052	169,742	14,421	184,163
2053-2057	34,168	6,793	40,961
2058-2062	41,454	3,560	45,014
2063-2067	13,953	942	14,895
2068-2070	5,683	140	5,823
Total	\$ 794,487	278,811	1,073,298

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 11 – LEASES (Continued)

B. City as Lessee

As a lessee, during the year ended June 30, 2022, the City entered into a lease agreement with a lease term of 65 years for a land owned by the lessor. The City has an option to purchase the land and is reasonably certain to exercise the option. Thus, the leased asset is not amortized. For the year ended June 30, 2022, the City had not paid any variable and other payments for the lease arrangement. At June 30, 2022, the leased asset balance was \$6.5 million.

The annual debt service requirement for leases liability is as follows (dollars in thousands):

For the Fiscal Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 43	157	200
2024	44	156	200
2025	45	155	200
2026	46	154	200
2027	47	153	200
2028-2032	251	749	1,000
2033-2037	285	715	1,000
2038-2042	321	679	1,000
2043-2047	363	637	1,000
2048-2052	410	590	1,000
2053-2057	463	537	1,000
2058-2062	522	478	1,000
2063-2067	590	410	1,000
2068-2072	666	334	1,000
2073-2077	752	248	1,000
2078-2082	849	151	1,000
2083-2087	802	43	845
Total	<u>\$ 6,499</u>	<u>6,346</u>	<u>12,845</u>

C. Significant Lease Arrangements

SFX Entertainment, Inc. - On May 10, 2006, the City, the Shoreline Community and SFX Entertainment, Inc. (SFX), wholly owned by Live Nation, entered into an Amended and Restated Amphitheatre Ground Lease Agreement (Agreement) for the period from March 15, 2006 through December 31, 2020. SFX excised the first five-year option to extend the lease with an expiration date of December 31, 2025. A second five-year option is at the discretion of the City. The lessee is required to pay annual base rent to the City, due in nine equal installments in the months of April through December. Beginning March 15, 2018, the lease payment shall increase 2.0 percent annually. At June 30, 2022, the amount of lease receivable is \$17.7 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 11 – LEASES (Continued)

Google LLC. (Google) - On March 7, 1995, the City, as lessor, entered into a 55-year lease with Silicon Graphics, Inc. (SGI), an entity not affiliated with the City (1995 Lease). This lease provides for the rental of City land located within the Shoreline Community upon which SGI constructed a 500,000 square foot corporate campus. On December 12, 1996, the City, as lessor, entered into another 55-year lease with SGI (1997 Lease). This lease provides for the rental of City land located within the Shoreline Community upon which SGI constructed a second 556,000 square foot facility. On April 19, 2001, SGI assigned the two lease agreements described above to Goldman Sachs, Inc., an entity not affiliated with SGI or the City. Goldman Sachs assigned the agreements to WXIII/Crittenden Realty C, LLC on May 22, 2001, which assigned the agreements to Google on June 29, 2006. The 1995 Lease and 1997 Lease provide for rent increases of 4.0 percent per annum and the rent is to be adjusted every 10 years to the greater of 6.0 percent of the then fair value of the property or the initial base rent. At June 30, 2022, the amount of lease receivable for the 1995 Lease and 1997 Lease are \$270.5 million and \$295.4 million, respectively.

On August 31, 2007, the City, as lessor, entered into a 55-year lease with Google (2007 Lease). The lease provides for rent increases of 3.0 percent per annum and the rent is to be adjusted every 10 years to the greater of 7.0 percent of the then fair value of the property or the initial base rent. The revalued monthly rent shall not exceed 165.0 percent of the monthly rent payable during the initial year of the prior escalation period. At June 30, 2022, the amount of lease receivable for the 2007 Lease is \$109.5 million.

On April 1, 2011, the City, as lessor, entered into a 52-year lease with Google (termination to coincide with the 2007 Lease). Google advanced the rent for the 52-year lease term in the amount of \$30.0 million to the City. At June 30, 2022, the amount of lease receivable is \$17.0 million.

In Fiscal Year 2017-18, the City Council approved the development for the Charleston East site and approved the sublease of Parking Lots C & D between Google and SFX through December 31, 2025 to provide temporary parking space during the Charleston East Site construction. In exchange for the City's consent to accept the sublease between Google and SFX, starting January 1, 2021, the City receives payment of \$2.3 million annually with annual adjustments of 4% through December 31, 2025. At June 30, 2022, the amount of lease receivable is \$8.7 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 11 – LEASES (Continued)

MV 101 Development, LLC - On April 1, 2015, the City, as lessor, entered into a DDA and a 55-year ground lease with MV 101 Development, LLC, (MV 101), an entity not affiliated with the City. The DDA provides for the development of 6.69 acres of land owned by the City, at 750 Moffett Boulevard, commonly referred to as Ameswell (formerly Moffett Gateway) in conjunction with adjacent land formerly owned by Caltrans and acquired by MV 101, with a hotel, office building and joint parking structure. The ground lease provides for the rental of the City land for 55 years with four 10-year extensions. The agreement also provides for office building minimum rent upon the issuance of a building permit at \$140 per buildable square foot at 5.0 percent of the fair value of the land, with increases of 3.0 percent per annum. Commencing with the 16th operating year and every 10 years thereafter, the building minimum base rent shall be increased or decreased to the current market rate based on 5.0 percent of the then current fair value of the property or the initial base rent, whichever is higher and adjusted thereafter by the annual CPI. At June 30, 2022, the amount of lease receivable is \$62.7 million.

NOTE 12 – NET POSITION AND FUND BALANCES

A. Net Position

Net position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined at the Government-wide level and proprietary funds and are described as follows:

Net investment in capital assets – This caption groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, including debt related deferred outflows and inflows of resources that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted - This caption represents net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, grant funds, funds restricted for debt service, and funds restricted to low and moderate income housing purposes.

Unrestricted – This caption represents net position of the City not restricted for any project or purpose.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 12 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances

Governmental fund balances represent the assets and deferred outflows of resources less the liabilities and deferred inflows of resources of each fund. Governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on how specific amounts in the funds can be spent. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint as follows:

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation, which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council, which may only be altered by resolution of the City Council. Nonspendable amounts subject to Council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designees and may be changed at the discretion of the City Council or its designees. The City Council has not delegated the authority to make assignments of fund balance. This category also includes residual fund balances of Special Revenue, Capital Projects and Debt Service Funds, which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 12 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2022, are as follows (dollars in thousands):

Fund Balance Classifications	General	Shoreline Regional Park Community	Housing	General Capital Projects	Park Land Dedication Capital Projects	Other Governmental	Total
Nonspendable:							
Inventory	\$ 767	-	-	-	-	72	839
Deposits and prepaid costs	68	-	-	-	-	-	68
Total Nonspendable	835	-	-	-	-	72	907
Restricted:							
Shoreline Regional Park Community	-	66,062	-	-	-	-	66,062
Landfill Containment	-	10,000	-	-	-	-	10,000
Housing	-	-	176,865	-	-	-	176,865
General Capital Projects	-	-	-	272,097	-	-	272,097
Park Land Dedication Fees	-	-	-	-	79,689	-	79,689
Gas Tax	-	-	-	-	-	2,384	2,384
Other Streets and Transportation	-	-	-	-	-	668	668
Construction & Conveyance Tax	-	-	-	-	-	15,919	15,919
Development Services	-	-	-	-	-	2,181	2,181
CSFRA/Rental Housing Committee	-	-	-	-	-	1,514	1,514
Mobile Home Rent Stabilization	-	-	-	-	-	239	239
Housing Successor	-	-	-	-	-	12,683	12,683
Downtown Benefit Assessment District	-	-	-	-	-	20,701	20,701
Police Asset Forfeitures	-	-	-	-	-	481	481
Grants	-	-	-	-	-	26,766	26,766
Cable Television	-	-	-	-	-	800	800
Deferred Assessments	-	-	-	-	-	390	390
Debt Service	-	-	-	-	-	6,545	6,545
Storm Drain Construction	-	-	-	-	-	459	459
Minor Estate Trust	436	-	-	-	-	-	436
Total Restricted	436	76,062	176,865	272,097	79,689	91,730	696,879
Committed:							
Development Services	22,107	-	-	-	-	35,760	57,867
Budget Contingency	12,359	-	-	-	-	-	12,359
Earned Lease Revenue	8,286	-	-	-	-	-	8,286
Property Management	1,577	-	-	-	-	-	1,577
Graham Site Maintenance	655	-	-	-	-	-	655
Transportation	7,841	-	-	-	-	-	7,841
Capital Improvement	17,229	-	-	-	-	-	17,229
Open Space Acquisition	6,456	-	-	-	-	-	6,456
Strategic Property Acquisition	14,140	-	-	-	-	-	14,140
Childcare Commitment	292	-	-	-	-	-	292
Compensated Absences	5,762	-	-	-	-	-	5,762
General Special Purpose	-	-	-	-	-	244	244
Shoreline Golf Links	-	-	-	-	-	63	63
Total Committed	96,704	-	-	-	-	36,067	132,771
Assigned:							
Contractual Obligations	5,920	-	-	-	-	-	5,920
Unassigned:							
	93,390	-	-	-	-	-	93,390
Total Fund Balances	\$ 197,285	76,062	176,865	272,097	79,689	127,869	929,867

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 12 – NET POSITION AND FUND BALANCES (Continued)

C. Committed Fund Balances

The City Council adopted reserve policies and additional council actions which includes commitments of fund balances as follows:

1. The Development Services fund balances shall be used to fund the future obligations of the City's development activity.
2. The General Fund Budget Contingency Reserve shall be used to provide one-time financial resources during uncertain economic conditions. This reserve may be used for such things as the transitioning of positions to be eliminated, the phasing out of certain expenditures, smoothing of employee benefit changes, or anticipated or unanticipated revenue declines, as approved by City Council.
3. The General Fund Earned Lease Revenue Reserve Shall be used to accumulate the rent from the ground lease of a portion of the City's Charleston East property to Google LLC (Google). Google prepaid \$30.0 million as rent for the initial approximately 52-year lease term. The intent is for this reserve to accumulate the rent, as it is earned, so that the \$30.0 million principal balance will be available at the end of the initial lease term.
4. The General Fund Property Management Reserve shall be used to provide a source of funds for obligations, which could arise from the City's leasing of property including legal services, certain responsibilities identified in land leases, environmental testing, or other costs normally incurred by a lessor.
5. The Graham Site Maintenance Reserve shall be used to fund the maintenance obligations, per the agreement with the school district, of the Graham Sports Complex, including the playing field at Graham Middle School beneath which the City has a reservoir.
6. The Transportation Reserve shall be used for the funding of major priority transportation projects to mitigate traffic congestion, improve infrastructure, and meet the needs of the City, as authorized by the City Council.
7. The General Fund Capital Improvement Reserve shall be used for the funding of unanticipated priority capital improvement projects authorized by the City Council. To the extent possible, General Fund carryovers remaining from the end of the fiscal year, not assigned or committed for other purposes, may be applied to this reserve.
8. The General Fund Open Space Acquisition Reserve shall be used for the purpose of acquiring open space to meet the needs of the City as authorized by the City Council. Proceeds from excess City-owned properties shall fund this reserve as directed by City Council.
9. The General Fund Strategic Property Acquisition Reserve shall be used for the purpose of setting aside specific funds for the City to use for the acquisition of strategic property(ies).

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 12 – NET POSITION AND FUND BALANCES (Continued)

10. The Childcare Commitment Reserve shall be used to fund low-income subsidies.
11. The Compensated Absences Reserve shall fund the disbursements of terminated or retired employees for accrued vacation and sick leave or other accrued leave as applicable.
12. The General Special Purpose Reserve shall be used to replace trees when a developer is unable to plant the required trees.
13. The Shoreline Golf Links Reserve shall be used to fund Shoreline Golf Links and related golf course operations and improvements.

D. *Minimum Fund Balance / Net Position Policies*

The City's Financial and Budgetary Policy requires the City to strive to maintain the following fund balances/net position:

1. The General Fund Reserve at 20 to 25 percent of General Fund appropriations.
2. The General Fund Capital Improvement Reserve to be funded with a goal of a minimum balance of \$5.0 million.
3. The Compensated Absences Reserve shall be funded at a minimum 80 percent of the liabilities of the City for compensated absences such as vacation and vested sick leave.
4. The Shoreline Regional Park Community Special Revenue Fund shall maintain a reserve of 25 percent of operating budget for three months of operating expenditures; the landfill reserve shall be incrementally increased to accumulate funds to rebuild the landfill system, which is initially estimated at approximately \$12.0 million, in case of a catastrophic event; and the sea level rise reserve is to be incrementally increased to \$30.0 million for flood protection projects necessary to protect public and private investments within the Shoreline Community identified in the Sea Level Rise Study.
5. The Enterprise Fund Reserves shall maintain a minimum 10 percent of operating budget for emergency, a minimum of 5 percent operating budget for contingency and a goal of 10 percent of operating budget for rate stabilization.
6. The Equipment Replacement Reserve shall be maintained to fund the replacement of capital equipment.
7. The Workers' Compensation Self-Insurance Reserve shall include at a minimum provision to cover projected liabilities and two catastrophic losses at the City's current level of self-insured retention.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 12 – NET POSITION AND FUND BALANCES (Continued)

8. The Liability Self-Insurance Reserve shall be maintained at a minimum level of \$2.0 million plus expected claims settlements.
9. The Unemployment Self-Insurance Reserve and the Employee Benefit Plan Reserve shall be maintained at a level adequate to meet estimated benefit liabilities.

E. Landfill Containment Reserve

In 2013, CalRecycle regulations required the City to create a reserve, in whole or incrementally, for potential corrective actions associated with a non-water release event at the landfill site. The estimated costs of the corrective actions are adjusted annually by an inflation factor approved by CalRecycle. On June 25, 2013, the City Council approved to restrict funds for landfill containment in the Landfill reserve of the Shoreline Community Fund. The City estimated the costs for the corrective actions to be \$1.1 million for the fiscal year ended June 30, 2022, and \$12.0 million to rebuild a new landfill system. As of June 30, 2022, the City restricted \$10.0 million for landfill containment and planned to increase the balance by \$1.0 million annually until \$12.0 million is reached.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Encumbrances

The City's outstanding encumbrances as of June 30, 2022, are as follows (dollars in thousands):

	Amount	Fund Balance Classification
General Fund	\$ 2,468	Committed
General Fund	5,920	Assigned
Shoreline Regional Park Community	295	Restricted
Housing	5,711	Restricted
General Capital Projects	75,763	Restricted
Nonmajor Governmental Funds	903	Restricted
Total	\$ 91,060	

B. Litigation

The City is a defendant in several lawsuits and other matters arising in the normal course of operations. The City's management and legal counsel are of the opinion the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial position of the City.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

C. *City of Palo Alto Regional Water Quality Control Plant*

The City transmits its wastewater for treatment to a system of transmission, treatment and disposal of wastewater (the “Joint System” or “Treatment Plant”) owned and administered by the City of Palo Alto. The Joint System is governed by an agreement between the City of Palo Alto, the City of Mountain View, and the City of Los Altos (the Partners) for the acquisition, construction and maintenance of the Joint System (Agreement). As part of the Agreement, the City purchases treatment capacity at the Treatment Plant. The Agreement provides that the City will purchase capacity through December 31, 2060, and for the City of Palo Alto to set service charges annually with quarterly billings based on estimated use. A reconciliation of actual to estimated charges is completed annually. For the fiscal year ended June 30, 2022, these costs totaled \$11.7 million, which is included as a component of cost of sales and services expenses in the Wastewater Enterprise Fund.

The Agreement has been supplemented or amended from time to time. Addenda include provisions for improvements to the Joint System for which debt was issued by the City of Palo Alto and the Partners agreed to pay their share of debt based on capacity rights. Each Partner’s share of debt is included in the annual budget provided by the City of Palo Alto and is billed through the quarterly billings. For the fiscal year ended June 30, 2022, the City’s share of debt services totaled to \$1.0 million.

D. *Sunnyvale Material Recovery and Transfer (SMaRT®) Station*

During Fiscal Year 1992-93, the City entered into a Memorandum of Understanding (MOU) with the City of Sunnyvale to obtain solid waste and recycling services at the SMaRT® Station. The MOU provides that the City has capacity share of 23.45 percent of this facility for 30 years which expired during Fiscal Year 2021-22. The City entered into a new MOU with the City of Sunnyvale with an effective date of January 1, 2022 and termination date of December 31, 2036. Annual service charges are determined based on actual per-ton charges. For the fiscal year ended June 30, 2022, these costs totaled \$6.7 million.

E. *Education Enhancement Reserve Joint Powers Agreement (JPA)*

On June 30, 2013, the Shoreline Community entered into an Education Enhancement JPA with the Mountain View Los Altos Unified High School District (MVLAUHSD) and the Mountain View Whisman School District (MVWSD) effective July 1, 2013, for a period of 10 years, superseding any prior agreements. The agreement provides for minimum annual payments commencing with the fiscal year ended June 30, 2014 of \$1.8 million and \$2.9 million to MVLAUHSD and MVWSD, respectively. Each subsequent fiscal year increases based on the growth in property tax revenues in the preceding fiscal year. For the fiscal year ended June 30, 2022, the Shoreline Community paid a total of \$8.2 million in contributions to the school districts.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

F. Tax Revenue Sharing

Pursuant to an agreement between the City, the Shoreline Community, and the County dated June 22, 2005, the Shoreline Community is annually obligated to pay the County from tax revenues, an amount equal to the County's total retirement tax override levies and pass-through an additional amount of taxes that would have been allocated to the County in the absence of the existence of the Shoreline Community. For the fiscal year ended June 30, 2022, \$1.9 million and \$2.6 million in retirement tax override levies and pass-through payments, respectively, were paid to the County.

G. Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA), which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

Under the 2009 25-year agreement with the SFPUC, a minimum water delivery level is included. On June 21, 2017, the City entered an agreement to permanently transfer all rights, title and interest of 1.0 MGD of annual Individual Supply Guarantee to the City of East Palo Alto (EPA). After SFPUC approved the agreement, the City received a one-time payment of \$5.0 million in Fiscal Year 2017-18 from EPA for the 1.0 MGD water rights.

For the fiscal year ended June 30, 2022, the City did not make any payment for the minimum water purchase requirement due to the SFPUC waiving the requirement based on the Governor's July 8, 2021 Drought Executive Order.

In addition, under the agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds. Prior assets under the previous agreement were transferred to the new agreement and assigned a life with an agreed upon rate of return of 5.13 percent.

BAWSCA issued Revenue Bonds (Bonds) in the principal amount of \$335.8 million in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

The City paid its surcharge of \$1.4 million during the fiscal year ended June 30, 2022, which is included as a component of cost of sales and services expenses in the Water Enterprise Fund. The surcharge for Fiscal Year 2022-23 is estimated to be \$1.5 million.

CITY OF MOUNTAIN VIEW

Required Supplementary Information (Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan

(Dollar in Thousands)

Measurement period	Fiscal Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 8,642	8,622	8,342	7,669	7,473	6,675	6,412	6,218
Interest on the total pension liability	32,778	31,427	29,850	28,405	27,198	26,269	25,058	23,873
Changes of assumptions	-	-	-	(2,554)	22,221	-	(6,028)	-
Differences between expected and actual experience	1,435	4,461	2,677	2,350	(2,154)	(577)	(568)	-
Benefit payments, including refunds of employee contributions	(23,432)	(21,764)	(19,708)	(18,056)	(17,303)	(15,518)	(14,861)	(13,823)
Net change in total pension liability	19,423	22,746	21,161	17,814	37,435	16,849	10,013	16,268
Total pension liability, beginning	464,397	441,651	420,490	402,676	365,241	348,392	338,379	322,111
Total pension liability, ending	\$ 483,820	464,397	441,651	420,490	402,676	365,241	348,392	338,379
Plan fiduciary net position								
Contributions, employer	\$ 15,273	18,696	17,514	17,917	12,413	11,318	8,673	7,796
Contributions, employee	5,489	3,959	3,549	3,513	3,121	3,065	3,148	3,147
Plan to plan resource movement	-	-	-	(1)	-	-	-	-
Investment income	78,758	16,690	20,477	24,062	29,071	1,328	5,709	38,300
Benefit payments, including refunds of employee contributions	(23,432)	(21,764)	(19,708)	(18,056)	(17,303)	(15,518)	(14,861)	(13,823)
Administrative expenses	(347)	(466)	(219)	(1,277)	(378)	(156)	(288)	-
Net change in plan fiduciary net position	75,741	17,115	21,613	26,158	26,924	37	2,381	35,420
Plan fiduciary net position, beginning	347,566	330,451	308,838	282,680	255,756	255,719	253,338	217,918
Plan fiduciary net position, ending	\$ 423,307	347,566	330,451	308,838	282,680	255,756	255,719	253,338
Plan net pension liability	\$ 60,513	116,831	111,200	111,652	119,996	109,485	92,673	85,041
Plan fiduciary net position as a percentage of the total pension liability	87.5%	74.8%	74.8%	73.4%	70.2%	70.0%	73.4%	74.9%
Covered payroll	\$ 47,644	46,084	43,994	40,657	39,034	38,450	36,233	34,163
Plan net pension liability as a percentage of covered payroll	127.0%	253.5%	252.8%	274.6%	307.4%	284.7%	255.8%	248.9%

Note to schedule:

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions - During measurement period 2014, the discount rate was 7.50%. During measurement period 2015, the discount rate was increased from 7.50 percent to 7.65 percent. There is no change in discount rate during measurement period 2016. During measurement period 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. During measurement period 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There are no change in assumptions during measurement periods 2019, 2020, and 2021.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

CITY OF MOUNTAIN VIEW
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios - Safety Plan
(Dollar in Thousands)

Measurement period	Fiscal Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 7,933	7,613	7,066	6,677	6,857	5,945	6,061	6,311
Interest on the total pension liability	28,366	27,043	25,815	24,593	23,599	22,704	21,792	20,641
Changes of assumptions	-	-	-	(1,385)	19,688	-	(5,345)	-
Differences between expected and actual experience	2,993	2,235	2,998	1,416	(157)	(1,633)	1,234	-
Benefit payments, including refunds of employee contributions	(19,902)	(18,711)	(17,734)	(16,998)	(15,977)	(14,765)	(13,721)	(12,416)
Net change in total pension liability	19,390	18,180	18,145	14,303	34,010	12,251	10,021	14,536
Total pension liability, beginning	399,718	381,538	363,393	349,090	315,080	302,829	292,808	278,272
Total pension liability, ending	\$ 419,108	399,718	381,538	363,393	349,090	315,080	302,829	292,808
Plan fiduciary net position								
Contributions, employer	\$ 12,508	15,569	14,385	14,872	10,572	9,904	8,139	7,244
Contributions, employee	4,329	3,345	2,951	2,965	2,709	2,697	2,656	2,924
Plan to plan resource movement	-	-	-	(1)	-	-	32	-
Investment income	65,428	13,769	17,013	20,199	24,545	1,117	4,852	32,936
Benefit payments, including refunds of employee contributions	(19,902)	(18,711)	(17,734)	(16,998)	(15,977)	(14,765)	(13,721)	(12,416)
Administrative expenses	(289)	(388)	(184)	(1,079)	(321)	(133)	(246)	-
Net change in plan fiduciary net position	62,074	13,584	16,431	19,958	21,528	(1,180)	1,712	30,688
Plan fiduciary net position, beginning	288,837	275,253	258,822	238,864	217,336	218,516	216,804	186,116
Plan fiduciary net position, ending	\$ 350,911	288,837	275,253	258,822	238,864	217,336	218,516	216,804
Plan net pension liability	\$ 68,197	110,881	106,285	104,571	110,226	97,744	84,313	76,004
Plan fiduciary net position as a percentage of the total pension liability	83.7%	72.3%	72.1%	71.2%	68.4%	69.0%	72.2%	74.0%
Covered payroll	\$ 27,301	26,188	24,248	22,764	23,263	22,493	22,547	23,051
Plan net pension liability as a percentage of covered payroll	249.8%	423.4%	438.3%	459.4%	473.8%	434.6%	373.9%	329.7%

Note to schedule:

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions - During measurement period 2014, the discount rate was 7.50%. During measurement period 2015, the discount rate was increased from 7.50 percent to 7.65 percent. There is no change in discount rate during measurement period 2016. During measurement period 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. During measurement period 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There are no change in assumptions during measurement periods 2019, 2020, and 2021.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

CITY OF MOUNTAIN VIEW
 Required Supplementary Information (Unaudited)
 Schedule of Employer Pension Contributions - Miscellaneous and Safety Plans
 (Dollar in Thousands)

Miscellaneous Plan

	Fiscal Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions (ADC)	\$ 15,114	14,159	14,207	12,769	11,289	9,925	8,806	8,073	7,796
Contributions in relation to the ADC	(17,342)	(15,273)	(18,696)	(17,514)	(17,917)	(12,413)	(11,318)	(8,673)	(7,796)
Contribution deficiency (excess)	<u>\$ (2,228)</u>	<u>(1,114)</u>	<u>(4,489)</u>	<u>(4,745)</u>	<u>(6,628)</u>	<u>(2,488)</u>	<u>(2,512)</u>	<u>(600)</u>	<u>-</u>
Covered payroll	\$ 48,654	47,644	46,084	43,994	40,657	39,034	38,450	36,233	34,163
Contributions as a percentage of covered payroll	35.6%	32.1%	40.6%	39.8%	44.1%	31.8%	29.4%	23.9%	22.8%

Safety Plan

	Fiscal Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 12,341	11,752	11,682	10,277	9,112	8,915	8,229	7,739	7,244
Contributions in relation to the ADC	(13,748)	(12,508)	(15,569)	(14,385)	(14,872)	(10,572)	(9,904)	(8,139)	(7,244)
Contribution deficiency (excess)	<u>\$ (1,407)</u>	<u>(756)</u>	<u>(3,887)</u>	<u>(4,108)</u>	<u>(5,760)</u>	<u>(1,657)</u>	<u>(1,675)</u>	<u>(400)</u>	<u>-</u>
Covered payroll	\$ 27,648	27,301	26,188	24,248	22,764	23,263	22,493	22,547	23,051
Contributions as a percentage of covered payroll	49.7%	45.8%	59.5%	59.3%	65.3%	45.4%	44.0%	36.1%	31.4%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2022 were as follows:

ADC for fiscal year	June 30, 2022
Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Salary increases	Varies by entry age and services
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown.

