



CITY OF MOUNTAIN VIEW CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



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
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by the
DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

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

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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT
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November 19, 2020

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

The events of the past year have been like no other period of time in the past century. With the worldwide outbreak of the COVID-19 pandemic at the beginning of 2020 and arrival in California and the U.S. soon after, the impacts of this public health crisis have challenged and severely impacted virtually every person and organization around the world. The difficulty in understanding how the virus behaves, how it is spread within communities, and how to stop it has resulted in a lengthy and ongoing pandemic that experts are still grappling over how to contain its spread to others while allowing the economy to operate with some degree of normalcy.

Because of the many uncertainties surrounding its spread, treatment, and effects, public health officials have put into effect orders to limit the ability of people to socially gather together and to effectively Shelter-in-Place in order to stop the spread of the virus. This has had a tremendous effect on the economy nationwide as businesses had to cut back on operations and lay off workers or close altogether. There has been considerable stress placed upon governmental and other supportive agencies to care for those in the community most impacted from the pandemic. Fortunately, the City of Mountain View (City) was in strong financial health prior to the onset of the pandemic and, while impacted by revenue losses from certain sources, was still able to provide needed resources to many in the community most affected by the pandemic.

As the City and the nation continue to navigate the pandemic and the many uncertainties that lie ahead, staff is seeking to preserve the City's fiscal health while also making available necessary resources and services to provide for the health and safety of the community.

We are pleased to present the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. The CAFR has been prepared in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and in compliance with the City Charter, Section 1106.

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

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

The City's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of independent licensed certified public accountants selected by and reporting to the City Council. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020 are free of material misstatement. The independent auditor issued a "clean" opinion that the City's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

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

The CAFR 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 – Include the governmentwide 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 agency funds.
- Notes to Basic Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the governmentwide and fund financial statements.
- Required Supplementary Information – Includes schedules required to be presented showing information related to the City's pension plan and other postemployment benefits plan.
- Other Supplementary Information – Includes the Budgetary Schedule of the Park Land Dedication Capital Projects Fund, Combining Statements and Schedules of the nonmajor governmental funds, internal service funds, and agency 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 CAFR includes the results of financial activities of the primary government, which encompasses several enterprise activities as well as all of its component units: the Mountain View Shoreline Regional Park Community (Shoreline Community) and the City of Mountain View Capital Improvements Financing Authority (Financing Authority). *Separate financial statements for the Shoreline Community are included following the Statistical Section.* There is no legal requirement for a separate component unit report for the Financing Authority.

PROFILE OF THE GOVERNMENT

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

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

With a population of approximately 82,300 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); and
- Culture and recreation (library, parks, recreation, performing arts, and golf course).

The City also provides water, wastewater, and solid waste utility enterprise activities, and the financial information regarding these activities is included in this report.

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

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

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

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

LOCAL ECONOMY

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

The COVID-19 pandemic has significantly affected the region, the nation, and the entire world. On March 12, 2020, the City declared a State of Emergency due to the COVID-19 pandemic, and, on March 17, 2020, the Santa Clara County Public Health Order to Shelter-in-Place began, forcing many businesses to either close or significantly reduce their normal operations.

In spite of the difficulties in the local economy, the City ended the fiscal year with 1,008 residential units built and approximately 348,645 square feet of commercial/office space constructed. Overall, office vacancy rates that initially increased due to lost employment from the pandemic have begun to stabilize in recent months.

In April 2020, the unemployment rate in Mountain View peaked at 6.1 percent due to the public health crisis and Shelter-in-Place restrictions. However, by September 2020, the rate has come down to 3.9 percent, reflecting improvement in employment. In spite of the various challenges to the City, the long-held fiscal practices and budget discipline have allowed the City to maintain its AAA credit rating.

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

The City is also committed to preserving present services and programs while investing in our future through prudent budgeting and infrastructure development. The recent years, having experienced a strong economy along with sound fiscal planning, have allowed the City to add resources where most needed and to pay down pension and other postemployment benefits unfunded liabilities.

LONG-TERM FINANCIAL PLANNING

The City annually prepares a five-year forecast for its General Operating Fund and, periodically, a Long-Range Financial Forecast to project revenue and expenditure trends for the next 10 years. A Five-Year Financial Forecast (Forecast) was developed for Fiscal Year 2020-21 through Fiscal Year 2024-25. A financial forecast, even with fluctuating economic variables, can assist with 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.

In summary, due primarily to the impacts of COVID-19, revenue growth is projected to slow down for the next couple of fiscal years. However, the reduction in certain revenues from the impacts of COVID-19 are offset somewhat by increased business license revenue resulting from a three-year phase-in of the restructured license tax that began in January 2020. Consequently, revenues overall are anticipated to resume a trend of positive growth in the later years of the Forecast.

The Forecast shows a positive balance for Fiscal Year 2020-21 and a slight deficit for Fiscal Year 2021-22. A modest deficit is forecasted for Fiscal Year 2022-23; however, positive balances resume in future years of the Forecast.

RELEVANT FINANCIAL POLICIES

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

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

MAJOR INITIATIVES

The City's mission is to provide quality services and facilities that meet the needs of a caring and diverse community in a financially responsible manner. In February 2019, the City Council conducted a goal-setting process to update its major goals for the next two-year cycle, Fiscal Years 2019-20 and 2020-21. The City Council's four overarching major goals are as follows:

- Promote a community for all with a focus on strategies to protect vulnerable populations and preserve Mountain View's socioeconomic and cultural diversity.
- Improve the quantity, diversity, and affordability of housing by providing opportunities for subsidized, middle-income, and ownership housing.
- Develop and implement comprehensive and innovative transportation strategies to achieve mobility, connectivity, and safety for people of all ages.
- Promote environmental sustainability and quality of life for the enjoyment of current and future generations with a focus on measurable outcomes.

Projects were identified to further these four goals over the two-year cycle. Some of the major initiatives accomplished during this past fiscal year are as follows:

- Adopted a Safe Parking Ordinance and launched three new 24/7 Safe Parking Lots with over 100 parking spaces for homeless or unstably housed residents, in collaboration with the County of Santa Clara.
- Completed the Community for All grant programs, awarding \$75,000 to nine agencies to improve access to information and resources for immigrants, reaching approximately 1,412 Mountain View residents.
- Provided a child care for essential workers program.

- Held multiple virtual Town Hall meetings, including one with 95 members of the Chinese community to discuss personal and home safety, hate crimes, and how the Police Department serves and interacts with the community.
- Added new digital resources accessible through the Library, including ConsumerReports.org, the Morningstar Investment Research Center, and the online video streaming platform Kanopy.
- Developed a hygiene plan that provided eight portable Americans with Disabilities Act (ADA) restrooms and 11 hand-washing stations at strategic locations across the City as well as five ADA restrooms, two standard portable restrooms, and five hand-washing stations at the City's Safe Parking lots.
- Developed and executed a 16-step action plan and convened weekly multi-agency calls to assist homeless and unstably housed residents during the COVID-19 crisis, providing emergency supplies, masks, staff support, food, sanitation and hygiene medical services, City Wi-Fi, cell chargers, and power banks.
- Adopted an extension of the shelter crisis to provide flexible and streamlined options for Safe Parking.
- Implemented an Urgency Eviction Moratorium and Extension, protecting tenants in the City from evictions during the COVID-19 pandemic.
- Developed a Grab-and-Go Holds service to provide safe community access to Library materials while the Library building remains closed to the public.
- Created the Cooling Center Activation Policy to shelter citizens and at-risk populations during times of excessive heat.
- Cohosted three interfaith panels with the Islamic Networks Group (ING) with representatives from multiple religious communities to discuss shared values.
- Completed construction of the Latham Community Garden and added 84 new community gardeners.
- Hosted 58 live, virtual Library programs for children, teens, and adults, serving 3,122 live attendees.
- Created an Emergency Grocery Gift Card Program operated by the Community Services Agency (CSA).

- Held a Displacement Response Strategy Study Session.
- Provided support for the start-up of a local nonprofit's expansion to provide Safe Parking services in coordination with the County of Santa Clara.
- Developed and implemented the COVID-19 Rent Relief Program for low-income residents with initial funding of \$2.6 million and a Small Landlord Relief Program with initial funding of \$100,000.
- Created a Small Business Resiliency Program with \$1 million in funding to provide zero-interest micro-loans to small businesses to help with the effects of COVID-19.
- Facilitated a new County Mobile Medical Unit access in the downtown area, added County medical van services to the Safe Parking lots, and continued the County backpack medicine program services.
- Modified the Tenant Assistance Relocation Ordinance as part of City's overall Displacement Response Strategy.
- Created the Mountain View Resiliency Roundtable for more than 30 stakeholders to collaborate on how to move forward together as a community.
- Allocated \$4.1 million in local COVID-19 relief funding.
- Held the City's first bilingual virtual community meeting for the Magical Bridge Playground Park design.
- Distributed approximately 2,780 food bags, 380 hygiene kits, and 14,300 masks to unstably housed residents through events hosted by the Police Department Neighborhood and Event Services Team.
- Launched the City Council Ad Hoc Subcommittee on Race, Equity, and Inclusion to respond to community concerns over policing, racial equity, and justice issues.
- Preserved 48 units of naturally affordable housing in the Mariposa Apartments to be deed-restricted in perpetuity.
- Approved a 71-unit affordable housing development consisting of 70 studio units and one 2-bedroom manager unit to be developed by Alta Housing (formerly Palo Alto Housing).

- Adopted a Vision Zero Policy and established a City staff Vision Zero Task Force to address pedestrian fatalities.
- Replaced the traffic signals at Shoreline Boulevard/Amphitheatre Parkway, Charleston Road/Huff Avenue, and Moffett Boulevard/Leong Drive intersections.
- Adopted new City policies, including a Multi-Modal Transportation Analysis Handbook, to comply with State requirements for California Environmental Quality Act (CEQA) transportation analysis.
- Cohosted the 2019 Silicon Valley Bicycle Summit and installed a pop-up protected bikeway along California Street for a bicycle-themed Thursday Night Live.
- Completed a Bike Share Evaluation and a Shuttle Study.
- Completed bike and pedestrian improvements with new median islands on Middlefield Road, between North Whisman Road and Bernardo Avenue.
- Presented the Castro Complete Street project at the 2019 Silicon Valley Bike Summit.
- Created a comprehensive Resource Guide in collaboration with 29 Bay Area organizations and four City departments to celebrate Earth Day.
- Developed building “Reach Codes” requiring new buildings to be all-electric and install electric vehicle chargers and solar energy.
- Eliminated the use of print copy manuals for CERT Academy students, resulting in the elimination of 17,500 pieces of paper per year.
- Adopted a goal of Mountain View becoming a Carbon-Neutral City by 2045.
- Worked with Live Nation and the Bay Area Air Quality Management District to get approval for a combined landfill gas collection and destruction system to minimize greenhouse gas emissions.
- Completed a 2018 City Operations greenhouse gas inventory that showed a 51 percent reduction in emissions since 2005, exceeding the City’s 2030 reduction target.

- Completed environmental review (Mitigated Negative Declaration) and 35 percent design for the Transit Center Grade Separation and Access Improvement project.
- Approved Sustainability Action Plan 4, a three-year, \$7.5 million plan with 81 new actions to address climate change and foster a more sustainable community.
- Installed nine new electric vehicle chargers at the Community Center.
- Launched Collaborate Mountain View, an online engagement platform for community members to share ideas, provide input, and enhance the City's sustainability efforts.
- Completed a Municipal Operations Zero Waste Plan and adopted a Zero Waste Plan for the City.
- Partnered with Bay Area Water Supply and Conservation Agency (BAWSCA), Master Gardeners, and other organizations to offer monthly classes on sustainability and environmentally friendly gardening at the Library.
- Developed a new Municipal Green Building Policy requiring new City facilities and major renovations to achieve LEED Gold® certification, utilize all-electric design, and include renewable energy generation whenever feasible.
- Completed final 2017 and preliminary 2018 communitywide greenhouse gas emissions inventories, revealing a decrease of 13 percent from 2005 levels and putting the City on target to meet its 2020 reduction goal.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 30th 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 CAFR that satisfied both GAAP and applicable legal requirements. The GFOA award is valid for a one-year period only. We believe our current CAFR 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 its annual budget document for Fiscal Year 2019-20. In order to qualify for this

Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jesse Takahashi".

Jesse Takahashi
Finance and Administrative
Services Director

A handwritten signature in blue ink, appearing to read "Kimbra McCarthy".

Kimbra McCarthy
City Manager

City of Mountain View California

City Officials

City Council

Margaret Abe-Koga, Mayor

Ellen Kamei, Vice Mayor

Christopher R. Clark

Alison Hicks

Lisa Matichak

John McAlister

Lucas Ramirez

City Staff

Kimbra McCarthy, City Manager

Krishan Chopra, City Attorney

Lisa Natusch, City Clerk

Audrey Seymour Ramberg, Assistant City Manager/Chief Operating Officer

Roger Jensen, Chief Information Officer/Information Technology Director

Jesse Takahashi, Finance and Administrative Services Director

Aarti Shrivastava, Assistant City Manager/Community Development Director

Dawn Cameron, Public Works Director

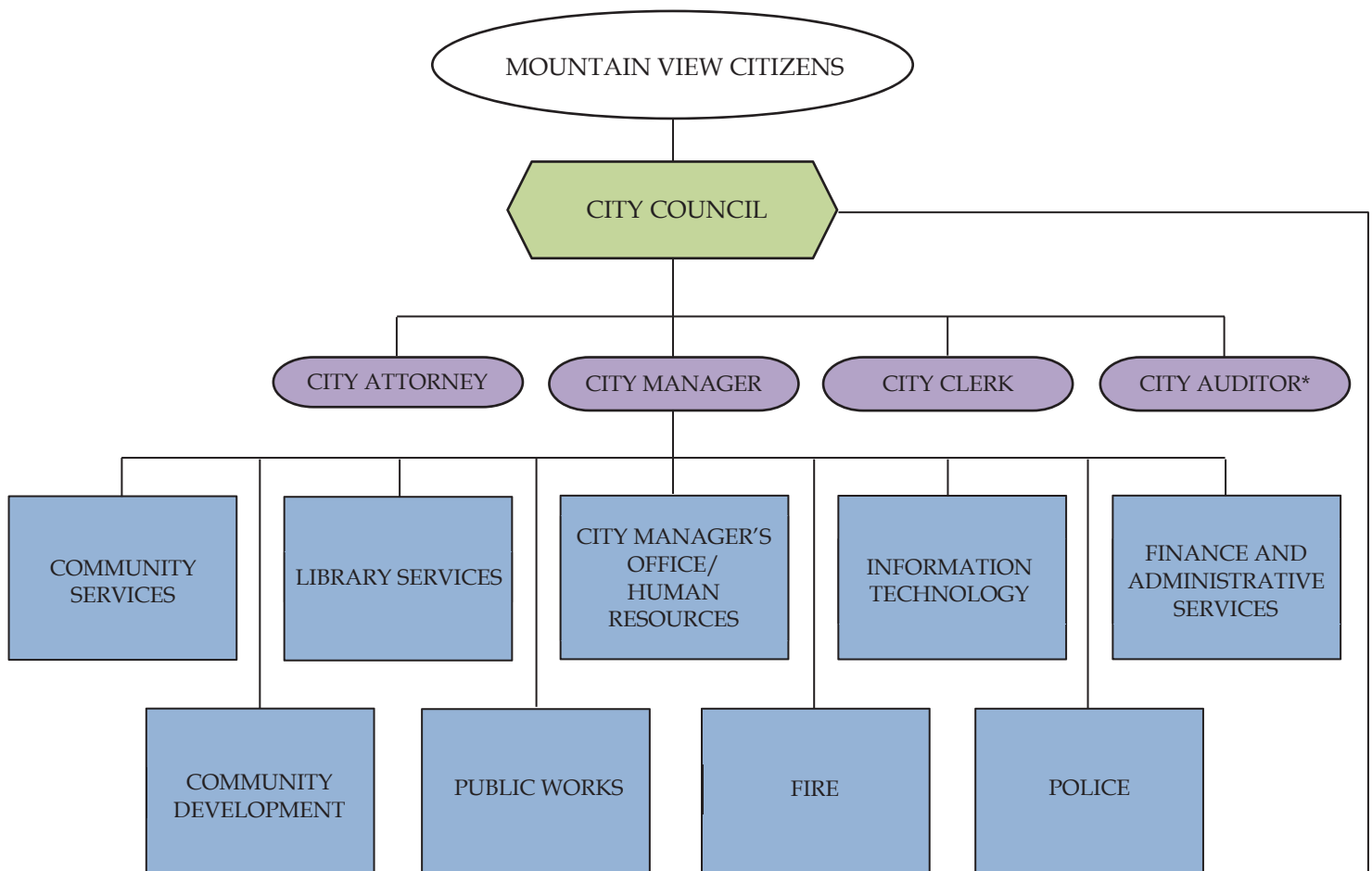
John Marchant, Community Services Director

Tracy Gray, Library Services Director

Juan Diaz, Fire Chief

Max Bosel, Police Chief

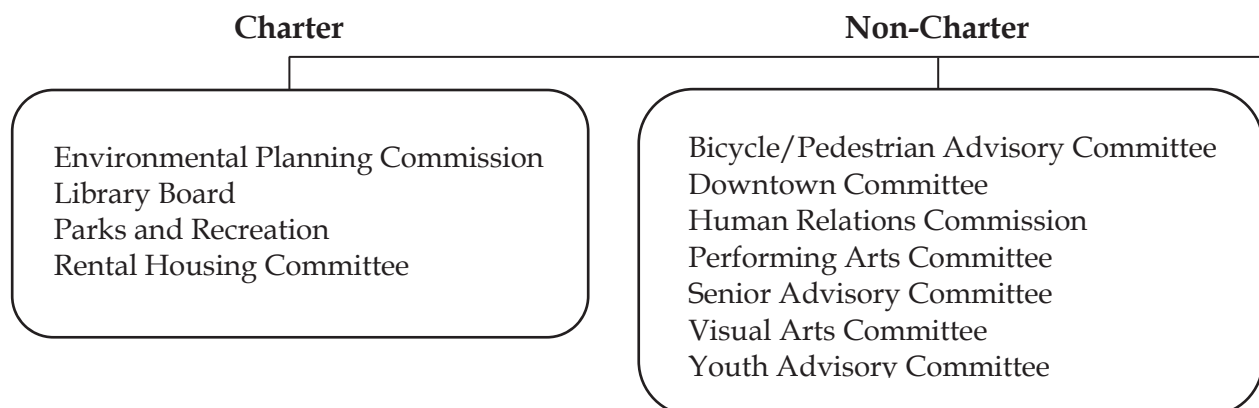
CITY GOVERNMENT ORGANIZATION



KEY:

- ELECTED
- APPOINTED BY COUNCIL
- APPOINTED BY CITY MANAGER

CITY BOARDS, COMMISSIONS, AND COMMITTEES



*Finance and Administrative Services Director serves as City Auditor.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mountain View
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, 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 fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 14 to the financial statements, in March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The City expects this outbreak to adversely impact revenues and operations for future reporting periods. The City is not able to predict the duration or magnitude of the adverse results of the outbreak and its effects on the City or results of operations. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in net pension liability and related ratios, the schedule of employer pension contributions, the schedules 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, individual and combining fund financial statements and schedules listed as other supplementary information, statistical section, and component unit financial statements section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual and combining fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual and combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them. The component unit financial statements section includes the separately audited Mountain View Shoreline Regional Park Community basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, 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.

A handwritten signature in dark ink that reads "Macias Gini E O'Connell LPA". The signature is written in a cursive, flowing style.

Walnut Creek, California
November 19, 2020

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CITY OF MOUNTAIN VIEW, CALIFORNIA
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Fiscal Year Ended June 30, 2020

This section of the City of Mountain View's (City) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that has been furnished in our letter of transmittal, and to recognize that the financial statements focus on past results compared to the City's operating budget, that focuses on future goals and allocation of resources.

FINANCIAL HIGHLIGHTS

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

- The assets, plus 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, 2020 by \$1.17 billion (net position).
- The City's total net position increased by \$99.3 million compared to the \$117.6 million increase in the prior fiscal year. This is primarily attributable to increased property taxes resulting from the continued strength in the residential and commercial real estate markets as evidenced by another year of strong growth in assessed values. Also contributing to the increase was higher investment income resulting from growth in the portfolio and fair value adjustments.
- Total revenues for governmental funds are \$325.1 million, an increase of \$9.0 million and 2.8 percent over the prior fiscal year. Revenues continued to increase for the reasons mentioned above.
- Expenditures for governmental funds totaled \$236.8 million, an increase of \$17.7 million and 8.1 percent over the prior fiscal year, primarily related to the City's contribution of Park Land Dedication funds for shared open space facilities at a new school site in conjunction with a development agreement.
- Overall, governmental fund revenues exceeded expenditures by \$88.3 million excluding transfers. The growth in revenues exceeded the growth in expenditures and is discussed in more detail below.

- As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$768.4 million. Approximately 7.7 percent of this amount, \$59.4 million, represents unassigned fund balance that is available to meet the City's current and future needs. It is designated for future one-time expenditures, one-time payments towards unfunded liabilities, and emergency funds.
- At the end of the fiscal year, the unassigned fund balance for the General Fund is \$59.4 million, or 39.4 percent of total General Fund expenditures for the fiscal year ended June 30, 2020, a decrease of 8 percent over the prior fiscal year. These funds may be used for funding council priorities.
- The City's total noncurrent liabilities increased by \$7.4 million compared with the prior fiscal year due to drawing down of the remaining \$10.0 million balance of a direct financing arrangement with a commercial bank for wastewater infrastructure capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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 information for the Shoreline Community component unit is included within the City's CAFR.

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

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

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

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

Fiduciary funds are used to account for resources held for the benefit of employees of the City and parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Notes to 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 agency funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Two fiscal years of financial information and a comparative analysis of government-wide data are included in this MD&A.

Analysis of Net Position

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

Condensed Statement of Net Position						
(Dollars in Thousands)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets:						
Current and other assets	\$ 863,652	\$ 756,712	125,712	106,977	989,364	863,689
Capital assets	<u>487,724</u>	<u>494,842</u>	<u>98,554</u>	<u>93,861</u>	586,278	588,703
Total assets	<u>1,351,376</u>	<u>1,251,554</u>	<u>224,266</u>	<u>200,838</u>	1,575,642	1,452,392
Deferred outflows of resources:						
Pension items	36,776	43,873	3,496	3,938	40,272	47,811
OPEB Items	<u>13,186</u>	<u>16,654</u>	<u>879</u>	<u>562</u>	14,065	17,216
Total deferred outflows of resources	<u>49,962</u>	<u>60,527</u>	<u>4,375</u>	<u>4,500</u>	54,337	65,027
Liabilities:						
Current and other liabilities	37,062	25,049	6,242	6,992	43,304	32,041
Noncurrent liabilities	<u>363,717</u>	<u>381,046</u>	<u>38,319</u>	<u>29,460</u>	402,036	410,506
Total liabilities	<u>400,779</u>	<u>406,095</u>	<u>44,561</u>	<u>36,452</u>	445,340	442,547
Deferred inflows of resources:						
Pension items	3,784	2,809	418	361	4,202	3,170
OPEB items	<u>14,548</u>	<u>5,144</u>	<u>-</u>	<u>-</u>	14,548	5,144
Total deferred inflows of resources	<u>18,332</u>	<u>7,953</u>	<u>418</u>	<u>361</u>	18,750	8,314
Net position:						
Net investment in capital assets	467,378	466,424	89,969	86,332	557,347	552,756
Restricted	516,825	463,224	-	-	516,825	463,224
Unrestricted	<u>(1,976)</u>	<u>(31,615)</u>	<u>93,693</u>	<u>82,193</u>	91,717	50,578
Total net position	<u>\$ 982,227</u>	<u>\$ 898,033</u>	<u>183,662</u>	<u>168,525</u>	1,165,889	1,066,558

The largest portion (47.8 percent) of the City's net position of \$557.3 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 44.3 percent of the City's net position, or \$516.8 million represents resources that are subject to external restrictions on how they may be used. The increase of \$53.6 million from prior fiscal year is due to the increase in resources accumulated for capital projects of \$34.5 million and low and moderate income housing of \$19.9 million.

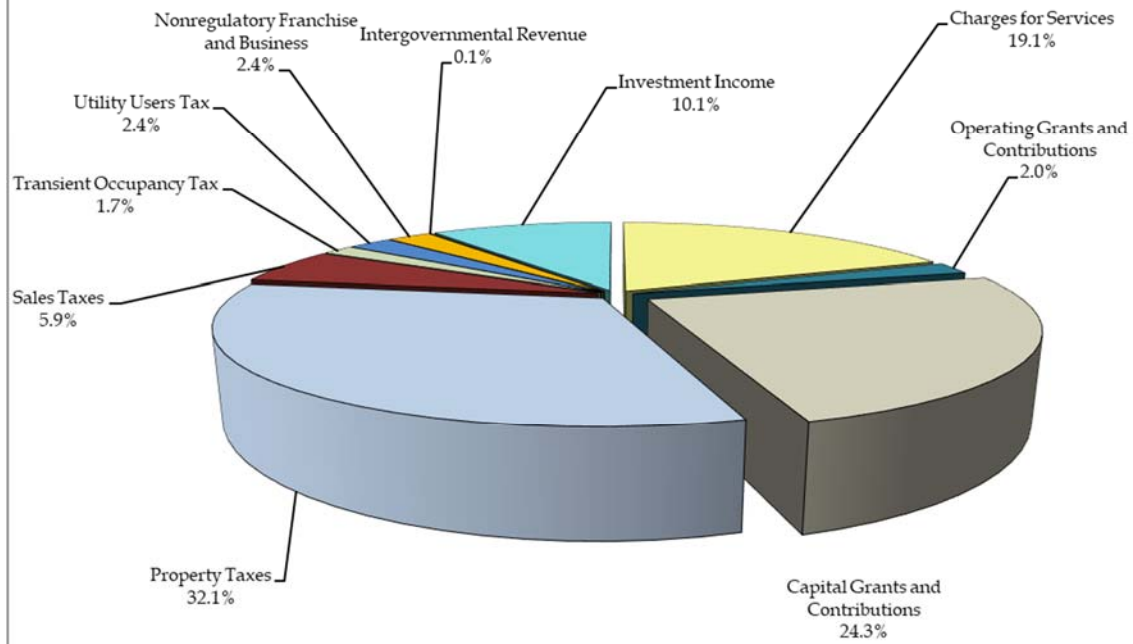
The last portion of the City's net position, \$91.7 million (7.9 percent), represents unrestricted net position. For governmental activities, the City reported a negative balance of \$2.0 million of unrestricted net position primarily due to the impact of recording pension and OPEB items related to the implementation of GASB Statements No. 68 and No. 75.

Analysis of Statement of Activities

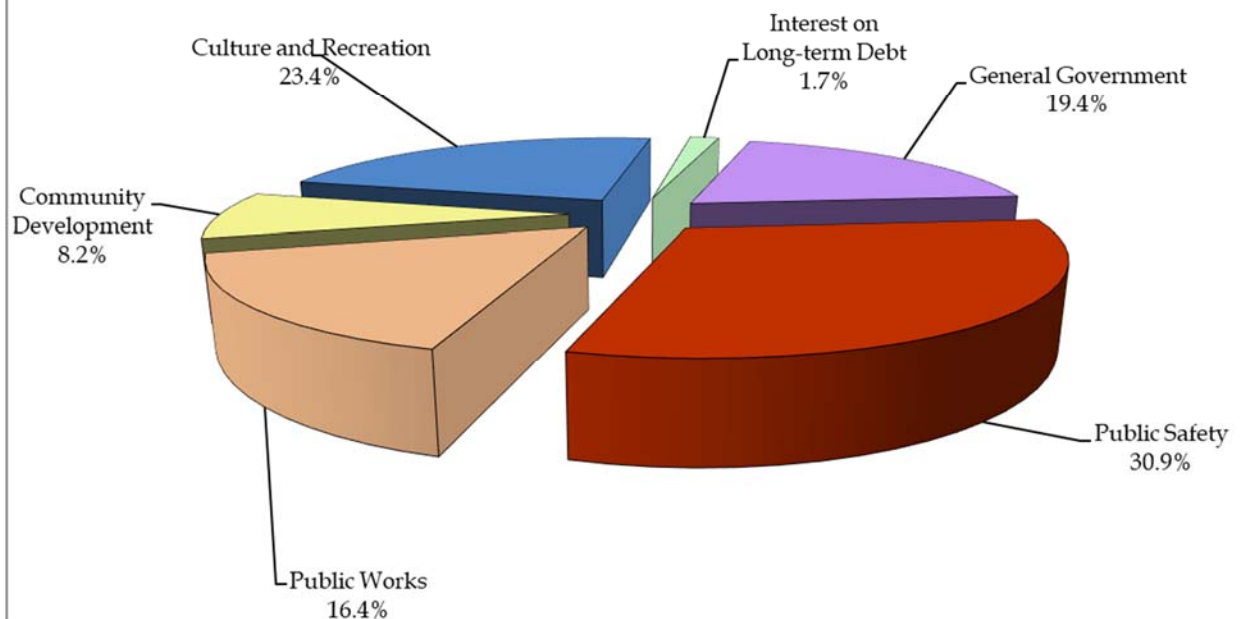
The changes in net position for governmental and business-type activities are as follows:

Condensed Statement of Activities						
(Dollars in Thousands)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 63,599	\$ 71,606	79,779	73,945	143,378	145,551
Operating grants and contributions	6,637	5,111	-	-	6,637	5,111
Capital grants and contributions	81,176	74,279	5,014	2,636	86,190	76,915
General Revenues:						
Property taxes	107,192	95,420	-	-	107,192	95,420
Sales taxes	19,792	25,058	-	-	19,792	25,058
Transient occupancy tax	5,602	7,051	-	-	5,602	7,051
Utility users tax	7,870	7,850	-	-	7,870	7,850
Nonregulatory franchise and business	7,886	5,549	-	-	7,886	5,549
Intergovernmental revenue	245	219	-	-	245	219
Investment income	33,613	26,411	2,364	2,405	35,977	28,816
Total revenues	<u>333,612</u>	<u>318,554</u>	<u>87,157</u>	<u>78,986</u>	<u>420,769</u>	<u>397,540</u>
Expenses:						
General government	48,167	46,797	-	-	48,167	46,797
Public safety	76,853	70,435	-	-	76,853	70,435
Public works	40,789	35,195	-	-	40,789	35,195
Community development	20,423	18,859	-	-	20,423	18,859
Culture and recreation	58,221	35,619	-	-	58,221	35,619
Interest on long-term debt	4,278	3,971	-	-	4,278	3,971
Water	-	-	37,522	35,868	37,522	35,868
Wastewater	-	-	20,109	19,526	20,109	19,526
Solid Waste	-	-	15,077	13,682	15,077	13,682
Total expenses	<u>248,731</u>	<u>210,876</u>	<u>72,708</u>	<u>69,076</u>	<u>321,439</u>	<u>279,952</u>
Change in net position before transfers	84,881	107,678	14,449	9,910	99,330	117,588
Transfers, net	(687)	(554)	687	554	-	-
Change in net position	<u>84,194</u>	<u>107,124</u>	<u>15,136</u>	<u>10,464</u>	<u>99,330</u>	<u>117,588</u>
Beginning net position	898,033	790,909	168,525	158,061	1,066,558	948,970
Ending net position	<u>\$ 982,227</u>	<u>\$ 898,033</u>	<u>183,661</u>	<u>168,525</u>	<u>1,165,888</u>	<u>1,066,558</u>

Governmental Activities Revenues by Source



Governmental Activities Expenses by Type



The City's overall net position increased by \$99.3 million during the current fiscal year.

