



CITY OF MENLO PARK, CALIFORNIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019



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**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2019

CITY OF MENLO PARK, CALIFORNIA

PREPARED BY
Administrative Services

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CITY OF MENLO PARK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION

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November 27, 2019

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

We are pleased to submit the comprehensive annual financial report for the City of Menlo Park, California, for the fiscal year ended June 30, 2019. 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 comprehensive annual financial report (CAFR) 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 auditor's report, basic financial statements, 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), community services (recreation, child care and senior services), community development (planning, zoning, housing and economic development and building inspection), code and parking enforcement, library services, 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 of which the City operates.

Local economy

The unemployment rate in San Mateo County has fallen slightly from 2.3% in 2018 to 2.2% in 2019. The Menlo Park unemployment rate remains lower than that of the County at 2.0%. This compares with an unemployment rate of 4.2% for California and 3.7% for the nation during the same period. As of June 2019, there were an estimated 447,300 jobs in San Mateo County, a decrease of 2,100 jobs from a year earlier.

The City's largest revenue sources continue to exhibit rapid growth. Property tax increases remain strong with the total taxable assessed valuation of real property increasing 11.03% or \$1.87 billion from 2018 to 2019. This increase in assessed valuation resulted in secured property tax revenues increasing \$2.40 million, year-over-year. The City's second largest single revenue source, hotel occupancy tax, also experienced substantial growth year-over-year. For the fiscal year ended June 30, 2019, hotel occupancy tax increased \$2,525,194 or 32.50% due to marginal increases in occupancy and room rates and driven largely by the opening of new facilities. The increases in revenue have allowed the General Fund to maintain and add to service levels and continue to appropriately fund infrastructure maintenance and investment.

Outlook

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 37.13 percent of the total, a healthy property tax base is essential for continued sustainability.

One ongoing threat to the property tax base is the uncertainty of what is called "excess ERAF" (educational revenue augmentation fund). San Mateo County is one of several counties in the State of California where the amount generated from a shift of local property tax exceeds the amount required to meet funding levels for local schools. As a consequence, those funds collected in excess of the requirement have traditionally been redistributed back to the taxing entities. With such a unique circumstance, this revenue source is under scrutiny at the state level, leaving applicable local agencies to determine how to handle the uncertainty in their financial forecasts. To be conservative, the City of Menlo Park's fiscal year 2019-20 adopted budget reflects receiving 50 percent of this revenue and the eventual disappearance of the revenue within the ten year forecast. This assumption reflects the overall uncertainty of this revenue source, both in magnitude and a potential change within the foreseeable future. This is a highly speculative assumption that simply serves to keep the uncertainty of this significant revenue plainly visible.

On the expenditure side, 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 the fiscal year 2019–20 budget. This change in funding strategy does not affect the City's financial position as of June 30, 2019 but making the planned supplemental payments to CalPERS is expected to pay off the City's unfunded pension liabilities in 15 years.

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 the City's financial situation is currently quite strong, the City must remain vigilant when identifying and funding priority projects, infrastructure needs, and making land use decisions. The City must also remain adaptable in its approach to funding, not precluding opportunities or discounting risks by locking itself into a rigid spending plan that is unable to incorporate new and relevant information.

Major Initiatives

FOR THE YEAR:

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 staffing authorized positions remains a challenge. The exceptionally low unemployment rate has driven an increasingly competitive market for personnel, particularly in technical professions related to development and customer service positions throughout the organization. In order to address this challenge, the City has undertaken initiatives aimed at attracting and retaining talent and has identified a number of top community priorities to ensure that progress continues even with

vacancies. The City continues to balance both challenges and opportunities and provide the services and programs that the community values most.

In 2018-19, the **Community Development Department** successfully integrated the Housing and Economic Development Division into the department. The department also processed a number of large projects within the El Camino Real/Downtown Specific Plan area and the Bayfront Area. The department completed the adoption of a citywide electric vehicle charging station ordinance, expanding on provisions adopted as part of the 2016 General Plan update. The department also led the adoption of a tenant relocation ordinance for tenants living in properties consisting of four or more rental units whose tenant household incomes do not exceed 80 percent of the area median income for San Mateo County. The department also began implementation of a land management system update, a critical tool for local government permitting and data management.

In 2018-19 the **Community Services Department** completed the Jack Lyle Park restroom project, Nealon Park Nature Play Area, and the Fremont Park Storyboard project. The department continued to host a number of community events, including the Summer Concert series, Movies in the Park, Kite Day, the annual Downtown Block Party, and the Fourth of July Parade. The Menlo Children's Center After-School Program was enrolled at full capacity as was Camp Menlo at the Belle Haven Youth Center. The Community Services Department also completed the Parks and Recreation Facilities Master Plan, with an eye on future needs citywide.

The **Library Department** completed the Space Needs Study for the Belle Haven Library and the Library Strategic Plan update. The department implemented the Little Free Library pilot incentive program to increase availability of books citywide. The Library department also added 20.25 weekly open hours in the Belle Haven Branch Library, for a total of 55 hours per week. The services provided by the department also supported 1,543 children retaining literacy skills during the summer through the Summer Reading Challenge.

Over the course of 2018-19, the **Police Department** continued its tradition of seeking community input and graduated ten members from the Youth Community Police Academy as well as hosted an inaugural "Open House" community event. The Menlo Park Traffic Unit was restored and staffed as was the Bayfront Community Response Team, two critical enforcement and response capabilities. The department filled seven vacant positions, and also conducted department wide major incident training in partnership with the Menlo Fire Protection District, County Emergency Medical Services and Facebook.

The **Public Works Department** continued to exemplify the spirit of Menlo Park by receiving the Tree City USA Growth Award from the Arbor Day Foundation and completed several projects in 2018-19 including: installation of four additional EV charger stalls in the civic center parking lot, installation of traffic calming measures in

the Willows neighborhood and on North Lemon Avenue, and installation of bicycle improvements on Oak Grove Avenue, Crane Street, and University Drive. The department started sampling water for lead in local schools and hosted a Spring Party to kick off the Safe Routes to Schools initiative. Public Works installed a bus shelter at Willow Road and Hamilton Avenue; and prepared a Belle Haven Neighborhood Traffic Management Plan and began improvements. The department was also awarded grant funding for the construction of the Chrysler Stormwater Pump Station.

FOR THE FUTURE:

Financial Planning and Fiscal Policies

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, 2019 the General Fund held a combined unrestricted fund balance of 42.43 million or 60 percent of the 2019-20 General Fund operating budget. The total goal range for the City's unrestricted fund balances is 43 to 55 percent of General Fund expenditures.

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, stormwater 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.

In addition, 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 a comprehensive annual 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 auditor's 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 comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to receive this certificate, a governmental unit must publish an easily readable and efficiently organized comprehensive annual 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 Comprehensive Annual Financial Statements is not possible without the hard work of the entire Administrative Services Department. Of particular note, we would like to recognize Finance and Budget Manager Dan Jacobson, Accountant Ying Chen, Accountant Ruru Tang, Accounting Assistant Melody Chau, Accounting Assistant Angela Tran, Management Analyst Brandon Cortez, Management Analyst Kristen Middleton, finance specialist John McGirr, and independent contractor Leticia DeDios of Maze & Associates 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,

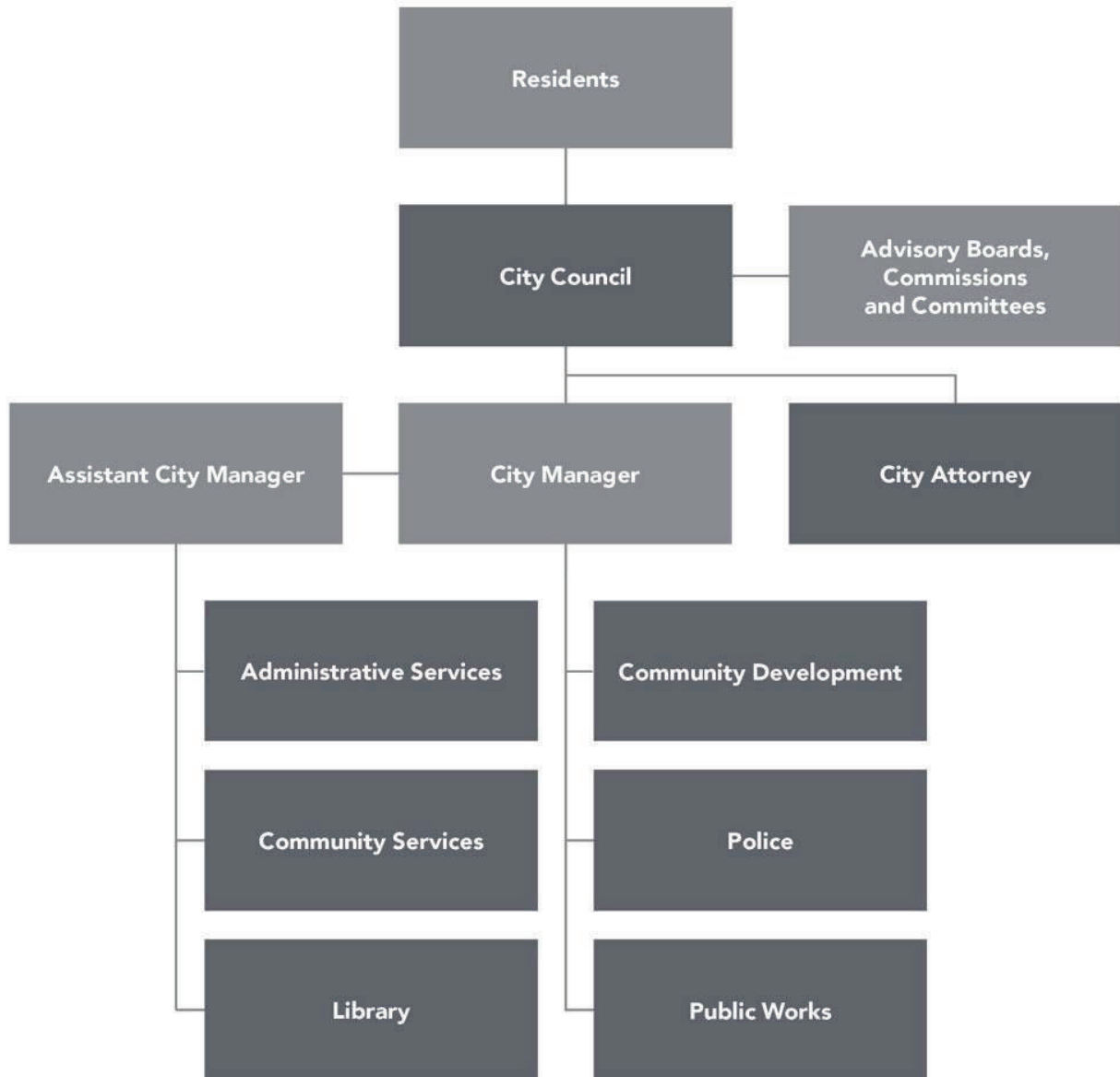
/S/ Starla Jerome-Robinson
City Manager

/S/ Lenka Diaz
Administrative Services Director

CITY OF MENLO PARK, CALIFORNIA

ORGANIZATIONAL CHART

JUNE 30, 2019



CITY OF MENLO PARK, CALIFORNIA

LIST OF CITY OFFICIALS

JUNE 30, 2019

CITY COUNCIL

Ray Mueller, **Mayor**

Cecilia Taylor, **Mayor Pro Tem**

Catherine Carlton, Councilmember

Drew Combs, Councilmember

Betsy Nash, Councilmember

City Council Appointed

City Manager.....Starla Jerome-Robinson

City Attorney..... William McClure

Executive Management

Appointed by the City Manager

Deputy City Manager..... Justin Murphy

Assistant City Manager Nick Pegueros

Assistant to the City ManagerClay Curtin

Administrative Services Director Lenka Diaz

Community Development Director Mark Muenzer

Community Services Director..... Derek Schweigart

Library Director..... Sean Reinhart

Police Chief..... David Bertini

Public Works Director..... Justin Murphy

City ClerkJudi Herren



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Menlo Park
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

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

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Menlo Park, California, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor 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 nonmajor fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019 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.

Lance, Soll & Lingham, LLP

Sacramento, California
November 27, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

This section of the City of Menlo Park's Comprehensive Annual Financial Report provides a narrative overview of the City's financial activities for the fiscal year ended June 30, 2019. 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 \$16.07 million to \$483.08 million
- Total revenues increased by \$3.48 million to \$101.47 million and total expenses increased by \$10.90 million to \$85.39 million
- General Fund revenues increased by \$9.25 million to \$70.73 million and expenditures increased by \$7.81 million to \$65.39 million
- The General Fund unrestricted fund balance increased by \$6.72 million to \$42.43 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, 2019, by \$483.08 million, up 3.4% from prior year. Of this amount, \$32.61 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 \$16.07 million in fiscal year 2018–19. Net position of governmental activities increased by \$12.98 million, which is due in large part to an increase in cash and investments and deferred outflow of resources. Net position of the business-type activities increased by \$3.09 million, 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 \$0.45 million during fiscal year 2018–19 due to the scheduled annual payment of principal balances of outstanding debt. The largest principal payment of \$0.38 million was made on the 2012 General Obligation Refunding Bonds, leaving a remaining balance for this obligation of \$7.12 million as of June 30, 2019.

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, 2019, the Successor Agency Trust Fund's outstanding debt was \$48.67 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 2018–19, the City’s governmental funds reported a combined ending fund balance of \$145.22 million. This is a \$19.87 million increase from the prior year, which is primarily the result of an increase in cash and investments.

The total combined balance for governmental funds as of June 30, 2019, \$145.22 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, \$0.04 million is categorized as “nonspendable”, \$69.17 million is “restricted”, \$38.48 million is “committed”, \$31.24 is “assigned” and the remaining \$6.30 million is “unrestricted”.

The City’s largest and most active government fund is the General Fund which increased in fiscal year 2018–19 by \$5.34 million compared to prior year. General Fund revenues and transfers-in totaled \$70.73 million and expenditures/transfers out totaled \$65.39 million. Of particular note is the City’s continued investment in capital infrastructure in fiscal year 2018–19 a transfer of \$8.30 million to support infrastructure efforts primarily in the General Capital Improvement Project Fund but also in non-major funds. 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 a 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 2018–19, the City’s Water Fund reported an ending net position of \$32.88 million. This is a \$3.09 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 2018–19, the City’s internal service funds reported a combined ending net position of \$6.11 million. This is a \$2.88 million increase from the prior year and is primarily the result of an increase in cash and investments.

City Highlights:

Total governmental fund revenues for 2018–19, as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances, were up \$19.87 million over fiscal year 2017-18. This gain was driven by the General Fund, which had revenues, excluding transfers and extraordinary gains, that were up \$9.24 million. General Fund taxes reflect the largest year-over-year gain in General Fund revenues, up \$8.21 million. A year-over-year decrease was experienced in the General Fund revenue category of licenses and permits, down \$3.25 million, due to reduced development activity and the

recategorization of developer agreement payments to the charges for services category and the recategorization of business licenses into the taxes category.

Governmental fund expenditures, excluding transfers, increased approximately \$9.77 million in fiscal year 2018–19, compared to prior year. The increase was driven by higher personnel costs compared to the prior year due to increased staffing authorized over the previous several budget cycles and implemented progressively as well as increased pension costs, particularly in the categories of public works, \$1.35 million, and public safety, \$1.20 million. Non-major governmental funds expenditures decreased \$2.35 million with the largest decline in public works and 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 and the condition of the City’s roads.

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.

Proprietary or 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 or agency 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 statement for the General Fund and all major funds. It also includes a schedule of funding for the employee pension 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 and Changes in Net Position. Both statements are condensed below for purposes of this analysis.

City of Menlo Park's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Current Assets	\$ 150,703,296	\$ 127,355,602	\$ 17,418,448	\$ 13,794,760	\$ 168,121,744	\$ 141,150,362
Noncurrent Assets	17,277,817	17,767,767	-	-	17,277,817	17,767,767
Capital Assets	365,443,917	371,971,708	18,392,507	17,742,204	383,836,424	389,713,912
Total Assets	533,425,030	517,095,077	35,810,955	31,536,964	569,235,985	548,632,041
Deferred Outflows of Resources	13,415,862	17,970,732	343,510	294,907	13,759,372	18,265,639
Current Liabilities	15,348,969	13,898,918	1,586,057	1,013,692	16,935,026	14,912,610
Noncurrent Liabilities	77,862,862	81,572,712	1,609,809	1,003,191	79,472,671	82,575,903
Total Liabilities	93,211,831	95,471,630	3,195,866	2,016,883	96,407,697	97,488,513
Deferred Inflows of Resources	3,429,198	2,376,505	75,222	23,456	3,504,420	2,399,961
Net Investments in Capital Assets	348,415,016	354,488,994	18,392,507	17,742,204	366,807,523	372,231,198
Restricted	69,167,245	60,813,424	14,500,909	12,532,189	83,668,154	73,345,613
Unrestricted	32,617,602	21,915,256	(10,039)	(482,861)	32,607,563	21,432,395
Total Net Position	\$ 450,199,863	\$ 437,217,674	\$ 32,883,377	\$ 29,791,532	\$ 483,083,240	\$ 467,009,206

The City's programs for governmental activities include General Government, Public Safety, Public Works, Culture and Recreation, and Community Development. 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 \$483.08 million. The largest portion of the City's net position (approximately 76 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 (17 percent) represents resources that are subject to external restrictions on how they may be utilized. The remaining balance of unrestricted net position (7 percent) may be used to meet the government's ongoing obligation to citizens and creditors, an increase of \$11.18 million compared to prior year due primarily to an increase in cash and investments.

Total net position of the City increased \$16.07 million in the fiscal year ended June 30, 2019. This was primarily related to an increase in in the City's cash position, particularly as aforementioned in the governmental activities.

	City of Menlo Park's Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenues:						
Program Revenues:						
Charges for Services	\$ 28,150,123	\$ 32,378,609	\$ 12,850,561	\$ 11,335,453	\$ 41,000,684	\$ 43,714,062
Operating Grants and Contributions	1,994,449	2,559,182	-	-	1,994,449	2,559,182
General Revenue:						
Property Taxes	26,066,433	23,135,956	-	-	26,066,433	23,135,956
Sales Taxes	7,156,070	7,215,357	-	-	7,156,070	7,215,357
Transient Occupancy Taxes	10,296,163	7,770,969	-	-	10,296,163	7,770,969
Other Taxes	9,124,553	9,921,476	-	-	9,124,553	9,921,476
Investment Earnings	4,944,823	3,055,706	514,878	81,291	5,459,701	3,136,997
Miscellaneous	367,025	532,554	-	-	367,025	532,554
Total Revenues	88,099,639	86,569,809	13,365,439	11,416,744	101,465,078	97,986,553
Expenses:						
General Government	8,208,369	8,277,794	-	-	8,208,369	8,277,794
Public Safety	19,688,473	17,979,557	-	-	19,688,473	17,979,557
Public Works	24,979,226	18,144,697	-	-	24,979,226	18,144,697
Culture and Recreation	14,532,416	13,656,875	-	-	14,532,416	13,656,875
Community Development	7,171,610	6,513,854	-	-	7,171,610	6,513,854
Interest on Long-term Debt	730,531	967,824	-	-	730,531	967,824
Water Operations	-	-	10,080,419	8,947,269	10,080,419	8,947,269
Total Expenses	75,310,625	65,540,601	10,080,419	8,947,269	85,391,044	74,487,870
Inq/Dec in Net Position before Transfers	12,789,014	21,029,208	3,285,020	2,469,475	16,074,034	23,498,683
Transfers	193,175	207,896	(193,175)	(207,896)	-	-
Changes in Net Position	12,982,189	21,237,104	3,091,845	2,261,579	16,074,034	23,498,683
Net Position - Beginning of the Year, as restated	437,217,674	415,980,570	29,791,532	27,529,953	467,009,206	443,510,523
Net Position - End of the Year	\$ 450,199,863	\$ 437,217,674	\$ 32,883,377	\$ 29,791,532	\$ 483,083,240	\$ 467,009,206

Governmental Activities

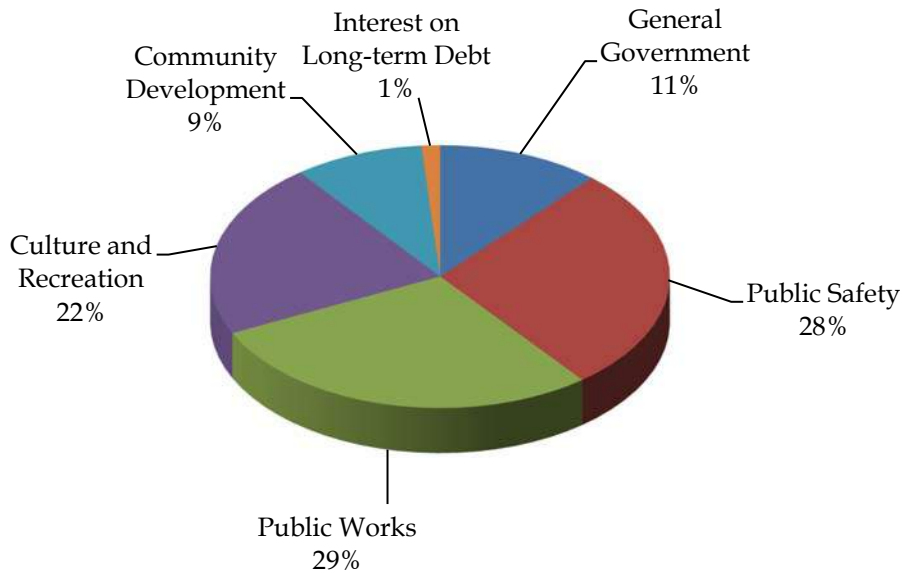
Total governmental activities increased the City of Menlo Park's net position by \$12.98 million, as revenues closed the year well above expenses which is similar to the prior two fiscal years. Governmental Activities revenues and expenses were up in fiscal year 2018–19 over fiscal year 2017–18, with revenues increasing by \$1.53 million and expenses increasing by \$9.77 million.

Revenues increased in fiscal year 2018–19 by \$1.53 million largely due to increases in property and transient occupancy taxes. Property taxes continued to experience a positive year with significant growth in assessed valuations and continuation of the excess ERAF revenue as discussed below under fiscal outlook. Transient occupancy taxes increased as a result of additional hotel capacity added in fiscal year 2017–18 but operating for a full fiscal year for the first time in 2018–19. Charges for services are \$4.19 million lower driven primarily by a reduction in development activity resulting in fewer planning and improvement plan check fees.

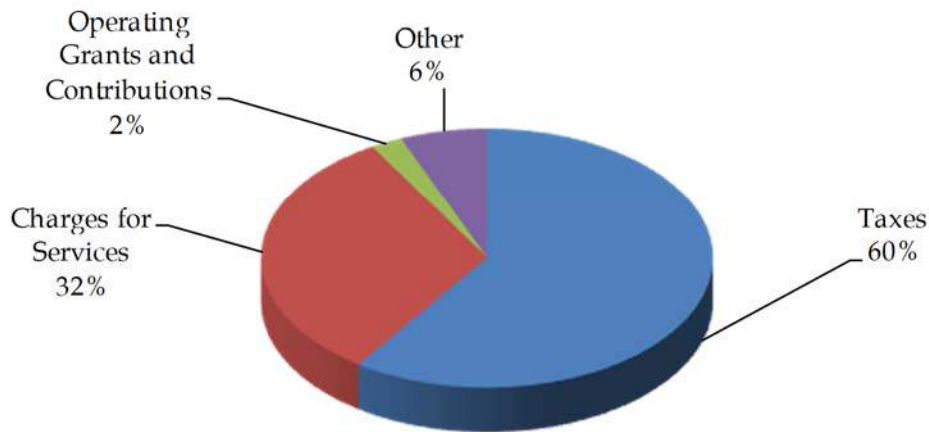
Expenses increased in fiscal year 2018–19 by \$9.77 million largely due to entries required to convert the fund financial statements, which are reported on a modified accrual basis, to the government-wide financial statements which are reported on a full accrual basis. In fiscal year 2018–19, depreciation expense and loss on disposal of capital assets increased by \$4.34 million compared to prior year due largely to the removal of studies capital assets. This one-time loss recognition reflects the non-durable and depreciable nature of studies which are not capital assets. Of the \$4.34 million increase, \$0.16 million is attributable to increased year-over-year depreciation in capital assets, which is allocated to governmental activities based on a detailed listing of all depreciable capital assets.

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 (\$75.31 million in fiscal year 2018–19). The second pie chart reflects the sources of funding available to cover the expenses of the governmental activities (\$88.29 million in fiscal year 2018–19). 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 37 percent of governmental activity expenses in fiscal year 2018–19, which is even when compared to fiscal year 2017–18 though down from previous years due to the aforementioned reclassifications.

Governmental Expense by Activity



Governmental Revenue by Source



Business Type Activities

The final net position for business-type activities in fiscal year 2018–19 was \$32.88 million. Total program revenues for business-type activities (operation of the Menlo Park Municipal Water District) were \$12.85 million, which consisted solely of charges for services related to water usage and capital surcharge fees.

Total expenses for the business-type activities were \$10.27 million during fiscal year 2018–19, nearly all of which were related to water operations. Overall net position increased by \$3.09 million in 2018–19.

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 six major funds in the Governmental Funds category, one more than prior year with the addition of the Transportation Fund. Below is a table with a comparison of the fund balance for each of these six funds, as well as the non-major funds in aggregate, at June 30, 2019 and June 30, 2018.

<u>Governmental Fund Balances</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Positive (Negative) Change</u>
General Fund	\$ 42,458,618	\$ 37,116,088	\$ 5,342,530
Below Market Rate Housing Fund	25,399,279	24,669,686	729,593
Transportation Impact Fees Fund	7,420,062	4,827,759	2,592,303
General Capital Improvement Project Fund	22,071,982	18,293,760	3,778,222
Other Governmental Funds	47,870,252	40,447,492	7,422,760
TOTAL	\$ 145,220,193	\$ 125,354,785	\$ 19,865,408

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 2018–19 reporting period, the fund balance of the City’s General Fund was \$42.46 million, an increase of \$5.34 million from the prior year. Of the \$42.46 million General Fund fund balance as of June 30, 2019, \$0.03 million of the fund balance was categorized as “nonspendable”, a decrease of \$1.37 million compared to prior year as the housing loan to the City Manager was repaid in full. In addition to the nonspendable category, the City’s General Fund Reserve Policy sets aside (“committed” fund balance) \$10.30 million for emergency contingencies, \$14.00 million to mitigate the effects of major economic uncertainties, and \$4.68 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, 2019, the City’s General Fund unrestricted fund balance equaled 60 percent of the fund’s budgeted fiscal year 2019–20 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 2018–19 fiscal year, the fund had revenue that included \$0.35 million of BMR in-lieu fees, \$0.69 million in interest on outstanding loans and interest earnings from resources held in cash and investments. The fund had expenditures of \$0.32 million for the overall administration of the BMR program and for maintenance and rehabilitation work on various properties.

At June 30, 2019, the BMR Housing Fund balance was \$25.40 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 \$8.98 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 \$16.42 million. Of that amount, \$6.70 million has been committed to a new project sponsored by Mid Pen Housing at 1317-1385 Willow Road and \$0.64 million at 1105 and 1141 Willow Road.

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 2018–19, fund expenditures were \$3.44 million and included work on major projects such as new sidewalks, downtown streetscape improvements,

and improvements to City buildings. Total fund balance increased \$3.78 million from prior fiscal year due to transfers in which exceeded expenditures in anticipation of future year capital needs. . While the revenues over expenditures for this fund were a negative \$3.25 million, the fund received a substantial planned 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 \$7.92 million of transfers in from other funds, the ending fund balance as of June 30, 2019 was \$22.07 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.

Transportation Impact Fees Fund Balance

Instituted in 2009 in response to increased development and following a study to determine the nexus between development and increased transportation needs, the Transportation Impact Fee is assessed on developers through the 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 2018–19, the fund had revenue of \$2.90 million including payments made by developers and interest earnings from fund balance. The fund had expenditures of \$0.30 million on projects 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.

Other Governmental Funds Balances

At the end of the 2018–19 fiscal year, the total fund balance of the City’s 33 other non-major governmental funds was \$47.87 million. This represents an increase of \$7.42 million when compared to prior fiscal year and which is discussed in more detail below.

The fund balances consist of 29 special revenue funds, 2 debt service funds, and 2 capital projects funds. Within the special revenue funds, twenty fund balances increased over the course of the fiscal year, while nine experienced a decrease and the final two had no net change. The largest fund balance increases were the Construction Impact Fee Fund \$2.53 million and, the Landfill Post-Closure Fund \$1.12 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 Measure A Fund with a \$0.29 million decline, attributed to the transportation-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, 2019 was \$32.88 million, an increase of \$3.09 million from the prior fiscal year. Revenue from water sales increased \$1.52 million in fiscal year 2018–19 compared to prior fiscal year however expenses including transfers also increased by \$1.12 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 \$0.86 million in fiscal year 2018–19 for the cost of anticipated vehicle replacements. As of June 30, 2019, the Fund's net position is \$2.70 million. The Workers' Compensation Insurance Fund collected charges for services in the amount of \$2.08 million. The net position of the Workers' Compensation Insurance Fund had been negative in prior years but as of June 30, 2019, was \$0.40 million. The General Liability Fund collected charges for services in the amount of \$0.80 million and expenses in the amount of \$0.93 million.

The Retiree Medical 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 2018–19 these costs were \$1.21 million, while charges for services amounted to \$0.78 million. Overall the Fund had a net position of \$0.92 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 \$3.20 million offset by expenses of \$2.40 million in fiscal year 2018–19. As of June 30, 2019, the fund's net position is \$1.66 million.

Fiduciary Operations

Fiduciary Fund Financial Statements are presented in the Basic Financial Statements separately from the Government-Wide Financial Statements. Prior to 2011-12, the City's only fiduciary funds were agency funds, used to account for certain assets held on behalf of others. As the City's role is purely custodial in these cases, all assets reported in the agency funds are offset by a liability to the party on whose behalf they are held. Total assets of the agency funds held by the City increased from \$0.48 million to \$2.21 million, comprised largely of refundable deposits held for current development projects.

A new private-purpose trust fund was established in 2011-12 to account for the activities related to the dissolution of the former Community Development 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 2018–19 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 community development 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, 2019, the fund’s net position was a negative \$30.13 million, a positive improvement over the June 30, 2018 net position by \$2.94 million. For additional information on this trust fund, please see Notes 6 and 17 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, 2019, 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 \$17.03 million as of June 30, 2019. Of this amount, \$7.12 million is outstanding on the 2012 General Obligation Bond refunding and \$9.91 million is outstanding on the 2009 A and 2009 B General Obligation Bonds. Subsequent to June 30, 2019, the City issued 2019 General Obligation Refunding Bonds to refund the series 2009 A and 2009 B outstanding bonds at a lower interest rate. For more information, see Note 6 to the financial statements.

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. Additional information on the City’s long-term debt can be found in Note 6 of this report.

As disclosed in the Note 15 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, 2019 is estimated at \$3.41 million.

CAPITAL ASSETS

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$383.84 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 investment in capital assets totaled \$5.69 million for fiscal year 2018–19. This amount is reduced by

accumulated depreciation charges of \$7.05 million and net retirements of assets totaling \$4.19 million. Detailed information on the City's capital assets can be found in Note 4 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2018–19 fiscal year amended budget for the General Fund reflected an operating deficit of \$1.88 million with revenue inclusive of transfers totaling \$68.90 million and expenditures inclusive of transfers totaling \$70.78 million. The adopted expenditure budget was increased over the course of the fiscal year to include purchase orders and other commitments from the prior year, as well as any other Council-approved budget adjustments. Most notably, the City Council transferred an additional \$1.46 million from the General Fund to the funds supporting capital projects. At the end of fiscal year 2018–19, however, the revenues inclusive of transfers exceeded expenditures inclusive of transfers resulting in an operating surplus of \$5.34 million.

General Fund Revenues

The General Fund experienced year-over-year revenue growth for the sixth consecutive year. Overall, revenues, including transfers and asset sales, totaled \$70.73 million, which was a \$9.25 million increase over the prior fiscal year. Property taxes, sales tax, and transient occupancy tax, led the way, accounting for the vast majority of the revenue growth. Sales tax revenues increased year-over-year, reversing an overall flat trend over the past several fiscal years. Transient occupancy tax revenues continued to show growth as well reflecting a strong economic climate that resulted in high room prices and occupancy rates at hotels in the region.

General Fund Expenditures

Total General Fund expenditures, excluding transfers out, totaled \$57.09 million and were 14 percent higher than fiscal year 2017–18. This increase was experienced primarily in personnel costs where staff in several departments approved as part of the past several budget cycles was more fully implemented with new staff. Despite the ability of the City to recruit staff in 2018–19, the City maintains a vacancy rate above the assumption included in the budget and resulted in a portion of the budget variance.

ECONOMIC CONDITION AND OUTLOOK

The City's financial outlook remains sound. Property values remain high and, with a number of large-scale development projects in process, the outlook for future growth in this area is strong. Being the General Fund's largest revenue source, at 37 percent of total revenue, a healthy property tax base is essential for continued sustainability.

One ongoing threat to the property tax base is the uncertainty of what is called "excess ERAF" (educational revenue augmentation fund). San Mateo County is one of several counties in the State of California where the amount generated from the ERAF shift of local property tax exceeds the amount required to meet funding levels for local schools. As a consequence, those funds collected in excess of the requirement have traditionally been redistributed back to the taxing entities. With such a unique circumstance, this revenue source is under scrutiny at the state level, leaving applicable local agencies

to determine how to handle the uncertainty in their financial forecasts. To be conservative, the City of Menlo Park's adopted fiscal year 2018–19 budget and the accompanying 10-year forecast reflects receiving 50 percent of this revenue in fiscal year 2018–19 and the eventual full removal of this resource during some point during the course of the forecast. This is a highly speculative assumption that simply serves to keep this uncertainty squarely in management's sights as the City move forward.

On the expenditure side, 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 investment income, commonly referred to as the "discount rate", from 7.5 percent to 7.0 percent over three years beginning on July 1, 2018. As part of the City's 10-year financial forecast, costs are anticipated to increase through 2027-28 nearly doubling from current contributions.

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, the City cannot rest on its laurels and 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 quickly respond to the inevitable fluctuations in the economy and the volatility of its major revenue sources.

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.

