



SPECIAL MEETING AGENDA

Date: 3/6/2023
Time: 5:30 p.m.
Location: [Zoom.us/join](https://zoom.us/join) – ID# 850 5158 7969 and
City Hall Downtown Conference Room, 1st Floor
701 Laurel St., Menlo Park, CA 94025

Members of the public can listen to the meeting and participate using the following methods.

- How to participate in the meeting
 - Attend in person at the Downtown Conference Room
 - Access the meeting real-time online at:
[Zoom.us/join](https://zoom.us/join) – Meeting ID 850 5158 7969
 - Access the meeting real-time via telephone at:
(669) 900-6833
Meeting ID 850 5158 7969
Press *9 to raise hand to speak

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Special Session

A. Call To Order

B. Roll Call

C. Agenda Review

D. Consent Calendar

- D1. Approve the December 15, 2022 Finance and Audit Committee special meeting minutes ([Attachment](#))
Not a California Environmental Quality Act (CEQA) project.

E. Regular Business

- E1. Review the December 31, 2022 Investment Report and recommend receipt by City Council ([Staff Report #23-001-FAC](#))
Not a CEQA project.
- E2. Review the Annual Comprehensive Financial Report (ACFR) and recommend receipt by City Council ([Staff Report #23-002-FAC](#))
Not a CEQA project.
- E3. Select a Vice Chair.
Not a CEQA project.

F. Adjournment

At every Regular Meeting of the Committee, in addition to the Public Comment period where the public shall have the right to address the Committee on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Committee on any item listed on the agenda at a time designated by the Chair, either before or during the Committee's consideration of the item.

At every Special Meeting of the Committee, members of the public have the right to directly address the Committee on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or before, the public hearing.

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SPECIAL MEETING MINUTES – DRAFT



Date: 12/15/2022
Time: 5:30 p.m.
Location: Teleconference and
City Hall Downtown Conference Room, 1st Floor
701 Laurel St., Menlo Park, CA 94025

A. Call To Order

Chair Westcott called the meeting to order at 5:35 p.m.

B. Roll Call

Present: DeMoss, Hill, Normington, Taylor, Westcott, Wolosin
Absent: Wong
Staff: Interim Finance and Budget Manager Rani Singh, Management Analyst II Adrian Patino

C. Agenda Review

None.

D. Consent Calendar

D1. Approve the October 27, 2022 Finance and Audit Committee special meeting minutes (Attachment)

ACTION: Motion and second (Taylor/ Hill), to approve the consent calendar, passed 5-0 (Wong absent, Wolosin abstaining).

E. Regular Business

E1. Recommend to City Council a new Finance and Audit Committee regular meeting schedule

Management Analyst Adrian Patino introduced the item.

ACTION: Motion and second (Normington/ Taylor), to recommend the first Thursday of each quarter at 5:30 p.m., passed 6-0 (Wong absent).

E2. Review the Finance and Audit Committee work plan (Staff Report #22-007-FAC)

Management Analyst Adrian Patino introduced the item.

The Committee discussed the work plan and directed staff to remove several parking lot items.

ACTION: Motion and second (Hill/ Normington), to approve changes to the Finance and Audit Committee work plan, passed 5-0 (Wong absent, Wolosin abstaining).

F. Staff Updates

F1. Staff updates and announcements

None.

G. Adjournment

Chair Westcott adjourned the meeting at 6:06 p.m.

Adrian Patino, Management Analyst II



STAFF REPORT

Finance and Audit Committee

Meeting Date: 3/6/2023

Staff Report Number: 23-001-FAC

Consent Calendar: Review the investment portfolio as of December 31, 2022 and recommend receipt by Council

Recommendation

Staff recommends FAC review of the City's investment portfolio as of December 31, 2022, and recommend the City Council receive and file the report.

Policy Issues

The City and the Successor Agency funds are invested in full compliance with the City's investment policy and State law, which emphasize safety, liquidity, and yield.

Background

The City's investment policy requires a quarterly investment report to the City Council, which includes all financial investments of the City, and provides information on the investment type, value, and yield for all securities.

Analysis

Investment Portfolio as of December 31, 2022

The City's investment portfolio's fair value basis as of December 31, 2022, totaled \$178,065,742. As shown below in Table 1, the City's investments by type are measured by the amortized cost as well as the fair value as of December 31, 2022. The Local Agency Investment Fund (LAIF), managed by the California State Treasurer, is considered a safe investment, as it provides the liquidity of a money market fund. The remaining securities are prudent and range from short to longer-term investments (1-5 years), bearing higher interest rates for longer maturities.

Table 1: Recap of investments held as of December 31, 2022			
Security	Amortized cost basis	Fair value basis	% of portfolio
LAIF	\$5,028,076	\$5,028,076	3%
Securities portfolio			
Cash	208,253	208,253	0.1%
Corporate bonds	48,291,928	46,541,639	26%
Government agencies	60,654,833	59,312,864	33%
Government bonds	69,444,945	66,974,910	38%
Short Term Bills, Notes	0	0	0%
Total	183,628,035	178,065,742	100%

As shown in Table 1, the fair value of the City's securities was \$5.6 million less than the amortized cost as of December 31, 2022. The difference between amortized cost and fair value is referred to as an unrealized loss or gain, and is due to market values fluctuating from one period to another. When securities fair values are less than amortized cost, it generally signals that interest rates are rising. It is important to note that any unrealized loss or gain does not represent an actual cash transaction to the City, as the City generally holds securities to maturity to avoid market risk. The consolidated portfolio report for the quarter ending December 31, 2022, is included as Attachment A, and each component is described in detail below.

Local Agency Investment Fund (LAIF)

As previously shown in Table 1, 3% of the portfolio resides in the City's account at the LAIF, a liquid fund managed by the California State Treasurer, yielding 2.17% for the quarter ended December 31, 2022. LAIF yields have fluctuated greatly over recent years, gradually increasing from historic lows following the Great Recession, then falling rapidly during the course of the COVID-19 public health emergency. To take advantage of fixed security rising interest rates, staff has moved a significant amount of the balance in LAIF and Union Bank in longer-term securities. Staff developed a cash flow model with the City's consultant and established an overall liquid balance between LAIF and Union Bank of approximately \$25 million.

Securities Portfolio

As of December 31, 2022, the City held a number of securities in corporate bonds, government agency notes and government bonds, which reflect a diversified mix in terms of type but all at low risk. Insight Investment serves as the City's financial adviser on security investments and makes recommended trades of securities, purchase, and sale that align market conditions to the City Council-adopted investment policy to the greatest extent possible. The Insight Investments quarterly statement for the period ended December 31, 2022, is provided in Attachment A.

As shown on the quarterly statement, the return for managed assets for the period ended December 31, 2022, on an amortized cost basis, was 2.41%. The positions the City held as of December 31, 2022, along with maturities, purchases, and transactions are included in Attachment B. The FAC recommended rating of the City's corporate investments based on an Environmental, Social, Governance (ESG) scale. Attachment C outlines these investments relative to a scale of 1 – 5, 1 being the best investment. The overall score changed from 2.76 to 2.69, which indicates continual improvement. With a score of 3.0 being average, the City's investments are better than average.

Performance Comparison

As specified in the City's investment policy, the performance of the portfolio is measured against the benchmark of a treasury bond. In the quarter ending December 31, 2022, the City's portfolio returned a weighted average of 2.41% having a weighted average maturity of 2.20 years. The average 2 Year treasury note saw a yield of 2.46%, or .05% higher than the City's portfolio performance. Primary factors influencing the City's portfolio are supply chain problems associated with the pandemic, Russia's military conflict with Ukraine, and Federal Reserve fiscal management policy.

Impact on City Resources

Considering LAIF as well as Union Bank, the City has sufficient funds available to meet its expenditure requirements for the next six months.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the

environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. City detailed portfolio report for the quarter ended December 31, 2022
- B. City summary portfolio report for the quarter ended December 31, 2022
- C. City ESG rating as of December 31, 2022

Report prepared by:
Marvin Davis, Interim Finance Director

City of Menlo Park

Quarterly Consolidated Portfolio Report

December 31, 2022

City Managed Assets

LAIF	\$	5,028,076	3%	2.17%
Total Internally Managed	\$	5,028,076	3%	

Weighted Average Yield **2.17%**

	Days
Effective Average Duration - Internal	1
Weighted Average Maturity - Internal	1

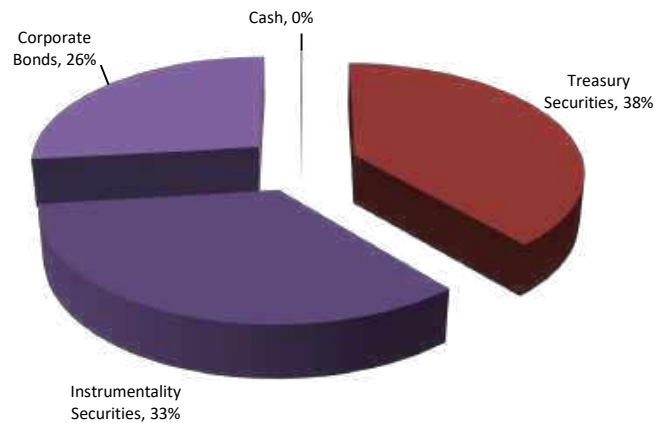


Advisor Managed Assets

Cash	\$	208,254	0%	3.00%
Treasury Securities	\$	66,974,910	38%	2.34%
Instrumentality Securities	\$	59,312,864	33%	2.92%
Corporate Bonds	\$	46,541,640	26%	1.87%
Total Externally Managed	\$	173,037,668	97%	

Weighted Average Yield **2.41%**

	Years
Effective Average Duration - External	2.13
Weighted Average Maturity - External	2.26

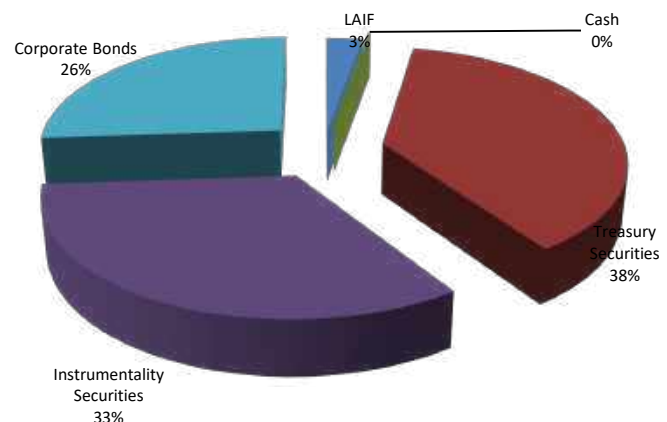


Total Portfolio Assets

LAIF	\$	5,028,076	3%	2.17%
Cash	\$	208,254	0%	3.00%
Treasury Securities	\$	66,974,910	38%	2.34%
Instrumentality Securities	\$	59,312,864	33%	2.92%
Corporate Bonds	\$	46,541,640	26%	1.87%
Total Portfolio Assets	\$	178,065,744		

Weighted Average Yield **2.41%**

	Years
Effective Average Duration - Total	2.07
Weighted Average Maturity - Total	2.20



Portfolio Change

Beginning Balance	\$	167,766,375
Ending Balance	\$	178,065,744

* Note: All data for external assets was provided by the client and is believed to be accurate.

Insight Investment does not manage the external assets and this report is provided for the client's use.

Market values are presented.

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CITY OF MENLO PARK

December 2022

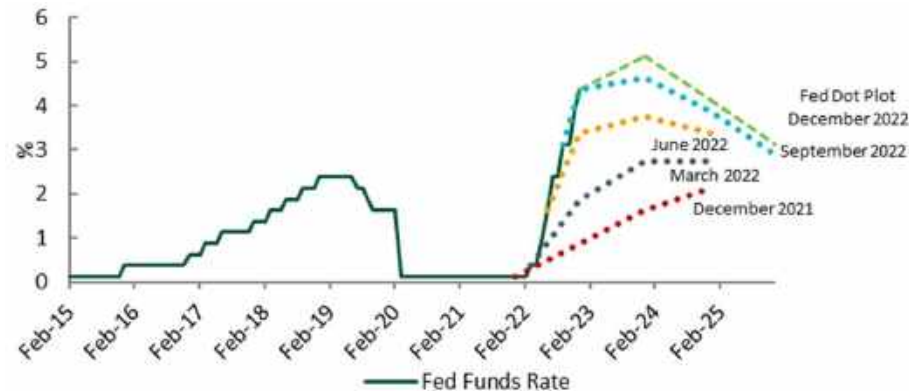


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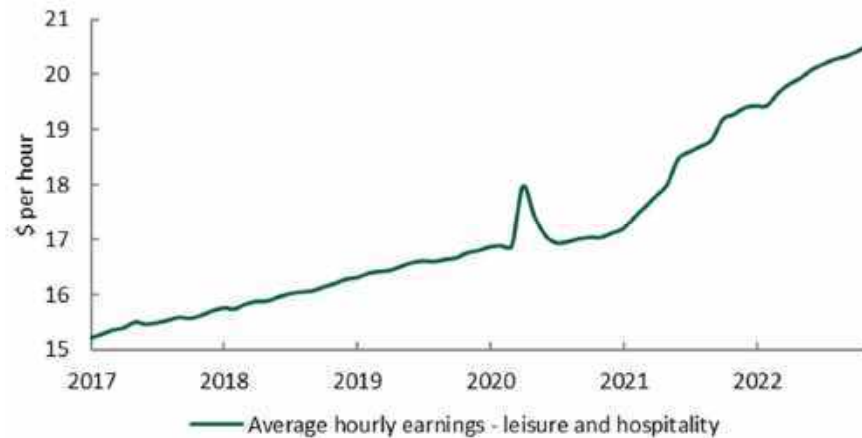
As of December 31, 2022

Chart 1: The Fed adjusted its dot plot again, but to a lower extent again



Source: Federal Reserve, December 31, 2022

Chart 2: Wage growth remained strong



Source: Bloomberg, December 31, 2022

Economic Indicators and Monetary Policy

The Federal Reserve, as expected, announced a “downshift” in its policy tightening. It raised the upper bound of its policy rate by 50bp, from 4% to 4.5%, following four consecutive 75bp hikes. The Fed was, however, clear that it still has more hiking to do in 2023. Fed Chair Powell stated that rates are still “not sufficiently restrictive”. The Fed once again raised its “dot plot” projections, albeit to a lesser extent than they have at each quarterly meeting this year (see Chart 1). The Fed’s most notable (and most anticipated) change was to its 2023 year-end forecast, now at 5.13%, up from 4.65%. Only two of the 19 voting members projected a lower rate (at 4.88%).

For the second month in a row, inflation came in lower than expected. Headline CPI was 0.1% month-on-month and core CPI was 0.2%, taking the year-on-year figures to 7.1% (the lowest since last December) and 6% (the lowest since July), respectively. Most areas of the report offered good news, outside of the stubborn rental and food components. For the second month in a row, core goods prices were in deflation, this time at -0.4% month-on-month. Used car prices were the second largest negative contributor and leading indicators, such as the Manheim Used Car Index, fell -14.2% last month, its largest decrease ever.

The labor market remained tight. US economy added 263,000 new jobs in November, above consensus for 200,000. Job growth was broad-based. The service sector remained strong with leisure and hospitality up 88,000. Wage growth surged higher, up 0.6%, or 5.1% year-on-year, raising further inflation concerns (Chart 2). The unemployment rate stayed at 3.7%. The participation rate fell from 62.2% to 62.1%. The ratio of jobs to unemployed people remained at ~1.7.

The housing market also continued to struggle. Existing home sales have fallen 40% from the peak in late 2020. Building permits fell by 11.2% month-on-month in November and housing starts fell 0.5% month-on-month.

Interest Rate Summary

Yields rose toward the belly of the curve. At the end of December, the 3-month US Treasury bill yielded 4.41%, the 6-month US Treasury bill yielded 4.77%, the 2-year US Treasury note yielded 4.43%, the 5-year US Treasury note yielded 4.01% and the 10-year US Treasury note yielded 3.88%.

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2022 - December 31, 2022

Amortized Cost Basis Activity Summary

Opening balance	178,360,315.86
Income received	137,434.20
Total receipts	137,434.20
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Change in accruals from security movement	0.00
Total amortization expense	(59,575.04)
Total OID/MKT accretion income	161,786.84
Return of capital	0.00
Closing balance	178,599,961.86
Ending fair value	173,037,667.68
Unrealized gain (loss)	(5,562,294.18)

Detail of Amortized Cost Basis Return

	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	7,758.22	0.00	0.00	7,758.22
Corporate Bonds	107,623.70	(29,475.65)	0.00	78,148.05
Government Agencies	103,107.09	48,991.51	0.00	152,098.60
Government Bonds	59,048.95	82,695.94	0.00	141,744.89
Total	277,537.96	102,211.80	0.00	379,749.76

Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.68	1.46	0.34
Overnight Repo	1.64	1.44	0.34
Merrill Lynch 3m US Treas Bill	1.95	1.62	0.35
Merrill Lynch 6m US Treas Bill	2.30	1.80	0.37
ML 1 Year US Treasury Note	2.79	2.00	0.39
ML 2 Year US Treasury Note	2.98	1.94	0.36
ML 5 Year US Treasury Note	2.86	1.66	0.31

* rates reflected are cumulative

Summary of Amortized Cost Basis Return for the Period

	Total portfolio
Interest earned	277,537.96
Accretion (amortization)	102,211.80
Realized gain (loss) on sales	0.00
Total income on portfolio	379,749.76
Average daily amortized cost	178,499,149.09
Period return (%)	0.21
YTD return (%)	1.65
Weighted average final maturity in days	831

ACTIVITY AND PERFORMANCE SUMMARY

For the period December 1, 2022 - December 31, 2022

Fair Value Basis Activity Summary

Opening balance	172,940,737.14
Income received	137,434.20
Total receipts	137,434.20
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Unrealized gain (loss) on security movements	0.00
Change in accruals from security movement	0.00
Return of capital	0.00
Change in fair value for the period	(40,503.66)
Ending fair value	173,037,667.68

Detail of Fair Value Basis Return

	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	7,758.22	0.00	7,758.22
Corporate Bonds	107,623.70	(64,220.44)	43,403.26
Government Agencies	103,107.09	40,767.63	143,874.72
Government Bonds	59,048.95	(17,050.85)	41,998.10
Total	277,537.96	(40,503.66)	237,034.30

Comparative Rates of Return (%)

	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	1.68	1.46	0.34
Overnight Repo	1.64	1.44	0.34
ICE Bofa 3 Months US T-BILL	1.46	1.31	0.36
ICE Bofa 6m US Treas Bill	1.34	1.35	0.43
ICE Bofa 1 Yr US Treasury Note	(1.02)	0.25	0.39
ICE BofA US Treasury 1-3	(3.65)	(0.84)	0.20
ICE BofA US Treasury 1-5	(5.25)	(1.35)	0.06

* rates reflected are cumulative

Summary of Fair Value Basis Return for the Period

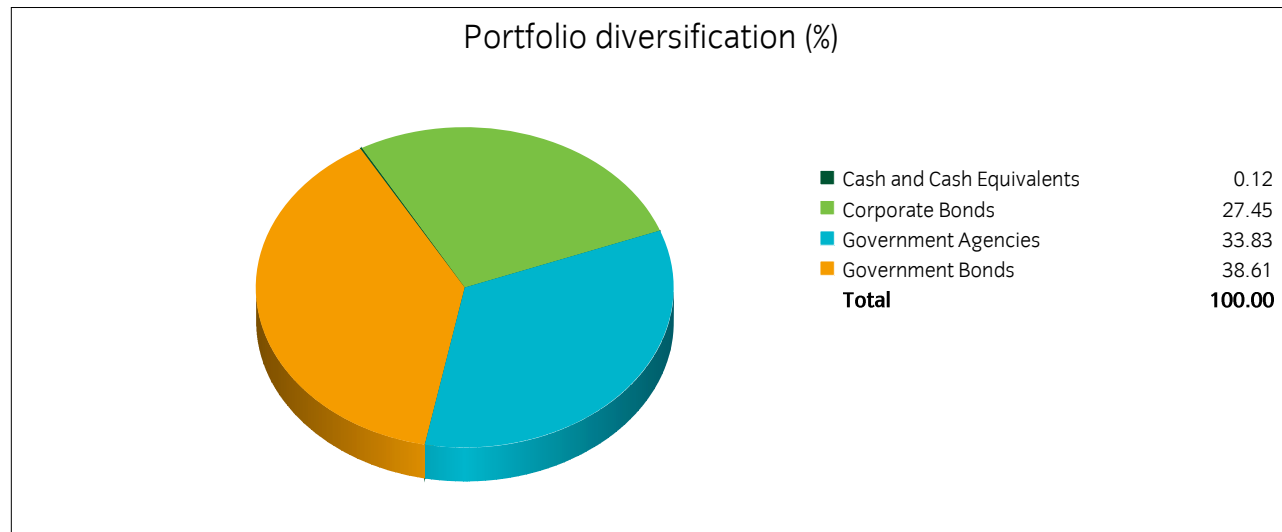
	Total portfolio
Interest earned	277,537.96
Change in fair value	(40,503.66)
Total income on portfolio	237,034.30
Average daily total value *	174,162,190.05
Period return (%)	0.14
YTD return (%)	(3.42)
Weighted average final maturity in days	831

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of December 31, 2022

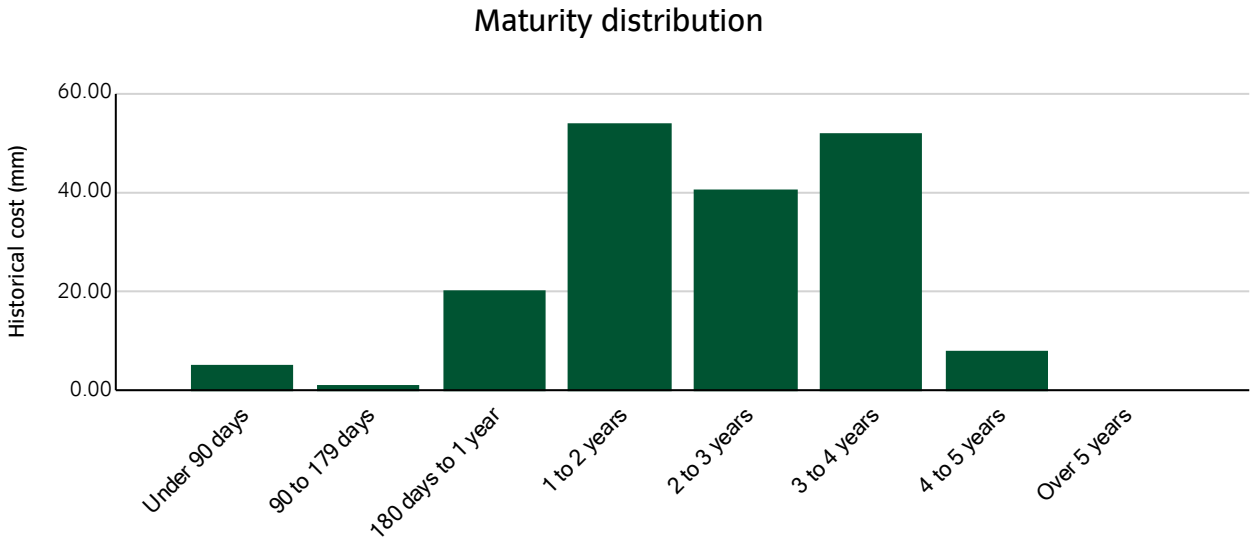
	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	208,253.75	208,253.75	208,253.75	0.00	1	0.12	0.00
Corporate Bonds	49,187,530.13	48,291,928.63	46,541,639.75	(1,750,288.88)	719	27.45	1.72
Government Agencies	60,626,926.14	60,654,833.86	59,312,864.10	(1,341,969.76)	806	33.83	2.09
Government Bonds	69,195,147.03	69,444,945.62	66,974,910.08	(2,470,035.54)	934	38.61	2.46
Total	179,217,857.05	178,599,961.86	173,037,667.68	(5,562,294.18)	831	100.00	2.13



