



City of
Mountain View

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



Mission Statement:

The City of Mountain View provides quality services and facilities that meet the needs of a caring and diverse community in a financially responsible manner.

CITY OF MOUNTAIN VIEW, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by the

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended June 30, 2023

Table of Contents

<u>INTRODUCTORY SECTION</u>	<u>Exhibit</u>
Letter of Transmittal	1
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, 2023

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, 2023

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



OFFICE OF THE CITY MANAGER
500 Castro Street, P.O. Box 7540
Mountain View, CA 94039-7540
650-903-6301 | MountainView.gov

November 27, 2023

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

I submit for your information and consideration the Annual Comprehensive Financial Report (ACFR) of the City of Mountain View (City) for the fiscal year ended June 30, 2023.

FACTORS AFFECTING FINANCIAL CONDITION

Over the past year, the City has emerged from the COVID-19 pandemic and is back in business and more resilient than ever. Thanks to the leadership of the City Council and through the support and hard work of the Executive Leadership team and our outstanding City employees, we have provided an exceptional level of service to our community while maintaining fiscal stability.

While we welcome the return to normalcy, we are cautiously optimistic about future fiscal growth. The economy proved to be much more resilient in 2023 than economists expected. However, 2024 is expected to be weaker. Economists are predicting that rising unemployment and disinflation will lead to a reduction in the Federal funds rate in late 2024 to reduce further economic weakening.

The current General Operating Fund Forecast indicates sufficient financial resources to maintain the Mountain View of today, but building the Mountain View of tomorrow will require that we continue to enhance and diversify the City's revenue streams to maintain ongoing fiscal stability and accomplish bold initiatives the City is advancing.

This includes exploring additional funding via a revenue measure in 2024 for necessary Citywide enhancements, which may include addressing aging facilities and Citywide infrastructure, building new parks and open spaces, implementing ambitious decarbonization and sustainability programs, and building more affordable housing.

FINANCIAL INFORMATION

As we move ahead, I am pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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.

Though the audit is conducted by an independent certified public accounting firm, City management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. 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 activities and status.

To provide a basis for making these representations, City management has established a comprehensive internal control framework that is designed 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 books, financial records, and 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 objective of the independent audit is to provide reasonable assurance that the financial statements of the City and related entities are free of material misstatement. **The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified "clean" opinion on the City's basic financial statements as of, and for, the fiscal year ended June 30, 2023, and they are fairly presented in conformity with GAAP.** The independent auditor's report is presented at the beginning of the financial section of this report, on Page 1.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in a section titled 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 notes to the financial statements are provided in the financial

section and are considered essential to fair presentation and adequate disclosure. 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 plans and Other Post-Employment 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 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 83,600 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 seven-member City Council serves as the governing body of the Mountain View Shoreline Regional Park Community and the City of Mountain View Capital Improvements Financing Authority, although these agencies are legal entities separate from the City. These two agencies are considered 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.

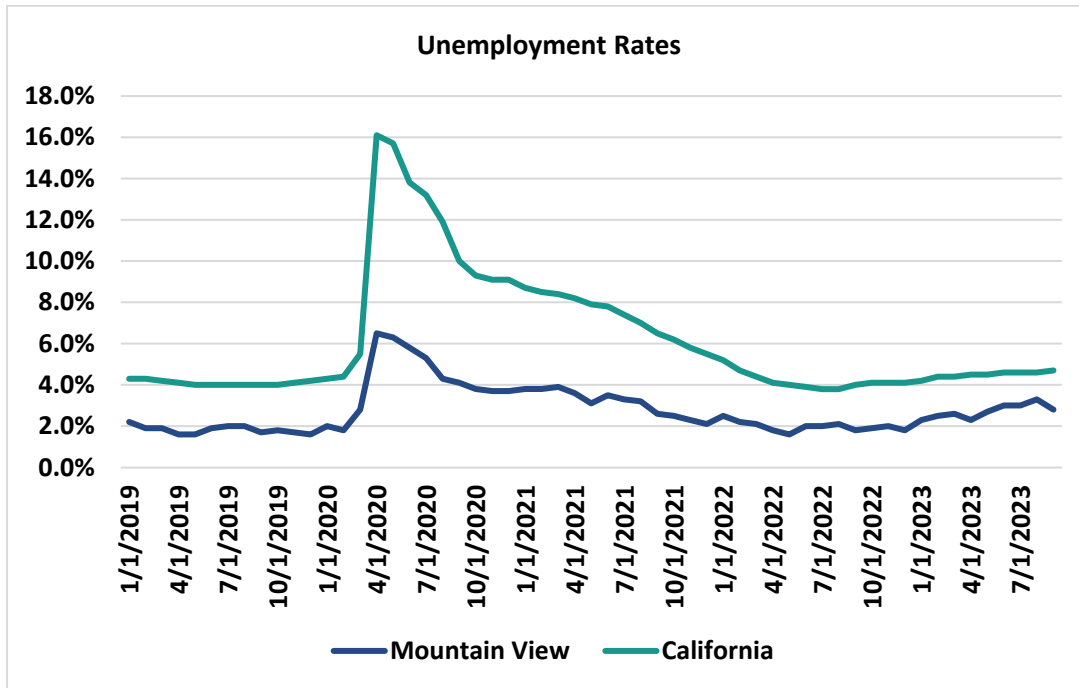
LOCAL ECONOMY

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.

The local economy continues to experience a rebound from the COVID-19 pandemic, primarily due to higher-than-expected revenues, specifically transient occupancy taxes (TOT), sales tax, and use of money and property (investment and rental income). TOT revenue increased from \$4.4 million in Fiscal Year 2021-22 to \$9.5 million in Fiscal Year 2022-23, an increase of 114.6%. The addition of two new hotels and overall increases in occupancy rates and daily room rates have led to the large increase in TOT revenue. It is anticipated that business travel will not experience any additional growth in the near future; therefore, TOT revenue is projected to remain at the same level for Fiscal Year 2023-24.

Even though the City has experienced an increase in General Fund revenues, the local business community continues to see lasting impacts from the COVID-19 pandemic. As businesses grapple with hybrid and remote workforce strategies, commercial real estate vacancy rates continue to increase. Office vacancy rates in Silicon Valley were estimated to be 19.8% between July and September 2023, with Mountain View estimated to be 26.6% for the same time period, according to Colliers, a commercial real estate firm.

Another indicator of the local economy’s health is unemployment. The unemployment rate in Mountain View in September 2023 was estimated to be 2.8% compared to the prior-year rate of 1.8% for the same month, reflecting the relative continued strength of employment in the local region. Unemployment rates in the area are expected to continue to increase as corporate layoffs continue.



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 rating reflects the City’s sizeable property tax base, substantial revenue generated annually by the numerous commercial and residential leases in which the City is the lessor, and a positive financial position supported by strong reserve levels and a very modest debt burden.

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

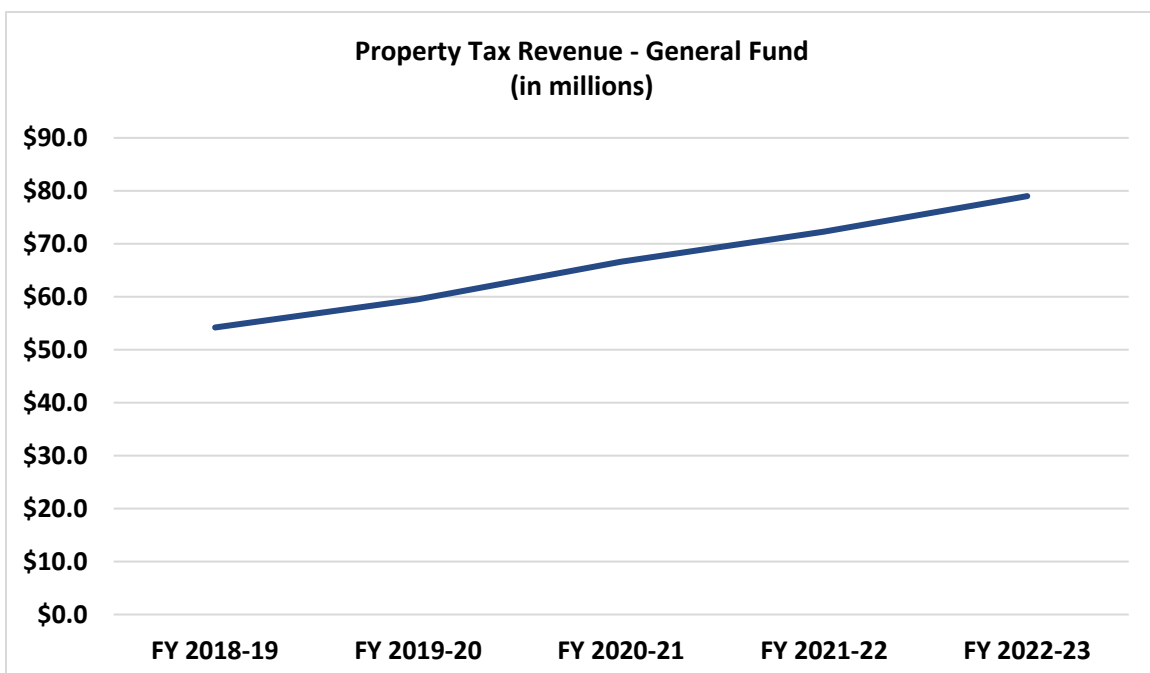
companies, because of the diverse number of retailers, restaurants, and convenient access to public transportation.

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.

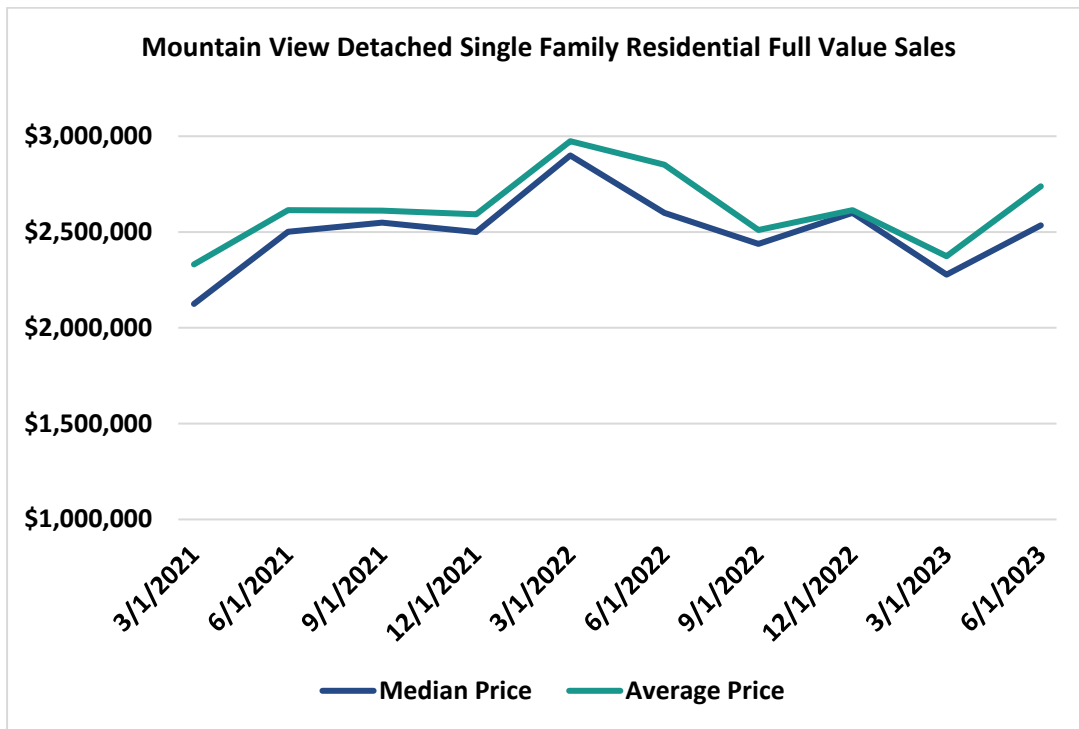
General Fund revenues totaled \$234.0 million in Fiscal Year 2022-23 compared to \$213.2 million in Fiscal Year 2021-22, an increase of \$20.8 million, or 9.8%. Growth in property taxes, use of money and property, sales taxes, other taxes, and grant funding received have primarily driven the increase in General Fund revenue for Fiscal Year 2022-23.

Property Tax

Property tax accounts for 33.8% of total General Fund revenues and is a key indicator of the City's economic outlook. Property tax revenue in the General Fund totaled \$79.0 million in Fiscal Year 2022-23 compared to \$72.3 million in Fiscal Year 2021-22, an increase of \$6.7 million, or 9.3%. Even though property tax revenue is projected to experience a moderate increase in Fiscal Year 2023-24, near double-digit growth is not expected to be achieved again in the near future.



The median sales price of single family residences was \$2.5 million for the quarter ended June 30, 2023. As can be seen in the chart below, this price has remained relatively stable since decreasing from a high of \$2.9 million for the quarter ended March 31, 2022.

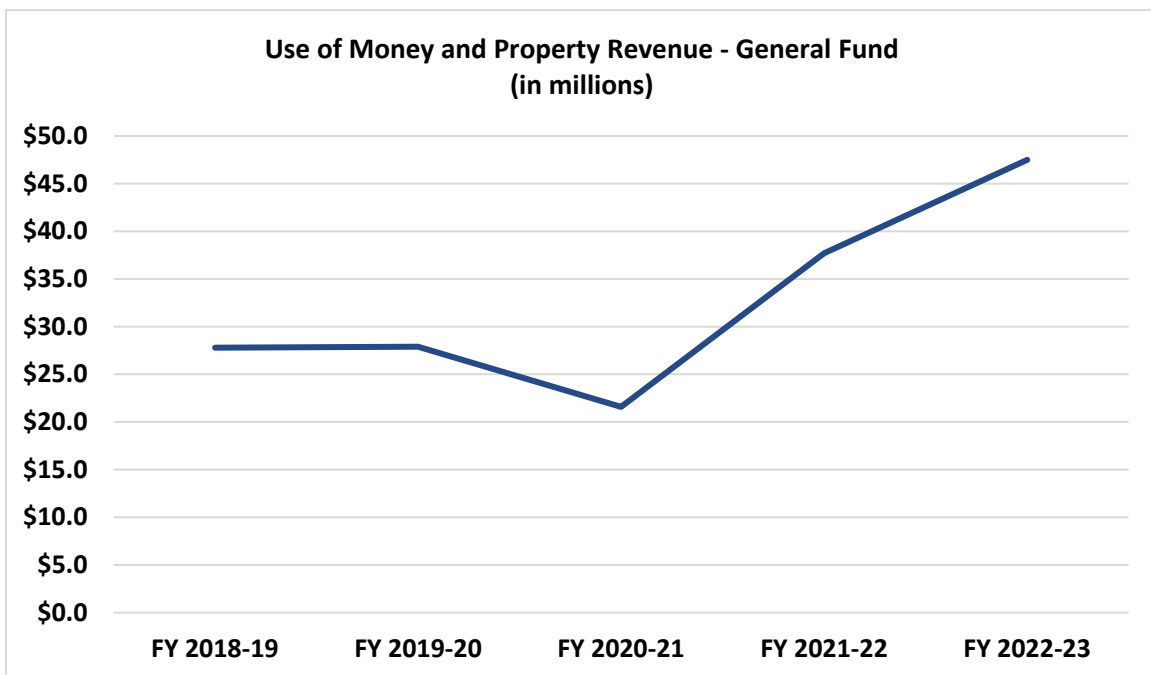


Source: HdL Coren & Cone

As median sales prices hover around \$2.5 million and 30-year fixed mortgage rates hit 8%, the number of home sales in the local housing market continue to slow. There were 227 single family home sales in Fiscal Year 2022-23, compared to 340 in Fiscal Year 2021-22, a decrease of 113, or 33.2%.

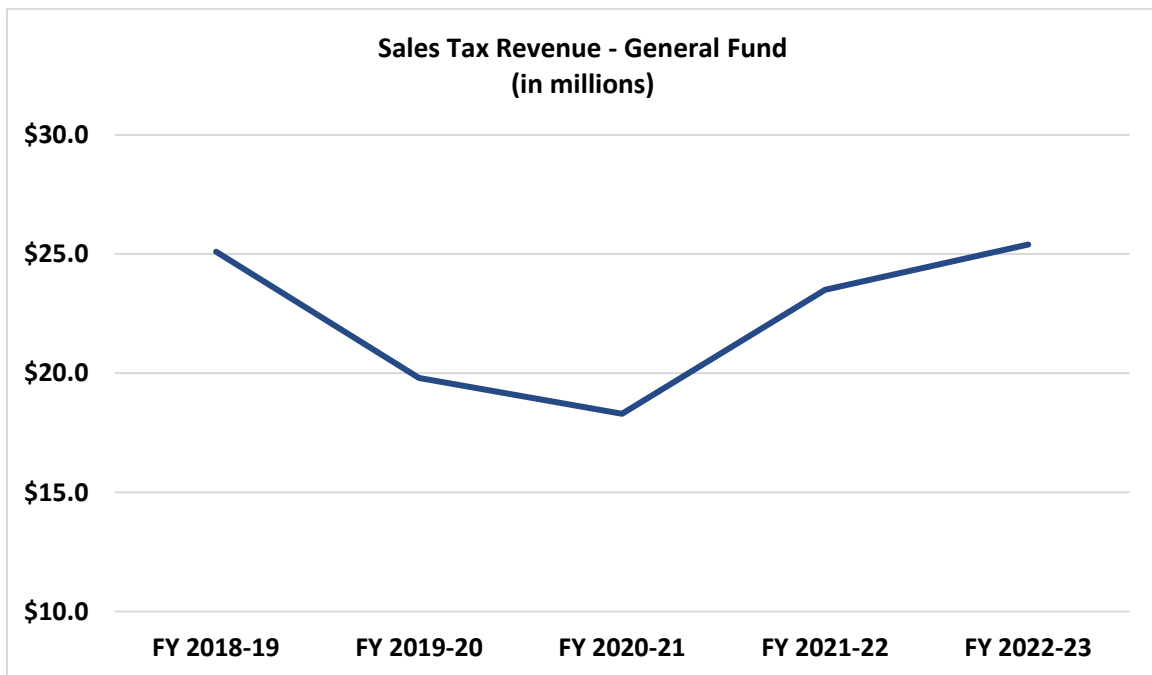
Use of Money and Property

Use of money and property, which consists primarily of lease revenue and investment earnings, is an important source of General Fund revenue and accounts for 20.3% of total General Fund revenues. This revenue source generated \$47.5 million in Fiscal Year 2022-23, an increase of \$9.8 million, or 26.0%, when compared to Fiscal Year 2021-22. Use of Money and Property revenue is projected to experience a moderate increase in Fiscal Year 2023-24 as the City's investment portfolio earns higher investment returns.



Sales Tax

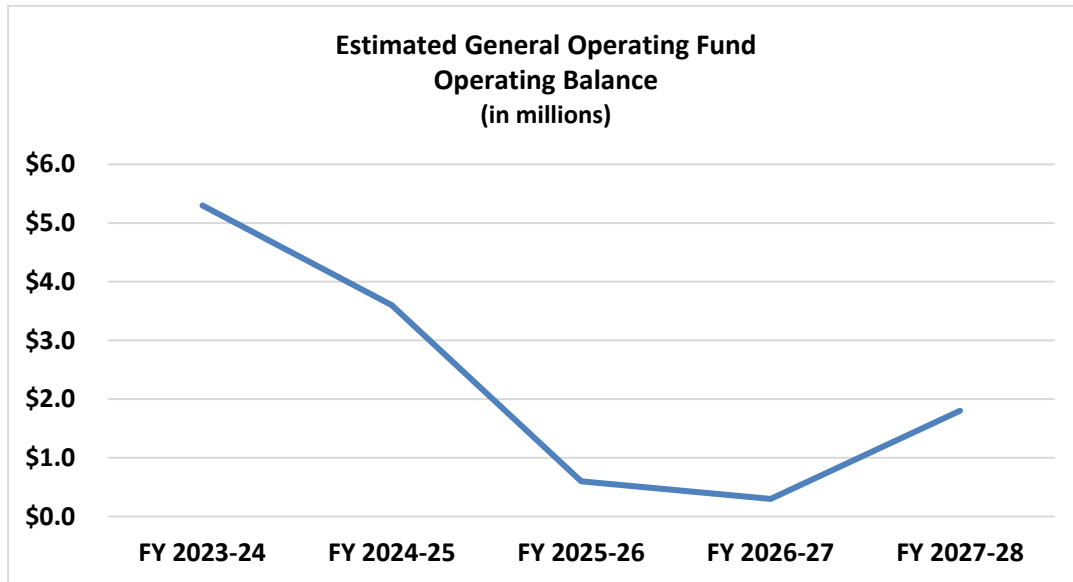
Sales tax is another important source of General Fund revenue as it accounts for 10.9% of total General Fund revenues. Sales tax revenue in the General Fund totaled \$25.4 million in Fiscal Year 2022-23 compared to \$23.5 million in Fiscal Year 2021-22, an increase of \$1.9 million, or 8.1%. Sales tax revenue is projected to stay relatively flat for Fiscal Year 2023-24.



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. As part of the Fiscal Year 2023-24 Adopted Budget, a Five-Year Financial Forecast (Forecast) was developed for Fiscal Years 2023-24 through 2027-28. 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 projects positive ending operating balances for Fiscal Years 2023-24 through 2027-28. Fiscal Years 2023-24 and 2024-25 are projected to achieve modest positive operating balances, with smaller positive balances projected for Fiscal Years 2025-26 through Fiscal Year 2027-28. Operating and emergency reserves are also maintained at levels to withstand possible future economic downturns.



In summary, overall revenues are expected to continue to grow at a modest level 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 an extended period of time.

RELEVANT FINANCIAL POLICIES

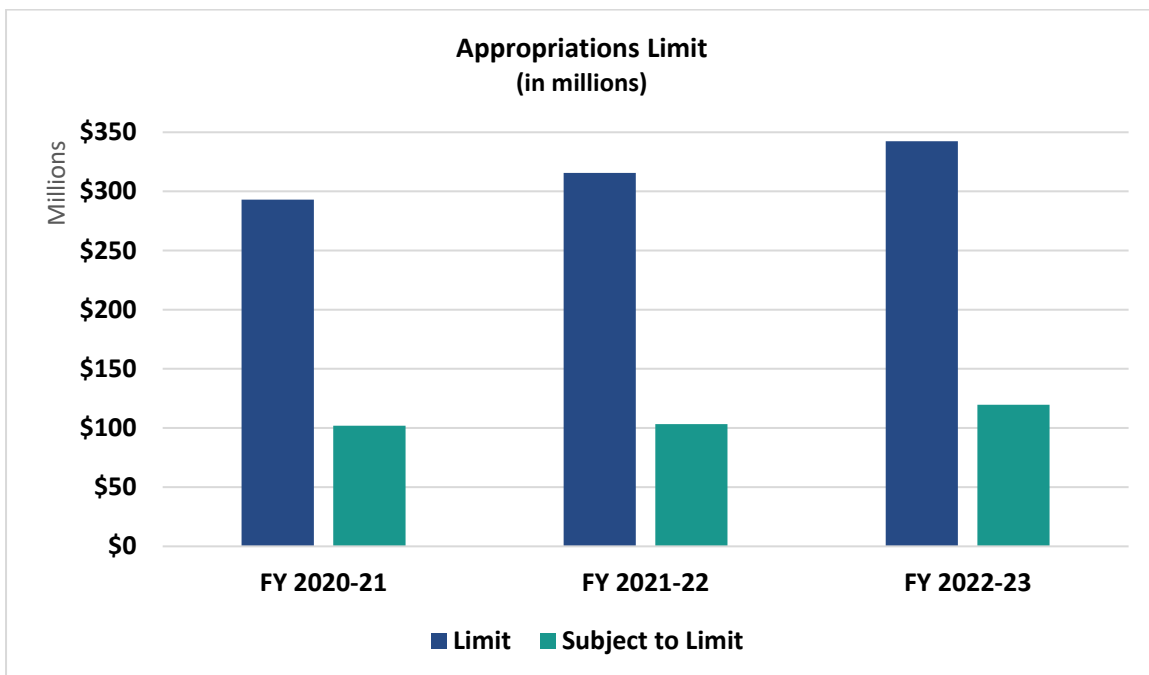
The City Council has established a financial and budgetary policy framework which is reviewed and updated as necessary by the City Council. A comprehensive and consistent set of financial and budgetary policies provides a basis for sound financial planning, identifies appropriate directions for service-level 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.

APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, which became effective in Fiscal Year 1979-80, and which was modified (by Proposition 111) in November 1989, establishes, by formula, an appropriation limit for governmental agencies. Using the appropriations of Fiscal Year 1978-79 as the base year, the limit is modified by the growth in inflation and population during each fiscal year. Inflation is measured as the year-over-year growth in per-capita personal income, while population growth is based on a weighted growth measure that blends growth in the civilian population with growth in K-12 and community college average daily attendance. Article XIII B also sets the guidelines as to what is to be included in the appropriation limits.

The City's appropriation limit for Fiscal Year 2022-23 was \$342,417,977; the City's actual appropriations subject to the limit were \$119,596,661, far below the limit. The Fiscal Year 2022-23 appropriation limit increased from \$315,571,679 in Fiscal Year 2021-22 due primarily to the increase of 7.55% in California per-capita personal income over the prior year, one of the factors used in calculating the change in the appropriation limit.



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, 2022. This was the 33rd 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. I 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 2022-23. 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.

Special recognition is extended to Arn Andrews, Assistant City Manager; Derek Rampone, Finance and Administrative Services Director; Grace Zheng, Assistant Finance and Administrative Services Director; and the entire staff of the Finance and Administrative Services Department for their dedication to all City departments, residents, and customers on a daily basis. The preparation of this report could not have been achieved without the skillful, dedicated, and efficient services of the entire staff of the Finance and Administrative Services Department. In particular, Helen He, Accounting Manager; Janet Shum, Senior Accountant; and Marichi Valle, Accountant, were instrumental in preparing the ACFR accurately and in a timely manner. Every member of the department deserves recognition and thanks for their commitment to the City and their profession. I would also like to thank the members of the City Council and Council Finance Committee for their leadership and policy guidance in managing the financial operations of the City in a fiscally responsible manner that continues to serve in the best interests of the residents of the City.

Respectfully submitted,



Kimbra McCarthy
City Manager

City of Mountain View California

City Officials

City Council

Mayor — Alison Hicks

Vice Mayor — Pat Showalter

Margaret Abe-Koga

Ellen Kamei

Lisa Matchak

Lucas Ramirez

Emily Ann Ramos

Executive Staff

City Manager — Kimbra McCarthy

City Attorney — Jennifer Logue

City Clerk — Heather Glaser

Assistant City Manager — Audrey Seymour Ramberg

Assistant City Manager — Arn Andrews

Assistant City Manager/Community Development Director — Aarti Shrivastava

CIO/Information Technology Director — Roger Jensen

Community Services Director — John Marchant

Finance and Administrative Services Director — Derek Rampone

Fire Chief — Juan Diaz

Housing Director — Wayne Chen

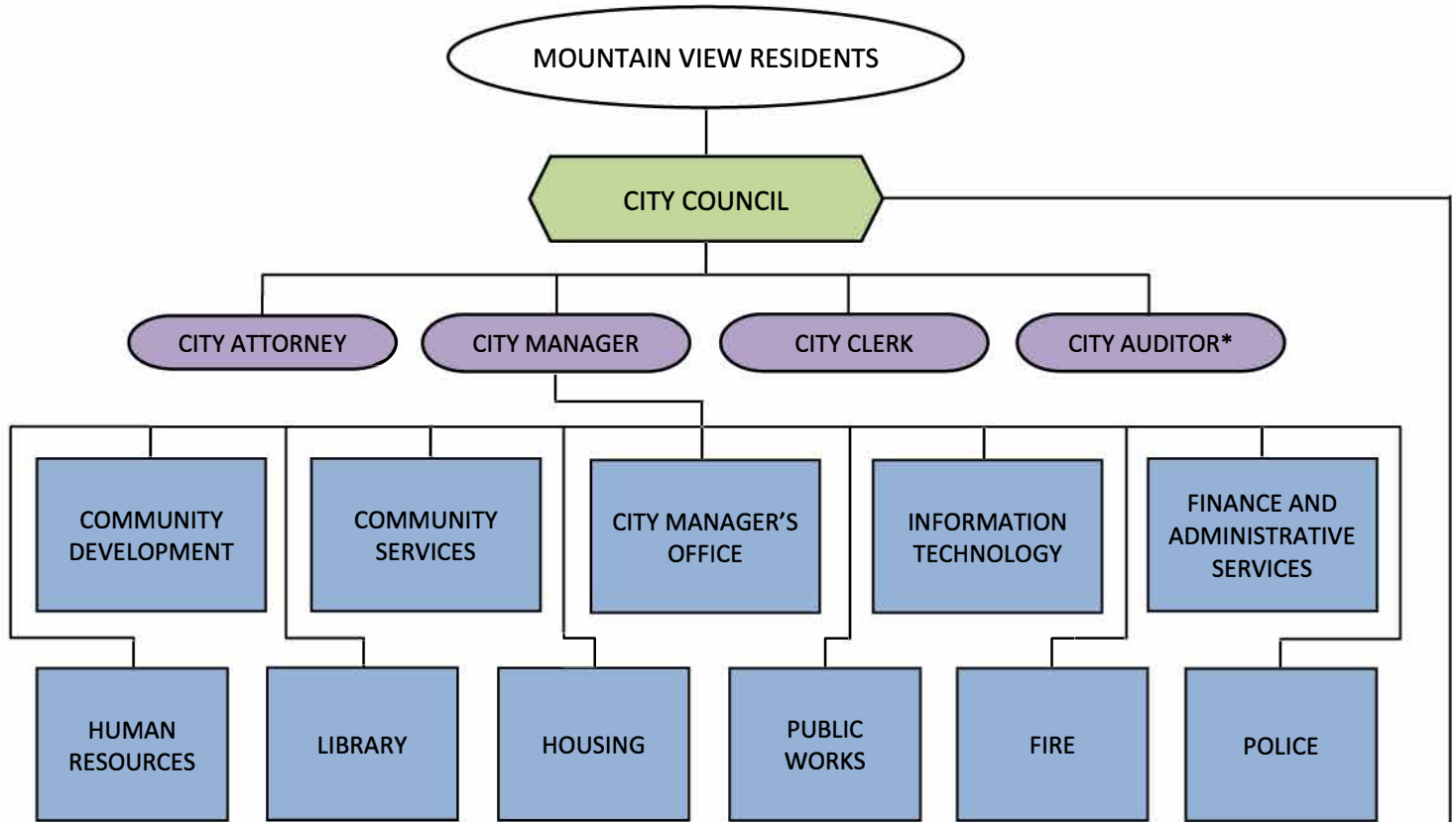
Human Resources Director — Sue Rush

Library Services Director — Tracy Gray

Police Chief — Michael Canfield

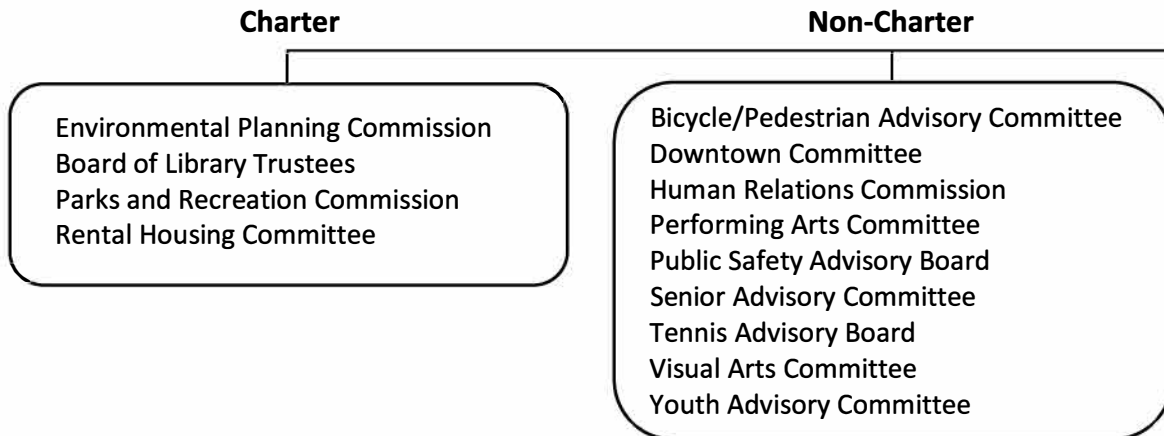
Public Works Director — Dawn Cameron

CITY GOVERNMENT ORGANIZATION



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

CITY BOARDS, COMMISSIONS, AND COMMITTEES



* Finance and Administrative Services Director serves as City Auditor as appointed by City Council.