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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, 2019

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Current Assets:			
Pooled cash and investments	\$ 143,206,085	\$ 16,216,893	\$ 159,422,978
Receivables:			
Accounts	3,757,000	1,090,908	4,847,908
Accrued interest	822,309	110,600	932,909
Prepaid costs	312,080	47	312,127
Due from other governments	2,605,822	-	2,605,822
Total Current Assets	<u>150,703,296</u>	<u>17,418,448</u>	<u>168,121,744</u>
Noncurrent Assets:			
Notes and loans	14,654,817	-	14,654,817
Net OPEB Asset	2,623,000	-	2,623,000
Capital assets not being depreciated	234,972,187	7,786,420	242,758,607
Capital assets, net of depreciation	130,471,730	10,606,087	141,077,817
Total Noncurrent Assets	<u>382,721,734</u>	<u>18,392,507</u>	<u>401,114,241</u>
Total Assets	<u>533,425,030</u>	<u>35,810,955</u>	<u>569,235,985</u>
Deferred Outflows of Resources:			
Pension related amounts	12,520,862	343,510	12,864,372
OPEB related amounts	895,000	-	895,000
Total Deferred Outflows of Resources	<u>13,415,862</u>	<u>343,510</u>	<u>13,759,372</u>
Liabilities:			
Current Liabilities:			
Accounts payable	4,641,413	1,469,868	6,111,281
Accrued liabilities	870,646	31,663	902,309
Accrued interest	386,966	-	386,966
Unearned revenue	1,181,914	-	1,181,914
Deposits payable	4,854,682	46,377	4,901,059
Compensated absences due in one year	1,681,766	38,149	1,719,915
Claims payable due in one year	875,399	-	875,399
Landfill postclosure care due in one year	381,183	-	381,183
Bonds payable due in one year	475,000	-	475,000
Total Current Liabilities	<u>15,348,969</u>	<u>1,586,057</u>	<u>16,935,026</u>
Noncurrent liabilities:			
Compensated absences due in more than one year	1,544,313	35,031	1,579,344
Claims payable due in more than one year	2,698,439	-	2,698,439
Landfill postclosure care due in more than one year	3,031,010	-	3,031,010
Bonds payable due in more than one year	16,553,901	-	16,553,901
Net pension liability	54,035,199	1,574,778	55,609,977
Total Noncurrent Liabilities	<u>77,862,862</u>	<u>1,609,809</u>	<u>79,472,671</u>
Total Liabilities	<u>93,211,831</u>	<u>3,195,866</u>	<u>96,407,697</u>
Deferred Inflows of Resources:			
Pension related amounts	2,859,198	75,222	2,934,420
OPEB related amounts	570,000	-	570,000
Total Deferred Inflows of Resources	<u>3,429,198</u>	<u>75,222</u>	<u>3,504,420</u>
Net Position:			
Net investment in capital assets	348,415,016	18,392,507	366,807,523
Restricted for:			
Community development projects	33,150,735	-	33,150,735
Special projects	11,731,025	-	11,731,025
Capital projects	21,466,015	14,500,909	35,966,924
Debt service	2,819,470	-	2,819,470
Unrestricted	32,617,602	(10,039)	32,607,563
Total Net Position	<u>\$ 450,199,863</u>	<u>\$ 32,883,377</u>	<u>\$ 483,083,240</u>

CITY OF MENLO PARK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 8,208,369	\$ 3,318,750	\$ 8,934	\$ -
Public safety	19,688,473	4,128,823	190,180	-
Community development	6,805,689	5,541,232	250,000	-
Culture and recreation	14,532,416	4,502,821	1,545,335	-
Public works	24,979,226	10,658,497	-	-
Urban development and housing	365,921	-	-	-
Interest on long-term debt	730,531	-	-	-
Total Governmental Activities	75,310,625	28,150,123	1,994,449	-
Business-Type Activities:				
Water Fund	10,080,419	12,850,561	-	-
Total Business-Type Activities	10,080,419	12,850,561	-	-
Total Primary Government	\$ 85,391,044	\$ 41,000,684	\$ 1,994,449	\$ -

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

Net Position at End of Year

**Net (Expenses) Revenues and Changes in Net
Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (4,880,685)	\$ -	\$ (4,880,685)
(15,369,470)	-	(15,369,470)
(1,014,457)	-	(1,014,457)
(8,484,260)	-	(8,484,260)
(14,320,729)	-	(14,320,729)
(365,921)	-	(365,921)
(730,531)	-	(730,531)
(45,166,053)	-	(45,166,053)
-	2,770,142	2,770,142
-	2,770,142	2,770,142
(45,166,053)	2,770,142	(42,395,911)
26,066,433	-	26,066,433
10,296,163	-	10,296,163
7,156,070	-	7,156,070
2,181,173	-	2,181,173
1,748,325	-	1,748,325
1,661,938	-	1,661,938
3,449,690	-	3,449,690
83,427	-	83,427
4,944,823	514,878	5,459,701
367,025	-	367,025
193,175	(193,175)	-
58,148,242	321,703	58,469,945
12,982,189	3,091,845	16,074,034
437,217,674	29,791,532	467,009,206
\$ 450,199,863	\$ 32,883,377	\$ 483,083,240

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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, 2019**

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>
	<u>General</u>	<u>Below Market Rate Housing Special Revenue Fund</u>	<u>Transportation Impact Fees Fund</u>	<u>General Capital Improvement Project Fund</u>
Assets:				
Pooled cash and investments	\$ 44,610,050	\$ 16,618,595	\$ 8,284,679	\$ 22,589,007
Receivables:				
Accounts	3,543,534	20,487	-	8,645
Notes and loans	-	8,846,992	-	-
Accrued interest	335,041	113,518	65,448	-
Prepaid costs	31,476	-	-	-
Due from other governments	1,716,648	-	208,809	-
Due from other funds	311,324	-	-	-
Total Assets	<u>\$ 50,548,073</u>	<u>\$ 25,599,592</u>	<u>\$ 8,558,936</u>	<u>\$ 22,597,652</u>
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,170,412	\$ 55,743	\$ 216,231	\$ 508,365
Accrued liabilities	761,199	3,155	1,295	17,305
Unearned revenues	1,156,914	-	-	-
Deposits payable	3,894,930	-	921,348	-
Due to other funds	-	-	-	-
Total Liabilities	<u>7,983,455</u>	<u>58,898</u>	<u>1,138,874</u>	<u>525,670</u>
Deferred inflows of resources:				
Unavailable revenues	106,000	141,415	-	-
Total Deferred inflows of Resources	<u>106,000</u>	<u>141,415</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	31,476	-	-	-
Restricted	-	25,399,279	7,420,062	-
Committed	28,980,000	-	-	-
Assigned	7,040,221	-	-	22,071,982
Unassigned	6,406,921	-	-	-
Total Fund Balances	<u>42,458,618</u>	<u>25,399,279</u>	<u>7,420,062</u>	<u>22,071,982</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 50,548,073</u>	<u>\$ 25,599,592</u>	<u>\$ 8,558,936</u>	<u>\$ 22,597,652</u>

CITY OF MENLO PARK

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 42,918,883	\$ 135,021,214
Receivables:		
Accounts	184,334	3,757,000
Notes and loans	5,807,825	14,654,817
Accrued interest	248,702	762,709
Prepaid costs	4,919	36,395
Due from other governments	680,365	2,605,822
Due from other funds	-	311,324
Total Assets	\$ 49,845,028	\$ 157,149,281
Liabilities, Deferred inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,220,011	\$ 4,170,762
Accrued liabilities	52,321	835,275
Unearned revenues	25,000	1,181,914
Deposits payable	38,404	4,854,682
Due to other funds	311,324	311,324
Total Liabilities	1,647,060	11,353,957
Deferred inflows of resources:		
Unavailable revenues	327,716	575,131
Total Deferred inflows of Resources	327,716	575,131
Fund Balances:		
Nonspendable	4,919	36,395
Restricted	36,347,904	69,167,245
Committed	9,503,142	38,483,142
Assigned	2,125,660	31,237,863
Unassigned	(111,373)	6,295,548
Total Fund Balances	47,870,252	145,220,193
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 49,845,028	\$ 157,149,281

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CITY OF MENLO PARK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Fund balances of governmental funds		\$ 145,220,193
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.		363,627,811
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (17,025,000)	
Unamortized bond premiums/discounts	(3,901)	
Compensated absences	<u>(3,081,892)</u>	(20,110,793)
Net pension liability not included in the governmental fund activity		(54,035,199)
Net OPEB asset not included in the governmental fund activity		2,623,000
Deferred outflows related to pension items are not included in the governmental fund activity		12,520,862
Deferred inflows to pension items are not included in the governmental fund activity		(2,859,198)
Deferred outflows related to OPEB items are not included in the governmental fund activity		895,000
Deferred inflows related to OPEB items are not included in the governmental fund activity		(570,000)
Landfill postclosure care costs do not require current financial resources and are not reported as a liability in the governmental funds.		(3,412,193)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(386,966)
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.		575,131
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>6,112,215</u>
Net Position of Governmental Activities		<u>\$ 450,199,863</u>

CITY OF MENLO PARK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	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	\$ 49,472,104	\$ -	\$ -	\$ 103,746
Special assessments	-	-	-	-
Licenses and permits	3,485,429	-	-	-
Intergovernmental	1,532,390	-	208,809	-
Charges for services	11,493,149	354,517	2,410,325	85,881
Use of money and property	2,471,829	691,345	276,062	-
Fines and forfeitures	1,482,275	-	-	-
Contributions	250,000	-	-	-
Miscellaneous	41,232	-	-	-
Total Revenues	70,228,408	1,045,862	2,895,196	189,627
Expenditures:				
Current:				
General government	7,221,777	29,161	-	16,043
Public safety	19,021,612	-	-	-
Community development	6,401,074	-	-	-
Culture and recreation	12,715,462	-	-	-
Public works	11,478,029	-	302,893	-
Urban development and housing	70,593	287,108	-	-
Capital outlay	185,206	-	-	3,423,619
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	57,093,753	316,269	302,893	3,439,662
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,134,655	729,593	2,592,303	(3,250,035)
Other Financing Sources (Uses):				
Transfers in	504,375	-	-	7,915,000
Transfers out	(8,296,500)	-	-	(886,743)
Total Other Financing Sources (Uses)	(7,792,125)	-	-	7,028,257
Net Change in Fund Balances	5,342,530	729,593	2,592,303	3,778,222
Fund Balances, Beginning of Year	37,116,088	24,669,686	4,827,759	18,293,760
Fund Balances, End of Year	\$ 42,458,618	\$ 25,399,279	\$ 7,420,062	\$ 22,071,982

CITY OF MENLO PARK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 3,345,944	\$ 52,921,794
Special assessments	1,848,653	1,848,653
Licenses and permits	447,881	3,933,310
Intergovernmental	1,246,026	2,987,225
Charges for services	6,663,783	21,007,655
Use of money and property	1,238,632	4,677,868
Fines and forfeitures	-	1,482,275
Contributions	-	250,000
Miscellaneous	314,048	355,280
Total Revenues	15,104,967	89,464,060
Expenditures:		
Current:		
General government	285,573	7,552,554
Public safety	31,790	19,053,402
Community development	276,537	6,677,611
Culture and recreation	57,452	12,772,914
Public works	6,782,400	18,563,322
Urban development and housing	8,220	365,921
Capital outlay	-	3,608,825
Debt service:		
Principal retirement	455,000	455,000
Interest and fiscal charges	742,278	742,278
Total Expenditures	8,639,250	69,791,827
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,465,717	19,672,233
Other Financing Sources (Uses):		
Transfers in	1,384,818	9,804,193
Transfers out	(427,775)	(9,611,018)
Total Other Financing Sources (Uses)	957,043	193,175
Net Change in Fund Balances	7,422,760	19,865,408
Fund Balances, Beginning of Year	40,447,492	125,354,785
Fund Balances, End of Year	\$ 47,870,252	\$ 145,220,193

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, 2019**

Net change in fund balances - total governmental funds		\$ 19,865,408
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	\$ 4,233,946	
Depreciation	(6,594,311)	
Gain/(loss) on sale of capital assets	<u>(4,187,811)</u>	(6,548,176)
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	455,000	
Amortization of bond premiums/discounts	<u>(1,187)</u>	453,813
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		
		12,934
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.		
		(25,550)
Pension expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.		
		(2,895,580)
OPEB expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.		
		491,000
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.		
		(1,643,121)
Expenses for landfill postclosure costs are expenditures in the governmental fund financial statements but reduce the liability in the government-wide financial statements		
		390,904
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>2,880,557</u>
Change in Net Position of Governmental Activities		<u>\$ 12,982,189</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

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CITY OF MENLO PARK

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2019

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Fund	Service Funds
Assets:		
Current:		
Pooled cash and investments	\$ 16,216,893	\$ 8,184,871
Receivables:		
Accounts	1,090,908	-
Accrued interest	110,600	59,600
Prepaid costs	47	275,685
Total Current Assets	17,418,448	8,520,156
Noncurrent:		
Capital assets - net of accumulated depreciation	18,392,507	1,816,106
Total Noncurrent Assets	18,392,507	1,816,106
Total Assets	35,810,955	10,336,262
Deferred Outflows of Resources:		
Pension related amounts	343,510	-
Total Deferred Outflows of Resources	343,510	-
Liabilities:		
Current:		
Accounts payable	1,469,868	470,651
Accrued liabilities	31,663	35,371
Deposits payable	46,377	-
Accrued compensated absences	38,149	75,162
Accrued claims and judgments	-	875,399
Total Current Liabilities	1,586,057	1,456,583
Noncurrent:		
Net pension liability	1,574,778	-
Accrued compensated absences	35,031	69,025
Accrued claims and judgments	-	2,698,439
Total Noncurrent Liabilities	1,609,809	2,767,464
Total Liabilities	3,195,866	4,224,047
Deferred Inflows of Resources:		
Pension related amounts	75,222	-
Total Deferred Inflows of Resources	75,222	-
Net Position:		
Investment in capital assets	18,392,507	1,816,106
Restricted for capital projects	14,500,909	-
Unrestricted	(10,039)	4,296,109
Total Net Position	\$ 32,883,377	\$ 6,112,215

CITY OF MENLO PARK

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Fund	
Operating Revenues:		
Charges for services	\$ 12,850,561	\$ 8,151,816
Total Operating Revenues	12,850,561	8,151,816
Operating Expenses:		
Cost of sales and services	9,515,620	-
Personnel services	-	2,038,703
General and administrative	242,380	1,433,541
Insurance	-	1,619,407
Depreciation expense	320,437	460,633
Total Operating Expenses	10,078,437	5,552,284
Operating Income (Loss)	2,772,124	2,599,532
Nonoperating Revenues (Expenses):		
Interest and investment earnings	514,878	266,955
Gain (loss) on disposal of capital assets	(1,982)	14,070
Total Nonoperating Revenues (Expenses)	512,896	281,025
Income (Loss) Before Transfers	3,285,020	2,880,557
Transfers out	(193,175)	-
Changes in Net Position	3,091,845	2,880,557
Net Position:		
Beginning of Year	29,791,532	3,231,658
End of Fiscal Year	\$ 32,883,377	\$ 6,112,215

CITY OF MENLO PARK

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds	Governmental Activities - Internal Service Funds
	Water Fund	
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 13,373,716	\$ -
Cash received from interfund service provided	-	8,339,525
Cash paid to suppliers for goods and services	(9,064,379)	(2,450,044)
Cash paid to employees for services	(224,516)	(3,453,112)
Net Cash Provided by Operating Activities	4,084,821	2,436,369
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	(193,175)	-
Net Cash Used by Non-Capital Financing Activities	(193,175)	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(972,722)	(481,381)
Proceeds from sales of capital assets	-	14,433
Net Cash Used by Capital and Related Financing Activities	(972,722)	(466,948)
Cash Flows from Investing Activities:		
Interest received	472,170	242,259
Net Cash Provided by Investing Activities	472,170	242,259
Net Increase in Cash and Cash Equivalents	3,391,094	2,211,680
Cash and Cash Equivalents at Beginning of Year	12,825,799	5,973,191
Cash and Cash Equivalents at End of Year	\$ 16,216,893	\$ 8,184,871
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 2,772,124	\$ 2,599,532
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	320,437	460,633
(Increase) decrease in accounts receivable	(189,839)	116,354
(Increase) decrease in prepaid expense	(47)	13,613
(Increase) decrease in pension outflows	(48,603)	-
Increase (decrease) in accounts payable	573,816	(226,367)
Increase (decrease) in accrued liabilities	10,079	6,920
Increase (decrease) in deposits payable	(14,500)	-
Increase (decrease) in claims and judgments	-	(546,528)
Increase (decrease) in net pension liability	604,966	-
Increase (decrease) in pension inflows	51,766	-
Increase (decrease) in compensated absences	4,622	12,212
Total Adjustments	1,312,697	(163,163)
Net Cash Provided by Operating Activities	\$ 4,084,821	\$ 2,436,369
Non-Cash Investing, Capital, and Financing Activities:		
Gain/(Loss) on disposition of capital assets	\$ (1,982)	\$ -

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FIDUCIARY FUND FINANCIAL STATEMENTS

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CITY OF MENLO PARK

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019

	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund Successor Agency</u>
Assets:		
Pooled cash and investments	\$ 1,835,496	\$ 9,116,794
Prepaid costs	378,550	-
Total Assets	<u>\$ 2,214,046</u>	<u>\$ 9,116,794</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	-	10,042,006
Total Deferred Outflows of Resources	<u>-</u>	<u>10,042,006</u>
Liabilities:		
Accounts payable	817,824	-
Accrued interest	-	515,548
Deposits payable	1,396,222	108,891
Long-term liabilities:		
Bonds payable due in one year	-	3,300,000
Bonds payable due in more than one year	-	45,365,172
Total Liabilities	<u>\$ 2,214,046</u>	<u>49,289,611</u>
Net Position:		
Held in trust for other purposes		<u>\$ (30,130,811)</u>
Total Net Position		<u>\$ (30,130,811)</u>

CITY OF MENLO PARK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Private-Purpose Trust Fund Successor Agency</u>
Additions:	
Taxes	\$ 5,403,000
Total Additions	<u>5,403,000</u>
Deductions:	
Administrative expenses	5,159
Interest expense	<u>2,460,564</u>
Total Deductions	<u>2,465,723</u>
Changes in Net Position	2,937,277
Net Position - Beginning of the Year	<u>(33,068,088)</u>
Net Position - End of the Year	<u>\$ (30,130,811)</u>

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, 2019, 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, 2019

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
- Advances 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, 2019

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.

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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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's fiduciary funds represent agency funds, which are custodial in nature and do not involve measurement of results of operations. The agency funds are accounted for using the accrual basis of accounting. Agency funds are used to account for Refundable Deposits, Cash Bonds Payable and the Payroll Revolving Fund.

The City also 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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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 capita 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 Assets.

f. Net Position and Fund Equity

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 “invested in capital assets, net of related debt” 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, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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

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 Nonspendable 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, 2019.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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	

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

k. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, 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, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

l. 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.”

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

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, 2019:

	Government-Wide Statement of Net Position			Fund Financials	Total
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statement of Net Position	
Cash and Investments	\$ 143,206,085	\$ 16,216,893	\$ 159,422,978	\$ 10,952,290	\$ 170,375,268

Cash and investments as of June 30, 2019, consist of the following:

Cash on hand	\$ 26,634
Deposits with financial institution	15,760,232
Total cash on hand and deposits	15,786,866
Local Agency Investment funds	65,108,545
Investments held by custodian	89,479,857
Total investments	154,588,402
Total cash and investments	\$ 170,375,268

As of June 30, 2019, 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	\$ 14,936,096	\$ 7,971,329	\$ 3,003,985	\$ 3,960,782
Government Agencies	48,419,412	21,481,923	10,116,688	16,820,801
Corporate Bonds	26,124,349	13,481,727	5,760,965	6,881,657
Local Agency Investment Funds	65,108,545	65,108,545	-	-
Total	\$ 154,588,402	\$ 108,043,524	\$ 18,881,638	\$ 27,663,240

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

b. Deposits

At June 30, 2019, the carrying amount of the City's deposits was \$15,760,232 and the bank balance was \$15,833,012. 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, 2019 amounted to an increase of \$517,122.

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, 2019

Note 2: Cash and Investments (Continued)

External Investment Pool

The City's investments with LAIF at June 30, 2019, 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, 2019, the City had \$65,108,545 invested in LAIF, which had invested 1.77% 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, 2019, 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 1.001711790 to calculate the fair value of the investments in LAIF as of June 30, 2019.

Successor Agency Pooled Cash and Investments

Cash and investments consisted of \$9,116,794 at June 30, 2019. 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.

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, 2019, the City's pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	70%
One to two years	12%
Two to five years	18%

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

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
FFCB	U.S Instrumentality	AA+	Aaa
FHLB	U.S Instrumentality	AA+	Aaa
FHLMC	U.S Instrumentality	AA+	Aaa
FNMA	U.S Instrumentality	AA+	Aaa
U.S. Treasury	T-Note	AA+	Aaa
American Express Credit	Corporate Bond	A-	A2
America Honda Finance	Corporate Bond	A	A2
Apple Inc.	Corporate Bond	AA+	Aa1
Bank of America Corp	Corporate Bond	A-	A2
Berkshire Hathaway	Corporate Bond	AA	Aa2
Cisco Systems Inc	Corporate Bond	AA-	A1
Citibank	Corporate Bond	A+	Aa3
Coca-Cola Co	Corporate Bond	A+	A1
John Deere Capital	Corporate Bond	A	A2
JPMorgan Chase & Co	Corporate Bond	A-	A2
Microsoft Corp	Corporate Bond	AAA	Aaa
PepsiCo Inc	Corporate Bond	A+	A1
Pfizer Inc	Corporate Bond	AA	A1
PNC Bank NA	Corporate Bond	A	A2
Toyota Motor Credit	Corporate Bond	AA-	Aa3
US Bank	Corporate Bond	AA-	A1
Walmart Inc	Corporate Bond	AA	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, 2019

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, 2019 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	\$ 14,936,096	\$ -	\$ 14,936,096	\$ -
Government Agencies	48,419,412	-	48,419,412	-
Corporate Bonds	26,124,349	-	26,124,349	-
Total investments subject to levels	89,479,857	\$ -	\$ 89,479,857	\$ -
Investments not subject to levels				
Local Agency Investment Fund	65,108,545			
Total Investments	\$ 154,588,402			

Government bonds categorized as Level 1 are valued based on prices quoted in active markets for those securities. 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, 2019, summary of accounts receivable is as follows:

	Governmental Activities	Business-Type Activities
Accounts receivable	\$ 3,757,000	\$ 1,090,908
Due from other governments	2,605,822	-
Total receivables	\$ 6,362,822	\$ 1,090,908

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 3: Receivables (Continued)

As of June 30, 2019, accounts receivable consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Taxes:			
Occupancy Taxes	\$ 2,958,536	\$ -	\$ 2,958,536
Utility Taxes	313,501	-	313,501
Total Taxes	<u>3,272,037</u>	<u>-</u>	<u>3,272,037</u>
Fines and Forfeitures	39,685	-	39,685
Franchise Fees	172,777	-	172,777
Rental Income	5,844	-	5,844
General Government	7,614	-	7,614
Police	1,313	-	1,313
Public Works	218,540	-	218,540
Water service fees	-	1,090,908	1,090,908
Community Development	39,081	-	39,081
Recreation Programs	109	-	109
Total accounts receivable	<u>\$ 3,757,000</u>	<u>\$ 1,090,908</u>	<u>\$ 4,847,908</u>

b. Notes Receivable

As of June 30, 2019, notes receivable consisted of the following:

	Notes Receivable
Major Funds:	
Below Market Rate Housing	\$ 8,846,992
Total Major Funds	<u>8,846,992</u>
Other Governmental Funds:	
Housing Fund	5,469,806
Community Development Block Grant	310,395
Federal Revenue Sharing Fund	<u>27,624</u>
Total Non-Major Funds	<u>5,807,825</u>
Total notes receivable	<u>\$ 14,654,817</u>

City Manager Housing

As part of the employment agreement with the City Manager, effective March 2012, the City Council has authorized a loan evidenced by a note totaling \$990,000 in order to assist in the purchase of residential real estate property. The note is secured by a deed of trust on the property. The note bears an interest rate of 3.5% per annum, or, at the option of the City Manager, he may pay 2% per annum interest only, and 1.5% per annum would be deferred until the ultimate sale of the property or payment of the loan. The note is due and payable within 24 months of termination of employment or within 12 months if he no longer resides in the property. Effective January 1, 2014, City Council reduced the interest rate payable to 3% per annum and authorized an additional loan of up to \$360,000 for remodeling/renovation of his home with an interest rate of 2.5%. During fiscal year 2018-19, the City Manager ended employment with the City and repaid the loan fully on November 13, 2018.

Note 3: Receivables (Continued)

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, 2019, were \$310,395.

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 assumed a loan the Agency made to Peninsula Habitat for Humanity for purchase of two mini-park lots as sites to develop two single-family houses for very low-income homeowners. Loan repayment is structured as a zero interest note with a twenty-year term. The outstanding balance at June 30, 2019, was \$1,625.

The City has housing rehabilitation loans to six 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, 2019, was \$218,831.

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, 2019, the total outstanding loan was \$5,113,584 with accrued interest thereon for \$135,766.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 3: Receivables (Continued)

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.

Outstanding loans at June 30, 2019, were \$8,846,992.

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. Outstanding loans at June 30, 2019, were \$27,624.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 4: Capital Assets

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

	Balance June 30, 2018	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2019
Governmental Activities:					
Capital assets, not being depreciated/ amortized:					
Land	\$ 199,998,884	\$ -	\$ -	\$ -	\$ 199,998,884
Land improvements	32,921,636	-	-	-	32,921,636
Construction in progress	14,810,224	542,961	(3,025,825)	(10,275,693)	2,051,667
Total capital assets, not being depreciated	<u>247,730,744</u>	<u>542,961</u>	<u>(3,025,825)</u>	<u>(10,275,693)</u>	<u>234,972,187</u>
Capital assets, being depreciated/ amortized:					
Buildings	81,417,014	638,209	-	690,493	82,745,716
Shared use facilities	2,600,000	-	-	-	2,600,000
Equipment	8,621,375	892,283	(264,792)	-	9,248,866
Other improvements	18,324,609	-	-	248,134	18,572,743
Infrastructure	124,403,699	2,641,874	(3,013,122)	9,337,066	133,369,517
Total capital assets, being depreciated/ amortized	<u>235,366,697</u>	<u>4,172,366</u>	<u>(3,277,914)</u>	<u>10,275,693</u>	<u>246,536,842</u>
<i>Less accumulated depreciation/amortization for:</i>					
Buildings	(24,851,539)	(1,818,618)	-	-	(26,670,157)
Shared use facilities	(884,000)	(104,000)	-	-	(988,000)
Equipment	(5,693,255)	(750,055)	259,902	-	(6,183,408)
Other improvements	(9,586,296)	(852,334)	-	-	(10,438,630)
Infrastructure	(70,110,643)	(3,529,937)	1,855,663	-	(71,784,917)
Total accumulated depreciation	<u>(111,125,733)</u>	<u>(7,054,944)</u>	<u>2,115,565</u>	<u>-</u>	<u>(116,065,112)</u>
Total capital assets, being depreciated/ amortized, net	<u>124,240,964</u>	<u>(2,882,578)</u>	<u>(1,162,349)</u>	<u>10,275,693</u>	<u>130,471,730</u>
Governmental activities capital assets, net	<u>\$ 371,971,708</u>	<u>\$ (2,339,617)</u>	<u>\$ (4,188,174)</u>	<u>\$ -</u>	<u>\$ 365,443,917</u>

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

General government	\$ 936,937
Public safety	40,238
Public works	3,577,421
Culture and recreation	2,039,715
Internal service funds	460,633
Total depreciation expense - governmental departments	<u>\$ 7,054,944</u>

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 4: Capital Assets (Continued)

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

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Business Activities:				
Capital assets, not being depreciated/ amortized:				
Land	\$ 1,066,454	\$ -	\$ -	\$ 1,066,454
Construction in progress	5,747,244	972,722	-	6,719,966
Total capital assets, not being depreciated	<u>6,813,698</u>	<u>972,722</u>	<u>-</u>	<u>7,786,420</u>
Capital assets, being depreciated/ amortized:				
Buildings	7,831,636	-	-	7,831,636
Equipment	517,996	-	(32,423)	485,573
Infrastructure	10,111,881	-	-	10,111,881
Total capital assets, being depreciated/ amortized	<u>18,461,513</u>	<u>-</u>	<u>(32,423)</u>	<u>18,429,090</u>
<i>Less accumulated depreciation/amortization for:</i>				
Buildings	(2,222,372)	(171,446)	-	(2,393,818)
Equipment	(459,009)	(9,687)	30,441	(438,255)
Infrastructure	(4,851,626)	(139,304)	-	(4,990,930)
Total accumulated depreciation	<u>(7,533,007)</u>	<u>(320,437)</u>	<u>30,441</u>	<u>(7,823,003)</u>
Total capital assets, being depreciated/ amortized, net	<u>10,928,506</u>	<u>(320,437)</u>	<u>(1,982)</u>	<u>10,606,087</u>
Business activities capital assets, net	<u>\$ 17,742,204</u>	<u>\$ 652,285</u>	<u>\$ (1,982)</u>	<u>\$ 18,392,507</u>

Depreciation expense for all proprietary funds was \$320,437 for the year ended June 30, 2019, 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, 2019, unearned revenues were as follows:

	Governmental Activities
Recreation Summer Programs	\$ 593,651
Office Lease	429,079
Percent of Art Deferrand	8,647
Friends of the Library Deposit	125,537
Literacy Grants	25,000
Total	<u>\$ 1,181,914</u>

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6: Long-Term Debt

a. Long-Term Obligations

Summary of changes in long-term debt transactions for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within one year	Due in more than one year
<u>Governmental Activities</u>						
2009A General Obligation Bonds	\$ 620,000	\$ -	\$ 75,000	\$ 545,000	\$ 80,000	\$ 465,000
2009B General Obligation Bonds	9,360,000	-	-	9,360,000	-	9,360,000
Premium on 2009 General Obligation Bonds	52,480	-	2,499	49,981	-	49,981
2012 General Obligation Refunding Bonds	7,500,000	-	380,000	7,120,000	395,000	6,725,000
Discount on 2012 General Obligation Bonds	(49,766)	-	(3,686)	(46,080)	-	(46,080)
Total governmental activities	<u>\$ 17,482,714</u>	<u>\$ -</u>	<u>\$ 453,813</u>	<u>\$ 17,028,901</u>	<u>\$ 475,000</u>	<u>\$ 16,553,901</u>
	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within one year	Due in more than one year
<u>Fiduciary Activities</u>						
2015 Las Pulgas Project Tax Allocation Bonds	\$ 45,250,000	\$ -	\$ 3,190,000	\$ 42,060,000	\$ 3,300,000	\$ 38,760,000
Premium on 2015 Las Pulgas Project Tax Allocation Bonds	7,234,236	-	629,064	6,605,172	N/A	6,605,172
Total fiduciary activities	<u>\$ 52,484,236</u>	<u>\$ -</u>	<u>\$ 3,819,064</u>	<u>\$ 48,665,172</u>	<u>\$ 3,300,000</u>	<u>\$ 45,365,172</u>

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.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6: Long-Term Debt (Continued)

The 2009 General Obligation Bonds maturing on or before August 1, 2019 are not subject to redemption prior to their stated maturities. The bonds maturing in each year beginning August 1, 2020, are subject to redemption prior to maturity, at the option of the City, from any source of available funds, as a whole or in part on any date on or after August 1, 2019, at a redemption price equal to the principal amount of the Bonds called, together with interest accrued to the date of redemption. If less than all of the bonds are called for redemption, the bonds will be redeemed in inverse order of maturities, and if less than all of the bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot.

The annual debt service requirements to maturity for the 2009 General Obligation Bonds outstanding at June 30, 2019, were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 80,000	\$ 678,935	\$ 758,935
2021	85,000	674,810	759,810
2022	90,000	670,435	760,435
2023	90,000	665,935	755,935
2024	100,000	661,185	761,185
2025-2029	565,000	3,209,372	3,774,372
2030-2034	1,595,000	2,962,273	4,557,273
2035-2039	5,945,000	1,556,510	7,501,510
2040	1,355,000	47,561	1,402,561
Total	<u>\$ 9,905,000</u>	<u>\$ 11,127,016</u>	<u>\$ 21,032,016</u>

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 annual debt service requirements to maturity for the 2012 General Obligation Bonds outstanding at June 30, 2019, were as follows

Year Ending June 30,	Principal	Interest	Total
2020	\$ 395,000	\$ 259,594	\$ 654,594
2021	410,000	244,500	654,500
2022	425,000	228,844	653,844
2023	445,000	212,531	657,531
2024	460,000	195,563	655,563
2025-2029	2,565,000	700,969	3,265,969
2030	2,420,000	185,813	2,605,813
Total	<u>\$ 7,120,000</u>	<u>\$ 2,027,814</u>	<u>\$ 9,942,563</u>

Note 6: Long-Term Debt (Continued)

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 refundings 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.

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.

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.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 6: Long-Term Debt (Continued)

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>
2020	\$ 3,300,000	\$ 2,020,500	\$ 5,320,500
2021	3,395,000	1,853,125	5,248,125
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
2025-2029	20,185,000	3,683,625	23,868,625
2030	4,405,000	110,125	4,515,125
Total	<u>\$42,060,000</u>	<u>\$ 12,173,500</u>	<u>\$ 54,233,500</u>

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, 2019, were as follows:

	<u>Balance</u>		<u>Deletions</u>	<u>Balance</u>	<u>Due within</u>	<u>Due in more</u>
	<u>July 1, 2018</u>	<u>Additions</u>		<u>June 30, 2019</u>	<u>one year</u>	<u>than one</u>
						<u>year</u>
Governmental Activities	\$ 3,188,317	\$ 2,279,843	\$ (2,242,081)	\$ 3,226,079	\$ 1,681,766	\$ 1,544,313
Business-Type Activities	68,558	51,716	(47,094)	73,180	38,149	35,031
Total Compensated absences	<u>\$ 3,256,875</u>	<u>\$ 2,331,559</u>	<u>\$ (2,289,175)</u>	<u>\$ 3,299,259</u>	<u>\$ 1,719,915</u>	<u>\$ 1,579,344</u>

As stated before, 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, 2019

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, 2019, is estimated to total \$875,399.

