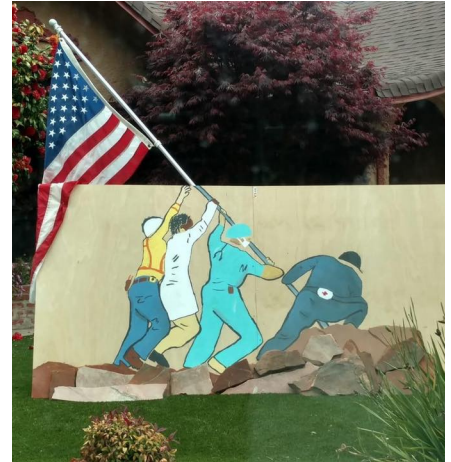


City of Mountain View  
CALIFORNIA



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



Mission Statement:

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Prepared by the

**DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES**

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

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**CITY OF MOUNTAIN VIEW**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2021**

*Table of Contents*

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

**CITY OF MOUNTAIN VIEW**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended June 30, 2021

*Table of Contents*

|   | <u>Page</u> |
|---|-------------|
| <b><u>FINANCIAL SECTION (Continued)</u></b>   |             |
| Notes to Basic Financial Statements .....   | 45          |
| <b>Required Supplementary Information:</b>  |             |
| Schedule of Changes in Net Pension Liability and<br>Related Ratios – Miscellaneous Plan .....   | 115         |
| Schedule of Changes in Net Pension Liability and Related Ratios – Safety Plan .....   | 116         |
| Schedule of Employer Pension Contributions – Miscellaneous and Safety Plans .....   | 117         |
| Schedule of Changes in Net OPEB Liability and Related Ratios .....  | 118         |
| Schedule of Employer OPEB Contributions .....   | 119         |
| <b>Other Supplementary Information:</b>   |             |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance –<br>Budget and Actual – Park Land Dedication Capital Projects Fund ..... | 121         |
| Nonmajor Governmental Funds:  |             |
| Combining Balance Sheet .....   | 124         |
| Combining Statement of Revenues, Expenditures, and<br>Changes in Fund Balances .....  | 128         |
| Combining Schedule of Revenues, Expenditures, and Changes in<br>Fund Balances – Budget and Actual.....                                    | 132         |
| Internal Service Funds:   |             |
| Combining Statement of Net Position .....   | 140         |
| Combining Statement of Revenues, Expenses, and Changes in Net Position .....  | 142         |
| Combining Statement of Cash Flows.....  | 144         |
| Custodial Funds:  |             |
| Combining Statement of Fiduciary Net Position .....   | 148         |
| Combining Statement of Changes in Fiduciary Net Position.....   | 149         |
| <b><u>STATISTICAL SECTION</u></b>   |             |
| <b>Financial Trends:</b>  |             |
| Net Position by Component – Last Ten Fiscal Years.....  | 152         |
| Changes in Net Position – Last Ten Fiscal Years.....  | 154         |
| Fund Balances of Governmental Funds – Last Ten Fiscal Years .....   | 158         |
| Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....  | 160         |

**CITY OF MOUNTAIN VIEW**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended June 30, 2021

*Table of Contents*

|   | <u>Page</u> |
|---|-------------|
| <b><u>STATISTICAL SECTION (Continued)</u></b>   |             |
| <b>Revenue Capacity:</b>  |             |
| Assessed Value of Taxable Property – Last Ten Fiscal Years .....                            | 162         |
| Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....                      | 164         |
| Principal Property Tax Payers – Current Year and Nine Years Ago.....                        | 165         |
| Property Tax Levies and Collections – Last Ten Fiscal Years.....                            | 167         |
| <b>Debt Capacity:</b>   |             |
| Ratio of Outstanding Debt by Type – Last Ten Fiscal Years.....                              | 168         |
| Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years .....                      | 170         |
| Direct and Overlapping Governmental Activities Debt .....                                   | 171         |
| Legal Debt Margin Information – Last Ten Fiscal Years .....                                 | 172         |
| Debt Pledged–Revenue Coverage – Last Ten Fiscal Years.....                                  | 174         |
| <b>Demographic and Economic Information:</b>  |             |
| Demographic Statistics – Last Ten Fiscal Years.....   | 178         |
| Principal Employers – Current Year and Nine Years Ago.....                                  | 179         |
| <b>Operating Information:</b>   |             |
| Full-Time Equivalent City Government Employees by<br>Function – Last Ten Fiscal Years ..... | 180         |
| Operating Indicators by Function/Program – Last Ten Fiscal Years.....                       | 182         |
| Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....                  | 184         |
| <b><u>COMPONENT UNIT FINANCIAL STATEMENTS SECTION</u></b>                                   |             |
| Mountain View Shoreline Regional Park Community .....                                       | 187         |

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FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT  
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650-903-6316 • Fax 650-968-1786

November 16, 2021

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

During the past year, the COVID-19 pandemic has continued to evolve and impact our community, the nation, and the world. While experts have learned more about the virus, and vaccines have been developed to protect individuals from COVID-19, the pandemic continues with no clear time frame for ending. During the past year, the City has worked collaboratively with the County of Santa Clara to establish testing and vaccination sites at City facilities, in addition to providing staff support. The City has also made extensive efforts to communicate with and educate a diverse Mountain View community, including providing outreach and translation services in Spanish, Chinese, and Russian. To ensure seniors and those with limited mobility could avail themselves of vaccinations, the Mountain View Fire Department mobile vaccination program was established to bring vaccinations directly to those in need. Other actions, listed later in this letter, were taken to address the many impacts caused by the pandemic, especially for the small business community and the most vulnerable residents who may have limited resources.

The City, like many others throughout the State, experienced losses in specific revenue sources most affected by the Shelter-in-Place restrictions put into place during the early stages of the outbreak. However, because the City was in a strong financial condition prior to the pandemic, the City was able to provide financial resources to address the needs of those in the community most affected by the pandemic. This was supported by the receipt of \$1 million in Federal CARES Act assistance funds. Later on, the American Rescue Plan Act (ARPA) was passed, which allocated all cities in the nation with funds to mitigate the effects of the pandemic. Mountain View's allocation was \$15.7 million, half of which was received in the early part of Fiscal Year 2021-22, and the other half will be received a year later. These funds have been committed for a variety of community benefits, including initiatives for a Guaranteed Basic Income Pilot Program in the amount of \$1 million and another \$1 million for an alternative and innovative financial assistance program that will partner a nonprofit and a community-based organization to evaluate and provide assistance to low-income residents based on need. Other uses of ARPA funds are geared toward COVID-19 recovery efforts and assisting those hardest hit by

the pandemic, including small businesses, as well as focusing on the long-term economic vitality of our community.

In spite of the challenges and impacts that resulted from the COVID-19 pandemic, the City's reserves are compliant with established financial policies, and the City's long-term fiscal health remains strong. With the supplemental funding resources provided by the Federal government, the City is in a good position to continue addressing the needs of our residents as they strive to recover from the pandemic and regain economic stability in the coming years.

We are pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The ACFR has been prepared in conformity with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and in compliance with the City Charter Section 1106.

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

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

The City's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of independent licensed certified public accountants, selected by and reporting to the City Council. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021 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, 2021 are fairly presented in

conformity with GAAP. The independent auditor's report is presented at the beginning of the financial section of this report.

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

The ACFR is divided into the following sections:

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

The Financial Section includes the following:

- Independent Auditor's Report.
- Management's Discussion and Analysis.
- Basic Financial Statements—Includes the government-wide financial statements that present an overview of the City's entire financial operations and the fund financial statements that present financial information for each of the City's major funds as well as other governmental, proprietary, and 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 government-wide and fund financial statements.
- Required Supplementary Information—Includes schedules required to be presented, showing information related to the City's pension plan and other postemployment benefits plan.
- Other Supplementary Information—Includes the Budgetary Schedule of the Park Land Dedication Capital Projects Fund, Combining Statements and Schedules of the nonmajor governmental funds, internal service funds, and 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 ACFR includes the results of financial activities of the primary government, which encompasses several enterprise activities as well as all of its component units: the Mountain View Shoreline Regional Park Community (Shoreline Community) and the City of Mountain View Capital Improvements Financing Authority (Financing Authority). *Separate financial statements for the Shoreline Community are included following the Statistical Section.* There is no legal requirement for a separate component unit report for the Financing Authority.

## PROFILE OF THE GOVERNMENT

The City was incorporated on November 7, 1902. The City Charter was originally approved by voters in 1952 and requires the City to operate under a Council-Manager form of government. Seven Councilmembers are elected at-large for four-year terms that are staggered so three or four seats are filled at the general municipal election in November of every even-numbered year. Continuous service on the City Council is limited to two consecutive terms. Each year, in January, Council elects one of its members as Mayor and another as Vice Mayor.

With a population of approximately 82,800 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 continues to affect the region, the nation, and the world. In spite of the many challenges to the local economy, the City ended the fiscal year with 1,442 residential units built and approximately 595,000 square feet of commercial/office space constructed. Overall, office vacancy rates in Mountain View have stabilized at a little over 5% and are below the Silicon Valley average office vacancy rate at nearly 10%. In April 2020, the unemployment rate in Mountain View peaked at 6.1% due to the public health crisis and Shelter-in-Place restrictions. However, by August 2021, the rate was 4.8%, reflecting improvement in employment. In spite of the various challenges, the

City's history of prudent 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 its existing services and programs while investing in the 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 needed and to pay down pension and other postemployment benefit obligations.

### **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 2021-22 through Fiscal Year 2025-26. A financial forecast, even with fluctuating economic variables, can assist with the identification of long-term financial trends, causes of fiscal imbalances, future fiscal challenges, opportunities, and potential requirements, all of which may assist in keeping the City on a continuing path of fiscal sustainability. While it is challenging to accurately forecast revenues due to the variable nature of the revenue sources and their connection to regional, State, national, and international economic conditions, it is possible to identify reasonable financial trends and provide a conceptual financial picture that will be useful to the City's decision-making. The Forecast guides the City as it continues to confront the need to balance expenditures and revenues.

The General Fund Forecast shows a positive balance for Fiscal Year 2021-22, deficits for Fiscal Years 2022-23 and 2023-24, and then positive balances in the subsequent fiscal years.

In summary, despite some slow growth in certain revenue categories affected by the pandemic, overall revenues are expected to continue to grow. This is due partly to increased business license revenue resulting from a three-year phase-in of the restructured license tax that began in January 2020 and continued strength in property taxes. Consequently, total revenues are forecasted to resume a trend of positive growth over the next five years.

### **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 Council's major goals for a two-year cycle, Fiscal Years 2019-20 and 2020-21. The City Council's four overarching major goals were 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. Despite the continued challenges of the pandemic, the City accomplished a significant amount of work, much of which addressed COVID-19 mitigation efforts. Some of the accomplishments during this past fiscal year follows:

- Provided extensive, ongoing outreach to vulnerable populations to connect them with COVID-19 pandemic relief resources.
- Collaborated with community partners to implement a COVID-19 rent relief program with more than \$4 million in funding.
- Facilitated equitable rent adjustments to City leases to accommodate financial hardships caused by COVID-19.
- Ensured the extension of eviction protections for rental tenants by anticipating developments and impacts of the Statewide eviction moratorium.
- Adopted a Small Business Action Plan.
- Implemented Castro StrEATs program, which included a temporary closure of CastroStreet in support of COVID-19 recovery for downtown restaurants and businesses.
- Funded and implemented small business loan and grant programs, providing almost \$1 million in funding to 133 local businesses.
- Implemented a Small Business Call Center to assist over 600 businesses in responding to the COVID-19 pandemic.
- Expanded and implemented Outdoor Mountain View guidelines to allow businesses to temporarily operate outside on private property or authorized public property in support of COVID-19 recovery for downtown restaurants and businesses.



- Coordinated a Citywide Strategic Communications Team to provide pandemic response information to the public, including extensive multilingual outreach.
- Planned and opened the County's first mass COVID-19 vaccination clinic site at the Community Center within one week in conjunction with the County of Santa Clara. The site completed 78,933 vaccinations from January 22, 2021 through the end of Fiscal Year 2020-21.
- Supported the Santa Clara County Public Safety COVID-19 Vaccination Clinic, filling the role of injectors, administrative staff, Plans Section Chief, Liaison Officer, Logistics Section Chief, Facility Unit Leader, and Governmental Liaison Officer and tracked costs for FEMA reimbursement.
- Established the Mountain View "Homebound" COVID-19 mobile vaccination clinic with "in-home" vaccinations for vulnerable community members.
- Drafted and negotiated an innovative, cooperative agreement with the County under a compressed timeline to provide urgent COVID-19 testing services for the public at the Mountain View Community Center.
- Provided Mountain View COVID-19 testing centers at Shoreline Athletic Fields, the Center for the Performing Arts, and the Mountain View Community Center in conjunction with the County of Santa Clara, El Camino Hospital, and Planned Parenthood. A total of 14,867 COVID-19 tests were completed in Fiscal Year 2020-21.
- Implemented a Library Grab-and-Go Holds pickup program to provide access to the Library collection during the COVID-19 closure and moved reference services to phone and email.
- Converted a majority of contracts to electronic review and approval to maintain City operations in accordance with COVID-19 Shelter-in-Place and telecommuting restrictions.
- Established electronic permit and plan review.
- Transitioned to virtual Library programming to continue providing educational and entertaining opportunities to the community during the pandemic.

- Added new digital services and additional e-books to provide more options for people to utilize the Library from anywhere.
- Continued to support the Mayor's Resiliency Roundtable to share information and coordinate with business and community leaders in support of the community's recovery from the COVID-19 pandemic.
- Deployed Fire staff to hospitals in Southern California to assist with COVID-19 patient care.
- Collaborated with community partners to secure State project Homekey Program funding and build a new transitional living facility, Life Moves Mountain View, consisting of 100 transitional, modular housing units to help homeless, unstably housed, and displaced residents transition to permanent housing.
- Transitioned operations of the Mountain View Community Shuttle from Google to the Mountain View Transportation Management Association and secured a \$704,000 VTA Measure B Grant to extend shuttle service hours.
- Provided a comprehensive update to the Council and community on the City's initiatives to address homelessness.
- Implemented three 24/7 safe parking lots, resulting in capacity for more than 101 vehicles in Mountain View, which is one of the largest programs in the Bay Area.
- Provided essential need services for homeless, unstably housed, and vulnerable residents (hygiene stations, showers, food cards, mobile medical services, PPE distribution, etc.).
- Redesigned Library story times to meet kindergarten readiness needs for children lacking access to preschool programs due to Stay-at-Home orders.
- Supported the Council's Race, Equity, and Inclusion Subcommittee and coordinated development and implementation of a Race, Equity, and Inclusion Action Plan.
- Incorporated use of an equity lens into the budget process.
- Planned events and activities to raise awareness and address xenophobia and anti-Asian and Pacific Islander sentiment.

- Provided cultural humility training to City employees as part of the Race, Equity, and Inclusion Action Plan.
- Worked with the Human Relations Commission to plan and conduct community engagement sessions related to local policing.
- Developed, planned, and hosted three sessions of MVPDx, a community engagement and partnership program for community members to dialogue with the Police Department staff regarding practices, procedures, and policies.
- Based on feedback received from MVPDx participants, created two informal advisory councils to regularly meet, inform, and dialogue with the Police Chief. The Faith Leader's Council draws members from a cross section of faiths and denominations represented throughout Mountain View, while the Latino Community Advisors group draws from formal and informal community leaders who work with and among the Mountain View Latinx community.
- Launched a Public Safety Advisory Board.
- Adopted an action plan to support youth mental health and wellness.
- Adopted AccessMV, a comprehensive transportation modal plan.
- Implemented a new automated online bidding application to streamline the bidding process for both bidders and City staff.
- Launched the first Spanish language-only Library story time and Spanish language parenting program.
- Completed construction of the following: Castro Street/Moffett Boulevard/Central Expressway Improvements, Wyandotte Park, Evandale Mini-Park, Shoreline Park Irrigation System Replacement, Leong Water/Sewer Replacement, Sailing Lake Boat Dock Repair, Park Restrooms Renovation, Immediate Repairs to Sewage Pump Station, Center for the Performing Arts Mainstage Catwalk and Balcony Rail Fall Protection, Fire Station No. 4 Training Tower Renovation, McKelvey Park Detention Basin, West Middlefield Road Improvements, and City Hall Roof Replacement.
- Launched a series of community events promoting a plant-based diet.

- Completed renovations and upgrades at McKelvey Field, Charleston Park, Cooper Park, Eagle Park, Fairmont Park, Gemello Park, Sylvan Park, San Veron Park, and Klein Park.
- Eliminated expiration dates from Library cards to remove a barrier to access.
- Performed a cyber-security audit of the City's network and server systems.
- Developed and implemented a Budget 101 workshop for the community.
- Deployed Firefighters to 22 wildland fires.
- Hired a Chief Communications Officer and developed and implemented an enhanced Citywide communications and outreach program with increased social media engagement, media relations, and strategic communication planning to raise awareness about City services, policies, and initiatives.
- Enhanced multilingual community outreach efforts through the Multicultural Engagement Program Team and provided live translations during City Council meetings and numerous community workshops and events.
- Began construction of the Shoreline Transit Lane and Utility Improvement project, two new City parks, a traffic signal replacement project, and an emergency replacement of a 12" water main on San Antonio Road.
- Provided Council with a comprehensive update on the progress of Sustainability Action Plan 4, a three-year, \$7.5 million plan to advance sustainability and address climate change.
- Hosted a well-attended virtual Earth Day celebration, including multiple community speakers and partners, and a video and poster competition where winners received prizes that supported Mountain View businesses.
- Launched Career Online High School with support from the California State Library, which provided six scholarships to adults seeking a high school diploma.
- Supported the first two teams in completing the Cool Block program virtually, which focused on neighborhood-based sustainability, emergency preparedness, and community-building.

- Completed Final 2018 and Preliminary 2019 community greenhouse gas inventories, revealing an emissions decrease of 14.5% from 2005 levels and putting the City on target to meet or exceed the City's 2020 reduction goal.
- Received the Government Finance Officers Association's "Award for Excellence in Financial Reporting" and "Distinguished Budget Presentation Award."
- Successfully competed for a grant of \$4 million in MTC Safe & Seamless Mobility Quick-Strike Competitive grant for Stierlin Road Bicycle and Pedestrian Improvements.
- In collaboration with State Senator Josh Becker, secured \$8 million for Mountain View's Lot 12 affordable housing project that was included in the State of California's Fiscal Year 2021 Budget.

## AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the 31st consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements. The GFOA award is valid for a one-year period only. We believe our current ACFR continues to meet the program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

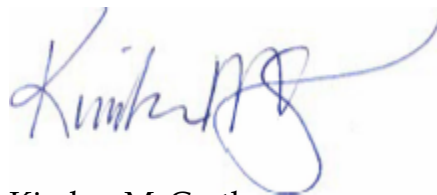
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for the City's annual budget document for Fiscal Year 2020-21. In order to qualify for this Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communication device.

The preparation of the ACFR was made possible by the dedication of the entire Finance and Administrative Services Department staff, in particular 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 leadership and policy guidance in managing the financial operations of the City in a fiscally responsible manner.

Respectfully submitted,



Jesse Takahashi  
Finance and Administrative  
Services Director



Kimbra McCarthy  
City Manager

# City of Mountain View California

## City Officials

### City Council

Ellen Kamei, Mayor

Lucas Ramirez, Vice Mayor

Margaret Abe-Koga

Alison Hicks

Sally Lieber

Lisa Matichak

Pat Showalter

### City Staff

Kimbra McCarthy, City Manager

Krishan Chopra, City Attorney

Heather Glaser, City Clerk

Audrey Seymour Ramberg, Assistant City Manager/Chief Operating Officer

Sue C. Rush, Human Resources Director

Roger Jensen, Chief Information Officer/Information Technology Director

Jesse Takahashi, Finance and Administrative Services Director

Aarti Shrivastava, Assistant City Manager/Community Development Director

Dawn C. Cameron, Public Works Director

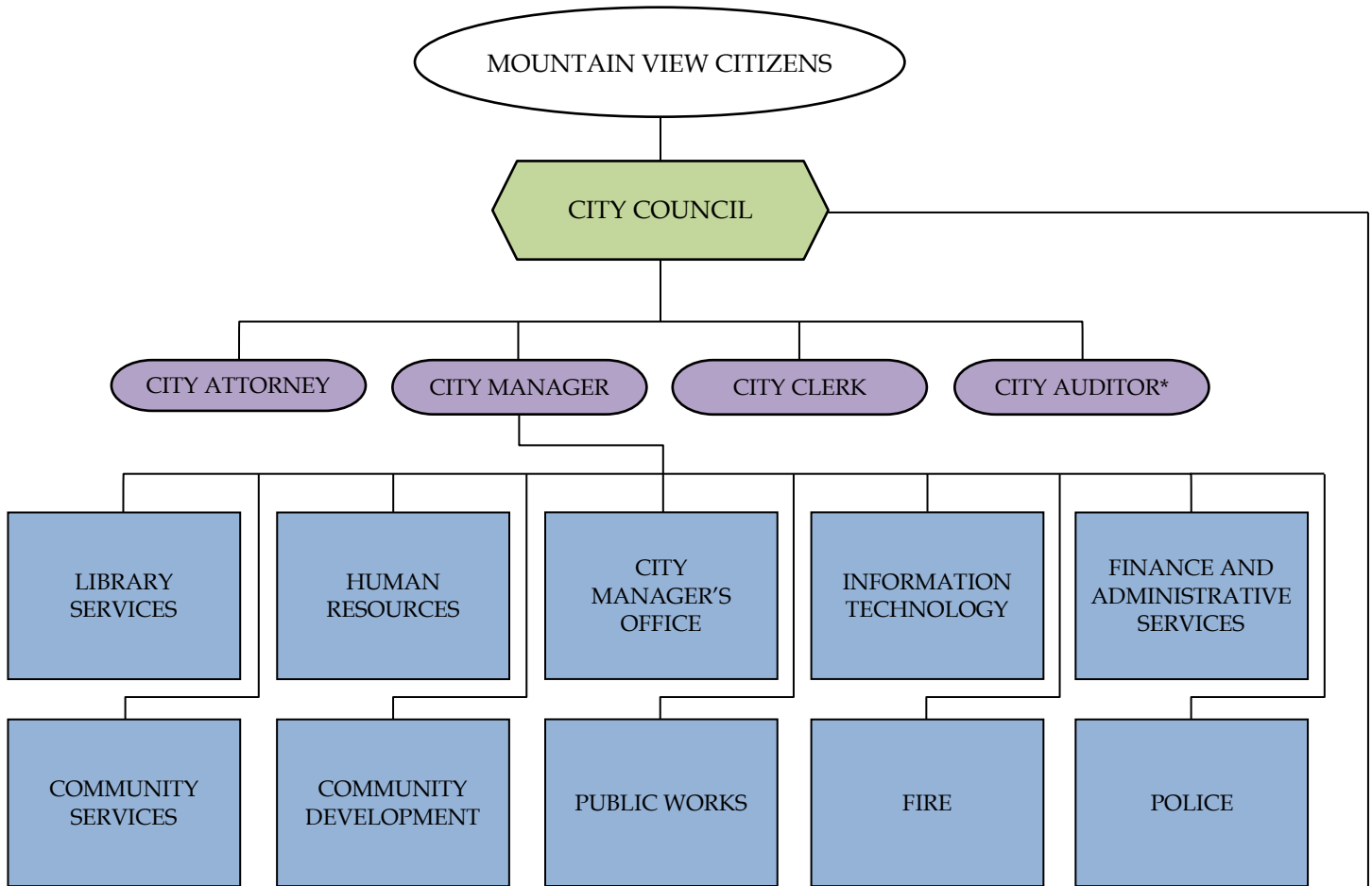
John R. Marchant, Community Services Director

Tracy Gray, Library Services Director

Juan F. Diaz, Fire Chief

Chris Hsiung, Police Chief

# CITY GOVERNMENT ORGANIZATION



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

## CITY BOARDS, COMMISSIONS, AND COMMITTEES

### Charter

### Non-Charter

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

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

\* Finance and Administrative Services Director serves as City Auditor.





Government Finance Officers Association

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Reporting

Presented to

**City of Mountain View  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*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, 2021, 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, 2021, 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 1(J) to the financial statements, as of July 1, 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are 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 16, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Walnut Creek, California  
November 16, 2021

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**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Management's Discussion and Analysis (MD&A) (Unaudited)**  
**For the Fiscal Year Ended June 30, 2021**

This section of the City of Mountain View's (City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. 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, 2021 by \$1.23 billion (net position).
- The City's total net position increased by \$68.0 million compared to the \$99.3 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.
- Total revenues for governmental funds are \$285.4 million, a decrease of \$39.7 million and 12.2% over the prior fiscal year. Revenues decreased primarily due to decreased investment income resulting from fair value adjustments, a reduction in developer fees and contributions, and decreased sales and other taxes due to the impact of the COVID-19 pandemic.
- Expenditures for governmental funds totaled \$219.8 million, a decrease of \$16.9 million and 7.2% over the prior fiscal year, primarily related to the City's prior year'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 \$65.5 million, excluding transfers. More details are discussed below.
- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$830.8 million. Approximately 8.2% of this amount, \$67.8 million, represents an 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 was is \$67.8 million, or 44.7% of total General Fund expenditures for the fiscal year ended June 30, 2021, an increase of 14.1% over the prior fiscal year.
- The City's total noncurrent liabilities decreased by \$3.2 million compared with the prior fiscal year due to the scheduled retirement of debt during the normal course of business.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental



activities of the City include general government, public safety, public works, community development, and culture and recreation. The business-type activities of the City include water, wastewater, and solid waste operations (enterprise funds).

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

### **Fund Financial Statements**

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: governmental funds, proprietary funds, and 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 fiduciary activities and resources held for the benefit of individuals, organizations, or other governments that are not part of the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

### **Notes to 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 accounting principles generally accepted in the United States of America. Two fiscal years of financial information and a comparative analysis of government-wide data are included in this MD&A.

## Analysis of Net Position

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

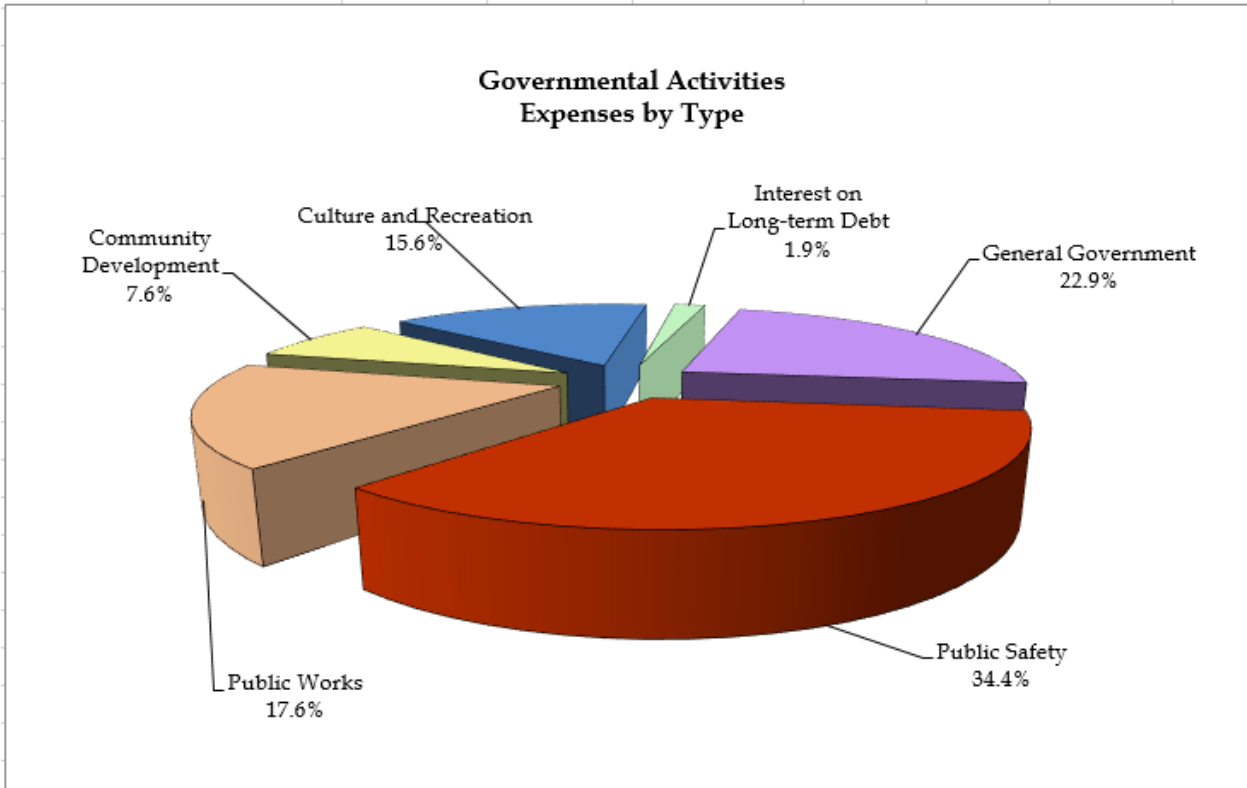
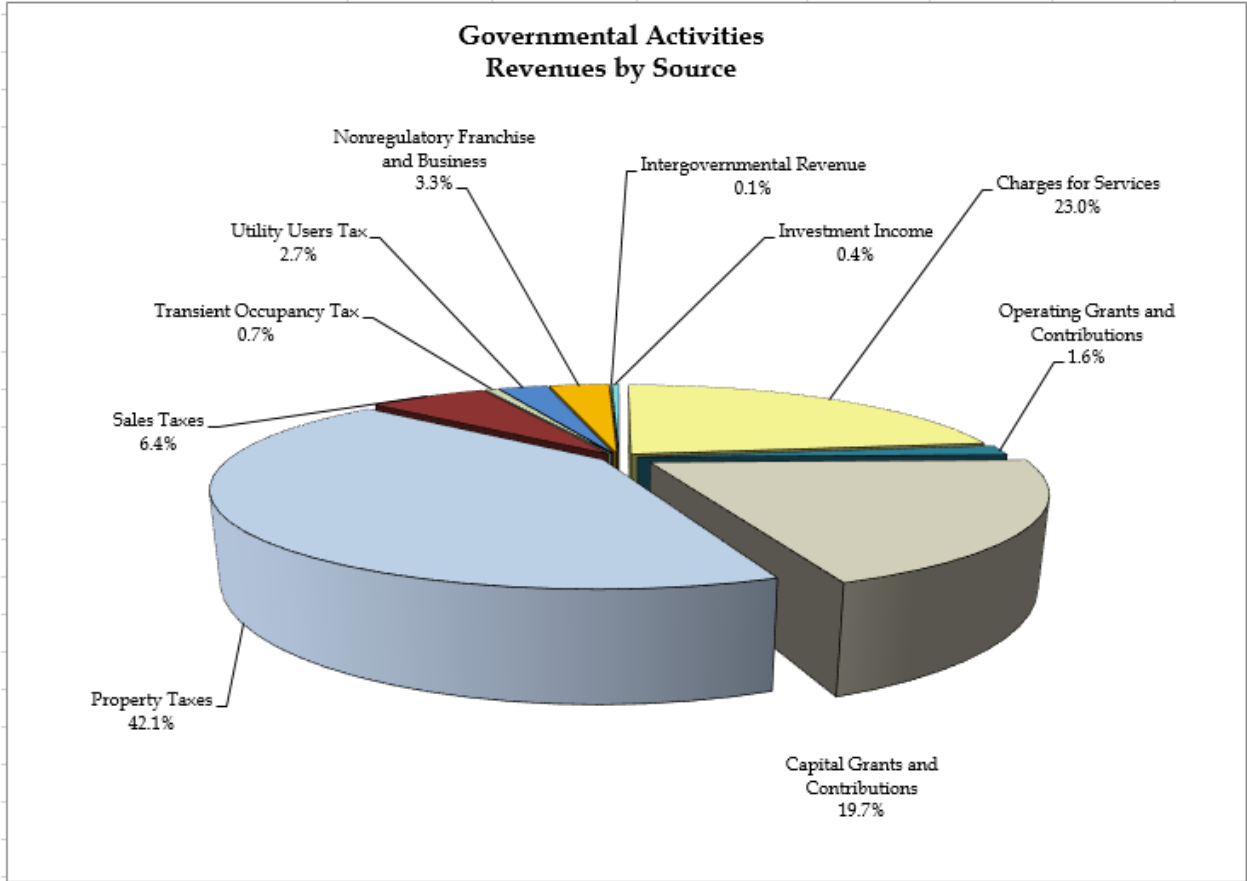
| <b>Condensed Statement of Net Position</b> |                         |                  |                          |                |                  |                  |
|--|-------------------------|------------------|--------------------------|----------------|------------------|------------------|
| (Dollars in Thousands)                     |                         |                  |                          |                |                  |                  |
|  | Governmental Activities |                  | Business-Type Activities |                | Total            |                  |
|  | 2021                    | 2020             | 2021                     | 2020           | 2021             | 2020             |
| <b>Assets:</b>                             |                         |                  |                          |                |                  |                  |
| Current and other assets                   | \$ 953,609              | 863,652          | 134,655                  | 125,711        | 1,088,264        | 989,363          |
| Capital assets                             | 485,944                 | 487,724          | 96,581                   | 98,554         | 582,525          | 586,278          |
| Total assets                               | <u>1,439,553</u>        | <u>1,351,376</u> | <u>231,236</u>           | <u>224,265</u> | <u>1,670,789</u> | <u>1,575,641</u> |
| <b>Deferred outflows of resources:</b>     |                         |                  |                          |                |                  |                  |
| Pension items                              | 35,692                  | 36,776           | 3,478                    | 3,496          | 39,170           | 40,272           |
| OPEB Items                                 | 9,426                   | 13,186           | 329                      | 879            | 9,755            | 14,065           |
| Total deferred outflows of resources       | <u>45,118</u>           | <u>49,962</u>    | <u>3,807</u>             | <u>4,375</u>   | <u>48,925</u>    | <u>54,337</u>    |
| <b>Liabilities:</b>                        |                         |                  |                          |                |                  |                  |
| Current and other liabilities              | 64,654                  | 37,062           | 5,700                    | 6,242          | 70,354           | 43,304           |
| Noncurrent liabilities                     | 368,476                 | 363,717          | 37,168                   | 38,319         | 405,644          | 402,036          |
| Total liabilities                          | <u>433,130</u>          | <u>400,779</u>   | <u>42,868</u>            | <u>44,561</u>  | <u>475,998</u>   | <u>445,340</u>   |
| <b>Deferred inflows of resources:</b>      |                         |                  |                          |                |                  |                  |
| Pension items                              | -                       | 3,784            | -                        | 418            | -                | 4,202            |
| OPEB items                                 | 9,869                   | 14,548           | -                        | -              | 9,869            | 14,548           |
| Total deferred inflows of resources        | <u>9,869</u>            | <u>18,332</u>    | <u>-</u>                 | <u>418</u>     | <u>9,869</u>     | <u>18,750</u>    |
| <b>Net position:</b>                       |                         |                  |                          |                |                  |                  |
| Net investment in capital assets           | 467,855                 | 467,378          | 86,020                   | 89,969         | 553,875          | 557,347          |
| Restricted                                 | 562,840                 | 516,825          | -                        | -              | 562,840          | 516,825          |
| Unrestricted                               | 10,977                  | (1,976)          | 106,155                  | 93,692         | 117,132          | 91,716           |
| Total net position                         | <u>\$ 1,041,672</u>     | <u>982,227</u>   | <u>192,175</u>           | <u>183,661</u> | <u>1,233,847</u> | <u>1,165,888</u> |

The largest portion (45.6%) of the City's net position, or \$562.8 million, represents resources that are subject to external restrictions on how they may be used. An additional 44.9% of the City's net position, or \$553.9 million, reflects its investment in capital assets (e.g., land, buildings, other improvements, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its residents and, therefore, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be liquidated for these liabilities. The last portion of the City's net position, \$117.1 million (9.5%), represents unrestricted net position.

## Analysis of Statement of Activities

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

|   | (Dollars in Thousands)  |         |                          |         |           |           |
|---|-------------------------|---------|--------------------------|---------|-----------|-----------|
|   | Governmental Activities |         | Business-Type Activities |         | Total     |           |
|   | 2021                    | 2020    | 2021                     | 2020    | 2021      | 2020      |
| <b>Revenues:</b>                        |                         |         |                          |         |           |           |
| Program Revenues:                       |                         |         |                          |         |           |           |
| Charges for services                    | \$ 65,311               | 63,599  | 75,898                   | 79,779  | 141,209   | 143,378   |
| Operating grants and contributions      | 4,572                   | 6,637   | -                        | -       | 4,572     | 6,637     |
| Capital grants and contributions        | 56,217                  | 81,176  | 5,033                    | 5,014   | 61,250    | 86,190    |
| General Revenues:                       |                         |         |                          |         |           |           |
| Property taxes                          | 119,678                 | 107,192 | -                        | -       | 119,678   | 107,192   |
| Sales taxes                             | 18,284                  | 19,792  | -                        | -       | 18,284    | 19,792    |
| Transient occupancy tax                 | 1,918                   | 5,602   | -                        | -       | 1,918     | 5,602     |
| Utility users tax                       | 7,654                   | 7,870   | -                        | -       | 7,654     | 7,870     |
| Nonregulatory franchise and busine      | 9,408                   | 7,886   | -                        | -       | 9,408     | 7,886     |
| Intergovernmental revenue               | 242                     | 245     | -                        | -       | 242       | 245       |
| Investment income                       | 1,056                   | 33,613  | (24)                     | 2,364   | 1,032     | 35,977    |
| Total revenues                          | 284,340                 | 333,612 | 80,907                   | 87,157  | 365,247   | 420,769   |
| <b>Expenses:</b>                        |                         |         |                          |         |           |           |
| General government                      | 51,531                  | 48,167  | -                        | -       | 51,531    | 48,167    |
| Public safety                           | 77,385                  | 76,853  | -                        | -       | 77,385    | 76,853    |
| Public works                            | 39,487                  | 40,789  | -                        | -       | 39,487    | 40,789    |
| Community development                   | 17,143                  | 20,423  | -                        | -       | 17,143    | 20,423    |
| Culture and recreation                  | 35,164                  | 58,221  | -                        | -       | 35,164    | 58,221    |
| Interest on long-term debt              | 4,176                   | 4,278   | -                        | -       | 4,176     | 4,278     |
| Water                                   | -                       | -       | 36,982                   | 37,522  | 36,982    | 37,522    |
| Wastewater                              | -                       | -       | 21,847                   | 20,109  | 21,847    | 20,109    |
| Solid Waste                             | -                       | -       | 13,573                   | 15,077  | 13,573    | 15,077    |
| Total expenses                          | 224,886                 | 248,731 | 72,402                   | 72,708  | 297,288   | 321,439   |
| Change in net position before transfers | 59,454                  | 84,881  | 8,505                    | 14,449  | 67,959    | 99,330    |
| Transfers, net                          | (9)                     | (687)   | 9                        | 687     | -         | -         |
| Change in net position                  | 59,445                  | 84,194  | 8,514                    | 15,136  | 67,959    | 99,330    |
| Beginning net position                  | 982,227                 | 898,033 | 183,661                  | 168,525 | 1,165,888 | 1,066,558 |
| Ending net position                     | \$ 1,041,672            | 982,227 | 192,175                  | 183,661 | 1,233,847 | 1,165,888 |



The City's overall net position increased by \$68.0 million during the current fiscal year.

Governmental activities increased the City's net position by \$59.4 million compared to \$84.2 million for the prior fiscal year. Key factors are as follows:

- Total revenues decreased to \$284.3 million, \$49.3 million or 14.8% lower than the prior fiscal year. Investment income decreased \$32.6 million due to lower interest earnings related to reduced Federal interest rate and a reduction in fair value of the investment portfolio. Capital grants and contributions decreased \$25.0 million, primarily related to a one-time park land dedication contribution of \$33.0 million in the prior year. However, property taxes increased \$12.5 million over the prior fiscal year due to the continued strength in the residential and commercial real estate markets that continued to experience strong growth in assessed values.
- Total expenses decreased to \$224.9 million, \$23.8 million or 9.6% lower 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 in the prior fiscal year.

Business-type activities increased the City's net position by \$8.5 million. Key factors for this increase are as follows:

- Water net position increased by \$3.8 million, primarily due to net operating income of \$1.8 million, and developer capital contribution of \$2.2 million.
- Wastewater net position increased by \$3.7 million, primarily due to net operating income of \$1.5 million and developer capital contribution of \$2.5 million.
- Solid waste net position increased by \$1.0 million, mainly due to net operating income of \$1.2 million.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

At June 30, 2021, the City's governmental funds reported combined ending fund balances of \$830.8 million, an increase of \$62.4 million in comparison to the prior fiscal year. The components for the change are increases of \$8.0 million in the General Fund, \$16.4 million in the Shoreline Regional Park Community Fund, \$9.3 million in the Housing Fund, \$22.3 million in the Park Land Dedication Capital Projects Fund, and \$10.3 million in Other Governmental Funds, offset by a decrease of \$4.0 million in the General Capital Projects Fund.

For the General Fund, revenues continued to exceed expenditures due, in large part, to the growth in property taxes, offset by a decrease in developer fees and contributions and decrease in sales taxes impacted by the COVID-19 pandemic. The increase in the Shoreline Regional Park Community Fund is due primarily to growth in property taxes. Decreases in the General Capital Projects Fund are due to decreased transfers from other funds as well as decreased investment income. The increases in the Housing Fund and the Park Land Dedication Capital Projects Fund resulted from development-related fees generated from development activities.

