



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal year ended June 30, 2021
City of Menlo Park, California



CITY OF MENLO PARK, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2021

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 FOR FISCAL YEAR ENDED JUNE 30, 2021

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021



**CITY OF
MENLO PARK**

CITY OF MENLO PARK, CALIFORNIA

PREPARED BY
Administrative Services

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INTRODUCTORY SECTION

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December 23, 2021

Honorable Mayor
Members of the City Council
And Residents of Menlo Park

We are pleased to submit the annual comprehensive financial report for the City of Menlo Park, California, for the fiscal year ended June 30, 2021. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data is accurate in all material respects and is reported fairly and honestly. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

The Annual Comprehensive Financial report (ACFR) is presented in three major sections that provide introductory, financial, and statistical information about the City. The introductory section includes this transmittal letter, the City's organizational chart and a list of the City's principal officials. The financial section includes the independent auditors' report, basic financial statements, and notes to basic financial statements, required supplementary information and supplementary information on non-major funds. The statistical section, which is unaudited, includes selected financial and demographic information in the format of charts and graphs.

The notes to the financial statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure. The notes include the summary of significant accounting policies for the City and other necessary disclosures of important matters relating to the financial position of the City. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

Generally accepted accounting principles (GAAP) require that management provide a narrative of introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter complements the MD&A and should be read in conjunction with it. The City of Menlo Park's MD&A can be found in the financial section of this document, immediately following the report of the independent auditors.

Background

The City of Menlo Park is located in San Mateo County, midway between the cities of San Francisco and San Jose. It is an area of comparatively high property values and is a vital part of the region commonly referred to as the Silicon Valley. One of its noteworthy neighbors is Stanford University. Many venture capital firms are located in Menlo Park.

The City maintains a healthy balance of residential, commercial and industrial uses. Residential home prices are still among the highest in the area, reflecting the desirability of living in the community. Home to the headquarters of social networking giant Facebook, other major companies that have facilities in Menlo Park include the Rosewood Hotel, Pacific Biosciences, and SRI International. Menlo Park is also home a major Veterans Affairs medical facility, and the U.S. Department of Energy-funded SLAC National Accelerator Laboratory.

Reporting Entity

The legal entity of the City of Menlo Park is the reporting entity for these financial statements. This includes all activities under the City such as departments and functions conducted by the City. The City uses fund accounting to ensure that restricted sources of funds are properly used and these financial statements contain the activities and positions both separately and combined. The dissolution of the Community Development Agency on January 31, 2012 resulted in the transfer of its financial activities to a successor agency, whose financial statements are also included in this document and reported as a Private-Purpose Trust Fund.

The City of Menlo Park provides a varied range of services, including police protection, public works (engineering, streets, parks, building and vehicle maintenance, water distribution and maintenance and transportation services), library and community services (recreation, child care, senior services, and library services), community development (planning, zoning, housing and economic development and building inspection), code and parking enforcement, and general administration (finance, human resources, information technology, public engagement, environmental sustainability, legal and city clerk services). Fire protection services are provided by the Menlo Park Fire Protection District, an entity separate and distinct from the City. Sanitary sewer services are also provided by a special district, the West Bay Sanitary Sewer District. The City supplies water to approximately 16,000 City residents, while three separate suppliers provide water to the remainder of the City.

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the City operates.

Local economy

Throughout the year, the City's economy was reasonably strong, as with the rest of the country and much of the rest of the world, the public health emergency brought on by the novel coronavirus and the COVID-19/Delta Variant pandemic had a direct result on the economic conditions of the area. The City issued a proclamation of local emergency on March 11, 2020 and was followed by an area-wide stay-at-home order on March 16, 2020. This stay-at-home order drastically affected a variety of activities including dining establishments, hotel operations, and retail shopping. Majority of City staff currently is still working from home, with the exception of some staff from Planning/Building Permit, and Public Works.

The unemployment rate in San Mateo County has gone down from 10.5% in June 2020 to 5% in June 2021. The City of Menlo Park unemployment rate remains lower than that of the County at 3.4% in June 2021. This compares with an unemployment rate of 7.6% for California and 5.9% for the nation during the same period. As of June 2021, there were an estimated 440,700 jobs in San Mateo County, an increase of 13,100 jobs from a year earlier.

The City's largest revenue source is an extraordinarily resilient property tax base contributing approximately 39% of all general fund revenues in fiscal year 2020-21. While assessed values increased five percent overall, actual revenue declined by a modest 1.17% due to impacts of property tax allocation adjustments. The City's second largest single revenue source, sales tax, experienced some loss this year and last year, primarily as a result of the aforementioned pandemic. For the fiscal year ended June 30, 2021, sales taxes declined by \$0.26 million or 3.8%. This decline was lower than expected due to the impact of the public health crisis but thanks to stimulus money which has contributed to the strong retail spending.

The City's third largest tax revenue source, hotel occupancy tax, has significantly decreased compared to the fiscal year 2018-19, a decline solely attributable to the effect of the public health crisis around the pandemic and the stay-at-home order which drastically reduced business and leisure travel. For the fiscal year ended June 30, 2021, hotel occupancy tax decreased by \$3,247,200 or approximately 50% compared to prior fiscal year due to the effects of the pandemic. In addition, the City Council authorized a waiver to late penalties applied to remittance of hotel occupancy taxes collected between January 1 and June 30, 2021, if remitted by October 31, 2021, resulting in some hotel occupancy taxes being unavailable

revenue as of June 30, 2021. The rapid and unexpected declines in sales and hotel occupancy taxes as well as the suspension of a number of user fee supported programs forced the City to reduce service levels across a number of program areas, with the largest affected area being recreation and library programs in which each experience substantial layoff of temporary employees as.

The stay-at-home order continued to depress daytime populations in the Bayfront neighborhood, home to several high-profile companies that present unique public safety considerations. In 2017, the City negotiated a five-year agreement to offset general fund costs to be spent on services that benefit the local community's safety but otherwise at the sole discretion of the City. The reduced demand for public safety services resulting from the pandemic, reductions in police staffing, and uncertainty of return-to-office plans led to the City moving the accumulated and future funds generated by the agreement to a new special revenue fund titled Bayfront Mitigation Fund.

Outlook

Despite the effect of the public health emergency and the accompanying economic uncertainty, the City's financial outlook remains sound. Property values continue their upward trend, and with a number of large-scale development projects in process, the outlook for future property tax revenue growth is strong. Being the General Fund's largest revenue source, at 39 percent of the total including transfers, a healthy property tax base is essential for continued sustainability. In addition, the City Council took swift action in the face of the economic emergency and the fiscal year 2020-21 adopted budget; adjusting services to a level commensurate with expected structural revenues, both in general taxes and in fee-for-service categories. While these reductions were painful and the community will receive fewer services as a result, these actions help to ensure that services continue to be delivered at a sustainable level.

One major reduction in fiscal year 2020-21 was the abrupt and unexpected loss of hotel occupancy tax. This had been a growing source of revenue prior years as new facilities began operations and room and occupancy rates steadily increased; however, the stay-at-home order and public health emergency resulted in temporary closures for a number of operators and a substantial reduction in business and leisure travel. This revenue source is not expected to be permanently depressed, but will likely require outside factors to return, with the development and widespread deployment of an effective vaccine for the novel coronavirus or a robust test-and- trace program which mitigates the future spread of the virus. As such, the return of this revenue source is uncertain and likely to remain lower than historical levels for at least a full fiscal year.

Passage of the American Rescue Plan Act (ARP) in the fiscal year provides an estimated \$8.4 million over two fiscal years to offset the impacts of the pandemic. Most notably, the ARP funds will offset lost tax and charges for services revenue caused by the stay-at-home order. The ARP funds are recorded in a special revenue fund until officially designated for eligible use under the Department of Treasury's guidelines.

On the expenditure side, the City's largest single category is that of personnel costs, with direct wages and salaries being a substantial portion of those costs. In its role as a service organization, the City's costs grow and shrink based on services provided to the public. At the close of the fiscal year 2020-21, the availability of vaccinations to the adult age population led to the restoration of most city services in the fiscal year 2021-22 adopted budget. Significant service reductions remain in public safety and community services. The City will continue its past practice of expanding services as resources are available to support those services.

Beyond the direct costs of staffing, the City is closely monitoring increases in employee benefit costs. One area of particular note is the City's cost for pension benefits provided by the California Public Employees' Retirement System (CalPERS). In December 2016, the CalPERS board voted to reduce its assumed rate of return on investment income, commonly referred to as the "discount rate", net of expenses, from 7.5 percent to 7.0 percent over three years beginning on July 1, 2018. The reduction in discount rate has resulted in greater unfunded pension liabilities as of the most recent valuation, in addition to growing costs to the City in future years. The City has traditionally made only the required contributions to CalPERS to meet the standard 30-year amortization schedule of unfunded liabilities and ongoing obligations. After a review of outstanding liabilities and funding strategies with an independent actuary in November 2018, the City adopted its own accelerated payment schedule for unfunded liabilities in fiscal year 2019–20. City Council reviewed the methodology in 2021, and ultimately modified the unfunded liability prepayment schedule to align with an assumed discount rate of 6.5 percent. This additional expense is recognized in the City's financial position as of June 30, 2021, and has the effect of avoiding interest payments on that same expense in future years. The new methodology is more aggressive than the actuarial study conducted by CalPERS and minimizes growth in unfunded liabilities due to market returns with no impact on the City's unfunded pension liabilities.

Staff will continue to monitor the long-term budget situation, both locally and at the State and Federal level, to keep the City Council informed of critical economic events that may impact the sustainability of the City's spending plan. Further, staff will continue to be proactive in developing plans to promote economic development in the City, aggressively pursue grant funding for significant infrastructure improvements, and continually assess the City's operations and service delivery models to achieve efficiencies where possible.

While the City's financial situation is strong, particularly in a relative sense, the City must remain vigilant when making spending decisions. The City Council and prior Councils have positioned the City well, with substantial reserves available, but these are one-time money rather than structural needs, and the City must continue to make decisions which align available resources with the services provided to the community.

2020-21 Major Initiatives and Accomplishments

The ongoing economic strength has continued to drive interest in development projects and a robust business atmosphere, leading to a commensurate growth in demand for City services. As a result of local revenue drivers and the City's cost recovery policy for services, the City maintains budgetary resources to provide these increased services, but maintaining balance between services offered and resources available proves difficult in light of the substantial uncertainty introduced by the ongoing public health emergency. Nevertheless, the City continues to judiciously deploy resources available in order to prioritize service levels according to community values and needs.

Community Development continued to use the 2019 California Building Standards Code and Local Amendments, including a reach code requiring all new buildings to be fully electric. The department also continued to refine its new land management system to increase functionality and better manage workflows while providing improved tools and transparency to the public. BMR Housing funds was also used to issue an Acquisition Loan Agreement to HIP Housing Development to acquire the property at 6-8 Coleman Place in the amount of \$5.5 million for repairs and upgrade to the units to income-eligible households. The existing MidPen Gateway loan was modified and increased by \$9.3 million to pay for the costs related to the construction of the improvements of the property at 1317-1385 willow road restricted affordable housing units.

Library and Community Services received a higher quality tier rating from Quality Rating and Improvement System (QRIS) for the Belle Haven Child Development Center. This is the second year respectively the Belle Haven Child Development Center was awarded QRIS grant from San Mateo County Office of Education.

Besides the Child Development program from the State of California, the Big Lift program also continued to open its door during the pandemic with majority of the grant provided by Measure A, passed through the Silicon Valley Foundation. In addition, the center also received \$45,600 from the CDBG joint Urban Development Program passed through San Mateo County. The grant was being utilized to repair the security gate in Belle Haven Child Development Center. Finally, the department continued the Books By Mail and Seeds By Mail program to provide continuity of service to the Menlo Park community during the pandemic. Last but not least, the

department also operate a senior program with partial funding from Older American Act and California Dept. of Aging, passed through San Mateo County.

Police continued its tradition of collaboration and worked in partnership with the State of California to pursue grant funding for traffic safety related operations and alcohol and beverage control programs. In April 2021, the City Manager appointed David Samuel Norris as the City's Police Chief.

Public Works continued to exemplify the spirit of Menlo Park by receiving the Tree City USA Growth Award from the Arbor Day Foundation and implemented the updated Heritage Tree Ordinance provisions, processing over 200 heritage tree permits. During 2020-21, the department also completed several initiatives including: the Santa Cruz and Middle Avenues street rehabilitation project; construction of the Pierce Road sidewalk gap closures; the hydration station project retrofitting 29 indoor and outdoor drinking fountains; the 2019 and 2020 street preventive maintenance projects to help maintain the city's pavement condition index of 77; implementation of the newsrack ordinance including removal of dated racks throughout the City and issuance of 125 new permits; and concluded the 2019 Citywide engineering and traffic survey and updated speed limits around the City. The City was accepted into the Federal Emergency Management Agency community rating system that provides flood insurance premium discounts for residents and businesses and secured grant funds for the automated meter infrastructure project (\$500,000) and applied for \$50 million in funds for the SAFER Bay sea level rise protection plan along the San Francisco Bay shoreline in collaboration with the San Francisquito Creek Joint Powers Authority and funding partners PG&E and Meta (formerly Facebook).

Planning for the Future

Maintaining a sustainable City budget is a top priority for Menlo Park. The City has, for many years, strived to record and report all expenses in the proper fiscal year, avoid unintended subsidization of nonessential programs with tax revenues, resist the creation of future liabilities and identify plans to eliminate long-term liabilities that currently exist. Such long-term financial planning efforts are essential to the City's prudent financial management and are particularly powerful when combined with sound financial policies.

Rating agencies recognize the City's financial strength and policies when assigning excellent ratings to Menlo Park general obligation bond issuances. The City continues to focus strategically on appropriate funding strategies for not only current operations and top-ranked priority capital improvement projects, but also to cover long-term ongoing expenses. To that end, the operating budget includes annual funding for large infrastructure projects and ongoing retiree medical benefit obligations. In addition, the fiscal sustainability of all funds is regularly evaluated to avoid any future burden on the General Fund.

Menlo Park strives to maintain fiscal policies that will provide guidance on preserving its sound financial standing in the long term. Several years ago, a General Fund Reserve Policy was finalized, incorporating requirements of Governmental Accounting Standards Board (GASB Statement No. 54). The policy outlines the City Council's formal commitment of amounts of fund balance to be set aside specifically for emergency contingencies, economic stabilization, and strategic pension contingencies. The policy also outlines assigned fund balances to ensure subsequent year funding of capital improvements, encumbrances, and community development services.

In accordance with the policy guidelines discussed above, as of June 30, 2021 the General Fund held a combined unrestricted fund balance (nonspendable, committed, assigned, and unassigned) of \$40.83 million or 68.8 percent of the 2020-21 General Fund operating budget. The total goal range for the City's unassigned fund balances is 43 to 55 percent of General Fund expenditures, though it is important to note that the budgeted expenditures were dramatically reduced in light of the aforementioned economic crisis and public health emergency while the fund balance was not proportionally affected despite a decline due to the use of a portion of the economic stabilization reserve.

Although reserves are available to provide temporary financing for extraordinary events such as an economic recession or localized disaster, the City must continue to distinguish between structural operating deficits and deficits resulting from temporary downturns in the economy or significant capital expenditures. Keeping these requirements and constraints in mind will remain essential for future budgeting cycles, and the City Council must remain prudent when balancing baseline services with current and future structural resources. In addition, infrastructure maintenance, comprehensive planning activities, technology upgrades, storm water programs, and standard City service delivery are all part of a comprehensive and sustainable fiscal plan for the City that must be considered as limited resources are allocated.

The City administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected and that adequate accounting data are compiled to prepare financial statements in conformity with GAAP. These internal controls include measures implemented during processes such as setting up new employees and vendors, entering and depositing payroll, paying vendors, handling cash, processing credit card payments and accessing bank accounts. In addition, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City's governing body. The City also maintains sound financial management through an encumbrance accounting system demonstrated by the statements and schedules included in the financial section of this report.

Furthermore, the City has established certain fiscal policies defining its long-term financial objectives. For example, the Cost Recovery/Subsidization Policy minimizes the unintentional subsidization of certain services by the General Fund, allowing general tax dollars to be available for greater public benefit. The City also maintains an Investment Policy, reviewed annually, defining (by limiting the types of investments permitted and providing guidelines for duration and diversification) the level of risk that is appropriate in the City's portfolio.

The City will continue to follow established cash management, accounting, budgetary, and risk management policies and processes essential to the City's long-term fiscal health. In addition, the strategic direction provided in the 5-Year Capital Improvement Plan and the General Plan will be used in the City's efforts to maintain a sustainable budget for the future.

Other Information

Purpose and Management Responsibility. The report consists of management's representations concerning the finances of the City of Menlo Park. Management assumes full responsibility for the completeness and reliability of all the information presented. To provide a reasonable basis for making these representations, management of the City of Menlo Park has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Menlo Park's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Statistical Section. Issued in May 2004, the Governmental Accounting Standards Board (GASB) Statement No. 44, Economic Condition Reporting: the Statistical Section, significantly changed the content and presentation of information reported in the statistical section of an annual comprehensive financial report. The new statistical section structure was developed to assist the reader in understanding financial trends, assessing the City's revenue capacity, gauging the affordability of outstanding debt, and understanding the environment in which the City's financial activities take place. Operating information is included to help the reader understand how the data in the City's financial report relate to services the City provides. Over time, the intent is to accumulate meaningful trend information useful in assessing performance.

Independent Audit. State statutes require an annual audit of the City's financial systems by independent certified public accountants. The accounting firm of Lance, Soll & Lunghard, LLP was selected by the City for this purpose. The auditors' report and unmodified opinion on the general purpose financial statements and combining and individual fund statements is included in the financial section of this report.

Awards and Acknowledgments. The Government Finance Officers' Association (GFOA) of the United States has 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. In order to receive this certificate, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, and satisfy both GAAP and applicable legal requirements. The award is valid for a period of one year. We believe our current report continues to meet the Certificate of Achievement Program's requirements.

Preparation of the Annual Comprehensive Financial Statements is not possible without the hard work of the entire Administrative Services Department. Of particular note, we would like to recognize Interim Finance and Budget Manager Patricia Barboza, Acting Senior Accountant Ying Chen, Accountant Ruru Tang, Accounting Assistant Melody Chau, Senior Accounting Assistant Angela Tran, Accounting Assistants Hannah Lee and Peggy Gibson, Management Analyst Barbara Tong, and Executive Assistant Nicole Casados for their extraordinary commitment to completing this document. We would also like to thank the City Council and the Finance and Audit Committee for their continued focus on fiscal sustainability which has positioned the City well to weather financial uncertainties.

Respectfully submitted,

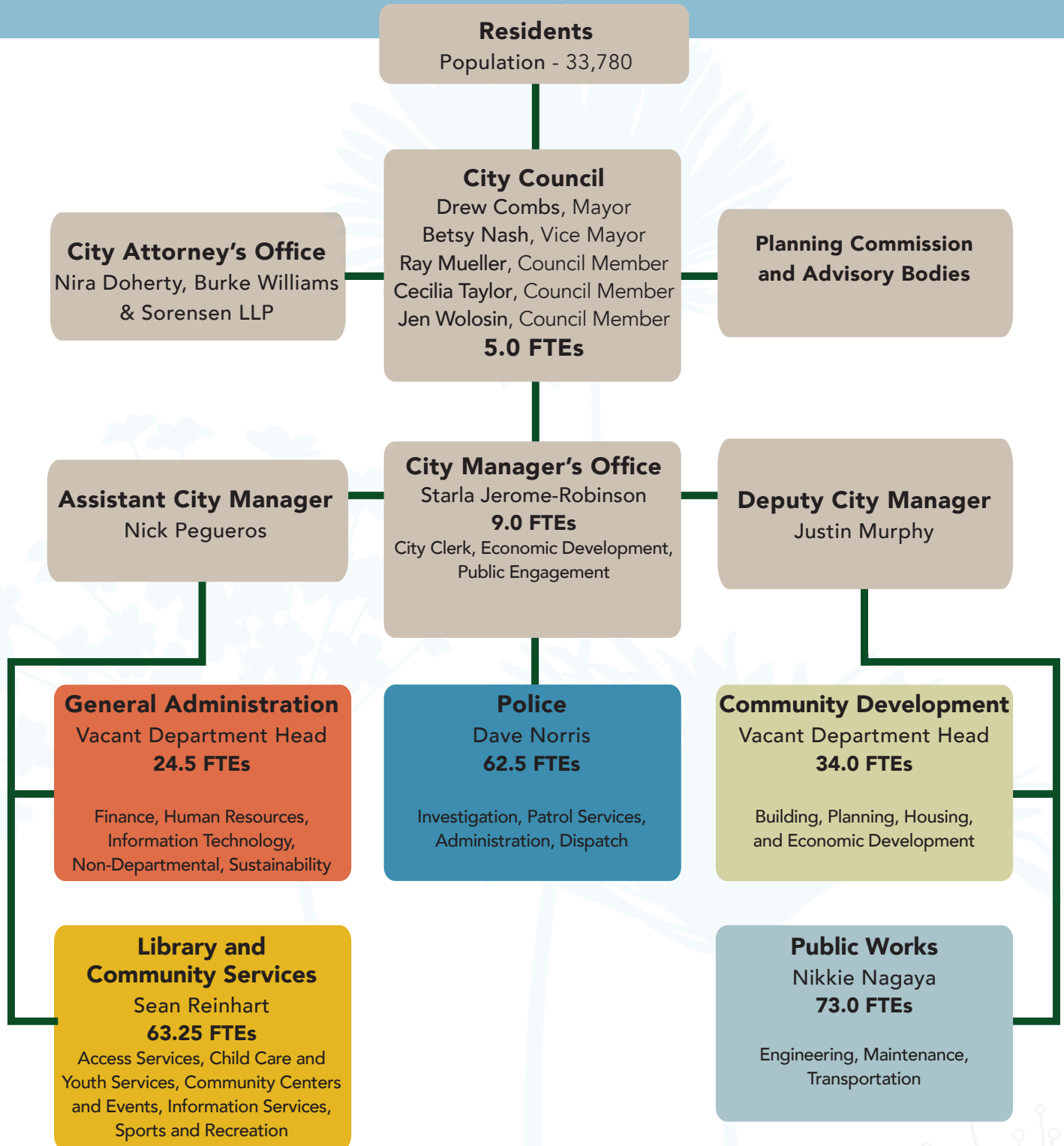
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Starla Jerome-Robinson
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Starla Jerome-Robinson
City Manager

DocuSigned by:
Nick Pegueros
7A264995A264408...

Nick Pegueros
Assistant City Manager

Organizational Chart



CITY OF MENLO PARK, CALIFORNIA

LIST OF CITY OFFICIALS

JUNE 30, 2021

CITY COUNCIL

Drew Combs, **Mayor**

Betsy Nash, **Vice Mayor**

Cecilia Taylor, Councilmember

Ray Mueller, Councilmember

Jen Wolosin, Councilmember

City Council appointed

City Manager.....Starla Jerome-Robinson
Interim City Attorney..... Nira Doherty

City Manager appointed

Assistant City Manager Nick Pegueros
City Clerk.....Judi Herren
Deputy City Manager..... Justin Murphy
Library and Community Services Director Sean Reinhart
Police ChiefDavid Norris
Public Engagement ManagerClay Curtin
Public Works Director..... Nikki Nagaya



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Menlo Park
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Menlo Park, California

Report on the Financial Statements

Opinions

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 City of Menlo Park, California, (the 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.

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 of Menlo Park, California, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



To the Honorable Mayor and Members of the City Council
City of Menlo Park, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.



To the Honorable Mayor and Members of the City Council
City of Menlo Park, California

Supplementary 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 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.

A handwritten signature in cursive script that reads "Lance, Solt & Lughard, LLP".

Sacramento, California
December 29, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2021

This section of the City of Menlo Park's Annual Comprehensive Financial Report provides a narrative overview of the City's financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter and accompanying Basic Financial statements

FINANCIAL HIGHLIGHTS

- The City's Net Position, an indicator of its overall financial state, increased by \$1.56 million to \$501.76 million
- Total revenues decreased by \$18.21 million to \$87.06 million and total expenses decreased by \$2.28 million to \$85.31 million
- General Fund revenues and other financing sources decreased by \$9.08 million to \$56.54 million while expenditures and other financing uses decreased by \$6.72 million to \$59.84 million
- The General Fund's combined unrestricted fund balance (nonspendable, committed, assigned, and unassigned) decreased by \$3.30 million to \$38.22 million

Government-Wide Financial Statement Highlights:

Net Position - The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at fiscal year ending June 30, 2021, by \$501.76 million, up 0.3% from prior year. Of this amount, \$33.23 million was reported as "unrestricted net position" and may be used to meet ongoing obligations.

Changes in Net Position – The City's total net position increased by \$1.56 million in fiscal year 2020–21. Net position of governmental activities decreased by \$3.44 million, which is due in large part to a decrease in cash and investments. Net position of the business-type activities increased by \$5 million, which is due to an increase in cash and investment and deferred outflow of resources reflecting the year's net gain for the Menlo Park Municipal Water District.

Long-term Debt - The City's total bonded debt obligations, Note 6, decreased by \$0.61 million during fiscal year 2020–21 due to the scheduled annual payment of principal balances of outstanding debt. The largest principal payment of \$0.41 million was made on the 2012 General Obligation Refunding Bonds, leaving a remaining balance for this obligation of \$6.32 million as of June 30, 2021. The 2009 Series A and B General Obligation Bonds were refunded in August 2019 and replaced by 2019 General Obligation Refunding Bonds at a lower total interest cost with an estimated net present value of savings of \$2.55 million. The outstanding balance of the 2019 General Obligation Refunding Bonds including premium as of June 30, 2021, was \$10.02 million.

All long-term debt shown on the Government-wide Financial Statements are general obligations funded by dedicated property tax revenue for the term of the debt service. In addition to the General obligations, the City serves as fiduciary for debt issued by the Successor Agency of the Las Pulgas Redevelopment Project area. As of June 30, 2021, the Successor Agency Trust Fund's outstanding debt was \$40.71 million. The County of San Mateo provides the Successor Agency Trust Fund with sufficient revenue on an annual basis to meet current year debt service requirements.

Fund Financial Statement Highlights:

Governmental Funds – As of the close of fiscal year 2020–21, the City's governmental funds reported a combined ending fund balance of \$154.97 million. This is a \$1.96 million decrease from the prior year, which is primarily the result of a decrease in cash and investments.

The total combined balance for governmental funds as of June 30, 2021, \$154.97 million, is classified into five categories of fund balance (nonspendable, restricted, committed, assigned, and unassigned) to provide the reader of these financial statements with a better understanding of the City's available resources as well as its plans to ensure fiscal stability in the near term. A detailed explanation of these categories can be found in Note 10 to the financial statements. Of the total, \$0.51 million is categorized as "nonspendable", \$79.75 million is "restricted", \$38.52 million is "committed", \$31.45 million is "assigned" and the remaining \$4.75 million is "unrestricted".

The City's largest and most active government fund is the General Fund which decreased in fiscal year 2020–21 by \$3.30 million compared to prior year. General Fund revenues, and transfers-in totaled \$56.54 million and expenditures/transfers out totaled \$59.84 million. This decrease is due to the economic crisis driven by the COVID-19 public health emergency, and the transfer of \$2.61 million to the Bayfront Mitigation Fund for public safety services that benefit the safety of the community, as approved by City Council. General Fund revenues and expenditures for the reporting period will be discussed in more detail later in the MD&A.

Proprietary Funds – The City maintains proprietary funds, enterprise and internal service funds, to account for activities that is financed and operated in a manner similar to private business enterprises.

Enterprise Fund – Enterprise funds are established to account for the financing of goods and services provided to external users. The water distribution operations of the Menlo Park Municipal Water District are the only enterprise activities of the City. As of the close of fiscal year 2020–21, the City's Water Fund reported an ending net position of \$43.48 million. This is a \$5.00 million increase from the prior year and is primarily the result of an increase in cash and investments.

Internal Service Funds – These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. As of the close of fiscal year 2020–21, the City’s internal service funds reported a combined ending net position of \$6.82 million. This is a \$0.30 million increase from the prior year and is primarily the result of a decrease in total liabilities.

City Highlights:

Total governmental fund revenues and other financing sources for 2020–21, as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances, were down \$19.98 million over fiscal year 2019-20. This decrease was driven by the General Fund, Below Market Rate Housing, and other Governmental Special Revenue Funds. Most major General Fund revenue categories experienced a decrease, with the largest decrease in charges for services category of \$3.91 million. This category was heavily affected by the stay-at-home order which suspended a number of recreation and culture services previously provided. Similarly, General Fund taxes decreased \$3.89 million, driven by the reduction in business and leisure travel and its pursuant impact on hotel occupancy taxes.

Governmental fund expenditures, excluding transfers, decreased approximately \$2.74 million in fiscal year 2020–21, compared to prior year. The decrease was driven in part by reduced manpower City-wide resulting in lower personnel costs compared to the prior year. Non-major governmental funds expenditures including transfers increased \$2.05 million with the largest increases in capital outlay.

DISCUSSION OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements, which are comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities and Changes in Net Position include information about the City as a whole and about its activities. These statements include all assets, deferred outflows of resources (if applicable), liabilities, and deferred inflows of resources (if applicable) of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.



These two statements report the City's overall net position and changes in that net position year-over-year. Net position is defined as the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, and this is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base, the condition of the City's roads and municipal buildings, and service offerings.

In the Statement of Net Position and the Statement of Activities and Changes in Net Position, City activities are separated as follows:

Governmental activities—Most of the City's basic services are reported in this category, including the General Government, Public Safety, Public Works, Culture and Recreation (including library services) and Community Development. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business-type activities—The City charges a fee to customers to cover the cost of water distribution services, including a surcharge for future capital improvements as necessary. The City's water system activities are the only activities reported in this category.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

Proprietary funds—When the City charges customers for the services it provides—whether to outside customers (enterprise funds) or to other units of the City (internal service funds)—these services are generally reported in proprietary funds. The City’s Water Fund is the single enterprise fund that accounts for the business-type activities reported in the government-wide statements. Five internal service funds account for administrative activities that are provided to other funds and departments on a cost-reimbursement basis. These are included as governmental activities in the government-wide statements. Together, these proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In addition, a statement of cash flows is provided.

Fiduciary funds—The City is the trustee, or fiduciary, for certain funds held in a trustee on behalf of individuals, private organizations, other governments, and/or other funds. The City’s fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City’s other financial statements because the City cannot use these funds’ assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information providing a budgetary comparison schedule for the General Fund and all major funds. It also includes a schedule of funding for the employee pension plan, as well as the other post-employment benefit plan.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position combines and consolidates government funds’ current financial resources (short-term spendable resources) with capital assets and long-term obligations. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special and extraordinary items, and total assets are presented in the Statement of Activities. Both statements are condensed below for purposes of this analysis.

City of Menlo Park's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Current Assets	\$ 148,980,199	\$ 164,099,184	\$ 23,955,121	\$ 20,201,226	\$172,935,320	\$ 184,300,410
Noncurrent Assets	34,203,556	18,575,823	-	-	34,203,556	18,575,823
Capital Assets	366,235,302	366,053,740	22,123,229	21,497,250	388,358,531	387,550,990
Total Assets	549,419,057	548,728,747	46,078,350	41,698,476	595,497,407	590,427,223
Deferred Outflows of Resources	15,580,300	15,195,763	443,834	384,726	16,024,134	15,580,489
Current Liabilities	18,552,026	15,731,064	1,112,966	1,773,459	19,664,992	17,504,523
Noncurrent Liabilities	85,992,855	82,329,908	1,925,025	1,770,064	87,917,880	84,099,972
Total Liabilities	104,544,881	98,060,972	3,037,991	3,543,523	107,582,872	101,604,495
Deferred Inflows of Resources	2,174,287	4,142,107	7,034	62,695	2,181,321	4,204,802
Net Investments in Capital Assets	349,970,057	349,179,690	22,123,229	21,497,250	372,093,286	370,676,940
Restricted	79,745,683	77,029,948	16,692,292	14,597,745	96,437,975	91,627,693
Unrestricted	28,564,449	35,511,793	4,661,638	2,381,989	33,226,087	37,893,782
Total Net Position	\$ 458,280,189	\$ 461,721,431	\$ 43,477,159	\$ 38,476,984	\$501,757,348	\$ 500,198,415

Source: Audited Fin. St. pg - 27

The City's programs for governmental activities include General Government, Public Safety, Public Works, Culture and Recreation, Community Development, and urban development and housing. The programs for the business-type activities consist of water services provided by the Menlo Park Municipal Water District.

As noted earlier, the City as a whole has net position of \$501.76 million. The largest portion of the City's net position (\$372.09 million, approximately 74 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, 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 that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (\$96.44 million, 19 percent) represents resources that are subject to external restrictions on how they may be utilized. The remaining balance of unrestricted net assets (\$33.23 million, 7 percent) may be used to meet the government's ongoing obligation to citizens and creditors, a decrease of \$4.67 million compared to prior year due primarily to a decrease in cash and investments.

Total net position of the City increased \$1.56 million in the fiscal year ended June 30, 2021. This was primarily related to an increase in the Business-type Activities cash position.

City of Menlo Park's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenues:						
Program Revenues:						
Charges for Services	\$ 17,698,611	\$ 26,792,717	\$ 15,057,913	\$ 14,870,751	\$ 32,756,524	\$ 41,663,468
Operating Grants and Contributions	4,033,649	3,695,265	-	-	4,033,649	3,695,265
Capital Grants and Contributions	1,050,000	-	-	-	1,050,000	-
General Revenue:						
Property Taxes	28,146,419	28,478,935	-	-	28,146,419	28,478,935
Sales Taxes	6,659,717	6,922,306	-	-	6,659,717	6,922,306
Transient Occupancy Taxes	3,253,778	7,283,528	-	-	3,253,778	7,283,528
Other Taxes	8,723,361	9,168,081	-	-	8,723,361	9,168,081
Investment Earnings	1,432,099	6,364,737	126,115	698,787	1,558,214	7,063,524
Miscellaneous	875,372	995,603	-	-	875,372	995,603
Total Revenues	71,873,006	89,701,172	15,184,028	15,569,538	87,057,034	105,270,710
Expenses:						
General Government	10,328,218	11,877,351	-	-	10,328,218	11,877,351
Public Safety	20,217,575	21,487,258	-	-	20,217,575	21,487,258
Public Works	23,291,709	21,656,255	-	-	23,291,709	21,656,255
Culture and Recreation	12,574,141	15,184,705	-	-	12,574,141	15,184,705
Community Development	7,089,783	6,506,060	-	-	7,089,783	6,506,060
Urban Development and Housing	1,029,176	590,764	-	-	1,029,176	590,764
Interest on Long-term Debt	820,644	527,161	-	-	820,644	527,161
Water Operations	-	-	9,953,853	9,752,931	9,953,853	9,752,931
Total Expenses	75,351,246	77,829,554	9,953,853	9,752,931	85,305,099	87,582,485
Inc/Dec in Net Position before Transfers	(3,478,240)	11,871,618	5,230,175	5,816,607	1,751,935	17,688,225
Transfers	230,000	223,000	(230,000)	(223,000)	-	-
Changes in Net Position	(3,248,240)	12,094,618	5,000,175	5,593,607	1,751,935	17,688,225
Net Position - Beginning of the Year, as restated	461,528,429	449,626,813	38,476,984	32,883,377	500,005,413	482,510,190
Net Position - End of the Year	\$ 458,280,189	\$ 461,721,431	\$ 43,477,159	\$ 38,476,984	\$501,757,348	\$ 500,198,415

Source: Audited Fin. St. pg – 28 & 29

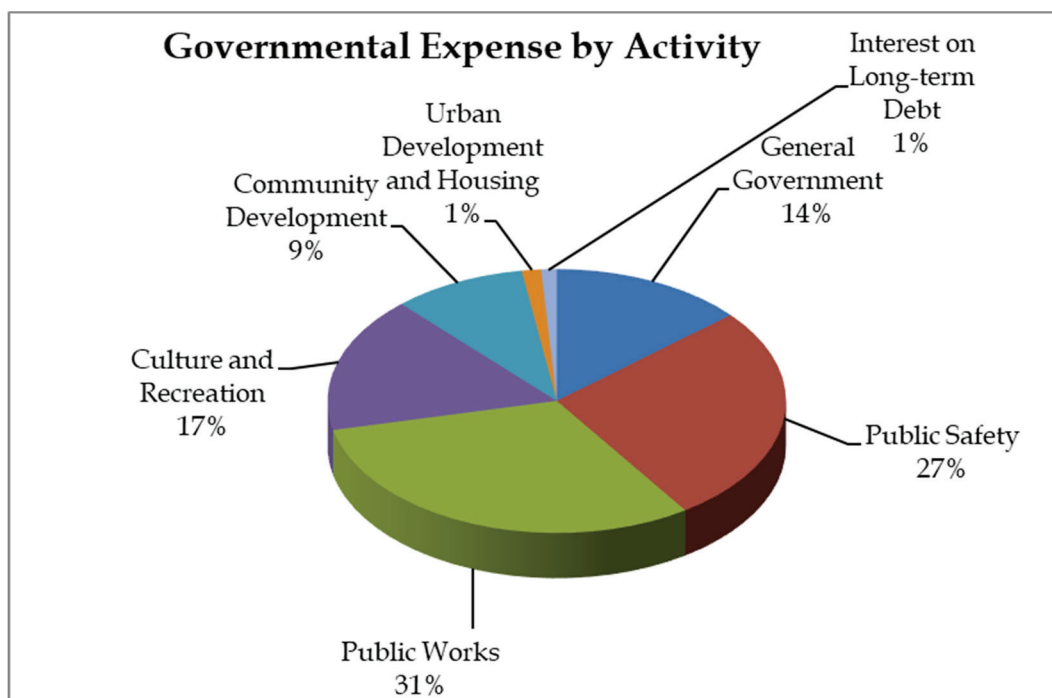
Governmental Activities

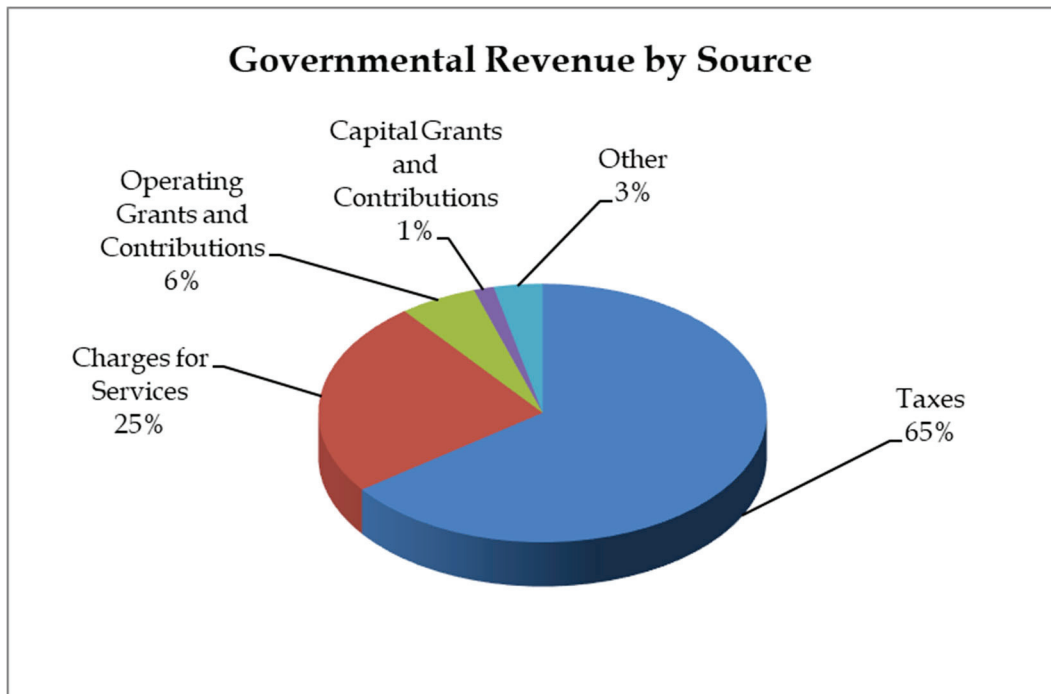
Total governmental activities decreased the City of Menlo Park's net position by \$3.44 million, as overall revenues closed the year well below expenses. Governmental Activities revenues and expenses were down in fiscal year 2020–21 over fiscal year 2019–20, with revenues decreased by \$17.83 million and expenses decreased by \$2.48 million.

Revenues decreased in fiscal year 2020–21 by \$17.83 million due to decreases in charges for services by \$9.09 million and transient occupancy taxes by \$4.03 million. Property taxes had a slight decrease in revenue of \$0.33 million. Transient occupancy taxes decreased as a result of the stay-at-home order and the global health emergency resulting from the novel coronavirus. Charges for services were similarly impacted by the stay-at-home order, reducing recreation and culture services and temporarily halting development revenues such as plan check fees.

Expenses decreased in fiscal year 2020–21 by \$2.48 million due to reduction in staffing throughout the City, number of fulltime employees went down from 286.75 to 244.75 and reduction of other expenditures City-wide.

The following charts of expenses and sources of funding for the City’s various governmental activities have been derived from the Statement of Activities and Changes in Net Position. The first pie chart reflects expenses incurred in each area as a percentage of the total expense of governmental activities (\$75.35 million in fiscal year 2020–21). The second pie chart reflects the sources of funding available to cover the expenses of the governmental activities (\$7187 million in fiscal year 2020–21). After applying program revenues (charges for services, grants, and contributions) to the cost of governmental activity programs, remaining expenses must be funded out of the City’s general revenues – primarily taxes and investment earnings. Areas with the highest program revenues (i.e., Public Works, Culture and Recreation, and Community Development) are able to offset relatively more costs than activities that have fewer opportunities to derive program revenues (such as Public Safety). In total, program revenues covered 30 percent of governmental activity expenses in fiscal year 2020–21, which is lower by 5 percent when compared to fiscal year 2019–20.