MATURITY DISTRIBUTION OF SECURITIES HELD

As of December 31, 2022

Maturity	Historic cost	Percent
Under 90 days	4,762,223.75	2.66
90 to 179 days	984,840.91	0.55
180 days to 1 year	20,120,639.32	11.23
1 to 2 years	53,711,075.06	29.97
2 to 3 years	40,173,606.29	22.42
3 to 4 years	51,622,134.37	28.80
4 to 5 years	7,843,337.35	4.38
Over 5 years	0.00	0.00
	179,217,857.05	100.00



SECURITIES HELD

As of December 31, 2022

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Cash and Cash Equivalents										
	Cash and Cash Equivalents	0.000		208,253.75	208,253.75	208,253.75	208,253.75	0.00	0.00	0.12
Total Cash and Cash Equivalents				208,253.75	208,253.75	208,253.75	208,253.75	0.00	0.00	0.12
Corporate Bonds										
46625HJH4	JPMORGAN CHASE & CO 3.2% 25JAN2023	3.200	01/25/2023	1,000,000.00	1,031,190.00	1,000,621.31	999,229.46	(1,391.85)	13,866.67	0.58
369550BD9	GENERAL DYNAMICS CORP 3.375% 15MAY2023 (CALLABLE 15APR23)	3.375	05/15/2023 04/15/2023	943,000.00	984,840.91	946,218.53	937,744.74	(8,473.79)	4,066.69	0.55
459200HP9	IBM CORP 3.375% 01AUG2023	3.375	08/01/2023	1,000,000.00	1,061,840.00	1,017,490.94	990,268.87	(27,222.07)	14,062.50	0.59
742718EB1	PROCTER & GAMBLE CO/THE 3.1% 15AUG2023	3.100	08/15/2023	1,000,000.00	1,041,328.13	1,006,261.84	988,501.39	(17,760.45)	11,711.11	0.58
89236THA6	TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	1.350	08/25/2023	1,000,000.00	1,021,010.00	1,005,747.79	977,622.09	(28,125.70)	4,725.00	0.57
24422EUM9	JOHN DEERE CAPITAL CORP 3.65% 12OCT2023	3.650	10/12/2023	950,000.00	1,005,926.50	960,758.03	942,519.93	(18,238.10)	7,609.24	0.56
14913R2S5	CATERPILLAR FINL SERVICE 0.95% 10JAN2024	0.950	01/10/2024	1,000,000.00	993,070.00	996,352.63	964,931.98	(31,420.65)	4,512.50	0.55
89236THU2	TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024	0.450	01/11/2024	1,800,000.00	1,797,858.00	1,799,041.40	1,722,374.87	(76,666.53)	3,825.00	1.00
02665WCT6	AMERICAN HONDA FINANCE 3.55% 12JAN2024	3.550	01/12/2024	1,000,000.00	1,090,440.00	1,031,008.00	986,564.62	(44,443.38)	16,665.28	0.61
24422EVN6	JOHN DEERE CAPITAL CORP 0.45% 17JAN2024	0.450	01/17/2024	800,000.00	787,240.00	793,224.62	765,118.18	(28,106.44)	1,640.00	0.44

SECURITIES HELD

As of December 31, 2022

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Corporate Bonds										
17325FAS7	CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23)	3.650	01/23/2024 12/23/2023	1,500,000.00	1,618,310.00	1,545,438.52	1,479,249.87	(66,188.65)	24,029.17	0.90
693475AV7	PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23)	3.500	01/23/2024 12/24/2023	1,000,000.00	1,047,210.00	1,010,487.81	985,453.17	(25,034.64)	15,361.11	0.58
91159HHV5	US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	3.375	02/05/2024 01/05/2024	1,000,000.00	1,067,060.00	1,029,011.77	982,424.56	(46,587.21)	13,687.50	0.60
594918BX1	MICROSOFT CORP 2.875% 06FEB2024 (CALLABLE 06DEC23)	2.875	02/06/2024 12/06/2023	960,000.00	993,734.40	967,178.44	942,142.68	(25,035.76)	11,116.67	0.55
06051GHF9	BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23)	3.550	03/05/2024 03/05/2023	1,500,000.00	1,606,050.00	1,507,256.05	1,494,655.70	(12,600.35)	17,158.33	0.90
24422EUX5	JOHN DEERE CAPITAL CORP 2.6% 07MAR2024	2.600	03/07/2024	1,450,000.00	1,476,419.00	1,456,841.06	1,412,902.72	(43,938.34)	11,938.33	0.82
459200JY8	IBM CORP 3% 15MAY2024	3.000	05/15/2024	2,000,000.00	2,141,300.00	2,061,515.83	1,945,773.44	(115,742.39)	7,666.67	1.19
14913R2L0	CATERPILLAR FINL SERVICE 0.45% 17MAY2024	0.450	05/17/2024	1,600,000.00	1,597,536.00	1,598,872.37	1,506,121.28	(92,751.09)	880.00	0.89
46647PBQ8	JPMORGAN CHASE & CO 1.514% 01JUN2024 (CALLABLE 01JUN23)	1.514	06/01/2024 06/01/2023	2,000,000.00	2,042,800.00	2,006,704.15	1,967,623.30	(39,080.85)	2,523.33	1.14
06051GHL6	BANK OF AMERICA CORP 3.864% 23JUL2024 (CALLABLE 23JUL23)	3.864	07/23/2024 07/23/2023	1,500,000.00	1,605,540.00	1,527,051.29	1,486,421.51	(40,629.78)	25,438.00	0.90
693506BQ9	PPG INDUSTRIES INC 2.4% 15AUG2024 (CALLABLE 15JUL24)	2.400	08/15/2024 07/15/2024	2,000,000.00	2,012,600.00	2,004,225.38	1,914,151.74	(90,073.64)	18,133.33	1.12
89236TGL3	TOYOTA MOTOR CREDIT CORP 2% 07OCT2024	2.000	10/07/2024	1,000,000.00	999,410.00	999,780.09	952,152.35	(47,627.74)	4,666.67	0.56

SECURITIES HELD

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Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Corporate Bonds										
69353REF1	PNC BANK NA 3.3% 30OCT2024 (CALLABLE 30SEP24)	3.300	10/30/2024 09/30/2024	2,500,000.00	2,737,590.00	2,616,533.12	2,433,547.00	(182,986.12)	13,750.00	1.53
14913Q3B3	CATERPILLAR FINL SERVICE 2.15% 08NOV2024	2.150	11/08/2024	1,000,000.00	1,048,770.00	1,024,699.29	954,533.52	(70,165.77)	3,165.28	0.59
931142DV2	WALMART INC 2.65% 15DEC2024 (CALLABLE 15OCT24)	2.650	12/15/2024 10/15/2024	1,500,000.00	1,595,520.00	1,555,206.45	1,442,498.33	(112,708.12)	1,766.67	0.89
90331HMS9	US BANK NA CINCINNATI 2.8% 27JAN2025 (CALLABLE 27DEC24)	2.800	01/27/2025 12/27/2024	1,000,000.00	995,210.00	996,436.13	964,074.16	(32,361.97)	11,977.78	0.56
437076BM3	HOME DEPOT INC 3% 01APR2026 (CALLABLE 01JAN26)	3.000	04/01/2026 01/01/2026	3,000,000.00	2,948,280.00	2,954,531.44	2,858,221.20	(96,310.24)	22,500.00	1.65
91159HHN3	US BANCORP 2.375% 22JUL2026 (CALLABLE 22JUN26)	2.375	07/22/2026 06/22/2026	2,000,000.00	1,912,040.00	1,920,811.29	1,847,844.80	(72,966.49)	20,979.17	1.07
594918BR4	MICROSOFT CORP 2.4% 08AUG2026 (CALLABLE 08MAY26)	2.400	08/08/2026 05/08/2026	2,000,000.00	1,939,660.00	1,945,610.19	1,865,792.40	(79,817.79)	19,066.67	1.08
88579YAV3	3M COMPANY 2.25% 19SEP2026 (CALLABLE 19JUN26)	2.250	09/19/2026 06/19/2026	2,000,000.00	1,906,760.00	1,915,699.96	1,846,953.22	(68,746.74)	12,750.00	1.06
713448DN5	PEPSICO INC 2.375% 06OCT2026 (CALLABLE 06JUL26)	2.375	10/06/2026 07/06/2026	1,000,000.00	967,260.00	970,363.52	931,220.46	(39,143.06)	5,607.64	0.54
437076CA8	HOME DEPOT INC 2.5% 15APR2027 (CALLABLE 15FEB27)	2.500	04/15/2027 02/15/2027	1,200,000.00	1,104,228.00	1,107,055.44	1,105,981.12	(1,074.32)	6,333.33	0.62
037833CR9	APPLE INC 3.2% 11MAY2027 (CALLABLE 11FEB27)	3.200	05/11/2027 02/11/2027	2,121,000.00	2,062,439.19	2,066,368.75	2,013,445.38	(52,923.37)	9,426.67	1.15

SECURITIES HELD

As of December 31, 2022

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Corporate Bonds										
037833DB3	APPLE INC 2.9% 12SEP2027 (CALLABLE 12JUN27)	2.900	09/12/2027 06/12/2027	1,000,000.00	947,060.00	947,525.20	933,579.71	(13,945.49)	8,780.56	0.53
Total Corporate Bonds				48,324,000.00	49,187,530.13	48,291,928.63	46,541,639.75	(1,750,288.88)	371,386.87	27.45
Government Agencies										
3133EKKT2	FEDERAL FARM CREDIT BANK 2.25% 08FEB2023	2.250	02/08/2023	1,500,000.00	1,520,580.00	1,500,597.89	1,496,836.97	(3,760.92)	13,406.25	0.85
3130AJ7E3	FEDERAL HOME LOAN BANK 1.375% 17FEB2023	1.375	02/17/2023	2,000,000.00	2,002,200.00	2,000,305.92	1,992,702.58	(7,603.34)	10,236.11	1.12
3135G0U43	FANNIE MAE 2.875% 12SEP2023	2.875	09/12/2023	2,000,000.00	2,081,960.00	2,013,614.98	1,974,294.68	(39,320.30)	17,409.72	1.16
3133EKVB9	FEDERAL FARM CREDIT BANK 1.86% 17OCT2023	1.860	10/17/2023	2,000,000.00	1,993,956.00	1,998,861.05	1,955,650.54	(43,210.51)	7,646.67	1.11
3133EKKU9	FEDERAL FARM CREDIT BANK 2.3% 08NOV2023	2.300	11/08/2023	1,500,000.00	1,524,645.00	1,504,810.30	1,469,725.38	(35,084.92)	5,079.17	0.85
3130AB3H7	FEDERAL HOME LOAN BANK 2.375% 08MAR2024	2.375	03/08/2024	2,000,000.00	2,045,380.00	2,011,472.32	1,946,155.44	(65,316.88)	14,909.72	1.14
3133EMTD4	FEDERAL FARM CREDIT BANK 0.37% 15MAR2024 (CALLABLE 11JAN23)	0.370	03/15/2024	2,000,000.00	1,998,000.00	1,999,198.90	1,894,120.20	(105,078.70)	2,178.89	1.11
3133EMBE1	FEDERAL FARM CREDIT BANK 0.3% 28MAR2024 (CALLABLE 11JAN23)	0.300	03/28/2024	2,000,000.00	1,998,500.00	1,999,467.09	1,890,401.66	(109,065.43)	1,550.00	1.12
3133EKNX0	FEDERAL FARM CREDIT BANK 2.16% 03JUN2024	2.160	06/03/2024	1,000,000.00	1,012,070.00	1,003,482.51	967,487.53	(35,994.98)	1,680.00	0.56
3135G0V75	FANNIE MAE 1.75% 02JUL2024	1.750	07/02/2024	2,000,000.00	1,982,440.00	1,994,694.80	1,915,298.52	(79,396.28)	17,402.78	1.11

SECURITIES HELD

As of December 31, 2022

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
3130AKX84	FEDERAL HOME LOAN BANK 0.27% 23AUG2024 (CALLABLE 23FEB23)	0.270	08/23/2024 02/23/2023	1,000,000.00	999,500.00	999,765.98	927,737.44	(72,028.54)	960.00	0.56
3130ATT31	FEDERAL HOME LOAN BANK 4.5% 03OCT2024	4.500	10/03/2024	3,000,000.00	2,989,410.00	2,990,024.60	2,997,970.20	7,945.60	23,625.00	1.67
3137EAEP0	FREDDIE MAC 1.5% 12FEB2025	1.500	02/12/2025	3,000,000.00	2,881,764.00	2,903,743.77	2,828,814.69	(74,929.08)	17,375.00	1.61
3130AJHU6	FEDERAL HOME LOAN BANK 0.5% 14APR2025	0.500	04/14/2025	1,405,000.00	1,297,447.25	1,310,619.31	1,292,265.79	(18,353.52)	1,502.57	0.72
3135G03U5	FANNIE MAE 0.625% 22APR2025	0.625	04/22/2025	5,300,000.00	4,905,758.00	4,958,898.65	4,873,081.66	(85,816.99)	6,348.96	2.74
3134GVB31	FREDDIE MAC 0.75% 28MAY2025 (CALLABLE 28FEB23) #0002	0.750	05/28/2025 02/28/2023	1,700,000.00	1,556,894.00	1,560,744.39	1,544,078.41	(16,665.98)	1,168.75	0.87
3130ASG86	FEDERAL HOME LOAN BANK 3.375% 13JUN2025	3.375	06/13/2025	2,000,000.00	2,008,540.00	2,007,209.20	1,947,987.70	(59,221.50)	3,375.00	1.12
3133ENB74	FEDERAL FARM CREDIT BANK 3.15% 21JUL2025	3.150	07/21/2025	3,000,000.00	2,993,700.00	2,994,647.32	2,918,670.63	(75,976.69)	42,000.00	1.67
3135G05X7	FANNIE MAE 0.375% 25AUG2025	0.375	08/25/2025	2,000,000.00	1,838,268.89	1,866,505.44	1,805,364.32	(61,141.12)	2,625.00	1.03
3130AL7C2	FEDERAL HOME LOAN BANK 0.5% 25AUG2025 (CALLABLE 25FEB23)	0.500	08/25/2025 02/25/2023	2,000,000.00	2,000,000.00	2,000,000.00	1,798,199.12	(201,800.88)	3,500.00	1.12
3137EAEX3	FREDDIE MAC 0.375% 23SEP2025	0.375	09/23/2025	4,000,000.00	3,584,696.00	3,597,789.33	3,602,798.92	5,009.59	4,083.33	2.00
3133ENP95	FEDERAL FARM CREDIT BANK 4.25% 30SEP2025	4.250	09/30/2025	3,000,000.00	3,005,673.00	3,005,209.90	2,997,179.85	(8,030.05)	31,875.00	1.68

SECURITIES HELD

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Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Agencies										
3135G0K36	FANNIE MAE 2.125% 24APR2026	2.125	04/24/2026	3,000,000.00	2,891,100.00	2,904,672.58	2,814,871.65	(89,800.93)	11,864.58	1.61
3133ENV72	FEDERAL FARM CREDIT BANK 4.5% 27JUL2026	4.500	07/27/2026	2,000,000.00	1,997,520.00	1,997,630.47	2,017,119.50	19,489.03	16,000.00	1.11
3133ENH45	FEDERAL FARM CREDIT BANK 3.125% 24AUG2026	3.125	08/24/2026	4,000,000.00	3,944,044.00	3,948,644.82	3,858,222.20	(90,422.62)	44,097.22	2.20
3130AQF65	FEDERAL HOME LOAN BANK 1.25% 21DEC2026	1.250	12/21/2026	4,000,000.00	3,572,880.00	3,582,222.34	3,585,828.52	3,606.18	1,388.89	1.99
Total Government Agencies				62,405,000.00	60,626,926.14	60,654,833.86	59,312,864.10	(1,341,969.76)	303,288.61	33.83
Government Bonds										
912828S35	USA TREASURY 1.375% 30JUN2023	1.375	06/30/2023	1,000,000.00	984,492.19	998,084.02	984,257.81	(13,826.21)	6,875.00	0.55
912828Y61	USA TREASURY 2.75% 31JUL2023	2.750	07/31/2023	1,000,000.00	1,040,468.75	1,006,331.64	989,140.62	(17,191.02)	11,433.42	0.58
912828D1	USA TREASURY 1.375% 31AUG2023	1.375	08/31/2023	2,000,000.00	1,967,109.38	1,994,765.93	1,955,234.38	(39,531.55)	9,267.96	1.10
912828D8	USA TREASURY 2.875% 30SEP2023	2.875	09/30/2023	1,000,000.00	1,041,679.69	1,017,059.30	987,578.12	(29,481.18)	7,266.48	0.58
91282CAP6	USA TREASURY 0.125% 15OCT2023	0.125	10/15/2023	1,500,000.00	1,493,203.13	1,497,677.94	1,447,089.84	(50,588.10)	396.64	0.83
91282CDD0	USA TREASURY 0.375% 31OCT2023	0.375	10/31/2023	2,000,000.00	1,981,803.58	1,991,423.70	1,928,671.88	(62,751.82)	1,263.81	1.11
912828P1	USA TREASURY 2.875% 30NOV2023	2.875	11/30/2023	1,800,000.00	1,881,216.97	1,836,806.61	1,770,609.38	(66,197.23)	4,407.28	1.05

SECURITIES HELD

As of December 31, 2022

Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
912828V23	USA TREASURY 2.25% 31DEC2023	2.250	12/31/2023	1,000,000.00	1,019,261.16	1,004,276.35	975,546.88	(28,729.47)	11,250.00	0.57
91282CBM2	USA TREASURY 0.125% 15FEB2024	0.125	02/15/2024	1,500,000.00	1,489,746.09	1,495,637.31	1,425,468.75	(70,168.56)	703.13	0.83
9128286R6	USA TREASURY 2.25% 30APR2024	2.250	04/30/2024	1,000,000.00	1,023,050.23	1,007,076.70	968,593.75	(38,482.95)	3,791.44	0.57
91282CCC3	USA TREASURY 0.25% 15MAY2024	0.250	05/15/2024	2,000,000.00	1,997,116.08	1,998,659.70	1,883,203.12	(115,456.58)	635.36	1.11
912828XT2	USA TREASURY 2% 31MAY2024	2.000	05/31/2024	2,000,000.00	2,101,803.58	2,045,023.48	1,927,656.24	(117,367.24)	3,406.59	1.17
912828Y87	USA TREASURY 1.75% 31JUL2024	1.750	07/31/2024	2,000,000.00	2,087,272.33	2,041,010.90	1,913,750.00	(127,260.90)	14,551.63	1.16
9128282U3	USA TREASURY 1.875% 31AUG2024	1.875	08/31/2024	1,000,000.00	1,012,382.81	1,004,333.98	956,992.19	(47,341.79)	6,319.06	0.56
91282CCX7	USA TREASURY 0.375% 15SEP2024	0.375	09/15/2024	1,700,000.00	1,696,685.38	1,698,116.28	1,585,316.40	(112,799.88)	1,884.32	0.95
912828YY0	USA TREASURY 1.75% 31DEC2024	1.750	12/31/2024	2,000,000.00	2,093,281.25	2,052,412.45	1,899,531.24	(152,881.21)	17,500.00	1.17
912828ZF0	USA TREASURY 0.5% 31MAR2025	0.500	03/31/2025	3,000,000.00	2,798,906.25	2,834,571.17	2,757,421.86	(77,149.31)	3,791.21	1.56
91282CAM3	USA TREASURY 0.25% 30SEP2025	0.250	09/30/2025	3,000,000.00	2,740,205.36	2,779,141.56	2,696,367.18	(82,774.38)	1,895.60	1.53
91282CAT8	USA TREASURY 0.25% 31OCT2025	0.250	10/31/2025	3,000,000.00	2,733,408.49	2,772,341.41	2,685,234.36	(87,107.05)	1,263.81	1.53

SECURITIES HELD

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Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
91282CAZ4	USA TREASURY 0.375% 30NOV2025	0.375	11/30/2025	3,000,000.00	2,739,853.80	2,776,927.78	2,686,054.68	(90,873.10)	958.10	1.53
91282CBC4	USA TREASURY 0.375% 31DEC2025	0.375	12/31/2025	2,300,000.00	2,071,445.21	2,093,320.09	2,057,601.57	(35,718.52)	4,312.50	1.16
91282CBH3	USA TREASURY 0.375% 31JAN2026	0.375	01/31/2026	3,000,000.00	2,725,205.36	2,761,774.19	2,671,757.82	(90,016.37)	4,677.31	1.52
91282CBQ3	USA TREASURY 0.5% 28FEB2026	0.500	02/28/2026	3,000,000.00	2,732,939.74	2,767,729.97	2,676,328.14	(91,401.83)	5,055.25	1.52
91282CBT7	USA TREASURY 0.75% 31MAR2026	0.750	03/31/2026	3,000,000.00	2,748,642.86	2,779,504.76	2,692,031.25	(87,473.51)	5,686.81	1.53
91282CCF6	USA TREASURY 0.75% 31MAY2026	0.750	05/31/2026	3,000,000.00	2,721,328.12	2,746,532.58	2,678,789.07	(67,743.51)	1,916.21	1.52
91282CCJ8	USA TREASURY 0.875% 30JUN2026	0.875	06/30/2026	3,000,000.00	2,747,470.99	2,776,521.45	2,685,820.32	(90,701.13)	13,125.00	1.53
91282CCP4	USA TREASURY 0.625% 31JUL2026	0.625	07/31/2026	2,000,000.00	1,816,334.83	1,834,549.56	1,769,375.00	(65,174.56)	5,197.01	1.01
9128282A7	USA TREASURY 1.5% 15AUG2026	1.500	08/15/2026	2,000,000.00	1,896,334.83	1,906,954.53	1,825,156.24	(81,798.29)	11,250.00	1.06
91282CCW9	USA TREASURY 0.75% 31AUG2026	0.750	08/31/2026	2,000,000.00	1,823,053.58	1,840,235.16	1,773,281.24	(66,953.92)	5,055.25	1.02
91282CCZ2	USA TREASURY 0.875% 30SEP2026	0.875	09/30/2026	5,000,000.00	4,557,790.19	4,603,249.46	4,445,703.10	(157,546.36)	11,057.69	2.54
91282CDG3	USA TREASURY 1.125% 31OCT2026	1.125	10/31/2026	2,000,000.00	1,846,647.33	1,860,949.65	1,791,250.00	(69,699.65)	3,791.44	1.03

SECURITIES HELD

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Cusip	Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Total accrued interest	% Port cost
Government Bonds										
91282CDK4	USA TREASURY 1.25% 30NOV2026	1.250	11/30/2026	2,000,000.00	1,855,397.33	1,868,626.55	1,797,109.38	(71,517.17)	2,129.12	1.04
91282CDQ1	USA TREASURY 1.25% 31DEC2026	1.250	12/31/2026	2,700,000.00	2,473,980.47	2,491,662.75	2,421,246.09	(70,416.66)	16,875.00	1.38
912828Z78	USA TREASURY 1.5% 31JAN2027	1.500	01/31/2027	1,400,000.00	1,255,629.69	1,261,656.71	1,265,742.18	4,085.47	8,730.98	0.70
Total Government Bonds				72,900,000.00	69,195,147.03	69,444,945.62	66,974,910.08	(2,470,035.54)	207,720.41	38.61
Grand total				183,837,253.75	179,217,857.05	178,599,961.86	173,037,667.68	(5,562,294.18)	882,395.89	100.00