Total fund balance is comprised of unassigned fund balance of \$67.8 million and is available for spending at the City's discretion. The remainder of the fund balance is nonspendable (\$21.4 million), restricted (\$633.3 million), committed (\$104.3 million), and assigned (\$4.0 million), none of which is available for new discretionary spending. The restricted fund balance increased to \$633.3 million, or \$46.9 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 \$285.4 million, representing a decrease of \$39.7 million from the prior fiscal year. This decrease was primarily related to decreased investment income and developer fees and contributions, offset in part by higher property taxes. Total expenditures for governmental funds were \$219.8 million, a decrease of \$16.9 million from the prior fiscal year. The decrease was primarily due to a \$23.0 million contribution of Park Land Dedication funds for acquisition of open space in conjunction with a development agreement in the prior year. Revenues for governmental funds exceeded expenditures by \$65.5 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, 2021, the unassigned fund balance is \$67.8 million, \$8.4 million more 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 \$67.8 million represents 42.4% of total fund balance, 44.7% of fund



expenditures of \$151.6 million, while total fund balance represents 105.5% of that same amount. These percentages are comparable to the prior fiscal year.

The fund balance of the City's General Fund increased by \$8.0 million during the current fiscal year. Total General Fund revenues decreased to \$165.6 million, a decrease of \$11.7 million over the prior fiscal year. The decrease is primarily due to a decrease in developer fees and contributions, a decrease in investment income as well as decreases in sales and other taxes impacted by COVID-19 pandemic, offset in part by increased property taxes.

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 \$52.9 million for the fiscal year ended June 30, 2021, an increase of \$1.7 million over the prior fiscal year. Revenues increased due to higher property taxes resulting from higher assessed values and ongoing development.

Expenditures are \$24.9 million compared to \$23.8 million in the prior fiscal year. Of this amount, \$19.8 million was expended on general government and \$3.6 million on culture and recreation, which are comparable to the prior fiscal year.

In addition, \$13.8 million was transferred out for capital improvement projects and debt service payments. The fund balance as of June 30, 2021 of \$54.1 million may be used only for expenditures of the Shoreline Community.

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

Revenues are \$11.1 million for the fiscal year ended June 30, 2021, a \$4.8 million decrease from the prior fiscal year. This was caused by reduced levels of development activity resulting from the COVID-19 pandemic that delayed the processing and approval of development projects. The fund balance of \$144.3 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 \$2.4 million for the fiscal year ended June 30, 2021, a decrease of \$11.8 million from the prior fiscal year, primarily due to decreased investment income that resulted from lower interest earnings and reduction of fair value of investment portfolio.

Expenditures are \$29.1 million, which is \$5.5 million more than the prior fiscal year. These funds were expended on capital outlay projects, including: the Shoreline Bus Lane Property Acquisition, City Hall/Center for the Performing Arts Roof Repair, and Rengstorff Park Aquatics Center Replacement Design. The fund balance of \$274.6 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 \$31.6 million for the fiscal year ended June 30, 2021, a decrease of \$8.1 million from the prior fiscal year. The decrease was primarily due to a one-time \$33 million developer contribution of park dedication in-lieu fees received in the prior year offset by the receipt of other developer contributions for the current year.

There was no expenditure incurred in current year. The fund balance of \$98.5 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 \$49.3 million, \$43.7 million, and \$13.2 million, respectively. The total increase in net position for the enterprise funds from the prior fiscal year is \$8.5 million. Water Fund’s revenue of \$38.2 million and expenses of \$36.3 million as well as Wastewater Fund’s expenses of \$21.4 million, changed minimally when compared to the prior year. Wastewater Fund’s revenue decreased by \$2.9 million from the prior year to \$23.0 million, Solid Waste Fund’s revenues decreased by \$1.1 million from the prior year to \$14.7 million, and expenses decreased by \$1.5 million from the prior year to \$13.6 million, mainly due to the impact of the COVID-19 pandemic, which led to decreases in usage of services. The internal service funds, which are used to account for certain governmental activities, have an unrestricted net position of \$46.4 million at June 30, 2021. Factors concerning the finances of the enterprise funds have also been addressed previously in the discussion of the City’s business-type activities.

**Fiduciary Funds**—The City maintains fiduciary funds for fiduciary activities and assets held by the City in custodial capacity for the benefit of agencies outside of the City or employees. As of June 30, 2021, the assets of the custodial funds totaled \$0.5 million, comparable to the prior year. Upon the implementation of GASB No. 84, *Fiduciary Activities*, the City evaluated all funds and activities in accordance with the statement and determined that payroll, Education Enhancement Reserve Joint Powers Agreement, and lease activities previously reported agency funds should be reported in the primary government. Please refer to Note 1 for details.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund differences between the original Fiscal Year 2020-21 budget and the final amended budget resulted in an increase of \$6.9 million in budgeted revenue (primarily related to Other Revenues and Charges for Services) and an \$18.3 million increase in expenditure appropriations. Approximately \$8.1 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 \$2.1 million of appropriations was established for the payment for building inspection, fire plan checking contract services related to development activity, which are cost-recovered by fees from the developers. An additional \$1.8 million of appropriations was made in the Transportation Reserve for Mountain View Community Shuttle operations. In addition, \$2.1 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 \$2.5 million or 1.5% lower than the final amended budget for the fiscal year. The variance is primarily due to decreased charges for services, sales taxes, other taxes, and fines and forfeitures as a result of the impact of COVID-19 pandemic, offset in part by increases in property taxes. Actual expenditures for the General Fund are \$29.4 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 on the City's operations. The effect of the underutilization of appropriations contributed to the positive net change in fund balances compared to budget of \$29.9 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, 2021 amount to \$582.5 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, 2021, is \$3.8 million or 0.6%.

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

| <b>Capital Assets</b>             |                                |                |                                 |               |                |                |
|-----------------------------------|--------------------------------|----------------|---------------------------------|---------------|----------------|----------------|
| (Dollars in Thousands)            |                                |                |                                 |               |                |                |
|                                   | <u>Governmental Activities</u> |                | <u>Business-Type Activities</u> |               | <u>Total</u>   |                |
|                                   | 2021                           | 2020           | 2021                            | 2020          | 2021           | 2020           |
| Land                              | \$ 110,311                     | 110,311        | 220                             | 220           | 110,531        | 110,531        |
| Construction in progress          | 61,465                         | 46,038         | 17,859                          | 26,600        | 79,324         | 72,638         |
| Buildings                         | 188,468                        | 188,468        | 8,748                           | 8,748         | 197,216        | 197,216        |
| Improvements other than buildings | 220,007                        | 213,276        | 164,640                         | 152,027       | 384,647        | 365,303        |
| Machinery and equipment           | 41,540                         | 40,018         | 8,516                           | 8,331         | 50,056         | 48,349         |
| Traffic signals                   | 15,378                         | 14,848         | -                               | -             | 15,378         | 14,848         |
| Streetlights                      | 10,535                         | 10,165         | -                               | -             | 10,535         | 10,165         |
| Bridges and culverts              | 18,440                         | 18,440         | -                               | -             | 18,440         | 18,440         |
| Sidewalks, curbs and gutters      | 115,170                        | 114,378        | -                               | -             | 115,170        | 114,378        |
| Streets and roads                 | 278,714                        | 278,155        | -                               | -             | 278,714        | 278,155        |
| Less accumulated depreciation     | (574,084)                      | (546,373)      | (103,402)                       | (97,372)      | (677,486)      | (643,745)      |
|                                   | <u>\$ 485,944</u>              | <u>487,724</u> | <u>96,581</u>                   | <u>98,554</u> | <u>582,525</u> | <u>586,278</u> |

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

- Total capital assets decreased by \$3.8 million due to a net increase in assets of \$30.0 million, offset by a \$33.8 million net increase in accumulated depreciation.
- Total construction in progress increased by \$6.7 million. Some of the major projects worked on and/or completed during the year included: Leong Drive Water/Sewage Mains Replacement Construction, Immediate Repairs Sewage Pump Station and Shoreline Bus Lane Property Acquisition.

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

## Debt Administration

As of June 30, 2021, the City had \$156.3 million of outstanding noncurrent liabilities related to governmental activities and \$16.2 million related to business-type activities, for a total of \$172.6 million. Noncurrent liabilities outstanding as of June 30, 2021, with a comparison to prior year and the net change, are as follows:

|                                    | <b>Debt Outstanding</b>       |                |                       |
|------------------------------------|-------------------------------|----------------|-----------------------|
|                                    | <b>(Dollars in Thousands)</b> |                |                       |
|                                    | <u>2021</u>                   | <u>2020</u>    | <u>Net<br/>Change</u> |
| Revenue bonds                      | \$ 93,554                     | 95,756         | (2,202)               |
| Special assessment debt            | -                             | 12             | (12)                  |
| Compensated absences               | 12,765                        | 11,117         | 1,648                 |
| Landfill containment               | 41,564                        | 41,071         | 493                   |
| Claims liabilities                 | <u>8,452</u>                  | <u>10,205</u>  | <u>(1,753)</u>        |
| Total governmental activities debt | 156,335                       | 158,161        | (1,826)               |
| Business-type activities           | 16,221                        | 17,599         | (1,378)               |
| Total                              | <u>\$ 172,556</u>             | <u>175,760</u> | <u>(3,204)</u>        |

The decreases to noncurrent liabilities were primarily due to the scheduled retirement of debt during the normal course of business.

The City Charter limits bonded indebtedness for General Obligation bonds to 15.0% of the total assessed valuation of all real and personal property within the City. The City has no general obligation debt outstanding as of June 30, 2021 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 were negatively impacted by the COVID-19 pandemic. Sales Tax revenue, Transient Occupancy Tax (TOT) revenues, Use of Money and Property revenues, and Charges for Services revenues continue to be the most impacted. Property Taxes revenue performed better than projected including the receipt of Excess Educational Revenue Augmentation Fund (ERAF) that was not budgeted.

- Overall, excluding Excess ERAF, 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 1.036% increase in assessed values due to the positive California Consumer Price Index.
- Sales taxes are expected to slightly increase due to some recovery from the pandemic.
- Other taxes, comprised of Transient Occupancy Tax, Business License, and Utility Users Tax, are anticipated to increase in Fiscal Year 2021-22 due to expected increases resulting from the third and final year of a three-year phase-in of the Business License Tax restructuring and some recovery from the pandemic for Transient Occupancy Tax.
- Average increases in potable water, wastewater, and solid waste rates of 1.0%, 6.0%, and 4.0%, respectively, have been adopted for Fiscal Year 2021-22 to recover the costs of providing those services. All of the rate increases are effective starting July 1, 2021.

All of these factors were considered in preparing the City's budget for Fiscal Year 2021-22.

The COVID-19 pandemic continues to impact the City's operations. The City cannot predict the duration or magnitude of the adverse impact of the pandemic or 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 [financeadmin@mountainview.gov](mailto:financeadmin@mountainview.gov).

**CITY OF MOUNTAIN VIEW**  
**Statement of Net Position**  
**June 30, 2021**  
**(Dollars in Thousands)**

|  | Primary Government         |                                 |                  |
|--|----------------------------|---------------------------------|------------------|
|  | Governmental<br>Activities | Business-<br>type<br>Activities | Total            |
| <b>Assets:</b>                               |                            |                                 |                  |
| Cash and investments                         | \$ 773,241                 | 73,909                          | 847,150          |
| Restricted cash and investments              | 81,164                     | 4,553                           | 85,717           |
| Receivables:                                 |                            |                                 |                  |
| Accounts                                     | 3,232                      | 14,918                          | 18,150           |
| Taxes  | 4,267                      | -                               | 4,267            |
| Special assessments                          | -                          | -                               | -                |
| Interest                                     | 2,889                      | 445                             | 3,334            |
| Loans and notes                              | 107,685                    | -                               | 107,685          |
| Internal balances                            | (40,830)                   | 40,830                          | -                |
| Inventory                                    | 808                        | -                               | 808              |
| Deposits and prepaid items                   | 21,153                     | -                               | 21,153           |
| Capital assets:                              |                            |                                 |                  |
| Nondepreciable                               | 171,776                    | 18,079                          | 189,855          |
| Depreciable, net of accumulated depreciation | 314,168                    | 78,502                          | 392,670          |
| Total assets                                 | <u>1,439,553</u>           | <u>231,236</u>                  | <u>1,670,789</u> |
| <b>Deferred outflows of resources:</b>       |                            |                                 |                  |
| Pension items                                | 35,692                     | 3,478                           | 39,170           |
| OPEB items                                   | 9,426                      | 329                             | 9,755            |
| Total deferred outflows of resources         | <u>45,118</u>              | <u>3,807</u>                    | <u>48,925</u>    |
| <b>Liabilities:</b>                          |                            |                                 |                  |
| Accounts payable and accrued liabilities     | 20,263                     | 5,320                           | 25,583           |
| Interest payable                             | 1,825                      | -                               | 1,825            |
| Refundable deposits                          | 8,703                      | 380                             | 9,083            |
| Unearned revenue                             | 33,863                     | -                               | 33,863           |
| Noncurrent and other liabilities             |                            |                                 |                  |
| Due within one year:                         |                            |                                 |                  |
| Long-term liabilities                        | 7,181                      | 1,454                           | 8,635            |
| Due in more than one year:                   |                            |                                 |                  |
| Long-term liabilities                        | 149,154                    | 14,767                          | 163,921          |
| Net pension liability                        | 207,094                    | 20,618                          | 227,712          |
| Net OPEB liability                           | 5,047                      | 329                             | 5,376            |
| Total liabilities                            | <u>433,130</u>             | <u>42,868</u>                   | <u>475,998</u>   |
| <b>Deferred inflows of resources:</b>        |                            |                                 |                  |
| OPEB items                                   | 9,869                      | -                               | 9,869            |
| <b>Net position:</b>                         |                            |                                 |                  |
| Net investment in capital assets             | 467,855                    | 86,020                          | 553,875          |
| Restricted for:                              |                            |                                 |                  |
| Capital projects                             | 289,796                    | -                               | 289,796          |
| Debt service                                 | 45                         | -                               | 45               |
| Low and moderate income housing              | 163,604                    | -                               | 163,604          |
| Shoreline Regional Park Community            | 51,840                     | -                               | 51,840           |
| Grants and regulations                       | 57,555                     | -                               | 57,555           |
| Unrestricted                                 | 10,977                     | 106,155                         | 117,132          |
| Total net position                           | <u>\$ 1,041,672</u>        | <u>192,175</u>                  | <u>1,233,847</u> |

CITY OF MOUNTAIN VIEW  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021  
(Dollars in Thousands)

| Function/Program Activities:                            | Expenses          | Program Revenues     |                                    |                                  |
|---|-------------------|----------------------|------------------------------------|----------------------------------|
|   |                   | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government:                                     |                   |                      |                                    |                                  |
| <b>Governmental activities:</b>                         |                   |                      |                                    |                                  |
| General government                                      | \$ 51,531         | 43,087               | 1,063                              | -                                |
| Public safety   | 77,385            | 801                  | 88                                 | -                                |
| Public works  | 39,487            | 3,397                | 3,327                              | 11,501                           |
| Community development                                   | 17,143            | 13,123               | -                                  | 14,134                           |
| Culture and recreation                                  | 35,164            | 4,903                | 94                                 | 30,582                           |
| Interest on long-term debt                              | 4,176             | -                    | -                                  | -                                |
| Total governmental activities                           | <u>224,886</u>    | <u>65,311</u>        | <u>4,572</u>                       | <u>56,217</u>                    |
| <b>Business-type activities:</b>                        |                   |                      |                                    |                                  |
| Water   | 36,981            | 38,205               | -                                  | 2,470                            |
| Wastewater  | 21,848            | 22,962               | -                                  | 2,563                            |
| Solid Waste   | 13,573            | 14,731               | -                                  | -                                |
| Total business-type activities                          | <u>72,402</u>     | <u>75,898</u>        | <u>-</u>                           | <u>5,033</u>                     |
| Total primary government                                | <u>\$ 297,288</u> | <u>141,209</u>       | <u>4,572</u>                       | <u>61,250</u>                    |
| <b>General revenues:</b>                                |                   |                      |                                    |                                  |
| Property taxes  |                   |                      |                                    |                                  |
| Sales taxes   |                   |                      |                                    |                                  |
| Transient occupancy tax                                 |                   |                      |                                    |                                  |
| Utility users tax                                       |                   |                      |                                    |                                  |
| Nonregulatory franchise and business, unrestricted      |                   |                      |                                    |                                  |
| Intergovernmental - Not restricted to specific programs |                   |                      |                                    |                                  |
| Investment income                                       |                   |                      |                                    |                                  |
| <b>Transfers</b>  |                   |                      |                                    |                                  |
| 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**

| <b>Governmental<br/>Activities</b> | <b>Business-<br/>type<br/>Activities</b> | <b>Total</b>     |
|------------------------------------|--|------------------|
| (7,381)                            | -  | (7,381)          |
| (76,496)                           | -  | (76,496)         |
| (21,262)                           | -  | (21,262)         |
| 10,114                             | -  | 10,114           |
| 415                                | -  | 415              |
| (4,176)                            | -  | (4,176)          |
| <u>(98,786)</u>                    | <u>-</u>                                 | <u>(98,786)</u>  |
| -                                  | 3,694                                    | 3,694            |
| -                                  | 3,677                                    | 3,677            |
| -                                  | 1,158                                    | 1,158            |
| -                                  | 8,529                                    | 8,529            |
| <u>(98,786)</u>                    | <u>8,529</u>                             | <u>(90,257)</u>  |
| 119,678                            | -  | 119,678          |
| 18,284                             | -  | 18,284           |
| 1,918                              | -  | 1,918            |
| 7,654                              | -  | 7,654            |
| 9,408                              | -  | 9,408            |
| 242                                | -  | 242              |
| 1,056                              | (24)                                     | 1,032            |
| (9)                                | 9  | -                |
| <u>158,231</u>                     | <u>(15)</u>                              | <u>158,216</u>   |
| <u>59,445</u>                      | <u>8,514</u>                             | <u>67,959</u>    |
| <u>982,227</u>                     | <u>183,661</u>                           | <u>1,165,888</u> |
| <u>1,041,672</u>                   | <u>192,175</u>                           | <u>1,233,847</u> |

CITY OF MOUNTAIN VIEW  
Governmental Funds  
Balance Sheet  
June 30, 2021  
(Dollars in Thousands)

|  | General           | Shoreline<br>Regional<br>Park<br>Community | Housing           |
|--|-------------------|--|-------------------|
| <b>Assets:</b>   |                   |  |                   |
| Cash and investments   | \$ 191,169        | 55,786                                     | 74,312            |
| Restricted cash and investments  | -                 | 2,264                                      | 4,714             |
| Receivables:   |                   |  |                   |
| Accounts   | 2,772             | 33   | -                 |
| Taxes  | 4,267             | -  | -                 |
| Interest   | 928               | 604  | 364               |
| Loans and notes  | 2,033             | -  | 76,743            |
| Inventory  | 748               | -  | -                 |
| Deposits and prepaid items   | 3,544             | -  | -                 |
| Total assets   | <u>\$ 205,461</u> | <u>58,687</u>                              | <u>156,133</u>    |
| <b>Liabilities, deferred inflows of resources<br/>and fund balances:</b> |                   |  |                   |
| Liabilities:   |                   |  |                   |
| Accounts payable and accrued liabilities                                 | 11,092            | 4,517                                      | 17                |
| Refundable deposits  | 5,882             | 16   | 1,845             |
| Unearned revenue   | 28,469            | 50   | 4,984             |
| Advances from other funds  | -                 | -  | -                 |
| Total liabilities  | <u>45,443</u>     | <u>4,583</u>                               | <u>6,846</u>      |
| Deferred inflows of resources:   |                   |  |                   |
| Unavailable revenues   | -                 | -  | 5,016             |
| Fund balances:   |                   |  |                   |
| Nonspendable   | 4,292             | -  | -                 |
| Restricted   | 437               | 54,104                                     | 144,271           |
| Committed  | 83,453            | -  | -                 |
| Assigned   | 4,044             | -  | -                 |
| Unassigned   | 67,792            | -  | -                 |
| Total fund balances  | <u>160,018</u>    | <u>54,104</u>                              | <u>144,271</u>    |
| Total liabilities, deferred inflows of resources<br>and fund balances    | <u>\$ 205,461</u> | <u>\$ 58,687</u>                           | <u>\$ 156,133</u> |

| <b>General<br/>Capital<br/>Projects</b> | <b>Park Land<br/>Dedication<br/>Capital<br/>Projects</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|--|---|---|
| 252,929                                 | 81,042   | 64,155                                  | 719,393                                 |
| 66,701                                  | -  | 6,510                                   | 80,189                                  |
| -                                       | -  | 427                                     | 3,232                                   |
| -                                       | -  | -                                       | 4,267                                   |
| -                                       | 415  | 361                                     | 2,672                                   |
| -                                       | -  | 28,909                                  | 107,685                                 |
| -                                       | -  | 60                                      | 808                                     |
| -                                       | 17,000   | 609                                     | 21,153                                  |
| <b>319,630</b>                          | <b>98,457</b>  | <b>101,031</b>                          | <b>939,399</b>                          |
| 4,197                                   | -  | 365                                     | 20,188                                  |
| -                                       | -  | 960                                     | 8,703                                   |
| -                                       | -  | 360                                     | 33,863                                  |
| 40,830                                  | -  | -                                       | 40,830                                  |
| 45,027                                  | -  | 1,685                                   | 103,584                                 |
| -                                       | -  | -                                       | 5,016                                   |
| -                                       | 17,000   | 60                                      | 21,352                                  |
| 274,603                                 | 81,457   | 78,417                                  | 633,289                                 |
| -                                       | -  | 20,869                                  | 104,322                                 |
| -                                       | -  | -                                       | 4,044                                   |
| -                                       | -  | -                                       | 67,792                                  |
| 274,603                                 | 98,457   | 99,346                                  | 830,799                                 |
| <b>\$ 319,630</b>                       | <b>\$ 98,457</b>   | <b>101,031</b>                          | <b>939,399</b>                          |

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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, 2021**

**(Dollars in Thousands)**

Fund balances - total governmental funds \$ 830,799

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. 485,941

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. 46,374

Long-term receivables are not available to pay for current period  
expenditures and, therefore, are considered unavailable on the  
modified accrual basis of accounting. 5,016

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. (1,825)

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 | 45,118  |
| Deferred inflows of resources  | (9,869) |

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   | \$ (207,094) |
| Net OPEB liability      | (5,047)      |
| Bonds and loans payable | (93,554)     |
| Landfill containment    | (41,564)     |
| Compensated absences    | (12,623)     |
|                         | (359,882)    |

Net position of governmental activities \$ 1,041,672

**CITY OF MOUNTAIN VIEW**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2021**  
**(Dollars in Thousands)**

|  | <b>General</b>    | <b>Shoreline<br/>Regional<br/>Park<br/>Community</b> | <b>Housing</b> |
|--|-------------------|--|----------------|
| <b>Revenues:</b>   |                   |  |                |
| Property taxes   | \$ 66,625         | 51,943   | -              |
| Sales taxes  | 18,284            | -  | -              |
| Other taxes  | 13,717            | -  | -              |
| Licenses, permits and fees                                   | 12,515            | -  | -              |
| Fines and forfeitures  | 312               | -  | -              |
| Use of money and property                                    | 21,615            | 871  | (638)          |
| Intergovernmental  | 1,832             | 15   | -              |
| Charges for services   | 22,847            | 28   | 150            |
| Developer fees and contributions                             | 1,378             | 27   | 11,594         |
| Other  | 6,478             | 40   | 14             |
| Total revenues   | <u>165,603</u>    | <u>52,924</u>  | <u>11,120</u>  |
| <b>Expenditures:</b>   |                   |  |                |
| Current:   |                   |  |                |
| General government   | 29,475            | 19,843   | -              |
| Public safety  | 71,211            | 161  | -              |
| Public works   | 17,456            | 1,063  | -              |
| Community development  | 12,054            | 235  | 2,137          |
| Culture and recreation                                       | 20,851            | 3,625  | -              |
| Capital outlay   | 585               | 21   | -              |
| Debt service:  |                   |  |                |
| Principal  | -                 | -  | -              |
| Interest and fiscal charges                                  | -                 | -  | -              |
| Total expenditures   | <u>151,632</u>    | <u>24,948</u>  | <u>2,137</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>13,971</u>     | <u>27,976</u>  | <u>8,983</u>   |
| <b>Other financing sources (uses):</b>                       |                   |  |                |
| Transfers in   | 3,776             | 2,294  | 665            |
| Transfers out  | <u>(9,741)</u>    | <u>(13,837)</u>                                      | <u>(353)</u>   |
| Total other financing sources (uses)                         | <u>(5,965)</u>    | <u>(11,543)</u>                                      | <u>312</u>     |
| Net change in fund balances                                  | 8,006             | 16,433   | 9,295          |
| <b>Fund balances, beginning of year</b>                      | <u>152,012</u>    | <u>37,671</u>  | <u>134,976</u> |
| <b>Fund balances, end of year</b>                            | <u>\$ 160,018</u> | <u>54,104</u>  | <u>144,271</u> |

| General<br>Capital<br>Projects | Park Land<br>Dedication<br>Capital<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--|--------------------------------|--------------------------------|
| -                              | -  | 1,110                          | 119,678                        |
| -                              | -  | -                              | 18,284                         |
| -                              | -  | 8,725                          | 22,442                         |
| -                              | -  | 6                              | 12,521                         |
| -                              | -  | -                              | 312                            |
| (53)                           | 983  | 55                             | 22,833                         |
| 1,912                          | -  | 4,492                          | 8,251                          |
| -                              | -  | 4,617                          | 27,642                         |
| -                              | 30,582   | 2,309                          | 45,890                         |
| 555                            | -  | 422                            | 7,509                          |
| <u>2,414</u>                   | <u>31,565</u>                                  | <u>21,736</u>                  | <u>285,362</u>                 |
| -                              | -  | 223                            | 49,541                         |
| -                              | -  | 207                            | 71,579                         |
| -                              | -  | 29                             | 18,548                         |
| -                              | -  | 2,402                          | 16,828                         |
| -                              | -  | 2,716                          | 27,192                         |
| 29,079                         | -  | 14                             | 29,699                         |
| -                              | -  | 1,997                          | 1,997                          |
| -                              | -  | 4,437                          | 4,437                          |
| <u>29,079</u>                  | <u>-</u>                                       | <u>12,025</u>                  | <u>219,821</u>                 |
| <u>(26,665)</u>                | <u>31,565</u>                                  | <u>9,711</u>                   | <u>65,541</u>                  |
| 36,828                         | 380  | 14,967                         | 58,910                         |
| (14,127)                       | (9,643)  | (14,340)                       | (62,041)                       |
| <u>22,701</u>                  | <u>(9,263)</u>                                 | <u>627</u>                     | <u>(3,131)</u>                 |
| (3,964)                        | 22,302   | 10,338                         | 62,410                         |
| <u>278,567</u>                 | <u>76,155</u>                                  | <u>89,008</u>                  | <u>768,389</u>                 |
| <u>274,603</u>                 | <u>98,457</u>                                  | <u>99,346</u>                  | <u>830,799</u>                 |

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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, 2021  
(Dollars in Thousands)

|   |    |                 |               |
|---|----|-----------------|---------------|
| Net change in fund balances - total governmental funds  |    | \$              | 62,410        |
| 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  | \$ | 26,533          |               |
| Donated assets received   |    | 160             |               |
| Capital assets retirements  |    | (29)            |               |
| Depreciation  |    | <u>(28,440)</u> | (1,776)       |
| 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. |    |                 |               |
|   |    |                 | (1,052)       |
| 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.  |    |                 |               |
|   |    |                 | 31,994        |
| 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.   |    |                 |               |
|   |    |                 | (34,960)      |
| The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.  |    |                 |               |
|   |    |                 | 1,997         |
| 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  |    | 44.00           |               |
| Change in landfill containment  |    | (493.00)        |               |
| Change in compensated absences  |    | <u>(1,620)</u>  | (1,852)       |
| 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>2,684</u>  |
| Change in net position of governmental activities   |    | \$              | <u>59,445</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, 2021  
(Dollars in Thousands)

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|--|----------------------------|-------------------------|---------------------------|---------------------------------------|
| <b>Revenues:</b>   |                            |                         |                           |                                       |
| Property taxes   | \$ 57,207                  | 57,207                  | 66,625                    | 9,418                                 |
| Sales taxes  | 19,604                     | 19,604                  | 18,284                    | (1,320)                               |
| Other taxes  | 17,237                     | 17,237                  | 13,717                    | (3,520)                               |
| Licenses, permits and fees                                   | 13,009                     | 13,009                  | 12,515                    | (494)                                 |
| Fines and forfeitures  | 803                        | 803                     | 312                       | (491)                                 |
| Use of money and property                                    | 25,929                     | 25,929                  | 21,615                    | (4,314)                               |
| Intergovernmental  | 703                        | 703                     | 1,832                     | 1,129                                 |
| Charges for services   | 24,001                     | 26,897                  | 22,847                    | (4,050)                               |
| Developer fees and contributions                             | 800                        | 800                     | 1,378                     | 578                                   |
| Other  | 1,894                      | 5,875                   | 6,478                     | 603                                   |
|  | <u>161,187</u>             | <u>168,064</u>          | <u>165,603</u>            | <u>(2,461)</u>                        |
| <b>Expenditures:</b>   |                            |                         |                           |                                       |
| Current:   |                            |                         |                           |                                       |
| General government:  |                            |                         |                           |                                       |
| City council   | 408                        | 420                     | 235                       | 185                                   |
| City clerk   | 1,113                      | 1,123                   | 892                       | 231                                   |
| City attorney  | 2,547                      | 2,624                   | 2,130                     | 494                                   |
| City manager   | 8,150                      | 11,349                  | 9,040                     | 2,309                                 |
| Information technology                                       | 6,477                      | 6,767                   | 5,631                     | 1,136                                 |
| Finance and administrative services                          | 11,349                     | 13,908                  | 11,547                    | 2,361                                 |
| Public safety:   |                            |                         |                           |                                       |
| Fire   | 28,784                     | 31,125                  | 30,258                    | 867                                   |
| Police   | 45,534                     | 45,947                  | 40,953                    | 4,994                                 |
| Public works   | 16,858                     | 21,495                  | 17,456                    | 4,039                                 |
| Community development  | 13,691                     | 17,167                  | 12,054                    | 5,113                                 |
| Culture and recreation:                                      |                            |                         |                           |                                       |
| Community services   | 18,475                     | 18,877                  | 15,412                    | 3,465                                 |
| Library services   | 6,810                      | 7,107                   | 5,439                     | 1,668                                 |
| Capital outlay   | 2,598                      | 3,158                   | 585                       | 2,573                                 |
|  | <u>162,794</u>             | <u>181,067</u>          | <u>151,632</u>            | <u>29,435</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,607)</u>             | <u>(13,003)</u>         | <u>13,971</u>             | <u>26,974</u>                         |
| <b>Other financing sources (uses):</b>                       |                            |                         |                           |                                       |
| Transfers in   | 1,916                      | 1,916                   | 3,776                     | 1,860                                 |
| Transfers out  | (9,984)                    | (10,769)                | (9,741)                   | 1,028                                 |
| Total other financing sources (uses)                         | <u>(8,068)</u>             | <u>(8,853)</u>          | <u>(5,965)</u>            | <u>2,888</u>                          |
| Net change in fund balance                                   | <u>\$ (9,675)</u>          | <u>(21,856)</u>         | <u>8,006</u>              | <u>29,862</u>                         |
| <b>Fund balance, beginning of year</b>                       |                            |                         | <u>152,012</u>            |                                       |
| <b>Fund balance, end of year</b>                             |                            |                         | <u>\$ 160,018</u>         |                                       |

CITY OF MOUNTAIN VIEW  
Shoreline Regional Park Community Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2021  
(Dollars in Thousands)

|  | Original<br>Budget | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget |
|--|--------------------|-----------------|-------------------|-------------------------------|
| <b>Revenues:</b>                       |                    |                 |                   |                               |
| Property taxes                         | \$ 46,648          | 46,648          | 51,943            | 5,295                         |
| Use of money and property              | 2,082              | 2,082           | 871               | (1,211)                       |
| Intergovernmental                      | -                  | -               | 15                | 15                            |
| Charges for services                   | 55                 | 55              | 28                | (27)                          |
| Developer fees and contributions       | -                  | -               | 27                | 27                            |
| Other                                  | 34                 | 34              | 40                | 6                             |
|  | <u>48,819</u>      | <u>48,819</u>   | <u>52,924</u>     | <u>4,105</u>                  |
| Total revenues                         | <u>48,819</u>      | <u>48,819</u>   | <u>52,924</u>     | <u>4,105</u>                  |
| <b>Expenditures:</b>                   |                    |                 |                   |                               |
| Current:                               |                    |                 |                   |                               |
| General government:                    |                    |                 |                   |                               |
| City attorney                          | 10                 | 10              | -                 | 10                            |
| Finance and administrative services    | 19,514             | 19,862          | 19,843            | 19                            |
| Public safety:                         |                    |                 |                   |                               |
| Fire                                   | 169                | 170             | 161               | 9                             |
| Police                                 | 40                 | 40              | -                 | 40                            |
| Public works                           | 1,305              | 1,338           | 1,063             | 275                           |
| Community development                  |                    |                 |                   |                               |
| Culture and recreation:                |                    |                 |                   |                               |
| Community services                     | 4,512              | 4,705           | 3,625             | 1,080                         |
| Capital outlay                         | 37                 | 37              | 21                | 16                            |
|  | <u>26,115</u>      | <u>26,817</u>   | <u>24,948</u>     | <u>1,869</u>                  |
| Total expenditures                     | <u>26,115</u>      | <u>26,817</u>   | <u>24,948</u>     | <u>1,869</u>                  |
| Excess of revenues over expenditures   | <u>22,704</u>      | <u>22,002</u>   | <u>27,976</u>     | <u>5,974</u>                  |
| <b>Other financing sources (uses):</b> |                    |                 |                   |                               |
| Transfers in                           | -                  | -               | 2,294             | 2,294                         |
| Transfers out                          | (10,743)           | (13,965)        | (13,837)          | 128                           |
|  | <u>(10,743)</u>    | <u>(13,965)</u> | <u>(11,543)</u>   | <u>2,422</u>                  |
| Total other financing sources (uses)   | <u>(10,743)</u>    | <u>(13,965)</u> | <u>(11,543)</u>   | <u>2,422</u>                  |
| Net change in fund balance             | <u>\$ 11,961</u>   | <u>8,037</u>    | 16,433            | <u>8,396</u>                  |
| Fund balance, beginning of year        |                    |                 | <u>37,671</u>     |                               |
| Fund balance, end of year              |                    |                 | <u>\$ 54,104</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, 2021  
(Dollars in Thousands)

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|--|----------------------------|-------------------------|---------------------------|---------------------------------------|
| <b>Revenues:</b>   |                            |                         |                           |                                       |
| Use of money and property                                    | \$ 1,726                   | 1,726                   | (638)                     | (2,364)                               |
| Charges for services   | -                          | -                       | 150                       | 150                                   |
| Developer fees and contributions                             | -                          | -                       | 11,594                    | 11,594                                |
| Other  | -                          | -                       | 14                        | 14                                    |
| Total revenues   | <u>1,726</u>               | <u>1,726</u>            | <u>11,120</u>             | <u>9,394</u>                          |
| <b>Expenditures:</b>   |                            |                         |                           |                                       |
| Current:   |                            |                         |                           |                                       |
| Community development  | <u>1,858</u>               | <u>16,741</u>           | <u>2,137</u>              | <u>14,604</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(132)</u>               | <u>(15,015)</u>         | <u>8,983</u>              | <u>23,998</u>                         |
| <b>Other financing uses:</b>                                 |                            |                         |                           |                                       |
| Transfers in   | 469                        | 469                     | 665                       | 196                                   |
| Transfers out  | <u>(3)</u>                 | <u>(353)</u>            | <u>(353)</u>              | <u>-</u>                              |
| Total other financing uses                                   | <u>466</u>                 | <u>116</u>              | <u>312</u>                | <u>196</u>                            |
| Net change in fund balance                                   | <u>\$ 334</u>              | <u>(14,899)</u>         | <u>9,295</u>              | <u>24,194</u>                         |
| <b>Fund balance, beginning of year</b>                       |                            |                         | <u>134,976</u>            |                                       |
| <b>Fund balance, end of year</b>                             |                            |                         | <u>\$ 144,271</u>         |                                       |

CITY OF MOUNTAIN VIEW  
Proprietary Funds  
Statement of Net Position  
June 30, 2021  
(Dollars in Thousands)

|  | <b>Business-type Activities - Enterprise Funds</b> |                   |                    |
|--|--|-------------------|--------------------|
|  | <b>Water</b>                                       | <b>Wastewater</b> | <b>Solid Waste</b> |
| <b>Assets:</b>                                     |  |                   |                    |
| Current assets:                                    |  |                   |                    |
| Cash and investments                               | \$ 33,847  | 26,745            | 13,317             |
| Restricted cash and investments                    | -  | 4,553             | -                  |
| Receivables:                                       |  |                   |                    |
| Accounts   | 6,281  | 4,530             | 4,107              |
| Interest   | 224  | 162               | 59                 |
| Deposits and prepaid items                         | -  | -                 | -                  |
| Total current assets                               | <u>40,352</u>                                      | <u>35,990</u>     | <u>17,483</u>      |
| Noncurrent assets:                                 |  |                   |                    |
| Advance to other funds                             | 22,425   | 17,478            | 927                |
| Capital assets:                                    |  |                   |                    |
| Nondepreciable                                     | 9,236  | 8,227             | 616                |
| Depreciable, net of accumulated depreciation       | 49,024   | 27,214            | 2,264              |
| Total noncurrent assets                            | <u>80,685</u>                                      | <u>52,919</u>     | <u>3,807</u>       |
| Total assets                                       | <u>121,037</u>                                     | <u>88,909</u>     | <u>21,290</u>      |
| <b>Deferred outflows of resources:</b>             |  |                   |                    |
| Pension items                                      | 1,802  | 985               | 691                |
| OPEB items   | 178  | 97                | 54                 |
| Total deferred outflows of resources               | <u>1,980</u>                                       | <u>1,082</u>      | <u>745</u>         |
| <b>Liabilities:</b>                                |  |                   |                    |
| Current liabilities:                               |  |                   |                    |
| Accounts payable and accrued liabilities           | 4,009  | 50                | 1,261              |
| Refundable deposits                                | 380  | -                 | -                  |
| Current portion of accrued compensated absences    | 109  | 55                | 40                 |
| Current portion of accrued self-insurance costs    | -  | -                 | -                  |
| Current portion of revenue bonds                   | 440  | -                 | -                  |
| Current portion of loans payable                   | 250  | 560               | -                  |
| Total current liabilities                          | <u>5,188</u>                                       | <u>665</u>        | <u>1,301</u>       |
| Noncurrent liabilities:                            |  |                   |                    |
| Noncurrent portion of accrued compensated absences | 349  | 335               | 219                |
| Noncurrent portion of accrued self-insurance costs | -  | -                 | -                  |
| Noncurrent portion of revenue bonds                | 3,695  | -                 | -                  |
| Noncurrent portion of loans payable                | 1,750  | 8,419             | -                  |
| Net pension liability                              | 10,467   | 5,757             | 4,394              |
| Net OPEB liability                                 | 178  | 97                | 54                 |
| Total liabilities                                  | <u>21,627</u>                                      | <u>15,273</u>     | <u>5,968</u>       |
| <b>Net position:</b>                               |  |                   |                    |
| Net investment in capital assets                   | 52,125   | 31,015            | 2,880              |
| Unrestricted                                       | 49,265   | 43,703            | 13,187             |
| Total net position                                 | <u>\$ 101,390</u>                                  | <u>74,718</u>     | <u>16,067</u>      |

| Business-type<br>Activities -<br>Enterprise Funds<br>Total | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|---|
| 73,909   | 53,848  |
| 4,553  | 975   |
| 14,918   | -   |
| 445  | 217   |
| -  | -   |
| <u>93,825</u>  | <u>55,040</u>   |
| 40,830   | -   |
| 18,079   | -   |
| 78,502   | 3   |
| <u>137,411</u>   | <u>3</u>  |
| <u>231,236</u>   | <u>55,043</u>   |
| 3,478  | -   |
| 329  | -   |
| <u>3,807</u>   | <u>-</u>  |
| 5,320  | 75  |
| 380  | -   |
| 204  | 18  |
| -  | 2,837   |
| 440  | -   |
| 810  | -   |
| <u>7,154</u>   | <u>2,930</u>  |
| 903  | 124   |
| -  | 5,615   |
| 3,695  | -   |
| 10,169   | -   |
| 20,618   | -   |
| 329  | -   |
| <u>42,868</u>  | <u>8,669</u>  |
| 86,020   | 3   |
| <u>106,155</u>   | <u>46,371</u>   |
| <u><u>192,175</u></u>                                      | <u><u>46,374</u></u>                                      |