CITY OF MOUNTAIN VIEW
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
(Dollar in Thousands)

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Measurement period	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 3,428	3,320	3,336	3,231	3,054
Interest on the total OPEB liability	9,456	9,079	9,857	9,392	8,820
Changes of assumptions	4,921	-	(670)	-	15,660
Differences between expected and actual experience	(13,543)	-	(12,915)	-	(9,020)
Benefit payments, including refunds of employee contributions	(6,772)	(6,183)	(5,729)	(5,459)	(5,044)
Net change in total OPEB liability	(2,510)	6,216	(6,121)	7,164	13,470
Total pension OPEB, beginning	151,256	145,040	151,161	143,997	130,527
Total OPEB liability, ending	\$ 148,746	151,256	145,040	151,161	143,997
Plan fiduciary net position					
Contributions, employer	\$ 6,772	8,497	8,014	13,233	12,424
Investment income	28,673	7,384	8,797	6,858	7,065
Benefit payments, including refunds of employee contributions	(6,772)	(6,183)	(5,729)	(5,459)	(5,044)
Administrative expenses	(53)	(67)	(27)	(206)	(51)
Net change in plan fiduciary net position	28,620	9,631	11,055	14,426	14,394
Plan fiduciary net position, beginning	145,880	136,249	125,194	110,768	96,374
Plan fiduciary net position, ending	\$ 174,500	145,880	136,249	125,194	110,768
Plan net OPEB liability (asset)	\$ (25,754)	5,376	8,791	25,967	33,229
Plan fiduciary net position as a percentage of the total OPEB liability	117.3%	96.4%	93.9%	82.8%	76.9%
Covered payroll	\$ 49,104	50,838	49,135	46,799	44,181
Plan net OPEB liability (asset) as a percentage of covered payroll	(52.4%)	10.6%	17.9%	55.5%	75.2%

Note to schedule:

Change in assumptions - During measurement period 2019, the discount rate was reduced from 6.50 percent to 6.25 percent. Demographic assumptions were change in accordance to the 2017 CalPERS Experience Study. There is no change in assumptions during measurement period 2020. During the measurement period 2021, the discount rate was reduced from 6.25 percent to 6.00 percent. Inflation rate was reduced from 2.75 percent to 2.50 percent. Other assumptions including projected salary increase, post retirement benefit increase, and other demographic assumptions were also changed.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

CITY OF MOUNTAIN VIEW
Required Supplementary Information (Unaudited)
Schedule of Employer OPEB Contributions
(Dollar in Thousands)

	Fiscal Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Actuarially determined contributions (ADC)	\$ 3,123	4,151	6,068	5,334	5,639	5,577
Contributions in relation to the ADC	(5,848)	(6,772)	(8,497)	(8,014)	(13,233)	(12,424)
Contribution deficiency (excess)	<u>\$ (2,725)</u>	<u>(2,621)</u>	<u>(2,429)</u>	<u>(2,680)</u>	<u>(7,594)</u>	<u>(6,847)</u>
Covered payroll	\$ 49,418	49,104	50,838	49,135	46,799	44,181
Contributions as a percentage of covered payroll	11.8%	13.8%	16.7%	16.3%	28.3%	28.1%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2022 were as follows:

ADC for fiscal year	June 30, 2022
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Projected salary increases	3.00%
Investment rate of return	6.00%
Post Retirement Benefit Increase	For medical plan premiums: 5.70% for the year beginning January 1, 2022 and graded down until 4.00% ultimate rate is reached. For vision premiums: 3.00%

Mortality

Derived using CalPERS Membership Data for all Funds. Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2018 applied generationally as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only six years of information is shown.

This page intentionally left blank

CITY OF MOUNTAIN VIEW
Park Land Dedication Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Use of money and property	\$ 1,460	1,460	(2,400)	(3,860)
Developer fees and contributions	-	-	21,269	21,269
Total revenues	<u>1,460</u>	<u>1,460</u>	<u>18,869</u>	<u>17,409</u>
Other financing sources (uses):				
Transfers in	-	-	1,636	1,636
Transfers out	<u>(7,478)</u>	<u>(39,273)</u>	<u>(39,273)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,478)</u>	<u>(39,273)</u>	<u>(37,637)</u>	<u>1,636</u>
Net change in fund balance	<u>\$ (6,018)</u>	<u>(37,813)</u>	<u>(18,768)</u>	<u>19,045</u>
Fund balance, beginning of year			<u>98,457</u>	
Fund balance, end of year			<u>\$ 79,689</u>	

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

SPECIAL REVENUE FUNDS

The **Gas Tax Fund** accounts for gas tax revenues received from the State and expended for construction and maintenance of City streets.

The **Other Streets and Transportation Fund (Formerly Vehicle Registration Fees Fund)** accounts for fees that voters approved to collect from vehicle registrations accounts for voters approved vehicle registrations fees and sales taxes used to fund local road improvements and repairs, and enhance transit, highways, expressways and active transportation.

The **Construction and Conveyance Tax Fund** accounts for revenues from taxes on real property transferred in the City. These revenues are used for acquisition, improvement, maintenance, expansion or implementation of the Capital Improvements Program.

The **Other Developer Fees Fund** accounts for revenues to be used to encourage development and rejuvenation of areas served by transit facilities.

The **CSFRA / Rental Housing Committee Fund** accounts for the activities related to stabilize rents and provide just cause eviction protections for certain rental units in the City.

The **Mobile Home Rent Stabilization Ordinance Fund** accounts for the activities related to stabilize rents and protect the rights for both the mobile home residents and the mobile park owners in the City.

The **Housing Successor Fund** accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Revitalization Authority. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

The **Shoreline Golf Links Fund** accounts for revenues from user fees at Shoreline Golf Links and related golf course operations and improvements.

The **Downtown Benefit Assessment District Fund** accounts for revenue received for offstreet parking, fees paid in-lieu of providing parking in the District and for annual ad valorem rate and direct assessments levied against the property owners within the District.

The **General Special Purpose Fund** accounts for fees paid for replacement trees and the CASp training program.

The **Police Asset Forfeitures Fund** accounts for funds derived from criminal assets seized by police, primarily from illegal narcotics sales activity.

The **Grants Fund** accounts for grants received, including Community Development Block Grants, Home Investment Partnership Act Grants, the Local Law Enforcement Block Grant Program, the Supplemental Law Enforcement Services Grants and Traffic Safety grants.

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

The **Cable Television Fund** accounts for Public, Education and Government (PEG) fees collected by the cable providers and restricted for PEG channel support. The City passes a portion of these funds through to a third party to provide public, governmental and educational access television services.

The **Deferred Assessments Fund** accounts for a program which allows certain property owners to defer up to 100 percent of any special assessment levied on their property. The assessment becomes due upon certain specified occurrences.

DEBT SERVICE FUNDS

The **Shoreline Regional Park Community 2011 Revenue Bonds Fund** accounts for the resources used for the purpose of paying the principal, interest and related costs on the Shoreline Regional Park Community 2011 Revenue Bonds as they become due.

The **Shoreline Regional Park Community 2018 Revenue Bonds Fund** accounts for the resources used for the purpose of paying the principal, interest and related costs on the Shoreline Regional Park Community 2018 Revenue Bonds Series A and Series B as they become due.

The **Special Assessments Fund** accounts for resources financed by special assessments levied against property receiving special benefits, contributions from other funds for general benefits and certain reserve requirements.

CAPITAL PROJECTS FUND

The **Storm Drain Construction Fund** accounts for revenues derived from off-site drainage fees used for storm drain projects in the Capital Improvements Program.

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Gas Tax	Other Streets and Transportation	Construction & Conveyance Tax	Other Developer Fees
Assets:				
Cash and investments	\$ 1,902	629	15,751	37,809
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	448	26	-	-
Interest	34	13	168	132
Loans and notes	-	-	-	-
Inventory	-	-	-	-
Deposits and prepaid items	-	-	-	-
Total assets	<u>\$ 2,384</u>	<u>668</u>	<u>15,919</u>	<u>37,941</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Refundable deposits	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	2,384	668	15,919	2,181
Committed	-	-	-	35,760
Total fund balances	<u>2,384</u>	<u>668</u>	<u>15,919</u>	<u>37,941</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,384</u>	<u>668</u>	<u>15,919</u>	<u>37,941</u>

SPECIAL REVENUE FUNDS

CSFRA / Rental Housing Committee	Mobile Home Rent Stabilization Ordinance (MHRSO)	Housing Successor	Shoreline Golf Links	Downtown Benefit Assessment District
1,371	535	1,273	416	20,635
-	-	-	10	-
175	-	-	45	-
6	1	-	1	86
-	-	11,410	-	-
-	-	-	72	-
-	-	-	-	-
<u>1,552</u>	<u>536</u>	<u>12,683</u>	<u>544</u>	<u>20,721</u>
38	5	-	9	18
-	292	-	-	-
-	-	-	4	2
-	-	-	396	-
<u>38</u>	<u>297</u>	<u>-</u>	<u>409</u>	<u>20</u>
-	-	-	72	-
1,514	239	12,683	-	20,701
-	-	-	63	-
<u>1,514</u>	<u>239</u>	<u>12,683</u>	<u>135</u>	<u>20,701</u>
<u>1,552</u>	<u>536</u>	<u>12,683</u>	<u>544</u>	<u>20,721</u>

(Continued)

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	General Special Purpose	Police Asset Forfeitures	Grants	Cable Television
Assets:				
Cash and investments	590	481	9,578	800
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Interest	2	-	33	-
Loans and notes	-	-	16,555	-
Inventory	-	-	-	-
Deposits and prepaid items	-	-	609	-
Total assets	<u>592</u>	<u>481</u>	<u>26,775</u>	<u>800</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	1	-	9	-
Due to other funds	-	-	-	-
Refundable deposits	347	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>348</u>	<u>-</u>	<u>9</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	481	26,766	800
Committed	244	-	-	-
Total fund balances	<u>244</u>	<u>481</u>	<u>26,766</u>	<u>800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>592</u>	<u>481</u>	<u>26,775</u>	<u>800</u>

SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Special Assessments		
390	-	-	45	454	92,659
-	6,500	-	-	-	6,510
-	-	-	-	-	694
-	-	-	-	5	481
-	-	-	-	-	27,965
-	-	-	-	-	72
-	-	-	-	-	609
<u>390</u>	<u>6,500</u>	<u>-</u>	<u>45</u>	<u>459</u>	<u>128,990</u>
-	-	-	-	-	80
-	-	-	-	-	292
-	-	-	-	-	353
-	-	-	-	-	396
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,121</u>
-	-	-	-	-	72
390	6,500	-	45	459	91,730
-	-	-	-	-	36,067
<u>390</u>	<u>6,500</u>	<u>-</u>	<u>45</u>	<u>459</u>	<u>127,869</u>
<u>390</u>	<u>6,500</u>	<u>-</u>	<u>45</u>	<u>459</u>	<u>128,990</u>

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Gas Tax	Other Streets and Transportation	Construction & Conveyance Tax	Other Developer Fees
Revenues:				
Property taxes	\$ -	-	-	-
Other taxes	-	-	10,292	-
Use of money and property	(32)	42	(270)	(537)
Intergovernmental	3,624	765	-	-
Charges for services	-	-	-	-
Developer fees and contributions	-	-	-	24,099
Other	-	-	-	-
Total revenues	<u>3,592</u>	<u>807</u>	<u>10,022</u>	<u>23,562</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	26	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,592</u>	<u>781</u>	<u>10,022</u>	<u>23,562</u>
Other financing sources (uses):				
Transfers in	89	62	937	181
Transfers out	<u>(2,938)</u>	<u>(1,102)</u>	<u>(6,666)</u>	<u>(7,800)</u>
Total other financing sources (uses)	<u>(2,849)</u>	<u>(1,040)</u>	<u>(5,729)</u>	<u>(7,619)</u>
Net change in fund balances	743	(259)	4,293	15,943
Fund balances, beginning of year	<u>1,641</u>	<u>927</u>	<u>11,626</u>	<u>21,998</u>
Fund balances, end of year	<u>\$ 2,384</u>	<u>668</u>	<u>15,919</u>	<u>37,941</u>

SPECIAL REVENUE FUNDS

CSFRA / Rental Housing Committee	Mobile Home Rent Stabilization Ordinance (MHRSO)	Housing Successor	Shoreline Golf Links	Downtown Benefit Assessment District
-	-	-	-	1,118
-	-	-	-	-
(38)	(5)	171	(12)	(632)
-	-	-	-	3
1,487	292	-	3,783	206
-	-	-	-	170
-	-	-	51	-
<u>1,449</u>	<u>287</u>	<u>171</u>	<u>3,822</u>	<u>865</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,453	155	250	-	483
-	-	-	3,418	-
26	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,479</u>	<u>155</u>	<u>250</u>	<u>3,418</u>	<u>483</u>
<u>(30)</u>	<u>132</u>	<u>(79)</u>	<u>404</u>	<u>382</u>
-	107	-	-	-
<u>(11)</u>	-	-	<u>(373)</u>	<u>(111)</u>
<u>(11)</u>	<u>107</u>	-	<u>(373)</u>	<u>(111)</u>
(41)	239	(79)	31	271
<u>1,555</u>	-	<u>12,762</u>	<u>104</u>	<u>20,430</u>
<u>1,514</u>	<u>239</u>	<u>12,683</u>	<u>135</u>	<u>20,701</u>

(Continued)

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	General Special Purpose	Police Asset Forfeitures	Grants	Cable Television
Revenues:				
Property taxes	-	-	-	-
Other taxes	16	-	-	-
Use of money and property	(19)	(1)	15	-
Intergovernmental	-	2	8,208	-
Charges for services	(19)	-	-	-
Developer fees and contributions	-	-	-	-
Other	-	-	-	180
Total revenues	<u>(22)</u>	<u>1</u>	<u>8,223</u>	<u>180</u>
Expenditures:				
Current:				
General government	-	-	-	137
Public safety	-	26	203	-
Public works	-	-	-	-
Community development	13	-	293	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>13</u>	<u>26</u>	<u>496</u>	<u>137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35)</u>	<u>(25)</u>	<u>7,727</u>	<u>43</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(350)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(350)</u>	<u>-</u>
Net change in fund balances	(35)	(25)	7,377	43
Fund balances, beginning of year	<u>279</u>	<u>506</u>	<u>19,389</u>	<u>757</u>
Fund balances, end of year	<u><u>244</u></u>	<u><u>481</u></u>	<u><u>26,766</u></u>	<u><u>800</u></u>

SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS			CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
Deferred Assessments	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Special Assessments	Storm Drain Construction	
-	-	-	-	-	1,118
-	-	-	-	-	10,308
-	2	-	-	(12)	(1,328)
-	-	-	-	-	12,602
-	-	-	-	-	5,749
-	-	-	-	-	24,269
-	-	-	-	58	289
-	2	-	-	46	53,007
-	-	-	-	-	137
-	-	-	-	-	229
-	-	-	-	-	26
-	-	-	-	-	2,647
-	-	-	-	-	3,418
-	-	-	-	-	26
-	2,085	-	-	-	2,085
-	1,254	3,079	-	-	4,333
-	3,339	3,079	-	-	12,901
-	(3,337)	(3,079)	-	46	40,106
-	3,337	3,079	-	8	7,800
-	-	-	-	(32)	(19,383)
-	3,337	3,079	-	(24)	(11,583)
-	-	-	-	22	28,523
390	6,500	-	45	437	99,346
390	6,500	-	45	459	127,869

CITY OF MOUNTAIN VIEW
 Nonmajor Governmental Funds
 Combining Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2022
 (Dollars in Thousands)

	Gas Tax			Other Streets and Transportation		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Property taxes	\$ -	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	-
Use of money and property	79	(32)	(111)	38	42	4
Intergovernmental	3,690	3,624	(66)	2,455	765	(1,690)
Charges for services	-	-	-	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>3,769</u>	<u>3,592</u>	<u>(177)</u>	<u>2,493</u>	<u>807</u>	<u>(1,686)</u>
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Public works	-	-	-	340	26	314
Community development	-	-	-	-	-	-
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>340</u>	<u>26</u>	<u>314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,769</u>	<u>3,592</u>	<u>(177)</u>	<u>2,153</u>	<u>781</u>	<u>(1,372)</u>
Other financing sources (uses):						
Transfers in	-	89	89	-	62	62
Transfers out	(2,938)	(2,938)	-	(2,322)	(1,102)	1,220
Total other financing sources (uses)	<u>(2,938)</u>	<u>(2,849)</u>	<u>89</u>	<u>(2,322)</u>	<u>(1,040)</u>	<u>1,282</u>
Net change in fund balances	<u>\$ 831</u>	<u>743</u>	<u>(88)</u>	<u>(169)</u>	<u>(259)</u>	<u>(90)</u>
Fund balances, beginning of year		<u>1,641</u>			<u>927</u>	
Fund balances, end of year		<u>\$ 2,384</u>			<u>\$ 668</u>	

Construction & Conveyance Tax			Other Developer Fees			CSFRA / Rental Housing Committee		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	-	-	-	-	-	-
4,004	10,292	6,288	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
486	(270)	(756)	307	(537)	(844)	18	(38)	(56)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,525	1,487	(38)
-	-	-	-	24,099	24,099	-	-	-
-	-	-	-	-	-	-	-	-
<u>4,490</u>	<u>10,022</u>	<u>5,532</u>	<u>307</u>	<u>23,562</u>	<u>23,255</u>	<u>1,543</u>	<u>1,449</u>	<u>(94)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	42	-	42	1,991	1,453	538
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	160	26	134
-	-	-	<u>42</u>	-	<u>42</u>	<u>2,151</u>	<u>1,479</u>	<u>672</u>
<u>4,490</u>	<u>10,022</u>	<u>5,532</u>	<u>265</u>	<u>23,562</u>	<u>23,297</u>	<u>(608)</u>	<u>(30)</u>	<u>578</u>
-	937	937	-	181	181	-	-	-
<u>(6,666)</u>	<u>(6,666)</u>	<u>-</u>	<u>(7,800)</u>	<u>(7,800)</u>	<u>-</u>	<u>(11)</u>	<u>(11)</u>	<u>-</u>
<u>(6,666)</u>	<u>(5,729)</u>	<u>937</u>	<u>(7,800)</u>	<u>(7,619)</u>	<u>181</u>	<u>(11)</u>	<u>(11)</u>	<u>-</u>
<u>(2,176)</u>	<u>4,293</u>	<u>6,469</u>	<u>(7,535)</u>	<u>15,943</u>	<u>23,478</u>	<u>(619)</u>	<u>(41)</u>	<u>578</u>
	<u>11,626</u>			<u>21,998</u>			<u>1,555</u>	
	<u>\$ 15,919</u>			<u>\$ 37,941</u>			<u>\$ 1,514</u>	

CITY OF MOUNTAIN VIEW
 Nonmajor Governmental Funds
 Combining Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2022
 (Dollars in Thousands)

	Mobile Home Rent Stabilization Ordinance (MHRSO)			Housing Successor		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Property taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	-
Use of money and property	-	(5)	(5)	22	171	149
Intergovernmental	-	-	-	-	-	-
Charges for services	-	292	292	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	287	287	22	171	149
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	399	155	244	259	250	9
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	399	155	244	259	250	9
Excess (deficiency) of revenues over (under) expenditures	(399)	132	531	(237)	(79)	158
Other financing sources (uses):						
Transfers in	107	107	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	107	107	-	-	-	-
Net change in fund balances	(292)	239	531	(237)	(79)	158
Fund balance, beginning of year		-			12,762	
Fund balance, end of year		\$ 239			\$ 12,683	

Shoreline Golf Links			Downtown Benefit Assessment District			General Special Purpose		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	1,099	1,118	19	-	-	-
-	-	-	-	-	-	-	16	16
-	-	-	156	-	(156)	-	-	-
5	(12)	(17)	275	(632)	(907)	9	(19)	(28)
-	-	-	3	3	-	-	-	-
3,892	3,783	(109)	223	206	(17)	50	(19)	(69)
-	-	-	-	170	170	-	-	-
15	51	36	-	-	-	-	-	-
<u>3,912</u>	<u>3,822</u>	<u>(90)</u>	<u>1,756</u>	<u>865</u>	<u>(891)</u>	<u>59</u>	<u>(22)</u>	<u>(81)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	713	483	230	156	13	143
3,555	3,418	137	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,555</u>	<u>3,418</u>	<u>137</u>	<u>713</u>	<u>483</u>	<u>230</u>	<u>156</u>	<u>13</u>	<u>143</u>
<u>357</u>	<u>404</u>	<u>47</u>	<u>1,043</u>	<u>382</u>	<u>(661)</u>	<u>(97)</u>	<u>(35)</u>	<u>62</u>
-	-	-	-	-	-	-	-	-
(373)	(373)	-	(111)	(111)	-	-	-	-
(373)	(373)	-	(111)	(111)	-	-	-	-
(16)	31	47	932	271	(661)	(97)	(35)	62
	<u>104</u>			<u>20,430</u>			<u>279</u>	
	<u>\$ 135</u>			<u>\$ 20,701</u>			<u>\$ 244</u>	

CITY OF MOUNTAIN VIEW
 Nonmajor Governmental Funds
 Combining Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2022
 (Dollars in Thousands)

	Police Asset Forfeitures			Grants		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Property taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	-
Use of money and property	-	(1)	(1)	-	15	15
Intergovernmental	2	2	-	1,076	8,208	7,132
Charges for services	-	-	-	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>2</u>	<u>1</u>	<u>(1)</u>	<u>1,076</u>	<u>8,223</u>	<u>7,147</u>
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	497	26	471	203	203	-
Public works	-	-	-	-	-	-
Community development	-	-	-	5,401	293	5,108
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	11	-	11	-	-	-
Total expenditures	<u>508</u>	<u>26</u>	<u>482</u>	<u>5,604</u>	<u>496</u>	<u>5,108</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(506)</u>	<u>(25)</u>	<u>481</u>	<u>(4,528)</u>	<u>7,727</u>	<u>12,255</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(350)	(350)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350)</u>	<u>(350)</u>	<u>-</u>
Net change in fund balances	<u>(506)</u>	<u>(25)</u>	<u>481</u>	<u>(4,878)</u>	<u>7,377</u>	<u>12,255</u>
Fund balances, beginning of year		<u>506</u>			<u>19,389</u>	
Fund balances, end of year		<u>481</u>			<u>26,766</u>	

Cable Television			Deferred Assessments			Storm Drain Construction		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	13	(12)	(25)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
180	180	-	-	-	-	10	58	48
180	180	-	-	-	-	23	46	23
248	137	111	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
248	137	111	-	-	-	-	-	-
(68)	43	111	-	-	-	23	46	23
-	-	-	-	-	-	-	8	8
-	-	-	-	-	-	(32)	(32)	-
-	-	-	-	-	-	(32)	(24)	8
(68)	43	111	-	-	-	(9)	22	31
	757			390			437	
	800			390			459	

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Internal Service Funds
For the Fiscal Year Ended June 30, 2022

The **Equipment Maintenance and Replacement Fund** accounts for equipment maintenance services provided to other funds and the replacement of certain equipment.