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

As of December 31, 2022

Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
United States Treasury Note/Bond												
912828S35	USA TREASURY 1.375%	1.375	06/30/2023		AA+	Aaa	1,000,000.00	984,492.19	0.55	984,257.81	0.57	0.48
912828Y61	USA TREASURY 2.75%	2.750	07/31/2023		AA+	Aaa	1,000,000.00	1,040,468.75	0.58	989,140.62	0.57	0.56
9128282D1	USA TREASURY 1.375%	1.375	08/31/2023		AA+	Aaa	2,000,000.00	1,967,109.38	1.10	1,955,234.38	1.13	0.65
9128285D8	USA TREASURY 2.875%	2.875	09/30/2023		AA+	Aaa	1,000,000.00	1,041,679.69	0.58	987,578.12	0.57	0.73
91282CAP6	USA TREASURY 0.125%	0.125	10/15/2023		AA+	Aaa	1,500,000.00	1,493,203.13	0.83	1,447,089.84	0.84	0.78
91282CDD0	USA TREASURY 0.375%	0.375	10/31/2023		AA+	Aaa	2,000,000.00	1,981,803.58	1.11	1,928,671.88	1.11	0.82
9128285P1	USA TREASURY 2.875%	2.875	11/30/2023		AA+	Aaa	1,800,000.00	1,881,216.97	1.05	1,770,609.38	1.02	0.89
912828V23	USA TREASURY 2.25%	2.250	12/31/2023		AA+	Aaa	1,000,000.00	1,019,261.16	0.57	975,546.88	0.56	0.97
91282CBM2	USA TREASURY 0.125%	0.125	02/15/2024		AA+	Aaa	1,500,000.00	1,489,746.09	0.83	1,425,468.75	0.82	1.10
9128286R6	USA TREASURY 2.25%	2.250	04/30/2024		AA+	Aaa	1,000,000.00	1,023,050.23	0.57	968,593.75	0.56	1.28
91282CCC3	USA TREASURY 0.25%	0.250	05/15/2024		AA+	Aaa	2,000,000.00	1,997,116.08	1.11	1,883,203.12	1.09	1.33
912828XT2	USA TREASURY 2%	2.000	05/31/2024		AA+	Aaa	2,000,000.00	2,101,803.58	1.17	1,927,656.24	1.11	1.36
912828Y87	USA TREASURY 1.75%	1.750	07/31/2024		AA+	Aaa	2,000,000.00	2,087,272.33	1.16	1,913,750.00	1.11	1.52
9128282U3	USA TREASURY 1.875%	1.875	08/31/2024		AA+	Aaa	1,000,000.00	1,012,382.81	0.56	956,992.19	0.55	1.60
91282CCX7	USA TREASURY 0.375%	0.375	09/15/2024		AA+	Aaa	1,700,000.00	1,696,685.38	0.95	1,585,316.40	0.92	1.66
912828YY0	USA TREASURY 1.75%	1.750	12/31/2024		AA+	Aaa	2,000,000.00	2,093,281.25	1.17	1,899,531.24	1.10	1.92
912828ZF0	USA TREASURY 0.5%	0.500	03/31/2025		AA+	Aaa	3,000,000.00	2,798,906.25	1.56	2,757,421.86	1.59	2.18
91282CAM3	USA TREASURY 0.25%	0.250	09/30/2025		AA+	Aaa	3,000,000.00	2,740,205.36	1.53	2,696,367.18	1.56	2.67
91282CAT8	USA TREASURY 0.25%	0.250	10/31/2025		AA+	Aaa	3,000,000.00	2,733,408.49	1.53	2,685,234.36	1.55	2.75
91282CAZ4	USA TREASURY 0.375%	0.375	11/30/2025		AA+	Aaa	3,000,000.00	2,739,853.80	1.53	2,686,054.68	1.55	2.83
91282CBC4	USA TREASURY 0.375%	0.375	12/31/2025		AA+	Aaa	2,300,000.00	2,071,445.21	1.16	2,057,601.57	1.19	2.91
91282CBH3	USA TREASURY 0.375%	0.375	01/31/2026		AA+	Aaa	3,000,000.00	2,725,205.36	1.52	2,671,757.82	1.54	2.99
91282CBQ3	USA TREASURY 0.5%	0.500	02/28/2026		AA+	Aaa	3,000,000.00	2,732,939.74	1.52	2,676,328.14	1.55	3.05
91282CBT7	USA TREASURY 0.75%	0.750	03/31/2026		AA+	Aaa	3,000,000.00	2,748,642.86	1.53	2,692,031.25	1.56	3.12
91282CCF6	USA TREASURY 0.75%	0.750	05/31/2026		AA+	Aaa	3,000,000.00	2,721,328.12	1.52	2,678,789.07	1.55	3.29

GASB 40 - DEPOSIT AND INVESTMENT RISK DISCLOSURE

CITY OF MENLO PARK

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Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
United States Treasury Note/Bond												
91282CCJ8	USA TREASURY 0.875%	0.875	06/30/2026		AA+	Aaa	3,000,000.00	2,747,470.99	1.53	2,685,820.32	1.55	3.36
91282CCP4	USA TREASURY 0.625%	0.625	07/31/2026		AA+	Aaa	2,000,000.00	1,816,334.83	1.01	1,769,375.00	1.02	3.44
9128282A7	USA TREASURY 1.5%	1.500	08/15/2026		AA+	Aaa	2,000,000.00	1,896,334.83	1.06	1,825,156.24	1.05	3.42
91282CCW9	USA TREASURY 0.75%	0.750	08/31/2026		AA+	Aaa	2,000,000.00	1,823,053.58	1.02	1,773,281.24	1.02	3.52
91282CCZ2	USA TREASURY 0.875%	0.875	09/30/2026		AA+	Aaa	5,000,000.00	4,557,790.19	2.54	4,445,703.10	2.57	3.59
91282CDG3	USA TREASURY 1.125%	1.125	10/31/2026		AA+	Aaa	2,000,000.00	1,846,647.33	1.03	1,791,250.00	1.04	3.65
91282CDK4	USA TREASURY 1.25%	1.250	11/30/2026		AA+	Aaa	2,000,000.00	1,855,397.33	1.04	1,797,109.38	1.04	3.73
91282CDQ1	USA TREASURY 1.25%	1.250	12/31/2026		AA+	Aaa	2,700,000.00	2,473,980.47	1.38	2,421,246.09	1.40	3.81
912828Z78	USA TREASURY 1.5%	1.500	01/31/2027		AA+	Aaa	1,400,000.00	1,255,629.69	0.70	1,265,742.18	0.73	3.84
Issuer total							72,900,000.00	69,195,147.03	38.61	66,974,910.08	38.71	2.46
Federal Farm Credit Banks Funding Corp												
3133EKT2	FEDERAL FARM CREDIT	2.250	02/08/2023		AA+	Aaa	1,500,000.00	1,520,580.00	0.85	1,496,836.97	0.87	0.11
3133EKVB9	FEDERAL FARM CREDIT	1.860	10/17/2023		AA+	Aaa	2,000,000.00	1,993,956.00	1.11	1,955,650.54	1.13	0.77
3133EKKU9	FEDERAL FARM CREDIT	2.300	11/08/2023		AA+	Aaa	1,500,000.00	1,524,645.00	0.85	1,469,725.38	0.85	0.83
3133EMTD4	FEDERAL FARM CREDIT	0.370	03/15/2024		AA+	Aaa	2,000,000.00	1,998,000.00	1.11	1,894,120.20	1.09	1.16
3133EMBE1	FEDERAL FARM CREDIT	0.300	03/28/2024		AA+	Aaa	2,000,000.00	1,998,500.00	1.12	1,890,401.66	1.09	1.20
3133EKNX0	FEDERAL FARM CREDIT	2.160	06/03/2024		AA+	Aaa	1,000,000.00	1,012,070.00	0.56	967,487.53	0.56	1.38
3133ENB74	FEDERAL FARM CREDIT	3.150	07/21/2025		AA+	Aaa	3,000,000.00	2,993,700.00	1.67	2,918,670.63	1.69	2.38
3133ENP95	FEDERAL FARM CREDIT	4.250	09/30/2025		AA+	Aaa	3,000,000.00	3,005,673.00	1.68	2,997,179.85	1.73	2.53
3133ENV72	FEDERAL FARM CREDIT	4.500	07/27/2026		AA+	Aaa	2,000,000.00	1,997,520.00	1.11	2,017,119.50	1.17	3.24
3133ENH45	FEDERAL FARM CREDIT	3.125	08/24/2026		AA+	Aaa	4,000,000.00	3,944,044.00	2.20	3,858,222.20	2.23	3.35
Issuer total							22,000,000.00	21,988,688.00	12.27	21,465,414.46	12.41	1.98
Federal Home Loan Banks												
3130AJ7E3	FEDERAL HOME LOAN	1.375	02/17/2023		AA+	Aaa	2,000,000.00	2,002,200.00	1.12	1,992,702.58	1.15	0.13

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Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Federal Home Loan Banks												
3130AB3H7	FEDERAL HOME LOAN	2.375	03/08/2024		AA+	Aaa	2,000,000.00	2,045,380.00	1.14	1,946,155.44	1.12	1.14
3130AKX84	FEDERAL HOME LOAN	0.270	08/23/2024	02/23/2023	AA+	Aaa	1,000,000.00	999,500.00	0.56	927,737.44	0.54	1.60
3130ATT31	FEDERAL HOME LOAN	4.500	10/03/2024		AA+	Aaa	3,000,000.00	2,989,410.00	1.67	2,997,970.20	1.73	1.66
3130AJHU6	FEDERAL HOME LOAN	0.500	04/14/2025		AA+	Aaa	1,405,000.00	1,297,447.25	0.72	1,292,265.79	0.75	2.21
3130ASG86	FEDERAL HOME LOAN	3.375	06/13/2025		AA+	Aaa	2,000,000.00	2,008,540.00	1.12	1,947,987.70	1.13	2.31
3130AL7C2	FEDERAL HOME LOAN	0.500	08/25/2025	02/25/2023	AA+	Aaa	2,000,000.00	2,000,000.00	1.12	1,798,199.12	1.04	2.51
3130AQF65	FEDERAL HOME LOAN	1.250	12/21/2026		AA+	Aaa	4,000,000.00	3,572,880.00	1.99	3,585,828.52	2.07	3.78
Issuer total							17,405,000.00	16,915,357.25	9.44	16,488,846.79	9.53	2.08
Federal National Mortgage Association												
3135G0U43	FANNIE MAE 2.875%	2.875	09/12/2023		AA+	Aaa	2,000,000.00	2,081,960.00	1.16	1,974,294.68	1.14	0.68
3135G0V75	FANNIE MAE 1.75%	1.750	07/02/2024		AA+	Aaa	2,000,000.00	1,982,440.00	1.11	1,915,298.52	1.11	1.45
3135G03U5	FANNIE MAE 0.625%	0.625	04/22/2025		AA+	Aaa	5,300,000.00	4,905,758.00	2.74	4,873,081.66	2.82	2.23
3135G05X7	FANNIE MAE 0.375%	0.375	08/25/2025		AA+	Aaa	2,000,000.00	1,838,268.89	1.03	1,805,364.32	1.04	2.57
3135G0K36	FANNIE MAE 2.125%	2.125	04/24/2026		AA+	Aaa	3,000,000.00	2,891,100.00	1.61	2,814,871.65	1.63	3.12
Issuer total							14,300,000.00	13,699,526.89	7.64	13,382,910.83	7.73	2.12
Federal Home Loan Mortgage Corp												
3137EAEP0	FREDDIE MAC 1.5%	1.500	02/12/2025		AA+	Aaa	3,000,000.00	2,881,764.00	1.61	2,828,814.69	1.63	2.03
3134GVB31	FREDDIE MAC 0.75%	0.750	05/28/2025	02/28/2023	AA+	Aaa	1,700,000.00	1,556,894.00	0.87	1,544,078.41	0.89	2.24
3137EAEX3	FREDDIE MAC 0.375%	0.375	09/23/2025		AA+	Aaa	4,000,000.00	3,584,696.00	2.00	3,602,798.92	2.08	2.64
Issuer total							8,700,000.00	8,023,354.00	4.48	7,975,692.02	4.61	2.34
Home Depot Inc/The												
437076BM3	HOME DEPOT INC 3%	3.000	04/01/2026	01/01/2026	A	A2	3,000,000.00	2,948,280.00	1.65	2,858,221.20	1.65	2.93

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Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
Home Depot Inc/The												
437076CA8	HOME DEPOT INC 2.5%	2.500	04/15/2027	02/15/2027	A	A2	1,200,000.00	1,104,228.00	0.62	1,105,981.12	0.64	3.91
Issuer total							4,200,000.00	4,052,508.00	2.26	3,964,202.32	2.29	3.20
Toyota Motor Credit Corp												
89236THA6	TOYOTA MOTOR CREDIT	1.350	08/25/2023		A+	A1	1,000,000.00	1,021,010.00	0.57	977,622.09	0.56	0.63
89236THU2	TOYOTA MOTOR CREDIT	0.450	01/11/2024		A+	A1	1,800,000.00	1,797,858.00	1.00	1,722,374.87	1.00	1.00
89236TGL3	TOYOTA MOTOR CREDIT	2.000	10/07/2024		A+	A1	1,000,000.00	999,410.00	0.56	952,152.35	0.55	1.69
Issuer total							3,800,000.00	3,818,278.00	2.13	3,652,149.31	2.11	1.08
Caterpillar Financial Services Corp												
14913R2S5	CATERPILLAR FINL	0.950	01/10/2024		A	A2	1,000,000.00	993,070.00	0.55	964,931.98	0.56	0.99
14913R2L0	CATERPILLAR FINL	0.450	05/17/2024		A	A2	1,600,000.00	1,597,536.00	0.89	1,506,121.28	0.87	1.34
14913Q3B3	CATERPILLAR FINL	2.150	11/08/2024		A	A2	1,000,000.00	1,048,770.00	0.59	954,533.52	0.55	1.77
Issuer total							3,600,000.00	3,639,376.00	2.03	3,425,586.78	1.98	1.37
John Deere Capital Corp												
24422EUM9	JOHN DEERE CAPITAL	3.650	10/12/2023		A	A2	950,000.00	1,005,926.50	0.56	942,519.93	0.54	0.76
24422EVN6	JOHN DEERE CAPITAL	0.450	01/17/2024		A	A2	800,000.00	787,240.00	0.44	765,118.18	0.44	1.02
24422EUX5	JOHN DEERE CAPITAL	2.600	03/07/2024		A	A2	1,450,000.00	1,476,419.00	0.82	1,412,902.72	0.82	1.13
Issuer total							3,200,000.00	3,269,585.50	1.82	3,120,540.83	1.80	0.99
Bank of America Corp												
06051GHF9	BANK OF AMERICA CORP	3.550	03/05/2024	03/05/2023	A-	A2	1,500,000.00	1,606,050.00	0.90	1,494,655.70	0.86	0.18
06051GHL6	BANK OF AMERICA CORP	3.864	07/23/2024	07/23/2023	A-	A2	1,500,000.00	1,605,540.00	0.90	1,486,421.51	0.86	0.54
Issuer total							3,000,000.00	3,211,590.00	1.79	2,981,077.21	1.72	0.36

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Cusip	Description	Coupon	Maturity date	Call date	S&P rating	Moody rating	Par value or shares	Historical cost	% Portfolio hist cost	Market value	% Portfolio mkt value	Effective dur (yrs)
JPMorgan Chase & Co												
46625HJH4	JPMORGAN CHASE & CO	3.200	01/25/2023		A-	A1	1,000,000.00	1,031,190.00	0.58	999,229.46	0.58	0.07
46647PBQ8	JPMORGAN CHASE & CO	1.514	06/01/2024	06/01/2023	A-	A1	2,000,000.00	2,042,800.00	1.14	1,967,623.30	1.14	0.41
Issuer total							3,000,000.00	3,073,990.00	1.72	2,966,852.76	1.71	0.30
Apple Inc												
037833CR9	APPLE INC 3.2%	3.200	05/11/2027	02/11/2027	AA+	Aaa	2,121,000.00	2,062,439.19	1.15	2,013,445.38	1.16	3.89
037833DB3	APPLE INC 2.9%	2.900	09/12/2027	06/12/2027	AA+	Aaa	1,000,000.00	947,060.00	0.53	933,579.71	0.54	4.19
Issuer total							3,121,000.00	3,009,499.19	1.68	2,947,025.09	1.70	3.98
International Business Machines Corp												
459200HP9	IBM CORP 3.375%	3.375	08/01/2023		A-	A3	1,000,000.00	1,061,840.00	0.59	990,268.87	0.57	0.56
459200JY8	IBM CORP 3%	3.000	05/15/2024		A-	A3	2,000,000.00	2,141,300.00	1.19	1,945,773.44	1.12	1.31
Issuer total							3,000,000.00	3,203,140.00	1.79	2,936,042.31	1.70	1.06
US Bancorp												
91159HHV5	US BANCORP 3.375%	3.375	02/05/2024	01/05/2024	A+	A2	1,000,000.00	1,067,060.00	0.60	982,424.56	0.57	1.03
91159HHN3	US BANCORP 2.375%	2.375	07/22/2026	06/22/2026	A+	A2	2,000,000.00	1,912,040.00	1.07	1,847,844.80	1.07	3.28
Issuer total							3,000,000.00	2,979,100.00	1.66	2,830,269.36	1.64	2.47
Microsoft Corp												
594918BX1	MICROSOFT CORP 2.875%	2.875	02/06/2024	12/06/2023	AAA	Aaa	960,000.00	993,734.40	0.55	942,142.68	0.54	1.03
594918BR4	MICROSOFT CORP 2.4%	2.400	08/08/2026	05/08/2026	AAA	Aaa	2,000,000.00	1,939,660.00	1.08	1,865,792.40	1.08	3.28
Issuer total							2,960,000.00	2,933,394.40	1.64	2,807,935.08	1.62	2.52
PNC Bank NA												
69353REF1	PNC BANK NA 3.3%	3.300	10/30/2024	09/30/2024	A	A2	2,500,000.00	2,737,590.00	1.53	2,433,547.00	1.41	1.71
Issuer total							2,500,000.00	2,737,590.00	1.53	2,433,547.00	1.41	1.71

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PPG Industries Inc												
693506BQ9	PPG INDUSTRIES INC 2.4%	2.400	08/15/2024	07/15/2024	BBB+	A3	2,000,000.00	2,012,600.00	1.12	1,914,151.74	1.11	1.53
Issuer total							2,000,000.00	2,012,600.00	1.12	1,914,151.74	1.11	1.53
3M Co												
88579YAV3	3M COMPANY 2.25%	2.250	09/19/2026	06/19/2026	A+	A1	2,000,000.00	1,906,760.00	1.06	1,846,953.22	1.07	3.41
Issuer total							2,000,000.00	1,906,760.00	1.06	1,846,953.22	1.07	3.41
Citibank NA												
17325FAS7	CITIBANK NA 3.65%	3.650	01/23/2024	12/23/2023	A+	Aa3	1,500,000.00	1,618,310.00	0.90	1,479,249.87	0.85	0.99
Issuer total							1,500,000.00	1,618,310.00	0.90	1,479,249.87	0.85	0.99
Walmart Inc												
931142DV2	WALMART INC 2.65%	2.650	12/15/2024	10/15/2024	AA	Aa2	1,500,000.00	1,595,520.00	0.89	1,442,498.33	0.83	1.82
Issuer total							1,500,000.00	1,595,520.00	0.89	1,442,498.33	0.83	1.82
Procter & Gamble Co/The												
742718EB1	PROCTER & GAMBLE	3.100	08/15/2023		AA-	Aa3	1,000,000.00	1,041,328.13	0.58	988,501.39	0.57	0.60
Issuer total							1,000,000.00	1,041,328.13	0.58	988,501.39	0.57	0.60
American Honda Finance Corp												
02665WCT6	AMERICAN HONDA	3.550	01/12/2024		A-	A3	1,000,000.00	1,090,440.00	0.61	986,564.62	0.57	0.98
Issuer total							1,000,000.00	1,090,440.00	0.61	986,564.62	0.57	0.98
PNC Financial Services Group Inc/The												
693475AV7	PNC FINANCIAL	3.500	01/23/2024	12/24/2023	A-	A3	1,000,000.00	1,047,210.00	0.58	985,453.17	0.57	1.00
Issuer total							1,000,000.00	1,047,210.00	0.58	985,453.17	0.57	1.00

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US Bank NA/Cincinnati OH												
90331HMS9	US BANK NA CINCINNATI	2.800	01/27/2025	12/27/2024	AA-	A1	1,000,000.00	995,210.00	0.56	964,074.16	0.56	1.93
Issuer total							1,000,000.00	995,210.00	0.56	964,074.16	0.56	1.93
General Dynamics Corp												
369550BD9	GENERAL DYNAMICS	3.375	05/15/2023	04/15/2023	A-	A3	943,000.00	984,840.91	0.55	937,744.74	0.54	0.36
Issuer total							943,000.00	984,840.91	0.55	937,744.74	0.54	0.36
PepsiCo Inc												
713448DN5	PEPSICO INC 2.375%	2.375	10/06/2026	07/06/2026	A+	A1	1,000,000.00	967,260.00	0.54	931,220.46	0.54	3.44
Issuer total							1,000,000.00	967,260.00	0.54	931,220.46	0.54	3.44
Cash and Cash Equivalents												
	INVESTED CASH	0.000					208,253.75	208,253.75	0.00	208,253.75	0.12	0.00
Issuer total							208,253.75	208,253.75	0.00	208,253.75	0.12	0.00
Grand total							183,837,253.75	179,217,857.05	100.00	173,037,667.68	100.00	2.13

SECURITIES PURCHASED

For the period December 1, 2022 - December 31, 2022

Cusip	Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Unit cost	Principal cost	Accrued interest
Corporate Bonds								
037833DB3	APPLE INC 2.9% 12SEP2027 (CALLABLE TORONTO DOMINION BANK, THE	12/16/2022 12/20/2022	2.900	09/12/2027 06/12/2027	1,000,000.00	94.71	(947,060.00)	(7,894.44)
Total Corporate Bonds					1,000,000.00		(947,060.00)	(7,894.44)
Government Agencies								
3134GVB31	FREDDIE MAC 0.75% 28MAY2025 STONEX FINANCIAL INC	12/07/2022 12/09/2022	0.750	05/28/2025 02/28/2023	1,700,000.00	91.58	(1,556,894.00)	(389.58)
Total Government Agencies					1,700,000.00		(1,556,894.00)	(389.58)
Grand total					2,700,000.00		(2,503,954.00)	(8,284.02)

SECURITIES SOLD AND MATURED

For the period December 1, 2022 - December 31, 2022

Cusip	Description / Broker	Trade date Settle date	Coupon	Maturity/ Call date	Par value or shares	Historical cost	Amortized cost at sale or maturity	Price	Fair value at sale or maturity	Realized gain (loss)	Accrued interest sold
Corporate Bonds											
06051GHC6	BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22)	12/20/2022 12/20/2022	3.004		(1,000,000.00)	1,028,310.00	1,000,000.00	0.00	1,000,000.00	0.00	0.00
Total (Corporate Bonds)					(1,000,000.00)	1,028,310.00	1,000,000.00		1,000,000.00	0.00	0.00
Government Agencies											
3130A3KM5	FEDERAL HOME LN BKS CONS BD 2.5% DUE 12-09-2022	12/09/2022 12/09/2022	2.500		(1,500,000.00)	1,531,815.00	1,500,000.00	0.00	1,500,000.00	0.00	0.00
Total (Government Agencies)					(1,500,000.00)	1,531,815.00	1,500,000.00		1,500,000.00	0.00	0.00
Grand total					(2,500,000.00)	2,560,125.00	2,500,000.00		2,500,000.00	0.00	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period December 1, 2022 - December 31, 2022