CITY OF MOUNTAIN VIEW  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Fiscal Year Ended June 30, 2021  
(Dollars in Thousands)

|  | <b>Business-type Activities - Enterprise Funds</b> |                   |                    |
|--|--|-------------------|--------------------|
|  | <b>Water</b>                                       | <b>Wastewater</b> | <b>Solid Waste</b> |
| <b>Operating revenues:</b>                       |  |                   |                    |
| Charges for services                             | \$ 36,386  | 22,261            | 14,453             |
| Other  | 1,819  | 701               | 278                |
| Total operating revenues                         | <u>38,205</u>                                      | <u>22,962</u>     | <u>14,731</u>      |
| <b>Operating expenses:</b>                       |  |                   |                    |
| Salaries and related expenses                    | 7,230  | 3,901             | 2,842              |
| Insurance claims and premiums                    | -  | -                 | -                  |
| Cost of sales and services                       | 21,251   | 12,215            | 8,293              |
| General and administrative                       | 3,252  | 3,184             | 2,095              |
| Depreciation                                     | 4,634  | 2,147             | 343                |
| Total operating expenses                         | <u>36,367</u>                                      | <u>21,447</u>     | <u>13,573</u>      |
| Operating income (loss)                          | <u>1,838</u>                                       | <u>1,515</u>      | <u>1,158</u>       |
| <b>Nonoperating revenues (expenses):</b>         |  |                   |                    |
| Investment income                                | 56   | (105)             | 25                 |
| Interest expense                                 | (251)  | (309)             | -                  |
| Loss on disposal of capital assets               | (363)  | (92)              | -                  |
| Total nonoperating revenues (expenses)           | <u>(558)</u>                                       | <u>(506)</u>      | <u>25</u>          |
| Income (loss) before contributions and transfers | <u>1,280</u>                                       | <u>1,009</u>      | <u>1,183</u>       |
| Capital contributions - developer fees           | 2,222  | 2,496             | -                  |
| Capital contributions - other                    | 248  | 67                | -                  |
| Transfers in                                     | 495  | 1,027             | 20                 |
| Transfers out                                    | (440)  | (934)             | (159)              |
| Change in net position                           | 3,805  | 3,665             | 1,044              |
| <b>Net position, beginning of year</b>           | <u>97,585</u>                                      | <u>71,053</u>     | <u>15,023</u>      |
| <b>Net position, end of year</b>                 | <u>\$ 101,390</u>                                  | <u>74,718</u>     | <u>16,067</u>      |



| <b>Business-type<br/>Activities -<br/>Enterprise Funds<br/>Total</b> | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Funds</b> |
|--|---|
| 73,100   | 12,287  |
| 2,798  | 457   |
| <u>75,898</u>  | <u>12,744</u>   |
| 13,973   | 6,568   |
| -  | 2,500   |
| 41,759   | -   |
| 8,531  | 3,980   |
| 7,124  | 4   |
| <u>71,387</u>  | <u>13,052</u>   |
| <u>4,511</u>   | <u>(308)</u>  |
| (24)   | (130)   |
| (560)  | -   |
| (455)  | -   |
| <u>(1,039)</u>   | <u>(130)</u>  |
| <u>3,472</u>   | <u>(438)</u>  |
| 4,718  | -   |
| 315  | -   |
| 1,542  | 4,147   |
| <u>(1,533)</u>   | <u>(1,025)</u>  |
| 8,514  | 2,684   |
| <u>183,661</u>   | <u>43,690</u>   |
| <u>192,175</u>   | <u>46,374</u>   |

CITY OF MOUNTAIN VIEW  
**Proprietary Funds**  
**Statement of Cash Flows**  
For the Fiscal Year Ended June 30, 2021  
(Dollars in Thousands)

|  | <b>Business-type Activities - Enterprise Funds</b> |                   |                    |
|--|--|-------------------|--------------------|
|  | <b>Water</b>                                       | <b>Wastewater</b> | <b>Solid Waste</b> |
| <b>Cash flows from operating activities:</b>   |  |                   |                    |
| Cash receipts from customers   | \$ 36,316  | 23,195            | 14,098             |
| Cash paid to suppliers for goods and services  | (25,098)   | (15,461)          | (10,278)           |
| Cash paid to employees for services  | (7,262)  | (3,738)           | (2,757)            |
| Claims paid  | -  | -                 | -                  |
| Other receipts   | 1,828  | 701               | 278                |
| Net cash provided by (used in) operating activities  | <u>5,784</u>                                       | <u>4,697</u>      | <u>1,341</u>       |
| <b>Cash flows from noncapital financing activities</b>   |  |                   |                    |
| Transfers in   | 495  | 1,027             | 20                 |
| Transfers out  | (440)  | (934)             | (159)              |
| Advances received from (paid to) other funds   | (48)   | 1,924             | 55                 |
| Net cash provided by (used in) noncapital financing activities   | <u>7</u>   | <u>2,017</u>      | <u>(84)</u>        |
| <b>Cash flows from capital and related financing activities:</b>   |  |                   |                    |
| Principal payment on capital debt  | (425)  | -                 | -                  |
| Principal payment on loan payable  | (300)  | -                 | -                  |
| Principal payment on direct financing arrangement  | -  | (542)             | -                  |
| Interest paid  | (203)  | (311)             | -                  |
| Acquisition of capital assets  | (2,179)  | (2,773)           | (339)              |
| Contributions from developers  | 2,222  | 2,496             | -                  |
| Net cash used in capital and related financing activities  | <u>(885)</u>                                       | <u>(1,130)</u>    | <u>(339)</u>       |
| <b>Cash flows from investing activities:</b>   |  |                   |                    |
| Interest received  | 85   | (60)              | 25                 |
| Net cash provided by investing activities  | <u>85</u>  | <u>(60)</u>       | <u>25</u>          |
| Net increase (decrease) in cash and cash equivalents   | 4,991  | 5,524             | 943                |
| <b>Cash and cash equivalents, beginning of year</b>  | <u>28,856</u>                                      | <u>25,774</u>     | <u>12,374</u>      |
| <b>Cash and cash equivalents, end of year</b>  | <u>\$ 33,847</u>                                   | <u>31,298</u>     | <u>13,317</u>      |
| <b>Reconciliation of cash and cash equivalents:</b>  |  |                   |                    |
| Cash and investments   | \$ 33,847  | 26,745            | 13,317             |
| Restricted cash and investments  | -  | 4,553             | -                  |
| Total cash and cash equivalents  | <u>\$ 33,847</u>                                   | <u>31,298</u>     | <u>13,317</u>      |
| <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b> |  |                   |                    |
| Operating income (loss)  | \$ 1,838   | 1,515             | 1,158              |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |  |                   |                    |
| Depreciation   | 4,634  | 2,147             | 343                |
| Changes in assets and liabilities:   |  |                   |                    |
| Decrease (increase) in accounts receivable   | (70)   | 934               | (355)              |
| Decrease (increase) in deposits and prepaid items  | -  | -                 | -                  |
| Increase (decrease) in accounts payable and accrued liabilities  | (595)  | (62)              | 110                |
| Increase (decrease) in refundable deposits   | 9  | -                 | -                  |
| Increase (decrease) in accrued compensated absences  | (219)  | 49                | 9                  |
| Decrease (increase) in deferred outflows of resources - pension items                                    | (13)   | 8                 | 23                 |
| Increase (decrease) in deferred inflows of resources - pension items                                     | (210)  | (118)             | (90)               |
| Increase (decrease) in net pension liability   | 410  | 224               | 143                |
| Decrease (increase) in deferred outflows of resources - OPEB items                                       | 508  | 26                | 16                 |
| Increase (decrease) in net OPEB liability  | (508)  | (26)              | (16)               |
| Net cash provided by (used in) operating activities  | <u>\$ 5,784</u>                                    | <u>4,697</u>      | <u>1,341</u>       |
| <b>Supplemental disclosure of noncash capital and related financing activities:</b>                      |  |                   |                    |
| Receipt of capital assets contributions  | \$ 248   | 67                | -                  |

| Business-type<br>Activities -<br>Enterprise Funds<br>Total | Governmental<br>Activities -<br>Internal<br>Service Funds |
|--|---|
| 73,609   | 12,744  |
| (50,837)   | (5,709)   |
| (13,757)   | (6,540)   |
| -  | (2,544)   |
| 2,807  | -   |
| <u>11,822</u>  | <u>(2,049)</u>  |
| 1,542  | 4,147   |
| (1,533)  | (1,025)   |
| 1,931  | -   |
| <u>1,940</u>   | <u>3,122</u>  |
| (425)  | -   |
| (300)  | -   |
| (542)  | -   |
| (514)  | -   |
| (5,291)  | -   |
| 4,718  | -   |
| <u>(2,354)</u>   | <u>-</u>  |
| 50   | (86)  |
| <u>50</u>  | <u>(86)</u>   |
| 11,458   | 987   |
| 67,004   | 53,836  |
| <u>78,462</u>  | <u>54,823</u>   |
| 73,909   | 53,848  |
| 4,553  | 975   |
| <u>78,462</u>  | <u>54,823</u>   |
| 4,511  | (308)   |
| 7,124  | 4   |
| 509  | -   |
| -  | -   |
| (547)  | (20)  |
| 9  | -   |
| (161)  | 28  |
| 18   | -   |
| (418)  | -   |
| 777  | -   |
| 550  | -   |
| (550)  | -   |
| <u>11,822</u>  | <u>(2,049)</u>  |
| 315  | -   |

**CITY OF MOUNTAIN VIEW**  
**Statement of Fiduciary Net Position**  
**June 30, 2021**  
**(Dollars in Thousands)**

|                                 | <b>Custodial<br/>Funds</b> |
|---------------------------------|----------------------------|
|                                 | <hr/>                      |
| <b>Assets:</b>                  |                            |
| Cash and investments            | \$ 207                     |
| Restricted cash and investments | <hr/> 299                  |
| Total assets                    | <hr/> 506                  |
| <br><b>Net Position:</b>        |                            |
| Restricted for others           | <br>\$ 506                 |
|                                 | <hr/> <hr/>                |

**CITY OF MOUNTAIN VIEW**  
**Statement of Changes in Fiduciary Net Position**  
**June 30, 2021**  
**(Dollars in Thousands)**

|  | <u>Custodial<br/>Funds</u> |
|--|----------------------------|
| <b>Additions:</b>                      |                            |
| Fees and others collected              | \$ 144                     |
| <b>Deductions:</b>                     |                            |
| Distribution to others                 | <u>127</u>                 |
| Change in net position                 | 17                         |
| <b>Net position, beginning of year</b> | <u>489</u>                 |
| <b>Net position, end of year</b>       | <u><u>\$ 506</u></u>       |

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**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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 Annual Comprehensive Financial Report.

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021**

**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, 2021**

**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.

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting**

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

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues, except sales taxes, reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year end. A ninety days availability period is used for sales taxes in order to include the State of California (State) final distribution of sales taxes revenue for the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, landfill containment costs and compensated absences, which are recognized as expenditures to the extent they have matured and are due and payable at year end. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt issuance and 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, 2021**

**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, 2021**

**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 Sheets 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 Sheets 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, 2021**

**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, 2020, the City implemented the following GASB Statements:

- 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 City evaluated all funds and activities in accordance with the statement and determined that payroll, Education Enhancement Reserve Joint Powers Agreement, and lease activities previously reported as agency funds should be reported in the primary government.
- 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. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2021.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- In October 2021, the GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This statement establishes the term annual comprehensive financial report and its acronym ACFR and eliminates the prior name and acronym in generally accepted accounting principles for state and local governments. No changes were made to the report's structure or content. Implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2021.

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

- 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 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, 2021**

**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, 2021**

**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, 2021**

**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, 2021**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**A. Policies**

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

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

The City’s investments are carried at fair value and periodically 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, 2021. Cash and investments are as follows (dollars in thousands):

|                                 | Governmental<br>Activities | Business-Type<br>Activities | Fiduciary<br>Funds | Total          |
|---------------------------------|----------------------------|-----------------------------|--------------------|----------------|
| Cash and investments            | \$ 773,241                 | 73,909                      | 207                | 847,357        |
| Restricted cash and investments | 81,164                     | 4,553                       | 299                | 86,016         |
| Total cash and investments      | <u>\$ 854,405</u>          | <u>78,462</u>               | <u>506</u>         | <u>933,373</u> |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Cash and investments as of June 30, 2021 consist of the following (dollars in thousands):

|                                      |    |         |
|--------------------------------------|----|---------|
| Cash on hand                         | \$ | 14      |
| Deposits with financial institutions |    | 12,013  |
| Investments                          |    | 921,346 |
| Total cash and investments           | \$ | 933,373 |

**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, 2021**

**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, 2021**

**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   | \$ 136,540        | N/A                          |                                       |
| U.S. Treasury Obligations  | 361,909           | 2.41                         |                                       |
| U.S. Agency Securities   | 233,700           | 2.62                         |                                       |
| Medium-Term Notes  | 52,895            | 2.06                         |                                       |
| Supranational Securities   | 50,522            | 1.67                         |                                       |
| Municipal Bonds - Shoreline Regional Park Community  |                   |                              |                                       |
| 2011 and 2018 Revenue Bonds  | 10,114            | 1.73                         |                                       |
| Money Market Mutual Funds  | 201               | N/A                          |                                       |
| The modified duration of the City's portfolio as of June 30, 2021  |                   |                              |                                       |
|  |                   | 2.00                         |                                       |
| The modified duration of the City's portfolio as of June 30, 2021, excluding Shoreline Regional Park Community 2011 and 2018 Revenue Bonds |                   |                              |                                       |
|  |                   | 2.01                         |                                       |
| Held by Bond Trustee:  |                   |                              |                                       |
| Money Market Mutual Funds  | 14,923            | N/A                          |                                       |
| U.S. Agency Securities   | 6,497             |                              | 6/17/2022                             |
| U.S. Treasury Obligations  | 54,045            |                              | *                                     |
| Total investments  | \$ 921,346        |                              |                                       |

\* \$17,999 on 9/9/2021, \$17,997 on 12/30/2021, and \$18,049 on 3/31/2022.

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, 2021, the allowed modified duration ranged from 1.77 to 2.39 years and the actual is within this range.

Investments in municipal bonds shown above represent the City's investment in the Shoreline Regional Park Community 2011 and 2018 Revenue Bonds. The balance as of June 30, 2021, 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, 2021**

**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 \$193.3 billion as of June 30, 2021. Of that amount, 97.7 percent was invested in nonderivative financial products and 2.3 percent in structured notes and asset backed securities. As of June 30, 2021, LAIF has an average maturity of 291 days.

Mutual Money Market Funds investments are available for withdrawal on demand and as of June 30, 2021, 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, 2021, the City's investment in Money Market Mutual Funds, and Supranational Securities are rated AAA by Standard & Poor's. U.S. Agency Securities are rated AA by Standard & Poor's. The Medium-Term Notes are rated between A and AA by Standard & Poor's. The U.S. Treasury Obligations are exempt from credit rating disclosure. The Municipal Bonds - Shoreline Regional Park Community 2011 and 2018 Revenue Bonds are rated A+ by Standard & Poor's. The Local Agency Investment Fund were not rated as of June 30, 2021.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, those investments held by the City consisted of (dollars in thousands):

| Issuer                                 | Investment Type           | Amount    |
|--|---------------------------|-----------|
| Federal National Mortgage Association  | Federal Agency Securities | \$ 84,276 |
| Federal Home Loan Bank                 | Federal Agency Securities | 84,171    |
| Federal Home Loan Mortgage Association | Federal Agency Securities | 65,253    |

**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, 2021**

**NOTE 4 - LOANS AND NOTES RECEIVABLE**

As of June 30, 2021, the City's loans and notes receivable are as follows (dollars in thousands):

|  |                   |
|--|-------------------|
| CDBG Rehabilitation                        | \$ 95             |
| Mid-Peninsula Support network              | 55                |
| Ginzton Terrace                            | 1,007             |
| Project Match                              | 132               |
| Central Park Apartments                    | 3,898             |
| 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                             | 18,059            |
| Housing Trust Silicon Valley               | 10,000            |
| Employee Homebuyer Program                 | 2,033             |
|  | <hr/>             |
| Total                                      | <u>\$ 107,685</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 housing loans, the City is not accruing interest on these loans. Interest revenue is recognized upon receipt.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)**

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

**A. *CDBG Rehabilitation***

The City administers a housing rehabilitation loan program initially funded with CDBG funds. Under this program, individuals with incomes below a stated level are eligible to receive low-interest loans for rehabilitation work on their home. These loans are secured by deeds of trust, which may be subordinated with the prior written consent of the City. The loan repayments may be amortized over the life of the loans, deferred to maturity or a combination of both. There are three such loans outstanding totaling \$95,000 as of June 30, 2021.

**B. *Mid-Peninsula Support Network***

On December 23, 1980, the City loaned \$55,000 to Mid-Peninsula Support Network for the acquisition and rehabilitation of a residential structure for the purpose of providing temporary shelter for battered parents and their children. The loan was funded by CDBG funds and becomes payable upon demand by the City upon failure to comply with the terms of the loan agreement. The loan carries a 12.0 percent annual interest rate and shall accrue beginning 30 days following the date of demand. The loan is collateralized by a first deed of trust. As of June 30, 2021, the amount of the loan outstanding is \$55,000.

**C. *Ginzton Terrace***

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, 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 percent interest.

Total outstanding balance of all loans related to the Latham Street Apartments was paid off during Fiscal Year 2020-21.

**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, 2021, 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, 2021**

**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 2020-21, \$10,000 was repaid and the outstanding Housing Successor's loan balance was paid off.

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 2020-21, \$254,000 was repaid and the outstanding Housing Successor's loan balance is \$810,000.

On July 24, 2007, the City approved a \$405,000 loan to the Coalition for the development of the New Central Park Apartments. The loan was funded by CDBG funds with zero percent interest and final payment is deferred until July 1, 2063. As of June 30, 2021, 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, 2021**

**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, 2021, the total outstanding balance of all loans related to Central Park apartments is \$3.9 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, 2021, 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, 2021, 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, 2021**

**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, 2021, 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, 2021, 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, 2021**

**NOTE 4 - LOANS AND NOTES RECEIVABLE (Continued)**

As of June 30, 2021, 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, 2021, 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, 2021, 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, 2021, 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, 2021**

**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, 2021, 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, 2021, 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, 2021, 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, 2021**

**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, 2021, 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, 2021, 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, 2021, the remaining \$3.0 million was funded by Housing funds. As of June 30, 2021, 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, 2021, \$6.6 million was funded. As of June 30, 2021, the amount of the loan outstanding is \$18.1 million.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, 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, 2021, \$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.

**W. *Employee Homebuyer Program***

On April 1, 2021, the City entered into an agreement to loan up to \$2.0 million to an employee for the purchase of a residence in the City pursuant to the City's Employee Homebuyer Program. The note was funded by General Fund, has a term of thirty years and interest rate of 1.97 percent payable biweekly. The borrower has the option to make interest-only payments for up to the first three years. As of June 30, 2021, the amount of the loan outstanding is \$2.0 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, 2021**

**NOTE 5 - INTERFUND TRANSACTIONS (Continued)**

Transfers between funds during the fiscal year ended June 30, 2021, are as follows (dollars in thousands):

| <u>Funds Receiving Transfers</u>      | <u>Funds Making Transfers</u>         | Amount<br>Transferred | Funding<br>Purpose |
|---------------------------------------|---------------------------------------|-----------------------|--------------------|
| General Fund                          | Shoreline Regional Park Community     | \$ 50                 | C                  |
|                                       | General Capital Projects              | 1,801                 | B                  |
|                                       | Nonmajor Governmental                 | 1,705                 | C                  |
|                                       | Water                                 | 220                   | C                  |
|                                       |                                       | <u>3,776</u>          |                    |
| Shoreline Regional Park Community     | General Capital Projects              | <u>2,294</u>          | B                  |
| Housing                               | General Fund                          | 441                   | C                  |
|                                       | General Capital Projects              | 224                   | B                  |
|                                       |                                       | <u>665</u>            |                    |
| General Capital Projects              | General Fund                          | 6,817                 | C                  |
|                                       | Shoreline Regional Park Community     | 7,374                 | C                  |
|                                       | Housing                               | 350                   | C                  |
|                                       | Park Land Dedication Capital Projects | 9,643                 | C                  |
|                                       | Nonmajor Governmental                 | 12,410                | C                  |
|                                       | Internal Service                      | 234                   | C                  |
|                                       |                                       | <u>36,828</u>         |                    |
| Park Land Dedication Capital Projects | General Capital Projects              | <u>380</u>            | B                  |
| Nonmajor Governmental                 | Shoreline Regional Park Community     | 6,293                 | A                  |
|                                       | General Capital Projects              | 8,674                 | B                  |
|                                       |                                       | <u>14,967</u>         |                    |
| Water                                 | General Capital Projects              | 400                   | B                  |
|                                       | Internal Service                      | 95                    | C                  |
|                                       |                                       | <u>495</u>            |                    |
| Wastewater                            | General Capital Projects              | 331                   | B                  |
|                                       | Internal Service                      | 696                   | C                  |
|                                       |                                       | <u>1,027</u>          |                    |
| Solid Waste                           | General Capital Projects              | <u>20</u>             | B                  |
| Internal Service Funds                | General Fund                          | 2,483                 | C                  |
|                                       | Shoreline Regional Park Community     | 120                   | C                  |
|                                       | Housing                               | 3                     | C                  |
|                                       | General Capital Projects              | 3                     | B                  |
|                                       | Nonmajor Governmental                 | 225                   | C                  |
|                                       | Water                                 | 220                   | C                  |
|                                       | Wastewater                            | 934                   | C                  |
|                                       | Solid Waste                           | 159                   | C                  |
|                                       |                                       | <u>4,147</u>          |                    |
|                                       | Total Interfund Transfers             | <u>\$ 64,599</u>      |                    |

The reasons for these transfers are as follows:

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, the General Capital Projects Fund has outstanding advances of \$22.4 million, \$17.5 million, and \$927,000 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, 2021**

**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, 2021, is as follows (dollars in thousands):

|   | Balance<br>June 30, 2020 | Additions       | Retirements  | Transfers      | Balance<br>June 30, 2021 |
|---|--------------------------|-----------------|--------------|----------------|--------------------------|
| <i>Governmental activities</i>              |                          |                 |              |                |                          |
| Capital assets not being depreciated:       |                          |                 |              |                |                          |
| Land  | \$ 110,311               | -               | -            | -              | 110,311                  |
| Construction in progress                    | 46,038                   | 24,503          | -            | (9,076)        | 61,465                   |
| Total capital assets not being depreciated  | <u>156,349</u>           | <u>24,503</u>   | <u>-</u>     | <u>(9,076)</u> | <u>171,776</u>           |
| Capital assets being depreciated:           |                          |                 |              |                |                          |
| Buildings                                   | 188,468                  | -               | -            | -              | 188,468                  |
| Improvements other than buildings           | 213,276                  | -               | -            | 6,731          | 220,007                  |
| Machinery and equipment                     | 40,018                   | 2,030           | (739)        | 231            | 41,540                   |
| Traffic signals                             | 14,848                   | -               | -            | 530            | 15,378                   |
| Streetlights                                | 10,165                   | -               | -            | 370            | 10,535                   |
| Bridges and culverts                        | 18,440                   | -               | -            | -              | 18,440                   |
| Sidewalks, curbs and gutters                | 114,378                  | 160             | (23)         | 655            | 115,170                  |
| Streets and roads                           | 278,155                  | -               | -            | 559            | 278,714                  |
| Total capital assets being depreciated      | <u>877,748</u>           | <u>2,190</u>    | <u>(762)</u> | <u>9,076</u>   | <u>888,252</u>           |
| Less accumulated depreciation for:          |                          |                 |              |                |                          |
| Buildings                                   | (94,958)                 | (5,173)         | -            | -              | (100,131)                |
| Improvements other than buildings           | (159,233)                | (9,410)         | -            | -              | (168,643)                |
| Machinery and equipment                     | (27,902)                 | (2,838)         | 717          | -              | (30,023)                 |
| Traffic signals                             | (7,652)                  | (711)           | -            | -              | (8,363)                  |
| Streetlights                                | (6,911)                  | (86)            | -            | -              | (6,997)                  |
| Bridges and culverts                        | (5,876)                  | (309)           | -            | -              | (6,185)                  |
| Sidewalks, curbs and gutters                | (73,572)                 | (2,771)         | 16           | -              | (76,327)                 |
| Streets and roads                           | (170,269)                | (7,146)         | -            | -              | (177,415)                |
| Total accumulated depreciation              | <u>(546,373)</u>         | <u>(28,444)</u> | <u>733</u>   | <u>-</u>       | <u>(574,084)</u>         |
| Net capital assets being depreciated        | <u>331,375</u>           | <u>(26,254)</u> | <u>(29)</u>  | <u>9,076</u>   | <u>314,168</u>           |
| Governmental activities capital assets, net | <u>\$ 487,724</u>        | <u>(1,751)</u>  | <u>(29)</u>  | <u>-</u>       | <u>485,944</u>           |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 6 - CAPITAL ASSETS (Continued)**

|  | Balance<br>June 30, 2020 | Additions | Retirements | Transfers | Balance<br>June 30, 2021 |
|--|--------------------------|-----------|-------------|-----------|--------------------------|
| <i>Business-type activities</i>              |                          |           |             |           |                          |
| Capital assets not being depreciated:        |                          |           |             |           |                          |
| Land   | \$ 220                   | -         | -           | -         | 220                      |
| Construction in progress                     | 26,600                   | 5,087     | -           | (13,828)  | 17,859                   |
| Total capital assets not being depreciated   | 26,820                   | 5,087     | -           | (13,828)  | 18,079                   |
| Capital assets being depreciated:            |                          |           |             |           |                          |
| Buildings                                    | 8,748                    | -         | -           | -         | 8,748                    |
| Improvements other than buildings            | 152,027                  | 315       | (1,530)     | 13,828    | 164,640                  |
| Machinery and equipment                      | 8,331                    | 204       | (19)        | -         | 8,516                    |
| Total capital assets being depreciated       | 169,106                  | 519       | (1,549)     | 13,828    | 181,904                  |
| Less accumulated depreciation for:           |                          |           |             |           |                          |
| Buildings                                    | (8,537)                  | (6)       | -           | -         | (8,543)                  |
| Improvements other than buildings            | (82,922)                 | (6,765)   | 1,075       | -         | (88,612)                 |
| Machinery and equipment                      | (5,913)                  | (353)     | 19          | -         | (6,247)                  |
| Total accumulated depreciation               | (97,372)                 | (7,124)   | 1,094       | -         | (103,402)                |
| Net capital assets being depreciated         | 71,734                   | (6,605)   | (455)       | 13,828    | 78,502                   |
| Business-type activities capital assets, net | \$ 98,554                | (1,518)   | (455)       | -         | 96,581                   |

**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, 2021, are as follows (dollars in thousands):

***Governmental Activities:***

|                         |                  |
|-------------------------|------------------|
| General government      | \$ 2,091         |
| Public safety           | 1,590            |
| Public works            | 16,579           |
| Community development   | 344              |
| Culture and recreation  | 7,836            |
| Internal services funds | 4                |
| Total                   | <u>\$ 28,444</u> |

***Business-type Activities:***

|             |                 |
|-------------|-----------------|
| Water       | \$ 4,634        |
| Wastewater  | 2,147           |
| Solid Waste | 343             |
| Total       | <u>\$ 7,124</u> |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, are as follows (dollars in thousands):

|                                   | Spent<br>to Date | Remaining<br>Commitment |
|-----------------------------------|------------------|-------------------------|
| Governmental activities:          |                  |                         |
| Land                              | \$ -             | 28,383                  |
| Improvements other than buildings | 40,754           | 11,278                  |
| Buildings                         | 2,696            | 10                      |
| Infrastructure                    | 18,015           | 13,596                  |
| Total governmental activities     | \$ 61,465        | 53,267                  |
| Business-type activities:         |                  |                         |
| Water projects                    | \$ 9,029         | 1,781                   |
| Wastewater projects               | 8,214            | 579                     |
| Solid Waste projects              | 616              | 3                       |
| Total business-type activities    | \$ 17,859        | 2,363                   |

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, 2021**

**NOTE 6 - CAPITAL ASSETS (Continued)**

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

On November 19, 2019, the City entered into a property transfer agreement where LASD agrees to transfer the title of the Open Space Park to the City upon the acquisition of the Property and the completion of pre-transfer due diligence activities. As of June 30, 2021, pre-transfer due diligence activities are not completed and the \$20.0 million payment made by the City for the Open Space Park was reported as deposits and prepaid items.



**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, are as follows (dollars in thousands):

|  | Original<br>Issue<br>Amount | Balance<br>June 30,<br>2020 | Additions    | Retirements    | Balance<br>June 30,<br>2021 | Due<br>Within<br>One Year |
|--|-----------------------------|-----------------------------|--------------|----------------|-----------------------------|---------------------------|
| <i>Governmental Activities:</i>          |                             |                             |              |                |                             |                           |
| <b>Revenue Bonds:</b>                    |                             |                             |              |                |                             |                           |
| <b>Shoreline Regional Park Community</b> |                             |                             |              |                |                             |                           |
| <b>2011 Revenue Refunding Bonds</b>      |                             |                             |              |                |                             |                           |
| 2.0% to 5.75%, due Fiscal Year 2040-41   | \$ 39,030                   | 25,865                      | -            | (1,985)        | 23,880                      | 2,085                     |
| <b>Shoreline Regional Park Community</b> |                             |                             |              |                |                             |                           |
| <b>2018 Revenue Bonds Series A</b>       |                             |                             |              |                |                             |                           |
| 5.0%, due Fiscal Year 2048-49            | 53,485                      | 53,485                      | -            | -              | 53,485                      | -                         |
| Add unamortized premium                  | 6,416                       | 6,091                       | -            | (217)          | 5,874                       | 217                       |
| Subtotal 2018 Revenue Bonds Series A     | 59,901                      | 59,576                      | -            | (217)          | 59,359                      | 217                       |
| <b>Shoreline Regional Park Community</b> |                             |                             |              |                |                             |                           |
| <b>2018 Revenue Bonds Series B</b>       |                             |                             |              |                |                             |                           |
| 3.36% to 4.24%, due Fiscal Year 2031-32  | 10,315                      | 10,315                      | -            | -              | 10,315                      | -                         |
| Total Revenue Bonds                      | 109,246                     | 95,756                      | -            | (2,202)        | 93,554                      | 2,302                     |
| <b>Special Assessment Debt</b>           |                             |                             |              |                |                             |                           |
| <b>with City Commitment:</b>             |                             |                             |              |                |                             |                           |
| <b>2000 Yardis Court</b>                 |                             |                             |              |                |                             |                           |
| 7.0%, due Fiscal Year 2020-21            | 195                         | 12                          | -            | (12)           | -                           | -                         |
| <b>Compensated Absences</b>              | -                           | 11,117                      | 2,061        | (413)          | 12,765                      | 2,042                     |
| <b>Landfill Containment</b>              | -                           | 41,071                      | 493          | -              | 41,564                      | -                         |
| <b>Claims liabilities</b>                | -                           | 10,205                      | 791          | (2,544)        | 8,452                       | 2,837                     |
| <b>Total governmental activities</b>     | <b>\$ 109,441</b>           | <b>158,161</b>              | <b>3,345</b> | <b>(5,171)</b> | <b>156,335</b>              | <b>7,181</b>              |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 – NONCURRENT LIABILITIES (Continued)**

|  | Original<br>Issue<br>Amount | Balance<br>June 30,<br>2020 | Additions  | Retirements    | Balance<br>June 30,<br>2021 | Due Within<br>One<br>Year |
|--|-----------------------------|-----------------------------|------------|----------------|-----------------------------|---------------------------|
| <i>Business-type activities:</i>               |                             |                             |            |                |                             |                           |
| <b>Water Revenue Bonds</b>                     |                             |                             |            |                |                             |                           |
| <b>2004 Series A</b>                           |                             |                             |            |                |                             |                           |
| 3.0%-4.5%, due Fiscal Year 2028-29             | \$ 9,700                    | 4,560                       | -          | (425)          | 4,135                       | 440                       |
| <b>City of Palo Alto Loan</b>                  |                             |                             |            |                |                             |                           |
| 0%, due Fiscal Year 2028-29                    | 6,000                       | 2,700                       | -          | (300)          | 2,400                       | 300                       |
| Less unamortized discount                      | (1,000)                     | (450)                       | -          | 50             | (400)                       | (50)                      |
| <b>Wastewater Direct Financing Arrangement</b> |                             |                             |            |                |                             |                           |
| 3.4%, due Fiscal Year 2033-34                  | 10,100                      | 9,521                       | -          | (542)          | 8,979                       | 560                       |
| <b>Compensated Absences</b>                    | -                           | 1,268                       | 106        | (267)          | 1,107                       | 204                       |
| <b>Total business-type activities</b>          | <u>\$ 24,800</u>            | <u>17,599</u>               | <u>106</u> | <u>(1,484)</u> | <u>16,221</u>               | <u>1,454</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, 2021**

**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 the 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.

The 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, 2021**

**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, 2021, is approximately \$41.6 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, 2021, for postclosure care costs on these two landfill sites. A third landfill site maintained by the City did not require a FAM to be established for the closure of the site and the City's postclosure care cost is not estimable.

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

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 - NONCURRENT LIABILITIES (Continued)**

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

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

**C. *Debt Service Requirements***

The pledge of future tax increment revenues ends upon repayment of the \$163.3 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, 2021, tax increment revenues amounted to \$51.9 million, which represented coverage of 8.1 over the \$6.4 million in debt service.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 7 – NONCURRENT LIABILITIES (Continued)**

The pledge of future water fund revenues ends upon repayment of the \$7.4 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, 2021, Water Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$41.0 million and operating expenses, excluding depreciation or amortization amounted to \$31.7 million. Net Revenues available for debt service amounted to \$9.3 million, which represented coverage of 10.0 over the \$928,000 in debt service.

The pledge of future wastewater fund revenues ends upon repayment of the \$11.1 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, 2021, Wastewater Fund revenues including operating revenues, non-operating interest earnings, capital contributions – developer fees, and transfers in amounted to \$26.4 million and operating expenses, excluding depreciation or amortization amounted to \$19.3 million. Net Revenues available for debt service amounted to \$7.1 million, which represented coverage of 8.3 over the \$853,000 in debt service.

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

| For the Fiscal Year<br>Ending June 30 | Governmental Activities |               | Business-type Activities<br>(Excluding Wastewater<br>Direct Financing<br>Arrangement) |            | Wastewater Direct<br>Financing<br>Arrangement |              |
|---------------------------------------|-------------------------|---------------|---|------------|---|--------------|
|                                       | Principal               | Interest      | Principal   | Interest   | Principal                                     | Interest     |
| 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                                  | 1,825                   | 4,026         | 825   | 101        | 641   | 212          |
| 2027-2031                             | 10,420                  | 18,793        | 2,625   | 158        | 3,548   | 714          |
| 2032-2036                             | 13,135                  | 15,905        | -   | -          | 2,433   | 124          |
| 2037-2041                             | 17,100                  | 11,901        | -   | -          | -   | -            |
| 2042-2046                             | 22,025                  | 6,872         | -   | -          | -   | -            |
| 2047-2049                             | 16,045                  | 1,229         | -   | -          | -   | -            |
| Total                                 | <u>\$ 87,680</u>        | <u>75,575</u> | <u>6,535</u>  | <u>879</u> | <u>8,979</u>                                  | <u>2,101</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, 2021**

**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](http://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, 2021**

**NOTE 8 - PENSION PLANS (Continued)**

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

|                                      | <i>Miscellaneous</i>        |                                |
|--------------------------------------|-----------------------------|--------------------------------|
|                                      | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 |
| Hire date                            | 2.7% @ 55                   | 2.0% @ 62                      |
| Benefit formula                      | 5 years service             | 5 years service                |
| Benefit vesting schedule             | Monthly for life            | Monthly for life               |
| Benefit payments                     | 50+                         | 52+                            |
| Retirement age                       | 8.00%                       | 6.25%                          |
| Required employee contribution rates | 34.402%                     | 34.402% (A)                    |
| Required employer contribution rates |                             |                                |
|                                      | <i>Safety</i>               |                                |
|                                      | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 |
| Hire date                            | 3% @ 50                     | 2.7% @ 57                      |
| Benefit formula                      | 5 years service             | 5 years service                |
| Benefit vesting schedule             | Monthly for life            | Monthly for life               |
| Benefit payments                     | 50+                         | 50+                            |
| Retirement age                       | 9.00%                       | 10.50%                         |
| Required employee contribution rates | 52.214%                     | 52.214% (A)                    |
| Required employer contribution rates |                             |                                |

(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, 2021**

**NOTE 8 - PENSION PLANS (Continued)**

*Employees Covered* - Employees covered by the benefit terms for each Plan as of June 30, 2020, the most recent actuarial valuations information available, are as follows:

|  | <u>Miscellaneous</u> | <u>Safety</u>     |
|--|----------------------|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 701                  | 308               |
| Inactive employees entitled to but not yet receiving benefits    | 533                  | 106               |
| Active employees   | <u>459</u>           | <u>157</u>        |
| Total  | <u><u>1,693</u></u>  | <u><u>571</u></u> |

*Contributions* - Section 20814(c) of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers to be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. The actuarially determined rate is the projected amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the purpose of increasing the funded status of the Plans, the City contributed \$1.1 million and \$0.8 million in excess of the actuarially determined contributions for the Miscellaneous and Safety Plans, respectively, during the fiscal year ended June 30, 2021.

**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, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020 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, 2021**

**NOTE 8 - PENSION PLANS (Continued)**

*Actuarial Assumptions* - The total pension liabilities in the June 30, 2019 actuarial valuations were determined using actuarial assumptions as follows:

|                                  | Miscellaneous and Safety Plans  |
|----------------------------------|---|
| Valuation Date                   | June 30, 2019   |
| Measurement Date                 | June 30, 2020   |
| Actuarial Cost Method            | Entry-Age Normal Cost Method  |
| Actuarial Assumptions:           |   |
| Discount Rate                    | 7.15%   |
| Inflation                        | 2.50%   |
| Payroll Growth                   | 2.75%   |
| Projected Salary Increase        | Varies by Entry Age and Service   |
| Post Retirement Benefit Increase | The lessor of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter. |
| Mortality                        | Derived using CalPERS Membership Data for all Funds (1)   |

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

All other actuarial assumptions used in the June 30, 2019 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, 2021**

**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, 2019, are as follows:

| <u>Asset Class</u>  | <u>Current<br/>Target<br/>Allocation</u> | <u>Real Return<br/>Years 1 - 10 <sup>1</sup></u> | <u>Real Return<br/>Years 11+ <sup>2</sup></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, 2021**

**NOTE 8 - PENSION PLANS (Continued)**

**C. Changes in the Net Pension Liability**

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

*Miscellaneous Plan:*

|  | Increase (Decrease)        |                                   |                           |
|--|----------------------------|-----------------------------------|---------------------------|
|  | Total Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net Position<br>Liability |
| Balance at June 30, 2019   | \$ 441,651                 | 330,451                           | 111,200                   |
| Changes during the measurement period:                           |                            |                                   |                           |
| Service cost   | 8,622                      | -                                 | 8,622                     |
| Interest on the total pension liability                          | 31,427                     | -                                 | 31,427                    |
| Differences between expected and actual experience               | 4,461                      | -                                 | 4,461                     |
| Contributions - employer   | -                          | 18,696                            | (18,696)                  |
| Contributions - employee   | -                          | 3,959                             | (3,959)                   |
| Investment income  | -                          | 16,690                            | (16,690)                  |
| Administrative expenses  | -                          | (466)                             | 466                       |
| Benefit payments, including refunds of employee<br>contributions | (21,764)                   | (21,764)                          | -                         |
| Net changes  | 22,746                     | 17,115                            | 5,631                     |
| Balance at June 30, 2020   | \$ 464,397                 | 347,566                           | 116,831                   |

*Safety Plan:*

|  | Increase (Decrease)        |                                   |                           |
|--|----------------------------|-----------------------------------|---------------------------|
|  | Total Pension<br>Liability | Plan<br>Fiduciary<br>Net Position | Net Position<br>Liability |
| Balance at June 30, 2019   | \$ 381,538                 | 275,253                           | 106,285                   |
| Changes during the measurement period:                           |                            |                                   |                           |
| Service cost   | 7,613                      | -                                 | 7,613                     |
| Interest on the total pension liability                          | 27,043                     | -                                 | 27,043                    |
| Differences between expected and actual experience               | 2,235                      | -                                 | 2,235                     |
| Contributions - employer   | -                          | 15,569                            | (15,569)                  |
| Contributions - employee   | -                          | 3,345                             | (3,345)                   |
| Investment income  | -                          | 13,769                            | (13,769)                  |
| Administrative expenses  | -                          | (388)                             | 388                       |
| Benefit payments, including refunds of employee<br>contributions | (18,711)                   | (18,711)                          | -                         |
| Net changes  | 18,180                     | 13,584                            | 4,596                     |
| Balance at June 30, 2020   | \$ 399,718                 | 288,837                           | 110,881                   |
| Total Net Pension Liability - All Plans at June 30, 2020         | \$ 864,115                 | 636,403                           | 227,712                   |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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<br>-1% (6.15%) | Current<br>Discount Rate<br>(7.15%) | Discount Rate<br>+1% (8.15%) |
|--------------------|------------------------------|-------------------------------------|------------------------------|
| Miscellaneous Plan | \$ 176,248                   | 116,831                             | 67,518                       |
| Safety Plan        | 163,628                      | 110,881                             | 67,259                       |
| Total              | <u>\$ 339,876</u>            | <u>227,712</u>                      | <u>134,777</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, 2021, the City recognized pension expense of \$17.8 million and \$17.1 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, 2021**

**NOTE 8 - PENSION PLANS (Continued)**

The City reported deferred outflows of resources related to pensions by sources for the fiscal year ended June 30, 2021 as follows (dollars in thousands):

| <i>Miscellaneous Plan:</i>  | <u>Deferred<br/>Outflows<br/>of Resources</u> |
|---|---|
| Pension contributions subsequent to measurement date                      | \$ 15,273                                     |
| Differences between expected and actual experience                        | 3,632   |
| Net differences between projected and actual earnings on plan investments | 2,761   |
| Total   | <u>\$ 21,666</u>                              |
|   |   |
| <i>Safety Plan:</i>   | <u>Deferred<br/>Outflows<br/>of Resources</u> |
| Pension contributions subsequent to measurement date                      | \$ 12,508                                     |
| Differences between expected and actual experience                        | 2,513   |
| Net differences between projected and actual earnings on plan investments | 2,483   |
| Total   | <u>\$ 17,504</u>                              |
| Total - All Plans   | <u>\$ 39,170</u>                              |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 8 - PENSION PLANS (Continued)**

As of June 30, 2021, the City reported \$15.3 million and \$12.5 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, 2022. 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<br>Ending June 30, | Miscellaneous<br>Plan | Safety<br>Plan | Total  |
|--------------------------------|-----------------------|----------------|--------|
| 2022                           | \$ 1,107              | 726            | 1,833  |
| 2023                           | 2,207                 | 1,556          | 3,763  |
| 2024                           | 1,699                 | 1,538          | 3,237  |
| 2025                           | 1,380                 | 1,176          | 2,556  |
| Total                          | \$ 6,393              | 4,996          | 11,389 |

**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](http://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, 2021**

**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;<br>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                       |                                     |  | 85% of single premium for any open City HMO plan |                       |
|                             |  |                          |                                     |  | 85% of single premium for any open City HMO plan |                       |
| SEIU Clerical and Technical | Prior to September 1, 1989                                 | 5                        | Prior to March 1, 1993              | 100% of single premium   |  |                       |
|                             |  |                          | March 1, 1993 through June 27, 1998 | 85% of single premium  |  |                       |
|                             |  |                          | After June 27, 1998                 | 100% of any single HMO premium;<br>85% of any single PPO premium |  |                       |
|                             | September 1, 1989 through June 30, July 1, 2007 and later* | 15                       | Any                                 | 85% of single premium for any City HMO plan                      |  |                       |
|                             |  |                          |                                     | 85% of single premium for any City HMO plan                      |  |                       |
| 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                       | 15                                  | Prior to January 1, 1997   | No Coverage or Benefits                          |                       |
|                             |  |                          |                                     | January 1, 1997 and later  | 5, but less than 10                              | 50% of single premium |
|                             |  |                          |                                     |  | 10, but less than 15                             | 65% of single premium |
|                             |  |                          |                                     |  | 15 or more                                       | 85% of single premium |
|                             | July 1, 2007 and later*                                    | 15                       | Any                                 | 85% of single premium for any open City HMO plan                 |  |                       |

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

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



**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, the City's contributions totaled \$6.8 million. For the purpose of increasing the funded status of the OPEB Plan, the City contributed \$2.6 million in excess of the actuarially determined contributions during the fiscal year ended June 30, 2021.