Changes in the balances of the City's claims liabilities during the years ended June 30, 2019, 2018, and 2017 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
2016-2017	\$ 3,663,283	\$ 1,260,680	\$ (775,428)	\$ 4,148,535
2017-2018	4,148,535	1,013,716	(1,041,885)	4,120,366
2018-2019	4,120,366	938,454	(1,484,982)	3,573,838

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 9: Interfund Transactions

Interfund receivables and payables at June 30, 2019, 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, 2019, is as follows:

Due to other funds	Due from other funds	
	General Fund	Total
Non-Major Governmental Fund	\$ 311,324	\$ 311,324
TOTAL	\$ 311,324	\$ 311,324

All Due To/From Other Funds were established as of June 30, 2019, to cover short-term negative cash balances.

Interfund Transfers

Interfund transfers for the year ended June 30, 2019, were as follows:

	Transfers In			
	General Fund	General Capital Improvement Project Fund	Nonmajor Governmental Funds	Total
Transfers Out				
General Fund	\$ -	\$ 7,915,000	\$ 381,500	\$ 8,296,500
General Capital Improvement Project Fund	-	-	886,743	886,743
Nonmajor Governmental Funds	311,200	-	116,575	427,775
Water Fund	193,175	-	-	193,175
TOTAL	\$ 504,375	\$ 7,915,000	\$ 1,384,818	\$ 9,804,193

The \$7,915,000 transfer from the General Fund to Capital Improvement Fund was for approved capital projects and funding for future projects.

The \$311,200 and \$193,175 transfer from nonmajor governmental funds and the Water fund to the general fund were for recovery of administrative costs.

The \$886,743 transfer from the capital improvement fund to the nonmajor funds was for various Library System improvements.

The \$381,500 transfer from the general fund to the nonmajor governmental funds was for grant and program operations.

The \$116,575 transfer from the County Transportation Tax fund to the Shuttle Program fund was to cover the operating deficit for the current fiscal year.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

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 No. Statement 54 at June 30, 2019:

	General Fund	Below Market Rate Housing Special Revenue	Transportation Impact Fees	General Capital Improvement Project Funds	Non-Major Governmental Funds	Total
Nonspendable:						
Deposits and prepaid items	\$ 31,476	\$ -	\$ -	\$ -	\$ 4,919	\$ 36,395
Total nonspendable	31,476	-	-	-	4,919	36,395
Restricted to:						
Housing	-	25,399,279	-	-	7,751,456	33,150,735
Public safety	-	-	-	-	323,629	323,629
Debt Service	-	-	-	-	2,819,470	2,819,470
Streets and sidewalks	-	-	7,420,062	-	12,955,774	20,375,836
Transportation	-	-	-	-	2,608	2,608
Leisure and cultural activities	-	-	-	-	3,589,345	3,589,345
Solid waste	-	-	-	-	6,764,519	6,764,519
Public Facilities	-	-	-	-	1,087,571	1,087,571
Other Purposes	-	-	-	-	301,901	301,901
Stormwater	-	-	-	-	751,631	751,631
Total restricted	-	25,399,279	7,420,062	-	36,347,904	69,167,245
Committed to:						
Leisure and cultural activities	-	-	-	-	1,478,001	1,478,001
Streets, sidewalks and parking	-	-	-	-	4,834,793	4,834,793
Solid waste	-	-	-	-	1,972,439	1,972,439
Landscape maintenance	-	-	-	-	1,217,909	1,217,909
Strategic pension funding	4,680,000	-	-	-	-	4,680,000
Emergency contingency	10,300,000	-	-	-	-	10,300,000
Economic stabilization	14,000,000	-	-	-	-	14,000,000
Total committed	28,980,000	-	-	-	9,503,142	38,483,142
Assigned to:						
Capital projects	-	-	-	22,071,982	1,814,143	23,886,125
Debt service	-	-	-	-	311,517	311,517
Infrastructure maintenance	2,914,900	-	-	-	-	2,914,900
Public Safety Development	2,054,147	-	-	-	-	2,054,147
Other purposes	2,071,174	-	-	-	-	2,071,174
Total assigned	7,040,221	-	-	22,071,982	2,125,660	31,237,863
Unassigned						
	6,406,921	-	-	-	(111,373)	6,295,548
Total Fund Balance	\$ 42,458,618	\$ 25,399,279	\$ 7,420,062	\$ 22,071,982	\$ 47,870,252	\$ 145,220,193

Nonspendable Amounts - represents amounts that cannot be spent or appropriated because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 10: Fund Balance (Continued)

Restricted Amounts – includes amounts that can be spent only for specific purposes stipulated by external sources, constitutionally or through enabling legislation. Restrictions may be effectively changed or lifted only by the consent of the resource provider.

Committed Amounts – represent amounts that are only to be used for specific purposes pursuant to the constraints imposed by formal action of the City Council. The committed amounts cannot be used for any other purposes unless the Council removes or changes the specified use by taking the same action it used to previously commit those amounts.

The emergency contingency and economic stabilization fund balance amounts in this category, which are considered stabilization arrangements under GASB 54, were 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 emergency contingency balance as of June 30, 2019 was \$10,300,000 however, 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. The economic stabilization balance as of June 30, 2019 was \$14,000,000. 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.

This category also includes strategic pension funding reserve which was 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 strategic pension funding reserve balance as of June 30, 2019 was \$4,680,000. The Council approval is required before expending any portion of this reserve balance.

Assigned Amounts - represents funds that are constrained by the City's intent to be used for a specific purpose that are neither restricted nor committed. Intent is expressed by the City Council or City Manager, to which the City Council has delegated the authority through a resolution, to assign amounts to be used for specific purposes.

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 amounts – represents the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. In other governmental funds, if expenditures exceed amounts restricted, committed, or assigned, the negative amount is reflected as negative unassigned fund balance.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 11: Negative Fund Balance

As of June 30, 2019, the Shuttle Program Fund and the Measure M fund had a negative fund balance of \$33,906 and \$77,467 respectively. The City is working to address reductions in grant funding from the state through adjustments to expenditures and replacement funding sources such as from non-profit partners.

Note 12: Encumbrances/Commitments

The City had various commitments totaling \$7,800,603 as of June 30, 2019. 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	\$ 1,071,174
Transportation Impact Fees Fund	1,728,220
General Capital Improvement Fund	1,954,845
Non-Major Funds	3,046,364
Total	<u>\$ 7,800,603</u>

Note 13: Defined Benefit Pension Plan

a. Summary of Pension Plan Balances

Pension related balances presented on the Statement of Net Position as of June 30, 2019 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	\$ 3,908,065	\$ 2,697,898	\$ 30,284,191	\$ 1,446,582	\$ 5,754,170
CALPERS Safety					
Cost Sharing Plan	2,373,439	3,884,970	25,325,786	1,487,838	4,031,042
Total	<u>\$ 6,281,504</u>	<u>\$ 6,582,868</u>	<u>\$ 55,609,977</u>	<u>\$ 2,934,420</u>	<u>\$ 9,785,212</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, 2019

Note 13: 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 at June 30, 2019, are summarized as follows:

	Miscellaneous Classic	Miscellaneous Second Tier Classic	Miscellaneous PEPPRA
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	8.000%	7.000%	6.250%
Required employer contribution rates	9.485%	9.485%	9.485%
Required UAL payment	\$ 2,246,912	\$ -	\$ -

	Safety Classic	Safety Second Tier Classic	Safety PEPPRA
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 contribution rates	20.556%	17.614%	12.14%
Required UAL payment	\$ 1,347,451	\$ 2,347	\$ 2,037

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	212
Inactive employees entitled to but not yet receiving benefits	225
Active employees	206
Total	<u>643</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 13: 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.

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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
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 2.55% 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 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Change of Assumptions – In 2018, demographic assumptions and inflation rates 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.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. 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, 2019

Note 13: 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 returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 rounded down to the nearest one quarter of one percent.

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	New Strategic Allocation	Real Return Years 1-10 ^(a)	Real Return Years 11+ ^(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	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%		

(a) An expected inflation of 2.0% used for this period.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 13: 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/ (Asset)
Balance at June 30, 2017 (MD)	\$ 127,894,360	\$ 95,567,264	\$ 32,327,096
Changes in the year:			
Service cost	3,064,496	-	3,064,496
Interest on the total pension liability	8,947,116	-	8,947,116
Differences between actual and expected experience	(620,756)	-	(620,756)
Changes in assumptions	(867,180)	-	(867,180)
Net plan to plan resource movement	-	(238)	238
Contribution - employer	-	3,519,321	(3,519,321)
Contribution - employee	-	1,357,733	(1,357,733)
Net Investment income	-	8,121,487	(8,121,487)
Benefit payments, including refunds of employee contributions	(5,608,391)	(5,608,391)	-
Administrative expenses	-	(148,920)	148,920
Other miscellaneous income/(expense)	-	(282,802)	282,802
Net changes	<u>4,915,285</u>	<u>6,958,190</u>	<u>(2,042,905)</u>
Balance at June 30, 2018 (MD)	<u>\$ 132,809,645</u>	<u>\$ 102,525,454</u>	<u>\$ 30,284,191</u>

As of June 30, 2019, the City reported a net pension liability of \$25,325,786 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, 2017 and 2018 were as follows:

Proportion - June 30, 2017	0.418913%
Proportion - June 30, 2018	0.431624%
Change - Increase (Decrease)	<u>0.012711%</u>

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 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 or 1-percentage point higher than the current rate:

	Miscellaneous	
	Plan	Safety Plan
1% Decrease	6.15%	
Net Pension Liability	\$ 48,111,432	\$ 38,943,039
Current Discount Rate	7.15%	
Net Pension Liability	\$ 30,284,191	\$ 25,325,786
1% Increase	8.15%	
Net Pension Liability	\$ 15,573,979	\$ 14,168,885

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 13: Defined Benefit Pension Plan (Continued)

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, 2019, the City recognized pension expense of \$5,754,170 and \$4,031,042, for the Miscellaneous and Safety plan, respectively. At June 30, 2019, 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	\$ 3,908,065	\$ -
Differences between actual and expected experience	-	842,184
Changes in assumptions	2,520,608	604,398
Net differences between projected and actual earnings on pension plan investments	177,290	-
Total	<u>\$ 6,605,963</u>	<u>\$ 1,446,582</u>
Safety Plan		
Pension contributions subsequent to measurement date	\$ 2,373,439	\$ -
Differences between actual and expected experience	544,166	2,064
Changes in assumptions	2,484,901	335,258
Net differences between projected and actual earnings on pension plan investments	171,467	-
Adjustment due to differences in proportions	684,436	138,704
Difference in proportionate share	-	1,011,812
Total	<u>6,258,409</u>	<u>1,487,838</u>
Total All Plans	<u>\$ 12,864,372</u>	<u>\$ 2,934,420</u>

\$3,908,065 and \$2,373,439 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, 2020. 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:

Measurement Period Ending June 30,	Deferred Outflow/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2019	\$ 2,638,764	\$ 2,076,254	\$ 4,715,018
2020	(6,499)	1,194,479	1,187,980
2021	(1,112,760)	(698,182)	(1,810,942)
2022	(268,189)	(175,419)	(443,608)
Total	<u>\$ 1,251,316</u>	<u>\$ 2,397,132</u>	<u>\$ 3,648,448</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 14: 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	104
Inactive employees entitled to but not yet receiving benefits	56
Active employees	<u>257</u>
Total	<u><u>417</u></u>

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 2017-18, the City contributed \$1,198,000 including \$729,000 in benefit payments, \$186,000 in implicit rate subsidy, and a \$277,00 deposit to CERBT.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 14: Other Post-Employment Benefits (OPEB) (Continued)

Net OPEB Asset

The City's net OPEB asset was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
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-2017
Healthcare Trend	Non-Medicare - 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2020, decreasing to an ultimate rate 4.0% in 2076 and later years

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 14: 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	57.00%	4.82%
Fixed Income	27.00%	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 August 2014 – 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 14: 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)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)
Balance at June 30, 2017 (MD)	\$ 17,203,000	\$ 18,976,000	\$ (1,773,000)
Changes in the year:			
Service Cost	647,000	-	647,000
Interest	1,174,000	-	1,174,000
Changes in assumptions	-	-	-
Contribution - employer	-	1,198,000	(1,198,000)
Contribution - employee	-	-	-
Net investment income	-	1,511,000	(1,511,000)
Administrative expenses	-	(38,000)	38,000
Benefit payments , including refunds of employee contributions	(915,000)	(915,000)	-
Net changes	906,000	1,756,000	(850,000)
Balance at June 30, 2018 (MD)	\$ 18,109,000	\$ 20,732,000	\$ (2,623,000)

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, 2018:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net OPEB Asset	\$ (705,000)	\$ (2,623,000)	\$ (4,267,000)

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, 2018:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
Net OPEB Asset	\$ (4,633,000)	\$ (2,623,000)	\$ (208,000)

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED JUNE 30, 2019

Note 14: 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
---	---------

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$404,000. For the fiscal year ended June 30, 2019, 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	\$ 895,000	\$ -
Net differences between projected and actual earnings on plan investments	-	570,000
Total	\$ 895,000	\$ 570,000

The \$895,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as an increase of the net OPEB asset during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	
2020	\$ (175,000)
2021	(175,000)
2022	(173,000)
2023	(47,000)

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 15: 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 \$3,412,193 at June 30, 2019. 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 2019:

	Balance July 1, 2018	Deletions	Balance June 30, 2019	Due within one year	Due in more than one year
Governmental Activities	\$ 3,803,097	\$ (390,904)	\$ 3,412,193	\$ 381,183	\$ 3,031,010

Note 16: 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 17.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 17: 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 18: Contingencies

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 19: 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 20: 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, 2019, each member entity contributed \$185,000 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, 2019

Note 20: Joint Ventures

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, 2020, 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 Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070

Note 21: Subsequent Events

On October 10, 2019, the City issued General Obligation Bonds in a par amount of \$9,640,000 for the purpose of refunding the City's 2009 General Obligation Bonds at lower interest rates. The initial 2009 bonds bear an interest rate of 4.638% while the refunded 2019 bonds bear an interest rate of 2.594%. The 2019 bonds mature on August 1 of each year starting in 2020 and ending 2039 in amounts ranging from \$125,000 to \$1,230,000. The net present value of future debt savings are estimated to be \$2,550,000.

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, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 45,793,000	\$ 47,815,380	\$ 49,472,104	\$ 1,656,724
Licenses and permits	6,163,000	4,328,081	3,485,429	(842,652)
Intergovernmental	1,241,034	1,241,034	1,532,390	291,356
Charges for services	10,673,200	11,232,178	11,493,149	260,971
Use of money and property	2,057,500	2,321,157	2,471,829	150,672
Fines and forfeitures	1,362,400	1,362,400	1,482,275	119,875
Contributions	-	-	250,000	250,000
Miscellaneous	71,046	71,046	41,232	(29,814)
Total Revenues	67,361,180	68,371,276	70,228,408	1,857,132
Expenditures:				
Current:				
General government	7,901,367	10,122,238	7,221,777	2,900,461
Public safety	19,751,399	19,453,220	19,021,612	431,608
Community development	7,560,059	7,575,958	6,401,074	1,174,884
Parks and recreation	13,060,980	13,027,974	12,715,462	312,512
Public works	11,755,360	11,806,664	11,478,029	328,635
Urban development and housing	96,650	196,650	70,593	126,057
Capital outlay	291,260	296,931	185,206	111,725
Total Expenditures	60,417,075	62,479,635	57,093,753	5,385,882
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,944,105	5,891,641	13,134,655	7,243,014
Other Financing Sources (Uses):				
Transfers in	527,100	527,100	504,375	(22,725)
Transfers out	(6,841,500)	(8,296,500)	(8,296,500)	-
Total Other Financing Sources (Uses)	(6,314,400)	(7,769,400)	(7,792,125)	(22,725)
Net Change in Fund Balances	629,705	(1,877,759)	5,342,530	7,220,289
Fund Balances, Beginning of Year	37,116,088	37,116,088	37,116,088	-
Fund Balances, End of Year	\$ 37,745,793	\$ 35,238,329	\$ 42,458,618	\$ 7,220,289

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, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,027,500	\$ 3,027,500	\$ 354,517	\$ (2,672,983)
Use of money and property	92,400	92,400	691,345	598,945
Total Revenues	3,119,900	3,119,900	1,045,862	(2,074,038)
Expenditures:				
Current:				
General government	16,108	16,108	29,161	(13,053)
Urban development and housing	325,957	325,957	287,108	38,849
Total Expenditures	342,065	342,065	316,269	25,796
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,777,835	2,777,835	729,593	(2,048,242)
Net Change in Fund Balances	2,777,835	2,777,835	729,593	(2,048,242)
Fund Balances, Beginning of Year	24,669,686	24,669,686	24,669,686	-
Fund Balances, End of Year	\$ 27,447,521	\$ 27,447,521	\$ 25,399,279	\$ (2,048,242)

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION IMPACT FEES FUND
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 805,600	\$ 805,600	\$ 208,809	\$ (596,791)
Charges for services	1,500,000	1,500,000	2,410,325	910,325
Use of money and property	22,800	22,800	276,062	253,262
Total Revenues	2,328,400	2,328,400	2,895,196	566,796
Expenditures:				
Current:				
Public works	7,151,507	7,161,922	302,893	6,859,029
Total Expenditures	7,151,507	7,161,922	302,893	6,859,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,823,107)	(4,833,522)	2,592,303	7,425,825
Net Change in Fund Balances	(4,823,107)	(4,833,522)	2,592,303	7,425,825
Fund Balances, Beginning of Year	4,827,759	4,827,759	4,827,759	-
Fund Balances, End of Year	\$ 4,652	\$ (5,763)	\$ 7,420,062	\$ 7,425,825

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)

	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service Cost	\$ 2,430,975	\$ 2,360,735	\$ 2,532,940	\$ 2,948,588	\$ 3,064,496
Interest	7,464,650	7,827,343	8,311,199	8,613,664	8,947,116
Difference between Expected and Actual Experience	-	(690,951)	850,983	(1,154,146)	(867,180)
Changes in Assumptions	-	(1,888,285)	-	7,103,534	(620,756)
Benefit Payments, Including					
Refunds of Employee Contributions	(4,401,346)	(4,582,081)	(5,018,466)	(5,328,833)	(5,608,391)
Net Change in Total Pension Liability	5,494,279	3,026,761	6,676,656	12,182,807	4,915,285
Total Pension Liability - Beginning	100,513,857	106,008,136	109,034,897	115,711,553	127,894,360
Total Pension Liability - Ending (a)	\$ 106,008,136	\$ 109,034,897	\$ 115,711,553	\$ 127,894,360	\$ 132,809,645
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 2,231,189	\$ 2,607,401	\$ 2,978,937	\$ 3,599,142	\$ 3,519,321
Contributions - Employee	1,006,903	1,080,371	1,150,378	1,299,175	1,357,733
Plan to Plan Resource Movement	-	-	-	-	(238)
Net Investment Income	12,874,205	1,934,950	450,209	9,694,557	8,121,487
Benefit Payments, Including					
Refunds of Employee Contributions	(4,401,346)	(4,582,081)	(5,018,466)	(5,328,833)	(5,608,391)
Administrative Expense	-	-	-	-	(148,920)
Other Miscellaneous Income/(Expense)	-	(97,826)	(52,975)	(127,609)	(282,802)
Net Change in Fiduciary Net Position	11,710,951	942,815	(491,917)	9,136,432	6,958,190
Plan Fiduciary Net Position - Beginning	74,268,983	85,979,934	86,922,749	86,430,832	95,567,264
Plan Fiduciary Net Position - Ending (b)	\$ 85,979,934	\$ 86,922,749	\$ 86,430,832	\$ 95,567,264	\$ 102,525,454
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 20,028,202	\$ 22,112,148	\$ 29,280,721	\$ 32,327,096	\$ 30,284,191
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.11%	79.72%	74.70%	74.72%	77.20%
Covered Payroll	\$ 13,277,488	\$ 13,909,694	\$ 13,539,431	\$ 16,960,555	\$ 17,374,255
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	150.84%	158.97%	216.26%	190.60%	174.30%

(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 five 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 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.

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	2019
Actuarially Determined Contribution	\$ 2,604,813	\$ 2,978,780	\$ 3,599,540	\$ 3,518,244	\$ 3,908,065
Contribution in Relation to the Actuarially Determined Contribution	<u>(2,604,813)</u>	<u>(2,978,780)</u>	<u>(3,599,540)</u>	<u>(3,518,244)</u>	<u>(3,908,065)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,909,694	\$ 13,539,431	\$ 16,960,555	\$ 17,374,255	\$ 18,851,078
Contributions as a Percentage of Covered Payroll	18.73%	22.00%	21.22%	20.25%	20.73%

(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 five years are shown.

Note to Schedule:

Valuation Date:	June 30, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount rate	7.15%
Projected Salary Increases	Varies by Entry Age and Service
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	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%.

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	2019
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Proportion of the Net Pension Liability*	0.23051%	0.24430%	0.25092%	0.25240%	0.26282%
Proportionate Share of the Net Pension Liability	\$ 14,343,292	\$ 16,768,810	\$ 21,711,951	\$ 25,030,898	\$ 25,325,786
Covered Payroll	\$ 6,253,886	\$ 6,059,802	\$ 6,328,709	\$ 6,151,486	\$ 5,996,613
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	229.4%	276.7%	343.1%	406.9%	422.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	73.3%	74.1%	78.4%	79.8%

*Represents the proportion 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 2015, there were no changes. In 2016, the discount rate was changed from 7.5 percent (net of administration expenses) to 7.65 percent. In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent. In 2018, demographic assumptions and inflate 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.

⁽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 five years are shown.

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⁾**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 1,623,197	\$ 1,767,802	\$ 1,965,524	\$ 2,036,374	\$ 2,373,439
Contribution in Relation to the Actuarially Determined Contribution	<u>(1,623,197)</u>	<u>(1,767,802)</u>	<u>(1,965,524)</u>	<u>(2,036,374)</u>	<u>(2,373,439)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,059,802	\$ 6,328,709	\$ 6,151,486	\$ 5,996,613	\$ 6,414,285
Contributions as a Percentage of Covered Payroll	26.8%	27.9%	32.0%	34.0%	37.0%

Notes to Schedule of Plan Contributions:

Methods and assumptions used to determine contribution rates:

Valuation Date: June 30, 2016
 Actuarial cost method: Entry age normal
 Amortization method: Level percentage of payroll
 Remaining amortization period: 21 Years as of the Valuation Date
 Assets valuation method: Market Value
 Inflation: 2.75% compounded annually
 Salary Increases: 3.00% compounded annually

 Investment rate of return: 7.375% compounded annually (net of investment and administrative)
 Retirement age: 50 and 57 years
 Mortality: Scale BB published by the Society of Actuaries

⁽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 five years are shown.

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)**

	2018	2019
Total OPEB Liability		
Service cost	\$ 628,000	\$ 647,000
Interest on the total OPEB liability	1,113,000	1,174,000
Actual and expected experience difference	-	-
Changes in assumptions	-	-
Changes in benefit terms	-	-
Benefit payments	(801,000)	(915,000)
Net change in total OPEB liability	940,000	906,000
Total OPEB liability - beginning	16,263,000	17,203,000
Total OPEB liability - ending (a)	17,203,000	18,109,000
Plan Fiduciary Net Position		
Contribution - employer	1,082,000	1,198,000
Net investment income	1,785,000	1,511,000
Benefit payments	(801,000)	(915,000)
Administrative expense	(12,000)	(38,000)
Net change in plan fiduciary net position	2,054,000	1,756,000
Plan fiduciary net position - beginning	16,922,000	18,976,000
Plan fiduciary net position - ending (b)	18,976,000	20,732,000
Net OPEB Assets - ending (a) - (b)	\$ (1,773,000)	\$ (2,623,000)
Plan fiduciary net position as a percentage of the total OPEB liability	110.31%	114.48%
Covered-employee payroll	\$ 26,004,000	\$ 25,858,000
Net OPEB asset as a percentage of covered-employee payroll	6.82%	10.14%

(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: None

Changes in assumptions: None

CITY OF MENLO PARK

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

	2018	2019
Actuarially Determined Contribution	\$ 676,000	\$ 448,000
Contribution in Relation to the Actuarially Determined Contributions	(1,198,000)	(895,000)
Contribution Deficiency (Excess)	<u>\$ (522,000)</u>	<u>\$ (447,000)</u>
Covered-employee payroll	\$ 25,858,000	\$ 25,481,000
Contributions as a percentage of covered-employee payroll	2.61%	1.76%

(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 2018 were from the June 30, 2017 actuarial valuation.

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 over 5-year rolling period
Discount Rate	6.75%
Inflation	2.75%
Mortality	CalPERS 1997 to 2015 Experience Study

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2019**

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, 2019, 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, 2019, the following funds had no adopted annual budgets:

Downtown Public Amenity Fund
Bay Area Air Quality Management

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2019

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

No major funds had expenditures over appropriations for the fiscal year ended June 30, 2019.

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 (\$1 0) 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.

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 2002 GO Bond - 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 2002 Recreation 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, 2019

Special Revenue Funds

	Highway Users Tax	Federal Revenue Sharing	Landscape/Tree Assessment	Sidewalk Assessment
Assets:				
Pooled cash and investments	\$ 3,584,628	\$ 99,609	\$ 352,595	\$ 21,950
Receivables:				
Accounts	-	1,019	-	-
Taxes	-	-	-	-
Notes and loans	-	27,624	-	-
Accrued interest	24,356	684	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	2,300	-
Total Assets	\$ 3,608,984	\$ 128,936	\$ 354,895	\$ 21,950
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 500	\$ 420	\$ 45,870	\$ 19,987
Accrued liabilities	1,571	-	7,124	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	2,071	420	52,994	19,987
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	3,606,913	128,516	301,901	1,963
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	3,606,913	128,516	301,901	1,963
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,608,984	\$ 128,936	\$ 354,895	\$ 21,950

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Landfill Post-Closure	County Transportation Tax	Public Library	Literacy Grants
Assets:				
Pooled cash and investments	\$ 6,680,468	\$ 1,174,174	\$ 83,414	\$ 91,154
Receivables:				
Accounts	77,805	360	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	45,960	9,544	-	-
Prepaid costs	3,706	19	-	-
Due from other governments	-	80,562	-	-
Total Assets	\$ 6,807,939	\$ 1,264,659	\$ 83,414	\$ 91,154
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 36,554	\$ 140,137	\$ -	\$ -
Accrued liabilities	3,160	11,336	-	2,980
Unearned revenues	-	-	-	25,000
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	39,714	151,473	-	27,980
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	3,706	19	-	-
Restricted	6,764,519	1,113,167	-	-
Committed	-	-	83,414	63,174
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	6,768,225	1,113,186	83,414	63,174
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,807,939	\$ 1,264,659	\$ 83,414	\$ 91,154

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Special Revenue Funds

	<u>Narcotic Seizure</u>	<u>Downtown Parking Permits</u>	<u>Storm Drainage Fees</u>	<u>Solid Waste Service</u>
Assets:				
Pooled cash and investments	\$ 42,071	\$ 4,815,185	\$ 173,697	\$ 1,942,531
Receivables:				
Accounts	-	-	-	34,583
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	33,366	1,201	11,519
Prepaid costs	-	-	-	1,194
Due from other governments	-	-	-	-
Total Assets	\$ 42,071	\$ 4,848,551	\$ 174,898	\$ 1,989,827
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 13,487	\$ -	\$ 13,412
Accrued liabilities	-	271	-	2,782
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	13,758	-	16,194
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	1,194
Restricted	42,071	-	174,898	-
Committed	-	4,834,793	-	1,972,439
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	42,071	4,834,793	174,898	1,973,633
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,071	\$ 4,848,551	\$ 174,898	\$ 1,989,827

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(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	\$ 906,153	\$ 399,296	\$ 597,076
Receivables:				
Accounts	-	1,527	51,205	10,450
Taxes	-	-	-	-
Notes and loans	-	5,469,806	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 2,608	\$ 6,377,486	\$ 450,501	\$ 607,526
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 858	\$ -	\$ 27,809
Accrued liabilities	-	-	12,801	4,947
Unearned revenues	-	-	-	-
Deposits payable	-	-	38,404	-
Due to other funds	-	-	-	-
Total Liabilities	-	858	51,205	32,756
Deferred Inflows of Resources:				
Unavailable revenues	-	135,767	-	-
Total Deferred Inflows of Resources	-	135,767	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	2,608	6,240,861	399,296	574,770
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,608	6,240,861	399,296	574,770
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,608	\$ 6,377,486	\$ 450,501	\$ 607,526

CITY OF MENLO PARK

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds			
	Supplemental Law Enforcement Services	Construction Impact Fee	Bayfront Park Maintenance	Recreation In- Lieu
Assets:				
Pooled cash and investments	\$ 279,662	\$ 8,463,581	\$ 1,202,251	\$ 3,564,698
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	1,896	53,575	8,342	24,647
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 281,558	\$ 8,517,156	\$ 1,210,593	\$ 3,589,345
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 688,659	\$ 25,273	\$ -
Accrued liabilities	-	3,733	76	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	692,392	25,349	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	281,558	7,824,764	-	3,589,345
Committed	-	-	1,185,244	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	281,558	7,824,764	1,185,244	3,589,345
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 281,558	\$ 8,517,156	\$ 1,210,593	\$ 3,589,345

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Sharon Hills Park	Vintage Oaks Landscape	Community Development Block Grant	Miscellaneous Trust
Assets:				
Pooled cash and investments	\$ 22,123	\$ 28,253	\$ 1,064,299	\$ 1,430,611
Receivables:				
Accounts	-	-	7,385	-
Taxes	-	-	-	-
Notes and loans	-	-	310,395	-
Accrued interest	153	206	-	982
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Total Assets	\$ 22,276	\$ 28,459	\$ 1,382,079	\$ 1,431,593
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 16,200	\$ 1,870	\$ -	\$ 100,180
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	16,200	1,870	-	100,180
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	1,382,079	-
Committed	6,076	26,589	-	1,331,413
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	6,076	26,589	1,382,079	1,331,413
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 22,276	\$ 28,459	\$ 1,382,079	\$ 1,431,593

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			
	Shuttle Program	Measure M	Library System Improvement Fund	Downtown Public Amenity Fund
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ 1,692,904	\$ 1,080,103
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	7,468
Prepaid costs	-	-	-	-
Due from other governments	289,350	80,419	-	-
Total Assets	\$ 289,350	\$ 80,419	\$ 1,692,904	\$ 1,087,571
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 85,395	\$ -	\$ -	\$ -
Accrued liabilities	1,540	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	124,791	77,467	-	-
Total Liabilities	211,726	77,467	-	-
Deferred Inflows of Resources:				
Unavailable revenues	111,530	80,419	-	-
Total Deferred Inflows of Resources	111,530	80,419	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	1,087,571
Committed	-	-	-	-
Assigned	-	-	1,692,904	-
Unassigned	(33,906)	(77,467)	-	-
Total Fund Balances	(33,906)	(77,467)	1,692,904	1,087,571
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 289,350	\$ 80,419	\$ 1,692,904	\$ 1,087,571

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds	Capital Projects Funds		Debt Service Funds
	HUT Repair & Maintenance Fund	Library Addition	Measure T 2002 GO Bond	Library GO Bond 1990
Assets:				
Pooled cash and investments	\$ 1,881	\$ 120,406	\$ 309,378	\$ 342,359
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	3,393	833	2,139	2,367
Prepaid costs	-	-	-	-
Due from other governments	115,426	-	-	48
Total Assets	\$ 120,700	\$ 121,239	\$ 311,517	\$ 344,774
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	109,066	-	-	-
Total Liabilities	109,066	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	11,634	-	-	344,774
Committed	-	-	-	-
Assigned	-	121,239	311,517	-
Unassigned	-	-	-	-
Total Fund Balances	11,634	121,239	311,517	344,774
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 120,700	\$ 121,239	\$ 311,517	\$ 344,774

CITY OF MENLO PARK

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Debt Service Funds	Total Other Governmental Funds
	Recreation GO Bond 2002	
Assets:		
Pooled cash and investments	\$ 2,349,765	\$ 42,918,883
Receivables:		
Accounts	-	184,334
Taxes	-	-
Notes and loans	-	5,807,825
Accrued interest	16,071	248,702
Prepaid costs	-	4,919
Due from other governments	112,260	680,365
Total Assets	\$ 2,478,096	\$ 49,845,028
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ 3,400	\$ 1,220,011
Accrued liabilities	-	52,321
Unearned revenues	-	25,000
Deposits payable	-	38,404
Due to other funds	-	311,324
Total Liabilities	3,400	1,647,060
Deferred Inflows of Resources:		
Unavailable revenues	-	327,716
Total Deferred Inflows of Resources	-	327,716
Fund Balances:		
Nonspendable	-	4,919
Restricted	2,474,696	36,347,904
Committed	-	9,503,142
Assigned	-	2,125,660
Unassigned	-	(111,373)
Total Fund Balances	2,474,696	47,870,252
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,478,096	\$ 49,845,028

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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, 2019

	Special Revenue Funds			
	Highway Users Tax	Federal Revenue Sharing	Landscape/Tree Assessment	Sidewalk Assessment
Revenues:				
Taxes	\$ 744,219	\$ -	\$ 682,904	\$ 227,635
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	2,300	-
Charges for services	-	2,898	-	-
Use of money and property	111,487	1,256	-	-
Miscellaneous	-	-	-	-
Total Revenues	855,706	4,154	685,204	227,635
Expenditures:				
Current:				
General government	2,240	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	59,960	-	817,894	250,343
Urban development and housing	-	2,520	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	62,200	2,520	817,894	250,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	793,506	1,634	(132,690)	(22,708)
Other Financing Sources (Uses):				
Transfers in	-	-	251,500	-
Transfers out	-	-	(75,300)	(22,600)
Total Other Financing Sources (Uses)	-	-	176,200	(22,600)
Net Change in Fund Balances	793,506	1,634	43,510	(45,308)
Fund Balances, Beginning of Year	2,813,407	126,882	258,391	47,271
Fund Balances, End of Year	\$ 3,606,913	\$ 128,516	\$ 301,901	\$ 1,963

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Landfill Post-Closure	County Transportation Tax	Public Library	Literacy Grants
Revenues:				
Taxes	\$ -	\$ 1,044,435	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	82,970	-	41,552
Charges for services	1,296,254	-	-	-
Use of money and property	212,700	46,131	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,508,954	1,173,536	-	41,552
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	17,910
Public works	381,505	1,349,314	-	-
Urban development and housing	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	381,505	1,349,314	-	17,910
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,127,449	(175,778)	-	23,642
Other Financing Sources (Uses):				
Transfers in	-	-	-	110,000
Transfers out	(9,400)	(116,575)	-	-
Total Other Financing Sources (Uses)	(9,400)	(116,575)	-	110,000
Net Change in Fund Balances	1,118,049	(292,353)	-	133,642
Fund Balances, Beginning of Year	5,650,176	1,405,539	83,414	(70,468)
Fund Balances, End of Year	\$ 6,768,225	\$ 1,113,186	\$ 83,414	\$ 63,174