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Cash						
	Cash and Cash Equivalents	0.00	0.00	0.00	7,758.22	7,758.22
Total Cash		0.00	0.00	0.00	7,758.22	7,758.22
Corporate Bonds						
88579YAV3	3M COMPANY 2.25% 19SEP2026 (CALLABLE 19JUN26)	1,888.72	0.00	(5,316.68)	3,875.00	0.00
02665WCT6	AMERICAN HONDA FINANCE 3.55% 12JAN2024	(2,500.65)	0.00	1,188.25	3,056.95	0.00
037833DB3	APPLE INC 2.9% 12SEP2027 (CALLABLE 12JUN27)	465.20	0.00	(13,480.29)	886.12	0.00
037833CR9	APPLE INC 3.2% 11MAY2027 (CALLABLE 11FEB27)	1,043.25	0.00	(22,754.49)	5,844.54	0.00
06051GHC6	BANK OF AMERICA CORP 3.004% 20DEC2023 (CALLABLE 20DEC22)	(1,341.71)	0.00	1,171.28	1,668.89	15,020.00
06051GHF9	BANK OF AMERICA CORP 3.55% 05MAR2024 (CALLABLE 05MAR23)	(3,348.95)	0.00	2,165.84	4,585.41	0.00
06051GHL6	BANK OF AMERICA CORP 3.864% 23JUL2024 (CALLABLE 23JUL23)	(3,997.73)	0.00	1,926.74	4,991.00	0.00
14913R2L0	CATERPILLAR FINL SERVICE 0.45% 17MAY2024	68.07	0.00	1,234.66	620.00	0.00
14913R2S5	CATERPILLAR FINL SERVICE 0.95% 10JAN2024	295.73	0.00	4,845.44	818.06	0.00
14913Q3B3	CATERPILLAR FINL SERVICE 2.15% 08NOV2024	(1,109.25)	0.00	(181.38)	1,851.39	0.00
17325FAS7	CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23)	(3,861.63)	0.00	(82.35)	4,714.59	0.00
369550BD9	GENERAL DYNAMICS CORP 3.375% 15MAY2023 (CALLABLE 15APR23)	(919.58)	0.00	1,069.30	2,740.60	0.00
437076CA8	HOME DEPOT INC 2.5% 15APR2027 (CALLABLE 15FEB27)	1,804.75	0.00	(6,964.24)	2,583.33	0.00
437076BM3	HOME DEPOT INC 3% 01APR2026 (CALLABLE 01JAN26)	1,164.86	0.00	(15,416.73)	7,750.00	0.00
459200JY8	IBM CORP 3% 15MAY2024	(3,728.23)	0.00	(4,353.30)	5,166.67	0.00
459200HP9	IBM CORP 3.375% 01AUG2023	(2,486.86)	0.00	364.07	2,906.25	0.00
24422EVN6	JOHN DEERE CAPITAL CORP 0.45% 17JAN2024	539.16	0.00	1,467.86	310.00	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period December 1, 2022 - December 31, 2022

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Corporate Bonds						
24422EUX5	JOHN DEERE CAPITAL CORP 2.6% 07MAR2024	(480.64)	0.00	(261.97)	3,246.39	0.00
24422EUM9	JOHN DEERE CAPITAL CORP 3.65% 12OCT2023	(1,144.47)	0.00	1,556.04	2,985.91	0.00
46647PBQ8	JPMORGAN CHASE & CO 1.514% 01JUN2024 (CALLABLE 01JUN23)	(1,331.95)	0.00	5,229.28	2,607.44	15,140.00
46625HJH4	JPMORGAN CHASE & CO 3.2% 25JAN2023	(745.58)	0.00	1,169.73	2,755.56	0.00
594918BR4	MICROSOFT CORP 2.4% 08AUG2026 (CALLABLE 08MAY26)	1,257.08	0.00	(15,366.86)	4,133.34	0.00
594918BX1	MICROSOFT CORP 2.875% 06FEB2024 (CALLABLE 06DEC23)	(640.93)	0.00	(545.46)	2,376.67	0.00
713448DN5	PEPSICO INC 2.375% 06OCT2026 (CALLABLE 06JUL26)	655.67	0.00	(7,176.45)	2,045.14	0.00
69353REF1	PNC BANK NA 3.3% 30OCT2024 (CALLABLE 30SEP24)	(5,549.20)	0.00	3,559.90	6,875.00	0.00
693475AV7	PNC FINANCIAL SERVICES 3.5% 23JAN2024 (CALLABLE 23DEC23)	(891.32)	0.00	843.73	3,013.89	0.00
693506BQ9	PPG INDUSTRIES INC 2.4% 15AUG2024 (CALLABLE 15JUL24)	(228.40)	0.00	(5,692.92)	4,133.33	0.00
742718EB1	PROCTER & GAMBLE CO/THE 3.1% 15AUG2023	(834.91)	0.00	1,668.30	2,669.44	0.00
89236THU2	TOYOTA MOTOR CREDIT CORP 0.45% 11JAN2024	77.52	0.00	7,071.84	697.50	0.00
89236THA6	TOYOTA MOTOR CREDIT CORP 1.35% 25AUG2023	(733.76)	0.00	1,837.21	1,162.50	0.00
89236TGL3	TOYOTA MOTOR CREDIT CORP 2% 07OCT2024	10.36	0.00	236.99	1,722.23	0.00
91159HHN3	US BANCORP 2.375% 22JUL2026 (CALLABLE 22JUN26)	1,853.09	0.00	(2,151.18)	4,090.28	0.00
91159HHV5	US BANCORP 3.375% 05FEB2024 (CALLABLE 05JAN24)	(2,298.75)	0.00	(1,625.23)	2,906.25	0.00
90331HMS9	US BANK NA CINCINNATI 2.8% 27JAN2025 (CALLABLE 27DEC24)	143.13	0.00	1,036.66	2,411.11	0.00
931142DV2	WALMART INC 2.65% 15DEC2024 (CALLABLE 15OCT24)	(2,567.74)	0.00	(2,494.03)	3,422.92	19,875.00
Total Corporate Bonds		(29,475.65)	0.00	(64,220.44)	107,623.70	50,035.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period December 1, 2022 - December 31, 2022

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Agencies						
3135G05X7	FANNIE MAE 0.375% 25AUG2025	4,193.55	0.00	(77.84)	645.83	0.00
3135G03U5	FANNIE MAE 0.625% 22APR2025	12,299.33	0.00	19,194.74	2,852.43	0.00
3135G0V75	FANNIE MAE 1.75% 02JUL2024	293.64	0.00	(238.66)	3,013.89	0.00
3135G0K36	FANNIE MAE 2.125% 24APR2026	2,395.16	0.00	272.10	5,489.58	0.00
3135G0U43	FANNIE MAE 2.875% 12SEP2023	(1,620.83)	0.00	4,090.90	4,951.39	0.00
3133EMBE1	FEDERAL FARM CREDIT BANK 0.3% 28MAR2024 (CALLABLE 11JAN23)	35.69	0.00	5,127.50	516.67	0.00
3133EMTD4	FEDERAL FARM CREDIT BANK 0.37% 15MAR2024 (CALLABLE 11JAN23)	55.25	0.00	6,272.78	637.22	0.00
3133EKB9	FEDERAL FARM CREDIT BANK 1.86% 17OCT2023	119.06	0.00	5,617.58	3,203.34	0.00
3133EKNX0	FEDERAL FARM CREDIT BANK 2.16% 03JUN2024	(203.66)	0.00	1,254.45	1,860.00	10,800.00
3133EKKT2	FEDERAL FARM CREDIT BANK 2.25% 08FEB2023	(472.02)	0.00	2,505.45	2,906.25	0.00
3133EKKU9	FEDERAL FARM CREDIT BANK 2.3% 08NOV2023	(468.54)	0.00	3,396.49	2,970.84	0.00
3133ENH45	FEDERAL FARM CREDIT BANK 3.125% 24AUG2026	1,172.49	0.00	(7,282.60)	10,763.89	0.00
3133ENB74	FEDERAL FARM CREDIT BANK 3.15% 21JUL2025	174.35	0.00	(2,162.19)	8,137.50	0.00
3133ENP95	FEDERAL FARM CREDIT BANK 4.25% 30SEP2025	(157.87)	0.00	897.33	10,625.00	0.00
3133ENV72	FEDERAL FARM CREDIT BANK 4.5% 27JUL2026	55.24	0.00	(6,008.42)	7,750.00	0.00
3130A3KM5	FEDERAL HOME LN BKS CONS BD 2.5% DUE 12-09-2022	(229.25)	0.00	444.75	937.50	18,750.00
3130AKX84	FEDERAL HOME LOAN BANK 0.27% 23AUG2024 (CALLABLE 23FEB23)	11.84	0.00	2,415.00	232.50	0.00
3130AJHU6	FEDERAL HOME LOAN BANK 0.5% 14APR2025	3,436.19	0.00	1,317.73	604.93	0.00
3130AL7C2	FEDERAL HOME LOAN BANK 0.5% 25AUG2025 (CALLABLE 25FEB23)	0.00	0.00	2,439.08	861.11	0.00
3130AQF65	FEDERAL HOME LOAN BANK 1.25% 21DEC2026	8,758.44	0.00	(4,415.56)	4,305.56	25,000.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period December 1, 2022 - December 31, 2022

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Agencies						
3130AJ7E3	FEDERAL HOME LOAN BANK 1.375% 17FEB2023	(195.26)	0.00	5,465.98	2,368.05	0.00
3130AB3H7	FEDERAL HOME LOAN BANK 2.375% 08MAR2024	(804.14)	0.00	5,449.62	4,090.28	0.00
3130ASG86	FEDERAL HOME LOAN BANK 3.375% 13JUN2025	(244.93)	0.00	(1,341.84)	5,812.50	33,375.00
3130ATT31	FEDERAL HOME LOAN BANK 4.5% 03OCT2024	472.77	0.00	(2,068.47)	11,625.00	0.00
3137EAEX3	FREDDIE MAC 0.375% 23SEP2025	12,275.00	0.00	3,413.16	1,291.66	0.00
3134GVB31	FREDDIE MAC 0.75% 28MAY2025 (CALLABLE 28FEB23) #0002	3,850.39	0.00	(12,815.59)	779.17	0.00
3137EAEP0	FREDDIE MAC 1.5% 12FEB2025	3,789.62	0.00	7,604.16	3,875.00	0.00
Total Government Agencies		48,991.51	0.00	40,767.63	103,107.09	87,925.00
Government Bonds						
91282CBM2	USA TREASURY 0.125% 15FEB2024	329.06	0.00	4,570.32	157.95	0.00
91282CAP6	USA TREASURY 0.125% 15OCT2023	249.95	0.00	6,386.71	159.69	0.00
91282CCC3	USA TREASURY 0.25% 15MAY2024	82.93	0.00	4,843.74	428.18	0.00
91282CAM3	USA TREASURY 0.25% 30SEP2025	6,819.34	0.00	(2,812.50)	638.73	0.00
91282CAT8	USA TREASURY 0.25% 31OCT2025	6,818.76	0.00	(3,515.64)	642.26	0.00
91282CCX7	USA TREASURY 0.375% 15SEP2024	93.58	0.00	3,054.68	545.92	0.00
91282CAZ4	USA TREASURY 0.375% 30NOV2025	6,493.19	0.00	(3,046.89)	958.10	0.00
91282CBC4	USA TREASURY 0.375% 31DEC2025	5,845.87	0.00	(1,527.34)	726.56	0.00
91282CBH3	USA TREASURY 0.375% 31JAN2026	6,552.80	0.00	(3,281.25)	947.69	0.00
91282CDD0	USA TREASURY 0.375% 31OCT2023	874.55	0.00	6,875.00	642.26	0.00
91282CBQ3	USA TREASURY 0.5% 28FEB2026	6,234.09	0.00	(2,226.54)	1,284.53	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period December 1, 2022 - December 31, 2022

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Bonds						
912828ZF0	USA TREASURY 0.5% 31MAR2025	6,246.40	0.00	1,054.68	1,277.47	0.00
91282CCP4	USA TREASURY 0.625% 31JUL2026	3,921.23	0.00	(2,421.88)	1,052.99	0.00
91282CCW9	USA TREASURY 0.75% 31AUG2026	3,698.81	0.00	(2,968.76)	1,284.53	0.00
91282CBT7	USA TREASURY 0.75% 31MAR2026	5,763.37	0.00	(5,742.18)	1,916.21	0.00
91282CCF6	USA TREASURY 0.75% 31MAY2026	6,301.12	0.00	(2,929.68)	1,916.21	0.00
91282CCJ8	USA TREASURY 0.875% 30JUN2026	5,425.08	0.00	(3,515.61)	2,211.28	0.00
91282CCZ2	USA TREASURY 0.875% 30SEP2026	8,984.12	0.00	(8,398.45)	3,725.96	0.00
91282CDG3	USA TREASURY 1.125% 31OCT2026	3,078.97	0.00	(4,687.50)	1,926.80	0.00
91282CDK4	USA TREASURY 1.25% 30NOV2026	2,847.96	0.00	(5,546.86)	2,129.12	0.00
91282CDQ1	USA TREASURY 1.25% 31DEC2026	4,420.57	0.00	(7,488.29)	2,843.07	0.00
912828S35	USA TREASURY 1.375% 30JUN2023	328.15	0.00	3,281.25	1,158.29	0.00
912828D1	USA TREASURY 1.375% 31AUG2023	667.72	0.00	4,843.76	2,354.98	0.00
912828A7	USA TREASURY 1.5% 15AUG2026	2,180.20	0.00	(4,062.52)	2,527.17	0.00
912828Z78	USA TREASURY 1.5% 31JAN2027	2,874.42	0.00	(4,757.82)	1,769.02	0.00
912828YY0	USA TREASURY 1.75% 31DEC2024	(2,222.69)	0.00	546.86	2,868.85	0.00
912828Y87	USA TREASURY 1.75% 31JUL2024	(2,199.55)	0.00	2,265.62	2,948.37	0.00
912828U3	USA TREASURY 1.875% 31AUG2024	(220.62)	0.00	976.57	1,605.66	0.00
912828XT2	USA TREASURY 2% 31MAY2024	(2,699.67)	0.00	2,187.48	3,406.59	0.00
9128286R6	USA TREASURY 2.25% 30APR2024	(451.39)	0.00	976.56	1,926.80	0.00
912828V23	USA TREASURY 2.25% 31DEC2023	(363.20)	0.00	1,875.00	1,895.38	0.00

DETAIL OF RETURN AND INTEREST RECEIVED

For the period December 1, 2022 - December 31, 2022

Cusip	Description	Accretion (amortization)	Realized gain (loss)	Change in fair value	Interest earned	Interest received
Government Bonds						
912828Y61	USA TREASURY 2.75% 31JUL2023	(925.86)	0.00	1,562.50	2,316.57	0.00
9128285P1	USA TREASURY 2.875% 30NOV2023	(3,416.18)	0.00	4,078.13	4,407.28	0.00
9128285D8	USA TREASURY 2.875% 30SEP2023	(1,937.14)	0.00	2,500.00	2,448.48	0.00
Total Government Bonds		82,695.94	0.00	(17,050.85)	59,048.95	0.00
Grand total		102,211.80	0.00	(40,503.66)	277,537.96	145,718.22

TRANSACTION REPORT

For the period December 1, 2022 - December 31, 2022

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
12/01/2022 12/01/2022	46647PBQ8	Income	Corporate Bonds	JPMORGAN CHASE & CO	06/01/2024	2,000,000.00	0.00	0.00	15,140.00	15,140.00
12/03/2022 12/03/2022	3133EKNX0	Income	Government Agencies	FEDERAL FARM CREDIT BANK	06/03/2024	1,000,000.00	0.00	0.00	10,800.00	10,800.00
12/07/2022 12/09/2022	3134GVB31	Bought	Government Agencies	FREDDIE MAC 0.75%	05/28/2025	1,700,000.00	0.00	(1,556,894.00)	(389.58)	(1,557,283.58)
12/09/2022 12/09/2022	3130A3KM5	Income	Government Agencies	FEDERAL HOME LN BKS CONS	12/09/2022	1,500,000.00	0.00	0.00	18,750.00	18,750.00
12/09/2022 12/09/2022	3130A3KM5	Capital Change	Government Agencies	FEDERAL HOME LN BKS CONS	12/09/2022	(1,500,000.00)	0.00	1,500,000.00	0.00	1,500,000.00
12/13/2022 12/13/2022	3130ASG86	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/13/2025	2,000,000.00	0.00	0.00	33,375.00	33,375.00
12/15/2022 12/15/2022	931142DV2	Income	Corporate Bonds	WALMART INC 2.65%	12/15/2024	1,500,000.00	0.00	0.00	19,875.00	19,875.00
12/16/2022 12/20/2022	037833DB3	Bought	Corporate Bonds	APPLE INC 2.9% 12SEP2027	09/12/2027	1,000,000.00	0.00	(947,060.00)	(7,894.44)	(954,954.44)
12/20/2022 12/20/2022	06051GHC6	Income	Corporate Bonds	BANK OF AMERICA CORP	12/20/2023	1,000,000.00	0.00	0.00	15,020.00	15,020.00
12/20/2022 12/20/2022	06051GHC6	Capital Change	Corporate Bonds	BANK OF AMERICA CORP	12/20/2023	(1,000,000.00)	0.00	1,000,000.00	0.00	1,000,000.00
12/21/2022 12/21/2022	3130AQF65	Income	Government Agencies	FEDERAL HOME LOAN BANK	12/21/2026	4,000,000.00	0.00	0.00	25,000.00	25,000.00
12/31/2022		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	7,758.22	7,758.22

ADDITIONAL INFORMATION

As of December 31, 2022

Past performance is not a guide to future performance. The value of investments and any income from them will fluctuate and is not guaranteed (this may partly be due to exchange rate changes) and investors may not get back the amount invested. Transactions in foreign securities may be executed and settled in local markets. Performance comparisons will be affected by changes in interest rates. Investment returns fluctuate due to changes in market conditions. Investment involves risk, including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information contained herein is for your reference only and is being provided in response to your specific request and has been obtained from sources believed to be reliable; however, no representation is made regarding its accuracy or completeness. This document must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended, or forwarded to a third party without consent from Insight. This is a marketing document intended for professional clients only and should not be made available to or relied upon by retail clients.

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In calculating ratings distributions and weighted average portfolio quality, Insight assigns U.S. Treasury and U.S. agency securities a quality rating based on the methodology used within the respective benchmark index. When Moody's, S&P and Fitch rate a security, Bank of America and Merrill Lynch indexes assign a simple weighted average statistic while Barclays indexes assign the median statistic. Insight assigns all other securities the lower of Moody's and S&P ratings.

Information about the indices shown here is provided to allow for comparison of the performance of the strategy to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index and the indices represented do not take into account trading commissions and/or other brokerage or custodial costs. The volatility of the indices may be materially different from that of the strategy. In addition, the strategy's holdings may differ substantially from the securities that comprise the indices shown.

The ICE BofA 3 Month US T-Bill index is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

The ICE BofA 6 Month US T-Bill index measures the performance of Treasury bills with time to maturity of less than 6 months.

The ICE BofA 1-Year US Treasury Index is a one-security index comprised of the most recently issued 1-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 1-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 3-Year US Treasury Index is a one-security index comprised of the most recently issued 3-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 3-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 5-Year US Treasury Index is a one-security index comprised of the most recently issued 5-year US Treasury note. The index is rebalanced monthly. In order to qualify for inclusion, a 5-year note must be auctioned on or before the third business day before the last business day of the month.

The ICE BofA 1-3 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years.

The ICE BofA 1-5 US Year Treasury Index is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than five years.

ADDITIONAL INFORMATION

As of December 31, 2022

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City of Menlo Park Insight ESG Ratings as of December 31, 2022								
Cusip/Id	Description	Moody Rating	S&P Rating	Par	Insight ESG Score	Environmental	Social	Governance
02665WCA7	AMERICAN HONDA FINANCE 2.6% 16NOV2022	A3	A-	\$ 1,000,000	2	2	3	3
46625HJH4	JPMORGAN CHASE & CO 3.2% 25JAN2023	A1	A-	\$ 1,000,000	3	1	2	4
369550BD9	GENERAL DYNAMICS 3.375% 15MAY2023	A3	A-	\$ 943,000	4	3	4	4
459200HP9	IBM CORP 3.2% 01AUG2023	A3	A-	\$ 1,000,000	2	1	2	5
742718EB1	PROCTER & GAMBLE CORP 3.1% 15AUG2023	Aa3	AA-	\$ 1,000,000	3	3	4	3
89236THA6	TOYOTA MOTOR CREDIT 1.35% 25 AUG 2023	A1	A+	\$ 1,000,000	3	3	3	5
24422EUM9	JOHN DEERE CAPITAL CORP 3.65% 12OCT2023	A2	A	\$ 950,000	3	3	3	3
14913R2S5	CATERPILLAR FIN. SER. .95% 10JAN2024	A2	A	\$ 1,000,000	3	3	2	4
89236THU2	TOYOTA MOTOR CREDIT .45% 11JAN2024	A1	A+	\$ 1,800,000	3	3	3	5
02665WCT6	AMERICAN HONDA FINANCE 3.55% 12JAN2024	A3	A-	\$ 1,000,000	2	2	3	3
24422EVN6	JOHN DEERE CAPITAL CORP .45% 17JAN2024	A2	A	\$ 800,000	3	3	3	3
17325FAS7	CITIBANK NA 3.65% 23JAN2024 (CALLABLE 23DEC23)	Aa3	A+	\$ 1,500,000	3	1	3	4
693475AV7	PNC FINSERVGRUP 3.5% 23JAN2024 (CALLABLE 24DEC2023)	A3	A-	\$ 1,000,000	3	2	3	3
91159HHV5	US BANK NA CINCINNATI 3.375% 05FEB2024 (CALLABLE 06JAN2024)	A2	A+	\$ 1,000,000	3	3	4	3
594918BX1	MICROSOFT CORP 2.875% 06FEB2024 (CALLABLE 06DEC23)	Aaa	AAA	\$ 960,000	2	1	2	3
06051GHF9	BANK OF AMERICA NA 3.55% 5MAR2024 (CALLABLE 5MAR2023)	A2	A-	\$ 1,500,000	3	1	3	4
24422EUX5	JOHN DEERE CAPITAL CORP 2.6% 07MAR2024	A2	A	\$ 1,450,000	3	3	3	3
459200JY8	IBM CORP 3.0% 15MAY2024	A3	A-	\$ 2,000,000	2	1	2	5
14913R2L0	CATERPILLAR .45% 17MAY2024	A2	A	\$ 1,600,000	3	3	2	4
46647PBQ8	JPMORGAN CHASE & CO 1.514% 01JUN2024 (CALLABLE 01JUN23)	A1	A-	\$ 2,000,000	3	1	2	4
06051GHL6	BANK OF AMERICA NA 3.864% 23JUL2024 (CALLABLE 23JUL2023)	A2	A-	\$ 1,500,000	3	1	3	4
693506BQ9	PPG INDUSTRIES INC 2.4% 15AUG2024	A3	BBB+	\$ 2,000,000	2	1	3	3
89236TGL3	TOYOTA MOTOR CREDIT 2.00% 07OCT2024	A1	A+	\$ 1,000,000	3	3	3	5
69353REF1	PNC BANK NA 3.3% 30OCT2024 (CALLABLE 30SEP2024)	A2	A	\$ 2,500,000	3	2	3	3
14913Q3B3	CATERPILLAR 2.15% 8NOV2024	A2	A	\$ 1,000,000	3	3	2	4
931142DV2	WALMART INC. 2.65% 15DEC2024 (CALLABLE 15OCT2024)	Aa2	AA	\$ 1,500,000	3	1	4	5
90331HMS9	US BANK NA 2.8% 27JAN2025 (CALLABLE 27DEC2024)	A1	AA-	\$ 1,000,000	3	3	4	3
437076BM3	HOME DEPOT INC. 3% 01APR2026 (CALLABLE 01JAN2026)	A2	A	\$ 3,000,000	1	2	2	2
911159HHN3	US BANCORP 2.375% 22JUL2026 (CALLABLE 22Jun2026)	A2	A+	\$ 2,000,000	3	3	4	3
594918BR4	MICROSOFT CORP 2.40% 08AUG2026 (CALLABLE 08MAY26)	Aaa	AAA	\$ 2,000,000	2	1	2	3
88579YAV3	3M COMPANY 2.25% 19SEO2026 (CALLABLE 19JUN2026)	A1	A+	\$ 2,000,000	3	3	3	2
713448DN5	PEPSICO INC. 2.375% 06OCT2026 (CALLABLE 06JUL2026)	A1	A+	\$ 1,000,000	2	3	2	2
437076CA8	HOME DEPOT 2.5% 15APR2027 (CALLABLE 15FEB2027)	A2	A	\$ 1,200,000	1	2	2	2
037833CR9	APPLE INC. 3.2% 11MAY2027 (CALLABLE 11FEB2027)	Aaa	AA+	\$ 2,121,000	3	3	3	5
037833DB3	APPLE INC 2.9% 12SERP2027 (CALLABLE 12JUN2027)	Aaa	AA+	\$ 1,000,000	3	3	3	3
Corporate				\$ 49,324,000	2.69	2.20	2.83	3.54

ESG ratings are from 1 to 5, with 1 as the highest rating and 5 as the lowest. All ratings are weighted by industry rankings, based on the importance of the category within the individual industry.