The **Workers' Compensation Insurance Fund** accounts for the City's self-insurance program for workers' compensation benefits and for the administration of safety and loss prevention programs.

The **Unemployment Self-Insurance Fund** accounts for State and Federal-mandated unemployment insurance benefits for employees.

The **Liability Self-Insurance Fund** accounts for the City's general liability self-insurance and property insurance programs.

The **Retirees' Health Plan Fund** accounts for the health plan contributions for retirees of the City and the funds set aside for future retirees' benefits.

The **Employee Benefits Plan Fund** accounts for the City's self-insurance vision and other benefits for City employees.

CITY OF MOUNTAIN VIEW
Internal Service Funds
Combining Statement of Net Position
June 30, 2022
(Dollars in Thousands)

	<u>Equipment Maintenance & Replacement</u>	<u>Workers' Compensation Insurance</u>	<u>Unemployment Self-Insurance</u>
Assets:			
Current assets:			
Cash and investments	\$ 26,186	12,348	504
Restricted cash and investments	-	33	-
Receivables:			
Accounts	-	-	-
Interest	138	52	2
Due from other funds	546	-	-
Total assets	<u>26,870</u>	<u>12,433</u>	<u>506</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	74	28	-
Due to other funds	-	-	-
Current portion of accrued compensated absences	24	-	-
Current portion of accrued self-insurance costs	-	2,376	-
Total current liabilities	<u>98</u>	<u>2,404</u>	<u>-</u>
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	122	-	-
Noncurrent portion of accrued self-insurance costs	-	5,490	-
Total liabilities	<u>220</u>	<u>7,894</u>	<u>-</u>
Net position:			
Unrestricted	26,650	4,539	506
Total net position	<u>\$ 26,650</u>	<u>4,539</u>	<u>506</u>

Liability Self-Insurance	Retirees' Health Plan	Employee Benefits Plan	Total Internal Service Funds
3,320	-	471	42,829
816	-	-	849
-	965	-	965
17	-	2	211
-	-	-	546
<u>4,153</u>	<u>965</u>	<u>473</u>	<u>45,400</u>
70	-	1	173
-	546	-	546
-	-	-	24
804	-	-	3,180
<u>874</u>	<u>546</u>	<u>1</u>	<u>3,923</u>
-	-	-	122
627	-	-	6,117
<u>1,501</u>	<u>546</u>	<u>1</u>	<u>10,162</u>
<u>2,652</u>	<u>419</u>	<u>472</u>	<u>35,238</u>
<u>2,652</u>	<u>419</u>	<u>472</u>	<u>35,238</u>

CITY OF MOUNTAIN VIEW
Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	Equipment Maintenance & Replacement	Workers' Compensation Insurance	Unemployment Self-Insurance
Operating revenues:			
Charges for services	\$ 2,791	2,142	50
Other	149	78	-
Total operating revenues	<u>2,940</u>	<u>2,220</u>	<u>50</u>
Operating expenses:			
Salaries and related expenses	1,436	200	-
Insurance claims and premiums	-	2,692	27
General and administrative	2,479	152	-
Depreciation	3	-	-
Total operating expenses	<u>3,918</u>	<u>3,044</u>	<u>27</u>
Operating income (loss)	(978)	(824)	23
Nonoperating revenues:			
Investment income	<u>(1,037)</u>	<u>(380)</u>	<u>(16)</u>
Income (loss) before transfers	(2,015)	(1,204)	7
Transfers in	3,308	-	-
Transfers out	<u>(9,121)</u>	<u>-</u>	<u>-</u>
Change in net position	(7,828)	(1,204)	7
Net position, beginning of year	<u>34,478</u>	<u>5,743</u>	<u>499</u>
Net position, end of year	<u>\$ 26,650</u>	<u>4,539</u>	<u>506</u>

Liability Self-Insurance	Retirees' Health Plan	Employee Benefits Plan	Total Internal Service Funds
2,809	4,273	50	12,115
-	995	-	1,222
<u>2,809</u>	<u>5,268</u>	<u>50</u>	<u>13,337</u>
-	5,266	39	6,941
3,136	-	-	5,855
1,660	28	3	4,322
-	-	-	3
<u>4,796</u>	<u>5,294</u>	<u>42</u>	<u>17,121</u>
(1,987)	(26)	8	(3,784)
<u>(117)</u>	<u>28</u>	<u>(17)</u>	<u>(1,539)</u>
(2,104)	2	(9)	(5,323)
-	-	-	3,308
-	-	-	(9,121)
<u>(2,104)</u>	<u>2</u>	<u>(9)</u>	<u>(11,136)</u>
<u>4,756</u>	<u>417</u>	<u>481</u>	<u>46,374</u>
<u>2,652</u>	<u>419</u>	<u>472</u>	<u>35,238</u>

CITY OF MOUNTAIN VIEW
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	Equipment Maintenance & Replacement	Workers' Compensation Insurance	Unemployment Self-Insurance
Cash flows from operating activities:			
Cash receipts from customers	\$ 2,940	2,220	50
Cash paid to suppliers for goods and services	(2,455)	(681)	(27)
Cash paid to employees for services	(1,432)	(200)	-
Claims paid	-	(1,168)	-
Net cash provided by (used in) operating activities	<u>(947)</u>	<u>171</u>	<u>23</u>
Cash flows from noncapital financing activities:			
Transfers in	3,308	-	-
Transfers out	(9,121)	-	-
Borrowing received from (paid to) other funds	(546)	-	-
Net cash provided by (used in) noncapital financing activities	<u>(6,359)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received (loss)	(1,036)	(383)	(16)
Net increase (decrease) in cash and cash equivalents	(8,342)	(212)	7
Cash and cash equivalents, beginning of year	<u>34,528</u>	<u>12,593</u>	<u>497</u>
Cash and cash equivalents, end of year	<u>\$ 26,186</u>	<u>12,381</u>	<u>504</u>
Reconciliation of cash and cash equivalents:			
Cash and investments	\$ 26,186	12,348	504
Restricted cash and investments	-	33	-
Total cash and cash equivalents	<u>\$ 26,186</u>	<u>12,381</u>	<u>504</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (978)	(824)	23
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	3	-	-
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable and accrued liabilities	- 24	- 11	- -
Increase (decrease) in accrued compensated absences	4	-	-
Increase (decrease) in accrued self-insurance costs	-	984	-
Net cash provided by (used in) operating activities	<u>\$ (947)</u>	<u>171</u>	<u>23</u>

Liability Self-Insurance	Retirees' Health Plan	Employee Benefits Plan	Total Internal Service Funds
2,809	4,303	50	12,372
(4,732)	(28)	(4)	(7,927)
-	(5,266)	(39)	(6,937)
(139)	-	-	(1,307)
(2,062)	(991)	7	(3,799)
-	-	-	3,308
-	-	-	(9,121)
-	546	-	-
-	546	-	(5,813)
(113)	30	(15)	(1,533)
(2,175)	(415)	(8)	(11,145)
6,311	415	479	54,823
4,136	-	471	43,678
3,320	-	471	42,829
816	-	-	849
4,136	-	471	43,678
(1,987)	(26)	8	(3,784)
-	-	-	3
-	(965)	-	(965)
64	-	(1)	98
-	-	-	4
(139)	-	-	845
(2,062)	(991)	7	(3,799)

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Custodial Funds
For the Fiscal Year Ended June 30, 2022

The **Fire Union Custodial Fund** accounts for money received on behalf of the Fire Union used for union activities.

The **Police Union Custodial Fund** accounts for money received on behalf of the Police Union used for union activities.

The **Flexible Benefits Plan Custodial Fund** accounts for money received from employees for the employer's flexible benefits plan established under Internal Revenue Code Section 125.

The **Center for the Performing Arts Custodial Fund** accounts for money received by the Center for the Performing Arts on behalf of the event organizers.

CITY OF MOUNTAIN VIEW
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2022
(Dollars in Thousands)

	<u>Fire Union</u>	<u>Police Union</u>	<u>Flexible Benefits Plan</u>	<u>Center For the Performing Arts</u>	<u>Total</u>
Assets:					
Cash and investments	\$ 9	29	-	-	38
Restricted cash and investments	-	-	143	260	403
Total assets	<u>9</u>	<u>29</u>	<u>143</u>	<u>260</u>	<u>441</u>
Net Position:					
Restricted for others	<u>\$ 9</u>	<u>29</u>	<u>143</u>	<u>260</u>	<u>441</u>

CITY OF MOUNTAIN VIEW
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Fire Union</u>	<u>Police Union</u>	<u>Flexible Benefits Plan</u>	<u>Center For the Performing Arts</u>	<u>Total</u>
Additions:					
Fees and others collected	\$ 43	29	107	343	522
Deductions:					
Distribution to others	76	29	100	382	587
Change in net position	(33)	-	7	(39)	(65)
Net position, beginning of year	<u>42</u>	<u>29</u>	<u>136</u>	<u>299</u>	<u>506</u>
Net position, end of year	<u>\$ 9</u>	<u>29</u>	<u>143</u>	<u>260</u>	<u>441</u>

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Statistical Section
For the Fiscal Year Ended June 30, 2022

This section of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Net Position by Component

Last Ten Fiscal Years
(Dollars in Thousands)

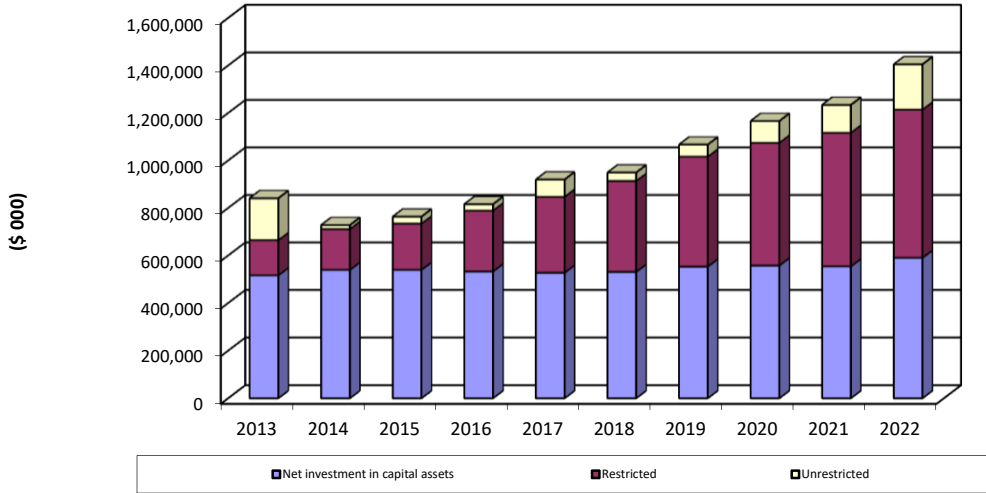
	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$433,059	456,410	454,939	450,011
Restricted	148,253	171,881	194,850	256,471
Unrestricted	<u>134,551</u>	<u>(13,764)</u> ⁽¹⁾	<u>(3,057)</u>	<u>(11,492)</u>
Total governmental activities net position	<u>\$715,863</u>	<u>614,527</u>	<u>646,732</u>	<u>694,990</u>
Business-type activities				
Net investment in capital assets	\$83,040	82,850	84,170	82,555
Unrestricted	<u>41,971</u>	<u>30,417</u>	<u>32,410</u>	<u>38,244</u>
Total business-type activities net position	<u>\$125,011</u>	<u>113,267</u>	<u>116,580</u>	<u>120,799</u>
Primary government				
Net investment in capital assets	\$516,099	539,260	539,109	532,566
Restricted	148,253	171,881	194,850	256,471
Unrestricted	<u>176,522</u>	<u>16,653</u> ⁽¹⁾	<u>29,353</u>	<u>26,752</u>
Total primary government net position	<u>\$840,874</u>	<u>727,794</u>	<u>763,312</u>	<u>815,789</u>

(1) The Unrestricted Net Position since fiscal year ended June 30, 2014 decreased due to the implementation of GASB No. 68.

(2) The Unrestricted Net Position decreased in fiscal year ended June 30, 2018 due to the implementation of GASB No. 75.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Net Position by Component
Primary Government



Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
446,280	450,851	466,424	467,378	467,855	502,737
319,980	382,993	463,224	516,825	562,840	624,062
<u>20,918</u>	<u>(42,935) (2)</u>	<u>(31,615)</u>	<u>(1,976)</u>	<u>10,977</u>	<u>66,457</u>
<u>787,178</u>	<u>790,909</u>	<u>898,033</u>	<u>982,227</u>	<u>1,041,672</u>	<u>1,193,256</u>
80,809	79,783	86,332	89,969	86,020	87,218
<u>51,586</u>	<u>78,278</u>	<u>82,193</u>	<u>93,692</u>	<u>106,155</u>	<u>124,051</u>
<u>132,395</u>	<u>158,061</u>	<u>168,525</u>	<u>183,661</u>	<u>192,175</u>	<u>211,269</u>
527,089	530,634	552,756	557,347	553,875	589,955
319,980	382,993	463,224	516,825	562,840	624,062
<u>72,504</u>	<u>35,343 (2)</u>	<u>50,578</u>	<u>91,716</u>	<u>117,132</u>	<u>190,508</u>
<u>919,573</u>	<u>948,970</u>	<u>1,066,558</u>	<u>1,165,888</u>	<u>1,233,847</u>	<u>1,404,525</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Expenses				
Governmental activities				
General government	\$ 31,825	32,517	33,782	35,510
Public safety	50,818	51,719	51,946	53,538
Public works	26,967	13,264	30,630	31,052
Community development	8,134	15,013	10,501	11,991
Culture and recreation	29,703	30,623	30,083	30,105
Interest on long term debt	3,368	2,998	2,178	1,860
Total governmental activities expenses	<u>150,815</u>	<u>146,134</u>	<u>159,120</u>	<u>164,056</u>
Business-type activities				
Water	26,199	24,168	26,001	27,809
Wastewater	14,167	13,962	15,433	17,332
Solid Waste	10,989	12,124	11,199	11,945
Total business-type activities expenses	<u>51,355</u>	<u>50,254</u>	<u>52,633</u>	<u>57,086</u>
Total primary government expenses	<u>\$ 202,170</u>	<u>196,388</u>	<u>211,753</u>	<u>221,142</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 25,966	24,584	26,852	28,846
Public safety	1,952	1,988	1,849	1,643
Public works	10,753	10,276	10,122	3,911
Community development	13,117	14,483	10,487	11,941
Culture and recreation	4,631	5,023	5,313	5,106
Operating grants and contributions	4,643	4,507	4,756	4,297
Capital grants and contributions	20,293	21,859	21,895	31,291
Total government activities program revenues	<u>81,355</u>	<u>82,720</u>	<u>81,274</u>	<u>87,035</u>
Business-type activities				
Charges for services:				
Water	25,823	28,887	26,914	27,953
Wastewater	14,558	15,367	15,925	19,730
Solid Waste	11,445	11,864	12,462	13,125
Operating grants and contributions	-	-	-	-
Capital grants and contributions	776	187	552	385
Total business-type activities program revenues	<u>52,602</u>	<u>56,305</u>	<u>55,853</u>	<u>61,193</u>
Total primary government program revenues	<u>\$ 133,957</u>	<u>139,025</u>	<u>137,127</u>	<u>148,228</u>
Net (Expense) Revenue				
Governmental activities	\$ (69,460)	(63,414)	(77,846)	(77,021)
Business-type activities	<u>1,247</u>	<u>6,051</u>	<u>3,220</u>	<u>4,107</u>
Total primary government net expense	<u>\$ (68,213)</u>	<u>(57,363)</u>	<u>(74,626)</u>	<u>(72,914)</u>

Schedule 2

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
38,460	44,602	46,797	48,167	51,531	50,952
57,759	66,688	70,435	76,853	77,385	62,335
29,541	36,057	35,195	40,789	39,487	42,119
13,564	18,206	18,859	20,423	17,143	15,726
31,275	35,698	35,619	58,221	35,164	33,840
1,732	1,633	3,971	4,278	4,176	4,179
<u>172,331</u>	<u>202,884</u>	<u>210,876</u>	<u>248,731</u>	<u>224,886</u>	<u>209,151</u>
30,459	35,101	35,868	37,522	36,981	32,425
18,250	17,294	19,526	20,109	21,848	22,359
11,762	13,235	13,682	15,077	13,573	12,543
<u>60,471</u>	<u>65,630</u>	<u>69,076</u>	<u>72,708</u>	<u>72,402</u>	<u>67,327</u>
<u>232,802</u>	<u>268,514</u>	<u>279,952</u>	<u>321,439</u>	<u>297,288</u>	<u>276,478</u>
34,198	39,415	53,704	39,191	43,087	59,868
1,205	1,333	1,407	1,270	801	823
3,165	3,546	3,906	2,916	3,397	3,553
14,055	20,485	18,266	15,229	13,123	14,352
5,057	5,315	5,741	4,993	4,903	6,664
3,902	3,265	5,111	6,637	4,572	20,073
68,541	68,479	62,861	81,176	56,217	94,132
<u>130,123</u>	<u>141,838</u>	<u>150,996</u>	<u>151,412</u>	<u>126,100</u>	<u>199,465</u>
33,847	40,571	34,844	38,092	38,205	36,373
22,818	22,369	23,513	25,850	22,962	27,347
14,053	14,870	15,588	15,837	14,731	14,967
-	-	-	-	-	546
2,443	12,761	2,636	5,014	5,033	9,465
<u>73,161</u>	<u>90,571</u>	<u>76,581</u>	<u>84,793</u>	<u>80,931</u>	<u>88,698</u>
<u>203,284</u>	<u>232,409</u>	<u>227,577</u>	<u>236,205</u>	<u>207,031</u>	<u>288,163</u>
(42,208)	(61,046)	(59,880)	(97,319)	(98,786)	(9,686)
12,690	24,941	7,505	12,085	8,529	21,371
<u>(29,518)</u>	<u>(36,105)</u>	<u>(52,375)</u>	<u>(85,234)</u>	<u>(90,257)</u>	<u>11,685</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	\$ 58,515	62,601	64,954	71,563
Sales taxes	16,744	16,935	19,773	21,401
Transient occupancy tax	4,668	5,595	6,559	6,591
Utility users tax	7,954	7,335	7,988	9,898
Nonregulatory franchise and business	4,241	4,633	4,793	4,954
Intergovernmental revenue	222	209	209	211
Investment income	966	3,870	4,944	8,551
Other	-	1,091	575	1,724
Transfers	510	739	256	386
Total government activities	<u>93,820</u>	<u>103,008</u>	<u>110,051</u>	<u>125,279</u>
Business-type activities				
Investment income	22	394	349	498
Transfers	(510)	(739)	(256)	(386)
Total business-type activities	<u>(488)</u>	<u>(345)</u>	<u>93</u>	<u>112</u>
Total primary government	<u>\$ 93,332</u>	<u>102,663</u>	<u>110,144</u>	<u>125,391</u>
Change in Net Position				
Change in net position before extraordinary and special items:				
Governmental activities	\$ 24,360	39,594	32,205	48,258
Business-type activities	759	5,706	3,313	4,219
Total primary government	<u>25,119</u>	<u>45,300</u>	<u>35,518</u>	<u>52,477</u>
Special items:				
Capital assets contributed from Successor Agency	-	16,679	-	-
Land held contributed from Successor Agency	-	6,250	-	-
Change in net position	<u>\$ 25,119</u>	<u>68,229</u>	<u>35,518</u>	<u>52,477</u>

Schedule 2

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
86,373	92,478	95,420	107,192	119,678	128,861
21,829	20,713	25,058	19,792	18,284	23,456
7,043	7,057	7,051	5,602	1,918	4,437
8,573	8,136	7,850	7,870	7,654	8,717
4,997	5,364	5,549	7,886	9,408	11,784
219	228	219	245	242	281
1,314	1,459	26,411	33,613	1,056	(14,108)
2,859	-	-	-	-	-
1,189	(588)	(554)	(687)	(9)	47
<u>134,396</u>	<u>134,847</u>	<u>167,004</u>	<u>181,513</u>	<u>158,231</u>	<u>163,475</u>
95	137	2,405	2,364	(24)	(2,230)
(1,189)	588	554	687	9	(47)
<u>(1,094)</u>	<u>725</u>	<u>2,959</u>	<u>3,051</u>	<u>(15)</u>	<u>(2,277)</u>
<u>133,302</u>	<u>135,572</u>	<u>169,963</u>	<u>184,564</u>	<u>158,216</u>	<u>161,198</u>
92,188	73,801	107,124	84,194	59,445	153,789
11,596	25,666	10,464	15,136	8,514	19,094
<u>103,784</u>	<u>99,467</u>	<u>117,588</u>	<u>99,330</u>	<u>67,959</u>	<u>172,883</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>103,784</u>	<u>99,467</u>	<u>117,588</u>	<u>99,330</u>	<u>67,959</u>	<u>172,883</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