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, 2022

Christopher P. Morill

Executive Director/CEO

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, 2023, 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, 2023, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 GAAS, 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 GAAS. 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 27, 2023, 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 27, 2023

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, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in our Letter of Transmittal and Basic Financial Statements and to recognize that the financial statements focus on past results compared to the City's operating budget, which focuses on future goals and allocation of resources.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year are outlined below. Details can be found in the Government-Wide Financial Analysis the Financial Analysis of the City's Funds sections of this MD&A.

- 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, 2023 by \$1.5 billion (net position). Of this amount, \$241.6 million represents unrestricted net position, which may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$112.0 million compared to the increase of \$172.9 million in the prior fiscal year, a decrease of 35.2% in the current fiscal year when compared to the prior fiscal year. Of this amount, \$89.8 million was generated by governmental activities and \$22.2 million by business-type activities.
- The City's total outstanding long-term debt was unchanged in the current fiscal year, primarily due to increases in landfill containment and claims liabilities, offset by scheduled debt service payments.
- The City's net pension liabilities and net other post-employment benefit (OPEB) liabilities increased by \$128.8 million and \$36.4 million, respectively. The increase in the liabilities was primarily driven by negative investment earnings and significant interest costs that decreased the plans' fiduciary net position during the measurement year.
- The City's governmental funds reported total fund balances of \$967.4 million, an increase of \$37.5 million, or 4.0% from the prior fiscal year.
- Total fund balance of the General Fund was \$236.6 million, an increase of \$39.3 million, or 19.9% from the prior fiscal year. Approximately \$127.1 million of this amount, or 53.7%, represents unassigned fund balance which is available to meet the City's current and future

needs. This unassigned fund balance has been designated for future one-time expenditures, one-time payments toward unfunded liabilities, and emergency funds, and is 69.2% of total General Fund expenditures for the fiscal year ended June 30, 2023. This is an increase from 56.5% of total General Fund expenditures in the prior fiscal year.

- The City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, effective fiscal year ended June 30, 2023. See Note 12 in the Notes to Basic Financial Statements for details.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Discussion and Analysis document is 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 are 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 fiduciary 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 most of its 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.

Fiduciary 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. These are comprised of custodial funds, which are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds and include custodial balances and activities of the City's labor unions, flexible benefits, and Center for Performing Arts. 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 the 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)						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 1,826,047	1,850,693	164,903	147,098	1,990,950	1,997,791
Capital assets	580,981	527,671	101,943	97,965	682,924	625,636
Total assets	<u>2,407,028</u>	<u>2,378,364</u>	<u>266,846</u>	<u>245,063</u>	<u>2,673,874</u>	<u>2,623,427</u>
Deferred outflows of resources:						
Pension items	82,144	32,990	7,164	3,051	89,308	36,041
OPEB Items	28,388	9,332	344	341	28,732	9,673
Total deferred outflows of resources	<u>110,532</u>	<u>42,322</u>	<u>7,508</u>	<u>3,392</u>	<u>118,040</u>	<u>45,714</u>
Liabilities:						
Current and other liabilities	75,282	77,398	6,245	5,343	81,527	82,741
Noncurrent liabilities	401,032	270,818	34,352	26,320	435,384	297,138
Total liabilities	<u>476,314</u>	<u>348,216</u>	<u>40,597</u>	<u>31,663</u>	<u>516,911</u>	<u>379,879</u>
Deferred inflows of resources:						
Pension items	998	66,174	235	5,523.00	1,233	71,697
OPEB items	11,125	31,674	-	-	11,125	31,674
Leases	746,114	781,366	-	-	746,114	781,366
Total deferred inflows of resources	<u>758,237</u>	<u>879,214</u>	<u>235</u>	<u>5,523</u>	<u>758,472</u>	<u>884,737</u>
Net position:						
Net investment in capital assets	555,678	502,737	92,486	87,218	648,164	589,955
Restricted	626,817	624,062	-	-	626,817	624,062
Unrestricted	100,514	66,457	141,036	124,051	241,550	190,508
	<u>\$ 1,283,009</u>	<u>1,193,256</u>	<u>233,522</u>	<u>211,269</u>	<u>1,516,531</u>	<u>1,404,525</u>

The largest portion (42.8%) of the City's net position, or \$648.2 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. An additional 41.3% of the City's net position, or \$626.8 million, represents resources that are subject to external restrictions on how

they may be used. The last portion of the City's net position, \$241.6 million (15.9%), represents unrestricted net position.

The City's total noncurrent liabilities increased by \$138.2 million, compared with the prior fiscal year, primarily due to an increase of net pension liability of \$128.8 million resulting from lower investment returns and higher interest cost on the total pension liability during the measurement year.

The City implemented GASB 96, *Subscription-Based Information Technology Arrangements* (SBITAs) as of July 1, 2022, which resulted in an increase of SBITA assets of \$1.1 million and SBITA liability of \$1.1 million, having no effect on City's beginning net position. At June 30, 2023, the City reported net SBITA assets of \$1.5 million and a SBITA liability of \$1.3 million.

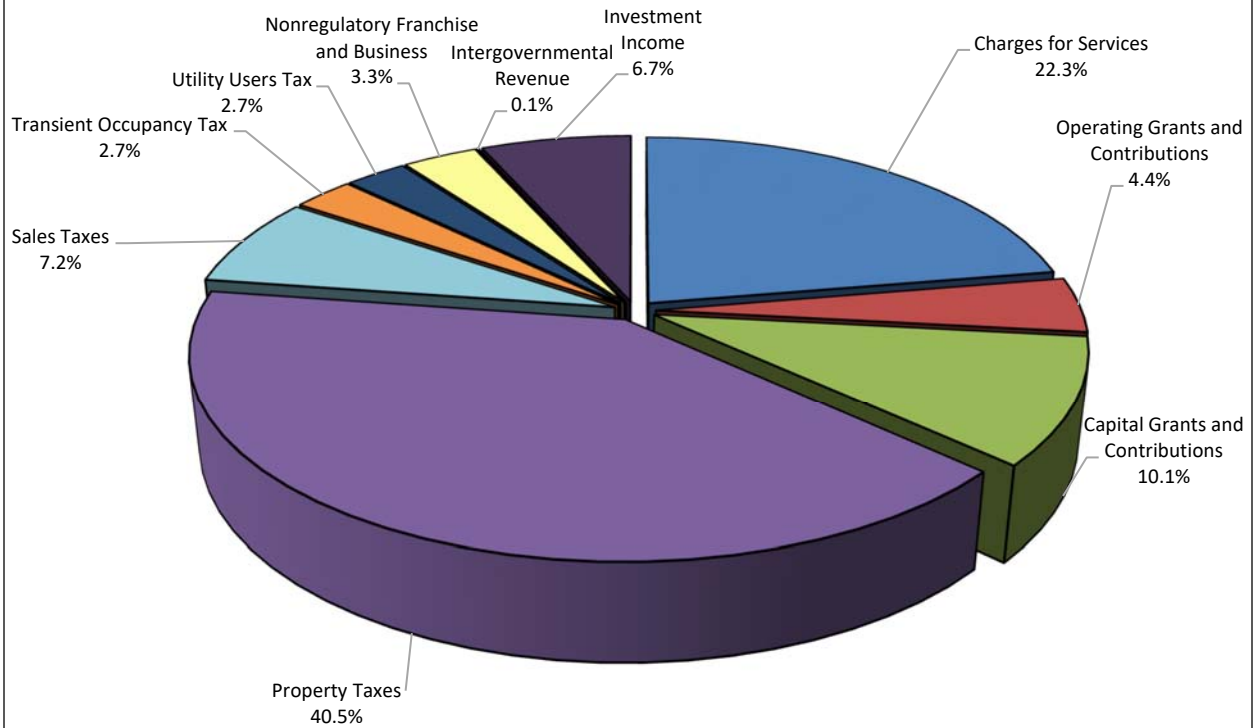
Analysis of Statement of Activities

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

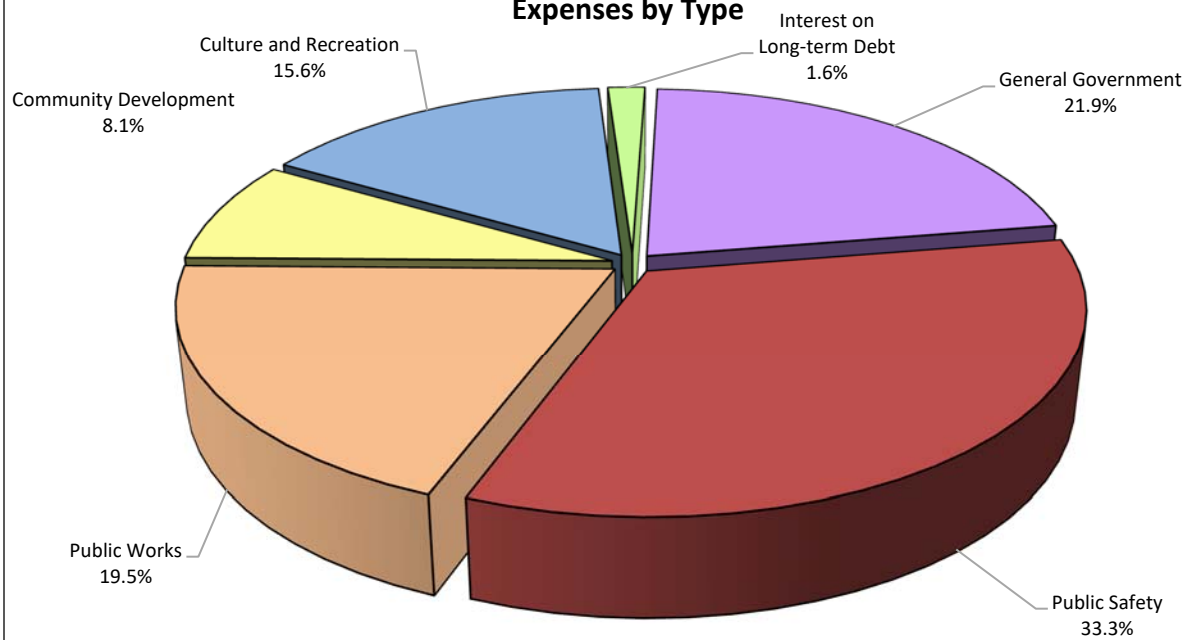
(Dollars in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 79,004	85,260	82,418	78,687	161,422	163,947
Operating grants and contributions	15,452	20,073	4	546	15,456	20,619
Capital grants and contributions	35,641	94,132	10,987	9,465	46,628	103,597
General Revenues:						
Property taxes	143,153	128,861	-	-	143,153	128,861
Sales taxes	25,394	23,456	-	-	25,394	23,456
Transient occupancy tax	9,522	4,437	-	-	9,522	4,437
Utility users tax	9,672	8,717	-	-	9,672	8,717
Nonregulatory franchise and business	11,789	11,784	-	-	11,789	11,784
Intergovernmental revenue	270	281	-	-	270	281
Investment income	23,594	(14,108)	783	(2,230)	24,377	(16,338)
Total revenues	353,491	362,893	94,192	86,468	447,683	449,361
Expenses:						
General government	57,508	50,952	-	-	57,508	50,952
Public safety	87,425	62,335	-	-	87,425	62,335
Public works	51,273	42,119	-	-	51,273	42,119
Community development	21,303	15,726	-	-	21,303	15,726
Culture and recreation	40,854	33,840	-	-	40,854	33,840
Interest on long-term debt	4,303	4,179	-	-	4,303	4,179
Water	-	-	35,284	32,425	35,284	32,425
Wastewater	-	-	22,472	22,359	22,472	22,359
Solid Waste	-	-	15,255	12,543	15,255	12,543
Total expenses	262,666	209,151	73,011	67,327	335,677	276,478
Change in net position before transfers	90,825	153,742	21,181	19,141	112,006	172,883
Transfers, net	(1,072)	47	1,072	(47)	0	0
Change in net position	89,753	153,789	22,253	19,094	112,006	172,883
Beginning net position	1,193,256	1,039,467	211,269	192,175	1,404,525	1,231,642
Ending net position	\$ 1,283,009	1,193,256	233,522	211,269	1,516,531	1,404,525

Governmental Activities Revenues by Source



Governmental Activities Expenses by Type



The City's overall net position increased by \$112.0 million during the current fiscal year.

Governmental activities increased the City's net position by \$89.8 million compared to \$153.8 million for the prior fiscal year. The significant key factors are as follows:

- Total revenues decreased to \$353.5 million, \$9.4 million or 2.6% lower than the prior fiscal year. Capital grants and contributions decreased by \$58.5 million, primarily related to a one-time public benefit in-lieu fee of \$22.9 million and developer fee of \$25.6 million collected for the Google Landings Office Development Project in Fiscal Year 2021-22. The total decreases in revenue in the above-mentioned areas are offset by a \$37.7 million increase in investment income and a \$14.3 million increase in property taxes. The investment income increased in Fiscal Year 2022-23, mainly due to the lower unrealized loss on investments than that of the prior year and the higher interest earnings resulting from the higher interest rate. Property taxes increased over the prior fiscal year as the residential and commercial real estate markets continued to experience strong growth in assessed values.
- Total expenses increased to \$262.7 million in the current fiscal year, a \$53.5 million increase, or 25.6%, compared to the prior fiscal year. The increase is mainly due to increases in salaries and benefits that include pension and OPEB expenses related to adjustments required by GASB Statements Nos. 68 and 75. Salaries and benefits are higher in the current fiscal year as a result of an increase in authorized positions, Council approved cost of living adjustments, and merit increases for employees. Pension and OPEB expenses have increased primarily due to lower investment returns that have decreased the plans' fiduciary net position during the measurement year, and significant interest costs, which have all resulted in higher pension and OPEB expenses.

Business-type activities increased the City's net position by \$22.3 million. The significant key factors are as follows:

- Water net position increased by \$6.1 million, primarily due to net operating income of \$1.9 million and capital contributions of \$3.3 million.
- Wastewater net position increased by \$15.5 million, primarily due to net operating income of \$7.8 million and developer capital contributions of \$4.7 million.
- Solid waste net position increased by \$0.7 million, primarily due to net operating income of \$0.4 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, 2023, the City's governmental funds reported combined ending fund balances of \$967.4 million, an increase of \$37.5 million compared to the prior fiscal year. The components for the change are increases of \$39.3 million in the General Fund, \$10.3 million in the Shoreline Regional Park Community Fund, \$0.6 million in the Housing Fund, and \$6.9 million in the Capital Projects fund, offset by a decrease of \$11.3 million in the Park Land Dedication Capital Projects Fund and \$8.3 million in Other Governmental Funds.

For the General Fund, revenues continued to exceed expenditures due, in large part, to the growth in property taxes, sales taxes, other taxes, use of money and property, and grant funding received exceeding the increase in expenditures. The increase in the Shoreline Regional Park Community Fund is due primarily to growth in property taxes. The Housing Fund's revenues and expenditures both decreased, resulting in a minimal increase of ending fund balance. Increases in the General Capital Projects Fund are due to increased interfund transfers from other funds and a decrease in transfers out to other funds. The decreases in the Park Land Dedication Capital Projects Fund are primarily due to transfers out to other funds for capital projects exceeding revenues and transfers in from other funds.

Total fund balance is comprised of an unassigned fund balance of \$127.1 million that is available for spending at the City's discretion. The remainder of the fund balance is nonspendable (\$2.0 million), restricted (\$696.5 million), committed (\$135.2 million), and assigned (\$6.5 million), none of which are available for new discretionary spending. The restricted fund balance virtually stayed at the same level as the prior fiscal year with only a \$0.4 million decrease.

Total revenues for governmental funds were \$350.8 million, representing a decrease of \$17.4 million from the prior fiscal year. Revenue decreases are primarily due to decreases in developer fees and contributions (\$56.0 million) and other revenues (\$8.0 million) offset by increases in property tax revenue (\$14.3 million) and use of money and property (\$35.9 million). Total expenditures for governmental funds were \$312.9 million, an increase of \$33.6 million from the prior fiscal year. The increase was primarily due to \$18.8 million in capital outlay expenditures for the 909 and 917 San Rafael Avenue Property Acquisition and \$12.9 million in capital outlay expenditures for the 87 East Evelyn Avenue Property Acquisition. Revenues for governmental funds exceeded expenditures by \$37.9 million.

The General Fund is used to account for all revenues and expenditures necessary to carry out basic government activities of the City that are not accounted for through other funds. At June 30, 2023, the unassigned fund balance of \$127.1 million was \$33.7 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 \$127.1 million represents 53.7% of total fund balance, 69.2% of fund expenditures of \$183.6 million, while total fund balance represents 128.9% of that same amount.

The fund balance of the City's General Fund increased by \$39.3 million during the current fiscal year. Total General Fund revenues increased to \$234.0 million, an increase of \$20.8 million over the prior fiscal year. The increase is primarily due to increases in property taxes, sales taxes, other taxes, intergovernmental revenues, lower unrealized losses on investments, and higher interest earnings. Property taxes increased primarily due to new development, change in ownership, and 2.0% increase in assessed value as a result of the positive California Consumer Price Index. Other Local Taxes increased primarily due to higher transient occupancy tax revenues as a result of two new hotels and overall increases in occupancy rates and daily room rates.

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 \$64.4 million for the fiscal year ended June 30, 2023, a decrease of \$4.8 million over the prior fiscal year. Revenues decreased primarily due to a one-time developer fee of \$14.4 million collected for the Google Landings Office Development Project in Fiscal Year 2021-22. The decrease is partially offset by higher property taxes and higher investment earnings.

Expenditures were \$28.5 million compared to \$26.8 million in the prior fiscal year. Of this amount, \$22.6 million was expended on general government and \$4.2 million on culture and recreation, which are only slightly higher when compared to the prior fiscal year.

In addition, \$27.7 million was transferred out for capital improvement projects and debt service payments compared to \$21.5 million in the prior fiscal year. The fund balance as of June 30, 2023 of \$86.3 million is restricted 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 \$10.6 million for the fiscal year ended June 30, 2023, a decrease of \$12.4 million from the prior fiscal year. This was primarily due to one-time developer fees related to the

Google Landings Office Development Project collected in the prior fiscal year. The fund balance of \$177.5 million is restricted for future affordable housing projects.

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

Revenues were \$3.0 million for the fiscal year ended June 30, 2023, an increase of \$12.0 million from the prior fiscal year's negative revenue, primarily due to lower unrealized losses that resulted from the impact of fair-value adjustments to the City's investments.

Expenditures were \$85.7 million, which was \$18.9 million more than the prior fiscal year. These funds were expended on capital outlay projects, including: 909 and 917 San Rafael Avenue property acquisition, 87 East Evelyn Avenue lot acquisition, and Rengstorff Park Aquatics Center Replacement Design. The fund balance of \$279.0 million is available to fund approved 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 \$17.7 million for the fiscal year ended June 30, 2023, a decrease of \$1.1 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 \$68.4 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 \$63.0 million, \$62.6 million, and \$15.4 million, respectively. The total increase in net position for the enterprise funds from the prior fiscal year is \$22.3 million. The net operating income of the Water Fund (\$1.9 million) and Solid Waste Fund (\$0.4 million) decreased by \$2.3 million and \$2.0 million, respectively, when compared to the prior year. The Wastewater Fund's net operating income (\$7.8 million) increased by \$2.5 million over the prior year, the Water Fund's and Solid Waste Fund's decreases are due to higher payroll expenditures and higher cost of sales and services while revenues remained at the same level as the prior year. The Wastewater Fund's increase is due to higher service charge revenue. Factors concerning the finances of the enterprise funds have also been addressed previously in the discussion of the City's business-type activities. The internal service funds have an unrestricted net position of \$36.4 million at June 30, 2023.

Fiduciary Funds—The City maintains fiduciary 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, 2023, the assets of the custodial funds totaled \$0.5 million, comparable to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund differences between the original Fiscal Year 2022-23 budget and the final amended budget resulted in an increase of \$2.1 million in budgeted revenue (primarily related to Charges for Services and Other Revenues) and a \$14.2 million increase in expenditure appropriations. Approximately \$8.4 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 \$2.5 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 paid by developers. An additional \$1.9 million of appropriations was established for the payment of compensated absences. The balance of adjustments was made in February 2023 as part of the midyear budget update and were for various operational needs not anticipated at budget adoption and grants or reimbursements received during the fiscal year.

General Fund actual revenues are \$40.5 million or 21.0% higher than the final amended budget for the fiscal year. The variance is primarily due to the following revenues coming in higher than budgeted amounts:

- Investment and lease interest income - \$18.7 million higher (primarily noncash mark-to-market accounting adjustments for unrealized portfolio losses)
- Property tax revenues - \$9.8 million higher
- Transient occupancy tax revenues - \$5.2 million higher
- Sales tax revenues - \$3.4 million higher
- Intergovernmental revenue - \$2.0 million higher

Also contributing to the large variance is the City's practice of analyzing and projecting revenues throughout the fiscal year, but not typically adjusting the original revenue budget to match projections. In addition, the City does not generally budget for uncertain or one-time revenues, such as excess ERAF and reimbursements, including adjusting the budget after receiving the revenue. Both of these practices can result in budgeted amounts that are much lower than actual amounts.

Actual expenditures for the General Fund are \$22.7 million lower than the final amended budget for the fiscal year. The variance is primarily due to continued salary and benefit savings incurred from vacant positions and budgeted amounts for limited-period funding, one-time programs, and non-department costs being included in the final amended budget amounts, yet these types of costs are not typically fully expended within one year. It is anticipated that as the City ramps up recruitment of newly authorized positions and recently vacated existing positions, actual costs of salary and benefits will be more in line with budget amounts.

As a result of the higher than expected or budgeted revenues and expenditure budgets not being fully expended, the General Fund has experienced a positive budget vs. actual variance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2023 was \$682.9 million (net of accumulated depreciation and amortization). Capital assets include land, leased assets, construction in progress, buildings, improvements other than buildings, machinery and equipment, subscription-based IT arrangement (SBITA) assets, and infrastructure. The total net increase in the City's capital assets as of June 30, 2023 is \$57.3 million or 9.2%.

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

	Capital Assets					
	(Dollars in Thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2022				2022	
	2023	(As restated*)	2023	2022	2023	(As restated*)
Land	\$ 178,935	138,782	220	220	179,155	139,002
Leased assets - Land	-	6,549	-	-	-	6,549
Construction in progress	101,558	80,481	16,483	21,793	118,041	102,274
Buildings	188,468	188,468	8,748	8,748	197,216	197,216
Improvements other than buildings	240,460	227,032	186,900	169,890	427,360	396,922
Machinery and equipment	40,389	39,144	8,860	8,655	49,249	47,799
Traffic signals	16,035	15,513	-	-	16,035	15,513
Streetlights	12,764	10,942	-	-	12,764	10,942
Bridges and culverts	18,440	18,440	-	-	18,440	18,440
Sidewalks, curbs and gutters	116,386	116,041	-	-	116,386	116,041
Streets and roads	286,273	284,304	-	-	286,273	284,304
Less accumulated depreciation	(623,944)	(598,025)	(119,268)	(111,341)	(743,212)	(709,366)
Lease assets	3,826	-	-	-	3,826	-
Less accumulated amortization	(94)	-	-	-	(94)	-
SBITA assets	2,047	1,083	-	-	2,047	1,083
Less accumulated amortization	(562)	-	-	-	(562)	-
	<u>\$ 580,981</u>	<u>528,754</u>	<u>101,943</u>	<u>97,965</u>	<u>682,924</u>	<u>626,719</u>

* 2022 SBITA assets balances are restated due to the implementation of GASB Statement No. 96.

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

- Total capital assets increased by \$57.3 million due to a net increase in assets of \$91.8 million, offset by a \$34.5 million net increases in accumulated depreciation and amortization.
- Construction in progress increased by \$15.8 million. Some of the major projects worked on and/or completed during the year included: 909 and 917 San Rafael Avenue property acquisition, 87 East Evelyn Avenue lot acquisition, and Rengstorff Park Aquatics Center Replacement Design.

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

Debt Administration

As of June 30, 2023, the City had \$163.9 million of outstanding noncurrent liabilities related to governmental activities and \$13.6 million related to business-type activities, for a total of \$177.5 million. Noncurrent liabilities outstanding as of June 30, 2023, with a comparison to prior year and the net change, are as follows:

	Debt Outstanding		Net Change
	(Dollars in Thousands)		
	2023	2022 (As restated*)	
Revenue bonds	\$ 89,885	91,252	(1,367)
Compensated absences	11,258	11,260	(2)
Landfill containment	46,297	43,268	3,029
Claims liabilities	11,343	9,297	2,046
Lease liabilities	3,817	6,499	(2,682)
SBITA liabilities	1,308	1,083	225
Total governmental activities debt	163,908	162,659	1,249
Business-type activities	13,648	14,916	(1,268)
Total	\$ 177,556	177,575	(19)

* 2022 SBITA assets balances are restated due to the implementation of GASB Statement No. 96.

The increases to noncurrent liabilities were primarily due to the increase in Landfill Containment and claims liabilities and the addition of SBITA liabilities in the current fiscal year upon the implementation of GASB 96 offset by the reduction of lease liabilities and scheduled debt service payments.

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, 2023 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 Business License and Utility Users Tax, major revenues are projected to increase and exceed pre-pandemic 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 about the same as the current fiscal year. However, a moderate increase is projected for future years.
- Business License revenue is projected to experience a 14.9% decline compared to the current fiscal year due to known and potential layoffs. Utility Users Tax is projected to be slightly lower than Fiscal Year 2022-23, primarily from lower collections for energy services. Transient Occupancy Tax is projected to be essentially the same as the current year because business travel has stabilized and is expected to remain stable in the near future.
- Average increases in potable water, wastewater, and solid waste rates of 8.0%, 6.0%, and 7.0%, respectively, have been adopted for Fiscal Year 2023-24 to recover the costs of providing those services. All of the rate increases were effective starting July 1, 2023.

All of these factors were considered in preparing the City's budget for Fiscal Year 2023-24.

Although the local economy has stabilized from the past couple of years, current developments around the world and continued high inflation contribute to increased uncertainty about the future of the economy. The City remains cautiously optimistic about future fiscal growth and continues to promote sound fiscal practices and budget discipline that allows 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.