Administration Services Department

**STAFF REPORT****Finance and Audit Committee****Meeting Date:** 3/6/2023**Staff Report Number:** 23-002-FAC

Regular Business: Receive the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022

Recommendation

Staff recommends FAC review and recommend City Council receive, review, and file the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022.

Policy Issues

The City is required to issue audited financial statements by independent auditors on an annual basis. Management is responsible for preparing the annual financial statements, which are subsequently audited by an independent auditor that reports to the City Council. This package of reports fully transmits the documents required by California State law, bond covenants, granting agencies, and generally accepted accounting principles.

Background

The City contracted with the firm Lance, Soll & Lungard, LLP (“LSL,” Certified Public Accountants) in 2019 to perform an audit of our financial records and render an opinion in accordance with auditing standards generally accepted in the United States. LSL contract covers a three-year engagement with this being their final year. The goal of a financial statement audit is to provide reasonable assurance from an independent source that the information presented in the statements is reliable. The documents being transmitted are in a final draft format for review, and the final approved version will be presented to the City Council on March 14, 2023. Last year’s ACFR received the distinguished Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) program, and staff feels confident this year’s report will meet these standards. To receive this award, a government must publish an easily readable and efficiently organized ACFR that satisfies both Governmental Accounting Standards Board (GASB) 34 and applicable legal requirements.

Analysis

Considering the lasting impacts of the novel coronavirus during the fiscal year (FY) 2021-2022, the City of Menlo Park presents in good financial position. As of June 30, 2022, the City’s net position, an indicator of its overall financial state, increased by \$28.18 million to \$529.93 million. The General Fund’s unrestricted fund balance decreased by \$4.0 million down to \$34.2 million compared to a final adopted budget deficit of \$7.9 million (see Required Supplementary Information on page 81). Detailed analysis of the City’s financial position is included in the ACFR (Attachment A), specifically, in the management discussion and analysis (MD&A) beginning on page eight.

Based on their annual independent audit, the Auditor rendered an unmodified “clean” opinion on the City’s financial statements for the fiscal year ended June 30, 2022. In their opinion, “the financial statements 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.”

The auditors are also required to issue a report on internal controls for the City. In their report on internal controls beginning on page one of the Independent Auditor’s Report (Attachment B), the Auditor found that the City has one material weakness and one significant deficiency in internal controls that could have a material impact on the accuracy of the financial statements.

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

These deficiencies were mainly caused by challenges implementing new accounting standards coupled with turnover of key staff resources. Management provided a response to the findings in this report and are taking corrective action to tighten internal controls in these areas. The report on internal control is included in the Independent Auditor’s Report (Attachment B), along with Measure A Transportation Fund, Measure W Transportation Fund, and Belle Haven Child Development Center reports (Attachments C-E, respectively).

In addition to the ACFR, an agency is required to have a single audit when it expends \$750,000 or more in Federal grants. During the fiscal year ended June 30, 2022, the City expended approximately \$1.37 million in Federal funds. A separate Single Audit Report will be presented to the Finance and Audit Committee and City Council shortly. This report is due March 31, 2023.

Impact on City Resources

The independent auditing services is a covered expense within the City’s FY 2022-23 approved budget.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. City of Menlo Park, California, Final Draft ACFR for the fiscal year ended June 30, 2022:
<https://menlopark.gov/ACFR>
- B. Independent auditor’s report on internal controls for the year ended June 30, 2022
- C. Measure A Transportation Fund report for the year ended June 30, 2022

- D. Measure W Transportation Fund report for the year ended June 30, 2022
- E. Belle Haven Child Development Center report for the year ended June 30, 2022

Report prepared by:
Adrian Patino, Management Analyst II

Report reviewed by:
Ying Chen, Senior Accountant
Rani Singh, Interim Finance and Budget Manager
Marvin Davis, Interim Finance Director
Brittany Mello, Administrative Services Director



CITY OF MENLO PARK, CALIFORNIA ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022



CITY OF
MENLO PARK

CITY OF MENLO PARK, CALIFORNIA

PREPARED BY

FINANCE DIVISION

Marvin Davis
Interim Finance Director

Rani Singh
Interim Budget and Finance Manager

John McGirr
Retired Annuitant - Finance and Budget Manager

Ying Chen, Accountant II

Ruru Tang, Accountant II

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CITY OF MENLO PARK
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2022

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February 27, 2023

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

RE: Annual Comprehensive Financial report

We are pleased to submit the annual comprehensive financial report for the City of Menlo Park, California, for the fiscal year ended June 30, 2022. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data is accurate in all material respects and is reported fairly and honestly. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

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

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

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

Background

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

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

Reporting Entity

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

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

Economic Condition and Outlook

The information presented in the financial statements is perhaps best understood

when it is considered from the broader perspective of the specific environment in which the City operates.

Local economy

Throughout the year, the City's economy was reasonably strong. The public health emergency brought on by the COVID-19 pandemic, however, had a direct impact on economic conditions of the area. The City issued a proclamation of local emergency on March 11, 2020, that was followed by an area-wide stay-at-home order on March 16, 2020. The stay-at-home order in particular drastically affected a variety of activities including dining establishments, hotel operations, and retail shopping. The pandemic continued to have lasting effects on certain revenue sources for the City.

The unemployment rate in San Mateo County has gone down from 5.3% in June 2021 to 2.1% in June 2022. The City of Menlo Park unemployment rate remains lower than that of the County at 1.7% in June 2022. This compares with an unemployment rate of 3.7% for California and 5.4% for the nation during the same period. As of June 2022, there were an estimated 448,700 jobs in San Mateo County, an increase of 20,900 from a year earlier.

The City's largest revenue source is a resilient property tax base, contributing approximately 39% of all General Fund revenues in fiscal year 2021-22. While assessed values increased 5% overall, actual revenue increased by a modest 14.2% due to impacts of property tax allocation adjustments. The City's second largest tax revenue source, hotel occupancy tax, increased by 150%, or \$5.6 million compared to the fiscal year 2020-21, due to a rebounding of business and leisure travel after the height of the pandemic. Hotel occupancy tax revenue has not yet fully recovered to pre-pandemic levels.

The City's third largest revenue source, sales tax, experienced some loss this year and last year, primarily as a result of the pandemic. For the fiscal year ended June 30, 2022, sales tax revenue declined by \$0.12 million or 1.9%. Federal stimulus funding contributed to stronger retail spending and helped create a lower than expected sales tax revenue decline.

Outlook

The economic effects of the pandemic continue to subside, and the City's financial outlook remains sound. Property values continue their upward trend, and with a number of large-scale development projects in process, the outlook for future property tax revenue growth is strong. Being the General Fund's largest revenue source, at 39% of the total including transfers, a healthy property tax base is essential for continued sustainability. In addition, the City Council took swift action in the face of the economic emergency and the fiscal year 2021-22 adopted budget; adjusting

services to a level commensurate with expected structural revenues, both in general taxes and in fee-for-service categories. While these reductions were painful and the community will receive fewer services as a result, these actions help to ensure that services continue to be delivered at a sustainable level.

Funding from the American Rescue Plan (ARP) Act, adopted by Congress in March 2021, provides an estimated \$8.4 million to the City over the next two fiscal years to offset the impacts of the pandemic. The City can use ARP funds to offset revenue loss from taxes and charges for services caused by the pandemic. ARP funds distributed to the City are recorded in a special revenue fund until officially designated for eligible use under Department of Treasury guidelines.

On the expenditure side, the City's largest single category is that of personnel costs, with direct wages and salaries being a substantial portion of those costs. In its role as a service organization, the City's costs grow and shrink based on services provided to the public. During fiscal year 2021-22, many City services that were reduced during the pandemic were restored due to the availability of COVID-19 vaccinations, and additional service enhancements were enacted in the fiscal year 2022-23 adopted budget. Some service reductions remain in public safety and community services. The City will continue its past practice of expanding services as resources are available to support those services.

Beyond the direct costs of staffing, the City is closely monitoring increases in employee benefit costs. One area of particular note is the City's cost for pension benefits provided by the California Public Employees' Retirement System (CalPERS). In December 2016, the CalPERS board voted to reduce its assumed rate of return on investment income, commonly referred to as the "discount rate", net of expenses, from 7.5% to 7.0% over three years beginning on July 1, 2018. The reduction in discount rate has resulted in greater unfunded pension liabilities as of the most recent valuation, in addition to growing costs to the City in future years. The City has traditionally made only the required contributions to CalPERS to meet the standard 30-year amortization schedule of unfunded liabilities and ongoing obligations. After a review of outstanding liabilities and funding strategies with an independent actuary in November 2018, the City adopted its own accelerated payment schedule for unfunded liabilities in fiscal year 2019-20. The City Council reviewed the methodology in 2021, and ultimately modified the unfunded liability prepayment schedule to align with an assumed discount rate of 6.5%. This additional expense is recognized in the City's financial position as of June 30, 2022, and has the effect of avoiding interest payments on that same expense in future years. The new methodology will amortize the liability in 15 years, and is more aggressive than the actuarial study conducted by CalPERS. The approach minimizes growth in unfunded liabilities due to investment market fluctuations.

Staff will continue to monitor the long-term budget situation, both locally and at the

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

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

2021-22 Major Initiatives and Accomplishments

Demand for new and expanded City services remains high, driven in part by needs highlighted during the pandemic as well as continued, strong interest in development projects. The City strives to maintain balance between available budgetary resources and services that prioritize community values and needs, especially in light of the substantial uncertainty introduced by the ongoing public health emergency.

The Community Development Department released the draft Housing Element for public review following extensive public outreach and engagement. The draft report identified a land use strategy to study up to 4,000 new housing units for the eight year Housing Element period from 2023 to 2031. In addition, the Department began preparing for the required environmental impact report and fiscal impact analysis, initiated the development of the City's first-ever Environmental Justice Element, and launched the update process for the Safety Element. Over 100 residents attended a community meeting in spring 2022. The Department also continued to support a robust pipeline of development projects. Three bonus level mixed-use and residential development projects were approved, with approximately 1,000 housing units and \$23,145,000 in community amenities. Large development projects in the Bayfront Area continued to be processed, including the release of a draft environmental impact report (DEIR) for the proposed 59-acre mixed-use master plan Willow Village project and the first non-residential DEIR for a proposed life sciences/research and development project.

The Department of Library and Community Services focused on reinvention, restoration and continued dedication to public service. The Department safely reopened the Arrillaga Family Gymnasium, Arrillaga Family Recreation Center, Belle Haven Branch Library, and Menlo Park Library to indoor public access after extended closures that were necessary to protect public health and safety during the pandemic. The Department also initiated a comprehensive Menlo Park Community Campus

operations planning and community engagement process with milestones and timelines to prepare for the anticipated opening of the new facility in 2023, and relocated public services to interim locations to make way for construction of the project. The Department also secured a combined total of \$1,685,000 in grants to support early childhood education, literacy, capital improvements and other initiatives, and a combined total of \$600,000 in new donation commitments from local charitable nonprofit organizations Menlo Park Library Foundation and Friends of Menlo Park Library toward new library books, media, furnishings and equipment for the Menlo Park Community Campus project.

Over the course of fiscal year 2021-22, the Police Department sought to answer a number of public questions regarding progressive policing and police reform. Much of this discussion was generated from public commentary following the murder of George Floyd in May 2020. A City Council Subcommittee to Reimagine Public Safety was formed, including the city manager, police chief, two City Councilmembers, and an academic professional. The Department launched a series of community conversations, or “safe space focus groups,” in each of the five City Council districts, facilitated by Dr. Terri Givens, to generate public feedback on policing and help shape Menlo Park’s policing strategy. This public engagement culminated in a town hall-style community meeting to review the themes and discuss approaches to each through public transparency and a community-police advisory roundtable group in the upcoming year. The Department also facilitated a large amount of training in 2022, in response to legislation-mandated requirements for law enforcement and best practices in progressive policing. Leadership staff received in-house trainer certifications to maintain de-escalation and use-of-force training now required by SB 230 and AB 392. In-house trainers have also been developed to provide ongoing training on Principled Policing. Additionally, other leaders in the organization are receiving “Why’d You Stop Me” training, which reinforces principles of procedural justice and de-escalation during community contacts. The Department sent at least a dozen officers to training for response to non-criminal barricade situations involving people in crisis, and continues a commitment to send all personnel to San Mateo County’s highly respected multi-day training with experts from law enforcement and the National Alliance on Mental Illness for crisis intervention.

The Public Works Department began construction on the Menlo Park Community Campus and associated clean energy infrastructure (microgrid) in collaboration with Meta Platforms. Staff also initiated design of the Middle Avenue pedestrian and bicycle rail crossing in partnership with Caltrain and executed a purchase and sale agreement for a portion of 700-800 El Camino Real to support implementation of the project. The Department secured \$150,000 in Caltrans grant funds for a comprehensive shuttle program evaluation, and \$600,000 from the California Department of Parks and Recreation for the construction of the Haven Avenue streetscape project. The Department engaged a variety of partners to respond to sea level rise, including ongoing collaboration with the San Francisco Creek Joint

Powers Authority, PG&E and Meta to implement the SAFER Bay (sea level rise) feasibility study through the \$67 million FEMA Building Resilient Infrastructure and Communities grant opportunity. In collaboration with OneShoreline, Public Works advanced opportunities to secure funding for additional future efforts near Bedwell Bayfront Park as well. In recognition of continued support for the City's tree canopy, Menlo Park received the Tree City USA Growth Award from the Arbor Day Foundation, planted nearly 170 trees, and implemented many of the new heritage tree ordinance requirements. The Department also continued implementing strategies identified in the organizational review for improvement, including updating standard engineering details, documenting maintenance service levels, and continuing work towards American Public Works Association accreditation.

Planning for the Future

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

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

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

In accordance with the policy guidelines discussed above, as of June 30, 2022 the General Fund held a combined unrestricted fund balance of \$34.2 million or 43% of the 2021-22 General Fund operating budget. The General Fund has adopted a policy range of 15 to 20% for emergency reserves and 20 to 25% for economic reserves. The fiscal year 2022-23 budget of \$80.4 million indicates a 15.5% increase over fiscal

year 2021-22 budget of \$69.6 million as the City strives to return services to pre-pandemic levels.

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.

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

The City will continue to follow established cash management, accounting, budgetary, and risk management policies and processes essential to the City's long-term fiscal health. In addition, the strategic direction provided in the 5-Year Forecast and Capital Improvement Plan as well as 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 the annual comprehensive financial report. The 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 & Lughard, 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 annual comprehensive financial report for the fiscal year ended June 30, 2021. In order to receive this certificate, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, and satisfy both GAAP and applicable legal requirements. The award is valid for a period of one year. We believe our current report continues to meet the Certificate of Achievement Program's requirements.

Preparation of the Annual Comprehensive Financial Statements is not possible without the hard work of the entire Administrative Services Department. Of particular note, we would like to recognize Interim Finance Director Marvin Davis, Interim Finance and Budget Manager Rani Singh, Senior Accountant Ying Chen, Accountants Ruru Tang and Hannah Li, Accounting Assistants Melody Chau and Martin Perez, Senior Accounting Assistant Angela Tran, Management Analyst Adrian Patino, and Executive Assistant Nicole Casados for their extraordinary commitment to completing this document. We would also like to thank the City Council and the

Finance and Audit Committee for their continued focus on fiscal sustainability which has positioned the City well to weather financial uncertainties.

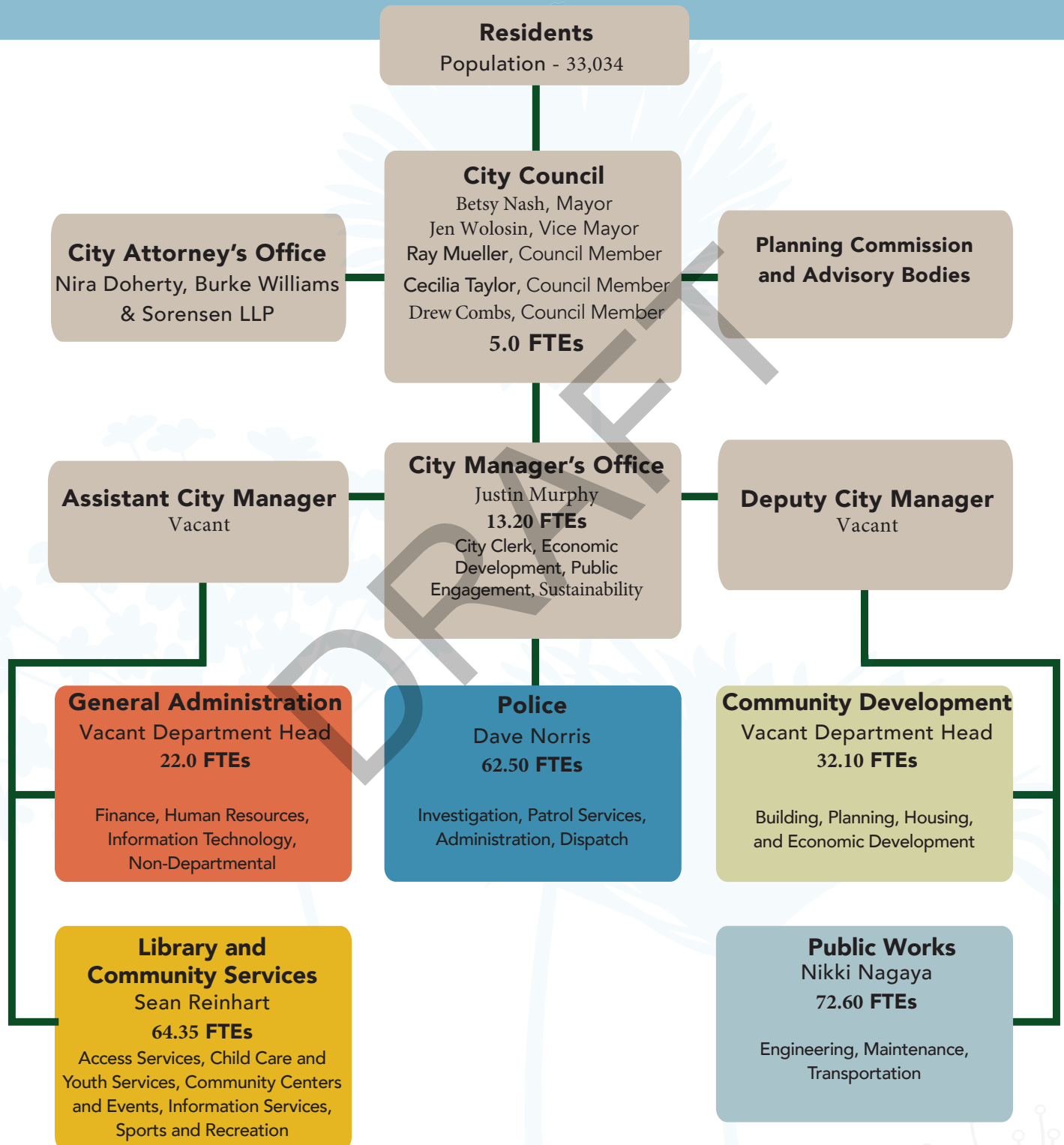
Respectfully submitted,

DocuSigned by:
Justin Murphy
8379C4D5DD3E486...
Justin I. C. Murphy
City Manager

DocuSigned by:
Stephen Stolte
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Stephen Stolte
Assistant City Manager

DRAFT

Organizational Chart



CITY OF MENLO PARK, CALIFORNIA

LIST OF CITY OFFICIALS

JUNE 30, 2022

CITY COUNCIL

Betsy Nash, **Mayor**

Jen Wolosin, **Vice Mayor**

Ray Mueller, Councilmember

Cecilia Taylor, Councilmember

Drew Combs, Councilmember

City Council appointed

City ManagerJustin Murphy

City AttorneyNira Doherty

City Manager appointed

City ClerkJudi Herren

Extra Help Retired Annuitant-Administrative Services Director....Mary Morris-Mayorga

Interim Finance Director Marvin Davis

Library and Community Services DirectorSean Reinhart

Police Chief David Norris

Public Engagement ManagerClay Curtin

Public Works DirectorNicole Nagaya

Assistant Community Development Director Deanna Chow



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Menlo Park
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Menlo Park, California, (the "City") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Responsibilities

Required Supplementary Information

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



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

This section of the City of Menlo Park's Annual Comprehensive Financial Report provides a narrative overview of the City's financial activities for the fiscal year ended June 30, 2022. 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 \$28.18 million to \$529.93 million
- Total revenues increased by \$22.54 million to \$109.60 million and total expenses decreased by \$3.45 million to \$81.86 million
- General Fund revenues and other financing sources increased by \$9.09 million to \$65.63 million while expenditures and other financing uses increased by \$9.79 million to \$69.63 million
- The General Fund unrestricted fund balance decreased by \$3.99 million to \$34.23 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, 2022, by \$529.93 million, up 5.62% from prior year. Of this amount, \$78.81 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 \$28.18 million in fiscal year 2021–22. Net position of governmental activities increased by \$21.63 million, which is due in large part to an increase in cash and investments. Net position of the business-type activities increased by \$6.55 million, which is due to an increase in cash and investment and deferred outflow of resources reflecting the year's net gain for the Menlo Park Municipal Water District and the Solid Waste Services.

Long-term Debt - The City's total bonded debt obligations, Note 6, increased by \$15.41 million during fiscal year 2021–22 due to the refunding of the 2012 General Obligation Bonds with the principal balance of \$6,315,000 and the issuance of the 2022 General Obligation Bonds (new money) of \$14,315,000 for the purpose of renovating and expanding the City's parks and recreation facilities. The largest principal payment of \$6.32 million was made on the 2012 General Obligation Refunding Bonds. The 2009 Series A and B General Obligation Bonds were refunded in August 2019 and replaced by 2019 General Obligation Refunding Bonds at a lower total interest

cost with an estimated net present value of savings of \$2.55 million. The outstanding balance of the 2019 General Obligation Refunding Bonds including premium as of June 30, 2022 was \$9.89 million. The outstanding balance of the 2022 General Obligation Refunding Bonds including premium is \$5.95 million, and the 2022 General Obligation Bonds including premium as of June 30, 2022 is \$15.86 million.