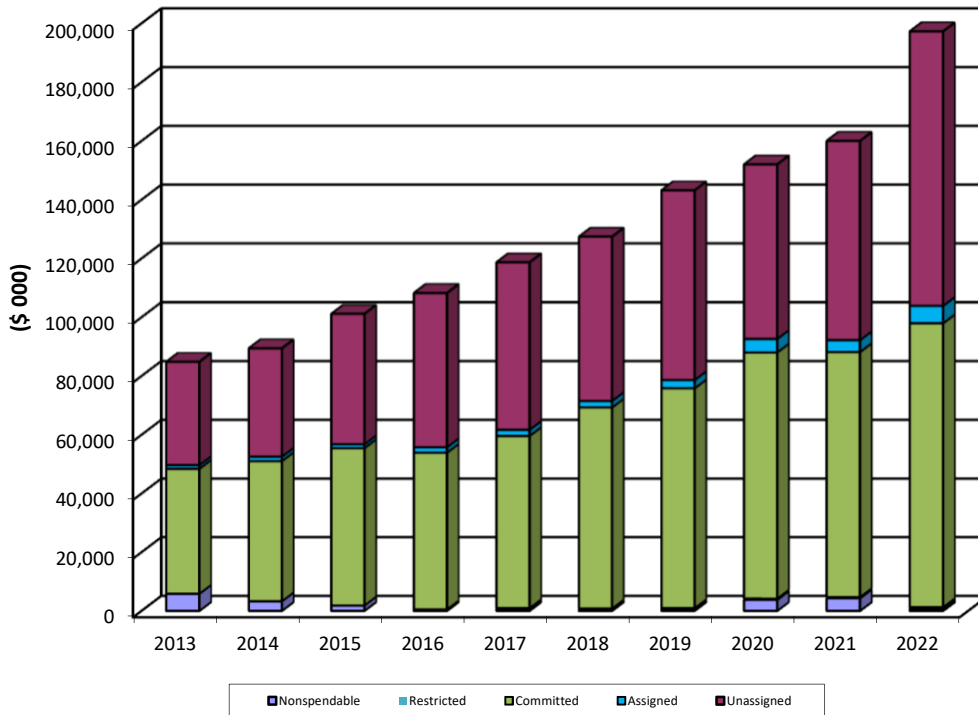
Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 5,828	3,276	1,847	523
Restricted	-	-	-	-
Committed	42,626	47,771	53,622	53,399
Assigned	1,222	1,498	1,294	1,860
Unassigned	35,150	36,880	44,395	52,459
Total General Fund	<u>\$ 84,826</u>	<u>89,425</u>	<u>101,158</u>	<u>108,241</u>
All Other Governmental Funds				
Nonspendable	\$ 76	67	69	57
Restricted	191,843	218,699	228,910	256,281
Committed	-	-	930	4,149
Unassigned	-	(18)	(18)	(3)
Total all other governmental funds	<u>\$ 191,919</u>	<u>218,748</u>	<u>229,891</u>	<u>260,484</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Fund Balance for General Fund



Fiscal Year Ended June 30,

2017	2018	2019	2020	2021	2022
541	407	519	3,757	4,292	835
410	420	424	430	437	436
58,655	68,483	74,881	83,827	83,453	96,704
2,094	2,202	2,819	4,604	4,044	5,920
56,979	55,913	64,539	59,394	67,792	93,390
<u>118,679</u>	<u>127,425</u>	<u>143,182</u>	<u>152,012</u>	<u>160,018</u>	<u>197,285</u>
64	60	72	17,051	17,060	72
318,281	382,132	532,282	586,008	632,852	696,443
17,027	10,553	8,175	13,318	20,869	36,067
-	(55)	(128)	-	-	-
<u>335,372</u>	<u>392,690</u>	<u>540,401</u>	<u>616,377</u>	<u>670,781</u>	<u>732,582</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 93,385	98,806	107,135	116,783	131,921
Licenses, permits and fees	22,482	23,677	31,421	28,136	12,554
Fines and forfeitures	1,043	1,068	920	697	872
Use of money and property	10,659	14,878	14,932	19,730	17,508
Intergovernmental	7,200	7,840	6,255	6,415	4,590
Charges for services	36,221	33,810	24,323	27,882	27,330
Developer fees and contributions	-	-	-	-	57,628 (1)
Other	4,415	3,212	5,091	7,681	6,233
Total Revenues	175,405	183,291	190,077	207,324	258,636
Expenditures					
Current:					
General government	29,653	30,475	31,714	34,269	37,379
Public safety	49,474	50,517	52,457	54,790	56,893
Public works	8,736	9,340	10,098	11,924	12,852
Community development	8,316	14,494	10,275	11,941	13,304
Culture and recreation	21,072	21,904	22,899	23,979	24,707
Capital outlay	15,493	14,148	28,080	17,914	16,495
Debt service:					
Principal	5,103	5,296	5,535	7,187	4,782
Interest and fiscal charges	2,872	2,895	2,056	1,936	1,782
Total Expenditures	140,719	149,069	163,114	163,940	168,194
Excess (deficiency) of revenues over (under) expenditures	34,686	34,222	26,963	43,384	90,442
Other Financing Sources (Uses)					
Sale of capital assets	-	1,469	1,910	1,950	2,894
Issuance of bonds	-	12,135	-	-	-
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	-	(12,035)	-	-	-
Lease financing	-	-	-	-	-
Transfers in	32,211	34,028	33,286	42,300	57,452
Transfers (out)	(35,017)	(38,391)	(39,283)	(49,958)	(65,462)
Total other financing sources (uses)	(2,806)	(2,794)	(4,087)	(5,708)	(5,116)
Net Change in fund balances before extraordinary items	31,880	31,428	22,876	37,676	85,326
Extraordinary Items:					
Assets transferred to/liabilities assumed by Successor Agency, net of LAIF rate remeasurement	(9,299)	-	-	-	-
Net Change in fund balances	\$ 22,581	31,428	22,876	37,676	85,326
Debt service as a percentage of noncapital expenditures	6.4%	6.2%	5.6%	6.1%	4.3%

(1) Beginning the fiscal year ended June 30, 2017, the City reclassified Developer fees & contributions from various revenue line items. The City elected not to reclassify prior years' balances.

Schedule 4

Fiscal Year Ended June 30,				
2018	2019	2020	2021	2022
136,206	146,048	149,433	160,404	182,055
17,202	14,688	12,368	12,521	11,867
912	979	768	312	316
20,228	45,389	52,008	22,833	18,359
5,706	7,062	6,397	8,251	22,079
30,077	32,594	30,479	27,642	32,495
60,239	52,291	66,709	45,890	85,585
7,055	17,052	6,903	7,509	15,448
<u>277,625</u>	<u>316,103</u>	<u>325,065</u>	<u>285,362</u>	<u>368,204</u>
43,432	44,284	46,303	49,541	53,605
65,276	65,968	69,665	71,579	75,243
16,229	16,400	16,875	18,548	21,245
18,099	17,988	20,062	16,828	17,981
29,257	28,315	52,912	27,192	30,584
32,688	39,817	24,490	29,699	74,108
3,355	3,453	1,927	1,997	2,135
1,673	2,847	4,533	4,437	4,439
<u>210,009</u>	<u>219,072</u>	<u>236,767</u>	<u>219,821</u>	<u>279,340</u>
<u>67,616</u>	<u>97,031</u>	<u>88,298</u>	<u>65,541</u>	<u>88,864</u>
1,821	-	-	-	-
-	63,800	-	-	-
-	6,416	-	-	-
-	-	-	-	-
-	-	-	-	6,549
96,599	82,995	143,720	58,910	114,413
<u>(99,972)</u>	<u>(86,774)</u>	<u>(147,212)</u>	<u>(62,041)</u>	<u>(108,553)</u>
<u>(1,552)</u>	<u>66,437</u>	<u>(3,492)</u>	<u>(3,131)</u>	<u>12,409</u>
<u>66,064</u>	<u>163,468</u>	<u>84,806</u>	<u>62,410</u>	<u>101,273</u>
-	-	-	-	-
<u>66,064</u>	<u>163,468</u>	<u>84,806</u>	<u>62,410</u>	<u>101,273</u>
2.8%	3.5%	3.0%	3.3%	3.0%

CITY OF MOUNTAIN VIEW, CALIFORNIA

Assessed Value of Taxable Property

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Real Property			
	Residential Property	Commercial Property	Industrial Property	Other
2012-13	\$ 9,844,690	2,737,949	2,498,708	384,514
2013-14	10,803,722	3,029,020	2,586,574	358,677
2014-15	11,604,492	3,392,658	2,671,439	925,685
2015-16	12,697,503	3,633,892	3,381,658	1,016,306
2016-17	14,015,191	4,794,158	3,420,298	1,125,702
2017-18	15,613,793	5,376,731	3,676,616	1,072,122
2018-19	16,641,242	6,027,299	3,944,104	1,087,814
2019-20	18,323,758	6,408,156	4,373,020	1,386,810
2020-21	20,011,424	6,971,532	4,498,546	1,936,547
2021-22	21,255,921	7,778,649	4,680,879	2,537,478

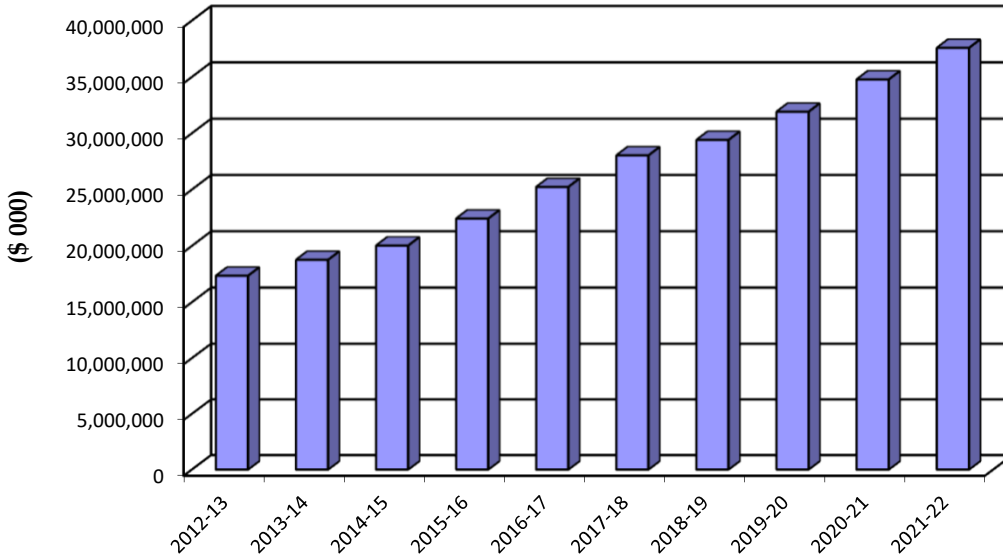
Source: Santa Clara County Assessor

Note: Actual property value data not available in California.

- (1) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1 percent and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Mountain View encompasses more than 15 tax rate areas.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Total Taxable Assessed Value



<u>Unsecured</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate (1)</u>
2,400,336	(521,424)	17,344,773	1.00%
2,527,347	(545,680)	18,759,660	1.00%
2,444,399	(1,011,970)	20,026,703	1.00%
2,689,859	(993,411)	22,425,807	1.00%
2,972,482	(1,094,913)	25,232,918	1.00%
3,437,332	(1,145,258)	28,031,336	1.00%
2,830,453	(1,125,615)	29,405,297	1.00%
2,816,506	(1,400,344)	31,907,906	1.00%
2,969,624	(1,611,881)	34,775,792	1.00%
2,815,937	(1,487,267)	37,581,597	1.00%

CITY OF MOUNTAIN VIEW, CALIFORNIA

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years
(Rate per \$100 of assessed value)

Fiscal Year	City Direct Rates		Overlapping Rates (1)					Total Direct and Overlapping		
	Basic Rate (2)	Total Direct	County of Santa Clara		School Districts	Hospitals	Special Districts			
2012-13	1.00	1.00	0.0439	0.0463	0.1005	0.1149	0.0129	0.0069	1.1513	1.181
2013-14	1.00	1.00	0.0423	0.0423	0.0941	0.1059	0.0129	0.0070	1.1434	1.1681
2014-15	1.00	1.00	0.0479	0.0479	0.0747	0.1164	0.0129	0.0065	1.1291	1.1837
2015-16	1.00	1.00	0.0476	0.0476	0.0632	0.1174	0.0129	0.0065	1.1173	1.1844
2016-17	1.00	1.00	0.0474	0.0474	0.0772	0.0943	0.0129	0.0092	1.1338	1.1638
2017-18	1.00	1.00	0.0597	0.0597	0.0737	0.1052	0.0100	0.0071	1.1405	1.1820
2018-19	1.00	1.00	0.0565	0.0565	0.1015	0.1259	0.0100	0.0060	1.1640	1.1984
2019-20	1.00	1.00	0.0557	0.0557	0.0962	0.1158	0.0100	0.0057	1.1576	1.1872
2020-21	1.00	1.00	0.0457	0.0457	0.1110	0.1578	0.0100	0.0052	1.1619	1.2187
2021-22	1.00	1.00	0.0576	0.0576	0.1015	0.1392	0.0100	0.0066	1.1657	1.2134

Source: County of Santa Clara

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Mountain View. Not all overlapping rates apply to all Mountain View property owners. These are voter approved levies in addition to the 1 percent State levy.

(2) The City's share of the basic state wide property tax rate can only be increased by a 2/3 vote of the City's residents.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Principal Property Tax Payers

Current Year and Nine Years Ago
(Dollars in Thousands)

Taxpayer	Fiscal Year 2021-22			Fiscal Year 2012-13		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Google LLC	\$ 5,936,256	1	15.8%	\$ 1,848,965	1	10.7%
Baccarat Shoreline LLC	453,500	2	1.2%	-	-	-
Nor Cal Plymouth Realty LLC	221,145	3	0.6%	-	-	-
Sobrato Interests	343,461	4	0.9%	-	-	-
P A Charleston Road LLC	117,732	5	0.3%	101,018	6	0.6%
Richard T. Peery Trustee	105,110	6	0.3%	132,121	4	0.8%
Intuit Inc.	241,788	7	0.7%	-	-	-
Microsoft Corporation	89,179	8	0.2%	133,582	3	0.8%
MGP IX SAC II Properties LLC	473,830	9	1.3%	-	-	-
LinkedIn Corporation	420,423	10	1.1%	-	-	-
HCP Life Science REIT Inc.	-	-	-	316,862	2	1.8%
Mission West Shoreline LLC	-	-	-	128,424	5	0.7%
400 Castro St. Inc.	-	-	-	55,488	7	0.3%
SIC-Mountain Bay Plaza LLC	-	-	-	51,487	8	0.3%
Charleston Properties	-	-	-	55,760	9	0.3%
Intuit Inc.	-	-	-	61,688	10	0.3%
Subtotal	<u>\$ 8,402,424</u>		<u>22.4%</u>	<u>\$ 2,885,395</u>		<u>16.6%</u>

Fiscal Year 2021-22 Total Net Assessed Valuation: \$ 37,581,597
 Fiscal Year 2012-13 Total Net Assessed Valuation: \$ 17,344,773

Source: Santa Clara County Assessor Fiscal Year Combined Tax Rolls.
 Ranking based on Tax Revenue.

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA

Property Tax Levies and Collections

**Last Ten Fiscal Years
(Dollars in Thousands)**

Fiscal Year	Taxes Levied (1)	Current Collections (2)	Percent of Levy Collected	Delinquent Tax Collections	Total Taxes Collected	Percent of Levy
2012-13	\$ 58,515	58,515	100%	-	58,515	100%
2013-14	62,601	62,601	100%	-	62,601	100%
2014-15	64,954	64,954	100%	-	64,954	100%
2015-16	71,563	71,563	100%	-	71,563	100%
2016-17	86,373	86,373	100%	-	86,373	100%
2017-18	92,478	92,478	100%	-	92,478	100%
2018-19	95,420	95,420	100%	-	95,420	100%
2019-20	107,192	107,192	100%	-	107,192	100%
2020-21	119,678	119,678	100%	-	119,678	100%
2021-22	128,860	128,860	100%	-	128,860	100%

Source: City of Mountain View

(1) Levies include real and personal property. Amount excludes Special Assessments and the penalties and fees on delinquent Special Assessments.

(2) The City selected to participate in the "Teeter" plan offered by the County whereby cities receive 100 percent of the taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The "Teeter" plan does not apply to Special Assessment Districts.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Ratio of Outstanding Debt by Type

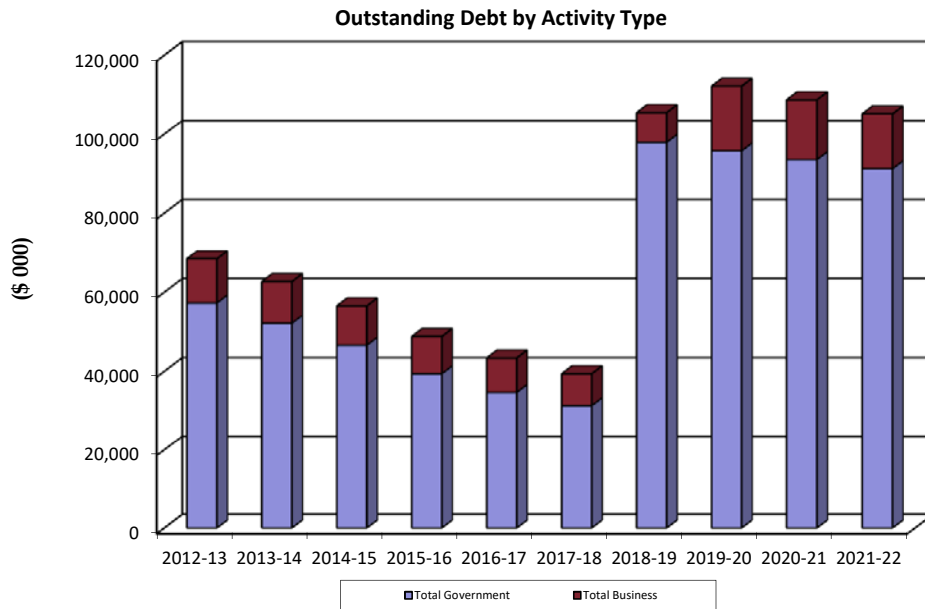
Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Governmental Activities			
	Tax Allocation Bonds	Certificates of Participation	Bank Loan	Special Assessment Debt
2012-13	\$ 52,300	4,738	-	274
2013-14	36,085	3,655	12,135	241
2014-15	34,550	2,530	9,293	208
2015-16	32,955	-	6,265	174
2016-17	31,290	-	3,187	134
2017-18	29,555	-	1,607	95
2018-19	97,863 (3)	-	-	49
2019-20	95,756	-	-	12
2020-21	93,554	-	-	-
2021-22	91,252	-	-	-

Sources: City of Mountain View
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

- (1) Includes the City of Palo Alto Loan. See Note 7 for additional information.
(2) See Schedule 14 (Demographic Statistics) for personal income and population data.
(3) Includes 2018 SRPC Revenue Bonds, Series A and Series B (2018 Bonds).
(4) Personal income data for Fiscal Year 2021-22 is not available until May of 2023.

CITY OF MOUNTAIN VIEW, CALIFORNIA



Business-Type Activities		Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
Water Bonds (1)	WasteWater Direct Financing			
11,115	-	68,427	1.33%	0.89
10,540	-	62,656	1.16%	0.81
9,955	-	56,536	0.96%	0.72
9,355	-	48,749	0.76%	0.61
8,740	-	43,351	0.59%	0.54
8,110	-	39,367	0.49%	0.49
7,470	59	105,441	1.21%	1.30
6,810	9,521	112,099	1.17%	1.36
6,135	8,979	108,668	1.05%	1.31
5,445	8,419	105,116	(4)	1.25

CITY OF MOUNTAIN VIEW, CALIFORNIA

Ratio of General Bonded Debt Outstanding

**Last Ten Fiscal Years
(Dollars in Thousands)**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita (1)
	Tax Allocation Bonds	Total		
2012-13	\$ 52,300	52,300	0.30%	0.68
2013-14	36,085	36,085	0.19%	0.47
2014-15	34,550	34,550	0.17%	0.44
2015-16	32,955	32,955	0.15%	0.41
2016-17	31,290	31,290	0.12%	0.39
2017-18	29,555	29,555	0.11%	0.37
2018-19	97,863 (2)	97,863	0.33%	1.21
2019-20	95,756	95,756	0.30%	1.16
2020-21	93,554	93,554	0.27%	1.13
2021-22	91,252	91,252	0.24%	1.09

(1) Per capita numbers are restated as updated population numbers are available.

(2) Includes 2018 SRPC Revenue Bonds, Series A and Series B.

Schedule 11

CITY OF MOUNTAIN VIEW, CALIFORNIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

2021-22 Assessed Valuation: \$37,581,596,576 (A)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/22	% Applicable (1)	City's Share of Debt 6/30/22
Santa Clara County	\$1,130,850,000	6.521%	\$ 73,742,729
Foothill-DeAnza Community College District	657,878,325	18.475	121,543,021
Fremont Union High School District	582,770,088	0.395	2,301,942
Mountain View-Los Altos Union High School District	258,658,320	58.082	150,233,925
Los Altos School District	145,755,000	17.357	25,298,695
Mountain View School District	1,695,000	88.045	1,492,363
Sunnyvale School District	236,555,820	0.873	2,065,132
Mountain View-Whisman School District	271,195,000	92.199	250,039,078
Whisman School District	5,835,258	98.514	5,748,546
El Camino Hospital District	111,240,000	32.987	36,694,739
Midpeninsula Regional Open Space District	84,575,000	10.632	8,992,014
Shoreline Regional Park Community	85,595,000	100.000	85,595,000
Santa Clara Valley Water District Benefit Assessment District	48,150,000	6.521	<u>3,139,862</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$766,887,046
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Santa Clara County General Fund Obligations	\$1,210,694,365	6.521%	\$ 78,949,380
Santa Clara County Pension Obligation Bonds	335,638,470	6.521	21,886,985
Santa Clara County Board of Education Certificates of Participation	1,820,000	6.521	118,682
Foothill-DeAnza Community College District Certificates of Participation	21,380,000	18.475	3,949,955
Mountain View-Los Altos Union High School District General Fund Obligations	2,154,552	58.082	1,251,407
Los Altos School District Certificates of Participation	1,711,634	17.357	297,088
City of Mountain View	0	100.000	0
Midpeninsula Regional Park District General Fund Obligations	99,705,600	10.632	10,600,699
Santa Clara County Vector Control District Certificates of Participation	1,505,000	6.521	<u>98,141</u>
TOTAL OVERLAPPING GENERAL FUND DEBT			\$117,152,337
Less: Santa Clara County supported obligations			<u>1,178,916</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$115,973,421
 TOTAL DIRECT DEBT			
			\$91,251,629 (3)
TOTAL GROSS OVERLAPPING DEBT			\$884,039,383
TOTAL NET OVERLAPPING DEBT			\$882,860,467
 GROSS COMBINED TOTAL DEBT			
			\$889,696,012(2) (3)
NET COMBINED TOTAL DEBT			\$888,517,096(2) (3)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations.
- (3) Includes unamortized premium for direct debt \$5,656,629.