**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, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020 using standard update procedures. 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, 2020   |
| 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.<br>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, 2021**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*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<br>Target<br>Allocation | Real Return<br>Years 1-10 <sup>1</sup> | Real Return<br>Years 11+ <sup>2</sup> |
|---------------|---------------------------------|--|---------------------------------------|
| 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, 2021**

**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)     |                                   |                       |
|--|-------------------------|-----------------------------------|-----------------------|
|  | Total OPEB<br>Liability | Plan<br>Fiduciary<br>Net Position | Net OPEB<br>Liability |
| Balance at June 30, 2019               | \$ 145,040              | 136,249                           | 8,791                 |
| Changes during the measurement period: |                         |                                   |                       |
| Service cost                           | 3,320                   | -                                 | 3,320                 |
| Interest on the total OPEB liability   | 9,079                   | -                                 | 9,079                 |
| Contributions - employer               | -                       | 8,497                             | (8,497)               |
| Investment income                      | -                       | 7,384                             | (7,384)               |
| Administrative expenses                | -                       | (67)                              | 67                    |
| Benefit payments                       | (6,183)                 | (6,183)                           | -                     |
| Net changes                            | 6,216                   | 9,631                             | (3,415)               |
| Balance at June 30, 2020               | \$ 151,256              | 145,880                           | 5,376                 |

**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<br>Discount Rate | Discount Rate | Discount Rate |
|----|--------------------------|---------------|---------------|
|    | -1% (5.25%)              | (6.25%)       | +1% (7.25%)   |
| \$ | 25,754                   | 5,376         | (11,359)      |

**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<br>Cost Trend<br>Rate -1% | Healthcare<br>Cost Trend<br>Current Rate | Healthcare<br>Cost Trend<br>Rate +1% |
|----|--------------------------------------|--|--------------------------------------|
| \$ | (12,739)                             | 5,376                                    | 27,601                               |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, the City recognized OPEB expense of \$3.0 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, 2021 are as follows (dollars in thousands):

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| OPEB contributions subsequent to measurement date                         | \$ 6,772                             | -                                   |
| Differences between expected and actual experience                        | -                                    | (9,445)                             |
| Changes in assumptions  | 2,203                                | (424)                               |
| Net differences between projected and actual earnings on plan investments | 780                                  | -                                   |
| Total   | \$ 9,755                             | (9,869)                             |

As of June 30, 2021, the City reported \$6.8 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, 2022. Net amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense are as follows (dollars in thousands):

| Fiscal Year<br>Ending June 30, |    |         |
|--------------------------------|----|---------|
| 2022                           | \$ | (1,384) |
| 2023                           |    | (2,252) |
| 2024                           |    | (2,369) |
| 2025                           |    | (881)   |
| Total                          | \$ | (6,886) |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 10 - RISK MANAGEMENT**

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

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

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

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

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

|   | 2020      | 2021    |
|---|-----------|---------|
| Beginning Balance   | \$ 11,481 | 10,205  |
| Liability for current and change in prior fiscal year<br>claims and claims incurred but not reported (IBNR) | 477       | 791     |
| Claims paid   | (1,753)   | (2,544) |
| Ending Balance  | \$ 10,205 | 8,452   |
| Current portion   | \$ 2,727  | 2,837   |

The City has not significantly reduced its insurance coverage from the prior fiscal year except for the reduction of general liability coverage from \$100 million to \$55 million due to insurance market capacity. 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, 2021**

**NOTE 11 - LEASING ARRANGEMENTS**

**A. *SFX Entertainment, Inc.***

On May 10, 2006, the City, the Shoreline Community and SFX Entertainment, Inc. (SFX), wholly owned by Live Nation, entered into an Amended and Restated Amphitheatre Ground Lease Agreement (Agreement) for the period from March 15, 2006 through December 31, 2020. SFX 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. Due to impacts of the COVID-19 pandemic, on May 5, 2020, the City Council authorized the deferral of rent payments due for April, May and June 2020 totaling \$0.6 million to January, February, and March 2021, respectively. On December 8, 2020, the City Council authorized the reduction of rent from April to December 2020 by 50 percent. For the fiscal year ended June 30, 2021, the City received lease payments of \$1.6 million, which included \$0.3 million for the months of April, May, and June 2020.

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

| Fiscal Year Ending<br>June 30 | Amount          |
|-------------------------------|-----------------|
| 2022                          | \$ 1,961        |
| 2023                          | 2,001           |
| 2024                          | 2,041           |
| 2025                          | 2,081           |
| 2026                          | 1,406           |
| Total                         | <u>\$ 9,490</u> |

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.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 11 - LEASING ARRANGEMENTS (Continued)**

**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.

For the fiscal year ended June 30, 2021, \$15.5 million of lease revenues have been recognized under the aforementioned three leases.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 11 - LEASING ARRANGEMENTS (Continued)**

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

| Fiscal Year Ending<br>June 30 | Amount     |
|-------------------------------|------------|
| 2022                          | \$ 16,146  |
| 2023                          | 16,771     |
| 2024                          | 17,421     |
| 2025                          | 18,096     |
| 2026                          | 17,103     |
| 2027-2031                     | 27,496     |
| 2032-2036                     | 25,991     |
| 2037-2041                     | 22,720     |
| 2042-2046                     | 25,991     |
| 2047-2051                     | 20,443     |
| 2052-2056                     | 7,400      |
| 2057-2061                     | 6,272      |
| 2062-2063                     | 1,978      |
| Total                         | \$ 223,828 |

On April 1, 2011, the City, as lessor, entered into a 52-year lease with Google (termination to coincide with the 2007 Lease). Google advanced the rent for the initial 52-year lease term in the amount of \$30.0 million to the City. Revenue is recognized in the General Fund on a straight-line basis over the lease term. For the year ended June 30, 2021, \$581,000 of lease revenue has been recognized.

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, 2021**

**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, 2021, \$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, 2021, \$1.4 million of lease payments were received. At June 30, 2021, the leased land has a book value of \$9.5 million.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 11 - LEASING ARRANGEMENTS (Continued)**

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

| Fiscal Year Ending<br>June 30 | Amount           |
|-------------------------------|------------------|
| 2022                          | \$ 1,421         |
| 2023                          | 1,464            |
| 2024                          | 1,508            |
| 2025                          | 1,553            |
| 2026                          | 1,599            |
| 2027-2031                     | 8,746            |
| 2032-2036                     | 9,748            |
| 2037-2041                     | 7,000            |
| 2042-2046                     | 7,000            |
| 2047-2051                     | 7,000            |
| 2052-2056                     | 7,000            |
| 2057-2061                     | 7,000            |
| 2062-2066                     | 7,000            |
| 2067-2070                     | 5,250            |
| Total                         | <u>\$ 73,289</u> |

**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.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 11 - LEASING ARRANGEMENTS (Continued)**

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.

**NOTE 12 - NET POSITION AND FUND BALANCES**

**A. *Net Position***

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

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

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

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 12 - NET POSITION AND FUND BALANCES (Continued)**

**B. Fund Balances**

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

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

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

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

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

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

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 12 - NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City's Fund Balances, as of June 30, 2021, are as follows (dollars in thousands):

| Fund Balance Classifications         | General           | Shoreline<br>Regional<br>Park<br>Community | Housing        | General<br>Capital<br>Projects | Park<br>Land<br>Dedication<br>Capital<br>Projects | Other<br>Governmental | Total          |
|--------------------------------------|-------------------|--|----------------|--------------------------------|---|-----------------------|----------------|
| <b>Nonspendable:</b>                 |                   |  |                |                                |   |                       |                |
| Inventory                            | \$ 748            | -  | -              | -                              | -   | 60                    | 808            |
| Deposits and prepaid costs           | 3,544             | -  | -              | -                              | 17,000  | -                     | 20,544         |
| <b>Total Nonspendable</b>            | <b>4,292</b>      | <b>-</b>                                   | <b>-</b>       | <b>-</b>                       | <b>17,000</b>                                     | <b>60</b>             | <b>21,352</b>  |
| <b>Restricted:</b>                   |                   |  |                |                                |   |                       |                |
| Shoreline Regional Park Community    | -                 | 45,104                                     | -              | -                              | -   | -                     | 45,104         |
| Landfill Containment                 | -                 | 9,000                                      | -              | -                              | -   | -                     | 9,000          |
| Housing                              | -                 | -  | 144,271        | -                              | -   | -                     | 144,271        |
| General Capital Projects             | -                 | -  | -              | 274,603                        | -   | -                     | 274,603        |
| Park Land Dedication Fees            | -                 | -  | -              | -                              | 81,457  | -                     | 81,457         |
| Gas Tax                              | -                 | -  | -              | -                              | -   | 1,641                 | 1,641          |
| Other Streets and Transportation     | -                 | -  | -              | -                              | -   | 927                   | 927            |
| Construction & Conveyance Tax        | -                 | -  | -              | -                              | -   | 11,626                | 11,626         |
| Development Services                 | -                 | -  | -              | -                              | -   | 1,452                 | 1,452          |
| CSFRA/Rental Housing Committee       | -                 | -  | -              | -                              | -   | 1,555                 | 1,555          |
| Housing Successor                    | -                 | -  | -              | -                              | -   | 12,762                | 12,762         |
| Downtown Benefit Assessment District | -                 | -  | -              | -                              | -   | 20,430                | 20,430         |
| Police Asset Forfeitures             | -                 | -  | -              | -                              | -   | 506                   | 506            |
| Grants                               | -                 | -  | -              | -                              | -   | 19,389                | 19,389         |
| Cable Television                     | -                 | -  | -              | -                              | -   | 757                   | 757            |
| Deferred Assessments                 | -                 | -  | -              | -                              | -   | 390                   | 390            |
| Debt Service                         | -                 | -  | -              | -                              | -   | 6,545                 | 6,545          |
| Storm Drain Construction             | -                 | -  | -              | -                              | -   | 437                   | 437            |
| Minor Estate Trust                   | 437               | -  | -              | -                              | -   | -                     | 437            |
| <b>Total Restricted</b>              | <b>437</b>        | <b>54,104</b>                              | <b>144,271</b> | <b>274,603</b>                 | <b>81,457</b>                                     | <b>78,417</b>         | <b>633,289</b> |
| <b>Committed:</b>                    |                   |  |                |                                |   |                       |                |
| Development Services                 | 23,483            | -  | -              | -                              | -   | 20,546                | 44,029         |
| Budget Contingency                   | 9,667             | -  | -              | -                              | -   | -                     | 9,667          |
| Earned Lease Revenue                 | 8,515             | -  | -              | -                              | -   | -                     | 8,515          |
| Property Management                  | 1,577             | -  | -              | -                              | -   | -                     | 1,577          |
| Graham Site Maintenance              | 701               | -  | -              | -                              | -   | -                     | 701            |
| Transportation                       | 6,674             | -  | -              | -                              | -   | -                     | 6,674          |
| Capital Improvement                  | 16,590            | -  | -              | -                              | -   | -                     | 16,590         |
| Open Space Acquisition               | 3,456             | -  | -              | -                              | -   | -                     | 3,456          |
| Strategic Property Acquisition       | 6,394             | -  | -              | -                              | -   | -                     | 6,394          |
| Childcare Commitment                 | 357               | -  | -              | -                              | -   | -                     | 357            |
| Compensated Absences                 | 6,039             | -  | -              | -                              | -   | -                     | 6,039          |
| General Special Purpose              | -                 | -  | -              | -                              | -   | 279                   | 279            |
| Shoreline Golf Links                 | -                 | -  | -              | -                              | -   | 44                    | 44             |
| <b>Total Committed</b>               | <b>83,453</b>     | <b>-</b>                                   | <b>-</b>       | <b>-</b>                       | <b>-</b>  | <b>20,869</b>         | <b>104,322</b> |
| <b>Assigned:</b>                     |                   |  |                |                                |   |                       |                |
| Contractual Obligations              | 4,044             | -  | -              | -                              | -   | -                     | 4,044          |
| <b>Unassigned:</b>                   |                   |  |                |                                |   |                       |                |
|                                      | 67,792            | -  | -              | -                              | -   | -                     | 67,792         |
| <b>Total Fund Balances</b>           | <b>\$ 160,018</b> | <b>54,104</b>                              | <b>144,271</b> | <b>274,603</b>                 | <b>98,457</b>                                     | <b>99,346</b>         | <b>830,799</b> |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021**

**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.
13. The Shoreline Golf Links Reserve shall be used to fund Shoreline Golf Links and related golf course operations and improvements.

**D. *Minimum Fund Balance/Net Position Policies***

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

1. The General Fund Reserve at 20 to 25 percent of General Fund appropriations.
2. The General Fund Capital Improvement Reserve to be funded with a goal of a minimum balance of \$5.0 million.
3. The Compensated Absences Reserve shall be funded at a minimum 80 percent of the liabilities of the City for compensated absences such as vacation and vested sick leave.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 12 - NET POSITION AND FUND BALANCES (Continued)**

4. The Shoreline Regional Park Community Special Revenue Fund shall maintain a reserve of 25 percent of operating budget for three months of operating expenditures; the landfill reserve shall be incrementally increased to accumulate funds to rebuild the landfill system, which is initially estimated at approximately \$12.0 million, in case of a catastrophic event; and the sea level rise reserve is to be incrementally increased to \$30.0 million for flood protection projects necessary to protect public and private investments within the Shoreline Community identified in the Sea Level Rise Study.
5. The Enterprise Fund Reserves shall maintain a minimum 10 percent of operating budget for emergency, a minimum of 5 percent operating budget for contingency and a goal of 10 percent of operating budget for rate stabilization.
6. The Equipment Replacement Reserve shall be maintained to fund the replacement of capital equipment.
7. The Workers' Compensation Self-Insurance Reserve shall include at a minimum provision to cover projected liabilities and two catastrophic losses at the City's current level of self-insured retention.
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, 2021, and \$12.0 million to rebuild a new landfill system. As of June 30, 2021, the City restricted \$9.0 million for landfill containment and planned to increase the balance by \$1.0 million annually until \$12.0 million is reached.



**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**A. *Encumbrances***

The City's outstanding encumbrances as of June 30, 2021, are as follows (dollars in thousands):

|                                   | <u>Amount</u> | <u>Fund Balance<br/>Classification</u> |
|-----------------------------------|---------------|--|
| General Fund                      | \$ 3,945      | Committed                              |
| General Fund                      | 4,044         | Assigned                               |
| Shoreline Regional Park Community | 292           | Restricted                             |
| Housing                           | 5,094         | Restricted                             |
| General Capital Projects          | 80,314        | Restricted                             |
| Nonmajor Governmental Funds       | 1,099         | Restricted                             |
| Total                             | \$ 94,788     |  |

**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, 2021, these costs totaled \$11.2 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, 2021**

**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, 2021, the City's share of debt services totaled to \$1.0 million.

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

During Fiscal Year 1992-93, the City entered into a Memorandum of Understanding (MOU) with the City of Sunnyvale to obtain solid waste and recycling services at the SMaRT® Station. The MOU provides that the City has capacity share of 23.45 percent of this facility for 30 years expiring in Fiscal Year 2021-22. Annual service charges are determined based on actual per-ton charges. For the fiscal year ended June 30, 2021, these costs totaled \$8.1 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, 2021, the Shoreline Community paid a total of \$7.4 million in contributions to the school districts.

**F. *Tax Revenue Sharing***

Pursuant to an agreement between the City, the Shoreline Community, and the County dated June 22, 2005, the Shoreline Community is annually obligated to pay the County from tax revenues, an amount equal to the County's total retirement tax override levies and pass-through an additional amount of taxes that would have been allocated to the County in the absence of the existence of the Shoreline Community. For the fiscal year ended June 30, 2021, \$1.7 million and \$2.3 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, 2021**

**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, 2021, the City made a \$2.1 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, 2021, which is included as a component of cost of sales and services expenses in the Water Enterprise Fund. The surcharge for Fiscal Year 2021-22 is estimated to be \$1.4 million.

**CITY OF MOUNTAIN VIEW, CALIFORNIA**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**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. The City acquired the property during August 2021.

**I. *Uncertainties***

In March of 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This pandemic and related adverse public health developments have adversely affected workforces, customers, economies, and financial markets globally, leading to economic downturn. It has also disrupted the normal operations of many governments, including the City. The City expects this pandemic to impact the City's operations for future reporting periods. It is not possible for the City to predict the duration or magnitude of the adverse results of the pandemic and its effects on the City's operations.

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

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

**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, 2019 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

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

\* 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 Pension Liability and Related Ratios - Safety Plan

(Dollar in Thousands)

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

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, 2019 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

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

\* 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 Employer Pension Contributions - Miscellaneous and Safety Plans

(Dollar in Thousands)

Miscellaneous Plan

|  | Fiscal Year Ended June 30, |                |                |                |                |                |              |          |
|--|----------------------------|----------------|----------------|----------------|----------------|----------------|--------------|----------|
|  | 2021                       | 2020           | 2019           | 2018           | 2017           | 2016           | 2015         | 2014     |
| Actuarially determined contributions (ADC)       | \$ 14,159                  | 10,784         | 12,769         | 11,289         | 9,925          | 8,806          | 8,073        | 7,796    |
| Contributions in relation to the ADC             | (15,273)                   | (18,696)       | (17,514)       | (17,917)       | (12,413)       | (11,318)       | (8,673)      | (7,796)  |
| Contribution deficiency (excess)                 | <u>\$ (1,114)</u>          | <u>(7,912)</u> | <u>(4,745)</u> | <u>(6,628)</u> | <u>(2,488)</u> | <u>(2,512)</u> | <u>(600)</u> | <u>-</u> |
| Covered payroll                                  | \$ 46,446                  | 46,084         | 43,994         | 40,657         | 39,034         | 38,450         | 36,233       | 34,163   |
| Contributions as a percentage of covered payroll | 32.9%                      | 40.6%          | 39.8%          | 44.1%          | 31.8%          | 29.4%          | 23.9%        | 22.8%    |

Safety Plan

|  | Fiscal Year Ended June 30, |                |                |                |                |                |              |          |
|--|----------------------------|----------------|----------------|----------------|----------------|----------------|--------------|----------|
|  | 2021                       | 2020           | 2019           | 2018           | 2017           | 2016           | 2015         | 2014     |
| Actuarially determined contributions             | \$ 11,752                  | 11,682         | 10,277         | 9,112          | 8,915          | 8,229          | 7,739        | 7,244    |
| Contributions in relation to the ADC             | (12,508)                   | (15,569)       | (14,385)       | (14,872)       | (10,572)       | (9,904)        | (8,139)      | (7,244)  |
| Contribution deficiency (excess)                 | <u>\$ (756)</u>            | <u>(3,887)</u> | <u>(4,108)</u> | <u>(5,760)</u> | <u>(1,657)</u> | <u>(1,675)</u> | <u>(400)</u> | <u>-</u> |
| Covered payroll                                  | \$ 25,600                  | 26,188         | 24,248         | 22,764         | 23,263         | 22,493         | 22,547       | 23,051   |
| Contributions as a percentage of covered payroll | 48.9%                      | 59.5%          | 59.3%          | 65.3%          | 45.4%          | 44.0%          | 36.1%        | 31.4%    |

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2021 were as follows:

|                           |  |
|---------------------------|--|
| ADC for fiscal year       | June 30, 2021  |
| Actuarial valuation date  | June 30, 2018  |
| Actuarial cost method     | Entry-Age Normal Cost Method   |
| Asset valuation method    | Actuarial value of assets  |
| Inflation                 | 2.50%  |
| Salary increases          | Varies by entry age and services   |
| Payroll growth            | 2.75%  |
| Investment rate of return | 7.00%, net of pension plan investment and administrative expenses, includes inflation.   |
| Retirement age            | The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.  |
| Mortality                 | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries. |

\* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight 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, |                |                |                |
|--|----------------------------|----------------|----------------|----------------|
|  | 2021                       | 2020           | 2019           | 2018           |
| Measurement period   | 2020                       | 2019           | 2018           | 2017           |
| <b>Total OPEB liability</b>  |                            |                |                |                |
| Service cost   | \$ 3,320                   | 3,336          | 3,231          | 3,054          |
| Interest on the total OPEB liability   | 9,079                      | 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                  | (6,183)                    | (5,729)        | (5,459)        | (5,044)        |
| Net change in total OPEB liability   | 6,216                      | (6,121)        | 7,164          | 13,470         |
| Total pension OPEB, beginning  | 145,040                    | 151,161        | 143,997        | 130,527        |
| <b>Total OPEB liability, ending</b>  | <b>\$ 151,256</b>          | <b>145,040</b> | <b>151,161</b> | <b>143,997</b> |
| <b>Plan fiduciary net position</b>   |                            |                |                |                |
| Contributions, employer  | \$ 8,497                   | 8,014          | 13,233         | 12,424         |
| Investment income  | 7,384                      | 8,797          | 6,858          | 7,065          |
| Benefit payments, including refunds of employee contributions                  | (6,183)                    | (5,729)        | (5,459)        | (5,044)        |
| Administrative expenses  | (67)                       | (27)           | (206)          | (51)           |
| Net change in plan fiduciary net position                                      | 9,631                      | 11,055         | 14,426         | 14,394         |
| Plan fiduciary net position, beginning   | 136,249                    | 125,194        | 110,768        | 96,374         |
| <b>Plan fiduciary net position, ending</b>                                     | <b>\$ 145,880</b>          | <b>136,249</b> | <b>125,194</b> | <b>110,768</b> |
| <b>Plan net OPEB liability</b>   | <b>\$ 5,376</b>            | <b>8,791</b>   | <b>25,967</b>  | <b>33,229</b>  |
| <b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | <b>96.4%</b>               | <b>93.9%</b>   | <b>82.8%</b>   | <b>76.9%</b>   |
| <b>Covered payroll</b>   | <b>\$ 50,838</b>           | <b>49,135</b>  | <b>46,799</b>  | <b>44,181</b>  |
| <b>Plan net OPEB liability as a percentage of covered payroll</b>              | <b>10.6%</b>               | <b>17.9%</b>   | <b>55.5%</b>   | <b>75.2%</b>   |

**Note to schedule:**

Change in assumptions - During measurement period 2019, the discount rate was reduced from 6.50 percent to 6.25 percent. Demographic assumptions were change in accordance to the 2017 CalPERS Experience Study. There is no change in assumptions during measurement period 2020.

\* 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.



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

**Fiscal Year Ended June 30,**

|  | <b>2021</b>       | <b>2020</b>    | <b>2019</b>    | <b>2018</b>    | <b>2017</b>    |
|--|-------------------|----------------|----------------|----------------|----------------|
| Actuarially determined contributions (ADC)       | \$ 4,151          | 6,068          | 5,334          | 5,639          | 5,577          |
| Contributions in relation to the ADC             | (6,772)           | (8,497)        | (8,014)        | (13,233)       | (12,424)       |
| Contribution deficiency (excess)                 | <b>\$ (2,621)</b> | <b>(2,429)</b> | <b>(2,680)</b> | <b>(7,594)</b> | <b>(6,847)</b> |
| Covered payroll                                  | \$ 49,105         | 50,838         | 49,135         | 46,799         | 44,181         |
| Contributions as a percentage of covered payroll | 13.8%             | 16.7%          | 16.3%          | 28.3%          | 28.1%          |

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2021 were as follows:

|                                  |   |
|----------------------------------|---|
| ADC for fiscal year              | June 30, 2021   |
| Actuarial valuation date         | June 30, 2019   |
| 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: 7.50% for the year beginning January 1, 2020 and graded down by 0.50% per year until 5.00% ultimate rate is reached.<br>For vision premiums: 3.00% |

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

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

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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, 2021**  
**(Dollars in Thousands)**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|--|----------------------------|-------------------------|---------------------------|---------------------------------------|
| <b>Revenues:</b>                       |                            |                         |                           |                                       |
| Use of money and property              | \$ 1,265                   | 1,265                   | 983                       | (282)                                 |
| Developer fees and contributions       | -                          | -                       | 30,582                    | 30,582                                |
| Total revenues                         | <u>1,265</u>               | <u>1,265</u>            | <u>31,565</u>             | <u>30,300</u>                         |
| <b>Other financing sources (uses):</b> |                            |                         |                           |                                       |
| Transfers in                           | -                          | -                       | 380                       | 380                                   |
| Transfers out                          | <u>(4,091)</u>             | <u>(9,643)</u>          | <u>(9,643)</u>            | <u>-</u>                              |
| Total other financing sources (uses)   | <u>(4,091)</u>             | <u>(9,643)</u>          | <u>(9,263)</u>            | <u>380</u>                            |
| Net change in fund balance             | <u>\$ 37,174</u>           | <u>31,622</u>           | 22,302                    | <u>(9,320)</u>                        |
| Fund balance, beginning of year        |                            |                         | <u>76,155</u>             |                                       |
| Fund balance, end of year              |                            |                         | <u>\$ 98,457</u>          |                                       |

**CITY OF MOUNTAIN VIEW**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021**

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, 2021  
 (Dollars in Thousands)

|  | SPECIAL REVENUE FUNDS |  |                                     |                            |
|--|-----------------------|--|-------------------------------------|----------------------------|
|  | Gas Tax               | Other<br>Streets and<br>Transportation | Construction &<br>Conveyance<br>Tax | Other<br>Developer<br>Fees |
| <b>Assets:</b>   |                       |  |                                     |                            |
| Cash and investments   | \$ 1,343              | 915                                    | 11,482                              | 21,912                     |
| Restricted cash and investments  | -                     | -                                      | -                                   | -                          |
| Receivables:   |                       |  |                                     |                            |
| Accounts   | 273                   | -                                      | -                                   | -                          |
| Interest   | 25                    | 12                                     | 144                                 | 86                         |
| Loans and notes  | -                     | -                                      | -                                   | -                          |
| Inventory  | -                     | -                                      | -                                   | -                          |
| Deposits and prepaid items   | -                     | -                                      | -                                   | -                          |
| Total assets   | <u>\$ 1,641</u>       | <u>927</u>                             | <u>11,626</u>                       | <u>21,998</u>              |
| <b>Liabilities, deferred inflows of resources<br/>and fund balances:</b> |                       |  |                                     |                            |
| <b>Liabilities:</b>  |                       |  |                                     |                            |
| Accounts payable and accrued liabilities                                 | -                     | -                                      | -                                   | -                          |
| Refundable deposits  | -                     | -                                      | -                                   | -                          |
| Unearned revenue   | -                     | -                                      | -                                   | -                          |
| Total liabilities  | <u>-</u>              | <u>-</u>                               | <u>-</u>                            | <u>-</u>                   |
| <b>Fund balances:</b>  |                       |  |                                     |                            |
| Nonspendable   | -                     | -                                      | -                                   | -                          |
| Restricted   | 1,641                 | 927                                    | 11,626                              | 1,452                      |
| Committed  | -                     | -                                      | -                                   | 20,546                     |
| Total fund balances  | <u>1,641</u>          | <u>927</u>                             | <u>11,626</u>                       | <u>21,998</u>              |
| Total liabilities, deferred inflows of resources<br>and fund balances    | <u>\$ 1,641</u>       | <u>927</u>                             | <u>11,626</u>                       | <u>21,998</u>              |

**SPECIAL REVENUE FUNDS**

| <b>CSFRA / Rental<br/>Housing<br/>Committee</b> | <b>Housing<br/>Successor</b> | <b>Shoreline<br/>Golf Links</b> | <b>Downtown<br/>Benefit<br/>Assessment<br/>District</b> | <b>General<br/>Special<br/>Purpose</b> |
|---|------------------------------|---------------------------------|---|--|
| 1,490   | 1,537                        | 400                             | 20,371  | 623                                    |
| -   | -                            | 10                              | -   | -                                      |
| 118   | -                            | -                               | 28  | -                                      |
| 6   | -                            | 1                               | 80  | 3                                      |
| -   | 11,410                       | -                               | -   | -                                      |
| -   | -                            | 60                              | -   | -                                      |
| -   | -                            | -                               | -   | -                                      |
| <b>1,614</b>                                    | <b>12,947</b>                | <b>471</b>                      | <b>20,479</b>   | <b>626</b>                             |
| 59  | 185                          | 5                               | 47  | -                                      |
| -   | -                            | 2                               | 2   | 347                                    |
| -   | -                            | 360                             | -   | -                                      |
| <b>59</b>                                       | <b>185</b>                   | <b>367</b>                      | <b>49</b>   | <b>347</b>                             |
| -   | -                            | 60                              | -   | -                                      |
| 1,555   | 12,762                       | -                               | 20,430  | -                                      |
| -   | -                            | 44                              | -   | 279                                    |
| <b>1,555</b>                                    | <b>12,762</b>                | <b>104</b>                      | <b>20,430</b>   | <b>279</b>                             |
| <b>1,614</b>                                    | <b>12,947</b>                | <b>471</b>                      | <b>20,479</b>   | <b>626</b>                             |

(Continued)

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

SPECIAL REVENUE FUNDS

|  | Police<br>Asset<br>Forfeitures | Grants               | Cable<br>Television | Deferred<br>Assessments |
|--|--------------------------------|----------------------|---------------------|-------------------------|
| <b>Assets:</b>   |                                |                      |                     |                         |
| Cash and investments   | 507                            | 1,907                | 800                 | 390                     |
| Restricted cash and investments  | -                              | -                    | -                   | -                       |
| Receivables:   |                                |                      |                     |                         |
| Accounts   | -                              | 8                    | -                   | -                       |
| Interest   | -                              | -                    | -                   | -                       |
| Loans and notes  | -                              | 17,499               | -                   | -                       |
| Inventory  | -                              | -                    | -                   | -                       |
| Deposits and prepaid items   | -                              | 609                  | -                   | -                       |
| Total assets   | <u>507</u>                     | <u>20,023</u>        | <u>800</u>          | <u>390</u>              |
| <b>Liabilities, deferred inflows of resources<br/>and fund balances:</b> |                                |                      |                     |                         |
| Liabilities:   |                                |                      |                     |                         |
| Accounts payable and accrued liabilities                                 | 1                              | 25                   | 43                  | -                       |
| Refundable deposits  | -                              | 609                  | -                   | -                       |
| Unearned revenue   | -                              | -                    | -                   | -                       |
| Total liabilities  | <u>1</u>                       | <u>634</u>           | <u>43</u>           | <u>-</u>                |
| Fund balances:   |                                |                      |                     |                         |
| Nonspendable   | -                              | -                    | -                   | -                       |
| Restricted   | 506                            | 19,389               | 757                 | 390                     |
| Committed  | -                              | -                    | -                   | -                       |
| Total fund balances  | <u>506</u>                     | <u>19,389</u>        | <u>757</u>          | <u>390</u>              |
| Total liabilities, deferred inflows of resources<br>and fund balances    | <u><u>507</u></u>              | <u><u>20,023</u></u> | <u><u>800</u></u>   | <u><u>390</u></u>       |



| DEBT SERVICE FUNDS                                   |  |                     | CAPITAL PROJECTS FUND    |         | Total Nonmajor Governmental Funds |
|--|--|---------------------|--------------------------|---------|-----------------------------------|
| Shoreline Regional Park Community 2011 Revenue Bonds | Shoreline Regional Park Community 2018 Revenue Bonds | Special Assessments | Storm Drain Construction |         |                                   |
| -  | -  | 45                  | 433                      | 64,155  |                                   |
| 6,500  | -  | -                   | -                        | 6,510   |                                   |
| -  | -  | -                   | -                        | 427     |                                   |
| -  | -  | -                   | 4                        | 361     |                                   |
| -  | -  | -                   | -                        | 28,909  |                                   |
| -  | -  | -                   | -                        | 60      |                                   |
| -  | -  | -                   | -                        | 609     |                                   |
| 6,500  | -  | 45                  | 437                      | 101,031 |                                   |
| -  | -  | -                   | -                        | 365     |                                   |
| -  | -  | -                   | -                        | 960     |                                   |
| -  | -  | -                   | -                        | 360     |                                   |
| -  | -  | -                   | -                        | 1,685   |                                   |
| -  | -  | -                   | -                        | 60      |                                   |
| 6,500  | -  | 45                  | 437                      | 78,417  |                                   |
| -  | -  | -                   | -                        | 20,869  |                                   |
| 6,500  | -  | 45                  | 437                      | 99,346  |                                   |
| 6,500  | -  | 45                  | 437                      | 101,031 |                                   |

CITY OF MOUNTAIN VIEW  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2021  
(Dollars in Thousands)

|  | SPECIAL REVENUE FUNDS |  |                                     |                            |
|--|-----------------------|--|-------------------------------------|----------------------------|
|  | Gas Tax               | Other<br>Streets and<br>Transportation | Construction &<br>Conveyance<br>Tax | Other<br>Developer<br>Fees |
| <b>Revenues:</b>   |                       |  |                                     |                            |
| Property taxes   | \$ -                  | -                                      | -                                   | -                          |
| Other taxes  | -                     | -                                      | 8,709                               | -                          |
| Licenses, permits and fees   | -                     | -                                      | -                                   | -                          |
| Use of money and property  | (25)                  | 1                                      | (76)                                | (70)                       |
| Intergovernmental  | 3,327                 | 553                                    | -                                   | -                          |
| Charges for services   | -                     | -                                      | -                                   | -                          |
| Developer fees and contributions                                   | -                     | -                                      | -                                   | 1,908                      |
| Other  | -                     | -                                      | -                                   | -                          |
| Total revenues   | <u>3,302</u>          | <u>554</u>                             | <u>8,633</u>                        | <u>1,838</u>               |
| <b>Expenditures:</b>   |                       |  |                                     |                            |
| Current:   |                       |  |                                     |                            |
| General government   | -                     | -                                      | -                                   | -                          |
| Public safety  | -                     | -                                      | -                                   | -                          |
| Public works   | -                     | 29                                     | -                                   | -                          |
| Community development  | -                     | -                                      | -                                   | -                          |
| Culture and recreation   | -                     | -                                      | -                                   | -                          |
| Capital outlay   | -                     | -                                      | -                                   | -                          |
| Debt service:  |                       |  |                                     |                            |
| Principal  | -                     | -                                      | -                                   | -                          |
| Interest and fiscal charges  | -                     | -                                      | -                                   | -                          |
| Total expenditures   | <u>-</u>              | <u>29</u>                              | <u>-</u>                            | <u>-</u>                   |
| Excess (deficiency) of revenues<br>over (under) expenditures       | <u>3,302</u>          | <u>525</u>                             | <u>8,633</u>                        | <u>1,838</u>               |
| <b>Other financing sources (uses):</b>                             |                       |  |                                     |                            |
| Proceeds from the sale of capital assets                           | -                     | -                                      | -                                   | -                          |
| Transfers in   | 83                    | 63                                     | 2,737                               | 5,781                      |
| Transfers out  | (4,055)               | (1,138)                                | (8,262)                             | (156)                      |
| Total other financing sources (uses)                               | <u>(3,972)</u>        | <u>(1,075)</u>                         | <u>(5,525)</u>                      | <u>5,625</u>               |
| Net change in fund balances  | (670)                 | (550)                                  | 3,108                               | 7,463                      |
| <b>Fund balance, beginning of year,<br/>as previously reported</b> | 2,311                 | 1,477                                  | 8,518                               | 14,535                     |
| <b>Prior period adjustments</b>                                    | -                     | -                                      | -                                   | -                          |
| <b>Fund balances, beginning of year</b>                            | <u>2,311</u>          | <u>1,477</u>                           | <u>8,518</u>                        | <u>14,535</u>              |
| <b>Fund balances, end of year</b>                                  | <u>\$ 1,641</u>       | <u>927</u>                             | <u>11,626</u>                       | <u>21,998</u>              |

**SPECIAL REVENUE FUNDS**

| <b>CSFRA/ Rental<br/>Housing<br/>Committee</b> | <b>Housing<br/>Successor</b> | <b>Shoreline<br/>Golf Links</b> | <b>Downtown<br/>Benefit<br/>Assessment<br/>District</b> | <b>General<br/>Special<br/>Purpose</b> |
|--|------------------------------|---------------------------------|---|--|
| -  | -                            | -                               | 1,110   | -                                      |
| -  | -                            | -                               | -   | 16                                     |
| -  | -                            | -                               | 6   | -                                      |
| 6  | 26                           | 13                              | (14)  | 1                                      |
| -  | -                            | -                               | 3   | -                                      |
| 1,255  | -                            | 3,132                           | 204   | 26                                     |
| -  | -                            | -                               | 401   | -                                      |
| -  | -                            | 66                              | 3   | -                                      |
| <u>1,261</u>                                   | <u>26</u>                    | <u>3,211</u>                    | <u>1,713</u>  | <u>43</u>                              |
| -  | -                            | -                               | -   | -                                      |
| -  | -                            | -                               | -   | -                                      |
| -  | -                            | -                               | -   | -                                      |
| 1,270  | 209                          | -                               | 565   | 17                                     |
| -  | -                            | 2,716                           | -   | -                                      |
| -  | -                            | -                               | -   | -                                      |
| -  | -                            | -                               | -   | -                                      |
| -  | -                            | -                               | -   | -                                      |
| <u>1,270</u>                                   | <u>209</u>                   | <u>2,716</u>                    | <u>565</u>  | <u>17</u>                              |
| <u>(9)</u>                                     | <u>(183)</u>                 | <u>495</u>                      | <u>1,148</u>  | <u>26</u>                              |
| -  | -                            | -                               | -   | -                                      |
| -  | -                            | -                               | -   | -                                      |
| <u>(8)</u>                                     | <u>-</u>                     | <u>(471)</u>                    | <u>(109)</u>  | <u>-</u>                               |
| <u>(8)</u>                                     | <u>-</u>                     | <u>(471)</u>                    | <u>(109)</u>  | <u>-</u>                               |
| <u>(17)</u>                                    | <u>(183)</u>                 | <u>24</u>                       | <u>1,039</u>  | <u>26</u>                              |
| 1,572  | 12,945                       | 80                              | 19,391  | 253                                    |
| -  | -                            | -                               | -   | -                                      |
| <u>1,572</u>                                   | <u>12,945</u>                | <u>80</u>                       | <u>19,391</u>   | <u>253</u>                             |
| <u>1,555</u>                                   | <u>12,762</u>                | <u>104</u>                      | <u>20,430</u>   | <u>279</u>                             |

(Continued)