All long-term debt shown on the Government-wide Financial Statements are general obligations funded by dedicated property tax revenue for the term of the debt service. In addition to the General obligations, the City serves as fiduciary for debt issued by the Successor Agency of the Las Pulgas Redevelopment Project area. As of June 30, 2022, the Successor Agency Trust Fund's outstanding debt was \$36.58 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 2021–22, the City's governmental funds reported a combined ending fund balance of \$184.68 million. This is a \$29.70 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, 2022, \$184.68 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, \$39.54 million is categorized as "nonspendable", \$74.85 million is "restricted", \$44.22 million is "committed", \$26.27 million is "assigned" and the remaining negative \$0.20 million is "unassigned", with General Fund unassigned being \$.5 million.

The City's largest and most active government fund is the General Fund which decreased in fiscal year 2021–22 by \$4.0 million compared to prior year. General Fund revenues, and transfers-in, totaled \$65.63 million and expenditures/transfers out totaled \$69.63 million. This increase is due to a transfer of \$4.73 million to Capital Improvement Fund for approved capital projects and funding for future projects. The \$7.58 million transfers to the nonmajor governmental funds consisted of \$6.33 million for library system improvement and program operations. General Fund revenues and expenditures for the reporting period will be discussed in more detail later in the MD&A.

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

Enterprise Fund – Enterprise funds are established to account for the financing of goods and services provided to external users. The water distribution operations of the Menlo Park Municipal Water District, and the Solid Waste Service are the enterprise activities of the City. As of the close of fiscal year 2021–22, the City's Water Fund reported an ending net position of \$46.88 million and the Solid Waste Service has an ending net position of

\$3.15 million. This is a \$3.40 million increase in Water and \$311,618 from the prior year for Other Enterprise Funds 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 2021–22, the City’s internal service funds reported a combined ending net position of \$7.17 million. This is a \$0.36 million increase from the prior year and is primarily the result of an increase cash and investments.

City Highlights:

Total governmental fund revenues and other financing sources for 2021–22, as presented on the Statement of Revenues, Expenditures, and Changes in Fund Balances, were up \$23.4 million over fiscal year 2020-21. With Cities emerging from the effects of the pandemic, most categories of the revenues increased, being driven by Charges for Services, up \$13 million, Property taxes up \$4.5 million and Transient occupancy taxes up \$5.1 million.

Governmental fund expenditures, excluding transfers, decreased from \$75.3 million in 2020-21 down to \$71.2 million in 2021-22 for a total decrease of \$4 million. The decreases occurred in Public Safety, down \$4 million and public works, down \$2 million, being offset by a \$2 million increase in general government administration. These increases are primarily driven by higher personnel cost.

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 Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

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 and solid waste services activities are 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 and the Solid Waste Services are the two enterprise funds 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 Basic 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	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Current Assets	\$ 218,061,661	\$ 148,980,199	\$ 30,196,117	\$ 23,955,121	\$ 248,257,778	\$ 172,935,320
Noncurrent Assets	401,819,969	34,203,556	23,380,072	-	425,200,041	34,203,556
Capital Assets	366,564,767	366,235,302	23,380,072	22,123,229	389,944,839	388,358,531
Total Assets	986,446,397	549,419,057	76,956,261	46,078,350	1,063,402,658	595,497,407
Deferred Outflows of Resources	18,191,716	15,580,300	296,252	443,834	18,487,968	16,024,134
Current Liabilities	23,725,232	18,552,026	1,917,729	1,112,966	25,642,961	19,664,992
Noncurrent Liabilities	70,237,267	85,992,855	1,147,121	1,925,025	71,384,388	87,917,880
Total Liabilities	93,962,499	104,544,881	3,064,850	3,037,991	97,027,349	107,582,872
Deferred Inflows of Resources	64,203,692	2,174,287	781,573	7,034	64,985,265	2,181,321
Net Investments in Capital Assets	334,886,312	349,970,057	23,380,072	22,123,229	358,266,384	372,093,286
Restricted	74,849,327	79,745,683	18,003,875	16,692,292	92,853,202	96,437,975
Unrestricted	70,171,516	28,564,449	8,642,071	4,661,638	78,813,587	33,226,087
Total Net Position	\$ 479,907,155	\$ 458,280,189	\$ 50,026,018	\$ 43,477,159	\$ 529,933,173	\$ 501,757,348

Source: Audited Fin. St. pg - 1

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 and the Solid Waste Services.

As noted earlier, the City as a whole has net position of \$529.93 million. The largest portion of the City's net position (\$358.27 million, approximately 68 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 (\$92.85 million, 18 percent) represents resources that are subject to external restrictions on how they may be utilized. The remaining balance of unrestricted net assets (\$78.81 million, 15 percent) may be used to meet the government's ongoing obligation to citizens and creditors, an increase of \$45.59 million compared to prior year due primarily to increase in cash and investments.

Total net position of the City increased \$27.7 million in the fiscal year ended June 30, 2022. This was primarily related to an increase in the Governmental Activities and Business-type Activities cash position.

City of Menlo Park's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenues:						
Program Revenues:						
Charges for Services	\$ 30,739,857	\$ 17,698,611	\$ 14,594,048	\$ 15,057,913	\$ 45,333,905	\$ 32,756,524
Operating Grants and Contributions	7,409,506	5,083,649	-	-	7,409,506	5,083,649
General Revenue:						
Property Taxes	32,730,223	28,146,419	-	-	32,730,223	28,146,419
Sales Taxes	6,534,862	6,659,717	-	-	6,534,862	6,659,717
Transient Occupancy Taxes	8,374,454	3,253,778	-	-	8,374,454	3,253,778
Other Taxes	9,521,652	8,723,361	-	-	9,521,652	8,723,361
Investment Earnings	(584,662)	1,432,099	(694,597)	126,115	(1,279,259)	1,558,214
Miscellaneous	321,059	875,372	649,568	-	970,627	875,372
Total Revenues	95,046,951	71,873,006	14,549,019	15,184,028	109,595,970	87,057,034
Expenses:						
General Government	12,351,543	10,328,218	-	-	12,351,543	10,328,218
Public Safety	16,047,640	20,217,575	-	-	16,047,640	20,217,575
Public Works	21,622,928	23,291,709	-	-	21,622,928	23,291,709
Culture and Recreation	12,293,588	12,574,141	-	-	12,293,588	12,574,141
Community Development	8,739,508	8,118,959	-	-	8,739,508	8,118,959
Interest on Long-term Debt	235,007	820,644	-	-	235,007	820,644
Water Operations	-	-	10,564,923	9,953,853	10,564,923	9,953,853
Total Expenses	71,290,214	75,351,246	10,564,923	9,953,853	81,855,137	85,305,099
Inc/Dec in Net Position before Transfers	23,756,737	(3,478,240)	3,984,096	5,230,175	27,740,833	1,751,935
Transfers	269,245	230,000	(269,245)	(230,000)	-	-
Changes in Net Position	24,025,982	(3,248,240)	3,714,851	5,000,175	27,740,833	1,751,935
Net Position - Beginning of the Year, as restated	455,881,173	461,528,429	46,311,167	38,476,984	502,192,340	500,005,413
Net Position - End of the Year	\$ 479,907,155	\$ 458,280,189	\$ 50,026,018	\$ 43,477,159	\$ 529,933,173	\$ 501,757,348

Source: Audited Fin. St. pg – 26 & 27

Governmental Activities

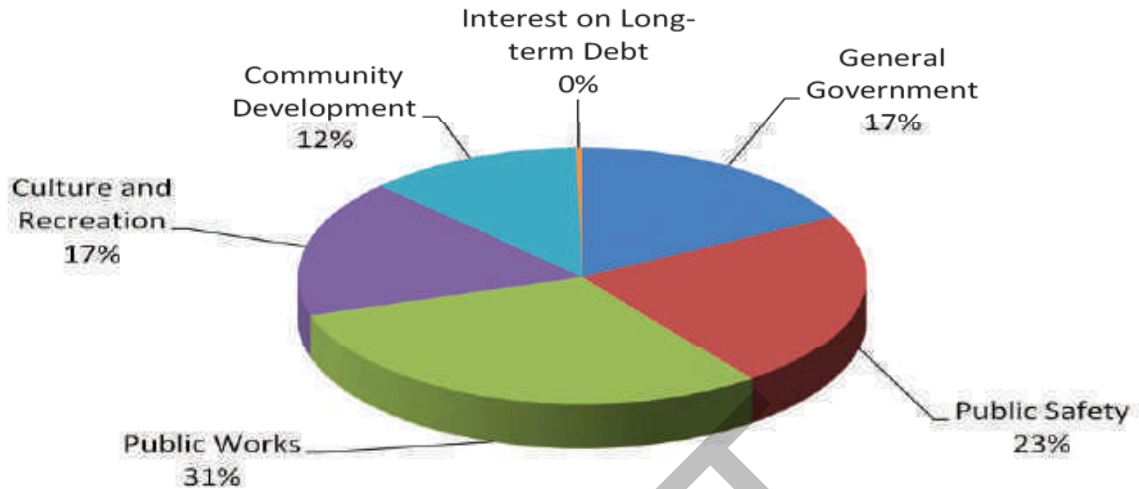
Total governmental activities increased the City of Menlo Park's net position by \$24.02 million, as overall revenues closed the year well above expenses. Governmental Activities revenues and expenses were up in fiscal year 2021–22 over fiscal year 2020–21, with revenues increased by \$23.17 million and expenses decreased by \$4.06 million.

Revenues increased in fiscal year 2021–22 by \$23.17 million due to increases in charges for services by \$13.04 million, operating contributions and grants by \$2.33 million and transient occupancy taxes by \$5.12 million. Property taxes increased by \$4.58 million due to increase in property values within the area. Sales taxes had a slight decrease of \$124,855. Investments earnings were similarly impacted by the economy and lower fair value of investments income in City's portfolio.

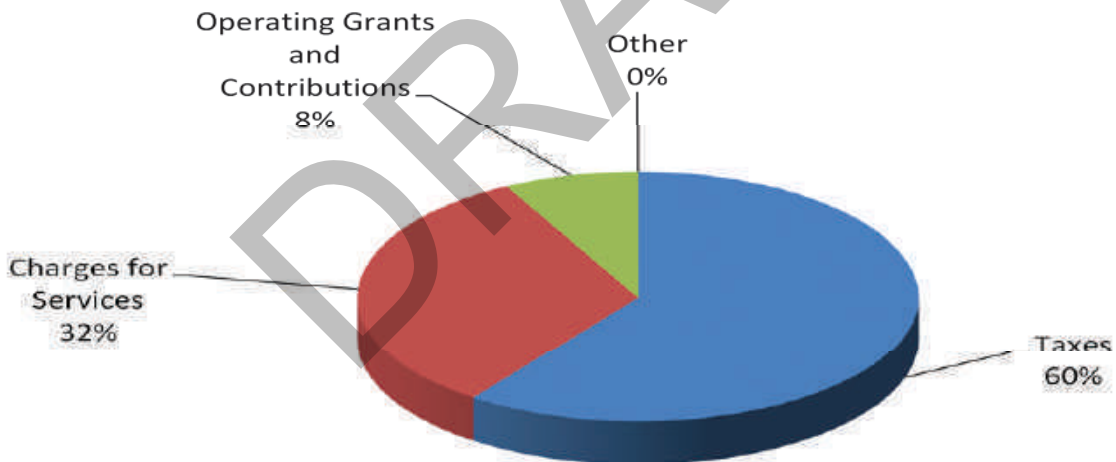
Expenses decreased in fiscal year 2021–22 by \$4.06 million due to reduction of actual expenses for public safety, public works, culture and leisure and interest payment on long-term debt due to the refunding of the 2012 General Obligation Bonds with a lower interest rate. However, number of fulltime employees went up from 244.75 to 271.75 and increase of other expenditures City-wide.

The following charts of expenses and sources of funding for the City's various governmental activities have been derived from the Statement of Activities and Changes in Net Position. The first pie chart reflects expenses incurred in each area as a percentage of the total expense of governmental activities (\$71.29 million in fiscal year 2021–22). The second pie chart reflects the sources of funding available to cover the expenses of the governmental activities (\$95.32 million in fiscal year 2021–22). 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 54 percent of governmental activity expenses in fiscal year 2021–22, which is higher by 23 percent when compared to fiscal year 2020–21.

Governmental Expense by Activity



Governmental Revenue by Source



Business Type Activities

The final net position for business-type activities in fiscal year 2021–22 was \$50.03 million. Total program revenues for business-type activities (operation of the Menlo Park Municipal Water District and Solid Waste Services) were \$14.59 million, which consisted of charges for services related to water usage, Solid waste services. Total expenses excluding transfers for the business-type activities were \$10.56 million during fiscal year 2021–22, nearly all of which were related to water and solid waste operations. Overall net position increased by \$6.55 million in 2021–22.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

Major Fund Balances – Governmental Funds

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

- Ten percent criterion. An individual fund reports at least 10 percent of any of the following:
 - total governmental fund assets,
 - total governmental fund liabilities,
 - total governmental fund revenues, or
 - total governmental fund expenditures.
- Five percent criterion. An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any one of the items for which it met the 10 percent criterion.

There are four major funds in the Governmental Funds category, with the City electing to include the Transportation Impact Fee Fund in addition to those meeting the aforementioned criteria. 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, 2022 and June 30, 2021.

<u>Governmental Fund Balances</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Positive (Negative) Change</u>
General Fund	\$ 34,232,360	\$ 38,220,366	\$ (3,988,006)
Below Market Rate Housing Fund	32,094,834	31,072,605	1,022,229
Transportation Impact Fees Fund	9,269,907	7,296,521	1,973,386
Measure T Debt Services	19,800,020	3,806,813	15,993,207
General Capital Improvement Project Fund	23,735,240	26,046,878	(2,311,638)
Other Governmental Funds	65,546,854	48,531,714	17,015,140
TOTAL	\$ 184,679,215	\$ 154,974,897	\$ 29,704,318

Source: Audited Fin. St.

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 2021–22 reporting period, the fund balance of the City’s General Fund was \$34.23 million, a decrease of \$3.99 million from the prior year. Of the \$34.23 million General Fund balance as of June 30, 2022, \$4.26 million of the fund balance was categorized as “nonspendable”, an increase from prior year and representing prepayments and deposits. In addition to the nonspendable category, the City’s General Fund Reserve Policy sets aside (“committed” fund balance) \$12.07 million for emergency contingencies, \$12.61 million to mitigate the effects of major economic uncertainties, and \$3.25 million for strategic pension funding opportunities, leaving an unassigned balance of \$.5 million. 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, 2022, the City’s General Fund unrestricted fund balance equaled 48 percent of the fund’s budgeted fiscal year 2021–22 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 2021–22 fiscal year, the fund had revenue that included \$0.78 million of BMR in-lieu fees from resources held in cash and investments with net fair value loss of (\$0.16) million. The fund had expenditures of \$0.21 million for the overall administration of the BMR program and for maintenance and rehabilitation work on various properties.

At June 30, 2022, the BMR Housing Fund balance was \$32.09 million. While this amount is significant, it is not all available for use on new BMR housing projects. Included in the fund balance are assets totaling \$24.99 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 \$7.10 million. The increase of cash and investments in fiscal year 2021-22 is due to the increase in charges for services.

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 2021–22, fund expenditures were \$7.32 million and included work on major projects such as new sidewalks, downtown streetscape improvements, and improvements to City buildings. Total fund balance decreased \$2.31 million from prior fiscal year. While the revenues over expenditures for this fund were a negative \$2.31 million, the fund received a substantial planned fund transfer from the General Fund to significantly offset the deficit between revenue and expenditures and prepare for expenditures planned in future fiscal years. With the \$4.73 million of transfers in from other funds, the ending fund balance as of June 30, 2022 was \$23.74 million. The accumulation in fund balance in this single year is not irregular and various City Council approved projects will result in the fund balance being fully expended over time.

Measure T Debt Service Fund Balance (Previously 2002 Recreation GO Bond Debt Service Fund)

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

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

Measure T Debt Service Fund revenue for fiscal year 2021-22 excluding the refunding bonds and premium was \$0.98 million compared to 1.98 million in fiscal year 2020-21, a decrease of \$1.00 million dollars. Expenditures for fiscal year 2021-22 excluding the payment of refunded bond was \$0.72 million compared to \$1.13 million, a decrease of \$0.40 million. The net change in fund balance is \$15.99 million in part due to the refunding of the 2012 General Obligation Bonds and the new money from the proceeds of the 2022 General Obligation Bonds of \$14.32 million.

Other Governmental Funds Balances

At the end of the 2021–22 fiscal year, the total fund balance of the City's 48 other non-major governmental funds was \$65.55 million. This represents an increase of \$17.02 million when compared to prior fiscal year and which is discussed in more detail below.

The fund balances consist of 45 special revenue funds, 1 debt service funds, and 2 capital projects funds. Within the special revenue funds, fifteen fund balances increased over the course of the fiscal year, while twelve experienced a decrease. The largest fund balance increases were the In-lieu fee for Community Amenities, \$9.41 million, Library System Improvement, \$3.57 million, and the Bayfront Mitigation Fund, \$2.30 million. These 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 ARPA Federal Grant also had a fund balance of \$3.30 million to be used for expenditures in the fiscal year 2022-23. The largest decrease in fund balance was experienced in the Recreation In-Lieu Fee with \$0.82 million decline, attributed to the expansion of the library system improvement project.

Proprietary Funds

Proprietary Funds are comprised of enterprise funds and internal service funds. The City has two enterprise operations, which is the Water Fund and the Solid Waste Service 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, 2022 was \$46.88 million, an increase of \$3.40 million and Solid Waste Service is \$3.15 million, an increase of \$0.31 million from the prior fiscal year. Revenue from water sales only decreased \$0.91 million, and Solid Waste Services increased \$0.17 million in fiscal year 2021–22 compared to prior fiscal year while expenses including transfers also increased modestly by \$92,456 and \$6,368 respectively.

Internal Service Funds

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

The Vehicle Replacement Fund collected charges for services of \$0.60 million in fiscal year 2021–22 for the cost of anticipated vehicle replacements. As of June 30, 2022, the Fund's net position is \$4.04 million. The Workers' Compensation Insurance Fund collected charges for services in the amount of \$1.51 million. The net position of the Workers' Compensation Insurance Fund had been negative in prior years but as of June 30, 2021 and 2022, was \$601,564 and \$962,963. The General Liability Fund collected charges for services in the amount of \$997,162 and expenses in the amount of \$1,107,290 with a negative net position of \$661,801.

The Other Post Employment Benefits Fund was created in 2008-09 for the sole purpose of providing contributions to the California Employers Retiree Benefits Trust (CERBT), the funding vehicle for the City's long-term obligations under its retiree medical benefits program. \$9.2 million was sufficient to fund the accumulated liability of these benefits in fiscal year 2007-08. Going forward, the amount of the contributions are generated as a percentage-of-payroll charge, actuarially calculated to reflect full funding of the normal (annual) cost of these benefits. In fiscal year 2021–22 these costs offset from the reimbursement of expenses from the State, while charges for services amounted to \$0.37 million. Overall the Fund had a net position of \$0.83 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 \$3.70 million offset by expenses of \$3.54 million in fiscal year 2021–22. As of June 30, 2022, the fund's net position is \$2.0 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. As of June 30, 2022, the only fiduciary fund was the Redevelopment Obligation Retirement fund discussed below.

A new private-purpose trust fund was established in 2011-12 to account for the activities related to the dissolution of the former Redevelopment Agency of the City of Menlo Park. As previously discussed, the former redevelopment agency was eliminated by State law as of February 1, 2012. All assets and obligations (including long-term debt) of the former agency were transferred to the City, as Successor Agency, as of that date. Housing loans are reported as assets in that governmental fund, but all other assets and liabilities are held in trust capacity in a fiduciary fund. Unlike agency funds, trust funds report an “income statement”. As such, the activity of the Successor Agency Trust from 2021–22 is reported in the Statement of Changes in Fiduciary Net Position. Because the transferred debt exceeded the transferred assets of the former agency when this trust was established, the fund ended the 2011-12 fiscal year with a negative net position of \$26.84 million. Continued disposition of assets of the former Redevelopment agency in led to extraordinary losses in the amount of \$17.15 million in 2012-13 and \$7.37 million in 2013-14. As of June 30, 2022, the fund’s net position was a negative \$20.75 million, a positive improvement over the June 30, 2021 net position by \$3.21 million. For additional information on this trust fund, please see Notes 6 and 16 to the financial statements. It is important to note, however, that because the net negative position is primarily a function of long-term liabilities (debt service), which will be paid by future property tax revenues in the former redevelopment project area, there is no impact on the primary government’s current or future financial position.

DEBT ADMINISTRATION

As of June 30, 2022, 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 \$31.71 million as of June 30, 2022. In August 2019, the City refunded the series 2009 A and 2009 B General Obligation Bonds and issued 2019 General Obligation Refunding Bonds with \$9.47 million outstanding. The refunding is expected to produce a net present value of savings of \$2.55 million. For more information, see Note 6 to the financial statements. As of June 30, 2022, the 2019 General Obligation Refunding Bonds including bond premium outstanding balance is \$9.89 million. The 2012 General Obligation Bonds were refinanced during the fiscal year 2022. In September 2019, the City issued \$5,890,000 in 2022 General Obligation Refunding Bonds for the purpose of refunding at lower rates the City’s outstanding Series 2012 General Obligation Bonds and \$14,315,000 in 2022 General Obligation Bonds for the purpose of renovating and expanding the City’s parks and recreation facilities.

City of Menlo Park - Outstanding Debt
As of June 30, 2022 and 2021

	<u>2021-22</u>	<u>2020-2021</u>	<u>Increase/ Decrease</u>
<u>Governmental Activities - Public Offerings</u>			
2012 General Obligation Refunding Bonds	\$ -	\$ 6,315,000	\$ (6,315,000)
Discount on 2012 General Obligation Bonds	-	(38,708)	38,708
2019 General Obligation Refunding Bonds	9,365,000	9,465,000	(100,000)
Premium on 2019 General Obligation Bonds	524,087	553,203	(29,116)
2022 General Obligation Refunding Bonds	5,890,000	-	5,890,000
Premium on 2022 General Obligation Ref Bonds	64,934	-	64,934
2022 General Obligation Bonds	14,315,000	-	14,315,000
Premium on 2022 General Obligation Bonds	1,548,684	-	1,548,684
Total governmental activities	<u>31,707,705</u>	<u>16,294,495</u>	<u>15,413,210</u>
<u>Fiduciary Activities - Public Offerings</u>			
2015 Las Pulgas Project Tax Allocation Bonds	31,865,000	35,365,000	(3,500,000)
Premium on 2015 Las Pulgas Project Tax Allocation Bonds	4,717,980	5,347,044	(629,064)
Total fiduciary activities	<u>\$ 36,582,980</u>	<u>\$ 40,712,044</u>	<u>\$ (4,129,064)</u>

In October 2015, the City's Community Development Agency issued Tax Allocation Refunding Bonds in a par amount of \$60.3 million for the purpose of refunding at lower interest rates outstanding 2006 Las Pulgas Project Tax Allocation Bonds. The original bonds had been issued to finance capital projects of benefit to the Las Pulgas Community Development Project Area. With the dissolution of redevelopment agencies in 2012, this bonded debt is no longer reported in the Government Wide Financial Statements. These obligations are included in Fiduciary Fund Financial Statements. The outstanding balance of the 2015 Las Pulgas Project Tax Allocation Bonds and premium as of June 30, 2022 is \$36.58 million a decrease of 10.14% from prior fiscal year. Additional information on the City's long-term debt can be found in Note 6 of this report.

As disclosed in the Note 14 to the Basic Financial Statements, a liability has been recorded to reflect the City's obligation to provide post-closure care of the landfill at Bayfront Park. Although the City has established a revenue stream to fund landfill post-closure care, governmental accounting standards require the calculation and recording of the liability associated with this activity. The liability as of June 30, 2022 is estimated at \$1.80 million.

CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2022 and 2021 is presented below.