Governmental activities increased the City's net position by \$84.2 million compared to \$107.1 million for the prior fiscal year. Key factors are as follows:

- Total revenues increased to \$333.6 million, \$15.1 million or 4.7 percent higher than the prior fiscal year. Property taxes increased \$11.8 million over the prior fiscal year due to the continued strength in the residential and commercial real estate markets that saw strong growth in assessed values. Investment income increased \$7.2 million due to growth in the investment portfolio and fair value adjustments.
- Total expenses increased to \$248.7 million, \$37.9 million or 18.0 percent higher than the prior fiscal year, primarily due to a contribution of Park Land Dedication funds for shared open space facilities at a new school site in conjunction with a development agreement.

Business-type activities increased the City's net position by \$15.1 million. Key factors for this increase are as follows:

- Water net position increased by \$4.5 million, primarily due to net operating income of \$0.9 million, investment income of \$1.0 million and developer capital contribution of \$2.3 million.
- Wastewater net position increased by \$9.5 million primarily due to increased charges for services resulting from rate adjustments adopted to fund increased wastewater costs which resulted in net operating income of \$5.8 million. In addition, investment income of \$0.9 million and developer capital contribution of \$2.1 million were earned.
- Solid waste net position increased by \$1.1 million as mainly due to net operating income of \$0.8 million resulting from higher development demand for services and operational savings.

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, 2020, the City's governmental funds reported combined ending fund balances of \$768.4 million, an increase of \$84.8 million in comparison to the prior fiscal year. The components for the change are increases of \$8.8 million in the General Fund, \$14.7 million in the Housing Fund, \$104.1 million in the General Capital Projects Fund, \$14.1 million in the Park Land Dedication Capital Projects Fund, and \$5.5 million in the Other Governmental Funds, offset by a decrease of \$62.4 million in the Shoreline Regional Park Community Fund.

For the General Fund, revenues continued to exceed expenditures due, in large part, to the growth in property taxes and developer fees and contributions, offset by decrease in sales taxes impacted by the COVID-19 pandemic outbreak. The decrease in the Shoreline Regional Park Community Fund is due primarily to transfers of \$87.9 million, including unspent Shoreline Regional Park Community 2018 Revenue Bonds proceeds of \$69.3 million, to the General Capital Projects Fund for various capital projects. Increases in the General Capital Projects Fund, are due to the receipt of transfers from other funds as well as from increased investment income. The increases in the Housing Fund and the Park Land Dedication Capital Projects Fund resulted from development-related fees generated from the development activities.

Total fund balance is comprised of unassigned fund balance of \$59.4 million and is available for spending at the City's discretion. The remainder of fund balance is nonspendable (\$20.8 million), restricted (\$586.4 million), committed (\$97.1 million), and assigned (\$4.6 million), none of which is available for new discretionary spending. The restricted fund balance increased to \$586.4 million or \$53.7 million over the prior fiscal year as a result of the fund balances increasing in restricted funds due to factors mentioned above.

Total revenues for governmental funds were \$325.1 million, representing an increase of \$9.0 million from the prior fiscal year. This increase was primarily related to higher property taxes and developer fees and contributions, offset by decrease in sales taxes impacted by the COVID-19 pandemic outbreak. Total expenditures for governmental funds were \$236.8 million, an increase of \$17.7 million from the prior fiscal year. The increase was due to a \$23 million contribution of Park Land Dedication funds for acquisition of open space in conjunction with a development agreement. Revenues for governmental funds exceeded expenditures by \$88.3 million.

The General Fund is used to account for all revenues and expenditures necessary to carry out basic government activity of the City that is not accounted for through other funds. At June 30, 2020, the unassigned fund balance is \$59.4 million, \$5.1 million less 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 \$59.4 million represents 39.1 percent of total fund balance, 39.4 percent of fund expenditures of \$150.9 million, while total fund balance represents 100.8 percent of that same amount. These percentages are comparable to the prior fiscal year.

The fund balance of the City's General Fund increased by \$8.8 million during the current fiscal year. Total General Fund revenues increased to \$177.3 million, an increase of \$4.6 million over the prior fiscal year. The increase is primarily due to an increase in developer fees and contributions as a result of a \$7.9 million one-time community benefit contribution from one developer.

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 are \$51.2 million for the fiscal year ended June 30, 2020, an increase of \$8.5 million over the prior fiscal year. Revenues increased due to higher property taxes resulting from higher assessed values and ongoing development.

Expenditures are \$23.8 million compared to \$24.3 million in the prior fiscal year. Of this amount, \$18.5 million was expended on general government and \$3.6 million on culture and recreation, which are comparable to the prior fiscal year.

In addition, \$94.4 million was transferred out for capital improvement projects and debt service payments. The fund balance as of June 30, 2020, of \$37.7 million may be used only for expenditures of the Shoreline Community.

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

Revenues are \$15.9 million for the fiscal year ended June 30, 2020, a \$27.5 million decrease from prior fiscal year. This was caused by reduced levels of development activity resulting from the COVID-19 pandemic outbreak that delayed the processing and approval of development projects for several months. The fund balance of \$135.0 million is available for increasing the supply of affordable housing.

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

Revenues are \$14.2 million for the fiscal year ended June 30, 2020, a decrease of \$6.8 million from the prior fiscal year, primarily due to a one-time public benefit contribution of \$11.4 million in the prior fiscal year.

Expenditures are \$23.6 million which is \$15.7 million less than the prior fiscal year. These funds were expended on capital outlay projects including: the Shoreline Bus Lane Property Acquisition, 18-19 Street Resurfacing/Slurry Seal Project and Evandale Mini Park. The fund balance of \$278.6 million is available to fund capital projects.

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

Revenues are \$39.7 million for the fiscal year ended June 30, 2020, an increase of \$27.8 million from the prior fiscal year. This was primarily due to a \$33 million developer contribution of park dedication in-lieu fees.

Current year expenditures of \$23.0 million is related to the City's one-time contribution of Park Land Dedication funds for shared open space facilities at a new school site in conjunction with a development agreement. The fund balance of \$76.2 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 \$43.6 million, \$38.0 million, and \$12.1 million, respectively. The total increase in net position for the enterprise funds from the prior fiscal year is \$15.1 million. The internal service funds, which are used to account for certain governmental activities, have an unrestricted net position of \$43.7 million at June 30, 2020. Factors concerning the finances of the enterprise funds have been addressed previously in the discussion of the City's business-type activities.

Fiduciary Funds – The City maintains fiduciary funds for assets held by the City as an agent for the benefit of agencies outside of the City or employees. As of June 30, 2020, the assets of the Agency funds totaled \$30.6 million, comparable to the assets as of June 30, 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund differences between the original Fiscal Year 2019-20 budget and the final amended budget resulted in an increase of \$1.6 million in budgeted revenue (primarily related to Other Revenues) and a \$15.0 million increase in expenditure appropriations. Approximately \$5.2 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's Charter. An additional \$4.3 million of appropriations was established for the payment for building inspection, fire plan checking, and land development engineering contract services related to development activity, which are cost-recovered by fees from the developers. In addition, \$1.3 million of appropriations was established for the payment of compensated absences. The balance of adjustments was made midyear for various operational needs not anticipated during budget adoption and grants or reimbursements received during the fiscal year.

General Fund actual revenues are \$5.9 million or 3.4 percent higher than the final amended budget for the fiscal year. The increase is primarily due to a one-time community benefit contribution of \$7.9 million from a developer that was not budgeted. Investment income also increased as a result of growth in the portfolio and fair value adjustments. Actual expenditures for the General Fund are \$28.1 million lower than the final amended budget for the fiscal year. All departments' expenditures are lower than budget due to salary and benefit savings incurred from vacant positions and underspending in various services and supplies accounts that were more pronounced due to the impact of the COVID-19 pandemic outbreak on the City's operations during the last quarter of the fiscal year. The effect of the revenues higher than budget and the underutilization of appropriations contributed to the positive net change in fund balances compared to budget of \$35.2 million for the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2020, amount to \$586.3 million (net of accumulated depreciation). Capital assets include land, construction in progress, buildings, improvements other than buildings, machinery and equipment, and infrastructure. The total net decrease in the City's capital assets as of June 30, 2020, is \$2.4 million or 0.4 percent.

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	
	2020	2019	2020	2019	2020	2019
Land	\$ 110,311	108,783	220	220	110,531	109,003
Construction in progress	46,038	81,030	26,600	17,169	72,638	98,199
Buildings	188,468	164,543	8,748	8,748	197,216	173,291
Improvements other than buildings	213,276	194,498	152,027	150,020	365,303	344,518
Machinery and equipment	40,018	38,952	8,331	7,824	48,349	46,776
Traffic signals	14,848	14,766	-	-	14,848	14,766
Streetlights	10,165	8,853	-	-	10,165	8,853
Bridges and culverts	18,440	18,440	-	-	18,440	18,440
Sidewalks, curbs and gutters	114,378	113,901	-	-	114,378	113,901
Streets and roads	278,155	274,948	-	-	278,155	274,948
Less accumulated depreciation	(546,373)	(523,872)	(97,372)	(90,120)	(643,745)	(613,992)
	<u>\$ 487,724</u>	<u>494,842</u>	<u>98,554</u>	<u>93,861</u>	<u>586,278</u>	<u>588,703</u>

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

- Total capital assets decreased by \$2.4 million due to a net increase in assets of \$27.3 million, offset by a \$29.8 million net increase in accumulated depreciation.
- Total construction in progress decreased by \$25.6 million. Some of the major projects worked on and/or completed during the year included: Leong Dr. Water/Sewage Mains Replacement Construction, Immediate Repairs Sewage Pump Station and Shoreline Bus Lane Property Acquisition.

At June 30, 2020, construction commitments for the governmental and business-type activities were \$45.9 million and \$4.2 million, respectively.

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

Debt Administration

As of June 30, 2020, the City had \$158.2 million of outstanding noncurrent liabilities related to governmental activities and \$17.6 million related to business-type activities, for a total of \$175.8 million. Noncurrent liabilities outstanding as of June 30, 2020, with a comparison to prior year and the net change are as follows:

Noncurrent Liabilities Outstanding (Dollars in Thousands)

	2020	2019	Net Change
Revenue bonds	\$ 95,756	97,863	(2,107)
Special assessment debt	12	49	(37)
Compensated absences	11,117	10,002	1,115
Landfill containment	41,071	39,967	1,104
Claims liabilities	10,205	11,481	(1,276)
Total governmental activities debt	158,161	159,362	(1,201)
Business-type activities	17,599	8,954	8,645
Total	<u>\$ 175,760</u>	<u>\$ 168,316</u>	<u>7,444</u>

The increases to noncurrent liabilities were primarily due to drawing down of the remaining \$10.0 million balance of a direct financing arrangement with a commercial bank for wastewater infrastructure capital projects.

The City Charter limits bonded indebtedness for General Obligation bonds to 15.0 percent 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, 2020, 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, despite the impacts of the COVID-19 pandemic outbreak during the last quarter of the fiscal year, primarily due to development fees and contributions that were not budgeted. Sales Tax revenue and Transient Occupancy Tax (TOT) revenues were most impacted by the COVID-19 pandemic outbreak and both revenue sources declined significantly when the Shelter-in-Place order began.

- Overall, property taxes for the City is expected to increase slightly in the upcoming fiscal year based on increases in property taxes from new development, changes in ownership, and the 2.0 percent increase in assessed values due to the positive California Consumer Price Index.
- Excluding the impact of the COVID-19 pandemic outbreak, sales taxes is projected to slightly increase due to certain sales tax payments from qualified small businesses that the State of California allowed to be deferred in the second quarter of 2020 for up to 12 months.
- Excluding the impact of the COVID-19 pandemic outbreak, other taxes, comprised of transient occupancy tax, business license, and utility users tax, are anticipated to increase in Fiscal Year 2020-21 due to expected increases resulting from the second year of a three year phase-in of the Business License Tax restructuring.
- Average increases in potable water, wastewater, and solid waste rates of 1 percent, 4 percent, and 2 percent, respectively, have been adopted for Fiscal Year 2020-21 to recover the costs of providing those services. Most of the rate increases be effective starting January 1, 2021.

All of these factors were considered in preparing the City's budget for Fiscal Year 2020-21.

Also, COVID-19 pandemic outbreak impacted the City's operations starting March 2020. The City cannot predict the duration or magnitude of the adverse results of the outbreak and its effects on the City or results of operations.

REQUESTS FOR INFORMATION

These financial statements are intended to provide citizens, 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 finance@mountainview.gov.

CITY OF MOUNTAIN VIEW
Statement of Net Position
June 30, 2020
(Dollars in Thousands)

	Primary Government		
	Governmental	Business-	
	Activities	type	Total
		Activities	
Assets:			
Cash and investments	\$ 695,608	59,258	754,866
Restricted cash and investments	81,367	7,746	89,113
Receivables:			
Accounts	2,128	15,427	17,555
Taxes	2,355	-	2,355
Special assessments	1	-	1
Interest	3,275	519	3,794
Loans and notes	100,871	-	100,871
Internal balances	(42,761)	42,761	-
Inventory	739	-	739
Deposits and prepaid items	20,069	-	20,069
Capital assets:			
Nondepreciable	156,349	26,820	183,169
Depreciable, net of accumulated depreciation	331,375	71,734	403,109
Total assets	1,351,376	224,265	1,575,641
Deferred outflows of resources:			
Pension items	36,776	3,496	40,272
OPEB items	13,186	879	14,065
Total deferred outflows of resources	49,962	4,375	54,337
Liabilities:			
Accounts payable and accrued liabilities	15,269	5,871	21,140
Interest payable	1,869	-	1,869
Refundable deposits	8,253	371	8,624
Unearned revenue	11,671	-	11,671
Noncurrent and other liabilities			
Due within one year:			
Long-term liabilities	6,669	1,414	8,083
Due in more than one year:			
Long-term liabilities	151,492	16,185	167,677
Net pension liability	197,644	19,841	217,485
Net OPEB liability	7,912	879	8,791
Total liabilities	400,779	44,561	445,340
Deferred inflows of resources:			
Pension items	3,784	418	4,202
OPEB items	14,548	-	14,548
Total deferred inflows of resources	18,332	418	18,750
Net position:			
Net investment in capital assets	467,378	89,969	557,347
Restricted for:			
Capital projects	271,192	-	271,192
Debt service	118	-	118
Low and moderate income housing	154,509	-	154,509
Shoreline Regional Park Community	35,631	-	35,631
Grants and regulations	55,375	-	55,375
Unrestricted	(1,976)	93,692	91,716
Total net position	\$ 982,227	183,661	1,165,888

CITY OF MOUNTAIN VIEW
Statement of Activities
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

Function/Program Activities:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 48,167	39,191	717	7,862
Public safety	76,853	1,270	750	-
Public works	40,789	2,916	3,282	7,483
Community development	20,423	15,229	1,654	24,903
Culture and recreation	58,221	4,993	234	40,928
Interest on long-term debt	4,278	-	-	-
Total governmental activities	248,731	63,599	6,637	81,176
Business-type activities:				
Water	37,522	38,092	-	2,565
Wastewater	20,109	25,850	-	2,449
Solid Waste	15,077	15,837	-	-
Total business-type activities	72,708	79,779	-	5,014
Total primary government	\$ 321,439	143,378	6,637	86,190
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
(397)	-	(397)
(74,833)	-	(74,833)
(27,108)	-	(27,108)
21,363	-	21,363
(12,066)	-	(12,066)
(4,278)	-	(4,278)
(97,319)	-	(97,319)
-	3,135	3,135
-	8,190	8,190
-	760	760
-	12,085	12,085
(97,319)	12,085	(85,234)
107,192	-	107,192
19,792	-	19,792
5,602	-	5,602
7,870	-	7,870
7,886	-	7,886
245	-	245
33,613	2,364	35,977
(687)	687	-
181,513	3,051	184,564
84,194	15,136	99,330
898,033	168,525	1,066,558
982,227	183,661	1,165,888

CITY OF MOUNTAIN VIEW
Governmental Funds
Balance Sheet
June 30, 2020
(Dollars in Thousands)

	General	Shoreline Regional Park Community	Housing
Assets:			
Cash and investments	\$ 161,833	39,064	71,529
Restricted cash and investments	-	2,040	4,714
Receivables:			
Accounts	879	57	-
Taxes	2,355	-	-
Special assessments	-	-	-
Interest	1,077	670	483
Loans and notes	-	-	70,140
Inventory	688	-	-
Deposits and prepaid items	3,069	-	-
Total assets	<u>\$ 169,901</u>	<u>41,831</u>	<u>146,866</u>
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable and accrued liabilities	4,998	4,045	383
Refundable deposits	6,369	27	1,507
Unearned revenue	6,263	88	4,984
Advances from other funds	-	-	-
Total liabilities	<u>17,630</u>	<u>4,160</u>	<u>6,874</u>
Deferred inflows of resources:			
Unavailable revenues	<u>259</u>	<u>-</u>	<u>5,016</u>
Fund balances:			
Nonspendable	3,757	-	-
Restricted	430	37,671	134,976
Committed	83,827	-	-
Assigned	4,604	-	-
Unassigned	59,394	-	-
Total fund balances	<u>152,012</u>	<u>37,671</u>	<u>134,976</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 169,901</u>	<u>\$ 41,831</u>	<u>\$ 146,866</u>

General Capital Projects	Park Land Dedication Capital Projects	Other Governmental Funds	Total Governmental Funds
259,040	58,794	52,688	642,948
66,813	-	6,624	80,191
113	-	1,079	2,128
-	-	-	2,355
-	-	1	1
-	361	423	3,014
-	-	30,731	100,871
-	-	51	739
-	17,000	-	20,069
325,966	76,155	91,597	852,316
4,638	-	1,110	15,174
-	-	350	8,253
-	-	336	11,671
42,761	-	-	42,761
47,399	-	1,796	77,859
-	-	793	6,068
-	17,000	51	20,808
278,567	59,155	75,639	586,438
-	-	13,318	97,145
-	-	-	4,604
-	-	-	59,394
278,567	76,155	89,008	768,389
\$ 325,966	\$ 76,155	91,597	852,316

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CITY OF MOUNTAIN VIEW

**Reconciliation of the Balance Sheet of Governmental Funds to the
Government-wide Statement of Net Position - Governmental Activities**

June 30, 2020

(Dollars in Thousands)

Fund balances - total governmental funds	\$ 768,389
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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.	487,717
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Internal service funds are used to charge the costs of management of equipment maintenance and replacement, insurance, retirees' health plan and employee benefits plan and related billings to other City departments and individual funds. The assets and liabilities are included in governmental activities in the statement of net position.	43,690
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Long-term receivables are not available to pay for current period expenditures and, therefore, are considered unavailable on the modified accrual basis of accounting.	6,068
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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.	(1,869)
--	---------

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	49,962
Deferred inflows of resources	(18,332)

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	\$ (197,644)
Net OPEB liability	(7,912)
Bonds and loans payable	(95,768)
Landfill containment	(41,071)
Compensated absences	(11,003)
	(353,398)

Net position of governmental activities	\$ 982,227
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CITY OF MOUNTAIN VIEW
Governmental Funds
Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

		Shoreline Regional Park Community	Housing
	General		
Revenues:			
Property taxes	\$ 59,546	46,565	-
Sales taxes	19,792	-	-
Other taxes	15,880	-	-
Licenses, permits and fees	11,745	-	-
Fines and forfeitures	768	-	-
Use of money and property	27,889	2,967	3,517
Intergovernmental	800	-	-
Charges for services	25,464	142	130
Developer fees and contributions	12,105	1,508	12,205
Other	3,312	31	10
Total revenues	177,301	51,213	15,862
Expenditures:			
Current:			
General government	27,709	18,462	-
Public safety	69,152	238	-
Public works	15,616	1,259	-
Community development	14,517	179	1,700
Culture and recreation	23,164	3,607	-
Capital outlay	710	78	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	150,868	23,823	1,700
Excess (deficiency) of revenues over (under) expenditures	26,433	27,390	14,162
Other financing sources (uses):			
Transfers in	3,188	4,589	556
Transfers out	(20,791)	(94,399)	(3)
Total other financing sources (uses)	(17,603)	(89,810)	553
Net change in fund balances	8,830	(62,420)	14,715
Fund balances, beginning of year	143,182	100,091	120,261
Fund balances, end of year	\$ 152,012	37,671	134,976

General Capital Projects	Park Land Dedication Capital Projects	Other Governmental Funds	Total Governmental Funds
-	-	1,081	107,192
-	-	-	19,792
-	-	6,569	22,449
-	-	623	12,368
-	-	-	768
13,845	1,744	2,046	52,008
252	-	5,345	6,397
-	-	4,743	30,479
-	37,928	5,963	69,709
151	-	399	3,903
14,248	39,672	26,769	325,065
-	-	132	46,303
-	-	275	69,665
-	-	-	16,875
-	-	3,666	20,062
-	23,000	3,141	52,912
23,606	-	96	24,490
-	-	1,927	1,927
-	-	4,533	4,533
23,606	23,000	13,770	236,767
(9,358)	16,672	12,999	88,298
123,989	622	9,368	142,312
(10,572)	(3,177)	(16,862)	(145,804)
113,417	(2,555)	(7,494)	(3,492)
104,059	14,117	5,505	84,806
174,508	62,038	83,503	683,583
278,567	76,155	89,008	768,389

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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, 2020
(Dollars in Thousands)**

Net change in fund balances - total governmental funds		\$ 84,806
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	\$ 18,871	
Donated assets received	397	
Capital assets retirements	(506)	
Depreciation	<u>(25,876)</u>	(7,114)
Revenues recognized in the governmental funds that were earned and recognized in previous years are reported as beginning net position in the statement of activities. Revenues earned in the current year that did not meet the revenue recognition criteria for governmental funds are reported as revenues in the statement of activities.		6,056
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.		39,081
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.		(43,897)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.		1,927
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	38	
Change in landfill containment	(1,103)	
Change in compensated absences	<u>(1,158)</u>	(2,006)
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>5,341</u>
Change in net position of governmental activities		<u>\$ 84,194</u>

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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, 2020
(Dollars in Thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 57,091	57,091	59,546	2,455
Sales taxes	21,433	21,433	19,792	(1,641)
Other taxes	18,771	18,771	15,880	(2,891)
Licenses, permits and fees	15,372	15,372	11,745	(3,627)
Fines and forfeitures	821	821	768	(53)
Use of money and property	25,157	25,157	27,889	2,732
Intergovernmental	522	578	800	222
Charges for services	24,774	25,543	25,464	(79)
Developer fees and contributions	3,800	3,800	12,105	8,305
Other	2,009	2,831	3,312	481
Total revenues	169,750	171,397	177,301	5,904
Expenditures:				
Current:				
General government:				
City council	428	442	306	136
City clerk	735	872	796	76
City attorney	2,534	2,628	2,056	572
City manager	6,835	9,519	7,214	2,305
Information technology	6,122	6,226	5,530	696
Finance and administrative services	12,372	13,319	11,807	1,512
Public safety:				
Fire	27,577	28,106	27,022	1,084
Police	44,624	45,075	42,130	2,945
Public works	16,997	20,082	15,616	4,466
Community development	14,240	19,895	14,517	5,378
Culture and recreation:				
Community services	18,770	19,100	16,836	2,264
Library services	6,947	7,267	6,328	939
Capital outlay	5,781	6,432	710	5,722
Total expenditures	163,962	178,963	150,868	28,095
Excess (deficiency) of revenues over (under) expenditures	5,788	(7,566)	26,433	33,999
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	1,994	1,994	3,188	1,194
Transfers out	(19,676)	(20,791)	(20,791)	-
Total other financing sources (uses)	(17,682)	(18,797)	(17,603)	1,194
Net change in fund balance	\$ (11,894)	(26,363)	8,830	35,193
Fund balance, beginning of year			143,182	
Fund balance, end of year			\$ 152,012	

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, 2020
(Dollars in Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 48,154	48,154	46,565	(1,589)
Use of money and property	2,355	2,355	2,967	612
Charges for services	55	55	142	87
Developer fees and contributions	-	-	1,508	1,508
Other	55	55	31	(24)
	<u>50,619</u>	<u>50,619</u>	<u>51,213</u>	<u>594</u>
Total revenues				
Expenditures:				
Current:				
General government:				
City attorney	10	10	-	10
Finance and administrative services	18,748	18,756	18,462	294
Public safety:				
Fire	202	202	201	1
Police	40	40	37	3
Public works	1,376	1,463	1,259	204
Community development	518	633	179	454
Culture and recreation:				
Community services	4,689	4,731	3,607	1,124
Capital outlay	22	99	78	21
	<u>25,605</u>	<u>25,934</u>	<u>23,823</u>	<u>2,111</u>
Total expenditures				
Excess of revenues over expenditures	<u>25,014</u>	<u>24,685</u>	<u>27,390</u>	<u>2,705</u>
Other financing sources (uses):				
Transfers in	-	-	4,589	4,589
Transfers out	(94,495)	(94,495)	(94,399)	96
	<u>(94,495)</u>	<u>(94,495)</u>	<u>(89,810)</u>	<u>4,685</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (69,481)</u>	<u>(69,810)</u>	<u>(62,420)</u>	<u>7,390</u>
Fund balance, beginning of year			<u>100,091</u>	
Fund balance, end of year			<u>\$ 37,671</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, 2020
(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	\$ 1,464	1,464	3,517	2,053
Charges for services	-	-	130	130
Developer fees and contributions	-	-	12,205	12,205
Other	-	-	10	10
Total revenues	<u>1,464</u>	<u>1,464</u>	<u>15,862</u>	<u>14,398</u>
Expenditures:				
Current:				
Community development	<u>23,103</u>	<u>29,223</u>	<u>1,700</u>	<u>27,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,639)</u>	<u>(27,759)</u>	<u>14,162</u>	<u>41,921</u>
Other financing uses:				
Transfers in	246	246	556	310
Transfers out	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>
Total other financing uses	<u>243</u>	<u>243</u>	<u>553</u>	<u>310</u>
Net change in fund balance	<u>\$ (21,396)</u>	<u>(27,516)</u>	<u>14,715</u>	<u>42,231</u>
Fund balance, beginning of year			<u>120,261</u>	
Fund balance, end of year			<u>\$ 134,976</u>	

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Net Position
June 30, 2020
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Assets:			
Current assets:			
Cash and investments	\$ 28,856	18,028	12,374
Restricted cash and investments	-	7,746	-
Receivables:			
Accounts	6,211	5,464	3,752
Interest	253	207	59
Deposits and prepaid items	-	-	-
Total current assets	35,320	31,445	16,185
Noncurrent assets:			
Advance to other funds	22,377	19,402	982
Capital assets:			
Nondepreciable	10,372	16,101	347
Depreciable, net of accumulated depreciation	50,458	18,739	2,537
Total noncurrent assets	83,207	54,242	3,866
Total assets	118,527	85,687	20,051
Deferred outflows of resources:			
Pension items	1,789	993	714
OPEB items	686	123	70
Total deferred outflows of resources	2,475	1,116	784
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	4,606	114	1,151
Refundable deposits	371	-	-
Current portion of accrued compensated absences	105	53	39
Current portion of accrued self-insurance costs	-	-	-
Current portion of revenue bonds	425	-	-
Current portion of loans payable	250	542	-
Total current liabilities	5,757	709	1,190
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	572	288	211
Noncurrent portion of accrued self-insurance costs	-	-	-
Noncurrent portion of revenue bonds	4,135	-	-
Noncurrent portion of loans payable	2,000	8,979	-
Net pension liability	10,057	5,533	4,251
Net OPEB liability	686	123	70
Total liabilities	23,207	15,632	5,722
Deferred inflows of resources:			
Pension items	210	118	90
Net position:			
Net investment in capital assets	54,020	33,065	2,884
Unrestricted	43,565	37,988	12,139
Total net position	\$ 97,585	71,053	15,023

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
59,258	52,660
7,746	1,176
15,427	-
519	261
-	-
82,950	54,097
42,761	-
26,820	-
71,734	7
141,315	7
224,265	54,104
3,496	-
879	-
4,375	-
5,871	95
371	-
197	18
-	2,727
425	-
792	-
7,656	2,840
1,071	96
-	7,478
4,135	-
10,979	-
19,841	-
879	-
44,561	10,414
418	-
89,969	7
93,692	43,683
183,661	43,690