This page intentionally left blank

CITY OF MOUNTAIN VIEW
Statement of Net Position
June 30, 2023
(Dollars in Thousands)

	Primary Government		
	Governmental Activities	Business- type Activities	Total
Assets:			
Cash and investments	\$ 879,603	94,040	973,643
Restricted cash and investments	71,047	3,120	74,167
Receivables:			
Accounts	3,939	14,235	18,174
Taxes	6,903	-	6,903
Interest	4,665	801	5,466
Loans and notes	112,130	-	112,130
Leases	777,815	-	777,815
Internal balances	(52,707)	52,707	-
Inventory	742	-	742
Deposits and prepaid items	21,910	-	21,910
Capital assets:			
Nondepreciable	280,493	16,703	297,196
Depreciable, net of accumulated depreciation	300,488	85,240	385,728
Total assets	<u>2,407,028</u>	<u>266,846</u>	<u>2,673,874</u>
Deferred outflows of resources:			
Pension items	82,144	7,164	89,308
OPEB items	28,388	344	28,732
Total deferred outflows of resources	<u>110,532</u>	<u>7,508</u>	<u>118,040</u>
Liabilities:			
Accounts payable and accrued liabilities	26,648	4,280	30,928
Interest payable	1,703	-	1,703
Refundable deposits	7,409	459	7,868
Unearned revenue	30,700	-	30,700
Noncurrent and other liabilities:			
Due within one year:			
Long-term liabilities	8,822	1,506	10,328
Due in more than one year:			
Long-term liabilities	155,086	12,142	167,228
Net pension liability	235,680	21,866	257,546
Net OPEB liability	10,266	344	10,610
Total liabilities	<u>476,314</u>	<u>40,597</u>	<u>516,911</u>
Deferred inflows of resources:			
Pension items	998	235	1,233
OPEB items	11,125	-	11,125
Leases	746,114	-	746,114
Total deferred inflows of resources	<u>758,237</u>	<u>235</u>	<u>758,472</u>
Net position:			
Net investment in capital assets	555,678	92,486	648,164
Restricted for:			
Capital projects	285,074	-	285,074
Debt service	45	-	45
Low and moderate income housing	190,280	-	190,280
Shoreline Regional Park Community	85,380	-	85,380
Grants and regulations	66,038	-	66,038
Unrestricted	100,514	141,036	241,550
Total net position	<u>\$ 1,283,009</u>	<u>233,522</u>	<u>1,516,531</u>

CITY OF MOUNTAIN VIEW
Statement of Activities
For the Fiscal Year Ended June 30, 2023
(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	\$ 57,508	54,643	10,447	-
Public safety	87,425	1,038	321	-
Public works	51,273	2,333	4,066	6,959
Community development	21,303	13,149	430	12,447
Culture and recreation	40,854	7,841	188	16,235
Interest on long-term debt	4,303	-	-	-
Total governmental activities	<u>262,666</u>	<u>79,004</u>	<u>15,452</u>	<u>35,641</u>
Business-type activities:				
Water	35,284	36,760	3	3,309
Wastewater	22,472	29,965	1	7,678
Solid Waste	15,255	15,693	-	-
Total business-type activities	<u>73,011</u>	<u>82,418</u>	<u>4</u>	<u>10,987</u>
Total primary government	<u>\$ 335,677</u>	<u>161,422</u>	<u>15,456</u>	<u>46,628</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

Net position, end of year

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business- type Activities	Total
7,582	-	7,582
(86,066)	-	(86,066)
(37,915)	-	(37,915)
4,723	-	4,723
(16,590)	-	(16,590)
(4,303)	-	(4,303)
<u>(132,569)</u>	<u>-</u>	<u>(132,569)</u>
-	4,788	4,788
-	15,172	15,172
<u>-</u>	<u>438</u>	<u>438</u>
<u>-</u>	<u>20,398</u>	<u>20,398</u>
<u>(132,569)</u>	<u>20,398</u>	<u>(112,171)</u>
143,153	-	143,153
25,394	-	25,394
9,522	-	9,522
9,672	-	9,672
11,789	-	11,789
270	-	270
23,594	783	24,377
<u>(1,072)</u>	<u>1,072</u>	<u>-</u>
<u>222,322</u>	<u>1,855</u>	<u>224,177</u>
<u>89,753</u>	<u>22,253</u>	<u>112,006</u>
<u>1,193,256</u>	<u>211,269</u>	<u>1,404,525</u>
<u>\$ 1,283,009</u>	<u>233,522</u>	<u>1,516,531</u>

CITY OF MOUNTAIN VIEW
Governmental Funds
Balance Sheet
June 30, 2023
(Dollars in Thousands)

	<u>General</u>	<u>Shoreline Regional Park Community</u>	<u>Housing</u>
Assets:			
Cash and investments	\$ 228,016	90,092	100,550
Restricted cash and investments	-	948	-
Receivables:			
Accounts	1,477	116	9
Taxes	6,903	-	-
Interest	1,485	969	568
Loans and notes	2,377	-	82,270
Leases	777,815	-	-
Inventory	667	-	-
Deposits and prepaid items	4,293	-	-
Total assets	<u>\$ 1,023,033</u>	<u>\$ 92,125</u>	<u>\$ 183,397</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 9,180	5,629	12
Refundable deposits	6,035	52	919
Unearned revenue	25,124	116	4,984
Advances from other funds	-	-	-
Total liabilities	<u>40,339</u>	<u>5,797</u>	<u>5,915</u>
Deferred inflows of resources:			
Leases	<u>746,114</u>	<u>-</u>	<u>-</u>
Fund balances:			
Nonspendable	1,960	-	-
Restricted	445	86,328	177,482
Committed	100,554	-	-
Assigned	6,479	-	-
Unassigned	127,142	-	-
Total fund balances	<u>236,580</u>	<u>86,328</u>	<u>177,482</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,023,033</u>	<u>92,125</u>	<u>183,397</u>

General Capital Projects	Park Land Dedication Capital Projects	Other Governmental Funds	Total Governmental Funds
278,899	50,977	85,882	834,416
63,287	-	5,987	70,222
-	-	652	2,254
-	-	-	6,903
-	547	822	4,391
-	-	27,483	112,130
-	-	-	777,815
-	-	75	742
-	17,000	271	21,564
\$ 342,186	\$ 68,524	121,172	1,830,437
10,493	-	825	26,139
-	53	350	7,409
-	50	426	30,700
52,707	-	-	52,707
63,200	103	1,601	116,955
-	-	-	746,114
-	-	75	2,035
278,986	68,421	84,862	696,524
-	-	34,634	135,188
-	-	-	6,479
-	-	-	127,142
278,986	68,421	119,571	967,368
342,186	68,524	121,172	1,830,437

This page intentionally left blank

CITY OF MOUNTAIN VIEW
Governmental Funds
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	General	Shoreline Regional Park Community	Housing
Revenues:			
Property taxes	\$ 79,030	62,947	-
Sales taxes	25,394	-	-
Other taxes	25,189	-	-
Licenses, permits and fees	11,545	-	-
Fines and forfeitures	506	-	-
Use of money and property	47,528	1,278	850
Intergovernmental	10,918	-	-
Charges for services	26,362	85	123
Developer fees and contributions	1,080	-	9,554
Other	6,442	52	28
Total revenues	<u>233,994</u>	<u>64,362</u>	<u>10,555</u>
Expenditures:			
Current:			
General government	32,834	22,556	-
Public safety	78,233	111	-
Public works	21,999	1,234	-
Community development	16,528	399	1,390
Culture and recreation	25,081	4,169	-
Capital outlay	8,272	-	-
Debt service:			
Principal	604	-	41
Interest and fiscal charges	17	-	150
Total expenditures	<u>183,568</u>	<u>28,469</u>	<u>1,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,426</u>	<u>35,893</u>	<u>8,974</u>
Other financing sources (uses):			
Issuance of bonds	-	-	-
Payment to bonds refunding escrow	-	-	-
Lease and SBITA financing	4,790	-	-
Transfers in	3,994	2,061	2,304
Transfers out	(19,915)	(27,688)	(10,661)
Total other financing sources (uses)	<u>(11,131)</u>	<u>(25,627)</u>	<u>(8,357)</u>
Net change in fund balances	<u>39,295</u>	<u>10,266</u>	<u>617</u>
Fund balances, beginning of year, as previously reported	197,285	76,062	176,865
Cumulative effect of change in accounting principles	-	-	-
Fund balances, beginning of year, as restated	<u>197,285</u>	<u>76,062</u>	<u>176,865</u>
Fund balances, end of year	<u>\$ 236,580</u>	<u>86,328</u>	<u>177,482</u>

General Capital Projects	Park Land Dedication Capital Projects	Other Governmental Funds	Total Governmental Funds
-	-	1,176	143,153
-	-	-	25,394
-	-	4,119	29,308
-	-	290	11,835
-	-	-	506
1,898	1,503	1,215	54,272
277	-	5,275	16,470
-	-	6,294	32,864
-	16,235	2,690	29,559
820	-	145	7,487
<u>2,995</u>	<u>17,738</u>	<u>21,204</u>	<u>350,848</u>
-	-	174	55,564
-	-	212	78,556
-	-	106	23,339
-	-	2,988	21,305
-	-	3,969	33,219
85,580	-	90	93,942
143	-	1,615	2,403
10	-	4,422	4,599
<u>85,733</u>	<u>-</u>	<u>13,576</u>	<u>312,927</u>
<u>(82,738)</u>	<u>17,738</u>	<u>7,628</u>	<u>37,921</u>
-	-	21,565	21,565
-	-	(21,100)	(21,100)
-	-	-	4,790
104,454	1,631	16,716	131,160
<u>(14,827)</u>	<u>(30,637)</u>	<u>(33,107)</u>	<u>(136,835)</u>
<u>89,627</u>	<u>(29,006)</u>	<u>(15,926)</u>	<u>(420)</u>
<u>6,889</u>	<u>(11,268)</u>	<u>(8,298)</u>	<u>37,501</u>
272,097	79,689	127,869	929,867
-	-	-	-
<u>272,097</u>	<u>79,689</u>	<u>127,869</u>	<u>929,867</u>
<u>278,986</u>	<u>68,421</u>	<u>119,571</u>	<u>967,368</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, 2023
(Dollars in Thousands)**

Net change in fund balances - total governmental funds		\$ 37,501
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	\$ 80,165	
Donated assets received	1,878	
Capital assets retirements	(128)	
Depreciation of capital assets	<u>(27,273)</u>	54,642
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.		
		34,912
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.		
		(36,844)
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.		
Lease and SBITA assets addition	4,790	
Lease and SBITA liabilities addition	(4,790)	
Amortization of lease and SBITA assets	(656)	
Lease assets retirement due to modification	(6,549)	
Lease liabilities retirement due to modification	<u>6,459</u>	(746)
Issuance of long-term debt and refinancing are reported as other financing sources/uses in governmental funds and thus contribute to the change in fund balances. However, these activities change long-term liabilities in the statement of net position and do not affect the statement of activities.		
Issuance of bonds	(21,565)	
Payment to bonds refunding escrow	<u>21,100</u>	(465)
The repayment of the principal of long-term debt and lease and SBITA liabilities consume the current financial resources of governmental funds.		
		2,403
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	79	
Change in landfill containment	(3,029)	
Change in compensated absences	<u>(54)</u>	(2,787)
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.		
		<u>1,137</u>
Change in net position of governmental activities		<u>\$ 89,753</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, 2023
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 69,232	69,232	79,030	9,798
Sales taxes	21,960	21,960	25,394	3,434
Other taxes	19,124	19,124	25,189	6,065
Licenses, permits and fees	14,284	14,284	11,545	(2,739)
Fines and forfeitures	264	264	506	242
Use of money and property	28,876	28,876	47,528	18,652
Intergovernmental	8,903	8,904	10,918	2,014
Charges for services	23,645	24,710	26,362	1,652
Developer fees and contributions	600	600	1,080	480
Other	4,456	5,506	6,442	936
	<u>191,344</u>	<u>193,460</u>	<u>233,994</u>	<u>40,534</u>
Expenditures:				
Current:				
General government:				
City council	457	470	305	165
City clerk	1,323	1,351	1,093	258
City attorney	2,868	3,173	2,458	715
City manager	9,492	12,379	7,491	4,888
Human services	4,007	6,097	5,086	1,011
Information technology	8,228	8,602	6,108	2,494
Finance and administrative services	12,735	12,392	10,293	2,099
Public safety:				
Fire	31,697	32,130	31,728	402
Police	48,731	49,315	46,505	2,810
Public works	25,012	26,244	21,999	4,245
Community development	16,668	20,203	16,528	3,675
Culture and recreation:				
Community services	20,653	21,103	18,455	2,648
Library services	7,861	8,185	6,626	1,559
Capital outlay	2,386	4,632	8,272	(3,640)
Debt service				
Principal	-	-	604	(604)
Interest and fiscal charges	-	-	17	(17)
	<u>192,118</u>	<u>206,276</u>	<u>183,568</u>	<u>22,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(774)</u>	<u>(12,816)</u>	<u>50,426</u>	<u>63,242</u>
Other financing sources (uses):				
Lease and SBITA financing	-	-	4,790	4,790
Transfers in	2,288	2,288	3,994	1,706
Transfers out	(15,063)	(20,936)	(19,915)	1,021
	<u>(12,775)</u>	<u>(18,648)</u>	<u>(11,131)</u>	<u>7,517</u>
Net change in fund balance	<u>\$ (13,549)</u>	<u>(31,464)</u>	<u>39,295</u>	<u>70,759</u>
Fund balance, beginning of year, as restated			<u>197,285</u>	
Fund balance, end of year			<u>\$ 236,580</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, 2023
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 56,777	56,777	62,947	6,170
Use of money and property	1,821	1,821	1,278	(543)
Charges for services	55	55	85	30
Other	40	40	52	12
	<u>58,693</u>	<u>58,693</u>	<u>64,362</u>	<u>5,669</u>
Total revenues				
Expenditures:				
Current:				
General government:				
City attorney	10	24	-	24
Finance and administrative services	22,045	22,592	22,556	36
Public safety:				
Fire	173	187	71	116
Police	40	40	40	-
Public works	1,529	1,560	1,234	326
Community development	715	767	399	368
Culture and recreation:				
Community services	4,802	4,936	4,169	767
Capital outlay	59	64	-	64
	<u>29,373</u>	<u>30,170</u>	<u>28,469</u>	<u>1,701</u>
Total expenditures				
Excess of revenues over expenditures	<u>29,320</u>	<u>28,523</u>	<u>35,893</u>	<u>7,370</u>
Other financing sources (uses):				
Transfers in	-	-	2,061	2,061
Transfers out	(19,511)	(28,673)	(27,688)	985
	<u>(19,511)</u>	<u>(28,673)</u>	<u>(25,627)</u>	<u>3,046</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ 9,809</u>	<u>(150)</u>	<u>10,266</u>	<u>10,416</u>
Fund balance, beginning of year, as previously reported			76,062	
Prior period adjustments			-	
Fund balance, beginning of year			<u>76,062</u>	
Fund balance, end of year			<u>\$ 86,328</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, 2023
(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	\$ 1,139	1,139	850	(289)
Intergovernmental	-	-	-	-
Charges for services	150	150	123	(27)
Developer fees and contributions	-	-	9,554	9,554
Other	-	-	28	28
	<u>1,289</u>	<u>1,289</u>	<u>10,555</u>	<u>9,266</u>
Total revenues				
	<u>1,289</u>	<u>1,289</u>	<u>10,555</u>	<u>9,266</u>
Expenditures:				
Current:				
General government:				
Finance and administrative services	300	300	-	300
Community development	18,187	75,984	1,390	74,594
Debt service:				
Principal	-	-	41	(41)
Interest and fiscal charges	-	-	150	(150)
	<u>18,487</u>	<u>76,284</u>	<u>1,581</u>	<u>74,703</u>
Total expenditures				
	<u>18,487</u>	<u>76,284</u>	<u>1,581</u>	<u>74,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,198)</u>	<u>(74,995)</u>	<u>8,974</u>	<u>83,969</u>
Other financing uses:				
Transfers in	646	646	2,304	1,658
Transfers out	(7)	(7)	(10,661)	(10,654)
	<u>639</u>	<u>639</u>	<u>(8,357)</u>	<u>(8,996)</u>
Total other financing uses				
	<u>639</u>	<u>639</u>	<u>(8,357)</u>	<u>(8,996)</u>
Net change in fund balance	<u>\$ (16,559)</u>	<u>(74,356)</u>	617	<u>74,973</u>
Fund balance, beginning of year			<u>176,865</u>	
Fund balance, end of year			<u>\$ 177,482</u>	

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Net Position
June 30, 2023
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Assets:			
Current assets:			
Cash and investments	\$ 38,247	39,057	16,736
Restricted cash and investments	2	3,118	-
Receivables:			
Accounts	5,653	4,679	3,903
Interest	378	331	92
Due from other funds	-	-	-
Deposits and prepaid items	-	-	-
Total current assets	<u>44,280</u>	<u>47,185</u>	<u>20,731</u>
Noncurrent assets:			
Advance to other funds	29,409	22,996	302
Capital assets:			
Nondepreciable	9,502	6,345	856
Depreciable, net of accumulated depreciation	49,083	33,783	2,374
Total noncurrent assets	<u>87,994</u>	<u>63,124</u>	<u>3,532</u>
Total assets	<u>132,274</u>	<u>110,309</u>	<u>24,263</u>
Deferred outflows of resources:			
Pension items	3,579	2,091	1,494
OPEB items	97	88	159
Total deferred outflows of resources	<u>3,676</u>	<u>2,179</u>	<u>1,653</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	2,143	61	2,076
Due to other funds	-	-	-
Refundable deposits	459	-	-
Unearned revenue	-	-	-
Current portion of accrued compensated absences	76	59	42
Current portion of accrued self-insurance costs	-	-	-
Current portion of revenue bonds	480	-	-
Current portion of loans payable	250	599	-
Total current liabilities	<u>3,408</u>	<u>719</u>	<u>2,118</u>
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	404	253	239
Noncurrent portion of accrued self-insurance costs	-	-	-
Noncurrent portion of revenue bonds	2,755	-	-
Noncurrent portion of loans payable	1,250	7,241	-
Net pension liability	11,031	6,133	4,702
Net OPEB liability	97	88	159
Total liabilities	<u>18,945</u>	<u>14,434</u>	<u>7,218</u>
Deferred inflows of resources:			
Pension items	120	63	52
Net position:			
Net investment in capital assets	53,850	35,406	3,230
Restricted	-	-	-
Unrestricted	63,035	62,585	15,416
Total net position	<u>\$ 116,885</u>	<u>97,991</u>	<u>18,646</u>

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
94,040	45,187
3,120	825
14,235	1,685
801	274
-	1,287
-	346
<u>112,196</u>	<u>49,604</u>
52,707	-
16,703	-
85,240	-
<u>154,650</u>	<u>-</u>
<u>266,846</u>	<u>49,604</u>
7,164	-
344	-
<u>7,508</u>	<u>-</u>
4,280	509
-	1,287
459	-
-	-
177	25
-	3,467
480	-
849	-
<u>6,245</u>	<u>5,288</u>
896	65
-	7,876
2,755	-
8,491	-
21,866	-
344	-
<u>40,597</u>	<u>13,229</u>
<u>235</u>	<u>-</u>
92,486	-
-	-
<u>141,036</u>	<u>36,375</u>
<u><u>233,522</u></u>	<u><u>36,375</u></u>

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Operating revenues:			
Charges for services	\$ 34,890	29,129	15,477
Other	1,870	836	216
Total operating revenues	<u>36,760</u>	<u>29,965</u>	<u>15,693</u>
Operating expenses:			
Salaries and related expenses	7,464	4,255	3,076
Insurance claims and premiums	-	-	-
Cost of sales and services	18,892	11,418	9,422
General and administrative	3,767	3,101	2,356
Depreciation	4,734	3,425	401
Total operating expenses	<u>34,857</u>	<u>22,199</u>	<u>15,255</u>
Operating income (loss)	<u>1,903</u>	<u>7,766</u>	<u>438</u>
Nonoperating revenues (expenses):			
Investment income	489	142	152
Interest expense	(214)	(272)	-
Intergovernmental revenue	3	1	-
Loss on disposal of capital assets	(213)	(1)	-
Total nonoperating revenues (expenses)	<u>65</u>	<u>(130)</u>	<u>152</u>
Income (loss) before contributions and transfers	1,968	7,636	590
Capital contributions - developer fees	1,741	4,652	-
Capital contributions - other	1,568	3,026	-
Transfers in	1,256	697	238
Transfers out	(438)	(503)	(178)
Change in net position	6,095	15,508	650
Net position, beginning of year, as previously reported	110,790	82,483	17,996
Change in accounting principles	-	-	-
Net position, beginning of year	<u>110,790</u>	<u>82,483</u>	<u>17,996</u>
Net position, end of year	<u>\$ 116,885</u>	<u>97,991</u>	<u>18,646</u>

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
79,496	12,769
2,922	1,937
<u>82,418</u>	<u>14,706</u>
14,795	7,127
-	7,550
39,732	-
9,224	4,260
8,560	-
<u>72,311</u>	<u>18,937</u>
<u>10,107</u>	<u>(4,231)</u>
783	765
(486)	-
4	-
(214)	-
<u>87</u>	<u>765</u>
10,194	(3,466)
6,393	-
4,594	-
2,191	4,868
(1,119)	(265)
<u>22,253</u>	<u>1,137</u>
211,269	35,238
-	-
<u>211,269</u>	<u>35,238</u>
<u>233,522</u>	<u>36,375</u>

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Cash flows from operating activities:			
Cash receipts from customers	\$ 35,633	29,086	15,838
Cash paid to suppliers for goods and services	(22,405)	(14,498)	(11,165)
Cash paid to employees for services	(7,470)	(4,314)	(3,061)
Claims paid	-	-	-
Other receipts	1,851	836	216
Net cash provided by (used in) operating activities	<u>7,609</u>	<u>11,110</u>	<u>1,828</u>
Cash flows from noncapital financing activities			
Transfers in	1,256	697	238
Transfers out	(438)	(503)	(178)
Advances received from other funds	-	-	410
Advances paid to other funds	(6,857)	(3,060)	-
Intergovernmental revenue received	3	1	-
Net cash provided by (used in) noncapital financing activities	<u>(6,036)</u>	<u>(2,865)</u>	<u>470</u>
Cash flows from capital and related financing activities:			
Cash receipt from direct financing arrangement	-	-	-
Principal payment on capital debt	(460)	-	-
Principal payment on loan payable	(300)	-	-
Principal payment on direct financing arrangement	-	(579)	-
Interest paid	(164)	(272)	-
Acquisition of capital assets	(3,792)	(3,771)	(595)
Contributions from developers	1,741	4,652	-
Net cash provided by (used in) capital and related financing activities	<u>(2,975)</u>	<u>30</u>	<u>(595)</u>
Cash flows from investing activities:			
Interest received (loss)	354	(10)	121
Net increase (decrease) in cash and cash equivalents	(1,048)	8,265	1,824
Cash and cash equivalents, beginning of year	<u>39,297</u>	<u>33,910</u>	<u>14,912</u>
Cash and cash equivalents, end of year	<u>\$ 38,249</u>	<u>42,175</u>	<u>16,736</u>
Reconciliation of cash and cash equivalents:			
Cash and investments	\$ 38,247	39,057	16,736
Restricted cash and investments	2	3,118	-
Total cash and cash equivalents	<u>\$ 38,249</u>	<u>42,175</u>	<u>16,736</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 1,903	7,766	438
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	4,734	3,425	401
Changes in assets and liabilities:			
Accounts receivable	743	(43)	361
Deposits and prepaid items	-	-	-
Accounts payable and accrued liabilities	254	21	613
Refundable deposits	(19)	-	-
Accrued compensated absences	29	(38)	30
Accrued self-insurance costs	-	-	-
Deferred outflows of resources - pension items	(2,039)	(1,186)	(888)
Increase (decrease) in deferred inflows			
Deferred inflows of resources - pension items	(2,576)	(1,650)	(1,062)
Net pension liability	4,580	2,815	1,935
Deferred outflows of resources - OPEB items			
Deferred outflows of resources - OPEB items	69	(16)	(56)
Net OPEB liability	(69)	16	56
Net cash provided by (used in) operating activities	<u>\$ 7,609</u>	<u>11,110</u>	<u>1,828</u>
Supplemental disclosure of noncash capital and related financing activities:			
Receipt of capital assets contributions	\$ 1,568	3,026	-

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
80,557	13,986
(48,068)	(8,242)
(14,845)	(7,183)
-	(1,532)
2,903	-
<u>20,547</u>	<u>(2,971)</u>
2,191	4,868
(1,119)	(265)
410	-
(9,917)	-
4	-
<u>(8,431)</u>	<u>4,603</u>
-	-
(460)	-
(300)	-
(579)	-
(436)	-
(8,158)	-
6,393	-
<u>(3,540)</u>	<u>-</u>
465	702
9,041	2,334
<u>88,119</u>	<u>43,678</u>
<u>97,160</u>	<u>46,012</u>
94,040	45,187
3,120	825
<u>97,160</u>	<u>46,012</u>
10,107	(4,231)
8,560	-
1,061	(720)
-	(346)
888	336
(19)	-
21	(56)
-	2,046
(4,113)	-
(5,288)	-
9,330	-
(3)	-
3	-
<u>20,547</u>	<u>(2,971)</u>
4,594	-

CITY OF MOUNTAIN VIEW
Custodial Funds
Statement of Fiduciary Net Position
June 30, 2023
(Dollars in Thousands)

Assets:

Cash and investments	\$	4
Restricted cash and investments		535
Due from other funds		<u>10</u>
Total assets		<u>549</u>

Liabilities:

Due to other funds		<u>10</u>
--------------------	--	-----------

Net Position:

Restricted for others	\$	<u><u>539</u></u>
-----------------------	----	-------------------

CITY OF MOUNTAIN VIEW
Custodial Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

Additions:

Fees and others collected	\$ 668
---------------------------	--------

Deductions:

Distribution to others	570
------------------------	-----

Change in net position	98
------------------------	----

Net position, beginning of year	<u>441</u>
----------------------------------------	------------

Net position, end of year	<u><u>\$ 539</u></u>
----------------------------------	----------------------

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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, 2023

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, 2023

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, 2023

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-day 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, 2023

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, 2023

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, 2023

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 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. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended 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. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended 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 City's fiscal year ended June 30, 2023. Implementation of this statement has a significant impact on the City's financial statements and footnote disclosure for the year ended June 30, 2023. See Note 12.
- 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 leases, public-private partnerships (PPPs), and SBITAs are effective for the City's fiscal year ended June 30, 2023. Implementation of these requirements did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2023.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. 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, 2023

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, 2023

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, 2023. Cash and investments are as follows (dollars in thousands):

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 879,603	94,040	4	973,647
Restricted cash and investments	71,047	3,120	535	74,702
Total cash and investments	<u>\$ 950,650</u>	<u>97,160</u>	<u>539</u>	<u>1,048,349</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2023 consist of the following (dollars in thousands):

Cash on hand	\$	14
Deposits with financial institutions		7,216
Investments		1,041,119
Total cash and investments	\$	1,048,349

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. The policy does not specify a maximum for this type of investment.
- (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, 2023

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, 2023

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	\$ 52,916	N/A
U.S. Treasury Obligations	528,736	2.17
U.S. Agency Securities	239,409	1.36
Medium-Term Notes	74,182	2.77
Supranational Securities	42,038	3.00
Municipal Bonds - Shoreline Regional Park Community 2018 Revenue Bonds	3,064	3.22
Money Market Mutual Funds	31,066	N/A
Held by Bond Trustee:		
Money Market Mutual Funds	24,706	N/A
U.S. Agency Securities	6,695	*
U.S. Treasury Obligations	38,307	**
Total investments	\$ 1,041,119	

* Maturity date: 12/28/2023.

** Maturity date: \$20,998 on 9/30/2023 and \$17,309 on 3/15/2024.

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, 2023, the allowed modified duration ranged from 1.54 to 2.08 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 2018 Revenue Bonds. The balance as of June 30, 2023, 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 \$178.4 billion as of June 30, 2023. Of that amount, 97.22 percent was invested in nonderivative financial products and 2.78 percent in structured notes and asset backed securities. As of June 30, 2023, LAIF had an average maturity of 260 days.

Mutual Money Market Funds investments are available for withdrawal on demand and as of June 30, 2023, 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, 2023

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, 2023, 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 2018 Revenue Bonds are rated A+ by Standard & Poor’s. The Local Agency Investment Fund was not rated as of June 30, 2023.

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, 2023, those investments held by the City consisted of the following (dollars in thousands):

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$ 117,771
Federal National Mortgage Association	Federal Agency Securities	67,524
Federal Home Loan Mortgage Association	Federal Agency Securities	54,114

As of June 30, 2023, those investments held by bond trustee consisted of Federal Home Loan Bank federal agency securities of \$6,695,000.

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. As of June 30, 2023, All of the City’s 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, 2023

NOTE 4 – LOANS AND NOTES RECEIVABLE

As of June 30, 2023, the City’s loans and notes receivable are as follows (dollars in thousands):

CDBG Rehabilitation	\$	95
Mid-Peninsula Support network		55
Ginzton Terrace		761
Project Match		132
Central Park Apartments		3,210
Sierra Vista Apartments Affordance Housing		238
Stoney Pine Charities		124
HomeSafe		100
San Antonio Place LP		5,465
Tyrella Gardens		1,590
Bill Wilson Center		133
San Veron Park		779
SR Fountains LP		1,462
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		22,773
Housing Trust Silicon Valley		5,000
MV Lot 12 Housing Partners		1,045
La Avenida		4,013
Montecito L.P.		755
Employee Homebuyer Program		<u>2,377</u>
Total	\$	<u><u>112,129</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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

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, 2023.

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, 2023, 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.

As of June 30, 2023, the total outstanding amount of all loans related to Ginzton Terrace is \$761,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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, 2023, 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. As of June 30, 2023, the outstanding HOME loan balance is \$182,000.

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, 2023, 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, 2023

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, 2023, the total outstanding balance of all loans related to Central Park apartments is \$3.2 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, 2023, 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, 2023, 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, 2023, 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, 2023

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, 2023, 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 MP 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 MP 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.