Business Type Activities

The final net position for business-type activities in fiscal year 2020–21 was \$43.48 million. Total program revenues for business-type activities (operation of the Menlo Park Municipal Water District) were \$15.18 million, which consisted solely of charges for services related to water usage and investment earnings. Total expenses excluding transfers for the business-type activities were \$9.95 million during fiscal year 2020–21, nearly all of which were related to water operations. Overall net position increased by \$5 million in 2020–21.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

Major Fund Balances – Governmental Funds

A key function of fund accounting is to segregate resources. In order to reduce frustration when different individual funds are combined for financial reporting purposes and because it is common for governments to have too many funds to include information on each individual fund within the basic financial statements, Major Fund reporting was implemented with Government Accounting Standards Board (GASB) Statement 34. Each major individual fund is required to be presented separately and all non-major governmental funds to be aggregated into a single other governmental fund category. The General Fund is always considered a major fund. The criteria to determine what other funds must be reported as a major fund are:

- Ten percent criterion. An individual fund reports at least 10 percent of any of the following:
 - total governmental fund assets,
 - total governmental fund liabilities,
 - total governmental fund revenues, or
 - total governmental fund expenditures.

- Five percent criterion. An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any one of the items for which it met the 10 percent criterion.

There are four additional major funds in the Governmental Funds category, with the City electing to include the Transportation Impact Fee Fund and the Measure T Debt Service fund, in addition to those meeting the aforementioned criteria. Below is a table with a comparison of the fund balance for each of these five funds, as well as the non-major funds in aggregate, at June 30, 2021 and June 30, 2020.

<u>Governmental Fund Balances</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Positive (Negative) Change</u>
General Fund	\$ 38,220,366	\$ 41,521,322	\$ (3,300,956)
Below Market Rate Housing Fund	31,072,605	31,313,226	(240,621)
Transportation Impact Fees Fund	7,296,521	7,703,953	(407,432)
General Capital Improvement Project Fund	26,046,878	25,769,497	277,381
Measure T Debt Services	3,806,813	2,951,714	855,099
Other Governmental Funds	<u>48,531,714</u>	<u>47,672,027</u>	<u>859,687</u>
TOTAL	<u><u>\$ 154,974,897</u></u>	<u><u>\$ 156,931,739</u></u>	<u><u>(1,956,842)</u></u>

Source: Audited Fin. St. 34 & 35

General Fund Balance

As noted, the General Fund is always one of the major governmental funds and is the primary operating fund of the City. Most City services are accounted for in the General Fund, including most public safety, public works, parks and community services, library, planning and community development, and general government.

At the end of the fiscal year 2020–21 reporting period, the fund balance of the City’s General Fund was \$38.22 million, a decrease of \$3.30 million from the prior year. Of the \$38.22 million General Fund balance as of June 30, 2021, \$0.46 million of the fund balance was categorized as “nonspendable”, an increase from prior year and representing prepayments. In addition to the nonspendable category, the City’s General Fund Reserve Policy sets aside (“committed” fund balance) \$10.30 million for emergency contingencies, \$14 million to mitigate the effects of major economic uncertainties, and \$4.65 million for strategic pension funding opportunities. The pension-related reserve is slated to grow when the General Fund achieves a net operating surplus in a given year. The reserve policy affirms the Council’s desire to limit use of General Fund balances to address unanticipated, one-time needs or opportunities, and establishes a goal range for the City’s unrestricted fund balance (including commitments and assignments of fund balance) of 43-55 percent of General Fund expenditures. As of June 30, 2021, the City’s General Fund unrestricted fund balance equaled 65 percent of the fund’s budgeted fiscal year 2020–21 expenditures, including transfers.

Below Market Rate Housing Fund Balance

The Below Market Rate Housing (BMR) Fund became a major fund for financial statement purposes starting in fiscal year 2011-12, based on the assets of the fund relative to the City's total governmental fund assets. The BMR Housing Program was established in 1987 to increase the housing supply for people who live and/or work in Menlo Park and have limited income per the limits established by San Mateo County. The program requires the provision of BMR units or in-lieu fees for certain development projects. State law requires that all BMR in-lieu fees be committed to affordable housing development within five years of collection. During the 2020–21 fiscal year, the fund had revenue that included \$0.41 million of BMR in-lieu fees and \$0.27 million in interest on outstanding loans and interest earnings from resources held in cash and investments. The fund had expenditures of \$0.92 million for the overall administration of the BMR program and for maintenance and rehabilitation work on various properties.

At June 30, 2021, the BMR Housing Fund balance was \$31.07 million. While this amount is significant, it is not all available for use on new BMR housing projects. Included in the fund balance are assets totaling \$24.61 million held as receivables or loans provided to non-profit affordable housing developers. When deducted from the fund balance, the available balance for projects in future fiscal years is approximately \$6.46 million. The reduction of cash and investments in fiscal year 2020-21 is due to funding the acquisition of a Senior Loan agreement to HIP Housing Development Corporation for the acquisition of 6-8 Coleman place for \$5.5 million; \$0.64 million for the acquisition of 1105 and 1141 Willow Road to EPA Woodland for the rehabilitation of six residential units restricted for low-income households; and \$9.33 million loan to MidPen Gateway for the construction and improvement of Menlo Gateway development.

Transportation Impact Fees Fund Balance

Instituted in 2009 in response to increased development and allowing a study to determine the nexus between development and increased transportation needs, the Transportation Impact Fees is assessed on developers through Menlo Park Municipal Code section 13.26 for the purpose of mitigating the transportation impact of new development projects. Similar to the Below Market Rate Housing Fund, State law requires that payments made to this fund be committed to reducing the effects of development on transportation within five years of collection. The designation of the Transportation Impact Fee Fund as a major fund since 2016 demonstrates a significant source of funding for transportation-related projects. In fiscal year 2020-21, the fund had revenue of \$0.39 million including payment made by developers and interest earnings from fund balance. The fund had expenditures of \$0.79 million on project related to transportation. This increase in fund balance is not irregular as funds are accumulated over several years and then spent on large-scale projects.

General Capital Improvement Project Fund Balance

The General Capital Improvement Project Fund is also a major fund for financial statement purposes, based on the relative amount of assets in the fund. In fiscal year 2020–21, fund expenditures were \$3.36 million and included work on major projects such as new sidewalks, downtown streetscape improvements, and improvements to City buildings. Total fund balance increased \$0.28 million from prior fiscal year. While the revenues over expenditures for this fund were a negative \$2.83 million, the fund received a substantial planned fund transfer from the General Fund to significantly offset the deficit between revenue and expenditures and prepare for expenditures planned in future fiscal years. With the \$3.10 million of transfers in from other funds, the ending fund balance as of June 30, 2021 was \$26.05 million. The accumulation in fund balance in this single year is not irregular and various City Council approved projects will result in the fund balance being fully expended over time.

Measure T Debt Service Fund Balance

The City of Menlo Park is authorized by the laws of the State of California to issue general obligation bonds to finance the construction of municipal improvements. The purpose of Measure T was to renovate and expand the City's parks and recreation facilities, and authorized to issue \$38,000,000 in General Obligation Bonds phased over several years for the construction, acquisition and improvement of such facilities. Election was held on November 6, 2001 to authorize the sale of up to thirty eight million dollars in bonds. The first issuance of the General Obligation Bonds, Series of 2002 was \$13,245,000. On July 2009, the City issued a second series of the Measure T General Obligation Bonds in the amount of \$10,440,000. The financing was used to fund new construction facilities, specifically a new gymnasium and new gymnastic center on the Burgess campus. The decision to include build America Bonds (BABs) in the financing allowed the City to generate additional \$1,049,000 over the tax-exempt bonds. The series A (Tax Exempt) Bonds totaled \$1,080,000. The series B (Taxable build America) totaled \$9,360,000.

In September 2019, the City issued \$9,640,000 in 2019 General Obligation Refunding Bonds for the purpose of refunding at lower interest rates the City's Outstanding Series 2009 General Obligation Bonds.

Measure T Debt Service Fund revenue for fiscal year 2020-21 excluding the refunding bonds and premium was \$1.98 million compared to 1.59 million in fiscal year 2019-20, an increase of \$0.39 million dollars. Expenditures for fiscal year 2020-21 excluding the payment of refunded bond was \$1.13 million compared to \$1.40 million, a decrease of \$0.27 million. The net change in fund balance is \$855,099 in part due to the refunding of the 2009 General Obligation Bonds.

Other Governmental Funds Balances

At the end of the 2020–21 fiscal year, the total fund balance of the City's 36 other non-major governmental funds was \$45.92 million. This represents a decrease of \$1.75 million when compared to prior fiscal year and which is discussed in more detail below.

The fund balances consist of 33 special revenue funds, 1 debt service funds, and 2 capital projects funds. Within the special revenue funds, fifteen fund balances increased over the course of the fiscal year, while sixteen experienced a decrease, and two remained the same. The largest fund balance increases were the Bayfront Area Fund, \$1.86 million and, the Downtown Public Amenity Fund, \$1.05 million. Both funds are utilized to fund capital infrastructure projects, and as such, large fluctuations in fund balance year-over-year are not uncommon as revenues can accumulate over several years to ensure adequate funding for large projects. The largest decrease in fund balance was experienced in the Construction Impact Fees Fund with a \$4.49 million decline, attributed to capital investment in transportation, streets and roads-related projects.

Proprietary Funds

Proprietary Funds are comprised of enterprise funds and internal service funds. The City has one enterprise operation, which is the Water Fund. An enterprise fund accounts for activities that are financed and operated in a manner similar to private business enterprises. The Menlo Park Municipal Water District (MPMWD) is a self-supporting enterprise in which the sale of water to customers generates the revenue needed to support the operations and capital needs of the district.

The Water Fund accounts for water supplied to the approximately 4,300 customers of the MPMWD. The net position of the fund at June 30, 2021 was \$43.48 million, an increase of \$5 million from the prior fiscal year. Revenue from water sales increased \$0.19 million in fiscal year 2020–21 compared to prior fiscal year while expenses including transfers also increased modestly by \$0.19 million.

Internal Service Funds

The City uses internal service funds to account for five major administrative activities: Workers' Compensation Insurance, General Liability Insurance, Retiree Medical Benefits, Information Technology, and Vehicle Replacement. Separation of these programs from the General Fund allows for better tracking and allocation of the costs associated with these "overhead" activities and provides a mechanism for funding those costs in the year incurred.

The Vehicle Replacement Fund collected charges for services of \$0.60 million in fiscal year 2020–21 for the cost of anticipated vehicle replacements. As of June 30, 2021, the Fund's net position is \$3.56 million. The Workers' Compensation Insurance Fund collected charges for services in the amount of \$0.91 million. The net position of the Workers' Compensation Insurance Fund had been negative in prior years but as of June 30, 2021, was \$0.60 million. The General Liability Fund collected charges for services in the amount of \$0.88 million and expenses in the amount of \$1.05 million with a negative net position of \$0.55 million.

The Other Post Employment Benefits Fund was created in 2008-09 for the sole purpose of providing contributions to the California Employers Retiree Benefits Trust (CERBT), the funding vehicle for the City's long-term obligations under its retiree medical benefits program. \$9.2 million was sufficient to fund the accumulated liability of these benefits in fiscal year 2007-08. Going forward, the amount of the contributions are generated as a percentage-of-payroll charge, actuarially calculated to reflect full funding of the normal (annual) cost of these benefits. In fiscal year 2020–21 these costs offset from the reimbursement of expenses from the State, while charges for services amounted to \$0.32 million. Overall the Fund had a net position of \$1.30 million at the end of the fiscal year.

The information technology internal service fund is the most active of all internal services with staff to support the vast majority of technological needs of the organization. Charges for services in this fund totaled \$2.88 million offset by expenses of \$2.92 million in fiscal year 2020–21. As of June 30, 2021, the fund's net position is \$1.90 million.

Fiduciary Operations

Fiduciary Fund Financial Statements are presented in the Basic Financial Statements separately from the Government-Wide Financial Statements. As of June 30, 2021, the only fiduciary fund was the Redevelopment Obligation Retirement fund discussed below.

A new private-purpose trust fund was established in 2011-12 to account for the activities related to the dissolution of the former Redevelopment Agency of the City of Menlo Park. As previously discussed, the former redevelopment agency was eliminated by State law as of February 1, 2012. All assets and obligations (including long-term debt) of the former agency were transferred to the City, as Successor Agency, as of that date. Housing loans are reported as assets in that governmental fund, but all other assets and liabilities are held in trust capacity in a fiduciary fund. Unlike agency funds, trust funds report an "income statement". As such, the activity of the Successor Agency Trust from 2020–21 is reported in the Statement of Changes in Fiduciary Net Position. Because the transferred debt exceeded the transferred assets of the former agency when this trust was established, the fund ended the 2011-12 fiscal year with a negative net position of \$26.84 million. Continued disposition of assets of the former redevelopment agency in led to extraordinary losses in the amount of \$17.15 million in 2012-13 and \$7.37 million in 2013-14. As of June 30, 2021, the fund's net position was a negative \$23.96 million, a positive improvement over the June 30, 2020, net position by \$3.13 million. For additional information on this trust fund, please see Notes 6 and 16 to the financial statements. It is important to note, however, that because the net negative position is primarily a function of long-term liabilities (debt service), which will be paid by future property tax revenues in the former redevelopment project area, there is no impact on the primary government's current or future financial position.

DEBT ADMINISTRATION

As of June 30, 2021, the City's debt obligations were comprised of General Obligation Bonds. The City's two voter approved "Measure T" general obligation bonds had a balance of \$16.29 million as of June 30, 2021. Of this amount, \$6.32 million is outstanding on the 2012 General Obligation Bond refunding. In August 2019, the City refunded the series 2009 A and 2009 B General Obligation Bonds and issued 2019 General Obligation Refunding Bonds with \$9.47 million outstanding. The refunding is expected to produce a net present value of savings of \$2.55 million. For more information, see Note 6 to the financial statements. As of June 30, 2021, the 2019 General Obligation Refunding Bonds including bond premium outstanding balance is \$10.02 million.

City of Menlo Park - Outstanding Debt			
As of June 30, 2020 and 2021			
	<u>2020-21</u>	<u>2019-2020</u>	<u>Increase/ Decrease</u>
<u>Governmental Activities - Public Offerings</u>			
2012 General Obligation Refunding Bonds	\$ 6,315,000	\$ 6,725,000	\$ (410,000)
Discount on 2012 General Obligation Bonds	(38,708)	(42,394)	3,686
2019 General Obligation Refunding Bonds	9,465,000	9,640,000	(175,000)
Premium on 2019 General Obligation Bonds	553,203	582,319	(29,116)
	<u>\$ 16,294,495</u>	<u>\$ 16,904,925</u>	<u>\$ (610,430)</u>
<u>Fiduciary Activities - Public Offerings</u>			
2015 Las Pulgas Project Tax Allocation Bonds	\$ 35,365,000	\$ 38,760,000	\$ (3,395,000)
Premium on 2015 Las Pulgas Project Tax Allocation Bonds	5,347,044	5,976,108	(629,064)
	<u>\$ 40,712,044</u>	<u>\$ 44,736,108</u>	<u>\$ (4,024,064)</u>

In October 2015, the City's Community Development Agency issued Tax Allocation Refunding Bonds in a par amount of \$60.3 million for the purpose of refunding at lower interest rates outstanding 2006 Las Pulgas Project Tax Allocation Bonds. The original bonds had been issued to finance capital projects of benefit to the Las Pulgas Community Development Project Area. With the dissolution of redevelopment agencies in 2012, this bonded debt is no longer reported in the Government Wide Financial Statements. These obligations are included in Fiduciary Fund Financial Statements. The outstanding balance of the 2015 Las Pulgas Project Tax Allocation Bonds and premium as of June 30, 2021, is \$40.71 million a decrease of 9% from prior fiscal year. Additional information on the City's long-term debt can be found in Note 6 of this report.

As disclosed in the Note 14 to the Basic Financial Statements, a liability has been recorded to reflect the City's obligation to provide post-closure care of the landfill at Bayfront Park. Although the City has established a revenue stream to fund landfill post-closure care, governmental accounting standards require the calculation and recording of the liability associated with this activity. The liability as of June 30, 2021 is estimated at \$2.39 million.

CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2021 and 2020 is presented below.

City of Menlo Park - Capital Assets (Net of Accumulated Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Land	\$ 199,998,884	\$ 199,998,884	\$ 1,066,454	\$ 1,066,454	\$ 201,065,338	\$ 201,065,338
Land improvement	32,956,478	32,921,636	-	-	32,956,478	32,921,636
Construction in progress	9,337,666	7,308,386	11,080,457	10,144,668	20,418,123	17,453,054
Buildings	52,521,922	54,225,441	5,096,091	5,266,384	57,618,013	59,491,825
Shared use facilities	1,404,000	1,508,000	-	-	1,404,000	1,508,000
Equipment	3,415,037	3,719,418	28,875	38,096	3,443,912	3,757,514
Other improvement	7,616,906	8,260,456	-	-	7,616,906	8,260,456
Infrastructure	58,984,409	58,111,519	4,851,352	4,981,648	63,835,761	63,093,167
Total	<u>\$ 366,235,302</u>	<u>\$ 366,053,740</u>	<u>\$ 22,123,229</u>	<u>\$ 21,497,250</u>	<u>\$ 388,358,531</u>	<u>\$ 387,550,990</u>

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2021 and 2020 amounts to \$372.09 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The City's capital assets net of accumulated depreciation (Note 4) totaled \$388.36 million for fiscal year 2020–21. This amount is reduced by accumulated depreciation charges of \$8.20 million and net retirements of assets totaling \$0.43 million. The total increase in the City's investment in capital assets net of depreciation for the current fiscal year was \$0.81 million. Most of the increase can be credited to infrastructure assets still in construction in progress. Detailed information on the City's capital assets can be found in Note 4 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2020–21 fiscal year amended budget for the General Fund reflected an operating income of \$3.76 million with revenue totaling \$59.35 million and expenditures totaling \$55.59 million. The adopted revenue and expenditures budgets were increased in November 2020. The budget was amended to increase the revenue by \$3.95 million and expenditures by \$2.23 million due to the allocation of carry-over capital improvement plan projects and to allocate the Federal Stimulus Cares – Corona Virus Aid, Relief and Economic Security Act distribution from State as reimbursement for COVID-19 pandemic expenditures. At the end of fiscal year 2020–21, however, expenditures including transfers exceeded revenues resulting in an operating deficit of \$5.31 million and reducing the fund balance by \$3.30 million, due to the transfer of \$2.61 million to the Bayfront Mitigation Fund for public safety purposes.

General Fund Revenues

The General Fund experienced a year-over-year revenue decline for the first time in seven years. Overall, revenues, including transfers and asset sales, totaled \$56.54 million, which was a \$9.08 million decline over the prior fiscal year. Property taxes experienced a slight decline of \$0.33 million, and sales taxes declined by \$0.26 million, transient occupancy tax by \$4.03 million and charges for services by \$3.91 million both saw dramatic declines due to the public health emergency and stay-at-home order intended to blunt its effects.

General Fund Expenditures

Total General Fund expenditures, excluding transfers out, totaled \$53.96 million and were 9.2 percent lower than fiscal year 2020–21. This decrease was experienced primarily in personnel costs due to reduction of employees City-wide.

DEFINED BENEFIT PENSION PLAN

The City contracts with the California Public Employee Retirement System (CalPERS) to provide defined benefit pension plans to its regular employees, who do not participate in or earn service credit from Social Security during the course of their employment. This defined benefit plan includes ongoing costs and represents a substantial portion of the total personnel costs to provide service to the community, costs which are split between the City and its employees. Within this system, the total value of all earned future payments is the total pension liability while plan assets, plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources, is the plan fiduciary net position. The difference between these two measures is the net pension liability/(asset). Plans differ between safety positions, or sworn peace officers, and miscellaneous positions, or all other regular positions citywide. As of June 30, 2021 (measurement date 2020), the total liability across plans is \$256.04 million, fiduciary net position across plans totals \$190.41 million, and net pension liability totals \$65.63 million. The fiduciary net position as a percentage of total liability is 74.4 percent. More information about the defined benefit pension plan is available in Note 12 of this report.

Plan Type	Total Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Fiduciary Net Position as Percentage of Total Liability
Miscellaneous	\$ 149,485,590	\$ 113,356,624	\$ 36,128,966	75.8%
Safety	106,554,808	77,057,708	29,497,100	72.3%
TOTAL	\$ 256,040,398	\$ 190,414,332	\$65,626,066	74.4%

ECONOMIC CONDITION AND OUTLOOK

The City’s financial outlook remains sound despite the difficulties brought on by the novel coronavirus and the ensuing public health emergency and economic crisis. Property values remain high and, at 50 percent of total General Fund revenue, remain a reliable resource to support City operations. While other revenue sources, including charges for services and transient occupancy tax, have seen dramatic declines due to the pandemic, the swift but painful action taken by the City Council to align service levels with structural resources allows the City to maintain very strong levels of reserves and can look toward restoration of services in future periods as supporting resources return.

Staff will continue to monitor the long-term budget situation, both locally and at the State level, to keep the City Council informed of critical economic events that may impact the sustainability of the City’s spending plan. Further, staff will continue to be proactive in developing plans to promote economic development in the City, aggressively pursue grant funding for significant infrastructure improvements, and continually assess the City’s operations and service delivery models to achieve efficiencies where possible.

While in an enviable financial position considering the ongoing economic uncertainty, the City must continue to focus its efforts on priority fiscal initiatives such as adequate funding of infrastructure, careful comprehensive planning, and optimization of business and residential development opportunities. Further, as new long-term needs are identified, the appropriate resources to meet those needs must also be identified. And finally, the City must maintain financial flexibility to ensure it is able to continue to quickly respond changes in the economy and major revenue sources as evidenced by the current uncertain and unprecedented situation.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Menlo Park Administrative Services Department, 701 Laurel Street, Menlo Park, California 94025.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF MENLO PARK

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Current Assets:			
Pooled cash and investments	\$ 137,474,678	\$ 22,316,288	\$ 159,790,966
Receivables:			
Accounts	3,399,749	1,550,895	4,950,644
Accrued interest	476,805	87,938	564,743
Prepaid costs	1,390,037	-	1,390,037
Due from other governments	2,584,057	-	2,584,057
Land held for resale	3,640,419	-	3,640,419
Restricted assets:			
Cash with fiscal agent	14,454	-	14,454
Total Current Assets	<u>148,980,199</u>	<u>23,955,121</u>	<u>172,935,320</u>
Noncurrent Assets:			
Notes and loans	30,339,508	-	30,339,508
Net OPEB Asset	3,864,048	-	3,864,048
Capital assets not being depreciated	242,293,028	12,146,911	254,439,939
Capital assets, net of depreciation	<u>123,942,274</u>	<u>9,976,318</u>	<u>133,918,592</u>
Total Noncurrent Assets	<u>400,438,858</u>	<u>22,123,229</u>	<u>422,562,087</u>
Total Assets	<u>549,419,057</u>	<u>46,078,350</u>	<u>595,497,407</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	29,250	-	29,250
Pension related amounts	14,895,803	443,834	15,339,637
OPEB related amounts	<u>655,247</u>	<u>-</u>	<u>655,247</u>
Total Deferred Outflows of Resources	<u>15,580,300</u>	<u>443,834</u>	<u>16,024,134</u>
Liabilities:			
Current Liabilities:			
Accounts payable	6,595,411	944,547	7,539,958
Accrued liabilities	2,152,445	51,595	2,204,040
Accrued interest	532,678	-	532,678
Unearned revenue	988,168	-	988,168
Deposits payable	4,530,358	67,001	4,597,359
Compensated absences due in one year	1,806,712	49,823	1,856,535
Claims payable due in one year	951,766	-	951,766
Landfill postclosure care due in one year	469,488	-	469,488
Bonds payable due in one year	<u>525,000</u>	<u>-</u>	<u>525,000</u>
Total Current Liabilities	<u>18,552,026</u>	<u>1,112,966</u>	<u>19,664,992</u>
Noncurrent liabilities:			
Compensated absences due in more than one year	1,679,640	46,319	1,725,959
Claims payable due in more than one year	2,871,217	-	2,871,217
Landfill postclosure care due in more than one year	1,925,143	-	1,925,143
Bonds payable due in more than one year	15,769,495	-	15,769,495
Net pension liability	<u>63,747,360</u>	<u>1,878,706</u>	<u>65,626,066</u>
Total Noncurrent Liabilities	<u>85,992,855</u>	<u>1,925,025</u>	<u>87,917,880</u>
Total Liabilities	<u>104,544,881</u>	<u>3,037,991</u>	<u>107,582,872</u>
Deferred Inflows of Resources:			
Pension related amounts	1,244,051	7,034	1,251,085
OPEB related amounts	<u>930,236</u>	<u>-</u>	<u>930,236</u>
Total Deferred Inflows of Resources	<u>2,174,287</u>	<u>7,034</u>	<u>2,181,321</u>
Net Position:			
Net investment in capital assets	349,970,057	22,123,229	372,093,286
Restricted for:			
Community development projects	39,184,406	-	39,184,406
Special projects	15,803,825	-	15,803,825
Capital projects	20,590,395	16,692,292	37,282,687
Debt service	4,167,057	-	4,167,057
Unrestricted	<u>28,564,449</u>	<u>4,661,638</u>	<u>33,226,087</u>
Total Net Position	<u>\$ 458,280,189</u>	<u>\$ 43,477,159</u>	<u>\$ 501,757,348</u>

CITY OF MENLO PARK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 10,328,218	\$ 6,008,212	\$ 435,286	\$ -
Public safety	20,217,575	1,180,552	172,021	-
Community development	7,089,783	3,911,680	351,621	-
Culture and recreation	12,574,141	1,283,856	1,483,685	-
Public works	23,291,709	4,801,776	1,591,036	1,050,000
Urban development and housing	1,029,176	512,535	-	-
Interest on long-term debt	820,644	-	-	-
Total Governmental Activities	75,351,246	17,698,611	4,033,649	1,050,000
Business-Type Activities:				
Water Fund	9,953,853	15,057,913	-	-
Total Business-Type Activities	9,953,853	15,057,913	-	-
Total Primary Government	\$ 85,305,099	\$ 32,756,524	\$ 4,033,649	\$ 1,050,000

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,884,720)	\$ -	\$ (3,884,720)
(18,865,002)	-	(18,865,002)
(2,826,482)	-	(2,826,482)
(9,806,600)	-	(9,806,600)
(15,848,897)	-	(15,848,897)
(516,641)	-	(516,641)
(820,644)	-	(820,644)
(52,568,986)	-	(52,568,986)
-	5,104,060	5,104,060
-	5,104,060	5,104,060
(52,568,986)	5,104,060	(47,464,926)
28,146,419	-	28,146,419
3,253,778	-	3,253,778
6,659,717	-	6,659,717
2,137,125	-	2,137,125
1,589,955	-	1,589,955
1,442,005	-	1,442,005
3,528,419	-	3,528,419
25,857	-	25,857
1,432,099	126,115	1,558,214
875,372	-	875,372
230,000	(230,000)	-
49,320,746	(103,885)	49,216,861
(3,248,240)	5,000,175	1,751,935
461,721,431	38,476,984	500,198,415
(193,002)	-	(193,002)
\$ 458,280,189	\$ 43,477,159	\$ 501,757,348

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF MENLO PARK

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Special Revenue Funds		Capital Projects Funds
		Below Market Rate Housing Special Revenue Fund	Transportation Impact Fees Fund	General Capital Improvement Project Fund
Assets:				
Pooled cash and investments	\$ 44,205,674	\$ 6,942,890	\$ 7,745,393	23,083,301
Receivables:				
Accounts	1,931,882	74,123	-	8,143
Notes and loans	-	24,446,987	-	-
Accrued interest	194,690	87,159	29,131	-
Prepaid costs	458,698	-	-	49,908
Due from other governments	1,974,707	-	-	-
Due from other funds	364,863	-	-	-
Land held for resale	-	-	-	3,640,419
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 49,130,514	\$ 31,551,159	\$ 7,774,524	\$ 26,781,771
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,634,527	\$ 72,983	\$ 37,671	\$ 695,407
Accrued liabilities	1,979,099	8,549	-	39,486
Unearned revenues	988,168	-	-	-
Deposits payable	4,034,436	-	440,332	-
Due to other funds	-	-	-	-
Total Liabilities	10,636,230	81,532	478,003	734,893
Deferred inflows of resources:				
Unavailable revenues	273,918	397,022	-	-
Total Deferred Inflows of Resources	273,918	397,022	-	-
Fund Balances:				
Nonspendable	458,698	-	-	49,908
Restricted	-	31,072,605	7,296,521	-
Committed	28,950,860	-	-	-
Assigned	4,010,180	-	-	25,996,970
Unassigned	4,800,628	-	-	-
Total Fund Balances	38,220,366	31,072,605	7,296,521	26,046,878
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 49,130,514	\$ 31,551,159	\$ 7,774,524	\$ 26,781,771

CITY OF MENLO PARK

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Debt Service Funds</u>		
	<u>Measure T Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ 3,775,890	\$ 44,231,426	\$ 129,984,574
Receivables:			
Accounts	-	520,394	2,534,542
Notes and loans	-	5,892,521	30,339,508
Accrued interest	14,562	120,786	446,328
Prepaid costs	-	6,258	514,864
Due from other governments	1,907	607,443	2,584,057
Due from other funds	-	-	364,863
Land held for resale	-	-	3,640,419
Restricted assets:			
Cash and investments with fiscal agents	14,454	-	14,454
Total Assets	<u>\$ 3,806,813</u>	<u>\$ 51,378,828</u>	<u>\$ 170,423,609</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 2,006,543	\$ 6,447,131
Accrued liabilities	-	61,072	2,088,206
Unearned revenues	-	-	988,168
Deposits payable	-	55,590	4,530,358
Due to other funds	-	364,863	364,863
Total Liabilities	<u>-</u>	<u>2,488,068</u>	<u>14,418,726</u>
Deferred inflows of resources:			
Unavailable revenues	-	359,046	1,029,986
Total Deferred Inflows of Resources	<u>-</u>	<u>359,046</u>	<u>1,029,986</u>
Fund Balances:			
Nonspendable	-	6,258	514,864
Restricted	3,806,813	37,569,744	79,745,683
Committed	-	9,571,587	38,522,447
Assigned	-	1,438,146	31,445,296
Unassigned	-	(54,021)	4,746,607
Total Fund Balances	<u>3,806,813</u>	<u>48,531,714</u>	<u>154,974,897</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,806,813</u>	<u>\$ 51,378,828</u>	<u>\$ 170,423,609</u>

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CITY OF MENLO PARK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances of governmental funds		\$ 154,974,897
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		364,572,140
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (15,780,000)	
Unamortized bond premiums/discounts	(514,495)	
Unamortized loss on defeasance	29,250	
Compensated absences	<u>(3,414,273)</u>	(19,679,518)
Net pension liability not included in the governmental fund activity		(63,747,360)
Net OPEB asset not included in the governmental fund activity		3,864,048
Deferred outflows related to pension items are not included in the governmental fund activity		14,895,803
Deferred inflows to pension items are not included in the governmental fund activity		(1,244,051)
Deferred outflows related to OPEB items are not included in the governmental fund activity		655,247
Deferred inflows related to OPEB items are not included in the governmental fund activity		(930,236)
Landfill postclosure care costs do not require current financial resources and are not reported as a liability in the governmental funds.		(2,394,631)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(532,678)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		1,029,986
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>6,816,542</u>
Net Position of Governmental Activities		<u>\$ 458,280,189</u>

CITY OF MENLO PARK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Special Revenue Funds		Capital Projects Funds
		Below Market Rate Housing Special Revenue Fund	Transportation Impact Fees Fund	General Capital Improvement Project Fund
Revenues:				
Taxes	\$ 43,737,631	\$ -	\$ -	\$ 92,118
Special assessments	-	-	-	-
Licenses and permits	3,063,815	-	-	-
Intergovernmental	1,957,360	-	224,949	353,486
Charges for services	5,697,303	411,942	141,028	85,822
Use of money and property	949,463	272,111	19,533	-
Fines and forfeitures	436,753	-	-	-
Contributions	-	-	-	-
Miscellaneous	125,883	-	-	-
Total Revenues	55,968,208	684,053	385,510	531,426
Expenditures:				
Current:				
General government	8,149,269	36,094	-	-
Public safety	18,358,323	-	-	-
Community development	6,119,266	-	-	-
Culture and recreation	9,921,620	-	-	-
Public works	11,051,302	-	753,367	5,562
Urban development and housing	127,947	888,580	-	-
Capital outlay	233,771	-	39,575	3,350,883
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	53,961,498	924,674	792,942	3,356,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,006,710	(240,621)	(407,432)	(2,825,019)
Other Financing Sources (Uses):				
Transfers in	567,500	-	-	3,102,400
Transfers out	(5,875,166)	-	-	-
Total Other Financing Sources (Uses)	(5,307,666)	-	-	3,102,400
Net Change in Fund Balances	(3,300,956)	(240,621)	(407,432)	277,381
Fund Balances, Beginning of Year	41,521,322	31,313,226	7,703,953	25,769,497
Fund Balances, End of Year	\$ 38,220,366	\$ 31,072,605	\$ 7,296,521	\$ 26,046,878

CITY OF MENLO PARK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Debt Service Funds		Total Governmental Funds
	Measure T Debt Service	Other Governmental Funds	
Revenues:			
Taxes	\$ -	\$ 3,436,301	\$ 47,266,050
Special assessments	1,963,184	2,195,907	4,159,091
Licenses and permits	-	1,217	3,065,032
Intergovernmental	-	1,641,768	4,177,563
Charges for services	-	3,404,052	9,740,147
Use of money and property	17,241	194,227	1,452,575
Fines and forfeitures	-	-	436,753
Contributions	-	1,050,000	1,050,000
Miscellaneous	-	665,959	791,842
Total Revenues	1,980,425	12,589,431	72,139,053
Expenditures:			
Current:			
General government	2,113	300,259	8,487,735
Public safety	-	20,613	18,378,936
Community development	-	836,194	6,955,460
Culture and recreation	-	356,652	10,278,272
Public works	-	5,152,057	16,962,288
Urban development and housing	-	10,354	1,026,881
Capital outlay	-	7,488,881	11,113,110
Debt service:			
Principal retirement	585,000	-	585,000
Interest and fiscal charges	538,213	-	538,213
Total Expenditures	1,125,326	14,165,010	74,325,895
Excess (Deficiency) of Revenues Over (Under) Expenditures	855,099	(1,575,579)	(2,186,842)
Other Financing Sources (Uses):			
Transfers in	-	2,872,766	6,542,666
Transfers out	-	(437,500)	(6,312,666)
Total Other Financing Sources (Uses)	-	2,435,266	230,000
Net Change in Fund Balances	855,099	859,687	(1,956,842)
Fund Balances, Beginning of Year	2,951,714	47,672,027	156,931,739
Fund Balances, End of Year	\$ 3,806,813	\$ 48,531,714	\$ 154,974,897

CITY OF MENLO PARK

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds		\$ (1,956,842)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 8,404,430	
Depreciation	(7,420,386)	
Loss on disposal capital assets	<u>(426,124)</u>	557,920
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments	585,000	
Amortization of deferred charges	(1,625)	
Amortization of bond premiums/discounts	<u>25,430</u>	608,805
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		(306,236)
Compensated absences 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.		(229,515)
Pension expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.		(2,362,106)
OPEB expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.		(40,748)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		(329,101)
Expenses for landfill postclosure costs are expenditures in the governmental fund financial statements but reduce the liability in the government-wide financial statements.		511,052
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		<u>298,531</u>
Change in Net Position of Governmental Activities		<u>\$ (3,248,240)</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

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CITY OF MENLO PARK

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Fund	
Assets:		
Current:		
Pooled cash and investments	\$ 22,316,288	\$ 7,490,104
Receivables:		
Accounts	1,550,895	865,207
Accrued interest	87,938	30,477
Prepaid costs	-	875,173
Total Current Assets	23,955,121	9,260,961
Noncurrent:		
Capital assets - net of accumulated depreciation	22,123,229	1,663,162
Total Noncurrent Assets	22,123,229	1,663,162
Total Assets	46,078,350	10,924,123
Deferred Outflows of Resources:		
Pension related amounts	443,834	-
Total Deferred Outflows of Resources	443,834	-
Liabilities:		
Current:		
Accounts payable	944,547	148,280
Accrued liabilities	51,595	64,239
Deposits payable	67,001	-
Accrued compensated absences	49,823	37,353
Accrued claims and judgments	-	951,766
Total Current Liabilities	1,112,966	1,201,638
Noncurrent:		
Net pension liability	1,878,706	-
Accrued compensated absences	46,319	34,726
Accrued claims and judgments	-	2,871,217
Total Noncurrent Liabilities	1,925,025	2,905,943
Total Liabilities	3,037,991	4,107,581
Deferred Inflows of Resources:		
Pension related amounts	7,034	-
Total Deferred Inflows of Resources	7,034	-
Net Position:		
Investment in capital assets	22,123,229	1,663,162
Restricted for capital projects	16,692,292	-
Unrestricted	4,661,638	5,153,380
Total Net Position	\$ 43,477,159	\$ 6,816,542

CITY OF MENLO PARK

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Fund	
Operating Revenues:		
Charges for services	\$ 15,057,913	\$ 5,594,839
Total Operating Revenues	15,057,913	5,594,839
Operating Expenses:		
Cost of sales and services	9,400,428	-
Personnel services	-	1,355,333
General and administrative	243,615	1,747,451
Insurance	-	1,820,165
Depreciation expense	309,810	468,105
Total Operating Expenses	9,953,853	5,391,054
Operating Income (Loss)	5,104,060	203,785
Nonoperating Revenues (Expenses):		
Interest and investment earnings	126,115	(20,476)
Contributions	-	83,530
State reimbursements	-	31,692
Total Nonoperating Revenues (Expenses)	126,115	94,746
Income Before Transfers	5,230,175	298,531
Transfers out	(230,000)	-
Changes in Net Position	5,000,175	298,531
Net Position:		
Beginning of Year	38,476,984	6,518,011
End of Fiscal Year	\$ 43,477,159	\$ 6,816,542

CITY OF MENLO PARK

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Fund	
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 15,154,070	\$ -
Cash received from interfund service provided	-	5,554,842
Cash paid to suppliers for goods and services	(9,216,274)	(3,161,125)
Cash paid to employees for services	(245,948)	(3,937,844)
Net Cash Provided by Operating Activities	5,691,848	(1,544,127)
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	(230,000)	-
State reimbursement	-	31,692
Net Cash Used by Non-Capital Financing Activities	(230,000)	31,692
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(935,789)	(201,219)
Net Cash Used by Capital and Related Financing Activities	(935,789)	(201,219)
Cash Flows from Investing Activities:		
Interest received	132,788	971
Net Cash Provided by Investing Activities	132,788	971
Net Increase (Decrease) in Cash and Cash Equivalents	4,658,847	(1,712,683)
Cash and Cash Equivalents at Beginning of Year	17,657,441	9,202,787
Cash and Cash Equivalents at End of Year	\$ 22,316,288	\$ 7,490,104
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ 5,104,060	\$ 203,785
Adjustments to Reconcile Operating Income Net Cash Provided by Operating Activities:		
Depreciation	309,810	468,105
(Increase) decrease in accounts receivable	898,279	(865,207)
(Increase) decrease in prepaid expense	-	(482,540)
(Increase) decrease in pension outflows	(59,108)	-
Increase (decrease) in accounts payable	(698,677)	(559,246)
Increase (decrease) in accrued liabilities	13,841	20,227
Increase (decrease) in deposits payable	28,500	-
Increase (decrease) in claims and judgments	-	(339,171)
Increase (decrease) in net pension liability	158,210	-
Increase (decrease) in pension inflows	(55,661)	-
Increase (decrease) in compensated absences	(7,406)	9,920
Total Adjustments	587,788	(1,747,912)
Net Cash Provided by Operating Activities	\$ 5,691,848	\$ (1,544,127)
Non-Cash Investing, Capital, and Financing Activities:		
Capital contributions	\$ -	\$ 83,530

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FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF MENLO PARK

STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2021

	<u>Private-Purpose Trust Fund</u>
	<u>Redevelopment Obligation Retirement</u>
Assets:	
Cash and cash equivalents	\$ 9,165,475
Restricted assets:	
Cash and investments with fiscal agents	<u>10</u>
Total Assets	<u>9,165,485</u>
Deferred Outflows of Resources:	
Deferred charge on refunding	<u>8,129,243</u>
Total Deferred Outflows of Resources	<u>8,129,243</u>
Liabilities:	
Interest payable	436,007
Deposits payable	108,890
Long-term liabilities:	
Bonds due in one year	3,500,000
Bonds due in more than one year	<u>37,212,044</u>
Total Liabilities	<u>41,256,941</u>
Net Position:	
Held in trust for other purposes	<u>(23,962,213)</u>
Total Net (Deficit)	<u>\$ (23,962,213)</u>

CITY OF MENLO PARK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2021

	<u>Private-Purpose Trust Fund</u>
	<u>Redevelopment Obligation Retirement</u>
Additions:	
Taxes	\$ 5,268,250
Total Additions	<u>5,268,250</u>
Deductions:	
Interest expense	2,141,230
Total Deductions	<u>2,141,230</u>
Changes in Net Position	<u>3,127,020</u>
Net Position - Beginning of the Year	<u>(27,089,233)</u>
Net Position - End of the Year	<u><u>\$ (23,962,213)</u></u>

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Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City of Menlo Park (City) was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such “General Law” cities. The City uses the City Council/Manager form of government. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Statements No. 61, The Financial Reporting Entity. The City is the primary government unit based on the foundation of a separately elected governing board that is elected by the citizens in a general public election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The City is financially accountable if it appoints a voting majority of the organization’s governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

As of June 30, 2021, the City did not include component units, because as of February 1, 2012, the Community Development Agency was dissolved through State Assembly Bill 1X 26, which dissolved redevelopment agencies throughout the State of California. The activity of the former Community Development Agency was reported in the City’s financial statements for the shortened period of July 1, 2012 through January 31, 2012. Subsequent to that, all remaining assets were transferred to the Successor Agency of the former Community Development Agency. The Successor Agency is reported in the City’s financial statements as a fiduciary private-purpose trust fund.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government–Wide Financial Statements

The City Government–Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These Government-Wide Financial Statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred outflows of resources, liabilities (including capital assets and related infrastructure assets and long-term liabilities), and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) under Governmental Accounting Statements No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

b. Basis of Accounting and Measurement Focus

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented the following major funds:

General Fund - Accounts for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as police, planning, engineering, public works operations and maintenance, library, recreational programs and legal and administrative services.