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Operating revenues:			
Charges for services	\$ 36,368	25,240	15,617
Other	1,724	610	220
Total operating revenues	38,092	25,850	15,837
Operating expenses:			
Salaries and related expenses	7,939	4,105	2,873
Insurance claims and premiums	-	-	-
Cost of sales and services	21,330	10,927	9,613
General and administrative	3,275	2,815	2,108
Depreciation	4,689	2,187	483
Total operating expenses	37,233	20,034	15,077
Operating income (loss)	859	5,816	760
Nonoperating revenues (expenses):			
Investment income	1,014	852	498
Interest expense	(267)	(62)	-
Loss on disposal of capital assets	(22)	(13)	-
Total nonoperating revenues (expenses)	725	777	498
Income (loss) before contributions and transfers	1,584	6,593	1,258
Capital contributions - developer fees	2,255	2,065	-
Capital contributions - other	310	384	-
Transfers in	774	685	24
Transfers out	(428)	(218)	(150)
Change in net position	4,495	9,509	1,132
Net position, beginning of year	93,090	61,544	13,891
Net position, end of year	\$ 97,585	71,053	15,023

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
77,225	13,556
2,554	335
79,779	13,891
14,917	8,627
-	1,609
41,870	-
8,198	3,209
7,359	4
72,344	13,449
7,435	442
2,364	2,094
(329)	-
(35)	-
2,000	2,094
9,435	2,536
4,320	-
694	-
1,483	4,732
(796)	(1,927)
15,136	5,341
168,525	38,349
183,661	43,690

CITY OF MOUNTAIN VIEW
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds		
	Water	Wastewater	Solid Waste
Cash flows from operating activities:			
Cash receipts from customers	\$ 35,507	23,943	15,695
Cash paid to suppliers for goods and services	(25,304)	(13,710)	(11,849)
Cash paid to employees for services	(7,718)	(4,076)	(2,884)
Claims paid	-	-	-
Other receipts	1,744	610	220
Net cash provided by (used in) operating activities	4,229	6,767	1,182
Cash flows from noncapital financing activities			
Transfers in	774	685	24
Transfers out	(428)	(218)	(150)
Advances paid to other funds	(6,680)	(886)	(42)
Net cash provided by (used in) noncapital financing activities	(6,334)	(419)	(168)
Cash flows from capital and related financing activities:			
Cash receipt from direct financing arrangement	-	10,041	-
Principal payment on capital debt	(410)	-	-
Principal payment on loan payable	(300)	-	-
Principal payment on direct financing arrangement	-	(579)	-
Interest paid	(219)	(35)	-
Acquisition of capital assets	(2,976)	(8,193)	(224)
Contributions from developers	2,255	2,065	-
Net cash used in capital and related financing activities	(1,650)	3,299	(224)
Cash flows from investing activities:			
Interest received	1,014	816	499
Net cash provided by investing activities	1,014	816	499
Net increase (decrease) in cash and cash equivalents	(2,741)	10,463	1,289
Cash and cash equivalents, beginning of year	31,597	15,311	11,085
Cash and cash equivalents, end of year	\$ 28,856	25,774	12,374
Reconciliation of cash and cash equivalents:			
Cash and investments	\$ 28,856	18,028	12,374
Restricted cash and investments	-	7,746	-
Total cash and cash equivalents	\$ 28,856	25,774	12,374
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 859	5,816	760
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	4,689	2,187	483
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(861)	(1,297)	78
Decrease (increase) in deposits and prepaid items	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	(699)	32	(128)
Increase (decrease) in refundable deposits	20	-	-
Increase (decrease) in accrued compensated absences	26	(90)	(93)
Decrease (increase) in deferred outflows of resources - pension items	236	106	100
Increase (decrease) in deferred inflows of resources - pension items	28	17	12
Increase (decrease) in net pension liability	(69)	(4)	(30)
Decrease (increase) in deferred outflows of resources - OPEB items	(309)	(17)	9
Increase (decrease) in net OPEB liability	309	17	(9)
Net cash provided by (used in) operating activities	\$ 4,229	6,767	1,182
Supplemental disclosure of noncash capital and related financing activities:			
Receipt of capital assets contributions	\$ 310	384	-

Business-type Activities - Enterprise Funds Total	Governmental Activities - Internal Service Funds
75,145	13,895
(50,863)	(4,327)
(14,678)	(8,669)
-	(1,753)
2,574	-
12,178	(854)
1,483	4,732
(796)	(1,927)
(7,608)	-
(6,921)	2,805
10,041	-
(410)	-
(300)	-
(579)	-
(254)	-
(11,393)	-
4,320	-
1,425	-
2,329	2,097
2,329	2,097
9,011	4,048
57,993	49,788
67,004	53,836
59,258	52,660
7,746	1,176
67,004	53,836
7,435	442
7,359	4
(2,080)	4
-	45
(795)	(31)
20	-
(157)	(42)
442	-
57	-
(103)	-
(317)	-
317	-
12,178	(854)
694	-

CITY OF MOUNTAIN VIEW
Agency Funds
Statement of Fiduciary Net Position
June 30, 2020
(Dollars in Thousands)

	<u>Total Agency Funds</u>
Assets:	
Cash and investments	\$ 29,668
Restricted cash and investments	438
Accounts receivables	43
Deposits and prepaid items	<u>438</u>
Total assets	<u>30,587</u>
Liabilities:	
Accrued payroll	5,342
Collection payable	489
Deposits payable	<u>24,756</u>
Total liabilities	<u>30,587</u>
Net Position	<u><u>\$ -</u></u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 in the City's Comprehensive Annual 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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Fiduciary funds - The Agency funds account for assets held by the City as an agent for employees' payroll, union activities, flexible benefits, Center for Performing Arts activities, educational enhancement activities and refundable land lease rent activities. The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate fiduciary fund financial statements.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues, except sales taxes, reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year end. A ninety days availability period is used for sales taxes in order to include the State of California (State) final distribution of sales taxes revenue for the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, landfill containment costs and compensated absences, which are recognized as expenditures to the extent they have matured and are due and payable at year end. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt issuance and capital leases acquisitions 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, 2020

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Sheet report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position 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 Sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position 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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

J. Effects of New GASB Pronouncements

As of July 1, 2019, the City implemented the following GASB Statement:

- In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This primary object of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for period beginning after June 15, 2018, and later. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2020.

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

- In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

arrangements that are fiduciary activities. The statement provides recognition and measurement guidance for situations in which a government is a beneficiary of these agreements. The requirements of this statement are effective for the City's fiscal year ending June 30, 2021.

- In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the City's fiscal year ending June 30, 2022.
- In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for the City's fiscal year ending June 30, 2022.
- In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No.14 and No.61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the City's fiscal year ending June 30, 2021.
- In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosure. The requirements of this statement are effective for the City's fiscal year ending June 30, 2023.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2022.
- In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2022.
- In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2023.
- In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the City’s fiscal year ending June 30, 2023.
- In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the City's fiscal year ending June 30, 2022.

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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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 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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

A. Policies

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, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end and includes the effects of these adjustments 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, 2020. Cash and investments are as follows (dollars in thousands):

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 695,608	59,258	29,668	784,534
Restricted cash and investments	81,367	7,746	438	89,551
Total cash and investments	<u>\$ 776,975</u>	<u>67,004</u>	<u>30,106</u>	<u>874,085</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2020 consist of the following (dollars in thousands):

Cash on hand	\$ 14
Deposits with financial institutions	16,462
Investments	857,609
Total cash and investments	<u>\$ 874,085</u>

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

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

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

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

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2020

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)	Specific Identification Maturity Date
Held by the City:			
LAIF	\$ 112,465	N/A	
U.S. Treasury Obligations	354,634	2.37	
U.S. Agency Securities	211,328	2.50	
Medium-Term Notes	47,060	2.43	
Supranational Securities	45,156	1.61	
Municipal Bonds - 2000 Yardis Court Special Assessment Debt	12	0.17	
Municipal Bonds - Shoreline Regional Park Community 2011 and 2018 Revenue Bonds	10,827	2.55	
Money Market Mutual Funds	656	N/A	
The modified duration of the City's portfolio as of June 30, 2020			
		2.03	
The modified duration of the City's portfolio as of June 30, 2020, excluding Shoreline Regional Park Community 2011 and 2018 Revenue Bonds			
		2.02	
Held by Bond Trustee:			
Money Market Mutual Funds	29,220	N/A	
U.S. Treasury Obligations	46,251		*
Total investments	<u>\$ 857,609</u>		

* \$14,859 on 9/20/2020, \$4,953 on 9/30/2020, \$19,948 on 12/15/2020, and \$6,491 on 6/17/2021.

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, 2020, the allowed modified duration ranged from 1.74 to 2.36 years and the actual is within this range.

Investments in municipal bonds shown above represent the City's investment in the 2000 Yardis Court Special Assessment Debt and Shoreline Regional Park Community 2011 and 2018 Revenue Bonds. The balance as of June 30, 2020, is stated at amortized cost, which approximates fair value.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

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 \$101.0 billion as of June 30, 2020. Of that amount, 96.6 percent was invested in nonderivative financial products and 3.4 percent in structured notes and asset backed securities. As of June 30, 2020, LAIF has an average maturity of 191 days.

Mutual Money Market Funds investments are available for withdrawal on demand and as of June 30, 2020, have an average maturity of less than 60 days.

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. This 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, 2020, the City's investment in Money Market Mutual Funds, and Supranational Securities are rated AAA by Standard & Poor's. U.S. Agency Securities are rated AA by Standard & Poor's. The Medium-Term Notes are rated between A and AA by Standard & Poor's. The U.S. Treasury Obligations are exempt from credit rating disclosure. The Municipal Bonds - Shoreline Regional Park Community 2011 and 2018 Revenue Bonds are rated A+ by Standard & Poor's. The Municipal Bonds - 2000 Yardis Court Special Assessment Debt and Local Agency Investment Fund were not rated as of June 30, 2020.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

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, 2020, those investments held by the City consisted of (dollars in thousands):

Issuer	Investment Type	Amount
Federal Home Loan Bank	Federal Agency Securities	\$ 92,699
Federal National Mortgage Association	Federal Agency Securities	75,496
Federal Home Loan Mortgage Association	Federal Agency Securities	43,133

H. *Fair Value Hierarchy*

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE

As of June 30, 2020, the City's loans and notes receivable are as follows (dollars in thousands):

CDBG Rehabilitation	\$ 95
Mid-Peninsula Support network	55
Ginzton Terrace	1,042
Latham Street Apartments	1,524
Project Match	132
Central Park Apartments	4,161
Sierra Vista Apartments Affordance Housing	238
Stoney Pine Charities	124
HomeSafe	100
San Antonio Place LP	5,465
Tyrella Gardens	1,215
Bill Wilson Center	133
San Veron Park	1,087
SR Fountains LP	2,022
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	11,456
Housing Trust Silicon Valley	10,000
Total	<u><u>\$ 100,871</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. Even though the City does not expect to collect these loans in the near term, and most of the loan terms are deferred to the future and 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 loans, the City is not accruing interest on the loans. Interest revenue is recognized upon receipt.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

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

A. *CDBG Rehabilitation*

The City administers a housing rehabilitation loan program initially funded with CDBG funds. Under this program, individuals with incomes below a stated level are eligible to receive low-interest loans for rehabilitation work on their home. These loans are secured by deeds of trust, which may be subordinated with the prior written consent of the City. The loan repayments may be amortized over the life of the loans, deferred to maturity or a combination of both. There are three such loans outstanding totaling \$95,000 as of June 30, 2020.

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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

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, 2020, the total outstanding amount of all loans related to Ginzton Terrace is \$1.0 million.

D. *Latham Street Apartments*

On August 30, 1995, the City and the Housing Successor funds loaned \$2.1 million to the Coalition for the acquisition and rehabilitation of a 75-unit apartment complex at 2230 Latham Street to provide affordable housing for low and moderate income families. The loan was funded by \$992,000 of Housing Successor funds, \$688,000 of CDBG funds and \$387,000 of HOME grant funds. The various components of the loan are to be repaid over a 20-30 year period at zero to 3.0 percent annual simple interest.

In Fiscal Year 2009-10, the City approved to loan up to \$832,000 from CDBG funds for window replacements. In Fiscal Year 2011-12, the City approved an additional loan up to \$212,000 from CDBG funds. The various components of the loans are to be repaid by November 30, 2044 at zero interest.

As of June 30, 2020, the total outstanding balance of all loans related to the Latham Street Apartments is \$1.5 million.

E. *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, 2020, the amount of the loan outstanding is \$132,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

F. *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 March 27, 2007, the Housing Successor funds loaned \$851,000 to the Coalition for the construction of the New Central Park Apartments. The New Central Park Apartments has added 104 units to the existing 149 units used to provide housing for very low- to low- income seniors. The loan is to be repaid from available residual receipts over 55 years commencing in Fiscal Year 2009-10 and bearing zero interest. During Fiscal Year 2019-20, \$11,000 was repaid and the outstanding Housing Successor's loan balance is \$10,000.

On June 1, 2007, the City approved a loan of \$1.3 million to fund the development cost of 104 apartments. The loan was funded by HOME grant funds with zero percent interest and repayment is deferred until the later of January 1, 2041, or upon repayment of the \$851,000 Housing Successor's loan. During Fiscal Year 2019-20, \$254,000 was repaid and the outstanding Housing Successor's loan balance is \$1.1 million.

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, 2020, 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, 2020

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, 2020, the total outstanding balance of all loans related to Central Park apartments is \$4.2 million.

G. *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, 2020, the amount of the loans outstanding is \$238,000.

H. *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, 2020, the amount of the loan outstanding is \$124,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

I. *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, 2020, the amount of the loan outstanding is \$100,000.

J. *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, 2020, the amount of the loan outstanding is \$5.5 million.

K. *Tyrella Gardens*

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

As of June 30, 2020, the total outstanding balance of all loans related to Tyrella Gardens is \$1.2 million.

L. *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, 2020, the amount of the loan outstanding is \$133,000.

M. *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, 2020, the amount of the loan outstanding is \$1.1 million.

N. *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, 2020, the total outstanding balance of all loans related to SR Fountains LP is \$2.0 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

O. 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, 2020, the total outstanding balance of all loans related to Franklin Street Family Apartments is \$12.5 million.

P. 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, 2020, the amount of the loan outstanding is \$3.5 million.

Q. 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, 2020, the amount of the loan outstanding is \$8.2 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

R. *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, 2020, the amount of the loan outstanding is \$8.0 million.

S. *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, 2020, the amount of the loan outstanding is \$21.7 million.

T. *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. During the fiscal year ended June 30, 2020, the remaining \$3.0 million was funded by Housing funds. As of June 30, 2020, the amount of the loan outstanding is \$8.2 million.

U. *El Camino Real*

On June 1, 2020, the City entered into a loan agreement with 950 El Camino Real, L.P. (950 ECR) for an affordable housing development at 950 West El Camino Real. The total loan amount is \$22.7 million and was funded by Housing funds. The loan has a 55-year term with 3.0 percent simple interest rate. During the fiscal year ended June 30, 2020, \$11.5 million was funded. As of June 30, 2020, the amount of the loan outstanding is \$11.5 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)

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

V. *Housing Trust Silicon Valley*

On June 20, 2019, the City entered into an assignment and assumption agreement with LinkedIn Corporation and accepted the assignment of a promissory note of \$10.0 million with Housing Trust Silicon Valley. LinkedIn Corporation assigned the promissory note to the City as payment for the housing impact fees related to its development projects. The note has a final maturity date of April 30, 2022, with 1.5 percent interest rate payable semi-annually. As of June 30, 2020, \$5.0 million of the balance is considered unavailable for governmental funds, the remaining \$5.0 million of the balance is considered unearned, and the amount of the loan outstanding is \$10.0 million.

NOTE 5 - INTERFUND TRANSACTIONS

A. *Transfers Between Funds*

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

Transfers between funds during the fiscal year ended June 30, 2020, are as follows (dollars in thousands):

Funds Receiving Transfers	Funds Making Transfers	Amount Transferred	Funding Purpose
General Fund	Shoreline Regional Park Community	\$ 70	C
	General Capital Projects	1,469	B
	Nonmajor Governmental	1,429	C
	Water	220	C
		<u>3,188</u>	
Shoreline Regional Park Community	General Capital Projects	<u>4,589</u>	B
Housing	General Fund	267	C
	General Capital Projects	289	B
		<u>556</u>	
General Capital Projects	General Fund	17,688	C
	Shoreline Regional Park Community	87,899	C
	Park Land Dedication Capital Projects	3,177	C
	Nonmajor Governmental	15,225	C
		<u>123,989</u>	
Park Land Dedication Capital Projects	General Capital Projects	<u>622</u>	B
Nonmajor Governmental	General Fund	500	C
	Shoreline Regional Park Community	6,327	A
	General Capital Projects	2,541	B
		<u>9,368</u>	
Water	General Capital Projects	508	B
	Internal Service	266	C
		<u>774</u>	
Wastewater	General Capital Projects	524	B
	Internal Service	161	C
		<u>685</u>	
Solid Waste	General Capital Projects	<u>24</u>	B
Internal Service Funds	General Fund	2,336	C
	Shoreline Regional Park Community	103	C
	Housing	3	C
	General Capital Projects	6	B
	Nonmajor Governmental	208	C
	Water	208	C
	Wastewater	218	C
	Solid Waste	150	C
	Internal Service Funds	1,500	D
		<u>4,732</u>	
Total Interfund Transfers		<u>\$ 148,527</u>	

The reasons for these transfers are as follows:

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

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, 2020, the General Capital Projects Fund has outstanding advances of \$22.4 million, \$19.4 million, and \$982,000 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.

NOTE 6 - CAPITAL ASSETS

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

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 6 - CAPITAL ASSETS (Continued)

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

A. Capital Asset Activities

Capital assets activity for the fiscal year ended June 30, 2020, is as follows (dollars in thousands):

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
<i>Governmental activities</i>					
Capital assets not being depreciated:					
Land	\$ 108,783	-	-	1,528	110,311
Construction in progress	81,030	17,058	-	(52,050)	46,038
Total capital assets not being depreciated	189,813	17,058	-	(50,522)	156,349
Capital assets being depreciated:					
Buildings	164,543	-	(1,130)	25,055	188,468
Improvements other than buildings	194,498	-	(580)	19,358	213,276
Machinery and equipment	38,952	1,813	(1,460)	713	40,018
Traffic signals	14,766	270	(188)	-	14,848
Streetlights	8,853	-	-	1,312	10,165
Bridges and culverts	18,440	-	-	-	18,440
Sidewalks, curbs and gutters	113,901	127	(481)	831	114,378
Streets and roads	274,948	-	(46)	3,253	278,155
Total capital assets being depreciated	828,901	2,210	(3,885)	50,522	877,748
Less accumulated depreciation for:					
Buildings	(91,612)	(4,344)	998	-	(94,958)
Improvements other than buildings	(151,685)	(7,966)	418	-	(159,233)
Machinery and equipment	(26,717)	(2,632)	1,447	-	(27,902)
Traffic signals	(7,075)	(737)	160	-	(7,652)
Streetlights	(6,850)	(61)	-	-	(6,911)
Bridges and culverts	(5,567)	(309)	-	-	(5,876)
Sidewalks, curbs and gutters	(71,137)	(2,759)	324	-	(73,572)
Streets and roads	(163,229)	(7,072)	32	-	(170,269)
Total accumulated depreciation	(523,872)	(25,880)	3,379	-	(546,373)
Net capital assets being depreciated	305,029	(23,670)	(506)	50,522	331,375
Governmental activities capital assets, net	\$ 494,842	(6,612)	(506)	-	487,724

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
<i>Business-type activities</i>					
Capital assets not being depreciated:					
Land	\$ 220	-	-	-	220
Construction in progress	17,169	10,922	-	(1,491)	26,600
Total capital assets not being depreciated	17,389	10,922	-	(1,491)	26,820
Capital assets being depreciated:					
Buildings	8,748	-	-	-	8,748
Improvements other than buildings	150,020	694	(142)	1,455	152,027
Machinery and equipment	7,824	471	-	36	8,331
Total capital assets being depreciated	166,592	1,165	(142)	1,491	169,106
Less accumulated depreciation for:					
Buildings	(8,536)	(9)	-	8	(8,537)
Improvements other than buildings	(76,191)	(6,830)	107	(8)	(82,922)
Machinery and equipment	(5,393)	(520)	-	-	(5,913)
Total accumulated depreciation	(90,120)	(7,359)	107	-	(97,372)
Net capital assets being depreciated	76,472	(6,194)	(35)	1,491	71,734
Business-type activities capital assets, net	\$ 93,861	4,728	(35)	-	98,554

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, 2020, are as follows (dollars in thousands):

Governmental Activities:

General government	\$ 2,051
Public safety	1,595
Public works	16,332
Community development	459
Culture and recreation	5,439
Internal services funds	4
Total	<u>\$ 25,880</u>

Business-type Activities:

Water	\$ 4,689
Wastewater	2,187
Solid Waste	483
Total	<u>\$ 7,359</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2020, are as follows (dollars in thousands):

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Land	\$ 1,333	28,328
Improvements other than buildings	31,317	4,032
Buildings	963	10
Infrastructure	<u>12,425</u>	<u>3,480</u>
Total governmental activities	<u>\$ 46,038</u>	<u>35,850</u>
Business-type activities:		
Water projects	\$ 10,165	1,430
Wastewater projects	16,088	2,781
Solid Waste projects	<u>347</u>	<u>3</u>
Total business-type activities	<u>\$ 26,600</u>	<u>4,214</u>

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 6 - CAPITAL ASSETS (Continued)

On July 16, 2019, the City executed a funding and joint use agreement with LASD outlining the City's involvement in the development of the School Site and the opportunities for use of certain joint use recreational facilities during non-school days and non-school hours serving the community. The title of the School Site will be held by LASD, and the close of escrow is expected to complete within two years from the agreement date, otherwise, the \$23.0 million contribution made during the year ended June 30, 2020 will be returned to the City.

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 within two years from the agreement date, otherwise the \$20.0 million will be returned to the City.

As of June 30, 2020, LASD has not closed the escrow on the Property. At June 30, 2020, the \$20.0 million contribution for the Open Space Park was reported as deposits and prepaid items.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2020, are as follows (dollars in thousands):

	Original Issue Amount	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
Governmental Activities:						
Revenue Bonds:						
Shoreline Regional Park Community						
2011 Revenue Refunding Bonds						
2.0% to 5.75%, due Fiscal Year 2040-41	\$ 39,030	27,755	-	(1,890)	25,865	1,985
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	6,308	-	(217)	6,091	217
Subtotal 2018 Revenue Bonds Series A	59,901	59,793	-	(217)	59,576	217
Shoreline Regional Park Community						
2018 Revenue Bonds Series B						
3.36% to 4.24%, due Fiscal Year 2031-32	10,315	10,315	-	-	10,315	-
Total Revenue Bonds	109,246	97,863	-	(2,107)	95,756	2,202
Special Assessment Debt						
with City Commitment:						
1996 Centre-Church-El Ranchito-Bay						
4.10%-6.375%, due Fiscal Year 2019-20	561	25	-	(25)	-	-
2000 Yardis Court						
7.0%, due Fiscal Year 2020-21	195	24	-	(12)	12	12
Total Special Assessment Debt with City Commitment	756	49	-	(37)	12	12
Compensated Absences	-	10,002	1,345	(230)	11,117	1,728
Landfill Containment	-	39,967	1,104	-	41,071	-
Claims liabilities	-	11,481	477	(1,753)	10,205	2,727
Total governmental activities	<u>\$ 110,002</u>	<u>159,362</u>	<u>2,926</u>	<u>(4,127)</u>	<u>158,161</u>	<u>6,669</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 7 – NONCURRENT LIABILITIES (Continued)

	Original Issue Amount	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
<i>Business-type activities:</i>						
Water Revenue Bonds						
2004 Series A						
3.0%-4.5%, due Fiscal Year 2028-29	\$ 9,700	4,970	-	(410)	4,560	425
City of Palo Alto Loan						
0%, due Fiscal Year 2028-29	6,000	3,000	-	(300)	2,700	300
Less unamortized discount	(1,000)	(500)	-	50	(450)	(50)
Wastewater Direct Financing Arrangement						
3.4%, due Fiscal Year 2033-34	10,100	59	10,041	(579)	9,521	542
Compensated Absences	-	1,425	73	(230)	1,268	197
Total business-type activities	<u>\$ 24,800</u>	<u>8,954</u>	<u>10,114</u>	<u>(1,469)</u>	<u>17,599</u>	<u>1,414</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. Proceeds from the bonds were used to call the outstanding Shoreline Community's Tax Allocation Bonds, 1996 Series A and provide funds to acquire and construct certain capital improvements of benefit to the Shoreline Community. The 2011 Bonds are special obligations of the Shoreline Community and are secured by a portion of all taxes levied upon all taxable property within the Shoreline Community. Principal payments are payable annually on August 1 and interest payments semi-annually on August 1 and February 1 from property tax revenues generated within the Shoreline Community. The Shoreline Community is considered to be in default if the Shoreline Community fails to pay the principal of and interest on the outstanding bonds when they become due and payable. If an event of default has occurred and is continuing, the trustee may, and if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, declare the principal of the bonds, together with the accrued interest, to be due and payable immediately.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 7 - NONCURRENT LIABILITIES (Continued)

2018 Revenue Bonds Shoreline Regional Park Community - On December 19, 2018, the Shoreline Community issued 2018 Revenue Bonds, Series A (Tax-Exempt) and Series B (Taxable) (2018 Bonds) of \$53.5 million and \$10.3 million, respectively. Proceeds from the 2018 Bonds were used to provide funds to acquire and construct certain capital improvements of benefit to the Shoreline Community. The 2018 Bonds are special obligations of the Shoreline Community and are secured by a portion of all taxes levied upon all taxable property within the Shoreline Community. Principal payments are payable annually on August 1 and interest payments semi-annually on August 1 and February 1 from property tax revenues generated within the Shoreline Community. The Shoreline Community is considered to be in default if the Shoreline Community fails to pay the principal of and interest on the outstanding bonds when 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.

Special Assessment Debt with City Commitment - Special assessment districts exist in the City to provide improvements to properties located within those districts. Properties are assessed for the cost of improvements; these assessments are payable over the term of the debt issued to finance the improvements. The total amount of the assessment is recorded as a receivable and deferred inflows of resources at the time the related debt is issued, and is reduced as assessments are collected. There are no acceleration provisions in the event of a payment default for these special assessment debt.

The City is committed to be the purchaser of last resort or to advance available City funds to repay this debt in the event of default by any property owners of these districts. The City accounts for resources available to pay special assessment debt in its Special Assessments Nonmajor Debt Service Fund.

These Special Assessment Bonds were issued at various times to provide financing for electrical and community service facilities, street and utility improvements, water and sewer connections, storm drain improvements and other related projects. Principal payments are payable annually and interest payments semiannually.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 7 - NONCURRENT LIABILITIES (Continued)

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

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

Pursuant to a Postclosure Maintenance Plan filed with the State, the City is obligated for additional postclosure care costs for two of its landfill sites. The estimated costs of postclosure care are subject to changes such as the effects of inflation, revision of laws and other variables. The estimated amount of this obligation as of June 30, 2020, is approximately \$41.1 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 \$2.7 million as of June 30, 2020, 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 therefore is excluded from the obligation.

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, 2020

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 million that can be drawn down until May 1, 2020, 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. During the fiscal year ended June 30, 2020, the City drew down the remaining balance of \$10.0 million.

C. *Debt Service Requirements*

The pledge of future tax increment revenues ends upon repayment of the \$169.7 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 end June 30, 2020, tax increment revenues amounted to \$46.6 million, which represented coverage of 7.3 over the \$6.4 million in debt service.

The pledge of future special assessment levies ends upon repayment of the \$13,000 in remaining debt service on the Special Assessment Debt with City Commitment, which is scheduled to occur in Fiscal Year 2020-21. For the fiscal year ended June 30, 2020, special assessment revenues plus interest earned and cash held were used to pay debt service of \$39,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 7 – NONCURRENT LIABILITIES (Continued)

The pledge of future water fund revenues ends upon repayment of the \$8.3 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, 2020, Water Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$42.1 million and operating expenses, excluding depreciation or amortization amounted to \$32.5 million. Net Revenues available for debt service amounted to \$9.6 million, which represented coverage of 10.3 over the \$929,000 in debt service.

The pledge of future wastewater fund revenues ends upon repayment of the \$11.9 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, 2020, Wastewater Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$29.4 million and operating expenses, excluding depreciation or amortization amounted to \$17.8 million. Net Revenues available for debt service amounted to \$11.6 million, which represented coverage of 18.9 over the \$614,000 in debt service.

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
2021	\$ 1,997	4,430	725	202	542	311
2022	2,085	4,328	740	184	560	292
2023	1,615	4,243	760	166	579	273
2024	1,680	4,175	780	146	599	253
2025	1,750	4,103	805	124	619	233
2026-2030	9,970	19,259	3,450	259	3,431	832
2031-2035	12,490	16,570	-	-	3,191	219
2036-2040	16,235	12,792	-	-	-	-
2041-2045	20,965	7,953	-	-	-	-
2046-2049	20,890	2,153	-	-	-	-
Total	<u>\$ 89,677</u>	<u>80,006</u>	<u>7,260</u>	<u>1,081</u>	<u>9,521</u>	<u>2,413</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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2020

NOTE 8 - PENSION PLANS (Continued)

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<i>Miscellaneous</i>	
	Prior to	On or after
	January 1, 2013	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%	6.25%
Required employer contribution rates	33.151%	33.151% (A)
	<i>Safety</i>	
	Prior to	On or after
	January 1, 2013	January 1, 2013
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%	10.50%
Required employer contribution rates	50.153%	50.153% (A)

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 8 - PENSION PLANS (Continued)

Employees Covered - Employees covered by the benefit terms for each Plan as of June 30, 2019, the most recent actuarial valuations information available, are as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	678	304
Inactive employees entitled to but not yet receiving benefits	522	101
Active employees	466	161
Total	<u>1,666</u>	<u>566</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 actuarially determined rate and the contribution rate of employees. For the purpose of increasing the funded status of the Plans, the City contributed \$4.5 million and \$3.9 million in excess of the actuarially determined contributions for the Miscellaneous and Safety Plans, respectively, during the fiscal year ended June 30, 2020.