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

| SPECIAL REVENUE FUNDS  |                                |               |                     |                         |
|--|--------------------------------|---------------|---------------------|-------------------------|
|  | Police<br>Asset<br>Forfeitures | Grants        | Cable<br>Television | Deferred<br>Assessments |
| <b>Revenues:</b>   |                                |               |                     |                         |
| Property taxes   | \$ -                           | -             | -                   | -                       |
| Other taxes  | -                              | -             | -                   | -                       |
| Licenses, permits and fees   | -                              | -             | -                   | -                       |
| Use of money and property  | -                              | 181           | -                   | -                       |
| Intergovernmental  | 4                              | 605           | -                   | -                       |
| Charges for services   | -                              | -             | -                   | -                       |
| Developer fees and contributions                                   | -                              | -             | -                   | -                       |
| Other  | -                              | -             | 181                 | -                       |
| Total revenues   | <u>4</u>                       | <u>786</u>    | <u>181</u>          | <u>-</u>                |
| <b>Expenditures:</b>   |                                |               |                     |                         |
| Current:   |                                |               |                     |                         |
| General government   | -                              | -             | 223                 | -                       |
| Public safety  | 12                             | 195           | -                   | -                       |
| Public works   | -                              | -             | -                   | -                       |
| Community development  | -                              | 341           | -                   | -                       |
| Culture and recreation   | -                              | -             | -                   | -                       |
| Capital outlay   | 14                             | -             | -                   | -                       |
| Debt service:  |                                |               |                     |                         |
| Principal  | -                              | -             | -                   | -                       |
| Interest and fiscal charges  | -                              | -             | -                   | -                       |
| Total expenditures   | <u>26</u>                      | <u>536</u>    | <u>223</u>          | <u>-</u>                |
| Excess (deficiency) of revenues<br>over (under) expenditures       | <u>(22)</u>                    | <u>250</u>    | <u>(42)</u>         | <u>-</u>                |
| <b>Other financing sources (uses):</b>                             |                                |               |                     |                         |
| Proceeds from the sale of capital assets                           | -                              | -             | -                   | -                       |
| Transfers in   | -                              | -             | -                   | -                       |
| Transfers out  | -                              | -             | (100)               | -                       |
| Total other financing sources (uses)                               | <u>-</u>                       | <u>-</u>      | <u>(100)</u>        | <u>-</u>                |
| Net change in fund balances  | (22)                           | 250           | (142)               | -                       |
| <b>Fund balance, beginning of year,<br/>as previously reported</b> | 528                            | 19,139        | 899                 | 390                     |
| <b>Prior period adjustments</b>                                    | -                              | -             | -                   | -                       |
| <b>Fund balances, beginning of year</b>                            | <u>528</u>                     | <u>19,139</u> | <u>899</u>          | <u>390</u>              |
| <b>Fund balances, end of year</b>                                  | <u>\$ 506</u>                  | <u>19,389</u> | <u>757</u>          | <u>390</u>              |

estimable

| 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 |   |                                   |
| -  | -  | -                   | -                        | - | 1,110                             |
| -  | -  | -                   | -                        | - | 8,725                             |
| -  | -  | -                   | -                        | - | 6                                 |
| 8  | -  | -                   | 4                        | - | 55                                |
| -  | -  | -                   | -                        | - | 4,492                             |
| -  | -  | -                   | -                        | - | 4,617                             |
| -  | -  | -                   | -                        | - | 2,309                             |
| -  | -  | -                   | 172                      | - | 422                               |
| <u>8</u>   | <u>-</u>   | <u>-</u>            | <u>176</u>               |   | <u>21,736</u>                     |
| -  | -  | -                   | -                        | - | 223                               |
| -  | -  | -                   | -                        | - | 207                               |
| -  | -  | -                   | -                        | - | 29                                |
| -  | -  | -                   | -                        | - | 2,402                             |
| -  | -  | -                   | -                        | - | 2,716                             |
| -  | -  | -                   | -                        | - | 14                                |
| 1,985  | -  | 12                  | -                        | - | 1,997                             |
| 1,356  | 3,079  | 2                   | -                        | - | 4,437                             |
| <u>3,341</u>   | <u>3,079</u>   | <u>14</u>           | <u>-</u>                 |   | <u>12,025</u>                     |
| <u>(3,333)</u>                                       | <u>(3,079)</u>                                       | <u>(14)</u>         | <u>176</u>               |   | <u>9,711</u>                      |
| -  | -  | -                   | -                        | - | -                                 |
| 3,215  | 3,078  | -                   | 10                       | - | 14,967                            |
| -  | -  | (9)                 | (32)                     | - | (14,340)                          |
| <u>3,215</u>   | <u>3,078</u>   | <u>(9)</u>          | <u>(22)</u>              |   | <u>627</u>                        |
| <u>(118)</u>   | <u>(1)</u>   | <u>(23)</u>         | <u>154</u>               |   | <u>10,338</u>                     |
| 6,618  | 1  | 68                  | 283                      | - | 89,008                            |
| -  | -  | -                   | -                        | - | -                                 |
| <u>6,618</u>   | <u>1</u>   | <u>68</u>           | <u>283</u>               |   | <u>89,008</u>                     |
| <u>6,500</u>   | <u>-</u>   | <u>45</u>           | <u>437</u>               |   | <u>99,346</u>                     |

CITY OF MOUNTAIN VIEW  
 Nonmajor Governmental Funds  
 Combining Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Fiscal Year Ended June 30, 2021  
 (Dollars in Thousands)

|   | Gas Tax         |                 |              | Other Streets and Transportation |                |                |
|---|-----------------|-----------------|--------------|----------------------------------|----------------|----------------|
|   | Final Budget    | Actual          | Variance     | Final Budget                     | Actual         | Variance       |
| <b>Revenues:</b>  |                 |                 |              |                                  |                |                |
| Property taxes  | \$ -            | -               | -            | -                                | -              | -              |
| Other taxes   | -               | -               | -            | -                                | -              | -              |
| Licenses, permits and fees                                | -               | -               | -            | -                                | -              | -              |
| Use of money and property                                 | 75              | (25)            | (100)        | 38                               | 1              | (37)           |
| Intergovernmental   | 3,347           | 3,327           | (20)         | 5,760                            | 553            | (5,207)        |
| Charges for services                                      | -               | -               | -            | -                                | -              | -              |
| Developer fees and contributions                          | -               | -               | -            | -                                | -              | -              |
| Other   | -               | -               | -            | -                                | -              | -              |
| Total revenues  | <u>3,422</u>    | <u>3,302</u>    | <u>(120)</u> | <u>5,798</u>                     | <u>554</u>     | <u>(5,244)</u> |
| <b>Expenditures:</b>                                      |                 |                 |              |                                  |                |                |
| Current:  |                 |                 |              |                                  |                |                |
| General government:                                       |                 |                 |              |                                  |                |                |
| City manager  | -               | -               | -            | -                                | -              | -              |
| Public safety:  |                 |                 |              |                                  |                |                |
| Police  | -               | -               | -            | -                                | -              | -              |
| Public works  | -               | -               | -            | 370                              | 29             | 341            |
| Community Development                                     | -               | -               | -            | -                                | -              | -              |
| Culture and recreation:                                   |                 |                 |              |                                  |                |                |
| Community services  | -               | -               | -            | -                                | -              | -              |
| Capital outlay  | -               | -               | -            | -                                | -              | -              |
| Total expenditures  | <u>-</u>        | <u>-</u>        | <u>-</u>     | <u>370</u>                       | <u>29</u>      | <u>341</u>     |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,422</u>    | <u>3,302</u>    | <u>(120)</u> | <u>5,428</u>                     | <u>525</u>     | <u>(4,903)</u> |
| <b>Other financing sources (uses):</b>                    |                 |                 |              |                                  |                |                |
| Transfers in  | -               | 83              | 83           | -                                | 63             | 63             |
| Transfers out   | <u>(4,055)</u>  | <u>(4,055)</u>  | <u>-</u>     | <u>(4,708)</u>                   | <u>(1,138)</u> | <u>3,570</u>   |
| Total other financing sources (uses)                      | <u>(4,055)</u>  | <u>(3,972)</u>  | <u>83</u>    | <u>(4,708)</u>                   | <u>(1,075)</u> | <u>3,633</u>   |
| Net change in fund balances                               | <u>\$ (633)</u> | <u>(670)</u>    | <u>(37)</u>  | <u>\$ 720</u>                    | <u>(550)</u>   | <u>(1,270)</u> |
| Fund balances, beginning of year                          |                 | <u>2,311</u>    |              |                                  | <u>1,477</u>   |                |
| Fund balances, end of year                                |                 | <u>\$ 1,641</u> |              |                                  | <u>\$ 927</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                         | 8,709            | 4,705        | -                    | -                | -            | -                                | -               | -            |
| -                             | -                | -            | -                    | -                | -            | -                                | -               | -            |
| 631                           | (76)             | (707)        | 394                  | (70)             | (464)        | 8                                | 6               | (2)          |
| -                             | -                | -            | -                    | -                | -            | -                                | -               | -            |
| -                             | -                | -            | -                    | -                | -            | 1,271                            | 1,255           | (16)         |
| -                             | -                | -            | -                    | 1,908            | 1,908        | -                                | -               | -            |
| -                             | -                | -            | -                    | -                | -            | -                                | -               | -            |
| <u>4,635</u>                  | <u>8,633</u>     | <u>3,998</u> | <u>394</u>           | <u>1,838</u>     | <u>1,444</u> | <u>1,279</u>                     | <u>1,261</u>    | <u>(18)</u>  |
| -                             | -                | -            | -                    | -                | -            | -                                | -               | -            |
| -                             | -                | -            | -                    | -                | -            | -                                | -               | -            |
| -                             | -                | -            | -                    | -                | -            | -                                | -               | -            |
| -                             | -                | -            | 45                   | -                | 45           | 2,206                            | 1,270           | 936          |
| -                             | -                | -            | -                    | -                | -            | -                                | -               | -            |
| -                             | -                | -            | -                    | -                | -            | 186                              | -               | 186          |
| -                             | -                | -            | 45                   | -                | 45           | 2,392                            | 1,270           | 1,122        |
| <u>4,635</u>                  | <u>8,633</u>     | <u>3,998</u> | <u>349</u>           | <u>1,838</u>     | <u>1,489</u> | <u>(1,113)</u>                   | <u>(9)</u>      | <u>1,104</u> |
| -                             | 2,737            | 2,737        | -                    | 5,781            | 5,781        | -                                | -               | -            |
| <u>(8,262)</u>                | <u>(8,262)</u>   | <u>-</u>     | <u>(156)</u>         | <u>(156)</u>     | <u>-</u>     | <u>(8)</u>                       | <u>(8)</u>      | <u>-</u>     |
| <u>(8,262)</u>                | <u>(5,525)</u>   | <u>2,737</u> | <u>(156)</u>         | <u>5,625</u>     | <u>5,781</u> | <u>(8)</u>                       | <u>(8)</u>      | <u>-</u>     |
| <u>\$ (3,627)</u>             | <u>3,108</u>     | <u>6,735</u> | <u>\$ 193</u>        | <u>7,463</u>     | <u>7,270</u> | <u>\$ (1,121)</u>                | <u>(17)</u>     | <u>1,104</u> |
|                               | <u>8,518</u>     |              |                      | <u>14,535</u>    |              |                                  | <u>1,572</u>    |              |
|                               | <u>\$ 11,626</u> |              |                      | <u>\$ 21,998</u> |              |                                  | <u>\$ 1,555</u> |              |

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

|   | Housing Successor |                  |            | Shoreline Golf Links |               |                |
|---|-------------------|------------------|------------|----------------------|---------------|----------------|
|   | Final Budget      | Actual           | Variance   | Final Budget         | Actual        | Variance       |
| <b>Revenues:</b>  |                   |                  |            |                      |               |                |
| Property taxes  | -                 | -                | -          | -                    | -             | -              |
| Other taxes   | -                 | -                | -          | -                    | -             | -              |
| Licenses, permits and fees                                | -                 | -                | -          | -                    | -             | -              |
| Use of money and property                                 | 33                | 26               | (7)        | 5                    | 13            | 8              |
| Intergovernmental   | -                 | -                | -          | -                    | -             | -              |
| Charges for services                                      | -                 | -                | -          | 4,208                | 3,132         | (1,076)        |
| Developer fees and contributions                          | -                 | -                | -          | -                    | -             | -              |
| Other   | -                 | -                | -          | 15                   | 66            | 51             |
| <b>Total revenues</b>                                     | <b>33</b>         | <b>26</b>        | <b>(7)</b> | <b>4,228</b>         | <b>3,211</b>  | <b>(1,017)</b> |
| <b>Expenditures:</b>                                      |                   |                  |            |                      |               |                |
| Current:  |                   |                  |            |                      |               |                |
| General government:                                       |                   |                  |            |                      |               |                |
| City manager  | -                 | -                | -          | -                    | -             | -              |
| Public safety:  |                   |                  |            |                      |               |                |
| Police  | -                 | -                | -          | -                    | -             | -              |
| Public works  | -                 | -                | -          | -                    | -             | -              |
| Community Development                                     | 259               | 209              | 50         | -                    | -             | -              |
| Culture and recreation:                                   |                   |                  |            |                      |               |                |
| Community services  | -                 | -                | -          | 3,807                | 2,716         | 1,091          |
| Capital outlay  | -                 | -                | -          | -                    | -             | -              |
| <b>Total expenditures</b>                                 | <b>259</b>        | <b>209</b>       | <b>50</b>  | <b>3,807</b>         | <b>2,716</b>  | <b>1,091</b>   |
| Excess (deficiency) of revenues over (under) expenditures | (226)             | (183)            | 43         | 421                  | 495           | 74             |
| <b>Other financing sources (uses):</b>                    |                   |                  |            |                      |               |                |
| Transfers in  | -                 | -                | -          | -                    | -             | -              |
| Transfers out   | -                 | -                | -          | (601)                | (471)         | 130            |
| <b>Total other financing sources (uses)</b>               | <b>-</b>          | <b>-</b>         | <b>-</b>   | <b>(601)</b>         | <b>(471)</b>  | <b>130</b>     |
| <b>Net change in fund balances</b>                        | <b>\$ (226)</b>   | <b>(183)</b>     | <b>43</b>  | <b>\$ (180)</b>      | <b>24</b>     | <b>204</b>     |
| <b>Fund balance, beginning of year</b>                    |                   | <b>12,945</b>    |            |                      | <b>80</b>     |                |
| <b>Fund balance, end of year</b>                          |                   | <b>\$ 12,762</b> |            |                      | <b>\$ 104</b> |                |



| Downtown Benefit Assessment District |                  |              | General Special Purpose |               |             | Police Asset Forfeitures |               |            |
|--------------------------------------|------------------|--------------|-------------------------|---------------|-------------|--------------------------|---------------|------------|
| Final Budget                         | Actual           | Variance     | Final Budget            | Actual        | Variance    | Final Budget             | Actual        | Variance   |
| 1,018                                | 1,110            | 92           | -                       | -             | -           | -                        | -             | -          |
| -                                    | -                | -            | -                       | 16            | 16          | -                        | -             | -          |
| 500                                  | 6                | (494)        | -                       | -             | -           | -                        | -             | -          |
| 312                                  | (14)             | (326)        | 7                       | 1             | (6)         | -                        | -             | -          |
| 3                                    | 3                | -            | -                       | -             | -           | 4                        | 4             | -          |
| 223                                  | 204              | (19)         | 50                      | 26            | (24)        | -                        | -             | -          |
| -                                    | 401              | 401          | -                       | -             | -           | -                        | -             | -          |
| -                                    | 3                | 3            | -                       | -             | -           | -                        | -             | -          |
| <u>2,056</u>                         | <u>1,713</u>     | <u>(343)</u> | <u>57</u>               | <u>43</u>     | <u>(14)</u> | <u>4</u>                 | <u>4</u>      | <u>-</u>   |
| -                                    | -                | -            | -                       | -             | -           | -                        | -             | -          |
| -                                    | -                | -            | -                       | -             | -           | 504                      | 12            | 492        |
| -                                    | -                | -            | -                       | -             | -           | -                        | -             | -          |
| 896                                  | 565              | 331          | 106                     | 17            | 89          | -                        | -             | -          |
| -                                    | -                | -            | -                       | -             | -           | -                        | -             | -          |
| -                                    | -                | -            | -                       | -             | -           | 26                       | 14            | 12         |
| <u>896</u>                           | <u>565</u>       | <u>331</u>   | <u>106</u>              | <u>17</u>     | <u>89</u>   | <u>530</u>               | <u>26</u>     | <u>504</u> |
| <u>1,160</u>                         | <u>1,148</u>     | <u>(12)</u>  | <u>(49)</u>             | <u>26</u>     | <u>75</u>   | <u>(526)</u>             | <u>(22)</u>   | <u>504</u> |
| -                                    | -                | -            | -                       | -             | -           | -                        | -             | -          |
| <u>(109)</u>                         | <u>(109)</u>     | <u>-</u>     | <u>-</u>                | <u>-</u>      | <u>-</u>    | <u>-</u>                 | <u>-</u>      | <u>-</u>   |
| <u>(109)</u>                         | <u>(109)</u>     | <u>-</u>     | <u>-</u>                | <u>-</u>      | <u>-</u>    | <u>-</u>                 | <u>-</u>      | <u>-</u>   |
| <u>\$ 1,051</u>                      | <u>1,039</u>     | <u>(12)</u>  | <u>\$ (49)</u>          | <u>26</u>     | <u>75</u>   | <u>\$ (526)</u>          | <u>(22)</u>   | <u>504</u> |
|                                      | <u>19,391</u>    |              |                         | <u>253</u>    |             |                          | <u>528</u>    |            |
|                                      | <u>\$ 20,430</u> |              |                         | <u>\$ 279</u> |             |                          | <u>\$ 506</u> |            |

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

|   | Grants            |                  |              | Cable Television |               |             |
|---|-------------------|------------------|--------------|------------------|---------------|-------------|
|   | Final Budget      | Actual           | Variance     | Final Budget     | Actual        | Variance    |
| <b>Revenues:</b>  |                   |                  |              |                  |               |             |
| Property taxes  | -                 | -                | -            | -                | -             | -           |
| Other taxes   | -                 | -                | -            | -                | -             | -           |
| Licenses, permits and fees                                | -                 | -                | -            | -                | -             | -           |
| Use of money and property                                 | -                 | 181              | 181          | -                | -             | -           |
| Intergovernmental   | 1,061             | 605              | (456)        | -                | -             | -           |
| Charges for services                                      | -                 | -                | -            | -                | -             | -           |
| Developer fees and contributions                          | -                 | -                | -            | -                | -             | -           |
| Other   | -                 | -                | -            | 200              | 181           | (19)        |
| Total revenues  | <u>1,061</u>      | <u>786</u>       | <u>(275)</u> | <u>200</u>       | <u>181</u>    | <u>(19)</u> |
| <b>Expenditures:</b>                                      |                   |                  |              |                  |               |             |
| Current:  |                   |                  |              |                  |               |             |
| General government:                                       |                   |                  |              |                  |               |             |
| City manager  | -                 | -                | -            | 288              | 223           | 65          |
| Public safety:  |                   |                  |              |                  |               |             |
| Police  | 195               | 195              | -            | -                | -             | -           |
| Public works  | -                 | -                | -            | -                | -             | -           |
| Community Development                                     | 4,797             | 341              | 4,456        | -                | -             | -           |
| Culture and recreation:                                   |                   |                  |              |                  |               |             |
| Community services  | -                 | -                | -            | -                | -             | -           |
| Capital outlay  | -                 | -                | -            | -                | -             | -           |
| Total expenditures  | <u>4,992</u>      | <u>536</u>       | <u>4,456</u> | <u>288</u>       | <u>223</u>    | <u>65</u>   |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,931)</u>    | <u>250</u>       | <u>4,181</u> | <u>(88)</u>      | <u>(42)</u>   | <u>46</u>   |
| <b>Other financing sources (uses):</b>                    |                   |                  |              |                  |               |             |
| Transfers in  | -                 | -                | -            | -                | -             | -           |
| Transfers out   | (350)             | -                | 350          | (100)            | (100)         | -           |
| Total other financing sources (uses)                      | <u>(350)</u>      | <u>-</u>         | <u>350</u>   | <u>(100)</u>     | <u>(100)</u>  | <u>-</u>    |
| Net change in fund balances                               | <u>\$ (4,281)</u> | <u>250</u>       | <u>4,531</u> | <u>\$ (188)</u>  | <u>(142)</u>  | <u>46</u>   |
| Fund balances, beginning of year                          |                   | <u>19,139</u>    |              |                  | <u>899</u>    |             |
| Fund balances, end of year                                |                   | <u>\$ 19,389</u> |              |                  | <u>\$ 757</u> |             |

| Deferred Assessments |        |          | Storm Drain Construction |        |          |
|----------------------|--------|----------|--------------------------|--------|----------|
| Final Budget         | Actual | Variance | Final Budget             | Actual | Variance |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | 15                       | 4      | (11)     |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | 10                       | 172    | 162      |
| -                    | -      | -        | 25                       | 176    | 151      |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | -                        | -      | -        |
| -                    | -      | -        | 25                       | 176    | 151      |
| -                    | -      | -        | -                        | 10     | 10       |
| -                    | -      | -        | (32)                     | (32)   | -        |
| -                    | -      | -        | (32)                     | (22)   | 10       |
| \$ -                 | -      | -        | \$ (7)                   | 154    | 161      |
|                      | 390    |          |                          | 283    |          |
|                      | \$ 390 |          |                          | \$ 437 |          |

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**CITY OF MOUNTAIN VIEW**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2021**

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, 2021**  
**(Dollars in Thousands)**

|  | <u>Equipment<br/>Maintenance &amp;<br/>Replacement</u> | <u>Workers'<br/>Compensation<br/>Insurance</u> | <u>Unemployment<br/>Self-Insurance</u> |
|--|--|--|--|
| <b>Assets:</b>                                     |  |  |  |
| Current assets:                                    |  |  |  |
| Cash and investments                               | \$ 34,528  | \$ 12,503                                      | \$ 497                                 |
| Restricted cash and investments                    | -  | 90   | -                                      |
| Receivables:                                       |  |  |  |
| Interest   | 139  | 49   | 2                                      |
| Total current assets                               | <u>34,667</u>  | <u>12,642</u>                                  | <u>499</u>                             |
| Noncurrent assets:                                 |  |  |  |
| Capital assets:                                    |  |  |  |
| Depreciable, net of accumulated depreciation       | 3  | -  | -                                      |
| Total assets                                       | <u>34,670</u>  | <u>12,642</u>                                  | <u>499</u>                             |
| <b>Liabilities:</b>                                |  |  |  |
| Current liabilities:                               |  |  |  |
| Accounts payable and accrued liabilities           | 50   | 17   | -                                      |
| Current portion of accrued compensated absences    | 18   | -  | -                                      |
| Current portion of accrued self-insurance costs    | -  | 2,158  | -                                      |
| Total current liabilities                          | <u>68</u>  | <u>2,175</u>                                   | <u>-</u>                               |
| Noncurrent liabilities:                            |  |  |  |
| Noncurrent portion of accrued compensated absences | 124  | -  | -                                      |
| Noncurrent portion of accrued self-insurance costs | -  | 4,724  | -                                      |
| Total liabilities                                  | <u>192</u>   | <u>6,899</u>                                   | <u>-</u>                               |
| <b>Net position:</b>                               |  |  |  |
| Net investment in capital assets                   | 3  | -  | -                                      |
| Unrestricted                                       | 34,475   | 5,743  | 499                                    |
| Total net position                                 | <u>\$ 34,478</u>                                       | <u>\$ 5,743</u>                                | <u>\$ 499</u>                          |

| <u>Liability<br/>Self-Insurance</u> | <u>Retirees'<br/>Health Plan</u> | <u>Employee<br/>Benefits Plan</u> | <u>Total<br/>Internal<br/>Service Funds</u> |
|-------------------------------------|----------------------------------|-----------------------------------|---|
| \$ 5,426                            | \$ 415                           | \$ 479                            | 53,848                                      |
| 885                                 | -                                | -                                 | 975   |
| 21                                  | 2                                | 4                                 | 217   |
| <u>6,332</u>                        | <u>417</u>                       | <u>483</u>                        | <u>55,040</u>                               |
| -                                   | -                                | -                                 | 3   |
| <u>6,332</u>                        | <u>417</u>                       | <u>483</u>                        | <u>55,043</u>                               |
| 6                                   | -                                | 2                                 | 75  |
| -                                   | -                                | -                                 | 18  |
| <u>679</u>                          | <u>-</u>                         | <u>-</u>                          | <u>2,837</u>                                |
| <u>685</u>                          | <u>-</u>                         | <u>2</u>                          | <u>2,930</u>                                |
| -                                   | -                                | -                                 | 124   |
| <u>891</u>                          | <u>-</u>                         | <u>-</u>                          | <u>5,615</u>                                |
| <u>1,576</u>                        | <u>-</u>                         | <u>2</u>                          | <u>8,669</u>                                |
| -                                   | -                                | -                                 | 3   |
| <u>4,756</u>                        | <u>417</u>                       | <u>481</u>                        | <u>46,371</u>                               |
| <u>\$ 4,756</u>                     | <u>\$ 417</u>                    | <u>\$ 481</u>                     | <u>46,374</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, 2021**  
**(Dollars in Thousands)**

|  | <u>Equipment<br/>Maintenance &amp;<br/>Replacement</u> | <u>Workers'<br/>Compensation<br/>Insurance</u> | <u>Unemployment<br/>Self-Insurance</u> |
|--|--|--|--|
| <b>Operating revenues:</b>               |  |  |  |
| Charges for services                     | \$ 2,452   | 2,085  | 48                                     |
| Other                                    | 312  | 31   | -                                      |
| Total operating revenues                 | <u>2,764</u>   | <u>2,116</u>                                   | <u>48</u>                              |
| <b>Operating expenses:</b>               |  |  |  |
| Salaries and related expenses            | 1,479  | -  | -                                      |
| Insurance claims and premiums            | -  | 1,257  | 191                                    |
| General and administrative               | 3,349  | 160  | -                                      |
| Depreciation                             | 4  | -  | -                                      |
| Total operating expenses                 | <u>4,832</u>   | <u>1,417</u>                                   | <u>191</u>                             |
| Operating income (loss)                  | <u>(2,068)</u>   | <u>699</u>                                     | <u>(143)</u>                           |
| <b>Nonoperating revenues (expenses):</b> |  |  |  |
| Investment income                        | (37)   | (79)   | (5)                                    |
| Income (loss) before transfers           | <u>(2,105)</u>   | <u>620</u>                                     | <u>(148)</u>                           |
| Transfers in                             | 3,447  | -  | -                                      |
| Transfers out                            | (392)  | -  | -                                      |
| Change in net position                   | 950  | 620  | (148)                                  |
| <b>Net position, beginning of year</b>   | <u>33,528</u>  | <u>5,123</u>                                   | <u>647</u>                             |
| <b>Net position, end of year</b>         | <u>\$ 34,478</u>                                       | <u>5,743</u>                                   | <u>499</u>                             |



| <u>Liability<br/>Self-Insurance</u> | <u>Retirees'<br/>Health Plan</u> | <u>Employee<br/>Benefits Plan</u> | <u>Total<br/>Internal<br/>Service Funds</u> |
|-------------------------------------|----------------------------------|-----------------------------------|---|
| 1,988                               | 5,651                            | 63                                | 12,287                                      |
| 80                                  | 34                               | -                                 | 457   |
| <u>2,068</u>                        | <u>5,685</u>                     | <u>63</u>                         | <u>12,744</u>                               |
| -                                   | 5,048                            | 41                                | 6,568                                       |
| 1,052                               | -                                | -                                 | 2,500                                       |
| 454                                 | 10                               | 7                                 | 3,980                                       |
| -                                   | -                                | -                                 | 4   |
| <u>1,506</u>                        | <u>5,058</u>                     | <u>48</u>                         | <u>13,052</u>                               |
| <u>562</u>                          | <u>627</u>                       | <u>15</u>                         | <u>(308)</u>                                |
| 19                                  | (39)                             | 11                                | (130)                                       |
| <u>581</u>                          | <u>588</u>                       | <u>26</u>                         | <u>(438)</u>                                |
| 700                                 | -                                | -                                 | 4,147                                       |
| -                                   | (633)                            | -                                 | (1,025)                                     |
| <u>1,281</u>                        | <u>(45)</u>                      | <u>26</u>                         | <u>2,684</u>                                |
| <u>3,475</u>                        | <u>462</u>                       | <u>455</u>                        | <u>43,690</u>                               |
| <u>4,756</u>                        | <u>417</u>                       | <u>481</u>                        | <u>46,374</u>                               |

**CITY OF MOUNTAIN VIEW**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2021**  
**(Dollars in Thousands)**

|  | <b>Equipment<br/>Maintenance &amp;<br/>Replacement</b> | <b>Workers'<br/>Compensation<br/>Insurance</b> | <b>Unemployment<br/>Self-Insurance</b> |
|--|--|--|--|
| <b>Cash flows from operating activities:</b>   |  |  |  |
| Cash receipts from customers   | \$ 2,764   | 2,116  | 48                                     |
| Cash paid to suppliers for goods and services  | (3,380)  | (610)  | (191)                                  |
| Cash paid to employees for services  | (1,451)  | -  | -                                      |
| Claims paid  | -  | (1,215)  | -                                      |
| Net cash provided by (used in) operating activities  | <u>(2,067)</u>   | <u>291</u>                                     | <u>(143)</u>                           |
| <b>Cash flows from noncapital financing activities:</b>  |  |  |  |
| Transfers in   | 3,447  | -  | -                                      |
| Transfers out  | (392)  | -  | -                                      |
| Net cash provided by noncapital financing activities   | <u>3,055</u>   | <u>-</u>                                       | <u>-</u>                               |
| <b>Cash flows from investing activities:</b>   |  |  |  |
| Interest received  | (15)   | (62)   | (4)                                    |
| Net cash provided by investing activities  | <u>(15)</u>  | <u>(62)</u>                                    | <u>(4)</u>                             |
| Net increase (decrease) in cash and cash equivalents   | 973  | 229  | (147)                                  |
| <b>Cash and cash equivalents, beginning of year</b>  | <u>33,555</u>  | <u>12,364</u>                                  | <u>644</u>                             |
| <b>Cash and cash equivalents, end of year</b>  | <u>\$ 34,528</u>                                       | <u>12,593</u>                                  | <u>497</u>                             |
| <b>Reconciliation of cash and cash equivalents:</b>  |  |  |  |
| Cash and investments   | \$ 34,528  | 12,503   | 497                                    |
| Restricted cash and investments  | -  | 90   | -                                      |
| Total cash and cash equivalents  | <u>\$ 34,528</u>                                       | <u>12,593</u>                                  | <u>497</u>                             |
| <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b> |  |  |  |
| Operating income (loss)  | \$ (2,068)   | 699  | (143)                                  |
| 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  | (31)   | 16   | -                                      |
| Increase (decrease) in refundable deposits   | -  | -  | -                                      |
| Increase (decrease) in unearned revenue  | -  | -  | -                                      |
| Increase (decrease) in accrued compensated absences  | 28   | -  | -                                      |
| Net cash provided by (used in) operating activities  | <u>\$ (2,067)</u>                                      | <u>291</u>                                     | <u>(143)</u>                           |

| <b>Liability<br/>Self-Insurance</b> | <b>Retirees'<br/>Health Plan</b> | <b>Employee<br/>Benefits Plan</b> | <b>Total<br/>Internal<br/>Service Funds</b> |
|-------------------------------------|----------------------------------|-----------------------------------|---|
| 2,068                               | 5,685                            | 63                                | 12,744                                      |
| (1,511)                             | (11)                             | (6)                               | (5,709)                                     |
| -                                   | (5,048)                          | (41)                              | (6,540)                                     |
| (1,329)                             | -                                | -                                 | (2,544)                                     |
| <u>(772)</u>                        | <u>626</u>                       | <u>16</u>                         | <u>(2,049)</u>                              |
| 700                                 | -                                | -                                 | 4,147                                       |
| -                                   | (633)                            | -                                 | (1,025)                                     |
| <u>700</u>                          | <u>(633)</u>                     | <u>-</u>                          | <u>3,122</u>                                |
| 17                                  | (31)                             | 9                                 | (86)  |
| 17                                  | (31)                             | 9                                 | (86)  |
| (55)                                | (38)                             | 25                                | 987   |
| 6,366                               | 453                              | 454                               | 53,836                                      |
| <u>6,311</u>                        | <u>415</u>                       | <u>479</u>                        | <u>54,823</u>                               |
| 5,426                               | 415                              | 479                               | 53,848                                      |
| 885                                 | -                                | -                                 | 975   |
| <u>6,311</u>                        | <u>415</u>                       | <u>479</u>                        | <u>54,823</u>                               |
| 562                                 | 627                              | 15                                | (308)                                       |
| -                                   | -                                | -                                 | 4   |
| -                                   | -                                | -                                 | -   |
| (5)                                 | (1)                              | 1                                 | (20)  |
| -                                   | -                                | -                                 | -   |
| -                                   | -                                | -                                 | -   |
| -                                   | -                                | -                                 | 28  |
| <u>(772)</u>                        | <u>626</u>                       | <u>16</u>                         | <u>(2,049)</u>                              |

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**CITY OF MOUNTAIN VIEW**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2021**

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

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

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

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

CITY OF MOUNTAIN VIEW  
 Combining Statement of Fiduciary Net Position  
 June 30, 2021  
 (Dollars in Thousands)

|                                 | <u>Fire<br/>Union</u> | <u>Police<br/>Union</u> | <u>Flexible<br/>Benefits<br/>Plan</u> | <u>Center For the<br/>Performing<br/>Arts</u> | <u>Total</u> |
|---------------------------------|-----------------------|-------------------------|---------------------------------------|---|--------------|
| <b>Assets:</b>                  |                       |                         |                                       |   |              |
| Cash and investments            | \$ 42                 | 29                      | 136                                   | -   | 207          |
| Restricted cash and investments | -                     | -                       | -                                     | 299   | 299          |
| Total assets                    | <u>42</u>             | <u>29</u>               | <u>136</u>                            | <u>299</u>                                    | <u>506</u>   |
| <b>Net Position:</b>            |                       |                         |                                       |   |              |
| Restricted for others           | <u>\$ 42</u>          | <u>29</u>               | <u>136</u>                            | <u>299</u>                                    | <u>506</u>   |

CITY OF MOUNTAIN VIEW  
 Combining Statement of Fiduciary Net Position  
 June 30, 2021  
 (Dollars in Thousands)

|  | Fire<br>Union | Police<br>Union | Flexible<br>Benefits<br>Plan | Center For the<br>Performing<br>Arts | Total |
|--|---------------|-----------------|------------------------------|--------------------------------------|-------|
| <b>Additions:</b>                      |               |                 |                              |                                      |       |
| Fees and others collected              | 44            | 29              | 59                           | 12                                   | 144   |
| <b>Deductions:</b>                     |               |                 |                              |                                      |       |
| Distribution to others                 | 30            | 23              | 61                           | 13                                   | 127   |
| Change in net position                 | 14            | 6               | (2)                          | (1)                                  | 17    |
| <b>Net position, beginning of year</b> | 28            | 23              | 138                          | 300                                  | 489   |
| <b>Net position, end of year</b>       | \$ 42         | 29              | 136                          | 299                                  | 506   |

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**CITY OF MOUNTAIN VIEW**  
**Statistical Section**  
**For the Fiscal Year Ended June 30, 2021**

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

***Financial Trends***

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

***Revenue Capacity***

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

***Debt Capacity***

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

***Demographic and Economic Information***

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

***Operating Information***

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

***Sources***

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

## CITY OF MOUNTAIN VIEW, CALIFORNIA

## Net Position by Component

Last Ten Fiscal Years  
(Dollars in Thousands)

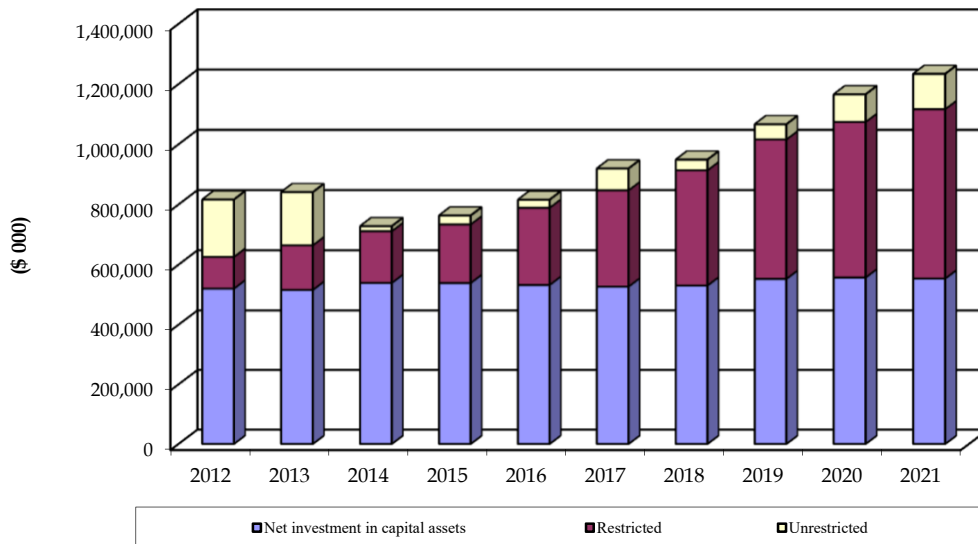
|   | Fiscal Year Ended June 30, |                |                         |                |
|---|----------------------------|----------------|-------------------------|----------------|
|   | 2012                       | 2013           | 2014                    | 2015           |
| Governmental activities                     |                            |                |                         |                |
| Net investment in capital assets            | \$ 440,921                 | 433,059        | 456,410                 | 454,939        |
| Restricted                                  | 105,365                    | 148,253        | 171,881                 | 194,850        |
| Unrestricted                                | 145,497                    | 134,551        | (13,764) <sup>(1)</sup> | (3,057)        |
| Total governmental activities net position  | <u>\$ 691,783</u>          | <u>715,863</u> | <u>614,527</u>          | <u>646,732</u> |
| Business-type activities                    |                            |                |                         |                |
| Net investment in capital assets            | \$ 79,412                  | 83,040         | 82,850                  | 84,170         |
| Unrestricted                                | 45,032                     | 41,971         | 30,417                  | 32,410         |
| Total business-type activities net position | <u>\$ 124,444</u>          | <u>125,011</u> | <u>113,267</u>          | <u>116,580</u> |
| Primary government                          |                            |                |                         |                |
| Net investment in capital assets            | \$ 520,333                 | 516,099        | 539,260                 | 539,109        |
| Restricted                                  | 105,365                    | 148,253        | 171,881                 | 194,850        |
| Unrestricted                                | 190,529                    | 176,522        | 16,653 <sup>(1)</sup>   | 29,353         |
| Total primary government net position       | <u>\$ 816,227</u>          | <u>840,874</u> | <u>727,794</u>          | <u>763,312</u> |

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

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

CITY OF MOUNTAIN VIEW, CALIFORNIA

Net Position by Component  
Primary Government



Fiscal Year Ended June 30,

| 2016           | 2017           | 2018           | 2019             | 2020             | 2021             |
|----------------|----------------|----------------|------------------|------------------|------------------|
| 450,011        | 446,280        | 450,851        | 466,424          | 467,378          | 467,855          |
| 256,471        | 319,980        | 382,993        | 463,224          | 516,825          | 562,840          |
| (11,492)       | 20,918         | (42,935) (2)   | (31,615)         | (1,976)          | 10,977           |
| <u>694,990</u> | <u>787,178</u> | <u>790,909</u> | <u>898,033</u>   | <u>982,227</u>   | <u>1,041,672</u> |
| 82,555         | 80,809         | 79,783         | 86,332           | 89,969           | 86,020           |
| 38,244         | 51,586         | 78,278         | 82,193           | 93,692           | 106,155          |
| <u>120,799</u> | <u>132,395</u> | <u>158,061</u> | <u>168,525</u>   | <u>183,661</u>   | <u>192,175</u>   |
| 532,566        | 527,089        | 530,634        | 552,756          | 557,347          | 553,875          |
| 256,471        | 319,980        | 382,993        | 463,224          | 516,825          | 562,840          |
| 26,752         | 72,504         | 35,343 (2)     | 50,578           | 91,716           | 117,132          |
| <u>815,789</u> | <u>919,573</u> | <u>948,970</u> | <u>1,066,558</u> | <u>1,165,888</u> | <u>1,233,847</u> |

## CITY OF MOUNTAIN VIEW, CALIFORNIA

## Changes in Net Position

Last Ten Fiscal Years  
(Dollars in Thousands)

|   | Fiscal Year Ended June 30, |                 |                 |                 |
|---|----------------------------|-----------------|-----------------|-----------------|
|   | 2012                       | 2013            | 2014            | 2015            |
| <b>Expenses</b>                                 |                            |                 |                 |                 |
| Governmental activities                         |                            |                 |                 |                 |
| General government                              | \$ 30,983                  | 31,825          | 32,517          | 33,782          |
| Public safety                                   | 51,302                     | 50,818          | 51,719          | 51,946          |
| Public works                                    | 16,487                     | 26,967          | 13,264          | 30,630          |
| Community development                           | 10,611                     | 8,134           | 15,013          | 10,501          |
| Culture and recreation                          | 31,403                     | 29,703          | 30,623          | 30,083          |
| Interest on long term debt                      | 3,459                      | 3,368           | 2,998           | 2,178           |
| Total governmental activities expenses          | <u>144,245</u>             | <u>150,815</u>  | <u>146,134</u>  | <u>159,120</u>  |
| Business-type activities                        |                            |                 |                 |                 |
| Water   | 23,812                     | 26,199          | 24,168          | 26,001          |
| Wastewater                                      | 13,413                     | 14,167          | 13,962          | 15,433          |
| Solid Waste                                     | 9,963                      | 10,989          | 12,124          | 11,199          |
| Total business-type activities expenses         | <u>47,188</u>              | <u>51,355</u>   | <u>50,254</u>   | <u>52,633</u>   |
| Total primary government expenses               | <u>\$ 191,433</u>          | <u>202,170</u>  | <u>196,388</u>  | <u>211,753</u>  |
| <b>Program Revenues</b>                         |                            |                 |                 |                 |
| Governmental activities:                        |                            |                 |                 |                 |
| Charges for services:                           |                            |                 |                 |                 |
| General government                              | \$ 22,893                  | 25,966          | 24,584          | 26,852          |
| Public safety                                   | 1,436                      | 1,952           | 1,988           | 1,849           |
| Public works                                    | 4,777                      | 10,753          | 10,276          | 10,122          |
| Community development                           | 8,409                      | 13,117          | 14,483          | 10,487          |
| Culture and recreation                          | 4,868                      | 4,631           | 5,023           | 5,313           |
| Operating grants and contributions              | 4,147                      | 4,643           | 4,507           | 4,756           |
| Capital grants and contributions                | 12,806                     | 20,293          | 21,859          | 21,895          |
| Total government activities program revenues    | <u>59,336</u>              | <u>81,355</u>   | <u>82,720</u>   | <u>81,274</u>   |
| Business-type activities                        |                            |                 |                 |                 |
| Charges for services:                           |                            |                 |                 |                 |
| Water   | 23,183                     | 25,823          | 28,887          | 26,914          |
| Wastewater                                      | 13,296                     | 14,558          | 15,367          | 15,925          |
| Solid Waste                                     | 11,048                     | 11,445          | 11,864          | 12,462          |
| Capital grants and contributions                | 2,078                      | 776             | 187             | 552             |
| Total business-type activities program revenues | <u>49,605</u>              | <u>52,602</u>   | <u>56,305</u>   | <u>55,853</u>   |
| Total primary government program revenues       | <u>\$ 108,941</u>          | <u>133,957</u>  | <u>139,025</u>  | <u>137,127</u>  |
| <b>Net (Expense) Revenue</b>                    |                            |                 |                 |                 |
| Governmental activities                         | \$ (84,909)                | (69,460)        | (63,414)        | (77,846)        |
| Business-type activities                        | <u>2,417</u>               | <u>1,247</u>    | <u>6,051</u>    | <u>3,220</u>    |
| Total primary government net expense            | <u>\$ (82,492)</u>         | <u>(68,213)</u> | <u>(57,363)</u> | <u>(74,626)</u> |