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Narcotic Seizure	Downtown Parking Permits	Storm Drainage Fees	Solid Waste Service
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	447,881	-	-
Intergovernmental	-	-	-	8,934
Charges for services	4,740	-	2,250	415,000
Use of money and property	-	159,808	5,902	53,490
Miscellaneous	-	-	-	313,354
Total Revenues	4,740	607,689	8,152	790,778
Expenditures:				
Current:				
General government	-	-	-	259,468
Public safety	3,304	13,286	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	168,810	-	13,983
Urban development and housing	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	3,304	182,096	-	273,451
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,436	425,593	8,152	517,327
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(30,100)	-	(115,700)
Total Other Financing Sources (Uses)	-	(30,100)	-	(115,700)
Net Change in Fund Balances	1,436	395,493	8,152	401,627
Fund Balances, Beginning of Year	40,635	4,439,300	166,746	1,572,006
Fund Balances, End of Year	\$ 42,071	\$ 4,834,793	\$ 174,898	\$ 1,973,633

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Bay Area Air Quality Management	Housing Special Revenue Fund	Transportation Fund	Storm Water Management (NPDES)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	349,400
Licenses and permits	-	-	-	-
Intergovernmental	-	-	401,045	-
Charges for services	-	12,310	1,113	60,409
Use of money and property	-	67,940	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	80,250	402,158	409,809
Expenditures:				
Current:				
General government	-	-	-	19,090
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	12,601	389,776
Urban development and housing	-	5,700	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	5,700	12,601	408,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	74,550	389,557	943
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(43,000)
Total Other Financing Sources (Uses)	-	-	-	(43,000)
Net Change in Fund Balances	-	74,550	389,557	(42,057)
Fund Balances, Beginning of Year	2,608	6,166,311	9,739	616,827
Fund Balances, End of Year	\$ 2,608	\$ 6,240,861	\$ 399,296	\$ 574,770

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Supplemental Law Enforcement Services	Construction Impact Fee	Bayfront Park Maintenance	Recreation In- Lieu
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	148,747	-	-	-
Charges for services	-	3,655,133	-	205,800
Use of money and property	7,937	244,463	41,498	120,758
Miscellaneous	-	-	-	-
Total Revenues	156,684	3,899,596	41,498	326,558
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	15,200	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	1,365,122	81,932	479,122
Urban development and housing	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	15,200	1,365,122	81,932	479,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	141,484	2,534,474	(40,434)	(152,564)
Other Financing Sources (Uses):				
Transfers in	-	-	-	20,000
Transfers out	-	-	(15,100)	-
Total Other Financing Sources (Uses)	-	-	(15,100)	20,000
Net Change in Fund Balances	141,484	2,534,474	(55,534)	(132,564)
Fund Balances, Beginning of Year	140,074	5,290,290	1,240,778	3,721,909
Fund Balances, End of Year	\$ 281,558	\$ 7,824,764	\$ 1,185,244	\$ 3,589,345

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(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	-	-	423	877,434
Use of money and property	802	1,146	17,383	4,873
Miscellaneous	-	-	-	694
Total Revenues	802	1,146	17,806	883,001
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	276,537
Culture and recreation	-	-	-	39,542
Public works	16,200	14,787	-	-
Urban development and housing	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	16,200	14,787	-	316,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,398)	(13,641)	17,806	566,922
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(15,398)	(13,641)	17,806	566,922
Fund Balances, Beginning of Year	21,474	40,230	1,364,273	764,491
Fund Balances, End of Year	\$ 6,076	\$ 26,589	\$ 1,382,079	\$ 1,331,413

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Shuttle Program	Measure M	Library System Improvement Fund	Downtown Public Amenity Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	494,945	65,533	-	-
Charges for services	130,019	-	-	-
Use of money and property	-	-	-	36,400
Miscellaneous	-	-	-	-
Total Revenues	624,964	65,533	-	36,400
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	515,461	143,000	75,839	-
Urban development and housing	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	515,461	143,000	75,839	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	109,503	(77,467)	(75,839)	36,400
Other Financing Sources (Uses):				
Transfers in	116,575	-	886,743	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	116,575	-	886,743	-
Net Change in Fund Balances	226,078	(77,467)	810,904	36,400
Fund Balances, Beginning of Year	(259,984)	-	882,000	1,051,171
Fund Balances, End of Year	\$ (33,906)	\$ (77,467)	\$ 1,692,904	\$ 1,087,571

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds	Capital Project Funds		Debt Service Funds
	HUT Repair & Maintenance Fund	Library Addition	Measure T 2002 GO Bond	Library GO Bond 1990
Revenues:				
Taxes	\$ 646,751	\$ -	\$ -	\$ -
Special assessments	-	-	-	59
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	11,634	4,058	10,426	11,537
Miscellaneous	-	-	-	-
Total Revenues	658,385	4,058	10,426	11,596
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	646,751	-	-	-
Urban development and housing	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	646,751	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,634	4,058	10,426	11,596
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	11,634	4,058	10,426	11,596
Fund Balances, Beginning of Year	-	117,181	301,091	333,178
Fund Balances, End of Year	\$ 11,634	\$ 121,239	\$ 311,517	\$ 344,774

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Debt Service Funds</u>	<u>Total Other Governmental Funds</u>
	<u>Recreation GO Bond 2002</u>	
Revenues:		
Taxes	\$ -	\$ 3,345,944
Special assessments	1,499,194	1,848,653
Licenses and permits	-	447,881
Intergovernmental	-	1,246,026
Charges for services	-	6,663,783
Use of money and property	67,003	1,238,632
Miscellaneous	-	314,048
Total Revenues	<u>1,566,197</u>	<u>15,104,967</u>
Expenditures:		
Current:		
General government	4,775	285,573
Public safety	-	31,790
Community development	-	276,537
Culture and recreation	-	57,452
Public works	-	6,782,400
Urban development and housing	-	8,220
Debt service:		
Principal retirement	455,000	455,000
Interest and fiscal charges	742,278	742,278
Total Expenditures	<u>1,202,053</u>	<u>8,639,250</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>364,144</u>	<u>6,465,717</u>
Other Financing Sources (Uses):		
Transfers in	-	1,384,818
Transfers out	-	(427,775)
Total Other Financing Sources (Uses)	<u>-</u>	<u>957,043</u>
Net Change in Fund Balances	364,144	7,422,760
Fund Balances, Beginning of Year	<u>2,110,552</u>	<u>40,447,492</u>
Fund Balances, End of Year	<u>\$ 2,474,696</u>	<u>\$ 47,870,252</u>

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HIGHWAY USERS TAX
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 925,000	\$ 925,000	\$ 744,219	\$ (180,781)
Use of money and property	15,900	15,900	111,487	95,587
Total Revenues	940,900	940,900	855,706	(85,194)
Expenditures:				
Current:				
General government	-	-	2,240	(2,240)
Public works	4,651,745	4,651,761	59,960	4,591,801
Total Expenditures	4,651,745	4,651,761	62,200	4,589,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,710,845)	(3,710,861)	793,506	4,504,367
Net Change in Fund Balances	(3,710,845)	(3,710,861)	793,506	4,504,367
Fund Balances, Beginning of Year	2,813,407	2,813,407	2,813,407	-
Fund Balances, End of Year	\$ (897,438)	\$ (897,454)	\$ 3,606,913	\$ 4,504,367

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FEDERAL REVENUE SHARING
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 580	\$ 580	\$ 2,898	\$ 2,318
Use of money and property	2,400	2,400	1,256	(1,144)
Total Revenues	2,980	2,980	4,154	1,174
Expenditures:				
Current:				
Urban development and housing	-	-	2,520	(2,520)
Total Expenditures	-	-	2,520	(2,520)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,980	2,980	1,634	(1,346)
Net Change in Fund Balances	2,980	2,980	1,634	(1,346)
Fund Balances, Beginning of Year	126,882	126,882	126,882	-
Fund Balances, End of Year	\$ 129,862	\$ 129,862	\$ 128,516	\$ (1,346)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LANDSCAPE/TREE ASSESSMENT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 663,489	\$ 663,489	\$ 682,904	\$ 19,415
Intergovernmental	-	-	2,300	2,300
Charges for services	1,000	1,000	-	(1,000)
Total Revenues	664,489	664,489	685,204	20,715
Expenditures:				
Current:				
Public works	933,447	948,582	817,894	130,688
Total Expenditures	933,447	948,582	817,894	130,688
Excess (Deficiency) of Revenues Over (Under) Expenditures	(268,958)	(284,093)	(132,690)	151,403
Other Financing Sources (Uses):				
Transfers in	251,500	251,500	251,500	-
Transfers out	(75,300)	(75,300)	(75,300)	-
Total Other Financing Sources (Uses)	176,200	176,200	176,200	-
Net Change in Fund Balances	(92,758)	(107,893)	43,510	151,403
Fund Balances, Beginning of Year	258,391	258,391	258,391	-
Fund Balances, End of Year	\$ 165,633	\$ 150,498	\$ 301,901	\$ 151,403

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SIDEWALK ASSESSMENT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 227,635	\$ (22,365)
Total Revenues	250,000	250,000	227,635	(22,365)
Expenditures:				
Current:				
Public works	265,724	265,724	250,343	15,381
Total Expenditures	265,724	265,724	250,343	15,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,724)	(15,724)	(22,708)	(6,984)
Other Financing Sources (Uses):				
Transfers out	(22,600)	(22,600)	(22,600)	-
Total Other Financing Sources (Uses)	(22,600)	(22,600)	(22,600)	-
Net Change in Fund Balances	(38,324)	(38,324)	(45,308)	(6,984)
Fund Balances, Beginning of Year	47,271	47,271	47,271	-
Fund Balances, End of Year	\$ 8,947	\$ 8,947	\$ 1,963	\$ (6,984)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LANDFILL POST-CLOSURE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 832,000	\$ 832,000	\$ 1,296,254	\$ 464,254
Use of money and property	24,000	24,000	212,700	188,700
Total Revenues	856,000	856,000	1,508,954	652,954
Expenditures:				
Current:				
Public works	8,839,250	8,887,158	381,505	8,505,653
Total Expenditures	8,839,250	8,887,158	381,505	8,505,653
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,983,250)	(8,031,158)	1,127,449	9,158,607
Other Financing Sources (Uses):				
Transfers out	(9,400)	(9,400)	(9,400)	-
Total Other Financing Sources (Uses)	(9,400)	(9,400)	(9,400)	-
Net Change in Fund Balances	(7,992,650)	(8,040,558)	1,118,049	9,158,607
Fund Balances, Beginning of Year	5,650,176	5,650,176	5,650,176	-
Fund Balances, End of Year	\$ (2,342,474)	\$ (2,390,382)	\$ 6,768,225	\$ 9,158,607

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COUNTY TRANSPORTATION TAX
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,113,000	\$ 1,113,000	\$ 1,044,435	\$ (68,565)
Intergovernmental	192,500	192,500	82,970	(109,530)
Use of money and property	-	-	46,131	46,131
Total Revenues	1,305,500	1,305,500	1,173,536	(131,964)
Expenditures:				
Current:				
Public works	2,653,834	3,179,882	1,349,314	1,830,568
Total Expenditures	2,653,834	3,179,882	1,349,314	1,830,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,348,334)	(1,874,382)	(175,778)	1,698,604
Other Financing Sources (Uses):				
Transfers out	-	-	(116,575)	116,575
Total Other Financing Sources (Uses)	-	-	(116,575)	116,575
Net Change in Fund Balances	(1,348,334)	(1,874,382)	(292,353)	1,815,179
Fund Balances, Beginning of Year	1,405,539	1,405,539	1,405,539	-
Fund Balances, End of Year	\$ 57,205	\$ (468,843)	\$ 1,113,186	\$ 1,815,179

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC LIBRARY
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Parks and recreation	\$ 1,902	\$ 1,902	\$ -	\$ 1,902
Capital outlay	200	200	-	200
Total Expenditures	2,102	2,102	-	2,102
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,102)	(2,102)	-	2,102
Net Change in Fund Balances	(2,102)	(2,102)	-	2,102
Fund Balances, Beginning of Year	83,414	83,414	83,414	-
Fund Balances, End of Year	\$ 81,312	\$ 81,312	\$ 83,414	\$ 2,102

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LITERACY GRANTS
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,000	\$ 65,000	\$ 41,552	\$ (23,448)
Miscellaneous	130,000	130,000	-	(130,000)
Total Revenues	170,000	195,000	41,552	(153,448)
Expenditures:				
Current:				
Culture and recreation	223,027	246,027	17,910	228,117
Total Expenditures	223,027	246,027	17,910	228,117
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,027)	(51,027)	23,642	74,669
Other Financing Sources (Uses):				
Transfers in	110,000	110,000	110,000	-
Total Other Financing Sources (Uses)	110,000	110,000	110,000	-
Net Change in Fund Balances	56,973	58,973	133,642	74,669
Fund Balances, Beginning of Year	(70,468)	(70,468)	(70,468)	-
Fund Balances, End of Year	\$ (13,495)	\$ (11,495)	\$ 63,174	\$ 74,669

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 NARCOTIC SEIZURE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 4,740	\$ 4,740
Total Revenues	-	-	4,740	4,740
Expenditures:				
Current:				
Public safety	2,000	2,000	3,304	(1,304)
Total Expenditures	2,000	2,000	3,304	(1,304)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(2,000)	1,436	3,436
Net Change in Fund Balances	(2,000)	(2,000)	1,436	3,436
Fund Balances, Beginning of Year	40,635	40,635	40,635	-
Fund Balances, End of Year	\$ 38,635	\$ 38,635	\$ 42,071	\$ 3,436

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DOWNTOWN PARKING PERMITS
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 335,000	\$ 335,000	\$ 447,881	\$ 112,881
Use of money and property	20,400	20,400	159,808	139,408
Total Revenues	355,400	355,400	607,689	252,289
Expenditures:				
Current:				
Public safety	18,000	18,000	13,286	4,714
Public works	163,390	173,935	168,810	5,125
Capital outlay	200,000	200,000	-	200,000
Total Expenditures	381,390	391,935	182,096	209,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,990)	(36,535)	425,593	462,128
Other Financing Sources (Uses):				
Transfers out	(30,100)	(30,100)	(30,100)	-
Total Other Financing Sources (Uses)	(30,100)	(30,100)	(30,100)	-
Net Change in Fund Balances	(56,090)	(66,635)	395,493	462,128
Fund Balances, Beginning of Year	4,439,300	4,439,300	4,439,300	-
Fund Balances, End of Year	\$ 4,383,210	\$ 4,372,665	\$ 4,834,793	\$ 462,128

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORM DRAINAGE FEES
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 3,000	\$ 3,000	\$ 2,250	\$ (750)
Use of money and property	960	960	5,902	4,942
Total Revenues	3,960	3,960	8,152	4,192
Expenditures:				
Current:				
Public works	85,196	85,196	-	85,196
Total Expenditures	85,196	85,196	-	85,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,236)	(81,236)	8,152	89,388
Net Change in Fund Balances	(81,236)	(81,236)	8,152	89,388
Fund Balances, Beginning of Year	166,746	166,746	166,746	-
Fund Balances, End of Year	\$ 85,510	\$ 85,510	\$ 174,898	\$ 89,388

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SOLID WASTE SERVICE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 8,934	\$ (66)
Charges for services	340,000	340,000	415,000	75,000
Use of money and property	4,500	4,500	53,490	48,990
Miscellaneous	-	-	313,354	313,354
Total Revenues	353,500	353,500	790,778	437,278
Expenditures:				
Current:				
General government	397,550	430,187	259,468	170,719
Public works	139,371	139,371	13,983	125,388
Total Expenditures	536,921	569,558	273,451	296,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	(183,421)	(216,058)	517,327	733,385
Other Financing Sources (Uses):				
Transfers out	(115,700)	(115,700)	(115,700)	-
Total Other Financing Sources (Uses)	(115,700)	(115,700)	(115,700)	-
Net Change in Fund Balances	(299,121)	(331,758)	401,627	733,385
Fund Balances, Beginning of Year	1,572,006	1,572,006	1,572,006	-
Fund Balances, End of Year	\$ 1,272,885	\$ 1,240,248	\$ 1,973,633	\$ 733,385

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HOUSING SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 22,600	\$ 22,600	\$ 12,310	\$ (10,290)
Use of money and property	106,000	106,000	67,940	(38,060)
Total Revenues	128,600	128,600	80,250	(48,350)
Expenditures:				
Current:				
Urban development and housing	-	-	5,700	(5,700)
Total Expenditures	-	-	5,700	(5,700)
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,600	128,600	74,550	(54,050)
Net Change in Fund Balances	128,600	128,600	74,550	(54,050)
Fund Balances, Beginning of Year	6,166,311	6,166,311	6,166,311	-
Fund Balances, End of Year	\$ 6,294,911	\$ 6,294,911	\$ 6,240,861	\$ (54,050)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSPORTATION FUND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 401,045	\$ 401,045
Charges for services	-	-	1,113	1,113
Total Revenues	-	-	402,158	402,158
Expenditures:				
Current:				
Public works	41,938	16,153	12,601	3,552
Total Expenditures	41,938	16,153	12,601	3,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,938)	(16,153)	389,557	405,710
Net Change in Fund Balances	(41,938)	(16,153)	389,557	405,710
Fund Balances, Beginning of Year	9,739	9,739	9,739	-
Fund Balances, End of Year	\$ (32,199)	\$ (6,414)	\$ 399,296	\$ 405,710

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORM WATER MANAGEMENT (NPDES)
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 353,820	\$ 353,820	\$ 349,400	\$ (4,420)
Charges for services	3,000	3,000	60,409	57,409
Total Revenues	356,820	356,820	409,809	52,989
Expenditures:				
Current:				
General government	20,819	20,819	19,090	1,729
Public works	403,357	407,725	389,776	17,949
Total Expenditures	424,176	428,544	408,866	19,678
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,356)	(71,724)	943	72,667
Other Financing Sources (Uses):				
Transfers out	(43,000)	(43,000)	(43,000)	-
Total Other Financing Sources (Uses)	(43,000)	(43,000)	(43,000)	-
Net Change in Fund Balances	(110,356)	(114,724)	(42,057)	72,667
Fund Balances, Beginning of Year	616,827	616,827	616,827	-
Fund Balances, End of Year	\$ 506,471	\$ 502,103	\$ 574,770	\$ 72,667

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SUPPLEMENTAL LAW ENFORCEMENT SERVICES
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 148,747	\$ 48,747
Use of money and property	600	600	7,937	7,337
Total Revenues	100,600	100,600	156,684	56,084
Expenditures:				
Current:				
Public safety	119,500	119,500	15,200	104,300
Total Expenditures	119,500	119,500	15,200	104,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,900)	(18,900)	141,484	160,384
Net Change in Fund Balances	(18,900)	(18,900)	141,484	160,384
Fund Balances, Beginning of Year	140,074	140,074	140,074	-
Fund Balances, End of Year	\$ 121,174	\$ 121,174	\$ 281,558	\$ 160,384

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CONSTRUCTION IMPACT FEE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 647,000	\$ 647,000	\$ -	\$ (647,000)
Charges for services	2,000,000	1,111,025	3,655,133	2,544,108
Use of money and property	30,000	30,000	244,463	214,463
Total Revenues	2,677,000	1,788,025	3,899,596	2,111,571
Expenditures:				
Current:				
Public works	5,661,547	5,837,293	1,365,122	4,472,171
Total Expenditures	5,661,547	5,837,293	1,365,122	4,472,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,984,547)	(4,049,268)	2,534,474	6,583,742
Net Change in Fund Balances	(2,984,547)	(4,049,268)	2,534,474	6,583,742
Fund Balances, Beginning of Year	5,290,290	5,290,290	5,290,290	-
Fund Balances, End of Year	\$ 2,305,743	\$ 1,241,022	\$ 7,824,764	\$ 6,583,742

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BAYFRONT PARK MAINTENANCE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,800	\$ 1,800	\$ 41,498	\$ 39,698
Total Revenues	1,800	1,800	41,498	39,698
Expenditures:				
Current:				
Public works	91,776	91,776	81,932	9,844
Total Expenditures	91,776	91,776	81,932	9,844
Excess (Deficiency) of Revenues Over (Under) Expenditures	(89,976)	(89,976)	(40,434)	49,542
Other Financing Sources (Uses):				
Transfers out	(15,100)	(15,100)	(15,100)	-
Total Other Financing Sources (Uses)	(15,100)	(15,100)	(15,100)	-
Net Change in Fund Balances	(105,076)	(105,076)	(55,534)	49,542
Fund Balances, Beginning of Year	1,240,778	1,240,778	1,240,778	-
Fund Balances, End of Year	\$ 1,135,702	\$ 1,135,702	\$ 1,185,244	\$ 49,542

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RECREATION IN-LIEU
YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 500,000	\$ 500,000	\$ 205,800	\$ (294,200)
Use of money and property	6,300	6,300	120,758	114,458
Total Revenues	506,300	506,300	326,558	(179,742)
Expenditures:				
Current:				
Public works	2,463,472	2,480,169	479,122	2,001,047
Total Expenditures	2,463,472	2,480,169	479,122	2,001,047
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,957,172)	(1,973,869)	(152,564)	1,821,305
Other Financing Sources (Uses):				
Transfers in	-	20,000	20,000	-
Total Other Financing Sources (Uses)	-	20,000	20,000	-
Net Change in Fund Balances	(1,957,172)	(1,953,869)	(132,564)	1,821,305
Fund Balances, Beginning of Year	3,721,909	3,721,909	3,721,909	-
Fund Balances, End of Year	\$ 1,764,737	\$ 1,768,040	\$ 3,589,345	\$ 1,821,305

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SHARON HILLS PARK
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 240	\$ 240	\$ 802	\$ 562
Total Revenues	240	240	802	562
Expenditures:				
Current:				
Public works	16,500	28,345	16,200	12,145
Total Expenditures	16,500	28,345	16,200	12,145
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,260)	(28,105)	(15,398)	12,707
Net Change in Fund Balances	(16,260)	(28,105)	(15,398)	12,707
Fund Balances, Beginning of Year	21,474	21,474	21,474	-
Fund Balances, End of Year	\$ 5,214	\$ (6,631)	\$ 6,076	\$ 12,707

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 VINTAGE OAKS LANDSCAPE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 360	\$ 360	\$ 1,146	\$ 786
Total Revenues	360	360	1,146	786
Expenditures:				
Current:				
Public works	14,950	14,950	14,787	163
Total Expenditures	14,950	14,950	14,787	163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,590)	(14,590)	(13,641)	949
Net Change in Fund Balances	(14,590)	(14,590)	(13,641)	949
Fund Balances, Beginning of Year	40,230	40,230	40,230	-
Fund Balances, End of Year	\$ 25,640	\$ 25,640	\$ 26,589	\$ 949

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 6,500	\$ 6,500	\$ 423	\$ (6,077)
Use of money and property	5,100	5,100	17,383	12,283
Total Revenues	11,600	11,600	17,806	6,206
Expenditures:				
Current:				
Urban development and housing	10,000	10,000	-	10,000
Total Expenditures	10,000	10,000	-	10,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,600	1,600	17,806	16,206
Net Change in Fund Balances	1,600	1,600	17,806	16,206
Fund Balances, Beginning of Year	1,364,273	1,364,273	1,364,273	-
Fund Balances, End of Year	\$ 1,365,873	\$ 1,365,873	\$ 1,382,079	\$ 16,206

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MISCELLANEOUS TRUST
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 877,434	\$ 877,434
Use of money and property	840	840	4,873	4,033
Miscellaneous	5,000	5,000	694	(4,306)
Total Revenues	5,840	5,840	883,001	877,161
Expenditures:				
Current:				
Community development	196,335	399,778	276,537	123,241
Parks and recreation	48,636	48,636	39,542	9,094
Total Expenditures	244,971	448,414	316,079	132,335
Excess (Deficiency) of Revenues Over (Under) Expenditures	(239,131)	(442,574)	566,922	1,009,496
Net Change in Fund Balances	(239,131)	(442,574)	566,922	1,009,496
Fund Balances, Beginning of Year	764,491	764,491	764,491	-
Fund Balances, End of Year	\$ 525,360	\$ 321,917	\$ 1,331,413	\$ 1,009,496

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SHUTTLE PROGRAM
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 781,000	\$ 781,000	\$ 494,945	\$ (286,055)
Charges for services	65,300	65,300	130,019	64,719
Total Revenues	846,300	846,300	624,964	(221,336)
Expenditures:				
Current:				
Public works	1,049,040	1,331,963	515,461	816,502
Total Expenditures	1,049,040	1,331,963	515,461	816,502
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,740)	(485,663)	109,503	595,166
Other Financing Sources (Uses):				
Transfers in	-	116,575	116,575	-
Total Other Financing Sources (Uses)	-	116,575	116,575	-
Net Change in Fund Balances	(202,740)	(369,088)	226,078	595,166
Fund Balances, Beginning of Year	(259,984)	(259,984)	(259,984)	-
Fund Balances, End of Year	\$ (462,724)	\$ (629,072)	\$ (33,906)	\$ 595,166

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE M
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 143,000	\$ 143,000	\$ 65,533	\$ (77,467)
Total Revenues	143,000	143,000	65,533	(77,467)
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	-	-	(77,467)	(77,467)
Net Change in Fund Balances	-	-	(77,467)	(77,467)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ (77,467)	\$ (77,467)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBRARY SYSTEM IMPROVEMENT FUND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Public works	\$ 804,054	\$ 795,768	\$ 75,839	\$ 719,929
Total Expenditures	804,054	795,768	75,839	719,929
Excess (Deficiency) of Revenues Over (Under) Expenditures	(804,054)	(795,768)	(75,839)	719,929
Other Financing Sources (Uses):				
Transfers in	-	886,743	886,743	-
Total Other Financing Sources (Uses)	-	886,743	886,743	-
Net Change in Fund Balances	(804,054)	90,975	810,904	719,929
Fund Balances, Beginning of Year	882,000	882,000	882,000	-
Fund Balances, End of Year	\$ 77,946	\$ 972,975	\$ 1,692,904	\$ 719,929

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 HUT REPAIR & MAINENANCE FUND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 590,000	\$ 590,000	\$ 646,751	\$ 56,751
Use of money and property	-	-	11,634	11,634
Total Revenues	590,000	590,000	658,385	68,385
Expenditures:				
Current:				
Public works	500,000	500,000	646,751	(146,751)
Total Expenditures	500,000	500,000	646,751	(146,751)
Excess (Deficiency) of Revenues Over (Under) Expenditures	90,000	90,000	11,634	(78,366)
Net Change in Fund Balances	90,000	90,000	11,634	(78,366)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ 90,000	\$ 90,000	\$ 11,634	\$ (78,366)

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, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 103,746	\$ 103,746
Intergovernmental	595,000	595,000	-	(595,000)
Charges for services	200,000	200,000	85,881	(114,119)
Total Revenues	795,000	795,000	189,627	(605,373)
Expenditures:				
Current:				
General government	-	-	16,043	(16,043)
Capital outlay	36,600,334	37,128,638	3,423,619	33,705,019
Total Expenditures	36,600,334	37,128,638	3,439,662	33,688,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,805,334)	(36,333,638)	(3,250,035)	33,083,603
Other Financing Sources (Uses):				
Transfers in	6,480,000	7,915,000	7,915,000	-
Transfers out	-	(886,743)	(886,743)	-
Total Other Financing Sources (Uses)	6,480,000	7,028,257	7,028,257	-
Net Change in Fund Balances	(29,325,334)	(29,305,381)	3,778,222	33,083,603
Fund Balances, Beginning of Year	18,293,760	18,293,760	18,293,760	-
Fund Balances, End of Year	\$ (11,031,574)	\$ (11,011,621)	\$ 22,071,982	\$ 33,083,603

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBRARY ADDITION
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 600	\$ 600	\$ 4,058	\$ 3,458
Total Revenues	600	600	4,058	3,458
Expenditures:				
Current:				
Culture and recreation	15,000	15,000	-	15,000
Capital outlay	25,000	25,000	-	25,000
Total Expenditures	40,000	40,000	-	40,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,400)	(39,400)	4,058	43,458
Net Change in Fund Balances	(39,400)	(39,400)	4,058	43,458
Fund Balances, Beginning of Year	117,181	117,181	117,181	-
Fund Balances, End of Year	\$ 77,781	\$ 77,781	\$ 121,239	\$ 43,458

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE T 2002 GO BOND
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,560	\$ 1,560	\$ 10,426	\$ 8,866
Total Revenues	1,560	1,560	10,426	8,866
Expenditures:				
Current:				
Public works	1,000	(1,000)	-	(1,000)
Total Expenditures	1,000	(1,000)	-	(1,000)
Excess (Deficiency) of Revenues Over (Under) Expenditures	560	2,560	10,426	7,866
Net Change in Fund Balances	560	2,560	10,426	7,866
Fund Balances, Beginning of Year	301,091	301,091	301,091	-
Fund Balances, End of Year	\$ 301,651	\$ 303,651	\$ 311,517	\$ 7,866

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBRARY GO BOND 1990
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ -	\$ -	\$ 59	\$ 59
Use of money and property	1,800	1,800	11,537	9,737
Total Revenues	1,800	1,800	11,596	9,796
Net Change in Fund Balances	1,800	1,800	11,596	9,796
Fund Balances, Beginning of Year	333,178	333,178	333,178	-
Fund Balances, End of Year	\$ 334,978	\$ 334,978	\$ 344,774	\$ 9,796

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RECREATION GO BOND 2002
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 1,565,000	\$ 1,565,000	\$ 1,499,194	\$ (65,806)
Use of money and property	1,200	1,200	67,003	65,803
Total Revenues	1,566,200	1,566,200	1,566,197	(3)
Expenditures:				
Current:				
General government	6,650	6,650	4,775	1,875
Debt service:				
Principal retirement	440,000	440,000	455,000	(15,000)
Interest and fiscal charges	990,000	990,000	742,278	247,722
Total Expenditures	1,436,650	1,436,650	1,202,053	234,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	129,550	129,550	364,144	234,594
Net Change in Fund Balances	129,550	129,550	364,144	234,594
Fund Balances, Beginning of Year	2,110,552	2,110,552	2,110,552	-
Fund Balances, End of Year	\$ 2,240,102	\$ 2,240,102	\$ 2,474,696	\$ 234,594

CITY OF MENLO PARK

THE BIG LIFT PROGRAM
 CONTRACT # 2018-192002
 CFDA # 94.019

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2019

	Federal Grant	Measure A	General Fund	Total
Revenues:				
Federal grant	\$ 13,846	\$ -	\$ -	\$ 13,846
Other Intergovernmental revenue	-	178,005	-	178,005
Total Revenues	13,846	178,005	-	191,851
Expenditures:				
Salaries	4,950	63,261	12,223	80,434
Employee benefits	1,899	26,746	3,349	31,994
Travel	-	545	60	605
Miscellaneous operating expense	-	4,152	649	4,801
Professional services	-	46,032	4,906	50,938
Overhead cost	685	13,611	-	14,296
Total Expenditures	7,534	154,347	21,187	183,068
Revenues Over/(Under) Expenditures	6,312	23,658	(21,187)	8,783
Other Financing Sources (Uses):				
Contributions from General Fund	-	-	21,187	21,187
Total Other Financing Sources (uses)	-	-	21,187	21,187
Net change in fund balances	6,312	23,658	-	29,970
Fund Balance:				
Beginning of year	(13,846)	(13,260)	-	(27,106)
End of year	\$ (7,534)	\$ 10,398	\$ -	\$ 2,864

CITY OF MENLO PARK

SENIOR TRANSPORTATION PROGRAM - TITLE IIIb

CONTRACT #57000-19R075902F.A1

CFDA # 93.044

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2019

Revenues:

Federal grant	\$	48,280
Other Intergovernmental revenue		<u>2,398</u>
Total Revenues		<u>50,678</u>

Expenditures:

Salaries		56,072
Employee benefits		14,020
Other expenses		<u>7,000</u>
Total Expenditures		<u>77,092</u>

Revenues Over/(Under) Expenditures (26,414)

Other Financing Sources (Uses):

Contribution from General Fund		<u>26,414</u>
Total Other Financing Sources (Uses)		<u>26,414</u>

Net Change in Fund Balances -

Fund Balance:

Beginning of year		<u>-</u>
End of year	\$	<u><u>-</u></u>

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 STATEMENT OF NET POSITION
 WATER FUND
 JUNE 30, 2019

	Water Capital Improvement Fund	Water Operating Fund	Total Water Fund
Assets:			
Current:			
Pooled cash and investments	\$ 15,281,956	\$ 934,937	\$ 16,216,893
Receivables:			
Accounts	108,793	982,115	1,090,908
Accrued interest	110,600	-	110,600
Prepaid costs	-	47	47
Total Current Assets	15,501,349	1,917,099	17,418,448
Noncurrent:			
Capital assets - net of accumulated depreciation	-	18,392,507	18,392,507
Total Noncurrent Assets	-	18,392,507	18,392,507
Total Assets	15,501,349	20,309,606	35,810,955
Deferred Outflows of Resources:			
Pension related amounts	113,358	230,152	343,510
Total Deferred Outflows of Resources	113,358	230,152	343,510
Liabilities:			
Current:			
Accounts payable	563,628	906,240	1,469,868
Accrued liabilities	5,635	26,028	31,663
Deposits payable	-	46,377	46,377
Accrued compensated absences	18	38,131	38,149
Total Current Liabilities	569,281	1,016,776	1,586,057
Noncurrent:			
Net pension liability	519,677	1,055,101	1,574,778
Accrued compensated absences	17	35,014	35,031
Total Noncurrent Liabilities	519,694	1,090,115	1,609,809
Total Liabilities	1,088,975	2,106,891	3,195,866
Deferred Inflows of Resources:			
Pension related amounts	24,823	50,399	75,222
Total Deferred Inflows of Resources	24,823	50,399	75,222
Net Position:			
Investment in capital assets	-	18,392,507	18,392,507
Restricted for capital projects	14,500,909	-	14,500,909
Unrestricted	-	(10,039)	(10,039)
Total Net Position	14,500,909	18,382,468	32,883,377

CITY OF MENLO PARK

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
WATER FUND
YEAR ENDED JUNE 30, 2019**