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, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 8 – PENSION PLANS (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using actuarial assumptions as follows:

	Miscellaneous and Safety Plans
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15 %
Inflation	2.50 %
Payroll Growth	2.75 %
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50 % until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50 % thereafter.
Mortality	Derived using CalPERS Membership Data for all Funds (1)

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

All other actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the 2017 CalPERS Experience Study can be found on the CalPERS website under Forms and Publications.

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 8 - PENSION PLANS (Continued)

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

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

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS Board effective on July 1, 2018, are as follows:

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10 ¹</u>	<u>Real Return Years 11+ ²</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.00	(0.92)

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Position Liability
Balance at June 30, 2018	\$ 420,490	308,838	111,652
Changes during the measurement period:			
Service cost	8,342	-	8,342
Interest on the total pension liability	29,850	-	29,850
Differences between expected and actual experience	2,677	-	2,677
Contributions - employer	-	17,514	(17,514)
Contributions - employee	-	3,549	(3,549)
Investment income	-	20,477	(20,477)
Administrative expenses	-	(219)	219
Benefit payments, including refunds of employee contributions	(19,708)	(19,708)	-
Net changes	21,161	21,613	(452)
Balance at June 30, 2019	\$ 441,651	330,451	111,200

Safety Plan:

	Increase (Decrease)		
	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Position Liability
Balance at June 30, 2018	\$ 363,393	258,822	104,571
Changes during the measurement period:			
Service cost	7,066	-	7,066
Interest on the total pension liability	25,815	-	25,815
Differences between expected and actual experience	2,998	-	2,998
Contributions - employer	-	14,385	(14,385)
Contributions - employee	-	2,951	(2,951)
Investment income	-	17,013	(17,013)
Administrative expenses	-	(184)	184
Benefit payments, including refunds of employee contributions	(17,734)	(17,734)	-
Net changes	18,145	16,431	1,714
Balance at June 30, 2019	\$ 381,538	275,253	106,285
Total - All Plans at June 30, 2019	\$ 823,189	605,704	217,485

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 8 - PENSION PLANS (Continued)

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

	Discount Rate -1 % (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1 % (8.15 %)
Miscellaneous Plan	\$ 168,320	111,200	63,832
Safety Plan	157,299	106,285	64,167
Total	<u>\$ 325,619</u>	<u>217,485</u>	<u>127,999</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, 2020, the City recognized pension expense of \$21.4 million and \$22.7 million for the Miscellaneous and Safety Plans, respectively.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 8 - PENSION PLANS (Continued)

The City reported deferred outflows of resources and deferred inflows of resources related to pensions by sources for the fiscal year ended June 30, 2020 as follows (dollars in thousands):

Miscellaneous Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 18,691	-
Differences between expected and actual experience	2,330	-
Changes in assumptions	-	(662)
Net differences between projected and actual earnings on plan investments	-	(1,768)
Total	<u>\$ 21,021</u>	<u>(2,430)</u>

Safety Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 15,550	-
Differences between expected and actual experience	1,231	(462)
Changes in assumptions	2,470	(10)
Net differences between projected and actual earnings on plan investments	-	(1,300)
Total	<u>\$ 19,251</u>	<u>(1,772)</u>
Total - All Plans	<u>\$ 40,272</u>	<u>(4,202)</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 8 - PENSION PLANS (Continued)

As of June 30, 2020, the City reported \$18.7 million and \$15.6 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, 2021. 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
2021	\$ 1,895	3,154	5,049
2022	(1,867)	(1,172)	(3,039)
2023	(447)	(342)	(789)
2024	319	289	608
Total	<u>\$ (100)</u>	<u>1,929</u>	<u>1,829</u>

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, July 1, 2007 and later*	15		
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, July 1, 2007 and later*	15	Any	
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

*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, 2020

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered - Employees covered by the benefit terms as of June 30, 2019, the most recent actuarial valuations information available, are as follows:

Inactive employees or beneficiaries currently receiving benefits	414
Active employees	408
Total	822

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, 2020, the City's contributions totaled \$8.5 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, 2020.

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, 2019, using an annual actuarial valuation as of June 30, 2019. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019 actuarial valuation were determined using actuarial assumptions as follows:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.25%
Post Retirement Benefit Increase	For medical plan premiums: 7.50% for the year beginning January 1, 2020 and graded down by 0.50% per year until 5.00% ultimate rate is reached. For vision premiums: 3.00%
Mortality	Derived using CalPERS Membership Data for all Funds (1)

- (1) Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2018 applied generationally from 2015 as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2008.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Change of Assumptions -For the June 30, 2019 actuarial valuation, 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.

Discount Rate - The discount rate used to measure the total OPEB liability is 6.25 percent. The projection of cash flows used to determine the discount rate assumed that the City's contribution will be made equal to the actuarially determined contribution. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OEPB plan investments is applied to all periods of projected benefit payments to determine the total OPEB Liability.

The long-term expected rate of return for OPEB plan investments is 6.25 percent. Using historical returns of all the funds' asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. The long-term expected real rate of return by asset class and the target allocation are as follows:

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

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

C. Changes in the Net OPEB Liability

The changes in the Net OPEB Liability are as follows (dollars in thousands):

	Increase (Decrease)		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2018	\$ 151,161	125,194	25,967
Changes during the measurement period:			
Service cost	3,336	-	3,336
Interest on the total OPEB liability	9,857	-	9,857
Changes in assumptions	(670)	-	(670)
Differences between expected and actual experience	(12,915)	-	(12,915)
Contributions - employer	-	8,014	(8,014)
Investment income	-	8,797	(8,797)
Administrative expenses	-	(27)	27
Benefit payments	(5,729)	(5,729)	-
Net changes	(6,121)	11,055	(17,176)
Balance at June 30, 2019	\$ 145,040	136,249	8,791

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The net OPEB liability (asset) of the City, calculated using the discount rate of 6.25 percent, as well as what the City’s net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

	Current	
Discount Rate	Discount Rate	Discount Rate
-1 % (5.25 %)	(6.25 %)	+1 % (7.25 %)
\$ 28,631	8,791	(7,482)

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

Healthcare Cost Trend Rate -1 %	Healthcare Cost Trend Current Rate	Healthcare Cost Trend Rate +1 %
\$ (8,580)	8,791	30,103

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2020, the City recognized OPEB expense of \$3.9 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, 2020 are as follows (dollars in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 8,497	-
Differences between expected and actual experience	-	(13,752)
Changes in assumptions	5,568	(547)
Net differences between projected and actual earnings on plan investments	-	(249)
Total	<u>\$ 14,065</u>	<u>(14,548)</u>

As of June 30, 2020, the City reported \$8.5 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, 2021. 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):

<u>Fiscal Year Ending June 30,</u>	
2021	\$ (1,132)
2022	(1,624)
2023	(2,492)
2024	(2,610)
2025	(1,122)
Total	<u>\$ (8,980)</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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.

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 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>2019</u>	<u>2020</u>
Beginning Balance	10,109	11,481
Liability for current and change in prior fiscal year		
claims and claims incurred but not reported (IBNR)	2,412	477
Claims paid	<u>(1,040)</u>	<u>(1,753)</u>
Ending Balance	<u>\$ 11,481</u>	<u>10,205</u>
Current portion	<u>\$ 2,582</u>	<u>2,727</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, 2020

NOTE 11 - LEASING ARRANGEMENTS

A. *SFX Entertainment, Inc.*

On June 20, 1986, the City and the Shoreline Community, as lessors, entered into a 35-year operating lease with the Shoreline Amphitheatre Partners (SAP), an entity not affiliated with the City or the Shoreline Community. This lease provided for the rental of City land underneath the Shoreline Amphitheatre. The lease payments included a minimum lease payment and a portion equal to a percentage of gross receipts, including concession revenues, of Shoreline Amphitheatre operations. A substantial portion of the future minimum lease payments was paid in advance by SAP in Fiscal Year 1996-97 as permitted in the lease agreement.

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 has an option to extend the lease five more years beginning January 1, 2021 and has exercised that option. The current expiration date is December 31, 2025. A second five-year option is at the discretion of the City. As required by the Agreement, the lessee pays annual base rent of \$1.8 million to the City, due in nine equal installments in the months of April through December. Additional rent and event rentals are due in accordance with the terms of the Agreement. Beginning March 15, 2018, the minimum lease payment shall be increased 2.0 percent each year, compounded. For the fiscal year ended June 30, 2020, lease payments of \$1.2 million were received. On May 5, 2020, the City Council authorized the deferral of the rent payments due for April, May and June 2020 totaling \$0.6 million to January, February, and March 2021, respectively, due to impacts of the COVID-19 pandemic. As of June 30, 2020, accounts receivable of \$0.6 million and a corresponding 100 percent allowance for uncollectible accounts was recorded.

The future minimum lease payments due to the City under the aforementioned lease are as follows (dollars in thousands):

Fiscal Year Ending June 30	Amount
2021	\$ 1,923
2022	1,961
2023	2,001
2024	2,041
2025	2,081
Thereafter	1,406
Total	<u>\$ 11,413</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 11 - LEASING ARRANGEMENTS (Continued)

On December 11, 2007, the City Council authorized the execution and consent to the sublease of Parking Lots C & D between Live Nation and Google, Inc. for a 10-year term terminating December 13, 2017. On March 7, 2017, the City Council approved Google's request for an extension of the sublease to December 31, 2020. In addition, the City Council approved the sublease of Parking Lots C & D from January 1, 2021 through December 31, 2025 with Google LLC (coinciding with the termination date of SFX's first option to renew the Amphitheatre ground lease mentioned above). Based on these agreements, rent from SFX for the Amphitheatre is assumed through December 2025.

B. *Google LLC.*

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, L.L.C on May 22, 2001, which assigned the agreements to Google on June 29, 2006.

The 1995 and 1997 Leases 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.

The second ten year rent adjustment for the 1995 and 1997 Leases were completed in arbitration which resulted in fair value and fair rate of return determinations to be effective April 1, 2016 and January 2017, respectively.

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 11 - LEASING ARRANGEMENTS (Continued)

For the fiscal year ended June 30, 2020, \$15.0 million of lease revenues have been recognized under the aforementioned three leases.

The future minimum lease payments due to the City under the aforementioned three leases follow (dollars in thousands):

Fiscal Year Ending June 30	Amount
2021	\$ 15,544
2022	16,146
2023	16,771
2024	17,421
2025	18,096
Thereafter	155,396
Total	<u>\$ 239,374</u>

On April 1, 2011, the City, as lessor, entered into a 52-year lease with Google (termination to coincide with the 2007 Lease). Google deposited the rent for the initial 52-year lease term in the amount of \$30.0 million into the City's Refundable Land Lease Rent Agency Fund. Revenue is recognized in the General Fund on a straight-line basis over the lease term. The balance is held by the City in an agent capacity and is refundable to Google subject to certain conditions in the lease agreement. For the year ended June 30, 2020, \$582,000 of lease revenue has been recognized by the General Fund.

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 2025 to provide temporary parking space during the Charleston East Site construction. The City received a \$600,000 one-time payment in exchange for the City's consent to accept the sublease between Google and SFX as discussed above.

C. *ROEM Development Corporation*

On May 1, 2011, the City, as lessor, entered into a 60-year lease with ROEM. The lease provides for the rental of land known as 135 Franklin Street, upon which ROEM has constructed an affordable family rental housing development.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 11 - LEASING ARRANGEMENTS (Continued)

ROEM prepaid the rent for the initial 60-year lease term in the amount of \$3.5 million. Revenue is recognized in the General Fund on a straight-line basis over the lease term. For the year ended June 30, 2020, \$59,000 of lease revenue has been recognized by the General Fund.

D. MV 101 Development, LLC (Ameswell)

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 potentially 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. A building permit was issued on June 22, 2018. For the fiscal year ended June 30, 2020, \$1.4 million of lease payments were received.

The future lease payments due to the City under the aforementioned lease are as follows (dollars in thousands):

Fiscal Year Ending June 30	Amount
2021	\$ 1,400
2022	1,400
2023	1,400
2024	1,421
2025	1,464
Thereafter	67,604
Total	<u>\$ 74,689</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 11 - LEASING ARRANGEMENTS (Continued)

E. *RGC Mountain View I, LLC (Hope Street)*

On May 25, 2017, the City, as lessor, entered into a DDA with RGC MOUNTAIN VIEW I, LLC, (RGC), an entity not affiliated with the City. The DDA provides for the development of land owned by the City, portions of Lots 4 and 8 or Hope Street Lots for a mixed-used project, including a premier hotel, Class A office building, increasing the number of public parking spaces and provide a financial return for the City. Concurrently, with the execution of the DDA, the City and RGC executed (but not delivered) two ground leases. The ground leases have been deposited into escrow and will be delivered and effective within 90 days of approval of a building permit.

The DDA obligates the City to provide a total of \$25.5 million as the City's participation in the development. The City's participation may be in the form of Parking District funds, Parking In-Lieu funds, other funds (including the potential of debt issuance) and or a transient occupancy tax rebate. The City has the sole discretion to elect the form of its participation. The City's participation is contingent upon the closing of a financing loan for the development by RGC.

Each ground lease is for 55-years, with the potential for four 10-year extensions. Lot 4 is provided for the rental of the City land for the development of a 180 room hotel. The lease provides the City shall receive rent in the form of minimum base rent, percentage rent, and potential bonus rent and participation rent. The minimum base rent and percentage rent are subject to periodic rent adjustments. Lot 8 is provided for the rental of the City land for the development of 50,000 square foot of office space. The lease provides the City shall receive rent in the form of minimum base rent, percentage rent, and potential bonus rent and participation rent. The minimum base rent and percentage rent are subject to periodic rent adjustments.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 12 - NET POSITION AND FUND BALANCES

A. *Net Position*

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

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

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

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

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:

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 12 - NET POSITION AND FUND BALANCES (Continued)

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, 2020

NOTE 12 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2020, 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	\$ 688	-	-	-	-	51	739
Deposits and prepaid costs	3,069	-	-	-	17,000	-	20,069
Total Nonspendable	<u>3,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,000</u>	<u>51</u>	<u>20,808</u>
Restricted:							
Shoreline Regional Park Community	-	29,671	-	-	-	-	29,671
Landfill Containment	-	8,000	-	-	-	-	8,000
Housing	-	-	134,976	-	-	-	134,976
General Capital Projects	-	-	-	278,567	-	-	278,567
Park Land Dedication Fees	-	-	-	-	59,155	-	59,155
Gas Tax	-	-	-	-	-	2,311	2,311
Other Streets and Transportation	-	-	-	-	-	1,477	1,477
Construction & Conveyance Tax	-	-	-	-	-	8,518	8,518
Development Services	-	-	-	-	-	1,499	1,499
CSFRA/Rental Housing Committee	-	-	-	-	-	1,572	1,572
Housing Successor	-	-	-	-	-	12,945	12,945
Downtown Benefit Assessment District	-	-	-	-	-	19,391	19,391
Police Asset Forfeitures	-	-	-	-	-	528	528
Grants	-	-	-	-	-	19,139	19,139
Cable Television	-	-	-	-	-	899	899
Deferred Assessments	-	-	-	-	-	390	390
Debt Service	-	-	-	-	-	6,687	6,687
Storm Drain Construction	-	-	-	-	-	283	283
Minor Estate Trust	430	-	-	-	-	-	430
Total Restricted	<u>430</u>	<u>37,671</u>	<u>134,976</u>	<u>278,567</u>	<u>59,155</u>	<u>75,639</u>	<u>586,438</u>
Committed:							
Development Services	25,642	-	-	-	-	13,036	38,678
Budget Contingency	8,019	-	-	-	-	-	8,019
Earned Lease Revenue	8,050	-	-	-	-	-	8,050
Property Management	1,577	-	-	-	-	-	1,577
Graham Site Maintenance	739	-	-	-	-	-	739
Transportation	4,742	-	-	-	-	-	4,742
Capital Improvement	18,022	-	-	-	-	-	18,022
Open Space Acquisition	3,456	-	-	-	-	-	3,456
Strategic Property Acquisition	6,447	-	-	-	-	-	6,447
Childcare Commitment	419	-	-	-	-	-	419
Compensated Absences	6,714	-	-	-	-	-	6,714
General Special Purpose	-	-	-	-	-	253	253
Shoreline Golf Links	-	-	-	-	-	29	29
Total Committed	<u>83,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,318</u>	<u>97,145</u>
Assigned:							
Contractual Obligations	4,604	-	-	-	-	-	4,604
Unassigned:	<u>59,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,394</u>
Total Fund Balances	<u>\$ 152,012</u>	<u>37,671</u>	<u>134,976</u>	<u>278,567</u>	<u>76,155</u>	<u>89,008</u>	<u>768,389</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 12 - NET POSITION AND FUND BALANCES (Continued)

C. *Committed Fund Balances*

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 12 - NET POSITION AND FUND BALANCES (Continued)

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).
10. The Child-Care 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.

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.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 12 – NET POSITION AND FUND BALANCES (Continued)

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

E. *Landfill Containment Reserve*

In 2013, CalRecycle regulations required the City to create a reserve, in whole or incrementally, for potential corrective actions associated with a non-water release event at the landfill site. The estimated costs of the corrective actions are adjusted annually by an inflation factor approved by CalRecycle. On June 25, 2013, the City Council approved to restrict funds for landfill containment in the Landfill reserve of the Shoreline Community Fund. The City estimated the costs for the corrective actions to be \$1.1 million for the fiscal year ended June 30, 2020, and \$12.0 million to rebuild a new landfill system. As of June 30, 2020, the City restricted \$8.0 million for landfill containment and planned to increase the balance by \$1.0 million annually.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. *Encumbrances*

The City's outstanding encumbrances as of June 30, 2020, are as follows (dollars in thousands):

	<u>Amount</u>	<u>Fund Balance Classification</u>
General Fund	\$ 3,547	Committed
General Fund	4,604	Assigned
Shoreline Regional Park Community	394	Restricted
Housing	11,687	Restricted
General Capital Projects	67,622	Restricted
Nonmajor Governmental Funds	1,198	Restricted
Total	<u>\$ 89,052</u>	

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.

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, 2020, these costs totaled \$10.0 million, which is included as a component of cost of sales and services expenses in the Wastewater Enterprise Fund.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

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, 2020, the City's share of debt services totaled to \$0.9 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 expiring in Fiscal Year 2021-22. Annual service charges are determined based on actual per-ton charges. For the fiscal year ended June 30, 2020, these costs totaled \$9.2 million.

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

On June 30, 2013, the Shoreline Community entered into an Education Enhancement JPA with the Mountain View Los Altos Unified High School District (MVLAUHSD) and the Mountain View Whisman School District (MVWSD) effective July 1, 2013, for a period of 10 years, superseding any prior agreements. The agreement provides for minimum annual payments commencing with the fiscal year ended June 30, 2014 of \$1.8 million and \$2.9 million to MVLAUHSD and MVWSD, respectively. Each subsequent fiscal year increases based on the growth in property tax revenues in the preceding fiscal year. For the fiscal year ended June 30, 2020, the Shoreline Community paid \$6.4 million in contributions and recorded the pass-through of the contributions in the Education Enhancement JPA Agency Fund.

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, 2020, \$1.6 million and \$2.0 million in retirement tax override levies and pass-through payments, respectively, were paid to the County.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

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, 2020, the City made a \$2.5 million payment to the SFPUC to meet the City's minimum water purchase requirement of 8.930 MGD.

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

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

The City paid its surcharge of \$1.4 million during the fiscal year ended June 30, 2020, which is included as a component of cost of sales and services expenses in the Water Enterprise Fund. The surcharge for Fiscal Year 2020-21 is estimated to be \$1.4 million.

CITY OF MOUNTAIN VIEW, CALIFORNIA
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

H. *Property Purchase Agreement*

On February 13, 2018, the Council approved the actions to enter into an agreement with Google LLC to acquire real property for the Plymouth Street Realignment project. The cost of the acquisition is \$28.5 million and the City has set aside funds for the acquisition. The construction schedule was extended due to the COVID-19 pandemic and the subsequent safety order and required practices. Escrow is expected to close within six month from Google LLC obtaining a Certificate of Occupancy for their new headquarters (estimated in Fiscal Year 2024-25). As of June 30, 2020, the City has not acquired the property.

NOTE 14 - UNCERTAINTIES

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected organizations and its workforces, as well as the economy and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many governmental organizations, including the City. This outbreak decreased the revenues and impacted the City's operations starting March 2020. The City expects this outbreak to adversely impact revenues and operations for future reporting periods. It is not possible for the City to predict the duration or magnitude of the adverse results of the outbreak and its effects on the City or results of operations at this time.

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,					
	2020	2019	2018	2017	2016	2015
Measurement period	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 8,342	7,669	7,473	6,675	6,412	6,218
Interest on the total pension liability	29,850	28,405	27,198	26,269	25,058	23,873
Changes of assumptions	-	(2,554)	22,221	-	(6,028)	-
Differences between expected and actual experience	2,677	2,350	(2,154)	(577)	(568)	-
Benefit payments, including refunds of employee contributions	(19,708)	(18,056)	(17,303)	(15,518)	(14,861)	(13,823)
Net change in total pension liability	21,161	17,814	37,435	16,849	10,013	16,268
Total pension liability, beginning	420,490	402,676	365,241	348,392	338,379	322,111
Total pension liability, ending	\$ 441,651	420,490	402,676	365,241	348,392	338,379
Plan fiduciary net position						
Contributions, employer	\$ 17,514	17,917	12,413	11,318	8,673	7,796
Contributions, employee	3,549	3,513	3,121	3,065	3,148	3,147
Plan to plan resource movement	-	(1)	-	-	-	-
Investment income	20,477	24,062	29,071	1,328	5,709	38,300
Benefit payments, including refunds of employee contributions	(19,708)	(18,056)	(17,303)	(15,518)	(14,861)	(13,823)
Administrative expenses	(219)	(1,277)	(378)	(156)	(288)	-
Net change in plan fiduciary net position	21,613	26,158	26,924	37	2,381	35,420
Plan fiduciary net position, beginning	308,838	282,680	255,756	255,719	253,338	217,918
Plan fiduciary net position, ending	\$ 330,451	308,838	282,680	255,756	255,719	253,338
Plan net pension liability	\$ 111,200	111,652	119,996	109,485	92,673	85,041
Plan fiduciary net position as a percentage of the total pension liability	74.8%	73.4%	70.2%	70.0%	73.4%	74.9%
Covered payroll	\$ 43,994	40,657	39,034	38,450	36,233	34,163
Plan net pension liability as a percentage of covered payroll	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, 2018 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 is no change in assumptions during measurement period 2019.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only six 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,					
	2020	2019	2018	2017	2016	2015
Measurement period	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 7,066	6,677	6,857	5,945	6,061	6,311
Interest on the total pension liability	25,815	24,593	23,599	22,704	21,792	20,641
Changes of assumptions	-	(1,385)	19,688	-	(5,345)	-
Differences between expected and actual experience	2,998	1,416	(157)	(1,633)	1,234	-
Benefit payments, including refunds of employee contributions	(17,734)	(16,998)	(15,977)	(14,765)	(13,721)	(12,416)
Net change in total pension liability	18,145	14,303	34,010	12,251	10,021	14,536
Total pension liability, beginning	363,393	349,090	315,080	302,829	292,808	278,272
Total pension liability, ending	\$ 381,538	363,393	349,090	315,080	302,829	292,808
Plan fiduciary net position						
Contributions, employer	\$ 14,385	14,872	10,572	9,904	8,139	7,244
Contributions, employee	2,951	2,965	2,709	2,697	2,656	2,924
Plan to plan resource movement	-	(1)	-	-	32	-
Investment income	17,013	20,199	24,545	1,117	4,852	32,936
Benefit payments, including refunds of employee contributions	(17,734)	(16,998)	(15,977)	(14,765)	(13,721)	(12,416)
Administrative expenses	(184)	(1,079)	(321)	(133)	(246)	-
Net change in plan fiduciary net position	16,431	19,958	21,528	(1,180)	1,712	30,688
Plan fiduciary net position, beginning	258,822	238,864	217,336	218,516	216,804	186,116
Plan fiduciary net position, ending	\$ 275,253	258,822	238,864	217,336	218,516	216,804
Plan net pension liability	\$ 106,285	104,571	110,226	97,744	84,313	76,004
Plan fiduciary net position as a percentage of the total pension liability	72.1%	71.2%	68.4%	69.0%	72.2%	74.0%
Covered payroll	\$ 24,248	22,764	23,263	22,493	22,547	23,051
Plan net pension liability as a percentage of covered payroll	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, 2018 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 is no change in assumptions during measurement period 2019.

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

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

Miscellaneous Plan

Fiscal Year Ended June 30,

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions (ADC)	\$ 14,202	12,769	11,289	9,925	8,806	8,073	7,796
Contributions in relation to the ADC	(18,691)	(17,514)	(17,917)	(12,413)	(11,318)	(8,673)	(7,796)
Contribution deficiency (excess)	\$ (4,489)	(4,745)	(6,628)	(2,488)	(2,512)	(600)	-
Covered payroll	\$ 43,081	43,994	40,657	39,034	38,450	36,233	34,163
Contributions as a percentage of covered payroll	43.4%	39.8%	44.1%	31.8%	29.4%	23.9%	22.8%

Safety Plan

Fiscal Year Ended June 30,

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	\$ 11,663	10,277	9,112	8,915	8,229	7,739	7,244
Contributions in relation to the ADC	(15,550)	(14,385)	(14,872)	(10,572)	(9,904)	(8,139)	(7,244)
Contribution deficiency (excess)	\$ (3,887)	(4,108)	(5,760)	(1,657)	(1,675)	(400)	-
Covered payroll	\$ 24,121	24,248	22,764	23,263	22,493	22,547	23,051
Contributions as a percentage of covered payroll	64.5%	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, 2020 were as follows:

ADC for fiscal year	June 30, 2020
Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.625%
Salary increases	Varies by entry age and services
Payroll growth	2.75%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

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

CITY OF MOUNTAIN VIEW

Required Supplementary Information (Unaudited)

Schedule of Changes in Net OPEB Liability and Related Ratios

(Dollar in Thousands)

	Fiscal Year Ended June 30,		
	2020	2019	2018
Measurement period	2019	2018	2017
Total OPEB liability			
Service cost	\$ 3,336	3,231	3,054
Interest on the total OPEB liability	9,857	9,392	8,820
Changes of assumptions	(670)	-	15,660
Differences between expected and actual experience	(12,915)	-	(9,020)
Benefit payments, including refunds of employee contributions	(5,729)	(5,459)	(5,044)
Net change in total OPEB liability	(6,121)	7,164	13,470
Total pension OPEB, beginning	151,161	143,997	130,527
Total OPEB liability, ending	\$ 145,040	151,161	143,997
Plan fiduciary net position			
Contributions, employer	\$ 8,014	13,233	12,424
Investment income	8,797	6,858	7,065
Benefit payments, including refunds of employee contributions	(5,729)	(5,459)	(5,044)
Administrative expenses	(27)	(206)	(51)
Net change in plan fiduciary net position	11,055	14,426	14,394
Plan fiduciary net position, beginning	125,194	110,768	96,374
Plan fiduciary net position, ending	\$ 136,249	125,194	110,768
Plan net OPEB liability	\$ 8,791	25,967	33,229
Plan fiduciary net position as a percentage of the total OPEB liability	93.9%	82.8%	76.9%
Covered payroll	\$ 49,135	46,799	44,181
Plan net OPEB liability as a percentage of covered payroll	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.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only three 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,			
	2020	2019	2018	2017
Actuarially determined contributions (ADC)	\$ 6,068	5,334	5,639	5,577
Contributions in relation to the ADC	(8,497)	(8,014)	(13,233)	(12,424)
Contribution deficiency (excess)	<u><u>\$ (2,429)</u></u>	<u><u>(2,680)</u></u>	<u><u>(7,594)</u></u>	<u><u>(6,847)</u></u>
Covered payroll	\$ 50,839	49,135	46,799	44,181
Contributions as a percentage of covered payroll	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, 2020 were as follows:

ADC for fiscal year	June 30, 2020
Actuarial valuation date	July 1, 2017
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.75%
Payroll growth	3.00%
Salary increases	3.25%
Investment rate of return	6.25%
Post Retirement Benefit Increase	For medical plan premiums: 8.00% for the year beginning January 1, 2018 and graded down by 0.50% per year until 5.00% ultimate rate is reached by 2024. For vision premiums: 3.00%

Mortality

Derived using CalPERS Membership Data for all Funds.
Demographic actuarial assumptions used are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011, except for the MacLeod Watts Scale 2017 applied generationally as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008.

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

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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, 2020
(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	\$ 1,917	1,917	1,744	(173)
Developer fees and contributions	17,000	17,000	37,928	20,928
Total revenues	<u>18,917</u>	<u>18,917</u>	<u>39,672</u>	<u>20,755</u>
Expenditures:				
Current:				
Culture and recreation:				
Community services	<u>40,000</u>	<u>40,000</u>	<u>23,000</u>	<u>17,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,083)</u>	<u>(21,083)</u>	<u>16,672</u>	<u>37,755</u>
Other financing sources (uses):				
Transfers in	-	-	622	622
Transfers out	<u>(2,777)</u>	<u>(3,177)</u>	<u>(3,177)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,777)</u>	<u>(3,177)</u>	<u>(2,555)</u>	<u>622</u>
Net change in fund balance	<u>\$ (23,860)</u>	<u>(24,260)</u>	14,117	<u>38,377</u>
Fund balance, beginning of year			<u>62,038</u>	
Fund balance, end of year			<u>\$ 76,155</u>	

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

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 **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.

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

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.

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 **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.

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.