## Schedule 2

| Fiscal Year Ended June 30, |                 |                 |                 |                 |                 |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2016                       | 2017            | 2018            | 2019            | 2020            | 2021            |
| 35,510                     | 38,460          | 44,602          | 46,797          | 48,167          | 51,531          |
| 53,538                     | 57,759          | 66,688          | 70,435          | 76,853          | 77,385          |
| 31,052                     | 29,541          | 36,057          | 35,195          | 40,789          | 39,487          |
| 11,991                     | 13,564          | 18,206          | 18,859          | 20,423          | 17,143          |
| 30,105                     | 31,275          | 35,698          | 35,619          | 58,221          | 35,164          |
| 1,860                      | 1,732           | 1,633           | 3,971           | 4,278           | 4,176           |
| <u>164,056</u>             | <u>172,331</u>  | <u>202,884</u>  | <u>210,876</u>  | <u>248,731</u>  | <u>224,886</u>  |
| 27,809                     | 30,459          | 35,101          | 35,868          | 37,522          | 36,981          |
| 17,332                     | 18,250          | 17,294          | 19,526          | 20,109          | 21,848          |
| 11,945                     | 11,762          | 13,235          | 13,682          | 15,077          | 13,573          |
| <u>57,086</u>              | <u>60,471</u>   | <u>65,630</u>   | <u>69,076</u>   | <u>72,708</u>   | <u>72,402</u>   |
| <u>221,142</u>             | <u>232,802</u>  | <u>268,514</u>  | <u>279,952</u>  | <u>321,439</u>  | <u>297,288</u>  |
| 28,846                     | 34,198          | 39,415          | 53,704          | 39,191          | 43,087          |
| 1,643                      | 1,205           | 1,333           | 1,407           | 1,270           | 801             |
| 3,911                      | 3,165           | 3,546           | 3,906           | 2,916           | 3,397           |
| 11,941                     | 14,055          | 20,485          | 18,266          | 15,229          | 13,123          |
| 5,106                      | 5,057           | 5,315           | 5,741           | 4,993           | 4,903           |
| 4,297                      | 3,902           | 3,265           | 5,111           | 6,637           | 4,572           |
| 31,291                     | 68,541          | 68,479          | 62,861          | 81,176          | 56,217          |
| <u>87,035</u>              | <u>130,123</u>  | <u>141,838</u>  | <u>150,996</u>  | <u>151,412</u>  | <u>126,100</u>  |
| 27,953                     | 33,847          | 40,571          | 34,844          | 38,092          | 38,205          |
| 19,730                     | 22,818          | 22,369          | 23,513          | 25,850          | 22,962          |
| 13,125                     | 14,053          | 14,870          | 15,588          | 15,837          | 14,731          |
| 385                        | 2,443           | 12,761          | 2,636           | 5,014           | 5,033           |
| <u>61,193</u>              | <u>73,161</u>   | <u>90,571</u>   | <u>76,581</u>   | <u>84,793</u>   | <u>80,931</u>   |
| <u>148,228</u>             | <u>203,284</u>  | <u>232,409</u>  | <u>227,577</u>  | <u>236,205</u>  | <u>207,031</u>  |
| (77,021)                   | (42,208)        | (61,046)        | (59,880)        | (97,319)        | (98,786)        |
| 4,107                      | 12,690          | 24,941          | 7,505           | 12,085          | 8,529           |
| <u>(72,914)</u>            | <u>(29,518)</u> | <u>(36,105)</u> | <u>(52,375)</u> | <u>(85,234)</u> | <u>(90,257)</u> |

## CITY OF MOUNTAIN VIEW, CALIFORNIA

## Changes in Net Position

Last Ten Fiscal Years  
(Dollars in Thousands)

|   | Fiscal Year Ended June 30, |               |                |                |
|---|----------------------------|---------------|----------------|----------------|
|   | 2012                       | 2013          | 2014           | 2015           |
| <b>General Revenues and Other Changes in Net Position</b>                                     |                            |               |                |                |
| Governmental activities   |                            |               |                |                |
| Taxes:  |                            |               |                |                |
| Property taxes  | \$ 57,709                  | 58,515        | 62,601         | 64,954         |
| Sales taxes   | 15,939                     | 16,744        | 16,935         | 19,773         |
| Transient occupancy tax   | 4,397                      | 4,668         | 5,595          | 6,559          |
| Utility users tax   | 6,157                      | 7,954         | 7,335          | 7,988          |
| Nonregulatory franchise and business  | 4,204                      | 4,241         | 4,633          | 4,793          |
| Intergovernmental revenue   | 194                        | 222           | 209            | 209            |
| Investment income   | 6,363                      | 966           | 3,870          | 4,944          |
| Other   | -                          | -             | 1,091          | 575            |
| Transfers   | 355                        | 510           | 739            | 256            |
| Total government activities   | <u>95,318</u>              | <u>93,820</u> | <u>103,008</u> | <u>110,051</u> |
| Business-type activities  |                            |               |                |                |
| Investment income   | 526                        | 22            | 394            | 349            |
| Transfers   | (355)                      | (510)         | (739)          | (256)          |
| Total business-type activities  | <u>171</u>                 | <u>(488)</u>  | <u>(345)</u>   | <u>93</u>      |
| Total primary government  | <u>\$ 95,489</u>           | <u>93,332</u> | <u>102,663</u> | <u>110,144</u> |
| <b>Change in Net Position</b>   |                            |               |                |                |
| Change in net position before extraordinary and special items:                                |                            |               |                |                |
| Governmental activities   | \$ 10,409                  | 24,360        | 39,594         | 32,205         |
| Business-type activities  | 2,588                      | 759           | 5,706          | 3,313          |
| Total primary government  | <u>12,997</u>              | <u>25,119</u> | <u>45,300</u>  | <u>35,518</u>  |
| Extraordinary items:  |                            |               |                |                |
| Assets transferred to/liabilities assumed by Successor Agency, net of LAIF rate remeasurement | <u>(17,409)</u>            | <u>-</u>      | <u>-</u>       | <u>-</u>       |
| Special items:  |                            |               |                |                |
| Capital assets contributed from Successor Agency  | -                          | -             | 16,679         | -              |
| Land held contributed from Successor Agency   | <u>-</u>                   | <u>-</u>      | <u>6,250</u>   | <u>-</u>       |
| Change in net position  | <u>\$ (4,412)</u>          | <u>25,119</u> | <u>68,229</u>  | <u>35,518</u>  |

Schedule 2

| Fiscal Year Ended June 30, |                |                |                |                |                |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| 2016                       | 2017           | 2018           | 2019           | 2020           | 2021           |
| 71,563                     | 86,373         | 92,478         | 95,420         | 107,192        | 119,678        |
| 21,401                     | 21,829         | 20,713         | 25,058         | 19,792         | 18,284         |
| 6,591                      | 7,043          | 7,057          | 7,051          | 5,602          | 1,918          |
| 9,898                      | 8,573          | 8,136          | 7,850          | 7,870          | 7,654          |
| 4,954                      | 4,997          | 5,364          | 5,549          | 7,886          | 9,408          |
| 211                        | 219            | 228            | 219            | 245            | 242            |
| 8,551                      | 1,314          | 1,459          | 26,411         | 33,613         | 1,056          |
| 1,724                      | 2,859          | -              | -              | -              | -              |
| 386                        | 1,189          | (588)          | (554)          | (687)          | (9)            |
| <u>125,279</u>             | <u>134,396</u> | <u>134,847</u> | <u>167,004</u> | <u>181,513</u> | <u>158,231</u> |
| 498                        | 95             | 137            | 2,405          | 2,364          | (24)           |
| (386)                      | (1,189)        | 588            | 554            | 687            | 9              |
| <u>112</u>                 | <u>(1,094)</u> | <u>725</u>     | <u>2,959</u>   | <u>3,051</u>   | <u>(15)</u>    |
| <u>125,391</u>             | <u>133,302</u> | <u>135,572</u> | <u>169,963</u> | <u>184,564</u> | <u>158,216</u> |
| 48,258                     | 92,188         | 73,801         | 107,124        | 84,194         | 59,445         |
| 4,219                      | 11,596         | 25,666         | 10,464         | 15,136         | 8,514          |
| <u>52,477</u>              | <u>103,784</u> | <u>99,467</u>  | <u>117,588</u> | <u>99,330</u>  | <u>67,959</u>  |
| -                          | -              | -              | -              | -              | -              |
| -                          | -              | -              | -              | -              | -              |
| -                          | -              | -              | -              | -              | -              |
| <u>52,477</u>              | <u>103,784</u> | <u>99,467</u>  | <u>117,588</u> | <u>99,330</u>  | <u>67,959</u>  |

## CITY OF MOUNTAIN VIEW, CALIFORNIA

## Fund Balances of Governmental Funds

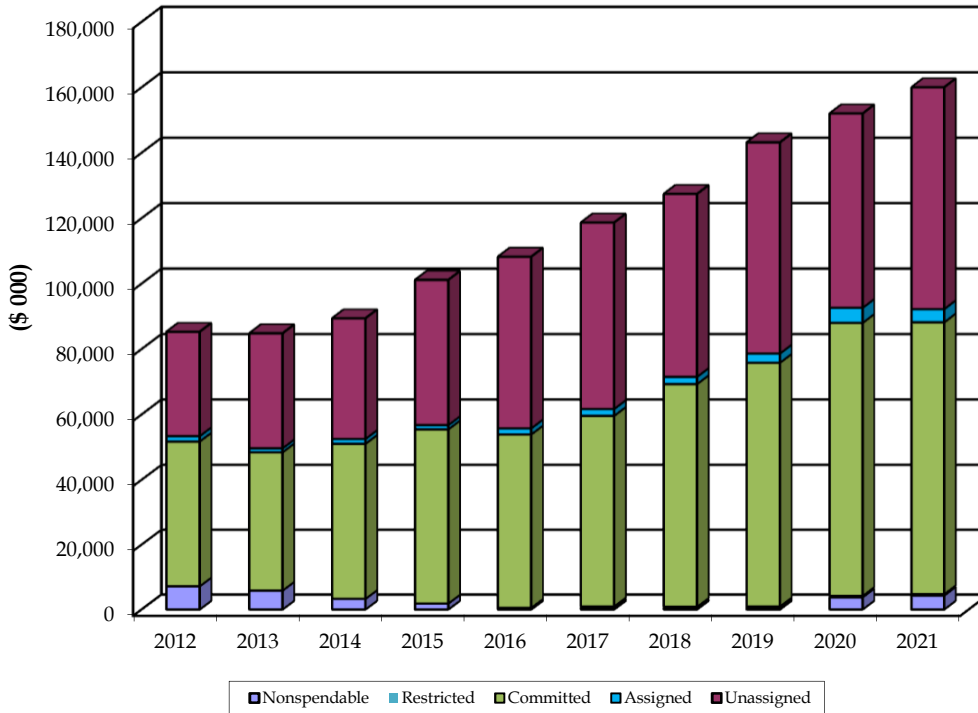
Last Ten Fiscal Years  
(Dollars in Thousands)

|                                    | Fiscal Year Ended June 30, |                |                |                |
|------------------------------------|----------------------------|----------------|----------------|----------------|
|                                    | 2012                       | 2013           | 2014           | 2015           |
| General Fund                       |                            |                |                |                |
| Nonspendable                       | \$ 7,147                   | 5,828          | 3,276          | 1,847          |
| Restricted                         | -                          | -              | -              | -              |
| Committed                          | 44,609                     | 42,626         | 47,771         | 53,622         |
| Assigned                           | 1,648                      | 1,222          | 1,498          | 1,294          |
| Unassigned                         | 31,882                     | 35,150         | 36,880         | 44,395         |
| Total General Fund                 | <u>\$ 85,286</u>           | <u>84,826</u>  | <u>89,425</u>  | <u>101,158</u> |
| All Other Governmental Funds       |                            |                |                |                |
| Nonspendable                       | \$ 47                      | 76             | 67             | 69             |
| Restricted                         | 159,532                    | 191,843        | 218,699        | 228,910        |
| Committed                          | -                          | -              | -              | 930            |
| Unassigned                         | -                          | -              | (18)           | (18)           |
| Total all other governmental funds | <u>\$ 159,579</u>          | <u>191,919</u> | <u>218,748</u> | <u>229,891</u> |



CITY OF MOUNTAIN VIEW, CALIFORNIA

Fund Balance for General Fund



Fiscal Year Ended June 30,

| 2016           | 2017           | 2018           | 2019           | 2020           | 2021           |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 523            | 541            | 407            | 519            | 3,757          | 4,292          |
| -              | 410            | 420            | 424            | 430            | 437            |
| 53,399         | 58,655         | 68,483         | 74,881         | 83,827         | 83,453         |
| 1,860          | 2,094          | 2,202          | 2,819          | 4,604          | 4,044          |
| 52,459         | 56,979         | 55,913         | 64,539         | 59,394         | 67,792         |
| <u>108,241</u> | <u>118,679</u> | <u>127,425</u> | <u>143,182</u> | <u>152,012</u> | <u>160,018</u> |
| 57             | 64             | 60             | 72             | 17,051         | 17,060         |
| 256,281        | 318,281        | 382,132        | 532,282        | 586,008        | 632,852        |
| 4,149          | 17,027         | 10,553         | 8,175          | 13,318         | 20,869         |
| (3)            | -              | (55)           | (128)          | -              | -              |
| <u>260,484</u> | <u>335,372</u> | <u>392,690</u> | <u>540,401</u> | <u>616,377</u> | <u>670,781</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, |                 |                 |                 |                 |
|--|----------------------------|-----------------|-----------------|-----------------|-----------------|
|  | 2012                       | 2013            | 2014            | 2015            | 2016            |
| <b>Revenues</b>  |                            |                 |                 |                 |                 |
| Taxes  | \$ 89,496                  | 93,385          | 98,806          | 107,135         | 116,783         |
| Licenses, permits and fees   | 15,614                     | 22,482          | 23,677          | 31,421          | 28,136          |
| Fines and forfeitures  | 954                        | 1,043           | 1,068           | 920             | 697             |
| Use of money and property  | 15,112                     | 10,659          | 14,878          | 14,932          | 19,730          |
| Intergovernmental  | 5,622                      | 7,200           | 7,840           | 6,255           | 6,415           |
| Charges for services   | 23,339                     | 36,221          | 33,810          | 24,323          | 27,882          |
| Developer fees and contributions   | -                          | -               | -               | -               | -               |
| Other  | 3,528                      | 4,415           | 3,212           | 5,091           | 7,681           |
| Total Revenues   | <u>153,665</u>             | <u>175,405</u>  | <u>183,291</u>  | <u>190,077</u>  | <u>207,324</u>  |
| <b>Expenditures</b>  |                            |                 |                 |                 |                 |
| Current:   |                            |                 |                 |                 |                 |
| General government   | 28,707                     | 29,653          | 30,475          | 31,714          | 34,269          |
| Public safety  | 48,364                     | 49,474          | 50,517          | 52,457          | 54,790          |
| Public works   | 8,377                      | 8,736           | 9,340           | 10,098          | 11,924          |
| Community development  | 9,581                      | 8,316           | 14,494          | 10,275          | 11,941          |
| Culture and recreation   | 20,997                     | 21,072          | 21,904          | 22,899          | 23,979          |
| Capital outlay   | 23,940                     | 15,493          | 14,148          | 28,080          | 17,914          |
| Debt service:  |                            |                 |                 |                 |                 |
| Principal  | 18,093                     | 5,103           | 5,296           | 5,535           | 7,187           |
| Interest and fiscal charges  | 3,736                      | 2,872           | 2,895           | 2,056           | 1,936           |
| Total Expenditures   | <u>161,795</u>             | <u>140,719</u>  | <u>149,069</u>  | <u>163,114</u>  | <u>163,940</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures                                     | <u>(8,130)</u>             | <u>34,686</u>   | <u>34,222</u>   | <u>26,963</u>   | <u>43,384</u>   |
| <b>Other Financing Sources (Uses)</b>  |                            |                 |                 |                 |                 |
| Sale of capital assets   | -                          | -               | 1,469           | 1,910           | 1,950           |
| Issuance of bonds  | 39,454                     | -               | 12,135          | -               | -               |
| Bond premium   | -                          | -               | -               | -               | -               |
| Payment to refund bond escrow agent  | -                          | -               | (12,035)        | -               | -               |
| Transfers in   | 50,417                     | 32,211          | 34,028          | 33,286          | 42,300          |
| Transfers (out)  | <u>(53,032)</u>            | <u>(35,017)</u> | <u>(38,391)</u> | <u>(39,283)</u> | <u>(49,958)</u> |
| Total other financing sources (uses)   | <u>36,839</u>              | <u>(2,806)</u>  | <u>(2,794)</u>  | <u>(4,087)</u>  | <u>(5,708)</u>  |
| Net Change in fund balances<br>before extraordinary items  | <u>28,709</u>              | <u>31,880</u>   | <u>31,428</u>   | <u>22,876</u>   | <u>37,676</u>   |
| Extraordinary Items:   |                            |                 |                 |                 |                 |
| Assets transferred to/liabilities assumed by<br>Successor Agency, net of LAIF rate remeasurement | -                          | (9,299)         | -               | -               | -               |
| Net Change in fund balances  | <u>\$ 28,709</u>           | <u>22,581</u>   | <u>31,428</u>   | <u>22,876</u>   | <u>37,676</u>   |
| Debt service as a percentage of<br>noncapital expenditures                                       | 16.0%                      | 6.4%            | 6.2%            | 5.6%            | 6.1%            |

- (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, |                 |                 |                  |                 |
|----------------------------|-----------------|-----------------|------------------|-----------------|
| 2017                       | 2018            | 2019            | 2020             | 2021            |
| 131,921                    | 136,206         | 146,048         | 149,433          | 160,404         |
| 12,554                     | 17,202          | 14,688          | 12,368           | 12,521          |
| 872                        | 912             | 979             | 768              | 312             |
| 17,508                     | 20,228          | 45,389          | 52,008           | 22,833          |
| 4,590                      | 5,706           | 7,062           | 6,397            | 8,251           |
| 27,330                     | 30,077          | 32,594          | 30,479           | 27,642          |
| 57,628 (1)                 | 60,239          | 52,291          | 66,709           | 45,890          |
| 6,233                      | 7,055           | 17,052          | 6,903            | 7,509           |
| <u>258,636</u>             | <u>277,625</u>  | <u>316,103</u>  | <u>325,065</u>   | <u>285,362</u>  |
| 37,379                     | 43,432          | 44,284          | 46,303           | 49,541          |
| 56,893                     | 65,276          | 65,968          | 69,665           | 71,579          |
| 12,852                     | 16,229          | 16,400          | 16,875           | 18,548          |
| 13,304                     | 18,099          | 17,988          | 20,062           | 16,828          |
| 24,707                     | 29,257          | 28,315          | 52,912           | 27,192          |
| 16,495                     | 32,688          | 39,817          | 24,490           | 29,699          |
| 4,782                      | 3,355           | 3,453           | 1,927            | 1,997           |
| 1,782                      | 1,673           | 2,847           | 4,533            | 4,437           |
| <u>168,194</u>             | <u>210,009</u>  | <u>219,072</u>  | <u>236,767</u>   | <u>219,821</u>  |
| 90,442                     | 67,616          | 97,031          | 88,298           | 65,541          |
| 2,894                      | 1,821           | -               | -                | -               |
| -                          | -               | 63,800          | -                | -               |
| -                          | -               | 6,416           | -                | -               |
| -                          | -               | -               | -                | -               |
| 57,452                     | 96,599          | 82,995          | 143,720          | 58,910          |
| <u>(65,462)</u>            | <u>(99,972)</u> | <u>(86,774)</u> | <u>(147,212)</u> | <u>(62,041)</u> |
| <u>(5,116)</u>             | <u>(1,552)</u>  | <u>66,437</u>   | <u>(3,492)</u>   | <u>(3,131)</u>  |
| <u>85,326</u>              | <u>66,064</u>   | <u>163,468</u>  | <u>84,806</u>    | <u>62,410</u>   |
| -                          | -               | -               | -                | -               |
| <u>85,326</u>              | <u>66,064</u>   | <u>163,468</u>  | <u>84,806</u>    | <u>62,410</u>   |
| 4.3%                       | 2.8%            | 3.5%            | 3.0%             | 3.3%            |

## 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     |
| 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 |
| 2020-21     | 20,011,424           | 6,971,532           | 4,498,546           | 1,936,547 |

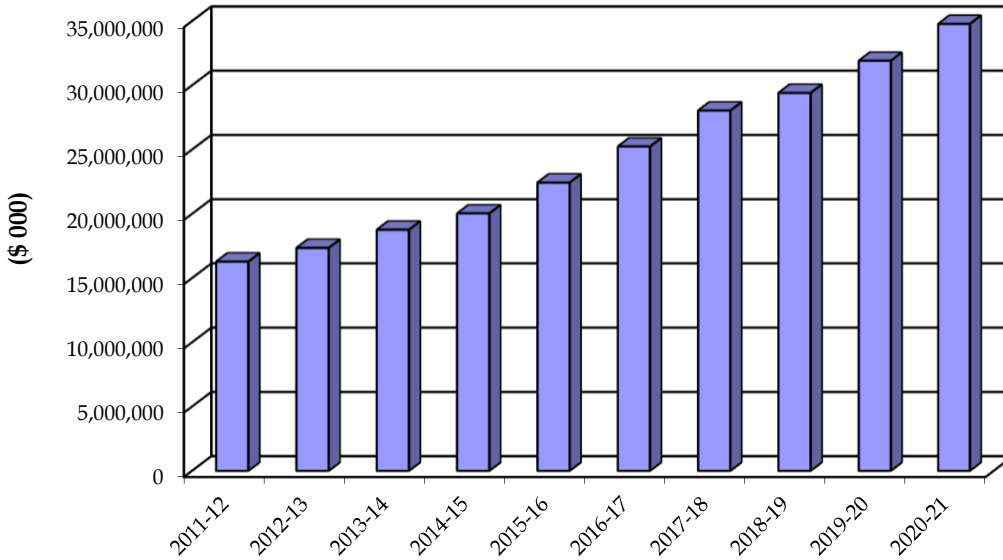
Source: Santa Clara County Assessor

Note: Actual property value data not available in California.

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

CITY OF MOUNTAIN VIEW, CALIFORNIA

Total Taxable Assessed Value



| <u>Unsecured</u> | <u>Less:<br/>Tax-Exempt<br/>Property</u> | <u>Total Taxable<br/>Assessed<br/>Value</u> | <u>Total Direct<br/>Tax Rate (1)</u> |
|------------------|--|---|--------------------------------------|
| 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%                                |
| 2,969,624        | (1,611,881)                              | 34,775,792                                  | 1.00%                                |

**CITY OF MOUNTAIN VIEW, CALIFORNIA**

**Direct and Overlapping Property Tax Rates**

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

| <u>Fiscal Year</u> | <u>City Direct Rates</u> |                     | <u>Overlapping Rates (1)</u> |        |                         |                  |                          |        | <u>Total Direct and Overlapping</u> |        |
|--------------------|--------------------------|---------------------|------------------------------|--------|-------------------------|------------------|--------------------------|--------|-------------------------------------|--------|
|                    | <u>Basic Rate (2)</u>    | <u>Total Direct</u> | <u>County of Santa Clara</u> |        | <u>School Districts</u> | <u>Hospitals</u> | <u>Special Districts</u> |        |                                     |        |
| 2011-12            | 1.00                     | 1.00                | 0.0388                       | 0.0459 | 0.0747                  | 0.1110           | 0.0129                   | 0.0064 | 1.1199                              | 1.1762 |
| 2012-13            | 1.00                     | 1.00                | 0.0439                       | 0.0463 | 0.1005                  | 0.1149           | 0.0129                   | 0.0069 | 1.1513                              | 1.1810 |
| 2013-14            | 1.00                     | 1.00                | 0.0423                       | 0.0423 | 0.0941                  | 0.1059           | 0.0129                   | 0.0070 | 1.1434                              | 1.1681 |
| 2014-15            | 1.00                     | 1.00                | 0.0479                       | 0.0479 | 0.0747                  | 0.1164           | 0.0129                   | 0.0065 | 1.1291                              | 1.1837 |
| 2015-16            | 1.00                     | 1.00                | 0.0476                       | 0.0476 | 0.0632                  | 0.1174           | 0.0129                   | 0.0065 | 1.1173                              | 1.1844 |
| 2016-17            | 1.00                     | 1.00                | 0.0474                       | 0.0474 | 0.0772                  | 0.0943           | 0.0129                   | 0.0092 | 1.1338                              | 1.1638 |
| 2017-18            | 1.00                     | 1.00                | 0.0597                       | 0.0597 | 0.0737                  | 0.1052           | 0.0100                   | 0.0071 | 1.1405                              | 1.1820 |
| 2018-19            | 1.00                     | 1.00                | 0.0565                       | 0.0565 | 0.1015                  | 0.1259           | 0.0100                   | 0.0060 | 1.1640                              | 1.1984 |
| 2019-20            | 1.00                     | 1.00                | 0.0557                       | 0.0557 | 0.0962                  | 0.1158           | 0.0100                   | 0.0057 | 1.1576                              | 1.1872 |
| 2020-21            | 1.00                     | 1.00                | 0.0457                       | 0.0457 | 0.1110                  | 0.1578           | 0.0100                   | 0.0052 | 1.1619                              | 1.2187 |

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 2020-21    |      |   | Fiscal Year 2011-12    |      |   |
|--|------------------------|------|---|------------------------|------|---|
|  | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Google LLC                               | \$ 5,234,051           | 1    | 15.0%   | \$ 1,235,214           | 1    | 7.6%  |
| Nor Cal Plymouth Realty LLC              | 218,877                | 2    | 0.6%  | -                      | -    | -   |
| Sobrato Interests                        | 339,765                | 3    | 1.0%  | -                      | -    | -   |
| Baccarat Shoreline LLC                   | 120,589                | 4    | 0.3%  | -                      | -    | -   |
| P A Charleston Road LLC                  | 116,525                | 5    | 0.3%  | 99,037                 | 6    | 0.6%  |
| Intuit Inc.                              | 227,899                | 6    | 0.7%  | -                      | -    | -   |
| Richard T. Peery Trustee                 | 103,000                | 7    | 0.3%  | 143,290                | 4    | 0.9%  |
| Microsoft Corporation                    | 90,713                 | 8    | 0.3%  | 141,883                | 5    | 0.9%  |
| MGP IX SAC II Properties LLC             | 408,743                | 9    | 1.2%  | -                      | -    | -   |
| Charleston Properties                    | 64,041                 | 10   | 0.2%  | -                      | -    | -   |
| HCP Life Science REIT Inc.               | -                      | -    | -   | 317,826                | 2    | 2.0%  |
| Mission West Shoreline LLC               | -                      | -    | -   | 176,755                | 3    | 1.1%  |
| BRCP Landmark LLC                        | -                      | -    | -   | 98,712                 | 7    | 0.6%  |
| Richard M. and Beverly J. Salado Trustee | -                      | -    | -   | 70,591                 | 8    | 0.4%  |
| Trust NOIP Charleston                    | -                      | -    | -   | 65,500                 | 9    | 0.4%  |
| 400 Castro St. Inc.                      | -                      | -    | -   | 54,400                 | 10   | 0.3%  |
| Subtotal                                 | \$ <u>6,924,203</u>    |      | <u>19.9%</u>                                    | \$ <u>2,403,208</u>    |      | <u>14.8%</u>                                    |

Fiscal Year 2020-21 Total Net Assessed Valuation: \$ 34,775,792

Fiscal Year 2011-12 Total Net Assessed Valuation: \$ 16,276,693

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)

| <u>Fiscal Year</u> | <u>Taxes Levied (1)</u> | <u>Current Collections (2)</u> | <u>Percent of Levy Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Taxes Collected</u> | <u>Percent of Levy</u> |
|--------------------|-------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------|------------------------|
| 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%                   |
| 2020-21            | 119,678                 | 119,678                        | 100%                             | -                                 | 119,678                      | 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

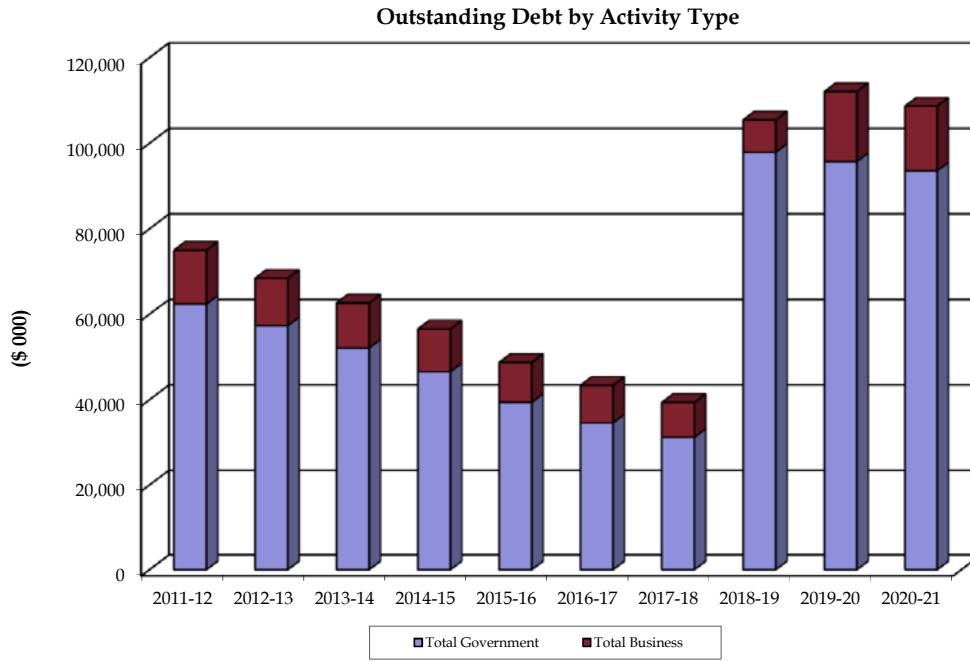
Last Ten Fiscal Years  
(Dollars in Thousands)

| Fiscal Year | Governmental Activities |                               |           |                         |
|-------------|-------------------------|-------------------------------|-----------|-------------------------|
|             | Tax Allocation Bonds    | Certificates of Participation | Bank Loan | Special Assessment Debt |
| 2011-12     | \$ 56,330               | 5,779                         | -         | 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 (3)              | -                             | -         | 49                      |
| 2019-20     | 95,756                  | -                             | -         | 12                      |
| 2020-21     | 93,554                  | -                             | -         | -                       |

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

- (1) Includes the City of Palo Alto Loan. See Note 7 for additional information.
- (2) See Schedule 14 (Demographic Statistics) for personal income and population data.
- (3) Includes 2018 SRPC Revenue Bonds, Series A and Series B.
- (4) In Fiscal Year 2019-20, the remaining balance of \$10.0M of the \$10.1M loan was drawn. See Note 7 for additional information.
- (5) Personal income data for Fiscal Year 2020-21 is not available until May of 2022.

CITY OF MOUNTAIN VIEW, CALIFORNIA



**Business-Type Activities**

| Water Bonds (1) | WasteWater Direct Financing | Total Primary Government | Percentage of Personal Income (2) | Per Capita (2) |
|-----------------|-----------------------------|--------------------------|-----------------------------------|----------------|
| 12,525          | -                           | 74,940                   | 1.59%                             | 0.99           |
| 11,115          | -                           | 68,427                   | 1.33%                             | 0.89           |
| 10,540          | -                           | 62,656                   | 1.16%                             | 0.81           |
| 9,955           | -                           | 56,536                   | 0.96%                             | 0.72           |
| 9,355           | -                           | 48,749                   | 0.76%                             | 0.61           |
| 8,740           | -                           | 43,351                   | 0.59%                             | 0.54           |
| 8,110           | -                           | 39,367                   | 0.49%                             | 0.49           |
| 7,470           | 59                          | 105,441                  | 1.21%                             | 1.30           |
| 6,810           | 9,521 (4)                   | 112,099                  | 1.19%                             | 1.38           |
| 6,135           | 8,979                       | 108,668                  | (5)                               | 1.31           |

## CITY OF MOUNTAIN VIEW, CALIFORNIA

## Ratio of General Bonded Debt Outstanding

Last Ten Fiscal Years  
(Dollars in Thousands)

| Fiscal<br>Year | General Bonded Debt Outstanding |        | Percentage of<br>Actual Taxable<br>Value of<br>Property | Per<br>Capita (1) |
|----------------|---------------------------------|--------|---|-------------------|
|                | Tax<br>Allocation<br>Bonds      | Total  |   |                   |
| 2011-12        | \$ 56,330                       | 56,330 | 0.35%   | 0.74              |
| 2012-13        | 52,300                          | 52,300 | 0.30%   | 0.68              |
| 2013-14        | 36,085                          | 36,085 | 0.19%   | 0.47              |
| 2014-15        | 34,550                          | 34,550 | 0.17%   | 0.44              |
| 2015-16        | 32,955                          | 32,955 | 0.15%   | 0.41              |
| 2016-17        | 31,290                          | 31,290 | 0.12%   | 0.39              |
| 2017-18        | 29,555                          | 29,555 | 0.11%   | 0.37              |
| 2018-19        | 97,863 (2)                      | 97,863 | 0.33%   | 1.21              |
| 2019-20        | 95,756                          | 95,756 | 0.30%   | 1.18              |
| 2020-21        | 93,554                          | 93,554 | 0.27%   | 1.13              |

(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, 2021**

2020-21 Assessed Valuation: \$34,775,791,652 (A)

| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>                                 | Total Debt<br>6/30/21 | % Applicable (1) | City's Share of<br>Debt 6/30/21 |
|---|-----------------------|------------------|---------------------------------|
| Santa Clara County  | \$812,685,000         | 6.312%           | \$ 51,296,677                   |
| Foothill-DeAnza Community College District                                  | 707,932,142           | 18.003           | 127,449,024                     |
| Fremont Union High School District  | 617,160,088           | 0.281            | 1,734,220                       |
| Mountain View-Los Altos Union High School District                          | 207,011,101           | 57.192           | 118,393,789                     |
| Los Altos School District   | 164,070,000           | 16.559           | 27,168,351                      |
| Mountain View School District   | 4,530,000             | 87.406           | 3,959,492                       |
| Sunnyvale School District   | 209,495,820           | 0.620            | 1,298,874                       |
| Mountain View-Whisman School District                                       | 279,115,000           | 91.517           | 255,437,675                     |
| Whisman School District   | 8,380,054             | 98.376           | 8,243,962                       |
| El Camino Hospital District   | 116,290,000           | 32.373           | 37,646,562                      |
| Midpeninsula Regional Open Space District                                   | 86,400,000            | 10.333           | 8,927,712                       |
| <b>Shoreline Regional Park Community</b>                                    | <b>87,680,000</b>     | <b>100.000</b>   | <b>87,680,000</b>               |
| Santa Clara Valley Water District Benefit Assessment District               | 57,010,000            | 6.312            | 3,598,471                       |
| <b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>                            |                       |                  | <b>\$732,834,809</b>            |
| <br><u>OVERLAPPING GENERAL FUND DEBT:</u>                                   |                       |                  |                                 |
| Santa Clara County General Fund Obligations                                 | \$914,957,860         | 6.312%           | \$ 57,752,140                   |
| Santa Clara County Pension Obligation Bonds                                 | 341,399,194           | 6.312            | 21,549,117                      |
| Santa Clara County Board of Education Certificates of Participation         | 2,670,000             | 6.312            | 168,530                         |
| Foothill-DeAnza Community College District Certificates of Participation    | 22,085,000            | 18.003           | 3,975,963                       |
| Mountain View-Los Altos Union High School District General Fund Obligations | 2,489,970             | 57.192           | 1,424,064                       |
| Los Altos School District Certificates of Participation                     | 1,954,070             | 16.559           | 323,574                         |
| <b>City of Mountain View</b>  | <b>0</b>              | <b>100.000</b>   | <b>0</b>                        |
| Midpeninsula Regional Park District General Fund Obligations                | 106,000,600           | 10.333           | 10,953,042                      |
| Santa Clara County Vector Control District Certificates of Participation    | 1,765,000             | 6.312            | 111,407                         |
| <b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>                                  |                       |                  | <b>\$96,257,837</b>             |
| Less: Santa Clara County supported obligations                              |                       |                  | 1,595,503                       |
| <b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>                   |                       |                  | <b>\$94,662,334</b>             |
| <br><b>TOTAL DIRECT DEBT</b>  |                       |                  |                                 |
| <b>TOTAL GROSS OVERLAPPING DEBT</b>   |                       |                  | <b>\$93,553,497 (3)</b>         |
| <b>TOTAL NET OVERLAPPING DEBT</b>   |                       |                  | <b>\$741,412,646</b>            |
|   |                       |                  | <b>\$739,817,143</b>            |
| <br><b>GROSS COMBINED TOTAL DEBT</b>  |                       |                  |                                 |
| <b>NET COMBINED TOTAL DEBT</b>  |                       |                  | <b>\$834,966,143 (2) (3)</b>    |
|   |                       |                  | <b>\$833,370,640 (2) (3)</b>    |

- (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 \$5,873,497.

Ratios to 2020-21 Assessed Valuation:

|   |              |
|---|--------------|
| Total Overlapping Tax and Assessment Debt ..... | 2.11%        |
| <b>Total Direct Debt .....</b>                  | <b>0.27%</b> |
| Gross Combined Total Debt.....                  | 2.40%        |
| Net Combined Total Debt.....                    | 2.40%        |

Source: California Municipal Statistics, Inc.

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

CITY OF MOUNTAIN VIEW, CALIFORNIA

Legal Debt Margin Information

Last Ten Fiscal Years  
(Dollars in Thousands)

|   | Fiscal Year  |           |           |           |
|---|--------------|-----------|-----------|-----------|
|   | 2011-12      | 2012-13   | 2013-14   | 2014-15   |
| Debt limit  | \$ 1,982,930 | 2,601,716 | 2,813,949 | 3,004,005 |
| Total net debt applicable to limit                                      | -            | -         | -         | -         |
| Legal debt margin   | \$ 1,982,930 | 2,601,716 | 2,813,949 | 3,004,005 |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0.0%         | 0.0%      | 0.0%      | 0.0%      |

(1) Source: Santa Clara County Assessor.