	Water Capital Improvement Fund	Water Operating Fund	Totals
Operating Revenues:			
Charges for services	\$ 1,702,439	\$ 11,148,122	\$ 12,850,561
Total Operating Revenues	1,702,439	11,148,122	12,850,561
Operating Expenses:			
Cost of sales and services	220,970	9,294,650	9,515,620
General and administrative	21,125	221,255	242,380
Depreciation expense	-	320,437	320,437
Total Operating Expenses	242,095	9,836,342	10,078,437
Operating Income (Loss)	1,460,344	1,311,780	2,772,124
Nonoperating Revenues (Expenses):			
Interest and investment earnings	508,375	6,503	514,878
Gain (loss) on disposal of capital assets	-	(1,982)	(1,982)
Total Nonoperating Revenues (Expenses)	508,375	4,521	512,896
Income (Loss) Before Transfers	1,968,719	1,316,301	3,285,020
Transfers out	-	(193,175)	(193,175)
Changes in Net Position	1,968,719	1,123,126	3,091,845
Net Position:			
Beginning of Fiscal Year	12,532,190	17,259,342	29,791,532
End of Fiscal Year	\$ 14,500,909	\$ 18,382,468	\$ 32,883,377

CITY OF MENLO PARK

**COMBINING STATEMENT OF CASH FLOWS
 WATER FUND
 YEAR ENDED JUNE 30, 2019**

	Water Capital Improvement Fund	Water Operating Fund	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 2,428,671	\$ 10,945,045	\$ 13,373,716
Cash paid to suppliers for goods and services	(220,970)	(8,843,409)	(9,064,379)
Cash paid to employees for services	(14,630)	(209,886)	(224,516)
Net Cash Provided by Operating Activities	2,193,071	1,891,750	4,084,821
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(193,175)	(193,175)
Repayment received from other funds	858,326	-	858,326
Repayment made to other funds	-	(858,326)	(858,326)
Net Cash Provided (Used) by Non-Capital Financing Activities	858,326	(1,051,501)	(193,175)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(972,722)	(972,722)
Net Cash Used by Capital and Related Financing Activities	-	(972,722)	(972,722)
Cash Flows from Investing Activities:			
Interest received	460,164	12,006	472,170
Net Cash Provided (Used) by Investing Activities	460,164	12,006	472,170
Net Increase (Decrease) in Cash and Cash Equivalents	3,511,561	(120,467)	3,391,094
Cash and Cash Equivalents at Beginning of Year	11,770,395	1,055,404	12,825,799
Cash and Cash Equivalents at End of Year	\$ 15,281,956	\$ 934,937	\$ 16,216,893
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,460,344	\$ 1,311,780	\$ 2,772,124
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	320,437	320,437
(Increase) decrease in accounts receivable	(1,262)	(188,577)	(189,839)
(Increase) decrease in prepaid expense	-	(47)	(47)
(Increase) decrease in pension outflows	(15,056)	(33,547)	(48,603)
Increase (decrease) in accounts payable	531,087	42,729	573,816
Increase (decrease) in accrued liabilities	5,309	4,770	10,079
Increase (decrease) in deposits payable	-	(14,500)	(14,500)
Increase (decrease) in net pension liability	196,407	408,559	604,966
Increase (decrease) in pension inflows	17,004	34,762	51,766
Increase (decrease) in compensated absences	(762)	5,384	4,622
Total Adjustments	732,727	579,970	1,312,697
Net Cash Provided by Operating Activities	\$ 2,193,071	\$ 1,891,750	\$ 4,084,821
Non-Cash Investing, Capital, and Financing Activities:			
Gain/(Loss) on disposal of capital assets	\$ 1,982	\$ -	\$ 1,982

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
JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Insurance Fund	Liability Fire Insurance Fund	Other Post Employment Benefits
Assets:			
Current:			
Pooled cash and investments	\$ 3,406,660	\$ 919,387	\$ 924,069
Receivables:			
Accrued interest	24,732	5,546	6,755
Prepaid costs	200,000	30,000	-
Total Current Assets	3,631,392	954,933	930,824
Noncurrent:			
Capital assets - net of accumulated depreciation	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	3,631,392	954,933	930,824
Liabilities:			
Current:			
Accounts payable	48,525	102,648	-
Accrued liabilities	637	489	11,891
Accrued compensated absences, due within one year	204	11,911	-
Accrued claims and judgments, due within one year	749,698	125,701	-
Total Current Liabilities	799,064	240,749	11,891
Noncurrent:			
Accrued compensated absences, due in more than one year	194	10,937	-
Accrued claims and judgments, due in more than one year	2,428,790	269,649	-
Total Noncurrent Liabilities	2,428,984	280,586	-
Total Liabilities	3,228,048	521,335	11,891
Net Position:			
Investment in capital assets	-	-	-
Unrestricted	403,344	433,598	918,933
Total Net Position	\$ 403,344	\$ 433,598	\$ 918,933

CITY OF MENLO PARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Information Technology	Vehicle Replacement Fund	Totals
Assets:			
Current:			
Pooled cash and investments	\$ 1,943,571	\$ 991,184	\$ 8,184,871
Receivables:			
Accrued interest	15,358	7,209	59,600
Prepaid costs	45,685	-	275,685
Total Current Assets	2,004,614	998,393	8,520,156
Noncurrent:			
Capital assets - net of accumulated deprecia	-	1,816,106	1,816,106
Total Noncurrent Assets	-	1,816,106	1,816,106
Total Assets	2,004,614	2,814,499	10,336,262
Liabilities:			
Current:			
Accounts payable	200,215	119,263	470,651
Accrued liabilities	22,354	-	35,371
Accrued compensated absences, due within	63,047	-	75,162
Accrued claims and judgments, due within or	-	-	875,399
Total Current Liabilities	285,616	119,263	1,456,583
Noncurrent:			
Accrued compensated absences, due in mor	57,894	-	69,025
Accrued claims and judgments, due in more	-	-	2,698,439
Total Noncurrent Liabilities	57,894	-	2,767,464
Total Liabilities	343,510	119,263	4,224,047
Net Position:			
Investment in capital assets	-	1,816,106	1,816,106
Unrestricted	1,661,104	879,130	4,296,109
Total Net Position	\$ 1,661,104	\$ 2,695,236	\$ 6,112,215

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Workers' Compensation Insurance Fund</u>	<u>Liability Fire Insurance Fund</u>	<u>Other Post Employment Benefits</u>
Operating Revenues:			
Charges for services	\$ 2,080,700	\$ 798,600	\$ 1,209,700
Total Operating Revenues	2,080,700	798,600	1,209,700
Operating Expenses:			
Personnel services	17,908	36,090	783,078
General and administrative	54,808	106,761	-
Insurance	834,068	785,339	-
Depreciation expense	-	-	-
Total Operating Expenses	906,784	928,190	783,078
Operating Income (Loss)	1,173,916	(129,590)	426,622
Nonoperating Revenues (Expenses):			
Interest and investment earnings	110,277	26,148	30,310
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues (Expenses)	110,277	26,148	30,310
Changes in Net Position	1,284,193	(103,442)	456,932
Net Position:			
Beginning of Fiscal Year	(880,849)	537,040	462,001
End of Fiscal Year	\$ 403,344	\$ 433,598	\$ 918,933

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds		
	Information Technology	Vehicle Replacement Fund	Totals
Operating Revenues:			
Charges for services	\$ 3,201,816	\$ 861,000	\$ 8,151,816
Total Operating Revenues	3,201,816	861,000	8,151,816
Operating Expenses:			
Personnel services	1,201,627	-	2,038,703
General and administrative	1,203,136	68,836	1,433,541
Insurance	-	-	1,619,407
Depreciation expense	-	460,633	460,633
Total Operating Expenses	2,404,763	529,469	5,552,284
Operating Income (Loss)	797,053	331,531	2,599,532
Nonoperating Revenues (Expenses):			
Interest and investment earnings	67,642	32,578	266,955
Gain (loss) on disposal of capital assets	-	14,070	14,070
Total Nonoperating Revenues (Expenses)	67,642	46,648	281,025
Changes in Net Position	864,695	378,179	2,880,557
Net Position:			
Beginning of Fiscal Year	796,409	2,317,057	3,231,658
End of Fiscal Year	\$ 1,661,104	\$ 2,695,236	\$ 6,112,215

CITY OF MENLO PARK

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Workers' Compensation Insurance Fund</u>	<u>Liability Fire Insurance Fund</u>	<u>Other Post Employment Benefits</u>
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 2,080,700	\$ 914,954	\$ 1,209,700
Cash paid to suppliers for goods and services	(1,361,603)	(976,486)	-
Cash paid to employees for services	(81,637)	(141,023)	(781,927)
Net Cash Provided (Used) by Operating Activities	<u>637,460</u>	<u>(202,555)</u>	<u>427,773</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	-
Proceeds from sales of capital assets	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:			
Interest received	100,683	26,110	27,971
Net Cash Provided by Investing Activities	<u>100,683</u>	<u>26,110</u>	<u>27,971</u>
Net Increase (Decrease) in Cash and Cash Equivalents	738,143	(176,445)	455,744
Cash and Cash Equivalents at Beginning of Year	<u>2,668,517</u>	<u>1,095,832</u>	<u>468,325</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,406,660</u>	<u>\$ 919,387</u>	<u>\$ 924,069</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	<u>\$ 1,173,916</u>	<u>\$ (129,590)</u>	<u>\$ 426,622</u>
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	-	-
(Increase) decrease in accounts receivable	-	116,354	-
(Increase) decrease in prepaid expense	-	-	-
Increase (decrease) in accounts payable	(96,448)	(75,706)	-
Increase (decrease) in accrued liabilities	112	(44)	1,151
Increase (decrease) in claims and judgments	(431,087)	(115,441)	-
Increase (decrease) in compensated absences	(9,033)	1,872	-
Total Adjustments	<u>(536,456)</u>	<u>(72,965)</u>	<u>1,151</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 637,460</u>	<u>\$ (202,555)</u>	<u>\$ 427,773</u>

CITY OF MENLO PARK

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Information Technology</u>	<u>Vehicle Replacement Fund</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 3,201,816	\$ 932,355	8,339,525
Cash paid to suppliers for goods and services	(111,955)	-	(2,450,044)
Cash paid to employees for services	(2,379,689)	(68,836)	(3,453,112)
Net Cash Provided (Used) by Operating Activities	710,172	863,519	2,436,369
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(481,381)	(481,381)
Proceeds from sales of capital assets	-	14,433	14,433
Net Cash Used by Capital and Related Financing Activities	-	(466,948)	(466,948)
Cash Flows from Investing Activities:			
Interest received	59,347	28,148	242,259
Net Cash Provided by Investing Activities	59,347	28,148	242,259
Net Increase (Decrease) in Cash and Cash Equivalents	769,519	424,719	2,211,680
Cash and Cash Equivalents at Beginning of Year	1,174,052	566,465	5,973,191
Cash and Cash Equivalents at End of Year	\$ 1,943,571	\$ 991,184	\$ 8,184,871
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 797,053	\$ 331,531	\$ 2,599,532
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	460,633	460,633
(Increase) decrease in accounts receivable			116,354
(Increase) decrease in prepaid expense	13,613	-	13,613
Increase (decrease) in accounts payable	(125,568)	71,355	(226,367)
Increase (decrease) in accrued liabilities	5,701	-	6,920
Increase (decrease) in claims and judgments	-	-	(546,528)
Increase (decrease) in compensated absences	19,373	-	12,212
Total Adjustments	(86,881)	531,988	(163,163)
Net Cash Provided (Used) by Operating Activities	\$ 710,172	\$ 863,519	\$ 2,436,369

CITY OF MENLO PARK

COMBINING STATEMENT OF ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2019

	<u>Refundable Deposits</u>	<u>Payroll Revolving</u>	<u>Totals</u>
Assets:			
Pooled cash and investments	\$ 1,401,222	\$ 434,274	\$ 1,835,496
Prepaid costs	-	378,550	378,550
Total Assets	<u>\$ 1,401,222</u>	<u>\$ 812,824</u>	<u>\$ 2,214,046</u>
Liabilities:			
Accounts payable	\$ 5,000	\$ 812,824	\$ 817,824
Deposits payable	1,396,222	-	1,396,222
Total Liabilities	<u>\$ 1,401,222</u>	<u>\$ 812,824</u>	<u>\$ 2,214,046</u>

CITY OF MENLO PARK

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2019

	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2019</u>
<u>Refundable Deposits</u>				
Assets:				
Pooled cash and investments	\$ 1,391,222	\$ 35,000	\$ 25,000	\$ 1,401,222
Total Assets	\$ 1,391,222	\$ 35,000	\$ 25,000	\$ 1,401,222
Liabilities:				
Accounts payable	\$ 5,000	\$ 25,000	\$ 25,000	\$ 5,000
Deposits payable	1,386,222	35,000	25,000	1,396,222
Total Liabilities	\$ 1,391,222	\$ 60,000	\$ 50,000	\$ 1,401,222
<u>Cash Bonds Payable</u>				
Assets:				
Pooled cash and investments	\$ 900	\$ -	\$ 900	\$ -
Total Assets	\$ 900	\$ -	\$ 900	\$ -
Liabilities:				
Deposits payable	\$ 900	\$ -	\$ 900	\$ -
Total Liabilities	\$ 900	\$ -	\$ 900	\$ -
<u>Payroll Revolving</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 10,171,581	\$ 9,737,307	\$ 434,274
Receivables:				
Accounts	9,120	78,903	88,023	-
Prepaid costs	336,990	4,335,585	4,294,025	378,550
Total Assets	\$ 346,110	\$ 14,586,069	\$ 14,119,355	\$ 812,824
Liabilities:				
Accounts payable	\$ 346,111	\$ 17,751,416	\$ 17,284,703	\$ 812,824
Total Liabilities	\$ 346,111	\$ 17,751,416	\$ 17,284,703	\$ 812,824
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 1,392,122	\$ 10,206,581	\$ 9,763,207	\$ 1,835,496
Receivables:				
Accounts	9,120	78,903	88,023	-
Prepaid costs	336,990	4,335,585	4,294,025	378,550
Total Assets	\$ 1,738,232	\$ 14,621,069	\$ 14,145,255	\$ 2,214,046
Liabilities:				
Accounts payable	\$ 351,111	\$ 17,776,416	\$ 17,309,703	\$ 817,824
Deposits payable	1,387,122	35,000	25,900	1,396,222
Total Liabilities	\$ 1,738,233	\$ 17,811,416	\$ 17,335,603	\$ 2,214,046

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STATISTICAL SECTION

This part of the City of Menlo Park's comprehensive annual 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 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

Last Ten Fiscal Years

Statistical Section, S1-1

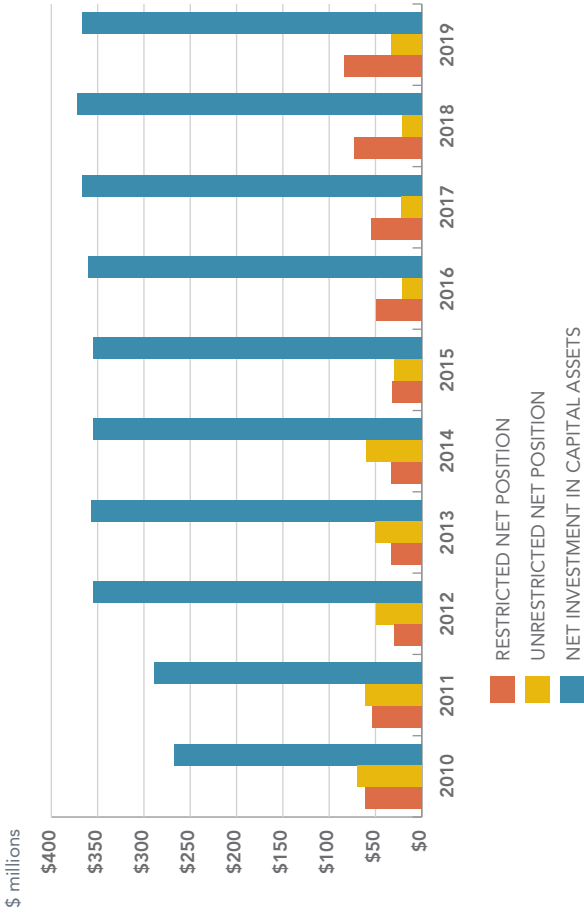
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENT ACTIVITIES										
Investment in Capital Assets, Net of Related Debt	\$259,274,758	\$279,942,360	\$345,357,433	\$347,050,366	\$344,119,674	\$341,158,440	\$345,581,545	\$350,046,891	\$354,488,994	\$348,415,016
Restricted for:										
Capital Projects	19,717,874	14,582,060	9,432,413	14,394,634	13,601,651	14,926,424	7,275,487	6,886,511	14,563,359	21,466,015
Debt Service	12,630,096	12,662,667	2,225,873	1,943,354	2,133,308	2,123,752	1,663,696	2,136,803	2,443,730	2,819,470
Community Development	6,265,677	-	-	-	-	-	22,783,937	26,018,398	33,378,323	33,150,735
Special Projects	5,857,506	9,176,084	2,842,844	1,501,478	2,238,560	2,010,049	5,572,610	6,360,828	10,428,012	11,731,025
TOTAL RESTRICTED – GOVERNMENT ACTIVITIES	44,471,153	36,420,811	14,501,130	17,839,466	17,973,519	19,060,225	37,295,730	41,402,540	60,813,424	69,167,245
TOTAL UNRESTRICTED – GOVERNMENT ACTIVITIES	69,032,234	61,310,616	49,224,495	50,586,566	60,530,382	30,340,383	21,095,111	23,288,128	21,915,256	32,617,602
TOTAL GOVERNMENT ACTIVITIES	\$372,778,145	\$377,673,787	\$409,083,058	\$415,476,398	\$422,623,575	\$390,559,048	\$403,972,386	\$414,737,559	\$437,217,674	\$450,199,863
BUSINESS-TYPE ACTIVITIES										
Investment in Capital Assets, Net of Related Debt	\$7,790,683	\$8,536,711	\$9,524,216	\$10,079,682	\$11,005,746	\$13,990,073	\$14,878,505	\$16,212,425	\$17,742,204	\$18,392,507
Restricted for:										
Capital Projects	16,944,216	16,771,000	15,381,845	15,273,688	15,212,663	12,445,532	11,441,134	12,741,320	12,532,189	14,500,909
Special Projects	-	-	-	-	-	-	-	-	-	-
TOTAL RESTRICTED – BUSINESS-TYPE ACTIVITIES	16,944,216	16,771,000	15,381,845	15,273,688	15,212,663	12,445,532	11,441,134	12,741,320	12,532,189	14,500,909
TOTAL UNRESTRICTED – BUSINESS-TYPE ACTIVITIES	144,088	(397,806)	(431,529)	(735,629)	(538,996)	(431,151)	(100,584)	(1,423,792)	(482,861)	(10,039)
TOTAL BUSINESS-TYPE ACTIVITIES	\$24,878,987	\$24,909,905	\$24,474,532	\$24,617,741	\$25,679,413	\$26,004,454	\$26,219,055	\$27,529,953	\$29,791,532	\$32,883,377
PRIMARY GOVERNMENT										
Investment in Capital Assets, Net of Related Debt	\$267,065,441	\$288,479,071	\$354,881,649	\$357,130,048	\$355,125,420	\$355,148,513	\$360,460,050	\$366,259,316	\$372,231,198	\$366,807,523
Unrestricted Net Position										
	69,176,322	60,912,810	48,792,966	49,850,937	59,991,386	29,909,232	20,994,527	21,864,336	21,432,395	32,607,563
Investment in Capital Assets & Unrestricted Net Position	336,241,763	349,391,881	403,674,615	406,980,985	415,116,806	385,057,745	381,454,577	388,123,652	393,663,593	399,415,086
Restricted Net Position										
	61,415,369	53,191,811	29,882,975	33,113,154	33,186,182	31,505,757	48,736,864	54,143,860	73,345,613	83,668,154
TOTAL PRIMARY GOVERNMENT NET POSITION	\$397,657,132	\$402,583,692	\$433,557,590	\$440,094,139	\$448,302,988	\$416,563,502	\$430,191,441	\$442,267,512	\$467,009,206	\$483,083,240
% of Change - from Prior Year	-0.3%	1.2%	7.7%	1.5%	1.9%	-7.1%	3.3%	2.8%	5.6%	3.4%

Source: City of Menlo Park

NET POSITION BY COMPONENT

Last Ten Fiscal Years

TOTAL PRIMARY GOVERNMENT NET POSITION



CHANGES IN NET POSITION

Last Ten Fiscal Years

Statistical Section, S2-1

PRIMARY GOVERNMENT-PROGRAM REVENUES

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES										
Charges for Services										
General Government	\$3,145,514	\$2,878,920	\$2,830,591	\$3,125,908	\$3,011,181	\$3,053,753	\$3,388,132	\$60,298	\$66,108	\$3,318,750
Public Safety	1,505,640	1,830,534	1,609,755	1,579,674	2,031,899	1,840,342	1,979,203	1,813,050	579,481	4,128,823
Public Works	2,922,929	4,109,836	3,650,442	6,924,069	6,189,576	7,472,508	7,149,654	6,414,741	12,645,169	10,658,497
Culture and Recreation	3,434,135	3,077,788	3,679,129	3,873,165	3,782,550	5,348,966	5,410,577	4,383,149	4,166,726	4,502,821
Community Development	2,122,221	3,408,895	4,994,156	3,695,171	5,467,278	5,350,231	8,200,673	8,291,796	14,921,125	5,541,232
Operating Grants and Contributions	2,557,313	2,185,417	2,729,866	1,644,022	1,438,966	1,876,305	1,976,101	3,918,581	2,559,182	1,994,449
Capital Grants and Contributions ¹	2,549,779	12,342,612	6,922,360	2,353,049	2,341,476	2,262,146	2,123,799	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES-PROGRAM REVENUES	18,237,531	29,834,002	26,416,299	23,195,058	24,262,926	27,204,251	30,228,139	24,881,615	34,937,791	30,144,572
BUSINESS-TYPE ACTIVITIES										
Charges for Services	4,258,917	4,935,649	5,750,659	6,633,147	8,046,619	8,165,645	7,647,125	9,487,140	11,335,453	12,850,561
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	4,258,917	4,935,649	5,750,659	6,633,147	8,046,619	8,165,645	7,647,125	9,487,140	11,335,453	12,850,561
TOTAL PRIMARY GOVERNMENT-PROGRAM REVENUES	\$22,496,448	\$34,769,651	\$32,166,958	\$29,828,205	\$32,309,545	\$35,369,896	\$37,875,264	\$34,368,755	\$46,273,244	\$42,995,133

(Continued)

Source: City of Menlo Park

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

CHANGES IN NET POSITION

Last Ten Fiscal Years

GENERAL REVENUES & OTHER CHANGES IN NET POSITION

GOVERNMENTAL ACTIVITIES	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Taxes										
Property Taxes ¹	\$23,753,592	\$23,936,578	\$13,239,856	\$15,731,889	\$15,156,065	\$16,824,728	\$18,227,209	\$20,676,911	\$23,135,956	\$26,066,433
Sales Taxes	5,499,244	5,988,055	5,938,310	6,043,870	6,444,292	6,527,498	5,425,089	5,635,240	7,215,357	7,156,070
Transient Occupancy Tax	2,074,486	2,453,981	2,939,475	3,468,256	4,158,809	4,720,226	6,268,171	6,662,631	7,770,969	10,296,163
Other Taxes	3,960,714	4,490,992	4,607,758	4,556,371	4,946,135	4,616,187	4,882,372	9,272,058	9,921,476	9,124,553
TOTAL TAXES	35,288,036	36,869,606	26,725,399	29,800,386	30,705,301	32,688,639	34,802,841	42,246,840	48,043,758	52,643,219
Investment Earnings	2,085,808	1,431,440	1,133,432	647,963	982,640	1,205,744	1,169,712	2,361,140	3,055,706	4,944,823
Gain (Loss) on Sale of Capital Assets	-	-	-	547,749	264	45,544	47,567	-	-	-
Miscellaneous	30,125	235,145	255,185	107,652	1,222,100	234,380	1,144,891	555,225	532,554	367,025
Transfers	160,814	165,639	170,605	181,525	185,881	189,041	220,185	201,061	207,896	193,175
Extraordinary gain ^{2,3}	-	-	28,170,332	-	771,822	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES - GENERAL REVENUES	37,564,783	38,701,830	56,454,953	31,285,275	33,868,008	34,363,348	37,385,196	45,364,266	51,839,914	58,148,242
Business-type Activities										
Investment Earnings	242,433	135,619	103,480	(8,799)	117,849	146,647	111,026	61,846	81,291	514,878
Miscellaneous	935	-	(5,953)	-	-	(1,752)	-	-	-	-
Transfers	(160,814)	(165,639)	(170,605)	(181,525)	(185,881)	(189,041)	(220,185)	(201,061)	(207,896)	(193,175)
TOTAL BUSINESS-TYPE ACTIVITIES - GENERAL REVENUES	82,554	(30,020)	(73,078)	(190,324)	(68,032)	(44,146)	(109,159)	(139,215)	(126,605)	321,703
TOTAL PRIMARY GOVERNMENT-PROGRAM REVENUES, GENERAL REVENUES & OTHER CHANGES IN NET POSITION	\$60,143,785	\$73,441,461	\$88,548,833	\$60,923,156	\$66,109,521	\$69,689,098	\$75,151,301	\$79,593,806	\$97,986,553	\$101,465,078

(Continued)

Source: City of Menlo Park

1. In fiscal year 2005-06, Property tax in lieu of Motor Vehicle License fees was reclassified to Property Taxes.
2. In fiscal year 2011-12, extraordinary gain was due to dissolution of the Community Development Agency.
3. In fiscal year 2013-14 extraordinary gain was due to the sale of the Hamilton Ave property.

CHANGES IN NET POSITION

Last Ten Fiscal Years

Statistical Section, S2-3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES										
Governmental Activities										
General Government	\$6,507,831	\$6,353,156	\$8,845,324	\$7,386,399	\$6,332,057	\$8,057,304	\$8,896,023	\$6,831,261	\$8,277,794	\$8,208,369
Public Safety ¹	13,755,857	13,605,071	20,707,475	14,248,362	14,080,936	14,237,536	17,090,541	16,597,178	17,979,557	19,688,473
Public Works	10,717,616	10,635,694	10,789,784	10,809,670	10,920,198	11,638,045	10,784,753	16,964,601	18,144,697	24,979,226
Culture and Recreation	9,723,210	9,616,046	9,461,866	9,860,317	11,077,343	11,400,791	11,250,082	12,870,799	13,656,875	14,532,416
Community Development ²	12,644,222	12,615,612	9,470,060	6,186,002	4,240,784	4,384,310	4,060,817	5,440,687	6,513,854	7,171,610
Interest on Long-Term Debt	3,710,590	4,020,241	4,481,135	2,971,231	1,229,193	1,219,698	850,924	776,182	967,824	730,531
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	57,059,325	56,845,819	63,755,644	51,461,981	47,880,511	50,937,684	52,933,140	59,480,708	65,540,601	75,310,625
Business-Type Activities										
Water	4,047,868	4,378,277	4,874,711	6,112,954	6,299,614	6,916,915	6,657,761	8,037,027	8,947,269	10,080,419
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	4,047,868	4,378,277	4,874,711	6,112,954	6,299,614	6,916,915	6,657,761	8,037,027	8,947,269	10,080,419
TOTAL PRIMARY GOVERNMENT EXPENSES	\$61,107,193	\$61,224,096	\$68,630,355	\$57,574,935	\$54,180,125	\$57,854,599	\$59,590,901	\$67,517,735	\$74,487,870	\$85,391,044
NET REVENUE (EXPENSES)										
Governmental Activities	(\$38,821,794)	(\$27,011,817)	(\$37,339,345)	(\$28,266,923)	(\$23,617,585)	(\$23,733,433)	(\$22,705,001)	(\$34,599,093)	(\$30,602,810)	(\$45,166,053)
Business-type Activities	211,049	557,372	875,948	520,193	1,747,005	1,248,730	989,364	1,450,113	2,388,184	2,770,142
TOTAL NET REVENUE (EXPENSES)	(38,610,745)	(26,454,445)	(36,463,397)	(27,746,730)	(21,870,580)	(22,484,703)	(21,715,637)	(33,148,980)	(28,214,626)	(42,395,911)
CHANGES IN NET POSITION										
Governmental Activities	(1,257,011)	11,690,013	19,115,608	3,018,352	10,250,423	10,629,915	14,680,195	10,765,173	21,237,104	12,982,189
Business-type Activities	293,603	527,352	802,870	329,869	1,678,973	1,204,584	880,205	1,310,898	2,261,579	3,091,845
TOTAL CHANGES IN NET POSITION	(\$963,408)	\$12,217,365	\$19,918,478	\$3,348,221	\$11,929,396	\$11,834,499	\$15,560,400	\$12,076,071	\$23,498,683	\$16,074,034

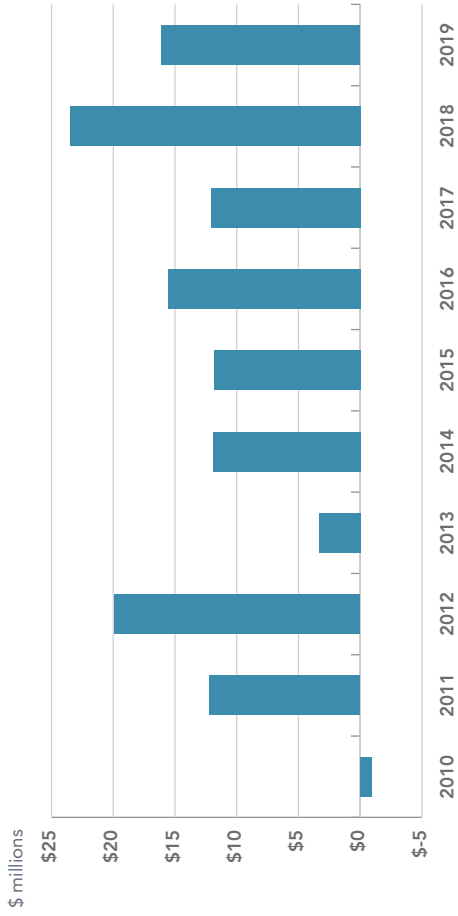
Source: City of Menlo Park

1. In fiscal year 2010-11, City paid off a \$7.1 million pension liability for safety employees.
2. Includes fiscal year 2005-06 transfer of Hamilton Avenue housing and park site from the Community Development Agency of the City to the developers.