On August 1, 2022, the City entered into an amended and restated secured promissory note agreement with MP Tyrella Associates and the loan funded by CDBG funds and HOME funds were amended to \$819,000 and \$771,000, respectively. The loan has a 3.0 percent interest and a term of 55 years. As of June 30, 2023, the total outstanding balance of all loans related to Tyrella Gardens is \$1.6 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, 2023, 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. As of June 30, 2023, 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, 2023

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.

As of June 30, 2023, the total outstanding balance of all loans related to SR Fountains LP is \$1.5 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, 2023, 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, 2023, 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, 2023

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, 2023, 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, 2023, 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, 2023, 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, 2023, 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 \$22.8 million and was funded by Housing funds. The loan has a 55-year term with 3.0 percent simple interest rate.

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 proceed of \$4.7 million and deposit into a segregated bank account. During Fiscal Year 2022-23, the holdback loans proceed was disbursed to 950 ECR. As of June 30, 2023, the amount of the loan outstanding is \$22.8 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

U. *Housing Trust Silicon Valley*

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, 2023, the amount of the loan outstanding is \$5.0 million.

V. *MV Lot 12 Housing Partners*

On March 2, 2023, the City entered into a predevelopment loan agreement of \$1.3 million 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, 2023, the amount of the loan outstanding is \$1.0 million.

W. *La Avenida*

On December 8, 2020, the City Council approved a prefunding of \$1.3 million from Housing funds for use in predevelopment activities related to affordable housing developments at 1188 Armand Drive. The City entered into an affordable housing loan agreement, effective as of December 1, 2022, with Avenida Armand, L.P. to provide construction/permanent loan to the developer in the amount of \$15.0 million. The term of the loan is 3.0 percent interest for 55 years. As of June 30, 2023, the amount of the loan outstanding is \$4.0 million.

X. *Montecito L.P.*

On June 22, 2021, the City Council approved a prefunding of \$1.3 million from Housing funds for use in predevelopment activities related to affordable housing developments at 1265 Montecito Ave. The City executed a predevelopment loan agreement on July 1, 2022 with Montecito, L.P. The term of the loan is no interest and matures on the earlier of i) December 31, 2024, and ii) the date of closing for any construction/permanent loan provided by the City. As of June 30, 2023, the amount of the loan outstanding is \$755,000.

Y. *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, 2023, there are two employee loans and the outstanding balance is \$2.4 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 5 – INTERFUND TRANSACTIONS

A. 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, 2023, the Retirees' Health Plan Internal Service Fund owed Equipment Maintenance & Replacement Internal Service Fund \$1,287,000 while the Fire Union Custodial Fund owed Flexible benefits Plan Custodial Fund \$10,000.

B. 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, 2023, the General Capital Projects Fund has outstanding advances of \$29.4 million, \$23.0 million, and \$302,000 from the Water, Wastewater, and Solid Waste enterprise funds, respectively.

C. 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.

D. 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, 2023

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

Transfers between funds during the fiscal year ended June 30, 2023, are as follows (dollars in thousands):

Funds Receiving Transfers	Funds Making Transfers	Amount Transferred	Funding Purpose
General Fund	Shoreline Regional Park Community	\$ 140	C
	Housing	5	C
	General Capital Projects	2,148	B
	Nonmajor Governmental	1,481	C
	Water	220	C
		<u>3,994</u>	
Shoreline Regional Park Community	General Capital Projects	2,061	B
Housing	General Fund	626	C
	General Capital Projects	1,678	B
		<u>2,304</u>	
General Capital Projects	General Fund	15,047	C
	Shoreline Regional Park Community	22,529	C
	Housing	10,653	C
	Park Land Dedication Capital Projects	30,637	C
	Nonmajor Governmental	25,588	C
		<u>104,454</u>	
Park Land Dedication Capital Projects	General Capital Projects	1,631	B
Nonmajor Governmental	Shoreline Regional Park Community	4,879	A
	General Capital Projects	6,036	B
	Nonmajor Governmental	5,801	D
		<u>16,716</u>	
Water	General Fund	311	E
	General Capital Projects	700	B
	Internal Service	245	C
		<u>1,256</u>	
Wastewater	General Fund	211	E
	General Capital Projects	466	B
	Internal Service	20	C
		<u>697</u>	
Solid Waste	General Fund	224	E
	General Capital Projects	14	B
		<u>238</u>	
Internal Service Funds	General Fund	3,496	C
	Shoreline Regional Park Community	140	C
	Housing	3	C
	General Capital Projects	93	B
	Nonmajor Governmental	237	C
	Water	218	C
	Wastewater	503	C
	Solid Waste	178	C
		<u>4,868</u>	
	Total Interfund Transfers	<u>\$ 138,219</u>	

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 5 – INTERFUND TRANSACTIONS (Continued)

The purposes 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.
- D. To transfer debt service reserve funds.
- E. To transfer unpaid utility billing assist program funds.

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Activities

Capital assets activity for the fiscal year ended June 30, 2023, is as follows (dollars in thousands):

	Balance June 30, 2022 (as restated *)	Additions	Retirements	Transfers	Balance June 30, 2023
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 138,782	40,153	-	-	178,935
Lease assets - land (Note 11)	6,549	-	(6,549)	-	-
Construction in progress	80,481	38,446	(76)	(17,293)	101,558
Total capital assets not being depreciated	<u>225,812</u>	<u>78,599</u>	<u>(6,625)</u>	<u>(17,293)</u>	<u>280,493</u>
Capital assets being depreciated:					
Buildings	188,468	-	-	-	188,468
Improvements other than buildings	227,032	-	-	13,428	240,460
Machinery and equipment	39,144	1,566	(1,186)	865	40,389
Traffic signals	15,513	-	-	522	16,035
Streetlights	10,942	1,289	-	533	12,764
Bridges and culverts	18,440	-	-	-	18,440
Sidewalks, curbs and gutters	116,041	466	(121)	-	116,386
Streets and roads	284,304	123	(99)	1,945	286,273
Total capital assets being depreciated	<u>899,884</u>	<u>3,444</u>	<u>(1,406)</u>	<u>17,293</u>	<u>919,215</u>
Less accumulated depreciation for:					
Buildings	(105,289)	(4,987)	-	-	(110,276)
Improvements other than buildings	(177,766)	(8,477)	-	-	(186,243)
Machinery and equipment	(29,028)	(2,647)	1,186	-	(30,489)
Traffic signals	(9,077)	(620)	-	-	(9,697)
Streetlights	(7,090)	(114)	-	-	(7,204)
Bridges and culverts	(6,494)	(309)	-	-	(6,803)
Sidewalks, curbs and gutters	(78,956)	(2,815)	91	-	(81,680)
Streets and roads	(184,325)	(7,304)	77	-	(191,552)
Total accumulated depreciation	<u>(598,025)</u>	<u>(27,273)</u>	<u>1,354</u>	<u>-</u>	<u>(623,944)</u>
Net capital assets being depreciated	<u>301,859</u>	<u>(23,829)</u>	<u>(52)</u>	<u>17,293</u>	<u>295,271</u>
Lease assets being amortized (Note 11):					
Lease assets	-	3,826	-	-	3,826
Less accumulated amortization	-	-	(94)	-	(94)
Net lease assets being amortized	<u>-</u>	<u>3,826</u>	<u>(94)</u>	<u>-</u>	<u>3,732</u>
SBITA assets being amortized (Note 12):					
SBITA assets	1,083	964	-	-	2,047
Less accumulated amortization	-	-	(562)	-	(562)
Net SBITA assets being amortized	<u>1,083</u>	<u>964</u>	<u>(562)</u>	<u>-</u>	<u>1,485</u>
Total capital assets, lease assets, and SBITA assets, net	<u>302,942</u>	<u>(19,039)</u>	<u>(708)</u>	<u>17,293</u>	<u>300,488</u>
Governmental activities capital assets, net	<u>\$ 528,754</u>	<u>59,560</u>	<u>(7,333)</u>	<u>-</u>	<u>580,981</u>

* Beginning balances are restated due to the implementation of GASB Statement No. 96.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance June 30, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 220	-	-	-	220
Construction in progress	21,793	7,887	-	(13,197)	16,483
Total capital assets not being depreciated	22,013	7,887	-	(13,197)	16,703
Capital assets being depreciated:					
Buildings	8,748	-	-	-	8,748
Improvements other than buildings	169,890	4,594	(781)	13,197	186,900
Machinery and equipment	8,655	271	(66)	-	8,860
Total capital assets being depreciated	187,293	4,865	(847)	13,197	204,508
Less accumulated depreciation for:					
Buildings	(8,557)	(6)	-	-	(8,563)
Improvements other than buildings	(96,216)	(8,174)	567	-	(103,823)
Machinery and equipment	(6,568)	(380)	66	-	(6,882)
Total accumulated depreciation	(111,341)	(8,560)	633	-	(119,268)
Net capital assets being depreciated	75,952	(3,695)	(214)	13,197	85,240
Business-type activities capital assets, net	<u>\$ 97,965</u>	<u>4,192</u>	<u>(214)</u>	<u>-</u>	<u>101,943</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, 2023, are as follows (dollars in thousands):

Governmental Activities:	
General government	\$ 1,746
Public safety	1,851
Public works	15,464
Community development	304
Culture and recreation	7,908
Total	<u>\$ 27,273</u>
 Business-type Activities:	
Water	\$ 4,734
Wastewater	3,425
Solid Waste	401
Total	<u>\$ 8,560</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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, 2023, are as follows (dollars in thousands):

	Spent to Date	Remaining Commitment
Governmental activities:		
Land	\$ -	203
Improvements other than buildings	57,821	8,743
Buildings	19,210	12,778
Infrastructure	24,527	5,674
Total governmental activities	\$ 101,558	27,398
Business-type activities:		
Water projects	\$ 9,295	6,355
Wastewater projects	6,332	4,544
Solid Waste projects	856	13
Total business-type activities	\$ 16,483	10,912

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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 6 – CAPITAL ASSETS (Continued)

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, 2023, pre-transfer due diligence activities were 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, 2023, are as follows (dollars in thousands):

	Original Issue Amount	Balance June 30, 2022 (as restated *)	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Governmental Activities:						
Revenue Bonds:						
Shoreline Regional Park Community						
2011 Revenue Bonds						
2.0% to 5.75%, due Fiscal Year 2040-41	\$ 39,030	21,795	-	(21,795)	-	-
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	5,657	-	(217)	5,440	217
Subtotal 2018 Revenue Bonds Series A	59,901	59,142	-	(217)	58,925	217
Shoreline Regional Park Community						
2018 Revenue Bonds Series B						
3.36% to 4.24%, due Fiscal Year 2031-32	10,315	10,315	-	(920)	9,395	950
Shoreline Regional Park Community						
2022 Refunding Revenue Bonds Series A						
4.83%, due Fiscal Year 2039-40	21,565	-	21,565	-	21,565	1,145
Total Revenue Bonds	<u>130,811</u>	<u>91,252</u>	<u>21,565</u>	<u>(22,932)</u>	<u>89,885</u>	<u>2,312</u>
Compensated Absences	-	11,260	62	(64)	11,258	1,905
Landfill Containment	-	43,268	3,029	-	46,297	-
Lease Liabilities (Note 11)	-	6,499	3,826	(6,508)	3,817	366
SBITA Liabilities (Note 12)	-	1,083	964	(739)	1,308	772
Claims liabilities	-	9,297	3,578	(1,532)	11,343	3,467
Total governmental activities	<u>\$ 130,811</u>	<u>162,659</u>	<u>33,024</u>	<u>(31,775)</u>	<u>163,908</u>	<u>8,822</u>

* Beginning balances are restated due to the implementation of GASB Statement No. 96.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 7 – NONCURRENT LIABILITIES (Continued)

	Original Issue Amount	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Business-type activities:						
Water Revenue Bonds						
2004 Series A						
3.0%-4.5%, due Fiscal Year 2028-29	\$ 9,700	3,695	-	(460)	3,235	480
City of Palo Alto Loan						
0%, due Fiscal Year 2028-29	6,000	2,100	-	(300)	1,800	300
Less unamortized discount	(1,000)	(350)	-	50	(300)	(50)
Wastewater Direct Financing Arrangement						
3.4%, due Fiscal Year 2033-34	10,100	8,419	-	(579)	7,840	599
Compensated Absences	-	1,052	90	(69)	1,073	177
Total business-type activities	<u>\$ 24,800</u>	<u>14,916</u>	<u>90</u>	<u>(1,358)</u>	<u>13,648</u>	<u>1,506</u>

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 (2011 Bonds). 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 2011 Bonds were fully refunded through the issuance of 2022 Refunding Revenue Bonds, Series A (2022 Bonds) during the year ended June 30, 2023.

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, 2023

NOTE 7 – NONCURRENT LIABILITIES (Continued)

2022 Refunding Revenue Bonds Shoreline Regional Park Community - On November 22, 2022, the Shoreline Community issued the 2022 Bonds of \$21.6 million through private placement. Proceeds from the 2022 Bonds were used to fully refund the outstanding 2011 Bonds of \$21,100,000. The 2022 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 refunding resulted in net present value savings of \$1.1 million. 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.

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, 2023, is approximately \$46.3 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 \$2.9 million as of June 30, 2023, 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 MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 7 – NONCURRENT LIABILITIES (Continued)

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.

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 \$148.9 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, 2023, tax increment revenues amounted to \$62.9 million, which represented coverage of 10.7 over the \$5.9 million in debt service.

The pledge of future water fund revenues ends upon repayment of the \$5.6 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, 2023, Water Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$40.2 million and operating expenses, excluding depreciation or amortization amounted to \$30.1 million. Net Revenues available for debt service amounted to \$10.1 million, which represented coverage of 11.0 over the \$924,000 in debt service.

The pledge of future wastewater fund revenues ends upon repayment of the \$9.4 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, 2023, Wastewater Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$35.5 million and operating expenses, excluding depreciation or amortization amounted to \$18.8 million. Net Revenues available for debt service amounted to \$16.7 million, which represented coverage of 19.6 over the \$851,000 in debt service.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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
	2024	\$ 2,095	4,042	780	146	599
2025	1,860	3,959	805	124	619	233
2026	1,940	3,878	825	101	641	212
2027	2,025	3,793	850	78	663	190
2028	2,105	3,703	875	53	685	167
2029-2033	11,970	16,975	900	27	3,795	468
2034-2038	15,200	13,723	-	-	838	14
2039-2043	17,350	9,721	-	-	-	-
2044-2048	24,290	4,558	-	-	-	-
2049	5,610	140	-	-	-	-
Total	<u>\$ 84,445</u>	<u>64,492</u>	<u>5,035</u>	<u>529</u>	<u>7,840</u>	<u>1,537</u>

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, 2023

NOTE 8 – PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>	
	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	35.12%	35.12% (A)
	<u>Safety</u>	
	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	53.51%	53.51% (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, 2022, the most recent actuarial valuations information available, are as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	756	329
Inactive employees entitled to but not yet receiving benefits	534	104
Active employees	<u>468</u>	<u>150</u>
Total	<u><u>1,758</u></u>	<u><u>583</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, 2023

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 \$1.29 million and \$1.1 million in excess of the actuarially determined contributions for the Miscellaneous and Safety Plans, respectively, during the fiscal year ended June 30, 2023.

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, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022 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, 2021 actuarial valuations were determined using actuarial assumptions as follows:

	Miscellaneous and Safety Plans
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	The lessor of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% 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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on the table, refer to the 2021 CalPERS experience study report available on the CalPERS website.

All other actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the 2021 CalPERS Experience Study for the period from 2001 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the 2021 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, 2023

NOTE 8 – PENSION PLANS (Continued)

Change of Assumptions – During measurement period 2022, the discount rate was reduced from 7.15% to 6.90%, inflation rate was reduced from 2.50% to 2.30%, and demographic assumptions were changed in accordance with the 2021 CalPERS Experience Study.

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members will be made at the 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. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expense of 10 basis points. The expected real rates of return by asset class are as follows:

Asset Class:	Assumed Asset Allocation	Real Return ^{1, 2}
Global Equity - Cap-Weighted	30.0%	4.54%
Global Equity - Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management study.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 8 – PENSION PLANS (Continued)

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, 2021	\$ 483,820	423,307	60,513
Changes during the measurement period:			
Service cost	9,639	-	9,639
Interest on the total pension liability	33,695	-	33,695
Changes in assumptions	14,543	-	14,543
Differences between expected and actual experience	(1,882)	-	(1,882)
Contributions - employer	-	17,345	(17,345)
Contributions - employee	-	5,666	(5,666)
Investment income	-	(31,970)	31,970
Administrative expenses	-	(264)	264
Benefit payments, including refunds of employee contributions	(25,927)	(25,927)	-
Net changes	30,068	(35,150)	65,218
Balance at June 30, 2022	\$ 513,888	388,157	125,731

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability
Balance at June 30, 2021	\$ 419,108	350,911	68,197
Changes during the measurement period:			
Service cost	8,910	-	8,910
Interest on the total pension liability	29,621	-	29,621
Changes in assumptions	16,330	-	16,330
Differences between expected and actual experience	74	-	74
Contributions - employer	-	13,748	(13,748)
Contributions - employee	-	4,295	(4,295)
Investment income	-	(26,507)	26,507
Administrative expenses	-	(219)	219
Benefit payments, including refunds of employee contributions	(21,344)	(21,344)	-
Net changes	33,591	(30,027)	63,618
Balance at June 30, 2022	\$ 452,699	320,884	131,815
Total Net Pension Liability - All Plans at June 30, 2022	\$ 966,587	709,041	257,546

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Miscellaneous Plan	\$ 192,698	125,731	70,395
Safety Plan	191,846	131,815	82,277
Total	<u>\$ 384,544</u>	<u>257,546</u>	<u>152,672</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, 2023, the City recognized pension expense of \$17.3 million and \$20.2 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, 2023 as follows (dollars in thousands):

<i>Miscellaneous Plan:</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 17,837	-
Differences between expected and actual experience	410	1,233
Changes in assumptions	9,529	-
Net differences between projected and actual earnings on plan investments	19,464	-
Total	<u>\$ 47,240</u>	<u>1,233</u>
<i>Safety Plan:</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 14,581	-
Differences between expected and actual experience	1,047	-
Changes in assumptions	10,282	-
Net differences between projected and actual earnings on plan investments	16,158	-
Total	<u>\$ 42,068</u>	<u>-</u>
Total - All Plans	<u>\$ 89,308</u>	<u>1,233</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 8 – PENSION PLANS (Continued)

As of June 30, 2023, the City reported \$17.8 million and \$14.6 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, 2024. 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
2024	\$ 7,868	9,675	17,543
2025	6,703	6,562	13,265
2026	1,393	1,133	2,526
2027	12,206	10,117	22,323
Total	<u>\$ 28,170</u>	<u>27,487</u>	<u>55,657</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.

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	<u>364</u>
Total	<u>799</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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		
	July 1, 2007 and later*			85% of single premium for any open City HMO plan
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, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2023, the City’s contributions totaled \$5.4 million. For the purpose of increasing the funded status of the OPEB Plan, the City contributed \$2.4 million in excess of the actuarially determined contributions during the fiscal year ended June 30, 2023.

B. Net OPEB Liability

The City’s net OPEB liability is measured as the total OPEB liability, less the OPEB plan’s fiduciary net position. The net OPEB liability is measured as of June 30, 2022 using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022 using standard update procedures.

Actuarial Assumptions – The total OPEB liability as of June 30, 2022 were determined using actuarial assumptions as follows:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.60%
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 2021 CalPERS Experience Study for the period from 1997 to 2019, except for using the MacLeod Watts Scale 2020 applied generationally from 2015 as the basis to project future mortality improvements.

Change in Assumptions – During the measurement period 2022, the discount rate was reduced from 6.00 percent to 5.60 percent.

Discount Rate – The discount rate used to measure the total OPEB liability is 5.60 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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return for OPEB plan investments is 5.60 percent. Using historical returns of all the funds' asset classes, expected compound geometric returns were calculated over the short-term (1-5 years) and the long-term (6-20 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>	Current Target Allocation	Real Return Years 1-5 ¹	Real Return Years 6-20 ²
Global Equity	34.0%	6.80%	6.80%
Fixed Income	41.0	1.40	4.50
REITS	17.0	5.40	6.20
TIPS	5.0	0.60	3.60
Commodities	3.0	3.20	3.50

(1) An expected inflation rate of 2.40 percent is used for this period.

(2) An expected inflation rate of 2.30 percent is used for this period.

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, 2021	\$ 148,746	174,500	(25,754)
Changes during the measurement period:			
Service cost	3,474	-	3,474
Interest on the total OPEB liability	8,929	-	8,929
Changes in assumptions	7,823	-	7,823
Contributions - employer	-	5,848	(5,848)
Investment income	-	(21,942)	21,942
Administrative expenses	-	(44)	44
Benefit payments	(6,820)	(6,820)	-
Net changes	13,406	(22,958)	36,364
Balance at June 30, 2022	\$ 162,152	151,542	10,610

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate – The net OPEB liability of the City, calculated using the discount rate of 5.60 percent, as well as what the City's 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):

	Current Discount Rate	Discount Rate	Discount Rate
	-1% (4.60%)	(5.60%)	+1% (6.60%)
\$	33,138	10,610	(7,850)

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates – The net OPEB liability of the City, as well as what the City’s 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%
\$ (8,719)	10,610	34,321

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

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

For the fiscal year ended June 30, 2023, the City recognized OPEB income of \$2.1 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, 2023 are as follows (dollars in thousands):

	Deferred Outflows	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 5,387	-
Differences between expected and actual experience	-	10,947
Changes in assumptions	8,810	178
Net differences between projected and actual earnings on plan investments	14,535	-
Total	\$ 28,732	11,125

As of June 30, 2023, the City reported \$5.4 million 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, 2024. 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,	
2024	\$ 18
2025	1,506
2026	3,366
2027	7,330
Total	\$ 12,220

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 2.5% 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>2022</u>	<u>2023</u>
Beginning Balance	\$ 8,452	9,297
Liability for current and change in prior fiscal year claims and claims incurred but not reported (IBNR)	2,152	3,578
Claims paid	<u>(1,307)</u>	<u>(1,532)</u>
Ending Balance	<u>9,297</u>	<u>11,343</u>
Current portion	<u>\$ 3,180</u>	<u>3,467</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, 2023

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 various lease terms. Most leases include periodic adjustments to the lease amount at determined intervals. For the year ended June 30, 2023, 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, 2023, as well as lease receivable and lease related deferred inflows of resources as of June 30, 2023 are as follows (dollars in thousands):

	General Fund	Governmental Activities
Lease revenue for the year	\$ 29,046	29,046
Lease interest revenue for the year	13,403	13,403
Lease receivable at year-end	777,815	777,815
Deferred inflow of resources at year-end	746,114	746,114

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
2024	\$ 9,840	13,201	23,041
2025	10,449	13,386	23,835
2026	11,325	12,844	24,169
2027	11,845	12,657	24,502
2028	13,060	12,523	25,583
2029-2033	76,313	59,100	135,413
2034-2038	100,204	51,516	151,720
2039-2043	136,470	41,391	177,861
2044-2048	184,623	27,696	212,319
2049-2053	134,750	11,774	146,524
2054-2058	35,489	6,195	41,684
2059-2063	39,961	2,843	42,804
2064-2068	9,838	750	10,588
2069-2070	3,648	58	3,706
Total	\$ 777,815	265,934	1,043,749

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 11 – LEASES (Continued)

B. City as Lessee

As a lessee, the City entered into lease agreements with various lease terms. For the year ended June 30, 2023, the City had not paid any variable and other payments for the lease arrangement. At June 30, 2023, the leased asset balance was \$3.7 million.

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

For the Fiscal Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 366	82	448
2024	504	85	589
2025	587	71	658
2026	628	55	683
2027	575	38	613
2028-2031	1,157	56	1,213
Total	\$ 3,817	387	4,204

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, 2023, the amount of lease receivable is \$16.0 million.

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, 2023, the amount of lease receivable for the 1995 Lease and 1997 Lease are \$267.9 million and \$293.1 million, respectively.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 11 – LEASES (Continued)

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, 2023, the amount of lease receivable for the 2007 Lease is \$109.3 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, 2023, the amount of lease receivable is \$16.7 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. On June 29, 2023, an amendment was signed and starting July 1, 2023, the City receives payment of \$930,000 annually with annual adjustments of 2% through December 31, 2025. At June 30, 2023, the amount of lease receivable is \$2.3 million.

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, 2023, the amount of lease receivable is \$62.4 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 12 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The City entered into various agreements for SBITA. The City is required to recognize a SBITA liability and an intangible right-to-use SBITA asset. The City defines SBITA as balances with an initial individual value of more than \$200,000.

For the year ended June 30, 2023, the City had not paid any variable and other payments for the SBITA. At June 30, 2023, the SBITA asset balance was \$1.5 million.

The annual debt service requirement for the SBITA liabilities is as follows (dollars in thousands):

For the Fiscal Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 772	9	781
2025	536	28	564
Total	\$ 1,308	37	1,345

NOTE 13 – 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, 2023

NOTE 13 – 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, 2023

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's fund balances, as of June 30, 2023, 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	\$ 667	-	-	-	-	75	742
Deposits and prepaid costs	1,293	-	-	-	-	-	1,293
Total Nonspendable	1,960	-	-	-	-	75	2,035
Restricted:							
Shoreline Regional Park Community	-	75,328	-	-	-	-	75,328
Landfill Containment	-	11,000	-	-	-	-	11,000
Housing	-	-	177,482	-	-	-	177,482
General Capital Projects	-	-	-	278,986	-	-	278,986
Park Land Dedication Fees	-	-	-	-	68,421	-	68,421
Gas Tax	-	-	-	-	-	3,016	3,016
Other Streets and Transportation	-	-	-	-	-	487	487
Construction & Conveyance Tax	-	-	-	-	-	6,894	6,894
Development Services	-	-	-	-	-	3,295	3,295
CSFRA/Rental Housing Committee	-	-	-	-	-	1,518	1,518
Mobile Home Rent Stabilization	-	-	-	-	-	321	321
Housing Successor	-	-	-	-	-	12,798	12,798
Downtown Benefit Assessment District	-	-	-	-	-	21,246	21,246
Police Asset Forfeitures	-	-	-	-	-	427	427
Grants	-	-	-	-	-	27,204	27,204
Cable Television	-	-	-	-	-	795	795
Deferred Assessments	-	-	-	-	-	390	390
Debt Service	-	-	-	-	-	6,022	6,022
Storm Drain Construction	-	-	-	-	-	449	449
Minor Estate Trust	445	-	-	-	-	-	445
Total Restricted	445	86,328	177,482	278,986	68,421	84,862	696,524
Committed:							
Development Services	14,316	-	-	-	-	34,358	48,674
Budget Contingency	17,234	-	-	-	-	-	17,234
Earned Lease Revenue	7,087	-	-	-	-	-	7,087
Property Management	1,577	-	-	-	-	-	1,577
Graham Site Maintenance	615	-	-	-	-	-	615
Transportation	11,084	-	-	-	-	-	11,084
Capital Improvement	18,129	-	-	-	-	-	18,129
Open Space Acquisition	6,456	-	-	-	-	-	6,456
Strategic Property Acquisition	15,560	-	-	-	-	-	15,560
Childcare Commitment	262	-	-	-	-	-	262
Compensated Absences	8,234	-	-	-	-	-	8,234
General Special Purpose	-	-	-	-	-	236	236
Shoreline Golf Links	-	-	-	-	-	40	40
Total Committed	100,554	-	-	-	-	34,634	135,188
Assigned:							
Contractual Obligations	6,479	-	-	-	-	-	6,479
Unassigned:							
	127,142	-	-	-	-	-	127,142
Total Fund Balances	\$ 236,580	86,328	177,482	278,986	68,421	119,571	967,368

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 13 – 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, 2023

NOTE 13 – 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, 2023

NOTE 13 – 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 \$1.2 million for the fiscal year ended June 30, 2023, and \$12.0 million to rebuild a new landfill system. As of June 30, 2023, the City restricted \$11.0 million for landfill containment and planned to increase the balance by \$1.0 million annually until \$12.0 million is reached.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

A. Encumbrances

The City's outstanding encumbrances as of June 30, 2023, are as follows (dollars in thousands):

	<u>Amount</u>	<u>Fund Balance Classification</u>
General Fund	\$ 1,235	Committed
General Fund	6,479	Assigned
Shoreline Regional Park Community	165	Restricted
Housing	12,203	Restricted
General Capital Projects	66,573	Restricted
Nonmajor Governmental Funds	5,878	Restricted
Total	\$ 92,533	

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, 2023

NOTE 14 – 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, 2023, these costs totaled \$10.4 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, 2023, 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, 2023, these costs totaled \$7.0 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 dating back to the first such agreement in 2006. The purpose of the Education Enhancement JPA is to create an Education Enhancement Reserve in which funds provided by the Shoreline Community are used to enhance the educational and technology capacity of students in the districts, which will contribute to the availability of a local technology workforce to further the objectives of the Shoreline Community. The agreement provides for minimum annual payments, which commenced with the fiscal year ended June 30, 2014, and have increased annually based on growth in property tax revenues in the preceding fiscal year. Each subsequent fiscal year increases based on growth in property tax revenues in the preceding fiscal year. For the fiscal year ended June 30, 2023, the Shoreline Community paid a total of \$8.8 million in contributions to the school districts, including \$5.4 million to MVWSD and \$3.4 million to MVLAUHSD.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

A one-year successor agreement was executed in June 2023 for the period of July 1, 2023 through June 30, 2024. The Shoreline Community and school districts are currently negotiating a long-term successor agreement which could alter future payments to the school districts.

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, 2023, \$2.2 million and \$2.7 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, 2023, 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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 14 – COMMITMENTS AND CONTINGENCIES (Continued)

The City paid its surcharge of \$1.3 million during the fiscal year ended June 30, 2023, which is included as a component of cost of sales and services expenses in the Water Enterprise Fund. The surcharge for Fiscal Year 2023-24 is estimated to be \$1.3 million.