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.04%
Total Direct Debt	0.24%
Gross Combined Total Debt	2.37%
Net Combined Total Debt	2.36%

Source: California Municipal Statistics, Inc.

(A) The assessed valuation number provided by Santa Clara County Assessor.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Legal Debt Margin Information

**Last Ten Fiscal Years
(Dollars in Thousands)**

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
Debt limit	\$ 2,601,716	2,813,949	3,004,005	3,363,871
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ <u>2,601,716</u>	<u>2,813,949</u>	<u>3,004,005</u>	<u>3,363,871</u>
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

(1) Source: Santa Clara County Assessor.

(2) The legal debt margin for the City of Mountain View, California, is calculated using a debt limit of 15 percent of the assessed value of property within the city limits.

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2021-22

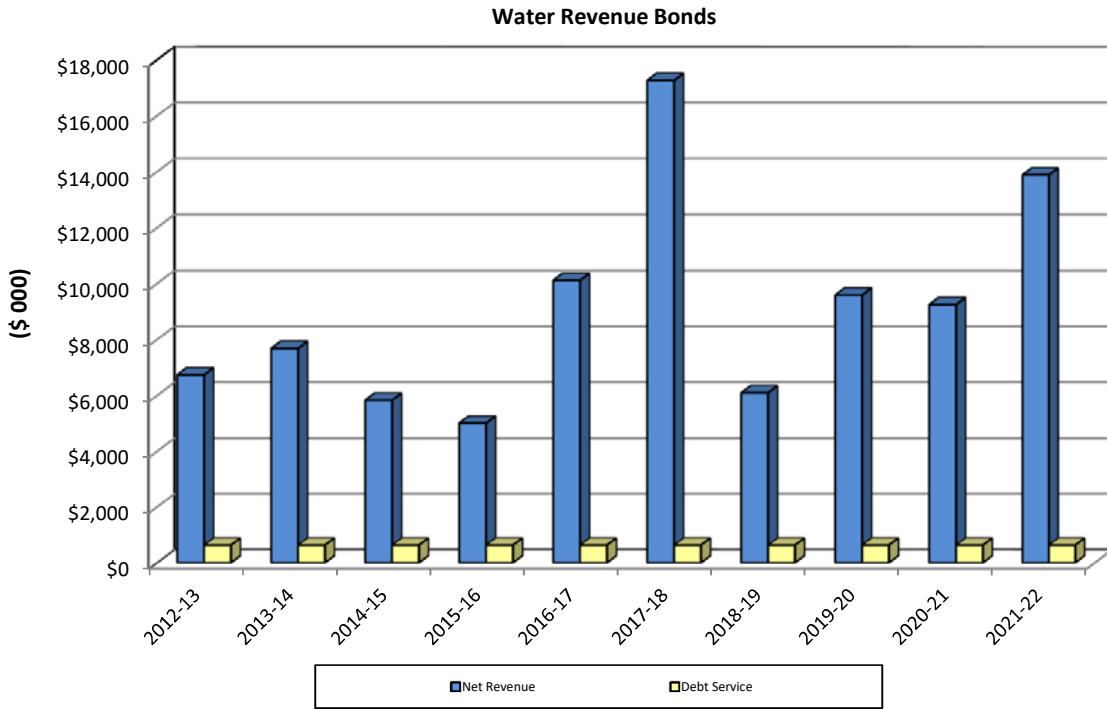
Assessed value (net) - June 30, 2022 (1)	\$ <u>37,581,597</u>
Debt limit: 15% of assessed value	5,637,240
Less total bonded debt, general obligation	<u>-</u>
Legal debt margin (2)	\$ <u>5,637,240</u>

Fiscal Year					
<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
3,784,938	4,204,700	4,410,795	4,786,186	5,216,369	5,637,240
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,784,938</u>	<u>4,204,700</u>	<u>4,410,795</u>	<u>4,786,186</u>	<u>5,216,369</u>	<u>5,637,240</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

**Last Ten Fiscal Years
(Dollars in Thousands)**



Water Revenue Bonds							
Fiscal Year	Gross Revenues	Less: Operating Costs	Net Available Revenues	Debt Service		Coverage	
				Principal	Interest		
2012-13	\$ 29,060	22,322	6,738	310	316	10.8	
2013-14	29,183	21,505	7,678	325	304	12.2	
2014-15	27,504	21,671	5,833	335	291	9.3	
2015-16	28,479	23,472	5,007	350	277	8.0	
2016-17	36,005	25,894	10,111	365	263	16.1	
2017-18	48,005	30,746	17,259	380	248	27.5	
2018-19	37,520	31,425	6,095	390	234	9.8	
2019-20	42,135	32,544	9,591	410	219	15.2	
2020-21	40,978	31,733	9,245	425	202	14.7	
2021-22	41,390	27,507	13,883	440	185	22.2	

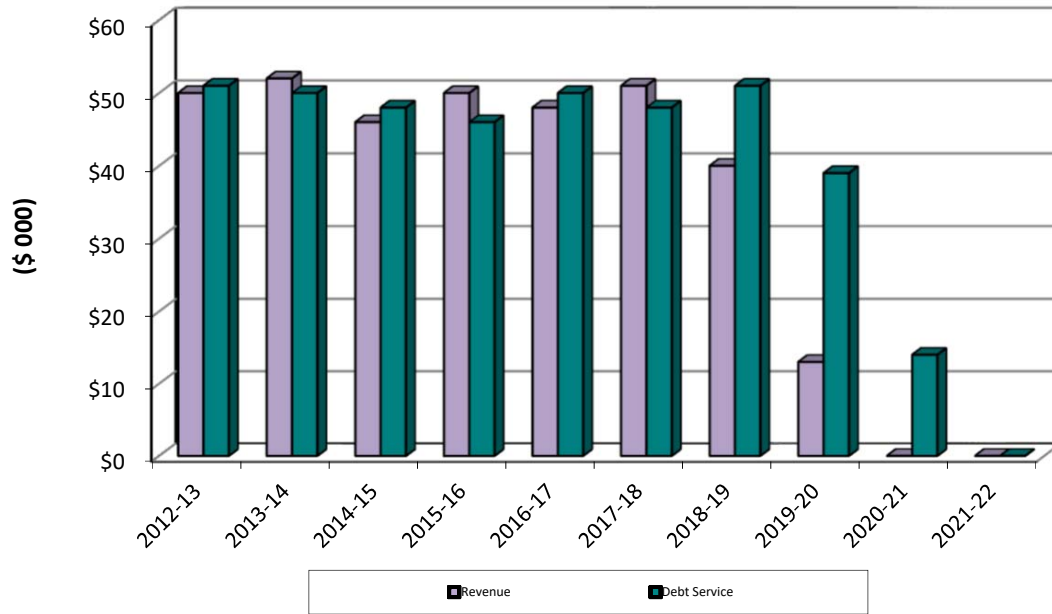
Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Gross revenues include developer capital contribution fees, non-operating interest earnings and transfers in. Operating costs exclude depreciation or amortization. Interest also includes fiscal charges and other related costs.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

**Last Ten Fiscal Years
(Dollars in Thousands)**

Special Assessment Bonds



Special Assessment Bonds

Fiscal Year	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
2012-13	\$ 50	32	19	1.0
2013-14	52	33	17	1.0
2014-15	46	33	15	1.0
2015-16	50	34	12	1.1
2016-17	48	39	11	1.0
2017-18	51	40	8	1.1
2018-19	40	46	5	0.8
2019-20	13	37	2	0.3
2020-21	-	12	2	0.0
2021-22	-	-	-	0.0

Note: Current fiscal year debt service is paid from prior year collections.

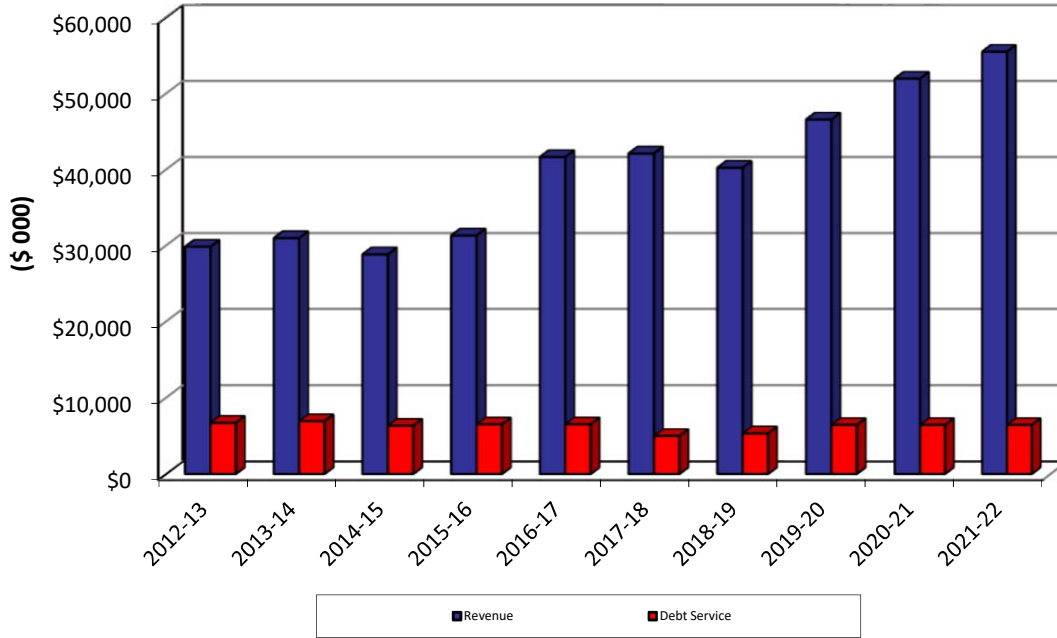
(1) Collections include interest payments from property owners.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

**Last Ten Fiscal Years
(Dollars in Thousands)**

Revenue Bonds - Shoreline Regional Park Community



Revenue Bonds-Shoreline Regional Park Community (1)

Fiscal Year	Tax		Debt Service		Coverage
	Increment Revenues	Principal	Interest (2)		
2012-13	\$ 29,825	4,030	2,680	4.4	
2013-14	30,972	4,180	2,746	4.5	
2014-15	28,821	4,377	1,953	4.6	
2015-16	31,304	4,623	1,884	4.8	
2016-17	41,635	4,743	1,771	6.4	
2017-18	42,100	3,315	1,665	8.5	
2018-19	40,219	3,407	1,917	7.6	
2019-20	46,565	1,890	4,531	7.3	
2020-21	51,943	1,985	4,435	8.1	
2021-22	55,486	2,085	4,333	8.6	

(1) Comprised of Shoreline Regional Park Community 2011 Revenue Bonds, 2014 Bank Loan, and 2018 Revenue Bonds.

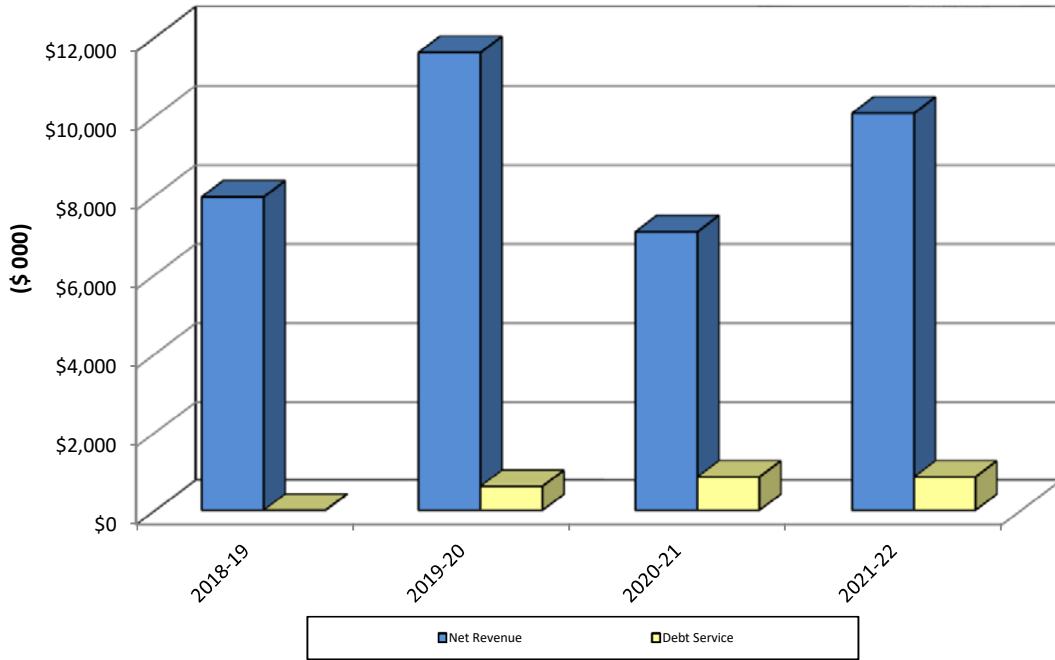
(2) Includes other fiscal charges.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

**Last Ten Fiscal Years
(Dollars in Thousands)**

Wastewater Direct Financing Arrangement



Wastewater Direct Financing Arrangement

Fiscal Year	Gross Revenues	Less: Operating Costs	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2018-19	\$ 25,394	17,434	7,960	-	1	7,960.0
2019-20	29,452	17,847	11,605	579	35	18.9
2020-21	26,380	19,300	7,080	542	311	8.3
2021-22	29,147	19,073	10,074	560	293	11.8

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Gross revenues include developer capital contribution fees, non-operating interest earnings and transfers in. Operating costs exclude depreciation or amortization. Interest also includes fiscal charges and other related costs.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Demographic Statistics

**Last Ten Fiscal Years
(Dollars in Thousands)**

Fiscal Year	Population (1)	Population Density (Sq. Mile) (2)	Personal Income (3)	Per Capita Personal Income (3)	School Enrollment	Unemployment Rate (%) (3)
2012-13	76,739	6,290	\$5,141,513	\$67	7,524	6.8%
2013-14	77,052	6,316	5,393,640	70	7,535	5.4%
2014-15	78,564	6,440	5,892,300	75	7,552	3.9%
2015-16	79,429	6,511	6,433,749	81	7,577	4.0%
2016-17	79,966	6,555	7,356,872	92	7,620	3.5%
2017-18	80,104	6,566	8,010,400	100	7,678	2.9%
2018-19	80,986	6,638	8,746,488	108	7,719	2.6%
2019-20	82,376	6,752	9,555,616	116	7,511	9.3%
2020-21	83,128	6,814	10,307,872	124	7,427	4.8%
2021-22	83,864	6,874	(4)	(4)	7,294	2.3%

Sources: Santa Clara County Office of Education.
State of California, Department of Finance.
U.S. Census Bureau.

- (1) Population numbers are provisional estimates as of January 1st, revised annually.
- (2) Population Density per square mile calculations are restated from 11.7 to 12.2 square miles in Fiscal Year 2015-16. All prior years' numbers are restated.
- (3) Per capita personal income and unemployment rate are for Santa Clara County.
Personal income is the product of the countywide per capita amount and the City's population.
- (4) Personal income data for Fiscal Year 2021-22 is not available until May of 2023.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Principal Employers

Current Year and Nine Years Ago

Employer	Fiscal Year 2021-22			Fiscal Year 2012-13		
	Estimated Number of Employees	Rank	Percentage of Total City Employment	Estimated Number of Employees	Rank	Percentage of Total City Employment
Google LLC	26,900	1	20.8%	11,332	1	9.7%
El Camino Hospital	2,900	2	2.2%	2,630	4	2.2%
Microsoft Corporation	2,600	3	2.0%	1,700	6	1.4%
Intuit Inc.	2,600	3	2.0%	1,707	5	1.5%
Waymo LLC	1,800	5	1.4%	-	-	-
Pure Storage	1,400	6	1.1%	-	-	-
Synopsys Inc.	1,000	7	0.8%	1,031	8	0.9%
Nuro, Inc.	700	8	0.5%	-	-	-
City of Mountain View	700	8	0.5%	-	-	-
Samsung Info Systems America	500	10	0.4%	-	-	-
Symantec/Verisign	-	-	-	3,444	2	2.9%
LinkedIn	-	-	-	3,000	3	2.6%
Palo Alto Medical Foundation	-	-	-	1,034	7	0.9%
Omnicell	-	-	-	500	9	0.4%
Alcatel-Lucent	-	-	-	419	10	0.4%
Subtotal	<u>41,100</u>		<u>31.7%</u>	<u>26,797</u>		<u>22.9%</u>
Total City Daytime Population	129,500			117,000		

Sources: City of Mountain View Business License Data
Silicon Valley Business Journal
Company Representatives

CITY OF MOUNTAIN VIEW, CALIFORNIA

Full-Time Equivalent City Government Employees by Function

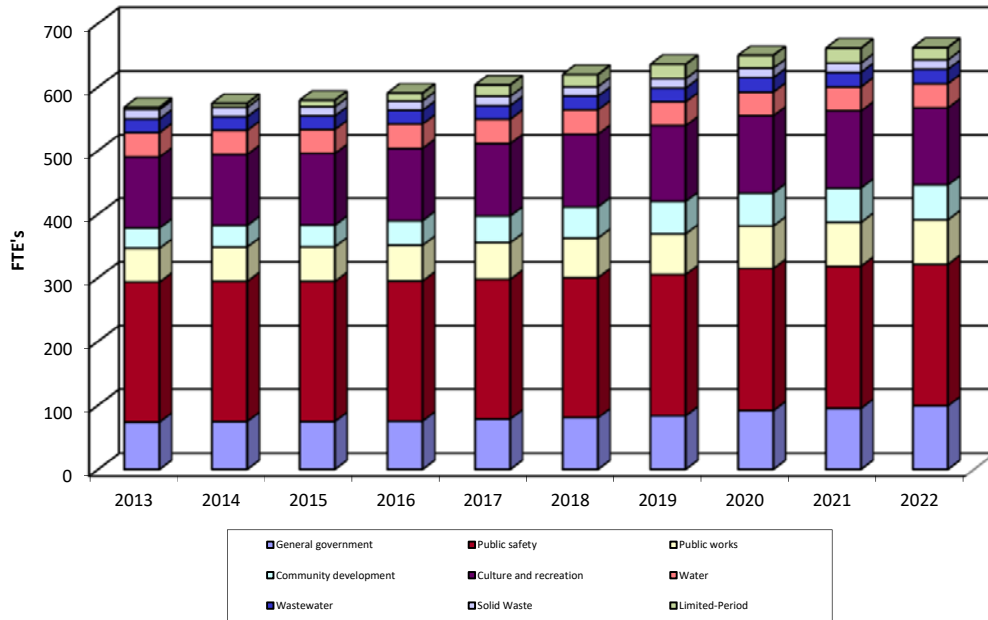
Last Ten Fiscal Years

Function	Adopted for Fiscal Year Ended June 30,			
	2013	2014	2015	2016
General government	73.75	74.75	74.75	75.40
Public safety:				
Fire:				
Firefighters and Safety Officers	74.00	74.00	74.00	74.00
Civilians	5.60	5.60	5.60	5.60
Police:				
Sworn Police	96.00	96.00	96.00	96.00
Civilians	44.00	44.00	44.00	44.00
Public works	53.05	54.05	54.55	56.20
Community development	32.00	34.00	34.00	38.75
Culture and recreation:				
Community Services	81.75	81.75	82.75	83.75
Library	30.00	30.00	30.00	30.00
Water	38.15	37.65	37.50	38.25
Wastewater	21.50	21.50	21.45	21.60
Solid Waste	14.95	14.95	14.65	14.70
Total Regular Positions	564.75	568.25	569.25	578.25
Limited-Period Positions	3.50	6.25	10.00	12.25
Total	568.25	574.50	579.25	590.50

Source: City of Mountain View

CITY OF MOUNTAIN VIEW, CALIFORNIA

Employees by Function



Adopted for Fiscal Year Ended June 30,

	2017	2018	2019	2020	2021	2022
	78.65	80.65	83.65	91.65	95.15	99.15
	74.00	73.00	73.00	71.00	71.00	71.00
	4.60	5.60	7.60	8.60	8.60	8.60
	95.00	95.00	95.00	96.00	96.00	95.00
	45.50	46.00	46.00	47.50	47.50	47.50
	57.70	62.40	63.90	66.90	68.90	69.90
	41.75	49.00	51.00	52.00	54.00	55.00
	84.25	84.50	88.50	90.50	90.50	90.50
	29.75	29.75	30.75	30.75	30.75	30.75
	38.25	38.35	37.35	37.35	37.85	37.85
	21.60	21.70	21.70	22.70	22.70	22.70
	14.70	14.80	14.80	14.80	14.80	14.80
	<u>585.75</u>	<u>600.75</u>	<u>613.25</u>	<u>629.75</u>	<u>637.75</u>	<u>642.75</u>
	<u>17.50</u>	<u>19.00</u>	<u>22.50</u>	<u>20.00</u>	<u>23.50</u>	<u>19.50</u>
	<u><u>603.25</u></u>	<u><u>619.75</u></u>	<u><u>635.75</u></u>	<u><u>649.75</u></u>	<u><u>661.25</u></u>	<u><u>662.25</u></u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Public safety:				
Fire:				
Fire calls for service	5,196	5,526	5,703	5,955
Primary fire inspections conducted	999	957 (1)	1,857 (2)	2,844 (3)
Environmental safety inspections conducted	1,593	1,851	1,769	1,641
Police:				
Communication Center calls answered	79,662	85,175	90,559	91,826
Police calls for service	72,318	61,525	63,093	48,875 (4)
Law violations:				
Part I and Part II crimes	4,465	4,384	4,369	4,901
Physical arrests (adult and juvenile)	2,706	2,320	2,262	1,978
Traffic violations	18,908	13,411	13,745	11,821
Parking violations	4,120	8,235	5,990	6,733
Public works				
Street resurfacing (miles)	1.20	1.49	- (5)	2.40
Potholes repaired (square feet)	1,102	821	1,439	1,800
Culture and recreation:				
Community Services:				
Recreation class participants	7,020	8,558	9,438	8,697
Performing Arts Center performances	340	399	394	399
Library:				
Volumes in Collection (thousands)	331	337	337	326
Total Volumes Borrowed (thousands)	1,747	1,685	1,564	1,416
Water				
Water service connections	17,636	17,781	17,858	17,516
Water main breaks	6	8	9	5
Average daily consumption (thousands of gallons)	10,520	10,475	8,713	6,917
Wastewater				
Storm drain inlets	2,776	2,776	2,829	3,030
Sewer service connections	17,373	17,377	17,461	16,906 (6)
Sewer main blockages	6	5	15	4
Average daily treatment (thousands of gallons)	7,608	6,980	6,750	6,235
Solid Waste				
Landfilled (tons per year)	46,894	44,878	46,865 (8)	40,961
Recyclables Processed (tons per year)	28,136	30,411	35,465	40,499

Source: City of Mountain View

- (1) Lower due to vacancy and turnover in personnel, resulting in reduced staffing.
- (2) Beginning in the Fiscal Year ended June 30, 2015, included total fire inspections completed by Fire Suppression Line Personnel (918). Previously included only those completed by the Fire & Environmental Protection Division (FEPD).
- (3) Beginning in the Fiscal Year ended June 30, 2016, includes total multi-family housing inspections completed by FEPD not previously accounted for.
- (4) For the Fiscal Year ended June 30, 2016, Police calls for service number is restated. Number of calls have decreased due to the different way the new CAD system records some activities.
- (5) The City was unable to advertise and bid the surface project and therefore street resurfacing project was delayed.
- (6) Methodology to estimate number of sewer connections changed to reflect more accurate count.
- (7) Fiscal Year ended June 30, 2018 was restated due to incorrect figures reflected for the year.
- (8) Fiscal Year ended June 30, 2015 was restated in Fiscal Year ended June 30, 2016 due to incorrect calculations.
- (9) Includes curbside, multi-family, commercial and school recycling, yard waste, debris box recycling, MV Recycling Center, and recyclables recovered from refuse at the SMaRT station.
- (10) Variance, unless otherwise noted, due to the COVID-19 public health crisis and Shelter-in-Place restrictions.