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

Schedule 12

**Legal Debt Margin Calculation for Fiscal Year 2019-20**

|  |                      |
|--|----------------------|
| Assessed value (net) - June 30, 2021 (1)   | \$ <u>34,775,792</u> |
| Debt limit: 15% of assessed value          | 5,216,369            |
| Less total bonded debt, general obligation | <u>-</u>             |
| Legal debt margin (2)                      | \$ <u>5,216,369</u>  |

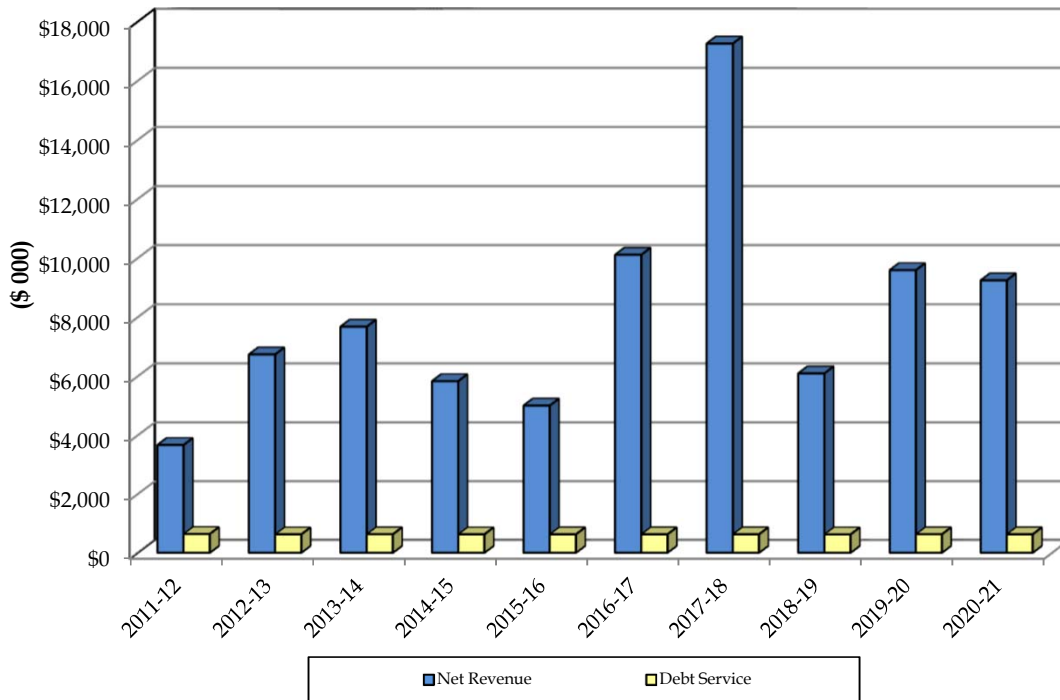
| <b>Fiscal Year</b> |                  |                  |                  |                  |                  |
|--------------------|------------------|------------------|------------------|------------------|------------------|
| <u>2015-16</u>     | <u>2016-17</u>   | <u>2017-18</u>   | <u>2018-19</u>   | <u>2019-20</u>   | <u>2020-21</u>   |
| 3,363,871          | 3,784,938        | 4,204,700        | 4,410,795        | 4,786,186        | 5,216,369        |
| <u>-</u>           | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| <u>3,363,871</u>   | <u>3,784,938</u> | <u>4,204,700</u> | <u>4,410,795</u> | <u>4,786,186</u> | <u>5,216,369</u> |
| 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 |          |
| 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     |
| 2020-21     | 40,978         | 31,733                | 9,245                  | 425          | 202      | 14.7     |

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.

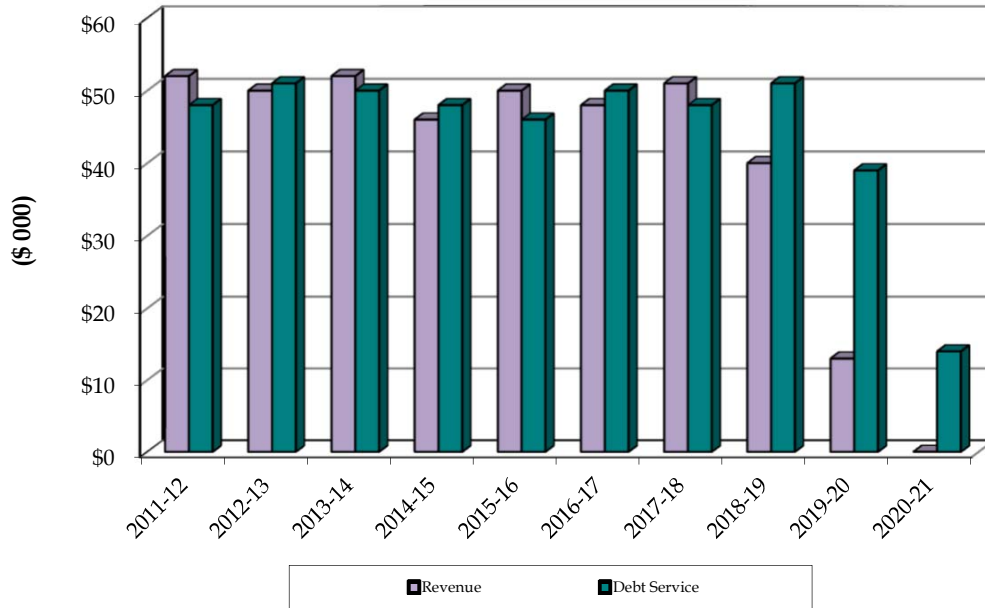


CITY OF MOUNTAIN VIEW, CALIFORNIA

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 |          |  |
| 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      |  |
| 2020-21                  | -                                  | 12           | 2        | 0.0      |  |

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

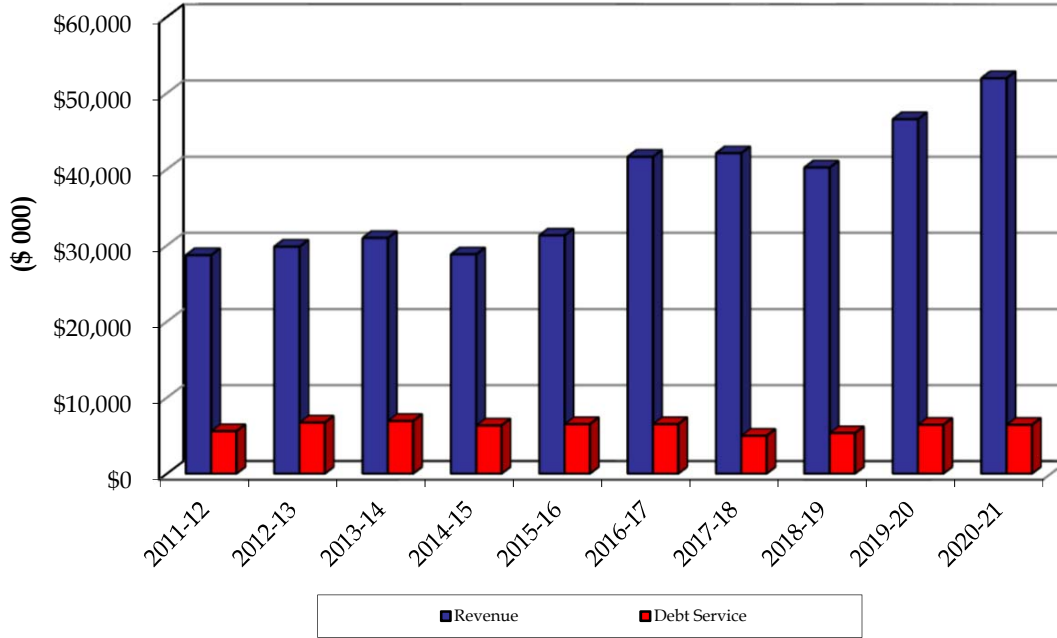
(1) Collections include interest payments from property owners.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

Last Ten Fiscal Years  
(Dollars in Thousands)

Revenue Bonds - Shoreline Regional Park Community



Revenue Bonds-Shoreline Regional Park Community (1)

| Fiscal Year | Tax                  |              |              |     | Coverage |
|-------------|----------------------|--------------|--------------|-----|----------|
|             | Incremental Revenues | Debt Service |              |     |          |
|             |                      | Principal    | Interest (2) |     |          |
| 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 |          |
| 2020-21     | 51,943               | 1,985        | 4,435        | 8.1 |          |

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

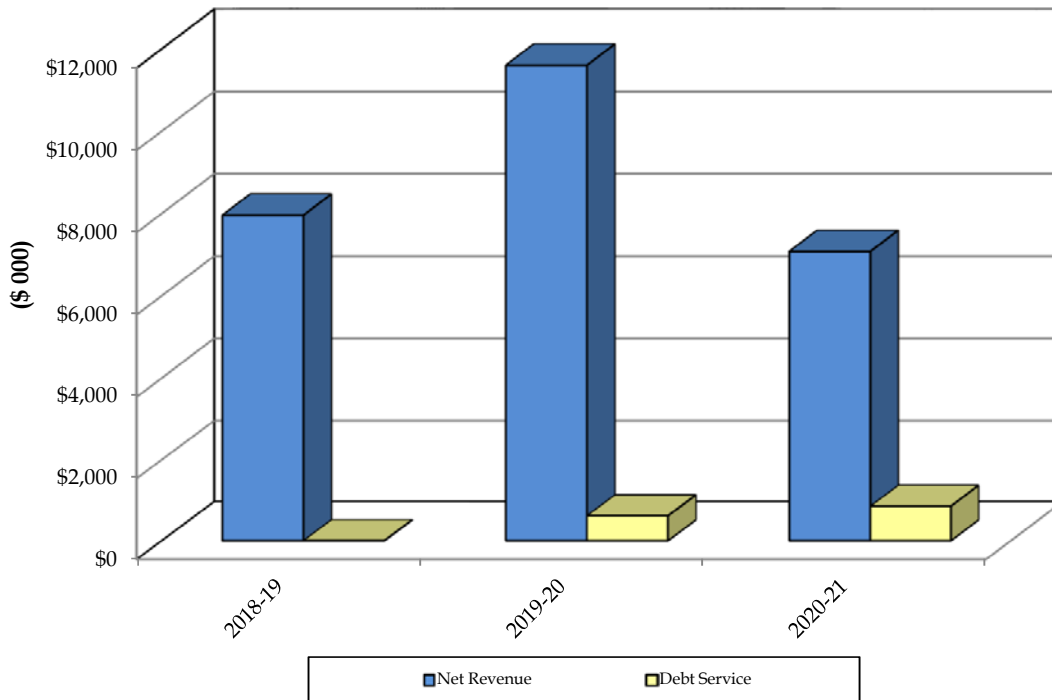
(2) Includes other fiscal charges.

CITY OF MOUNTAIN VIEW, CALIFORNIA

Debt Pledged-Revenue Coverage

Last Ten Fiscal Years  
(Dollars in Thousands)

Wastewater Direct Financing Arrangement



Wastewater Direct Financing Arrangement

| Fiscal Year | Gross Revenues | Less: Operating Costs | Net Available Revenues | Debt Service |          | Coverage |
|-------------|----------------|-----------------------|------------------------|--------------|----------|----------|
|             |                |                       |                        | Principal    | Interest |          |
| 2018-19     | \$ 25,394      | 17,434                | 7,960                  | -            | 1        | 7,960    |
| 2019-20     | 29,452         | 17,847                | 11,605                 | 579          | 35       | 19       |
| 2020-21     | 26,380         | 19,300                | 7,080                  | 542          | 311      | 8.3      |

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)

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Population Density (Sq. Mile) (2)</u> | <u>Personal Income (3)</u> | <u>Per Capita Personal Income (3)</u> | <u>School Enrollment</u> | <u>Unemployment Rate (%) (3)</u> |
|--------------------|-----------------------|--|----------------------------|---------------------------------------|--------------------------|----------------------------------|
| 2011-12            | 75,905                | 6,222                                    | \$ 4,706,110               | 62                                    | 7,351                    | 8.7%                             |
| 2012-13            | 76,739                | 6,290                                    | 5,141,513                  | 67                                    | 7,524                    | 6.8%                             |
| 2013-14            | 77,052                | 6,316                                    | 5,393,640                  | 70                                    | 7,535                    | 5.4%                             |
| 2014-15            | 78,564                | 6,440                                    | 5,892,300                  | 75                                    | 7,552                    | 3.9%                             |
| 2015-16            | 79,429                | 6,511                                    | 6,433,749                  | 81                                    | 7,577                    | 4.0%                             |
| 2016-17            | 79,966                | 6,555                                    | 7,356,872                  | 92                                    | 7,620                    | 3.5%                             |
| 2017-18            | 80,104                | 6,566                                    | 8,010,400                  | 100                                   | 7,678                    | 2.9%                             |
| 2018-19            | 80,986                | 6,638                                    | 8,746,488                  | 108                                   | 7,719                    | 2.6%                             |
| 2019-20            | 81,302                | 6,664                                    | 9,431,032                  | 116                                   | 7,511                    | 9.3%                             |
| 2020-21            | 82,814                | 6,788                                    | (4)                        | (4)                                   | 7,427                    | 4.8%                             |

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

- (1) Population numbers are provisional estimates as of January 1st revised annually.
- (2) Population Density per square mile calculations are restated from 11.7 to 12.2 square miles in Fiscal Year 2015-16.
- (3) Per capita personal income and unemployment rate are for Santa Clara County.  
Personal income is the product of the countywide per capita amount and the City's population.
- (4) Personal income data for Fiscal Year 2020-21 is not available until May of 2022.

## CITY OF MOUNTAIN VIEW, CALIFORNIA

## Principal Employers

## Current Year and Nine Years Ago

| Employer                      | Fiscal Year 2020-21                 |      |   | Fiscal Year 2011-12                 |      |   |
|-------------------------------|-------------------------------------|------|---|-------------------------------------|------|---|
|                               | Estimated<br>Number of<br>Employees | Rank | Percentage<br>of Total City<br>Employment | Estimated<br>Number of<br>Employees | Rank | Percentage<br>of Total City<br>Employment |
| Google LLC                    | 26,000                              | 1    | 19.6%                                     | 12,000                              | 1    | 10.3%                                     |
| Intuit Inc.                   | 2,553                               | 2    | 1.9%                                      | 1,969                               | 5    | 1.7%                                      |
| El Camino Hospital            | 2,265                               | 3    | 1.7%                                      | 2,994                               | 2    | 2.6%                                      |
| LinkedIn                      | 1,959                               | 4    | 1.5%                                      | 2,810                               | 4    | 2.4%                                      |
| Microsoft Corporation         | 1,800                               | 5    | 1.4%                                      | 1,700                               | 6    | 1.5%                                      |
| Waymo LLC                     | 1,732                               | 6    | 1.3%                                      | -                                   | -    | -   |
| Pure Storage                  | 1,157                               | 7    | 0.9%                                      | -                                   | -    | -   |
| Synopsys Inc.                 | 1,101                               | 8    | 0.7%                                      | 1,100                               | 7    | 0.9%                                      |
| Palo Alto Medical Foundation  | 1,000                               | 9    | 0.8%                                      | 990                                 | 8    | 0.8%                                      |
| Samsung                       | 822                                 | 10   | 0.6%                                      | -                                   | -    | -   |
| Symantec                      | -                                   | -    | -   | 2,885                               | 3    | 2.5%                                      |
| Siemens                       | -                                   | -    | -   | 238                                 | 9    | 0.2%                                      |
| Complete Genomics             | -                                   | -    | -   | 150                                 | 10   | 0.1%                                      |
| Subtotal                      | <u>40,389</u>                       |      | <u>30.4%</u>                              | <u>26,836</u>                       |      | <u>22.9%</u>                              |
| Total City Daytime Population | 132,976                             | (1)  |   | 117,000                             |      |   |

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

(1) Total City daytime population is from Fiscal Year 2019-20. Data for Fiscal Year 2020-21 is not available.

## 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, |                      |                      |                      |
|----------------------------------|--|----------------------|----------------------|----------------------|
|                                  | 2012 (1)                               | 2013                 | 2014                 | 2015                 |
| General government               | 73.75                                  | 73.75                | 74.75                | 74.75                |
| Public safety:                   |  |                      |                      |                      |
| Fire:                            |  |                      |                      |                      |
| Firefighters and Safety Officers | 73.00                                  | 74.00                | 74.00                | 74.00                |
| Civilians                        | 8.60                                   | 5.60                 | 5.60                 | 5.60                 |
| Police:                          |  |                      |                      |                      |
| Sworn Police                     | 95.00                                  | 96.00                | 96.00                | 96.00                |
| Civilians                        | 46.50                                  | 44.00                | 44.00                | 44.00                |
| Public works                     | 52.05                                  | 53.05                | 54.05                | 54.55                |
| Community development            | 32.00                                  | 32.00                | 34.00                | 34.00                |
| Culture and recreation:          |  |                      |                      |                      |
| Community Services               | 99.25                                  | 81.75 (2)            | 81.75                | 82.75                |
| Library                          | 30.00                                  | 30.00                | 30.00                | 30.00                |
| Water                            | 38.15                                  | 38.15                | 37.65                | 37.50                |
| Wastewater                       | 21.50                                  | 21.50                | 21.50                | 21.45                |
| Solid Waste                      | 14.95                                  | 14.95                | 14.95                | 14.65                |
| Total Regular Positions          | <u>584.75</u>                          | <u>564.75</u>        | <u>568.25</u>        | <u>569.25</u>        |
| Limited-Period Positions         | <u>3.00</u>                            | <u>3.50</u>          | <u>6.25</u>          | <u>10.00</u>         |
| Total                            | <u><u>587.75</u></u>                   | <u><u>568.25</u></u> | <u><u>574.50</u></u> | <u><u>579.25</u></u> |

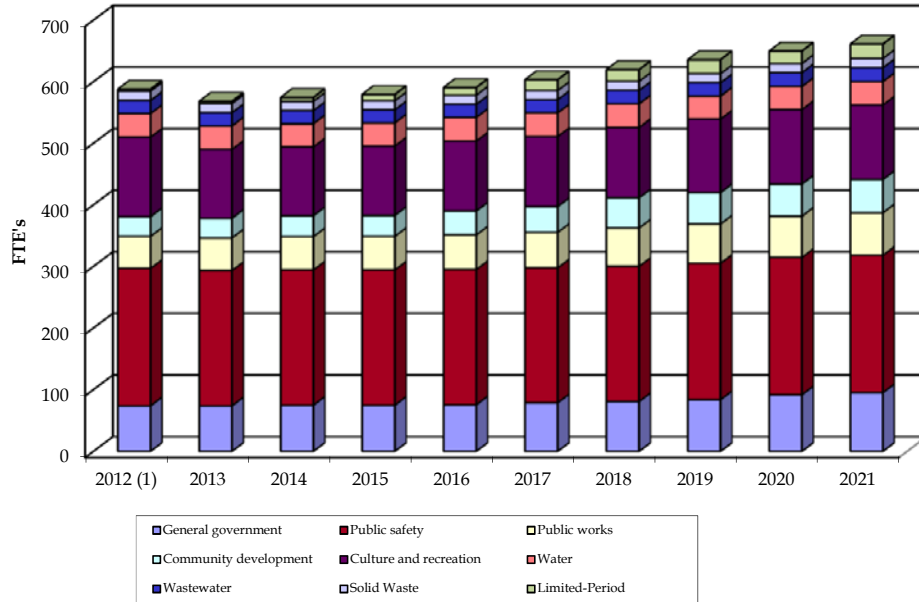
Source: City of Mountain View

(1) Fiscal year ended June 30, 2012 includes 1.0 unfunded position.

(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,

| 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 75.40         | 78.65         | 80.65         | 83.65         | 91.65         | 95.15         |
| 74.00         | 74.00         | 73.00         | 73.00         | 71.00         | 71.00         |
| 5.60          | 4.60          | 5.60          | 7.60          | 8.60          | 8.60          |
| 96.00         | 95.00         | 95.00         | 95.00         | 96.00         | 96.00         |
| 44.00         | 45.50         | 46.00         | 46.00         | 47.50         | 47.50         |
| 56.20         | 57.70         | 62.40         | 63.90         | 66.90         | 68.90         |
| 38.75         | 41.75         | 49.00         | 51.00         | 52.00         | 54.00         |
| 83.75         | 84.25         | 84.50         | 88.50         | 90.50         | 90.50         |
| 30.00         | 29.75         | 29.75         | 30.75         | 30.75         | 30.75         |
| 38.25         | 38.25         | 38.35         | 37.35         | 37.35         | 37.85         |
| 21.60         | 21.60         | 21.70         | 21.70         | 22.70         | 22.70         |
| 14.70         | 14.70         | 14.80         | 14.80         | 14.80         | 14.80         |
| <u>578.25</u> | <u>585.75</u> | <u>600.75</u> | <u>613.25</u> | <u>629.75</u> | <u>637.75</u> |
| <u>12.25</u>  | <u>17.50</u>  | <u>19.00</u>  | <u>22.50</u>  | <u>20.00</u>  | <u>23.50</u>  |
| <u>590.50</u> | <u>603.25</u> | <u>619.75</u> | <u>635.75</u> | <u>649.75</u> | <u>661.25</u> |

## CITY OF MOUNTAIN VIEW, CALIFORNIA

Operating Indicators by Function/Program  
Last Ten Fiscal Years

| Function/Program                                 | Fiscal Year Ended June 30, |            |         |             |
|--|----------------------------|------------|---------|-------------|
|  | 2012                       | 2013       | 2014    | 2015        |
| Public safety:                                   |                            |            |         |             |
| Fire:  |                            |            |         |             |
| Fire calls for service                           | 5,141                      | 5,196      | 5,526   | 5,703       |
| Primary fire inspections conducted               | 965 (1)                    | 999 (1)    | 957 (1) | 1,857 (2)   |
| Environmental safety inspections conducted       | 1,626 (1)                  | 1,593 (1)  | 1,851   | 1,769       |
| Police:  |                            |            |         |             |
| Communication Center calls answered              | 81,820                     | 79,662     | 85,175  | 90,559      |
| Police calls for service                         | 71,758                     | 72,318     | 61,525  | 63,093      |
| Law violations:                                  |                            |            |         |             |
| Part I and Part II crimes                        | 4,548                      | 4,465      | 4,384   | 4,369       |
| Physical arrests (adult and juvenile)            | 2,346                      | 2,706      | 2,320   | 2,262       |
| Traffic violations                               | 10,789 (5)                 | 18,908     | 13,411  | 13,745      |
| Parking violations                               | 4,755 (5)                  | 4,120      | 8,235   | 5,990       |
| Public works                                     |                            |            |         |             |
| Street resurfacing (miles)                       | 1.83 (6)                   | 1.20 (7)   | 1.49    | - (8)       |
| Potholes repaired (square feet)                  | 430                        | 1,102 (11) | 821     | 1,439       |
| Culture and recreation:                          |                            |            |         |             |
| Community Services:                              |                            |            |         |             |
| Recreation class participants                    | 7,604                      | 7,020      | 8,558   | 9,438       |
| Performing Arts Center performances              | 348                        | 340        | 399     | 394         |
| Library:   |                            |            |         |             |
| Volumes in Collection (thousands)                | 333                        | 331        | 337     | 337         |
| Total Volumes Borrowed (thousands)               | 1,799                      | 1,747      | 1,685   | 1,564       |
| Water  |                            |            |         |             |
| Water service connections                        | 17,497                     | 17,636     | 17,781  | 17,858      |
| Water main breaks                                | 6                          | 6          | 8       | 9           |
| Average daily consumption (thousands of gallons) | 10,350                     | 10,520     | 10,475  | 8,713       |
| Wastewater                                       |                            |            |         |             |
| Storm drain inlets                               | 2,767                      | 2,776      | 2,776   | 2,829       |
| Sewer service connections                        | 17,149                     | 17,373     | 17,377  | 17,461      |
| Sewer main blockages                             | 4                          | 6          | 5       | 15          |
| Average daily treatment (thousands of gallons)   | 7,860                      | 7,608      | 6,980   | 6,750       |
| Solid Waste                                      |                            |            |         |             |
| Landfilled (tons per year)                       | 48,332                     | 46,894     | 44,878  | 46,865 (16) |
| Recyclables Processed (tons per year)            | 24,703                     | 28,136     | 30,411  | 35,465      |

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) Diversion of street resurfacing funds to a Federally funded streets project contributed to lower than average street resurfacing miles.
- (7) Reflects focus on other street improvements such as drain grates, sidewalks, gutters, and curbs; which has diverted funding away from resurfacing efforts.
- (8) The City was unable to advertise and bid the surface project and therefore street resurfacing project was delayed.
- (9) Increase in mileage due to increase in funding availability in Fiscal Year 2019-20.
- (10) Decrease in mileage due to extension of design schedules to accommodate additional project features to include pedestrian and bike improvements.
- (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., Shoreline 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) Variance, unless otherwise noted, due to the COVID-19 public health crisis and Shelter-in-Place restrictions.



| Fiscal Year Ended June 30, |           |             |             |           |           |
|----------------------------|-----------|-------------|-------------|-----------|-----------|
| 2016                       | 2017      | 2018        | 2019        | 2020 (18) | 2021 (18) |
| 5,955                      | 6,117     | 6,049       | 6,188       | 6,120     | 5,604     |
| 2,844 (3)                  | 1,972 (1) | 1,520 (1)   | 2,262       | 2,498     | 1,401     |
| 1,641                      | 1,572     | 1,613       | 1,363       | 1,718     | 1,605     |
| 91,826                     | 91,782    | 92,011      | 83,400      | 73,201    | 65,360    |
| 48,875 (4)                 | 48,515    | 44,188      | 44,725      | 40,254    | 34,953    |
| 4,901                      | 4,689     | 4,914       | 5,335       | 4,873     | 4,241     |
| 1,978                      | 2,218     | 2,119       | 1,970       | 1,732     | 1,147     |
| 11,821                     | 8,233     | 3,563       | 4,270 (5)   | 3,073     | 1,307     |
| 6,733                      | 8,149     | 12,506      | 12,144      | 6,761     | 559       |
| 2.40                       | 6.80      | 2.97        | 3.93        | 9.62 (9)  | 2.25 (10) |
| 1,800                      | 3,271     | 1,071       | 3,724 (12)  | 2,025     | 780       |
| 8,697                      | 8,412     | 8,501       | 9,023       | 2,606     | 2,356     |
| 399                        | 437       | 555         | 504         | 276       | 274       |
| 326                        | 329       | 302         | 308         | 305       | 283       |
| 1,416                      | 1,339     | 1,177 (13)  | 1,253       | 961       | 742       |
| 17,516                     | 18,004    | 18,199      | 18,341      | 18,572    | 18,747    |
| 5                          | 10        | 2           | 8           | 7         | 15        |
| 6,917                      | 7,807     | 8,395       | 8,341       | 8,823     | 8,950     |
| 3,030                      | 3,086     | 3,086       | 3,086       | 3,086     | 3,242     |
| 16,906 (14)                | 16,906    | 16,863 (15) | 16,990      | 17,373    | 17,373    |
| 4                          | 3         | 6           | 6           | 6         | 9         |
| 6,235                      | 6,285     | 7,005       | 7,295       | 7,598     | 6,400     |
| 40,961                     | 40,092    | 41,320      | 47,578 (17) | 42,667    | 35,067    |
| 40,499                     | 41,649    | 41,381      | 42,248      | 36,751    | 35,961    |

## CITY OF MOUNTAIN VIEW, CALIFORNIA

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

| Function/Program                             | Fiscal Year Ended June 30, |        |            |        |
|--|----------------------------|--------|------------|--------|
|  | 2012                       | 2013   | 2014       | 2015   |
| 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                      | 140.2  | 140.2      | 140.2  |
| Street lights                                | 4,117                      | 4,117  | 4,117      | 4,117  |
| Traffic Signals                              | 80                         | 83     | 83         | 83     |
| Culture and recreation:                      |                            |        |            |        |
| Community services:                          |                            |        |            |        |
| City parks (2)                               | 37                         | 37     | 39         | 41     |
| City parks acreage (2)                       | 195.7                      | 195.7  | 196.35     | 199.12 |
| Playgrounds (2)                              | 30                         | 30     | 30         | 30     |
| City trails (2)                              | 5                          | 5      | 5          | 5      |
| City trails miles (2)                        | 9.35                       | 9.35   | 9.26 (4)   | 9.26   |
| Roadway landscaping acreage                  | 120.25                     | 120.25 | 120.25     | 120.25 |
| Regional park acreage (including trails) (2) | 796.63                     | 796.63 | 796.13 (6) | 796.13 |
| Regional park facilities:                    |                            |        |            |        |
| Golf courses (18 holes)                      | 1                          | 1      | 1          | 1      |
| Boathouse                                    | 1                          | 1      | 1          | 1      |
| Sailing lake acreage                         | 50                         | 50     | 50         | 50     |
| Clubhouse and banquet facility               | 1                          | 1      | 1          | 1      |
| Historic Buildings (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                        | 176    | 176        | 176    |
| Fire hydrants                                | 2,070                      | 2,072  | 2,074      | 2,091  |
| Storage capacity (thousands of gallons)      | 38,530                     | 38,530 | 38,530     | 38,530 |
| Wastewater                                   |                            |        |            |        |
| Miles of sanitary sewers                     | 159                        | 158    | 158        | 158    |
| Miles of storm sewers                        | 108                        | 108    | 109        | 109    |
| Number of treatment plants (10)              | 0                          | 0      | 0          | 0      |
| Treatment capacity (thousands of gallons)    | 15,100                     | 15,100 | 15,100     | 15,100 |

Source: City of Mountain View

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

Schedule 18

| Fiscal Year Ended June 30, |        |          |           |        |        |
|----------------------------|--------|----------|-----------|--------|--------|
| 2016                       | 2017   | 2018     | 2019      | 2020   | 2021   |
| 5                          | 5      | 5        | 5         | 5      | 5      |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 38                         | 38     | 38       | 38        | 38     | 38     |
| 140.2                      | 140.2  | 140.2    | 140.1 (1) | 140.1  | 140.1  |
| 4,120                      | 4,120  | 4,120    | 4,270     | 4,270  | 4,270  |
| 83                         | 83     | 85       | 85        | 86     | 87     |
| 42                         | 42     | 42       | 42        | 42     | 42     |
| 212.32 (3)                 | 212.32 | 212.32   | 212.32    | 212.32 | 212.59 |
| 30                         | 30     | 30       | 30        | 30     | 33     |
| 5                          | 5      | 5        | 5         | 5      | 5      |
| 9.26                       | 9.26   | 9.71 (5) | 9.71      | 9.71   | 9.71   |
| 120.25                     | 120.25 | 120.25   | 120.25    | 120.25 | 120.25 |
| 784.13 (3)                 | 784.13 | 784.13   | 784.13    | 784.13 | 784.13 |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 50                         | 50     | 50       | 50        | 50     | 50     |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 1                          | 3      | 3        | 3         | 3      | 3      |
| 2                          | 2      | 2        | 3         | 3      | 3      |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 0                          | 1      | 1        | 1         | 1      | 1      |
| 2                          | 2      | 2        | 2         | 2      | 2      |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 2                          | 2      | 2        | 2         | 2      | 2      |
| 35                         | 35     | 35       | 35        | 35     | 35     |
| 8                          | 8      | 8        | 8         | 8      | 8      |
| 16                         | 16     | 16       | 16        | 16     | 16     |
| 1                          | 1      | 1        | 1         | 1      | 1      |
| 176                        | 177    | 188      | 188       | 188    | 188    |
| 2,118                      | 2,118  | 2,136    | 2,136     | 2,136  | 2,117  |
| 38,530                     | 38,530 | 38,530   | 38,530    | 38,530 | 38,530 |
| 158                        | 158    | 158      | 157 (9)   | 157    | 157    |
| 109                        | 109    | 109      | 109       | 109    | 114    |
| 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, 2021**

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, 2021

Table of Contents

|  | <u>Page</u> |
|--|-------------|
| <b>Independent Auditor’s Report</b> .....  | 191         |
| <b>Management’s Discussion and Analysis (Required Supplementary Information - Unaudited)</b> .....   | 193         |
| <b>Basic Financial Statements:</b>   |             |
| Government-wide Financial Statements:  |             |
| Statement of Net Position .....  | 204         |
| Statement of Activities .....  | 205         |
| Fund Financial Statements:   |             |
| Governmental Funds:  |             |
| Balance Sheet .....  | 206         |
| Reconciliation of the Balance Sheet of Governmental Funds to the<br>Government-wide Statement of Net Position - Governmental Activities .....  | 207         |
| Statement of Revenues, Expenditures, and Changes in Fund Balances .....  | 208         |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in<br>Fund Balances of Governmental Funds to the Government-wide<br>Statement of Activities - Governmental Activities.....  | 209         |
| Statement of Revenues, Expenditures, and Changes in Fund Balance -<br>Budget and Actual - Shoreline Regional Park Community Fund.....  | 210         |
| Notes to Basic Financial Statements .....  | 211         |
| <b>Required Supplementary Information - Unaudited:</b>   |             |
| Schedule of the Shoreline Community’s Proportionate Share<br>of the Net Pension Liability .....  | 242         |
| Schedule of the Shoreline Community Pension Contributions.....   | 243         |
| Schedule of the Shoreline Community’s Proportionate Share<br>of the Net OPEB Liability .....   | 244         |
| Schedule of the Shoreline Community OPEB Contributions .....   | 245         |
| <b>Other Supplementary Information:</b>  |             |
| Shoreline Regional Park Community Fund:  |             |
| Combining Balance Sheet .....  | 248         |
| Combining Statement of Revenues, Expenditures, and Changes in<br>Fund Balances.....  | 249         |
| <b>Independent Auditor’s Report on Internal Control Over Financial Reporting<br/>and on Compliance and Other Matters Based on an Audit of Financial Statements<br/>Performed in Accordance With <i>Government Auditing Standards</i></b> ..... | 251         |

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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 and each major fund 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, 2021, 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 and each major fund of the Shoreline Community as of June 30, 2021, 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.

**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 16, 2021, 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 16, 2021

**Mountain View Shoreline Regional Park Community  
Management's Discussion and Analysis (MD&A) (Unaudited)  
For the Fiscal Year Ended June 30, 2021**

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, 2021. 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 2020-21, property taxes increased by 11.5%. Fiscal Year 2020-21 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, 2021, by \$28.3 million (net position). Of this amount, negative \$17.5 million reflects its net investment in capital assets, \$48.9 million is restricted for Shoreline Community indebtedness, and negative \$3.1 million is unrestricted.
- The Shoreline Community's total net position increased by \$19.6 million during the fiscal year compared to the prior fiscal year decrease of \$59.8 million. The significant change is primarily due to transfers for capital projects occurring in the prior fiscal year, including transfers of unspent SRPC 2018 Revenue Bonds proceeds of \$69.3 million.
- Governmental revenues of \$58.8 million, including program revenues and general revenues, excluding net transfers, are \$3.3 million more than the prior fiscal year. The change is primarily due to increases in property taxes and capital contributions from the City offset by decreases in capital grants and contributions and investment income received during the fiscal year compared to the prior fiscal year.
- Shoreline Community expenses are \$33.9 million, an increase of \$2.3 million over the prior fiscal year.

- Governmental fund balances for the fiscal year ended June 30, 2021 increased \$16.3 million to \$60.6 million, primarily due to revenue exceeding expenditure and transfers.
- Governmental fund revenues are \$52.9 million for the fiscal year ended June 30, 2021, an increase of \$1.6 million from the prior fiscal year, primarily from increases in property taxes offset by decreases in developer fees and contributions and investment income received.
- Governmental fund expenditures are \$31.4 million for the fiscal year ended June 30, 2021, an increase of \$1.2 million from the prior fiscal year's expenditures of \$30.2 million.
- The Shoreline Community's total long-term debt decreased by \$2.2 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 SRPC 2018 Revenue Bonds Fund, all of which are reported as major funds.

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

## **Notes to 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 SRPC Fund.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

## Analysis of Net Position

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

### Condensed Statement of Net Position

(Dollars in Thousands)

|   | <u>2021</u>      | <u>2020</u>     |
|---|------------------|-----------------|
| <b>Assets:</b>                                  |                  |                 |
| Current and other assets                        | \$ 65,187        | \$ 48,450       |
| Capital assets                                  | 67,321           | 66,129          |
| Total assets                                    | <u>132,508</u>   | <u>114,579</u>  |
| <b>Deferred outflows of resources:</b>          |                  |                 |
| Pension items                                   | 1,002            | 993             |
| OPEB items                                      | 112              | 602             |
| Total deferred outflows of resources            | <u>1,114</u>     | <u>1,595</u>    |
| <b>Liabilities:</b>                             |                  |                 |
| Current and other liabilities                   | 6,408            | 6,028           |
| Noncurrent liabilities                          | 93,554           | 95,756          |
| Net pension liability                           | 5,268            | 5,032           |
| Net OPEB liability                              | 112              | 602             |
| Total liabilities                               | <u>105,342</u>   | <u>107,418</u>  |
| <b>Deferred inflows of resources:</b>           |                  |                 |
| Deferred inflows related to pension             | -                | 113             |
| <b>Net Position:</b>                            |                  |                 |
| Net investment in capital assets                | (17,469)         | (21,018)        |
| Restricted for Shoreline Community indebtedness | 48,881           | 33,047          |
| Restricted for debt service                     | -                | 50              |
| Unrestricted                                    | (3,132)          | (3,436)         |
| Total net position                              | <u>\$ 28,280</u> | <u>\$ 8,643</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 \$28.3 million at the end of the fiscal year. The components of net position are as follows:

- Net investment in capital assets was negative \$17.5 million, which was an increase of \$3.5 million compared to the prior fiscal year. This increase was mainly due to increased capital assets and decreased debt outstanding during the current fiscal year.
- Another significant component of the Shoreline Community's net position is \$48.9 million in Restricted for Shoreline Community Indebtedness, which may be used to meet the Shoreline Community's current and future obligations. The balance increased by \$15.8 million from prior fiscal year.

The Shoreline Community's current and other assets increased \$16.7 million while net position increased \$19.6 million compared to the prior fiscal year, primarily due to revenues exceeding expenses by \$24.9 million and net transfers out to the City of \$5.3 million.



## Statement of Activities

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

### **Condensed Statement of Activities** (Dollars in Thousands)

|  | <u>2021</u>      | <u>2020</u>     |
|--|------------------|-----------------|
| <b>Revenues:</b>   |                  |                 |
| Program revenues   |                  |                 |
| Charges for services                                       | \$ 299           | \$ 539          |
| Capital grants and contributions                           | 27               | 1,508           |
| General revenues:  |                  |                 |
| Taxes  | 51,943           | 46,565          |
| Capital contributions                                      | 5,904            | 4,230           |
| Investment income  | 663              | 2,732           |
| Total revenues   | <u>58,836</u>    | <u>55,574</u>   |
| <b>Expenses:</b>   |                  |                 |
| General government   | 19,893           | 18,508          |
| Public safety  | 201              | 278             |
| Public works   | 2,044            | 2,280           |
| Community development                                      | 327              | 251             |
| Culture and recreation                                     | 7,260            | 5,958           |
| Interest on long-term debt                                 | 4,175            | 4,276           |
| Total expenses   | <u>33,900</u>    | <u>31,551</u>   |
| Increase in net position before transfers                  | <u>24,936</u>    | <u>24,023</u>   |
| Transfers (net)  | (5,250)          | (83,484)        |
| Transfer of capital assets<br>to the City of Mountain View | <u>(49)</u>      | <u>(319)</u>    |
| Change in net position                                     | <u>19,637</u>    | <u>(59,780)</u> |
| Beginning net position                                     | <u>8,643</u>     | <u>68,423</u>   |
| Ending net position  | <u>\$ 28,280</u> | <u>\$ 8,643</u> |

The major component of the Shoreline Community's current fiscal year revenues is \$51.9 million of property taxes. This is an increase of \$5.4 million when compared to the prior fiscal year due to changes in the commercial vacancy rate and assessed values. Program revenues were \$326,000, a decrease of \$1.7 million from the prior fiscal year. This decrease was due primarily to one-time developer fees and contributions of \$1.5 million received during the prior fiscal year. Investment earnings accounted for \$663,000 of Shoreline Community revenues and decreased by \$2.1 million compared to the prior fiscal year. This decrease was mainly due to lower interest rate and a reduction in fair value of the investment portfolio.

Expenses totaling \$33.9 million increased \$2.3 million when compared to the prior fiscal year. This was attributable primarily to increases in general government and culture and recreation operations.

The change in net position is an increase of \$19.6 million compared to the prior fiscal year decrease of \$59.8 million. The difference is due to the items mentioned above, notably the decrease 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, 2021, the Shoreline Community's funds reported combined fund balances of \$60.6 million, an increase of \$16.3 million from the prior fiscal year. The Committed Fund Balance increased by \$375,000 while the Restricted Fund Balance increased by \$15.9 million when compared to the prior fiscal year. The increase in the Restricted Fund Balance is mainly due to higher property tax revenues which exceed expenditures as previously noted.

Revenues for the fiscal year ended June 30, 2021 totaled \$52.9 million, an increase of \$1.6 million, or 3.1%, when compared to the prior fiscal year. The increase is primarily due to increases in property taxes, offset in part by decreases in developer fees and investment earnings during the fiscal year. Expenditures totaling \$31.4 million were \$1.2 million higher compared to the prior fiscal year.

The SRPC Fund receives tax revenues on property within the Shoreline Community. The fund accounts for the revenues and expenditures of the Shoreline Community. At the

end of the fiscal year, its fund balance was \$54.1 million. As a measure of the SRPC Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. The total fund balance represents 216.9% of the total fund expenditures of \$24.9 million.

The fund balance of the SRPC Fund increased by \$16.4 million during the current fiscal year. Key factors in this increase are as follows:

- Total revenues are \$52.9 million in the current fiscal year, an increase of \$1.7 million from the prior fiscal year. The increase is primarily due to increases in property taxes offset by decreases in developer fees and contributions and investment income received.
- Expenditures of \$24.9 million are comparable to the prior fiscal year.
- Net transfers out to the City were \$5.3 million for the fiscal year ended June 30, 2021 compared to net transfers out of \$83.5 million in the prior fiscal year. The decrease is primarily related to reduced transfers to the City for capital projects.

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

Debt service expenditures included \$2.0 million in principal retirement and \$1.4 million in interest and fiscal charges for the fiscal year ended June 30, 2021, comparable to the prior fiscal year.

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

Debt service expenditures included \$3.1 million in interest and fiscal charges for the fiscal year ended June 30, 2021, comparable to the prior fiscal year.

## CAPITAL ASSETS

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

|                                  | 2021             | 2020          |
|----------------------------------|------------------|---------------|
| Land                             | \$ 15,860        | 15,860        |
| Construction in progress         | 13,647           | 10,338        |
| Buildings                        | 23,908           | 23,908        |
| Improvements other than building | 102,924          | 100,474       |
| Machinery and equipment          | 2,240            | 2,189         |
| Traffic signals                  | 1,546            | 1,500         |
| Streetlights                     | 1,029            | 1,009         |
| Less accumulated depreciation    | (93,833)         | (89,149)      |
| <b>Total</b>                     | <b>\$ 67,321</b> | <b>66,129</b> |

For the fiscal year ended June 30, 2021, capital assets, net of accumulated depreciation, totaled \$67.3 million, comparable to the prior fiscal year. The Shoreline Community transferred capital assets of \$49,000 to the City. At June 30, 2021, construction commitments were \$41.1 million. Additional information about the City's capital assets is discussed in Note 6 to the Financial Statements.