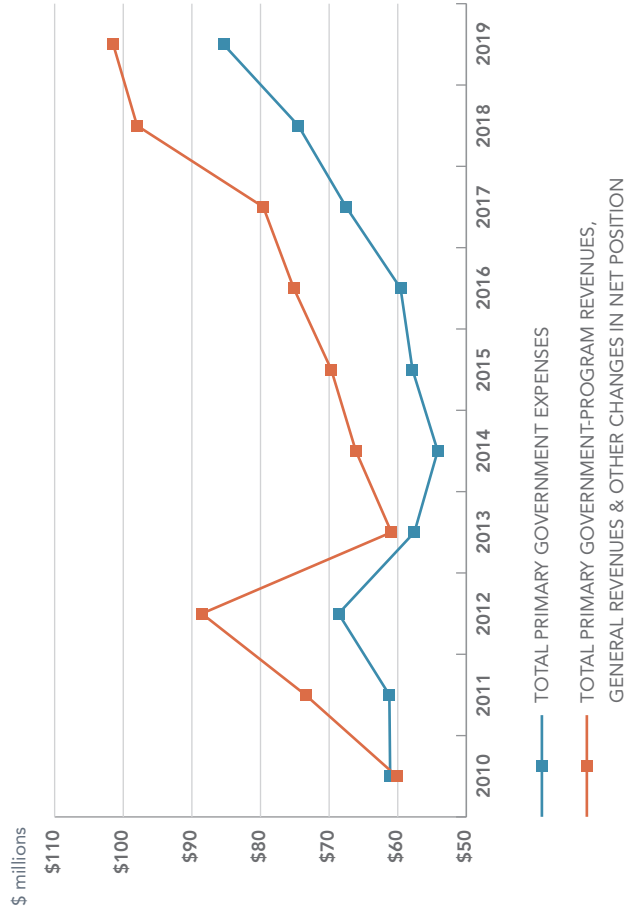
CHANGES IN NET POSITION

Last Ten Fiscal Years

CHANGES IN NET POSITION



REVENUES AND EXPENSES

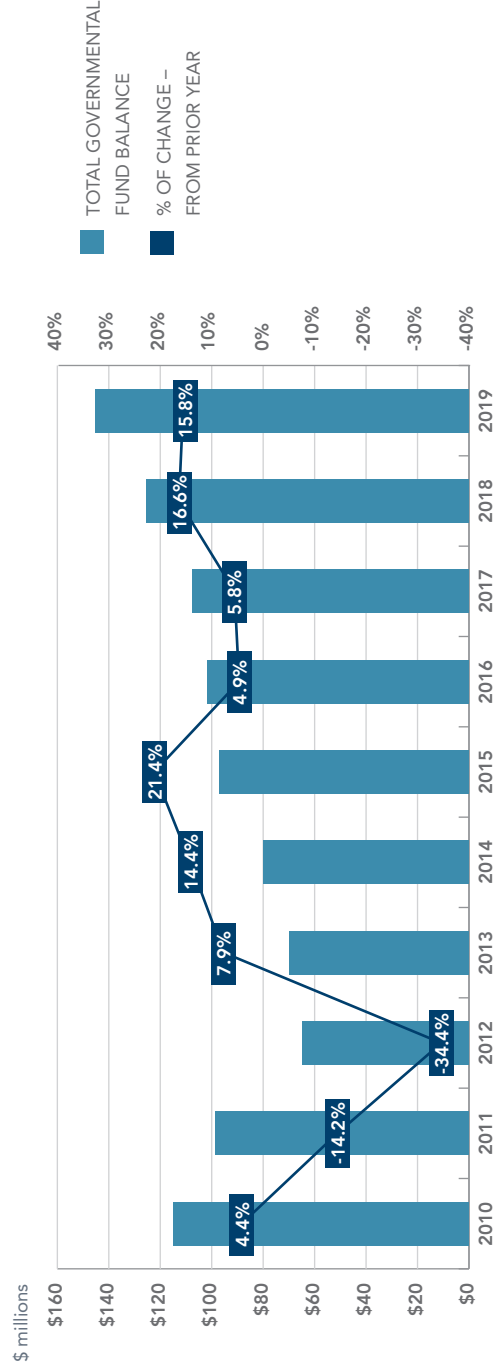


FUND BALANCES-GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2010	2011 ¹	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND										
Nonspendable	\$1,196,456	\$1,435,026	\$2,227,593	\$1,005,376	\$1,076,587	\$1,072,888	\$1,373,313	\$1,395,679	\$1,404,765	\$31,476
Committed	3,000,000	14,000,000	14,000,000	14,000,000	16,240,000	15,930,000	20,852,000	24,600,000	25,600,000	28,980,000
Assigned	2,999,575	2,592,173	3,494,188	2,728,033	4,307,634	4,468,298	4,483,513	4,940,127	6,214,219	7,040,221
Unassigned	18,231,011	1,578,736	1,776,214	4,644,239	6,367,022	9,865,646	5,007,430	2,282,609	3,897,104	6,406,921
GENERAL FUND BALANCE	25,427,042	19,605,935	21,497,995	22,377,648	27,991,243	31,336,832	31,716,256	33,218,415	37,116,088	42,458,618
OTHER GOVERNMENTAL FUNDS										
Nonspendable	2,554,413	2,475,807	4,233,517	4,907,442	565	2,041	-	-	-	4,919
Restricted	12,630,096	76,633,611	38,934,347	42,501,844	21,704,829	30,573,722	37,295,730	41,402,540	60,813,424	69,167,245
Committed	-	-	-	-	14,350,759	17,888,242	12,594,224	15,157,048	8,161,693	9,503,142
Assigned	74,302,453	-	-	-	15,834,509	17,148,769	20,143,982	18,186,022	19,594,032	24,197,642
Unassigned	-	(105,083)	-	-	(54,106)	(63,823)	(121,456)	(414,877)	(330,452)	(111,373)
TOTAL OTHER GOVERNMENTAL FUND BALANCE	89,486,962	79,004,335	43,167,864	47,409,286	51,836,556	65,548,951	69,912,480	74,330,733	88,238,697	102,761,575
TOTAL GOVERNMENTAL FUND BALANCE	\$114,914,004	\$98,610,270	\$64,665,859	\$69,786,934	\$79,827,799	\$96,885,783	\$101,628,736	\$107,549,148	\$125,354,785	\$145,220,193
% of Change - from Prior Year	4.40%	-14.2%	-34.4%	7.9%	14.4%	21.4%	4.9%	5.8%	16.6%	15.8%

TOTAL GOVERNMENTAL FUND BALANCE



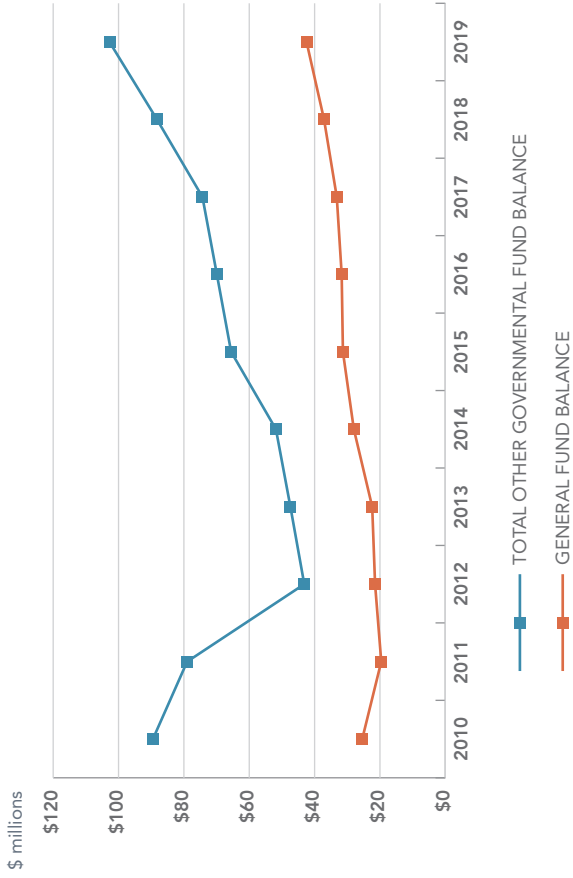
Source: City of Menlo Park

1. GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" implemented in 2010-11.

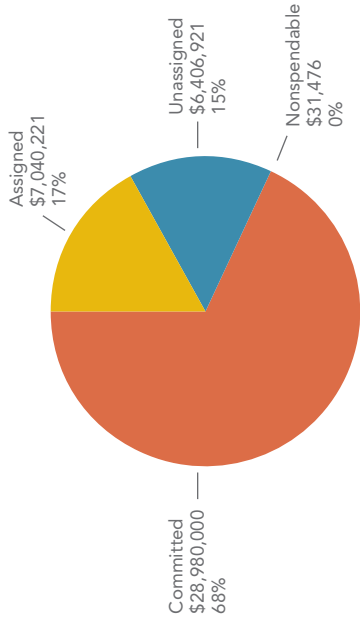
FUND BALANCES-GOVERNMENTAL FUNDS

Last Ten Fiscal Years

GENERAL FUND AND OTHER GOVERNMENTAL FUND BALANCES



GENERAL FUND BALANCE - JUNE 30, 2019



CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS

Statistical Section, S4-1

Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Taxes										
Secured property taxes	\$21,912,423	\$21,810,655	\$12,258,233	\$14,854,925	\$14,081,491	\$15,400,581	\$16,927,658	\$19,676,899	\$22,311,958	\$23,975,575
Unsecured property taxes	1,422,317	1,577,479	404,916	351,099	384,686	414,466	466,089	301,908	24,746	615,669
Other property taxes	418,851	548,444	576,707	525,865	689,888	1,012,292	940,188	698,101	799,252	896,296
Sales taxes	5,499,244	5,988,055	5,938,310	6,043,870	6,444,292	6,527,498	5,425,088	5,635,240	6,910,437	7,156,070
Other Taxes ¹	5,940,486	6,774,780	7,530,245	8,007,960	9,085,311	9,729,062	11,054,349	11,572,087	13,269,854	20,278,184
Special assessments	2,824,098	2,818,829	2,862,076	2,831,235	3,131,099	2,938,371	2,618,490	2,676,947	2,667,087	1,848,653
Licenses and permits	3,069,990	3,586,374	4,093,978	4,845,041	6,222,575	5,562,806	6,372,725	6,260,028	7,120,760	3,933,310
Fines and forfeitures	1,028,825	953,194	1,067,328	998,259	1,253,261	1,346,449	1,349,853	1,110,891	150,112	1,482,275
Use of money and property	1,918,576	1,406,100	1,102,320	594,476	955,817	1,170,488	1,677,993	1,269,957	2,241,452	4,677,868
Intergovernmental	3,219,749	2,547,164	2,325,236	2,276,829	1,757,274	2,158,680	2,616,291	2,549,637	2,253,258	2,987,225
Charges for services	8,738,183	10,486,567	11,943,461	13,225,264	13,312,487	14,801,784	16,906,213	16,123,233	28,137,256	21,007,655
Other Revenues	334,959	234,550	270,567	202,137	141,434	234,380	331,756	562,919	475,769	605,280
TOTAL REVENUES	56,327,701	58,732,191	50,373,377	54,756,960	57,459,615	61,296,857	66,686,693	68,437,847	86,361,941	89,464,060
EXPENDITURES										
Current										
General Government	6,442,817	6,209,988	4,545,864	5,204,412	5,567,633	6,297,514	5,521,808	6,982,290	7,496,989	7,552,554
Public Safety ²	13,532,394	20,568,030	13,978,279	13,831,018	14,194,657	14,955,891	15,933,746	16,826,266	17,875,498	19,053,402
Public Works	7,768,455	7,929,428	7,886,059	8,174,802	8,130,751	9,795,903	11,352,894	14,078,566	13,921,775	18,563,322
Culture and Recreation	8,570,915	8,286,639	8,287,074	9,014,947	9,330,874	10,015,841	10,055,990	10,695,856	11,345,600	12,772,914
Community Development	4,354,345	4,061,407	5,560,374	3,937,710	4,248,952	3,513,848	4,533,057	5,191,543	6,145,363	6,677,611
Urban Development and Housing	7,312,083	5,399,919	614,951	286,699	133,523	78,606	153,767	105,696	226,796	365,921
Capital Outlay	8,314,011	16,030,908	10,215,010	7,904,805	5,999,875	1,483,122	1,730,011	8,724,067	10,341,449	3,608,825
Capital Expenditures	-	-	-	-	-	2,483,647	8,589,250	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal ³	2,305,000	2,420,000	2,570,000	760,000	620,000	1,000,000	1,055,000	425,000	440,000	455,000
Interest and Fiscal Charges ⁴	3,581,456	4,295,839	4,254,712	1,255,585	1,230,855	862,315	931,400	782,173	976,333	742,278
TOTAL EXPENDITURES	62,181,476	75,202,158	57,912,323	50,369,978	49,457,120	50,486,687	59,856,923	63,811,457	68,769,803	69,791,827
REVENUES OVER (UNDER) EXPENDITURES	(\$5,853,775)	(\$16,469,967)	(\$7,538,946)	\$4,386,982	\$8,002,495	\$10,810,170	\$6,829,770	\$4,626,390	\$17,592,138	\$19,672,233

(Continued)

Source: City of Menlo Park

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.

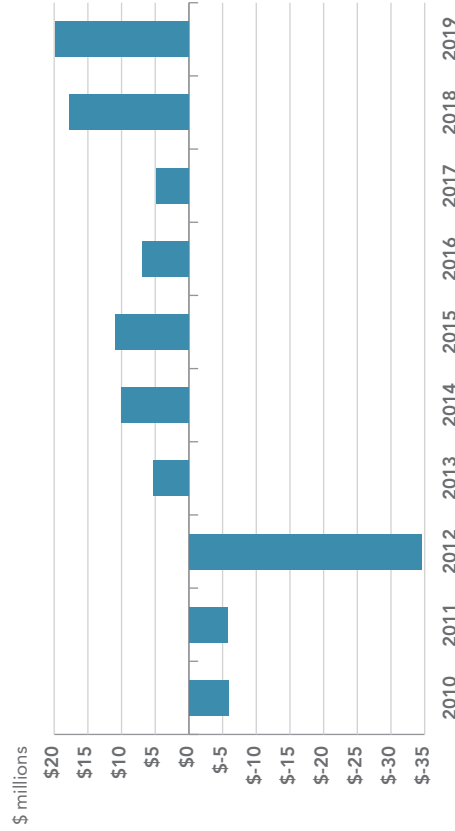
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS

Statistical Section, S4-2

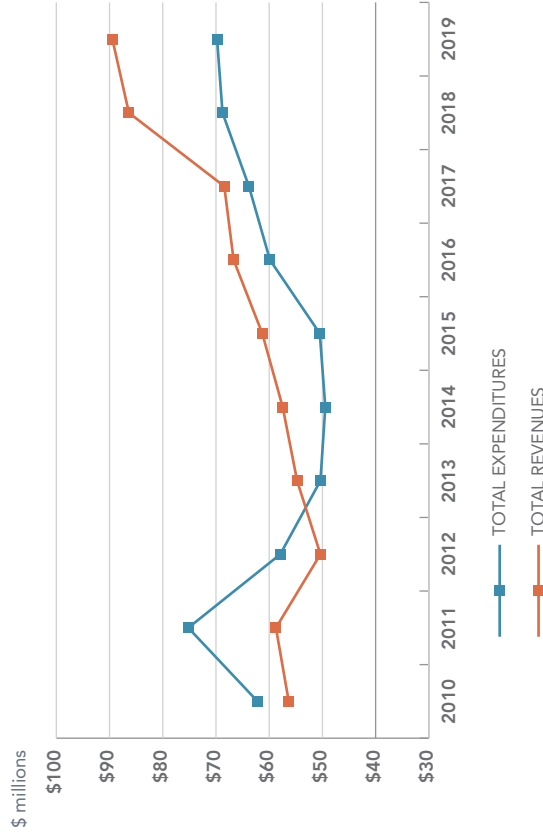
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OTHER FINANCING SOURCES (USES)										
Transfer In	\$7,159,491	\$7,297,500	\$9,722,425	\$6,091,632	\$2,994,261	\$4,699,084	\$9,873,559	\$7,659,532	\$5,612,101	\$9,804,193
Transfer Out	(7,188,677)	(7,136,686)	(9,551,820)	(5,910,107)	(2,808,380)	(4,523,543)	(9,853,374)	(7,458,471)	(5,404,205)	(9,611,018)
Proceeds from Sale of Fixed/Capital Assets	1,381	3,204	-	766,855	1,080,667	-	-	1,534	5,603	-
Proceeds from Debt Issuance	-	10,440,000	9,830,000	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	(11,166,467)	-	-	-	-	-	-	-
Discount on Issuance of Debt	-	74,971	(73,725)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(27,805)	10,678,989	(1,239,587)	948,380	1,266,548	175,541	20,185	202,595	213,499	193,175
Extraordinary gain(loss) ^{1,2}	-	-	(25,814,163)	-	771,822	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(\$5,881,580)	(\$5,790,978)	(\$34,592,696)	\$5,335,362	\$10,040,865	\$10,985,711	\$6,849,955	\$4,828,985	\$17,805,637	\$19,865,408
% of Change Capital Expenditures	18.2%	-1.5%	497.4%	-115.4%	88.2%	9.4%	-37.6%	-29.5%	268.7%	11.6%
Debt Service as Percentage of Non-Capital Expenditures	10.9%	11.3%	14.3%	4.7%	4.3%	3.9%	3.9%	1.9%	2.1%	1.7%

NET CHANGE IN FUND BALANCE



REVENUES & EXPENDITURES



Source: City of Menlo Park

1. In fiscal year 2011-12, the extraordinary gain was due to dissolution of the Community Development Agency
 2. In fiscal year 2013-14, the extraordinary gain was due to sale of the Hamilton Ave. property

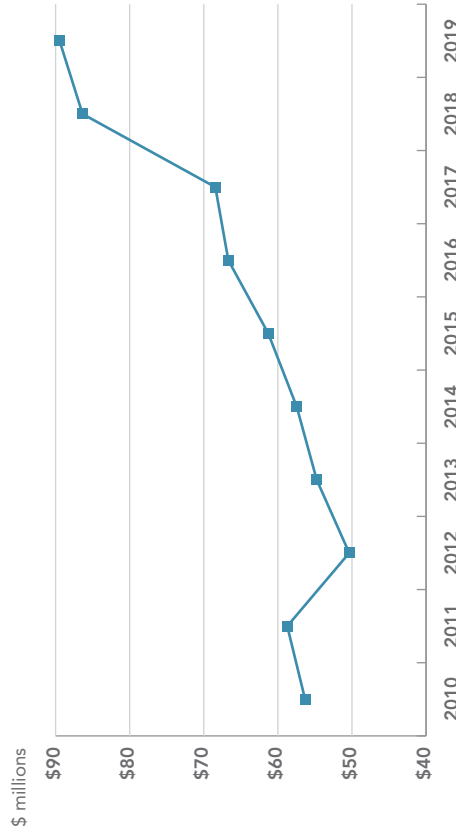
GOVERNMENTAL FUNDS BY SOURCE

Statistical Section, S5-1

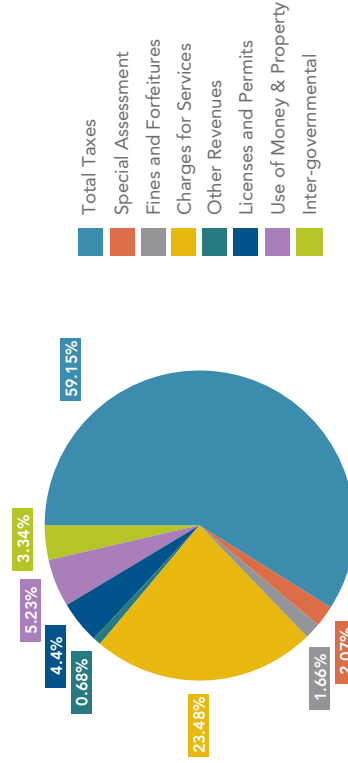
Last Ten Fiscal Years

Fiscal Year Ended 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
2010	\$35,193,321	\$2,824,098	\$3,069,990	\$1,028,825	\$1,918,576	\$3,219,749	\$8,738,183	\$334,959	\$56,327,701
2011	36,699,413	2,818,829	3,586,374	953,194	1,406,100	2,547,164	10,486,567	234,550	58,732,191
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

TOTAL GOVERNMENTAL REVENUES



TOTAL GOVERNMENTAL REVENUES - JUNE 30, 2019



Source: City of Menlo Park

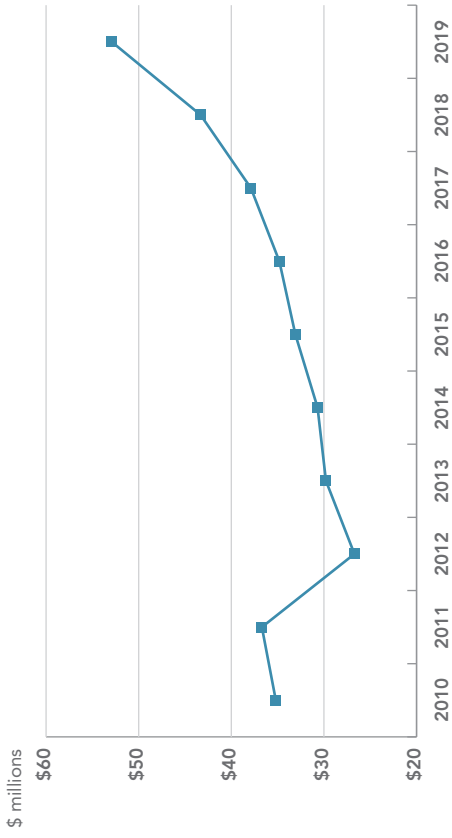
1. General governmental revenues by source consist of the following City funds: General, Special Revenue, Debt Service, Capital Projects and Expendable Trusts.
 2. In fiscal year 2006, Property Taxes in lieu of Motor Vehicle License Fees were reclassified from Intergovernmental to Property Taxes.

GOVERNMENTAL FUNDS BY SOURCE

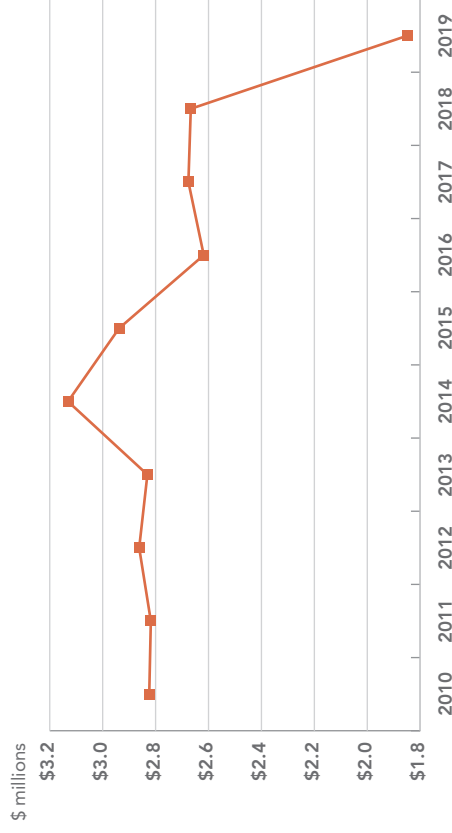
Last Ten Fiscal Years

Statistical Section, S5-2

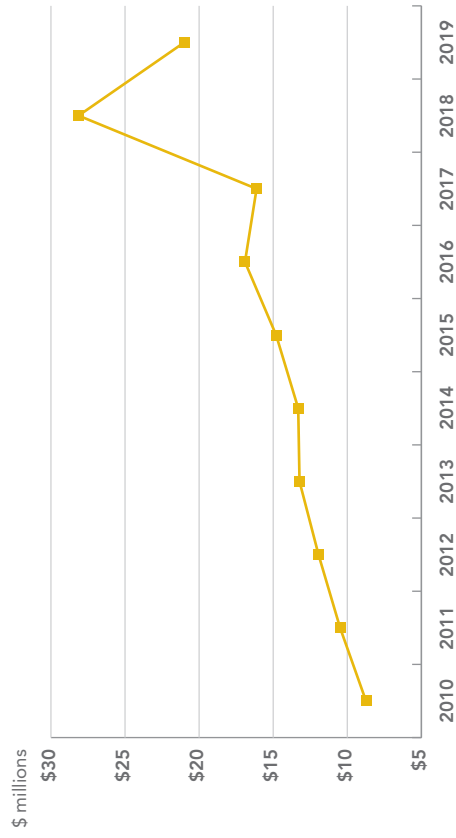
TOTAL TAXES



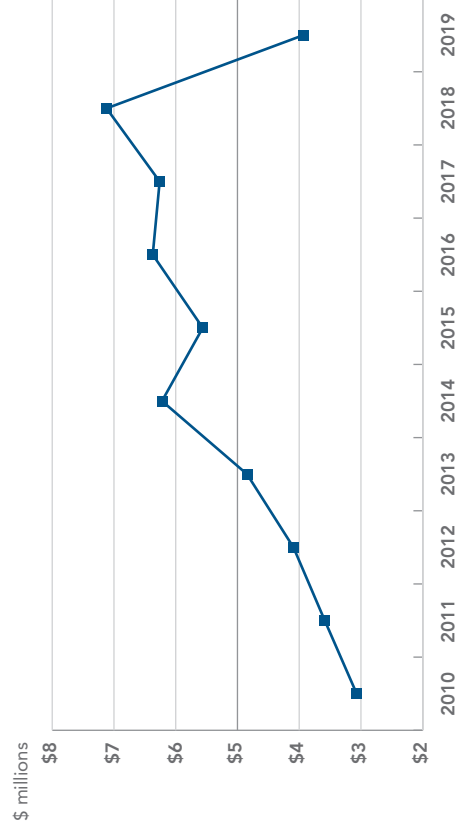
SPECIAL ASSESSMENT



CHARGES FOR SERVICES



LICENSES AND PERMITS



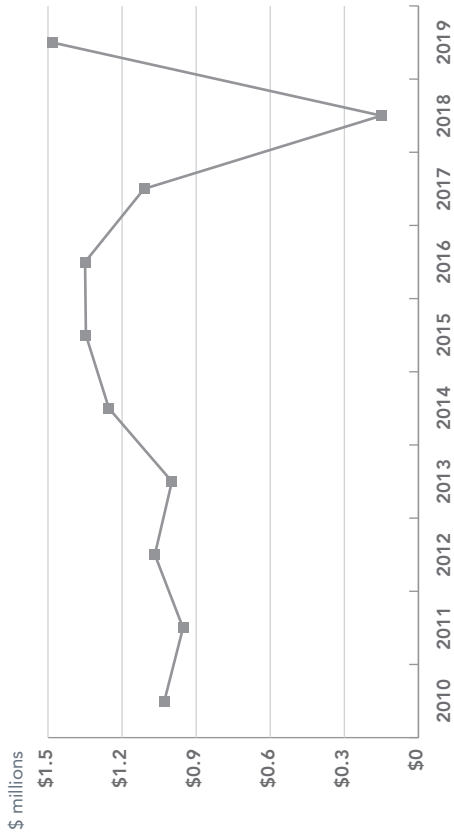
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GOVERNMENTAL FUNDS BY SOURCE

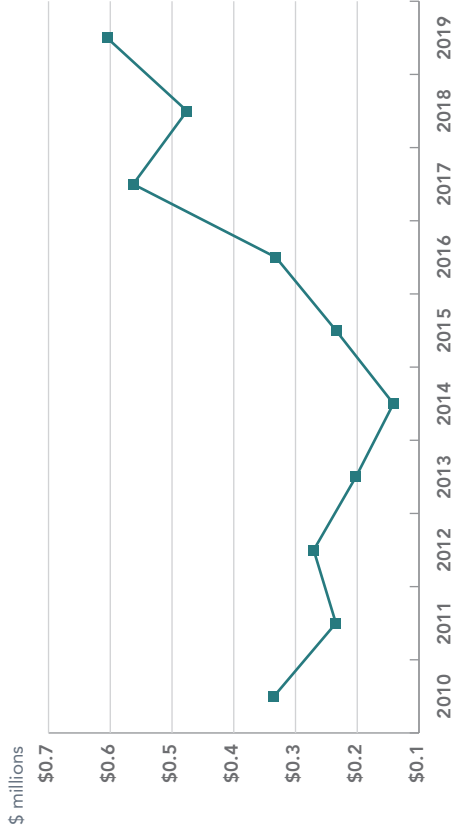
Last Ten Fiscal Years

Statistical Section, S5-3

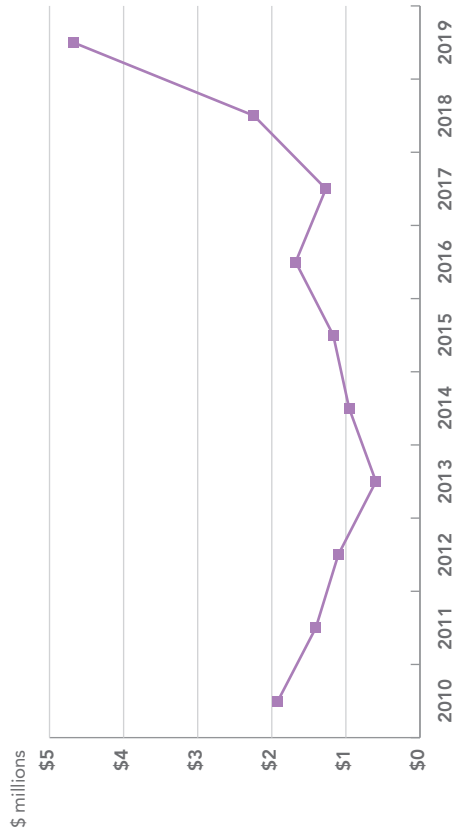
FINES AND FORFEITURES



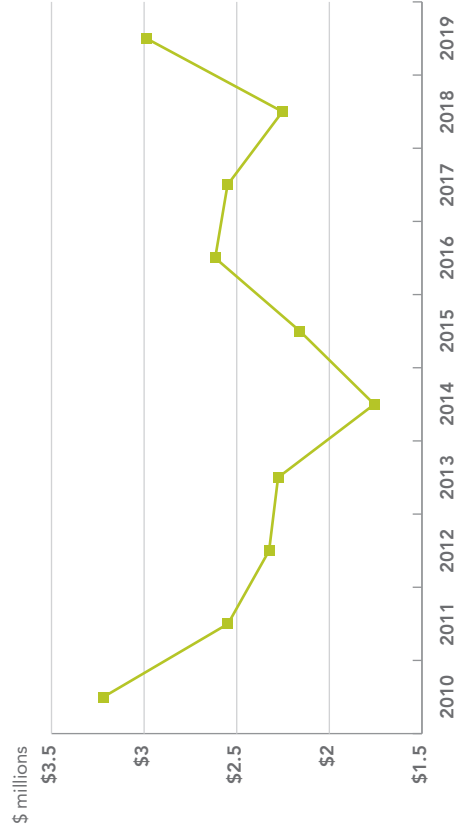
OTHER REVENUES



USE OF MONEY & PROPERTY



INTERGOVERNMENTAL



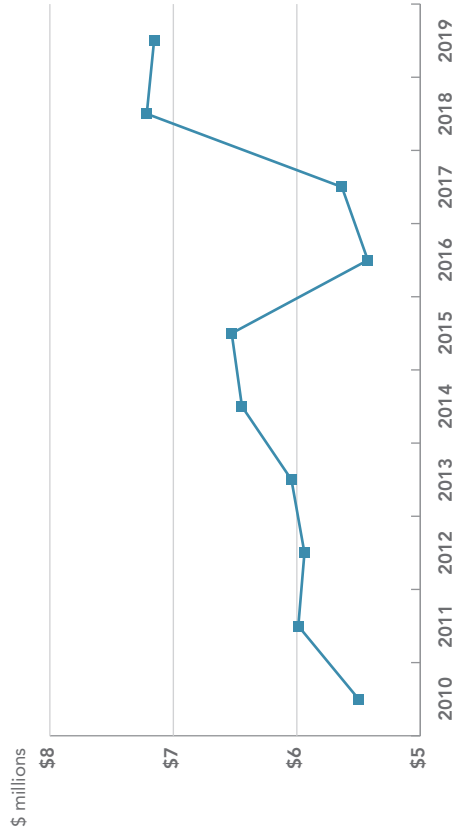
GOVERNMENTAL FUNDS TAXES BY TYPE

Statistical Section, S6-1

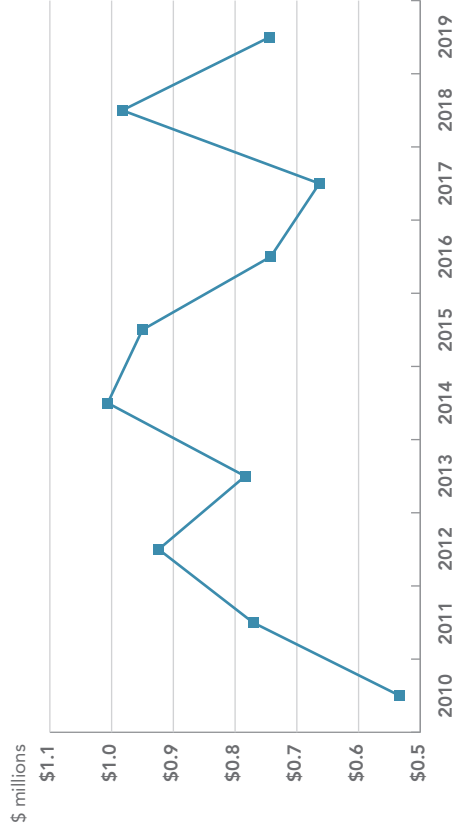
Last Ten Fiscal Years

Fiscal Year Ended June 30	PROPERTY TAX										TOTAL GOVERNMENTAL FUNDS	
	Sales Tax	Highway Users Tax	County Transportation Tax	Franchise Tax	Hotel Occupancy Tax	Utility Users Tax ¹	Secured	Unsecured	Transfer Tax	Other		Total Property Tax
2010	\$5,499,244	\$533,444	\$618,996	\$1,565,106	\$2,074,486	\$1,148,454	\$21,912,423	\$1,422,317	\$329,368	\$89,483	\$23,753,591	\$35,193,321
2011	5,988,055	770,967	679,286	1,747,605	2,453,981	1,122,940	21,810,655	1,577,479	457,701	90,743	23,936,578	36,699,412
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	\$744,220	\$1,044,435	\$2,181,173	\$10,296,163	\$1,661,938	\$23,975,575	\$615,669	\$828,003	\$68,293	\$25,487,540	\$48,571,539

SALES TAX



HIGHWAY USERS TAX



Source: City of Menlo Park and County of San Mateo

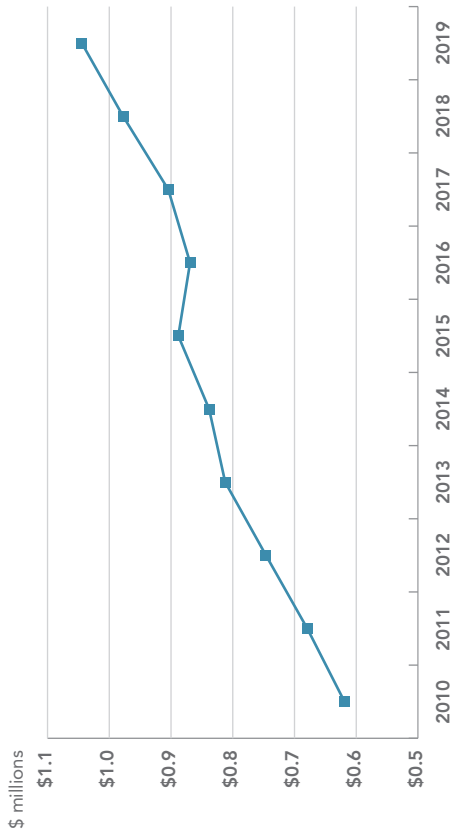
1. City implemented Utility Users Tax in April 2007

GOVERNMENTAL FUNDS TAXES BY TYPE

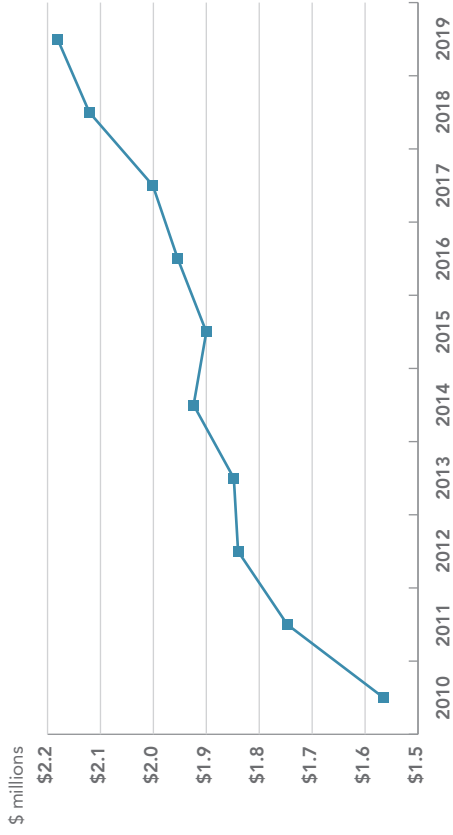
Last Ten Fiscal Years

Statistical Section, S6-2

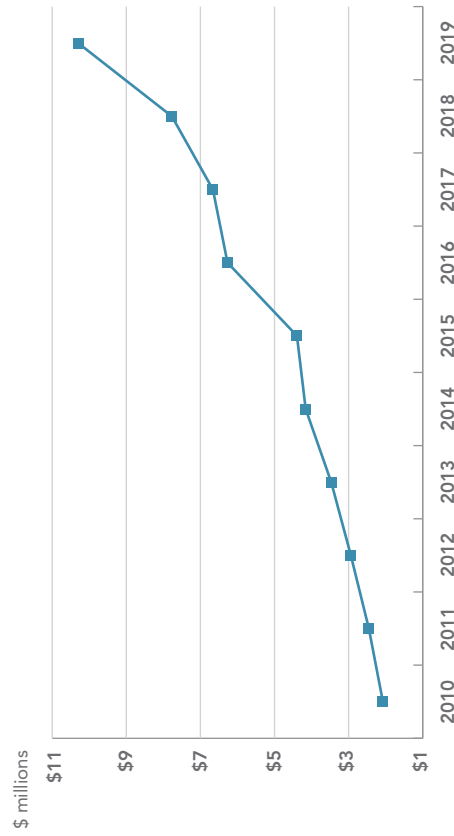
COUNTY TRANSPORTATION TAX



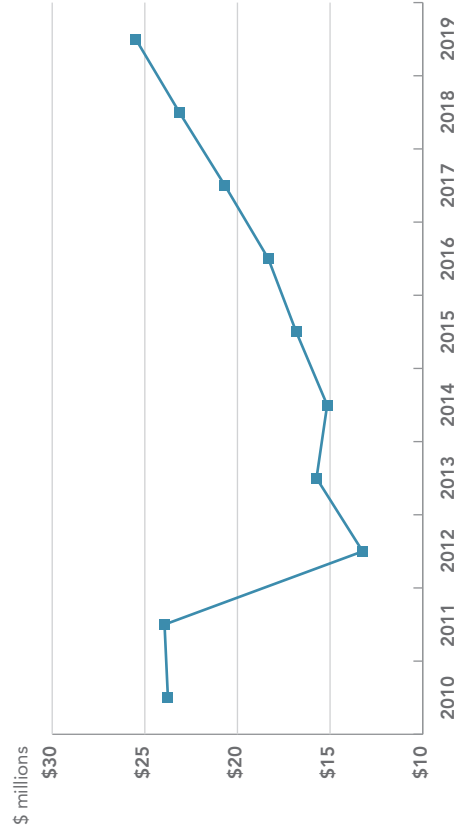
FRANCHISE TAX



HOTEL OCCUPANCY TAX



TOTAL PROPERTY TAX



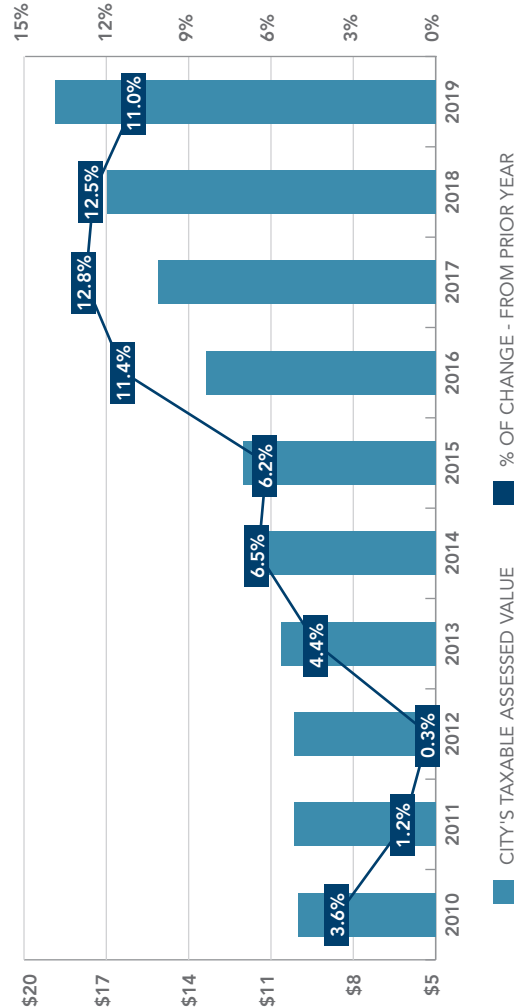
ASSESSED VALUATION, TAX RATES AND TAX LEVIES

Last Ten Fiscal Years

Fiscal Year Ended June 30	Secured	Unsecured	Less Exemptions	City's Taxable Assessed Value	% of Change - from Prior Year	TOTAL DIRECT TAX RATE
2010	\$9,525,325,520	\$733,413,542	(\$242,215,879)	\$10,016,523,183	3.6%	0.0024
2011	9,632,437,282	741,119,897	(234,843,253)	10,140,348,118	1.2%	0.0024
2012 ¹	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

CITY'S TAXABLE ASSESSED VALUATION

\$ millions



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 re-assessed 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.