Fiscal Year Ended June 30,					
2017	2018	2019	2020 (10)	2021 (10)	2022
6,117	6,049	6,188	6,120	5,604	6,741
1,972 (1)	1,520 (1)	2,262	2,498	1,401	1,321
1,572	1,613	1,363	1,718	1,605	1,841
91,782	92,011	83,400	73,201	93,101	107,424
48,515	44,188	44,725	40,254	34,953	39,194
4,689	4,914	5,335	4,873	4,241	4,488
2,218	2,119	1,970	1,732	1,147	841
8,233	3,563	4,270	3,073	1,307	1,131
8,149	12,506	12,144	6,761	559	2,019
6.80	2.97	3.93	9.62	2.25	- (5)
3,271	1,071	3,724	2,025	780	684
8,412	8,501	9,023	2,606	2,356	8,709
437	555	504	276	274	396
329	302	308	305	283	273
1,339	1,177	1,253	961	742	1,232
18,004	18,199	18,341	18,572	18,747	18,838
10	2	8	7	15	8
7,807	8,395	8,341	8,823	8,950	8,265
3,086	3,086	3,086	3,086	3,242	3,242
16,906	16,863 (7)	16,990	17,373	17,373	17,373
3	6	6	6	9	8
6,285	7,005	7,295	7,598	6,400	6,130
40,092	41,320	47,578 (9)	42,667	35,067	31,506
41,649	41,381	42,248	36,751	35,961	34,484

CITY OF MOUNTAIN VIEW, CALIFORNIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,			
	2013	2014	2015	2016
Public safety:				
Fire stations	5	5	5	5
Police stations	1	1	1	1
Police patrol units	38	38	38	38
Public works				
Miles of streets	140.2	140.2	140.2	140.2
Street lights	4,117	4,117	4,117	4,120
Traffic Signals	83	83	83	83
Culture and recreation:				
Community services:				
City parks (2)	37	39	41	42
City parks acreage (2)	195.7	196.35	199.12	212.32 (3)
Playgrounds (2)	30	30	30	30
City trails (2)	5	5	5	5
City trails miles (2)	9.35	9.26 (4)	9.26	9.26
Roadway landscaping acreage	120.25	120.25	120.25	120.25
Regional park acreage (including trails) (2)	796.63	796.13 (6)	796.13	784.13 (3)
Regional park facilities:				
Golf courses (18 holes)	1	1	1	1
Boathouse	1	1	1	1
Sailing lake acreage	50	50	50	50
Clubhouse and banquet facility	1	1	1	1
Historic Buildings	1	1	1	1
Community gardens	2	2	2	2
Community centers	1	1	1	1
Senior centers	1	1	1	1
Teen Center	0	0	0	0
Sports centers	2	2	2	2
Performing arts centers	1	1	1	1
Swimming pools	2	2	2	2
Tennis courts	35	35	35	35
Baseball/softball diamonds	6	6	6	8
Soccer/football fields	14	14	14	16
Library:				
City Libraries	1	1	1	1
Water				
Miles of water mains	176	176	176	176
Fire hydrants	2,072	2,074	2,091	2,118
Storage capacity (thousands of gallons)	38,530	38,530	38,530	38,530
Wastewater				
Miles of sanitary sewers	158	158	158	158
Miles of storm sewers	108	109	109	109
Number of treatment plants (10)	0	0	0	0
Treatment capacity (thousands of gallons)	15,100	15,100	15,100	15,100

Source: City of Mountain View

- (1) The miles of streets are based on the certified report dated May 22, 2019 derived from the updated database.
- (2) Includes assets not owned by the City but maintained by the City.
- (3) Shoreline Athletic Fields converted 12 acres of Regional park acreage to City parks acreage in Fiscal Year ended June 30, 2016.
- (4) The total length of the trails adjusted due to more precise Geographic Information Systems measurement.
- (5) Additions of Permanente Creek Trail Rock St to Middlefield Rd and Hetch-Hetchy Trail between N Whisman Rd and Tyrella Ave.
- (6) No longer includes the Dog Park and Charleston Park.
- (7) Separate category to reflect Adobe Building and Immigrant House beginning Fiscal Year ended June 30, 2017
- (8) Reflects Teen Center as a separate category beginning Fiscal Year ended June 30, 2017
- (9) The miles of sanitary sewers are updated based on correction by GIS due to mischaracterization
- (10) The City of Mountain View owns treatment capacity at the Palo Alto Treatment Plant.

Schedule 18

Fiscal Year Ended June 30,					
2017	2018	2019	2020	2021	2022
5	5	5	5	5	5
1	1	1	1	1	1
38	38	38	38	38	38
140.2	140.2	140.1 (1)	140.1	140.1	140.1
4,120	4,120	4,270	4,270	4,270	4,270
83	85	85	86	87	88
42	42	42	42	42	44
212.32	212.32	212.32	212.32	212.59	215.80
30	30	30	30	33	35
5	5	5	5	5	5
9.26	9.71 (5)	9.71	9.71	9.71	9.71
120.25	120.25	120.25	120.25	120.25	120.25
784.13	784.13	784.13	784.13	784.13	784.13
1	1	1	1	1	1
1	1	1	1	1	1
50	50	50	50	50	50
1	1	1	1	1	1
3 (7)	3	3	3	3	3
2	2	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
1 (8)	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
35	35	35	35	35	35
8	8	8	8	8	8
16	16	16	16	16	16
1	1	1	1	1	1
177	188	188	188	188	188
2,118	2,136	2,136	2,136	2,117	2,117
38,530	38,530	38,530	38,530	38,530	38,530
158	158	157 (9)	157	157	157
109	109	109	109	114	114
0	0	0	0	0	0
15,100	15,100	15,100	15,100	15,100	15,100

This page intentionally left blank

**MOUNTAIN VIEW
SHORELINE REGIONAL PARK COMMUNITY**

(A Component Unit of the City of Mountain View, California)

Basic Financial Statements

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

Jesse Takahashi, Finance and Administrative Services Director
Helen He, Accounting Manager

This page intentionally left blank

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

For the Fiscal Year Ended June 30, 2022

Table of Contents

	<u>Page</u>
Independent Auditor’s Report	177
Management’s Discussion and Analysis (Required Supplementary Information - Unaudited)	181
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	191
Statement of Activities	192
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	193
Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide Statement of Net Position - Governmental Activities	194
Statement of Revenues, Expenditures, and Changes in Fund Balances	195
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities - Governmental Activities	196
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Shoreline Regional Park Community Fund	197
Notes to Basic Financial Statements	199
Required Supplementary Information – Unaudited:	
Schedule of the Shoreline Community’s Proportionate Share of the Net Pension Liability	225
Schedule of the Shoreline Community Pension Contributions	226
Schedule of the Shoreline Community’s Proportionate Share of the Net OPEB Liability	227
Schedule of the Shoreline Community OPEB Contributions	228
Other Supplementary Information:	
Shoreline Regional Park Community Fund:	
Combining Balance Sheet	230
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	231
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>.....	233

This page intentionally left blank



Independent Auditor's Report

Board of Directors of the
Mountain View Shoreline Regional Park Community
City of Mountain View, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Mountain View Shoreline Regional Park Community (Shoreline Community), a component unit of the City of Mountain View, California (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Shoreline Community's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Shoreline Community as of June 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison for the Shoreline Regional Park Community Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Shoreline Community and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shoreline Community's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Shoreline Community's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Shoreline Community's proportionate share of the net pension liability, the schedule of the Shoreline Community pension contributions, the schedule of the Shoreline Community's proportionate share of the net OPEB liability, and the schedule of the Shoreline Community OPEB contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Shoreline Community's basic financial statements. The Shoreline Regional Park Community Fund combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Shoreline Regional Park Community Fund combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, on our consideration of the Shoreline Community'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 solely 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 the effectiveness of the Shoreline Community's 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 Shoreline Community's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California
November 18, 2022

This page intentionally left blank

**Mountain View Shoreline Regional Park Community
Management's Discussion and Analysis (MD&A) (Unaudited)
for the Fiscal Year Ended June 30, 2022**

This section of the Mountain View Shoreline Regional Park Community's (Shoreline Community or SRPC) basic financial statements presents a narrative overview and analysis of the financial activities of the Shoreline Community for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in the financial statements and our transmittal letter for the financial statements of the City of Mountain View (City).

FINANCIAL HIGHLIGHTS

The Shoreline Community's principal revenue source is property taxes, which have historically fluctuated due to economic conditions that have resulted in changes in the commercial vacancy rate and assessed values. For Fiscal Year 2021-22, property taxes increased by 6.8%. Fiscal Year 2021-22 financial highlights include the following:

- The Shoreline Community's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources for the fiscal year ended June 30, 2022, by \$82.8 million (net position). Of this amount, \$12.1 million reflects its net investment in capital assets, \$61.3 million is restricted for Shoreline Community indebtedness, and \$9.4 million is unrestricted.
- The Shoreline Community's total net position increased by \$54.5 million during the fiscal year compared to the prior fiscal year increase of \$19.6 million. The significant change is primarily due to increases in property taxes, capital grants and contributions, and capital contributions from the City.
- Revenues of \$103.4 million, including program revenues and general revenues, excluding net transfers, are \$44.6 million more than the prior fiscal year. The change is primarily due to increases in property taxes, capital grants and contributions, and capital contributions from the City during the fiscal year.
- Shoreline Community expenses are \$34.5 million, an increase of \$0.6 million over the prior fiscal year.
- Governmental fund balances for the fiscal year ended June 30, 2022 increased \$22.0 million to \$82.6 million, primarily due to higher revenue resulting from higher property taxes and the one-time developer fees of \$14.4 million collected for the Google Landings Office Development Project.

- Governmental fund revenues are \$69.1 million for the fiscal year ended June 30, 2022, an increase of \$16.2 million from the prior fiscal year, primarily from the reasons stated above.
- Governmental fund expenditures are \$33.2 million for the fiscal year ended June 30, 2022, an increase of \$1.8 million from the prior fiscal year's expenditures of \$31.4 million.
- The Shoreline Community's total noncurrent liabilities decreased by \$2.3 million compared with the prior fiscal year, primarily due to the annual principal payment of bonds.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Shoreline Community's component unit basic financial statements. The Shoreline Community's component unit basic financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. This report also contains required and other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Shoreline Community's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Shoreline Community's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Shoreline Community is improving or deteriorating.

The Statement of Activities presents information showing how the Shoreline Community's net position changed during the most recent 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The Shoreline Community, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the

government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Shoreline Community's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Shoreline Community has three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the SRPC Fund, SRPC 2011 Revenue Bonds Fund, and SRPC 2018 Revenue Bonds Fund, all of which are reported as major funds.

The Shoreline Community adopts an annual appropriated budget for the SRPC Fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with budget.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other

Required Supplementary Information includes schedules required to be presented showing information related to the SRPC's cost-sharing arrangement with the City's pension and other postemployment benefits (OPEB) plans.

Other Supplementary Information includes the Combining Statements of the SRPC Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Shoreline Community has presented its financial statements under the reporting model required accounting principles generally accepted in the United States of America. Two years of financial information and a comparative analysis of government-wide data are included in this MD&A.

Analysis of Net Position

A summary of the Shoreline Community's net position is as follows:

Condensed Statement of Net Position (Dollars in Thousands)

	<u>2022</u>	<u>2021</u>
Assets:		
Current and other assets	\$ 87,730	65,187
Capital assets	<u>96,851</u>	<u>67,321</u>
Total assets	<u>184,581</u>	<u>132,508</u>
Deferred outflows of resources:		
Pension items	869	1,002
OPEB items	<u>127</u>	<u>112</u>
Total deferred outflows of resources	<u>996</u>	<u>1,114</u>
Liabilities:		
Current and other liabilities	6,950	6,408
Noncurrent liabilities	91,252	93,554
Net pension liability	2,788	5,268
Net OPEB liability	<u>127</u>	<u>112</u>
Total liabilities	<u>101,117</u>	<u>105,342</u>
Deferred inflows of resources:		
Pension items	<u>1,692</u>	<u>-</u>
Net Position:		
Net investment in capital assets	12,099	(17,469)
Restricted for Shoreline Community indebtedness	61,254	48,881
Unrestricted	<u>9,415</u>	<u>(3,132)</u>
Total net position	<u>\$ 82,768</u>	<u>28,280</u>

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the Shoreline Community, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82.8 million at the end of the fiscal year. The components of net position are as follows:

- Net investment in capital assets was \$12.1 million, which was an increase of \$29.6 million compared to the prior fiscal year. This increase was mainly due to increased capital assets and decreased debt outstanding during the current fiscal year.
- Another significant component of the Shoreline Community's net position is \$61.3 million in Restricted for Shoreline Community Indebtedness, which may be used to meet the Shoreline Community's current and future obligations. The balance increased by \$12.4 million from the prior fiscal year.

The Shoreline Community's current and other assets increased \$22.5 million while net position increased \$54.5 million compared to the prior fiscal year, primarily due to revenues exceeding expenses by \$68.9 million and net transfers out to the City of \$14.0 million.

Statement of Activities

A summary of the Shoreline Community's changes in net position is as follows:

Condensed Statement of Activities

(Dollars in Thousands)

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues	\$ 14,855	326
General revenues:		
Taxes	55,486	51,943
Capital contributions	34,262	5,904
Investment income	<u>(1,197)</u>	<u>663</u>
Total revenues	<u>103,406</u>	<u>58,836</u>
Expenses:		
General government	21,335	19,893
Public safety	130	201
Public works	1,926	2,044
Community development	311	327
Culture and recreation	6,744	7,260
Interest on long-term debt	<u>4,073</u>	<u>4,175</u>
Total expenses	<u>34,519</u>	<u>33,900</u>
Increase in net position before transfers	<u>68,887</u>	<u>24,936</u>
Transfers (net)	(14,001)	(5,250)
Transfer of capital assets to the City of Mountain View	<u>(398)</u>	<u>(49)</u>
Change in net position	<u>54,488</u>	<u>19,637</u>
Beginning net position	<u>28,280</u>	<u>8,643</u>
Ending net position	<u>\$ 82,768</u>	<u>28,280</u>

The major component of the Shoreline Community's current fiscal year revenues is \$55.5 million of property taxes. This is an increase of \$3.5 million when compared to the prior fiscal year due to changes in the commercial vacancy rate and assessed values. Program revenues were \$14.9 million, an increase of \$14.5 million from the prior fiscal year. This increase was due primarily to one-time developer fees and contributions of \$14.4 million received during the fiscal year for the Google Landings Office Development Project. Capital contributions increased by \$28.4 million when compared to the prior fiscal year due to property acquisition for the Plymouth Street Realignment capital project. Investment earnings were negative \$1.2 million, a decrease of \$1.9 million compared to the prior fiscal year, due to a reduction in fair value of the investment portfolio.

Expenses totaling \$34.5 million increased \$619,000 when compared to the prior fiscal year. This was attributable primarily to increases in general government, offset by decreases in all other governmental operations.

The change in net position is an increase of \$54.5 million compared to the prior fiscal year increase of \$19.6 million. The difference is due to the items mentioned above, notably the increase in property taxes, capital grants and contributions, and capital contributions from the City occurring in the current fiscal year.

FINANCIAL ANALYSIS OF THE SHORELINE COMMUNITY'S FUNDS

As noted earlier, the Shoreline Community uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Shoreline Community's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Shoreline Community's financing requirements.

As of June 30, 2022, the Shoreline Community's funds reported combined fund balances of \$82.6 million, an increase of \$22.0 million from the prior fiscal year. The Committed Fund Balance increased by \$11.8 million while the Restricted Fund Balance increased by \$10.1 million when compared to the prior fiscal year. The increase in the Restricted Fund Balance is mainly due to higher property tax revenues and developer fees which exceed expenditures as previously noted.

Revenues for the fiscal year ended June 30, 2022 totaled \$69.1 million, an increase of \$16.2 million, or 30.6%, when compared to the prior fiscal year. The increase is primarily due to increases in property taxes and one-time developer fees and contributions during the fiscal year. Expenditures totaling \$33.2 million were \$1.8 million higher compared to the prior fiscal year.

The SRPC Fund receives tax revenues on property within the Shoreline Community. The fund accounts for the revenues and expenditures of the Shoreline Community. At the end of the fiscal year, its fund balance was \$76.1 million. As a measure of the SRPC Fund's liquidity, it may be

useful to compare the total fund balance to total fund expenditures. The total fund balance represents 284.2% of the total fund expenditures of \$26.8 million.

The fund balance of the SRPC Fund increased by \$22.0 million during the current fiscal year. Key factors contributing to this increase are as follows:

- Total revenues are \$69.1 million in the current fiscal year, an increase of \$16.2 million from the prior fiscal year. The increase is primarily due to increases in property taxes and developer fees and contributions, offset by decreases in use of money and property revenues.
- Expenditures of \$26.8 million are comparable to the prior fiscal year.
- Net transfers out to the City were \$14.0 million for the fiscal year ended June 30, 2022 compared to net transfers out of \$5.3 million in the prior fiscal year. The increase was primarily related to increased transfers to the City for capital projects.

The SRPC 2011 Revenue Bonds Fund accounts for resources used for the purpose of paying the principal, interest, and related costs on the SRPC 2011 Revenue Bonds as they become due.

Debt service expenditures included \$2.1 million in principal retirement and \$1.3 million in interest and fiscal charges for the fiscal year ended June 30, 2022, comparable to the prior fiscal year.

The SRPC 2018 Revenue Bonds Fund accounts for the resources used for the purpose of paying the principal, interest, and related costs on the SRPC 2018 Revenue Bonds as they become due.

Debt service expenditures included \$3.1 million in interest and fiscal charges for the fiscal year ended June 30, 2022, comparable to the prior fiscal year.

CAPITAL ASSETS

A summary of Shoreline Community's capital assets is as follows:

	Capital Assets	
	(Dollars in Thousands)	
	<u>2022</u>	<u>2021</u>
Land	\$ 44,331	15,860
Construction in progress	17,869	13,647
Buildings	23,908	23,908
Improvements other than buildings	104,126	102,924
Machinery and equipment	2,271	2,240
Traffic signals	1,500	1,546
Streetlights	1,009	1,029
Less accumulated depreciation	<u>(98,163)</u>	<u>(93,833)</u>
Total	\$ 96,851	67,321

For the fiscal year ended June 30, 2022, capital assets, net of accumulated depreciation, totaled \$96.9 million, an increase of \$29.5 million compared to prior fiscal year. This increase is primarily due to land acquisition for street realignment projects. The Shoreline Community transferred capital assets of \$398,000 to the City. At June 30, 2022, construction commitments were \$17.9 million. Additional information about the Shoreline Community's capital assets is discussed in Note 6 to the Basic Financial Statements.

DEBT ADMINISTRATION

As of June 30, 2022, the Shoreline Community has \$91.3 million of outstanding noncurrent liabilities. During the fiscal year, the Shoreline Community's total long-term debt decreased by \$2.3 million compared with the prior fiscal year, primarily due to the scheduled principal retirement of \$2.1 million. Standard & Poor's raised the Shoreline Community's underlying credit rating from "A" to "A+" in November 2018. The Shoreline Community's noncurrent liabilities are discussed in Note 7 to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Property taxes for the Shoreline Community are expected to increase for the upcoming fiscal year, compared to the July 1, 2021 tax roll, due to the 2.0 CCPI applied to secured property and expected new development added to the tax roll. Property values are rising due to the high development demand in the community, but there are also pending appeals filed by owners of property in the Shoreline Community that could impact future property tax revenues if successful.