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, 2020
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Gas Tax	Other Streets and Transportation	Construction & Conveyance Tax	Other Developer Fees
Assets:				
Cash and investments	\$ 2,085	1,464	8,345	14,429
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	202	-	-	-
Special assessments	-	-	-	-
Interest	24	13	173	106
Loans and notes	-	-	-	-
Inventory	-	-	-	-
Total assets	<u>\$ 2,311</u>	<u>1,477</u>	<u>8,518</u>	<u>14,535</u>
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	-
Refundable deposits	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	2,311	1,477	8,518	1,499
Committed	-	-	-	13,036
Total fund balances	<u>2,311</u>	<u>1,477</u>	<u>8,518</u>	<u>14,535</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,311</u>	<u>1,477</u>	<u>8,518</u>	<u>14,535</u>

SPECIAL REVENUE FUNDS

CSFRA / Rental Housing Committee	Housing Successor	Shoreline Golf Links	Downtown Benefit Assessment District	General Special Purpose
1,521	1,711	436	19,324	597
-	-	5	-	-
77	-	-	-	-
-	-	-	-	-
8	-	-	92	3
-	11,419	-	-	-
-	-	51	-	-
<u>1,606</u>	<u>13,130</u>	<u>492</u>	<u>19,416</u>	<u>600</u>
34	185	76	22	-
-	-	-	3	347
-	-	336	-	-
<u>34</u>	<u>185</u>	<u>412</u>	<u>25</u>	<u>347</u>
-	-	-	-	-
-	-	51	-	-
1,572	12,945	-	19,391	-
-	-	29	-	253
<u>1,572</u>	<u>12,945</u>	<u>80</u>	<u>19,391</u>	<u>253</u>
<u>1,606</u>	<u>13,130</u>	<u>492</u>	<u>19,416</u>	<u>600</u>

(Continued)

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Police Asset Forfeitures	Grants	Cable Television	Deferred Assessments
Assets:				
Cash and investments	528	613	899	390
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	800	-	-
Special assessments	-	-	-	-
Interest	-	-	-	-
Loans and notes	-	19,312	-	-
Inventory	-	-	-	-
Total assets	528	20,725	899	390
Liabilities, deferred inflows of resources and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	-	793	-	-
Refundable deposits	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	793	-	-
Deferred inflows of resources:				
Unavailable revenues	-	793	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	528	19,139	899	390
Committed	-	-	-	-
Total fund balances	528	19,139	899	390
Total liabilities, deferred inflows of resources and fund balances	528	20,725	899	390

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Special Assessments	Storm Drain Construction	
-	-	67	279	52,688
6,618	1	-	-	6,624
-	-	-	-	1,079
-	-	1	-	1
-	-	-	4	423
-	-	-	-	30,731
-	-	-	-	51
6,618	1	68	283	91,597
-	-	-	-	1,110
-	-	-	-	350
-	-	-	-	336
-	-	-	-	1,796
-	-	-	-	793
-	-	-	-	51
6,618	1	68	283	75,639
-	-	-	-	13,318
6,618	1	68	283	89,008
6,618	1	68	283	91,597

CITY OF MOUNTAIN VIEW
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	SPECIAL REVENUE FUNDS			
	Gas Tax	Other Streets and Transportation	Construction & Conveyance Tax	Other Developer Fees
Revenues:				
Property taxes	\$ -	-	-	-
Other taxes	-	-	6,549	-
Licenses, permits and fees	-	-	-	-
Use of money and property	59	(65)	127	660
Intergovernmental	3,282	549	-	-
Charges for services	-	-	-	-
Developer fees and contributions	-	-	-	4,435
Other	-	-	-	-
Total revenues	3,341	484	6,676	5,095
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	84
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	84
Excess (deficiency) of revenues over (under) expenditures	3,341	484	6,676	5,011
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	68	72	2,226	158
Transfers out	(3,010)	(410)	(13,093)	-
Total other financing sources (uses)	(2,942)	(338)	(10,867)	158
Net change in fund balances	399	146	(4,191)	5,169
Fund balance, beginning of year, as previously reported	1,912	1,331	12,709	9,366
Prior period adjustments	-	-	-	-
Fund balances, beginning of year	1,912	1,331	12,709	9,366
Fund balances, end of year	\$ 2,311	1,477	8,518	14,535

SPECIAL REVENUE FUNDS

CSFRA / Rental Housing Committee	Housing Successor	Shoreline Golf Links	Downtown Benefit Assessment District	General Special Purpose
-	-	-	1,081	-
-	-	-	-	20
-	-	-	623	-
51	37	-	773	22
-	-	-	3	-
1,452	-	2,959	210	110
-	-	-	1,528	-
17	-	23	1	-
1,520	37	2,982	4,219	152
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,110	298	-	545	4
-	-	3,141	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,110	298	3,141	545	4
410	(261)	(159)	3,674	148
-	-	-	-	-
-	-	500	-	-
(4)	-	(205)	(109)	-
(4)	-	295	(109)	-
406	(261)	136	3,565	148
1,166	13,206	(56)	15,826	105
-	-	-	-	-
1,166	13,206	(56)	15,826	105
1,572	12,945	80	19,391	253

(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, 2020
(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	2	239	-	-
Intergovernmental	457	1,054	-	-
Charges for services	-	-	-	-
Developer fees and contributions	-	-	-	-
Other	-	-	203	-
Total revenues	459	1,293	203	-
Expenditures:				
Current:				
General government	-	-	132	-
Public safety	6	269	-	-
Public works	-	-	-	-
Community development	-	1,625	-	-
Culture and recreation	-	-	-	-
Capital outlay	96	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	102	1,894	132	-
Excess (deficiency) of revenues over (under) expenditures	357	(601)	71	-
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	357	(601)	71	-
Fund balance, beginning of year, as previously reported	171	19,740	828	390
Prior period adjustments	-	-	-	-
Fund balances, beginning of year	171	19,740	828	390
Fund balances, end of year	\$ 528	19,139	899	390

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUND	
Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Special Assessments	Storm Drain Construction	Total Nonmajor Governmental Funds
-	-	-	-	1,081
-	-	-	-	6,569
-	-	-	-	623
130	1	1	9	2,046
-	-	-	-	5,345
-	-	12	-	4,743
-	-	-	-	5,963
-	-	-	155	399
130	1	13	164	26,769
-	-	-	-	132
-	-	-	-	275
-	-	-	-	-
-	-	-	-	3,666
-	-	-	-	3,141
-	-	-	-	96
1,890	-	37	-	1,927
1,453	3,078	2	-	4,533
3,343	3,078	39	-	13,770
(3,213)	(3,077)	(26)	164	12,999
-	-	-	-	-
3,259	3,067	-	18	9,368
-	-	-	(31)	(16,862)
3,259	3,067	-	(13)	(7,494)
46	(10)	(26)	151	5,505
6,572	11	94	132	83,503
-	-	-	-	-
6,572	11	94	132	83,503
6,618	1	68	283	89,008

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, 2020
(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	65	59	(6)	39	(65)	(104)
Intergovernmental	3,599	3,282	(317)	2,990	549	(2,441)
Charges for services	-	-	-	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>3,664</u>	<u>3,341</u>	<u>(323)</u>	<u>3,029</u>	<u>484</u>	<u>(2,545)</u>
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Public works	-	-	-	185	-	185
Community Development	-	-	-	-	-	-
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>185</u>	<u>-</u>	<u>185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,664</u>	<u>3,341</u>	<u>(323)</u>	<u>2,844</u>	<u>484</u>	<u>(2,360)</u>
Other financing sources (uses):						
Transfers in	-	68	68	-	72	72
Transfers out	(3,010)	(3,010)	-	(2,900)	(410)	2,490
Total other financing sources (uses)	<u>(3,010)</u>	<u>(2,942)</u>	<u>68</u>	<u>(2,900)</u>	<u>(338)</u>	<u>2,562</u>
Net change in fund balances	<u>\$ 654</u>	<u>399</u>	<u>(255)</u>	<u>\$ (56)</u>	<u>146</u>	<u>202</u>
Fund balances, beginning of year		<u>1,912</u>			<u>1,331</u>	
Fund balances, end of year		<u>\$ 2,311</u>			<u>\$ 1,477</u>	

Construction & Conveyance Tax			Other Developer Fees			CSFRA / Rental Housing Committee		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	-	-	-	-	-	-
4,004	6,549	2,545	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
689	127	(562)	434	660	226	2	51	49
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,545	1,452	(93)
-	-	-	-	4,435	4,435	-	-	-
-	-	-	-	-	-	-	17	17
4,693	6,676	1,983	434	5,095	4,661	1,547	1,520	(27)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	129	84	45	1,960	1,110	850
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	186	-	186
-	-	-	129	84	45	2,146	1,110	1,036
4,693	6,676	1,983	305	5,011	4,706	(599)	410	1,009
-	2,226	2,226	-	158	158	-	-	-
(13,093)	(13,093)	-	-	-	-	(4)	(4)	-
(13,093)	(10,867)	2,226	-	158	158	(4)	(4)	-
\$ (8,400)	(4,191)	4,209	\$ 305	5,169	4,864	\$ (603)	406	1,009
	12,709			9,366			1,166	
	\$ 8,518			\$ 14,535			\$ 1,572	

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, 2020
(Dollars in Thousands)

	Housing Successor			Shoreline Golf Links		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Property taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	-
Use of money and property	39	37	(2)	6	-	(6)
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	4,432	2,959	(1,473)
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	20	23	3
Total revenues	39	37	(2)	4,458	2,982	(1,476)
Expenditures:						
Current:						
General government:						
City manager	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Community Development	390	298	92	-	-	-
Culture and recreation:						
Community services	-	-	-	3,965	3,141	824
Capital outlay	-	-	-	21	-	21
Total expenditures	390	298	92	3,986	3,141	845
Excess (deficiency) of revenues over (under) expenditures	(351)	(261)	90	472	(159)	(631)
Other financing sources (uses):						
Transfers in	-	-	-	500	500	-
Transfers out	-	-	-	(480)	(205)	275
Total other financing sources (uses)	-	-	-	20	295	275
Net change in fund balances	\$ (351)	(261)	90	\$ 492	136	(356)
Fund balance, beginning of year		13,206			(56)	
Fund balance, end of year		\$ 12,945			\$ 80	

Downtown Benefit Assessment District			General Special Purpose			Police Asset Forfeitures		
Final Budget	Actual	Variance	Final Budget	Actual	Variance	Final Budget	Actual	Variance
976	1,081	105	-	-	-	-	-	-
-	-	-	-	20	20	-	-	-
697	623	(74)	-	-	-	-	-	-
335	773	438	5	22	17	-	2	2
4	3	(1)	-	-	-	457	457	-
223	210	(13)	50	110	60	-	-	-
-	1,528	1,528	-	-	-	-	-	-
-	1	1	-	-	-	-	-	-
2,235	4,219	1,984	55	152	97	457	459	2
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	509	6	503
-	-	-	-	-	-	-	-	-
983	545	438	98	4	94	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	118	96	22
983	545	438	98	4	94	627	102	525
1,252	3,674	2,422	(43)	148	191	(170)	357	527
-	-	-	-	-	-	-	-	-
(109)	(109)	-	-	-	-	-	-	-
(109)	(109)	-	-	-	-	-	-	-
\$ 1,143	3,565	2,422	\$ (43)	148	191	\$ (170)	357	527
	15,826			105			171	
	\$ 19,391			\$ 253			\$ 528	

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, 2020
(Dollars in Thousands)

	Grants			Cable Television		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Property taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	-
Use of money and property	-	239	239	-	-	-
Intergovernmental	1,022	1,054	32	-	-	-
Charges for services	-	-	-	-	-	-
Developer fees and contributions	-	-	-	-	-	-
Other	-	-	-	241	203	(38)
Total revenues	1,022	1,293	271	241	203	(38)
Expenditures:						
Current:						
General government:						
City manager	-	-	-	238	132	106
Public safety:						
Police	269	269	-	-	-	-
Public works	-	-	-	-	-	-
Community Development	3,303	1,625	1,678	-	-	-
Culture and recreation:						
Community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	3,572	1,894	1,678	238	132	106
Excess (deficiency) of revenues over (under) expenditures	(2,550)	(601)	1,949	3	71	68
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ (2,550)	(601)	1,949	\$ 3	71	68
Fund balances, beginning of year		19,740			828	
Fund balances, end of year		\$ 19,139			\$ 899	

Deferred Assessments			Storm Drain Construction		
Final Budget	Actual	Variance	Final Budget	Actual	Variance
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	24	9	(15)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	10	155	145
-	-	-	34	164	130
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	34	164	130
-	-	-	-	18	18
-	-	-	(31)	(31)	-
-	-	-	(31)	(13)	18
\$ -	-	-	\$ 3	151	148
	390			132	
	\$ 390			\$ 283	

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CITY OF MOUNTAIN VIEW
Internal Service Funds
For the Fiscal Year Ended June 30, 2020

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, 2020
(Dollars in Thousands)

	Equipment Maintenance & Replacement	Workers' Compensation Insurance	Unemployment Self-Insurance
Assets:			
Current assets:			
Cash and investments	\$ 33,555	\$ 12,275	\$ 644
Restricted cash and investments	-	89	-
Receivables:			
Interest	161	66	3
Total current assets	<u>33,716</u>	<u>12,430</u>	<u>647</u>
Noncurrent assets:			
Capital assets:			
Depreciable, net of accumulated depreciation	7	-	-
Total assets	<u>33,723</u>	<u>12,430</u>	<u>647</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	81	1	-
Current portion of accrued compensated absences	18	-	-
Current portion of accrued self-insurance costs	-	2,079	-
Total current liabilities	<u>99</u>	<u>2,080</u>	<u>-</u>
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	96	-	-
Noncurrent portion of accrued self-insurance costs	-	5,227	-
Total liabilities	<u>195</u>	<u>7,307</u>	<u>-</u>
Net position:			
Net investment in capital assets	7	-	-
Unrestricted	33,521	5,123	647
Total net position	<u>\$ 33,528</u>	<u>\$ 5,123</u>	<u>\$ 647</u>

<u>Liability Self-Insurance</u>	<u>Retirees' Health Plan</u>	<u>Employee Benefits Plan</u>	<u>Total Internal Service Funds</u>
\$ 5,279	\$ 453	\$ 454	52,660
1,087	-	-	1,176
19	10	2	261
6,385	463	456	54,097
-	-	-	7
6,385	463	456	54,104
11	1	1	95
-	-	-	18
648	-	-	2,727
659	1	1	2,840
-	-	-	96
2,251	-	-	7,478
2,910	1	1	10,414
-	-	-	7
3,475	462	455	43,683
<u>\$ 3,475</u>	<u>\$ 462</u>	<u>\$ 455</u>	<u>43,690</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, 2020
(Dollars in Thousands)

	Equipment Maintenance & Replacement	Workers' Compensation Insurance	Unemployment Self-Insurance
Operating revenues:			
Charges for services	\$ 2,514	2,191	48
Other	166	53	-
Total operating revenues	<u>2,680</u>	<u>2,244</u>	<u>48</u>
Operating expenses:			
Salaries and related expenses	1,477	-	-
Insurance claims and premiums	-	909	32
General and administrative	2,396	133	-
Depreciation	4	-	-
Total operating expenses	<u>3,877</u>	<u>1,042</u>	<u>32</u>
Operating income (loss)	<u>(1,197)</u>	<u>1,202</u>	<u>16</u>
Nonoperating revenues (expenses):			
Investment income	<u>1,321</u>	<u>536</u>	<u>26</u>
Income (loss) before transfers	<u>124</u>	<u>1,738</u>	<u>42</u>
Transfers in	3,232	-	-
Transfers out	<u>(427)</u>	<u>(1,500)</u>	<u>-</u>
Change in net position	2,929	238	42
Net position, beginning of year	<u>30,599</u>	<u>4,885</u>	<u>605</u>
Net position, end of year	<u><u>\$ 33,528</u></u>	<u><u>5,123</u></u>	<u><u>647</u></u>

Liability Self-Insurance	Retirees' Health Plan	Employee Benefits Plan	Total Internal Service Funds
1,658	7,068	77	13,556
80	36	-	335
1,738	7,104	77	13,891
-	7,108	42	8,627
668	-	-	1,609
650	26	4	3,209
-	-	-	4
1,318	7,134	46	13,449
420	(30)	31	442
142	51	18	2,094
562	21	49	2,536
1,500	-	-	4,732
-	-	-	(1,927)
2,062	21	49	5,341
1,413	441	406	38,349
3,475	462	455	43,690

CITY OF MOUNTAIN VIEW
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Equipment Maintenance & Replacement	Workers' Compensation Insurance	Unemployment Self-Insurance
Cash flows from operating activities:			
Cash receipts from customers	\$ 2,684	2,244	48
Cash paid to suppliers for goods and services	(2,417)	(565)	(32)
Cash paid to employees for services	(1,519)	-	-
Claims paid	-	(1,011)	-
Net cash provided by (used in) operating activities	(1,252)	668	16
Cash flows from noncapital financing activities:			
Transfers in	3,232	-	-
Transfers out	(427)	(1,500)	-
Net cash provided by noncapital financing activities	2,805	(1,500)	-
Cash flows from investing activities:			
Interest received	1,322	535	26
Net cash provided by investing activities	1,322	535	26
Net increase (decrease) in cash and cash equivalents	2,875	(297)	42
Cash and cash equivalents, beginning of year	30,680	12,661	602
Cash and cash equivalents, end of year	\$ 33,555	12,364	644
Reconciliation of cash and cash equivalents:			
Cash and investments	\$ 33,555	12,275	644
Restricted cash and investments	-	89	-
Total cash and cash equivalents	\$ 33,555	12,364	644
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (1,197)	1,202	16
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	4	-	-
Changes in assets and liabilities:			
Decrease (increase) in deposits and prepaid items	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	(21)	1	-
Increase (decrease) in refundable deposits	-	-	-
Increase (decrease) in unearned revenue	-	-	-
Increase (decrease) in accrued compensated absences	(42)	-	-
Net cash provided by (used in) operating activities	\$ (1,252)	668	16

Liability Self-Insurance	Retirees' Health Plan	Employee Benefits Plan	Total Internal Service Funds
1,738	7,104	77	13,895
(1,283)	(26)	(4)	(4,327)
-	(7,108)	(42)	(8,669)
(742)	-	-	(1,753)
(287)	(30)	31	(854)
1,500	-	-	4,732
-	-	-	(1,927)
1,500	-	-	2,805
144	52	18	2,097
144	52	18	2,097
1,357	22	49	4,048
5,009	431	405	49,788
6,366	453	454	53,836
5,279	453	454	52,660
1,087	-	-	1,176
6,366	453	454	53,836
420	(30)	31	442
-	-	-	4
45	-	-	45
(11)	-	-	(31)
-	-	-	-
-	-	-	-
-	-	-	(42)
(287)	(30)	31	(854)

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CITY OF MOUNTAIN VIEW
Agency Funds
For the Fiscal Year Ended June 30, 2020

The **Payroll Agency Fund** accounts for payroll-related liabilities.

The **Center for the Performing Arts Agency Fund** accounts for money received by the Center for the Performing Arts.

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

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

The **Flexible Benefits Plan Agency Fund** accounts for the assets and liabilities of the employer's flexible benefits plan established under Internal Revenue Code Section 125.

The **Education Enhancement JPA Agency Fund** accounts for funds to be used by the joint powers authority to enhance the educational and technology capacity of students in Mountain View schools.

The **Refundable Land Lease Rent Agency Fund** accounts for the refundable rent deposits received from Google LLC per the lease agreement between Google LLC and the City.

CITY OF MOUNTAIN VIEW
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Payroll				
Assets:				
Cash and investments	\$ 4,299	134,465	(133,903)	4,861
Accounts receivable	14	793	(764)	43
Deposits and prepaid items	398	438	(398)	438
Total assets	<u>\$ 4,711</u>	<u>135,696</u>	<u>(135,065)</u>	<u>5,342</u>
Liabilities:				
Accrued payroll	<u>\$ 4,711</u>	<u>151,837</u>	<u>(151,206)</u>	<u>5,342</u>
Fire Union				
Assets:				
Cash and investments	<u>\$ 13</u>	<u>41</u>	<u>(26)</u>	<u>28</u>
Liabilities:				
Collection payable	<u>\$ 13</u>	<u>69</u>	<u>(54)</u>	<u>28</u>
Police Union				
Assets:				
Cash and investments	<u>\$ 27</u>	<u>29</u>	<u>(33)</u>	<u>23</u>
Liabilities:				
Collection payable	<u>\$ 27</u>	<u>51</u>	<u>(55)</u>	<u>23</u>
Flexible Benefits Plan				
Assets:				
Restricted cash and investments	<u>\$ 103</u>	<u>98</u>	<u>(63)</u>	<u>138</u>
Liabilities:				
Collection payable	<u>\$ 103</u>	<u>98</u>	<u>(63)</u>	<u>138</u>

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Center For the Performing Arts				
Assets:				
Restricted cash and investments	\$ 234	532	(466)	300
Liabilities:				
Collection payable	\$ 234	532	(466)	300
Education Enhancement JPA				
Assets:				
Cash and investments	\$ -	6,357	(6,357)	-
Liabilities:				
Collection payable	\$ -	6,357	(6,357)	-
Refundable Land Lease Rent				
Assets:				
Cash and investments	\$ 25,338	522	(1,104)	24,756
Liabilities:				
Deposits payable	\$ 25,338	-	(582)	24,756
Total Agency Funds				
Assets:				
Cash and investments	\$ 29,677	141,414	(141,423)	29,668
Restricted cash and investments	337	630	(529)	438
Accounts receivable	14	793	(764)	43
Deposits and prepaid items	398	438	(398)	438
Total assets	\$ 30,426	143,275	(143,114)	30,587
Liabilities:				
Accrued payroll	\$ 4,711	151,837	(151,206)	5,342
Collection payable	377	7,107	(6,995)	489
Deposits payable	25,338	-	(582)	24,756
Total liabilities	\$ 30,426	158,944	(158,783)	30,587

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CITY OF MOUNTAIN VIEW
Statistical Section
For the Fiscal Year Ended June 30, 2020

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

CITY OF MOUNTAIN VIEW, CALIFORNIA

Net Position by Component

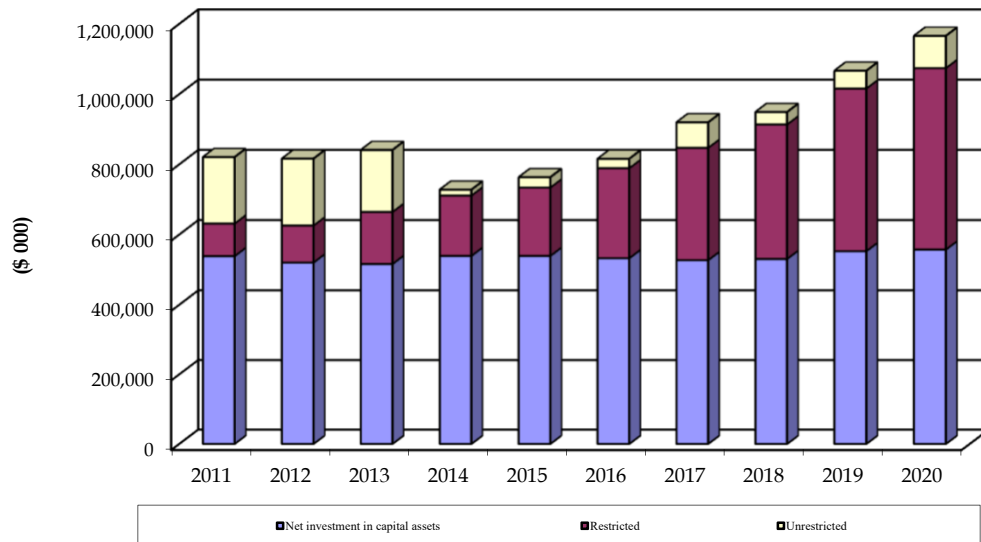
Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 464,111	440,921	433,059	456,410
Restricted	92,781	105,365	148,253	171,881
Unrestricted	141,891	145,497	134,551	(13,764) (1)
Total governmental activities net position	<u>\$ 698,783</u>	<u>691,783</u>	<u>715,863</u>	<u>614,527</u>
Business-type activities				
Net investment in capital assets	\$ 74,436	79,412	83,040	82,850
Unrestricted	47,420	45,032	41,971	30,417
Total business-type activities net position	<u>\$ 121,856</u>	<u>124,444</u>	<u>125,011</u>	<u>113,267</u>
Primary government				
Net investment in capital assets	\$ 538,547	520,333	516,099	539,260
Restricted	92,781	105,365	148,253	171,881
Unrestricted	189,311	190,529	176,522	16,653 (1)
Total primary government net position	<u>\$ 820,639</u>	<u>816,227</u>	<u>840,874</u>	<u>727,794</u>

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA

Net Position by Component
Primary Government

Fiscal Year Ended June 30,

2015	2016	2017	2018	2019	2020
454,939	450,011	446,280	450,851	466,424	467,378
194,850	256,471	319,980	382,993	463,224	516,825
(3,057)	(11,492)	20,918	(42,935) (2)	(31,615)	(1,976)
<u>646,732</u>	<u>694,990</u>	<u>787,178</u>	<u>790,909</u>	<u>898,033</u>	<u>982,227</u>
84,170	82,555	80,809	79,783	86,332	89,969
32,410	38,244	51,586	78,278	82,193	93,692
<u>116,580</u>	<u>120,799</u>	<u>132,395</u>	<u>158,061</u>	<u>168,525</u>	<u>183,661</u>
539,109	532,566	527,089	530,634	552,756	557,347
194,850	256,471	319,980	382,993	463,224	516,825
29,353	26,752	72,504	35,343 (2)	50,578	91,716
<u>763,312</u>	<u>815,789</u>	<u>919,573</u>	<u>948,970</u>	<u>1,066,558</u>	<u>1,165,888</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Expenses				
Governmental activities				
General government	\$ 29,967	30,983	31,825	32,517
Public safety	46,782	51,302	50,818	51,719
Public works	17,489	16,487	26,967	13,264
Community development	9,378	10,611	8,134	15,013
Culture and recreation	32,070	31,403	29,703	30,623
Interest on long term debt	3,097	3,459	3,368	2,998
Total governmental activities expenses	138,783	144,245	150,815	146,134
Business-type activities				
Water	20,269	23,812	26,199	24,168
Wastewater	10,822	13,413	14,167	13,962
Solid Waste	9,557	9,963	10,989	12,124
Total business-type activities expenses	40,648	47,188	51,355	50,254
Total primary government expenses	<u>\$ 179,431</u>	<u>191,433</u>	<u>202,170</u>	<u>196,388</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 21,275	22,893	25,966	24,584
Public safety	1,418	1,436	1,952	1,988
Public works	3,423	4,777	10,753	10,276
Community development	5,479	8,409	13,117	14,483
Culture and recreation	4,913	4,868	4,631	5,023
Operating grants and contributions	5,109	4,147	4,643	4,507
Capital grants and contributions	5,879	12,806	20,293	21,859
Total government activities program revenues	47,496	59,336	81,355	82,720
Business-type activities				
Charges for services:				
Water	19,775	23,183	25,823	28,887
Wastewater	14,039	13,296	14,558	15,367
Solid Waste	9,884	11,048	11,445	11,864
Capital grants and contributions	3,296	2,078	776	187
Total business-type activities program revenues	46,994	49,605	52,602	56,305
Total primary government program revenues	<u>\$ 94,490</u>	<u>108,941</u>	<u>133,957</u>	<u>139,025</u>
Net (Expense) Revenue				
Governmental activities	\$ (91,287)	(84,909)	(69,460)	(63,414)
Business-type activities	6,346	2,417	1,247	6,051
Total primary government net expense	<u>\$ (84,941)</u>	<u>(82,492)</u>	<u>(68,213)</u>	<u>(57,363)</u>

Schedule 2

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
33,782	35,510	38,460	44,602	46,797	48,167
51,946	53,538	57,759	66,688	70,435	76,853
30,630	31,052	29,541	36,057	35,195	40,789
10,501	11,991	13,564	18,206	18,859	20,423
30,083	30,105	31,275	35,698	35,619	58,221
2,178	1,860	1,732	1,633	3,971	4,278
159,120	164,056	172,331	202,884	210,876	248,731
26,001	27,809	30,459	35,101	35,868	37,522
15,433	17,332	18,250	17,294	19,526	20,109
11,199	11,945	11,762	13,235	13,682	15,077
52,633	57,086	60,471	65,630	69,076	72,708
211,753	221,142	232,802	268,514	279,952	321,439
26,852	28,846	34,198	39,415	53,704	39,191
1,849	1,643	1,205	1,333	1,407	1,270
10,122	3,911	3,165	3,546	3,906	2,916
10,487	11,941	14,055	20,485	18,266	15,229
5,313	5,106	5,057	5,315	5,741	4,993
4,756	4,297	3,902	3,265	5,111	6,637
21,895	31,291	68,541	68,479	62,861	81,176
81,274	87,035	130,123	141,838	150,996	151,412
26,914	27,953	33,847	40,571	34,844	38,092
15,925	19,730	22,818	22,369	23,513	25,850
12,462	13,125	14,053	14,870	15,588	15,837
552	385	2,443	12,761	2,636	5,014
55,853	61,193	73,161	90,571	76,581	84,793
137,127	148,228	203,284	232,409	227,577	236,205
(77,846)	(77,021)	(42,208)	(61,046)	(59,880)	(97,319)
3,220	4,107	12,690	24,941	7,505	12,085
(74,626)	(72,914)	(29,518)	(36,105)	(52,375)	(85,234)