Below Market Rate Housing Special Revenue Fund – Utilized to account for fees collected from developers of 10 or more residential units, which are used to develop below market rate housing units through down payment assistance loans. In addition, it is utilized to account for fees collected from commercial and industrial developers, which are used to expand the stock of low and moderate income houses for people who work in the City.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Transportation Impact Fees Fund - Accounts for fees paid by developers of certain residential, commercial, and industrial properties and projects funded by those fees to mitigate traffic problems resulting either directly or indirectly from the development.

General Capital Improvement Project Fund – Utilizes General Fund transfers to provide adequate funding for the maintenance of the City’s existing infrastructure and other non-recurring initiatives.

Measure T Debt Service Fund – Established to account for the accumulation and disbursement of monies to comply with the interest and redemption requirements of various general obligation bonds issued through Measure T. The City reclassified the title of this fund during fiscal year 2019-20, this fund was previously the 2002 Recreation GO Bond Debt Service Fund.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

There are two types of proprietary funds: enterprise funds and internal service funds. The City accounts for the activities of the Menlo Park Municipal Water District as its only enterprise fund. As such, the fund comprises the only business-type activities reported in the City-wide financial statements. Activities of the City's Workers' Compensation, General Liability, Retiree Medical Benefit, Information Technology, and Vehicle Replacement programs are accounted for in five separate internal service funds. These activities are included in the City-wide financial statements as governmental activities.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position. The City maintains fiduciary funds (private-purpose trust funds) for the Successor Agency to the former Community Development Agency. Private-purpose trust funds include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position.

c. Cash and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (Amendment of GASB No. 3), certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including the use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at the time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset- Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the changes in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying Basic Financial Statements.

d. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	40 years
Other improvements	40 years
Equipment	3-15 years
Infrastructure	15-50

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City has included all infrastructure into the current Basic Financial Statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, and park lands. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2002. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or (3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

Note 1: Summary of Significant Accounting Policies (Continued)

e. Long-Term Obligations

In the Government-Wide Financial Statements, the long-term obligations are reported as liabilities in the appropriate funds. The Fund Financial Statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

f. Net Position and Fund Balance

In the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted.”

When an expense is incurred for purposes for which both the restricted and unrestricted portions of net position are available, the City’s policy is to apply restricted portion of net position first.

Fund Financial Statements

In the Fund Financial Statements, fund balances are in classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in the governmental funds. Fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body through resolutions and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

The City reports the following commitments of fund balance in the General Fund, which are further detailed in Note 10:

- **Emergency contingency** – Established by resolution of the City Council in 2011 and updated on December 7, 2014, as part of the creation of a formal policy on fund balance in the General Fund. The City Council may increase or decrease this amount as it deems necessary. The goal for this portion of fund balance is to provide an amount equivalent to 15-20 percent of the General Fund's annual operating budget. These funds can only be used if there is a declaration of a state or federal state of emergency or a local emergency as defined in the Menlo Park Municipal Code Section 2.44.010.
- **Economic stabilization** – Established by resolution of the City Council in 2011 and updated on December 7, 2014, as part of the creation of a formal policy on fund balance in the General Fund. Like the emergency contingency balance, this amount can be increased or decreased by the City Council. The goal for this portion of fund balance is to provide an amount equivalent to 20-25 percent of the General Fund's annual operating budget. Council approval is required before expending any portion of this fund balance, and access to these funds is reserved for economic emergency situations such as unplanned major events like a catastrophic disaster requiring expenditures that exceed the amount of the emergency contingency reserve; budgeted revenue being taken over by another entity; or a drop in projected/actual revenue of more than five percent of the General Fund's adopted revenue budget.
- **Strategic pension funding** – Established by the City Council to mitigate the operational impact of employer contribution rate volatility due to actions outside of the City's control, as well as to set aside funding for strategic opportunities to reduce the City's pension liability. The Council approval is required before expending any portion of this reserve balance.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for the purpose. The City Council has given the authorization to the City Manager to assign any net fund resources.

Pursuant to the authority delegated by City Council, the City Manager determines the amount of assigned fund balances. This can include, but not limited to, such items as encumbrances and constrained amounts when it is the City's intent to use proceeds or collections for specific purposes, and residual fund balances, if any, of special revenue, capital projects, and debt service funds which have not been restricted or committed.

Unassigned – This category is for any balances that have no restrictions placed upon them.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

In October 2014, the City Council updated the fund balance policy for net position and fund equity. Due to the nature of the restrictions of Non-spendable and Restricted fund balances, the policy focuses on financial reporting of unrestricted fund balance, or the last three categories listed above. As the highest level of decision-making authority, City Council may commit fund balances for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. The policy delegates the authority to assign fund balance amounts to be used for specific purposes to the City Manager for the purpose of reporting these amounts in the annual financial statements. Restricted fund balances will be expended before unrestricted fund balances when expenditures are incurred for purposes for which both are available. Unrestricted fund balances will be exhausted in the order of assigned, unassigned and committed when expenditures are incurred for which any of these fund balances are available.

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

h. Compensated Absences

City employees have vested interests in varying levels of vacation, sick leave, and compensatory time. If compensated absences are not used by the employee during the term of employment, compensation is payable to the employee at the time of retirement or termination. Such compensation is calculated at the employees' then prevalent rate at the time of retirement or termination. Whereas vacation and compensatory time is compensated at 100% of accumulated hours, sick leave is accrued and compensated only at retirement at 15% of accumulated hours. On termination, only accrued vacation and compensatory time is compensated, not sick leave. The liabilities for compensated absences of the governmental activities are recorded in the Government-Wide Financial Statements. However, the General Fund is liable for 90% of the total city-wide compensated absence liability. The liabilities of compensated absences of proprietary funds are recorded as liabilities in the appropriate proprietary fund and in the business-type activities in the Government-Wide Financial Statements. The liabilities of compensated absences in the governmental funds are reported in those funds only if there is an unused reimbursable leave still outstanding following an employee's resignation or retirement as of June 30, 2021.

A recap of the maximum accruals by bargaining unit is as follows:

<u>Bargaining Unit</u>	<u>Vacation</u>	<u>Sick Leave</u>
SEIU	336 hours	1,440 hours
AFSCME	336 hours	1,440 hours
POA	440 hours	1,500 hours
PSA	1,400 hours combined	
Unrepresented Management	1,200 hours combined	

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

i. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the County of San Mateo (County) within sixty days after year-end.

<u>Lien Date</u>	<u>March 1</u>
Levy Date	July 1
Due Date	November 1 and February
Collection	December 10 and April 10

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the City and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid.

j. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

k. Other Post-employment Benefits (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

m. Interfund Balances/Internal Balances

Advances to and advances from other funds represent interfund loans in the fund financial statements. Advances between funds are offset by a fund balance reservation or by unearned revenue in the applicable governmental funds to indicate that they are not available financial resources. Any unpaid interest due to lack of funds in the borrowing fund increases the principal owed and is reported in the lending fund as unearned revenue. All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

n. New GASB Pronouncements

In FY 2020-21, the City implemented GASB Statement No. 84 – Fiduciary Activities – The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided the information reported in the financial statements for assessing government accountability and stewardship. The change in accounting principle did not result in a prior period adjustment. Funds previously reported as agency funds were revaluated and determined to relate to the City's General Fund.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments

The City maintains a cash and investment pool for all funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled. These restricted funds are reported as cash with fiscal agents.

a. Reporting Entity

The following is a summary of pooled cash and investments at June 30, 2021:

	Government-Wide Statement of Net Position			Fund Financials	Grand Total
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statement of Net Position	
Cash and Investments	\$ 137,474,678	\$ 22,316,288	\$ 159,790,966	\$ 9,165,475	\$ 168,956,441
Restricted Cash and Investments with Fiscal Agents	14,454	-	14,454	10	14,464
	<u>\$ 137,489,132</u>	<u>\$ 22,316,288</u>	<u>\$ 159,805,420</u>	<u>\$ 9,165,485</u>	<u>\$ 168,970,905</u>

Cash and investments as of June 30, 2021, consist of the following:

Cash on hand	\$ 13,875
Deposits with financial institution	3,410,809
Total cash on hand and deposits	<u>3,424,684</u>
Local Agency Investment funds	73,088,026
Investments held by custodian	92,443,731
Investments Authorized by Debt Agreements	14,464
Total investments	<u>165,546,221</u>
Total cash and investments	<u>\$ 168,970,905</u>

As of June 30, 2021, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)		
		1 Year or less	1-2 years	2-5 years
Securities of U.S. Government				
Treasury Notes	\$ 21,006,603	\$ 2,520,996	\$ -	\$ 18,485,607
Government Agencies	31,800,800	6,087,720	6,171,631	19,541,449
Corporate Bonds	39,636,328	4,848,835	7,624,447	27,163,046
Local Agency Investment Funds	73,088,026	73,088,026	-	-
Money Market Mutual Funds	14,464	14,464	-	-
Total	<u>\$ 165,546,221</u>	<u>\$ 86,560,041</u>	<u>\$ 13,796,078</u>	<u>\$ 65,190,102</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

b. Deposits

At June 30, 2021, the carrying amount of the City's deposits was \$3,410,809 and the bank balance was \$4,270,861. The total bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

All pooled certificates of deposit and bank balances are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure an agency's deposits by pledging government securities as collateral. The fair value of the pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure local agency deposits by pledging first trust deed mortgage notes having a value of 150% of a local agency's deposits. The City may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

c. Authorized Investments

The City will not invest in securities maturing more than five years from the date of purchase, unless the Council has by resolution granted authority to make such an investment at least three months prior to the date of investment.

The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City's Investment Policy, which is adopted annually and is more conservative than that allowed by State statute.

Under provisions of this policy, the City is authorized to invest in the following types of investments:

- Certificates of Deposit
- Bankers Acceptances
- Commercial Papers
- Repurchase Agreements
- Government Agency Securities
- Treasury Bills and Notes
- Medium Term Notes
- Money Market Funds
- State of California Local Agency Investment Fund

GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, requires that the City's investments be carried at fair value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end, and the effects of these adjustments are included in income for that fiscal year. Changes in fair value in the fiscal year ended June 30, 2021, amounted to an increase of \$918,655.

Investment income earned on pooled cash and investments (including realized and unrealized gains and losses) is allocated monthly to the various funds based on monthly cash balances. Investment income from cash and investments with fiscal agents is credited directly to the related funds.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

External Investment Pool

The City's investments with LAIF at June 30, 2021 included a small portion of the pooled funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

Structured Notes – debt securities (other than asset-back securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities – generally mortgage-backed securities which entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2021, the City had \$73,088,026 invested in LAIF, which had invested 3.37% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where fair value is not readily available. The City valued its investments in LAIF as of June 30, 2021, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. Accordingly, the City used the LAIF fair value factor of 1.00008297 to calculate the fair value of the investments in LAIF as of June 30, 2021.

Successor Agency Pooled Cash and Investments

Cash and investments consisted of \$9,165,475 at June 30, 2021. The Agency pools cash from all sources and all funds with the City so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Restricted cash and investments consisted of \$10 at June 30, 2021. The Agency holds these funds with fiscal agents related to debt service bank accounts.

d. Risks Disclosures

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2021, the City's pooled cash and investments had the following maturities:

Maturity	Percentage of Investment
Less than one year	52%
One to two years	8%
Two to five years	40%

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

Credit Risk: It is the City’s policy that commercial paper have a rating of “A-1” or higher by a nationally recognized statistical rating organization (NRSRO) and with a maturity date not exceeding 270 days from the date of purchase. Medium-term notes, with a final maturity not exceeding four years from the date of purchase, must have a rating of AA or the equivalent by a NRSRO. Medium-term notes with a final maturity exceeding four years from the date of purchase shall be rated at least AAA or the equivalent by a NRSRO at the time of purchase. According to the City’s investment policy, the aggregate investment in medium-term notes will not exceed 30% of the City’s total portfolio. The Local Agency Investment Fund (LAIF), administered by the State of California, has a separate investment policy, governed by Government Code Sections 16480-16481.2, that provides credit standards for its investments.

Issuer	Type	Rating	
		Standard & Poor’s	Moody’s
American Express Credit	Corporate Bond	A-	A2
America Honda Finance	Corporate Bond	A-	A3
Apple Inc.	Corporate Bond	AA+	Aa1
Bank of America Corp	Corporate Bond	A-	A2
Caterpillar FNL Service	Corporate Bond	A	A3
Cisco Systems Inc	Corporate Bond	AA-	A1
Citibank	Corporate Bond	A+	Aa3
General Dynamics	Corporate Bond	A-	A2
IBM	Corporate Bond	A-	A2
John Deere Capital	Corporate Bond	A	A2
JPMorgan Chase & Co	Corporate Bond	A-	A2
Microsoft Corp	Corporate Bond	AAA	Aaa
Oracle Corp	Corporate Bond	A	A3
PNC Financial Services	Corporate Bond	A-	A3
PNC Bank NA	Corporate Bond	A	A2
PPG Industries Inc	Corporate Bond	BBB+	A3
Proctor & Gamble Corp	Corporate Bond	AA-	A1
Toyota Motor Credit	Corporate Bond	A+	A1
US Bank	Corporate Bond	AA-	A1
Wells Fargo Bank NA	Corporate Bond	A+	Aa2

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All securities, with the exception of the money market funds and LAIF, are held by a third-party custodian (Union Bank of California Trust Division). Union Bank is a registered member of the Federal Reserve Bank. The securities held by Union Bank are in street name, and an account number assigned to the City identifies ownership.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 2 Cash and Investments (Continued)

e. Investment Valuation

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investment fair value measurements at June 30, 2021 are described below.

Investments included in LAIF and restricted cash and investments included money market accounts and guaranteed investment contracts are not subject to fair value measurement.

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments subject to levels				
Government Bonds	\$ 21,006,603	\$ -	\$ 21,006,603	\$ -
Government Agencies	31,800,800	-	31,800,800	-
Corporate Bonds	39,636,328	-	39,636,328	-
Subtotal investments subject to levels	92,443,731	-	92,443,731	-
Investments with fiscal agents subject to levels				
Money Market Mutual Funds	14,464	-	16,455	-
Grand total investments subject to levels	92,458,195	\$ -	\$ 92,460,186	\$ -
Investments not subject to levels				
Local Agency Investment Fund	73,088,026			
Total Investments	\$ 165,546,221			

Government bonds, government agencies and corporate bonds categorized as Level 2 are valued based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuations for which all significant assumptions are observable or can be corroborated by observable market data.

Note 3: Receivables

a. Accounts Receivable

As of June 30, 2021, summary of accounts receivable is as follows:

	Governmental Activities	Business-Type Activities
Accounts receivable	\$ 3,399,749	\$ 1,550,895
Due from other governments	2,584,057	-
Total receivables	\$ 5,983,806	\$ 1,550,895

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 3: Receivables (Continued)

As of June 30, 2021, accounts receivable consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Taxes:			
Occupancy Taxes	\$ 1,103,536	\$ -	\$ 1,103,536
Utility Taxes	96,962	-	96,962
Total Taxes	1,200,498	-	1,200,498
Franchise Fees	101,753	-	101,753
Rental Income	2	-	2
General Government	963,194	-	963,194
Police	24,142	-	24,142
Public Works	275,117	-	275,117
Water service fees	-	1,550,895	1,550,895
Community Development	523,546	-	523,546
Recreation Programs	311,497	-	311,497
Total accounts receivable	\$ 3,399,749	\$ 1,550,895	\$ 4,950,644

b. Notes Receivable

As of June 30, 2021, notes receivable consisted of the following:

	Notes Receivable
Major Funds:	
Below Market Rate Housing	\$ 24,446,987
Total Major Funds	24,446,987
Other Governmental Funds:	
Housing Fund	5,600,980
Community Development Block Grant	272,683
Federal Revenue Sharing Fund	18,858
Total Non-Major Funds	5,892,521
Total notes receivable	\$ 30,339,508

Community Development Block Grant

The City administers home improvement loans to seniors and very low-income residents using Community Development Block Grant (CDBG) funds. The program provides for no or very low interest loans, which are secured by deeds of trust. Although payments for some loans are amortized over an established schedule, some loans allow for deferred payment of accrued interest and principal until the property changes ownership. Repayments received from outstanding loans are used to make additional housing rehabilitation loans. Outstanding loans at June 30, 2021, were \$272,683.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 3: Receivables (Continued)

Housing Fund

With the dissolution of the Menlo Park Community Development Agency (Agency) as of February 1, 2012, the City has assumed all the loans from the Agency.

The City has housing rehabilitation loans to three eligible participants. Loans bear no or very low interest and are not due until the property changes ownership. The outstanding balance of these loans at June 30, 2021 was \$207,289.

Gateway – In June 1987, the Agency issued \$8,605,000 of multifamily housing revenue bonds for Menlo Gateway, Inc., a California nonprofit public benefit corporation, to fund a mortgage loan for paying the costs of acquisition and rehabilitation of a 130-unit multifamily housing project known as The Gateway, designed for occupancy by persons eligible for assistance under Section 8 of the United States Housing Act of 1937. The bonds had interest rates ranging from 5.75% to 8.25%, with payments which were to be made semi-annually on June 1 and December 1 through 2028. The bonds were payable solely from and were secured by a pledge of payments and other amounts due to the Menlo Gateway Inc. The bonds did not constitute a debt or liability of the Agency of the City and, therefore, were not reflected in the financial statements. In addition, the City did not act in any capacity in making debt service payments.

On October 28, 2002, the Agency made a loan to Menlo Gateway, Inc. to refinance Menlo Gateway's debt in the amount of \$4,022,157. The loan had a compounded interest rate of 3% per annum. The payment was secured by the Deed of Trust with the final payment due on February 15, 2043. During the year ended June 30, 2016, Menlo Gateway Inc. sold a portion of the property. Therefore, on December 31, 2015, the outstanding loan was split between Menlo Gateway and Sequoia Belle Haven for an amount of \$3,221,558 and \$1,892,026 respectively and new promissory notes were signed with the same terms as were on the original loan agreement. As of June 30, 2021, the total outstanding loan was \$5,393,691 with accrued interest thereon for \$180,108.

Below Market Rate Housing

The City uses Below Market Rate Housing Reserve funds to provide residents and employees who work in Menlo Park with second mortgage loans to purchase their first home in Menlo Park. These "PAL" loans are amortized over 30 years and are currently restricted to purchasers of Below Market Rate Housing units, which are income and price restricted housing units produced through the City's Below Market Rate Housing program.

The outstanding balance of these loans at June 30, 2021 was \$24,446,987.

Emergency Repair Loan (ERL)

The Emergency Repair Loan (ERL) Program is designed to assist lower income households with minor emergency repairs to their home. The revolving loan program was originally funded by a Federal Revenue Sharing Grant. The maximum loan amount is \$10,000 at 3% interest per annum, with a loan term of either 5, 10, or 15 years. The outstanding balance of these loans at June 30, 2021 was \$18,858.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 4: Capital Assets

The following is a summary of capital assets for governmental activities:

	Balance June 30, 2020	Adjustments (Note 20)	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2021
Governmental Activities:						
Capital assets, not being depreciated/ amortized:						
Land	\$ 199,998,884	\$ -	\$ -	\$ -	\$ -	\$ 199,998,884
Land improvements	32,921,636	-	-	-	34,842	32,956,478
Construction in progress	7,308,386	(193,002)	6,998,452	-	(4,776,170)	9,337,666
Total capital assets, not being depreciated	240,228,906	(193,002)	6,998,452	-	(4,741,328)	242,293,028
Capital assets, being depreciated/ amortized:						
Buildings	82,763,317	-	102,529	-	-	82,865,846
Shared use facilities	2,600,000	-	-	-	-	2,600,000
Equipment	10,360,408	-	660,887	-	-	11,021,295
Other improvements	19,561,135	-	-	(84,311)	296,661	19,773,485
Infrastructure	133,742,935	-	927,311	(1,417,002)	4,444,667	137,697,911
Total capital assets, being depreciated/ amortized	249,027,795	-	1,690,727	(1,501,313)	4,741,328	253,958,537
Less accumulated depreciation/amortization for:						
Buildings	(28,537,876)	-	(1,806,048)	-	-	(30,343,924)
Shared use facilities	(1,092,000)	-	(104,000)	-	-	(1,196,000)
Equipment	(6,640,990)	-	(965,268)	-	-	(7,606,258)
Other improvements	(11,300,679)	-	(929,738)	73,838	-	(12,156,579)
Infrastructure	(75,631,416)	-	(4,083,437)	1,001,351	-	(78,713,502)
Total accumulated depreciation	(123,202,961)	-	(7,888,491)	1,075,189	-	(130,016,263)
Total capital assets, being depreciated/ amortized, net	125,824,834	-	(6,197,764)	(426,124)	4,741,328	123,942,274
Governmental activities capital assets, net	\$ 366,053,740	\$ (193,002)	\$ 800,688	\$ (426,124)	\$ -	\$ 366,235,302

Depreciation expense was charged to the various governmental activities as follows:

General government	\$ 1,177,255
Public safety	218,510
Public works	3,907,150
Culture and recreation	2,117,471
Internal service funds	468,105
Total depreciation expense - governmental activities	\$ 7,888,491

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 4: Capital Assets (Continued)

The following is a summary of capital assets for business-type activities:

	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021
Business Activities:				
Capital assets, not being depreciated/ amortized:				
Land	\$ 1,066,454	\$ -	\$ -	\$ 1,066,454
Construction in progress	10,144,668	935,789	-	11,080,457
Total capital assets, not being depreciated	<u>11,211,122</u>	<u>935,789</u>	<u>-</u>	<u>12,146,911</u>
Capital assets, being depreciated/ amortized:				
Buildings	7,831,636	-	-	7,831,636
Equipment	446,121	-	-	446,121
Infrastructure	10,111,881	-	-	10,111,881
Total capital assets, being depreciated/ amortized	<u>18,389,638</u>	<u>-</u>	<u>-</u>	<u>18,389,638</u>
Less accumulated depreciation/amortization for:				
Buildings	(2,565,252)	(170,293)	-	(2,735,545)
Equipment	(408,025)	(9,221)	-	(417,246)
Infrastructure	(5,130,233)	(130,296)	-	(5,260,529)
Total accumulated depreciation	<u>(8,103,510)</u>	<u>(309,810)</u>	<u>-</u>	<u>(8,413,320)</u>
Total capital assets, being depreciated/ amortized, net	<u>10,286,128</u>	<u>(309,810)</u>	<u>-</u>	<u>9,976,318</u>
Business activities capital assets, net	<u>\$ 21,497,250</u>	<u>\$ 625,979</u>	<u>\$ -</u>	<u>\$ 22,123,229</u>

Depreciation expense for all proprietary funds was \$309,810 for the year ended June 30, 2021, which was recorded in the City's water business-type activity.

Note 5: Unearned Revenue

Unearned revenues represent amounts for which revenues have not been earned. At June 30, 2021, unearned revenues were as follows:

	Governmental Activities
Recreation Summer Programs	\$ 809,449
Percent of Art Deferrand	8,647
Friends of the Library Deposit	170,072
Total	<u>\$ 988,168</u>

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt

a. Long-Term Obligations

Summary of changes in long-term debt transactions for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Deletions	Defeased	Balance June 30, 2021	Due within one year
<u>Governmental Activities - Public Offerings</u>						
2012 General Obligation Refunding Bonds	\$ 6,725,000	\$ -	\$ 410,000	\$ -	\$ 6,315,000	\$ 425,000
Discount on 2012 General Obligation Bonds	(42,394)	-	(3,686)	-	(38,708)	-
2019 General Obligation Refunding Bonds	9,640,000	-	175,000	-	9,465,000	100,000
Premium on 2019 General Obligation Bonds	582,319	-	29,116	-	553,203	-
Total governmental activities	<u>\$ 16,904,925</u>	<u>\$ -</u>	<u>\$ 610,430</u>	<u>\$ -</u>	<u>\$ 16,294,495</u>	<u>\$ 525,000</u>
	Balance June 30, 2020	Additions	Deletions	Defeased	Balance June 30, 2021	Due within one year
<u>Fiduciary Activities - Public Offerings</u>						
2015 Las Pulgas Project Tax Allocation Bonds	\$ 38,760,000	\$ -	\$ 3,395,000	\$ -	\$ 35,365,000	\$ 3,500,000
Premium on 2015 Las Pulgas Project Tax Allocation Bonds	5,976,108	-	629,064	-	5,347,044	-
Total fiduciary activities	<u>\$ 44,736,108</u>	<u>\$ -</u>	<u>\$ 4,024,064</u>	<u>\$ -</u>	<u>\$ 40,712,044</u>	<u>\$ 3,500,000</u>

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)

2012 General Obligation Bonds

In January 2012, the City of Menlo Park issued General Obligation Bonds in a par amount of \$9,830,000 for the purpose of refunding at lower interest rates the City's outstanding Series 2002 General Obligation Bonds. The bonds bear an interest rate of 3.75% annually between January 2012 and August 1, 2032. The bonds mature on August 1 of each year starting in 2013 and ending 2032 in amounts ranging from \$180,000 to \$640,000. No amount of the bonds are to mature before August 1, 2012. Interest is paid semi-annually on February 1 and August 1 of each year. The bonds are paid from special assessments to property owners within the City. The outstanding balance from this public offering contains a provision for security of the refunding bonds. The City Council has the power to direct the County to levy ad valorem taxes upon all property within the City subject to taxation without limitation of rate or amount, for the payment of the bonds and the interest thereon. The City directs the County to levy on all the taxable property in the City, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, without limitation of rate or amount.

The annual debt service requirements to maturity for the 2012 General Obligation Bonds outstanding at June 30, 2021, were as follows

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 425,000	\$ 228,844	\$ 653,844
2023	445,000	212,531	657,531
2024	460,000	195,563	655,563
2025	480,000	177,937	657,937
2026	490,000	159,750	649,750
2027-2031	2,760,000	501,562	3,261,562
2032-2034	1,255,000	47,531	1,302,531
Total	<u>\$ 6,315,000</u>	<u>\$ 1,523,718</u>	<u>\$ 9,942,563</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)**2019 General Obligation Refunding Bonds**

In September 2019, the City issued \$9,640,000 in 2020 General Obligation Refunding Bonds for the purpose of refunding at lower interest rates the City's outstanding Series 2009 General Obligation Bonds. The bonds bear annual interest at rates between 4.50% and 5.75%, with interest payments made semi-annually on February 1 and August 1. Additionally, the City placed \$9,962,267 into escrow. This refunding provided the City with a present value savings of \$2.55 million.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 100,000	\$ 287,438	\$ 387,438
2023	100,000	282,438	382,438
2024	110,000	277,188	387,188
2025	110,000	271,688	381,688
2026	120,000	265,937	385,937
2027-2031	685,000	1,232,812	1,917,812
2032-2036	3,545,000	993,381	4,538,381
2037-2041	4,695,000	286,575	4,981,575
Total	<u>\$ 9,465,000</u>	<u>\$ 3,897,457</u>	<u>\$ 13,362,457</u>

b. Prior Years' Defeased Obligations**1996 and 2000 Tax Allocation Bonds**

During fiscal year 2005-06, the City's former Community Development Agency issued \$72,430,000 of 2006 Tax Allocation Refunding Bonds to refund and defease the Agency's outstanding principal of \$25,515,000 of the 1996 Tax Allocation Refunding Bonds and the outstanding principal of \$43,215,000 of the 2000 Tax Allocation Refunding Bonds. Both the 1996 and 2000 series bonds have been 100% defeased and the liability has been removed from the long-term debt.

The refunding's were undertaken to reduce total debt service payments over the next 25 years and to obtain an estimated net savings of over \$5,122,000 over the life of the bonds.

Note 6: Long-Term Debt (Continued)

2002 General Obligation Bonds

As noted previously, the City issued \$13,245,000 of the 2002 General Obligation Bonds known as “Measure T” bonds. This financing was used to fund various parks and recreation projects in the City. The bonds bear annual interest at rates between 4.50% and 5.75%, with interest payments made semi-annually on February 1 and August 1. In January 2012, the City issued \$9,830,000 in 2012 General Obligation Bonds for the purpose of refunding the 2002 General Obligation bonds, and the 2002 General Obligation Bonds have been 100% defeased and the liability has been removed from long-term debt. Additionally, the City placed \$1,460,000 into escrow. Future debt service payments were reduced by \$2,349,066 with a present value savings of \$999,288.

2009 General Obligations Bond

On July 1, 2009, the City issued a second series of the “Measure T” General Obligation bonds in the amount of \$10,440,000. The financing was used to fund new recreation facilities, specifically, a new gymnasium and new gymnastic center on the Burgess campus. The decision to include Build America Bonds (BABs) in the financing allowed the City to generate an additional \$1,049,000 over the tax-exempt bonds. The overall “total issuance cost” for the series was 4.638%.

The Series A (Tax Exempt) Bonds totaled \$1,080,000; the (serial) bonds bear an annual interest of 5% and mature annually from 2010 to 2024 on August 1 in amounts ranging from \$10,000 to \$100,000. The Series B (Taxable Build America) Bonds totaled \$9,360,000; the (term) bonds bear an annual interest at rates between 6.82% and 7.02% and mature annually from 2025 to 2039 on August 1 in amounts ranging from \$110,000 to \$1,355,000. During September 2019, The City refunded the 2009A and 2009B bonds and issued the 2019 General Obligation Refunding Bonds.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 6: Long-Term Debt (Continued)**c. Fiduciary Fund Long Term Obligations****2015 Tax Allocation Refunding Bonds**

On October 14, 2015, the Successor Agency issued 2015 Tax Allocation Refunding Bonds for \$51,505,000. The bonds were issued to refund the 2006 Tax Allocation Bonds and pay \$11,172,000 for the swap termination relating to the 2006 Bonds. The economic gain on refunding of these bonds was \$3,590,680. The 2015 Refunding Bonds mature annually starting April 1, 2016 through 2029, with installments ranging from \$3,115,000 to \$4,405,000. The interest on the Bonds is payable semi-annually on each April 1 and October 1, starting on April 1, 2016 with coupon rates ranging from 2.00% to 5.00%. The 2015 Refunding Bonds are subject to early redemption. The outstanding balance from this public offering contains a provision that upon the occurrence and continuance of any event of default, the trustee shall declare the principal of the bonds, together with the accrued interest thereon, to be due and payable immediately. The trustee shall also exercise any other remedies available to the trustee in law or at equity.

The annual debt service requirements of the Series 2015A bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,500,000	\$ 1,680,750	\$ 5,180,750
2023	3,585,000	1,503,625	5,088,625
2024	3,690,000	1,321,750	5,011,750
2025	3,800,000	1,134,500	4,934,500
2026	3,925,000	941,375	4,866,375
2027-2031	16,865,000	1,717,875	18,582,875
Total	\$ 35,365,000	\$ 8,299,875	\$ 43,664,875

Pledged Revenues

The 2015 Tax Allocation Refunding Bonds of the Successor Agency are payable solely from and secured by tax revenues to be derived from the Project Area and deposited into Redevelopment Property Tax Trust Fund.

Note 7: Compensated Absences

Compensated absences at June 30, 2021, were as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due within</u> <u>one year</u>	<u>Due in more</u> <u>than one year</u>
Governmental Activities	\$ 3,246,917	\$ 1,248,199	\$ 1,008,764	\$ 3,486,352	\$ 1,806,712	\$ 1,679,640
Business-Type Activities	103,548	20,126	27,532	96,142	49,823	46,319
Total Compensated absences	<u>\$ 3,350,465</u>	<u>\$ 1,268,325</u>	<u>\$ 1,036,296</u>	<u>\$ 3,582,494</u>	<u>\$ 1,856,535</u>	<u>\$ 1,725,959</u>

As previously stated, the General Fund contributes to over 90% of the compensated absences liability for the governmental activities.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 8: Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The City participates in pooled insurance programs offered by the Bay Cities Joint Powers Insurance Authority (BCJPIA) for losses in excess of specific program deductibles. The purpose of the pool is to provide certain levels of liability coverage, claims administration, and loss control support to member Cities. The bylaws of the BCJPIA, the risk coverage agreement, and an associated memorandum of coverage govern the rights and responsibilities of the BCJPIA's 19 members. Each member chooses its self-insured liability retention levels. Each member has a vote in approving the pool's self-insured retention level, in setting the coverage limits, in establishing the level of pool reserves and in approving the premium allocation methodology used for setting the premiums for each member.

Complete financial statements for the BCJPIA may be obtained from the offices of Bickmore Risk Services & Consulting at the following address:

Bay Cities Joint Powers Insurance Authority
 1750 Creekside Oaks Drive, Suite 200
 Sacramento, California 95833

The City's Liability program has a per claim deductible of \$250,000 and a policy limit of \$29,000,000. The Employment Practices program has a per claim deductible of \$250,000 and a policy limit of \$1,000,000. The Property and Fire program has a per claim deductible of \$10,000 and a policy limit of replacement value.

The City's Workers' Compensation program has a per claim deductible of \$350,000 and through the Authority, pooled coverage and reinsurance up to statutory limits.

Claims for long-term disability are covered by standard insurance.

Estimated reserves for all claims are recorded in internal service funds. No claim settlement has exceeded the coverage amounts in place for any of the years shown. The amount of claims due in one year from June 30, 2021, is estimated to total \$951,766.

Changes in the balances of the City's claims liabilities during the years ended June 30, 2021, 2020, and 2019 were as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability	Claim Payments Due Within One Year
2018-2019	\$ 4,120,366	\$ 938,454	\$ (1,484,982)	\$ 3,573,838	\$ 875,399
2019-2020	3,573,838	1,183,390	(595,074)	4,162,154	1,001,526
2020-2021	4,162,154	1,139,376	(1,478,547)	3,822,983	951,766

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 9: Interfund Transactions

Interfund receivables and payables at June 30, 2021, were as follows:

Due To / From Other Funds

Interfund due to/due from represent short term loans owed for purposed of covering short term negative cash positions and will be repaid when fund revenues are received. The composition of due to/from other funds as of June 30, 2021, is as follows:

Due to other funds	Due from other funds	
	General Fund	Total
Non-Major Governmental Fund	\$ 364,863	\$ 364,863
TOTAL	\$ 364,863	\$ 364,863

All Due To/From Other Funds were established as of June 30, 2021, to cover short-term negative cash balances.

Interfund Transfers

Interfund transfers for the year ended June 30, 2021, were as follows:

	Transfers In			
	General Fund	General Capital Improvement Project Fund	Nonmajor Governmental Funds	Total
Transfers Out				
General Fund	\$ -	\$ 3,102,400	\$ 2,772,766	\$ 5,875,166
Nonmajor Governmental Funds	337,500	-	100,000	437,500
Water Fund	230,000	-	-	230,000
TOTAL	\$ 567,500	\$ 3,102,400	\$ 2,872,766	\$ 6,542,666

The \$3,102,400 transfer from the General Fund to Capital Improvement Fund was for approved capital projects and funding for future projects. The \$2,772,766 transfers from the general fund to the nonmajor governmental funds consisted of \$165,000 for grant and program operations, and \$2,607,766 for necessary fund transfers of Bayfront Impact Fund residing in General Fund assigned fund balance and assigned to Public Safety Development.

The \$337,500 transfer from nonmajor governmental funds to the general fund were for recovery of administrative costs. The \$100,00 transfers from nonmajor governmental funds to other nonmajor governmental funds were to cover operating deficits for the current fiscal year.

The \$230,000 transfer from the Water fund to the General fund was for recovery of administrative costs.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 10: Fund Balance

In the fund financial statements, governmental funds report restriction of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. The various committed and assigned balances are established by actions of the City Council and Management and can be increased, reduced or eliminated by similar actions. The following are the classifications that were implemented according to GASB Statement No. 54, at June 30, 2021:

	General Fund	Below Market Rate Housing Special Revenue	Transportation Impact Fees	General Capital Improvement Project Funds	Measure T Debt Service	Non-Major Governmental Funds	Total
Nonspendable:							
Deposits and prepaid items	\$ 458,698	\$ -	\$ -	\$ 49,908	\$ -	\$ 6,258	\$ 514,864
Total nonspendable	458,698	-	-	49,908	-	6,258	514,864
Restricted to:							
Housing	-	31,072,605	-	-	-	8,111,801	39,184,406
Public safety	-	-	-	-	-	3,513,810	3,513,810
Debt Service	-	-	-	-	3,806,813	360,244	4,167,057
Streets and sidewalks	-	-	7,296,521	-	-	9,249,286	16,545,807
Transportation	-	-	-	-	-	2,608	2,608
Leisure and cultural activities	-	-	-	-	-	3,705,977	3,705,977
Solid waste	-	-	-	-	-	7,757,332	7,757,332
Public Facilities	-	-	-	-	-	4,041,980	4,041,980
Other Purposes	-	-	-	-	-	370,703	370,703
Stormwater	-	-	-	-	-	456,003	456,003
Total restricted	-	31,072,605	7,296,521	-	3,806,813	37,569,744	79,745,683
Committed to:							
Leisure and cultural activities	-	-	-	-	-	1,008,101	1,008,101
Streets, sidewalks and parking	-	-	-	-	-	4,753,605	4,753,605
Solid waste	-	-	-	-	-	2,834,008	2,834,008
Landscape maintenance	-	-	-	-	-	975,873	975,873
Strategic pension funding	4,650,860	-	-	-	-	-	4,650,860
Emergency contingency	10,300,000	-	-	-	-	-	10,300,000
Economic stabilization	14,000,000	-	-	-	-	-	14,000,000
Total committed	28,950,860	-	-	-	-	9,571,587	38,522,447
Assigned to:							
Capital projects	3,002,400	-	-	25,996,970	-	1,112,930	30,112,300
Debt service	-	-	-	-	-	325,216	325,216
Other purposes	1,007,780	-	-	-	-	-	1,007,780
Total assigned	4,010,180	-	-	25,996,970	-	1,438,146	31,445,296
Unassigned							
	4,800,628	-	-	-	-	(54,021)	4,746,607
Total Fund Balance	\$ 38,220,366	\$ 31,072,605	\$ 7,296,521	\$ 26,046,878	\$ 3,806,813	\$ 48,531,714	\$ 154,974,897

Deficit Fund Balance/Net Position – The following non-major funds reported a deficit fund balance or net position:

Fund	Deficit Fund Balance/Net Position
Vintage Oaks Landscape	\$478
Shuttle Program	\$53,543
Liability Fire Insurance	\$550,148

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 11: Encumbrances/Commitments

The City had various commitments totaling \$4,033,647 as of June 30, 2021. The most significant commitments are for plan check services and environmental impact reviews for new developments of the capital improvement projects which include but are not limited to city buildings maintenance, street resurfacing projects, and traffic congestion projects. All commitments are evidenced by contractual agreements with contractors. The encumbrances listed by fund are as follows:

Major:	
General Fund	\$ 7,780
Transportation Impact Fees Fund	341,848
General Capital Improvement Fund	1,250,964
Water Fund	1,763,255
Non-Major Funds	2,082,879
Total	<u>\$ 5,446,726</u>

Note 12: Defined Benefit Pension Plan**a. Summary of Pension Plan Balances**

Pension related balances presented on the Statement of Net Position as of June 30, 2021, by individual plan are described in the following table. In previous years, of the governmental funds, the General Fund, General Capital Improvement Project Fund and Nonmajor Governmental funds were used to liquidate pension liabilities:

	Deferred Employer Contributions	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension	Pension expense
CALPERS Miscellaneous					
Agent Multiple Employer Plan	\$ 5,376,562	\$ 3,158,706	\$ 36,128,966	\$ 135,266	\$ 6,290,218
CALPERS Safety					
Cost Sharing Plan	3,373,701	3,430,668	29,497,100	1,115,819	4,943,853
Total	<u>\$ 8,750,263</u>	<u>\$ 6,589,374</u>	<u>\$ 65,626,066</u>	<u>\$ 1,251,085</u>	<u>\$ 11,234,071</u>

b. CalPERS Plan**General Information about the Pension Plan**

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Plan, an 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. All safety qualified permanent and probationary employees are eligible to participate in the City’s Safety Plan, a cost-sharing 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Defined Benefit Pension Plan (Continued)

Benefit provisions under the Plan are established by State statute and Local Government 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.