Source: County of San Mateo

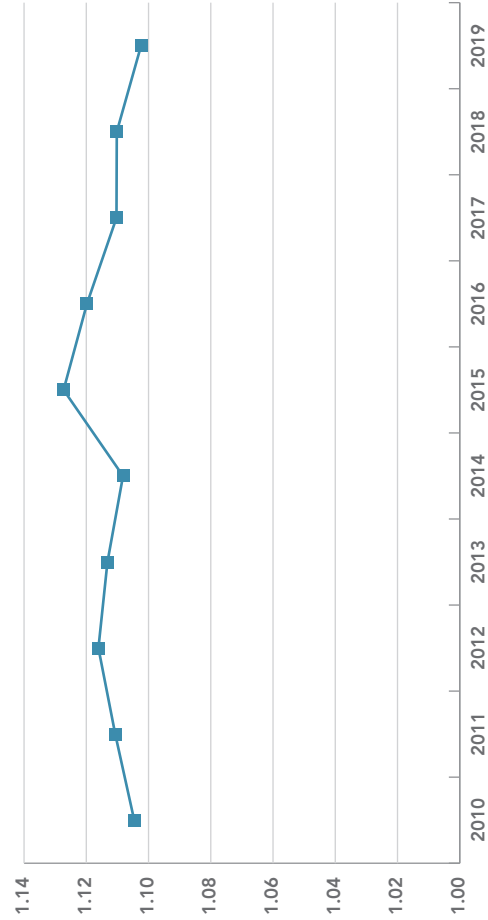
1. Redevelopment Agency was transferred to Successor Agency due to dissolution

DIRECT AND OVERLAPPING, PROPERTY TAX RATES

Last Ten Fiscal Years

Per \$1,000 Assessed Valuation	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Direct Rates ¹	0.0024	0.0024	0.0024	0.0024	0.0024	0.0024	0.0011	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	0.0390	0.0410	0.0413	0.0402	0.0381	0.0486	0.0393	0.0357	0.0385	0.0383
San Mateo Junior College	0.0182	0.0193	0.0199	0.0194	0.0194	0.0190	0.0250	0.0247	0.0235	0.0175
Menlo Park Debt Service	0.0046	0.0042	0.0041	0.0038	0.0026	0.0025	-	-	-	-
Menlo Park Parks & Rec Bond	0.0127	0.0127	0.0126	0.0118	0.0144	0.0115	0.0102	0.0092	0.0080	0.0073
Sequoia Union High School District	0.0277	0.0311	0.0358	0.0356	0.0313	0.0433	0.0434	0.0391	0.0383	0.0365
Midpeninsula Reg Open	-	-	-	-	-	-	0.0008	0.0006	0.0009	0.0018
TOTAL OVERLAPPING RATES	1.1022	1.1083	1.1137	1.1108	1.1058	1.1249	1.1187	1.1093	1.1092	1.1014
TOTAL DIRECT AND OVERLAPPING RATES	1.1046	1.1107	1.1161	1.1132	1.1082	1.1273	1.1198	1.1103	1.1102	1.1024
% of Change - from Prior Year	-0.1%	0.6%	0.5%	-0.3%	-0.4%	1.7%	-0.7%	-0.8%	-0.01%	-0.70%

TOTAL DIRECT AND OVERLAPPING RATES



1. County of San Mateo, Property Taxes
 2. County of San Mateo, Tax Rate Book, Code 08-004

PRINCIPAL PROPERTY TAX PAYERS

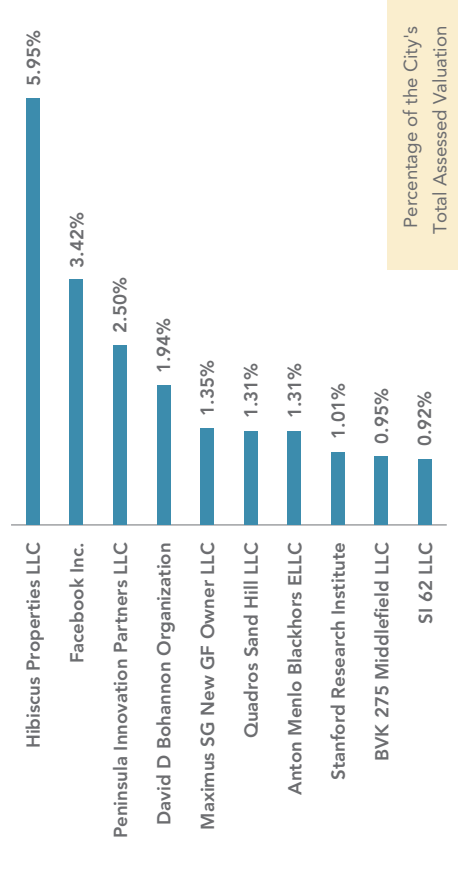
Current Fiscal Year and Ten Years Prior

Statistical Section . 59

FISCAL YEAR 2018-19

Property Owner	Rank	Taxable Assessed Value	Ratio to Total City's Assessed Valuation
Hibiscus Properties LLC	1	\$1,122,393,166	5.95%
Facebook Inc.	2	643,935,634	3.42%
Peninsula Innovation Partners LLC	3	471,036,440	2.50%
David D Bohannon Organization	4	365,119,184	1.94%
Maximus SG New GF Owner LLC	5	254,898,000	1.35%
Quadros Sand Hill LLC	6	247,738,439	1.31%
Anton Menlo Blackhors ELLC	7	247,031,251	1.31%
Stanford Research Institute	8	190,194,853	1.01%
BVK 275 Middlefield LLC	9	178,755,000	0.95%
SI 62 LLC	10	173,530,780	0.92%
TOTAL TOP 10 TAXPAYERS' TOTALS		\$3,894,632,747	20.66%
CITY'S TOTAL ASSESSED VALUATION		\$18,854,253,956	100%

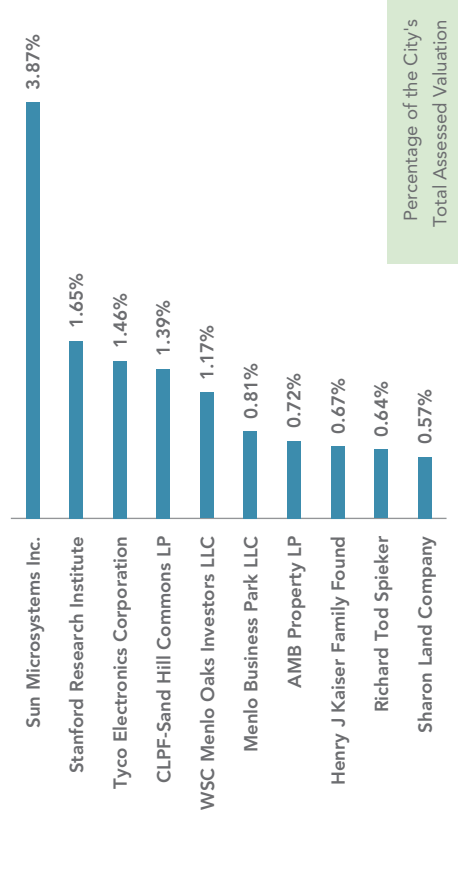
CITY'S TOP TEN PRINCIPAL PROPERTY TAX PAYERS - JUNE 30, 2019



FISCAL YEAR 2009-10

Property Owner	Rank	Taxable Assessed Value	Ratio to Total City's Assessed Valuation
Sun Microsystems Inc.	1	\$389,201,085	3.87%
Stanford Research Institute	2	165,684,110	1.65%
Tyco Electronics Corporation	3	146,596,671	1.46%
CLPF-Sand Hill Commons LP	4	139,548,851	1.39%
WSC Menlo Oaks Investors LLC	5	117,780,800	1.17%
Menlo Business Park LLC	6	81,216,239	0.81%
AMB Property LP	7	72,188,496	0.72%
Henry J Kaiser Family Found	8	67,743,791	0.67%
Richard Tod Spieker	9	64,149,520	0.64%
Sharon Land Company	10	57,303,617	0.57%
TOTAL TOP 10 TAXPAYERS' TOTALS		\$1,301,413,180	12.94%
CITY'S TOTAL ASSESSED VALUATION		\$10,059,582,775	100%

CITY'S TOP TEN PRINCIPAL PROPERTY TAX PAYERS - JUNE 30, 2010



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

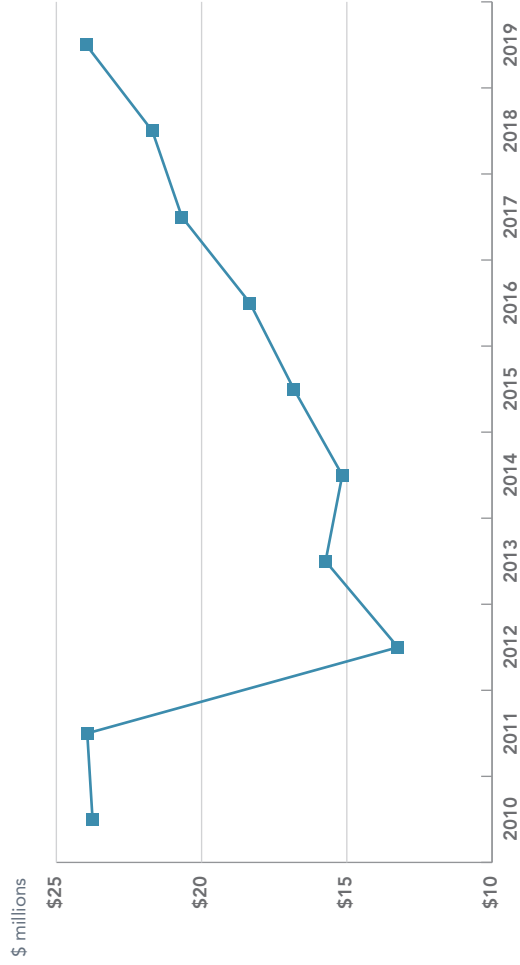
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Statistical Section, S10

Fiscal Year Ended June 30	Property Tax Levies	Property Tax Collections	Percentage of Collections	Subsequent Year Collections	TOTAL COLLECTIONS	Percentage of Collections
2010	\$23,753,591	\$23,753,591	100.00%	-	\$23,753,591	100%
2011	23,936,578	23,936,578	100.00%	-	23,936,578	100%
2012 ¹	13,239,856	13,239,856	100.00%	-	13,239,856	100%
2013 ²	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	\$23,971,701	\$23,971,701	100.00%	-	\$23,971,701	100%

PROPERTY TAX COLLECTIONS



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

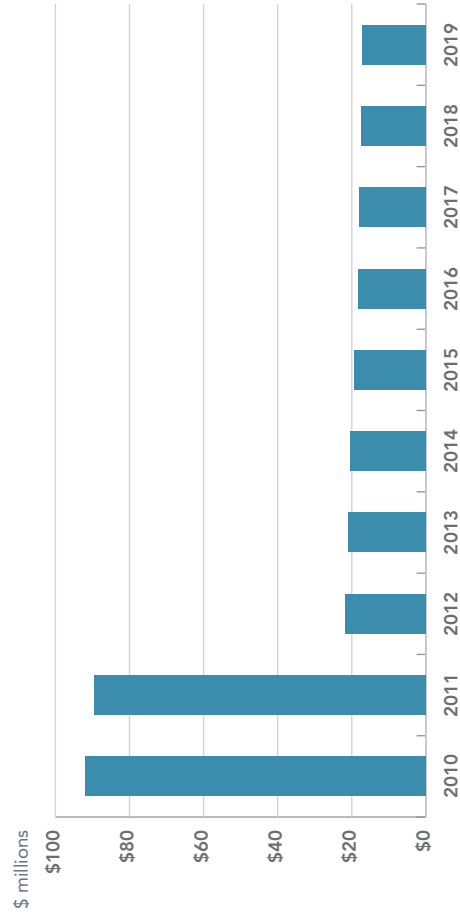
1. In prior years, property tax levies included property tax increment from their former Community Development Agencies. The last year of such tax increment received was in 2010-11.
 2. One time property tax increase due to dissolution of the Redevelopment Area.

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds ¹	General Bonds ²	Tax Allocation Bonds ^{4,5}	Total Primary Government Debt	Percentage of Personal Income ⁷	Outstanding Debt Per Capita ⁸
2010	\$24,487,472		\$67,395,000	\$91,882,472	4.28%	\$2,853
2011	23,874,973		65,585,000	89,459,973	3.97%	2,760
2012	21,775,595		- ⁶	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%	582.40
2016	18,345,340		-	18,345,340	0.79%	548.46
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

CITY'S DEBT



Source: City of Menlo Park

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 1996, 2009, & 2012 General Obligation 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 to the Successor Agency
7. County of San Mateo's personal income per capita
8. U.S. Census Bureau, Quickfacts.Census.gov, Population

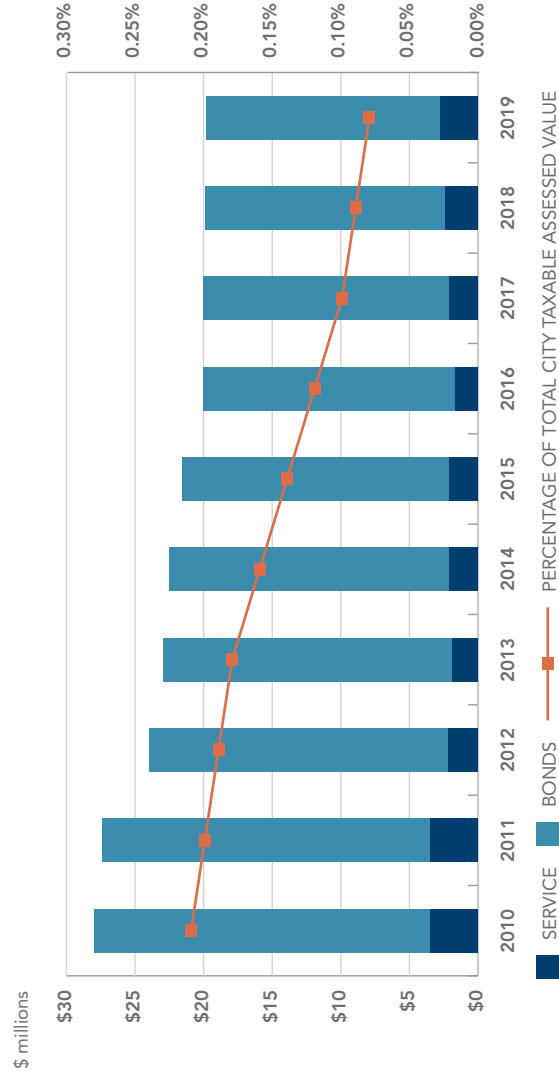
RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Statistical Section, S12

RATIO OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds	Restricted for Debt Service	Net General Obligation Bonds	TOTAL CITY TAXABLE ASSESSED VALUATION	Percentage of Total City Taxable Assessed Value	Per Capita
2010	\$24,487,472	\$3,494,597	\$20,992,875	\$10,016,523,183	0.21%	\$760.34
2011	23,874,973	3,513,049	20,361,924	10,140,348,118	0.20%	736.61
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	17,921,527	2,136,803	15,784,724	15,095,867,037	0.10%	528.85
2018	17,482,714	2,443,730	15,038,984	16,981,519,927	0.09%	437.73
2019	\$17,028,901	\$2,819,470	\$14,209,431	\$18,854,253,956	0.08%	\$411.28



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

DIRECT AND OVERLAPPING DEBT

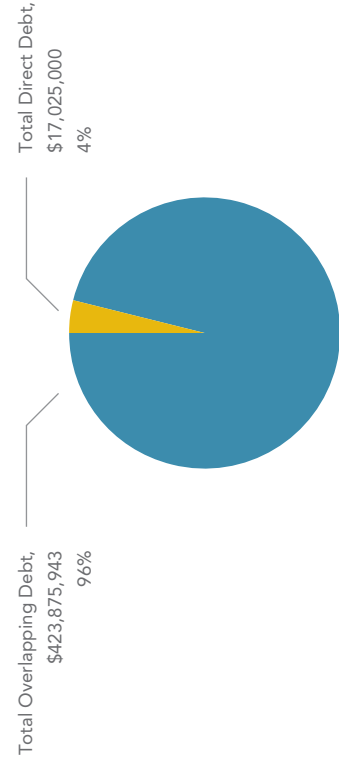
Statistical Section, S13

June 30, 2019

Fiscal year 2018-19. City Assessed Valuation \$18,854,253,956

	Outstanding Debt 6/30/2019	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	\$801,050,076	8.437%	\$67,584,595	0.36%
Sequoia Union High School District	518,005,000	19.702%	102,057,345	0.54%
Las Lomitas School District	91,140,000	35.990%	32,801,286	0.17%
Menlo Park City School District	127,776,350	61.220%	78,224,681	0.41%
Ravenswood School District	53,715,000	54.493%	29,270,915	0.16%
Redwood City School District	135,719,096	4.294%	5,827,778	0.03%
Midpeninsula Regional Park District	92,460,000	6.586%	6,089,416	0.03%
City of Menlo Park	17,025,000	100%	17,025,000	0.09%
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$338,881,016	1.80%
OVERLAPPING GENERAL FUND DEBT				
San Mateo County General Fund Obligations	\$551,005,360	8.437%	\$46,488,322	0.25%
San Mateo County Board of Education Certificates of Participation	8,140,000	8.437%	686,772	0.00%
Midpeninsula Regional Park District Certificates of Participation	117,450,600	6.586%	7,735,297	0.04%
Menlo Park Fire Protection District Certification of Participation	10,205,000	49.481%	5,049,536	0.03%
TOTAL OVERLAPPING GENERAL FUND DEBT			\$59,959,927	0.32%
OVERLAPPING TAX INCREMENT DEBT - SUCCESSOR AGENCY	\$42,060,000	100%	\$42,060,000	0.22%
TOTAL DIRECT DEBT			\$17,025,000	0.09%
TOTAL OVERLAPPING DEBT			\$423,875,943	2.25%
COMBINED TOTAL DEBT ⁽²⁾			\$440,900,943	2.34%

COMBINED TOTAL DEBT - JUNE 30, 2019



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

Statistical Section, S14

Last Ten Fiscal Years

FOR FISCAL YEAR ENDED JUNE 30

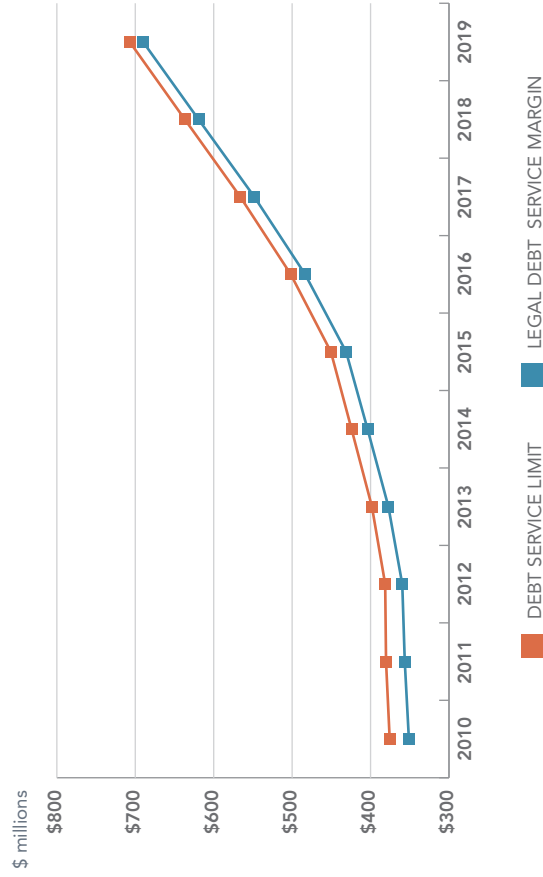
	2010 ¹	2011	2012 ^{2,3}	2013	2014	2015	2016	2017	2018	2019
City's Taxable Assessed Valuation	\$10,016,523,183	\$10,140,348,118	\$10,169,244,059	\$10,620,369,817	\$11,311,951,652	\$12,015,719,121	\$13,380,461,679	\$15,095,867,037	\$16,981,519,927	\$18,854,253,956
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,504,130,796	2,535,087,030	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
Debt Service Limit Percentage (CA Govt. Code Section 43605) ⁴	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
DEBT SERVICE LIMIT	375,619,619	380,263,054	381,346,652	398,263,868	424,198,187	450,589,467	501,767,313	566,095,014	636,806,997	707,034,523

Less:

General Obligation Bonds	24,487,473	23,874,973	21,775,595	21,016,779	20,397,966	19,399,153	18,345,340	17,921,527	17,482,714	17,028,901
LEGAL DEBT SERVICE MARGIN	\$351,132,146	\$356,388,081	\$359,571,057	\$377,247,089	\$403,800,221	\$431,190,314	\$483,421,973	\$548,173,487	\$619,324,283	\$690,005,622

Legal Debt Service Margin as a Percentage of Debt Service Limit	93.5%	93.7%	94.3%	94.7%	95.2%	95.7%	96.3%	96.8%	97.3%	97.6%
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LEGAL DEBT SERVICE LIMIT



Source: County of San Mateo, Assessed Valuation Reports

1. The City issued 2009 General Obligation Bonds
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.

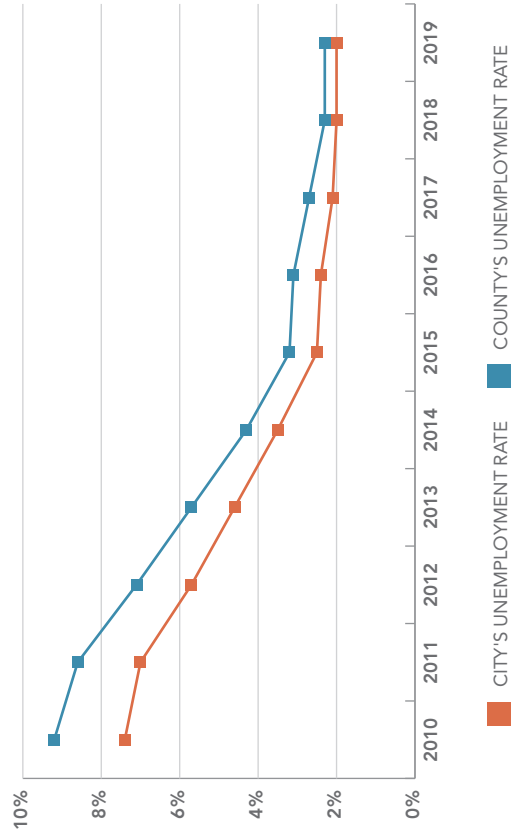
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Statistical Section, S15

Calendar Year	Population	City's Unemployment Rate	County's Unemployment Rate	Personal Income Per Capita	K-12 Public School Enrollments
2010	32,206	7.4%	9.2%	66,629	4,477
2011	32,412	7.0%	8.6%	69,577	4,678
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%	2.3%	77,030	5,428

UNEMPLOYMENT RATES



Source:

U.S. Census Bureau, Quickfacts.Census.gov, Population 2018 Estimate
 U.S. Department of Commerce, bea.gov, CA1-3 Personal Income Summary, County of San Mateo Per capita personal income 2013-2017
 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

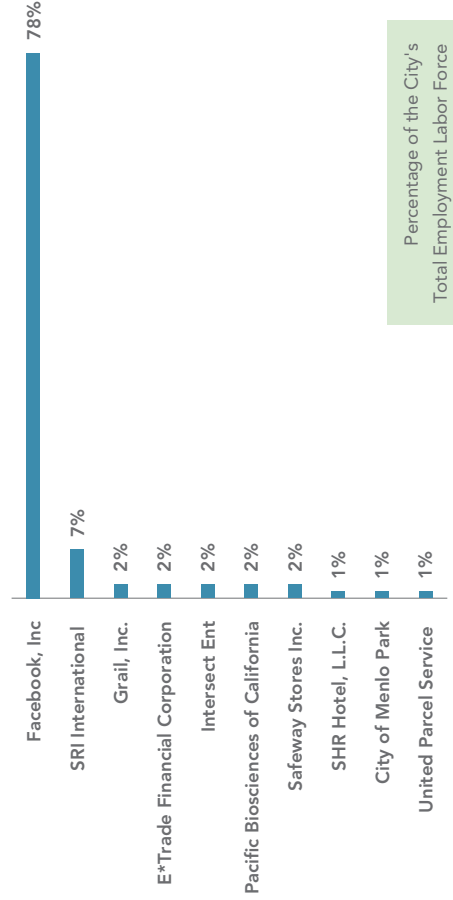
PRINCIPAL EMPLOYERS

Current Fiscal Year and Ten Years Prior

Statistical Section. S16

City's Principal Employers	Rank	Fiscal Year 2018-19		Fiscal Year 2009-10	
		Total Employees	Percentage of Total City's Labor Force	Total Employees	Percentage of Total City's Labor Force
Facebook, Inc	1	15,407	78%	not available	not available
SRI International	2	1,418	7%	1,350	9%
Grail, Inc.	3	350	2%	not available	not available
E*Trade Financial Corporation	4	331	2%	not available	not available
Intersect Ent	5	327	2%	not available	not available
Pacific Biosciences of California	6	320	2%	406	3%
Safeway Stores Inc.	7	300	2%	291	2%
SHR Hotel, L.L.C.	8	292	1%	250	2%
City of Menlo Park	9	287	1%	241	2%
United Parcel Service	10	261	1%	224	1%
TOP 10 EMPLOYERS		19,293	97%	2,762	19%
TOTAL EMPLOYMENT OF THE CITY'S LABOR FORCE		19,800	100%	15,500	100%

CITY'S TOP 10 EMPLOYERS, 2018-2019



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 August 28, 2019

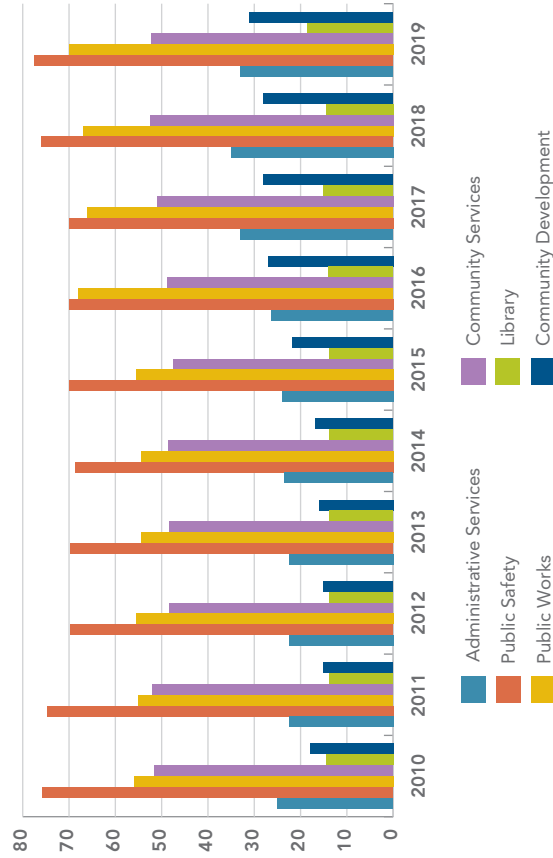
FULL TIME EQUIVALENT CITY PERSONNEL BY FUNCTION

Statistical Section, S17

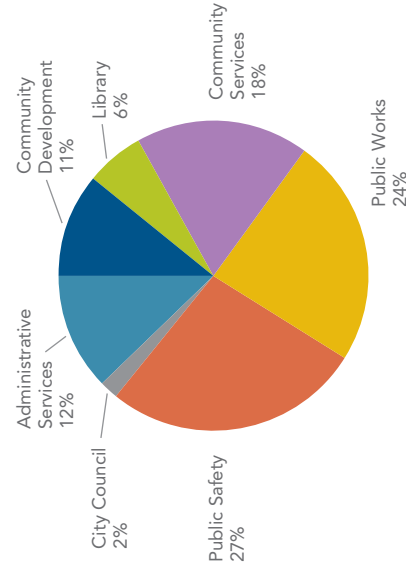
Last Ten Fiscal Years

ADOPTED BUDGET AUTHORIZED PERSONNEL FOR FISCAL YEAR ENDED JUNE 30										
FTE by Department	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Administrative Services	25.00	22.50	22.50	22.50	23.50	24.00	26.25	33.00	35.00	33.00
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety	75.75	74.75	69.75 ¹	69.75 ¹	68.75 ¹	70.00 ¹	70.00	70.00	76.00	77.50
Public Works	56.00	55.00	55.50	54.50	54.50	55.50	68.00	66.00	67.00	70.00
Community Services	51.50	52.00	48.25 ²	48.25 ²	48.50 ²	47.50 ²	48.75	51.00	52.50	52.25
Library	14.50	13.75	13.75	13.75	13.75	13.75	14.00	15.00	14.50	18.50
Community Development	18.00	15.00	16.00	16.00	16.75	21.75	27.00	28.00	28.00	31.00
TOTAL FULL TIME EQUIVALENT PERSONNEL	245.75	238.00	229.75	229.75	230.75	237.50	259.00	268.00	278.00	287.25

TOTAL FULL TIME EQUIVALENT PERSONNEL



FISCAL YEAR 2018-19 ADOPTED BUDGET FULL TIME EQUIVALENT PERSONNEL



Source: City of Menlo Park, Human Resources

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

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OPERATING INDICATORS BY DEMAND LEVEL OF SERVICE, BY FUNCTION/PROGRAM

Statistical Section. S18-1

Last Ten Fiscal Years

FUNCTION	PROGRAM	FISCAL YEAR ENDING JUNE 30, 2019									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety	Incidents	39,217	40,675	44,405	41,206	40,964	39,605	39,456	39,122	39,553	42,031
	Calls for Service	19,840	19,752	20,469	22,383	21,021	21,293	21,384	21,487	22,659	23,639
	Officer Initiated Incidents	19,377	20,923	23,936	18,823	19,943	18,312	18,072	17,635	16,894	18,392
Public Works	Transportation:										
	Shuttle Passengers ¹	86,503	83,246	86,004	80,774	82,420	82,663	71,597	57,737	60,508	50,611
Culture and Recreation	Engineering:										
	Encroachment Permits Issued	289	290	272	300	365	372	447	406	550	552
	Parks and recreation:										
	Number of Activity Hours Provided ²	48,270	37,964	1,662,457	2,403,979	3,095,612	3,312,426	3,354,773	3,339,783	3,209,611	3,192,116 ⁵
	Number of Recreational Activities Participants ³	64,762	88,032	706,830	931,490	1,119,365	1,196,406	981,761	1,009,084	950,392	980,852 ⁶
	Library:										
	Books/Volumes held	146,429	146,356	150,017	157,155	165,118	167,970	149,524	135,200	141,352	129,275
	Video/DVD held	13,688	14,262	14,728	13,348	16,704	17,344	17,556	16,643	16,659	16,118
	Books Volumes added	9,826	9,587	9,239	11,183	10,966	10,202	8,760	8,884	12,880	12,961
	Total Circulations	742,555	726,189	624,699	672,967	682,381	609,387	587,909	621,261	544,893	593,479
Community Development	Building Permits Issued:										
	Residential Buildings - Count	667	733	655	728	717	734	900	734	659	905
	Residential -Value (\$1000s)	42,033	49,618	44,545	64,932	65,386	118,952	215,219	81,949	83,132	69,512
	Commercial Buildings - Count	160	202	231	229	180	187	174	184	152	188
	Commercial -Value (\$1000s)	32,419	46,756	78,055	61,201	238,585	282,621	151,139	605,311	460,907	252,117
	Accessory Buildings - Count	87	85	73	100	91	90	138	110	103	76
	Accessory -Value (\$1000s)	1,188	1,812	1,925	1,876	3,752	3,999	3,985	18,331	9,072	3,465
	Building Inspection Conducted	8,797	9,928	9,733	10,171	10,004	10,639	12,103	13,704	11,062	10,676
	Housing and Redevelopment:										
	Below Market Rate - Units sold	2	2	2	1	4	0	0	0	0	0
	Below Market Rate - Units resold	1	3	3	0	2	1	1	0	0	0
	Housing Rehabilitation - New loans	0	0	0	0	0	0	0	0	0	0
	Housing Rehab Loans - Cumulative \$	1,340,433	1,312,380	1,210,372	960,179	917,315	799,640	698,128	622,798	527,324	424,829
Housing Rehab Homes - Cumulative Count	36	33	32	28	26	22	17	15	17	15	
RDA - Housing Rehabilitation - New loans ⁴	4	3	0	0	0	0	0	0	0	0	
RDA - Housing Rehab Loans - Cumulative \$	193,000	347,785	337,285	328,676	299,139	258,558	236,375	164,701	160,817	131,839	
RDA - Housing Rehab Homes - Cumulative Count	4	7	7	7	7	5	5	5	3	2	
Finance:											
New Business License Applications	308	458	829	811	661	691	718	575	708	538	

Source: City of Menlo Park

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.