REQUESTS FOR INFORMATION

These financial statements are intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Shoreline Community's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Finance and Administrative Services Department, 500 Castro Street, P.O. Box 7540, Mountain View, California, 94039-7540, or FinanceAdmin@mountainview.gov.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Statement of Net Position - Governmental Activities
June 30, 2022
(Dollars in Thousands)

Assets:

Cash and investments	\$ 80,585
Restricted cash and investments	6,500
Receivables:	
Accounts	57
Interest	588
Capital assets:	
Nondepreciable	62,200
Depreciable, net of accumulated depreciation	34,651
	<hr/>
Total assets	184,581
	<hr/>

Deferred outflows of resources:

Pension items	869
OPEB items	127
	<hr/>
Total deferred outflows of resources	996
	<hr/>

Liabilities:

Accounts payable and accrued liabilities	5,002
Interest payable	1,782
Refundable deposits	40
Unearned revenue	126
Noncurrent liabilities:	
Due within one year	1,832
Due in more than one year	89,420
Net pension liability	2,788
Net OPEB liability	127
	<hr/>
Total liabilities	101,117
	<hr/>

Deferred inflows of resources:

Pension items	1,692
	<hr/>

Net position:

Net investment in capital assets	12,099
Restricted for:	
Shoreline Community indebtedness	61,254
Unrestricted	9,415
	<hr/>
Total net position	\$ 82,768
	<hr/> <hr/>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Function/Program Activities:				
General government	\$ 21,335	-	-	(21,335)
Public safety	130	-	-	(130)
Public works	1,926	-	-	(1,926)
Community development	311	-	14,428	14,117
Culture and recreation	6,744	427	-	(6,317)
Interest on long-term debt	4,073	-	-	(4,073)
Total governmental activities	<u>\$ 34,519</u>	<u>427</u>	<u>14,428</u>	<u>(19,664)</u>
General revenues:				
Property taxes				55,486
Capital contributions from the City of Mountain View				34,262
Investment income				(1,197)
Transfers:				
Transfers from the City of Mountain View				1,120
Transfers to the City of Mountain View				(15,121)
Transfer of capital assets to the City of Mountain View				(398)
Total general revenues and transfers				<u>74,152</u>
Change in net position				54,488
Net position, beginning of year				<u>28,280</u>
Net position, end of year				<u>\$ 82,768</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Governmental Funds

Balance Sheet

June 30, 2022

(Dollars in Thousands)

	Shoreline Regional Park Community	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Total
Assets:				
Cash and investments	\$ 80,585	-	-	80,585
Restricted cash and investments	-	6,500	-	6,500
Receivables:				
Accounts	57	-	-	57
Interest	588	-	-	588
Total assets	<u>\$ 81,230</u>	<u>6,500</u>	<u>-</u>	<u>87,730</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,002	-	-	5,002
Refundable deposits	40	-	-	40
Unearned revenue	126	-	-	126
Total liabilities	<u>5,168</u>	<u>-</u>	<u>-</u>	<u>5,168</u>
Fund Balances:				
Restricted	61,254	6,500	-	67,754
Committed	14,808	-	-	14,808
Total fund balances	<u>76,062</u>	<u>6,500</u>	<u>-</u>	<u>82,562</u>
Total liabilities and fund balances	<u>\$ 81,230</u>	<u>6,500</u>	<u>-</u>	<u>87,730</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Reconciliation of the Balance Sheet of Governmental Funds to the Government-wide
Statement of Net Position - Governmental Activities
June 30, 2022
(Dollars in Thousands)

Fund balances - total governmental funds	\$ 82,562
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	96,851
Interest payable on long-term debt does not require the use of current financial resources and, therefore, interest payable is not accrued as a liability in the balance sheet of governmental funds.	(1,782)
Deferred outflows and inflows of resources for pension and OPEB items in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Deferred outflows of resources	996
Deferred inflows of resources	(1,692)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	
Net pension liability	(2,788)
Net OPEB liability	(127)
Bonds and loans payable	(91,252)
Net position of governmental activities	<u>\$ 82,768</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	Shoreline Regional Park Community	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Total
Revenues:				
Property taxes	\$ 55,486	-	-	55,486
Use of money and property	(901)	2	-	(899)
Charges for services	76	-	-	76
Developer fees and contributions	14,428	-	-	14,428
Other	53	-	-	53
Total revenues	<u>69,142</u>	<u>2</u>	<u>-</u>	<u>69,144</u>
Expenditures:				
Current:				
General government	21,287	-	-	21,287
Public safety	90	-	-	90
Public works	1,126	-	-	1,126
Community development	289	-	-	289
Culture and recreation	3,913	-	-	3,913
Capital outlay	62	-	-	62
Debt service:				
Principal	-	2,085	-	2,085
Interest and fiscal charges	-	1,254	3,079	4,333
Total expenditures	<u>26,767</u>	<u>3,339</u>	<u>3,079</u>	<u>33,185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,375</u>	<u>(3,337)</u>	<u>(3,079)</u>	<u>35,959</u>
Other financing sources (uses):				
Transfers in	-	3,337	3,079	6,416
Transfers out	(6,416)	-	-	(6,416)
Transfers from the City of Mountain View	1,120	-	-	1,120
Transfers to the City of Mountain View	(15,121)	-	-	(15,121)
Total other financing sources (uses)	<u>(20,417)</u>	<u>3,337</u>	<u>3,079</u>	<u>(14,001)</u>
Net change in fund balances	21,958	-	-	21,958
Fund balances, beginning of year	<u>54,104</u>	<u>6,500</u>	<u>-</u>	<u>60,604</u>
Fund balances, end of year	<u>\$ 76,062</u>	<u>6,500</u>	<u>-</u>	<u>82,562</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-wide Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

Net change in fund balances - total governmental funds		\$	21,958
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital assets additions - Contributions from the City of Mountain View	\$	34,262	
Capital assets additions - Capital outlay		62	
Capital assets retirements		(66)	
Depreciation		(4,330)	
Transfer of capital assets to the City of Mountain View		<u>(398)</u>	29,530
Pension and OPEB contributions made subsequent to the measurement date are expenditures in the governmental funds, but reported as deferred outflows of resources in the government-wide financial statements.			
			888
Pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
			(233)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.			
			2,085
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Amortization of bond premium		217	
Change in accrued interest payable		<u>43</u>	<u>260</u>
Change in net position of governmental activities		<u>\$</u>	<u>54,488</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 49,074	49,074	55,486	6,412
Use of money and property	1,807	1,807	(901)	(2,708)
Charges for services	55	55	76	21
Developer fees and contributions	-	-	14,428	14,428
Other	34	34	53	19
	<u>50,970</u>	<u>50,970</u>	<u>69,142</u>	<u>18,172</u>
Total revenues				
Expenditures:				
Current:				
General government:				
City attorney	10	20	6	14
Finance and administrative services	20,740	21,310	21,281	29
Public safety:				
Fire	169	173	50	123
Police	40	40	40	-
Public works	1,378	1,440	1,126	314
Community development	536	537	289	248
Culture & recreation:				
Community services	4,479	4,572	3,913	659
Capital outlay	67	67	62	5
	<u>27,419</u>	<u>28,159</u>	<u>26,767</u>	<u>1,392</u>
Total expenditures				
Excess of revenues over expenditures	<u>23,551</u>	<u>22,811</u>	<u>42,375</u>	<u>19,564</u>
Other financing sources (uses):				
Transfers out	(6,421)	(6,421)	(6,416)	5
Transfers from the City of Mountain View	-	-	1,120	1,120
Transfers to the City of Mountain View	(13,584)	(15,119)	(15,121)	(2)
	<u>(20,005)</u>	<u>(21,540)</u>	<u>(20,417)</u>	<u>1,123</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ 3,546</u>	<u>1,271</u>	21,958	<u>20,687</u>
Fund balance, beginning of year			54,104	
Fund balance, end of year			<u>\$ 76,062</u>	

This page intentionally left blank

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mountain View Shoreline Regional Park Community (Shoreline Community) was established in 1969 pursuant to the provisions of the Mountain View Shoreline Regional Park Community Act (Act). The purpose of the Shoreline Community is to provide for the development of approximately 1,550 acres of Bayfront lands.

The Shoreline Community is an integral part of the City of Mountain View (City). The Shoreline Community's Board (Board) is comprised of the same members as the City Council and the City's management has operational responsibility of the Shoreline Community. Therefore, the Shoreline Community is considered a blended component unit of the City and its financial activities are included within the City's annual comprehensive financial report.

The Shoreline Community's primary source of revenue is property taxes, which are computed and allocated to the Shoreline Community as follows:

- a. The assessed valuation of all property within the Shoreline Community's boundaries is determined and "frozen" for allocation purposes on the date of adoption by the Shoreline Community of a designation of a "base year" assessment roll. Shoreline Community designated the fiscal year ended 1977-78 as the base year.
- b. Increments in property taxes resulting from any increase in assessed values after the adoption of the Shoreline Community are allocated to the Shoreline Community; all property taxes on the "frozen" assessed valuation of the property are allocated to the City and other taxing entities receiving taxes within the Shoreline Community's boundaries.

The Shoreline Community has no power to levy or collect taxes. Any legislative property tax reduction would lower the amount of tax revenues that would otherwise be available to pay principal and interest on debt or loans from the City and any increase in the tax rate or assessed valuation or any elimination of present exemptions would increase the amount of tax revenues available for this purpose. The Shoreline Community is also authorized to finance the North Bayshore Plan from other sources, including assistance from the City, the State and federal governments, interest income and the issuance of Shoreline Community debt.

A. *Basis of Presentation*

The Shoreline Community's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities. These standards require that the financial statements described below be presented.

Government-wide Statements - The Statement of Net Position and the Statement of Activities display information about the financial activities of the primary government (the Shoreline Community). Eliminations have been made to minimize the double counting of internal activities.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Shoreline Community's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions of capital assets or resources that are restricted for capital purposes. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the Shoreline Community's funds. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

B. Major Funds

The Shoreline Community reports major governmental funds in the basic financial statements as follows:

Shoreline Regional Park Community Fund (Special Revenue) - This fund receives property tax revenues on properties within the Shoreline Community. The fund accounts for the revenues and expenditures of the Shoreline Community. This is the operating fund of the Shoreline Community.

Shoreline Regional Park Community 2011 Revenue Bonds Fund (Debt Service) – This fund accounts for the resources used for the purpose of paying the principal, interest and related costs on the Shoreline Regional Park Community 2011 Revenue Bonds as they become due.

Shoreline Regional Park Community 2018 Revenue Bonds Fund (Debt Service) – This fund accounts for the resources used for the purpose of paying the principal, interest and related costs on the Shoreline Regional Park Community 2018 Revenue Bonds (Series A and Series B) as they become due.

C. Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when *measurable and available*. The Shoreline Community considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized as expenditures to the extent they have matured and are due and payable at year end. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt issuance and acquisitions under capital leases are reported as other financing sources.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the Shoreline Community gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Those revenues susceptible to accrual are property taxes, earned grant entitlements, and investment revenue. All other revenue items are considered to be measurable and available only when cash is received.

The Shoreline Community may receive funding for specific programs that is restricted to the operations of these programs. The Shoreline Community also receives unrestricted revenues from different funding sources. When restricted program expenses are incurred, it is the Shoreline Community's policy to first apply revenues from the restricted sources to these programs and then apply unrestricted general revenue.

Certain indirect costs are included in program expenses reported for individual functions and activities.

D. *Property Taxes*

The County of Santa Clara (County) assesses properties and it bills, collects and distributes property taxes to the Shoreline Community. The County remits to the Shoreline Community the entire amount levied above the frozen base and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on July 1 for the fiscal year.

Secured property tax becomes a lien on January 1 and is due in two installments, on November 1 and February 1. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax bills are distributed in July and are due upon receipt, and become delinquent after August 31. Collection of delinquent accounts is the responsibility of the County, which retains all penalties.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings and are secured by liens on the property owner. Unsecured may also include the property taxes paid in lieu on leased property. Property tax revenues are recognized by the Shoreline Community in the fiscal year they are levied, provided they become available as defined above.

E. *Deferred Outflows and Inflows of Resources*

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

F. Pension and Other Postemployment Benefits (OPEB) Items

For purposes of measuring the net pension liability and net OPEB liability, deferred outflows/inflows of resources related to pension and OPEB, and pension and OPEB expenses, information about the fiduciary net position of the City's Pension and OPEB plans and additions to/deductions from the plans' fiduciary net positions have been determined on the same basis as they are reported by the California Public Employees' Retirement System (CalPERS) and the California Employer's Retiree Benefit (CERBT) Trust Fund, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. CalPERS plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value. The Shoreline Community's financial statements reflect its proportionate share of the Pension and OPEB liabilities, deferred outflows/inflows of resources and expenses.

G. Effects of New GASB Pronouncements

As of July 1, 2021, the Shoreline Community implemented the following GASB Statement:

- In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The purpose of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2022.
- In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2022.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2022.
- In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2022.
- In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2022.
- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (a) practice issues that been identified during implementation and application of certain GASB Statements and (b) accounting and financial reporting for financial guarantees. The requirements related to the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statements No. 53 and No. 63 are effective upon issuance. Implementation of these requirements did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2022.

The Shoreline Community is currently analyzing its accounting practices to identify the potential impact on the financial statements for the GASB statements as follows:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosure. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2023.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2023.

- In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2023.
- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The requirements related to leases, public-private partnerships (PPPs), and SBITAs are effective for the Shoreline Community's fiscal year ending June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for the Shoreline Community's fiscal year ending June 30, 2024.
- In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2024.
- In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2025.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. *Budgets and Budgetary Accounting*

The Shoreline Community adopts an annual budget on or before June 30 for the ensuing fiscal year for the Shoreline Regional Park Community Fund.

No annual budgets are adopted for the Shoreline Community's Debt Service Funds. Repayment of the debt is authorized by the adoption of the indenture provisions for the life of the debt.

Budget appropriations become effective each July 1. The Board may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund and department level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

The Shoreline Regional Park Community Fund's annual budget is presented on a basis consistent with the basic financial statements prepared in accordance with GAAP.

Budgeted revenue amounts represent the original budget modified by adjustments authorized during the fiscal year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the fiscal year and reappropriated amounts for encumbrances and donations outstanding at the end of each prior fiscal year.

The Shoreline Community's Board must approve appropriation increases to departmental budgets; however, management may transfer Board-approved budgeted amounts within fund and departmental expenditure classifications. Judgments, settlements and accrual entries are not subject to budgetary control and expenditures exceeding budget due to these items do not constitute a violation of budget policy or control. Supplemental appropriations were approved during the course of the fiscal year as needed.

B. *Encumbrance Accounting*

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration. Encumbrances outstanding at fiscal year end are automatically reappropriated for inclusion in the following fiscal year's budget.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 3 – CASH AND INVESTMENTS

A. Classification

Cash and investments are classified in the financial statements, based on whether or not their use is restricted under the terms of debt instruments. Investments are carried at fair value as of June 30, 2022. Cash and investments are as follows (dollars in thousands):

Cash and investments	\$ 80,585
Restricted cash and investments	<u>6,500</u>
Total cash and investments	<u><u>\$ 87,085</u></u>

The Shoreline Community’s cash and investments of \$80.6 million are invested in the City’s cash and investments pool. Restricted cash and investments are held by bond trustee of which \$5.9 million and \$0.6 million are invested in U.S. Treasury Obligations and Money Market Mutual Funds, respectively.

B. Investments In City’s Cash and Investment Pool

The City Council is responsible for the regulatory oversight of the City’s cash and investments pool. The City’s Investment Policy and the California Government Code permit investments in the following: Securities issued by the U.S. Government or as an agency of the U.S. Government, mortgage-backed securities, commercial paper, banker’s acceptances, medium term notes issued by U.S. corporations, mutual funds invested in U.S. Government securities, certificates of deposit, municipal bonds issued by the City or any of its component units, the Local Agency Investment Fund (LAIF), and Supranational securities.

As of June 30, 2022, the City’s cash and investments pool was comprised primarily of investments in securities issued by the U.S. Government and its agencies, medium term notes, supranational securities, LAIF, bonds issued by the Shoreline Community, and money market mutual funds. The City’s cash and investments pool is unrated and has a modified duration of 1.88 years. Additional information regarding the interest rate, credit, concentration of credit risks and fair value hierarchy of the City’s cash and investments pool can be found in the notes to the City’s basic financial statements.

C. Investments Held by Bond Trustee

The Shoreline Community must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of its debt issues. These funds are pledged as reserves to be used if the Shoreline Community fails to meet its obligations under these debt issues. The investment of debt proceeds held by bond trustee is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s Investment Policy. These debt agreements do not address interest rate, credit and concentration of credit risks.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

The investment types that are authorized for investments held by bond trustee are as follows:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Obligations	No Limit
U.S. Agency Securities	No Limit
Deposit Accounts, Federal Funds and Banker's Acceptances	360 days
FDIC Insured Certificates of Deposit	No Limit
Commercial Paper	270 days
Money Market Mutual Funds	No Limit
State and Local Agency Bonds	No Limit
Insurer Approved Investment Contracts	No Limit
Insurer Approved Other Forms of Investments Including Repurchase Agreements	No Limit
Local Agency Investment Fund (LAIF)	No Limit

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City monitors the interest rate risk inherent in its portfolio by measuring the modified duration (modified duration is a measure of a fixed income's cash flows using present values, weighted for cash flows as a percentage of the investments' full price) of its portfolio. The City monitors interest rate risk inherent in investments held by the trustee by using specific identification. The Shoreline Community's investment in the U.S. Treasury Obligations of \$5.9 million has a maturity date of June 15, 2023.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2022, the Shoreline Community's investments in Money Market Mutual Funds are rated AAA by Standard & Poor's, while investments in U.S. Treasury Obligations are exempt from credit rating disclosure.

Concentration of Credit Risk

The Shoreline Community is required to disclose investments that represent a concentration of 5.0 percent or more of investments in any one issuer other than U.S. Treasury Obligations, money market funds and external investment pools. As of June 30, 2022, none of the Shoreline Community's investments are subject to concentration of credit risk disclosure.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Fair Value Hierarchy

The Shoreline Community categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Shoreline Community's investment in the U.S. Treasury Obligations are measured using level 2 inputs, while investment in the City's cash and investments pool and Money Market Mutual Funds are not subject to fair value hierarchy. Investments measured using level 2 inputs are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these investments. Matrix pricing is used to value investments based on the investments' relationship to benchmark quoted prices.

NOTE 4 – INTERFUND TRANSFERS

With Board approval, resources may be transferred from one fund to another. The purpose of the majority of transfers is to allocate resources from the fund that receives them to the fund where they will be spent without a requirement for repayment. For the fiscal year ended June 30, 2022, Shoreline Regional Park Community Fund transferred \$3.3 million and \$3.1 million to the Shoreline Regional Park Community 2011 Revenue Bonds Fund and Shoreline Regional Park Community 2018 Revenue Bonds Fund, respectively, to fund debt service payments.

NOTE 5 – TRANSACTIONS WITH THE CITY

Transfers Between the Shoreline Community and the City

The City expends funds on capital projects on behalf of the Shoreline Community which transfers the required funds to the City prior to the commencement of the project. Any unspent funds are returned to the Shoreline Community upon completion of the project.

During the fiscal year ended June 30, 2022, the Shoreline Community transferred to the City \$14.9 million to fund capital projects, \$127,000 for equipment replacements, and \$89,000 for operating costs. The City transferred \$1.1 million to the Shoreline Community to return interest earnings on available capital projects balances and unspent funds on completed capital projects.

NOTE 6 – CAPITAL ASSETS

All capital assets, including intangible assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are valued at their acquisition value. The Shoreline Community defines capital assets as assets with an initial individual cost of more than \$100,000 for land and infrastructure, \$25,000 for buildings and improvements other than buildings, and \$5,000 for others, and an estimated useful life in excess of two years.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each fiscal year until the asset is fully depreciated. The City has assigned the useful lives to capital assets as follows:

Buildings	25 to 50 years
Improvements other than buildings	5 to 50 years
Machinery and equipment	3 to 20 years
Traffic signals	20 years
Streetlights	50 years

Major outlays for capital assets and improvements are capitalized as projects are constructed.

A. Capital Asset Activities

Capital assets activity for the fiscal year ended June 30, 2022 is as follows (dollars in thousands):

	Balance June 30, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 15,860	28,471	-	-	44,331
Construction in progress	13,647	5,822	-	(1,600)	17,869
Total capital assets not being depreciated:	<u>29,507</u>	<u>34,293</u>	<u>-</u>	<u>(1,600)</u>	<u>62,200</u>
Capital assets being depreciated:					
Buildings	23,908	-	-	-	23,908
Improvements other than buildings	102,924	-	-	1,202	104,126
Machinery and equipment	2,240	31	-	-	2,271
Traffic signals	1,546	-	(46)	-	1,500
Streetlights	1,029	-	(20)	-	1,009
Total capital assets being depreciated	<u>131,647</u>	<u>31</u>	<u>(66)</u>	<u>1,202</u>	<u>132,814</u>
Less accumulated depreciation for:					
Buildings	(11,952)	(708)	-	-	(12,660)
Improvements other than buildings	(78,586)	(3,470)	-	-	(82,056)
Machinery and equipment	(1,822)	(93)	-	-	(1,915)
Traffic signals	(843)	(39)	-	-	(882)
Streetlights	(630)	(20)	-	-	(650)
Total accumulated depreciation	<u>(93,833)</u>	<u>(4,330)</u>	<u>-</u>	<u>-</u>	<u>(98,163)</u>
Net capital assets being depreciated	<u>37,814</u>	<u>(4,299)</u>	<u>(66)</u>	<u>1,202</u>	<u>34,651</u>
Total capital assets, net	<u>\$ 67,321</u>	<u>29,994</u>	<u>(66)</u>	<u>(398)</u>	<u>96,851</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 6 – CAPITAL ASSETS (Continued)

During the fiscal year ended June 30, 2022, the Shoreline Community transferred certain infrastructure including bridges and culverts; sidewalks, curbs and gutters; and streets and roads funded by the Shoreline Community totaling \$398,000 to the City in accordance with the Act.

B. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each governmental activity function for the fiscal year ended June 30, 2022 are as follows (dollars in thousands):

General government	\$ 48
Public safety	40
Public works	955
Community development	64
Culture and recreation	<u>3,223</u>
Total	<u><u>\$ 4,330</u></u>

C. Construction Commitments

The Shoreline Community has active construction projects that include land; improvements other than buildings; and infrastructure. Commitments with contractors for construction, as of June 30, 2022, are as follows (dollars in thousands):

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Land	\$ -	58
Improvements other than buildings	6,552	3,413
Buildings	500	2,763
Infrastructure	<u>10,817</u>	<u>11,643</u>
Total	<u><u>\$ 17,869</u></u>	<u><u>17,877</u></u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 7 – NONCURRENT LIABILITIES

The Shoreline Community generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The Shoreline Community’s debt issues and transactions are summarized below and discussed in detail thereafter.

A. Composition and Changes

Noncurrent liabilities activities for the fiscal year ended June 30, 2022, are as follows (dollars in thousands):

	Original Issue Amount	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Revenue Bonds:						
Shoreline Regional Park Community						
2011 Revenue Refunding Bonds						
2.0% to 5.75%, due Fiscal Year 2040-41	\$ 39,030	23,880	-	(2,085)	21,795	695
Shoreline Regional Park Community						
2018 Revenue Bonds Series A						
5.0%, due Fiscal Year 2048-49	53,485	53,485	-	-	53,485	-
Add unamortized premium	6,416	5,874	-	(217)	5,657	217
Subtotal 2018 Revenue Bonds Series A	59,901	59,359	-	(217)	59,142	217
Shoreline Regional Park Community						
2018 Revenue Bonds Series B						
3.36% to 4.24%, due Fiscal Year 2031-32	10,315	10,315	-	-	10,315	920
Total noncurrent liabilities	\$ 109,246	93,554	-	(2,302)	91,252	1,832

B. Descriptions of Noncurrent Liabilities

2011 Revenue Bonds Shoreline Regional Park Community - On July 19, 2011, the Shoreline Community issued \$39.0 million of 2011 Revenue Bonds, Series A. Proceeds from the bonds were used to call the outstanding Shoreline Community’s Tax Allocation Bonds, 1996 Series A and provide funds to acquire and construct certain capital improvements of benefit to the Shoreline Community. The 2011 Bonds are special obligations of the Shoreline Community and are secured by a portion of all taxes levied upon all taxable property within the Shoreline Community. Principal payments are payable annually on August 1 and interest payments semi-annually on August 1 and February 1 from property tax revenues generated within the Shoreline Community. The Shoreline Community is considered to be in default if the Shoreline Community fails to pay the principal of and interest on the outstanding bonds when become due and payable. If an event of default has occurred and is continuing, the trustee may, and if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, declare the principal of the bonds, together with the accrued interest, to be due and payable immediately.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 7 – NONCURRENT LIABILITIES (Continued)

2018 Revenue Bonds Shoreline Regional Park Community - On December 19, 2018, the Shoreline Community issued 2018 Revenue Bonds, Series A (Tax-Exempt) and Series B (Taxable) (2018 Bonds) of \$53.5 million and \$10.3 million, respectively. Proceeds from the 2018 Bonds were used to provide funds to acquire and construct certain capital improvements of benefit to the Shoreline Community. The 2018 Bonds are special obligations of the Shoreline Community and are secured by a portion of all taxes levied upon all taxable property within the Shoreline Community. Principal payments are payable annually on August 1 and interest payments semi-annually on August 1 and February 1 from property tax revenues generated within the Shoreline Community. The Shoreline Community is considered to be in default if the Shoreline Community fails to pay the principal of and interest on the outstanding bonds when become due and payable. If an event of default has occurred and is continuing, the trustee may, and if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, declare the accreted value and principal of the bonds, together with the accrued interest, to be due and payable immediately.