CITY OF MOUNTAIN VIEW, CALIFORNIA

Changes in Net Position

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes:				
Property taxes	\$ 54,749	57,709	58,515	62,601
Sales taxes	15,501	15,939	16,744	16,935
Transient occupancy tax	3,914	4,397	4,668	5,595
Utility users tax	5,711	6,157	7,954	7,335
Nonregulatory franchise and business	4,084	4,204	4,241	4,633
Intergovernmental revenue	243	194	222	209
Investment income	4,784	6,363	966	3,870
Other	-	-	-	1,091
Transfers	195	355	510	739
Total government activities	89,181	95,318	93,820	103,008
Business-type activities				
Investment income	422	526	22	394
Transfers	(195)	(355)	(510)	(739)
Total business-type activities	227	171	(488)	(345)
Total primary government	\$ 89,408	95,489	93,332	102,663
Change in Net Position				
Change in net position before extraordinary and special items:				
Governmental activities	\$ (2,106)	10,409	24,360	39,594
Business-type activities	6,573	2,588	759	5,706
Total primary government	4,467	12,997	25,119	45,300
Extraordinary items:				
Assets transferred to/liabilities assumed by Successor Agency, net of LAIF rate remeasurement	-	(17,409)	-	-
Special items:				
Capital assets contributed from Successor Agency	-	-	-	16,679
Land held contributed from Successor Agency	-	-	-	6,250
Change in net position	\$ 4,467	(4,412)	25,119	68,229

Schedule 2

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
64,954	71,563	86,373	92,478	95,420	107,192
19,773	21,401	21,829	20,713	25,058	19,792
6,559	6,591	7,043	7,057	7,051	5,602
7,988	9,898	8,573	8,136	7,850	7,870
4,793	4,954	4,997	5,364	5,549	7,886
209	211	219	228	219	245
4,944	8,551	1,314	1,459	26,411	33,613
575	1,724	2,859	-	-	-
256	386	1,189	(588)	(554)	(687)
110,051	125,279	134,396	134,847	167,004	181,513
349	498	95	137	2,405	2,364
(256)	(386)	(1,189)	588	554	687
93	112	(1,094)	725	2,959	3,051
110,144	125,391	133,302	135,572	169,963	184,564
32,205	48,258	92,188	73,801	107,124	84,194
3,313	4,219	11,596	25,666	10,464	15,136
35,518	52,477	103,784	99,467	117,588	99,330
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
35,518	52,477	103,784	99,467	117,588	99,330

CITY OF MOUNTAIN VIEW, CALIFORNIA

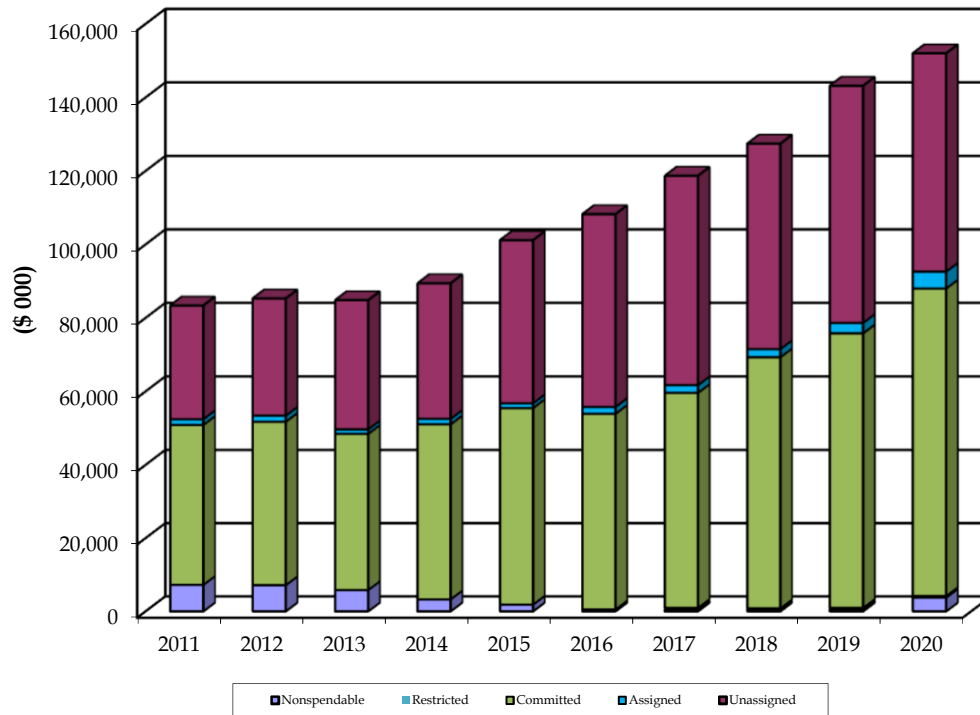
Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 7,233	7,147	5,828	3,276
Restricted	-	-	-	-
Committed	43,651	44,609	42,626	47,771
Assigned	1,548	1,648	1,222	1,498
Unassigned	30,950	31,882	35,150	36,880
Total General Fund	<u>\$ 83,382</u>	<u>85,286</u>	<u>84,826</u>	<u>89,425</u>
All Other Governmental Funds				
Nonspendable	\$ 694	47	76	67
Restricted	141,867	159,532	191,843	218,699
Committed	-	-	-	-
Unassigned	(488)	-	-	(18)
Total all other governmental funds	<u>\$ 142,073</u>	<u>159,579</u>	<u>191,919</u>	<u>218,748</u>

CITY OF MOUNTAIN VIEW, CALIFORNIA

Fund Balance for General Fund



Fiscal Year Ended June 30,

2015	2016	2017	2018	2019	2020
1,847	523	541	407	519	3,757
-	-	410	420	424	430
53,622	53,399	58,655	68,483	74,881	83,827
1,294	1,860	2,094	2,202	2,819	4,604
44,395	52,459	56,979	55,913	64,539	59,394
<u>101,158</u>	<u>108,241</u>	<u>118,679</u>	<u>127,425</u>	<u>143,182</u>	<u>152,012</u>
69	57	64	60	72	17,051
228,910	256,281	318,281	382,132	532,282	586,008
930	4,149	17,027	10,553	8,175	13,318
(18)	(3)	-	(55)	(128)	-
<u>229,891</u>	<u>260,484</u>	<u>335,372</u>	<u>392,690</u>	<u>540,401</u>	<u>616,377</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,			
	2011	2012	2013	2014
Revenues				
Taxes	\$ 82,904	89,496	93,385	98,806
Licenses, permits and fees	8,385	15,614	22,482	23,677
Fines and forfeitures	930	954	1,043	1,068
Use of money and property	13,177	15,112	10,659	14,878
Intergovernmental	6,861	5,622	7,200	7,840
Charges for services	21,069	23,339	36,221	33,810
Developer fees and contributions	-	-	-	-
Other	2,707	3,528	4,415	3,212
Total Revenues	136,033	153,665	175,405	183,291
Expenditures				
Current:				
General government	26,896	28,707	29,653	30,475
Public safety	46,212	48,364	49,474	50,517
Public works	7,907	8,377	8,736	9,340
Community development	7,468	9,581	8,316	14,494
Culture and recreation	21,407	20,997	21,072	21,904
Capital outlay	19,449	23,940	15,493	14,148
Debt service:				
Principal	5,705	18,093	5,103	5,296
Interest and fiscal charges	2,842	3,736	2,872	2,895
Total Expenditures	137,886	161,795	140,719	149,069
Excess (deficiency) of revenues over (under) expenditures	(1,853)	(8,130)	34,686	34,222
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	1,469
Issuance of bonds	-	39,454	-	12,135
Bond premium	-	-	-	-
Payment to refund bond escrow agent	-	-	-	(12,035)
Transfers in	30,355	50,417	32,211	34,028
Transfers (out)	(33,072)	(53,032)	(35,017)	(38,391)
Total other financing sources (uses)	(2,717)	36,839	(2,806)	(2,794)
Net Change in fund balances before extraordinary items	(4,570)	28,709	31,880	31,428
Extraordinary Items:				
Assets transferred to/liabilities assumed by Successor Agency, net of LAIF rate remeasurement	-	-	(9,299)	-
Net Change in fund balances	\$ (4,570)	28,709	22,581	31,428
Debt service as a percentage of noncapital expenditures	7.3%	16.0%	6.4%	6.2%

- (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,					
2015	2016	2017	2018	2019	2020
107,135	116,783	131,921	136,206	146,048	149,433
31,421	28,136	12,554	17,202	14,688	12,368
920	697	872	912	979	768
14,932	19,730	17,508	20,228	45,389	52,008
6,255	6,415	4,590	5,706	7,062	6,397
24,323	27,882	27,330	30,077	32,594	30,479
-	-	57,628 (1)	60,239	52,291	69,709
5,091	7,681	6,233	7,055	17,052	3,903
190,077	207,324	258,636	277,625	316,103	325,065
31,714	34,269	37,379	43,432	44,284	46,303
52,457	54,790	56,893	65,276	65,968	69,665
10,098	11,924	12,852	16,229	16,400	16,875
10,275	11,941	13,304	18,099	17,988	20,062
22,899	23,979	24,707	29,257	28,315	52,912
28,080	17,914	16,495	32,688	39,817	24,490
5,535	7,187	4,782	3,355	3,453	1,927
2,056	1,936	1,782	1,673	2,847	4,533
163,114	163,940	168,194	210,009	219,072	236,767
26,963	43,384	90,442	67,616	97,031	88,298
1,910	1,950	2,894	1,821	-	-
-	-	-	-	63,800	-
-	-	-	-	6,416	-
-	-	-	-	-	-
33,286	42,300	57,452	96,599	82,995	143,720
(39,283)	(49,958)	(65,462)	(99,972)	(86,774)	(147,212)
(4,087)	(5,708)	(5,116)	(1,552)	66,437	(3,492)
22,876	37,676	85,326	66,064	163,468	84,806
-	-	-	-	-	-
22,876	37,676	85,326	66,064	163,468	84,806
5.6%	6.1%	4.3%	2.8%	3.5%	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
2010-11	\$ 9,173,517	2,422,019	2,563,850	385,864
2011-12	9,441,237	2,632,290	2,479,217	372,374
2012-13	9,844,690	2,737,949	2,498,708	384,514
2013-14	10,803,722	3,029,020	2,586,574	358,677
2014-15	11,604,492	3,392,658	2,671,439	925,685
2015-16	12,697,503	3,633,892	3,381,658	1,016,306
2016-17	14,015,191	4,794,158	3,420,298	1,125,702
2017-18	15,613,793	5,376,731	3,676,616	1,072,122
2018-19	16,641,242	6,027,299	3,944,104	1,087,814
2019-20	18,323,758	6,408,156	4,373,020	1,386,810

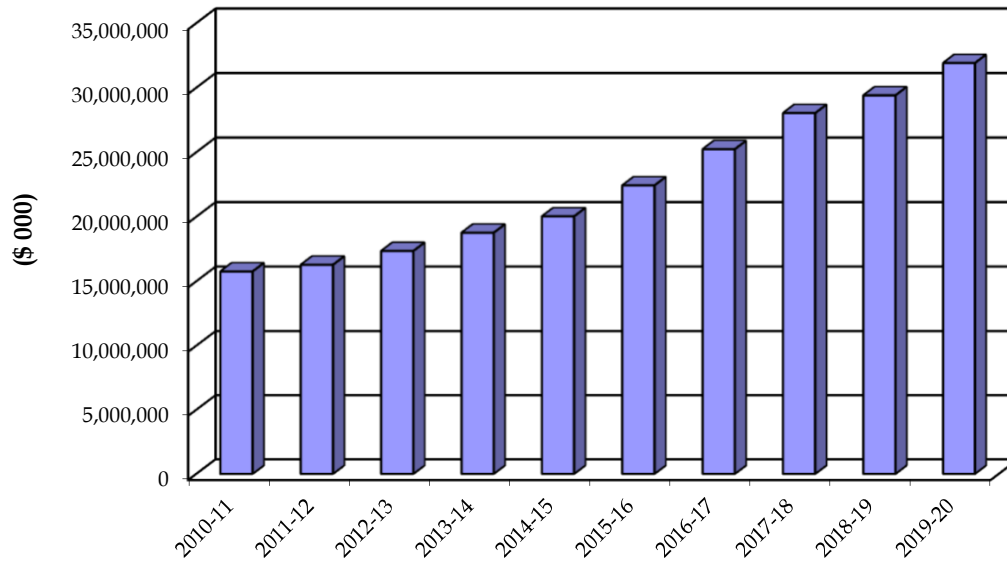
Source: Santa Clara County Assessor

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



Unsecured	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)
1,688,517	(474,476)	15,759,291	1.00%
1,852,725	(501,151)	16,276,693	1.00%
2,400,336	(521,424)	17,344,773	1.00%
2,527,347	(545,680)	18,759,660	1.00%
2,444,399	(1,011,970)	20,026,703	1.00%
2,689,859	(993,411)	22,425,807	1.00%
2,972,482	(1,094,913)	25,232,918	1.00%
3,437,332	(1,145,258)	28,031,336	1.00%
2,830,453	(1,125,615)	29,405,297	1.00%
2,816,506	(1,400,344)	31,907,906	1.00%

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		
2010-11	1.00	1.00	0.0483	0.0507	0.0799	0.1081	0.0000	0.0129	0.0072	1.1354	1.1789
2011-12	1.00	1.00	0.0388	0.0459	0.0747	0.1110	0.0000	0.0129	0.0064	1.1199	1.1762
2012-13	1.00	1.00	0.0439	0.0463	0.1005	0.1149	0.0000	0.0129	0.0069	1.1513	1.1810
2013-14	1.00	1.00	0.0423	0.0423	0.0941	0.1059	0.0000	0.0129	0.0070	1.1434	1.1681
2014-15	1.00	1.00	0.0479	0.0479	0.0747	0.1164	0.0000	0.0129	0.0065	1.1291	1.1837
2015-16	1.00	1.00	0.0476	0.0476	0.0632	0.1174	0.0000	0.0129	0.0065	1.1173	1.1844
2016-17	1.00	1.00	0.0474	0.0474	0.0772	0.0943	0.0000	0.0129	0.0092	1.1338	1.1638
2017-18	1.00	1.00	0.0597	0.0597	0.0737	0.1052	0.0000	0.0100	0.0071	1.1405	1.1820
2018-19	1.00	1.00	0.0565	0.0565	0.1015	0.1259	0.0000	0.0100	0.0060	1.1640	1.1984
2019-20	1.00	1.00	0.0557	0.0557	0.0962	0.1158	0.0000	0.0100	0.0057	1.1576	1.1872

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 2019-20			Fiscal Year 2010-11		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Google LLC	\$ 4,495,744	1	14.1%	\$ 981,453	1	6.2%
Intuit Inc.	411,209	2	1.3%	-	-	-
SI 62	306,934	3	1.0%	-	-	-
Nor Cal Plymouth Realty LLC	134,420	4	0.4%	-	-	-
Baccarat Shoreline LLC	118,225	5	0.4%	-	-	-
P A Charleston Road LLC	114,240	6	0.4%	98,297	6	0.6%
Richard T. Peery Trustee	100,958	7	0.3%	137,496	4	0.9%
Microsoft Corporation	81,401	8	0.2%	118,716	5	0.8%
MGP IX SAC II Properties LLC	432,054	9	1.3%	-	-	-
LinkedIn Corporation	383,852	10	1.2%	-	-	-
HCP Life Science REIT Inc.	-	-	-	315,451	2	2.0%
Mission West Shoreline LLC	-	-	-	175,434	3	1.1%
Cherly A. S. Stacy 2009 Trust	-	-	-	70,187	7	0.5%
Trust NOIP Charleston	-	-	-	66,841	8	0.4%
400 Castro St. Inc.	-	-	-	53,993	9	0.3%
SIC - Mountain Bay Plaza LLC	-	-	-	50,100	10	0.3%
Subtotal	\$ <u>6,579,037</u>		<u>20.6%</u>	\$ <u>2,067,968</u>		<u>13.1%</u>

Fiscal Year 2019-20 Total Net Assessed Valuation: \$ 31,907,906

Fiscal Year 2010-11 Total Net Assessed Valuation: \$ 15,759,291

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

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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
2010-11	\$ 54,749	54,749	100%	-	54,749	100%
2011-12	57,709	57,709	100%	-	57,709	100%
2012-13	58,515	58,515	100%	-	58,515	100%
2013-14	62,601	62,601	100%	-	62,601	100%
2014-15	64,954	64,954	100%	-	64,954	100%
2015-16	71,563	71,563	100%	-	71,563	100%
2016-17	86,373	86,373	100%	-	86,373	100%
2017-18	92,478	92,478	100%	-	92,478	100%
2018-19	95,420	95,420	100%	-	95,420	100%
2019-20	107,192	107,192	100%	-	107,192	100%

Source: City of Mountain View

- (1) Levies include real and personal property. Amount excludes Special Assessments and the penalties and fees on delinquent Special Assessments.
- (2) The City selected to participate in the "Teeter" plan offered by the County whereby cities receive 100 percent of the taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes. The "Teeter" plan does not apply to Special Assessment Districts.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Ratio of Outstanding Debt by Type

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Governmental Activities			
	Tax Allocation Bonds	Certificates of Participation	Bank Loan	Special Assessment Debt
2010-11	\$ 37,275	17,958	-	333
2011-12	56,330 (3)	5,779 (3)	-	306
2012-13	52,300	4,738	-	274
2013-14	36,085	3,655	12,135	241
2014-15	34,550	2,530	9,293	208
2015-16	32,955	-	6,265	174
2016-17	31,290	-	3,187	134
2017-18	29,555	-	1,607	95
2018-19	97,863 (5)	-	-	49
2019-20	95,756	-	-	12

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

Note: Debt amounts, except for Water Bonds (see (4) below), exclude any premiums, discounts or other amortization amounts.

(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) In Fiscal Year 2011-12, the Revitalization Authority was dissolved and its assets transferred/liabilities assumed by the Successor Agency.

(4) Beginning in Fiscal Year 2012-13, Business-Type activities amount includes premiums and discounts.

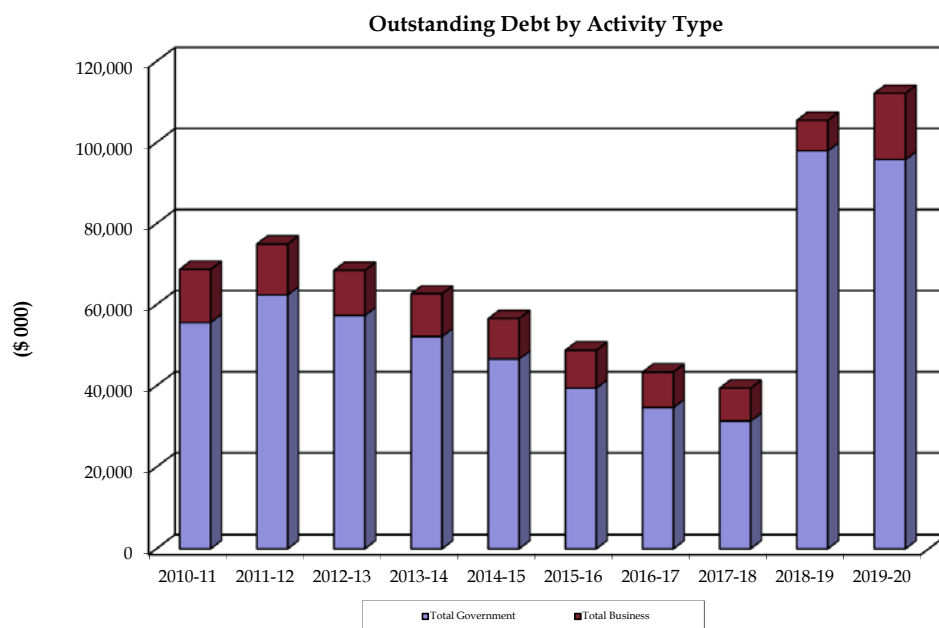
(5) Includes 2018 SRPC Revenue Bonds, Series A and Series B (2018 Bonds). See Note 7 for additional information.

(6) In Fiscal Year 2019-20, the remaining balance of \$10M of the \$10.1M loan was drawn. See Note 7 for additional information.

(7) Personal income data for Fiscal Year 2019-20 is not available until May of 2021.

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

CITY OF MOUNTAIN VIEW, CALIFORNIA



Business-Type Activities		Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
Water Bonds (1)	WasteWater Direct Financing			
13,125	-	68,691	1.58%	0.92
12,525	-	74,940	1.59%	0.99
11,115 (4)	-	68,427	1.33%	0.89
10,540	-	62,656	1.16%	0.81
9,955	-	56,536	0.96%	0.72
9,355	-	48,749	0.75%	0.61
8,740	-	43,351	0.59%	0.54
8,110	-	39,367	0.49%	0.49
7,470	59	105,441	1.20%	1.29
6,810	9,521 (6)	112,099	(7)	1.36

CITY OF MOUNTAIN VIEW, CALIFORNIA

Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value of Property	Per Capita (1)
	Tax Allocation Bonds	Total		
2010-11	\$ 37,275	37,275	0.24%	0.50
2011-12	56,330	56,330	0.35%	0.74
2012-13	52,300	52,300	0.32%	0.68
2013-14	36,085	36,085	0.19%	0.47
2014-15	34,550	34,550	0.17%	0.44
2015-16	32,955	32,955	0.15%	0.41
2016-17	31,290	31,290	0.12%	0.39
2017-18	29,555	29,555	0.11%	0.37
2018-19	97,863 (2)	97,863	0.33%	1.20
2019-20	95,756	95,756	0.30%	1.16

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

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

Schedule 11

CITY OF MOUNTAIN VIEW, CALIFORNIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

2019-20 Assessed Valuation: \$31,907,906,251

	Total Debt 6/30/20	% Applicable (1)	City's Share of Debt 6/30/20
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Santa Clara County	\$881,455,000	6.190%	\$ 54,562,065
Foothill-DeAnza Community College District	607,960,590	17.865	108,612,159
Fremont Union High School District	520,515,088	0.284	1,478,263
Mountain View-Los Altos Union High School District	131,002,659	57.473	75,291,158
Los Altos School District	177,350,000	15.659	27,771,237
Mountain View School District	7,450,000	91.685	6,830,533
Sunnyvale School District	217,180,820	0.639	1,387,785
Mountain View-Whisman School District	267,970,000	94.139	252,264,278
Whisman School District	10,802,557	98.211	10,609,299
El Camino Hospital District	120,690,000	32.534	39,265,285
Midpeninsula Regional Open Space District	88,810,000	10.197	9,055,956
City of Mountain View 1915 Act Bonds	12,456	100.000	12,456
Shoreline Regional Park Community	89,665,000	100.000	89,660,000
Santa Clara Valley Water District Benefit Assessment District	65,495,000	6.190	4,054,141
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$680,859,615
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
Santa Clara County General Fund Obligations	\$966,725,100	6.190%	\$ 59,840,284
Santa Clara County Pension Obligation Bonds	346,996,639	6.190	21,479,092
Santa Clara County Board of Education Certificates of Participation	3,480,000	6.190	215,412
Foothill-DeAnza Community College District Certificates of Participation	24,092,620	17.865	4,304,147
Mountain View-Los Altos Union High School District General Fund Obligations	2,834,136	57.473	1,628,863
Los Altos School District Certificates of Participation	2,185,335	15.659	342,202
City of Mountain View	0	100.000	0
Midpeninsula Regional Park District General Fund Obligations	111,985,600	10.197	11,419,172
Santa Clara County Vector Control District Certificates of Participation	2,010,000	6.190	124,419
TOTAL OVERLAPPING GENERAL FUND DEBT			\$99,353,591
Less: Santa Clara County supported obligations			1,988,932
NET OVERLAPPING GENERAL FUND DEBT			\$97,364,659
TOTAL DIRECT DEBT			\$95,768,456 (3)
TOTAL GROSS OVERLAPPING DEBT			\$690,545,750
TOTAL NET OVERLAPPING DEBT			\$688,546,818
GROSS COMBINED TOTAL DEBT			\$786,304,206 (2)(3)
NET COMBINED TOTAL DEBT			\$784,315,274 (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 of 6,091,000.

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.13%
Total Direct Debt.....	0.30%
Gross Combined Total Debt.....	2.46%
Net Combined Total Debt	2.46%

Source: California Municipal Statistics, Inc.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Legal Debt Margin Information

Last Ten Fiscal Years
(Dollars in Thousands)

	Fiscal Year			
	2010-11	2011-12	2012-13	2013-14
Debt limit	\$ 1,947,008	1,982,930	2,601,716	2,813,949
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 1,947,008</u>	<u>1,982,930</u>	<u>2,601,716</u>	<u>2,813,949</u>
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

(1) Source: California Municipal Statistics, Inc., excluding tax allocation increment.

(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.

Legal Debt Margin Calculation for Fiscal Year 2019-20

Assessed value (net) - June 30, 2020 (1)	\$ 31,907,906
Debt limit: 15% of assessed value	4,786,186
Less total bonded debt, general obligation	-
Legal debt margin (2)	\$ 4,786,186

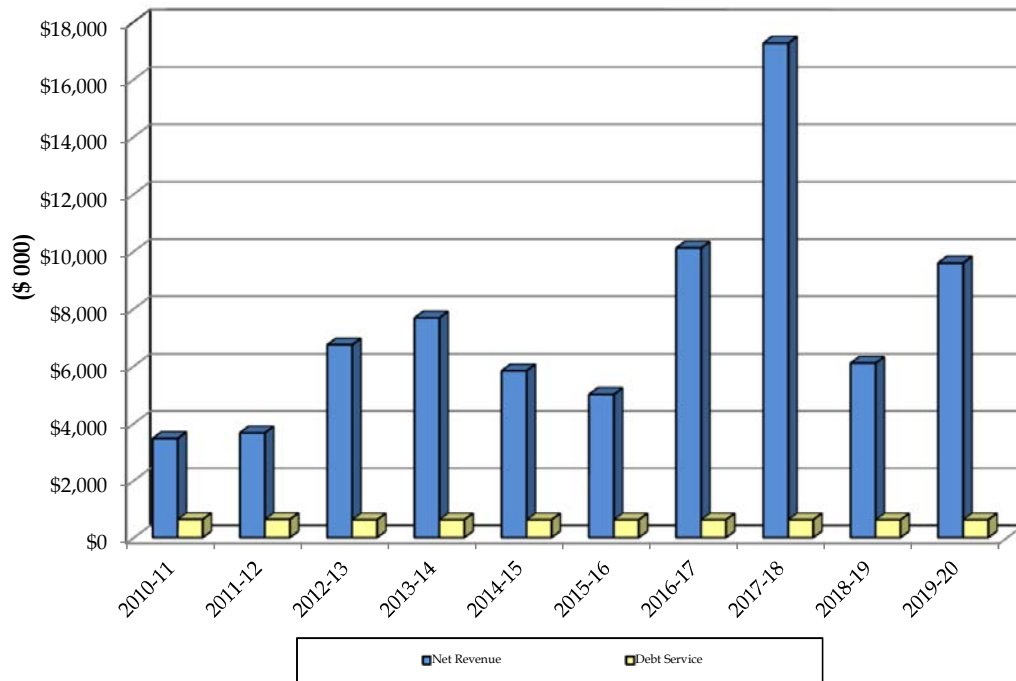
Fiscal Year					
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
3,004,005	3,363,871	3,784,938	4,204,700	4,410,795	4,786,186
-	-	-	-	-	-
3,004,005	3,363,871	3,784,938	4,204,700	4,410,795	4,786,186
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

Water Revenue Bonds



Water Revenue Bonds						
Fiscal Year	Gross Revenues	Less: Operating Costs	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2010-11	\$ 20,269	16,799	3,470	290	349	5.4
2011-12	23,608	19,938	3,670	300	339	5.7
2012-13	29,060	22,322	6,738	310	316	10.8
2013-14	29,183	21,505	7,678	325	304	12.2
2014-15	27,504	21,671	5,833	335	291	9.3
2015-16	28,479	23,472	5,007	350	277	8.0
2016-17	36,005	25,894	10,111	365	263	16.1
2017-18	48,005	30,746	17,259	380	248	27.5
2018-19	37,520	31,425	6,095	390	234	9.8
2019-20	42,135	32,544	9,591	410	219	15.2

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

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

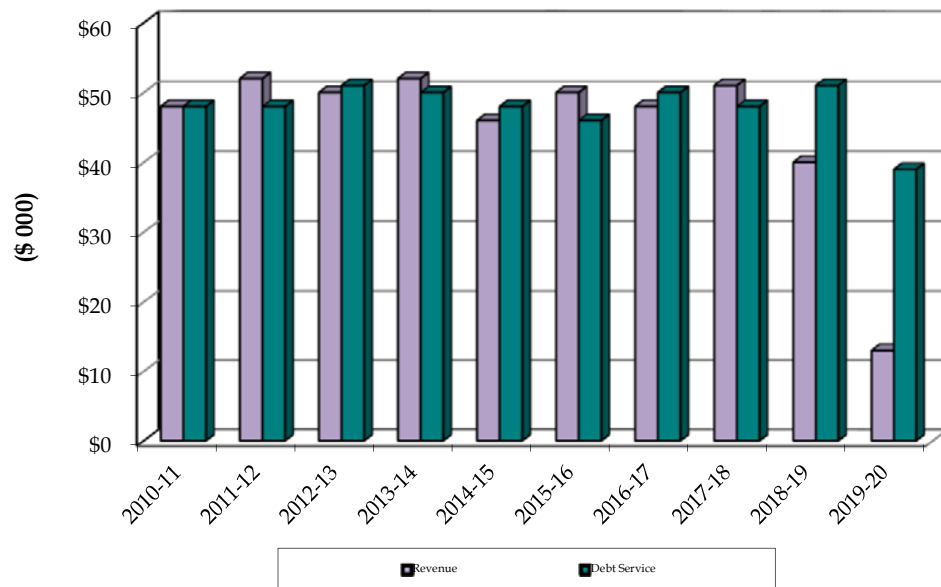
Operating costs exclude depreciation or amortization. Interest also includes fiscal charges and other related costs.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

Special Assessment Bonds



Special Assessment Bonds				
Fiscal Year	Special Assessment Collections (1)	Debt Service		Coverage
		Principal	Interest	
2010-11	\$ 48	26	22	1.0
2011-12	52	27	21	1.1
2012-13	50	32	19	1.0
2013-14	52	33	17	1.0
2014-15	46	33	15	1.0
2015-16	50	34	12	1.1
2016-17	48	39	11	1.0
2017-18	51	40	8	1.1
2018-19	40	46	5	0.8
2019-20	13	37	2	0.3

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

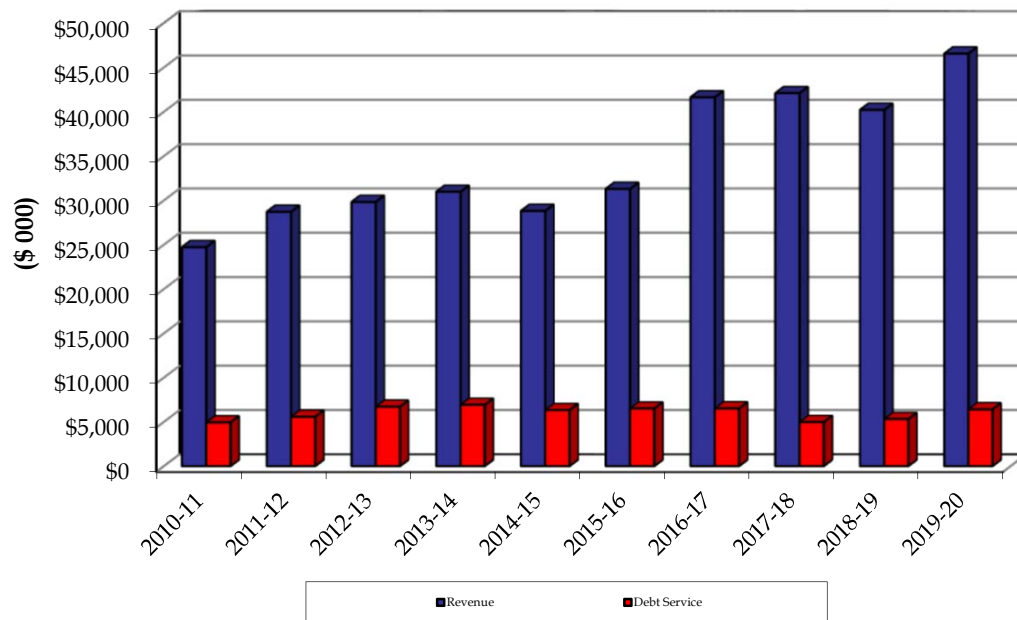
(1) Collections include interest payments from property owners.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

Revenue Bonds - Shoreline Regional Park Community



Revenue Bonds-Shoreline Regional Park Community (1)

Fiscal Year	Tax		Debt Service		Coverage
	Increment Revenues				
		Principal	Interest (2)		
2010-11	\$	24,738	3,215	1,726	5.0
2011-12		28,716	3,360	2,218	5.1
2012-13		29,825	4,030	2,680	4.4
2013-14		30,972	4,180	2,746	4.5
2014-15		28,821	4,377	1,953	4.6
2015-16		31,304	4,623	1,884	4.8
2016-17		41,635	4,743	1,771	6.4
2017-18		42,100	3,315	1,665	8.5
2018-19		40,219	3,407	1,917	7.6
2019-20		46,565	1,890	4,531	7.3

(1) Comprised of SRPC 2011 Revenue Bonds, 2014 Bank Loan (paid off in Fiscal Year 2019-19), and 2018 SRPC Revenue Bonds, Series A and Series B.