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, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect as of the June 30, 2020 measurement date, are summarized as follows:

	Miscellaneous Classic	Miscellaneous Second Tier Classic	Miscellaneous PEPRA
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of annual salary	2.70% at age 55	2.00% at age 60	2.00% at age 62
Required employee contribution rates	7.322%	7.000%	6.750%
Required employer normal contribution rates	10.072%	10.072%	10.072%
Required UAL payment	\$ 2,649,728	\$ -	\$ -

	Safety Classic	Safety Second Tier Classic	Safety PEPRA
Hire Date	Prior to January 1, 2013	On or after January 1, 2013	On or after January 1, 2013
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	55	57
Monthly benefits, as a % of annual salary	3.00%	3.00%	2.70%
Required employee contribution rates	9.00%	9.000%	12.000%
Required employer normal contribution rates	21.927%	18.928%	13.03%
Required UAL payment	\$ 1,665,796	\$ -	\$ 4,969

Employees Covered – At June 30, 2021, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	246
Active employees	222
Total	<u>468</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Defined Benefit Pension Plan (Continued)

Contributions – Section 20814(C) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with 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 year ended June 30, 2021, the employer contributions recognized as a reduction to the net pension liability were \$5,714,049 and \$3,519,360, for the miscellaneous plan and the safety rate plan, respectively.

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 the Plan 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 on the following page.

Actuarial Assumptions – The total pension liabilities in the June 30, 2019, actuarial valuations were determined using the following actuarial assumptions:

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%
Salary increases	Varies by Entry Age and Service
Mortality ⁽¹⁾	Derived using CALPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

⁽¹⁾ The mortality table used was developed based on CALPERS' specific data. The table includes 15 years of mortality improvements using society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2018 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return - 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 and forecasted information for all the funds' asset classes, 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1-10 ⁽²⁾	Real Return Years 11+ ⁽³⁾
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

Subsequent Events

On November 15, 2021, the CalPERS Board of Administration selected a new asset allocation mix that will guide the fund's investment portfolio for the next four years, while at the same time retaining the reduction of discount rate from 7.0% to 6.8%. Notable changes for employers include a decrease in median total employer contribution rates, from less than 1% in miscellaneous plans to a decrease of more than 2% in some safety plans. Contribution changes will take effect in fiscal year 2023-24 for public agencies.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 12: Defined Benefit Pension Plan (Continued)

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan follow:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2019 (MD)	\$ 141,085,627	\$ 107,999,171	\$ 33,086,456
Changes in the year:			
Service cost	3,296,079	-	3,296,079
Interest on the total pension liability	10,105,458	-	10,105,458
Differences between actual and expected experience	2,204,389	-	2,204,389
Contribution - employer	-	5,792,309	(5,792,309)
Contribution - employee	-	1,491,043	(1,491,043)
Net Investment income	-	5,432,316	(5,432,316)
Benefit payments, including refunds of employee contributions	(7,205,963)	(7,205,963)	-
Administrative expenses	-	(152,252)	152,252
Net changes	8,399,963	5,357,453	3,042,510
Balance at June 30, 2020 (MD)	\$ 149,485,590	\$ 113,356,624	\$ 36,128,966

As of June 30, 2021, the City reported a net pension liability of \$29,497,100 for its proportionate share of the net pension liability of the safety plan.

The City's proportionate share of the net pension liability of the safety risk pool for the safety plan as of measurement dates June 30, 2019 and 2020 were as follows:

Proportion - June 30, 2019	0.268420%
Proportion - June 30, 2020	0.271102%
Change - Increase (Decrease)	0.002682%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021
Note 12: Defined Benefit Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for the Plan, calculated using the discount rate of 7.15% for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate (dollars expressed in thousands):

	Miscellaneous Plan	Safety Plan
1% Decrease	6.15%	
Net Pension Liability	\$ 55,965,063	\$ 43,967,639
Current Discount Rate	7.15%	
Net Pension Liability	\$ 36,128,966	\$ 29,497,100
1% Increase	8.15%	
Net Pension Liability	\$ 19,769,377	\$ 17,622,655

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

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

For the year ended June 30, 2021, the City recognized pension expense of \$6,290,218 and \$4,943,853, for the Miscellaneous and Safety plan, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan		
Pension contributions subsequent to measurement date	\$ 5,376,562	\$ -
Differences between actual and expected experience	2,277,851	56,432
Changes in assumptions	-	78,834
Net differences between projected and actual earnings on pension plan investments	880,855	-
Total	\$ 8,535,268	\$ 135,266
Safety Plan		
Pension contributions subsequent to measurement date	\$ 3,373,701	\$ -
Differences between actual and expected experience	2,287,351	-
Changes in assumptions	-	98,255
Net differences between projected and actual earnings on pension plan investments	641,096	-
Adjustment due to differences in proportions	502,221	-
Difference in proportionate share of contributions	-	1,017,564
Total	6,804,369	1,115,819
Total All Plans	\$ 15,339,637	\$ 1,251,085

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 12: Defined Benefit Pension Plan (Continued)

The \$5,376,562 and \$3,373,701 for the Miscellaneous and Safety plan, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflow/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2022	\$ 826,460	\$ 432,224	\$ 1,258,684
2023	1,047,303	886,827	1,934,130
2024	695,092	674,572	1,369,664
2025	454,585	321,226	775,811
Total	\$ 3,023,440	\$ 2,314,849	\$ 5,338,289

Note 13: Other Post-Employment Benefits (OPEB)

Plan Description

The City sponsors and administers an agent-multiple employer defined benefit postemployment healthcare plan (the Plan) to provide healthcare insurance benefits to eligible retired employees and their dependents. Benefit provisions are established and may be amended by the City.

The City participates in the CalPERS healthcare program (PEMHCA) and allows retirees to continue participation in the medical insurance program after retirement. The following summarizes the retiree healthcare benefits:

PEMHCA Minimum: The City pays the PEMHCA minimum required employer contribution for retirees participating in PEMHCA towards the retiree monthly premium.

Retiree Health Benefit Credits (RHBC): Employees can convert unused sick or general leave balance (up to a maximum) to RHBC at retirement. The City pays retiree medical or dental coverage based on RHBC. Sick leave hour accrual and RHBC conversion rates vary by bargaining unit and service.

Implied Subsidy: An implied subsidy generally exists when retiree premiums are based on blended active and retiree experience. In May 2014, the American Academy of Actuaries released a new version of Actuarial Standard of Practice No. 6 (ASOP No. 6). The revised ASOP No. 6 requires the implied subsidy to be valued for community plans such as PEMHCA.

Employees Covered

Inactive employees or beneficiaries currently receiving benefits	119
Inactive employees entitled to but not yet receiving benefits	-
Active employees	236
Total	<u>355</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 13: Other Post-Employment Benefits (OPEB) (Continued)

Contributions

The City pre-funds the Plan through CalPERS OPEB Trust (CERBT) by contributing the City's Annual Required Contribution (ARC) every year. For the measurement period 2019-20, the City contributed \$931,457 including \$760,437 in benefit payments, \$168,000 in implicit rate subsidy, and \$3,020 of expenses paid outside of the trust.

CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that included financial statements and required supplementary information for the City, not individualizing, but in aggregate with the other CERBT participants. That report may be obtained by contacting CalPERS.

Net OPEB Asset

The City's net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation	2.75%
Contribution Policy	Contributes full ADC
Salary Increases	Varies by Entry Age and Service
Projected Salary Increase	3.00%
Investment Rate of Return	6.75%
Mortality	CalPERS 1997-2015 Experience Study
Post Retirement Benefit Increase	Post-retirement mortality projected fully generational with Scale MP-2019
Healthcare Trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate 4.0% in 2076

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 13: Other Post-Employment Benefits (OPEB) (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

Asset Class	Target Allocation*	Expected Real Rate of Return
Global Equity	59.00%	4.82%
Fixed Income	25.00%	1.47%
TIPS	5.00%	1.29%
Commodities	3.00%	0.84%
REITS	8.00%	3.76%
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return, Rounded		6.75%
Discount Rate**		6.75%

*Provided by CalPERS' Strategic Asset Allocation Analysis Overview in October 2018 – Strategy 1.

**The fiduciary net position is projected to be sufficient to make projected benefit payments, and the plan assets are expected to be invested using the strategy to achieve the expected return.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. 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 and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2021

Note 13: Other Post-Employment Benefits (OPEB) (Continued)

Changes in the Net OPEB Asset

The changes in the net OPEB asset for the OPEB Plan are as follows:

	Increase (Decrease)		Net OPEB (Asset)
	Total OPEB Liability	Plan Fiduciary Net Position	
Balance at June 30, 2019 (MD)	\$ 18,261,041	\$ 22,006,132	\$ (3,745,091)
Changes in the year:			
Service Cost	646,231	-	646,231
Interest	1,244,906	-	1,244,906
Changes in assumptions	(315,068)	-	(315,068)
Contribution - employer	-	931,457	(931,457)
Net investment income	-	777,337	(777,337)
Administrative expenses	-	(13,768)	13,768
Benefit payments , including refunds of employee contributions	(928,437)	(928,437)	-
Net changes	647,632	766,589	(118,957)
Balance at June 30, 2020 (MD)	\$ 18,908,673	\$ 22,772,721	\$ (3,864,048)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net OPEB Asset	\$ (1,932,248)	\$ (3,864,048)	\$ (5,525,079)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB asset of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB Asset	\$ (5,915,799)	\$ (3,864,048)	\$ (1,413,544)

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 13: Other Post-Employment Benefits (OPEB) (Continued)

Recognition of Deferred Outflow and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other gains/losses	7.9 years

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$260,609. For the fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 219,861	\$ -
Differences between expected and actual experience	-	655,050
Changes in Assumptions	16,802	275,186
Net differences between projected and actual earnings on plan investments	418,584	-
Total	<u>\$ 655,247</u>	<u>\$ 930,236</u>

The \$219,861 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as an increase of the net OPEB asset during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2022	\$ (157,245)
2023	(31,245)
2024	15,757
2025	(8,383)
2026	(149,925)
Thereafter	(163,809)
Total	<u>\$ (494,850)</u>

CITY OF MENLO PARK

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 14: Landfill Post-Closure Care

The City owns and maintains a closed, municipal, non-hazardous solid waste landfill known as the Marsh Road Landfill. Landfill operations began at the site in 1957 through a Joint Exercise of Powers Agreement initiated by San Mateo County. In 1968, the City took responsibility for the landfill and its eventual post-closure maintenance. The landfill ceased the receipt of wastes in May of 1984. In 1995, the construction of Bayfront Park was completed, incorporating required features such as a gas recovery and leachate control system.

State and Federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site at Bayfront Park through the year 2025. These same regulations require the City to make annual contributions and/or provide an alternative funding mechanism to finance closure and post-closure care costs. In January 2003, the City Council approved a plan for a 5.4% surcharge on solid waste collection fees, increasing at a rate of 0.2% per year, in order to cover these costs. The surcharge is currently 7.2 percent.

The City's outstanding future post-closure care costs were estimated at \$2,394,631 at June 30, 2021. This estimate is based upon the present value of future cash flows associated with the landfill site's post-closure costs, discounted using the City's projected return on investment. The amount of fund balance within the Landfill Special Revenue Fund is not sufficient to cover such a liability, though the revenue stream provided by the solid waste collection surcharge and all post-closure costs will be accounted for in this fund. The City has recorded the post-closure cost liability as part of governmental activities in the government-wide financial statements.

The City will fund on-going post-closure costs with a combination of revenues from the surcharge and interest earnings. However, if these revenues are inadequate or additional post-closure care requirements are determined (due to changes in technology, applicable laws or regulations, for example), these costs may need to be covered by additional garbage surcharges or from future tax revenue. The following is the activity for landfill post closure care for fiscal year 2021:

	Balance June 30, 2020	Deletions	Balance June 30, 2021	Due within one year	Due in more than one year
Governmental Activities	\$ 2,905,683	\$ 511,052	\$ 2,394,631	\$ 469,488	\$ 1,925,143

Note 15: Community Development Agency of The City of Menlo Park

The former Community Development Agency of the City of Menlo Park (Agency) was established in 1981 with the adoption of the Las Pulgas Community Development Plan (1981 Plan). Since 1981, the Agency has implemented numerous programs to improve housing in the project area. During the fiscal year 2011-12, the Agency was dissolved in accordance to State Assembly Bill 1X26. All assets of the Agency were transferred to the Successor Agency private-purpose trust fund. More information on the Successor Agency can be found in Note 16.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 16: Successor Agency Trust for The Former Community Development Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1x 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Menlo Park that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets of the former redevelopment agency until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 6043.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012.

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

During the year ended June 30, 2016, all of the assets of the former Community Development Agency have been liquidated and distributed among the affected taxing districts. The Successor Agency’s remaining responsibility is for the maintenance of the former agency’s debt, which consists of the 2015 Tax Allocation Refunding Bonds. More information on these bonds can be found in Section C of Note 6.

Note 17: Contingencies

Grant Funding – The City participates in a number of Federal, State, and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government.

American Rescue Plan Act (ARPA) – On March, 11, 2021, in response to the economic fallout of the Coronavirus pandemic in the united states, Congress passed the American Rescue Plan Act, also known as ARPA. The City was allocated money through the Coronavirus Local Fiscal Recovery Funds. The funding is to be received in 2 installments of \$4,150,250 totaling to \$8,300,500. The funds are subject to guidance specified in U.S. Department of Treasury’s ARPA Interim Final Rule.

CITY OF MENLO PARK

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Note 18: Litigation

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, most of these actions, when finally adjudicated, will not have a material adverse effect on the financial condition of the City.

Note 19: Joint Ventures

General

The City of Menlo Park participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. Obligations and liabilities of the JPAs are not those of the City.

San Francisquito Creek

The San Francisquito Creek Joint Powers Authority (SFCJPA) was created in May 1999 as a joint powers authority by the City of Menlo Park, the City of Palo Alto, the City of East Palo Alto, the Santa Clara Valley Water District and the San Mateo Flood Control District. The Authority's board is comprised of one director appointed by each of these member entities and is a legally separate and fiscally independent entity.

The Authority was formed to manage the joint contribution of services and provide policy direction on issues of mutual concern related to the San Francisquito Creek, including bank stabilization, channel clearing and other creek maintenance, planning of flood control measures, preserving environmental values and instream uses and emergency response coordination. The SFCJPA and U.S. Army Corps of Engineers are presently working together with the area's Congressional delegation to secure Federal funding for studies needed to identify a comprehensive flood management and ecosystem restoration project within the Creek watershed.

In the fiscal year ended June 30, 2021, each member entity contributed \$225,000 to cover Authority administrative costs for the year.

Complete financial statements for the SFCJPA may be obtained from their offices at the following address:

San Francisquito Creek Joint Powers Authority
1231 Hoover Street
Menlo Park, California 94025

South Bayside Waste Management Authority

The City of Menlo Park is one of twelve members of the South Bayside Waste Management Authority (SBWMA). The SBWMA was formed in October 1999 for the purpose of joint ownership, financing and administration of solid waste transfer and recycling facilities; and the planning, administration management review, monitoring, enforcement and reporting of solid waste, recyclable material and plant material collection activities within the Authority's service area.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Note 19: Joint Ventures (Continued)

The Authority is controlled by a twelve-member board consisting of one representative from each member entity. None of the SBWMA member entities exercise specific control over the budgeting and financing of the Authority's activities beyond their representation of the board.

Through the operation of franchise agreements with each member, Recology San Mateo County (Recology) collects fees charged for the use of the Authority's facilities and remits them to the Authority. Pursuant to an operations agreement with the Authority effective through December 31, 2021, Recology operates the facilities and is paid compensation based on costs, a provision for profit and incentives for cost savings and performance.

Complete financial statement for the SBWMA may be obtained from their offices at the following address:

South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070

Note 20: Restatement of Prior Year Balance

Beginning Net Position of the governmental activities were restated due to the removal of \$193,002 of prior year construction-in-progress costs (CIP). It was determined that these costs expended in the prior year were not capitalizable, and as such have been removed in fiscal year 2020-2021.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 42,349,232	\$ 45,599,863	\$ 43,737,631	\$ (1,862,232)
Licenses and permits	2,206,000	2,206,000	3,063,815	857,815
Intergovernmental	1,060,239	1,495,525	1,957,360	461,835
Charges for services	8,152,533	8,412,533	5,697,303	(2,715,230)
Use of money and property	1,391,564	1,391,564	949,463	(442,101)
Fines and forfeitures	200,000	200,000	436,753	236,753
Miscellaneous	44,200	44,200	125,883	81,683
Total Revenues	55,403,768	59,349,685	55,968,208	(3,381,477)
Expenditures:				
Current:				
General government	6,874,436	9,510,427	8,149,269	1,361,158
Public safety	17,918,193	17,943,194	18,358,323	(415,129)
Community development	5,330,228	5,514,748	6,119,266	(604,518)
Parks and recreation	11,237,092	10,407,230	9,921,620	485,610
Public works	11,509,390	11,609,391	11,051,302	558,089
Urban development and housing	169,862	187,163	127,947	59,216
Capital outlay	322,560	417,560	233,771	183,789
Total Expenditures	53,361,761	55,589,713	53,961,498	1,628,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,042,007	3,759,972	2,006,710	(1,753,262)
Other Financing Sources (Uses):				
Transfers in	565,200	565,200	567,500	2,300
Transfers out	(3,267,400)	(5,875,166)	(5,875,166)	-
Total Other Financing Sources (Uses)	(2,702,200)	(5,309,966)	(5,307,666)	2,300
Net Change in Fund Balances	(660,193)	(1,549,994)	(3,300,956)	(1,750,962)
Fund Balances, Beginning of Year	41,521,322	41,521,322	41,521,322	-
Fund Balances, End of Year	\$ 40,861,129	\$ 39,971,328	\$ 38,220,366	\$ (1,750,962)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BELOW MARKET RATE HOUSING SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,127,500	\$ 1,127,500	\$ 411,942	\$ (715,558)
Use of money and property	63,200	63,200	272,111	208,911
Total Revenues	1,190,700	1,190,700	684,053	(506,647)
Expenditures:				
Current:				
General government	18,505	18,507	36,094	(17,587)
Urban development and housing	469,408	469,408	888,580	(419,172)
Total Expenditures	487,913	487,915	924,674	(436,759)
Excess (Deficiency) of Revenues Over (Under) Expenditures	702,787	702,785	(240,621)	(943,406)
Net Change in Fund Balances	702,787	702,785	(240,621)	(943,406)
Fund Balances, Beginning of Year	31,313,226	31,313,226	31,313,226	-
Fund Balances, End of Year	\$ 32,016,013	\$ 32,016,011	\$ 31,072,605	\$ (943,406)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION IMPACT FEES FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 170,000	\$ 170,000	\$ 224,949	\$ 54,949
Charges for services	1,000,000	1,000,000	141,028	(858,972)
Use of money and property	22,800	22,800	19,533	(3,267)
Total Revenues	1,192,800	1,192,800	385,510	(807,290)
Expenditures:				
Current:				
Public works	20,253,281	10,698,564	753,367	9,945,197
Capital outlay	-	-	39,575	(39,575)
Total Expenditures	20,253,281	10,698,564	792,942	9,905,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,060,481)	(9,505,764)	(407,432)	9,098,332
Net Change in Fund Balances	(19,060,481)	(9,505,764)	(407,432)	9,098,332
Fund Balances, Beginning of Year	7,703,953	7,703,953	7,703,953	-
Fund Balances, End of Year	\$ (11,356,528)	\$ (1,801,811)	\$ 7,296,521	\$ 9,098,332

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CITY OF MENLO PARK

**MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
TOTAL PENSION LIABILITY				
Service Cost	\$ 2,430,975	\$ 2,360,735	\$ 2,532,940	\$ 2,948,588
Interest	7,464,650	7,827,343	8,311,199	8,613,664
Difference between Expected and Actual Experience	-	(690,951)	850,983	(1,154,146)
Changes in Assumptions	-	(1,888,285)	-	7,103,534
Benefit Payments, Including Refunds of Employee Contributions	(4,401,346)	(4,582,081)	(5,018,466)	(5,328,833)
Net Change in Total Pension Liability	5,494,279	3,026,761	6,676,656	12,182,807
Total Pension Liability - Beginning	100,513,857	106,008,136	109,034,897	115,711,553
Total Pension Liability - Ending (a)	\$ 106,008,136	\$ 109,034,897	\$ 115,711,553	\$ 127,894,360
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 2,231,189	\$ 2,607,401	\$ 2,978,937	\$ 3,599,142
Contributions - Employee	1,006,903	1,080,371	1,150,378	1,299,175
Plan to Plan Resource Movement	-	-	-	-
Net Investment Income	12,874,205	1,934,950	450,209	9,694,557
Benefit Payments, Including Refunds of Employee Contributions	(4,401,346)	(4,582,081)	(5,018,466)	(5,328,833)
Administrative Expense	-	-	-	-
Other Miscellaneous Income/(Expense)	-	(97,826)	(52,975)	(127,609)
Net Change in Fiduciary Net Position	11,710,951	942,815	(491,917)	9,136,432
Plan Fiduciary Net Position - Beginning	74,268,983	85,979,934	86,922,749	86,430,832
Plan Fiduciary Net Position - Ending (b)	\$ 85,979,934	\$ 86,922,749	\$ 86,430,832	\$ 95,567,264
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 20,028,202	\$ 22,112,148	\$ 29,280,721	\$ 32,327,096
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.11%	79.72%	74.70%	74.72%
Covered Payroll	\$ 13,277,488	\$ 13,909,694	\$ 13,539,431	\$ 16,960,555
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	150.84%	158.97%	216.26%	190.60%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Notes to Schedule:

Benefit Changes:

There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

In 2020, there were no changes. In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

	2019	2020	2021
	6/30/2018	6/30/2019	6/30/2020
\$	3,064,496	\$ 3,042,903	\$ 3,296,079
	8,947,116	9,527,938	10,105,458
	(867,180)	2,148,396	2,204,389
	(620,756)	-	-
	(5,608,391)	(6,443,255)	(7,205,963)
	4,915,285	8,275,982	8,399,963
	127,894,360	132,809,645	141,085,627
\$	132,809,645	\$ 141,085,627	\$ 149,485,590
\$	3,519,321	\$ 3,908,243	\$ 5,792,309
	1,357,733	1,325,573	1,491,043
	(238)	-	-
	8,121,487	6,756,082	5,432,316
	(5,608,391)	(6,443,255)	(7,205,963)
	(148,920)	(73,164)	(152,252)
	(282,802)	238	-
	6,958,190	5,473,717	5,357,453
	95,567,264	102,525,454	107,999,171
\$	102,525,454	\$ 107,999,171	\$ 113,356,624
\$	30,284,191	\$ 33,086,456	\$ 36,128,966
	77.20%	76.55%	75.83%
\$	17,374,255	\$ 18,851,078	\$ 19,731,998
	174.30%	175.51%	183.10%

CITY OF MENLO PARK

**MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 2,604,813	\$ 2,978,780	\$ 3,599,540	\$ 3,518,244
Contribution in Relation to the Actuarially Determined Contribution	(2,604,813)	(2,978,780)	(3,599,540)	(3,518,244)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 13,909,694	\$ 13,539,431	\$ 16,960,555	\$ 17,374,255
Contributions as a Percentage of Covered Payroll	18.73%	22.00%	21.22%	20.25%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:
Actuarial cost method

Entry Age Normal Cost Method

Level percentage of pay, a summary of the current policy is provided in the table below:

Amortization method

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Assets valuation method
Projected Salary Increases
Inflation
Payroll growth
Investment Rate of Return

Direct rate smoothing
Varies by Entry Age and Service
2.500%
2.750%
7.00% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

2019	2020	2021
\$ 3,908,065	\$ 5,714,049	\$ 5,376,562
<u>(3,908,065)</u>	<u>(5,714,049)</u>	<u>(5,376,562)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 18,851,078	\$ 19,731,998	\$ 19,242,648
20.73%	28.96%	27.94%

CITY OF MENLO PARK

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2015	2016	2017	2018
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Proportion of the Net Pension Liability*	0.23051%	0.24430%	0.25092%	0.25240%
Proportionate Share of the Net Pension Liability	\$ 14,343,292	\$ 16,768,810	\$ 21,711,951	\$ 25,030,898
Covered Payroll	\$ 6,253,886	\$ 6,059,802	\$ 6,328,709	\$ 6,151,486
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	229.4%	276.7%	343.1%	406.9%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.43%	78.40%	74.06%	73.31%

*Represents the portion of the net pension liability compared to the total risk pool for both safety and miscellaneous plans.

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes: None

Changes of Assumptions: In 2020, there were no changes. In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

⁽¹⁾ Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2019	2020	2021
6/30/2018	6/30/2019	6/30/2020
0.26282%	0.26842%	0.27110%
\$ 25,325,786	\$ 27,505,607	\$ 29,497,100
\$ 5,996,613	\$ 6,414,285	\$ 6,354,466
422.3%	428.8%	464.2%
75.26%	75.26%	75.10%

CITY OF MENLO PARK

**COST-SHARING MULTIPLE EMPLOYER SAFETY PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS ⁽¹⁾**

	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,623,197	\$ 1,767,802	\$ 1,965,524	\$ 2,036,374
Contribution in Relation to the Actuarially Determined Contribution	(1,623,197)	(1,767,802)	(1,965,524)	(2,036,374)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,059,802	\$ 6,328,709	\$ 6,151,486	\$ 5,996,613
Contributions as a Percentage of Covered Payroll	26.8%	27.9%	32.0%	34.0%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:
Actuarial cost method

Entry Age Normal Cost Method

Level percentage of pay, a summary of the current policy is provided in the table below:

Amortization method

Driver	Source				
	(Gain)/Loss		Assumption/ Method	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Assets valuation method
Projected Salary Increases
Inflation
Payroll growth
Individual salary growth

Direct rate smoothing
Varies by Entry Age and Service
2.50%
2.75%

A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.

Investment Rate of Return

7.00% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

2019	2020	2021
\$ 2,373,439	\$ 3,519,360	\$ 3,373,701
(2,373,439)	(3,519,360)	(3,373,701)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,414,285	\$ 6,354,466	\$ 6,034,111
37.0%	55.4%	55.9%

CITY OF MENLO PARK

**SCHEDULE OF CHANGES IN THE NET OPEB ASSET AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability				
Service cost	\$ 628,000	\$ 647,000	\$ 666,188	\$ 646,231
Interest on the total OPEB liability	1,113,000	1,174,000	1,237,187	1,244,906
Actual and expected experience difference	-	-	(880,930)	-
Changes in assumptions	-	-	22,596	(315,068)
Benefit payments	(801,000)	(915,000)	(893,000)	(928,437)
Net change in total OPEB liability	940,000	906,000	152,041	647,632
Total OPEB liability - beginning	16,263,000	17,203,000	18,109,000	18,261,041
Total OPEB liability - ending (a)	17,203,000	18,109,000	18,261,041	18,908,673
Plan Fiduciary Net Position				
Contribution - employer	1,082,000	1,198,000	895,000	931,457
Net investment income	1,785,000	1,511,000	1,278,573	777,337
Benefit payments	(801,000)	(915,000)	(893,000)	(928,437)
Administrative expense	(12,000)	(38,000)	(6,441)	(13,768)
Net change in plan fiduciary net position	2,054,000	1,756,000	1,274,132	766,589
Plan fiduciary net position - beginning	16,922,000	18,976,000	20,732,000	22,006,132
Plan fiduciary net position - ending (b)	18,976,000	20,732,000	22,006,132	22,772,721
Net OPEB Assets - ending (a) - (b)	\$ (1,773,000)	\$ (2,623,000)	\$ (3,745,091)	\$ (3,864,048)
Plan fiduciary net position as a percentage of the total OPEB liability	110.31%	114.48%	120.51%	120.44%
Covered-employee payroll	\$ 26,004,000	\$ 25,858,000	\$ 25,481,000	\$ 29,679,632
Net OPEB asset as a percentage of covered-employee payroll	6.82%	10.14%	14.70%	13.02%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

Changes in assumptions: In 2020, ACA excise tax was repealed in December 2019. In 2019, mortality improvement scale was updated to Scale

CITY OF MENLO PARK

**SCHEDULE OF OPEB CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 676,000	\$ 448,000	\$ 435,000	\$ 669,000
Contribution in Relation to the Actuarially Determined Contributions	(1,198,000)	(895,000)	(931,457)	(219,861)
Contribution Deficiency (Excess)	<u>\$ (522,000)</u>	<u>\$ (447,000)</u>	<u>\$ (496,457)</u>	<u>\$ 449,139</u>
Covered-employee payroll	\$ 25,858,000	\$ 25,481,000	\$ 29,679,632	\$ 28,008,292
Contributions as a percentage of covered-employee payroll	2.61%	1.76%	1.47%	2.39%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2020 were from the June 30, 2017 actuarial

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll
Asset Valuation Method	Investment gains and losses spread
Discount Rate	6.75%
Inflation	2.75%
Mortality	CalPERS 1997 to 2015 Experience

CITY OF MENLO PARK

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY ACCOUNTING AND CONTROL JUNE 30, 2021

Budgetary Principles

The City followed these procedures in establishing the budgetary data reflected in the General-Purpose Financial Statements:

1. City Council identifies the priority projects/programs for the budget at a study session with public input. The City Council annually adopts the budget for the ensuing fiscal year generally prior to July 1.
2. The City Manager is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
3. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, debt service funds, and capital projects funds. Proprietary funds and Agency funds are not budgeted.
4. Budgets for the general, special revenue and capital projects funds are adopted on a basis consistent with GAAP.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2021, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
6. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. The City Manager must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications.
7. Appropriations lapse at the end of the fiscal year and then are rebudgeted for the coming year.
8. Budgeted appropriations for the various governmental funds become effective 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 level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

For the fiscal year ending June 30, 2021, the following funds had no adopted annual budgets:

Public Library Fund
Literacy Grants Fund
Bay Area Air Quality Management Fund
Downtown Public Amenity Fund
Measure W Fund
Heritage Tree Fund
Family Literacy Grant Fund

CITY OF MENLO PARK

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2021**

Budgetary Principles (Continued)

Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are reported as an assignment of fund balances.

Expenditures over Appropriations

The following major funds had expenditures over appropriations for the fiscal year ended June 30, 2021:

Below Market Rate Housing Fund - \$ 436,759

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SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

Highway Users Tax - Established to receive and expend the City's allocation of the State Gasoline taxes.

Federal Revenue Sharing - Established to account for Federal Revenue Sharing money used to make emergency repair loans to lower income owners of single-family owner-occupied properties.

Landscape/Tree Assessment - Established to account for property tax assessments collected under the Landscaping and Lighting Act of 1972 utilized for maintaining of City street trees.

Sidewalk Assessment - Established to account for property tax assessments collected under the Landscaping and Lighting Act of 1972 utilized for repair and replacement of hazardous sidewalks and curbs.

Landfill Post-Closure - Established to receive and expend increased solid waste surcharges and other revenues to cover the post-closure costs of the Marsh Road landfill at the Bayfront Park.

County Transportation Tax - Established to account for the City's portion of the County-wide ½ cent sales tax used for City transportation purposes.

Public Library - Established to provide supplementary funds to public libraries and to encourage local jurisdictions to maintain local support for their libraries.

Literacy Grants - Established to provide literacy services to adult learners.

Narcotic Seizure - Established to account for money seized in arrests for drug law violations used to purchase law enforcement equipment and supplies.

Downtown Parking Permits - Established to provide adequate parking within the Central Business District.

Storm Drainage Fees - Established to account for storm drainage fees used to mitigate City storm drainage problems either directly or indirectly resulting from the development.

Solid Waste Service - Utilized to provide a City-wide garbage pickup service in order to keep health standards high for the single-family residences.

Bay Area Air Quality Management (AB 434) - Established to account for City's share of surcharge funds from motor vehicle registration fees to be used for implementing eligible transportation programs.

Housing Special Revenue Fund - Accounts for loans transferred to the City when the former Community Development Agency was dissolved. Prior to the Agency's dissolution, the Agency used tax increment revenue restricted for low and moderate income housing to make the loans which were subsequently transferred to the City. This fund's only activity is current revenue and expenditures resulting from loan servicing activities.

Transportation Fund - Established to account for funding for infrastructures related to transportation such as streets/bike lanes/sidewalks/storm drains, etc.

Storm Water Management (NPDES) - Established to account for the local requirements delineated in the Storm Water Management Plan, funded by a City-wide fee per parcel.

SPECIAL REVENUE FUNDS (CONTINUED)

Supplemental Law Enforcement Services - Established to account for funds received from Supplemental Law Enforcement Services Fund (SLESF) monies under AB3229 used to provide front line law enforcement services.

Construction Impact Fee - Established to account for developer fees paid to mitigate pavement damage due to heavy construction activity.

Bayfront Park Maintenance - Utilized to account for prior year fees residing in the fund balance that were charged to the public for trash hauled to the City landfill site. The interest earned on these fees are used to maintain the Bedwell Bayfront Park built on the site.

Recreation In-Lieu - Established to account for developer fees paid in-lieu of new recreation facilities. The funds are used to improve and expand recreation facilities.

Sharon Hills Park - Established to account for a developer payment to be used for maintenance of Sharon Hills Park.

Vintage Oaks Landscape - Established to account for a developer payment to be used for maintenance of the perimeter landscaping of the Vintage Oaks subdivision.

Community Development Block Grant - Established in 1981 to account for Federal Housing and Community Development Block Grant funds utilized for single family housing rehabilitation and related administration.

Miscellaneous Trust - Includes donations given to the City for certain programs within Library, Recreational and Public Safety services and deposits held by the City for environmental impact reports on small individual property developments.

Shuttle Program - Established to account for and segregate expenses and grant revenues related to shuttle services.

Measure M - Established to account for the City's portion of the annual fee of ten dollars (\$10) on motor vehicles registered in San Mateo County for transportation-related traffic congestion and water pollution mitigation programs. The fund is currently being used to pay for street sweeping services.

Library System Improvement - Established to account for the construction or renovation of systemwide library facilities.

Downtown Public Amenity Fund - Established to account for public parking in the downtown area.

HUT Repair and Maintenance Fund - Established to account for Highway User's Tax Road Maintenance, Section 2032 of the Streets & Highways Code.

Measure W Fund - Established to account for transit improvements and relieve traffic congestion.

Heritage Tree Fund - Established to account for planting additional trees, preserving existing trees with underlying treatment, and limiting infrastructure conflict (such as site modifications).

Family Literacy Grant Fund - Established to account for providing family-oriented literacy services in libraries (one-time only grant).

Bayfront Mitigation Fund - Established to account for the collection of special assessments related to the City's bayfront area.

CAPITAL PROJECT FUNDS

Library Addition Fund - Established to account for proceeds of the 1990 Library Improvements Bond Issue used to construct improvements to the existing Library.

Measure T Capital Projects Fund - Established to account for the proceeds of the 2002 Measure T Recreation Improvements Bond Issue used to construct improvements to the City's parks and recreation.

DEBT SERVICE FUNDS

Debt service funds are established to account for the accumulation and disbursement of monies to comply with the interest and redemption requirements of the Library Bond and the Measure T GO Bond Obligations as well as the retirement of the former Community Development Agency's Series 2006 Refunding bonds.

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Highway Users Tax	Federal Revenue Sharing	Landscape/Tree Assessment	Sidewalk Assessment
Assets:				
Pooled cash and investments	\$ 2,426,539	\$ 107,071	\$ 614,670	\$ 301,584
Receivables:				
Accounts	-	841	-	-
Notes and loans	-	18,858	-	-
Accrued interest	7,164	414	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 2,433,703	\$ 127,184	\$ 614,670	\$ 301,584
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 32,613	\$ 500	\$ 229,554	\$ 250,000
Accrued liabilities	1,107	-	14,413	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	33,720	500	243,967	250,000
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	2,399,983	126,684	370,703	51,584
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,399,983	126,684	370,703	51,584
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,433,703	\$ 127,184	\$ 614,670	\$ 301,584

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Landfill Post-Closure	County Transportation Tax	Public Library	Literacy Grants
Assets:				
Pooled cash and investments	\$ 7,725,686	\$ 609,398	\$ 83,414	\$ 53,729
Receivables:				
Accounts	73,284	-	-	-
Notes and loans	-	-	-	-
Accrued interest	30,038	2,345	-	-
Prepaid costs	5,862	396	-	-
Due from other governments	-	77,928	-	-
Total Assets	\$ 7,834,870	\$ 690,067	\$ 83,414	\$ 53,729
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 66,011	\$ 61,648	\$ -	\$ -
Accrued liabilities	5,665	7,359	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	71,676	69,007	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	5,862	396	-	-
Restricted	7,757,332	620,664	-	-
Committed	-	-	83,414	53,729
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	7,763,194	621,060	83,414	53,729
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,834,870	\$ 690,067	\$ 83,414	\$ 53,729

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Special Revenue Funds</u>			
	<u>Narcotic Seizure</u>	<u>Downtown Parking Permits</u>	<u>Storm Drainage Fees</u>	<u>Solid Waste Service</u>
Assets:				
Pooled cash and investments	\$ 42,586	\$ 4,735,955	\$ 145,432	\$ 2,809,927
Receivables:				
Accounts	-	-	-	34,583
Notes and loans	-	-	-	-
Accrued interest	-	18,450	565	8,986
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	<u>\$ 42,586</u>	<u>\$ 4,754,405</u>	<u>\$ 145,997</u>	<u>\$ 2,853,496</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 800	\$ 50,644	\$ 12,141
Accrued liabilities	-	-	-	7,347
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>800</u>	<u>50,644</u>	<u>19,488</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	42,586	-	95,353	-
Committed	-	4,753,605	-	2,834,008
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>42,586</u>	<u>4,753,605</u>	<u>95,353</u>	<u>2,834,008</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 42,586</u>	<u>\$ 4,754,405</u>	<u>\$ 145,997</u>	<u>\$ 2,853,496</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Bay Area Air Quality Management	Housing Special Revenue Fund	Transportation Fund	Storm Water Management (NPDES)
Assets:				
Pooled cash and investments	\$ 2,608	\$ 1,204,393	\$ 994,128	\$ 375,269
Receivables:				
Accounts	-	78,483	-	11,967
Notes and loans	-	5,600,980	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 2,608	\$ 6,883,856	\$ 994,128	\$ 387,236
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 558	\$ -	\$ 20,454
Accrued liabilities	-	-	4,886	6,132
Deposits payable	-	-	55,090	-
Due to other funds	-	-	-	-
Total Liabilities	-	558	59,976	26,586
Deferred Inflows of Resources:				
Unavailable revenues	-	280,108	-	-
Total Deferred Inflows of Resources	-	280,108	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	2,608	6,603,190	934,152	360,650
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,608	6,603,190	934,152	360,650
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,608	\$ 6,883,856	\$ 994,128	\$ 387,236

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Supplemental Law Enforcement Services	Construction Impact Fee	Bayfront Park Maintenance	Recreation In- Lieu
Assets:				
Pooled cash and investments	\$ 197,204	\$ 5,414,794	\$ 904,082	\$ 3,723,004
Receivables:				
Accounts	-	43,884	-	-
Notes and loans	-	-	-	-
Accrued interest	759	21,165	3,579	14,347
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 197,963	\$ 5,479,843	\$ 907,661	\$ 3,737,351
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 335,478	\$ 33,286	\$ 51,016
Accrued liabilities	-	8,355	338	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	343,833	33,624	51,016
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	197,963	5,136,010	-	3,686,335
Committed	-	-	874,037	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	197,963	5,136,010	874,037	3,686,335
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 197,963	\$ 5,479,843	\$ 907,661	\$ 3,737,351

	Special Revenue Funds			
	Sharon Hills Park	Vintage Oaks Landscape	Community Development Block Grant	Miscellaneous Trust
Assets:				
Pooled cash and investments	\$ 60	\$ 109	\$ 1,094,806	\$ 1,074,780
Receivables:				
Accounts	-	-	14,938	189,818
Notes and loans	-	-	272,683	-
Accrued interest	-	-	-	577
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 60	\$ 109	\$ 1,382,427	\$ 1,265,175
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 587	\$ -	\$ 359,425
Accrued liabilities	-	-	-	-
Deposits payable	-	-	500	-
Due to other funds	-	-	-	34,792
Total Liabilities	-	587	500	394,217
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	1,381,927	-
Committed	60	-	-	870,958
Assigned	-	-	-	-
Unassigned	-	(478)	-	-
Total Fund Balances	60	(478)	1,381,927	870,958
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 60	\$ 109	\$ 1,382,427	\$ 1,265,175

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Shuttle Program	Measure M	Library System Improvement Fund	Downtown Public Amenity Fund
Assets:				
Pooled cash and investments	\$ -	\$ 93,926	\$ 1,341,838	\$ 2,181,003
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	64	-	4,395
Prepaid costs	-	-	-	-
Due from other governments	400,918	-	-	-
Total Assets	\$ 400,918	\$ 93,990	\$ 1,341,838	\$ 2,185,398
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 153,921	\$ -	\$ 347,907	\$ -
Accrued liabilities	2,810	-	2,660	-
Deposits payable	-	-	-	-
Due to other funds	218,792	-	-	-
Total Liabilities	375,523	-	350,567	-
Deferred Inflows of Resources:				
Unavailable revenues	78,938	-	-	-
Total Deferred Inflows of Resources	78,938	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	93,990	-	2,185,398
Committed	-	-	-	-
Assigned	-	-	991,271	-
Unassigned	(53,543)	-	-	-
Total Fund Balances	(53,543)	93,990	991,271	2,185,398
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 400,918	\$ 93,990	\$ 1,341,838	\$ 2,185,398