H. *Education Revenue Augmentation Fund*

In 1992, as a way of solving its own budget shortfalls, the State enacted legislation that shifted partial financial responsibility for funding K-14 education to local government. Property tax revenues belonging to cities, counties, and special districts were shifted to the Education Revenue Augmentation Fund (ERAF). When the State shifts more local property tax than required, these funds are returned to cities, counties and special districts and are known as excess ERAF.

In November 2021, the County notified cities that the California School Boards Association and its Education Legal Alliance filed a lawsuit against the Controller of the State of California, disputing the calculation and disbursement of excess ERAF funds. As a result, the County estimates that 20% to 30% of ERAF disbursed to all cities over three years is subject to litigation. The County encouraged each agency to reserve 22% of the Excess ERAF distribution on an ongoing basis and going back to Fiscal Year 2020-21. With the 22% calculation, the City estimated the amount at risk is approximately \$5.1 million. Excess ERAF revenue for Fiscal Year 2023-24 has been projected at \$7.1 million, \$2.0 million more than the at-risk amount. Therefore, the City did not record the \$5.1 million as a liability at June 30, 2023. The City will continue to evaluate this issue and will determine at each fiscal year-end if a payable should be recorded for the litigation.

CITY OF MOUNTAIN VIEW

Required Supplementary Information (Unaudited)

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

(Dollar in Thousands)

	Fiscal Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement period	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 9,639	\$ 8,642	8,622	8,342	7,669	7,473	6,675	6,412	6,218
Interest on the total pension liability	33,695	32,778	31,427	29,850	28,405	27,198	26,269	25,058	23,873
Changes of assumptions	14,543	-	-	-	(2,554)	22,221	-	(6,028)	-
Differences between expected and actual experience	(1,882)	1,435	4,461	2,677	2,350	(2,154)	(577)	(568)	-
Benefit payments, including refunds of employee contributions	(25,927)	(23,432)	(21,764)	(19,708)	(18,056)	(17,303)	(15,518)	(14,861)	(13,823)
Net change in total pension liability	30,068	19,423	22,746	21,161	17,814	37,435	16,849	10,013	16,268
Total pension liability, beginning	483,820	464,397	441,651	420,490	402,676	365,241	348,392	338,379	322,111
Total pension liability, ending	\$ 513,888	\$ 483,820	464,397	441,651	420,490	402,676	365,241	348,392	338,379
Plan fiduciary net position									
Contributions, employer	\$ 17,345	\$ 15,273	18,696	17,514	17,917	12,413	11,318	8,673	7,796
Contributions, employee	5,666	5,489	3,959	3,549	3,513	3,121	3,065	3,148	3,147
Plan to plan resource movement	-	-	-	-	(1)	-	-	-	-
Investment income	(31,970)	78,758	16,690	20,477	24,062	29,071	1,328	5,709	38,300
Benefit payments, including refunds of employee contributions	(25,927)	(23,432)	(21,764)	(19,708)	(18,056)	(17,303)	(15,518)	(14,861)	(13,823)
Administrative expenses	(264)	(347)	(466)	(219)	(1,277)	(378)	(156)	(288)	-
Net change in plan fiduciary net position	(35,150)	75,741	17,115	21,613	26,158	26,924	37	2,381	35,420
Plan fiduciary net position, beginning	423,307	347,566	330,451	308,838	282,680	255,756	255,719	253,338	217,918
Plan fiduciary net position, ending	\$ 388,157	\$ 423,307	347,566	330,451	308,838	282,680	255,756	255,719	253,338
Plan net pension liability	\$ 125,731	\$ 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	75.5%	87.5%	74.8%	74.8%	73.4%	70.2%	70.0%	73.4%	74.9%
Covered payroll	\$ 49,915	\$ 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	251.9%	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, 2021 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 2017 CalPERS Experience Study. There are no change in assumptions during measurement periods 2019, 2020, and 2021. During measurement period 2022, the discount rate was reduced from 7.15% to 6.90%, inflation rate was reduced from 2.50% to 2.30%, and demographic assumptions were changed in accordance with the 2021 CalPERS Experience Study.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only night 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)

	Fiscal Year Ended June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement period	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 8,910	7,933	7,613	7,066	6,677	6,857	5,945	6,061	6,311
Interest on the total pension liability	29,621	28,366	27,043	25,815	24,593	23,599	22,704	21,792	20,641
Changes of assumptions	16,330	-	-	-	(1,385)	19,688	-	(5,345)	-
Differences between expected and actual experience	74	2,993	2,235	2,998	1,416	(157)	(1,633)	1,234	-
Benefit payments, including refunds of employee contributions	(21,344)	(19,902)	(18,711)	(17,734)	(16,998)	(15,977)	(14,765)	(13,721)	(12,416)
Net change in total pension liability	33,591	19,390	18,180	18,145	14,303	34,010	12,251	10,021	14,536
Total pension liability, beginning	419,108	399,718	381,538	363,393	349,090	315,080	302,829	292,808	278,272
Total pension liability, ending	\$ 452,699	\$ 419,108	399,718	381,538	363,393	349,090	315,080	302,829	292,808
Plan fiduciary net position									
Contributions, employer	\$ 13,748	\$ 12,508	15,569	14,385	14,872	10,572	9,904	8,139	7,244
Contributions, employee	4,295	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	(26,507)	65,428	13,769	17,013	20,199	24,545	1,117	4,852	32,936
Benefit payments, including refunds of employee contributions	(21,344)	(19,902)	(18,711)	(17,734)	(16,998)	(15,977)	(14,765)	(13,721)	(12,416)
Administrative expenses	(219)	(289)	(388)	(184)	(1,079)	(321)	(133)	(246)	-
Net change in plan fiduciary net position	(30,027)	62,074	13,584	16,431	19,958	21,528	(1,180)	1,712	30,688
Plan fiduciary net position, beginning	350,911	288,837	275,253	258,822	238,864	217,336	218,516	216,804	186,116
Plan fiduciary net position, ending	\$ 320,884	\$ 350,911	288,837	275,253	258,822	238,864	217,336	218,516	216,804
Plan net pension liability	\$ 131,815	\$ 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	70.9%	83.7%	72.3%	72.1%	71.2%	68.4%	69.0%	72.2%	74.0%
Covered payroll	\$ 27,611	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	477.4%	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, 2021 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 2017 CalPERS Experience Study. There are no change in assumptions during measurement periods 2019, 2020, and 2021. During measurement period 2022, the discount rate was reduced from 7.15% to 6.90%, inflation rate was reduced from 2.50% to 2.30%, and demographic assumptions were changed in accordance with the 2021 CalPERS Experience Study.

* 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)

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Miscellaneous Plan										
Actuarially determined contributions (ADC)	\$ 15,909	15,117	14,159	14,207	12,769	11,289	9,925	8,806	8,073	7,796
Contributions in relation to the ADC	(17,837)	(17,345)	(15,273)	(18,696)	(17,514)	(17,917)	(12,413)	(11,318)	(8,673)	(7,796)
Contribution deficiency (excess)	\$ (1,928)	(2,228)	(1,114)	(4,489)	(4,745)	(6,628)	(2,488)	(2,512)	(600)	-
Covered payroll	\$ 50,300	49,915	47,644	46,084	43,994	40,657	39,034	38,450	36,233	34,163
Contributions as a percentage of covered payroll	35.5%	34.7%	32.1%	40.6%	39.8%	44.1%	31.8%	29.4%	23.9%	22.8%
Safety Plan										
Actuarially determined contributions	\$ 13,456	12,341	11,752	11,682	10,277	9,112	8,915	8,229	7,739	7,244
Contributions in relation to the ADC	(14,581)	(13,748)	(12,508)	(15,569)	(14,385)	(14,872)	(10,572)	(9,904)	(8,139)	(7,244)
Contribution deficiency (excess)	\$ (1,125)	(1,407)	(756)	(3,887)	(4,108)	(5,760)	(1,657)	(1,675)	(400)	-
Covered payroll	\$ 28,823	27,611	27,301	26,188	24,248	22,764	23,263	22,493	22,547	23,051
Contributions as a percentage of covered payroll	50.6%	49.8%	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, 2023 were as follows:

ADC for fiscal year	June 30, 2023
Actuarial valuation date	June 30, 2020
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.

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,					
	2023	2022	2021	2020	2019	2018
Measurement period	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 3,474	\$ 3,428	3,320	3,336	3,231	3,054
Interest on the total OPEB liability	8,929	9,456	9,079	9,857	9,392	8,820
Changes of assumptions	7,823	4,921	-	(670)	-	15,660
Differences between expected and actual experience	-	(13,543)	-	(12,915)	-	(9,020)
Benefit payments, including refunds of employee contributions	(6,820)	(6,772)	(6,183)	(5,729)	(5,459)	(5,044)
Net change in total OPEB liability	13,406	(2,510)	6,216	(6,121)	7,164	13,470
Total pension OPEB, beginning	148,746	151,256	145,040	151,161	143,997	130,527
Total OPEB liability, ending	\$ 162,152	148,746	151,256	145,040	151,161	143,997
Plan fiduciary net position						
Contributions, employer	\$ 5,848	6,772	8,497	8,014	13,233	12,424
Investment income	(21,942)	28,673	7,384	8,797	6,858	7,065
Benefit payments, including refunds of employee contributions	(6,820)	(6,772)	(6,183)	(5,729)	(5,459)	(5,044)
Administrative expenses	(44)	(53)	(67)	(27)	(206)	(51)
Net change in plan fiduciary net position	(22,958)	28,620	9,631	11,055	14,426	14,394
Plan fiduciary net position, beginning	174,500	145,880	136,249	125,194	110,768	96,374
Plan fiduciary net position, ending	\$ 151,542	174,500	145,880	136,249	125,194	110,768
Plan net OPEB liability (asset)	\$ 10,610	(25,754)	5,376	8,791	25,967	33,229
Plan fiduciary net position as a percentage of the total OPEB liability	93.5%	117.3%	96.4%	93.9%	82.8%	76.9%
Covered payroll	\$ 49,318	\$ 49,104	50,838	49,135	46,799	44,181
Plan net OPEB liability (asset) as a percentage of covered payroll	21.5%	(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. During the measurement period 2022, the discount rate was reduced from 6.00 percent to 5.60 percent.

* 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.

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

	Fiscal Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions (ADC)	\$ 3,014	3,123	4,151	6,068	5,334	5,639	5,577
Contributions in relation to the ADC	(5,387)	(5,848)	(6,772)	(8,497)	(8,014)	(13,233)	(12,424)
Contribution deficiency (excess)	\$ (2,373)	(2,725)	(2,621)	(2,429)	(2,680)	(7,594)	(6,847)
Covered payroll	\$ 51,730	49,318	49,104	50,838	49,135	46,799	44,181
Contributions as a percentage of covered payroll	10.4%	11.9%	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, 2023 were as follows:

ADC for fiscal year	June 30, 2023
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 2021 CalPERS Experience Study for the period from 1997 to 2019, except for using the MacLeod Watts Scale 2020 applied generationally from 2015 as the basis to project future mortality improvements.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only seven 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, 2023
(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	1,394	1,394	1,503	109
Developer fees and contributions	-	-	16,235	16,235
Total revenues	<u>1,394</u>	<u>1,394</u>	<u>17,738</u>	<u>16,344</u>
Other financing sources (uses):				
Transfers in	-	-	1,631	1,631
Transfers out	<u>(3,850)</u>	<u>(30,637)</u>	<u>(30,637)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,850)</u>	<u>(30,637)</u>	<u>(29,006)</u>	<u>1,631</u>
Net change in fund balance	<u>\$ (2,456)</u>	<u>(29,243)</u>	<u>(11,268)</u>	<u>17,975</u>
Fund balance, beginning of year			<u>79,689</u>	
Fund balance, end of year			<u>\$ 68,421</u>	

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2023

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, 2023

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 **Shoreline Regional Park Community 2022 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 2022 Refunding Revenue Bonds Series A 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, 2023
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Gas Tax	Other Streets and Transportation	Construction & Conveyance Tax	Other Developer Fees
Assets:				
Cash and investments	\$ 2,448	466	7,336	37,335
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	511	-	-	-
Interest	57	21	239	318
Loans and notes	-	-	-	-
Inventory	-	-	-	-
Deposits and prepaid items	-	-	-	-
Total assets	\$ 3,016	487	7,575	37,653
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	-	681	-
Refundable deposits	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	681	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	3,016	487	6,894	3,295
Committed	-	-	-	34,358
Total fund balances	3,016	487	6,894	37,653
Total liabilities, deferred inflows of resources and fund balances	\$ 3,016	487	7,575	37,653

SPECIAL REVENUE FUNDS

CSFRA / Rental Housing Committee	Mobile Home Rent Stabilization Ordinance (MHRSO)	Housing Successor	Shoreline Golf Links	Downtown Benefit Assessment District	General Special Purpose
1,428	323	1,388	505	21,143	582
-	-	-	10	-	-
82	-	-	19	-	-
9	2	-	1	122	3
-	-	11,410	-	-	-
-	-	-	75	-	-
-	-	-	-	-	-
<u>1,519</u>	<u>325</u>	<u>12,798</u>	<u>610</u>	<u>21,265</u>	<u>585</u>
1	4	-	68	17	2
-	-	-	1	2	347
-	-	-	426	-	-
<u>1</u>	<u>4</u>	<u>-</u>	<u>495</u>	<u>19</u>	<u>349</u>
-	-	-	75	-	-
1,518	321	12,798	-	21,246	-
-	-	-	40	-	236
<u>1,518</u>	<u>321</u>	<u>12,798</u>	<u>115</u>	<u>21,246</u>	<u>236</u>
<u>1,519</u>	<u>325</u>	<u>12,798</u>	<u>610</u>	<u>21,265</u>	<u>585</u>

(Continued)

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023
(Dollars in Thousands)

SPECIAL REVENUE FUNDS

	Police Asset Forfeitures	Grants	Cable Television	Deferred Assessments
Assets:				
Cash and investments	427	10,828	795	390
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	40	-	-
Interest	-	44	-	-
Loans and notes	-	16,073	-	-
Inventory	-	-	-	-
Deposits and prepaid items	-	271	-	-
Total assets	<u>427</u>	<u>27,256</u>	<u>795</u>	<u>390</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	-	52	-	-
Refundable deposits	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>52</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	427	27,204	795	390
Committed	-	-	-	-
Total fund balances	<u>427</u>	<u>27,204</u>	<u>795</u>	<u>390</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>427</u></u>	<u><u>27,256</u></u>	<u><u>795</u></u>	<u><u>390</u></u>

DEBT SERVICE FUNDS				CAPITAL	
Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Shoreline Regional Park Community 2022 Revenue Bonds	Special Assessments	PROJECTS FUND Storm Drain Construction	Total Nonmajor Governmental Funds
-	-	-	45	443	85,882
-	5,968	9	-	-	5,987
-	-	-	-	-	652
-	-	-	-	6	822
-	-	-	-	-	27,483
-	-	-	-	-	75
-	-	-	-	-	271
-	5,968	9	45	449	121,172
-	-	-	-	-	825
-	-	-	-	-	350
-	-	-	-	-	426
-	-	-	-	-	1,601
-	-	-	-	-	75
-	5,968	9	45	449	84,862
-	-	-	-	-	34,634
-	5,968	9	45	449	119,571
-	5,968	9	45	449	121,172

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Gas Tax	Other Streets and Transportation	Construction & Conveyance Tax	Other Developer Fees
Revenues:				
Property taxes	\$ -	-	-	-
Other taxes	-	-	4,104	-
Licenses, permits and fees	-	-	-	-
Use of money and property	5	(54)	267	(99)
Intergovernmental	3,969	687	-	-
Charges for services	-	-	-	-
Developer fees and contributions	-	-	-	2,629
Other	-	-	-	-
Total revenues	<u>3,974</u>	<u>633</u>	<u>4,371</u>	<u>2,530</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	106	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>106</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,974</u>	<u>527</u>	<u>4,371</u>	<u>2,530</u>
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Payment to bonds refunding escrow	-	-	-	-
Transfers in	162	69	1,358	4,412
Transfers out	(3,504)	(777)	(14,754)	(7,230)
Total other financing sources (uses)	<u>(3,342)</u>	<u>(708)</u>	<u>(13,396)</u>	<u>(2,818)</u>
Net change in fund balances	632	(181)	(9,025)	(288)
Fund balances, beginning of year	<u>2,384</u>	<u>668</u>	<u>15,919</u>	<u>37,941</u>
Fund balances, end of year	<u>\$ 3,016</u>	<u>487</u>	<u>6,894</u>	<u>37,653</u>

SPECIAL REVENUE FUNDS

CSFRA / Rental Housing Committee	Mobile Home Rent Stabilization Ordinance (MHRSO)	Housing Successor	Shoreline Golf Links	Downtown Benefit Assessment District	General Special Purpose
-	-	-	-	1,176	-
-	-	-	-	-	15
-	-	-	-	290	-
22	-	115	8	286	10
-	-	-	-	3	-
1,497	349	-	4,237	202	9
-	-	-	-	61	-
-	-	-	(44)	20	-
<u>1,519</u>	<u>349</u>	<u>115</u>	<u>4,201</u>	<u>2,038</u>	<u>34</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,490	266	-	-	400	42
-	-	-	3,969	-	-
10	-	-	22	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,500</u>	<u>266</u>	<u>-</u>	<u>3,991</u>	<u>400</u>	<u>42</u>
<u>19</u>	<u>83</u>	<u>115</u>	<u>210</u>	<u>1,638</u>	<u>(8)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	19	-
(15)	(1)	-	(230)	(1,112)	-
<u>(15)</u>	<u>(1)</u>	<u>-</u>	<u>(230)</u>	<u>(1,093)</u>	<u>-</u>
4	82	115	(20)	545	(8)
<u>1,514</u>	<u>239</u>	<u>12,683</u>	<u>135</u>	<u>20,701</u>	<u>244</u>
<u>1,518</u>	<u>321</u>	<u>12,798</u>	<u>115</u>	<u>21,246</u>	<u>236</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, 2023
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Police Asset Forfeitures	Grants	Cable Television	Deferred Assessments
Revenues:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses, permits and fees	-	-	-	-
Use of money and property	1	477	-	-
Intergovernmental	3	613	-	-
Charges for services	-	-	-	-
Developer fees and contributions	-	-	-	-
Other	-	-	169	-
Total revenues	<u>4</u>	<u>1,090</u>	<u>169</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	174	-
Public safety	-	212	-	-
Public works	-	-	-	-
Community development	-	790	-	-
Culture and recreation	-	-	-	-
Capital outlay	58	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>58</u>	<u>1,002</u>	<u>174</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54)</u>	<u>88</u>	<u>(5)</u>	<u>-</u>
Other financing sources (uses):				
Issuance of bonds	-	-	-	-
Payment to bonds refunding escrow	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	350	-	-
Total other financing sources (uses)	<u>-</u>	<u>350</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(54)	438	(5)	-
Fund balances, beginning of year	<u>481</u>	<u>26,766</u>	<u>800</u>	<u>390</u>
Fund balances, end of year	<u><u>427</u></u>	<u><u>27,204</u></u>	<u><u>795</u></u>	<u><u>390</u></u>

DEBT SERVICE FUNDS				CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Shoreline Regional Park Community 2022 Revenue Bonds	Special Assessments	Storm Drain Construction	
-	-	-	-	-	1,176
-	-	-	-	-	4,119
-	-	-	-	-	290
3	167	-	-	7	1,215
-	-	-	-	-	5,275
-	-	-	-	-	6,294
-	-	-	-	-	2,690
-	-	-	-	-	145
<u>3</u>	<u>167</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>21,204</u>
-	-	-	-	-	174
-	-	-	-	-	212
-	-	-	-	-	106
-	-	-	-	-	2,988
-	-	-	-	-	3,969
-	-	-	-	-	90
695	920	-	-	-	1,615
1,004	3,063	355	-	-	4,422
<u>1,699</u>	<u>3,983</u>	<u>355</u>	<u>-</u>	<u>-</u>	<u>13,576</u>
<u>(1,696)</u>	<u>(3,816)</u>	<u>(355)</u>	<u>-</u>	<u>7</u>	<u>7,628</u>
21,401	-	164	-	-	21,565
(21,100)	-	-	-	-	(21,100)
696	9,784	200	-	16	16,716
(5,801)	-	-	-	(33)	(33,107)
<u>(4,804)</u>	<u>9,784</u>	<u>364</u>	<u>-</u>	<u>(17)</u>	<u>(15,926)</u>
(6,500)	5,968	9	-	(10)	(8,298)
6,500	-	-	45	459	127,869
<u>-</u>	<u>5,968</u>	<u>9</u>	<u>45</u>	<u>449</u>	<u>119,571</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, 2023
 (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	95	5	(90)	39	(54)	(93)
Intergovernmental	4,097	3,969	(128)	3,134	687	(2,447)
Charges for services	-	-	-	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	4,192	3,974	(218)	3,173	633	(2,540)
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Public works	-	-	-	281	106	175
Community development	-	-	-	-	-	-
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	281	106	175
Excess (deficiency) of revenues over (under) expenditures	4,192	3,974	(218)	2,892	527	(2,365)
Other financing sources (uses):						
Transfers in	-	162	162	-	69	69
Transfers out	(3,504)	(3,504)	-	(3,163)	(777)	2,386
Total other financing sources (uses)	(3,504)	(3,342)	162	(3,163)	(708)	2,455
Net change in fund balances	\$ 688	632	(56)	(271)	(181)	90
Fund balances, beginning of year		2,384			668	
Fund balances, end of year		\$ 3,016			487	

Construction & Conveyance Tax			Other Developer Fees			CSFRA / Rental Housing Committee		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	-	-	-	-	-	-
5,504	4,104	(1,400)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
512	267	(245)	364	(99)	(463)	15	22	7
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,435	1,497	62
-	-	-	-	2,629	2,629	-	-	-
-	-	-	-	-	-	-	-	-
<u>6,016</u>	<u>4,371</u>	<u>(1,645)</u>	<u>364</u>	<u>2,530</u>	<u>2,166</u>	<u>1,450</u>	<u>1,519</u>	<u>69</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,019	1,490	529
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	107	10	97
-	-	-	-	-	-	<u>2,126</u>	<u>1,500</u>	<u>626</u>
<u>6,016</u>	<u>4,371</u>	<u>(1,645)</u>	<u>364</u>	<u>2,530</u>	<u>2,166</u>	<u>(676)</u>	<u>19</u>	<u>695</u>
-	1,358	1,358	-	4,412	4,412	-	-	-
<u>(14,754)</u>	<u>(14,754)</u>	<u>-</u>	<u>(7,230)</u>	<u>(7,230)</u>	<u>-</u>	<u>(15)</u>	<u>(15)</u>	<u>-</u>
<u>(14,754)</u>	<u>(13,396)</u>	<u>1,358</u>	<u>(7,230)</u>	<u>(2,818)</u>	<u>4,412</u>	<u>(15)</u>	<u>(15)</u>	<u>-</u>
<u>(8,738)</u>	<u>(9,025)</u>	<u>(287)</u>	<u>(6,866)</u>	<u>(288)</u>	<u>6,578</u>	<u>(691)</u>	<u>4</u>	<u>695</u>
	<u>15,919</u>			<u>37,941</u>			<u>1,514</u>	
	<u>6,894</u>			<u>37,653</u>			<u>1,518</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, 2023
 (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	1	-	(1)	19	115	96
Intergovernmental	-	-	-	-	-	-
Charges for services	639	349	(290)	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>640</u>	<u>349</u>	<u>(291)</u>	<u>19</u>	<u>115</u>	<u>96</u>
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community development	349	266	83	1,000	-	1,000
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>349</u>	<u>266</u>	<u>83</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>291</u>	<u>83</u>	<u>(208)</u>	<u>(981)</u>	<u>115</u>	<u>1,096</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(293)	(1)	292	-	-	-
Total other financing sources (uses)	<u>(293)</u>	<u>(1)</u>	<u>292</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(2)</u>	<u>82</u>	<u>84</u>	<u>(981)</u>	<u>115</u>	<u>1,096</u>
Fund balance, beginning of year		<u>239</u>			<u>12,683</u>	
Fund balance, end of year		<u>321</u>			<u>12,798</u>	

Shoreline Golf Links			Downtown Benefit Assessment District			General Special Purpose		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	1,095	1,176	81	-	-	-
-	-	-	-	-	-	-	15	15
-	-	-	156	290	134	-	-	-
-	8	8	260	286	26	8	10	2
-	-	-	3	3	-	-	-	-
4,410	4,237	(173)	223	202	(21)	50	9	(41)
-	-	-	-	61	61	-	-	-
20	(44)	(64)	-	20	20	-	-	-
<u>4,430</u>	<u>4,201</u>	<u>(229)</u>	<u>1,737</u>	<u>2,038</u>	<u>301</u>	<u>58</u>	<u>34</u>	<u>(24)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	596	400	196	132	42	90
4,070	3,969	101	-	-	-	-	-	-
22	22	-	-	-	-	-	-	-
<u>4,092</u>	<u>3,991</u>	<u>101</u>	<u>596</u>	<u>400</u>	<u>196</u>	<u>132</u>	<u>42</u>	<u>90</u>
<u>338</u>	<u>210</u>	<u>(128)</u>	<u>1,141</u>	<u>1,638</u>	<u>497</u>	<u>(74)</u>	<u>(8)</u>	<u>66</u>
-	-	-	-	19	19	-	-	-
(380)	(230)	150	(1,112)	(1,112)	-	-	-	-
(380)	(230)	150	(1,112)	(1,093)	19	-	-	-
<u>(42)</u>	<u>(20)</u>	<u>22</u>	<u>29</u>	<u>545</u>	<u>516</u>	<u>(74)</u>	<u>(8)</u>	<u>66</u>
	<u>135</u>			<u>20,701</u>			<u>244</u>	
	<u>115</u>			<u>21,246</u>			<u>236</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, 2023
 (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	-	477	477
Intergovernmental	3	3	-	2,065	613	(1,452)
Charges for services	-	-	-	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	200	-	(200)
Total revenues	<u>3</u>	<u>4</u>	<u>1</u>	<u>2,265</u>	<u>1,090</u>	<u>(1,175)</u>
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	428	-	428	212	212	-
Public works	-	-	-	-	-	-
Community development	-	-	-	16,542	790	15,752
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	58	58	-	-	-	-
Total expenditures	<u>486</u>	<u>58</u>	<u>428</u>	<u>16,754</u>	<u>1,002</u>	<u>15,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(483)</u>	<u>(54)</u>	<u>429</u>	<u>(14,489)</u>	<u>88</u>	<u>14,577</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	350	350
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>350</u>
Net change in fund balances	<u>(483)</u>	<u>(54)</u>	<u>429</u>	<u>(14,489)</u>	<u>438</u>	<u>14,927</u>
Fund balances, beginning of year		<u>481</u>			<u>26,766</u>	
Fund balances, end of year		<u>427</u>			<u>27,204</u>	

Cable Television			Deferred Assessments			Storm Drain Construction		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	14	7	(7)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
180	169	(11)	-	-	-	10	-	(10)
180	169	(11)	-	-	-	24	7	(17)
239	174	65	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
239	174	65	-	-	-	-	-	-
(59)	(5)	54	-	-	-	24	7	(17)
-	-	-	-	-	-	-	16	16
-	-	-	-	-	-	(33)	(33)	-
-	-	-	-	-	-	(33)	(17)	16
(59)	(5)	54	-	-	-	(9)	(10)	(1)
	800			390			459	
	795			390			449	

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

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, 2023
(Dollars in Thousands)

	<u>Equipment Maintenance & Replacement</u>	<u>Workers' Compensation Insurance</u>	<u>Unemployment Self-Insurance</u>
Assets:			
Current assets:			
Cash and investments	\$ 28,311	12,551	546
Restricted cash and investments	-	273	-
Receivables:			
Accounts	-	-	-
Interest	178	70	3
Due from other funds	1,287	-	-
Deposits and prepaid items	-	-	-
Total current assets	<u>29,776</u>	<u>12,894</u>	<u>549</u>
Total assets	<u>29,776</u>	<u>12,894</u>	<u>549</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	407	44	-
Due to other funds	-	-	-
Current portion of accrued compensated absences	25	-	-
Current portion of accrued self-insurance costs	-	2,656	-
Total current liabilities	<u>432</u>	<u>2,700</u>	<u>-</u>
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	65	-	-
Noncurrent portion of accrued self-insurance costs	-	7,461	-
Total liabilities	<u>497</u>	<u>10,161</u>	<u>-</u>
Net position:			
Unrestricted	<u>29,279</u>	<u>2,733</u>	<u>549</u>
Total net position	<u>\$ 29,279</u>	<u>\$ 2,733</u>	<u>\$ 549</u>

<u>Liability Self-Insurance</u>	<u>Retirees' Health Plan</u>	<u>Employee Benefits Plan</u>	<u>Total Internal Service Funds</u>
3,298	-	481	45,187
552	-	-	825
-	1,685	-	1,685
20	-	3	274
-	-	-	1,287
346	-	-	346
<u>4,216</u>	<u>1,685</u>	<u>484</u>	<u>49,604</u>
<u>4,216</u>	<u>1,685</u>	<u>484</u>	<u>49,604</u>
52	3	3	509
-	1,287	-	1,287
-	-	-	25
811	-	-	3,467
<u>863</u>	<u>1,290</u>	<u>3</u>	<u>5,288</u>
-	-	-	65
415	-	-	7,876
<u>1,278</u>	<u>1,290</u>	<u>3</u>	<u>13,229</u>
<u>2,938</u>	<u>395</u>	<u>481</u>	<u>36,375</u>
<u>\$ 2,938</u>	<u>\$ 395</u>	<u>\$ 481</u>	<u>\$ 36,375</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, 2023
(Dollars in Thousands)