City of Menlo Park - Capital Assets (Net of Accumulated Depreciation)							
	Governmental Activities		Business-Type Activities		Total		
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
Land	\$ 199,998,884	\$ 199,998,884	\$ 1,066,454	\$ 1,066,454	\$ 201,065,338	\$ 201,065,338	
Land improvement	32,956,478	32,956,478	-	-	32,956,478	32,956,478	
Construction in progress	13,939,316	9,337,666	12,647,112	11,080,457	26,586,428	20,418,123	
Buildings	48,390,577	52,521,922	4,925,796	5,096,091	53,316,373	57,618,013	
Shared use facilities	1,300,000	1,404,000	-	-	1,300,000	1,404,000	
Right-to-use leased assets	87,278	-	-	-	87,278	-	
Equipment	3,733,236	3,415,037	19,654	28,875	3,752,890	3,443,912	
Other improvement	7,328,033	7,616,906	-	-	7,328,033	7,616,906	
Infrastructure	58,830,965	58,984,409	4,721,056	4,851,352	63,552,021	63,835,761	
Total	\$ 366,564,767	\$ 366,235,302	\$ 23,380,072	\$ 22,123,229	\$ 389,944,839	\$ 388,358,531	

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2022 amount to \$358.27 million, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems and similar items. The City's capital assets net of accumulated depreciation (Note 4) totaled \$389.94 million for fiscal year 2021–22. This amount is reduced by accumulated depreciation charges of \$9.10 million and net retirements of assets totaling \$3.42 million. The total increase in the City's investment in capital assets net of depreciation for the current fiscal year was \$1.77 million. Most of the increase can be credited to infrastructure assets still in construction in progress. Detailed information on the City's capital assets can be found in Note 4 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2021–22 fiscal year amended budget for the General Fund reflected an operating income of \$5.37 million with revenue totaling \$64.54 million and expenditures totaling \$59.17 million. The adopted revenue and expenditures budgets were increased in November 2022. The budget was amended to increase the revenue by \$2.79 million and expenditures by \$0.96 million due to the allocation of carry-over capital improvement plan projects and to allocate the Federal Stimulus Cares – Corona Virus Aid, Relief and Economic Security Act distribution from State as reimbursement for COVID-19 pandemic expenditures. At the end of fiscal year 2021–22, however, actual expenditures including transfers exceeded revenues resulting in an operating deficit of \$4.0 million and reducing the fund balance to \$34.23 million. The decrease is due to the transfer of \$12.30 million to Capital Improvement Fund, Library System Improvement, for approved capital projects and improvement to the library building and to Vehicle Replacement Fund for purchase of new vehicles.

General Fund Revenues

The General Fund experienced a year-over-year revenue decline for fiscal year 2020-21 for the first time in seven years but an increase in fiscal year 2021-22. Overall, revenues, including transfers, totaled \$65.63 million, which was a \$9.09 million increase over the prior fiscal year. Property taxes was up by \$4.58 million, licenses and permits increased by \$1.16 million, transient occupancy tax increased by \$5.2 million while sales taxes declined by \$124,855, and charges for services declined by \$1.13 million. Variances from prior fiscal year was still the result of the pandemic in some way or the other.

General Fund Expenditures

Total General Fund expenditures, excluding transfers out, totaled \$57.33 million and were 6.2 percent higher than fiscal year 2020–21. This increase was experienced primarily in personnel costs due to the addition of employees City-wide.

DEFINED BENEFIT PENSION PLAN

The City contracts with the California Public Employee Retirement System (CalPERS) to provide defined benefit pension plans to its regular employees, who do not participate in or earn service credit from Social Security during the course of their employment. This defined benefit plan includes ongoing costs and represents a substantial portion of the total personnel costs to provide service to the community, costs which are split between the City and its employees. Within this system, the total value of all earned future payments is the total pension liability while plan assets, plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources, is the plan fiduciary net position. The difference between these two measures is the net pension liability/(asset). Plans differ between safety positions, or sworn peace officers, and miscellaneous positions, or all other regular positions citywide. As of June 30, 2022 (measurement date 2021), the total liability across plans is \$267.07 million, fiduciary net position across plans totals \$231.57 million, and net pension liability totals \$35.50 million. The fiduciary net position as a percentage of total liability is 86.7 percent. More information about the defined benefit pension plan is available in Note 12 of this report.

Plan Type	Total Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Fiduciary Net Position as Percentage of Total Liability
Miscellaneous	\$ 155,814,164	\$ 138,076,199	\$ 17,737,965	88.6%
Safety	111,260,307	93,493,502	17,748,374	84.0%
TOTAL	\$ 267,074,471	\$ 231,569,701	\$35,486,339	86.7%

ECONOMIC CONDITION AND OUTLOOK

The City's financial outlook remains sound and strong, as with the rest of the county and much of the rest of the world, despite the difficulties brought on by the novel coronavirus and the ensuing public health emergency and economic crisis. Property values even with the decline in revenues still account for 37 percent of total General Fund revenue, remain a reliable resource to support City operations. There was an increase in transient occupancy tax of \$5.20 million from prior fiscal year. While other revenue sources, including sales tax, and charges for services, have seen slight declines due to the pandemic, the swift but painful action taken by the City Council to align service levels with structural resources allows the City to maintain very strong levels of reserves and can look toward restoration of services in future periods as supporting resources return.

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

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

REQUESTS FOR INFORMATION

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

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STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Pooled cash and investments	\$ 152,996,527	\$ 28,674,915	\$ 181,671,442
Receivables:			
Accounts	4,853,032	1,400,049	6,253,081
Accrued interest	446,073	116,073	562,146
Leases	37,288,237	-	37,288,237
Prepaid costs	1,151,518	5,080	1,156,598
Due from other governments	3,042,960	-	3,042,960
Land held for resale	3,952,796	-	3,952,796
Restricted assets:			
Cash with fiscal agent	14,330,518	-	14,330,518
Total Current Assets	218,061,661	30,196,117	248,257,778
Noncurrent Assets:			
Notes and loans	30,767,729	-	30,767,729
Net OPEB asset	4,487,473	-	4,487,473
Capital assets not being depreciated	246,894,678	1,066,454	247,961,132
Capital assets, net of depreciation/amortization	119,670,089	22,313,618	141,983,707
Total Noncurrent Assets	401,819,969	23,380,072	425,200,041
Total Assets	619,881,630	53,576,189	673,457,819
Deferred Outflows of Resources:			
Deferred charge on refunding	29,250	-	29,250
Pension related amounts	14,431,656	296,252	14,727,908
OPEB related amounts	3,730,810	-	3,730,810
Total Deferred Outflows of Resources	18,191,716	296,252	18,487,968
Liabilities:			
Current Liabilities:			
Accounts payable	9,557,461	1,589,751	11,147,212
Accrued liabilities	2,041,430	58,797	2,100,227
Accrued interest	178,274	-	178,274
Unavailable revenue	1,590,643	-	1,590,643
Unearned revenue	1,215,391	-	1,215,391
Deposits payable	4,326,098	204,512	4,530,610
Leases payable	87,383	-	87,383
Compensated absences due in one year	1,684,984	64,669	1,749,653
Claims payable due in one year	1,049,578	-	1,049,578
Landfill postclosure care due in one year	538,990	-	538,990
Bonds payable due in one year	1,455,000	-	1,455,000
Total Current Liabilities	23,725,232	1,917,729	25,642,961
Noncurrent liabilities:			
Compensated absences due in more than one year	1,696,323	65,105	1,761,428
Claims payable due in more than one year	2,609,251	-	2,609,251
Landfill postclosure care due in more than one year	1,256,234	-	1,256,234
Bonds payable due in more than one year	30,252,705	-	30,252,705
Net pension liability	34,422,754	1,082,016	35,504,770
Total Noncurrent Liabilities	70,237,267	1,147,121	71,384,388
Total Liabilities	93,962,499	3,064,850	97,027,349
Deferred Inflows of Resources:			
Pension related amounts	24,226,975	781,573	25,008,548
OPEB related amounts	3,597,466	-	3,597,466
Leases	36,379,251	-	36,379,251
Total Deferred Inflows of Resources	64,203,692	781,573	64,985,265
Net Position:			
Net investment in capital assets	334,886,312	23,380,072	358,266,384
Restricted for:			
Community development projects	18,602,691	-	18,602,691
Special projects	13,581,249	-	13,581,249
Parks and recreation	348,051	-	348,051
Public works	50,108	-	50,108
Capital projects	22,115,806	18,003,875	40,119,681
Debt service	20,151,422	-	20,151,422
Unrestricted	70,171,516	8,642,071	78,813,587
Total Net Position	\$ 479,907,155	\$ 50,026,018	\$ 529,933,173

CITY OF MENLO PARK

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 12,351,543	\$ 14,985,439	\$ 122,821	\$ -
Public safety	16,047,640	547,284	167,056	-
Community development	8,242,038	6,460,958	618,718	-
Culture and recreation	12,293,588	193,913	1,553,959	-
Public works	21,622,928	7,606,619	4,946,952	-
Urban development and housing	497,470	945,644	-	-
Interest on long-term debt	235,007	-	-	-
Total Governmental Activities	71,290,214	30,739,857	7,409,506	-
Business-Type Activities:				
Water	10,042,609	14,150,338	-	-
Solid Waste	522,314	443,710	-	-
Total Business-Type Activities	10,564,923	14,594,048	-	-
Total Primary Government	\$ 81,855,137	\$ 45,333,905	\$ 7,409,506	\$ -
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				
Miscellaneous				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position at Beginning of Year				
Restatement of Net Position				
Net Position at End of Year				

Net (Expenses) Revenues and Changes in Net Position Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 2,756,717	\$ -	\$ 2,756,717
(15,333,300)	-	(15,333,300)
(1,162,362)	-	(1,162,362)
(10,545,716)	-	(10,545,716)
(9,069,357)	-	(9,069,357)
448,174	-	448,174
(235,007)	-	(235,007)
(33,140,851)	-	(33,140,851)
-	4,107,729	4,107,729
-	(78,604)	(78,604)
-	4,029,125	4,029,125
(33,140,851)	4,029,125	(29,111,726)
32,730,223	-	32,730,223
8,374,454	-	8,374,454
6,534,862	-	6,534,862
2,250,038	-	2,250,038
1,765,848	-	1,765,848
1,562,407	-	1,562,407
3,890,766	-	3,890,766
52,593	-	52,593
(584,662)	(694,597)	(1,279,259)
321,059	649,568	970,627
269,245	(269,245)	-
57,166,833	(314,274)	56,852,559
24,025,982	3,714,851	27,740,833
455,446,181	46,311,167	501,757,348
434,992	-	434,992
\$ 479,907,155	\$ 50,026,018	\$ 529,933,173

CITY OF MENLO PARK

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

		Special Revenue Funds	
	General	Below Market Rate Housing	Transportation Impact Fees
Assets:			
Pooled cash and investments	\$ 36,940,101	\$ 7,701,456	\$ 9,866,273
Receivables:			
Accounts	2,978,490	49,347	-
Notes and loans	-	24,911,708	-
Accrued interest	145,487	31,278	40,598
Leases	37,288,237	-	-
Prepaid costs	446,047	-	-
Due from other governments	2,563,846	-	-
Due from other funds	1,656,653	-	-
Land held for resale	-	312,377	-
Restricted assets:			
Cash and investments with fiscal agents	-	-	-
Total Assets	\$ 82,018,861	\$ 33,006,166	\$ 9,906,871
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 4,533,116	\$ 24,609	\$ 196,632
Accrued liabilities	1,840,806	293	-
Unearned revenues	1,215,391	-	-
Deposits payable	3,817,937	-	440,332
Due to other funds	-	-	-
Total Liabilities	11,407,250	24,902	636,964
Deferred inflows of resources:			
Unavailable revenues	-	886,430	-
Leases	36,379,251	-	-
Total Deferred Inflows of Resources	36,379,251	886,430	-
Fund Balances:			
Nonspendable	4,263,984	25,224,085	440,332
Restricted	-	6,870,749	8,829,575
Committed	28,177,733	-	-
Assigned	1,540,643	-	-
Unassigned	250,000	-	-
Total Fund Balances	34,232,360	32,094,834	9,269,907
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 82,018,861	\$ 33,006,166	\$ 9,906,871

CITY OF MENLO PARK

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Projects Funds	Debt Service Funds		
	General Capital Improvement Projects	Measure T	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled cash and investments	\$ 21,731,101	\$ 5,446,544	\$ 62,438,337	\$ 144,123,812
Receivables:				
Accounts	9,917	-	1,659,341	4,697,095
Notes and loans	-	-	5,856,021	30,767,729
Accrued interest	-	16,574	172,707	406,644
Leases	-	-	-	37,288,237
Prepaid costs	43,418	-	2,970	492,435
Due from other governments	-	6,384	472,730	3,042,960
Due from other funds	-	-	69,584	1,726,237
Land held for resale	3,640,419	-	-	3,952,796
Restricted assets:				
Cash and investments with fiscal agents	-	14,330,518	-	14,330,518
Total Assets	\$ 25,424,855	\$ 19,800,020	\$ 70,671,690	\$ 240,828,463
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,659,962	\$ -	\$ 2,974,490	\$ 9,388,809
Accrued liabilities	29,653	-	99,304	1,970,056
Unearned revenues	-	-	-	1,215,391
Deposits payable	-	-	67,829	4,326,098
Due to other funds	-	-	1,279,000	1,279,000
Total Liabilities	1,689,615	-	4,420,623	18,179,354
Deferred inflows of resources:				
Unavailable revenues	-	-	704,213	1,590,643
Leases	-	-	-	36,379,251
Total Deferred Inflows of Resources	-	-	704,213	37,969,894
Fund Balances:				
Nonspendable	3,683,837	-	5,926,820	39,539,058
Restricted	-	19,800,020	39,348,983	74,849,327
Committed	-	-	16,297,001	44,474,734
Assigned	20,051,403	-	4,680,490	26,272,536
Unassigned	-	-	(706,440)	(456,440)
Total Fund Balances	23,735,240	19,800,020	65,546,854	184,679,215
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,424,855	\$ 19,800,020	\$ 70,671,690	\$ 240,828,463

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CITY OF MENLO PARK

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund balances of governmental funds		\$ 184,679,215
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		364,575,321
Long-term debt and compensated absences that have not been included in the governmental fund activity:		
Bonds payable	\$ (29,570,000)	
Leases payable	(68,952)	
Unamortized bond premiums/discounts	(2,137,705)	
Deferred charge on refunding	29,250	
Compensated absences	<u>(3,214,627)</u>	(34,962,034)
Net pension liability not included in the governmental fund activity		(34,422,754)
Net OPEB asset not included in the governmental fund activity		4,487,473
Deferred outflows related to pension items are not included in the governmental fund activity		14,431,656
Deferred inflows to pension items are not included in the governmental fund activity		(24,226,975)
Deferred outflows related to OPEB items are not included in the governmental fund activity		3,730,810
Deferred inflows related to OPEB items are not included in the governmental fund activity		(3,597,466)
Landfill postclosure care costs do not require current financial resources and are not reported as a liability in the governmental funds.		(1,795,224)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(178,274)
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>7,185,407</u>
Net Position of Governmental Activities		<u>\$ 479,907,155</u>

CITY OF MENLO PARK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

		Special Revenue Funds	
	General	Below Market Rate Housing	Transportation Impact Fees
Revenues:			
Taxes	\$ 54,247,818	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	4,221,526	-	-
Intergovernmental	86,915	-	39,054
Charges for services	4,565,346	945,938	2,675,719
Use of money and property	993,689	(162,541)	(248,704)
Fines and forfeitures	350,382	-	-
Miscellaneous	287,307	-	18,670
Total Revenues	64,752,983	783,397	2,484,739
Expenditures:			
Current:			
General government	10,258,198	15,931	-
Public safety	18,125,213	-	-
Community development	7,974,959	-	-
Culture and recreation	8,338,023	-	-
Public works	12,249,522	-	511,353
Urban development and housing	339,061	191,799	-
Capital outlay	41,144	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	57,326,120	207,730	511,353
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,426,863	575,667	1,973,386
Other Financing Sources (Uses):			
Transfers in	875,508	-	-
Transfers out	(12,302,146)	-	-
Refunding bonds issued	-	-	-
Bond premium	-	-	-
Proceeds from sale of capital asset	-	6,277	-
Total Other Financing Sources (Uses)	(11,426,638)	6,277	-
Net Change in Fund Balances	(3,999,775)	581,944	1,973,386
Fund Balances, Beginning of Year, as previously reported	38,220,366	31,072,605	7,296,521
Restatements	11,769	440,285	-
Fund Balances, Beginning of Year, as restated	38,232,135	31,512,890	7,296,521
Fund Balances, End of Year	\$ 34,232,360	\$ 32,094,834	\$ 9,269,907

CITY OF MENLO PARK

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds	Debt Service Funds		
	General Capital Improvement Projects	Measure T	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 108,050	\$ -	\$ 3,782,716	\$ 58,138,584
Special assessments	-	1,088,376	2,775,628	3,864,004
Licenses and permits	-	-	(10)	4,221,516
Intergovernmental	-	-	7,459,662	7,585,631
Charges for services	173,751	-	13,500,999	21,861,753
Use of money and property	-	(104,674)	(826,287)	(348,517)
Fines and forfeitures	-	-	-	350,382
Miscellaneous	-	-	300,000	605,977
Total Revenues	281,801	983,702	26,992,708	96,279,330
Expenditures:				
Current:				
General government	-	208,625	-	10,482,754
Public safety	-	-	954,033	19,079,246
Community development	-	-	959,972	8,934,931
Culture and recreation	-	-	1,735,777	10,073,800
Public works	-	-	4,463,505	17,224,380
Urban development and housing	-	-	6,748	537,608
Capital outlay	7,319,024	-	5,242,382	12,602,550
Debt service:				
Principal retirement	-	6,415,000	-	6,415,000
Interest and fiscal charges	-	516,281	-	516,281
Total Expenditures	7,319,024	7,139,906	13,362,417	85,866,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,037,223)	(6,156,204)	13,630,291	10,412,780
Other Financing Sources (Uses):				
Transfers in	4,725,585	339,833	7,316,308	13,257,234
Transfers out	-	-	(1,094,843)	(13,396,989)
Refunding bonds issued	-	20,205,000	-	20,205,000
Bond premium	-	1,619,032	-	1,619,032
Proceeds from sale of capital asset	-	-	-	6,277
Total Other Financing Sources (Uses)	4,725,585	22,163,865	6,221,465	21,690,554
Net Change in Fund Balances	(2,311,638)	16,007,661	19,851,756	32,103,334
Fund Balances, Beginning of Year, as previously reported	26,046,878	3,806,813	45,697,706	152,140,889
Restatements	-	(14,454)	(2,608)	434,992
Fund Balances, Beginning of Year, as restated	26,046,878	3,792,359	45,695,098	152,575,881
Fund Balances, End of Year	\$ 23,735,240	\$ 19,800,020	\$ 65,546,854	\$ 184,679,215

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, 2022**

Net change in fund balances - total governmental funds \$ 32,103,334

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	\$ 11,980,813	
Depreciation	(11,971,355)	9,458

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	100,000	
Issuance of debt	(21,823,243)	
Refunding of 2012 general obligation bonds	6,315,000	
Interest expense on 2012 general obligation bonds	(68,952)	
Amortization of deferred charges	(1,652)	
Amortization of bond premiums/discounts	(9,592)	(15,488,439)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

354,404

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.

199,646

Pension expenses recognized in accordance with GASB 68 not recognized in the governmental fund activity.

5,877,535

OPEB expenses recognized in accordance with GASB 75 not recognized in the governmental fund activity.

1,031,758

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

(1,029,986)

Expenses for landfill postclosure costs are expenditures in the governmental fund financial statements but reduce the liability in the government-wide financial statements.

599,407

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.

368,865

Change in Net Position of Governmental Activities

\$ 24,025,982

CITY OF MENLO PARK

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Assets:				
Current:				
Pooled cash and investments	\$ 25,327,622	\$ 3,347,293	\$ 28,674,915	\$ 8,872,715
Receivables:				
Accounts	1,365,466	34,583	1,400,049	155,937
Accrued interest	104,989	11,084	116,073	39,429
Prepaid costs	5,080	-	5,080	659,083
Total Current Assets	26,803,157	3,392,960	30,196,117	9,727,164
Noncurrent:				
Capital assets - net of accumulated depreciation	23,380,072	-	23,380,072	1,978,747
Total Noncurrent Assets	23,380,072	-	23,380,072	1,978,747
Total Assets	50,183,229	3,392,960	53,576,189	11,705,911
Deferred Outflows of Resources:				
Pension related amounts	253,555	42,697	296,252	-
Total Deferred Outflows of Resources	253,555	42,697	296,252	-
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current:				
Accounts payable	1,589,751	-	1,589,751	168,652
Accrued liabilities	50,186	8,611	58,797	71,374
Deposits payable	204,512	-	204,512	-
Due to other funds	-	-	-	447,237
Leases payable	-	-	-	18,431
Accrued compensated absences	58,275	6,394	64,669	83,060
Accrued claims and judgments	-	-	-	1,049,578
Total Current Liabilities	1,902,724	15,005	1,917,729	1,838,332
Noncurrent:				
Net pension liability	926,071	155,945	1,082,016	-
Accrued compensated absences	58,668	6,437	65,105	83,620
Accrued claims and judgments	-	-	-	2,609,251
Total Noncurrent Liabilities	984,739	162,382	1,147,121	2,692,871
Total Liabilities	2,887,463	177,387	3,064,850	4,531,203
Deferred Inflows of Resources:				
Pension related amounts	668,929	112,644	781,573	-
Total Deferred Inflows of Resources	668,929	112,644	781,573	-
Net Position:				
Investment in capital assets	23,380,072	-	23,380,072	-
Restricted for capital projects	18,003,875	-	18,003,875	-
Unrestricted	5,496,445	3,145,626	8,642,071	7,174,708
Total Net Position	\$ 46,880,392	3,145,626	50,026,018	\$ 7,174,708
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 50,436,784	\$ 3,435,657	\$ 53,872,441	\$ 11,705,911

CITY OF MENLO PARK

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Operating Revenues:				
Charges for services	\$ 14,150,338	\$ 443,710	\$ 14,594,048	\$ 7,175,047
Miscellaneous	-	649,568	649,568	-
Total Operating Revenues	14,150,338	1,093,278	15,243,616	7,175,047
Operating Expenses:				
Cost of sales and services	9,537,433	5,165	9,542,598	-
Personnel services	-	499,489	499,489	2,519,589
General and administrative	195,365	17,660	213,025	1,962,390
Insurance	-	-	-	2,049,274
Depreciation expense	309,811	-	309,811	492,235
Total Operating Expenses	10,042,609	522,314	10,564,923	7,023,488
Operating Income (Loss)	4,107,729	570,964	4,678,693	151,559
Nonoperating Revenues (Expenses):				
Interest and investment earnings	(630,951)	(63,646)	(694,597)	(236,145)
Gain on disposal of capital assets	-	-	-	33,752
Total Nonoperating Revenues (Expenses)	(630,951)	(63,646)	(694,597)	(202,393)
Income Before Transfers	3,476,778	507,318	3,984,096	(50,834)
Transfers in	160,155	-	160,155	409,000
Transfers out	(233,700)	(195,700)	(429,400)	-
Changes in Net Position	3,403,233	311,618	3,714,851	358,166
Net Position:				
Beginning of Year	43,477,159	2,834,008	46,311,167	6,816,542
End of Fiscal Year	\$ 46,880,392	\$ 3,145,626	\$ 50,026,018	\$ 7,174,708