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	HUT Repair & Maintenance Fund	Measure W	Heritage Tree	Family Literacy Grant Fund
Assets:				
Pooled cash and investments	\$ 3,149	\$ 662,617	\$ 29,180	\$ 10,142
Receivables:				
Accounts	-	-	72,596	-
Notes and loans	-	-	-	-
Accrued interest	1,936	2,878	-	-
Prepaid costs	-	-	-	-
Due from other governments	119,097	-	-	9,500
Total Assets	\$ 124,182	\$ 665,495	\$ 101,776	\$ 19,642
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	111,279	-	-	-
Total Liabilities	111,279	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	12,903	665,495	-	19,642
Committed	-	-	101,776	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	12,903	665,495	101,776	19,642
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 124,182	\$ 665,495	\$ 101,776	\$ 19,642

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Capital Projects Funds		Debt Service Funds	Total Other Governmental Funds
	Bayfront Mitigation Fund	Library Addition	Measure T Capital Projects	Library GO Bond 1990	
Assets:					
Pooled cash and investments	\$ 4,464,348	\$ 121,188	\$ 323,957	\$ 358,850	\$ 44,231,426
Receivables:					
Accounts	-	-	-	-	520,394
Notes and loans	-	-	-	-	5,892,521
Accrued interest	-	471	1,259	1,394	120,786
Prepaid costs	-	-	-	-	6,258
Due from other governments	-	-	-	-	607,443
Total Assets	\$ 4,464,348	\$ 121,659	\$ 325,216	\$ 360,244	\$ 51,378,828
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,006,543
Accrued liabilities	-	-	-	-	61,072
Deposits payable	-	-	-	-	55,590
Due to other funds	-	-	-	-	364,863
Total Liabilities	-	-	-	-	2,488,068
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	359,046
Total Deferred Inflows of Resources	-	-	-	-	359,046
Fund Balances:					
Nonspendable		-	-	-	6,258
Restricted	4,464,348	-	-	360,244	37,569,744
Committed	-	-	-	-	9,571,587
Assigned	-	121,659	325,216	-	1,438,146
Unassigned	-	-	-	-	(54,021)
Total Fund Balances	4,464,348	121,659	325,216	360,244	48,531,714
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,464,348	\$ 121,659	\$ 325,216	\$ 360,244	\$ 51,378,828

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CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Highway Users Tax	Federal Revenue Sharing	Landscape/Tree Assessment	Sidewalk Assessment
Revenues:				
Taxes	\$ 781,290	\$ -	\$ 754,298	\$ 302,338
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	2,300	-
Charges for services	-	-	-	-
Use of money and property	(547)	274	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	780,743	274	756,598	302,338
Expenditures:				
Current:				
General government	2,617	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	115,897	-	946,968	-
Urban development and housing	-	3,581	-	-
Capital outlay	709,507	-	-	250,000
Total Expenditures	828,021	3,581	946,968	250,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,278)	(3,307)	(190,370)	52,338
Other Financing Sources (Uses):				
Transfers in	-	-	265,000	-
Transfers out	-	-	(81,000)	(25,000)
Total Other Financing Sources (Uses)	-	-	184,000	(25,000)
Net Change in Fund Balances	(47,278)	(3,307)	(6,370)	27,338
Fund Balances, Beginning of Year	2,447,261	129,991	377,073	24,246
Fund Balances, End of Year	\$ 2,399,983	\$ 126,684	\$ 370,703	\$ 51,584

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Landfill Post-Closure	County Transportation Tax	Public Library	Literacy Grants
Revenues:				
Taxes	\$ -	\$ 944,817	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	829,064	-	-	-
Use of money and property	26,788	(4,055)	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	150
Total Revenues	855,852	940,762	-	150
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	522,587	630,089	-	-
Urban development and housing	-	-	-	-
Capital outlay	-	52,599	-	-
Total Expenditures	522,587	682,688	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	333,265	258,074	-	150
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(11,000)	-	-	-
Total Other Financing Sources (Uses)	(11,000)	-	-	-
Net Change in Fund Balances	322,265	258,074	-	150
Fund Balances, Beginning of Year	7,440,929	362,986	83,414	53,579
Fund Balances, End of Year	\$ 7,763,194	\$ 621,060	\$ 83,414	\$ 53,729

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Narcotic Seizure	Downtown Parking Permits	Storm Drainage Fees	Solid Waste Service
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	1,217	-	-
Intergovernmental	-	-	-	-
Charges for services	17,283	-	-	416,050
Use of money and property	-	7,346	273	16,494
Contributions	-	-	-	-
Miscellaneous	-	-	-	480,352
Total Revenues	17,283	8,563	273	912,896
Expenditures:				
Current:				
General government	-	-	-	297,642
Public safety	17,197	3,416	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	420,509	67,463	47,726
Urban development and housing	-	-	-	-
Capital outlay	-	-	-	242,778
Total Expenditures	17,197	423,925	67,463	588,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	86	(415,362)	(67,190)	324,750
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(33,000)	-	(123,500)
Total Other Financing Sources (Uses)	-	(33,000)	-	(123,500)
Net Change in Fund Balances	86	(448,362)	(67,190)	201,250
Fund Balances, Beginning of Year	42,500	5,201,967	162,543	2,632,758
Fund Balances, End of Year	\$ 42,586	\$ 4,753,605	\$ 95,353	\$ 2,834,008

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Bay Area Air Quality Management	Housing Special Revenue Fund	Transportation Fund	Storm Water Management (NPDES)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	339,221
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	50,041
Use of money and property	-	182,166	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	182,166	-	389,262
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	37,130	402,463
Urban development and housing	-	3,005	-	-
Capital outlay	-	-	1,390	27,143
Total Expenditures	-	3,005	38,520	429,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	179,161	(38,520)	(40,344)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(47,000)
Total Other Financing Sources (Uses)	-	-	-	(47,000)
Net Change in Fund Balances	-	179,161	(38,520)	(87,344)
Fund Balances, Beginning of Year	2,608	6,424,029	972,672	447,994
Fund Balances, End of Year	\$ 2,608	\$ 6,603,190	\$ 934,152	\$ 360,650

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Supplemental Law Enforcement Services	Construction Impact Fee	Bayfront Park Maintenance	Recreation In- Lieu
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	156,727	437,361	-	-
Charges for services	-	830,634	-	705,600
Use of money and property	806	(51,246)	(1,246)	(2,336)
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	157,533	1,216,749	(1,246)	703,264
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	575,007	184,528	809
Urban development and housing	-	-	-	-
Capital outlay	-	5,136,145	-	75,602
Total Expenditures	-	5,711,152	184,528	76,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	157,533	(4,494,403)	(185,774)	626,853
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(100,000)	-	(17,000)	-
Total Other Financing Sources (Uses)	(100,000)	-	(17,000)	-
Net Change in Fund Balances	57,533	(4,494,403)	(202,774)	626,853
Fund Balances, Beginning of Year	140,430	9,630,413	1,076,811	3,059,482
Fund Balances, End of Year	\$ 197,963	\$ 5,136,010	\$ 874,037	\$ 3,686,335

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Sharon Hills Park	Vintage Oaks Landscape	Community Development Block Grant	Miscellaneous Trust
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	345,685
Use of money and property	(135)	(218)	4,765	445
Contributions	-	-	-	-
Miscellaneous	-	-	-	185,457
Total Revenues	(135)	(218)	4,765	531,587
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	836,194
Culture and recreation	-	-	-	274,243
Public works	-	8,046	-	-
Urban development and housing	-	-	3,768	-
Capital outlay	-	-	-	-
Total Expenditures	-	8,046	3,768	1,110,437
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135)	(8,264)	997	(578,850)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(135)	(8,264)	997	(578,850)
Fund Balances, Beginning of Year	195	7,786	1,380,930	1,449,808
Fund Balances, End of Year	\$ 60	\$ (478)	\$ 1,381,927	\$ 870,958

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Shuttle Program	Measure M	Library System Improvement Fund	Downtown Public Amenity Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	489,564	194,695	-	-
Charges for services	117,919	-	-	-
Use of money and property	-	204	-	3,386
Contributions	-	-	-	1,050,000
Miscellaneous	-	-	-	-
Total Revenues	607,483	194,899	-	1,053,386
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	661,026	143,000	275,449	-
Urban development and housing	-	-	-	-
Capital outlay	-	-	336,036	-
Total Expenditures	661,026	143,000	611,485	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,543)	51,899	(611,485)	1,053,386
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(53,543)	51,899	(611,485)	1,053,386
Fund Balances, Beginning of Year	-	42,091	1,602,756	1,132,012
Fund Balances, End of Year	\$ (53,543)	\$ 93,990	\$ 991,271	\$ 2,185,398

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	HUT Repair & Maintenance Fund	Measure W	Heritage Tree	Family Literacy Grant Fund
Revenues:				
Taxes	\$ 653,558	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	351,621	-	9,500
Charges for services	-	-	91,776	-
Use of money and property	(1,794)	10,447	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	651,764	362,068	91,776	9,500
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	82,409
Public works	-	113,360	-	-
Urban development and housing	-	-	-	-
Capital outlay	657,681	-	-	-
Total Expenditures	657,681	113,360	-	82,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,917)	248,708	91,776	(72,909)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(5,917)	248,708	91,776	(72,909)
Fund Balances, Beginning of Year	18,820	416,787	10,000	92,551
Fund Balances, End of Year	\$ 12,903	\$ 665,495	\$ 101,776	\$ 19,642

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Capital Project Funds		Debt Service Funds	Total Other Governmental Funds
	Bayfront Mitigation Fund	Library Addition	Measure T Capital Projects	Library GO Bond 1990	
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,436,301
Special assessments	1,856,582	-	-	104	2,195,907
Licenses and permits	-	-	-	-	1,217
Intergovernmental	-	-	-	-	1,641,768
Charges for services	-	-	-	-	3,404,052
Use of money and property	-	362	969	1,079	194,227
Contributions	-	-	-	-	1,050,000
Miscellaneous	-	-	-	-	665,959
Total Revenues	1,856,582	362	969	1,183	12,589,431
Expenditures:					
Current:					
General government	-	-	-	-	300,259
Public safety	-	-	-	-	20,613
Community development	-	-	-	-	836,194
Culture and recreation	-	-	-	-	356,652
Public works	-	-	-	-	5,152,057
Urban development and housing	-	-	-	-	10,354
Capital outlay	-	-	-	-	7,488,881
Total Expenditures	-	-	-	-	14,165,010
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,856,582	362	969	1,183	(1,575,579)
Other Financing Sources (Uses):					
Transfers in	2,607,766	-	-	-	2,872,766
Transfers out	-	-	-	-	(437,500)
Total Other Financing Sources (Uses)	2,607,766	-	-	-	2,435,266
Net Change in Fund Balances	4,464,348	362	969	1,183	859,687
Fund Balances, Beginning of Year	-	121,297	324,247	359,061	47,672,027
Fund Balances, End of Year	\$ 4,464,348	\$ 121,659	\$ 325,216	\$ 360,244	\$ 48,531,714

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HIGHWAY USERS TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 904,000	\$ 904,000	\$ 781,290	\$ (122,710)
Use of money and property	15,900	15,900	(547)	(16,447)
Total Revenues	919,900	919,900	780,743	(139,157)
Expenditures:				
Current:				
General government	-	-	2,617	(2,617)
Public works	3,264,354	1,591,977	115,897	1,476,080
Capital outlay	1,450,000	1,450,000	709,507	740,493
Total Expenditures	4,714,354	3,041,977	828,021	2,213,956
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,794,454)	(2,122,077)	(47,278)	2,074,799
Net Change in Fund Balances	(3,794,454)	(2,122,077)	(47,278)	2,074,799
Fund Balances, Beginning of Year	2,447,261	2,447,261	2,447,261	-
Fund Balances, End of Year	\$ (1,347,193)	\$ 325,184	\$ 2,399,983	\$ 2,074,799

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FEDERAL REVENUE SHARING
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 580	\$ 580	\$ -	\$ (580)
Use of money and property	2,400	2,400	274	(2,126)
Total Revenues	2,980	2,980	274	(2,706)
Expenditures:				
Current:				
Urban development and housing	10,500	10,500	3,581	6,919
Total Expenditures	10,500	10,500	3,581	6,919
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,520)	(7,520)	(3,307)	4,213
Net Change in Fund Balances	(7,520)	(7,520)	(3,307)	4,213
Fund Balances, Beginning of Year	129,991	129,991	129,991	-
Fund Balances, End of Year	\$ 122,471	\$ 122,471	\$ 126,684	\$ 4,213

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LANDSCAPE/TREE ASSESSMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 730,220	\$ 730,220	\$ 754,298	\$ 24,078
Intergovernmental	-	-	2,300	2,300
Charges for services	1,000	1,000	-	(1,000)
Total Revenues	731,220	731,220	756,598	25,378
Expenditures:				
Current:				
Public works	1,004,026	1,004,027	946,968	57,059
Total Expenditures	1,004,026	1,004,027	946,968	57,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	(272,806)	(272,807)	(190,370)	82,437
Other Financing Sources (Uses):				
Transfers in	265,000	265,000	265,000	-
Transfers out	(81,000)	(81,000)	(81,000)	-
Total Other Financing Sources (Uses)	184,000	184,000	184,000	-
Net Change in Fund Balances	(88,806)	(88,807)	(6,370)	82,437
Fund Balances, Beginning of Year	377,073	377,073	377,073	-
Fund Balances, End of Year	\$ 288,267	\$ 288,266	\$ 370,703	\$ 82,437

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SIDEWALK ASSESSMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 296,857	\$ 296,857	\$ 302,338	\$ 5,481
Total Revenues	296,857	296,857	302,338	5,481
Expenditures:				
Current:				
Public works	6,624	4,112	-	4,112
Capital outlay	250,000	250,000	250,000	-
Total Expenditures	256,624	254,112	250,000	4,112
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,233	42,745	52,338	9,593
Other Financing Sources (Uses):				
Transfers out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	(25,000)	(25,000)	(25,000)	-
Net Change in Fund Balances	15,233	17,745	27,338	9,593
Fund Balances, Beginning of Year	24,246	24,246	24,246	-
Fund Balances, End of Year	\$ 39,479	\$ 41,991	\$ 51,584	\$ 9,593

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LANDFILL POST-CLOSURE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 912,000	\$ 912,000	\$ 829,064	\$ (82,936)
Use of money and property	24,000	24,000	26,788	2,788
Total Revenues	936,000	936,000	855,852	(80,148)
Expenditures:				
Current:				
Public works	8,592,452	4,561,072	522,587	4,038,485
Total Expenditures	8,592,452	4,561,072	522,587	4,038,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,656,452)	(3,625,072)	333,265	3,958,337
Other Financing Sources (Uses):				
Transfers out	(11,000)	(11,000)	(11,000)	-
Total Other Financing Sources (Uses)	(11,000)	(11,000)	(11,000)	-
Net Change in Fund Balances	(7,667,452)	(3,636,072)	322,265	3,958,337
Fund Balances, Beginning of Year	7,440,929	7,440,929	7,440,929	-
Fund Balances, End of Year	\$ (226,523)	\$ 3,804,857	\$ 7,763,194	\$ 3,958,337

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COUNTY TRANSPORTATION TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 996,420	\$ 996,420	\$ 944,817	\$ (51,603)
Use of money and property	-	-	(4,055)	(4,055)
Total Revenues	996,420	996,420	940,762	(55,658)
Expenditures:				
Current:				
Public works	1,343,282	746,923	630,089	116,834
Capital outlay	498,739	498,739	52,599	446,140
Total Expenditures	1,842,021	1,245,662	682,688	562,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	(845,601)	(249,242)	258,074	507,316
Net Change in Fund Balances	(845,601)	(249,242)	258,074	507,316
Fund Balances, Beginning of Year	362,986	362,986	362,986	-
Fund Balances, End of Year	\$ (482,615)	\$ 113,744	\$ 621,060	\$ 507,316

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NARCOTIC SEIZURE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 17,283	\$ 17,283
Total Revenues	-	-	17,283	17,283
Expenditures:				
Current:				
Public safety	2,000	2,000	17,197	(15,197)
Total Expenditures	2,000	2,000	17,197	(15,197)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(2,000)	86	2,086
Net Change in Fund Balances	(2,000)	(2,000)	86	2,086
Fund Balances, Beginning of Year	42,500	42,500	42,500	-
Fund Balances, End of Year	\$ 40,500	\$ 40,500	\$ 42,586	\$ 2,086

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DOWNTOWN PARKING PERMITS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 365,000	\$ 365,000	\$ 1,217	\$ (363,783)
Use of money and property	20,400	20,400	7,346	(13,054)
Total Revenues	385,400	385,400	8,563	(376,837)
Expenditures:				
Current:				
General government	561,692	-	-	-
Public safety	18,000	18,000	3,416	14,584
Public works	155,000	155,136	420,509	(265,373)
Capital outlay	1,061,692	1,061,692	-	1,061,692
Total Expenditures	1,796,384	1,234,828	423,925	810,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,410,984)	(849,428)	(415,362)	434,066
Other Financing Sources (Uses):				
Transfers out	(33,000)	(33,000)	(33,000)	-
Total Other Financing Sources (Uses)	(33,000)	(33,000)	(33,000)	-
Net Change in Fund Balances	(1,443,984)	(882,428)	(448,362)	434,066
Fund Balances, Beginning of Year	5,201,967	5,201,967	5,201,967	-
Fund Balances, End of Year	\$ 3,757,983	\$ 4,319,539	\$ 4,753,605	\$ 434,066

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORM DRAINAGE FEES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 960	\$ 960	\$ 273	\$ (687)
Total Revenues	960	960	273	(687)
Expenditures:				
Current:				
Public works	79,800	76,200	67,463	8,737
Total Expenditures	79,800	76,200	67,463	8,737
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78,840)	(75,240)	(67,190)	8,050
Net Change in Fund Balances	(78,840)	(75,240)	(67,190)	8,050
Fund Balances, Beginning of Year	162,543	162,543	162,543	-
Fund Balances, End of Year	\$ 83,703	\$ 87,303	\$ 95,353	\$ 8,050

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SOLID WASTE SERVICE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,000	\$ -	\$ -	\$ -
Charges for services	455,000	455,000	416,050	(38,950)
Use of money and property	4,500	4,500	16,494	11,994
Miscellaneous	-	-	480,352	480,352
Total Revenues	468,500	459,500	912,896	453,396
Expenditures:				
Current:				
General government	532,640	523,638	297,642	225,996
Public works	341,251	8,354	47,726	(39,372)
Capital outlay	333,003	333,003	242,778	90,225
Total Expenditures	1,206,894	864,995	588,146	276,849
Excess (Deficiency) of Revenues Over (Under) Expenditures	(738,394)	(405,495)	324,750	730,245
Other Financing Uses:				
Transfers out	(123,500)	(123,500)	(123,500)	-
Total Other Financing Uses	(123,500)	(123,500)	(123,500)	-
Net Change in Fund Balances	(861,894)	(528,995)	201,250	730,245
Fund Balances, Beginning of Year	2,632,758	2,632,758	2,632,758	-
Fund Balances, End of Year	\$ 1,770,864	\$ 2,103,763	\$ 2,834,008	\$ 730,245

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 70,000	\$ 50,000	\$ -	\$ (50,000)
Use of money and property	56,000	50,000	182,166	132,166
Total Revenues	126,000	100,000	182,166	82,166
Expenditures:				
Current:				
Urban development and housing	10,000	(16,000)	3,005	(19,005)
Total Expenditures	10,000	(16,000)	3,005	(19,005)
Excess (Deficiency) of Revenues Over (Under) Expenditures	116,000	116,000	179,161	63,161
Net Change in Fund Balances	116,000	116,000	179,161	63,161
Fund Balances, Beginning of Year	6,424,029	6,424,029	6,424,029	-
Fund Balances, End of Year	\$ 6,540,029	\$ 6,540,029	\$ 6,603,190	\$ 63,161

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 300,000	\$ 300,000	\$ -	\$ (300,000)
Charges for services	1,200	1,200	-	(1,200)
Total Revenues	301,200	301,200	-	(301,200)
Expenditures:				
Current:				
Public works	300,000	300,000	37,130	262,870
Capital outlay	319,384	159,692	1,390	158,302
Total Expenditures	619,384	459,692	38,520	421,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	(318,184)	(158,492)	(38,520)	119,972
Net Change in Fund Balances	(318,184)	(158,492)	(38,520)	119,972
Fund Balances, Beginning of Year	972,672	972,672	972,672	-
Fund Balances, End of Year	\$ 654,488	\$ 814,180	\$ 934,152	\$ 119,972

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORM WATER MANAGEMENT (NPDES)
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 354,000	\$ 354,000	\$ 339,221	\$ (14,779)
Charges for services	63,000	63,000	50,041	(12,959)
Total Revenues	417,000	417,000	389,262	(27,738)
Expenditures:				
Current:				
Public works	470,902	470,903	402,463	68,440
Capital outlay	22,000	67,000	27,143	39,857
Total Expenditures	492,902	537,903	429,606	108,297
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,902)	(120,903)	(40,344)	80,559
Other Financing Uses:				
Transfers out	(47,000)	(47,000)	(47,000)	-
Total Other Financing Uses	(47,000)	(47,000)	(47,000)	-
Net Change in Fund Balances	(122,902)	(167,903)	(87,344)	80,559
Fund Balances, Beginning of Year	447,994	447,994	447,994	-
Fund Balances, End of Year	\$ 325,092	\$ 280,091	\$ 360,650	\$ 80,559

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SUPPLEMENTAL LAW ENFORCEMENT SERVICES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 156,727	\$ 56,727
Use of money and property	600	600	806	206
Total Revenues	100,600	100,600	157,533	56,933
Expenditures:				
Current:				
Public safety	104,300	104,300	-	104,300
Total Expenditures	104,300	104,300	-	104,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,700)	(3,700)	157,533	161,233
Other Financing Sources (Uses):				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-
Net Change in Fund Balances	(103,700)	(103,700)	57,533	161,233
Fund Balances, Beginning of Year	140,430	140,430	140,430	-
Fund Balances, End of Year	\$ 36,730	\$ 36,730	\$ 197,963	\$ 161,233

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CONSTRUCTION IMPACT FEE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 619,000	\$ 619,000	\$ 437,361	\$ (181,639)
Charges for services	2,500,000	2,500,000	830,634	(1,669,366)
Use of money and property	30,000	30,000	(51,246)	(81,246)
Total Revenues	3,149,000	3,149,000	1,216,749	(1,932,251)
Expenditures:				
Current:				
Public works	9,965,054	5,449,898	575,007	4,874,891
Capital outlay	4,010,000	4,010,000	5,136,145	(1,126,145)
Total Expenditures	13,975,054	9,459,898	5,711,152	3,748,746
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,826,054)	(6,310,898)	(4,494,403)	1,816,495
Net Change in Fund Balances	(10,826,054)	(6,310,898)	(4,494,403)	1,816,495
Fund Balances, Beginning of Year	9,630,413	9,630,413	9,630,413	-
Fund Balances, End of Year	\$ (1,195,641)	\$ 3,319,515	\$ 5,136,010	\$ 1,816,495

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BAYFRONT PARK MAINTENANCE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,800	\$ 1,800	\$ (1,246)	\$ (3,046)
Total Revenues	1,800	1,800	(1,246)	(3,046)
Expenditures:				
Current:				
Public works	241,089	241,089	184,528	56,561
Total Expenditures	241,089	241,089	184,528	56,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	(239,289)	(239,289)	(185,774)	53,515
Other Financing Uses:				
Transfers out	(17,000)	(17,000)	(17,000)	-
Total Other Financing Uses	(17,000)	(17,000)	(17,000)	-
Net Change in Fund Balances	(256,289)	(256,289)	(202,774)	53,515
Fund Balances, Beginning of Year	1,076,811	1,076,811	1,076,811	-
Fund Balances, End of Year	\$ 820,522	\$ 820,522	\$ 874,037	\$ 53,515

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RECREATION IN-LIEU
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 100,000	\$ 100,000	\$ 705,600	\$ 605,600
Use of money and property	6,300	6,300	(2,336)	(8,636)
Total Revenues	106,300	106,300	703,264	596,964
Expenditures:				
Current:				
Public works	2,680,829	-	809	(809)
Capital outlay	910,829	2,680,829	75,602	2,605,227
Total Expenditures	3,591,658	2,680,829	76,411	2,604,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,485,358)	(2,574,529)	626,853	3,201,382
Net Change in Fund Balances	(3,485,358)	(2,574,529)	626,853	3,201,382
Fund Balances, Beginning of Year	3,059,482	3,059,482	3,059,482	-
Fund Balances, End of Year	\$ (425,876)	\$ 484,953	\$ 3,686,335	\$ 3,201,382

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SHARON HILLS PARK
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 240	\$ 240	\$ (135)	\$ (375)
Total Revenues	240	240	(135)	(375)
Excess (Deficiency) of Revenues Over (Under) Expenditures	240	240	(135)	(375)
Net Change in Fund Balances	240	240	(135)	(375)
Fund Balances, Beginning of Year	195	195	195	-
Fund Balances, End of Year	\$ 435	\$ 435	\$ 60	\$ (375)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 VINTAGE OAKS LANDSCAPE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 360	\$ 360	\$ (218)	\$ (578)
Total Revenues	360	360	(218)	(578)
Expenditures:				
Current:				
Public works	18,551	18,551	8,046	10,505
Total Expenditures	18,551	18,551	8,046	10,505
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,191)	(18,191)	(8,264)	9,927
Net Change in Fund Balances	(18,191)	(18,191)	(8,264)	9,927
Fund Balances, Beginning of Year	7,786	7,786	7,786	-
Fund Balances, End of Year	\$ (10,405)	\$ (10,405)	\$ (478)	\$ 9,927

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,500	\$ 6,500	\$ -	\$ (6,500)
Use of money and property	5,100	5,100	4,765	(335)
Total Revenues	11,600	11,600	4,765	(6,835)
Expenditures:				
Current:				
Urban development and housing	10,000	10,000	3,768	6,232
Total Expenditures	10,000	10,000	3,768	6,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,600	1,600	997	(603)
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	1,600	1,600	997	(603)
Fund Balances, Beginning of Year	1,380,930	1,380,930	1,380,930	-
Fund Balances, End of Year	\$ 1,382,530	\$ 1,382,530	\$ 1,381,927	\$ (603)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MISCELLANEOUS TRUST
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 345,685	\$ 345,685
Use of money and property	840	840	445	(395)
Miscellaneous	-	-	185,457	185,457
Total Revenues	840	840	531,587	530,747
Expenditures:				
Current:				
Community development	-	-	836,194	(836,194)
Parks and recreation	-	288,000	274,243	13,757
Total Expenditures	-	288,000	1,110,437	(822,437)
Excess (Deficiency) of Revenues Over (Under) Expenditures	840	(287,160)	(578,850)	(291,690)
(Uses)	-	-	-	-
Net Change in Fund Balances	840	(287,160)	(578,850)	(291,690)
Fund Balances, Beginning of Year	1,449,808	1,449,808	1,449,808	-
Fund Balances, End of Year	\$ 1,450,648	\$ 1,162,648	\$ 870,958	\$ (291,690)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SHUTTLE PROGRAM
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 949,000	\$ 949,000	\$ 489,564	\$ (459,436)
Charges for services	65,000	65,000	117,919	52,919
Total Revenues	1,014,000	1,014,000	607,483	(406,517)
Expenditures:				
Current:				
Public works	1,271,957	1,271,959	661,026	610,933
Total Expenditures	1,271,957	1,271,959	661,026	610,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	(257,957)	(257,959)	(53,543)	204,416
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	(257,957)	(257,959)	(53,543)	204,416
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ (257,957)	\$ (257,959)	\$ (53,543)	\$ 204,416

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE M
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 143,000	\$ 143,000	\$ 194,695	\$ 51,695
Use of money and property	-	-	204	204
Total Revenues	143,000	143,000	194,899	51,899
Expenditures:				
Current:				
Public works	143,000	143,000	143,000	-
Total Expenditures	143,000	143,000	143,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	51,899	51,899
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	51,899	51,899
Fund Balances, Beginning of Year	42,091	42,091	42,091	-
Fund Balances, End of Year	\$ 42,091	\$ 42,091	\$ 93,990	\$ 51,899

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBRARY SYSTEM IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public works	\$ 1,018,203	\$ (466,162)	\$ 275,449	\$ (741,611)
Capital outlay	418,041	1,066,324	336,036	730,288
Total Expenditures	1,436,244	600,162	611,485	(11,323)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,436,244)	(600,162)	(611,485)	(11,323)
Net Change in Fund Balances	(1,436,244)	(600,162)	(611,485)	(11,323)
Fund Balances, Beginning of Year	1,602,756	1,602,756	1,602,756	-
Fund Balances, End of Year	\$ 166,512	\$ 1,002,594	\$ 991,271	\$ (11,323)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HUT REPAIR & MAINTENANCE FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 583,743	\$ 583,743	\$ 653,558	\$ 69,815
Use of money and property	-	-	(1,794)	(1,794)
Total Revenues	583,743	583,743	651,764	68,021
Expenditures:				
Capital outlay	525,000	525,000	657,681	(132,681)
Total Expenditures	525,000	525,000	657,681	(132,681)
Excess (Deficiency) of Revenues Over (Under) Expenditures	58,743	58,743	(5,917)	(64,660)
Net Change in Fund Balances	58,743	58,743	(5,917)	(64,660)
Fund Balances, Beginning of Year	18,820	18,820	18,820	-
Fund Balances, End of Year	\$ 77,563	\$ 77,563	\$ 12,903	\$ (64,660)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BAYFRONT MITIGATION FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Assessments	\$ -	\$ -	\$ 1,856,582	\$ 1,856,582
Total Revenues	-	-	1,856,582	1,856,582
Other Financing Sources:				
Transfers in	-	2,607,766	2,607,766	-
Total Other Financing Sources (Uses)	-	2,607,766	2,607,766	-
Net Change in Fund Balances	-	2,607,766	4,464,348	1,856,582
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ 2,607,766	\$ 4,464,348	\$ 1,856,582

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL CAPITAL IMPROVEMENT PROJECT FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 92,118	\$ 92,118
Intergovernmental	45,600	45,600	353,486	307,886
Charges for services	100,000	100,000	85,822	(14,178)
Total Revenues	145,600	145,600	531,426	385,826
Expenditures:				
Current:				
Public works	-	-	5,562	(5,562)
Capital outlay	48,213,159	29,876,163	3,350,883	26,525,280
Total Expenditures	48,213,159	29,876,163	3,356,445	26,519,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,067,559)	(29,730,563)	(2,825,019)	26,905,544
Other Financing Sources:				
Transfers in	3,102,400	1,400,000	3,102,400	1,702,400
Total Other Financing Sources	3,102,400	1,400,000	3,102,400	1,702,400
Net Change in Fund Balances	(44,965,159)	(28,330,563)	277,381	28,607,944
Fund Balances, Beginning of Year	25,769,497	25,769,497	25,769,497	-
Fund Balances, End of Year	\$ (19,195,662)	\$ (2,561,066)	\$ 26,046,878	\$ 28,607,944

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBRARY ADDITION
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 600	\$ 600	\$ 362	\$ (238)
Total Revenues	600	600	362	(238)
Excess (Deficiency) of Revenues Over (Under) Expenditures	600	600	362	(238)
Net Change in Fund Balances	600	600	362	(238)
Fund Balances, Beginning of Year	121,297	121,297	121,297	-
Fund Balances, End of Year	\$ 121,897	\$ 121,897	\$ 121,659	\$ (238)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE T CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,560	\$ 1,560	\$ 969	\$ (591)
Total Revenues	1,560	1,560	969	(591)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,560	1,560	969	(591)
Net Change in Fund Balances	1,560	1,560	969	(591)
Fund Balances, Beginning of Year	324,247	324,247	324,247	-
Fund Balances, End of Year	\$ 325,807	\$ 325,807	\$ 325,216	\$ (591)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBRARY GO BOND 1990
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 104	\$ 104
Use of money and property	1,800	1,800	1,079	(721)
Total Revenues	1,800	1,800	1,183	(617)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,800	1,800	1,183	(617)
Other Financing Sources (Uses):				
Net Change in Fund Balances	1,800	1,800	1,183	(617)
Fund Balances, Beginning of Year	359,061	359,061	359,061	-
Fund Balances, End of Year	\$ 360,861	\$ 360,861	\$ 360,244	\$ (617)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE T DEBT SERVICE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 1,123,813	\$ 1,123,813	\$ 1,963,184	\$ 839,371
Use of money and property	1,200	1,200	17,241	16,041
Total Revenues	1,125,013	1,125,013	1,980,425	855,412
Expenditures:				
Current:				
General government	6,650	6,650	2,113	4,537
Debt service:				
Principal retirement	585,000	585,000	585,000	-
Interest and fiscal charges	538,813	538,813	538,213	600
Total Expenditures	1,130,463	1,130,463	1,125,326	5,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,450)	(5,450)	855,099	860,549
Other Financing Sources (Uses):				
Refunding bonds issued	-	-	-	-
Bond premium	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(5,450)	(5,450)	855,099	860,549
Fund Balances, Beginning of Year	2,951,714	2,951,714	2,951,714	-
Fund Balances, End of Year	\$ 2,946,264	\$ 2,946,264	\$ 3,806,813	\$ 860,549

CITY OF MENLO PARK

THE BIG LIFT PROGRAM
 CONTRACT #2019-207528

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2021

	Federal Grant	Measure A	Total
Revenues:			
Other Intergovernmental revenue	\$ -	\$ 174,041	\$ 174,041
Total Revenues	-	174,041	174,041
Expenditures:			
Salaries	-	94,076	94,076
Employee benefits	-	40,588	40,588
Miscellaneous operating expense	-	13,688	13,688
Professional services	-	23,099	23,099
Overhead cost	-	2,590	2,590
Total Expenditures	-	174,041	174,041
Revenues Over/(Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Contributions from General Fund	-	-	-
Total Other Financing Sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund Balance:			
Beginning of year	(7,534)	10,398	2,864
End of year	<u>\$ (7,534)</u>	<u>\$ 10,398</u>	<u>\$ 2,864</u>

CITY OF MENLO PARK

SENIOR TRANSPORTATION PROGRAM - TITLE IIIb

CONTRACT #57000-20-R076561F

CFDA # 93.044

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2021

Revenues:

Federal grant \$ 39,366

Total Revenues **39,366**

Expenditures:

Salaries 50,929

Employee benefits 13,146

Other expenses 2,799

Total Expenditures **66,874**

Revenues Over/(Under) Expenditures **(27,508)**

Other Financing Sources (Uses):

Contribution from General Fund 27,508

Total Other Financing Sources (Uses) **27,508**

Net Change in Fund Balances **-**

Fund Balance:

Beginning of year -

End of year **\$ -**

WATER FUNDS

Water Operations Fund - Established to account for the water distributions operations of the Menlo Park Municipal Water District.

Water Capital Improvement Fund - Accounts for the proceeds of the capital surcharge from water operations and is utilized for construction improvements of the water infrastructure.

CITY OF MENLO PARK

**COMBINING SCHEDULE OF NET POSITION
 WATER FUND
 YEAR ENDED JUNE 30, 2021**

	Water Capital Improvement Fund	Water Operating Fund	Total Water Fund
Assets:			
Current:			
Pooled cash and investments	\$ 17,194,145	\$ 5,122,143	\$ 22,316,288
Receivables:			
Accounts	83,074	1,467,821	1,550,895
Accrued interest	61,903	26,035	87,938
Total Current Assets	17,339,122	6,615,999	23,955,121
Noncurrent:			
Capital assets - net of accumulated depreciation	-	22,123,229	22,123,229
Total Noncurrent Assets	-	22,123,229	22,123,229
Total Assets	17,339,122	28,739,228	46,078,350
Deferred Outflows of Resources:			
Pension related amounts	146,465	297,369	443,834
Total Deferred Outflows of Resources	146,465	297,369	443,834
Liabilities:			
Current:			
Accounts payable	155,583	788,964	944,547
Accrued liabilities	7,576	44,019	51,595
Deposits payable	-	67,001	67,001
Accrued compensated absences	4,064	45,759	49,823
Total Current Liabilities	167,223	945,743	1,112,966
Noncurrent:			
Net pension liability	619,973	1,258,733	1,878,706
Accrued compensated absences	3,778	42,541	46,319
Total Noncurrent Liabilities	623,751	1,301,274	1,925,025
Total Liabilities	790,974	2,247,017	3,037,991
Deferred Inflows of Resources:			
Pension related amounts	2,321	4,713	7,034
Total Deferred Inflows of Resources	2,321	4,713	7,034
Net Position:			
Investment in capital assets	-	22,123,229	22,123,229
Restricted for capital projects	16,692,292	-	16,692,292
Unrestricted	-	4,661,638	4,661,638
Total Net Position	\$ 16,692,292	\$ 26,784,867	\$ 43,477,159

CITY OF MENLO PARK

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER FUND
YEAR ENDED JUNE 30, 2021

	Water Capital Improvement Fund	Water Operating Fund	Totals
Operating Revenues:			
Charges for services	\$ 2,168,671	\$ 12,889,242	\$ 15,057,913
Total Operating Revenues	2,168,671	12,889,242	15,057,913
Operating Expenses:			
Cost of sales and services	128,732	9,271,696	9,400,428
General and administrative	3,643	239,972	243,615
Depreciation expense	-	309,810	309,810
Total Operating Expenses	132,375	9,821,478	9,953,853
Operating Income	2,036,296	3,067,764	5,104,060
Nonoperating Revenues:			
Interest and investment earnings	58,251	67,864	126,115
Total Nonoperating Revenues	58,251	67,864	126,115
Income Before Transfers	2,094,547	3,135,628	5,230,175
Transfers out	-	(230,000)	(230,000)
Changes in Net Position	2,094,547	2,905,628	5,000,175
Net Position:			
Beginning of Fiscal Year	14,597,745	23,879,239	38,476,984
End of Fiscal Year	\$ 16,692,292	\$ 26,784,867	\$ 43,477,159

CITY OF MENLO PARK

COMBINING SCHEDULE OF CASH FLOWS
WATER FUND
YEAR ENDED JUNE 30, 2021

	Water Capital Improvement Fund	Water Operating Fund	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 1,363,768	\$ 13,790,302	\$ 15,154,070
Cash paid to suppliers for goods and services	(128,732)	(9,087,542)	(9,216,274)
Cash paid to employees for services	(46,558)	(199,390)	(245,948)
Net Cash Provided by Operating Activities	1,188,478	4,503,370	5,691,848
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(230,000)	(230,000)
Net Cash Used by Non-Capital Financing Activities	-	(230,000)	(230,000)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(935,789)	(935,789)
Net Cash Used by Capital and Related Financing Activities	-	(935,789)	(935,789)
Cash Flows from Investing Activities:			
Interest received	76,668	56,120	132,788
Net Cash Provided by Investing Activities	76,668	56,120	132,788
Net Increase in Cash and Cash Equivalents	1,265,146	3,393,701	4,658,847
Cash and Cash Equivalents at Beginning of Year	15,928,999	1,728,442	17,657,441
Cash and Cash Equivalents at End of Year	\$ 17,194,145	\$ 5,122,143	\$ 22,316,288
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 2,036,296	\$ 3,067,764	\$ 5,104,060
Adjustments to Reconcile Operating Income Net Cash Provided by Operating Activities:			
Depreciation	-	309,810	309,810
(Increase) decrease in accounts receivable	25,719	872,560	898,279
(Increase) decrease in pension outflows	(19,506)	(39,602)	(59,108)
Increase (decrease) in accounts payable	(882,831)	184,154	(698,677)
Increase (decrease) in accrued liabilities	1,191	12,650	13,841
Increase (decrease) in deposits payable	-	28,500	28,500
Increase (decrease) in net pension liability	52,209	106,001	158,210
Increase (decrease) in pension inflows	(18,368)	(37,293)	(55,661)
Increase (decrease) in compensated absences	(6,232)	(1,174)	(7,406)
Total Adjustments	(847,818)	1,435,606	587,788
Net Cash Provided by Operating Activities	\$ 1,188,478	\$ 4,503,370	\$ 5,691,848

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Workers' Compensation Insurance Fund - This fund accounts for the administration of the City's self-insured Workers' Compensation Insurance Program.

Liability Fire Insurance Fund - This fund accounts for the administration of the City's General Liability Insurance program.

Other Post-Employment Benefits - This fund accounts for the financial administration of funding from all City departments for retiree medical benefits as these benefits are earned.

Information Technology - This fund accounts for administration and support of all hardware, software, and communication equipment needs of the City's other departments.

Vehicle Replacement Fund - This fund accounts for the replacement of vehicles and equipment used by various City departments.