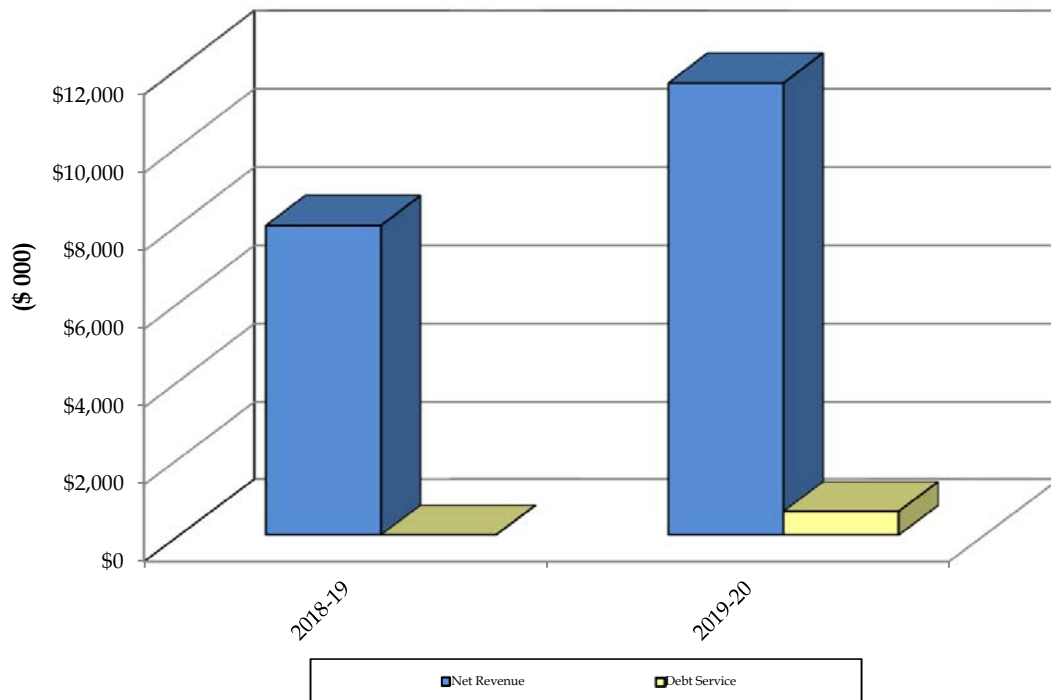
(2) Includes other fiscal charges.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

Wastewater Direct Financing Arrangement



Wastewater Direct Financing Arrangement						
Fiscal Year	Gross Revenues	Less: Operating Costs	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2018-19	\$ 25,394	17,434	7,960	-	1	7,960.0
2019-20	29,452	17,847	11,605	579	35	18.9

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

Gross revenues include developer capital contribution fees, non-operating interest earnings and transfers in. Operating costs exclude depreciation or amortization. Interest also includes fiscal charges and other related costs.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Demographic Statistics

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year	Population (1)	Population Density (Sq. Mile) (2)	Personal Income (3)	Per Capita Personal Income (3)	School Enrollment	Unemployment Rate (%) (3)
2010-11	75,023	6,149	\$ 4,351,334	58	7,311	10.3%
2011-12	75,931	6,224	4,707,722	62	7,351	8.7%
2012-13	76,872	6,301	5,150,424	67	7,524	6.8%
2013-14	77,210	6,329	5,404,700	70	7,535	5.4%
2014-15	78,754	6,455	5,906,550	75	7,552	3.9%
2015-16	79,805	6,541	6,464,205	81	7,577	4.0%
2016-17	80,469	6,596	7,403,148	92	7,620	3.5%
2017-18	80,620	6,608	8,062,000	100	7,678	2.9%
2018-19	81,639	6,692	8,817,012	108	7,719	2.6%
2019-20	82,272	6,744	(4)	(4)	7,511	9.3%

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

(1) Population numbers are provisional estimates as of January 1st revised annually. Population numbers are restated as updated numbers are available.

(2) 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.

(3) Personal income data for Fiscal Year 2019-20 is not available until May of 2021.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Principal Employers

Current Year and Nine Years Ago

Employer	Fiscal Year 2019-20			Fiscal Year 2010-11		
	Estimated Number of Employees	Rank	Percentage of Total City Employment	Estimated Number of Employees	Rank	Percentage of Total City Employment
Google LLC	25,000	1	18.8%	10,000	1	8.5%
Intuit Inc.	2,642	2	2.0%	1,778	5	1.5%
El Camino Hospital	2,181	3	1.6%	2,443	3	2.1%
LinkedIn	1,993	4	1.5%	1,306	6	1.1%
Microsoft Corporation	1,668	5	1.3%	2,000	4	1.7%
Waymo LLC	1,250	6	0.9%	-	-	-
Pure Storage	1,157	7	0.9%	-	-	-
Palo Alto Medical Foundation	1,150	8	0.9%	-	-	-
Synopsys Inc.	1,143	9	0.8%	1,047	7	0.9%
Samsung	1,056	10	0.8%	-	-	-
Symantec	-	-	-	2,793	2	2.4%
KPMG	-	-	-	685	8	0.6%
Microsemi	-	-	-	240	9	0.2%
Siemens	-	-	-	229	10	0.2%
Subtotal	<u>39,240</u>		<u>29.5%</u>	<u>22,521</u>		<u>19.2%</u>
Total City Daytime Population	132,976			117,000		

Sources: Business License Data

Silicon Valley Business Journal 'The List 2019-2020'

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,			
	2011 (1)	2012 (1)	2013	2014
General government	77.25	73.75	73.75	74.75
Public safety:				
Fire:				
Firefighters and Safety Officers	73.00	73.00	74.00	74.00
Civilians	8.60	8.60	5.60	5.60
Police:				
Sworn Police	95.00	95.00	96.00	96.00
Civilians	49.50	46.50	44.00	44.00
Public works	58.75	52.05	53.05	54.05
Community development	33.00	32.00	32.00	34.00
Culture and recreation:				
Community Services	104.75	99.25	81.75 (2)	81.75
Library	33.50	30.00	30.00	30.00
Water	38.91	38.15	38.15	37.65
Wastewater	21.63	21.50	21.50	21.50
Solid Waste	15.36	14.95	14.95	14.95
Total Regular Positions	<u>609.25</u>	<u>584.75</u>	<u>564.75</u>	<u>568.25</u>
Limited-Period Positions	<u>3.00</u>	<u>3.00</u>	<u>3.50</u>	<u>6.25</u>
Total	<u><u>612.25</u></u>	<u><u>587.75</u></u>	<u><u>568.25</u></u>	<u><u>574.50</u></u>

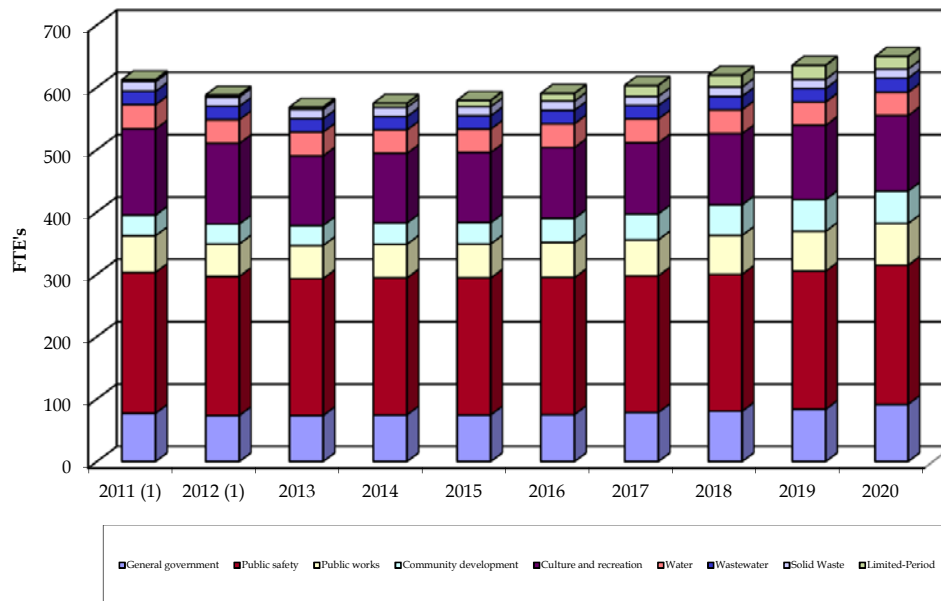
Source: City of Mountain View

(1) Fiscal years ended June 30, 2011 and 2012 include 25.0 and 1.0 unfunded positions, respectively.

(2) Includes the elimination of 17.5 positions with the transfer of the management of the golf course to a private operator.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Employees by Function



Adopted for Fiscal Year Ended June 30,

2015	2016	2017	2018	2019	2020
74.75	75.40	78.65	80.65	83.65	91.65
74.00	74.00	74.00	73.00	73.00	71.00
5.60	5.60	4.60	5.60	7.60	8.60
96.00	96.00	95.00	95.00	95.00	96.00
44.00	44.00	45.50	46.00	46.00	47.50
54.55	56.20	57.70	62.40	63.90	66.90
34.00	38.75	41.75	49.00	51.00	52.00
82.75	83.75	84.25	84.50	88.50	90.50
30.00	30.00	29.75	29.75	30.75	30.75
37.50	38.25	38.25	38.35	37.35	37.35
21.45	21.60	21.60	21.70	21.70	22.70
14.65	14.70	14.70	14.80	14.80	14.80
569.25	578.25	585.75	600.75	613.25	629.75
10.00	12.25	17.50	19.00	22.50	20.00
579.25	590.50	603.25	619.75	635.75	649.75

CITY OF MOUNTAIN VIEW, CALIFORNIA

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
Public safety:				
Fire:				
Fire calls for service	5,033	5,141	5,196	5,526
Primary fire inspections conducted	1,257	965 (1)	999 (1)	957 (1)
Environmental safety inspections conducted	2,000	1,626 (1)	1,593 (1)	1,851
Police:				
Communication Center calls answered	84,313	81,820	79,662	85,175
Police calls for service	77,854	71,758	72,318	61,525
Law violations:				
Part I and Part II crimes	5,075	4,548	4,465	4,384
Physical arrests (adult and juvenile)	2,538	2,346	2,706	2,320
Traffic violations	14,245	10,789 (5)	18,908	13,411
Parking violations	7,296	4,755 (5)	4,120	8,235
Public works				
Street resurfacing (miles)	3.40 (6)	1.83 (7)	1.20 (8)	1.49
Potholes repaired (square feet)	342	430	1,102 (11)	821
Culture and recreation:				
Community Services:				
Recreation class participants	8,595	7,604	7,020	8,558
Performing Arts Center performances	339	348	340	399
Library:				
Volumes in Collection (thousands)	321	333	331	337
Total Volumes Borrowed (thousands)	1,722	1,799	1,747	1,685
Water				
Water service connections	17,433	17,497	17,636	17,781
Water main breaks	12	6	6	8
Average daily consumption (thousands of gallons)	9,868	10,350	10,520	10,475
Wastewater				
Storm drain inlets	2,664	2,767	2,776	2,776
Sewer service connections	17,099	17,149	17,373	17,377
Sewer main blockages	4	4	6	5
Average daily treatment (thousands of gallons)	8,090	7,860	7,608	6,980
Solid Waste				
Landfilled (tons per year)	45,491	48,332	46,894	44,878
Recyclables Processed (tons per year) (17)	24,291	24,703	28,136	30,411

Source: City of Mountain View

- (1) Lower due to vacancy and turnover in personnel resulting in reduced staffing.
- (2) Beginning in the Fiscal Year ended June 30, 2015 includes total fire inspections completed by Fire Suppression Line Personnel (918). Previously included only those completed by the Fire & Environmental Protection Division (FEPD).
- (3) Beginning in the Fiscal Year ended June 30, 2016, includes total multi-family housing inspections completed by FEPD not previously accounted for.
- (4) For the Fiscal Year ended June 30, 2016 Police calls for service number is restated. Number of calls have decreased due to the different way the new CAD system records some activities.
- (5) Fewer Traffic and Parking violations due to less officers available in the Traffic and Parking Enforcement Units.
- (6) Work on Federal Stimulus Package delayed work on street resurfacing.
- (7) Diversion of street resurfacing funds to a Federally funded streets project contributed to lower than average street resurfacing miles.
- (8) Reflects focus on other street improvements such as drain grates, sidewalks, gutters, and curbs; which has diverted funding away from resurfacing efforts.
- (9) The City was unable to advertise and bid the surface project and therefore street resurfacing project was delayed.
- (10) Increase in mileage due to increase in funding availability in Fiscal Year 2019-20.
- (11) The City's Customer Relationship Management (CRM) system has significantly increased the number of maintenance requests the Streets Operation receives from the public, including requests to fill potholes.
- (12) Increase due to responses to sections of California St., Shorline Blvd., Miramonte, and El Camino Real (this is a state highway that City assisted with abating the most hazardous potholes).
- (13) The measures may have been affected by customers slowly returning to the Library upon the finished remodel and as programs were steadily added.
- (14) Methodology to estimate number of sewer connections changed to reflect more accurate count.
- (15) Fiscal Year ended June 30, 2018 is restated due to incorrect figures reflected for the year.
- (16) Fiscal Year ended June 30, 2015 was restated in Fiscal Year ended June 30, 2016 due to incorrect calculations.
- (17) 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.
- (18) Decreases in various function/program due to the COVID-19 public health crisis and Shelter-in-Place restrictions.

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020 (18)
5,703	5,955	6,117	6,049	6,188	6,120
1,857 (2)	2,844 (3)	1,972 (1)	1,520 (1)	2,262	2,498
1,769	1,641	1,572	1,613	1,363	1,718
90,559	91,826	91,782	92,011	83,400	73,201
63,093	48,875 (4)	48,515	44,188	44,725	40,254
4,369	4,901	4,689	4,914	5,335	3,630
2,262	1,978	2,218	2,119	1,970	1,732
13,745	11,821	8,233	3,563	4,270 (5)	3,073
5,990	6,733	8,149	12,506	12,144	6,761
- (9)	2.40	6.80	2.97	3.93	9.62 (10)
1,439	1,800	3,271	1,071	3,724 (12)	2,025
9,438	8,697	8,412	8,501	9,023	2,606
394	399	437	555	504	276
337	326	329	302	308	305
1,564	1,416	1,339	1,177 (13)	1,253	961
17,858	17,516	18,004	18,199	18,341	18,572
9	5	10	2	8	7
8,713	6,917	7,807	8,395	8,341	8,823
2,829	3,030	3,086	3,086	3,086	3,086
17,461	16,906 (14)	16,906	16,863 (15)	16,990	17,373
15	4	3	6	6	6
6,750	6,235	6,285	7,005	7,295	7,598
46,865 (16)	40,961	40,092	41,320	47,578	42,667 (18)
35,465	40,499	41,649	41,381	42,248	36,751 (18)

CITY OF MOUNTAIN VIEW, CALIFORNIA

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
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	139.2	139.2	140.2	140.2
Street lights	4,117	4,117	4,117	4,117
Traffic Signals	80	80	83	83
Culture and recreation:				
Community services:				
City parks (2)	35	37	37	39
City parks acreage (2)	194.7	195.7	195.7	196.35
Playgrounds (2)	28	30	30	30
City trails (2)	5	5	5	5
City trails miles (2)	9.02	9.35	9.35	9.26 (4)
Roadway landscaping acreage	120.25	120.25	120.25	120.25
Regional park acreage (including trails) (2)	781.79	796.63	796.63	796.13 (6)
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 (7)	1	1	1	1
Community gardens	2	2	2	2
Community centers	1	1	1	1
Senior centers	1	1	1	1
Teen Center (8)	0	0	0	0
Sports centers	2	2	2	2
Performing arts centers	1	1	1	1
Swimming pools	2	2	2	2
Tennis courts	35	35	35	35
Baseball/softball diamonds	6	6	6	6
Soccer/football fields	14	14	14	14
Library:				
City Libraries	1	1	1	1
Water				
Miles of water mains	172	172	176	176
Fire hydrants	2,065	2,070	2,072	2,074
Storage capacity (thousands of gallons)	38,530	38,530	38,530	38,530
Wastewater				
Miles of sanitary sewers	159	159	158	158
Miles of storm sewers	108	108	108	109
Number of treatment plants (10)	0	0	0	0
Treatment capacity (thousands of gallons)	15,100	15,100	15,100	15,100

Source: City of Mountain View

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

Fiscal Year Ended June 30,					
2015	2016	2017	2018	2019	2020
5	5	5	5	5	5
1	1	1	1	1	1
38	38	38	38	38	38
140.2	140.2	140.2	140.2	140.1 (1)	140.1
4,117	4,120	4,120	4,120	4,270	4,270
83	83	83	85	85	86
41	42	42	42	42	42
199.12	212.32 (3)	212.32	212.32	212.32	212.32
30	30	30	30	30	30
5	5	5	5	5	5
9.26	9.26	9.26	9.71 (5)	9.71	9.71
120.25	120.25	120.25	120.25	120.25	120.25
796.13	784.13 (3)	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
1	1	3	3	3	3
2	2	2	2	3	3
1	1	1	1	1	1
1	1	1	1	1	1
0	0	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
6	8	8	8	8	8
14	16	16	16	16	16
1	1	1	1	1	1
176	176	177	188	188	188
2,091	2,118	2,118	2,136	2,136	2,136
38,530	38,530	38,530	38,530	38,530	38,530
158	158	158	158	157 (9)	157
109	109	109	109	109	109
0	0	0	0	0	0
15,100	15,100	15,100	15,100	15,100	15,100

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**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, 2020

Prepared by the

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

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

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MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

For the Fiscal Year Ended June 30, 2020

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mountain View Shoreline Regional Park Community (Shoreline Community), a component unit of the City of Mountain View, California, as of and for the year ended June 30, 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Shoreline Community as of June 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparison for Shoreline Regional Park Community Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 13 to the financial statements, in March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The Shoreline Community expects this outbreak to adversely impact revenues and operations for future reporting periods. The Shoreline Community is not able to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Shoreline Community or results of operations. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Shoreline Community's basic financial statements. The Shoreline Regional Park Community Fund combining fund financial statements as listed in the table of contents as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Shoreline Regional Park Community Fund combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 19, 2020, 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.



Walnut Creek, California
November 19, 2020

**Mountain View Shoreline Regional Park Community
Management's Discussion and Analysis (MD&A) (Unaudited)
For the Fiscal Year Ended June 30, 2020**

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, 2020. 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 2019-20, property taxes have increased by 15.8%. Fiscal Year 2019-20 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, 2020, by \$8.6 million (net position). Of this amount, negative \$21.0 million reflects its net investment in capital assets, \$33.0 million is restricted for Shoreline Community indebtedness, \$50,000 is restricted for debt service, and negative \$3.4 million is unrestricted.
- The Shoreline Community's total net position decreased by \$59.8 million during the fiscal year compared to the prior fiscal year decrease of \$2.8 million. The significant change is primarily due to increase related to transfers for capital projects occurring in this fiscal year including transfers of unspent Shoreline Regional Park Community 2018 Revenue Bonds proceeds of \$69.3 million.
- Governmental revenues of \$55.6 million including program revenues, and general revenues, excluding net transfers, are \$8.4 million more than the prior fiscal year. The change is primarily due to increases in property taxes and developer fees and contributions received during the fiscal year compared to the prior fiscal year.
- Shoreline Community expenses are \$31.6 million, comparable to the prior fiscal year.

- Governmental fund balances for the fiscal year ended June 30, 2020, decreased \$62.4 million to \$44.3 million, primarily due to \$87.9 million in transfers to the General Capital Projects fund.
- Governmental fund revenues are \$51.3 million for the fiscal year ended June 30, 2020, an increase of \$8.6 million from the prior fiscal year, primarily from increases in property taxes and developer fees and contributions.
- Governmental fund expenditures are \$30.2 million for the fiscal year ended June 30, 2020, an increase of \$0.6 million from the prior fiscal year's expenditures of \$29.6 million.
- The Shoreline Community's total long-term debt decreased by \$2.1 million compared with the prior fiscal year mostly 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 between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Shoreline Community is improving or deteriorating.

The Statement of Activities presents information showing how the Shoreline Community's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

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

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

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

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

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

Fiduciary funds are used to account for resources held for the benefit of parties outside the Shoreline Community. Since the resources of these funds are not available to support the Shoreline Community'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 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 SPRC Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Shoreline Community has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. 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>2020</u>	<u>2019</u>
Assets:		
Current and other assets	\$ 48,450	\$ 110,423
Capital assets	<u>66,129</u>	<u>65,548</u>
Total assets	<u>114,579</u>	<u>175,971</u>
Deferred outflows of resources:		
Pension items	993	1,103
OPEB items	<u>602</u>	<u>290</u>
Total deferred outflows of resources	<u>1,595</u>	<u>1,393</u>
Liabilities:		
Current and other liabilities	6,028	5,655
Noncurrent liabilities	95,756	97,863
Net pension liability	5,032	5,038
Net OPEB liability	<u>602</u>	<u>290</u>
Total liabilities	<u>107,418</u>	<u>108,846</u>
Deferred inflows of resources:		
Deferred inflows related to pension	<u>113</u>	<u>95</u>
Net Position:		
Net investment in capital assets	(21,018)	37,179
Restricted for Shoreline Community indebtedness	33,047	26,215
Restricted for debt service	50	6,583
Unrestricted	<u>(3,436)</u>	<u>(1,554)</u>
Total net position	<u>\$ 8,643</u>	<u>\$ 68,423</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 \$8.6 million at the end of the fiscal year. The components of net position are as follows:

- Net investment in capital assets was negative \$21.0 million which was a decrease of \$58.2 million compared to the prior fiscal year. This decrease was mainly due to the transfer of unspent Shoreline Regional Park Community 2018 Revenue Bonds proceeds of \$69.3 million to the City's General Capital Projects fund for the construction of infrastructure improvements in the Shoreline Community during the current fiscal year.
- Another significant component of the Shoreline Community's net position is \$33.0 million in Restricted for Shoreline Community Indebtedness, which may be used to meet the Shoreline Community's obligations. The balance increased by \$6.8 million from prior fiscal year.

The decreases of the current and other assets and net position during the year were mainly due to the transfer of unspent Shoreline Regional Park Community 2018 Revenue Bonds proceeds of \$69.3 million to the City's General Capital Projects fund. These funds were held by the Shoreline Community as restricted cash and investments in prior fiscal year.

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>2020</u>	<u>2019</u>
Revenues:		
Program revenues	\$ 2,047	\$ 649
General revenues:		
Taxes	46,565	40,219
Capital contributions	4,230	4,358
Investment income	<u>2,732</u>	<u>1,909</u>
Total revenues	<u>55,574</u>	<u>47,135</u>
Expenses:		
General government	18,508	18,249
Public safety	278	207
Public works	2,280	2,075
Community development	251	316
Culture and recreation	5,958	7,039
Interest on long-term debt	<u>4,276</u>	<u>3,967</u>
Total expenses	<u>31,551</u>	<u>31,853</u>
Increase in net position before transfers	<u>24,023</u>	<u>15,282</u>
Transfers (net)	(83,484)	(16,732)
Transfer of capital assets to the City of Mountain View	<u>(319)</u>	<u>(1,332)</u>
Change in net position	<u>(59,780)</u>	<u>(2,782)</u>
Beginning net position	<u>68,423</u>	<u>71,205</u>
Ending net position	<u>\$ 8,643</u>	<u>\$ 68,423</u>

The major component of the Shoreline Community's current fiscal year revenues is \$46.6 million of property taxes. This is an increase of \$6.4 million when compared to the prior fiscal year due to changes in the commercial vacancy rate and assessed values. Program revenues were \$2.0 million and increased by \$1.4 million from the prior fiscal year. This increase was due primarily to one-time developer fees and contributions of \$1.5 million received during the current fiscal year. Investment earnings accounted for \$2.7 million of Shoreline Community revenues and increased by \$0.8 million when compared to the prior fiscal year. This was mainly due to increase in investment earnings from unspent Shoreline Regional Park Community 2018 Revenue Bonds proceeds in which a full year of interest was earned in current fiscal year while only partial year of interest was earned in prior fiscal year as the bond issuance occurred in December 2018.

Expenses totaled \$31.6 million are comparable to the prior fiscal year.

The change in net position is a decrease of \$59.8 million compared to the prior fiscal year decrease of \$2.8 million. The difference is due to the items mentioned above related to the increase in transfers for capital projects 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, 2020, the Shoreline Community's funds reported combined fund balances of \$44.3 million, a decrease of \$62.4 million from the prior fiscal year. Committed Fund Balance decreased by \$1.8 million while Restricted Fund Balance decreased by \$60.6 million when compared to the prior fiscal year. The decrease in the Restricted Fund Balance is due to the transfers for capital projects as previously noted.

Revenues for the fiscal year ended June 30, 2020, totaled \$51.3 million, an increase of \$8.6 million, or 20.0 percent, when compared to the prior fiscal year. The increase is primarily due to increases in property taxes and a one-time developer fees and contributions received during the fiscal year. Expenditures totaled \$30.2 million are comparable 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 \$37.7 million. As a measure of the fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. The total fund balance represents 158.1 percent of the total fund expenditures of \$23.8 million.

The fund balance of the SRPC Fund decreased by \$62.4 million during the current fiscal year. Key factors in this increase are as follows:

- Total revenues are \$51.2 million in the current fiscal year, an increase of \$8.5 million from the prior fiscal year. The increase is primarily due to increases in property taxes and developer fees and contributions as described above..
- Expenditures of \$23.8 million are comparable to the prior fiscal year.
- The decrease in other financing sources is primarily related to the issuance of Shoreline Regional Park Community 2018 Revenue Bonds in the prior fiscal year. Net transfers out to the City were \$83.5 million for the fiscal year ended June 30, 2020 compared to net transfers out of \$16.7 million in the prior fiscal year.

The SRPC 2011 Revenue Bonds Fund accounts for 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.

Debt service expenditures included \$1.9 million in principal retirement and \$1.5 million in interest and fiscal charges for the fiscal year ended June 30, 2020, 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 Shoreline Regional Park Community 2018 Revenue Bonds as they become due.

Debt service expenditures included \$3.1 million in interest and fiscal charges for the fiscal year ended June 30, 2020.

CAPITAL ASSETS

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

Capital Assets (Dollars in Thousands)		
	2020	2019
Land	\$ 15,860	\$ 14,332
Construction in progress	10,338	22,877
Buildings	23,908	23,908
Improvements other than building	100,474	85,569
Machinery and equipment	2,189	2,094
Traffic signals	1,500	1,500
Streetlights	1,009	1,009
Less accumulated depreciation	(89,149)	(85,741)
Total	\$ 66,129	\$ 65,548

For the fiscal year ended June 30, 2020, capital assets, net of accumulated depreciation, totaled to \$66.1 million, comparable to the prior fiscal year. The Shoreline Community transferred capital assets of \$0.3 million to the City. At June 30, 2020, construction commitments were \$29.5 million. Additional information about the City's capital assets is discussed in Note 6 to the financial statements.