	Equipment Maintenance & Replacement	Workers' Compensation Insurance	Unemployment Self-Insurance
Operating revenues:			
Charges for services	\$ 2,967	2,271	55
Other	180	29	-
Total operating revenues	<u>3,147</u>	<u>2,300</u>	<u>55</u>
Operating expenses:			
Salaries and related expenses	1,602	-	-
Insurance claims and premiums	-	4,124	18
General and administrative	2,815	156	-
Total operating expenses	<u>4,417</u>	<u>4,280</u>	<u>18</u>
Operating income (loss)	(1,270)	(1,980)	37
Nonoperating revenues:			
Investment income	546	174	6
Income (loss) before transfers	(724)	(1,806)	43
Transfers in	3,618	-	-
Transfers out	(265)	-	-
Change in net position	2,629	(1,806)	43
Net position, beginning of year	<u>26,650</u>	<u>4,539</u>	<u>506</u>
Net position, end of year	<u>\$ 29,279</u>	<u>2,733</u>	<u>549</u>

Liability Self-Insurance	Retirees' Health Plan	Employee Benefits Plan	Total Internal Service Funds
3,633	3,793	50	12,769
22	1,706	-	1,937
<u>3,655</u>	<u>5,499</u>	<u>50</u>	<u>14,706</u>
-	5,488	37	7,127
3,408	-	-	7,550
1,272	11	6	4,260
<u>4,680</u>	<u>5,499</u>	<u>43</u>	<u>18,937</u>
(1,025)	-	7	(4,231)
61	(24)	2	765
(964)	(24)	9	(3,466)
1,250	-	-	4,868
-	-	-	(265)
286	(24)	9	1,137
<u>2,652</u>	<u>419</u>	<u>472</u>	<u>35,238</u>
<u>2,938</u>	<u>395</u>	<u>481</u>	<u>36,375</u>

CITY OF MOUNTAIN VIEW
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	<u>Equipment Maintenance & Replacement</u>	<u>Workers' Compensation Insurance</u>	<u>Unemployment Self-Insurance</u>
Cash flows from operating activities:			
Cash receipts from customers	\$ 3,147	2,300	55
Cash paid to suppliers for goods and services	(2,482)	(686)	(18)
Cash paid to employees for services	(1,658)	-	-
Claims paid	-	(1,327)	-
Net cash provided by (used in) operating activities	<u>(993)</u>	<u>287</u>	<u>37</u>
Cash flows from noncapital financing activities:			
Transfers in	3,618	-	-
Transfers out	(265)	-	-
Borrowing received from (paid to) other funds	(741)	-	-
Net cash provided by (used in) noncapital financing activities	<u>2,612</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received (loss)	506	156	5
Net increase (decrease) in cash and cash equivalents	2,125	443	42
Cash and cash equivalents, beginning of year	<u>26,186</u>	<u>12,381</u>	<u>504</u>
Cash and cash equivalents, end of year	<u>\$ 28,311</u>	<u>12,824</u>	<u>546</u>
Reconciliation of cash and cash equivalents:			
Cash and investments	\$ 28,311	12,551	546
Restricted cash and investments	-	273	-
Total cash and cash equivalents	<u>\$ 28,311</u>	<u>12,824</u>	<u>546</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,270)	(1,980)	37
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	-	-	-
Decrease (increase) in deposits and prepaid items	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	333	16	-
Increase (decrease) in accrued compensated absences	(56)	-	-
Increase (decrease) in accrued self-insurance costs	-	2,251	-
Net cash provided by (used in) operating activities	<u>\$ (993)</u>	<u>287</u>	<u>37</u>
Supplemental disclosure of noncash capital and related financing activities:			
Receipt of capital assets contributions	\$ -	-	-
Transfer of capital assets	\$ -	-	-

Liability Self-Insurance	Retirees' Health Plan	Employee Benefits Plan	Total Internal Service Funds
3,655	4,779	50	13,986
(5,044)	(8)	(4)	(8,242)
-	(5,488)	(37)	(7,183)
(205)	-	-	(1,532)
(1,594)	(717)	9	(2,971)
1,250	-	-	4,868
-	-	-	(265)
-	741	-	-
1,250	741	-	4,603
58	(24)	1	702
(286)	-	10	2,334
4,136	-	471	43,678
3,850	-	481	46,012
3,298	-	481	45,187
552	-	-	825
3,850	-	481	46,012
(1,025)	-	7	(4,231)
-	(720)	-	(720)
(346)	-	-	(346)
(18)	3	2	336
-	-	-	(56)
(205)	-	-	2,046
(1,594)	(717)	9	(2,971)
-	-	-	-
-	-	-	-

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Custodial Funds
For the Fiscal Year Ended June 30, 2023

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, 2023
(Dollars in Thousands)

	Fire Union	Police Union	Flexible Benefits Plan	Center For the Performing Arts	Total
Assets:					
Due from other funds	\$ -	4	-	-	4
Restricted cash and investments	-	-	157	378	535
Due from other funds	-	-	10	-	10
Total assets	<u>-</u>	<u>4</u>	<u>167</u>	<u>378</u>	<u>549</u>
Liabilities:					
Due to other funds	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
Net Position:					
Restricted for others	<u>\$ (10)</u>	<u>4</u>	<u>167</u>	<u>378</u>	<u>539</u>

CITY OF MOUNTAIN VIEW
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023
(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	\$ 45	15	65	543	668
Deductions:					
Distribution to others	<u>64</u>	<u>40</u>	<u>41</u>	<u>425</u>	<u>570</u>
Change in net position	(19)	(25)	24	118	98
Net position, beginning of year	<u>9</u>	<u>29</u>	<u>143</u>	<u>260</u>	<u>441</u>
Net position, end of year	<u>\$ (10)</u>	<u>4</u>	<u>167</u>	<u>378</u>	<u>539</u>

This page intentionally left blank

CITY OF MOUNTAIN VIEW, CALIFORNIA
Statistical Section
For the Fiscal Year Ended June 30, 2023

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

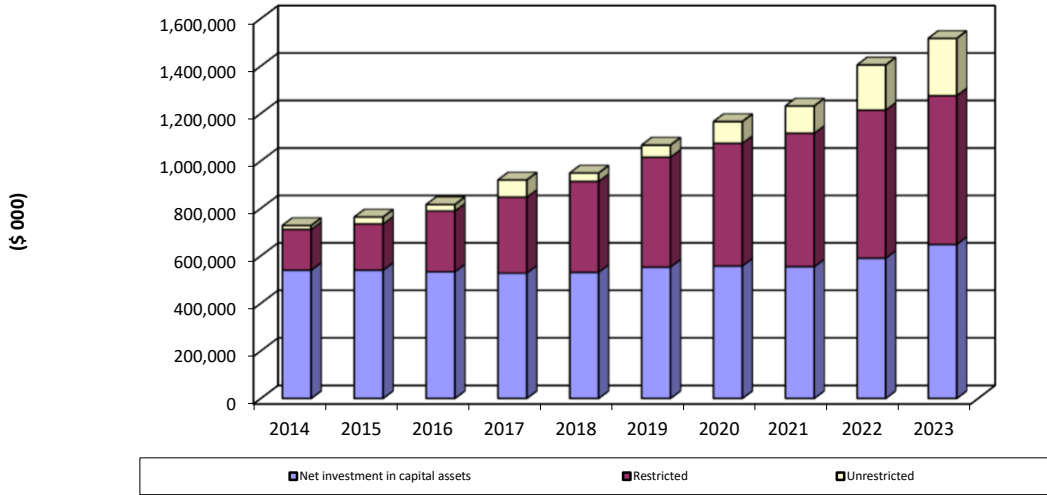
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 456,410	454,939	450,011	446,280
Restricted	171,881	194,850	256,471	319,980
Unrestricted	<u>(13,764) ⁽¹⁾</u>	<u>(3,057)</u>	<u>(11,492)</u>	<u>20,918</u>
Total governmental activities net position	<u>614,527</u>	<u>646,732</u>	<u>694,990</u>	<u>787,178</u>
Business-type activities				
Net investment in capital assets	\$ 82,850	84,170	82,555	80,809
Unrestricted	<u>30,417</u>	<u>32,410</u>	<u>38,244</u>	<u>51,586</u>
Total business-type activities net position	<u>113,267</u>	<u>116,580</u>	<u>120,799</u>	<u>132,395</u>
Primary government				
Net investment in capital assets	\$ 539,260	539,109	532,566	527,089
Restricted	171,881	194,850	256,471	319,980
Unrestricted	<u>16,653 ⁽¹⁾</u>	<u>29,353</u>	<u>26,752</u>	<u>72,504</u>
Total primary government net position	<u>\$ 727,794</u>	<u>763,312</u>	<u>815,789</u>	<u>919,573</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.
- (3) The Unrestricted Net Position restated in fiscal year ended June 30, 2021 due to the implementation of GASB No. 87.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Net Position by Component
Primary Government



Fiscal Year Ended June 30,

2018	2019	2020	2021 (as restated)	2022	2023
450,851	466,424	467,378	467,855	502,737	555,678
382,993	463,224	516,825	562,840	624,062	626,817
(42,935) ⁽²⁾	(31,615)	(1,976)	8,772 ⁽³⁾	66,457	100,514
<u>790,909</u>	<u>898,033</u>	<u>982,227</u>	<u>1,039,467</u>	<u>1,193,256</u>	<u>1,283,009</u>
79,783	86,332	89,969	86,020	87,218	92,486
<u>78,278</u>	<u>82,193</u>	<u>93,692</u>	<u>106,155</u>	<u>124,051</u>	<u>141,036</u>
<u>158,061</u>	<u>168,525</u>	<u>183,661</u>	<u>192,175</u>	<u>211,269</u>	<u>233,522</u>
530,634	552,756	557,347	553,875	589,955	648,164
382,993	463,224	516,825	562,840	624,062	626,817
35,343 ⁽²⁾	50,578	91,716	114,927	190,508	241,550
<u>948,970</u>	<u>1,066,558</u>	<u>1,165,888</u>	<u>1,231,642</u>	<u>1,404,525</u>	<u>1,516,531</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Expenses				
Governmental activities				
General government	\$ 32,517	33,782	35,510	38,460
Public safety	51,719	51,946	53,538	57,759
Public works	13,264	30,630	31,052	29,541
Community development	15,013	10,501	11,991	13,564
Culture and recreation	30,623	30,083	30,105	31,275
Interest on long term debt	2,998	2,178	1,860	1,732
Total governmental activities expenses	146,134	159,120	164,056	172,331
Business-type activities				
Water	24,168	26,001	27,809	30,459
Wastewater	13,962	15,433	17,332	18,250
Solid Waste	12,124	11,199	11,945	11,762
Total business-type activities expenses	50,254	52,633	57,086	60,471
Total primary government expenses	\$ 196,388	211,753	221,142	232,802
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 24,584	26,852	28,846	34,198
Public safety	1,988	1,849	1,643	1,205
Public works	10,276	10,122	3,911	3,165
Community development	14,483	10,487	11,941	14,055
Culture and recreation	5,023	5,313	5,106	5,057
Operating grants and contributions	4,507	4,756	4,297	3,902
Capital grants and contributions	21,859	21,895	31,291	68,541
Total government activities program revenues	82,720	81,274	87,035	130,123
Business-type activities				
Charges for services:				
Water	28,887	26,914	27,953	33,847
Wastewater	15,367	15,925	19,730	22,818
Solid Waste	11,864	12,462	13,125	14,053
Operating grants and contributions	-	-	-	-
Capital grants and contributions	187	552	385	2,443
Total business-type activities program revenues	56,305	55,853	61,193	73,161
Total primary government program revenues	\$ 139,025	137,127	148,228	203,284
Net (Expense) Revenue				
Governmental activities	\$ (63,414)	(77,846)	(77,021)	(42,208)
Business-type activities	6,051	3,220	4,107	12,690
Total primary government net expense	\$ (57,363)	(74,626)	(72,914)	(29,518)

(1) California Water and Wastewater Arrearage Payment Program funding received in Fiscal Year 2021-22 applied to delinquent water and wastewater bills during the COVID-19 pandemic.

Schedule 2

Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
44,602	46,797	48,167	51,531	50,952	57,508
66,688	70,435	76,853	77,385	62,335	87,425
36,057	35,195	40,789	39,487	42,119	51,273
18,206	18,859	20,423	17,143	15,726	21,303
35,698	35,619	58,221	35,164	33,840	40,854
1,633	3,971	4,278	4,176	4,179	4,303
<u>202,884</u>	<u>210,876</u>	<u>248,731</u>	<u>224,886</u>	<u>209,151</u>	<u>262,666</u>
35,101	35,868	37,522	36,981	32,425	35,284
17,294	19,526	20,109	21,848	22,359	22,472
13,235	13,682	15,077	13,573	12,543	15,255
<u>65,630</u>	<u>69,076</u>	<u>72,708</u>	<u>72,402</u>	<u>67,327</u>	<u>73,011</u>
<u>268,514</u>	<u>279,952</u>	<u>321,439</u>	<u>297,288</u>	<u>276,478</u>	<u>335,677</u>
39,415	53,704	39,191	43,087	59,868	54,643
1,333	1,407	1,270	801	823	1,038
3,546	3,906	2,916	3,397	3,553	2,333
20,485	18,266	15,229	13,123	14,352	13,149
5,315	5,741	4,993	4,903	6,664	7,841
3,265	5,111	6,637	4,572	20,073	15,452
68,479	62,861	81,176	56,217	94,132	35,641
<u>141,838</u>	<u>150,996</u>	<u>151,412</u>	<u>126,100</u>	<u>199,465</u>	<u>130,097</u>
40,571	34,844	38,092	38,205	36,373	36,760
22,369	23,513	25,850	22,962	27,347	29,965
14,870	15,588	15,837	14,731	14,967	15,693
-	-	-	-	546 ⁽¹⁾	4
<u>12,761</u>	<u>2,636</u>	<u>5,014</u>	<u>5,033</u>	<u>9,465</u>	<u>10,987</u>
<u>90,571</u>	<u>76,581</u>	<u>84,793</u>	<u>80,931</u>	<u>88,698</u>	<u>93,409</u>
<u>232,409</u>	<u>227,577</u>	<u>236,205</u>	<u>207,031</u>	<u>288,163</u>	<u>223,506</u>
(61,046)	(59,880)	(97,319)	(98,786)	(9,686)	(132,569)
<u>24,941</u>	<u>7,505</u>	<u>12,085</u>	<u>8,529</u>	<u>21,371</u>	<u>20,398</u>
<u>(36,105)</u>	<u>(52,375)</u>	<u>(85,234)</u>	<u>(90,257)</u>	<u>11,685</u>	<u>(112,171)</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	\$ 62,601	64,954	71,563	86,373
Sales taxes	16,935	19,773	21,401	21,829
Transient occupancy tax	5,595	6,559	6,591	7,043
Utility users tax	7,335	7,988	9,898	8,573
Nonregulatory franchise and business	4,633	4,793	4,954	4,997
Intergovernmental revenue	209	209	211	219
Investment income	3,870	4,944	8,551	1,314
Other	1,091	575	1,724	2,859
Transfers	739	256	386	1,189
Total government activities	<u>103,008</u>	<u>110,051</u>	<u>125,279</u>	<u>134,396</u>
Business-type activities				
Investment income	394	349	498	95
Transfers	(739)	(256)	(386)	(1,189)
Total business-type activities	<u>(345)</u>	<u>93</u>	<u>112</u>	<u>(1,094)</u>
Total primary government	<u>\$ 102,663</u>	<u>110,144</u>	<u>125,391</u>	<u>133,302</u>
Change in Net Position				
Change in net position before extraordinary and special items:				
Governmental activities	\$ 39,594	32,205	48,258	92,188
Business-type activities	<u>5,706</u>	<u>3,313</u>	<u>4,219</u>	<u>11,596</u>
Total primary government	<u>45,300</u>	<u>35,518</u>	<u>52,477</u>	<u>103,784</u>
Special items:				
Capital assets contributed from Successor Agency	16,679	-	-	-
Land held contributed from Successor Agency	<u>6,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 68,229</u>	<u>35,518</u>	<u>52,477</u>	<u>103,784</u>

Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
92,478	95,420	107,192	119,678	128,861	143,153
20,713	25,058	19,792	18,284	23,456	25,394
7,057	7,051	5,602	1,918	4,437	9,522
8,136	7,850	7,870	7,654	8,717	9,672
5,364	5,549	7,886	9,408	11,784	11,789
228	219	245	242	281	270
1,459	26,411	33,613	1,056	(14,108)	23,594
-	-	-	-	-	-
(588)	(554)	(687)	(9)	47	(1,072)
<u>134,847</u>	<u>167,004</u>	<u>181,513</u>	<u>158,231</u>	<u>163,475</u>	<u>222,322</u>
137	2,405	2,364	(24)	(2,230)	783
588	554	687	9	(47)	1,072
<u>725</u>	<u>2,959</u>	<u>3,051</u>	<u>(15)</u>	<u>(2,277)</u>	<u>1,855</u>
<u>135,572</u>	<u>169,963</u>	<u>184,564</u>	<u>158,216</u>	<u>161,198</u>	<u>224,177</u>
73,801	107,124	84,194	59,445	153,789	89,753
25,666	10,464	15,136	8,514	19,094	22,253
<u>99,467</u>	<u>117,588</u>	<u>99,330</u>	<u>67,959</u>	<u>172,883</u>	<u>112,006</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>99,467</u>	<u>117,588</u>	<u>99,330</u>	<u>67,959</u>	<u>172,883</u>	<u>112,006</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

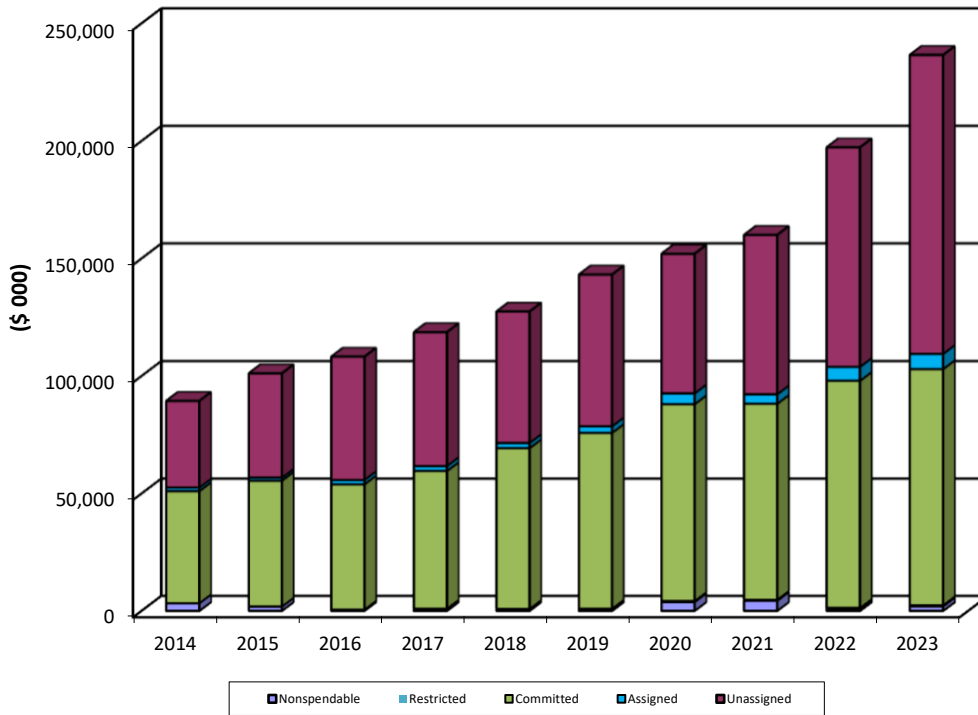
Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 3,276	1,847	523	541
Restricted	-	-	-	410
Committed	47,771	53,622	53,399	58,655
Assigned	1,498	1,294	1,860	2,094
Unassigned	36,880	44,395	52,459	56,979
Total General Fund	<u>\$ 89,425</u>	<u>101,158</u>	<u>108,241</u>	<u>118,679</u>
All Other Governmental Funds				
Nonspendable	\$ 67	69	57	64
Restricted	218,699	228,910	256,281	318,281
Committed	-	930	4,149	17,027
Unassigned	(18)	(18)	(3)	-
Total all other governmental funds	<u>\$ 218,748</u>	<u>229,891</u>	<u>260,484</u>	<u>335,372</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Fund Balance for General Fund



Fiscal Year Ended June 30,					
2018	2019	2020	2021	2022	2023
407	519	3,757	4,292	835	1,960
420	424	430	437	436	445
68,483	74,881	83,827	83,453	96,704	100,554
2,202	2,819	4,604	4,044	5,920	6,479
55,913	64,539	59,394	67,792	93,390	127,142
<u>127,425</u>	<u>143,182</u>	<u>152,012</u>	<u>160,018</u>	<u>197,285</u>	<u>236,580</u>
60	72	17,051	17,060	72	75
382,132	532,282	586,008	632,852	696,443	696,079
10,553	8,175	13,318	20,869	36,067	34,634
(55)	(128)	-	-	-	-
<u>392,690</u>	<u>540,401</u>	<u>616,377</u>	<u>670,781</u>	<u>732,582</u>	<u>730,788</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,				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 98,806	107,135	116,783	131,921	136,206
Licenses, permits and fees	23,677	31,421	28,136	12,554	17,202
Fines and forfeitures	1,068	920	697	872	912
Use of money and property	14,878	14,932	19,730	17,508	20,228
Intergovernmental	7,840	6,255	6,415	4,590	5,706
Charges for services	33,810	24,323	27,882	27,330	30,077
Developer fees and contributions	-	-	-	57,628 ⁽¹⁾	60,239
Other	3,212	5,091	7,681	6,233	7,055
Total Revenues	183,291	190,077	207,324	258,636	277,625
Expenditures					
Current:					
General government	30,475	31,714	34,269	37,379	43,432
Public safety	50,517	52,457	54,790	56,893	65,276
Public works	9,340	10,098	11,924	12,852	16,229
Community development	14,494	10,275	11,941	13,304	18,099
Culture and recreation	21,904	22,899	23,979	24,707	29,257
Capital outlay	14,148	28,080	17,914	16,495	32,688
Debt service:					
Principal	5,296	5,535	7,187	4,782	3,355
Interest and fiscal charges	2,895	2,056	1,936	1,782	1,673
Total Expenditures	149,069	163,114	163,940	168,194	210,009
Excess (deficiency) of revenues over (under) expenditures	34,222	26,963	43,384	90,442	67,616
Other Financing Sources (Uses)					
Sale of capital assets	1,469	1,910	1,950	2,894	1,821
Issuance of bonds	12,135	-	-	-	-
Bond premium	-	-	-	-	-
Payment to refund bond escrow agent	(12,035)	-	-	-	-
Lease and SBITA financing	-	-	-	-	-
Transfers in	34,028	33,286	42,300	57,452	96,599
Transfers (out)	(38,391)	(39,283)	(49,958)	(65,462)	(99,972)
Total other financing sources (uses)	(2,794)	(4,087)	(5,708)	(5,116)	(1,552)
Net Change in fund balances	\$ 31,428	22,876	37,676	85,326	66,064
Debt service as a percentage of noncapital expenditures	6.2%	5.6%	6.1%	4.3%	2.8%

(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,				
2019	2020	2021	2022	2023
146,048	149,433	160,404	182,055	197,855
14,688	12,368	12,521	11,867	11,835
979	768	312	316	506
45,389	52,008	22,833	18,359	54,272
7,062	6,397	8,251	22,079	16,470
32,594	30,479	27,642	32,495	32,864
52,291	66,709	45,890	85,585	29,559
17,052	6,903	7,509	15,448	7,487
<u>316,103</u>	<u>325,065</u>	<u>285,362</u>	<u>368,204</u>	<u>350,848</u>
44,284	46,303	49,541	53,605	55,564
65,968	69,665	71,579	75,243	78,556
16,400	16,875	18,548	21,245	23,339
17,988	20,062	16,828	17,981	21,305
28,315	52,912	27,192	30,584	33,219
39,817	24,490	29,699	74,108	93,942
3,453	1,927	1,997	2,135	2,403
2,847	4,533	4,437	4,439	4,599
<u>219,072</u>	<u>236,767</u>	<u>219,821</u>	<u>279,340</u>	<u>312,927</u>
<u>97,031</u>	<u>88,298</u>	<u>65,541</u>	<u>88,864</u>	<u>37,921</u>
-	-	-	-	-
63,800	-	-	-	21,565
6,416	-	-	-	-
-	-	-	-	(21,100)
-	-	-	6,549	4,790
82,995	143,720	58,910	114,413	131,160
<u>(86,774)</u>	<u>(147,212)</u>	<u>(62,041)</u>	<u>(108,553)</u>	<u>(136,835)</u>
<u>66,437</u>	<u>(3,492)</u>	<u>(3,131)</u>	<u>12,409</u>	<u>(420)</u>
<u>163,468</u>	<u>84,806</u>	<u>62,410</u>	<u>101,273</u>	<u>37,501</u>
3.5%	3.0%	3.3%	3.0%	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
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
2022-23	23,103,147	8,136,153	5,125,851	3,454,199

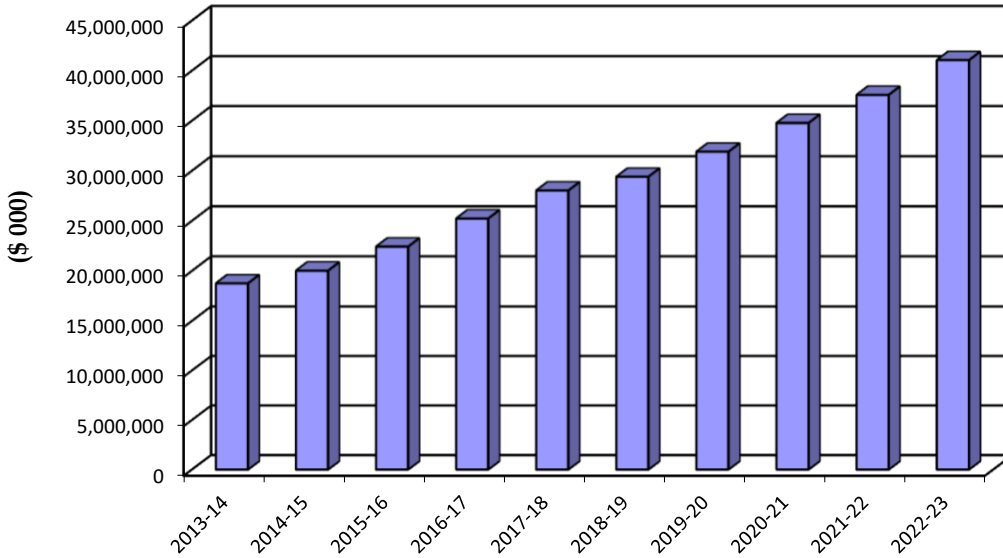
Source: Santa Clara County Assessor

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>
2,527,347	(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	(1,487,266)	37,581,597	1.00%
2,873,920	(1,643,803)	41,049,467	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		
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
2022-23	1.00	1.00	0.0559	0.0559	0.0854	0.1479	0.0090	0.0057	1.1470	1.2185

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 2022-23			Fiscal Year 2013-14		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Google LLC	\$ 6,969,098	1	17.0%	\$ 1,870,460	1	10.0%
Baccarat Shoreline LLC	462,570	2	1.1%	-		-
Nor Cal Plymouth Realty LLC	225,568	3	0.5%	-		-
Sobrato Interests	351,323	4	0.9%	-		-
Microsoft Corporation	164,653	5	0.4%	130,595	5	0.7%
P A Charleston Road LLC	120,087	6	0.3%	103,487	6	0.5%
Richard T. Peery Trustee	117,359	7	0.3%	134,762	4	0.7%
Intuit Inc.	306,277	8	0.7%	121,337	8	0.6%
Orion V Sac Village Office Property LLC	509,648	9	1.2%	-		-
LinkedIn Corporation	513,650	10	1.3%	-		-
HCP Life Science REIT Inc.	-		-	331,389	2	1.8%
Mission West Shoreline LLC	-		-	183,896	3	1.0%
Richard M. & Beverly Salado Trustee	-		-	77,013	7	0.4%
400 Castro St. Inc.	-		-	56,598	9	0.3%
SIC-Mountain Bay Plaza LLC	-		-	52,517	10	0.3%
Subtotal	\$ <u>9,740,233</u>		<u>23.7%</u>	\$ <u>3,062,054</u>		<u>16.3%</u>

Fiscal Year 2022-23 Total Net Assessed Valuation: \$ 41,049,467

Fiscal Year 2013-14 Total Net Assessed Valuation: \$ 18,759,660

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
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	128,861	128,861	100%	-	128,861	100%
2022-23	143,153	143,153	100%	-	143,153	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

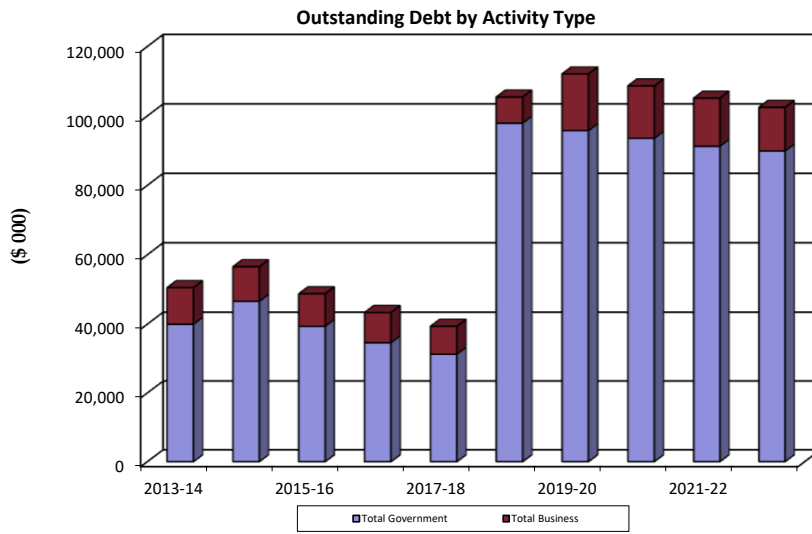
**Last Ten Fiscal Years
(Dollars in Thousands)**

Fiscal Year	Governmental Activities				
	Tax Allocation Bonds	Certificates of Participation	Bank Loan	Lease Liabilities	Special Assessment Debt
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	-	-	6,499	-
2022-23	89,885	-	-	3,817	-

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 2022-23 is not available until May of 2024.