## DEBT ADMINISTRATION

As of June 30, 2021, the Shoreline Community has \$93.6 million of outstanding long-term debt. During the year, the Shoreline Community's total long-term debt decreased by \$2.2 million compared with the prior fiscal year, primarily due to the scheduled principal retirement of \$2.0 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

- Secured and Unsecured 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 1.036 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 was significantly higher in Fiscal Year 2020-21 and is not projected to be at that same level in Fiscal Year 2021-22 as this tax fluctuates due to changes in ownership and new construction. Therefore, in total, Property Taxes are projected lower in Fiscal Year 2021-22. 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 tax revenues if successful. This was considered in preparing the Shoreline Community's budget for Fiscal Year 2021-22.

- The COVID-19 pandemic impacted the Shoreline Community's operations starting March 2020. The Shoreline Community cannot predict the duration or magnitude of the adverse results of the pandemic 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 [FinanceAdmin@mountainview.gov](mailto:FinanceAdmin@mountainview.gov).

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Statement of Net Position - Governmental Activities**

**June 30, 2021**

**(Dollars in Thousands)**

**Assets:**

|  |    |                |
|--|----|----------------|
| Cash and investments                         | \$ | 55,786         |
| Restricted cash and investments              |    | 8,764          |
| Receivables:                                 |    |                |
| Accounts                                     |    | 33             |
| Interest                                     |    | 604            |
| Capital assets:                              |    |                |
| Nondepreciable                               |    | 29,507         |
| Depreciable, net of accumulated depreciation |    | 37,814         |
| Total assets                                 |    | <u>132,508</u> |

**Deferred outflows of resources:**

|                                      |  |              |
|--------------------------------------|--|--------------|
| Pension items                        |  | 1,002        |
| OPEB items                           |  | 112          |
| Total deferred outflows of resources |  | <u>1,114</u> |

**Liabilities:**

|  |  |                |
|--|--|----------------|
| Accounts payable and accrued liabilities |  | 4,517          |
| Interest payable                         |  | 1,825          |
| Refundable deposits                      |  | 16             |
| Unearned revenue                         |  | 50             |
| Noncurrent liabilities:                  |  |                |
| Due within one year                      |  | 2,302          |
| Due in more than one year                |  | 91,252         |
| Net pension liability                    |  | 5,268          |
| Net OPEB liability                       |  | 112            |
| Total liabilities                        |  | <u>105,342</u> |

**Net position:**

|                                  |    |               |
|----------------------------------|----|---------------|
| Net investment in capital assets |    | (17,469)      |
| Restricted for:                  |    |               |
| Shoreline Community indebtedness |    | 48,881        |
| Unrestricted                     |    | (3,132)       |
| Total net position               | \$ | <u>28,280</u> |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Statement of Activities - Governmental Activities**

**For the Fiscal Year Ended June 30, 2021**

**(Dollars in Thousands)**

|   | Expenses         | Program Revenues        |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|---|------------------|-------------------------|--|--|
|   |                  | Charges for<br>Services | Capital<br>Grants and<br>Contributions |  |
| <b>Function/Program Activities:</b>                     |                  |                         |  |  |
| General government                                      | \$ 19,893        | -                       | -                                      | (19,893)   |
| Public safety   | 201              | -                       | -                                      | (201)  |
| Public works  | 2,044            | -                       | -                                      | (2,044)  |
| Community development                                   | 327              | -                       | 27                                     | (300)  |
| Culture and recreation                                  | 7,260            | 299                     | -                                      | (6,961)  |
| Interest on long-term debt                              | 4,175            | -                       | -                                      | (4,175)  |
| Total governmental activities                           | <u>\$ 33,900</u> | <u>299</u>              | <u>27</u>                              | <u>(33,574)</u>  |
| <b>General revenues:</b>                                |                  |                         |  |  |
| Property taxes  |                  |                         |  | 51,943   |
| Capital contributions from the City of Mountain View    |                  |                         |  | 5,904  |
| Investment income                                       |                  |                         |  | 663  |
| <b>Transfers:</b>                                       |                  |                         |  |  |
| Transfers from the City of Mountain View                |                  |                         |  | 2,294  |
| Transfers to the City of Mountain View                  |                  |                         |  | (7,544)  |
| Transfer of capital assets to the City of Mountain View |                  |                         |  | (49)   |
| Total general revenues and transfers                    |                  |                         |  | <u>53,211</u>  |
| Change in net position                                  |                  |                         |  | 19,637   |
| Net position, beginning of year                         |                  |                         |  | <u>8,643</u>   |
| Net position, end of year                               |                  |                         |  | <u>\$ 28,280</u>   |

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Governmental Funds

Balance Sheet

June 30, 2021

(Dollars in Thousands)

|  | Shoreline<br>Regional<br>Park<br>Community | Shoreline<br>Regional Park<br>Community 2011<br>Revenue Bonds | Shoreline<br>Regional Park<br>Community 2018<br>Revenue Bonds | Total         |
|--|--|---|---|---------------|
| <b>Assets:</b>                           |  |   |   |               |
| Cash and investments                     | \$ 55,786                                  | -   | -   | 55,786        |
| Restricted cash and investments          | 2,264                                      | 6,500   | -   | 8,764         |
| Receivables:                             |  |   |   |               |
| Accounts                                 | 33   | -   | -   | 33            |
| Interest                                 | 604  | -   | -   | 604           |
| Total assets                             | <u>\$ 58,687</u>                           | <u>6,500</u>  | <u>-</u>  | <u>65,187</u> |
| <b>Liabilities and fund balances:</b>    |  |   |   |               |
| Liabilities:                             |  |   |   |               |
| Accounts payable and accrued liabilities | \$ 4,517                                   | -   | -   | 4,517         |
| Refundable deposits                      | 16   | -   | -   | 16            |
| Unearned revenue                         | 50   | -   | -   | 50            |
| Total liabilities                        | <u>4,583</u>                               | <u>-</u>  | <u>-</u>  | <u>4,583</u>  |
| Fund Balances:                           |  |   |   |               |
| Restricted                               | 51,145                                     | 6,500   | -   | 57,645        |
| Committed                                | 2,959                                      | -   | -   | 2,959         |
| Total fund balances                      | <u>54,104</u>                              | <u>6,500</u>  | <u>-</u>  | <u>60,604</u> |
| Total liabilities and fund balances      | <u>\$ 58,687</u>                           | <u>6,500</u>  | <u>-</u>  | <u>65,187</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, 2021**  
**(Dollars in Thousands)**

|   |                  |
|---|------------------|
| Fund balances - total governmental funds  | \$ 60,604        |
| 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.  | 67,321           |
| 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. | (1,825)          |
| 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  | 1,114            |
| 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   | (5,268)          |
| Net OPEB liability  | (112)            |
| Bonds and loans payable   | (93,554)         |
|   | <hr/>            |
| Net position of governmental activities   | <u>\$ 28,280</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, 2021**  
**(Dollars in Thousands)**

|  | Shoreline<br>Regional<br>Park<br>Community | Shoreline<br>Regional Park<br>Community 2011<br>Revenue Bonds | Shoreline<br>Regional Park<br>Community 2018<br>Revenue Bonds | Total          |
|--|--|---|---|----------------|
| <b>Revenues:</b>   |  |   |   |                |
| Property taxes   | \$ 51,943                                  | -   | -   | 51,943         |
| Use of money and property                                    | 871  | 8   | -   | 879            |
| Intergovernmental  | 15   | -   | -   | 15             |
| Charges for services   | 28   | -   | -   | 28             |
| Developer fees and contributions                             | 27   | -   | -   | 27             |
| Other  | 40   | -   | -   | 40             |
| Total revenues   | <u>52,924</u>                              | <u>8</u>  | <u>-</u>  | <u>52,932</u>  |
| <b>Expenditures:</b>   |  |   |   |                |
| Current:   |  |   |   |                |
| General government   | 19,843                                     | -   | -   | 19,843         |
| Public safety  | 161  | -   | -   | 161            |
| Public works   | 1,063                                      | -   | -   | 1,063          |
| Community development  | 235  | -   | -   | 235            |
| Culture and recreation                                       | 3,625                                      | -   | -   | 3,625          |
| Capital outlay   | 21   | -   | -   | 21             |
| Debt service:  |  |   |   |                |
| Principal  | -  | 1,985   | -   | 1,985          |
| Interest and fiscal charges                                  | -  | 1,356   | 3,079   | 4,435          |
| Total expenditures   | <u>24,948</u>                              | <u>3,341</u>  | <u>3,079</u>  | <u>31,368</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>27,976</u>                              | <u>(3,333)</u>  | <u>(3,079)</u>  | <u>21,564</u>  |
| <b>Other financing sources (uses):</b>                       |  |   |   |                |
| Transfers in   | -  | 3,215   | 3,078   | 6,293          |
| Transfers out  | (6,293)                                    | -   | -   | (6,293)        |
| Transfers from the City of Mountain View                     | 2,294                                      | -   | -   | 2,294          |
| Transfers to the City of Mountain View                       | (7,544)                                    | -   | -   | (7,544)        |
| Total other financing sources (uses)                         | <u>(11,543)</u>                            | <u>3,215</u>  | <u>3,078</u>  | <u>(5,250)</u> |
| Net change in fund balances                                  | <u>16,433</u>                              | <u>(118)</u>  | <u>(1)</u>  | <u>16,314</u>  |
| <b>Fund balances, beginning of year</b>                      | <u>37,671</u>                              | <u>6,618</u>  | <u>1</u>  | <u>44,290</u>  |
| <b>Fund balances, end of year</b>                            | <u>\$ 54,104</u>                           | <u>6,500</u>  | <u>-</u>  | <u>60,604</u>  |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Government-wide Statement of Activities - Governmental Activities**  
**For the Fiscal Year Ended June 30, 2021**  
**(Dollars in Thousands)**

|  |    |         |               |
|--|----|---------|---------------|
| Net change in fund balances - total governmental funds   |    | \$      | 16,314        |
| 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  | \$ | 5,904   |               |
| Capital assets additions - Capital outlay  |    | 21      |               |
| Depreciation   |    | (4,684) |               |
| Transfer of capital assets to the City of Mountain View  |    | (49)    | 1,192         |
| <hr/>  |    |         |               |
| 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.   |    |         | 792           |
| 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.                  |    |         | (906)         |
| The repayment of the principal of long-term debt consumes the current financial resources of governmental funds.   |    |         | 1,985         |
| 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   |    | 43      | 260           |
| <hr/>  |    |         |               |
| Change in net position of governmental activities  |    | \$      | <u>19,637</u> |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**  
(Dollars in Thousands)

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|---|----------------------------|-------------------------|---------------------------|---------------------------------------|
| <b>Revenues:</b>                            |                            |                         |                           |                                       |
| Property taxes                              | \$ 46,648                  | 46,648                  | 51,943                    | 5,295                                 |
| Use of money and property                   | 2,082                      | 2,082                   | 871                       | (1,211)                               |
| Intergovernmental                           | -                          | -                       | 15                        | 15                                    |
| Charges for services                        | 55                         | 55                      | 28                        | (27)                                  |
| Developer fees and contributions            | -                          | -                       | 27                        | 27                                    |
| Other                                       | 34                         | 34                      | 40                        | 6                                     |
|   | <u>48,819</u>              | <u>48,819</u>           | <u>52,924</u>             | <u>4,105</u>                          |
| <b>Total revenues</b>                       |                            |                         |                           |                                       |
| <b>Expenditures:</b>                        |                            |                         |                           |                                       |
| Current:                                    |                            |                         |                           |                                       |
| General government:                         |                            |                         |                           |                                       |
| City attorney                               | 10                         | 10                      | -                         | 10                                    |
| Finance and administrative services         | 19,514                     | 19,862                  | 19,843                    | 19                                    |
| Public safety:                              |                            |                         |                           |                                       |
| Fire  | 169                        | 170                     | 161                       | 9                                     |
| Police                                      | 40                         | 40                      | -                         | 40                                    |
| Public works                                | 1,305                      | 1,437                   | 1,063                     | 374                                   |
| Community development                       | 528                        | 677                     | 235                       | 442                                   |
| Culture & recreation:                       |                            |                         |                           |                                       |
| Community services                          | 4,512                      | 5,084                   | 3,625                     | 1,459                                 |
| Capital outlay                              | 37                         | 37                      | 21                        | 16                                    |
|   | <u>26,115</u>              | <u>27,317</u>           | <u>24,948</u>             | <u>2,369</u>                          |
| <b>Total expenditures</b>                   |                            |                         |                           |                                       |
| Excess of revenues over expenditures        | <u>22,704</u>              | <u>21,502</u>           | <u>27,976</u>             | <u>6,474</u>                          |
| <b>Other financing sources (uses):</b>      |                            |                         |                           |                                       |
| Transfers out                               | (6,421)                    | (6,421)                 | (6,293)                   | 128                                   |
| Transfers from the City of Mountain View    | -                          | -                       | 2,294                     | 2,294                                 |
| Transfers to the City of Mountain View      | (4,322)                    | (7,544)                 | (7,544)                   | -                                     |
|   | <u>(10,743)</u>            | <u>(13,965)</u>         | <u>(11,543)</u>           | <u>2,422</u>                          |
| <b>Total other financing sources (uses)</b> |                            |                         |                           |                                       |
| Net change in fund balances                 | <u>\$ 11,961</u>           | <u>7,537</u>            | <u>16,433</u>             | <u>8,896</u>                          |
| <b>Fund balance, beginning of year</b>      |                            |                         | <u>37,671</u>             |                                       |
| <b>Fund balance, end of year</b>            |                            |                         | <u>\$ 54,104</u>          |                                       |

# MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

## Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2021

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Mountain View Shoreline Regional Park Community (Shoreline Community) was established in 1969 pursuant to the provisions of the Mountain View Shoreline Regional Park Community Act (Act). The purpose of the Shoreline Community is to provide for the development of approximately 1,550 acres of Bayfront lands.

The Shoreline Community is an integral part of the City of Mountain View (City). The Shoreline Community's Board (Board) is comprised of the same members as the City Council and the City's management has operational responsibility of the Shoreline Community. Therefore, the Shoreline Community is considered a blended component unit of the City and its financial activities are included within the City's annual comprehensive financial report.

The Shoreline Community's primary source of revenue is property taxes, which are computed and allocated to the Shoreline Community as follows:

- a. The assessed valuation of all property within the Shoreline Community's boundaries is determined and "frozen" for allocation purposes on the date of adoption by the Shoreline Community of a designation of a "base year" assessment roll. Shoreline Community designated the fiscal year ended 1977-78 as the base year.
- b. Increments in property taxes resulting from any increase in assessed values after the adoption of the Shoreline Community are allocated to the Shoreline Community; all property taxes on the "frozen" assessed valuation of the property are allocated to the City and other taxing entities receiving taxes within the Shoreline Community's boundaries.

The Shoreline Community has no power to levy or collect taxes. Any legislative property tax reduction would lower the amount of tax revenues that would otherwise be available to pay principal and interest on debt or loans from the City and any increase in the tax rate or assessed valuation or any elimination of present exemptions would increase the amount of tax revenues available for this purpose. The Shoreline Community is also authorized to finance the North Bayshore Plan from other sources, including assistance from the City, the State and federal governments, interest income and the issuance of Shoreline Community debt.

#### **A. *Basis of Presentation***

The Shoreline Community's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021**

**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 financial activities of the primary government (the Shoreline Community). 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. 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, 2021**

**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.

**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.

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.

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2021**

**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, 2020, the City implemented the following GASB Statement:

- 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 Shoreline Community evaluated all funds and activities in accordance with the statement and upon the implementation of this statement, the Shoreline Community no longer presents any fiduciary fund or activity in its financial statements.

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021**

**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. Implementation of this statement did not have a significant impact on the Shoreline Community's financial statements for the fiscal year ended June 30, 2021.

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 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, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- 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, 2021

### 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, 2021**

**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, 2021**

**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, 2021. Cash and investments are as follows (dollars in thousands):

|                                 |                         |
|---------------------------------|-------------------------|
| Cash and investments            | \$ 55,786               |
| Restricted cash and investments | <u>8,764</u>            |
| Total cash and investments      | <u><u>\$ 64,550</u></u> |

The Shoreline Community’s cash and investments of \$55.8 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 \$2.3 million are invested in U.S. Agency Securities 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, 2021, 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 2.00 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, 2021

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. Agency Securities of \$6.5 million has a maturity date of June 17, 2022.

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021**

**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, 2021, the Shoreline Community's investments in U.S. Agency Securities and Money Market Mutual Funds are rated AA and AAA, respectively, by Standard & Poor's.

**Concentration of Credit Risk**

The Shoreline Community is required to disclose investments that represent a concentration of 5.0 percent or more of investments in any one issuer other than money market mutual funds and external investment pools. As of June 30, 2021, Shoreline Community's investments in U.S. Agency Securities represented 10.1% of the Shoreline Community's total investments.

**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. Agency Securities are measured using level 2 inputs, while investment in the City's cash and investments pool and Money Market Mutual Funds are not subject to fair value hierarchy. Investments measured using level 2 inputs are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these investments. Matrix pricing is used to value investments based on the investments' relationship to benchmark quoted prices.



## MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

### Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2021

#### 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, 2021, Shoreline Regional Park Community Fund transferred \$3.2 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, 2021, the Shoreline Community transferred to the City \$7.4 million to fund capital projects, \$120,000 for equipment replacements, and \$50,000 for operating costs. The City transferred \$2.3 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, 2021**

**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, 2021 is as follows (dollars in thousands):

|  | Balance<br>June 30, 2020 | Additions      | Retirements | Transfers      | Balance<br>June 30, 2021 |
|--|--------------------------|----------------|-------------|----------------|--------------------------|
| Capital assets not being depreciated:      |                          |                |             |                |                          |
| Land                                       | \$ 15,860                | -              | -           | -              | 15,860                   |
| Construction in progress                   | 10,338                   | 5,874          | -           | (2,565)        | 13,647                   |
| Total capital assets not being depreciated | <u>26,198</u>            | <u>5,874</u>   | <u>-</u>    | <u>(2,565)</u> | <u>29,507</u>            |
| Capital assets being depreciated:          |                          |                |             |                |                          |
| Buildings                                  | 23,908                   | -              | -           | -              | 23,908                   |
| Improvements other than buildings          | 100,474                  | -              | -           | 2,450          | 102,924                  |
| Machinery and equipment                    | 2,189                    | 51             | -           | -              | 2,240                    |
| Traffic signals                            | 1,500                    | -              | -           | 46             | 1,546                    |
| Streetlights                               | 1,009                    | -              | -           | 20             | 1,029                    |
| Total capital assets being depreciated     | <u>129,080</u>           | <u>51</u>      | <u>-</u>    | <u>2,516</u>   | <u>131,647</u>           |
| Less accumulated depreciation for:         |                          |                |             |                |                          |
| Buildings                                  | (11,229)                 | (723)          | -           | -              | (11,952)                 |
| Improvements other than buildings          | (74,797)                 | (3,789)        | -           | -              | (78,586)                 |
| Machinery and equipment                    | (1,730)                  | (92)           | -           | -              | (1,822)                  |
| Traffic signals                            | (784)                    | (59)           | -           | -              | (843)                    |
| Streetlights                               | (609)                    | (21)           | -           | -              | (630)                    |
| Total accumulated depreciation             | <u>(89,149)</u>          | <u>(4,684)</u> | <u>-</u>    | <u>-</u>       | <u>(93,833)</u>          |
| Net capital assets being depreciated       | <u>39,931</u>            | <u>(4,633)</u> | <u>-</u>    | <u>2,516</u>   | <u>37,814</u>            |
| Total capital assets, net                  | <u>\$ 66,129</u>         | <u>1,241</u>   | <u>-</u>    | <u>(49)</u>    | <u>67,321</u>            |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021**

**NOTE 6 – CAPITAL ASSETS (Continued)**

During the fiscal year ended June 30, 2021, the Shoreline Community transferred certain infrastructure including bridges and culverts; sidewalks, curbs and gutters; and streets and roads funded by the Shoreline Community totaling \$49,000 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, 2021 are as follows (dollars in thousands):

|                        |    |                 |
|------------------------|----|-----------------|
| General government     | \$ | 50              |
| Public safety          |    | 40              |
| Public works           |    | 974             |
| Community development  |    | 64              |
| Culture and recreation |    | 3,556           |
| Total                  |    | <u>\$ 4,684</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, 2021, are as follows (dollars in thousands):

|                                   | <u>Spent<br/>to Date</u> | <u>Remaining<br/>Commitment</u> |
|-----------------------------------|--------------------------|---------------------------------|
| Land                              | \$ -                     | 28,383                          |
| Improvements other than buildings | 8,125                    | 564                             |
| Buildings                         | 210                      | -                               |
| Infrastructure                    | 5,312                    | 12,156                          |
| Total                             | <u>\$ 13,647</u>         | <u>41,103</u>                   |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**

**Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021**

**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, 2021, are as follows (dollars in thousands):

|  | Original<br>Issue<br>Amount | Balance<br>June 30,<br>2020 | Additions | Retirements    | Balance<br>June 30,<br>2021 | Due<br>Within<br>One Year |
|--|-----------------------------|-----------------------------|-----------|----------------|-----------------------------|---------------------------|
| <b>Revenue Bonds:</b>                    |                             |                             |           |                |                             |                           |
| <b>Shoreline Regional Park Community</b> |                             |                             |           |                |                             |                           |
| <b>2011 Revenue Refunding Bonds</b>      |                             |                             |           |                |                             |                           |
| 2.0% to 5.75%, due Fiscal Year 2040-41   | \$ 39,030                   | 25,865                      | -         | (1,985)        | 23,880                      | 2,085                     |
| <b>Shoreline Regional Park Community</b> |                             |                             |           |                |                             |                           |
| <b>2018 Revenue Bonds Series A</b>       |                             |                             |           |                |                             |                           |
| 5.0%, due Fiscal Year 2048-49            | 53,485                      | 53,485                      | -         | -              | 53,485                      | -                         |
| Add unamortized premium                  | 6,416                       | 6,091                       | -         | (217)          | 5,874                       | 217                       |
| Subtotal 2018 Revenue Bonds Series A     | 59,901                      | 59,576                      | -         | (217)          | 59,359                      | 217                       |
| <b>Shoreline Regional Park Community</b> |                             |                             |           |                |                             |                           |
| <b>2018 Revenue Bonds Series B</b>       |                             |                             |           |                |                             |                           |
| 3.36% to 4.24%, due Fiscal Year 2031-32  | 10,315                      | 10,315                      | -         | -              | 10,315                      | -                         |
| <b>Total noncurrent liabilities</b>      | <b>\$ 109,246</b>           | <b>95,756</b>               | <b>-</b>  | <b>(2,202)</b> | <b>93,554</b>               | <b>2,302</b>              |

**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, 2021**

**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, 2021**

**NOTE 7 – NONCURRENT LIABILITIES (Continued)**

**C. Debt Service Requirements**

The pledge of future tax increment revenues ends upon repayment of the \$163.3 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, 2021, tax increment revenues amounted to \$51.9 million, which represented coverage of 8.1 over the \$6.4 million in debt service.

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

| For the Fiscal Year<br>Ending June 30 | Governmental Activities |               |                |
|---------------------------------------|-------------------------|---------------|----------------|
|                                       | Principal               | Interest      | Total          |
| 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                                  | 1,825                   | 4,026         | 5,851          |
| 2027-2031                             | 10,420                  | 18,793        | 29,213         |
| 2032-2036                             | 13,135                  | 15,905        | 29,040         |
| 2037-2041                             | 17,100                  | 11,901        | 29,001         |
| 2042-2046                             | 22,025                  | 6,872         | 28,897         |
| 2047-2049                             | 16,045                  | 1,229         | 17,274         |
| Total                                 | <u>\$ 87,680</u>        | <u>75,575</u> | <u>163,255</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](http://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, 2021**

**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, 2021, are summarized as follows:

|                                      | Prior to<br>January 1, 2013 | On or after<br>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 | 34.402%                     | 34.402% (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 2020-21, the Shoreline Community recognized \$680,000 as contributions for pension.

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021 and 2020, (measurement dates of June 30, 2020 and 2019, respectively) for the Plan are as follows (dollars in thousands):

|   | Net Pension<br>Liability | Proportion of<br>the City's<br>Miscellaneous<br>Plan |
|---|--------------------------|--|
| Proportion - Measurement date June 30, 2020 | \$ 5,268                 | 4.51%  |
| Proportion - Measurement date June 30, 2019 | 5,032                    | 4.53%  |
| Change                                      | \$ 236                   | -0.02%   |



**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 8 - PENSION PLAN (Continued)**

*Actuarial Assumptions* - The total pension liability for the Plan in the June 30, 2019 actuarial valuation was determined using actuarial assumptions as follows:

|                                  | Miscellaneous Plan  |
|----------------------------------|---|
| Valuation Date                   | June 30, 2019   |
| Measurement Date                 | June 30, 2020   |
| Actuarial Cost Method            | Entry-Age Normal Cost Method  |
| Actuarial Assumptions:           |   |
| Discount Rate                    | 7.15%   |
| Inflation                        | 2.50%   |
| Payroll Growth                   | 2.75%   |
| Projected Salary Increase        | Varies by Entry Age and Service   |
| Post Retirement Benefit Increase | The lessor of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter. |
| Mortality                        | Derived using CalPers Membership Data for all Funds (1)   |

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

All other actuarial assumptions used in the June 30, 2019 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, 2021**

**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, 2019, are as follows:

| Asset Class         | Current<br>Target<br>Allocation | Real Return<br>Years 1 - 10 <sup>1</sup> | Real Return<br>Years 11+ <sup>2</sup> |
|---------------------|---------------------------------|--|---------------------------------------|
| 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, 2021**

**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<br>-1% (6.15%) | Current<br>Discount Rate<br>(7.15%) | Discount Rate<br>+1% (8.15%) |
|--|------------------------------|-------------------------------------|------------------------------|
| Shoreline Community's proportionate share of the City's Miscellaneous Plan net pension liability | \$ 7,949                     | 5,268                               | 3,045                        |

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

For the fiscal year ended June 30, 2021, the Shoreline Community recognized pension expense of \$794,000. The Shoreline Community reported deferred outflows of resources related to pensions by sources for the fiscal year ended June 30, 2021 are as follows (dollars in thousands):

|   | Deferred<br>Outflows<br>of Resources |
|---|--------------------------------------|
| Pension contributions subsequent to measurement date                      | \$ 680                               |
| Differences between expected and actual experience                        | 183                                  |
| Net differences between projected and actual earnings on plan investments | 139                                  |
| Total   | <u>\$ 1,002</u>                      |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 8 - PENSION PLAN (Continued)**

As of June 30, 2021, the Shoreline Community reported \$680,000 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, 2022. 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<br>Ending June 30, | Amount        |
|--------------------------------|---------------|
| 2022                           | \$ 56         |
| 2023                           | 111           |
| 2024                           | 86            |
| 2025                           | 69            |
| Total                          | <u>\$ 322</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](http://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, 2021**

**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, 2021, the Shoreline Community’s contributions totaled \$112,000.

**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, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020 using standard update procedures. The Shoreline Community’s proportion of the net OPEB liability was based on the projection of the Shoreline Community’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating City funds, actuarially determined.

The change in the Shoreline Community’s proportionate share of the net OPEB liability as of June 30, 2021 and 2020, (measurement dates of June 30, 2020 and 2019, respectively) for the OPEB Plan are as follows (dollars in thousands):

|   | Net OPEB<br>Liability | Proportion of<br>the City's OPEB<br>Plan |
|---|-----------------------|--|
| Proportion - Measurement date June 30, 2020 | \$ 112                | 2.08%                                    |
| Proportion - Measurement date June 30, 2019 | 602                   | 6.85%                                    |
| Change                                      | \$ (490)              | -4.76%                                   |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2020   |
| 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.<br>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.

*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 OPEB plan investments is applied to all periods of projected benefit payments to determine the total OPEB Liability.

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

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The long-term expected real rate of return by asset class and the target allocation are as follows:

| Asset Class   | Current<br>Target<br>Allocation | Real Return<br>Years 1-10 <sup>1</sup> | Real Return<br>Years 11+ <sup>2</sup> |
|---------------|---------------------------------|--|---------------------------------------|
| 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<br>-1% (5.25%) | Current<br>Discount Rate<br>(6.25%) | Discount Rate<br>+1% (7.25%) |
|------------------------------|-------------------------------------|------------------------------|
| \$ 536                       | 112                                 | (236)                        |

***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<br>Cost Trend<br>Rate -1% | Healthcare<br>Cost Trend<br>Current Rate | Healthcare<br>Cost Trend<br>Rate +1% |
|--------------------------------------|--|--------------------------------------|
| \$ (265)                             | 112                                      | 574                                  |

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, the Shoreline Community recognized OPEB expense of \$112,000. As of June 30, 2021, the Shoreline Community reported \$112,000 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, 2022.

**NOTE 10 – RISK MANAGEMENT**

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

For general liability claims, the City has excess liability coverage through the Authority for California Cities Excess Liabilities (ACCEL) to cover the risk of loss for claims in excess of \$1.0 million per incident. ACCEL is a joint powers authority of medium-sized California municipalities, which pools catastrophic general liability, automobile liability and public officials’ errors and omissions losses.

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

**NOTE 11 – NET POSITION AND FUND BALANCES**

**A. *Net Position***

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



**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**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, 2021, the Shoreline Community has restricted fund balances of \$51.1 million for Shoreline Community indebtedness and \$6.5 million for debt service.

*Committed* fund balances have constraints imposed by resolution of the Board, which may only be altered by resolution of the Board. Nonspendable amounts subject to Board commitments are included along with spendable resources. As of June 30, 2021, the Shoreline Community has committed fund balances of \$3.0 million for capital projects.

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

**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 \$1.1 million for the fiscal year ended June 30, 2021 and \$12.0 million to rebuild a new landfill system. As of June 30, 2021, the Shoreline Regional Park Community Fund has reported \$9.0 million for the landfill containment as part of restricted fund balance and planned to increase the balance by \$1.0 million annually until \$12.0 million is reached.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**A. *Encumbrances***

The Shoreline Community’s outstanding encumbrances as of June 30, 2021, are \$292,000 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, 2021**

**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, 2021, the Shoreline Community paid a total of \$7.4 million in contributions to the school districts.

**C. *Tax Revenue Sharing***

Pursuant to an agreement between the City, the Shoreline Community, and the County dated June 22, 2005, the Shoreline Community is annually obligated to pay the County from tax revenues, an amount equal to the County's total retirement tax override levies and pass-through an additional amount of taxes that would have been allocated to the County in the absence of the existence of the Shoreline Community. For the fiscal year ended June 30, 2021, \$1.7 million and \$2.3 million in retirement tax override levies and pass-through payments, respectively, were paid to the County.

**D. *Uncertainties***

In March of 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This pandemic and related adverse public health developments have adversely affected workforces, customers, economies, and financial markets globally, leading to economic downturn. It has also disrupted the normal operations of many governments, including the Shoreline Community. The Shoreline Community expects this pandemic to impact the Authority's 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 pandemic and its effects on the Shoreline Community's operations.

**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, |        |        |        |        |        |        |
|--|----------------------------|--------|--------|--------|--------|--------|--------|
|  | 2021                       | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   |
| Measurement period   | 2020                       | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   |
| Shoreline Community's proportion of the net pension liability (NPL)  | 4.3%                       | 4.5%   | 4.5%   | 4.5%   | 4.5%   | 4.5%   | 4.5%   |
| Shoreline Community's proportionate share of the NPL   | \$ 5,032                   | 5,032  | 5,038  | 5,431  | 4,948  | 4,177  | 3,783  |
| Shoreline Community's covered payroll  | 2,037                      | 2,009  | 1,907  | 1,797  | 1,622  | 1,520  | 1,429  |
| Shoreline Community's proportionate share of the NPL<br>as a percentage of its covered payroll                               | 247.0%                     | 250.5% | 264.2% | 302.2% | 305.1% | 274.8% | 264.6% |
| City Miscellaneous Plan's fiduciary net position as a percentage<br>of the City Miscellaneous Plan's total pension liability | 74.8%                      | 74.8%  | 73.4%  | 70.2%  | 70.0%  | 73.4%  | 74.9%  |

**Note to schedule:**

Benefit Changes - The figures above do not include any liability impact that may have resulted from plan changes, which occurred after the June 30, 2019 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

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

\* 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 Pension Contributions**  
(Dollar in Thousands)

| Fiscal Year Ended June 30   | Fiscal Year Ended June 30, |       |       |       |          |          |          |       |
|---|----------------------------|-------|-------|-------|----------|----------|----------|-------|
|   | 2021                       | 2020  | 2019  | 2018  | 2017     | 2016     | 2015     | 2014  |
| Contractually required contributions (actuarially determined) (CRC) | \$ 680                     | 847   | 779   | 819   | 565      | 509      | 359      | 284   |
| Contributions in relation to the CRC                                | (680)                      | (847) | (779) | (819) | (565)    | (509)    | (359)    | (284) |
| Contribution deficiency (excess)                                    | \$ -                       | -     | -     | -     | -        | -        | -        | -     |
| Covered payroll   | \$ 2,078                   | 2,037 | 2,009 | 1,907 | \$ 1,797 | \$ 1,622 | \$ 1,520 | 1,429 |
| Contributions as a percentage of covered payroll                    | 32.7%                      | 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, 2021 were as follows:

|   |  |
|---|--|
| Actuarially determined contribution for fiscal year | June 30, 2021  |
| Actuarial valuation date                            | June 30, 2018  |
| Actuarial cost method                               | Entry-Age Normal Cost Method   |
| Asset valuation method                              | Actuarial value of assets  |
| Inflation   | 2.500%   |
| Salary increases                                    | Varies by entry age and services   |
| Payroll growth                                      | 2.75%  |
| Investment rate of return                           | 7.00%, net of pension plan investment and administrative expenses, includes inflation.   |
| Retirement age                                      | The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period 1997 to 2015.  |
| Mortality   | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates includes 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries. |

\* Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68, therefore only eight 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, |        |        |          |
|---|----------------------------|--------|--------|----------|
|   | 2021                       | 2020   | 2019   | 2018     |
| Measurement period  | 2020                       | 2019   | 2018   | 2017     |
| Shoreline Community's proportion of the net OPEB liability (NOPEBL)                                     | 2.1%                       | 6.8%   | 1.1%   | 3.3%     |
| Shoreline Community's proportionate share of the NOPEBL   | \$ 112                     | \$ 602 | \$ 290 | \$ 1,085 |
| Shoreline Community's covered payroll   | 2,037                      | 2,009  | 1,907  | 1,797    |
| Shoreline Community's proportionate share of the NOPEBL<br>as a percentage of its covered payroll       | 5.5%                       | 30.0%  | 15.2%  | 60.4%    |
| City OPEB Plan's fiduciary net position as a percentage<br>of the City OPEB Plan's total OPEB liability | 96.4%                      | 93.9%  | 82.8%  | 76.9%    |

**Note to schedule:**

Change in assumptions - During measurement period 2019, the discount rate was reduced from 6.50 percent to 6.25 percent. Demographic assumptions were change in accordance to the 2017 CalPERS Experience Study. There is no change in assumptions during measurement period 2020.

\* 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.

**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, |       |       |         |         |
|--|----------------------------|-------|-------|---------|---------|
|  | 2021                       | 2020  | 2019  | 2018    | 2017    |
| Actuarially determined contributions (ADC)       | \$ 112                     | 602   | 290   | 1,085   | 1,014   |
| Contributions in relation to the ADC             | (112)                      | (602) | (290) | (1,085) | (1,014) |
| Contribution deficiency (excess)                 | \$ -                       | -     | -     | -       | -       |
| Covered payroll                                  | \$ 2,078                   | 2,037 | 2,009 | 1,907   | 1,797   |
| Contributions as a percentage of covered payroll | 5.4%                       | 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, 2021 were as follows:

|                                  |   |
|----------------------------------|---|
| ADC for fiscal year              | June 30, 2021   |
| Actuarial valuation date         | June 30, 2019   |
| 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: 7.50% for the year beginning January 1, 2020 and graded down by 0.50% per year until 5.00% ultimate rate is reached.<br>For vision premiums: 3.00%   |
| Mortality                        | Derived using CalPERS Membership Data for all Funds. Demographic actuarial assumptions used are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015, except for the MacLeod Watts Scale 2018 applied generationally as the basis to project future mortality improvements. The representative mortality rates were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2008. |

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

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**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY**  
**Shoreline Regional Park Community Fund**  
**For the Fiscal Year Ended June 30, 2021**

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, 2021**  
**(Dollars in Thousands)**

|  | <b>Shoreline<br/>Regional<br/>Park<br/>Community<br/>Administrative</b> | <b>Shoreline<br/>Regional<br/>Park<br/>Community<br/>Special</b> | <b>North<br/>Bayshore<br/>Impact<br/>Fee</b> | <b>Total</b>  |
|--|---|--|--|---------------|
| <b>Assets:</b>                           |   |  |  |               |
| Cash and investments                     | \$ 48,652   | 4,275  | 2,859  | 55,786        |
| Restricted cash and investments          | 2,264   | -  | -  | 2,264         |
| Receivables:                             |   |  |  |               |
| Accounts                                 | 33  | -  | -  | 33            |
| Interest                                 | 504   | -  | 100  | 604           |
| Total assets                             | <u>\$ 51,453</u>  | <u>4,275</u>   | <u>2,959</u>                                 | <u>58,687</u> |
| <b>Liabilities and fund balances:</b>    |   |  |  |               |
| <b>Liabilities:</b>                      |   |  |  |               |
| Accounts payable and accrued liabilities | 4,517   | -  | -  | 4,517         |
| Refundable deposits                      | 16  | -  | -  | 16            |
| Unearned revenue                         | 50  | -  | -  | 50            |
| Total liabilities                        | <u>4,583</u>  | <u>-</u>   | <u>-</u>                                     | <u>4,583</u>  |
| <b>Fund Balances:</b>                    |   |  |  |               |
| Restricted                               | 46,870  | 4,275  | -  | 51,145        |
| Committed                                | -   | -  | 2,959  | 2,959         |
| Total fund balances                      | <u>46,870</u>   | <u>4,275</u>   | <u>2,959</u>                                 | <u>54,104</u> |
| Total liabilities and fund balances      | <u>\$ 51,453</u>  | <u>4,275</u>   | <u>2,959</u>                                 | <u>58,687</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, 2021**  
(Dollars in Thousands)

|  | Shoreline<br>Regional<br>Park<br>Community<br>Administrative | Shoreline<br>Regional<br>Park<br>Community<br>Special | North<br>Bayshore<br>Impact<br>Fee | Interfund<br>Elimination | Total           |
|--|--|---|------------------------------------|--------------------------|-----------------|
| <b>Revenues:</b>   |  |   |                                    |                          |                 |
| Property taxes   | \$ -   | 51,943  | -                                  | -                        | 51,943          |
| Use of money and property                                    | 822  | 60  | (11)                               | -                        | 871             |
| Intergovernmental  | 15   | -   | -                                  | -                        | 15              |
| Charges for services   | 28   | -   | -                                  | -                        | 28              |
| Developer fees and contributions                             | -  | -   | 27                                 | -                        | 27              |
| Other  | 40   | -   | -                                  | -                        | 40              |
| Total revenues   | <u>905</u>   | <u>52,003</u>   | <u>16</u>                          | <u>-</u>                 | <u>52,924</u>   |
| <b>Expenditures:</b>   |  |   |                                    |                          |                 |
| Current:   |  |   |                                    |                          |                 |
| General government   | 19,843   | -   | -                                  | -                        | 19,843          |
| Public safety  | 161  | -   | -                                  | -                        | 161             |
| Public works   | 1,063  | -   | -                                  | -                        | 1,063           |
| Community development  | 235  | -   | -                                  | -                        | 235             |
| Culture and recreation                                       | 3,625  | -   | -                                  | -                        | 3,625           |
| Capital outlay   | 21   | -   | -                                  | -                        | 21              |
| Total expenditures   | <u>24,948</u>  | <u>-</u>  | <u>-</u>                           | <u>-</u>                 | <u>24,948</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(24,043)</u>  | <u>52,003</u>   | <u>16</u>                          | <u>-</u>                 | <u>27,976</u>   |
| <b>Other financing sources (uses):</b>                       |  |   |                                    |                          |                 |
| Transfers in   | 45,660   | -   | -                                  | (45,660)                 | -               |
| Transfers out  | -  | (51,953)  | -                                  | 45,660                   | (6,293)         |
| Transfers from the City of Mountain View                     | 1,935  | -   | 359                                | -                        | 2,294           |
| Transfers to the City of Mountain View                       | (7,544)  | -   | -                                  | -                        | (7,544)         |
| Total other financing sources (uses)                         | <u>40,051</u>  | <u>(51,953)</u>                                       | <u>359</u>                         | <u>-</u>                 | <u>(11,543)</u> |
| Net change in fund balances                                  | <u>16,008</u>  | <u>50</u>   | <u>375</u>                         | <u>-</u>                 | <u>16,433</u>   |
| <b>Fund balances, beginning of year</b>                      | <u>30,862</u>  | <u>4,225</u>  | <u>2,584</u>                       | <u>-</u>                 | <u>37,671</u>   |
| <b>Fund balances, end of year</b>                            | <u>\$ 46,870</u>   | <u>4,275</u>  | <u>2,959</u>                       | <u>-</u>                 | <u>54,104</u>   |

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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, 2021, 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 16, 2021.

***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 Shoreline Community'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 Shoreline Community's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Walnut Creek, California  
November 16, 2021