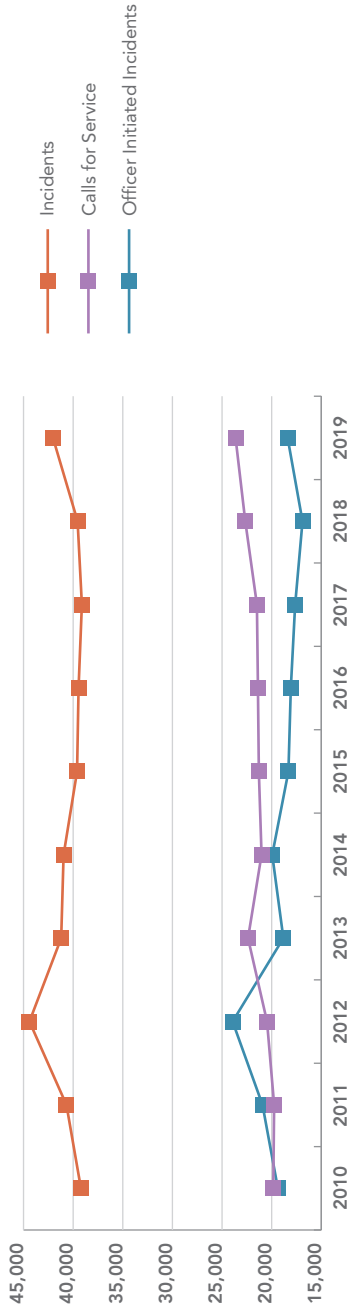
4. Redevelopment Agency-Housing Rehabilitation Program started in fiscal year 2009-2010 and ended in January 2012
 5. During fiscal year 2011-12, Activity Hour was changed to count every hour each participant in a program or using City service
 6. During fiscal year 2011-12, Activity Participant was changed to count each visit

OPERATING INDICATORS BY DEMAND LEVEL OF SERVICE, BY FUNCTION/PROGRAM

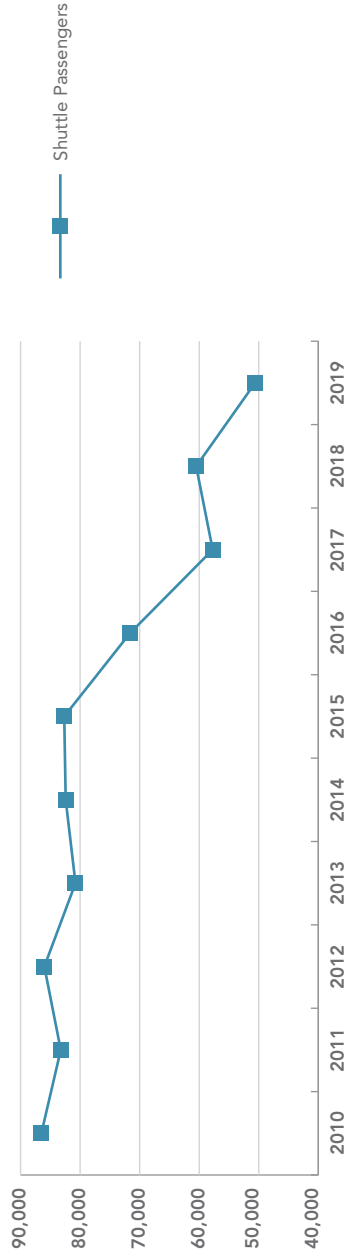
Statistical Section, S18-2

Last Ten Fiscal Years

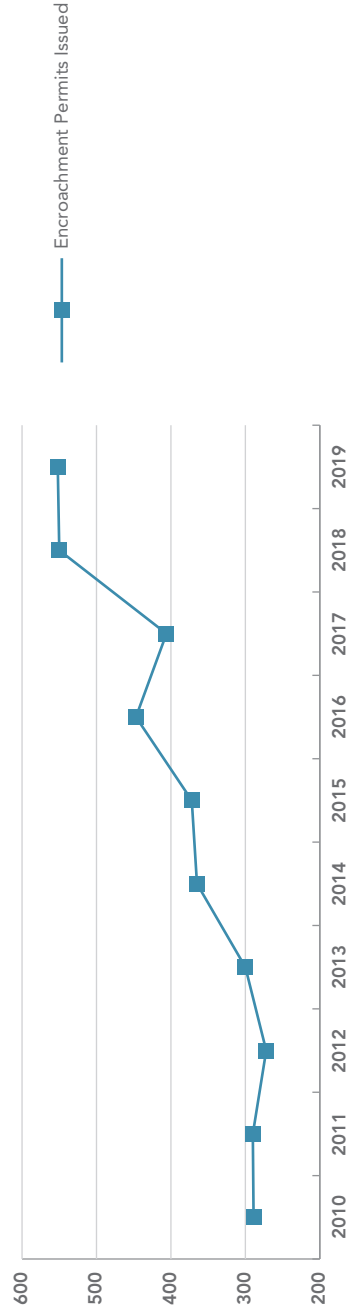
PUBLIC SAFETY



TRANSPORTATION – SHUTTLE SERVICE



ENGINEERING – ENCROACHMENT PERMITS



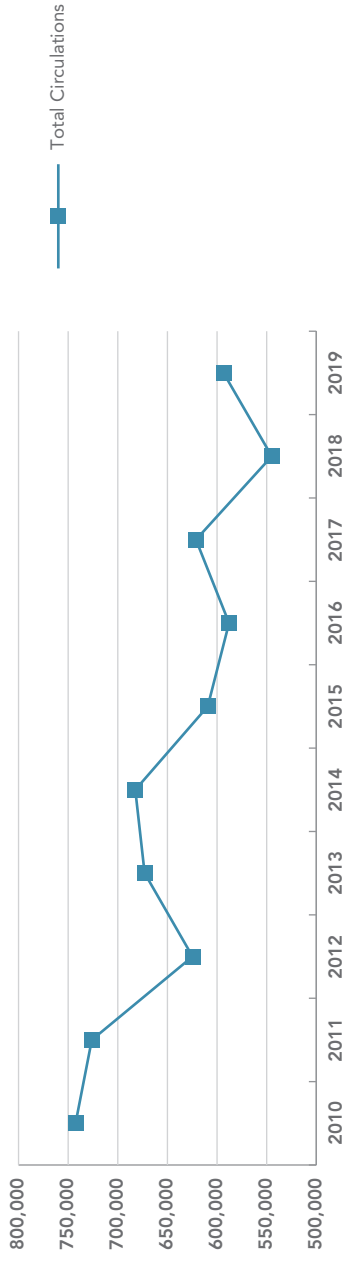
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OPERATING INDICATORS BY DEMAND LEVEL OF SERVICE, BY FUNCTION/PROGRAM

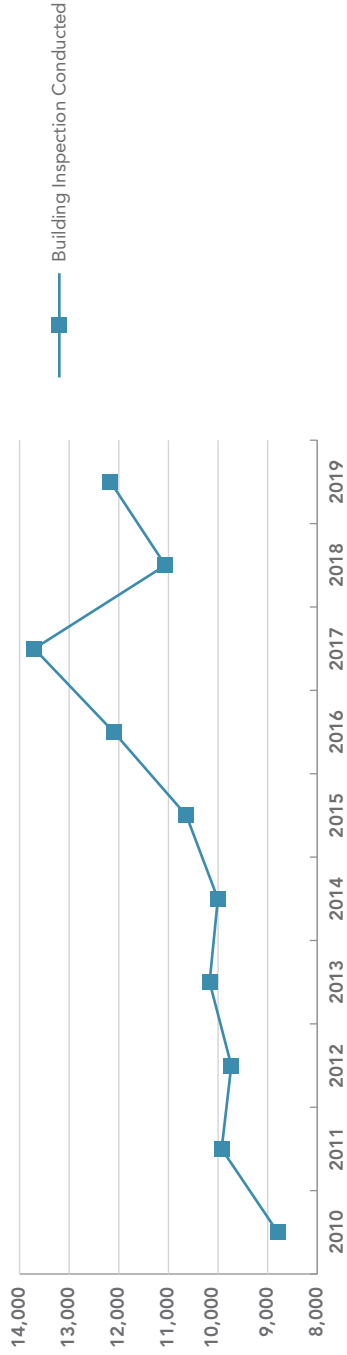
Statistical Section, S18-3

Last Ten Fiscal Years

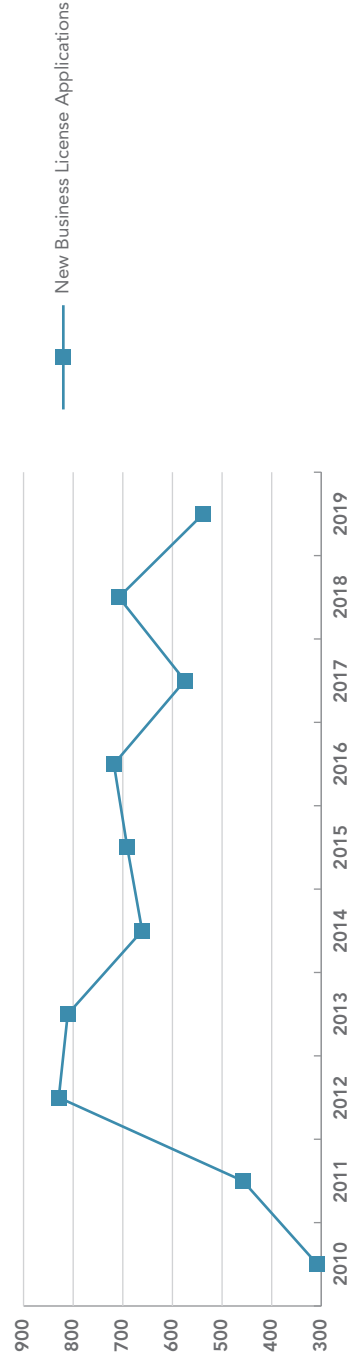
LIBRARY



BUILDING INSPECTIONS



FINANCE – NEW BUSINESS LICENSE APPLICATIONS



CAPITAL ASSET INVENTORY BY FUNCTION

Last Ten Fiscal Years

Statistical Section, S19

FUNCTION	FACILITY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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)	101	101	100	100	100	100	100	100	100	100
	Streetlights	1719	2233	2233	2233	2233	2233	2233	2238	2240	2270
	Traffic Signals	22	22	22	22	22	22	22	22	22	23
Public Works	Water:										
	Daily average introduced into system (1,000 gallons)	3042	3038	3221	3238	3531	2633	2202	2202	2670	2835
	Water storage (millions of gallons)	6	6	6	6	6	6	6	6	6	6
	Water lines (miles)	59	59	59	59	59	63	59	59	59	59
	Child Care Centers	6	6	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	2	2	1	1	1	1	1
	Senior Center	2	2	1	1	1	1	1	1	1	1
Parks and Recreation	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	1	1	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

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CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY ACTIVITIES

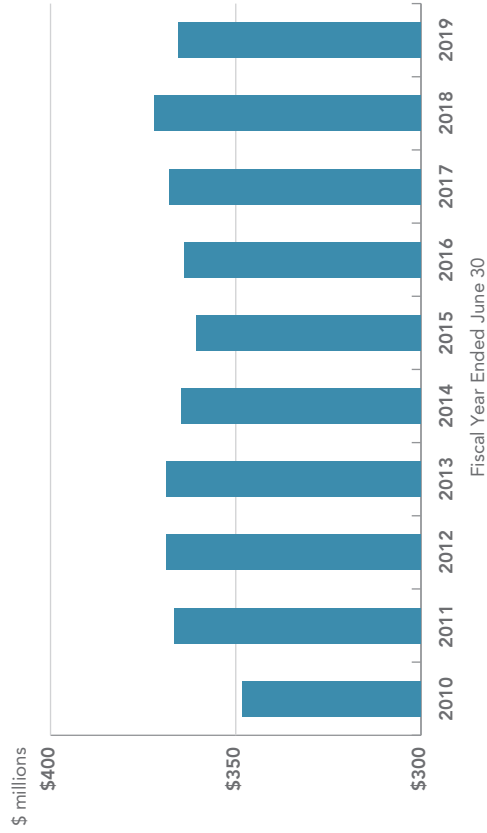
Statistical Section, S20-1

Last Ten Fiscal Years

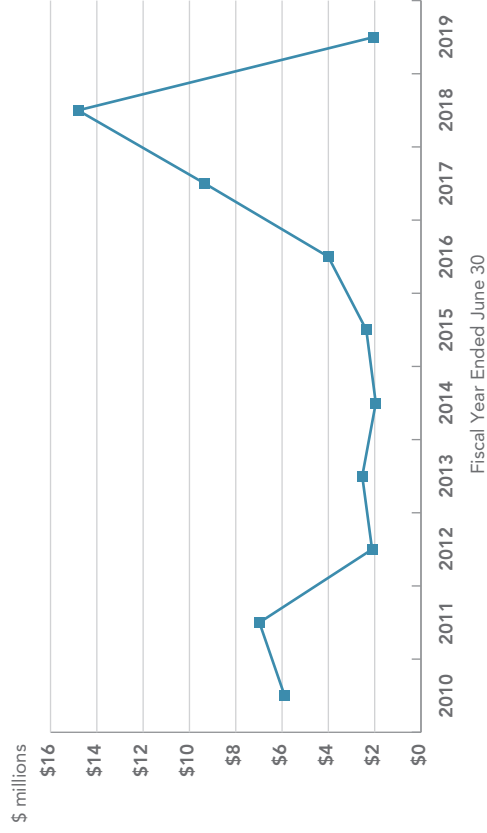
GOVERNMENTAL ACTIVITIES

Fiscal Year Ended June 30	NON-DEPRECIABLE					DEPRECIABLE							COMBINED TOTAL
	Land Improvement	Land	Real Estate Held for Sale	Construction in Progress	Total Non-Depreciable	Buildings	Share Use Facilities	Equipment	Improvements	Other	Infrastructure	Accumulated Depreciation	
2010	204,949,233	32,900,109	446,725	5,889,419	244,185,486	47,218,382	2,600,000	6,384,363	12,792,366	108,730,291	(73,724,714)	104,000,688	348,186,174
2011	204,949,233	32,900,109	648,285	6,979,308	245,476,935	65,959,147	2,600,000	6,464,074	12,878,068	109,994,804	(76,800,272)	121,095,821	366,572,756
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

CAPITAL ASSETS & INFRASTRUCTURE – GOVERNMENTAL ACTIVITIES



CONSTRUCTION IN PROGRESS – GOVERNMENTAL ACTIVITIES



Source: City of Menlo Park

CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY ACTIVITIES

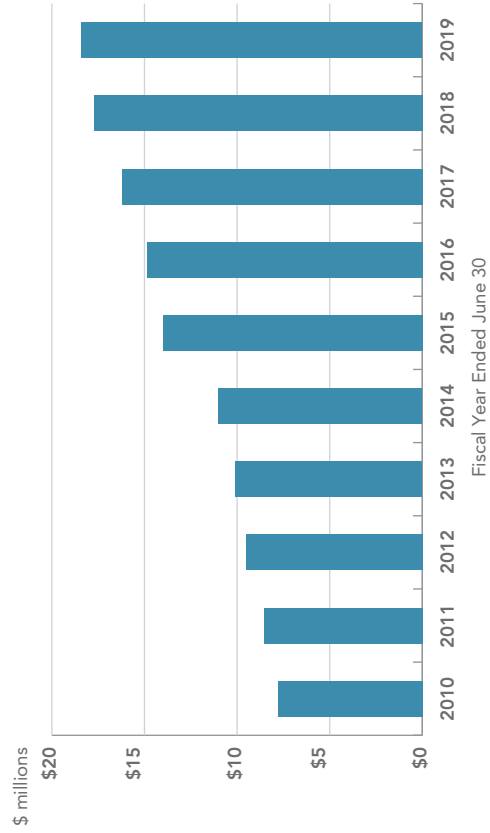
Statistical Section. S20-2

Last Ten Fiscal Years

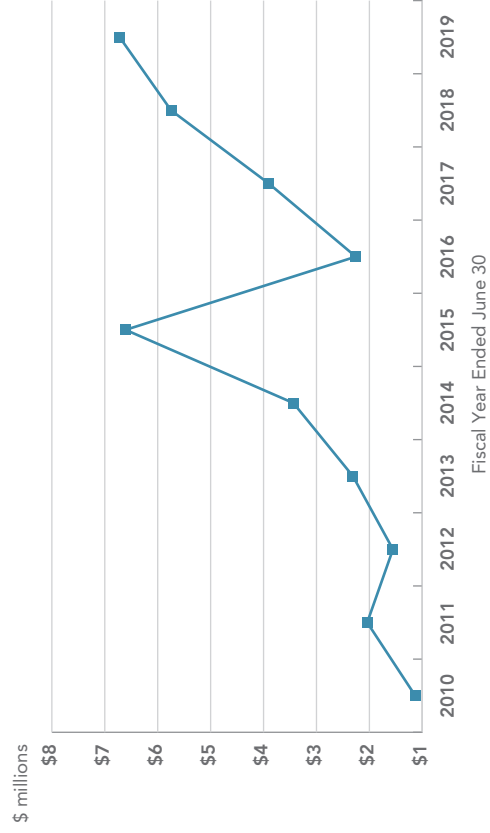
BUSINESS-TYPE ACTIVITIES

Fiscal Year Ended June 30	NON-DEPRECIABLE					DEPRECIABLE					COMBINED TOTAL	
	Land Improvement	Land	Real Estate Held for Sale	Construction in Progress	Total Non-Depreciable	Buildings	Share Use Facilities	Equipment	Improvements	Other Infrastructure		Less: Accumulated Depreciation
2010	1,066,454	-	-	1,133,544	2,199,998	4,159,460	-	569,755	-	6,812,639	(5,951,168)	5,590,686
2011	1,066,454	-	-	2,041,278	3,107,732	4,159,460	-	503,003	-	6,812,639	(6,046,123)	5,428,979
2012	1,066,454	-	-	1,555,026	2,621,480	4,159,460	-	542,565	-	8,371,534	(6,170,823)	6,902,736
2013	1,066,454	-	-	2,310,988	3,377,442	4,159,460	-	542,565	-	8,371,534	(6,371,319)	6,702,240
2014	1,066,454	-	-	3,436,621	4,503,075	4,159,460	-	540,323	-	8,371,534	(6,568,646)	6,502,671
2015	1,066,454	-	-	6,607,112	7,673,566	4,159,460	-	494,276	-	8,371,534	(6,708,763)	6,316,507
2016	1,066,454	-	-	2,256,956	3,323,410	7,823,985	-	525,118	-	10,111,882	(6,905,890)	11,555,095
2017	1,066,454	-	-	3,901,402	4,967,856	7,831,635	-	509,343	-	10,111,881	(7,208,291)	11,244,568
2018	1,066,454	-	-	5,747,244	6,813,698	7,831,636	-	517,996	-	10,111,881	(7,533,007)	10,928,506
2019	1,066,454	-	-	6,719,966	7,786,420	7,831,636	-	485,573	-	10,111,881	(7,823,003)	10,606,087

CAPITAL ASSETS & INFRASTRUCTURE – BUSINESS-TYPE ACTIVITIES



CONSTRUCTION IN PROGRESS – BUSINESS-TYPE ACTIVITIES



Source: City of Menlo Park

WATER SOLD BY TYPE OF CUSTOMER

Statistical Section - S21

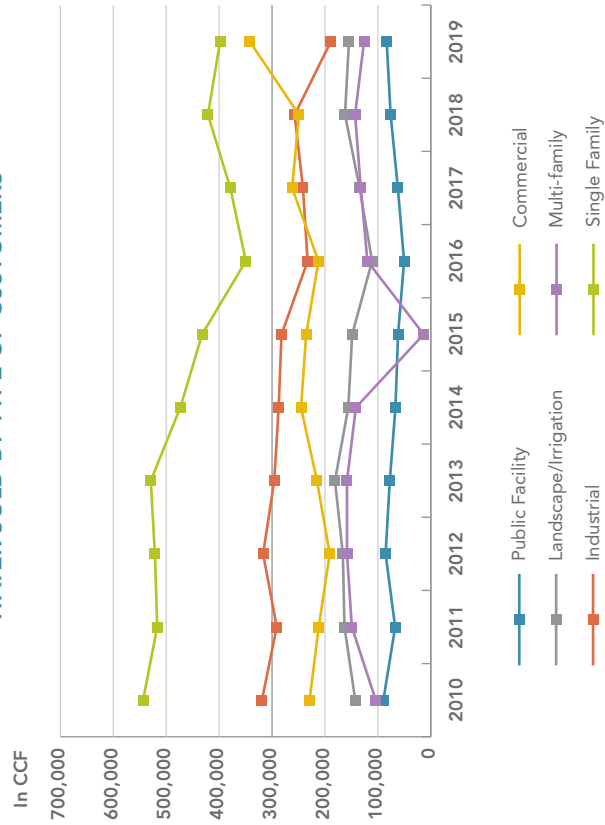
Last Ten Fiscal Years

(IN CCF)

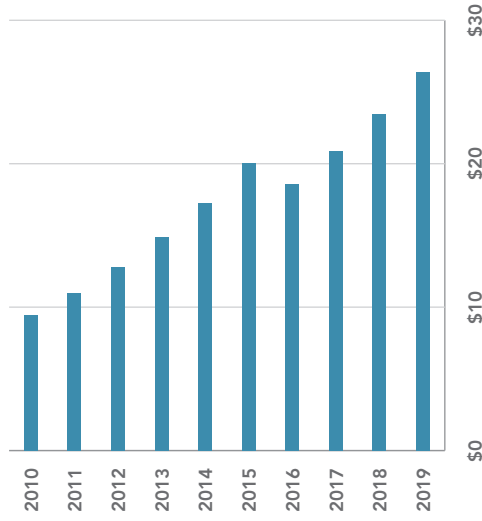
FISCAL YEAR ENDED JUNE 30

Type of Customer	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Single Family	543,758	516,958	521,341	529,161	473,312	432,062	349,573	378,848	421,103	398,254
Multi-family	104,032	149,228	158,342	158,386	141,634	13,487	119,843	132,285	143,084	126,250
Commercial	229,159	211,796	190,988	215,162	245,206	235,530	212,187	262,133	249,093	341,880
Industrial	319,117	291,137	316,857	295,864	287,567	282,021	232,846	241,563	257,321	188,936
Landscape/Irrigation	142,781	163,080	166,262	181,100	155,937	148,509	110,982	134,569	162,184	154,674
Public Facility	89,655	67,389	85,474	77,494	66,833	61,828	50,526	62,292	75,899	83,394
TOTAL WATER SOLD – CCF	1,428,502	1,399,588	1,439,264	1,457,167	1,370,489	1,173,437	1,075,957	1,211,690	1,308,684	1,293,388
Direct Rate ¹	\$9.44	\$11.01	\$12.78	\$14.86	\$17.24	\$20.03	\$18.56	\$20.86	\$23.46	\$26.40

WATER SOLD BY TYPE OF CUSTOMERS



WATER – DIRECT RATE¹



Source: California Water Service Company, City of Menlo Park

1. Rate based on a minimum monthly service charge based on size of meter plus a charge for water consumed plus a surcharge per unit
Note: 1 unit is 748 gallons

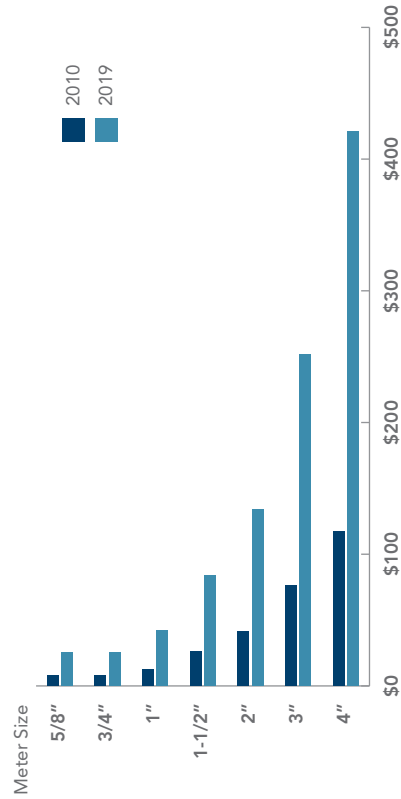
WATER SERVICE RATES

Last Ten Fiscal Years

Statistical Section, S22

Monthly Base Rate by Meter Size	FISCAL YEAR ENDING JUNE 30TH									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
5/8"	7.84	9.14	10.65	12.41	14.46	16.84	17.93	20.08	22.49	25.19
3/4"	7.84	9.14	10.65	12.41	14.46	16.84	17.93	20.08	22.49	25.19
1"	12.54	14.61	17.03	19.85	23.12	26.94	29.88	33.47	37.49	41.99
1-1/2"	25.87	30.15	35.14	40.95	47.70	55.57	59.77	66.94	74.97	83.97
2"	41.55	48.42	56.43	65.77	76.62	89.26	95.63	107.10	119.95	134.34
3"	76.04	88.62	103.27	120.36	140.21	163.35	179.30	200.82	224.92	251.91
4"	117.59	137.04	159.71	186.12	216.83	252.61	299.43	335.36	375.60	420.67
6"	261.06	304.24	354.56	413.20	481.38	560.81	597.67	669.39	749.72	839.69
8"	579.34	675.16	786.83	916.98	1,068.28	1,244.54	956.27	1,071.02	1,199.54	1,343.48
10"	1,285.68	1,498.33	1,746.16	2,034.97	2,370.74	2,761.91	1,374.63	1,539.59	1,724.34	1,931.26
Additional charges¹										
First 5 units	1.25	1.46	1.70	1.98	2.30	2.68	-	-	-	-
Next 6-10 units	1.57	1.83	2.13	2.48	2.90	3.38	-	-	-	-
Next 11-25 units	1.88	2.19	2.55	2.98	3.47	4.04	-	-	-	-
All units over 25	2.51	2.93	3.41	3.97	4.63	5.39	-	-	-	-
First 6 units	-	-	-	-	-	-	4.51	4.75	5.01	5.28
Over 6 units	-	-	-	-	-	-	4.64	5.32	6.09	6.97
Capital Facility Surcharge (per unit)	0.35	0.41	0.43	0.47	0.48	0.51	0.63	0.78	0.97	1.21

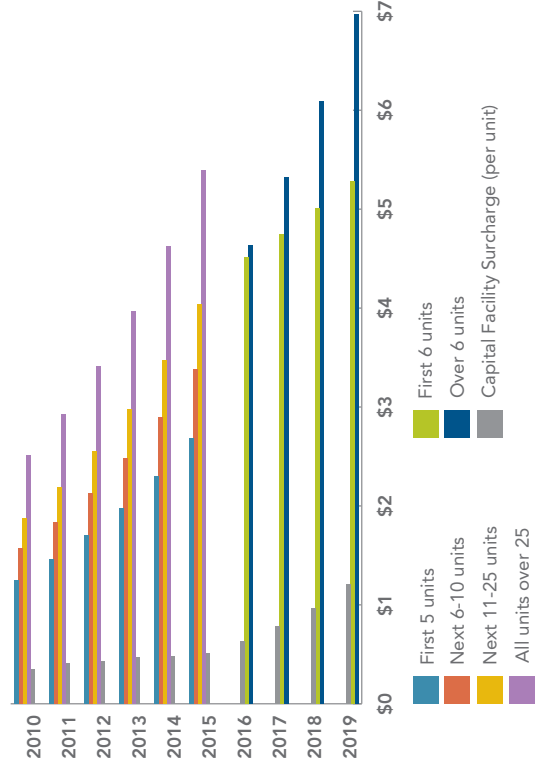
MONTHLY BASE RATES BY WATER METER SIZE



Source: City of Menlo Park, Master Fee Schedules

1. 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.

WATER - ADDITIONAL CHARGE RATES¹



MISCELLANEOUS STATISTICS

June 30, 2019

Statistical Section. S23-1

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, 2018 Estimate	34,549
People per square miles, 2018	3,306
Male Persons, 2018	49.1%
Female Persons, 2018	50.9%
Median age (years), 2018	37.3
Population 5 years and over	8.1%
Percentage Speak English only	68.6%
Percentage Speak a language other than English only	31.4%
Percentage Speak a language other than English:	
Age 5 - 17	5.9%
Age 18-64	22.1%
Age 65+	3.4%
Education Attainment - Population 25 years and over	
Less than high school graduate	5.9%
High school graduate or equivalent	94.1%
Some college or associate's degree	15.0%
Bachelor's degree	70.7%
Graduate or professional degree	41.9%
Marital Status	
Never married	31.8%
Now married - except separated	54.8%
Divorced or separated	9.8%
Widowed	3.6%
Citizenship Status	
Native, 5 years and over	75.4%
Foreign-born, 5 years and over	1.4%
Naturalized U.S. citizen	11.7%
Not a U.S. citizen	11.5%
Poverty Status in the past 12 months, 2012	
Below poverty level	8.5%
At or above poverty level	91.5%

Housing Characteristics	
Total housing units	14,003
Occupied housing units	13,236
Homeownership rate	58.3%
Housing units in multi-unit structures	41.7%
Median value of owner-occupied homes	\$1,764,600
Foreign born persons	24.6%
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

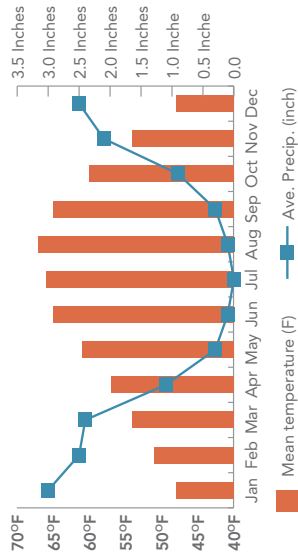
Source: Menlo Park Chamber of Commerce, City of Menlo Park Countrystudies.us/united-states/weather/california/menlo-park.htm U.S. Census Bureau, 2018 Demographic Profile Data, ACS Demographic & Housing Estimates 2013-2017

MISCELLANEOUS STATISTICS

June 30, 2019

Statistical Section, S23-2

AVERAGE MONTHLY TEMPERATURES & PRECIPITATIONS

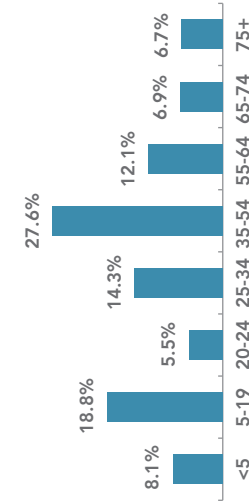


AVERAGE TEMPERATURES & PRECIPITATIONS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Avg. High	57	61	64	68	74	76	78	78	77	72	64	57
Avg. Low	37	41	44	44	48	52	54	54	52	47	42	37
Mean temperature (degrees in Fahrenheit)	48	51	54	57	61	65	66	67	65	60	54	48
Ave. Precip. (inch)	3.0	2.5	2.4	1.1	0.3	0.1	0.0	0.1	0.3	0.9	2.1	2.5

Source: [Countrystudies.us/united-states/weather/california/menlo-park.htm](http://countrystudies.us/united-states/weather/california/menlo-park.htm)

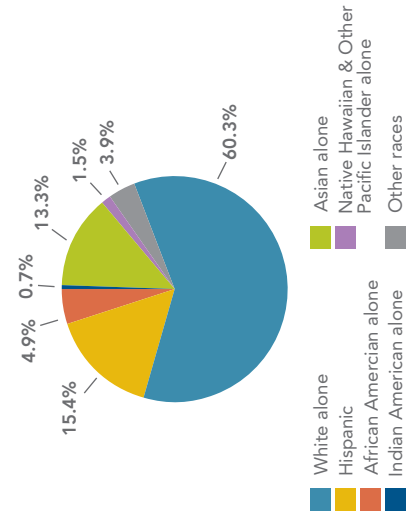
POPULATION BY AGE GROUP, 2018



POPULATION BY AGE GROUP, 2018

Years old:	Under 5	5-19	20-24	25-34	35-54	55-64	65-74	75 and older
Population by Age Group	8.1%	18.8%	5.5%	14.3%	27.6%	12.1%	6.9%	6.7%
								100.0%

POPULATION BY RACE, 2018



POPULATION BY RACE, 2018

Race	White alone	Hispanic	African American alone	Indian American alone	Native Hawaiian & Other Pacific Islander alone	Other races
Percentage	60.3%	15.4%	4.9%	0.7%	1.5%	3.9%
						100.0%

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