CITY OF MENLO PARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Insurance Fund	Liability Fire Insurance Fund	Other Post Employment Benefits
Assets:			
Current:			
Pooled cash and investments	\$ 3,592,682	\$ 74,255	\$ 450,299
Receivables:			
Accounts	-	-	865,207
Accrued interest	13,947	581	1,931
Prepaid costs	200,000	30,000	-
Total Current Assets	3,806,629	104,836	1,317,437
Noncurrent:			
Capital assets - net of accumulated depreciation	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	3,806,629	104,836	1,317,437
Liabilities:			
Current:			
Accounts payable	32,426	3,849	-
Accrued liabilities	791	-	18,647
Accrued compensated absences, due within one year	-	-	-
Accrued claims and judgments, due within one year	724,049	227,717	-
Total Current Liabilities	757,266	231,566	18,647
Noncurrent:			
Accrued compensated absences, due in more than one year	-	-	-
Accrued claims and judgments, due in more than one year	2,447,799	423,418	-
Total Noncurrent Liabilities	2,447,799	423,418	-
Total Liabilities	3,205,065	654,984	18,647
Net Position:			
Investment in capital assets	-	-	-
Unrestricted	601,564	(550,148)	1,298,790
Total Net Position	\$ 601,564	\$ (550,148)	\$ 1,298,790

CITY OF MENLO PARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Information Technology	Vehicle Replacement Fund	Totals
Assets:			
Current:			
Pooled cash and investments	\$ 1,463,040	\$ 1,909,828	\$ 7,490,104
Receivables:			
Accounts	-	-	865,207
Accrued interest	6,530	7,488	30,477
Prepaid costs	645,173	-	875,173
Total Current Assets	2,114,743	1,917,316	9,260,961
Noncurrent:			
Capital assets - net of accumulated depreciation	-	1,663,162	1,663,162
Total Noncurrent Assets	-	1,663,162	1,663,162
Total Assets	2,114,743	3,580,478	10,924,123
Liabilities:			
Current:			
Accounts payable	95,510	16,495	148,280
Accrued liabilities	44,801	-	64,239
Accrued compensated absences, due within one year	37,353	-	37,353
Accrued claims and judgments, due within one year	-	-	951,766
Total Current Liabilities	177,664	16,495	1,201,638
Noncurrent:			
Accrued compensated absences, due in more than one year	34,726	-	34,726
Accrued claims and judgments, due in more than one year	-	-	2,871,217
Total Noncurrent Liabilities	34,726	-	2,905,943
Total Liabilities	212,390	16,495	4,107,581
Net Position:			
Investment in capital assets	-	1,663,162	1,663,162
Unrestricted	1,902,353	1,900,821	5,153,380
Total Net Position	\$ 1,902,353	\$ 3,563,983	\$ 6,816,542

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Insurance Fund	Liability Fire Insurance Fund	Other Post Employment Benefits
Operating Revenues:			
Charges for services	\$ 908,863	\$ 884,240	\$ 322,450
Total Operating Revenues	908,863	884,240	322,450
Operating Expenses:			
Personnel services	20,373	-	27
General and administrative	2,160	158,257	-
Insurance	926,896	893,269	-
Depreciation expense	-	-	-
Total Operating Expenses	949,429	1,051,526	27
Operating Income (Loss)	(40,566)	(167,286)	322,423
Nonoperating Revenues:			
Interest and investment earnings	4,534	(14,508)	(6,513)
Contributions	-	-	-
State reimbursements	-	-	31,692
Total Nonoperating Revenues	4,534	(14,508)	25,179
Changes in Net Position	(36,032)	(181,794)	347,602
Net Position:			
Beginning of Fiscal Year	637,596	(368,354)	951,188
End of Fiscal Year	\$ 601,564	\$ (550,148)	\$ 1,298,790

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Information Technology	Vehicle Replacement Fund	Totals
Operating Revenues:			
Charges for services	\$ 2,881,856	\$ 597,430	\$ 5,594,839
Total Operating Revenues	2,881,856	597,430	5,594,839
Operating Expenses:			
Personnel services	1,334,933	-	1,355,333
General and administrative	1,582,001	5,033	1,747,451
Insurance	-	-	1,820,165
Depreciation expense	-	468,105	468,105
Total Operating Expenses	2,916,934	473,138	5,391,054
Operating Income (Loss)	(35,078)	124,292	203,785
Nonoperating Revenues:			
Interest and investment earnings	(10,362)	6,373	(20,476)
Contributions	-	83,530	83,530
State reimbursements	-	-	31,692
Total Nonoperating Revenues	(10,362)	89,903	94,746
Changes in Net Position	(45,440)	214,195	298,531
Net Position:			
Beginning of Fiscal Year	1,947,793	3,349,788	6,518,011
End of Fiscal Year	\$ 1,902,353	\$ 3,563,983	\$ 6,816,542

CITY OF MENLO PARK

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**
Governmental Activities - Internal Service Funds

	Workers' Compensation Insurance Fund	Liability Fire Insurance Fund	Other Post Employment Benefits
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 908,863	\$ 884,240	\$ 322,450
Cash paid to suppliers for goods and services	(1,126,260)	(1,386,883)	-
Cash paid to employees for services	(25,225)	(159,552)	(863,326)
Net Cash Provided (Used) by Operating Activities	(242,622)	(662,195)	(540,876)
Cash Flows from Non-Capital Financing Activities:			
State reimbursement	-	-	31,692
Net Cash Provided by Non-Capital Financing Activities	-	-	31,692
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	-
Net Cash Used by Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities:			
Interest received	10,872	(11,103)	(3,101)
Net Cash Provided by Investing Activities	10,872	(11,103)	(3,101)
Net Increase (Decrease) in Cash and Cash Equivalents	(231,750)	(673,298)	(512,285)
Cash and Cash Equivalents at Beginning of Year	3,824,432	747,553	962,584
Cash and Cash Equivalents at End of Year	\$ 3,592,682	\$ 74,255	\$ 450,299
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (40,566)	\$ (167,286)	\$ 322,423
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
(Increase) decrease in accounts receivable	-	-	(865,207)
(Increase) decrease in prepaid expense	-	-	-
Increase (decrease) in accounts payable	(94,608)	(259,199)	-
Increase (decrease) in accrued liabilities	208	-	1,908
Increase (decrease) in claims and judgments	(104,756)	(234,415)	-
Increase (decrease) in compensated absences	(2,900)	(1,295)	-
Total Adjustments	(202,056)	(494,909)	(863,299)
Net Cash Provided (Used) by Operating Activities	\$ (242,622)	\$ (662,195)	\$ (540,876)
Non-Cash Investing, Capital, and Financing Activities:			
Capital contributions	\$ -	\$ -	\$ -

CITY OF MENLO PARK

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**
Governmental Activities - Internal Service Funds

	Information Technology	Vehicle Replacement Fund	Totals
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 2,881,856	\$ 557,433	\$ 5,554,842
Cash paid to suppliers for goods and services	(647,982)	-	(3,161,125)
Cash paid to employees for services	(2,884,708)	(5,033)	(3,937,844)
Net Cash Provided (Used) by Operating Activities	(650,834)	552,400	(1,544,127)
Cash Flows from Non-Capital Financing Activities:			
State reimbursement	-	-	31,692
Net Cash Provided by Non-Capital Financing Activities	-	-	31,692
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(201,219)	(201,219)
Net Cash Used by Capital and Related Financing Activities	-	(201,219)	(201,219)
Cash Flows from Investing Activities:			
Interest received	(3,898)	8,201	971
Net Cash Provided by Investing Activities	(3,898)	8,201	971
Net Increase (Decrease) in Cash and Cash Equivalents	(654,732)	359,382	(1,712,683)
Cash and Cash Equivalents at Beginning of Year	2,117,772	1,550,446	9,202,787
Cash and Cash Equivalents at End of Year	\$ 1,463,040	\$ 1,909,828	\$ 7,490,104
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (35,078)	\$ 124,292	\$ 203,785
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	468,105	468,105
(Increase) decrease in accounts receivable	-	-	(865,207)
(Increase) decrease in prepaid expense	(482,540)	-	(482,540)
Increase (decrease) in accounts payable	(165,442)	(39,997)	(559,246)
Increase (decrease) in accrued liabilities	18,111	-	20,227
Increase (decrease) in claims and judgments	-	-	(339,171)
Increase (decrease) in compensated absences	14,115	-	9,920
Total Adjustments	(615,756)	428,108	(1,747,912)
Net Cash Provided (Used) by Operating Activities	\$ (650,834)	\$ 552,400	\$ (1,544,127)
Non-Cash Investing, Capital, and Financing Activities:			
Capital contributions	\$ -	\$ 83,530	\$ 83,530

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Statistical Section

Fiscal Year 2020-2021

- Unaudited -

This part of the City of Menlo Park's annual comprehensive financial report presents detailed information as a context to aid in understanding of the information in the financial statements, note disclosures, and required supplementary information regarding the City's overall financial health.

Financial Trend

Schedule #

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

Net Position by Component	1
Changes in Net Position	2
Fund Balances-Governmental Funds	3
Changes in Fund Balances-Governmental Funds	4

Revenue Capacity

These schedules contain information to help the readers assess the City of Menlo Park's most significant local revenue resource, property taxes.

Governmental Funds by Source	5
Governmental Funds Taxes by Type	6
Assessed Valuation, Tax Rates, and Tax Levies	7

Debt Capacity

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

Direct and Overlapping Property Tax Rates	8
Principal Property Tax Payers	9
Property Tax Levies and Collections	10
Ratios of Outstanding Debt by Type	11
Ratio of Net General Bonded Debt Outstanding	12
Direct and Overlapping Debt	13
Legal Debt Service Margin Informations	14

Demographic and Economic Information

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

Demographic and Economic Statistics	15
Principal Employers	16
Full Time Equivalent City Employees by Function	17

Operating Information

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

Operating Indicators by Demand and Level of Service by Function/Program	18
Capital Asset Statistics by Function	19
Capital Asset and Infrastructure Statistics by Activities	20
Water Sold by Type of Customer	21
Water Service Rates	22
Miscellaneous Statistics	23

Net Position by Component

Financial Trend:
Schedule 1

June 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Government Activities</u>										
Net Investment in Capital Assets	\$ 345,357,433	\$ 347,050,366	\$ 344,119,674	\$ 341,158,440	\$ 345,581,545	\$ 350,046,891	\$ 354,488,994	\$ 348,415,016	\$ 349,179,690	\$ 349,970,057
Restricted for:										
Capital Projects	9,432,413	14,394,634	13,601,651	14,926,424	7,275,487	6,886,511	14,563,359	21,466,015	22,687,512	20,590,395
Debt Service	2,225,873	1,943,354	2,133,308	2,123,752	1,663,696	2,136,803	2,443,730	2,819,470	3,310,775	4,167,057
Community Development	-	-	-	-	22,783,937	26,018,398	33,378,323	33,150,735	39,340,727	39,184,406
Special Projects	2,842,844	1,501,478	2,238,560	2,010,049	5,572,610	6,360,828	10,428,012	11,731,025	11,690,934	15,803,825
Total Restricted - Government Activities	14,501,130	17,839,466	17,973,519	19,060,225	37,295,730	41,402,540	60,813,424	69,167,245	77,029,948	79,745,683
Total Unrestricted - Government Activities	49,224,495	50,586,566	60,530,382	30,340,383	21,095,111	23,288,128	21,915,256	32,617,602	35,511,703	28,564,449
Total Government Activities	\$ 409,083,058	\$ 415,476,398	\$ 422,623,575	\$ 390,559,048	\$ 403,972,386	\$ 414,737,559	\$ 437,217,674	\$ 450,199,863	\$ 461,721,341	\$ 458,280,189
<u>Business-Type Activities</u>										
Net Investment in Capital Assets	\$ 9,524,216	\$ 10,079,682	\$ 11,005,746	\$ 13,990,073	\$ 14,878,505	\$ 16,212,425	\$ 17,742,204	\$ 18,392,507	\$ 21,497,250	\$ 22,123,229
Restricted for:										
Capital Projects	15,381,845	15,273,688	15,212,663	12,445,532	11,441,134	12,741,320	12,532,189	14,500,909	14,597,745	16,692,292
Total Restricted - Business-Type Activities	15,381,845	15,273,688	15,212,663	12,445,532	11,441,134	12,741,320	12,532,189	14,500,909	14,597,745	16,692,292
Total Unrestricted - Business-Type Activities	(431,529)	(735,629)	(538,996)	(431,151)	(100,584)	(1,423,792)	(482,861)	(10,039)	2,381,989	4,661,638
Total Business-Type Activities	\$ 24,474,532	\$ 24,617,741	\$ 25,679,413	\$ 26,004,454	\$ 26,219,055	\$ 27,529,953	\$ 29,791,532	\$ 32,883,377	\$ 38,476,984	\$ 43,477,159

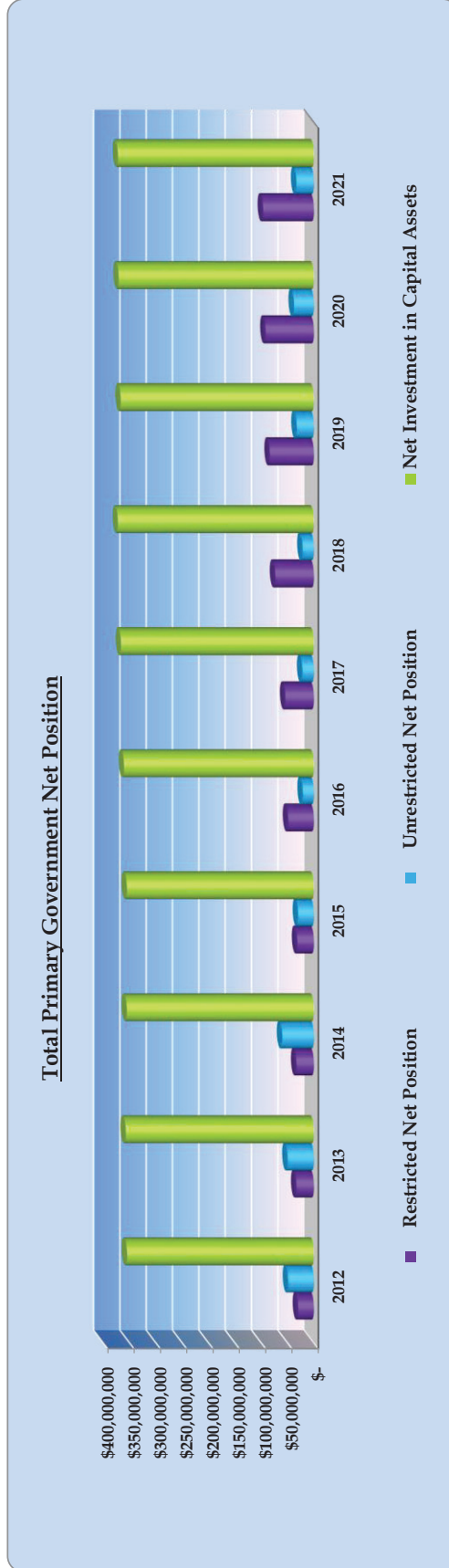
Source: City of Menlo Park (Continued)

Net Position by Component

Financial Trend:
Schedule 1

June 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary Government										
Net Investment in Capital Assets	\$ 354,881,649	\$ 357,130,048	\$ 355,125,420	\$ 355,148,513	\$ 360,460,050	\$ 366,259,316	\$ 372,231,198	\$ 366,807,523	\$ 370,676,940	\$ 372,093,286
Unrestricted Net Position	48,792,966	49,850,937	59,991,386	29,909,232	20,994,527	21,864,336	21,432,395	32,607,563	37,893,782	33,226,087
Investment in Capital Assets & Unrestricted Net Position	403,674,615	406,980,985	415,116,806	385,057,745	381,454,577	388,123,652	393,663,593	399,415,086	408,570,722	405,319,373
Restricted Net Position	29,882,975	33,113,154	33,186,182	31,505,757	48,736,864	54,143,860	73,345,613	83,668,154	91,627,693	96,437,975
Total Primary Government Net Position	\$ 433,557,590	\$ 440,094,139	\$ 448,302,988	\$ 416,563,502	\$ 430,191,441	\$ 442,267,512	\$ 467,009,206	\$ 483,083,240	\$ 500,198,415	\$ 501,757,348
% of Change - from Prior Year	7.7%	1.5%	1.9%	-7.1%	3.3%	2.8%	5.6%	3.4%	3.6%	0.3%



Source: City of Menlo Park

Changes in Net Position
June 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary Government-Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 2,830,591	\$ 3,125,908	\$ 3,011,181	\$ 3,053,753	\$ 3,388,132	\$ 60,298	\$ 66,108	\$ 3,318,750	\$ 3,743,014	\$ 6,008,212
Public Safety	1,609,755	1,579,674	2,031,899	1,840,342	1,979,203	1,813,050	579,481	4,128,823	3,339,637	1,180,552
Public Works	3,650,442	6,924,069	6,189,576	7,472,508	7,149,654	6,414,741	12,645,169	10,658,497	6,745,172	4,801,776
Culture and Recreation	3,679,129	3,873,165	3,782,550	5,348,966	5,410,577	4,383,149	4,166,726	4,502,821	2,866,141	1,283,856
Community Development	4,994,156	3,695,171	5,467,278	5,350,231	8,200,673	8,291,796	14,921,125	5,541,232	10,098,753	4,424,215
Operating Grants and Contributions	2,729,866	1,644,022	1,438,966	1,876,305	1,976,101	3,918,581	2,559,182	1,994,449	3,695,265	4,033,649
Capital Grants and Contributions (1)	6,922,360	2,333,049	2,341,476	2,262,146	2,123,799	-	-	-	-	1,050,000
Total Governmental Activities-Program Revenues	26,416,299	23,195,058	24,262,926	27,204,251	30,228,139	24,881,615	34,937,791	30,144,572	30,487,982	22,782,260
Business-Type Activities										
Charges for Services	5,750,659	6,633,147	8,046,619	8,165,645	7,647,125	9,487,140	11,335,453	12,850,561	14,870,751	15,057,913
Total Business-Type Activities Program Revenues	5,750,659	6,633,147	8,046,619	8,165,645	7,647,125	9,487,140	11,335,453	12,850,561	14,870,751	15,057,913
Total Primary Government-Program Revenues	32,166,958	29,828,205	32,309,545	35,369,896	37,875,264	34,368,755	46,273,244	42,995,133	45,358,733	37,840,173
General Revenues & Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes (2)	13,239,856	15,731,889	15,156,065	16,824,728	18,227,209	20,676,911	23,135,956	26,066,433	28,478,935	28,146,419
Sales Taxes	5,938,310	6,043,870	6,444,292	6,527,498	5,425,089	5,635,240	7,215,357	7,156,070	6,922,306	6,659,717
Transient Occupancy Tax	2,939,475	3,468,256	4,158,809	4,720,226	6,268,171	6,662,631	7,770,969	10,296,163	7,283,528	3,253,778
Other Taxes	4,607,758	4,556,371	4,946,135	4,616,187	4,882,372	9,272,058	9,921,476	9,124,553	9,168,081	27,957,361
Total Taxes	26,725,399	29,800,386	30,705,301	32,688,639	34,802,841	42,246,840	48,043,758	52,643,219	51,852,850	66,017,275
Investment Earnings	1,133,432	647,963	982,640	1,205,744	1,169,712	2,361,140	3,055,706	4,944,823	6,364,737	1,432,099
Gain (Loss) on Sale of Capital Assets	-	547,749	264	45,544	47,567	-	-	-	-	-
Miscellaneous	255,185	107,652	1,222,100	234,380	1,144,891	555,225	532,554	367,025	995,603	875,372
Transfers	170,605	181,525	185,881	189,041	220,185	201,061	207,896	193,175	223,000	230,000
Extraordinary gain (3)/(4)	28,170,332	-	771,822	-	-	-	-	-	-	-
Total Governmental Activities - General Revenues	56,454,953	31,285,275	33,868,008	34,363,348	37,385,196	45,364,266	51,839,914	58,148,242	59,436,190	68,554,746
Business-type Activities										
Investment Earnings	103,480	(8,799)	117,849	146,647	111,026	61,846	81,291	514,878	698,787	126,115
Miscellaneous	(5,953)	-	-	(1,752)	-	-	-	-	-	-
Transfers	(170,605)	(181,525)	(185,881)	(189,041)	(220,185)	(201,061)	(207,896)	(193,175)	(223,000)	(230,000)
Total Business-Type Activities - General Revenues	(73,078)	(190,324)	(68,032)	(44,146)	(109,159)	(139,215)	(126,605)	321,703	475,787	(103,885)
Total Primary Government-Program Revenues, General Revenues & Other Changes in Net Position	88,548,833	60,923,156	66,109,521	69,689,098	75,151,301	79,593,806	97,986,553	101,465,078	105,270,710	106,291,034

Source: City of Menlo Park

Notes:

(1) In fiscal year 2010-11 and 2011-2012, capital contributions include construction of Arrillaga Family Gym, Recreation Center, and Gymnastics Center.

(2) In fiscal year 2005-06, Property tax in lieu of Motor Vehicle License fees was reclassified to Property Taxes.

(3) In fiscal year 2011-12, extraordinary gain was due to dissolution of the Community Development Agency.

(4) In fiscal year 2013-14 extraordinary gain was due to the sale of the Hamilton Ave property.

(Continued)

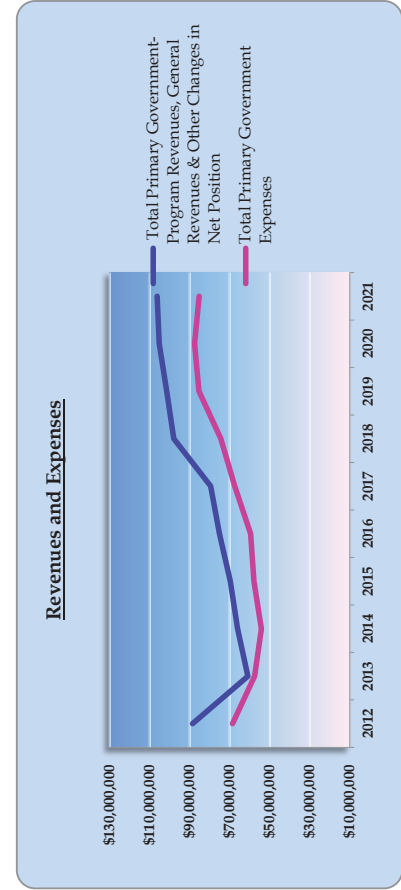
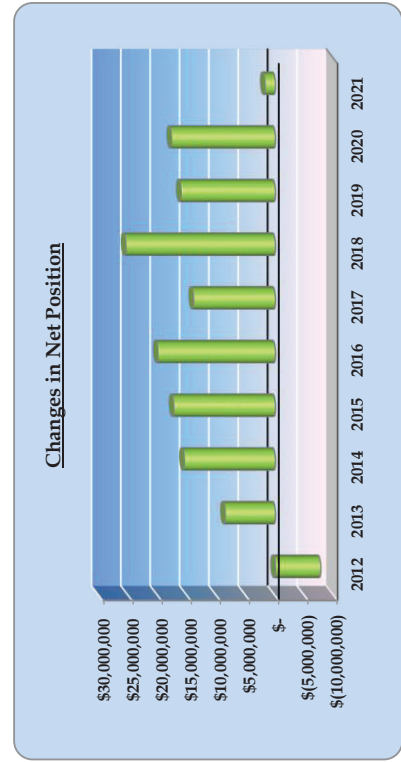
Changes in Net Position
June 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	8,845,324	7,386,399	6,332,057	8,057,304	8,896,023	6,831,261	8,277,794	8,208,369	11,877,351	10,328,218
Public Safety (4)	20,707,475	14,248,362	14,080,936	14,237,536	17,090,541	16,597,178	17,979,557	19,688,473	21,487,258	20,217,575
Public Works	10,789,784	10,809,670	10,920,198	11,638,045	10,784,753	16,964,601	18,144,697	24,979,226	21,656,255	23,291,709
Culture and Recreation	9,461,866	9,860,317	11,077,343	11,400,791	11,250,082	12,870,799	13,656,875	14,532,416	15,184,705	12,574,141
Community Development (5)	9,470,060	6,186,002	4,240,784	4,384,310	4,060,817	5,440,687	6,513,854	7,171,610	7,096,824	8,118,959
Interest on Long-Term Debt	4,481,135	2,971,231	1,229,193	1,219,698	850,924	776,182	967,824	730,531	527,161	820,644
Total Governmental Activities Expenses	63,755,644	51,461,981	47,880,511	50,937,684	52,933,140	59,480,708	65,540,601	75,310,625	77,829,554	75,351,246
Business-Type Activities										
Water	4,874,711	6,112,954	6,299,614	6,916,915	6,657,761	8,037,027	8,947,269	10,080,419	9,752,931	9,953,853
Total Business-Type Activities Expenses	4,874,711	6,112,954	6,299,614	6,916,915	6,657,761	8,037,027	8,947,269	10,080,419	9,752,931	9,953,853
Total Primary Government Expenses	68,630,355	57,574,935	54,180,125	57,854,599	59,590,901	67,517,735	74,487,870	85,391,044	87,582,485	85,305,099
Net Revenue (Expenses)										
Governmental Activities	(40,560,586)	(27,199,055)	(20,676,260)	(20,709,545)	(28,051,525)	(24,542,917)	(35,396,029)	(45,166,053)	(47,341,572)	(52,568,986)
Business-type Activities	1,758,436	1,933,665	1,866,031	730,210	2,829,379	3,298,426	3,903,292	2,770,142	5,117,820	5,104,060
Total Net Revenue (Expenses)	(38,802,150)	(25,265,390)	(18,810,229)	(19,979,335)	(25,222,146)	(21,244,491)	(31,492,737)	(42,395,911)	(42,223,752)	(47,464,926)
Changes in Net Position										
Governmental Activities	(9,275,311)	6,668,953	13,687,088	16,675,651	17,312,741	10,765,173	21,237,104	12,982,189	12,094,618	(3,248,240)
Business-type Activities	1,568,112	1,865,633	1,821,885	621,051	2,690,164	3,171,821	4,224,995	3,091,845	5,593,607	5,000,175
Changes in Net Position	\$ (7,707,199)	\$ 8,534,586	\$ 15,508,973	\$ 17,296,702	\$ 20,002,905	\$ 13,936,994	\$ 25,462,099	\$ 16,074,034	\$ 17,688,225	\$ 1,751,935

Notes:

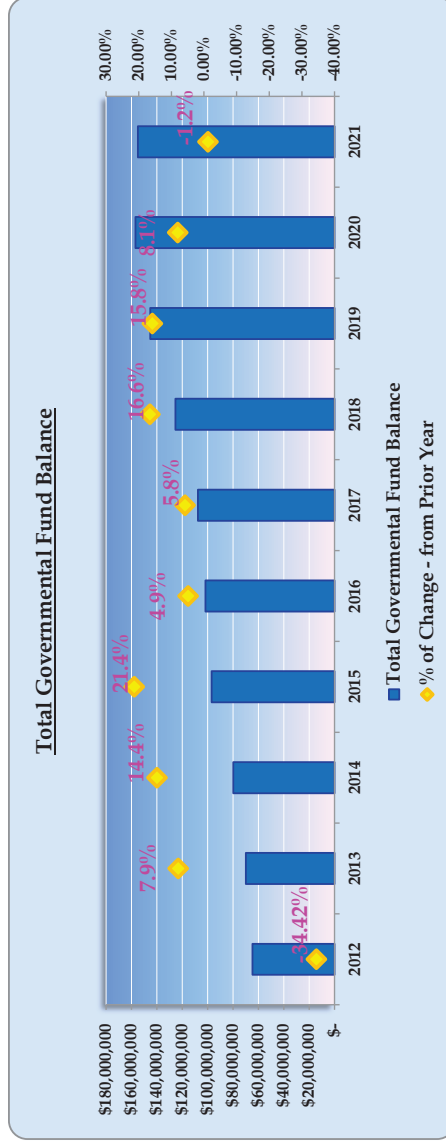
(4) In fiscal year 2010-11, City paid off a \$ 7.1 million pension liability for safety employees.

(5) Includes fiscal year 2005-06 transfer of Hamilton Avenue housing and park site from the Community Development Agency of the City to the developers.



Fund Balances - Governmental Funds
Last Ten Fiscal Years

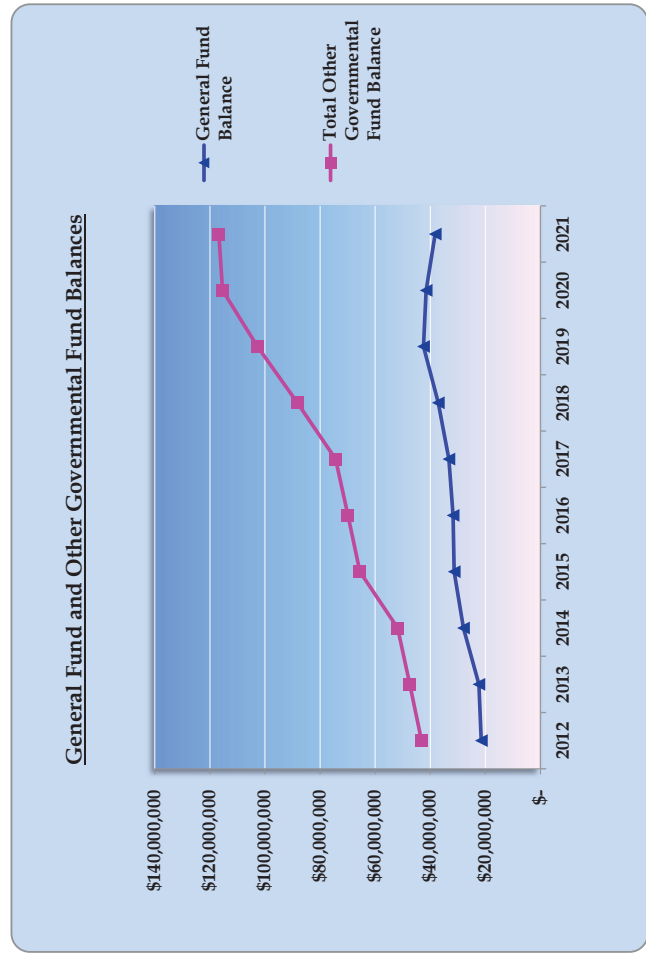
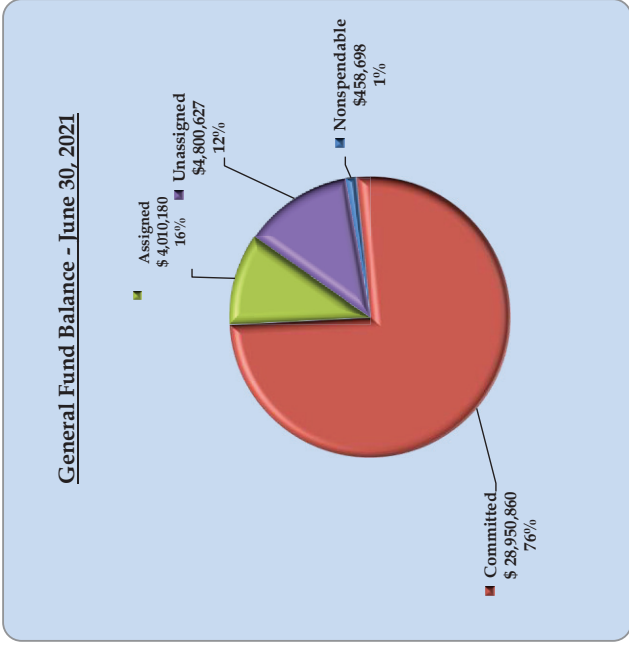
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Fund</u>										
Nonspendable	\$ 2,227,593	\$ 1,005,376	\$ 1,076,587	\$ 1,072,888	\$ 1,373,313	\$ 1,395,679	\$ 1,404,765	\$ 31,476	\$ 18,687	\$ 458,698
Committed	14,000,000	14,000,000	16,240,000	15,930,000	20,852,000	24,600,000	25,600,000	28,980,000	27,918,200	28,950,860
Assigned	3,494,188	2,728,033	4,307,634	4,468,298	4,483,513	4,940,127	6,214,219	7,040,221	7,177,514	4,010,180
Unassigned	1,776,214	4,644,239	6,367,022	9,865,646	5,007,430	2,282,609	3,897,104	6,406,921	6,406,921	4,800,628
General Fund Balance	21,497,995	22,377,648	27,991,243	31,336,832	31,716,256	33,218,415	37,116,088	42,458,618	41,521,322	38,220,366
<u>Other Governmental Funds</u>										
Nonspendable	4,233,517	4,907,442	565	2,041	-	-	-	4,919	6,523	56,166
Restricted	38,934,347	42,501,844	21,704,829	30,573,722	37,295,730	41,402,540	60,813,424	69,167,245	77,025,608	79,745,683
Committed	-	-	14,350,759	17,888,242	12,594,224	15,157,048	8,161,693	9,503,142	10,514,058	9,571,587
Assigned	-	-	15,834,509	17,148,769	20,143,982	18,186,022	19,594,032	24,197,642	27,864,228	27,435,116
Unassigned	-	-	(54,106)	(63,823)	(121,456)	(414,877)	(330,452)	(111,373)	-	(54,021)
Total Other Governmental Fund Balance	43,167,864	47,409,286	51,836,556	65,548,951	69,912,480	74,330,733	88,238,697	102,761,575	115,410,417	116,754,531
Total Governmental Fund Balance	\$ 64,665,859	\$ 69,786,934	\$ 79,827,799	\$ 96,885,783	\$ 101,628,736	\$ 107,549,148	\$ 125,354,785	\$ 145,220,193	\$ 156,931,739	\$ 154,974,897
% of Change - from Prior Year	-34.42%	7.9%	14.4%	21.4%	4.9%	5.8%	16.6%	15.8%	8.1%	-1.2%



Source: City of Menlo Park
* GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" implemented in 2010-11.

(Continued)

Fund Balances - Governmental Funds
Last Ten Fiscal Years



Source: City of Menlo Park

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes										
Secured property taxes	\$ 12,258,233	\$ 14,854,925	\$ 14,081,491	\$ 15,400,581	\$ 16,927,658	\$ 19,676,899	\$ 22,311,958	\$ 23,975,575	\$ 26,328,428	\$ 26,074,184
Unsecured property taxes	404,916	351,099	384,686	414,466	466,089	301,908	24,746	615,669	635,643	676,885
Other property taxes	576,707	525,865	689,888	1,012,292	940,188	698,101	799,252	896,296	1,021,924	1,395,350
Sales taxes	5,938,310	6,043,870	6,444,292	6,527,498	5,425,088	5,635,240	6,910,437	7,156,070	7,028,306	6,659,717
Other Taxes(1), (5)	7,530,245	8,007,960	9,085,311	9,729,062	11,054,349	11,572,087	13,269,854	20,278,184	16,112,745	12,459,914
Special assessments	2,862,076	2,831,235	3,131,099	2,938,371	2,618,490	2,676,947	2,667,087	1,848,653	1,834,543	4,159,091
Licenses and permits (5)	4,093,978	4,845,041	6,222,575	5,562,806	6,372,725	6,260,028	7,120,760	3,983,310	2,712,711	3,065,032
Fines and forfeitures	1,067,328	998,259	1,253,261	1,346,449	1,349,853	1,110,891	150,112	1,482,275	733,053	436,753
Use of money and property	1,102,320	594,476	955,817	1,170,488	1,677,993	1,269,957	2,241,452	4,677,868	6,003,086	1,452,575
Intergovernmental	2,325,236	2,276,829	1,757,274	2,158,680	2,616,291	2,549,637	2,253,258	2,987,225	4,108,607	4,177,563
Charges for services	11,943,461	13,225,264	13,312,487	14,801,784	16,906,213	16,123,233	28,137,256	21,007,655	21,040,916	9,740,147
Other Revenues	270,567	202,137	141,434	234,380	331,756	562,919	475,769	605,280	713,135	1,841,842
Total Revenues	50,373,377	54,756,960	57,459,615	61,296,857	66,686,693	68,437,847	86,361,941	89,464,060	88,273,097	72,139,053
Expenditures										
Current										
General Government	4,545,864	5,204,412	5,567,633	6,297,514	5,521,808	6,982,290	7,496,989	7,552,554	10,628,188	8,487,735
Public Safety(2)	13,978,279	13,831,018	14,194,657	14,955,891	15,933,746	16,826,266	17,875,498	19,053,402	19,692,219	18,378,936
Public Works	7,886,059	8,174,802	8,130,751	9,795,903	11,352,894	14,078,566	13,921,775	18,563,322	17,434,152	16,962,288
Culture and Recreation	8,287,074	9,014,947	9,330,874	10,015,841	10,055,990	10,695,856	11,345,600	12,772,914	12,573,530	10,278,272
Community Development	5,560,374	3,937,710	4,248,952	3,513,848	4,533,057	5,191,543	6,145,363	6,677,611	6,268,348	6,955,460
Urban Development and Housing	614,951	286,699	133,523	78,606	153,767	105,696	226,796	365,921	590,764	1,026,881
Capital Outlay	10,215,010	7,904,805	5,999,875	1,483,122	1,730,011	8,724,067	10,341,449	3,608,825	8,754,814	11,113,110
Capital Expenditures	-	-	-	2,483,647	8,589,250	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal(3)	2,570,000	760,000	620,000	1,000,000	1,055,000	425,000	440,000	455,000	475,000	585,000
Interest and Fiscal Charges(4)	4,254,712	1,255,585	1,230,855	862,315	931,400	782,173	976,333	742,278	650,276	538,213
Total Expenditures	57,912,323	50,369,978	49,457,120	50,486,687	59,856,923	63,811,457	68,769,803	69,791,827	77,067,291	74,325,895
Revenues over (under) Expenditures	(7,538,946)	4,386,982	8,002,495	10,810,170	6,829,770	4,626,390	17,592,138	19,672,233	11,205,806	(2,186,842)

Source: City of Menlo Park

Notes:

(1) Other Taxes include Franchise & Occupancy, Utility Users, Highway Users and County Transportation taxes.

(2) In fiscal year 2010-11, the large increase was due to paying off the PERS safety side fund.

(3) Principal payment due on the 2006 Las Pulgas Tax Allocation Refunding Bonds on January 1, 2008.

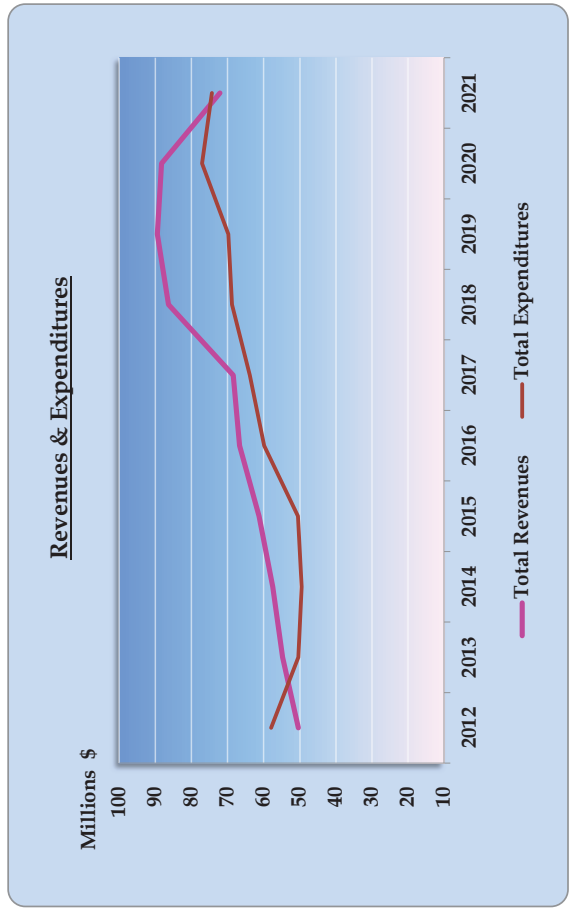
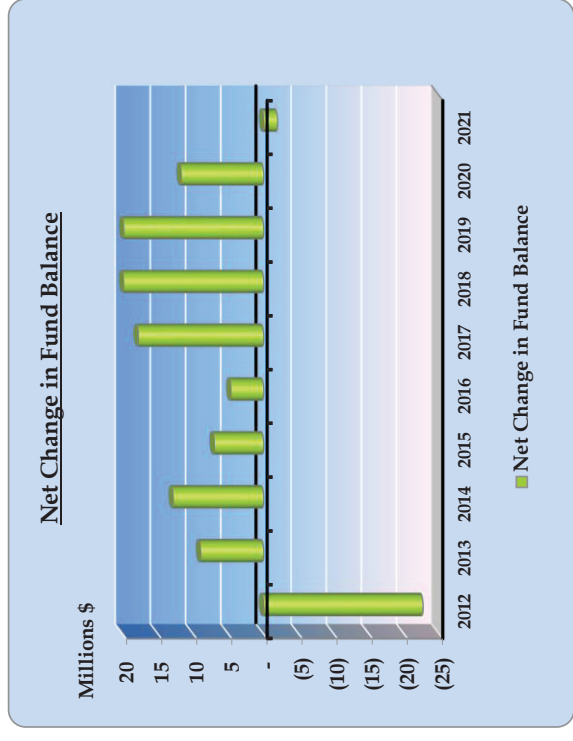
(4) Interest and Fiscal Charges include cost of issuance and bond insurance.

(5) Business License was included in other taxes beginning FY 2018-19 in prior years was included in Licenses & permits.