C. Debt Service Requirements

The pledge of future tax increment revenues ends upon repayment of the \$156.8 million in remaining debt service on the Shoreline Community’s Revenue Bonds, which is scheduled to occur in Fiscal Year 2048-49. For the fiscal year ended June 30, 2022, tax increment revenues amounted to \$55.5 million, which represented coverage of 8.6 over the \$6.4 million in debt service.

Annual debt service requirements to maturity are as follows (dollars in thousands):

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 1,615	4,243	5,858
2024	1,680	4,175	5,855
2025	1,750	4,103	5,853
2026	1,825	4,026	5,851
2027	1,905	3,945	5,850
2028-2032	10,830	18,297	29,127
2033-2037	13,895	15,193	29,088
2038-2042	18,010	10,969	28,979
2043-2047	23,130	5,743	28,873
2048-2049	10,955	554	11,509
Total	<u>\$ 85,595</u>	<u>71,248</u>	<u>156,843</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 8 – PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions – All qualified regular and probationary employees are eligible to participate in the City’s Miscellaneous Plan (Plan), agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov. The Shoreline Community participates in a cost-sharing arrangement in the City’s Plan and a proportionate share of pension balances are allocated to the Shoreline Community.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, age at retirement and compensation. The cost-of-living adjustments for the CalPERS plans are applied as specified by the Public Employees’ Retirement Law. The California Public Employees’ Pension Reform Act (PEPRA), which became effective in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. As such, members who established CalPERS membership on or after January 1, 2013 are known as “PEPRA” members.

The Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 +	52+
Required employee contribution rates	8.00%	7.00%
Required employer contribution rates	34.99%	34.99% (A)

(A) The minimum employer contribution rate under PEPRA is the greater of the required employer rate cost or the employer normal costs.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 8 – PENSION PLAN (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires the employer contribution rates for all public employers to be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. The actuarially determined rate is the projected amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Shoreline Community is required to contribute its proportionate share of the difference between the actuarially determined rate and the contribution rate of employees. For Fiscal Year 2021-22, the Shoreline Community recognized \$761,000 as contributions for pension.

B. Net Pension Liability

The Shoreline Community’s net pension liability in the Plan is measured as the proportionate share of the City’s net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The Shoreline Community’s proportion of the net pension liability was based on the projection of the Shoreline Community’s long-term share of contributions to the pension plan relative to the projected contributions of all participating City funds, actuarially determined.

The change in the Shoreline Community’s proportionate share of the net pension liability as of June 30, 2022 and 2021, (measurement dates of June 30, 2021 and 2020, respectively) for the Plan are as follows (dollars in thousands):

	Net Pension Liability	Proportion of the City's Miscellaneous Plan
Proportion - Measurement date June 30, 2021	\$ 2,788	4.61%
Proportion - Measurement date June 30, 2020	5,268	4.51%
Change	<u>\$ (2,480)</u>	<u>0.10%</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 8 – PENSION PLAN (Continued)

Actuarial Assumptions – The total pension liability for the Plan in the June 30, 2020 actuarial valuation was determined using actuarial assumptions as follows:

	<u>Miscellaneous Plan</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	The lessor of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.
Mortality	Derived using CalPers Membership Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90 percent of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the 2017 CalPERS Experience Study available on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the 2017 CalPERS Experience Study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the 2017 CalPERS Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that the contributions from employers will be made at current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated and adjusted to account for assumed administrative expenses.

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS Board effective on July 1, 2020, are as follows:

<u>Asset Class</u>	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.00	(0.92)

(1) An expected inflation rate of 2.00 percent is used for this period.

(2) An expected inflation rate of 2.92 percent is used for this period.

On November 17, 2021, the CalPERS Board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expenses assumption support a discount rate of 6.90% (net of investment expenses but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the accounting valuation reports for the June 30, 2022 measurement date.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8 – PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The Shoreline Community’s proportionate share as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the Shoreline Community’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Shoreline Community's proportionate share of the City's Miscellaneous Plan net pension liability	\$ 5,610	2,788	448

C. *Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions*

For the fiscal year ended June 30, 2022, the Shoreline Community recognized pension expense of \$105,000. The Shoreline Community reported deferred outflows of resources related to pensions by sources for the fiscal year ended June 30, 2022 are as follows (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 761	-
Differences between expected and actual experience	108	-
Net differences between projected and actual earnings on plan investments	-	1,692
Total	\$ 869	1,692

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 8 – PENSION PLAN (Continued)

As of June 30, 2022, the Shoreline Community reported \$761,000 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense are as follows (dollars in thousands):

Fiscal Year Ending	Amount
June 30,	
2023	\$ (349)
2024	(375)
2025	(407)
2026	(453)
Total	<u>\$ (1,584)</u>

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

Plan Descriptions – By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retirees (spouse and dependents are not included for CalPERS Miscellaneous employees, but are included for CalPERS Safety employees in the CalPERS Health Program governed by the Public Employees’ Medical and Hospital Care Act (PEHMCA)) under a single employer defined benefit OPEB plan. In December 2008, the City entered into an agreement with CalPERS to participate in CERBT, an agent multiple-employer other postemployment benefits plan, to fund the City’s OPEB. CERBT is administrated by CalPERS, is managed by an appointed board not under the control of the City Council. CERBT issues a publicly available financial report that can be found on the CalPERS website at www.calpers.ca.gov. The Shoreline Community participates in a cost-sharing arrangement in the City’s OPEB plan and a proportionate share of OPEB balances are allocated to the Shoreline Community.

The City also offers a Defined Contribution (DC) Plan to eligible miscellaneous employees. If an employee elects to participate in the DC Plan, the City makes contributions on behalf of the employee into a Health Savings Account (HSA). Employees who have elected the DC Plan are not included in the City’s actuarial valuation for OPEB.

Benefits Provided – The City provides medical and vision OPEB benefits. Additional information regarding the benefits provided for the City’s OPEB plan can be found in the notes to the City’s basic financial statements.

Contributions – The City’s OPEB funding policy is to contribute 100 percent or more of the actuarially determined contribution each year. For the fiscal year ended June 30, 2022, the Shoreline Community’s contributions totaled \$127,000.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

B. Net OPEB Liability

The Shoreline Community's net OPEB liability in the City's OPEB Plan is measured as the proportionate share of the City's net OPEB liability. The City's net OPEB liability is measured as of June 30, 2021 using an annual actuarial valuation as of June 30, 2021. The Shoreline Community's proportion of the net OPEB liability was based on the projection of the Shoreline Community's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating City funds, actuarially determined.

The change in the Shoreline Community's proportionate share of the net OPEB liability as of June 30, 2022 and 2021 (measurement dates of June 30, 2021 and 2020, respectively) for the OPEB Plan is as follows (dollars in thousands):

	Net OPEB Liability	Proportion of the City's OPEB Plan
Proportion - Measurement date June 30, 2021	\$ 127	-0.49%
Proportion - Measurement date June 30, 2020	112	2.08%
Change	\$ 15	-2.57%

Actuarial Assumptions – The total OPEB liability for the City's OPEB plan in the June 30, 2021 actuarial valuation were determined using actuarial assumptions as follows:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Projected Salary Increase	3.00%
Post Retirement Benefit Increase	For medical plan premiums: 5.70% for the year beginning January 1, 2022 and graded down until 4.00% ultimate rate is reached.
	For vision premiums: 3.00%
Mortality	Derived using CalPERS Membership Data for all Funds (1)

(1) Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2018 applied generationally from 2015 as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Change in Assumptions – During the measurement period 2021, the discount rate was reduced from 6.25 percent to 6.00 percent. Inflation rate was reduced from 2.75 percent to 2.50 percent. Other assumptions including projected salary increase, post retirement benefit increase, and other demographic assumptions were also changed.

Discount Rate – The discount rate used to measure the total OPEB liability is 6.00 percent. The projection of cash flows used to determine the discount rate assumed that the City’s contribution will be made equal to the actuarially determined contribution. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments is applied to all periods of projected benefit payments to determine the total OPEB Liability.

The long-term expected rate of return for OPEB plan investments is 6.00 percent. Using historical returns of all the funds’ asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach.

The long-term expected real rate of return by asset class and the target allocation are as follows:

Asset Class	Current Target Allocation	Real Return Years 1-10 ¹	Real Return Years 11+ ²
Global Equity	40.0%	4.80%	5.98%
Fixed Income	43.0	1.10	2.62
REITS	8.0	3.20	5.00
TIPS	5.0	0.25	1.46
Commodities	4.0	1.50	2.87

(1) An expected inflation rate of 2.00 percent is used for this period.

(2) An expected inflation rate of 2.92 percent is used for this period.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The Shoreline Community’s proportionate share of the net OPEB liability, calculated using the discount rate of 6.00 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

	Discount Rate -1% (5.00%)	Current Discount Rate (6.00%)	Discount Rate +1% (7.00%)
\$	127	127	127

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The Shoreline Community’s proportionate share of the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

Healthcare Cost Trend Rate -1%	Healthcare Cost Trend Current Rate	Healthcare Cost Trend Rate +1%
\$ 127	127	127

C. OPEB Expenses and Deferred Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the Shoreline Community recognized OPEB expense of \$127,000. As of June 30, 2022, the Shoreline Community reported \$127,000 as deferred outflows of resources related to contributions for OPEB subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023.

NOTE 10 – RISK MANAGEMENT

The Shoreline Community is covered under the City’s insurance program and therefore contributes its proportionate share of cost. The City is exposed to various risks of loss related to torts, errors and omissions, injuries to employees or others, unemployment and certain health care benefits of employees. The City has established various self-insurance programs to account for and finance its uninsured risks of loss. Under the self-insurance programs, the City retains the risk of loss up to a maximum of \$1.0 million for general liability claims, \$750,000 for workers’ compensation claims with statutory excess insurance and actual costs incurred for unemployment and certain health care benefits.

For general liability claims, the City has excess liability coverage through the Authority for California Cities Excess Liabilities (ACCEL) to cover the risk of loss for claims in excess of \$1.0 million per incident. ACCEL is a joint powers authority of medium-sized California municipalities, which pools catastrophic general liability, automobile liability and public officials’ errors and omissions losses.

Additional information regarding the City’s insurance program can be found in the notes to the City’s basic financial statements.

NOTE 11 – NET POSITION AND FUND BALANCES

A. Net Position

Net position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined at the Government-wide level and are described as follows:

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 11 – NET POSITION AND FUND BALANCES (Continued)

Net investment in capital assets – This caption groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, including debt related deferred outflows and inflows of resources that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted - This caption represents net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the Shoreline Community cannot unilaterally alter.

Unrestricted – This caption represents net position of the Shoreline Community not restricted for any project or purpose.

B. Fund Balances

Governmental fund balances represent the assets and deferred outflows of resources less the liabilities and deferred inflows of resources of each fund. Governmental funds report fund balance in classifications based primarily on the extent to which the Shoreline Community is bound to honor constraints on how specific amounts in the funds can be spent. For programs with multiple funding sources, the Shoreline Community prioritizes and expends funds in the following order: Restricted, Committed, Assigned and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint as follows:

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation, which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources. As of June 30, 2022, the Shoreline Community has restricted fund balances of \$61.3 million for Shoreline Community indebtedness and \$6.5 million for debt service.

Committed fund balances have constraints imposed by resolution of the Board, which may only be altered by resolution of the Board. Nonspendable amounts subject to Board commitments are included along with spendable resources. As of June 30, 2022, the Shoreline Community has committed fund balances of \$14.8 million for capital projects.

Assigned fund balances are amounts constrained by the Board's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board or its designees and may be changed at the discretion of the Board or its designees. The Board has not delegated the authority to make assignments of fund balance. This category also includes residual fund balances which have not been restricted or committed.

Unassigned fund balance represents residual fund deficits.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 11 – NET POSITION AND FUND BALANCES (Continued)

C. *Minimum Fund Balance / Net Position Policies*

The City's Financial and Budgetary Policy requires the Shoreline Community to maintain a reserve of 25 percent of operating budget for three months of operating expenditures; the landfill reserve shall be incrementally increased to accumulate funds to rebuild the landfill system, which is initially estimated at approximately \$12.0 million, in case of a catastrophic event; and the sea level rise reserve shall be incrementally increased to \$30.0 million for flood protection projects necessary to protect public and private investments within the Shoreline Community identified in the Sea Level Rise Study.

D. *Landfill Containment Reserve*

In 2013, CalRecycle regulations required the City to create a reserve, in whole or incrementally, for potential corrective actions associated with a non-water release event at the landfill site. The estimated costs of the corrective actions are adjusted annually by an inflation factor approved by CalRecycle. On June 25, 2013, the City Council and the Board approved to set-aside funds for landfill containment in the landfill reserve of the Shoreline Regional Park Community Fund. The City estimated the costs for the corrective actions to be \$1.1 million for the fiscal year ended June 30, 2022 and \$12.0 million to rebuild a new landfill system. As of June 30, 2022, the Shoreline Regional Park Community Fund has reported \$10.0 million for the landfill containment as part of restricted fund balance and planned to increase the balance by \$1.0 million annually until \$12.0 million is reached.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. *Encumbrances*

The Shoreline Community's outstanding encumbrances as of June 30, 2022, are \$295,000 recorded as part of restricted fund balance.

B. *Education Enhancement Reserve Joint Powers Agreement*

On June 30, 2013, the Shoreline Community entered into an Education Enhancement JPA with the Mountain View Los Altos Unified High School District (MVLAUHSD) and the Mountain View Whisman School District (MVWSD) effective July 1, 2013, for a period of 10 years, superseding any prior agreements. The agreement provides for minimum annual payments commencing with the fiscal year ended June 30, 2014 of \$1.8 million and \$2.9 million to MVLAUHSD and MVWSD, respectively. Each subsequent fiscal year increases based on the growth in property tax revenues in the preceding fiscal year. For the fiscal year ended June 30, 2022, the Shoreline Community paid a total of \$8.2 million in contributions to the school districts.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

C. *Tax Revenue Sharing*

Pursuant to an agreement between the City, the Shoreline Community, and the County dated June 22, 2005, the Shoreline Community is annually obligated to pay the County from tax revenues, an amount equal to the County's total retirement tax override levies and pass-through an additional amount of taxes that would have been allocated to the County in the absence of the existence of the Shoreline Community. For the fiscal year ended June 30, 2022, \$1.9 million and \$2.6 million in retirement tax override levies and pass-through payments, respectively, were paid to the County.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Required Supplementary Information (Unaudited)
Schedule of the Shoreline Community's Proportionate Share of the Net Pension Liability
(Dollar in Thousands)

	Fiscal Year Ended June 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Measurement period	2021	2020	2019	2018	2017	2016	2015	2014
Shoreline Community's proportion of the net pension liability (NPL)	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Shoreline Community's proportionate share of the NPL	\$ 2,788	5,268	5,032	5,038	5,431	4,948	4,177	3,783
Shoreline Community's covered payroll	\$ 2,149	2,037	2,009	1,907	1,797	1,622	1,520	1,429
Shoreline Community's proportionate share of the NPL as a percentage of its covered payroll	129.7%	258.6%	250.5%	264.2%	302.2%	305.1%	274.8%	264.6%
City Miscellaneous Plan's fiduciary net position as a percentage of the City Miscellaneous Plan's total pension liability	87.5%	74.8%	74.8%	73.4%	70.2%	70.0%	73.4%	74.9%

Note to schedule:

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Change in assumptions - During measurement period 2014, the discount rate was 7.50%. During measurement period 2015, the discount rate was increased from 7.50 percent to 7.65 percent. There is no change in discount rate during measurement period 2016. During measurement period 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. During measurement period 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There are no change in assumptions during measurement periods 2019, 2020, and 2021.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight years of information is shown.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Required Supplementary Information (Unaudited)
Schedule of the Shoreline Community Pension Contributions
(Dollar in Thousands)

Fiscal Year Ended June 30	Fiscal Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions (actuarially determined) (CRC)	\$ 761	680	847	779	819	565	509	359	284
Contributions in relation to the CRC	(761)	(680)	(847)	(779)	(819)	(565)	(509)	(359)	(284)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	0%	-
Covered payroll	\$ 2,243	2,149	2,037	2,009	1,907	\$ 1,797	\$ 1,622	\$ 1,520	1,429
Contributions as a percentage of covered payroll	33.9%	31.6%	41.6%	38.8%	42.9%	31.4%	31.4%	23.6%	19.9%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2022 were as follows:

Actuarially determined contribution for fiscal year	June 30, 2022
Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Salary increases	Varies by entry age and services
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only nine years of information is shown.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Required Supplementary Information (Unaudited)
Schedule of the Shoreline Community's Proportionate Share of the Net OPEB Liability
(Dollar in Thousands)

	Fiscal Year Ended June 30,				
	2022	2021	2020	2019	2018
Measurement period	2021	2020	2019	2018	2017
Shoreline Community's proportion of the net OPEB liability (NOPEBL)	-0.5%	2.1%	6.8%	1.1%	3.3%
Shoreline Community's proportionate share of the NOPEBL	\$ 127	\$ 112	\$ 602	\$ 290	\$ 1,085
Shoreline Community's covered payroll	\$ 2,149	2,037	2,009	1,907	1,797
Shoreline Community's proportionate share of the NOPEBL as a percentage of its covered payroll	5.9%	5.5%	30.0%	15.2%	60.4%
City OPEB Plan's fiduciary net position as a percentage of the City OPEB Plan's total OPEB liability	117.3%	96.4%	93.9%	82.8%	76.9%

Note to schedule:

Change in assumptions - During measurement period 2019, the discount rate was reduced from 6.50 percent to 6.25 percent. Demographic assumptions were change in accordance to the 2017 CalPERS Experience Study. There is no change in assumptions during measurement period 2020. During the measurement period 2021, the discount rate was reduced from 6.25 percent to 6.00 percent. Inflation rate was reduced from 2.75 percent to 2.50 percent. Other assumptions including projected salary increase, post retirement benefit increase, and other demographic assumptions were also changed.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only five years of information is shown.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Required Supplementary Information (Unaudited)
Schedule of the Shoreline Community OPEB Contributions
(Dollar in Thousands)

Fiscal Year Ended June 30	Fiscal Year Ended June 30,					
	2022	2021	2020	2019	2018	2017
Actuarially determined contributions (ADC)	\$ 127	112	602	290	1,085	1,014
Contributions in relation to the ADC	(127)	(112)	(602)	(290)	(1,085)	(1,014)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Covered payroll	\$ 2,243	2,149	2,037	2,009	1,907	1,797
Contributions as a percentage of covered payroll	5.7%	5.2%	29.6%	14.4%	56.9%	56.4%

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2022 were as follows:

ADC for fiscal year	June 30, 2022
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Projected salary increases	3.00%
Investment rate of return	6.00%
Post Retirement Benefit Increase	For medical plan premiums: 5.70% for the year beginning January 1, 2022 and graded down until 4.00% ultimate rate is reached. For vision premiums: 3.00%
Mortality	Derived using CalPERS Membership Data for all Funds. Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2018 applied generationally as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015.

*

Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only six years of information is shown.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2022

The **Administrative Fund** in accordance with the Act, accounts for moneys may be transferred from the Special Fund for deposit to pay for the administrative expenses and overhead of the Shoreline Community.

The **Special Fund** in accordance with the Act, accounts for all tax revenues received by the Shoreline Community are deposited in the Special Fund and will be used to pay the principal of and interest on loans, advances, or other indebtedness of the Shoreline Community.

The **North Bayshore Impact Fee Fund** accounts for the revenues collected for fees adopted to assist with funding improvements in the Shoreline Community.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
Combining Balance Sheet
June 30, 2022
(Dollars in Thousands)

	Shoreline Regional Park Community Administrative	Shoreline Regional Park Community Special	North Bayshore Impact Fee	Total
Assets:				
Cash and investments	\$ 62,084	3,750	14,751	80,585
Receivables:				
Accounts	57	-	-	57
Interest	531	-	57	588
Total assets	<u>\$ 62,672</u>	<u>3,750</u>	<u>14,808</u>	<u>81,230</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	5,002	-	-	5,002
Refundable deposits	40	-	-	40
Unearned revenue	126	-	-	126
Total liabilities	<u>5,168</u>	<u>-</u>	<u>-</u>	<u>5,168</u>
Fund Balances:				
Restricted	57,504	3,750	-	61,254
Committed	-	-	14,808	14,808
Total fund balances	<u>57,504</u>	<u>3,750</u>	<u>14,808</u>	<u>76,062</u>
Total liabilities and fund balances	<u>\$ 62,672</u>	<u>3,750</u>	<u>14,808</u>	<u>81,230</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2022
(Dollars in Thousands)

	Shoreline Regional Park Community Administrative	Shoreline Regional Park Community Special	North Bayshore Impact Fee	Interfund Elimination	Total
Revenues:					
Property taxes	\$ -	55,486	-	-	55,486
Use of money and property	(962)	34	27	-	(901)
Charges for services	76	-	-	-	76
Developer fees and contributions	-	-	14,428	-	14,428
Other	53	-	-	-	53
Total revenues	<u>(833)</u>	<u>55,520</u>	<u>14,455</u>	<u>-</u>	<u>69,142</u>
Expenditures:					
Current:					
General government	21,287	-	-	-	21,287
Public safety	90	-	-	-	90
Public works	1,126	-	-	-	1,126
Community development	289	-	-	-	289
Culture and recreation	3,913	-	-	-	3,913
Capital outlay	62	-	-	-	62
Total expenditures	<u>26,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,600)</u>	<u>55,520</u>	<u>14,455</u>	<u>-</u>	<u>42,375</u>
Other financing sources (uses):					
Transfers in	49,629	-	-	(49,629)	-
Transfers out	-	(56,045)	-	49,629	(6,416)
Transfers from the City of Mountain View	936	-	184	-	1,120
Transfers to the City of Mountain View	(12,331)	-	(2,790)	-	(15,121)
Total other financing sources (uses)	<u>38,234</u>	<u>(56,045)</u>	<u>(2,606)</u>	<u>-</u>	<u>(20,417)</u>
Net change in fund balances	10,634	(525)	11,849	-	21,958
Fund balances, beginning of year	<u>46,870</u>	<u>4,275</u>	<u>2,959</u>	<u>-</u>	<u>54,104</u>
Fund balances, end of year	<u>\$ 57,504</u>	<u>3,750</u>	<u>14,808</u>	<u>-</u>	<u>76,062</u>

This page intentionally left blank



**Independent Auditor’s 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***

Board of Directors of the
Mountain View Shoreline Regional Park Community
City of Mountain View, 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 and each major fund of the Mountain View Shoreline Regional Park Community (Shoreline Community), a component unit of the City of Mountain View, California (City), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Shoreline Community’s basic financial statements, and have issued our report thereon dated November 18, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 18, 2022