CITY OF MOUNTAIN VIEW, CALIFORNIA



Business-Type Activities

<u>Water Bonds (1)</u>	<u>WasteWater Direct Financing</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
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	1.13%	1.31
5,445	8,419	105,116	0.90%	1.25
4,735	7,840	102,460	(4)	1.23

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		
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
2022-23	89,885	89,885	0.22%	1.08

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

(2) Total bonds outstanding increased due to issuance of 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, 2023

2022-23 Assessed Valuation: \$41,049,466,869 (A)

	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/23
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Santa Clara County	\$1,041,125,000	6.632%	\$ 69,047,410
Foothill-DeAnza Community College District	603,653,754	18.810	113,547,271
Fremont Union High School District	771,685,088	0.459	3,542,035
Mountain View-Los Altos Union High School District	250,148,487	58.212	145,616,437
Los Altos School District	134,380,000	17.353	23,318,961
Mountain View School District	1,105,000	87.013	961,494
Sunnyvale School District	258,790,820	1.010	2,613,787
Mountain View-Whisman School District	361,720,000	91.724	331,784,053
Whisman School District	4,377,383	98.638	4,317,763
El Camino Hospital District	105,480,000	33.174	34,991,935
Midpeninsula Regional Open Space District	82,680,000	10.775	8,908,770
Shoreline Regional Park Community	84,445,000	100.000	84,445,000
Santa Clara Valley Water District Benefit Assessment District	38,900,000	6.632	<u>2,579,848</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$825,674,764
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Santa Clara County General Fund Obligations	\$1,120,404,570	6.632%	\$ 74,305,231
Santa Clara County Pension Obligation Bonds	329,741,844	6.632	21,868,479
Santa Clara County Board of Education Certificates of Participation	935,000	6.632	62,009
Foothill-DeAnza Community College District Certificates of Participation	20,645,000	18.810	3,883,325
Mountain View-Los Altos Union High School District General Fund Obligations	1,810,475	58.212	1,053,914
Los Altos School District Certificates of Participation	1,457,488	17.353	252,918
City of Mountain View	0	100.000	0
Midpeninsula Regional Park District General Fund Obligations	91,570,600	10.775	9,866,732
Santa Clara County Vector Control District Certificates of Participation	1,230,000	6.632	<u>81,574</u>
TOTAL OVERLAPPING GENERAL FUND DEBT			\$111,374,182
Less: Santa Clara County supported obligations			<u>697,701</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$110,676,481
TOTAL DIRECT DEBT			\$93,702,464 (3) (4)
TOTAL GROSS OVERLAPPING DEBT			\$937,048,946
TOTAL NET OVERLAPPING DEBT			\$936,351,245
GROSS COMBINED TOTAL DEBT			\$942,488,708 (2) (3)
NET COMBINED TOTAL DEBT			\$941,791,007 (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 \$5,439,762.
- (4) Includes lease liabilities

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.01%
Total Direct Debt	0.23%
Gross Combined Total Debt	2.30%
Net Combined Total Debt	2.29%

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			
	2013-14	2014-15	2015-16	2016-17
Debt limit	\$ 2,813,949	3,004,005	3,363,871	3,784,938
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ <u>2,813,949</u>	<u>3,004,005</u>	<u>3,363,871</u>	<u>3,784,938</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

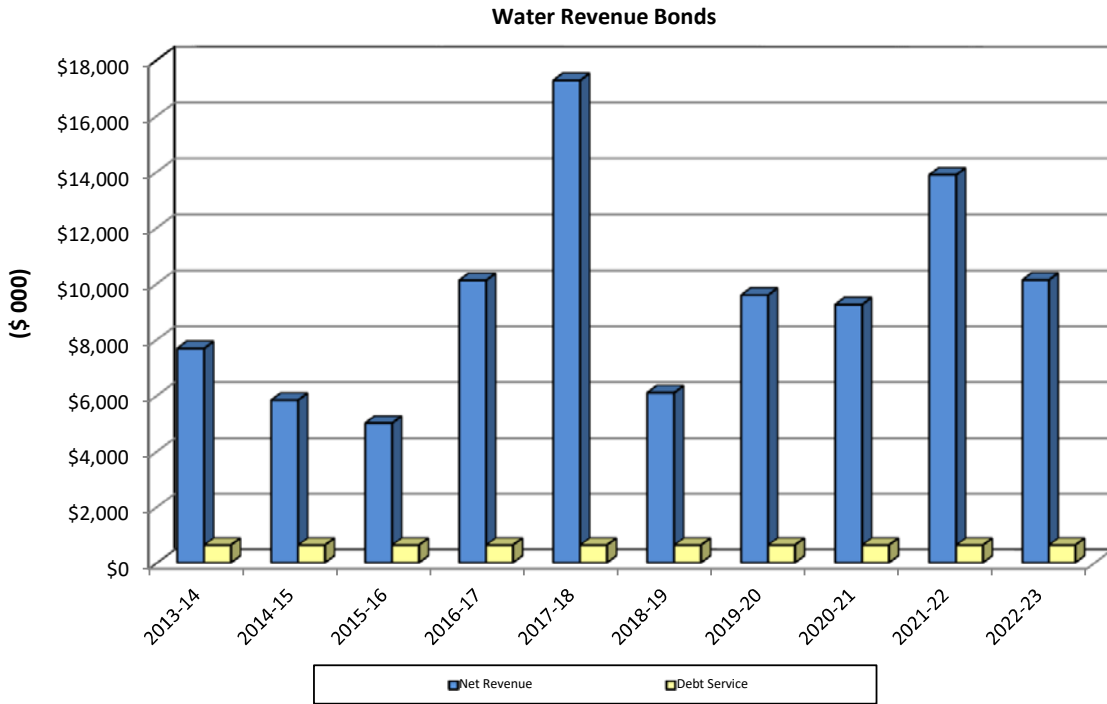
Assessed value (net) - June 30, 2023 (1)	\$ <u>41,049,467</u>
Debt limit: 15% of assessed value	6,157,420
Less total bonded debt, general obligation	<u>-</u>
Legal debt margin (2)	\$ <u>6,157,420</u>

Fiscal Year					
<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
4,204,700	4,410,795	4,786,186	5,216,369	5,637,240	6,157,420
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>6,157,420</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 (1)	Less: Operating Costs (2)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
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	184	22.2
2022-23	40,246	30,123	10,123	460	166	16.2

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

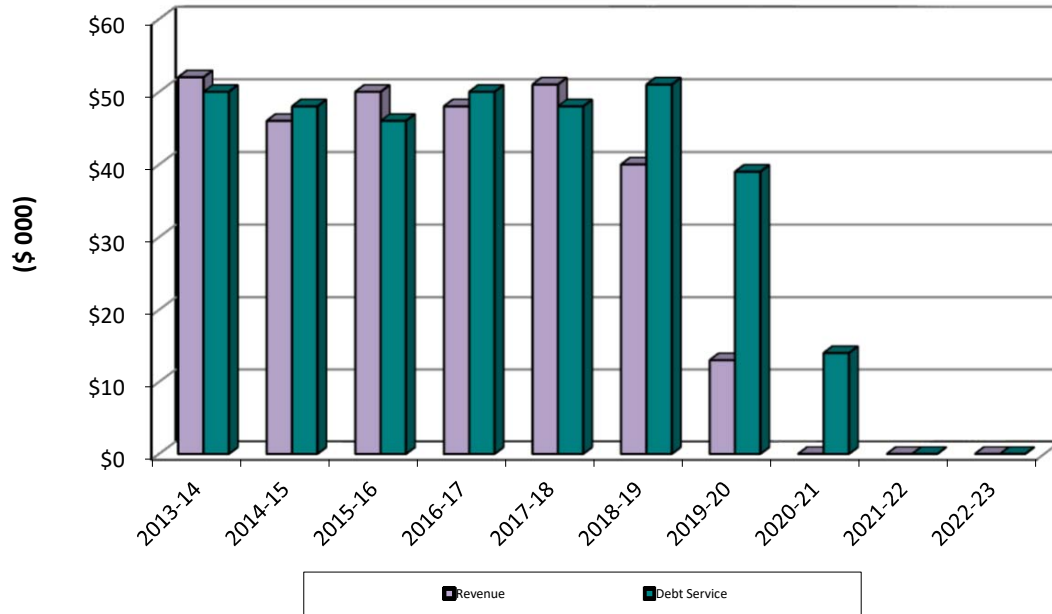
- (1) Gross revenues include developer capital contribution fees, non-operating interest earnings and transfers in.
- (2) Operating costs exclude depreciation or amortization.

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	
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
2022-23	-	-	-	0.0

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

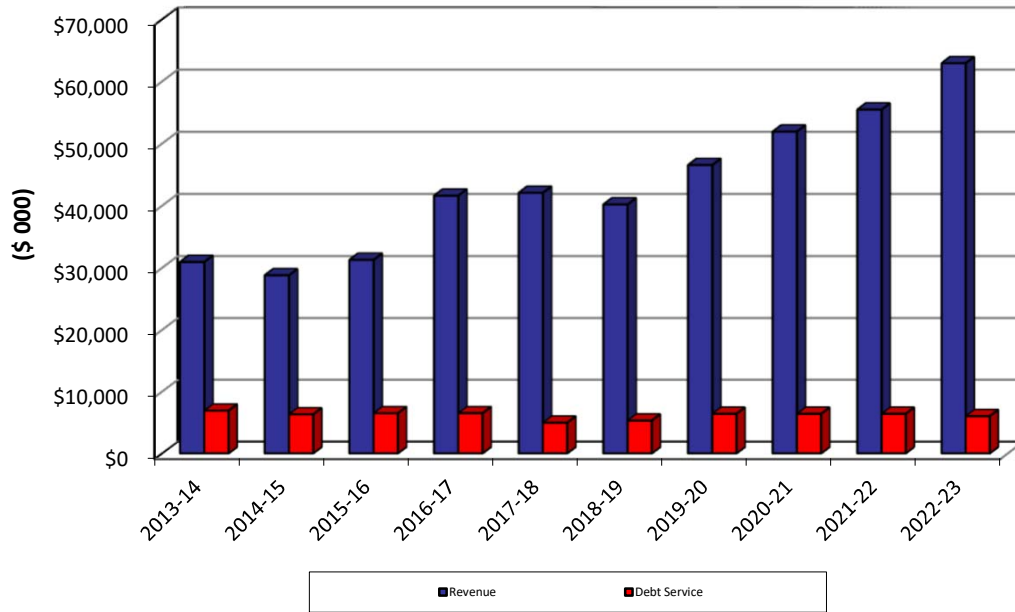
(1) Collections include interest payments from property owners.

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				
Fiscal Year	Tax	Debt Service		Coverage
	Increment Revenues	Principal	Interest (1)	
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
2022-23	62,947	1,615	4,422	10.4

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

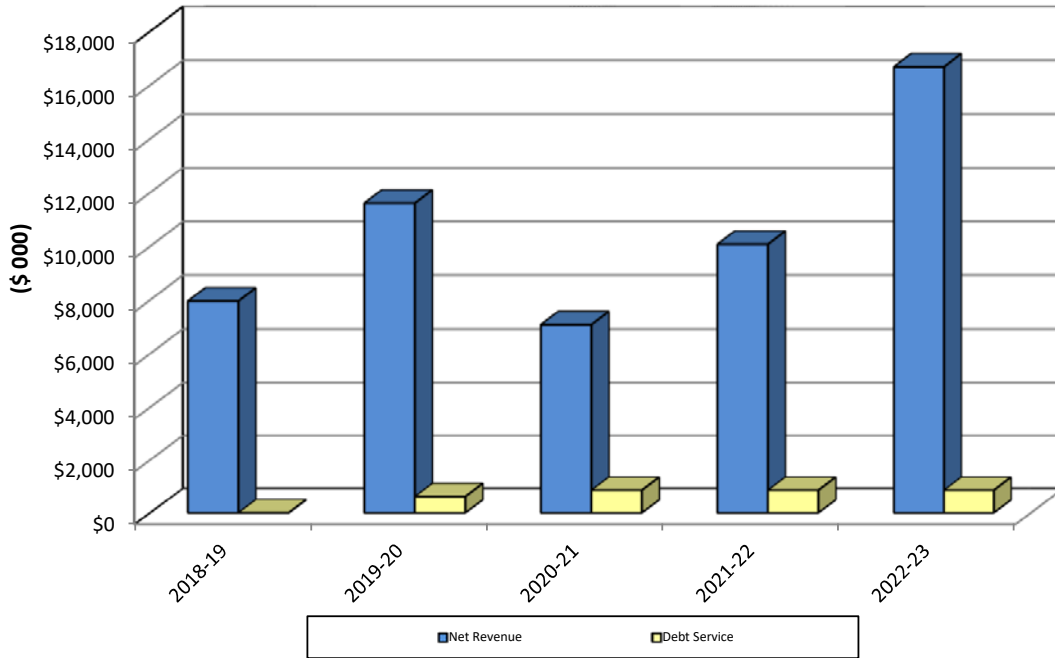
(1) Includes other fiscal charges and other related costs.

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 (1)	Less: Operating Costs (2)	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	292	11.8
2022-23	35,456	18,774	16,682	579	273	19.5

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Gross revenues include developer capital contribution fees, non-operating interest earnings and transfers in.

(2) Operating costs exclude depreciation or amortization.

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)
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	83,856	6,873	11,655,984	139	7,294	2.3%
2022-23	83,601	6,853	(4)	(4)	7,146	3.9%

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 2022-23 is not available until May of 2024.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Principal Employers

Current Year and Nine Years Ago

Employer	Fiscal Year 2022-23			Fiscal Year 2013-14		
	Estimated Number of Employees	Rank	Percentage of Total City Employment	Estimated Number of Employees	Rank	Percentage of Total City Employment
Google LLC	30,600	1	22.8%	11,332	1	10.1%
El Camino Hospital	3,200	2	2.4%	2,630	4	2.4%
Intuit Inc.	3,060	3	2.3%	1,707	5	1.5%
LinkedIn	2,500	4	1.9%	3,000	3	2.7%
Microsoft Corporation	2,300	5	1.7%	1,700	6	1.5%
Pure Storage, Inc.	1,600	6	1.2%	-	-	-
Nuro, Inc.	1,000	7	0.7%	-	-	-
Waymo LLC	900	8	0.7%	-	-	-
Synopsys Inc.	900	8	0.7%	1,031	8	0.9%
MV Whisman School District	600	10	0.4%	-	-	-
Symantec/Verisign	-	-	-	3,444	2	3.1%
Palo Alto Medical Foundation	-	-	-	1,034	7	0.9%
City of Mountain View	-	-	-	568	9	0.5%
Omnicell	-	-	-	500	10	0.5%
Subtotal	<u>46,660</u>		<u>34.8%</u>	<u>26,946</u>		<u>24.1%</u>
Total City Daytime Population	134,100			112,000		

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

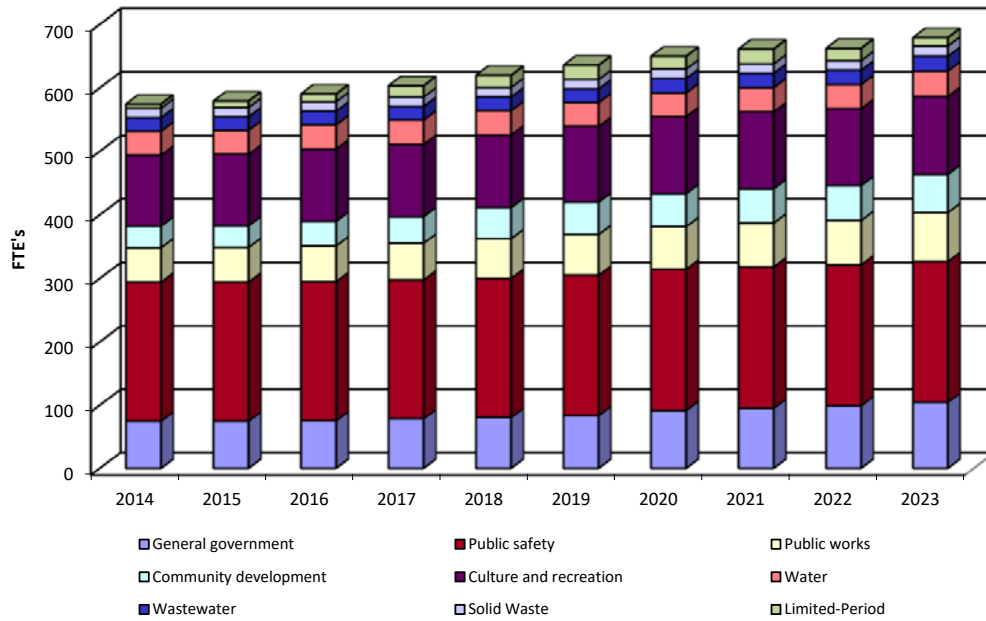
CITY OF MOUNTAIN VIEW, CALIFORNIA
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Adopted for Fiscal Year Ended June 30,			
	2014	2015	2016	2017
General government	74.75	74.75	75.40	78.65
Public safety:				
Fire:				
Firefighters and Safety Officers	74.00	74.00	74.00	74.00
Civilians	5.60	5.60	5.60	4.60
Police:				
Sworn Police	96.00	96.00	96.00	95.00
Civilians	44.00	44.00	44.00	45.50
Public works	54.05	54.55	56.20	57.70
Community development	34.00	34.00	38.75	41.75
Culture and recreation:				
Community Services	81.75	82.75	83.75	84.25
Library	30.00	30.00	30.00	29.75
Water	37.65	37.50	38.25	38.25
Wastewater	21.50	21.45	21.60	21.60
Solid Waste	14.95	14.65	14.70	14.70
Total Regular Positions	<u>568.25</u>	<u>569.25</u>	<u>578.25</u>	<u>585.75</u>
Limited-Period Positions	<u>6.25</u>	<u>10.00</u>	<u>12.25</u>	<u>17.50</u>
Total	<u>574.50</u>	<u>579.25</u>	<u>590.50</u>	<u>603.25</u>

Source: City of Mountain View

CITY OF MOUNTAIN VIEW, CALIFORNIA

Employees by Function



Adopted for Fiscal Year Ended June 30,

	2018	2019	2020	2021	2022	2023
	80.65	83.65	91.65	95.15	99.15	104.60
	73.00	73.00	71.00	71.00	71.00	71.00
	5.60	7.60	8.60	8.60	8.60	8.60
	95.00	95.00	96.00	96.00	95.00	95.00
	46.00	46.00	47.50	47.50	47.50	47.50
	62.40	63.90	66.90	68.90	69.90	77.00
	49.00	51.00	52.00	54.00	55.00	60.00
	84.50	88.50	90.50	90.50	90.50	91.25
	29.75	30.75	30.75	30.75	30.75	31.75
	38.35	37.35	37.35	37.85	37.85	39.70
	21.70	21.70	22.70	22.70	22.70	23.50
	14.80	14.80	14.80	14.80	14.80	16.10
	<u>600.75</u>	<u>613.25</u>	<u>629.75</u>	<u>637.75</u>	<u>642.75</u>	<u>666.00</u>
	<u>19.00</u>	<u>22.50</u>	<u>20.00</u>	<u>23.50</u>	<u>19.50</u>	<u>13.25</u>
	<u>619.75</u>	<u>635.75</u>	<u>649.75</u>	<u>661.25</u>	<u>662.25</u>	<u>679.25</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
Public safety:				
Fire:				
Fire calls for service	5,526	5,703	5,955	6,117
Primary fire inspections conducted	957	1,857 (1)	2,844 (2)	1,972 (3)
Environmental safety inspections conducted	1,851	1,769	1,641	1,572
Police:				
Communication Center calls answered	85,175	90,559	91,826	91,782
Police calls for service	61,525	63,093	48,875 (4)	48,515
Law violations:				
Part I and Part II crimes	4,384	4,369	4,901	4,689
Physical arrests (adult and juvenile)	2,320	2,262	1,978	2,218
Traffic violations	13,411	13,745	11,821	8,233
Parking violations	8,235	5,990	6,733	8,149
Public works				
Street resurfacing (miles)	1.49	- (5)	2.40	6.80
Potholes repaired (square feet)	821	1,439	1,800	3,271
Culture and recreation:				
Community Services:				
Recreation class participants	8,558	9,438	8,697	8,412
Performing Arts Center performances	399	394	399	437
Library:				
Volumes in Collection (thousands)	337	337	326	329
Total Volumes Borrowed (thousands)	1,685	1,564	1,416	1,339
Water				
Water service connections	17,781	17,858	17,516	18,004
Water main breaks	8	9	5	10
Average daily consumption (thousands of gallons)	10,475	8,713	6,917	7,807
Wastewater				
Storm drain inlets	2,776	2,829	3,030	3,086
Sewer service connections	17,377	17,461	16,906 (6)	16,906
Sewer main blockages	5	15	4	3
Average daily treatment (thousands of gallons)	6,980	6,750	6,235	6,285
Solid Waste				
Landfilled (tons per year)	44,878	46,865 (8)	40,961	40,092
Recyclables Processed (tons per year)	30,411	35,465	40,499	41,649

Source: City of Mountain View

- (1) 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).
- (2) Beginning in the Fiscal Year ended June 30, 2016, includes total multi-family housing inspections completed by FEPD not previously accounted for.
- (3) Lower due to vacancy and turnover in personnel, resulting in reduced staffing.
- (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 in Fiscal Year ended June 30, 2019 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,					
2018	2019	2020 (10)	2021 (10)	2022 (10)	2023
6,049	6,188	6,120	5,604	6,741	7,979
1,520 (1)	2,262	2,498	1,401	1,321	1,288
1,613	1,363	1,718	1,605	1,841	1,540
92,011	83,400	73,201	93,101	107,424	110,453
44,188	44,725	40,254	34,953	39,194	41,151
4,914	5,335	4,873	4,241	4,488	4,416
2,119	1,970	1,732	1,147	841	1,125
3,563	4,270	3,073	1,307	1,131	1,280
12,506	12,144	6,761	559	2,019	6,047
2.97	3.93	9.62	2.25	- (5)	- (5)
1,071	3,724	2,025	780	684	4,617
8,501	9,023	2,606	2,356	8,709	11,159
555	504	276	274	396	397
302	308	305	283	273	260
1,177	1,253	961	742	1,232	1,310
18,199	18,341	18,572	18,747	18,838	18,920
2	8	7	15	8	13
8,395	8,341	8,823	8,950	8,265	7,574
3,086	3,086	3,086	3,242	3,242	3,253
16,863 (7)	16,990	17,373	17,373	17,373	17,428
6	6	6	9	8	5
7,005	7,295	7,598	6,400	6,130	6,471
41,320	47,578 (9)	42,667	35,067	31,506	28,314
41,381	42,248	36,751	35,961	34,484	34,185

CITY OF MOUNTAIN VIEW, CALIFORNIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,			
	2014	2015	2016	2017
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	4,120	4,120
Traffic Signals	83	83	83	83
Culture and recreation:				
Community services:				
City parks (2)	39	41	42	42
City parks acreage (2)	196.35	199.12	212.32 (3)	212.32
Playgrounds (2)	30	30	30	30
City trails (2)	5	5	5	5
City trails miles (2)	9.26 (4)	9.26	9.26	9.26
Roadway landscaping acreage	120.25	120.25	120.25	120.25
Regional park acreage (including trails) (2)	796.13 (6)	796.13	784.13 (3)	784.13
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	3 (7)
Community gardens	2	2	2	2
Community centers	1	1	1	1
Senior centers	1	1	1	1
Teen Center	0	0	0	1 (8)
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	8	8
Soccer/football fields	14	14	16	16
Library:				
City Libraries	1	1	1	1
Water				
Miles of water mains	176	176	176	177
Fire hydrants	2,074	2,091	2,118	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	109	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) Includes 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,					
2018	2019	2020	2021	2022	2023
5	5	5	5	5	5
1	1	1	1	1	1
38	38	38	38	38	38
140.2	140.1 (1)	140.1	140.1	140.1	140.1
4,120	4,270	4,270	4,270	4,270	4,270
85	85	86	87	88	91
42	42	42	42	44	44
212.32	212.32	212.32	212.59	215.80	215.80
30	30	30	33	35	35
5	5	5	5	5	5
9.71 (5)	9.71	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	3	3	3	3	3
2	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
1	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
188	188	188	188	188	188
2,136	2,136	2,136	2,117	2,117	2,118
38,530	38,530	38,530	38,530	38,530	38,530
158	157 (9)	157	157	157	157
109	109	109	114	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, 2023

Prepared by the

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

This page intentionally left blank

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

For the Fiscal Year Ended June 30, 2023

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	223
Schedule of the Shoreline Community Pension Contributions	224
Schedule of the Shoreline Community’s Proportionate Share of the Net OPEB Liability	225
Schedule of the Shoreline Community OPEB Contributions	226
Other Supplementary Information:	
Shoreline Regional Park Community Fund:	
Combining Balance Sheet	228
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	229
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>	231

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, 2023, 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, 2023, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 GAAS. 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 27, 2023, 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 27, 2023

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, 2023**

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, 2023. 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 2022-23, property taxes increased by \$7.5 million or 13.4%. Fiscal Year 2022-23 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, 2023, by \$98.6 million (net position). Of this amount, \$18.5 million reflects its net investment in capital assets, \$71.1 million is restricted for Shoreline Community indebtedness, and \$9.0 million is unrestricted.
- The Shoreline Community's total net position increased by \$15.8 million during the fiscal year compared to the prior fiscal year increase of \$54.5 million. The significant change is primarily due to one-time developer fees collected for Google Landings Office Development project in the prior fiscal year and less capital contributions from the City in this year.
- Revenues of \$73.7 million, including program revenues and general revenues, excluding net transfers, are \$29.7 million less than the prior fiscal year. The change is primarily due to less capital contributions from the City during the fiscal year and one-time developer fees collected in the prior fiscal year, offset by higher property taxes revenue.
- Shoreline Community expenses are \$36.6 million, an increase of \$2.0 million over the prior fiscal year.
- Governmental fund balances for the fiscal year ended June 30, 2023 increased \$9.7 million to \$92.3 million, primarily due to higher property tax revenues and excess of revenues over expenditures.
- Governmental fund revenues are \$64.5 million for the fiscal year ended June 30, 2023, a decrease of \$4.6 million from the prior fiscal year, primarily from the reasons stated above.

- Governmental fund expenditures are \$34.5 million for the fiscal year ended June 30, 2023, an increase of \$1.3 million from the prior fiscal year's expenditures of \$33.2 million.
- The Shoreline Community's total noncurrent liabilities decreased by \$1.4 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, SRPC 2018 Revenue Bonds Fund, and SRPC 2022 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>2023</u>	<u>2022</u>
Assets:		
Current and other assets	\$ 98,102	87,730
Capital assets	<u>101,468</u>	<u>96,851</u>
Total assets	<u>199,570</u>	<u>184,581</u>
Deferred outflows of resources:		
Pension items	2,050	869
OPEB items	<u>58</u>	<u>127</u>
Total deferred outflows of resources	<u>2,108</u>	<u>996</u>
Liabilities:		
Current and other liabilities	7,500	6,950
Noncurrent liabilities	89,885	91,252
Net pension liability	5,582	2,788
Net OPEB liability	<u>58</u>	<u>127</u>
Total liabilities	<u>103,025</u>	<u>101,117</u>
Deferred inflows of resources:		
Deferred inflows related to pension	<u>56</u>	<u>1,692</u>
Net Position:		
Net investment in capital assets	18,508	12,099
Restricted for Shoreline Community indebtedness	71,086	61,254
Unrestricted	<u>9,003</u>	<u>9,415</u>
Total net position	<u>\$ 98,597</u>	<u>82,768</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 \$98.6 million at the end of the fiscal year. The components of net position are as follows:

- Net investment in capital assets was \$18.5 million, which was an increase of \$6.4 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 \$71.1 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 \$9.8 million from the prior fiscal year.

The Shoreline Community's current and other assets increased \$10.4 million while net position increased \$15.8 million compared to the prior fiscal year, primarily due to revenues exceeding expenses by \$37.2 million and net transfers out to the City of \$20.7 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>2023</u>	<u>2022</u>
Revenues:		
Program revenues	\$ 433	14,855
General revenues:		
Taxes	62,947	55,486
Capital contributions	9,212	34,262
Investment income	1,152	(1,197)
Total revenues	<u>73,744</u>	<u>103,406</u>
Expenses:		
General government	22,585	21,335
Public safety	151	130
Public works	2,191	1,926
Community development	461	311
Culture and recreation	7,054	6,744
Interest on long-term debt	4,126	4,073
Total expenses	<u>36,568</u>	<u>34,519</u>
Increase in net position before transfers	<u>37,176</u>	<u>68,887</u>
Transfers (net)	(20,748)	(14,001)
Transfer of capital assets to the City of Mountain View	<u>(599)</u>	<u>(398)</u>
Change in net position	<u>15,829</u>	<u>54,488</u>
Beginning net position	<u>82,768</u>	<u>28,280</u>
Ending net position	<u>\$ 98,597</u>	<u>82,768</u>

The major component of the Shoreline Community's current fiscal year revenues is \$62.9 million of property taxes. This is an increase of \$7.5 million when compared to the prior fiscal year due to changes in the commercial vacancy rate and assessed values. Program revenues were \$433,000, a decrease of \$14.4 million from the prior fiscal year. This decrease was due primarily to one-time developer fees and contributions of \$14.4 million received during the prior fiscal year for the Google Landings Office Development Project. Capital contributions decreased by \$25.1 million due to property acquisition for the Plymouth Street Realignment capital project in the prior fiscal year. Investment earnings were \$1.2 million, an increase of \$2.3 million compared to the prior fiscal year, due to an increase in fair value of the investment portfolio.