(Continued)

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses)										
Transfer In	9,722,425	6,091,632	2,994,261	4,699,084	9,873,559	7,659,532	5,612,101	9,804,193	7,980,877	6,542,666
Transfer Out	(9,551,820)	(5,910,107)	(2,808,380)	(4,523,543)	(9,853,374)	(7,458,471)	(5,404,205)	(9,611,018)	(7,757,877)	(6,312,666)
Proceeds from Sale of Fixed/Capital Assets	-	766,855	1,080,667	-	-	1,534	5,603	-	-	-
Proceeds from Refunding bonds Issuance	9,830,000	-	-	-	-	-	-	-	9,640,000	-
Payment to Refunded bond Escrow Agent	(11,166,467)	-	-	-	-	-	-	-	(9,962,267)	-
Bond Premium	-	-	-	-	-	-	-	-	605,007	-
Discount on Issuance of Debt	(73,725)	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,239,587)	948,380	1,266,548	175,541	20,185	202,595	213,499	193,175	505,740	230,000
Extraordinary gain(loss)(6),(7)	(25,814,163)	-	771,822	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ (22,666,768)	\$ 8,950,875	\$ 12,848,540	\$ 7,005,311	\$ 4,646,575	\$ 17,794,733	\$ 19,885,732	\$ 19,865,408	\$ 11,711,546	\$ (1,956,842)
% of Change	-821.9%	-139.5%	43.5%	-45.5%	-33.7%	283.0%	11.8%	-0.1%	-41.0%	-116.7%
Capital Expenditures										
Debt Service as Percentage of Non-Capital Expenditures	14.3%	4.7%	4.3%	4.0%	4.0%	2.2%	2.4%	1.8%	1.6%	1.8%



Source: City of Menlo Park

(6) In fiscal year 2011-12, the extraordinary gain was due to dissolution of the Community Development Agency

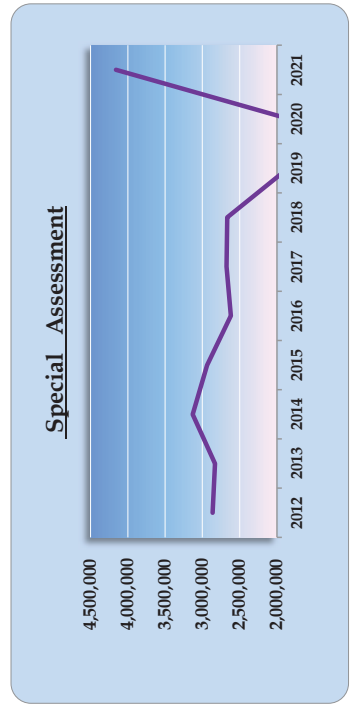
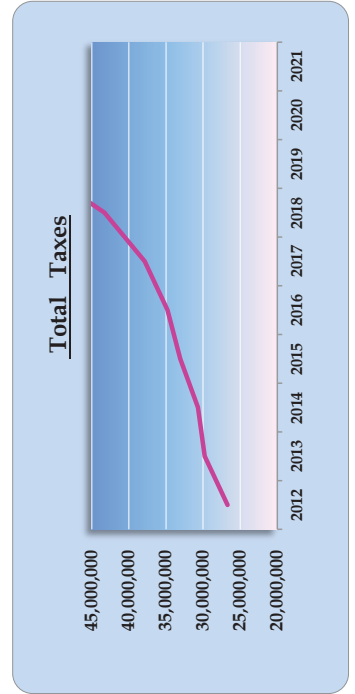
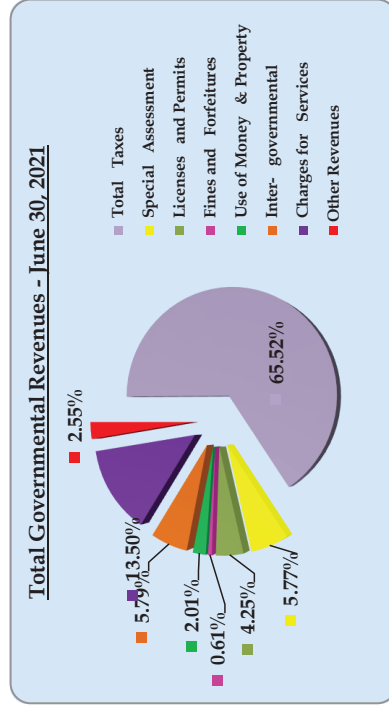
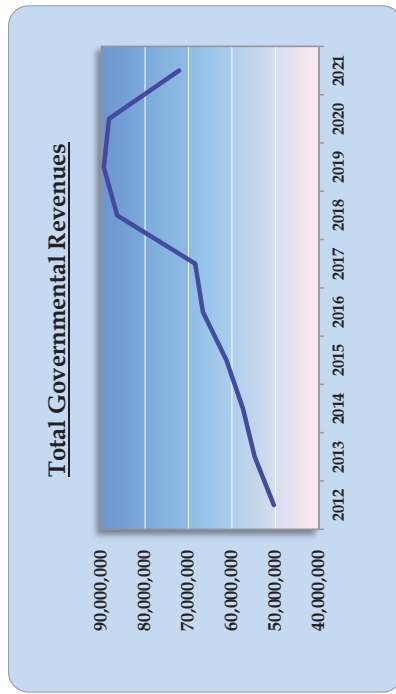
(7) In fiscal year 2013-14, the extraordinary gain was due to sale of the Hamilton Ave. property

Governmental Funds Revenues by Source ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year Ending June 30	Total Taxes	Special Assessment	Licenses and Permits	Fines and Forfeitures	Use of Money & Property	Inter- governmental	Charges for Services	Other Revenues	Total Governmental Revenues
2012	26,708,411	2,862,076	4,093,978	1,067,328	1,102,320	2,325,236	11,943,461	270,567	50,373,377
2013	29,783,719	2,831,235	4,845,041	998,259	594,476	2,276,829	13,225,264	202,137	54,756,960
2014	30,685,668	3,131,099	6,222,575	1,253,261	955,817	1,757,274	13,312,487	141,434	57,459,615
2015	33,083,899	2,938,371	5,562,806	1,346,449	1,170,488	2,158,680	14,801,784	234,380	61,296,857
2016	34,813,372	2,618,490	6,372,725	1,349,853	1,677,993	2,616,291	16,906,213	331,756	66,686,693
2017	37,884,235	2,676,947	6,260,028	1,110,891	1,269,957	2,549,637	16,123,233	562,919	68,437,847
2018	43,316,247	2,667,087	7,120,761	150,112	2,241,452	2,253,258	28,137,256	475,769	86,361,942
2019	52,921,794	1,848,653	3,933,310	1,482,275	4,677,868	2,987,225	21,007,655	605,280	89,464,060
2020	51,127,046	1,834,543	2,712,711	733,053	6,003,086	4,108,607	21,040,916	713,135	88,273,097
2021	47,266,050	4,159,091	3,065,032	436,753	1,452,575	4,177,563	9,740,147	1,841,842	72,139,053

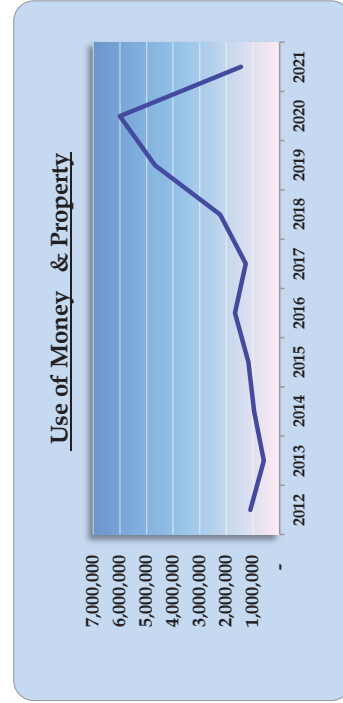
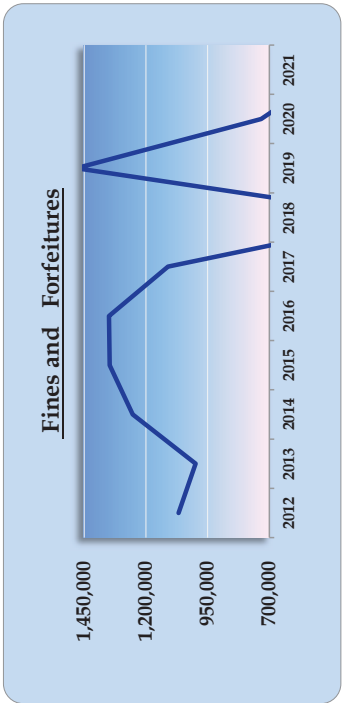
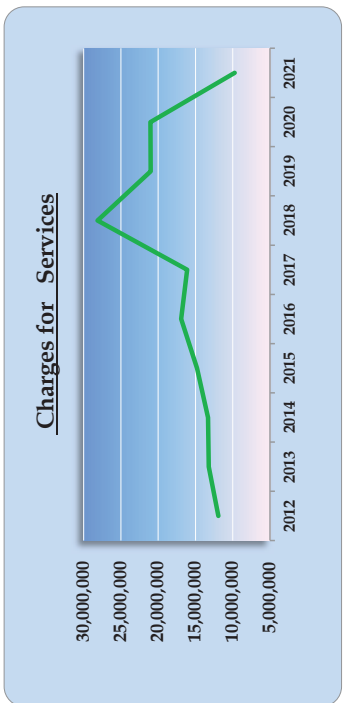
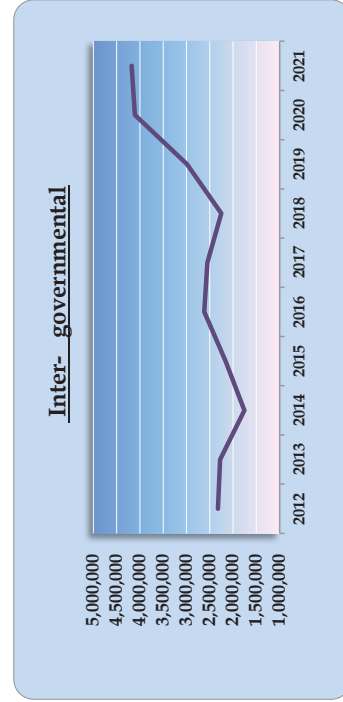
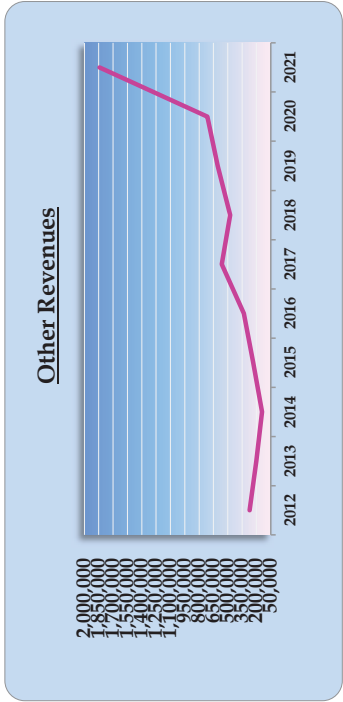
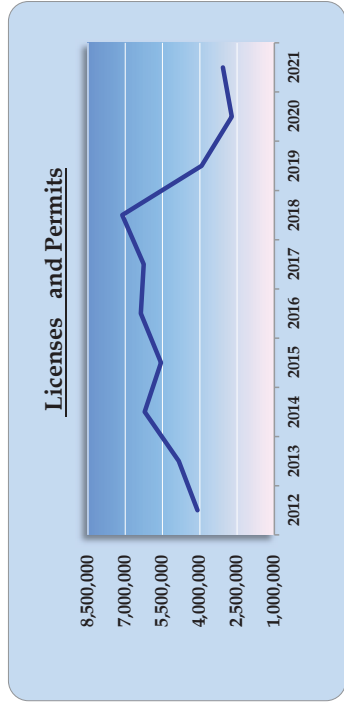
Source: City of Menlo Park

⁽¹⁾ General governmental revenues by source consist of the following City funds: General, Special Revenue, Debt Service, Capital Projects and Expendable Trusts.
⁽²⁾ In fiscal year 2006, Property Taxes in lieu of Motor Vehicle License Fees were reclassified from Intergovernmental to Property Taxes.



(Continued)

Governmental Funds Revenues by Source ⁽¹⁾
Last Ten Fiscal Years

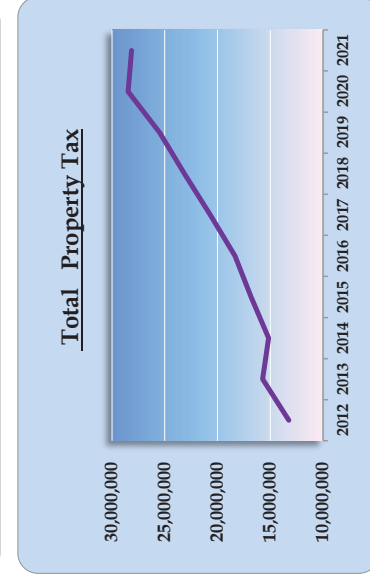
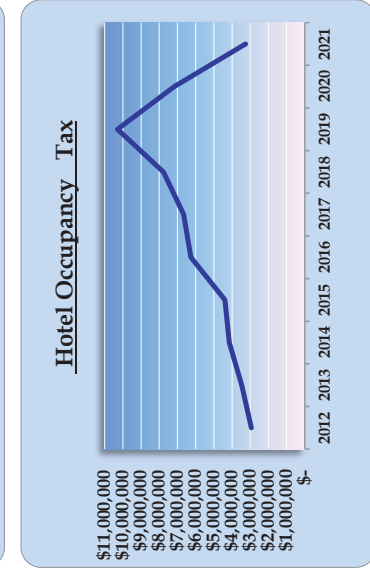
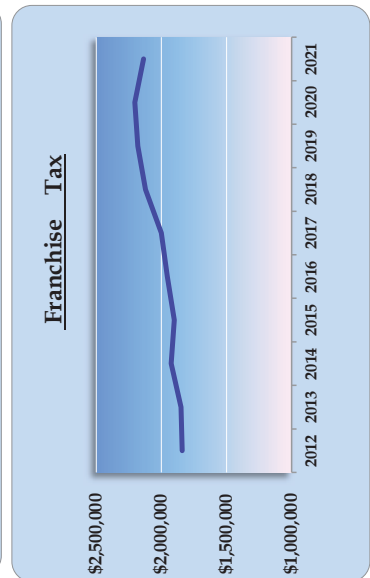
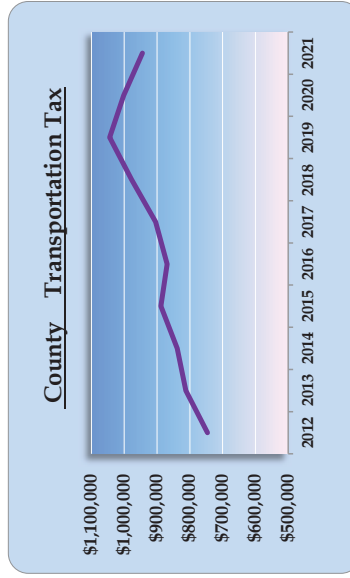
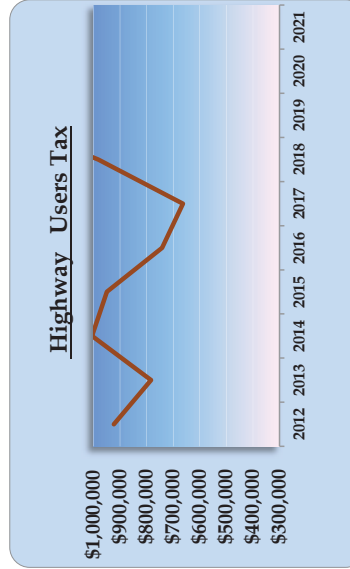
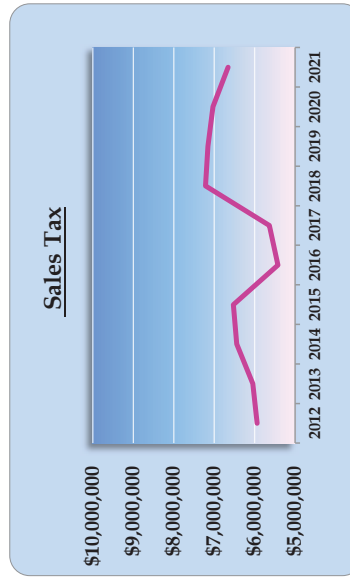


Governmental Funds Tax Revenue by Type
Last Ten Fiscal Years

Revenue Capacity:
Schedule 6

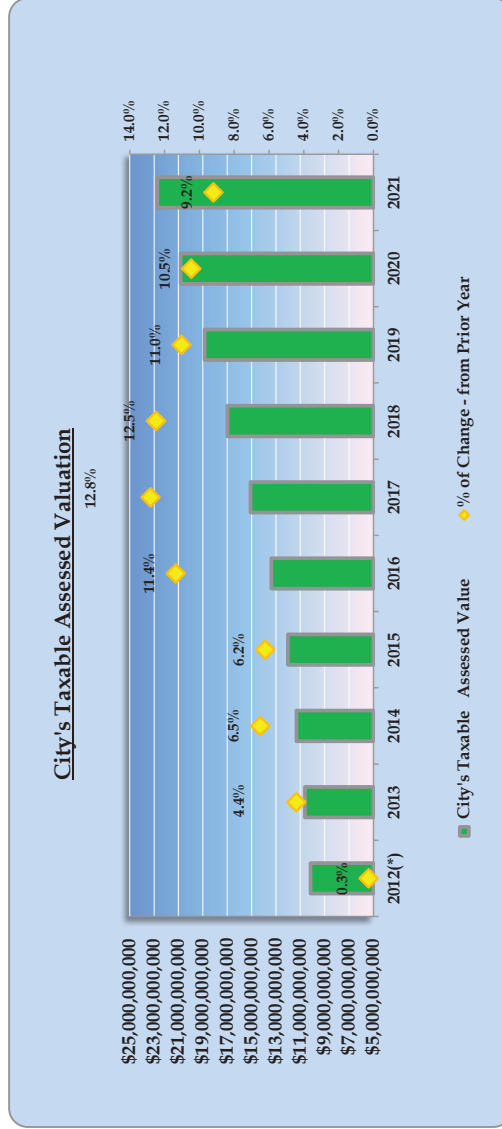
Fiscal Year Ending June 30	Highway		County		Franchise Tax	Hotel Occupancy		Utility		Property Tax			Total Property Tax	Total Governmental Funds
	Sales Tax	Users Tax	Transportation Tax	Tax		Users Tax (f)	Secured	Unsecured	Transfer Tax	Other				
2012	5,938,310	923,796	746,187	1,840,351	2,939,475	1,080,436	12,258,233	404,916	501,161	75,546	13,239,856	26,708,411		
2013	6,043,870	783,719	812,249	1,848,480	3,468,256	1,095,256	14,854,925	351,099	460,683	65,182	15,731,889	29,783,719		
2014	6,444,292	1,006,294	838,318	1,924,237	4,158,809	1,157,653	14,081,491	384,686	627,644	62,244	15,156,065	30,685,668		
2015	6,527,498	950,205	888,189	1,900,746	4,394,156	1,187,020	15,400,581	414,466	947,710	64,582	16,827,339	32,675,153		
2016	5,425,088	742,292	869,128	1,954,461	6,268,171	1,220,297	16,927,658	466,089	908,782	31,406	18,333,935	34,813,372		
2017	5,635,240	663,555	904,462	2,001,107	6,662,631	1,253,672	19,676,899	301,908	635,816	62,288	20,676,911	37,797,578		
2018	7,215,357	982,742	977,537	2,121,387	7,770,969	1,322,169	22,311,958	24,746	732,037	67,215	23,135,956	43,526,117		
2019	7,156,070	1,390,972	1,044,435	2,181,173	10,296,163	1,661,938	23,975,575	615,669	828,003	68,293	25,487,540	49,218,291		
2020	7,028,306	1,415,270	1,001,990	2,203,963	7,177,528	1,626,569	26,328,428	635,643	952,670	562,194	28,478,935	48,932,561		
2021	6,659,717	1,434,847	944,817	2,137,125	3,253,778	1,442,005	26,074,184	676,885	828,531	566,819	28,146,419	44,018,708		

Source: City of Menlo Park and County of San Mateo
(1) City implemented Utility Users Tax in April 2007



Assessed Valuation, Tax Rates, and Tax Levies
Last Ten Fiscal Years

Fiscal Year Ending June 30	Secured	Unsecured	Less Exemptions	City's Taxable Assessed Value	% of Change - from Prior Year	Total Direct Tax Rate
2012(*)	9,701,542,385	712,158,100	(244,456,426)	10,169,244,059	0.3%	0.0024
2013	10,059,424,137	819,698,175	(258,752,495)	10,620,369,817	4.4%	0.0024
2014	10,793,653,677	809,314,081	(291,016,106)	11,311,951,652	6.5%	0.0024
2015	11,505,930,742	814,834,786	(305,046,407)	12,015,719,121	6.2%	0.0024
2016	12,752,897,442	927,792,380	(300,228,143)	13,380,461,679	11.4%	0.0011
2017	14,218,711,817	1,148,145,263	(270,990,043)	15,095,867,037	12.8%	0.0010
2018	15,756,865,369	1,547,821,754	(323,167,196)	16,981,519,927	12.5%	0.0010
2019	18,155,327,753	1,062,432,203	(363,506,000)	18,854,253,956	11.0%	0.0010
2020	20,184,133,096	1,046,462,723	(402,911,741)	20,827,684,078	10.5%	0.0010
2021	22,142,794,209	1,007,916,459	(407,023,041)	22,743,687,627	9.2%	0.0010



Source: County of San Mateo

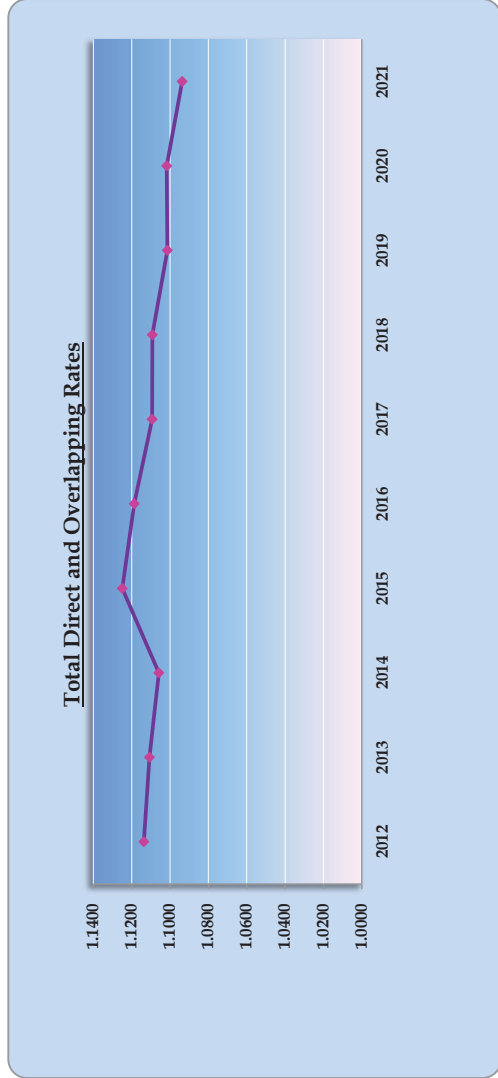
Notes:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(*) Redevelopment Agency was transferred to Successor Agency due to dissolution

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
(Per \$1,000 Assessed Valuation)										
City Direct Rates (1)	0.0024	0.0024	0.0024	0.0024	0.0011	0.0010	0.0010	0.0010	0.0010	0.0010
Overlapping Rates (2)										
San Mateo County	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Menlo Park Elementary	0.0413	0.0402	0.0381	0.0486	0.0393	0.0357	0.0385	0.0383	0.0365	0.0351
San Mateo Junior College	0.0199	0.0194	0.0194	0.0190	0.0250	0.0247	0.0235	0.0175	0.0231	0.0176
Menlo Park Debt Service	0.0041	0.0038	0.0026	0.0025	-	-	-	-	-	-
Menlo Park Parks & Rec Bond	0.0126	0.0118	0.0144	0.0115	0.0102	0.0092	0.0080	0.0073	0.0065	0.0080
Sequoia Union High School District	0.0358	0.0356	0.0313	0.0433	0.0434	0.0391	0.0383	0.0365	0.0340	0.0315
Midpeninsula Reg Open	-	-	-	-	0.0008	0.0006	0.0009	0.0018	0.0016	0.0015
Total Overlapping Rates	1.1137	1.1108	1.1058	1.1249	1.1187	1.1093	1.1092	1.1014	1.1017	1.0937
Total Direct and Overlapping Rates	1.1161	1.1132	1.1082	1.1273	1.1198	1.1103	1.1102	1.1024	1.1027	1.0947
% of Change - from Prior Year	0.5%	-0.3%	-0.4%	1.7%	-0.7%	-0.8%	0.0%	-0.7%	0.03%	-0.73%



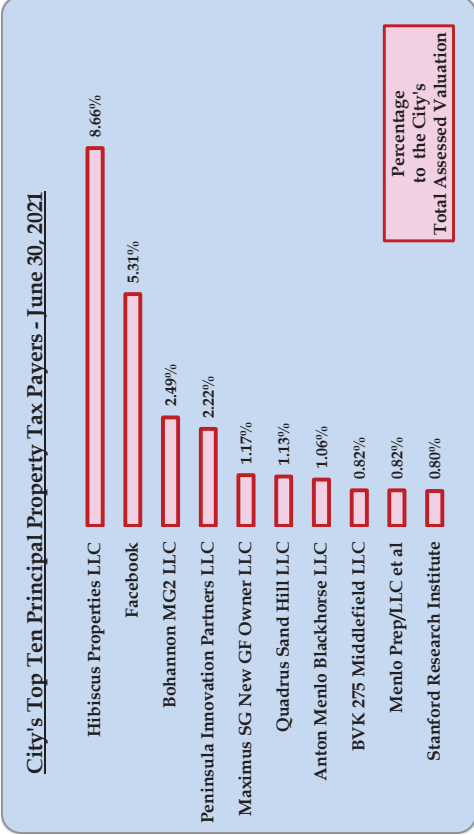
Source:
(1) County of San Mateo, Property Taxes
(2) County of San Mateo, Tax Rate Book, Code 08-004

Principal Property Tax Payers
Current Fiscal Year and Ten Years Prior

Debt Capacity:
Schedule 9

FY 2020-2021		FY 2011-2012	
Property Owner	Rank	Taxable Assessed Value	Ratio to Total City's Assessed Valuation
Hibiscus Properties LLC	1	\$ 1,968,832,827	8.66%
Facebook	2	1,207,918,147	5.31%
Bohannon MG2 LLC	3	565,815,593	2.49%
Peninsula Innovation Partners LLC	4	505,168,193	2.22%
Maximus SG New GF Owner LLC	5	265,195,877	1.17%
Quadrus Sand Hill LLC	6	257,747,062	1.13%
Anton Menlo Blackhorse LLC	7	241,184,744	1.06%
BVK 275 Middlefield LLC	8	185,976,702	0.82%
Menlo Prep/LLC et al	9	185,716,269	0.82%
Stanford Research Institute	10	182,328,892	0.80%
Total Top 10 Taxpayers' Totals		\$ 5,565,884,306	24.47%
City's Total Assessed Valuation		\$ 22,743,687,627	100%

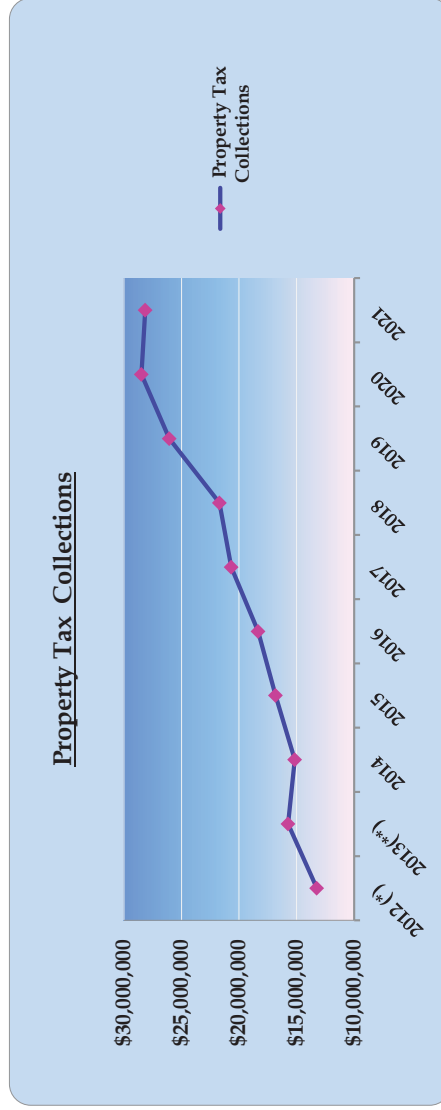
Property Owner	Rank	Taxable Assessed Value	Ratio to Total City's Assessed Valuation
Wilson MenloPark Campus LLC	1	\$ 207,462,937	2.03%
Stanford Research Institute	2	162,354,369	1.59%
CLPF-Sand Hill Commons LP	3	140,266,429	1.37%
Tyco Electronics Corporation	4	133,602,050	1.31%
KR Menlo Park LLC	5	118,712,262	1.16%
Leland Stanford Jr University	6	84,076,162	0.82%
Menlo Business Park LLC	7	81,517,366	0.80%
AMB Property LP	8	76,032,816	0.74%
Richard Tod Spieker	9	74,432,894	0.73%
Henry J Kaiser Family Foundation	10	68,092,132	0.67%
Total Top 10 Taxpayers' Totals		\$ 1,146,549,417	11.23%
City's Total Assessed Valuation		\$ 10,211,522,144	100%



Source:
San Mateo County Tax Roll
California Municipal Statistics Inc
HDL, Coren & Cone

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ending June 30	Property Tax Levies	Property Tax Collections	Percentage of Collections	Subsequent Year Collections	Total Collections	Percentage of Collections
2012 (*)	13,239,856	13,239,856	100.00%	-	13,239,856	100%
2013 (**)	15,731,889	15,731,889	100.00%	-	15,731,889	100%
2014	15,156,065	15,156,065	100.00%	-	15,156,065	100%
2015	16,824,725	16,824,725	100.00%	-	16,824,725	100%
2016	18,333,935	18,333,935	100.00%	-	18,333,935	100%
2017	20,676,911	20,676,911	100.00%	-	20,676,911	100%
2018	21,696,456	21,696,456	100.00%	-	21,696,456	100%
2019	26,066,433	26,066,433	100.00%	-	23,971,701	100%
2020	28,478,935	28,478,935	100.00%	-	28,478,935	100%
2021	28,146,419	28,146,419	100.00%	-	28,146,419	100%



Source:

County of San Mateo, Estimated Property Tax Revenue and Estimated Tax Increment Revenue
City of Menlo Park

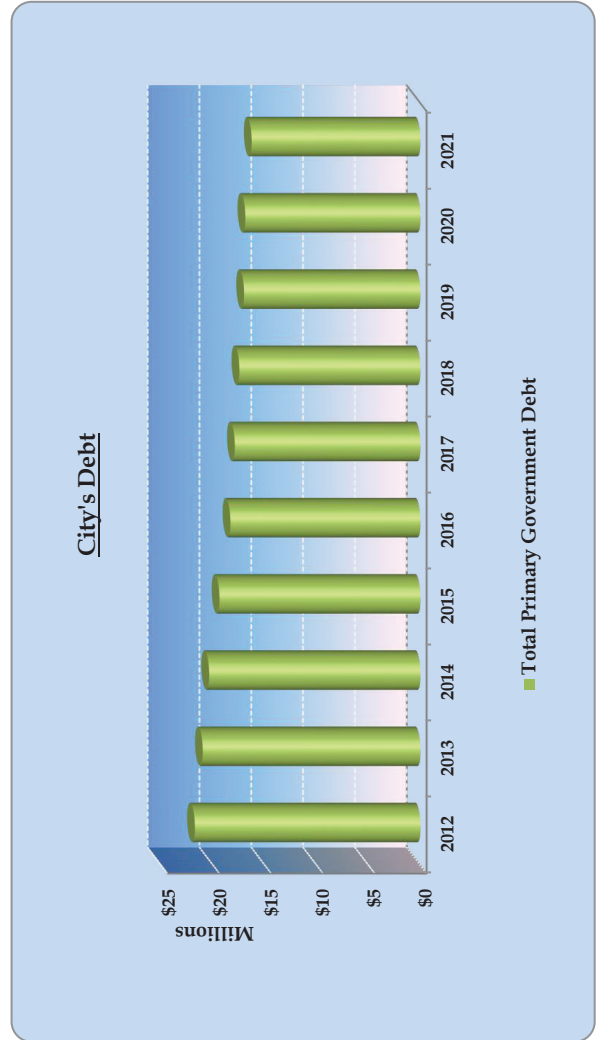
Notes:

(*) In prior years, property tax levies included property tax increment from their former Community Development Agencies. The last year of such tax increment received was in 2010-11.

(**) One time property tax increase due to dissolution of the Redevelopment Area.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30	General Obligation Bonds ⁽¹⁾	Tax Allocation Bonds ⁽⁴⁾	Total Primary Government Debt	Percentage of Personal Income	Outstanding Debt Per Capita ⁽⁸⁾
2012	21,775,595	-	21,775,595	not available	672
2013	21,016,779	-	21,016,779	not available	639
2014	20,397,966	-	20,397,966	0.92%	617
2015	19,399,153	-	19,399,153	0.83%	582
2016	18,345,340	-	18,345,340	0.79%	548
2017	17,921,527	-	17,921,527	0.73%	528.85
2018	17,482,714	-	17,482,714	0.69%	508.85
2019	17,028,901	-	17,028,901	0.64%	492.89
2020	16,904,925	-	16,904,925	0.60%	487.20
2021	16,294,495	-	16,294,495	0.54%	464.31



Source: City of Menlo Park

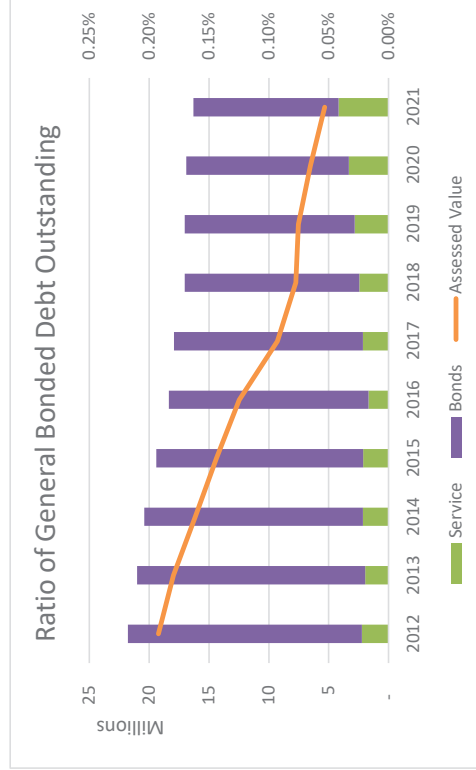
Notes:

- (1) General Obligation Bonds consists of 1996, 2002, 2009 General Obligation Bonds
- (2) The City issued \$10,440,000 in 2009 General Obligation Bonds
- (3) General Obligation Bonds consists of 2012, 2015 General Obligation Refunding Bonds
- (4) Tax Allocation Bonds consists of 2006 Las Pulgas Project Tax Allocation Bonds
- (5) The 1996 & 2000 Tax Allocation Bonds were refinanced with 2006 Refunding Bonds
- (6) In fiscal year 2011-12 former Community Redevelopment Agency was dissolved and all debts transferred
- (7) County of San Mateo's personal income per capita
- (8) U.S. Census Bureau, Quickfacts.Census.gov, Population

Ratio of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Restricted for Debt Service</u>	<u>Net General Obligation Bonds</u>	<u>Total City Taxable Assessed Valuation</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Per Capita</u>
2012	21,775,595	2,225,873	19,549,722	10,169,244,059	0.19%	671.84
2013	21,016,779	1,943,354	19,073,425	10,620,369,817	0.18%	639.18
2014	20,397,966	2,133,308	18,264,658	11,311,951,652	0.16%	616.79
2015	19,399,153	2,123,752	17,275,401	12,015,719,121	0.14%	582.40
2016	18,345,340	1,663,696	16,681,644	13,380,461,679	0.12%	548.46
2017	17,482,714	2,136,803	15,784,724	16,981,519,927	0.09%	515.90
2018	17,028,901	2,443,730	14,585,171	18,854,253,956	0.08%	424.52
2019	17,028,901	2,819,470	14,209,431	18,854,253,956	0.08%	411.28
2020	16,904,925	3,310,775	13,594,150	20,827,684,078	0.07%	391.78
2021	16,294,495	4,167,057	12,127,438	22,743,687,627	0.05%	345.57



Source: City of Menlo Park
County of San Mateo Assessed Valuation Reports
California Municipal Statistics, Inc.

Direct and Overlapping Debt
June 30, 2021

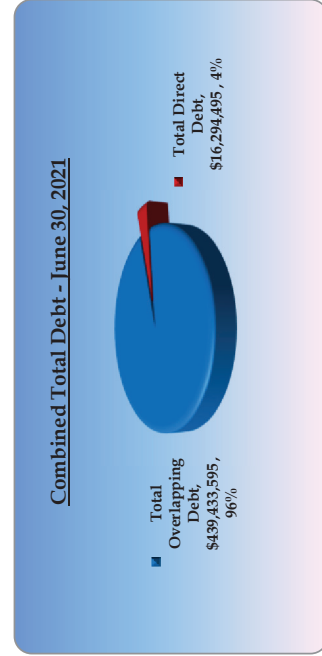
Debt Capacity:
Schedule 13

Fiscal year 2020-21
City Assessed Valuation ⁽¹⁾ \$ 22,743,687,627

	Outstanding Debt 6/30/2021	Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt	Ratio to City's Assessed Valuation
Direct and Overlapping Tax and Assessment Debt				
San Mateo Community College District	\$ 761,305,961	8.883%	\$ 67,626,809	0.30%
Sequoia Union High School District	494,220,000	20.630%	101,957,586	0.45%
Las Lomas School District	121,430,000	35.236%	42,787,075	0.19%
Menlo Park City School District	126,677,593	61.890%	78,400,762	0.34%
Ravenswood School District	71,120,000	59.862%	42,573,854	0.19%
Redwood City School District	184,904,461	4.840%	8,949,376	0.04%
Midpeninsula Regional Park District	86,400,000	6.758%	5,838,912	0.03%
City of Menlo Park	16,294,495	100%	16,294,495	0.07%
Total Direct and Overlapping tax and Assessment Debt	\$		\$ 364,428,869	1.60%

	Outstanding Debt 6/30/2021	Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt	Ratio to City's Assessed Valuation
Overlapping General Fund Debt				
San Mateo County General Fund Obligations	\$ 487,114,345	8.883%	\$ 43,270,367	0.19%
San Mateo County Board of Education Certificates of Participation	6,840,000	8.883%	607,597	0.00%
Midpeninsula Regional Park District General Fund Obligations	106,000,000	6.758%	7,163,521	0.03%
Menlo Park Fire Protection District Certification of Participation	9,600,000	50.966%	4,892,736	0.02%
Total Overlapping General Fund Debt	\$		\$ 55,934,221	0.25%
Overlapping Tax Increment Debt - Successor Agency	35,365,000	100%	35,365,000	0.16%

Total Direct Debt \$ 16,294,495 0.07%
Total Overlapping Debt \$ 439,433,595 1.93%
Combined Total Debt (2) \$ 455,728,090 2.00%



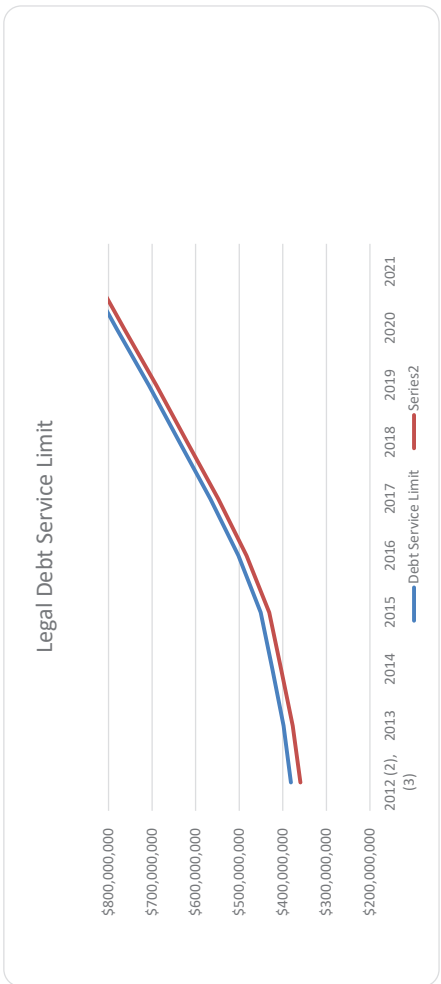
Source: California Municipal Statistics, Inc.
⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value.
⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Legal Debt Service Margin Information
Last Ten Fiscal Years

Debt Capacity
Schedule 14

	<u>2012 (2), (3)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
City's Taxable Assessed Valuation	\$10,169,244,059	\$10,620,369,817	\$11,311,951,652	\$12,015,719,121	\$13,380,461,679	\$15,095,867,037	\$16,981,519,927	\$18,854,253,956	\$20,827,684,078	\$22,743,687,627
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,542,311,015	2,655,092,454	2,827,987,913	3,003,929,780	3,345,115,420	3,773,966,759	4,245,379,982	4,713,563,489	5,206,921,020	5,685,921,907
Debt Service Limit Percentage (CA Govt. Code Section 43605) ⁽⁴⁾	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Service Limit	381,346,652	398,263,868	424,198,187	450,589,467	501,767,313	566,095,014	636,806,997	707,034,523	781,038,153	852,888,286
Less:										
General Obligation Bonds	21,775,595	21,016,779	20,397,966	19,399,153	18,345,340	17,921,527	17,482,714	17,028,901	16,904,925	16,294,495
Legal Debt Service Margin	\$ 359,571,057	\$ 377,247,089	\$ 403,800,221	\$ 431,190,314	\$ 483,421,973	\$ 548,173,487	\$ 619,324,283	\$ 690,005,622	\$ 764,133,228	\$ 836,593,791

Legal Debt Service Margin as a Percentage of Debt Service Limit 94.3% 94.7% 95.2% 95.7% 96.3% 96.8% 97.3% 97.6% 97.8% 98.1%



Source: County of San Mateo, Assessed Valuation Reports

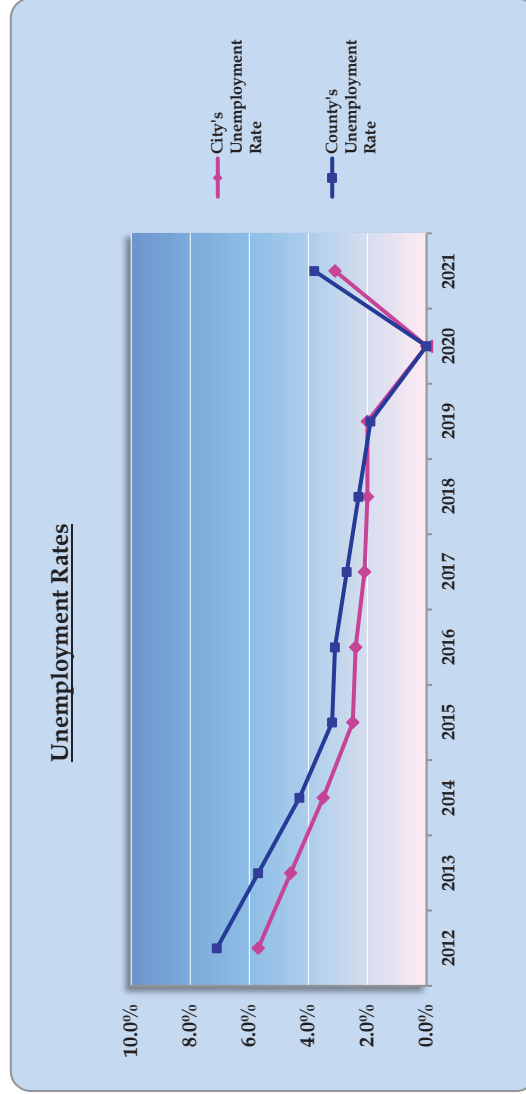
Notes:

- (1) The City refunded 2009 Gen. Obligation Bonds with 2015 General Obligation Refunding Bond
- (2) The City refinanced 2002 Bonds with issuance of 2012 General Obligation Bonds
- (3) Community Development Agency was transferred to Successor Agency
- (4) The government code section of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of the market value (as of the most recent change in ownership for that parcel). The computation shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Demographic and Economic Statistics
Last Ten Fiscal Years

Demographic and
Economic
Information:
Schedule 15

Calendar Year	Population	City's Unemployment Rate	County's Unemployment Rate	Personal Income Per Capita	K-12 Public School Enrollments
2012	32,412	5.7%	7.1%	not available	4,719
2013	32,881	4.6%	5.7%	not available	4,835
2014	33,071	3.5%	4.3%	67,072	4,976
2015	33,309	2.5%	3.2%	69,802	5,062
2016	33,449	2.4%	3.1%	69,802	5,218
2017	33,888	2.1%	2.7%	71,981	5,400
2018	34,357	2.0%	2.3%	74,162	5,423
2019	34,549	2.0%	1.9%	78,357	5,428
2020	34,698	6% *	10.8% *	81,562	5,600
2021	35,094	3.1%	3.8%	85,710	5,598



Source:

U.S. Census Bureau, Quickfacts.Census.gov, Population 2019 Estimate

U.S. Department of Commerce, bea.gov, CA1-3 Personal Income Summary, County of San Mateo Per capita personal income 2014-2019

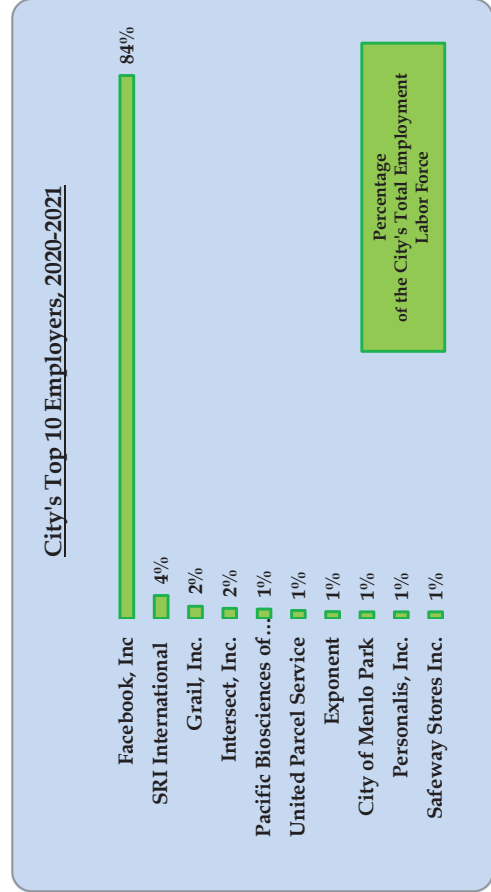
California Department of Education, Data Quest/Enrollment over time, school year 2018-19 Menlo Park Elementary Schools K-12 and Menlo Atherton High School

California Labor Market Information, EDD, labormarketinfo.edd.ca.gov, updated August 28, 2019

* Unemployment rate higher due to COVID-19 shelter in place in March 2020.