DEBT ADMINISTRATION

As of June 30, 2020, the Shoreline Community has \$95.8 million of outstanding long-term debt. During the year, the Shoreline Community's total long-term debt decreased by \$2.1 million compared with the prior fiscal year primarily due to the scheduled principal retirement of \$1.9 million. Standard & Poor's raised the Shoreline Community's underlying credit rating from "A" to "A+" in November 2018. The Shoreline Community's long-term debt is discussed in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- In total, property taxes for the Shoreline Community are expected to increase slightly for the upcoming fiscal year. Secured assessed values are also expected to increase due to the 2.0 California Consumer Price Index applied to secured property, increases in property values due to changes in ownership, new development added to the tax roll, and projected reduction from resolved appeals. Unsecured assessed values are self-reported and unsecured property taxes are projected to increase slightly. Supplemental tax is projected to be significantly lower in Fiscal Year 2020-21. The retention rate of assessment appeals has been high, but there are still pending appeals filed by owners of property in the Shoreline Community from the last recession that could impact future property taxes if successful. This was considered in preparing the Shoreline Community's budget for Fiscal Year 2020-21.
- COVID-19 pandemic outbreak impacted the Shoreline Community's operations starting March 2020. The Shoreline Community cannot predict the duration or magnitude of the adverse results of the outbreak and its effects on the Shoreline Community or results of operations.

REQUESTS FOR INFORMATION

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**Statement of Net Position - Governmental Activities****June 30, 2020****(Dollars in Thousands)****Assets:**

Cash and investments	\$	39,064
Restricted cash and investments		8,659
Receivables:		
Accounts		57
Interest		670
Capital assets:		
Nondepreciable		26,198
Depreciable, net of accumulated depreciation		39,931
Total assets		<u>114,579</u>

Deferred outflows of resources:

Pension items		993
OPEB items		602
Total deferred outflows of resources		<u>1,595</u>

Liabilities:

Accounts payable and accrued liabilities		4,045
Interest payable		1,868
Refundable deposits		27
Unearned revenue		88
Noncurrent liabilities:		
Due within one year		2,202
Due in more than one year		93,554
Net pension liability		5,032
Net OPEB liability		602
Total liabilities		<u>107,418</u>

Deferred inflows of resources:

Pension items		<u>113</u>
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Net position:

Net investment in capital assets		(21,018)
Restricted for:		
Shoreline Community indebtedness		33,047
Debt service		50
Unrestricted		<u>(3,436)</u>
Total net position	\$	<u><u>8,643</u></u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Statement of Activities - Governmental Activities

For the Fiscal Year Ended June 30, 2020

(Dollars in Thousands)

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Grants and Contributions	
Function/Program Activities:	Expenses			
General government	\$ 18,508	-	-	(18,508)
Public safety	278	-	-	(278)
Public works	2,280	-	-	(2,280)
Community development	251	-	1,508	1,257
Culture and recreation	5,958	539	-	(5,419)
Interest on long-term debt	4,276	-	-	(4,276)
Total governmental activities	<u>\$ 31,551</u>	<u>539</u>	<u>1,508</u>	<u>(29,504)</u>
General revenues:				
Property taxes				46,565
Capital contributions from the City of Mountain View				4,230
Investment income				2,732
Transfers:				
Transfers from the City of Mountain View				4,589
Transfers to the City of Mountain View				(88,073)
Transfer of capital assets to the City of Mountain View				(319)
Total general revenues and transfers				<u>(30,276)</u>
Change in net position				(59,780)
Net position, beginning of year				<u>68,423</u>
Net position, end of year				<u>\$ 8,643</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Governmental Funds

Balance Sheet

June 30, 2020

(Dollars in Thousands)

	Shoreline Regional Park Community	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Total
Assets:				
Cash and investments	39,064	-	-	39,064
Restricted cash and investments	2,040	6,618	1	8,659
Receivables:				
Accounts	57	-	-	57
Interest	670	-	-	670
Total assets	<u>\$ 41,831</u>	<u>\$ 6,618</u>	<u>\$ 1</u>	<u>48,450</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	4,045	-	-	4,045
Refundable deposits	27	-	-	27
Unearned revenue	88	-	-	88
Total liabilities	<u>4,160</u>	<u>-</u>	<u>-</u>	<u>4,160</u>
Fund Balances:				
Restricted	35,087	6,618	1	41,706
Committed	2,584	-	-	2,584
Total fund balances	<u>37,671</u>	<u>6,618</u>	<u>1</u>	<u>44,290</u>
Total liabilities and fund balances	<u>\$ 41,831</u>	<u>6,618</u>	<u>1</u>	<u>48,450</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, 2020
(Dollars in Thousands)

Fund balances - total governmental funds	\$ 44,290
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.	66,129
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.	(1,868)
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	1,595
Deferred inflows of resources	(113)
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	(5,032)
Net OPEB liability	(602)
Bonds and loans payable	(95,756)
Net position of governmental activities	<u>\$ 8,643</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, 2020

(Dollars in Thousands)

	Shoreline Regional Park Community	Shoreline Regional Park Community 2011 Revenue Bonds	Shoreline Regional Park Community 2018 Revenue Bonds	Total
Revenues:				
Property taxes	\$ 46,565	-	-	46,565
Use of money and property	2,967	130	1	3,098
Charges for services	142	-	-	142
Developer fees and contributions	1,508	-	-	1,508
Other	31	-	-	31
Total revenues	51,213	130	1	51,344
Expenditures:				
Current:				
General government	18,462	-	-	18,462
Public safety	238	-	-	238
Public works	1,259	-	-	1,259
Community development	179	-	-	179
Culture and recreation	3,607	-	-	3,607
Capital outlay	78	-	-	78
Debt service:				
Principal	-	1,890	-	1,890
Interest and fiscal charges	-	1,453	3,078	4,531
Total expenditures	23,823	3,343	3,078	30,244
Excess (deficiency) of revenues over (under) expenditures	27,390	(3,213)	(3,077)	21,100
Other financing sources (uses):				
Transfers in	-	3,259	3,067	6,326
Transfers out	(6,326)	-	-	(6,326)
Transfers from the City of Mountain View	4,589	-	-	4,589
Transfers to the City of Mountain View	(88,073)	-	-	(88,073)
Total other financing sources (uses)	(89,810)	3,259	3,067	(83,484)
Net change in fund balances	(62,420)	46	(10)	(62,384)
Fund balances, beginning of year	100,091	6,572	11	106,674
Fund balances, end of year	\$ 37,671	6,618	1	44,290

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, 2020
(Dollars in Thousands)**

Net change in fund balances - total governmental funds		\$	(62,384)
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	\$	4,230	
Capital assets additions - Capital outlay		78	
Depreciation		(3,408)	
Transfer of capital assets to the City of Mountain View		(319)	581
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.			1,449
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.			(1,571)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.			1,890
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		38	255
Change in net position of governmental activities			\$ (59,780)

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, 2020

(Dollars in Thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 48,154	48,154	46,565	(1,589)
Use of money and property	2,355	2,355	2,967	612
Charges for services	55	55	142	87
Developer fees and contributions	-	-	1,508	1,508
Other	55	55	31	(24)
Total revenues	50,619	50,619	51,213	594
Expenditures:				
Current:				
General government:				
City attorney	10	10	-	10
Finance and administrative services	18,748	18,756	18,462	294
Public safety:				
Fire	202	202	201	1
Police	40	40	37	3
Public works	1,376	1,463	1,259	204
Community development	518	633	179	454
Culture & recreation:				
Community services	4,689	4,731	3,607	1,124
Capital outlay	22	99	78	21
Total expenditures	25,605	25,934	23,823	2,111
Excess of revenues over expenditures	25,014	24,685	27,390	2,705
Other financing sources (uses):				
Transfers out	(6,422)	(6,422)	(6,326)	96
Transfers from the City of Mountain View	-	-	4,589	4,589
Transfers to the City of Mountain View	(88,073)	(88,073)	(88,073)	-
Total other financing sources (uses)	(94,495)	(94,495)	(89,810)	4,685
Net change in fund balances	\$ (69,481)	(69,810)	(62,420)	7,390
Fund balance, beginning of year			100,091	
Fund balance, end of year			<u>\$ 37,671</u>	

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
 Agency Funds
 Statement of Fiduciary Assets and Liabilities
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Education Enhancement JPA				
Assets:				
Cash and investments	\$ -	6,357	(6,357)	-
Liabilities:				
Collection payable	\$ -	6,357	(6,357)	-

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MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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 comprehensive annual 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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 primary government (the Shoreline Community). These statements include the financial activities of the Shoreline Community, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

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, including fiduciary funds. Separate statements for each fund category - *governmental* and *fiduciary* - are presented. 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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Shoreline Community also reports the following fiduciary fund:

Education Enhancement JPA Agency Fund accounts for funds to be used by the joint powers authority to enhance the educational and technology capacity of students in Mountain View schools.

C. *Basis of Accounting*

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

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when *measurable and available*. The Shoreline Community considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized as expenditures to the extent they have matured and are due and payable at year end. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt issuance and acquisitions under capital leases are reported as other financing sources.

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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Those revenues susceptible to accrual are property taxes, earned grant entitlements, and investment revenue. All other revenue items are considered to be measurable and available only when cash is received.

The Shoreline Community may receive funding for specific programs that is restricted to the operations of these programs. The Shoreline Community also receives unrestricted revenues from different funding sources. When restricted program expenses are incurred, it is the Shoreline Community's policy to first apply revenues from the restricted sources to these programs and then apply unrestricted general revenue.

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

D. *Property Taxes*

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

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

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings and are secured by liens on the property owner. Unsecured may also include the property taxes paid in lieu on leased property. Property tax revenues are recognized by the Shoreline Community in the fiscal year they are levied, provided they become available as defined above.

E. *Deferred Outflows and Inflows of Resources*

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position 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, 2019, the City implemented the following GASB Statement:

- In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This primary object of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for period beginning after June 15, 2018, and later. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2020.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement provides recognition and measurement guidance for situations in which a government is a beneficiary of these agreements. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2021.
- In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2022.
- In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2022.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No.14 and No.61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2021.
- In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosure. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2023.
- In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2022.
- In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2022.
- In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2023.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2023.
- In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the Shoreline Community's fiscal year ending June 30, 2022.

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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020

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, 2020. Cash and investments are as follows (dollars in thousands):

Cash and investments	\$ 39,064
Restricted cash and investments	<u>8,659</u>
Total cash and investments	<u>\$ 47,723</u>

The Shoreline Community's cash and investments of \$39.1 million are invested in the City's cash and investments pool. Restricted cash and investments are held by bond trustee of which \$6.5 million and \$2.2 million are invested in U.S. Treasury Obligation and Money Market Mutual Funds, respectively.

B. *Investments In City's Cash and Investment Pool*

The City Council is responsible for the regulatory oversight of the City's cash and investments pool. The City's Investment Policy and the California Government Code permit investments in the following: Securities issued by the U.S. Government or an agency of the U.S. Government, mortgage-backed securities, commercial paper, banker's acceptances, medium term notes issued by U.S. corporations, mutual funds invested in U.S. Government securities, certificates of deposit, municipal bonds issued by the City or any of its component units, the Local Agency Investment Fund (LAIF), and Supranational securities.

As of June 30, 2020, 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 2.03 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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City monitors the interest rate risk inherent in its portfolio by measuring the modified duration (modified duration is a measure of a fixed income's cash flows using present values, weighted for cash flows as a percentage of the investments' full price) of its portfolio. The City monitors interest rate risk inherent in investments held by the trustee by using specific identification. The Shoreline Community's investment in the U.S. Treasury Obligation of \$6.5 million has a maturity date of June 17, 2021.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (Continued)

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, 2020, the Shoreline Community's investments in Money Market Mutual Funds is rated AAA by Standard & Poor's while the U.S. Treasury Obligation is exempt from credit rating disclosure.

Concentration of Credit Risk

The Shoreline Community is required to disclose investments that represent a concentration of 5.0 percent or more of investments in any one issuer other than U.S. Treasury obligations, money market mutual funds and external investment pools. As of June 30, 2020, no Shoreline Community's investments are subject to concentration of credit risk.

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 is 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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, Shoreline Regional Park Community Fund transferred \$3.3 million and \$3.1 million to the Shoreline Regional Park Community 2011 Revenue Bonds Fund and Shoreline Regional Park Community 2018 Revenue Bonds Fund, respectively, to fund debt service payments.

NOTE 5 – TRANSACTIONS WITH THE CITY

Transfers Between the Shoreline Community and the City

The City expends funds on capital projects on behalf of the Shoreline Community which transfers the required funds to the City prior to the commencement of the project. Any unspent funds are returned to the Shoreline Community upon completion of the project.

During the fiscal year ended June 30, 2020, the Shoreline Community transferred to the City \$87.9 million to fund capital projects, \$103,000 for equipment replacements, and \$70,000 for operating costs. The City transferred \$4.6 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.

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:

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 6 – CAPITAL ASSETS (Continued)

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, 2020 is as follows (dollars in thousands):

	Balance June 30, 2019	Additions	Retirements	Transfers	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 14,332	-	-	1,528	15,860
Construction in progress	22,877	4,234	-	(16,773)	10,338
Total capital assets not being depreciated	37,209	4,234	-	(15,245)	26,198
Capital assets being depreciated:					
Buildings	23,908	-	-	-	23,908
Improvements other than buildings	85,569	-	-	14,905	100,474
Machinery and equipment	2,094	74	-	21	2,189
Traffic signals	1,500	-	-	-	1,500
Streetlights	1,009	-	-	-	1,009
Total capital assets being depreciated	114,080	74	-	14,926	129,080
Less accumulated depreciation for:					
Buildings	(10,506)	(723)	-	-	(11,229)
Improvements other than buildings	(72,300)	(2,497)	-	-	(74,797)
Machinery and equipment	(1,642)	(88)	-	-	(1,730)
Traffic signals	(705)	(79)	-	-	(784)
Streetlights	(588)	(21)	-	-	(609)
Total accumulated depreciation	(85,741)	(3,408)	-	-	(89,149)
Net capital assets being depreciated	28,339	(3,334)	-	14,926	39,931
Total capital assets, net	\$ 65,548	900	-	(319)	66,129

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 6 – CAPITAL ASSETS (Continued)

During the fiscal year ended June 30, 2020, the Shoreline Community transferred certain infrastructure including bridges and culverts; sidewalks, curbs and gutters; and streets and roads funded by the Shoreline Community totaling \$319,000 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 activities function for the fiscal year ended June 30, 2020 are as follows (dollars in thousands):

General government	\$ 46
Public safety	40
Public works	992
Community development	64
Culture and recreation	2,266
Total	<u>\$ 3,408</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, 2020, are as follows (dollars in thousands):

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Land	\$ 1,083	28,287
Improvements other than buildings	5,467	832
Buildings	171	-
Infrastructure	3,617	340
Total	<u>\$ 10,338</u>	<u>29,459</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, are as follows (dollars in thousands):

	Original Issue Amount	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
Revenue Bonds:						
Shoreline Regional Park Community						
2011 Revenue Refunding Bonds						
2.0% to 5.75%, due Fiscal Year 2040-41	\$ 39,030	27,755	-	(1,890)	25,865	1,985
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	6,308	-	(217)	6,091	217
Subtotal 2018 Revenue Bonds Series A	59,901	59,793	-	(217)	59,576	217
Shoreline Regional Park Community						
2018 Revenue Bonds Series B						
3.36% to 4.24%, due Fiscal Year 2031-32	10,315	10,315	-	-	10,315	-
Total noncurrent liabilities	\$ 109,246	97,863	-	(2,107)	95,756	2,202

B. *Descriptions of Noncurrent Liabilities*

2011 Revenue Bonds Shoreline Regional Park Community - On July 19, 2011, the Shoreline Community issued \$39.0 million of 2011 Revenue Bonds, Series A. Proceeds from the bonds were used to call the outstanding Shoreline Community's Tax Allocation Bonds, 1996 Series A and provide funds to acquire and construct certain capital improvements of benefit to the Shoreline Community. The 2011 Bonds are special obligations of the Shoreline Community and are secured by a portion of all taxes levied upon all taxable property within the Shoreline Community. Principal payments are payable annually on August 1 and interest payments semi-annually on August 1 and February 1 from property tax revenues generated within the Shoreline Community. The Shoreline Community

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

**Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE 7 – NONCURRENT LIABILITIES (Continued)

is considered to be in default if the Shoreline Community fails to pay the principal of and interest on the outstanding bonds when become due and payable. If an event of default has occurred and is continuing, the trustee may, and if requested in writing by the owners of a majority in aggregate principal amount of the bonds then outstanding, declare the principal of the bonds, together with the accrued interest, to be due and payable immediately.

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 7 – NONCURRENT LIABILITIES (Continued)

C. *Debt Service Requirements*

The pledge of future tax increment revenues ends upon repayment of the \$169.7 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, 2020, tax increment revenues amounted to \$46.6 million, which represented coverage of 7.3 over the \$6.4 million in debt service.

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

For the Fiscal Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2021	\$ 1,985	4,430	6,415
2022	2,085	4,328	6,413
2023	1,615	4,243	5,858
2024	1,680	4,175	5,855
2025	1,750	4,103	5,853
2026-2030	9,970	19,258	29,228
2031-2035	12,490	16,570	29,060
2036-2040	16,235	12,792	29,027
2041-2045	20,965	7,953	28,918
2046-2049	20,890	2,153	23,043
Total	<u>\$ 89,665</u>	<u>80,005</u>	<u>169,670</u>

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.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 8 – PENSION PLAN (Continued)

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, 2020, are summarized as follows:

	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%	6.25%
Required employer contribution rates	33.151%	33.151% (A)

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

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 2019-20, the Shoreline Community recognized \$847,000 as contributions for pension.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 8 – PENSION PLAN (Continued)

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, 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, 2020 and 2019, (measurement dates of June 30, 2019 and 2018, 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, 2019	\$ 5,032	4.53 %
Proportion - Measurement date June 30, 2018	5,038	4.51 %
Change	\$ (6)	0.02 %

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 8 – PENSION PLAN (Continued)

Actuarial Assumptions – The total pension liability for the Plan in the June 30, 2018 actuarial valuation was determined using actuarial assumptions as follows:

	Miscellaneous Plan
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.
Mortality	Derived using CalPERS Membership Data for all Funds (1)

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

All other actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the 2017 CalPERS Experience Study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the 2017 CalPERS Experience Study can be found on the CalPERS website under Forms and Publications.

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 8 – PENSION PLAN (Continued)

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

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

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS Board effective on July 1, 2018, are as follows:

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.00	2.62
Inflation Sensitive	0.0	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Estate	13.0	3.75	4.93
Liquidity	1.0	0.00	(0.92)

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 8 - PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The Shoreline Community's proportionate share as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the Shoreline Community's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

	Discount Rate -1 % (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1 % (8.15%)
Shoreline Community's proportionate share of the City's Miscellaneous Plan net pension liability	\$ 7,625	5,032	2,892

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

For the fiscal year ended June 30, 2020, the Shoreline Community recognized pension expense of \$968,000. The Shoreline Community reported deferred outflows of resources and deferred inflows of resources related to pensions by sources for the fiscal year ended June 30, 2020 are as follows (dollars in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 847	-
Differences between expected and actual experience	146	-
Changes in assumptions	-	(31)
Net differences between projected and actual earnings on plan investments	-	(82)
Total	<u>\$ 993</u>	<u>(113)</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 8 – PENSION PLAN (Continued)

As of June 30, 2020, the Shoreline Community reported \$847,000 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, 2021. 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,	Deferred Outflows / (Inflows) of Resources
2021	\$ 125
2022	(85)
2023	(21)
2024	14
Total	<u>\$ 33</u>

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

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

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

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, 2020, the Shoreline Community’s contributions totaled \$602,000.

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, 2019, using an annual actuarial valuation as of June 30, 2019. The Shoreline Community’s proportion of the net OPEB liability was based on the projection of the Shoreline Community’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating City funds, actuarially determined.

The change in the Shoreline Community’s proportionate share of the net OPEB liability as of June 30, 2020 and 2019, (measurement dates of June 30, 2019 and 2018, respectively) for the OPEB Plan are as follows (dollars in thousands):

	Net OPEB Liability	Proportion of the City's OPEB Plan
Proportion - Measurement date June 30, 2019	\$ 602	6.85 %
Proportion - Measurement date June 30, 2018	290	1.12 %
Change	<u>\$ 312</u>	<u>5.73 %</u>

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions – The total OPEB liability for the City’s OPEB plan in the June 30, 2019 actuarial valuation were determined using actuarial assumptions as follows:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.25%
Post Retirement Benefit Increase	For medical plan premiums: 7.50% for the year beginning January 1, 2020 and graded down by 0.50% per year until 5.00% ultimate rate is reached. For vision premiums: 3.00%
Mortality	Derived using CalPERS Membership Data for all Funds (1)

- (1) Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2018 applied generationally from 2015 as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2008.

Change of Assumptions –For the June 30, 2019 actuarial valuation, 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.

Discount Rate – The discount rate used to measure the total OPEB liability is 6.25 percent. The projection of cash flows used to determine the discount rate assumed that the City’s contribution will be made equal to the actuarially determined contribution. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OEPB plan investments is applied to all periods of projected benefit payments to determine the total OPEB Liability.

The long-term expected rate of return for OPEB plan investments is 6.25 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:

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The Shoreline Community's proportionate share of the net OPEB liability (asset), calculated using the discount rate of 6.25 percent, as well as what the net OPEB liability (asset) 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% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
\$ 1,961	602	(513)

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 (asset), as well as what the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate are as follows (dollars in thousands):

Healthcare Cost Trend Rate -1%	Healthcare Cost Trend Current Rate	Healthcare Cost Trend Rate +1%
\$ (588)	602	2,062

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

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, 2020, the Shoreline Community recognized OPEB expense of \$602,000. As of June 30, 2020, the Shoreline Community reported \$602,000 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, 2021.

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 (JPA) of medium-sized California municipalities, which pools catastrophic general liability, automobile liability and public officials' errors and omissions losses.

Additional information regarding the City's insurance program can be found in the notes to the City's basic financial statements.

NOTE 11 – NET POSITION AND FUND BALANCES

A. *Net Position*

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 11 – NET POSITION AND FUND BALANCES (Continued)

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

Restricted - This caption represents net position, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the Shoreline Community cannot unilaterally alter.

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

B. Fund Balances

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

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

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation, which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources. As of June 30, 2020, the Shoreline Community has restricted fund balances of \$35.1 for Shoreline Community indebtedness and \$6.6 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, 2020, the Shoreline Community has committed fund balances of \$2.6 million for capital projects.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 11 – NET POSITION AND FUND BALANCES (Continued)

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 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 \$1.0 million for the fiscal year ended June 30, 2020 and \$12.0 million to rebuild a new landfill system. As of June 30, 2020, the Shoreline Regional Park Community Fund has reported \$8.0 million for the landfill containment as part of restricted fund balance and planned to increase the balance by \$1.0 million annually.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. *Encumbrances*

The Shoreline Community's outstanding encumbrances as of June 30, 2020, are \$394,000 recorded as part of restricted fund balance.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)

B. *Education Enhancement Reserve Joint Powers Agreement*

On June 30, 2013, the Shoreline Community entered into an Education Enhancement JPA with the Mountain View Los Altos Unified High School District (MVLAUHSD) and the Mountain View Whisman School District (MVWSD) effective July 1, 2013, for a period of 10 years, superseding any prior agreements. The agreement provides for minimum annual payments commencing with the fiscal year ended June 30, 2014 of \$1.8 million and \$2.9 million to MVLAUHSD and MVWSD, respectively. Each subsequent fiscal year increases based on the growth in property tax revenues in the preceding fiscal year. For the fiscal year ended June 30, 2020, the Shoreline Community paid \$6.4 million in contributions and recorded the pass-through of the contributions in the Education Enhancement JPA Agency Fund.

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, 2020, \$1.6 million and \$2.0 million in retirement tax override levies and pass-through payments, respectively, were paid to the County.

NOTE 13 – UNCERTAINTIES

In March 2020, the World Health Organization declared the coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected organizations and its workforces, as well as the economy and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many governmental organizations, including the Shoreline Community. This outbreak decreased the revenues and impacted the Shoreline Community's operations starting March 2020. The Shoreline Community expects this outbreak to adversely impact revenues and operations for future reporting periods. It is not possible for the Shoreline Community to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Shoreline Community or results of operations at this time.

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,					
	2020	2019	2018	2017	2016	2015
Measurement period	2019	2018	2017	2016	2015	2014
Shoreline Community's proportion of the net pension liability (NPL)	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Shoreline Community's proportionate share of the NPL	\$ 5,032	\$ 5,038	\$ 5,431	4,948	4,177	3,783
Shoreline Community's covered payroll	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	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	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, 2018 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 is no change in assumptions during measurement period 2019.

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only six 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,					
	2020	2019	2018	2017	2016	2015
Contractually required contributions (actuarially determined) (CRC)	\$ 847	779	819	565	509	359
Contributions in relation to the CRC	(847)	(779)	(819)	(565)	(509)	(359)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Covered payroll	\$ 2,037	2,009	1,907	\$ 1,797	\$ 1,622	\$ 1,520
Contributions as a percentage of covered payroll	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, 2019 were as follows:

Actuarially determined contribution for fiscal year	June 30, 2020
Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.625%
Salary increases	Varies by entry age and services
Payroll growth	2.75%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

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

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Required Supplementary Information (Unaudited)
Schedule of the Shoreline Community's Proportionate Share of the Net OPEB Liability
(Dollar in Thousands)

	Fiscal Year Ended June 30,		
	2020	2019	2018
Measurement period	2019	2018	2017
Shoreline Community's proportion of the net OPEB liability (NOPEBL)	6.8%	1.1%	3.3%
Shoreline Community's proportionate share of the NOPEBL	\$ 602	\$ 290	\$ 1,085
Shoreline Community's covered payroll	2,009	1,907	1,797
Shoreline Community's proportionate share of the NOPEBL as a percentage of its covered payroll	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	93.9%	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.

* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only three 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,			
	2020	2019	2018	2017
Actuarially determined contributions (ADC)	\$ 602	290	1,085	1,014
Contributions in relation to the ADC	(602)	(290)	(1,085)	(1,014)
Contribution deficiency (excess)	\$ -	-	-	-
Covered payroll	\$ 2,037	2,009	1,907	1,797
Contributions as a percentage of covered payroll	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, 2020 were as follows:

ADC for fiscal year	June 30, 2020
Actuarial valuation date	July 1, 2017
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.75%
Payroll growth	3.00%
Salary increases	3.25%
Investment rate of return	6.25%
Post Retirement Benefit Increase	

For medical plan premiums: 8.00% for the year beginning January 1, 2018 and graded down by 0.50% per year until 5.00% 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 2014 CalPERS Experience Study using data from 1997 to 2011, except for the MacLeod Watts Scale 2017 applied generationally as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 20 years of Scale BB to central year 2008.
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* Fiscal year ended June 30, 2018 was the first year of implementation of GASB Statement No. 75, therefore only four years of information is shown.

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MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Shoreline Regional Park Community Fund
For the Fiscal Year Ended June 30, 2020

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, 2020
(Dollars in Thousands)

	Shoreline Regional Park Community Administrative	Shoreline Regional Park Community Special	North Bayshore Impact Fee	Total
Assets:				
Cash and investments	\$ 32,383	4,225	2,456	39,064
Restricted cash and investments	2,040	-	-	2,040
Receivables:				
Accounts	57	-	-	57
Interest	542	-	128	670
Total assets	<u>\$ 35,022</u>	<u>4,225</u>	<u>2,584</u>	<u>41,831</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable and accrued liabilities	4,045	-	-	4,045
Refundable deposits	27	-	-	27
Unearned revenue	88	-	-	88
Total liabilities	<u>4,160</u>	<u>-</u>	<u>-</u>	<u>4,160</u>
Fund Balances:				
Restricted	30,862	4,225	-	35,087
Committed	-	-	2,584	2,584
Total fund balances	<u>30,862</u>	<u>4,225</u>	<u>2,584</u>	<u>37,671</u>
Total liabilities and fund balances	<u>\$ 35,022</u>	<u>4,225</u>	<u>2,584</u>	<u>41,831</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, 2020
(Dollars in Thousands)

	Shoreline Regional Park Community Administrative	Shoreline Regional Park Community Special	North Bayshore Impact Fee	Interfund Elimination	Total
Revenues:					
Property taxes	\$ -	46,565	-	-	46,565
Use of money and property	2,887	71	9	-	2,967
Charges for services	142	-	-	-	142
Developer fees and contributions	49	-	1,459	-	1,508
Other	31	-	-	-	31
Total revenues	3,109	46,636	1,468	-	51,213
Expenditures:					
Current:					
General government	18,462	-	-	-	18,462
Public safety	238	-	-	-	238
Public works	1,259	-	-	-	1,259
Community development	179	-	-	-	179
Culture and recreation	3,607	-	-	-	3,607
Capital outlay	78	-	-	-	78
Total expenditures	23,823	-	-	-	23,823
Excess (deficiency) of revenues over (under) expenditures	(20,714)	46,636	1,468	-	27,390
Other financing sources (uses):					
Transfers in	40,262	-	-	(40,262)	-
Transfers out	-	(46,588)	-	40,262	(6,326)
Transfers from the City of Mountain View	4,007	-	582	-	4,589
Transfers to the City of Mountain View	(84,225)	-	(3,848)	-	(88,073)
Total other financing sources (uses)	(39,956)	(46,588)	(3,266)	-	(89,810)
Net change in fund balances	(60,670)	48	(1,798)	-	(62,420)
Fund balance, beginning of year, as previously reported	91,532	4,177	4,382	-	100,091
Prior period adjustments	-	-	-	-	-
Fund balances, beginning of year	91,532	4,177	4,382	-	100,091
Fund balances, end of year	\$ 30,862	4,225	2,584	-	37,671

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mountain View Shoreline Regional Park Community (Shoreline Community), a component unit of the City of Mountain View, California (City), as of and for the fiscal year ended June 30, 2020, 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 19, 2020.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 19, 2020