Expenses totaling \$36.6 million increased \$2.1 million when compared to the prior fiscal year. This was attributable primarily to increases in general government.

The change in net position is an increase of \$15.8 million compared to the prior fiscal year increase of \$54.5 million. The difference is due to the items mentioned above, notably the decreases in developer fees collected 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, 2023, the Shoreline Community's funds reported combined fund balances of \$92.3 million, an increase of \$9.7 million from the prior fiscal year. The Committed Fund Balance decreased by \$514,000 while the Restricted Fund Balance increased by \$10.2 million when compared to the prior fiscal year. The increase in the Restricted Fund Balance is mainly due to higher property tax revenues which exceed expenditures as previously noted.

Revenues for the fiscal year ended June 30, 2023 totaled \$64.5 million, a decrease of \$4.6 million, or 6.7%, when compared to the prior fiscal year. The decrease is primarily due to decreases in developer fees collected offset by increases in property taxes during the fiscal year. Expenditures totaling \$34.5 million were \$1.3 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 \$86.3 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 303.2% of the total fund expenditures of \$28.5 million.

The fund balance of the SRPC Fund increased by \$10.3 million during the current fiscal year. Key factors contributing to this increase are as follows:

- Total revenues are \$64.4 million in the current fiscal year, a decrease of \$4.7 million from the prior fiscal year. The decrease is primarily due to decreases in developer fees and contributions, offset by increases in property taxes.
- Expenditures of \$28.5 million are comparable to the prior fiscal year.
- Net transfers out to the City were \$20.7 million for the fiscal year ended June 30, 2023 compared to net transfers out of \$14.0 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. The 2011 Bonds were fully refunded through the issuance of 2022 Refunding Revenue Bonds Series A (2022 Bonds) during the year ended June 30, 2023.

Debt service expenditures included \$0.7 million in principal retirement and \$1.0 million in interest and fiscal charges for the fiscal year ended June 30, 2023, 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 \$0.9 million in principal retirement and \$3.1 million in interest and fiscal charges for the fiscal year ended June 30, 2023. There was no principal repayment in the prior fiscal year. The Interest charges are comparable to the prior fiscal year.

The SRPC 2022 Revenue Bonds Fund was created this year and accounts for the resources used for the purpose of paying the principal, interest, and related costs on the SRPC 2022 Revenue Bonds as they become due.

Debt service expenditures included \$355,000 in interest and fiscal charges for the fiscal year ended June 30, 2023.

CAPITAL ASSETS

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

	Capital Assets	
	(Dollars in Thousands)	
	<u>2023</u>	<u>2022</u>
Land	\$ 44,331	44,331
Construction in progress	24,741	17,869
Buildings	23,908	23,908
Improvements other than buildings	105,824	104,126
Machinery and equipment	2,314	2,271
Traffic signals	1,500	1,500
Streetlights	1,009	1,009
Less accumulated depreciation	<u>(102,159)</u>	<u>(98,163)</u>
Total	<u>\$ 101,468</u>	<u>96,851</u>

For the fiscal year ended June 30, 2023, capital assets, net of accumulated depreciation, totaled \$101.5 million, an increase of \$4.6 million compared to prior fiscal year. This increase is primarily due to Shoreline Sailing Lake improvement project. The Shoreline Community transferred capital assets of \$599,000 to the City. At June 30, 2023, construction commitments were \$3.9 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, 2023, the Shoreline Community has \$89.9 million of outstanding noncurrent liabilities. During the fiscal year, the Shoreline Community's total long-term debt decreased by \$1.4 million compared with the prior fiscal year, primarily due to the scheduled principal retirement of \$920,000. The full repayment of 2011 Revenue Bond of \$21.8 million and the issuance of 2022 Refunding Revenue Bonds of 21.6 million also resulted in a decrease of \$230,000 of long-term debt balance. 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, 2022 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 the community, 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, 2023

(Dollars in Thousands)

Assets:

Cash and investments	\$	90,092
Restricted cash and investments		6,925
Receivables:		
Accounts		116
Interest		969
Capital assets:		
Nondepreciable		69,072
Depreciable, net of accumulated depreciation		32,396
Total assets		<u>199,570</u>

Deferred outflows of resources:

Pension items		2,050
OPEB items		58
Total deferred outflows of resources		<u>2,108</u>

Liabilities:

Accounts payable and accrued liabilities		5,629
Interest payable		1,703
Refundable deposits		52
Unearned revenue		116
Noncurrent liabilities:		
Due within one year		2,312
Due in more than one year		87,573
Net pension liability		5,582
Net OPEB liability		58
Total liabilities		<u>103,025</u>

Deferred inflows of resources:

Pension items		<u>56</u>
---------------	--	-----------

Net position:

Net investment in capital assets		18,508
Restricted for:		
Shoreline Community indebtedness		71,086
Unrestricted		9,003
Total net position	\$	<u><u>98,597</u></u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Statement of Activities - Governmental Activities
For the Fiscal Year Ended June 30, 2023
(Dollars in Thousands)

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	
Function/Program Activities:				
General government	\$ 22,585	-	-	(22,585)
Public safety	151	-	-	(151)
Public works	2,191	-	-	(2,191)
Community development	461	-	-	(461)
Culture and recreation	7,054	433	-	(6,621)
Interest on long-term debt	4,126	-	-	(4,126)
Total governmental activities	<u>\$ 36,568</u>	<u>433</u>	<u>-</u>	<u>(36,135)</u>
General revenues:				
Property taxes				62,947
Capital contributions from the City of Mountain View				9,212
Investment income (loss)				1,152
Transfers:				
Transfers from the City of Mountain View				2,061
Transfers to the City of Mountain View				(22,809)
Transfer of capital assets to the City of Mountain View				(599)
Total general revenues and transfers				<u>51,964</u>
Change in net position				15,829
Net position, beginning of year				<u>82,768</u>
Net position, end of year				<u>\$ 98,597</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Governmental Funds
Balance Sheet
June 30, 2023
(Dollars in Thousands)

	Shoreline Regional Park Community	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Shoreline Regional Park Community 2022 Revenue Bonds	Total
Assets:					
Cash and investments	\$ 90,092	-	-	-	90,092
Restricted cash and investments	948	-	5,968	9	6,925
Receivables:					
Accounts	116	-	-	-	116
Interest	969	-	-	-	969
Total assets	<u>\$ 92,125</u>	<u>-</u>	<u>5,968</u>	<u>9</u>	<u>98,102</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,629	-	-	-	5,629
Refundable deposits	52	-	-	-	52
Unearned revenue	116	-	-	-	116
Total liabilities	<u>5,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,797</u>
Fund Balances:					
Restricted	72,034	-	5,968	9	78,011
Committed	14,294	-	-	-	14,294
Total fund balances	<u>86,328</u>	<u>-</u>	<u>5,968</u>	<u>9</u>	<u>92,305</u>
Total liabilities and fund balances	<u>\$ 92,125</u>	<u>-</u>	<u>5,968</u>	<u>9</u>	<u>98,102</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, 2023
(Dollars in Thousands)

Fund balances - total governmental funds	\$ 92,305
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.	101,468
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.	(1,703)
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	2,108
Deferred inflows of resources	(56)
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	(5,582)
Net OPEB liability	(58)
Bonds and loans payable	<u>(89,885)</u>
Net position of governmental activities	<u>\$ 98,597</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, 2023
(Dollars in Thousands)

	Shoreline Regional Park Community	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Shoreline Regional Park Community 2022 Revenue Bonds	Total
Revenues:					
Property taxes	\$ 62,947	-	-	-	62,947
Use of money and property	1,278	3	167	-	1,448
Charges for services	85	-	-	-	85
Other	52	-	-	-	52
Total revenues	<u>64,362</u>	<u>3</u>	<u>167</u>	<u>-</u>	<u>64,532</u>
Expenditures:					
Current:					
General government	22,556	-	-	-	22,556
Public safety	111	-	-	-	111
Public works	1,234	-	-	-	1,234
Community development	399	-	-	-	399
Culture and recreation	4,169	-	-	-	4,169
Debt service:					
Principal	-	695	920	-	1,615
Interest and fiscal charges	-	1,004	3,063	355	4,422
Total expenditures	<u>28,469</u>	<u>1,699</u>	<u>3,983</u>	<u>355</u>	<u>34,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,893</u>	<u>(1,696)</u>	<u>(3,816)</u>	<u>(355)</u>	<u>30,026</u>
Other financing sources (uses):					
Issuance of bonds	-	21,401	-	164	21,565
Payment to bond refunding escrow	-	(21,100)	-	-	(21,100)
Transfers in	-	696	9,784	200	10,680
Transfers out	(4,879)	(5,801)	-	-	(10,680)
Transfers from the City of Mountain View	2,061	-	-	-	2,061
Transfers to the City of Mountain View	(22,809)	-	-	-	(22,809)
Total other financing sources (uses)	<u>(25,627)</u>	<u>(4,804)</u>	<u>9,784</u>	<u>364</u>	<u>(20,283)</u>
Net change in fund balances	10,266	(6,500)	5,968	9	9,743
Fund balances, beginning of year	<u>76,062</u>	<u>6,500</u>	<u>-</u>	<u>-</u>	<u>82,562</u>
Fund balances, end of year	<u>\$ 86,328</u>	<u>-</u>	<u>5,968</u>	<u>9</u>	<u>92,305</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, 2023
(Dollars in Thousands)

Net change in fund balances - total governmental funds	\$	9,743
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	\$	9,212
Depreciation		(3,996)
Transfer of capital assets to the City of Mountain View		(599)
		<u>4,617</u>
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.		826
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.		(803)
The issuance of bonds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. However, bonds issuance change long-term liabilities in the statement of net position and do not affect the statement of activities.		
Issuance of bonds		(21,565)
Payment to bond refunding escrow		21,100
		<u>(465)</u>
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		1,615
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		79
		<u>296</u>
Change in net position of governmental activities	\$	<u><u>15,829</u></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, 2023
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 56,777	56,777	62,947	6,170
Use of money and property	1,821	1,821	1,278	(543)
Charges for services	55	55	85	30
Other	40	40	52	12
	<u>58,693</u>	<u>58,693</u>	<u>64,362</u>	<u>5,669</u>
Expenditures:				
Current:				
General government:				
City attorney	10	24	-	24
Finance and administrative services	22,045	22,592	22,556	36
Public safety:				
Fire	173	187	71	116
Police	40	40	40	-
Public works	1,529	1,560	1,234	326
Community development	715	767	399	368
Culture & recreation:				
Community services	4,802	4,936	4,169	767
Capital outlay	59	64	-	64
	<u>29,373</u>	<u>30,170</u>	<u>28,469</u>	<u>1,701</u>
Excess of revenues over expenditures	<u>29,320</u>	<u>28,523</u>	<u>35,893</u>	<u>7,370</u>
Other financing sources (uses):				
Transfers out	(5,864)	(5,864)	(4,879)	985
Transfers from the City of Mountain View	-	-	2,061	2,061
Transfers to the City of Mountain View	(13,647)	(22,809)	(22,809)	-
	<u>(19,511)</u>	<u>(28,673)</u>	<u>(25,627)</u>	<u>3,046</u>
Net change in fund balances	<u>\$ 9,809</u>	<u>(150)</u>	<u>10,266</u>	<u>10,416</u>
Fund balance, beginning of year			<u>76,062</u>	
Fund balance, end of year			<u>\$ 86,328</u>	

This page intentionally left blank

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, 2023**

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.

Shoreline Regional Park Community 2022 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 2022 Refunding Revenue Bonds Series A 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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended 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. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2023.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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. Implementation of this statement did not have a significant impact on the Shoreline Community’s financial statements for the fiscal year ended June 30, 2023.
- 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 leases, public-private partnerships (PPPs), and SBITAs are effective for the Shoreline Community’s fiscal year ended June 30, 2023. Implementation of these requirements did not have a significant impact on the Shoreline Community’s financial statements for the fiscal year ended June 30, 2023.

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 April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. 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, 2023**

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, 2023**

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, 2023. Cash and investments are as follows (dollars in thousands):

Cash and investments	\$ 90,092
Restricted cash and investments	<u>6,925</u>
Total cash and investments	<u>\$ 97,017</u>

The Shoreline Community’s cash and investments of \$90.0 million are invested in the City’s cash and investments pool. Restricted cash and investments are held by bond trustee and are invested in money market mutual funds.

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, negotiable 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, 2023, 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 1.86 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, 2023

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 investments in money market mutual funds are available for withdrawal on demand and as of June 30, 2023, have an average maturity of less than 60 days.

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, 2023, the Shoreline Community's investments in money market mutual funds are rated AAA by Standard & Poor's.

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, 2023, 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, 2023**

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, 2023, Shoreline Regional Park Community Fund transferred \$0.7 million, \$4.0 million, and \$0.2 million, to the Shoreline Regional Park Community 2011 Revenue Bonds Fund, Shoreline Regional Park Community 2018 Revenue Bonds Fund, and Shoreline Regional Parking Community 2022 Revenue Bonds Fund, respectively, to fund debt service payments. The Shoreline Regional Park Community 2011 Revenue Bonds Fund also transferred reserve fund of \$5.8 million to the Shoreline Regional Park Community 2018 Revenue Bonds.

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, 2023, the Shoreline Community transferred to the City \$22.5 million to fund capital projects, \$140,000 for equipment replacements, and \$140,000 for operating costs. The City transferred \$2.1 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, 2023

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, 2023 is as follows (dollars in thousands):

	Balance June 30, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 44,331	-	-	-	44,331
Construction in progress	17,869	9,206	-	(2,334)	24,741
Total capital assets not being depreciated	<u>62,200</u>	<u>9,206</u>	<u>-</u>	<u>(2,334)</u>	<u>69,072</u>
Capital assets being depreciated:					
Buildings	23,908	-	-	-	23,908
Improvements other than buildings	104,126	-	-	1,698	105,824
Machinery and equipment	2,271	6	-	37	2,314
Traffic signals	1,500	-	-	-	1,500
Streetlights	1,009	-	-	-	1,009
Total capital assets being depreciated	<u>132,814</u>	<u>6</u>	<u>-</u>	<u>1,735</u>	<u>134,555</u>
Less accumulated depreciation for:					
Buildings	(12,660)	(537)	-	-	(13,197)
Improvements other than buildings	(82,056)	(3,325)	-	-	(85,381)
Machinery and equipment	(1,915)	(75)	-	-	(1,990)
Traffic signals	(882)	(39)	-	-	(921)
Streetlights	(650)	(20)	-	-	(670)
Total accumulated depreciation	<u>(98,163)</u>	<u>(3,996)</u>	<u>-</u>	<u>-</u>	<u>(102,159)</u>
Net capital assets being depreciated	<u>34,651</u>	<u>(3,990)</u>	<u>-</u>	<u>1,735</u>	<u>32,396</u>
Total capital assets, net	<u>\$ 96,851</u>	<u>5,216</u>	<u>-</u>	<u>(599)</u>	<u>101,468</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 6 – CAPITAL ASSETS (Continued)

During the fiscal year ended June 30, 2023, the Shoreline Community transferred certain infrastructure including bridges and culverts; sidewalks, curbs and gutters; and streets and roads funded by the Shoreline Community totaling \$599,000 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, 2023 are as follows (dollars in thousands):

General government	\$ 29
Public safety	40
Public works	962
Community development	64
Culture and recreation	<u>2,901</u>
Total	<u><u>\$ 3,996</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, 2023, are as follows (dollars in thousands):

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Land	\$ -	6
Improvements other than buildings	9,861	1,307
Buildings	1,160	2,294
Infrastructure	<u>13,720</u>	<u>295</u>
Total	<u><u>\$ 24,741</u></u>	<u><u>3,902</u></u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, 2023, are as follows (dollars in thousands):

	Original Issue Amount	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Revenue Bonds:						
Shoreline Regional Park Community						
2011 Revenue Bonds						
2.0% to 5.75%, due Fiscal Year 2040-41	\$ 39,030	21,795	-	(21,795)	-	-
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	<u>6,416</u>	<u>5,657</u>	<u>-</u>	<u>(217)</u>	<u>5,440</u>	<u>217</u>
Subtotal 2018 Revenue Bonds Series A	59,901	59,142	-	(217)	58,925	217
Shoreline Regional Park Community						
2018 Revenue Bonds Series B						
3.36% to 4.24%, due Fiscal Year 2031-32	10,315	10,315	-	(920)	9,395	950
Shoreline Regional Park Community						
2022 Refunding Revenue Bonds						
4.83%, due Fiscal Year 2039-40	<u>21,565</u>	<u>-</u>	<u>21,565</u>	<u>-</u>	<u>21,565</u>	<u>1,145</u>
Total noncurrent liabilities	\$ 130,811	91,252	21,565	(22,932)	89,885	2,312

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 (2011 Bonds). 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 2011 Bonds were fully refunded through the issuance of 2022 Refunding Revenue Bonds, Series A (2022 Bonds) during the year ended June 30, 2023.

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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 7 – NONCURRENT LIABILITIES (Continued)

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.

2022 Refunding Revenue Bonds Shoreline Regional Park Community - On November 22, 2022, the Shoreline Community issued the 2022 Bonds of \$21.6 million through private placement. Proceeds from the 2022 Bonds were used to fully refund the 2011 Bonds. The 2022 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 refunding resulted in net present value savings of \$1.1 million. 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.

C. Debt Service Requirements

The pledge of future tax increment revenues ends upon repayment of the \$148.9 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, 2023, tax increment revenues amounted to \$62.9 million, which represented coverage of 11.4 over the \$5.5 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
2024	\$ 2,095	4,042	6,137
2025	1,860	3,959	5,819
2026	1,940	3,878	5,818
2027	2,025	3,793	5,818
2028	2,105	3,703	5,808
2029 - 2033	11,970	16,975	28,945
2034 - 2038	15,200	13,723	28,923
2039 - 2043	17,350	9,721	27,071
2044 - 2048	24,290	4,558	28,848
2049	5,610	140	5,750
Total	<u>\$ 84,445</u>	<u>64,492</u>	<u>148,937</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, 2023, 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	35.12%	35.12% (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, 2023**

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 \$768,000 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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, 2023 and 2022, (measurement dates of June 30, 2022 and 2021, 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, 2022	\$ 5,582	4.44%
Proportion - Measurement date June 30, 2021	2,788	4.61%
Change	<u>\$ 2,794</u>	<u>-0.17%</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 8 – PENSION PLAN (Continued)

Actuarial Assumptions – The total pension liability for the Plan in the June 30, 2021 actuarial valuation was determined using actuarial assumptions as follows:

	<u>Miscellaneous Plan</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% 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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on the table, refer to the 2021 CalPERS experience study report available on the CalPERS website.

All other actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the 2021 CalPERS Experience Study for the period from 2001 to 2019, including updates to salary increase, mortality and retirement rates. Further details of the 2021 CalPERS Experience Study can be found on the CalPERS website under Forms and Publications.

Change of Assumptions – During measurement period 2022, the discount rate was reduced from 7.15% to 6.90%, inflation rate was reduced from 2.50% to 2.30%, and demographic assumptions were changed in accordance with the 2021 CalPERS Experience Study.

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that the contributions from plan members will be made at the 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, 2023**

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. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expense of 10 basis points. The expected real rates of return by asset class are as follows:

Asset Class:	Assumed Asset	
	Allocation	Real Return ^{1, 2}
Global Equity - Cap-Weighted	30.0%	4.54%
Global Equity - Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

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 6.90 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):

	Current		
	Discount Rate -1% (5.90%)	Discount Rate (6.90%)	Discount Rate +1% (7.90%)
Shoreline Community's proportionate share of the City's Miscellaneous Plan net pension liability	\$ 8,556	5,582	3,126

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

NOTE 8 – PENSION PLAN (Continued)

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

For the fiscal year ended June 30, 2023, the Shoreline Community recognized pension expense of \$747,000. The Shoreline Community reported deferred outflows of resources related to pensions by sources for the fiscal year ended June 30, 2023 are as follows (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 768	-
Differences between expected and actual experience	18	56
Changes in assumptions	423	-
Net differences between projected and actual earnings on plan investments	841	-
Total	\$ 2,050	56

As of June 30, 2023, the Shoreline Community reported \$768,000 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, 2024. 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,	Amount
2024	\$ (349)
2025	(298)
2026	(62)
2027	(517)
Total	\$ (1,226)

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

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, 2023, the Shoreline Community’s contributions totaled \$58,000.

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, 2022 was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. 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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continues)

The change in the Shoreline Community’s proportionate share of the net OPEB liability as of June 30, 2023 and 2022 (measurement dates of June 30, 2022 and 2021, 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, 2022	\$ 58	0.55%
Proportion - Measurement date June 30, 2021	127	-0.49%
Change	\$ (69)	1.04%

Actuarial Assumptions – The total OPEB liability for the City’s OPEB plan were determined using actuarial assumptions as follows:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.60%
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 2021 CalPERS Experience Study for the period from 1997 to 2019, except for using the MacLeod Watts Scale 2020 applied generationally from 2015 as the basis to project future mortality improvements.

Change in Assumptions – During the measurement period 2022, the discount rate was reduced from 6.00 percent to 5.60 percent.

Discount Rate – The discount rate used to measure the total OPEB liability is 5.60 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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return for OPEB plan investments is 5.60 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 1-5 ¹	Real Return Years 6-20 ²
Global Equity	34.0%	6.80%	6.80%
Fixed Income	41.0	1.40	4.50
REITS	17.0	5.40	6.20
TIPS	5.0	0.60	3.60
Commodities	3.0	3.20	3.50

(1) An expected inflation rate of 2.40 percent is used for this period.

(2) An expected inflation rate of 2.30 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 5.60 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% (4.60%)	Current Discount Rate (5.60%)	Discount Rate +1% (6.60%)
\$ 58	\$ 58	\$ 58

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%
\$ 58	\$ 58	\$ 58

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. OPEB Expenses and Deferred Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the Shoreline Community recognized OPEB expense of \$58,000. As of June 30, 2023, the Shoreline Community reported \$58,000 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, 2024.

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:

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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 11 – 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 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, 2023, the Shoreline Community has restricted fund balances of \$72.0 million for Shoreline Community indebtedness and \$6.0 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, 2023, the Shoreline Community has committed fund balances of \$14.3 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.

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023**

NOTE 11 – NET POSITION AND FUND BALANCES (Continued)

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 \$1.2 million for the fiscal year ended June 30, 2023 and \$12.0 million to rebuild a new landfill system. As of June 30, 2023, the Shoreline Regional Park Community Fund has reported \$11.0 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, 2023, are \$165,000 recorded as part of restricted fund balance.

B. *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 dating back to the first such agreement in 2006. The purpose of the Education Enhancement JPA is to create an Education Enhancement Reserve in which funds provided by the Shoreline Community are used to enhance the educational and technology capacity of students in the districts, which will contribute to the availability of a local technology workforce to further the objectives of the Shoreline Community. The agreement provides for minimum annual payments, which commenced with the fiscal year ended June 30, 2014, and have increased annually based on growth in property tax revenues in the preceding fiscal year. Each subsequent fiscal year increases based on growth in property tax revenues in the preceding fiscal year. For the fiscal year ended June 30, 2023, the Shoreline Community paid a total of \$8.8 million in contributions to the school districts, including \$5.4 million to MVWSD and \$3.4 million to MVLAUHSD.

A one-year successor agreement was executed in June 2023 for the period of July 1, 2023 through June 30, 2024. The Shoreline Community and school districts are currently negotiating a long-term successor agreement which could alter future payments to the school districts.

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, 2023, \$2.2 million and \$2.7 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,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement period	2022	2021	2020	2019	2018	2017	2016	2015	2014
Shoreline Community's proportion of the net pension liability (NPL)	4.4%	4.6%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Shoreline Community's proportionate share of the NPL	\$ 5,582	2,788	5,268	5,032	5,038	5,431	4,948	4,177	3,783
Shoreline Community's covered payroll	\$ 2,301	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	242.6%	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	75.5%	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, 2021 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. During measurement period 2022, the discount rate was reduced from 7.15% to 6.90%, inflation rate was reduced from 2.50% to 2.30%, and demographic assumptions were changed in accordance with the 2021 CalPERS Experience Study.

* 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 Pension Contributions
(Dollar in Thousands)

Fiscal Year Ended June 30	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions (actuarially determined) (CRC)	\$ 768	761	680	847	779	819	565	509	359	284
Contributions in relation to the CRC	(768)	(761)	(680)	(847)	(779)	(819)	(565)	(509)	(359)	(284)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 2,233	2,301	2,149	2,037	2,009	1,907	\$ 1,797	\$ 1,622	\$ 1,520	1,429
Contributions as a percentage of covered payroll	34.4%	33.1%	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, 2023 were as follows:

Actuarially determined contribution for fiscal year	June 30, 2023
Actuarial valuation date	June 30, 2020
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.

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,					
	2023	2022	2021	2020	2019	2018
Measurement period	2022	2021	2020	2019	2018	2017
Shoreline Community's proportion of the net OPEB liability (NOPEBL)	0.5%	-0.5%	2.1%	6.8%	1.1%	3.3%
Shoreline Community's proportionate share of the NOPEBL	\$ 58	\$ 127	\$ 112	\$ 602	\$ 290	\$ 1,085
Shoreline Community's covered payroll	\$ 2,301	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	2.5%	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	93.5%	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. During the measurement period 2022, the discount rate was reduced from 6.00 percent to 5.60 percent.

* 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
Required Supplementary Information (Unaudited)
Schedule of the Shoreline Community OPEB Contributions
(Dollar in Thousands)

Fiscal Year Ended June 30	Fiscal Year Ended June 30,						
	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contributions (ADC)	\$ 58	127	112	602	290	1,085	1,014
Contributions in relation to the ADC	(58)	(127)	(112)	(602)	(290)	(1,085)	(1,014)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
Covered payroll	\$ 2,233	2,301	2,149	2,037	2,009	1,907	1,797
Contributions as a percentage of covered payroll	2.6%	5.5%	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, 2023 were as follows:

ADC for fiscal year	June 30, 2023
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 2021 CalPERS Experience Study for the period from 1997 to 2019, except for using the MacLeod Watts Scale 2020 applied generationally from 2015 as the basis to project future mortality improvements.

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2023

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, 2023
(Dollars in Thousands)

	Shoreline Regional Park Community Administrative	Shoreline Regional Park Community Special	North Bayshore Impact Fee	Total
Assets:				
Cash and investments	\$ 71,800	4,139	14,153	90,092
Restricted cash and investments	948	-	-	948
Receivables:				
Accounts	116	-	-	116
Interest	828	-	141	969
Total assets	<u>\$ 73,692</u>	<u>4,139</u>	<u>14,294</u>	<u>92,125</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,629	-	-	5,629
Refundable deposits	52	-	-	52
Unearned revenue	116	-	-	116
Total liabilities	<u>5,797</u>	<u>-</u>	<u>-</u>	<u>5,797</u>
Fund Balances:				
Restricted	67,895	4,139	-	72,034
Committed	-	-	14,294	14,294
Total fund balances	<u>67,895</u>	<u>4,139</u>	<u>14,294</u>	<u>86,328</u>
Total liabilities and fund balances	<u><u>73,692</u></u>	<u><u>4,139</u></u>	<u><u>14,294</u></u>	<u><u>92,125</u></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, 2023
(Dollars in Thousands)

	Shoreline Regional Park Community Administrative	Shoreline Regional Park Community Special	North Bayshore Impact Fee	Interfund Elimination	Total
Revenues:					
Property taxes	\$ -	62,947	-	-	62,947
Use of money and property	1,621	36	(379)	-	1,278
Charges for services	85	-	-	-	85
Other	52	-	-	-	52
Total revenues	<u>1,758</u>	<u>62,983</u>	<u>(379)</u>	<u>-</u>	<u>64,362</u>
Expenditures:					
Current:					
General government	22,556	-	-	-	22,556
Public safety	111	-	-	-	111
Public works	1,234	-	-	-	1,234
Community development	399	-	-	-	399
Culture and recreation	4,169	-	-	-	4,169
Total expenditures	<u>28,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,711)</u>	<u>62,983</u>	<u>(379)</u>	<u>-</u>	<u>35,893</u>
Other financing sources (uses):					
Transfers in	57,715	-	-	(57,715)	-
Transfers out	-	(62,594)	-	57,715	(4,879)
Transfers from the City of Mountain View	1,811	-	250	-	2,061
Transfers to the City of Mountain View	(22,424)	-	(385)	-	(22,809)
Total other financing sources (uses)	<u>37,102</u>	<u>(62,594)</u>	<u>(135)</u>	<u>-</u>	<u>(25,627)</u>
Net change in fund balances	10,391	389	(514)	-	10,266
Fund balances, beginning of year	<u>57,504</u>	<u>3,750</u>	<u>14,808</u>	<u>-</u>	<u>76,062</u>
Fund balances, end of year	<u>\$ 67,895</u>	<u>4,139</u>	<u>14,294</u>	<u>-</u>	<u>86,328</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 (*Government Auditing Standards*), 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, 2023, 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 27, 2023.

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 27, 2023