Principal Employers
Current Fiscal Year and Ten Years Prior

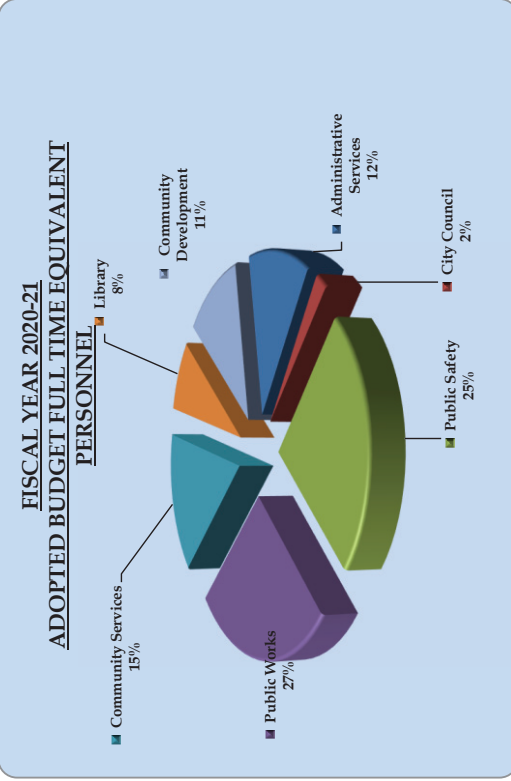
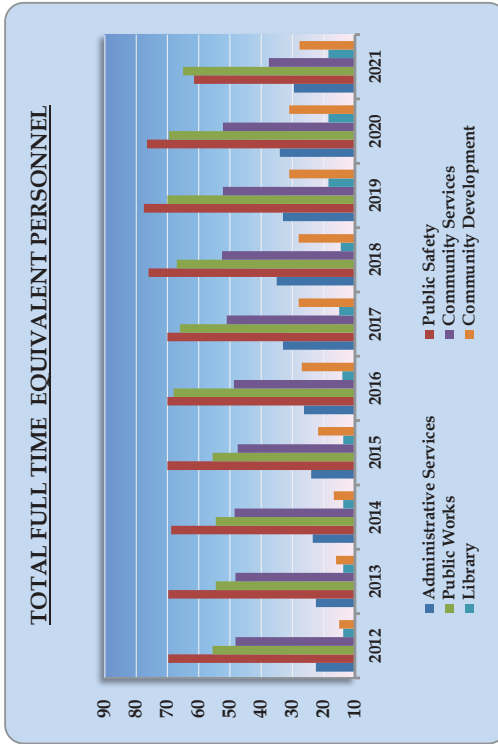
<u>City's Principal Employers</u>	2020-2021		2011-2012	
	Rank	Total Employees	Total Employees	Percentage of Total City's Labor Force
Facebook, Inc	1	18,500	2,200	13%
SRI International	2	784	1,300	8%
Grail, Inc.	3	420	n/a	n/a
Intersect, Inc.	4	345	n/a	n/a
Pacific Biosciences of California, Inc.	5	320	275	2%
United Parcel Service	6	277	n/a	n/a
Exponent	7	238	n/a	n/a
City of Menlo Park	8	230	n/a	n/a
Personalis, Inc.	9	230	n/a	n/a
Safeway Stores Inc.	10	228	276	2%
Top 10 Employers		21,572	4,051	25%
Total Employment of the City's Labor Force		22,100	16,300	100%



Source:
City of Menlo Park, Finance, Business License, calendar year, non-profit organizations' data is not available
State of California, Employment Development Department, Labor Force Report, Unemployment Rates/Labor Force, updated May, 2020

Full Time Equivalent City Employees by Function
Last Ten Fiscal Years

FTE by Department	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrative Services	22.50	22.50	23.50	24.00	26.25	33.00	35.00	33.00	34.00	29.50
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety	69.75	69.75	68.75 ⁽¹⁾	70.00 ⁽¹⁾	70.00 ⁽¹⁾	70.00 ⁽¹⁾	76.00	77.50	76.50	61.50
Public Works	55.50	54.50	54.50	55.50	68.00	66.00	67.00	70.00	69.50	65.00
Community Services	48.25	48.25	48.50 ⁽²⁾	47.50 ⁽²⁾	48.75 ⁽²⁾	51.00 ⁽²⁾	52.50	52.25	52.25	37.50
Library	13.75	13.75	13.75	13.75	14.00	15.00	14.50	18.50	18.50	18.50
Community Development	15.00	16.00	16.75	21.75	27.00	28.00	28.00	31.00	31.00	27.75
Total Full Time Equivalent Employees	229.75	229.75	230.75	237.50	259.00	268.00	278.00	287.25	286.75	244.75



Source: City of Menlo Park, Human Resources

Remarks:

⁽¹⁾ Reduction of 5.0 FTE includes the loss of the San Carlos dispatch contract, which resulted in the elimination of 4 FTE's for dispatch

⁽²⁾ Reduction of 3.0 FTE Housing Division during fiscal year 2011-12

Library was assigned to Community Services in fiscal year 2020-21

Operating Indicators by Demand Level of Service, by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	Fiscal Year Ending June 30th									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Incidents	44,405	41,206	40,964	39,605	39,456	39,122	39,553	42,031	38,392	28,042
Calls for Service	20,469	22,383	21,021	21,293	21,384	21,487	22,659	23,639	23,124	20,290
Officer Initiated Incidents	23,936	18,823	19,943	18,312	18,072	17,635	16,894	18,392	15,268	7,752
Public Works										
Shuttle Passengers(4)	86,004	80,774	82,420	82,663	71,597	57,737	60,508	50,611	33,131	7,700 *
Engineering:										
Encroachment Permits Issued	272	300	365	372	447	406	550	552	380	634
Parks and recreation:										
Number of Activity Hours Provided (2)	1,662,457	2,403,979	3,095,612	3,312,426	3,354,773	3,339,783	3,209,611	3,192,116	2,019,835	424,165 (5)
Number of Recreational Activities Participants (3)	706,830	931,490	1,119,365	1,196,406	981,761	1,009,084	950,392	980,852	595,707	119,141 (6)
Library:										
Books Volumes held	150,017	157,155	165,118	167,970	149,524	135,200	141,352	129,275	111,447	122,318
Video/DVD held	14,728	13,348	16,704	17,344	17,556	16,643	16,659	16,118	14,921	13,954
Books Volumes added	9,239	11,183	10,966	10,202	8,760	8,884	12,880	12,961	8,610	7,382
Total Circulations	624,699	672,967	682,381	609,387	587,909	621,261	544,893	593,479	456,294	149,359
Building Permits Issued:										
Residential Buildings - Count	655	728	717	734	900	734	659	905	1,661	1,288
Residential - Value (\$1000s)	44,545	64,932	65,386	118,952	215,219	81,949	83,132	69,512	72,988	56,595
Commercial Buildings - Count	231	229	180	187	174	184	152	188	260	145
Commercial - Value (\$1000s)	78,055	61,201	238,585	282,621	151,139	605,311	460,907	252,117	264,723	147,636
Accessory Buildings - Count	73	100	91	90	138	110	103	76	105	82
Accessory - Value (\$1000s)	1,925	1,876	3,752	3,999	3,985	18,331	9,072	3,465	3,638	2,841
Building Inspection Conducted	9,733	10,171	10,004	10,639	12,103	13,704	11,062	12,168	14,259	9,660
Housing and Redevelopment:										
Below Market Rate - Units sold	2	1	4	0	0	0	0	0	3	3
Below Market Rate - Units resold	3	0	2	1	1	0	0	0	0	0
Housing Rehabilitation - New loans	0	0	0	0	0	0	0	0	0	0
Housing Rehab Loans - Cumulative \$	1,210,372	960,179	917,315	799,640	698,128	622,798	527,324	424,829	400,054	374,385
Housing Rehab Homes - Cumulative Count	32	28	26	22	17	15	17	15	13	13
RDA - Housing Rehabilitation - New loans (4)	0	0	0	0	0	0	0	0	0	0
RDA - Housing Rehab Loans - Cumulative \$	337,285	328,676	299,139	258,558	236,375	164,701	160,817	131,839	127,452	124,445
Count	7	7	7	7	5	5	3	2	2	2
Administrative Finance:										
New Business License Applications	829	811	661	691	718	575	708	538	607	683

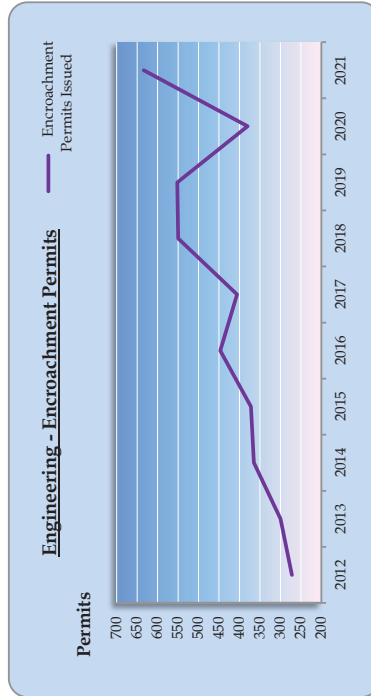
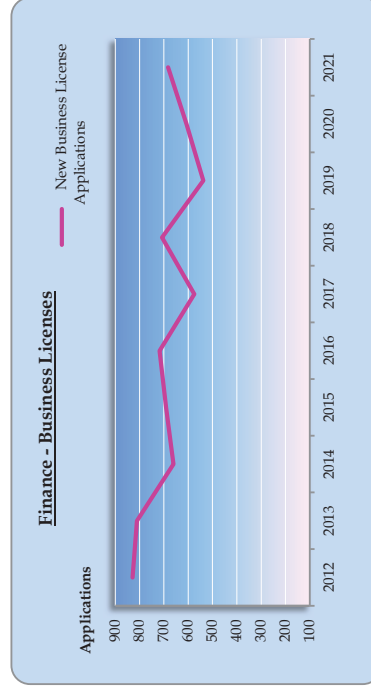
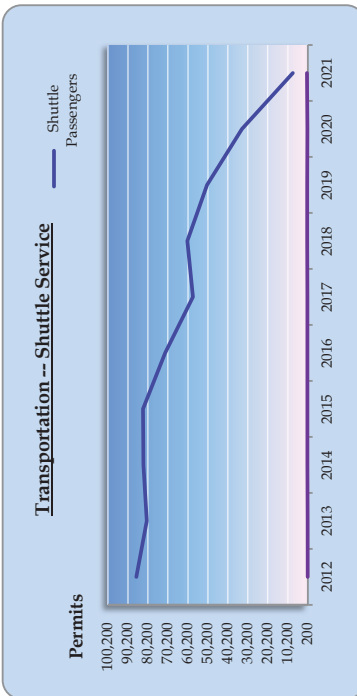
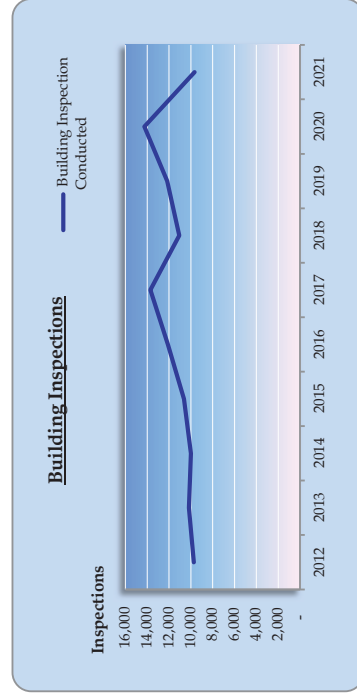
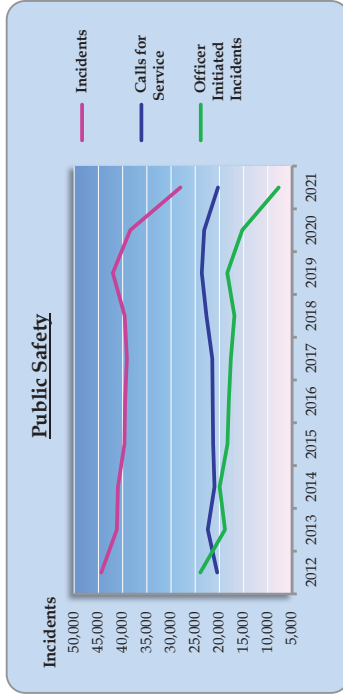
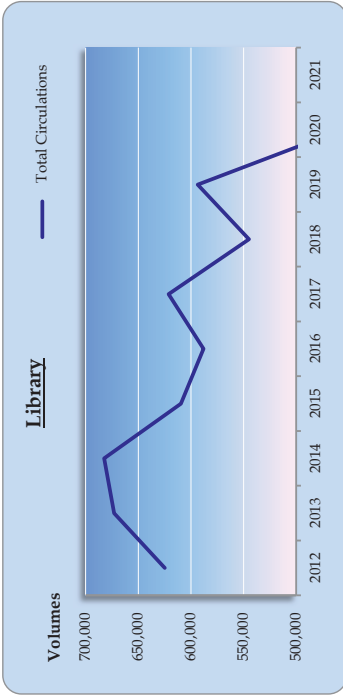
Source: City of Menlo Park

Note:

- (1) Public demand of the free shuttles was increased in 2006-07 as a result of frequent promotions of the free service by the City of Menlo Park Transportation Department and the participating companies who promote commute alternatives in peak hours.
 - (2) Increased programming in rooms previously used for child care at Burgess and new programs at the Onetta Harris Community Center. The method of calculation may vary from previously submitted information.
 - (3) Park and Recreation: Differences in department programming from year to year result in substantial variances in some totals.
 - (4) Redevelopment Agency-Housing Rehabilitation Program started in fiscal year 2009-2010 and ended in January 2012
 - (5) Number of Activity Hours are well below FY2019-20 due to COVID-19.
 - (6) Number of Recreational Activities was limited to primarily outdoor activities due to COVID-19.
- * The reduction of Shuttle passengers and other services was due to COVID-19 shelter in place in March 2020.

(Continued)

Operating Indicators by Demand Level of Service, by Function/Program
Last Ten Fiscal Years



Source: City of Menlo Park

Capital Asset Inventory by Function
Last Ten Fiscal Years

Operating Information:
Schedule 19

<u>Function</u>	<u>Facility</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government	Civic Center-Administration	1	1	1	1	1	1	1	1	1	1
	Police Stations	2	2	2	2	2	2	2	2	2	2
Public Safety	Streets (miles)	100	100	100	100	100	100	100	100	100	100
	Streetlights	2233	2233	2233	2233	2233	2238	2240	2270	2270	2270
Public Works	Traffic Signals	22	22	22	22	22	22	23	23	25	25
	Water:										
	- Daily average introduced into system (1,000 gallons)	3221	3238	3531	2633	2202	2202	2670	2835	1079	3778
	- Water storage (millions of gallons)	6	6	6	6	6	6	6	6	6	6
	- Water lines (miles)	59	59	59	63	59	59	59	59	59	59
	Child Care Centers	3	3	3	3	3	3	3	3	3	3
	Recreation Center	1	1	1	1	1	1	1	1	1	1
	Library	2	2	2	2	2	2	2	2	2	2
	Parks	14	14	14	14	14	14	14	14	14	14
	Community Centers	2	2	2	1	1	1	1	1	1	1
Parks and Recreation	Senior Center	1	1	1	1	1	1	1	1	1	1
	Gymnasium	2	2	2	2	2	2	2	2	2	2
	Gymnastics Center	1	1	1	1	1	1	1	1	1	1
	Pools (locations)	2	2	2	2	2	2	2	2	2	2
	Medical Clinic	1	1	1	0	0	0	0	0	0	0
	Gate House	1	1	1	1	1	1	1	1	1	1
	Dog Park Areas	2	2	2	2	2	2	2	2	2	2

Source: City of Menlo Park

Capital Asset and Infrastructure Statistics by Activities
Last Ten Fiscal Years

Operating Information:
Schedule 20

Fiscal Year Ending	Non-Depreciable					Depreciable							Combined Total
	Land Improvement	Land Real Estate Held for Sale	Construction in Progress	Non-Depreciable Total	Buildings	Facilities	Equipment	Other Improvements	Infrastructure	Less: Accumulated Depreciation	Depreciable Total		
2012	199,254,256	32,900,109	1,643,404	2,112,344	235,910,113	76,591,580	2,600,000	6,929,594	16,259,990	110,974,228	(80,489,073)	132,866,319	368,776,432
2013	199,256,305	32,900,109	733,597	2,537,004	235,427,015	76,762,760	2,600,000	7,064,784	16,370,783	113,871,991	(83,296,591)	133,373,727	368,800,742
2014	199,256,305	32,900,109	-	1,953,563	234,109,977	77,022,447	2,600,000	7,329,067	173,248,051	114,657,739	(88,526,395)	130,407,663	364,517,640
2015	199,256,305	32,921,636	-	2,362,145	234,540,086	77,198,498	2,600,000	6,818,988	17,615,799	115,318,426	(93,534,204)	126,017,507	360,557,593
2016	199,998,884	32,921,636	-	4,007,088	236,927,608	78,908,590	2,600,000	6,978,110	17,865,240	119,176,312	(98,528,975)	126,999,277	363,926,885
2017	199,998,884	32,921,636	-	9,337,248	242,257,768	78,908,590	2,600,000	7,871,989	18,044,301	123,130,552	(104,844,782)	125,710,650	367,968,418
2018	199,998,884	32,921,636	-	14,810,224	247,730,744	81,417,014	2,600,000	8,621,375	18,324,609	124,403,700	(111,125,734)	124,240,964	371,971,708
2019	199,998,884	32,921,636	-	2,051,668	234,972,188	82,745,716	2,600,000	9,248,866	18,572,743	133,369,518	(116,065,114)	130,471,729	365,443,917
2020	199,998,884	32,921,636	-	7,308,386	240,228,906	82,763,317	2,600,000	10,360,408	19,561,135	133,742,935	(123,202,961)	125,824,834	366,053,740
2021	199,998,884	32,956,478	-	9,337,666	242,293,028	82,865,846	2,600,000	11,021,295	19,773,485	137,697,912	(130,016,264)	123,942,274	366,235,302
2012	1,066,454	-	-	1,555,026	2,621,480	4,159,460	-	542,565	-	8,371,534	(6,170,823)	6,902,736	9,524,216
2013	1,066,454	-	-	2,310,988	3,377,442	4,159,460	-	542,565	-	8,371,534	(6,371,319)	6,702,240	10,079,682
2014	1,066,454	-	-	3,436,621	4,503,075	4,159,460	-	540,323	-	8,371,534	(6,568,646)	6,502,671	11,005,746
2015	1,066,454	-	-	6,607,112	7,673,566	4,159,460	-	494,276	-	8,371,534	(6,708,763)	6,316,507	13,990,073
2016	1,066,454	-	-	2,256,956	3,323,410	7,823,985	-	525,118	-	10,111,882	(6,905,890)	11,555,095	14,878,505
2017	1,066,454	-	-	3,901,402	4,967,856	7,831,635	-	509,343	-	10,111,881	(7,208,291)	11,244,568	16,212,424
2018	1,066,454	-	-	5,747,244	6,813,698	7,831,636	-	517,996	-	10,111,881	(7,533,007)	10,928,506	17,742,204
2019	1,066,454	-	-	6,719,966	7,786,420	7,831,636	-	485,573	-	10,111,881	(7,823,003)	10,606,087	18,392,507
2020	1,066,454	-	-	10,144,668	11,211,122	7,831,636	-	446,121	-	10,111,881	(8,103,510)	10,286,128	21,497,250
2021	1,066,454	-	-	11,080,457	12,146,911	7,831,636	-	446,121	-	10,111,881	(8,413,320)	9,976,318	22,123,229

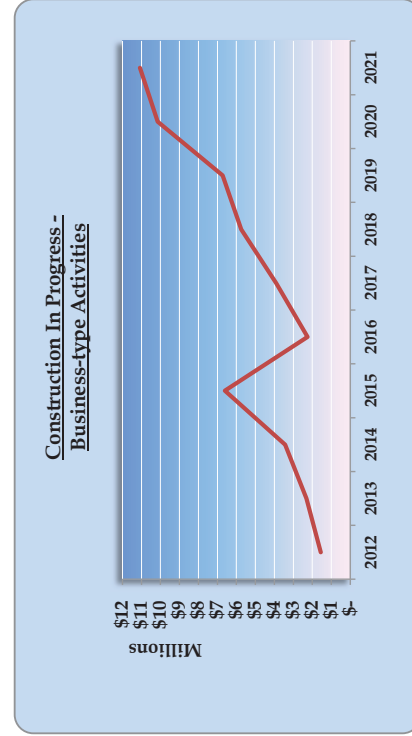
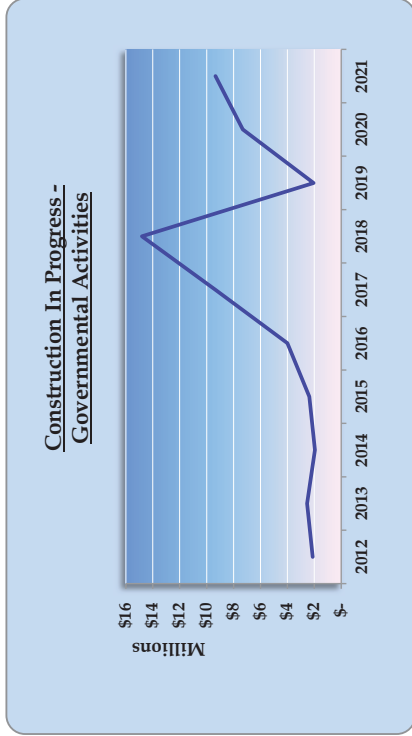
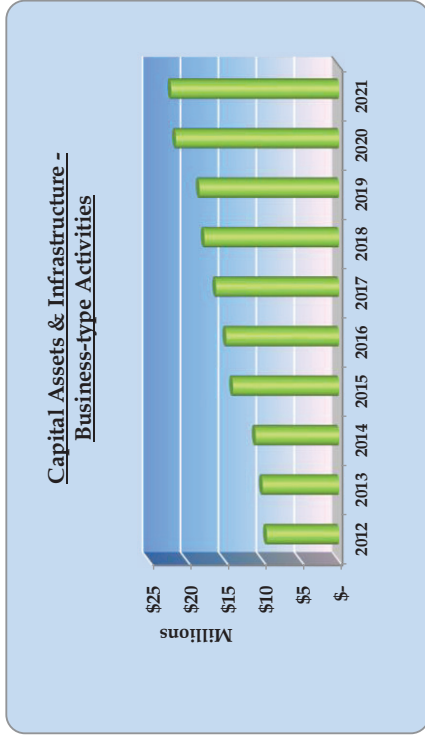
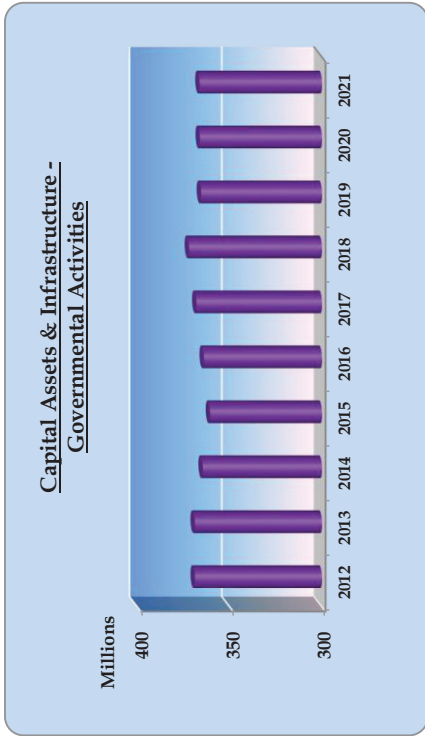
Governmental Activities

Business-type Activities

Source: City of Menlo Park

(Continued)

Capital Asset and Infrastructure Statistics by Activities
Last Ten Fiscal Years



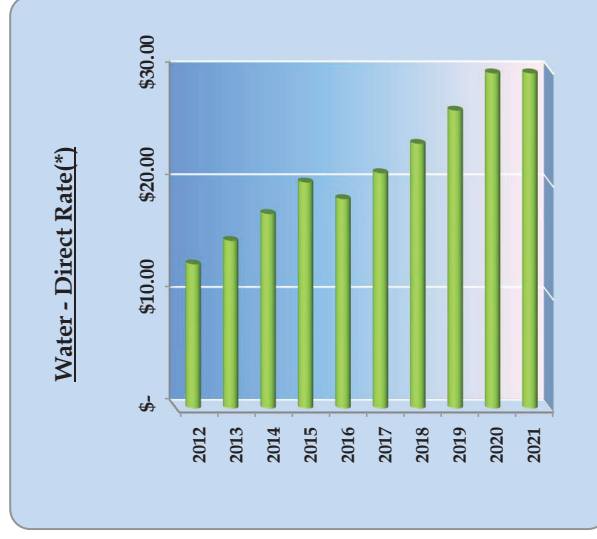
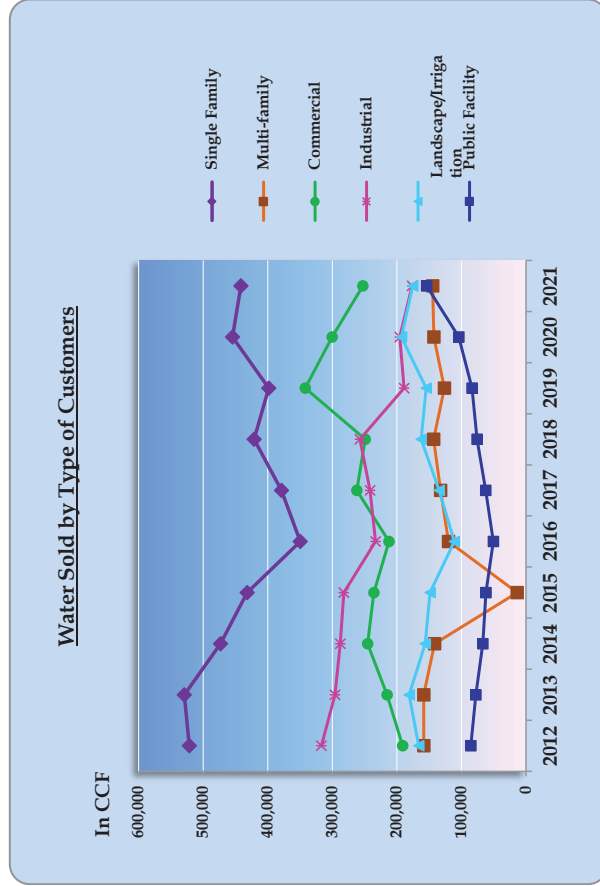
Source: City of Menlo Park

Water Sold by Type of Customer
Last Ten Fiscal Years

(in CCF)

<u>Type of Customer</u>	Fiscal year ending June 30th									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single Family	521,341	529,161	473,312	432,062	349,573	378,848	421,103	398,254	454,610	441,437
Multi-family	158,342	158,386	141,634	13,487	119,843	132,285	143,084	126,250	142,681	144,672
Commercial	190,988	215,162	245,206	235,530	212,187	262,133	249,093	341,880	300,099	252,604
Industrial	316,857	295,864	287,567	282,021	232,846	241,563	257,321	188,936	195,384	176,456
Landscape/Irrigation	166,262	181,100	155,937	148,509	110,982	134,569	162,184	154,674	192,927	175,510
Public Facility	85,474	77,494	66,833	61,828	50,526	62,292	75,899	83,394	103,856	153,741
Total Water Sold - CCF	1,439,264	1,457,167	1,370,489	1,173,437	1,075,957	1,211,690	1,308,684	1,293,388	1,389,557	1,344,420

Direct Rate(*) \$ 12.78 \$ 14.86 \$ 17.24 \$ 20.03 \$ 18.56 \$ 20.86 \$ 23.46 \$ 26.40 \$ 29.71 \$ 29.71



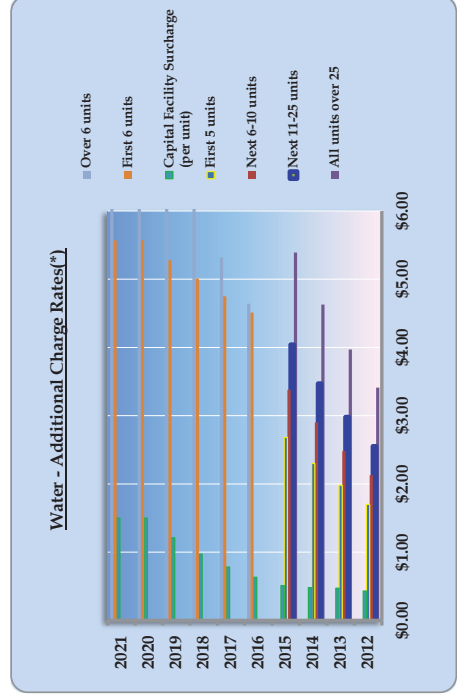
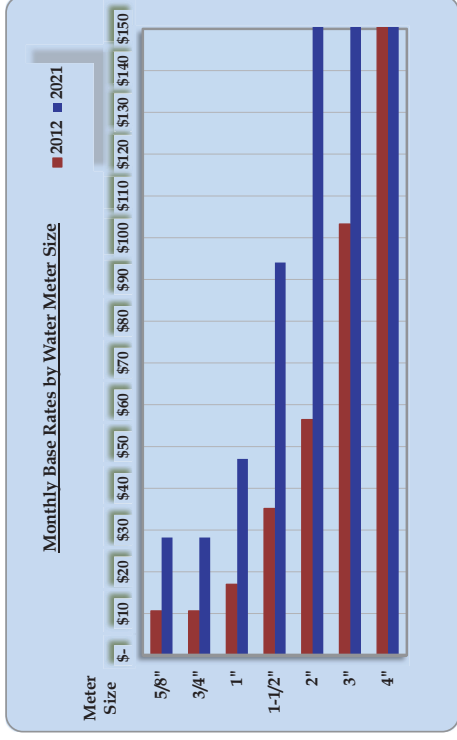
Source: California Water Service Company, City of Menlo Park

Notes: 1 unit is 748 gallons

*Rate based on a minimum monthly service charge based on size of meter plus a charge for water consumed plus a surcharge per unit

Water Service Rates
Last Ten Fiscal Years

Monthly Base Rate by Meter Size	Fiscal Year Ending June 30th									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
5/8"	10.65	12.41	14.46	16.84	17.93	20.08	22.49	25.19	28.21	28.21
3/4"	10.65	12.41	14.46	16.84	17.93	20.08	22.49	25.19	28.21	28.21
1"	17.03	19.85	23.12	26.94	29.88	33.47	37.49	41.99	47.03	47.03
1-1/2"	35.14	40.95	47.70	55.57	59.77	66.94	74.97	83.97	94.05	94.05
2"	56.43	65.77	76.62	89.26	95.63	107.10	119.95	134.34	150.46	150.46
3"	103.27	120.36	140.21	163.35	179.30	200.82	224.92	251.91	282.14	282.14
4"	159.71	186.12	216.83	252.61	299.43	335.36	375.60	420.67	471.15	471.15
6"	354.56	413.20	481.38	560.81	597.67	669.39	749.72	839.69	940.45	940.45
8"	786.83	916.98	1,068.28	1,244.54	956.27	1,071.02	1,199.54	1,343.48	1,504.70	1,504.70
10"	1,746.16	2,034.97	2,370.74	2,761.91	1,374.63	1,539.59	1,724.34	1,931.26	2,163.01	2,163.01
<i>Additional charges (*)</i>										
First 5 units	1.70	1.98	2.30	2.68	-	-	-	-	-	-
Next 6-10 units	2.13	2.48	2.90	3.38	-	-	-	-	-	-
Next 11-25 units	2.55	2.98	3.47	4.04	-	-	-	-	-	-
All units over 25	3.41	3.97	4.63	5.39	-	-	-	-	-	-
First 6 units	-	-	-	-	4.51	4.75	5.01	5.28	5.57	5.57
Over 6 units	-	-	-	-	4.64	5.32	6.09	6.97	7.98	7.98
Capital Facility Surcharge (per unit)	0.43	0.47	0.48	0.51	0.63	0.78	0.97	1.21	1.50	1.50



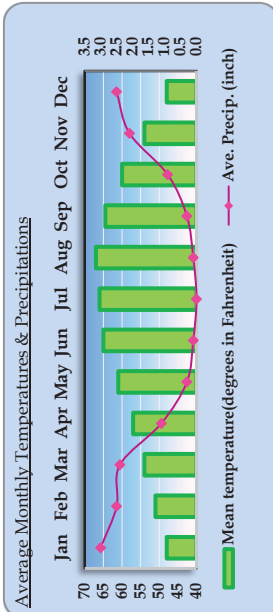
Source: City of Menlo Park, Master Fee Schedules
 Notes: (*) Additional charge is based on monthly meter readings; one unit is 748 gallons; Structural rate change in 2015-16. The Menlo Park Municipal Water District charges an excess-use rate above normal demand.

Miscellaneous Statistics
June 30, 2021

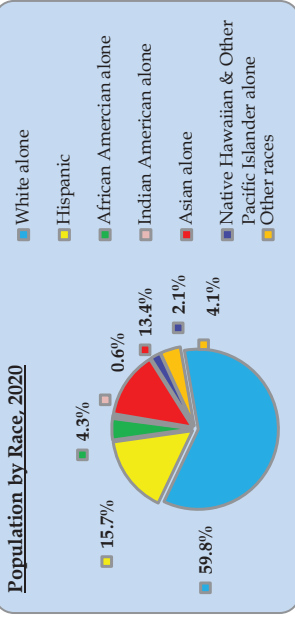
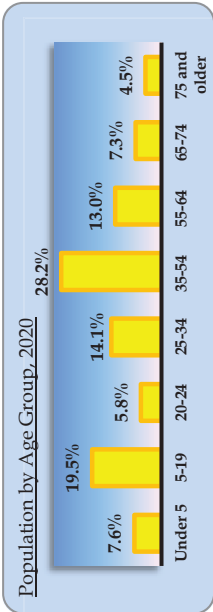
Operating Information:
Schedule 23

Date of Incorporation November 23, 1927
Form of Government Council / Manager
City Council Members 5
City Commissions 10
 Arts, Bicycle, Environmental Quality, Finance & Audit, Housing,
 Las Pulgas, Library, Parks & Recreation, Planning, & Transportation

Latitude, Longitude 37.45 N, 122.18 W
Elevation 60 feet
Land Area in square miles, 2010 10.1
Sunny Days a year 265
Average Annual Rainfall 15.71"



Demographic Profile
 Population, 2020 Estimate 35,094
 People per square miles, 2020 3,358
 Male Persons, 2020 49.7%
 Female Persons, 2020 50.3%
 Median age (years), 2020 37.9



Population 5 years and over 92.4%
Percentage Speak English only 67.2%
Percentage Speak a language other than English only 32.8%
Percentage Speak a language other than English:
 Age 5 - 17 32.6%
 Age 18-64 34.8%
 Age 65+ 24.4%
Education Attainment - Population 25 years and over
 Less than high school graduate 3.8%
 High school graduate or equivalent 11.5%
 Some college or associate's degree 15.1%
 Bachelor's degree 28.9%
 Graduate or professional degree 40.7%
Marital Status
 Never married 31.4%
 Now married - except separated 54.6%
 Divorced or separated 9.0%
 Widowed 5.0%
Citizenship Status
 Native, 5 years and over 73.9%
 Foreign-born 5 years and over 26.1%
 Naturalized U.S. citizen 12.9%
 Not a U.S. citizen 13.6%
Poverty Status in the past 12 months, 2012
 Below poverty level 7.6%
 At or above poverty level 92.4%

Housing Characteristics
 Total housing units 11,906
 Occupied housing units 11,311
 Homeownership rate 57.9%
 Housing units in multi-unit structures 42.1%
 Median value of owner-occupied homes \$ 2,000,000
 Foreign born persons 26.1%

Schools
 Preschools 16
 Public schools, K-12 6
 Private schools, K-12 9
 Charter schools 2
 Adult education institutions 2
 Colleges, public & private 3
Utilities and other services:
 Water Services 4
 Sewer Service 1
 Refuse Removal & Recycling Service 1
 Gas & Electricity Service 1
 Police protection, stations 2
 Menlo Park Fire District, stations 7
 Hospitals/Medical Clinics 3
 Health Support 4
 U. S. Post Offices, branches 2

Local attractions, culture & recreation
 Allied Arts Guild
 Menlo Atherton Performance Arts Center
 Stanford Linear Accelerator Center (SLAC)
 Sunset Publishing Corporation
 United States Geological Survey (USGS)
 Movie theater, the Guild 1
 Clubs/Organizations 13
 Places of worship 22

Source: Menlo Park Chamber of Commerce, City of Menlo Park
Countrystudies.us/united-states/weather/california/menlo-park.htm
 U.S. Census Bureau, 2019 Demographic Profile Data, ACS Demographic & Housing Estimates, July 2019

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