CITY OF MENLO PARK

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 14,389,193	\$ 1,081,137	\$ 15,470,330	\$ -
Cash received from interfund service provided	-	-	-	7,449,852
Cash paid to suppliers for goods and services	(9,316,378)	(22,825)	(9,339,203)	(1,960,471)
Cash paid to employees for services	226,720	(259,502)	(32,782)	(3,515,036)
Net Cash Provided by Operating Activities	5,299,535	798,810	6,098,345	1,974,345
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	(233,700)	(195,700)	(429,400)	-
Net Cash Used by Non-Capital Financing Activities	(233,700)	(195,700)	(429,400)	409,000
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(935,789)	-	(935,789)	(505,860)
Net Cash Used by Capital and Related Financing Activities	(935,789)	-	(935,789)	(472,108)
Cash Flows from Investing Activities:				
Interest received	(648,002)	(65,744)	(713,746)	(245,097)
Net Cash Provided by Investing Activities	(648,002)	(65,744)	(713,746)	(245,097)
Net Increase (Decrease) in Cash and Cash Equivalents	3,482,044	537,366	4,019,410	1,666,140
Cash and Cash Equivalents at Beginning of Year	22,316,288	2,809,927	25,126,215	7,490,104
Cash and Cash Equivalents at End of Year	\$ 25,798,332	\$ 3,347,293	\$ 29,145,625	\$ 9,156,244
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income	\$ 4,107,729	\$ 570,964.00	\$ 4,678,693	\$ 151,559
Adjustments to Reconcile Operating Income Net Cash Provided by Operating Activities:				
Depreciation	309,811	-	309,811	492,235
(Increase) decrease in accounts receivable	185,429	-	185,429	709,270
(Increase) decrease in prepaid expense	(5,080)	-	(5,080)	216,090
(Increase) decrease in pension outflows	190,279	(42,697)	147,582	-
Increase (decrease) in accounts payable	645,204	(12,141)	633,063	467,609
Increase (decrease) in accrued liabilities	(1,409)	1,264	(145)	7,135
Increase (decrease) in deposits payable	137,511	-	137,511	-
Increase (decrease) in claims and judgments	-	-	-	(164,154)
Increase (decrease) in net pension liability	(952,635)	155,945	(796,690)	-
Increase (decrease) in pension inflows	661,895	112,644	774,539	-
Increase (decrease) in compensated absences	20,801	12,831	33,632	94,601
Total Adjustments	1,191,806	227,846	1,419,652	1,822,786
Net Cash Provided by Operating Activities	\$ 5,299,535	\$ 798,810	\$ 6,098,345	\$ 1,974,345
Non-Cash Investing, Capital, and Financing Activities:				
Capital contributions	\$ -			\$ -

CITY OF MENLO PARK

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	Private-Purpose Trust Fund
Assets:	
Cash and cash equivalents	\$ 9,160,874
Restricted assets:	
Cash and investments with fiscal agents	11
Total Assets	9,160,885
Deferred Outflows of Resources:	
Deferred charge on refunding	7,172,861
Total Deferred Outflows of Resources	7,172,861
Liabilities:	
Interest payable	392,852
Deposits payable	108,891
Long-term liabilities:	
Bonds due in one year	3,500,000
Bonds due in more than one year	33,082,980
Total Liabilities	37,084,723
Net Position:	
Held in trust for other purposes	(20,750,977)
Total Net (Deficit)	\$ (20,750,977)

CITY OF MENLO PARK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Fund
Additions:	
Taxes	\$ 5,178,250
Total Additions	5,178,250
Deductions:	
Interest expense	1,967,014
Total Deductions	1,967,014
Changes in Net Position	3,211,236
Net Position - Beginning of the Year	(23,962,213)
Net Position - End of the Year	\$ (20,750,977)

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NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

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

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

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

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

Government-Wide Financial Statements

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

b. Basis of Accounting and Measurement Focus

Governmental Fund Financial Statements

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Proprietary Fund Financial Statements

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Fiduciary Fund Financial Statements

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

c. Cash and Investments

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

d. Capital Assets

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

e. Long-Term Obligations

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

f. Net Position and Fund Balance

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

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

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

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

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

Fund Financial Statements

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

g. Use of Estimates

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

h. Compensated Absences

City employees have vested interests in varying levels of vacation, sick leave, and compensatory time. If compensated absences are not used by the employee during the term of employment, compensation is payable to the employee at the time of retirement or termination. Such compensation is calculated at the employees' then prevalent rate at the time of retirement or termination. Whereas vacation and compensatory time is compensated at 100% of accumulated hours, sick leave is accrued and compensated only at retirement at 15% of accumulated hours. On termination, only accrued vacation and compensatory time is compensated, not sick leave. The liabilities for compensated absences of the governmental activities are recorded in the Government-Wide Financial Statements. However, the General Fund is liable for 90% of the total city-wide compensated absence liability. The liabilities of compensated absences of proprietary funds are recorded as liabilities in the appropriate proprietary fund and in the business-type activities in the Government-Wide Financial Statements. The liabilities of compensated absences in the governmental funds are reported in those funds only if there is an unused reimbursable leave still outstanding following an employee's resignation or retirement as of June 30, 2022.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)**i. Property Taxes**

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

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

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

j. Pension

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

k. Other Post-employment Benefits (OPEB)

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows/Inflows of Resources

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

m. Interfund Balances/Internal Balances

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

n. New GASB Pronouncements

In June 2017, the GASB issued Statement No. 87, "Leases". This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. The City has implemented GASB 87 in this annual report.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
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, 2022:

	Government-Wide Statement of Net Position			Fund Financials	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statement of Net Position	Grand Total
Cash and Investments	\$ 152,996,527	\$ 28,674,915	\$ 181,671,442	\$ 9,160,874	\$ 190,832,316
Restricted Cash and Investments with Fiscal Agents	14,330,518	-	14,330,518	11	14,330,529
	<u>\$ 167,327,045</u>	<u>\$ 28,674,915</u>	<u>\$ 196,001,960</u>	<u>\$ 9,160,885</u>	<u>\$ 205,162,845</u>

Cash and investments as of June 30, 2022, consist of the following:

Cash on hand	\$ 13,881
Deposits with financial institution	45,807,331
Total cash on hand and deposits	<u>45,821,212</u>
Local Agency Investment funds	55,537,924
Investments held by custodian	89,473,181
Investments Authorized by Debt Agreements	14,330,528
Total investments	<u>159,341,633</u>
Total cash and investments	<u>\$ 205,162,845</u>

As of June 30, 2022, 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	\$ 24,857,533	\$ 1,978,099	\$ 16,410,356	\$ 6,469,078
Government Agencies	26,809,172	5,998,287	14,229,712	6,581,173
Corporate Bonds	37,806,476	5,944,729	21,233,527	10,628,220
Local Agency Investment Funds	55,537,924	55,537,924	-	-
Money Market Mutual Funds	14,330,528	14,330,528	-	-
Total	<u>\$ 159,341,633</u>	<u>\$ 83,789,567</u>	<u>\$ 51,873,595</u>	<u>\$ 23,678,471</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments (Continued)

b. Deposits

At June 30, 2022, the carrying amount of the City's deposits was approximately \$45,800,000 and the bank balance was approximately \$46,600,000. 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.

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, 2022

Note 2: Cash and Investments (Continued)

External Investment Pool

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

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

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

As of June 30, 2022, the City had \$55,537,924 invested in LAIF, which had invested 3.37% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where fair value is not readily available. The City valued its investments in LAIF as of June 30, 2022, 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 0.987125414 to calculate the fair value of the investments in LAIF as of June 30, 2022.

Successor Agency Pooled Cash and Investments

Cash and investments consisted of \$9,160,874 at June 30, 2022. The Agency pools cash from all sources and all funds with the City so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Restricted cash and investments consisted of \$11 at June 30, 2022. The Agency holds these funds with fiscal agents related to debt service bank accounts.

d. Risks Disclosures

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2022, the City's pooled cash and investments had the following maturities:

<u>Maturity</u>	<u>Percentage of Investment</u>
Less than one year	53%
One to two years	33%
Two to five years	15%

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
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
FNMA	U.S. Instrumentality	AA+	Aaa
U.S. Treasury	Treasury Note	AA+	Aaa
American Honda Finance	Corporate Bond	A-	A3
Apple Inc	Corporate Bond	AA+	Aa1
Bank of America Corp	Corporate Bond	A-	A2
Caterpillar Fnl Service	Corporate Bond	A	A3
Citibank NA	Corporate Bond	A+	Aa3
General Dynamics	Corporate Bond	A-	A2
IBM	Corporate Bond	A-	A2
John Deere Capital Corp	Corporate Bond	A	A2
JP Morgan Chase & Co	Corporate Bond	A-	A2
Microsoft Corp	Corporate Bond	AAA	Aaa
PPG Industries Inc	Corporate Bond	BBB+	A3
Proctor & Gamble Co, The	Corporate Bond	AA-	Aa3
Toyota Motor Credit Corp	Corporate Bond	A+	A1
US Bancorp	Corporate Bond	A+	A2
US Bank NA Cincinnati	Corporate Bond	AA-	A1
Walmart	Corporate Bond	AA	Aa2
Wells Fargo Bank NA	Corporate Bond	A+	Aa2

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 2: Cash and Investments (Continued)**e. Investment Valuation**

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

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

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments subject to levels				
Government Bonds	\$ 24,857,533	\$ -	\$ 24,857,533	\$ -
Government Agencies	26,809,172	-	26,809,172	-
Corporate Bonds	37,806,476	-	37,806,476	-
Subtotal investments subject to levels	89,473,181	-	89,473,181	-
Investments with fiscal agents subject to levels				
Money Market Mutual Funds	14,330,528	-	14,330,528	-
Grand total investments subject to levels	103,803,709	\$ -	\$ 103,803,709	\$ -
Investments not subject to levels				
Local Agency Investment Fund	55,537,924			
Total Investments	\$ 159,341,633			

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

Note 3: Receivables**a. Accounts Receivable**

As of June 30, 2022, summary of accounts receivable is as follows:

	Governmental Activities	Business-Type Activities
Accounts receivable	\$ 4,851,058	\$ 1,400,049
Due from other governments	3,042,960	-
Total receivables	\$ 7,894,018	\$ 1,400,049

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 3: Receivables (Continued)

As of June 30, 2022, accounts receivable consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Taxes:			
Occupancy taxes	\$ 2,219,307	\$ -	\$ 2,219,307
Utility taxes	178,449	-	178,449
Total Taxes	2,397,756	-	2,397,756
Franchise fees	104,590	-	104,590
General government	172,183	-	172,183
Police	33,404	-	33,404
Public works	1,105,024	-	1,105,024
Water service fees	-	1,365,466	1,365,466
Solid waste service fees	-	34,583	34,583
Community development	637,138	-	637,138
Recreation programs	400,963	-	400,963
Total accounts receivable	\$ 4,851,058	\$ 1,400,049	\$ 6,251,107

b. Notes Receivable

As of June 30, 2022, notes receivable consisted of the following:

	Notes Receivable
Major Funds:	
Below Market Rate Housing	\$ 24,911,708
Total Major Funds	24,911,708
Other Governmental Funds:	
Housing Fund	5,681,928
Community Development Block Grant	161,896
Federal Revenue Sharing Fund	12,197
Total Non-Major Funds	5,856,021
Total notes receivable	<u>\$ 30,767,729</u>

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, 2022, were \$161,896.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 3: Receivables (Continued)

Housing Fund

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

The City has housing rehabilitation loans to three eligible participants. Loans bear no or very low interest and are not due until the property changes ownership. The outstanding balance of these loans at June 30, 2022 was \$199,659.

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, 2022, the total outstanding loan was \$5,482,269.

Below Market Rate Housing

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

The outstanding balance of these loans at June 30, 2022 was \$24,911,708.

Emergency Repair Loan (ERL)

The Emergency Repair Loan (ERL) Program is designed to assist lower income households with minor emergency repairs to their home. The revolving loan program was originally funded by a Federal Revenue Sharing Grant. The maximum loan amount is \$10,000 at 3% interest per annum, with a loan term of either 5, 10, or 15 years. The outstanding balance of these loans at June 30, 2022 was \$12,197.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 4: Capital Assets

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

	Balance June 30, 2021	Additions	Retirements	Transfers/ Reclassifications	Balance June 30, 2022
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 199,998,884	\$ -	\$ -	\$ -	\$ 199,998,884
Land improvements	32,956,478	-	-	-	32,956,478
Construction in progress	9,337,666	7,978,369	(259,756)	(3,116,963)	13,939,316
Total capital assets, not being depreciated	242,293,028	7,978,369	(259,756)	(3,116,963)	246,894,678
Capital assets, being depreciated/ amortized:					
Buildings	82,865,846	-	(5,813,571)	-	77,052,275
Shared use facilities	2,600,000	-	-	-	2,600,000
Right-to-use leased assets	-	241,757	-	-	241,757
Equipment	11,021,295	1,353,342	(284,243)	-	12,090,394
Other improvements	19,773,485	570,720	-	89,921	20,434,126
Infrastructure	137,697,911	1,830,348	(1,535,041)	3,027,042	141,020,260
Total capital assets, being depreciated/ amortized	253,958,537	3,996,167	(7,632,855)	3,116,963	253,438,812
Less accumulated depreciation/amortization for:					
Buildings	(30,343,924)	(1,693,089)	3,375,315	-	(28,661,698)
Shared use facilities	(1,196,000)	(104,000)	-	-	(1,300,000)
Right-to-use leased assets	-	(154,479)	-	-	(154,479)
Equipment	(7,606,258)	(1,034,804)	283,904	-	(8,357,158)
Other improvements	(12,156,579)	(949,514)	-	-	(13,106,093)
Infrastructure	(78,713,502)	(4,288,746)	812,953	-	(82,189,295)
Total accumulated depreciation/ amortization	(130,016,263)	(8,224,632)	4,472,172	-	(133,768,723)
Total capital assets, being depreciated/ amortized, net	123,942,274	(4,228,465)	(3,160,683)	3,116,963	119,670,089
Governmental activities capital assets, net	\$ 366,235,302	\$ 3,749,904	\$ (3,420,439)	\$ -	\$ 366,564,767

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

General government	\$ 1,221,383
Public safety	261,261
Public works	4,559,085
Culture and recreation	2,028,419
Internal service funds	154,484
Total depreciation/amortization expense - governmental activities	\$ 8,224,632

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 4: Capital Assets (Continued)

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

	Balance June 30, 2021	Additions	Transfers/ Reclassifications	Balance June 30, 2022
Business Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,066,454	\$ -	\$ -	\$ 1,066,454
Construction in progress	11,080,457	1,566,655	(12,647,112)	-
Total capital assets, not being depreciated	12,146,911	1,566,655	(12,647,112)	1,066,454
Capital assets, being depreciated/ amortized:				
Buildings	7,831,636	-	545,337	8,376,973
Equipment	446,121	-	-	446,121
Infrastructure	10,111,881	-	12,101,775	22,213,656
Total capital assets, being depreciated/ amortized	18,389,638	-	12,647,112	31,036,750
Less accumulated depreciation/amortization for:				
Buildings	(2,735,545)	(170,295)	-	(2,905,840)
Equipment	(417,246)	(9,221)	-	(426,467)
Infrastructure	(5,260,529)	(130,296)	-	(5,390,825)
Total accumulated depreciation	(8,413,320)	(309,812)	-	(8,723,132)
Total capital assets, being depreciated/ amortized, net	9,976,318	(309,812)	12,647,112	22,313,618
Business activities capital assets, net	\$ 22,123,229	\$ 1,256,843	\$ -	\$ 23,380,072

Depreciation expense for all proprietary funds was \$309,812 for the year ended June 30, 2022, 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, 2022, unearned revenues were as follows:

	Governmental Activities
Recreation Summer Programs	\$ 1,008,324
Percent of Art Deferrand	8,647
Friends of the Library Deposit	198,420
Total	<u>\$ 1,215,391</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 6: Long-Term Debt**a. Long-Term Obligations**

Summary of changes in long-term debt transactions for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due within one year
<u>Governmental Activities - Public Offerings</u>					
2012 General Obligation Refunding Bonds	\$ 6,315,000	\$ -	\$ 6,315,000	\$ -	\$ -
Discount on 2012 General Obligation Bonds	(38,708)	-	(38,708)	-	-
2019 General Obligation Refunding Bonds	9,465,000	-	100,000	9,365,000	100,000
Premium on 2019 General Obligation Bonds	553,203	-	29,116	524,087	-
2022 General Obligation Refunding Bonds	-	5,890,000	-	5,890,000	445,000
Premium on 2022 General Obligation Bonds	-	64,934	-	64,934	-
2022 General Obligation Bonds	-	14,315,000	-	14,315,000	910,000
Premium on 2022 General Obligation Bonds	-	1,548,684	-	1,548,684	-
Total governmental activities	<u>\$ 16,294,495</u>	<u>\$ 21,818,618</u>	<u>\$ 6,405,408</u>	<u>\$ 31,707,705</u>	<u>\$ 1,455,000</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 outstanding balance from this public offering contains a provision for security of the refunding bonds. The City Council has the power to direct the County to levy ad valorem taxes upon all property within the City subject to taxation without limitation of rate or amount, for the payment of the bonds and the interest thereon. The City directs the County to levy on all the taxable property in the City, in addition to all other taxes, a continuing direct and ad valorem tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Refunding Bonds when due, without limitation of rate or amount. The 2012 General Obligation Bonds were refinanced during fiscal year 2022.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 6: Long-Term Debt (Continued)**2019 General Obligation Refunding Bonds**

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 100,000	\$ 282,438	\$ 382,438
2024	110,000	277,188	387,188
2025	110,000	271,688	381,688
2026	120,000	265,937	385,937
2027	120,000	259,938	379,938
2028-2032	720,000	1,197,688	1,917,688
2033-2037	4,515,000	892,544	5,407,544
2038-2041	3,570,000	162,600	3,732,600
Total	<u>\$ 9,365,000</u>	<u>\$ 3,610,021</u>	<u>\$ 12,975,021</u>

2022 General Obligation Refunding Bonds and General Obligation Bonds

In September 2019, the City issued \$5,890,000 in 2022 General Obligation Refunding Bonds for the purpose of refunding at lower interest rates the City's outstanding Series 2012 General Obligation Bonds and \$14,315,000 in 2022 General Obligation Bonds for the purpose of renovating and expanding the City's parks and recreation facilities. The General Obligation Refunding Bonds and General Obligation Bonds bear annual interest rates of 2.5% and 3.6%, respectively, with interest payments made annually on August 1.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,355,000	\$ 200,478	\$ 1,555,478
2024	980,000	818,082	1,798,082
2025	1,025,000	779,593	1,804,593
2026	1,060,000	739,311	1,799,311
2027	1,115,000	697,507	1,812,507
2028-2032	6,340,000	2,787,164	9,127,164
2033-2037	5,090,000	1,516,626	6,606,626
2038-2040	3,240,000	329,500	3,569,500
Total	<u>\$ 20,205,000</u>	<u>\$ 7,868,261</u>	<u>\$ 28,073,261</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 6: Long-Term Debt (Continued)**b. Fiduciary Fund Long Term Obligations****2015 Tax Allocation Refunding Bonds**

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

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 3,585,000	\$ 1,503,625	\$ 5,088,625
2024	3,690,000	1,321,750	5,011,750
2025	3,800,000	1,134,500	4,934,500
2026	3,925,000	941,375	4,866,375
2027	4,030,000	742,500	4,772,500
2028-2031	12,835,000	975,375	13,810,375
Total	\$ 31,865,000	\$ 6,619,125	\$ 38,484,125

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, 2022, were as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Due within one year	Due in more than one year
Governmental Activities	\$ 3,486,352	\$ 1,429,880	\$ 1,534,925	\$ 3,381,307	\$ 1,684,984	\$ 1,696,323
Business-Type Activities	96,142	99,240	65,608	129,774	64,669	65,105
Total Compensated absences	<u>\$ 3,582,494</u>	<u>\$ 1,529,120</u>	<u>\$ 1,600,533</u>	<u>\$ 3,511,081</u>	<u>\$ 1,749,653</u>	<u>\$ 1,761,428</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
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, 2022, is estimated to total \$1,049,578.

Changes in the balances of the City's claims liabilities during the years ended June 30, 2022, 2021, 2020, and 2019 were as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability	Claim Payments Due Within One Year
2018-2019	\$ 4,120,366	\$ 938,454	\$ (1,484,982)	\$ 3,573,838	\$ 875,399
2019-2020	3,573,838	1,183,390	(595,074)	4,162,154	1,001,526
2020-2021	4,162,154	1,139,376	(1,478,547)	3,822,983	951,766
2021-2022	3,822,983	1,093,247	(1,257,401)	3,658,829	1,049,578

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 9: Interfund Transactions

Interfund receivables and payables at June 30, 2022, 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, 2022, is as follows:

Due to other funds	Due from other funds	
	General Fund	Total
Non-Major Governmental Fund	\$ 1,656,653	\$ 1,656,653
TOTAL	\$ 1,656,653	\$ 1,656,653

All Due To/From Other Funds were established as of June 30, 2022, to cover short-term negative cash balances.

Interfund Transfers

Interfund transfers for the year ended June 30, 2022, were as follows:

	Transfers In				
	General Fund	General Capital Improvement Project Fund	Nonmajor Governmental Funds	Water Fund	Total
Transfers Out					
General Fund	\$ -	\$ 4,725,585	\$ 7,576,561	\$ -	\$ 12,302,146
Nonmajor Governmental Funds	641,808	-	488,580	160,155	1,290,543
Water Fund	233,700	-	-	-	233,700
TOTAL	\$ 875,508	\$ 4,725,585	\$ 8,065,141	\$ 160,155	\$ 13,826,389

The \$4,725,585 transfer from the General Fund to Capital Improvement Fund was for approved capital projects and funding for future projects. The \$7,576,561 transfers from the general fund to the nonmajor governmental funds consisted of \$6,330,000 for library system improvement and program operations.

The \$641,808 transfer from nonmajor governmental funds to the general fund were for recovery of administrative costs. The \$488,580 transfers from nonmajor governmental funds to other nonmajor governmental funds were to cover operating deficits for the current fiscal year.

The \$233,700 transfer from the Water fund to the General fund was for recovery of administrative costs. The \$160,155 transfer from nonmajor governmental funds to the Water fund was for the California arrearage program.

CITY OF MENLO PARK

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 10: Fund Balance

In the fund financial statements, governmental funds report restriction of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. The various committed and assigned balances are established by actions of the City Council and Management and can be increased, reduced or eliminated by similar actions. The following are the classifications that were implemented according to GASB Statement No. 54, at June 30, 2022:

	General Fund	Below Market Rate Housing Special Revenue	Transportation Impact Fees	General Capital Improvement Project Funds	Measure T Debt Service	Non-Major Governmental Funds	Total
Nonspendable:							
Deposits and prepaid items	\$ 4,263,984	\$ -	\$ 440,332	\$ 43,418	\$ -	\$ 70,799	\$ 4,818,533
Notes and loans	-	24,911,708	-	-	-	5,856,021	-
Land held for Resale	-	312,377	-	3,640,419	-	-	3,952,796
Total nonspendable	4,263,984	25,224,085	440,332	3,683,837	-	5,926,820	39,539,058
Restricted to:							
Community development projects	-	6,870,749	-	-	-	11,731,942	18,602,691
Public safety	-	-	-	-	-	1,533,136	1,533,136
Debt Service	-	-	-	-	19,800,020	351,402	20,151,422
Streets and sidewalks	-	-	8,829,575	-	-	10,844,151	19,673,726
Parks and recreation	-	-	-	-	-	348,051	348,051
Public works	-	-	-	-	-	50,108	50,108
Leisure and cultural activities	-	-	-	-	-	2,888,777	2,888,777
Solid waste	-	-	-	-	-	7,939,049	7,939,049
Public Facilities	-	-	-	-	-	2,442,080	2,442,080
Other Purposes	-	-	-	-	-	743,057	743,057
Stormwater	-	-	-	-	-	477,230	477,230
Total restricted	-	6,870,749	8,829,575	-	19,800,020	39,348,983	74,849,327
Committed to:							
Leisure and cultural activities	-	-	-	-	-	443,132	443,132
Public safety	-	-	-	-	-	6,763,783	6,763,783
Public works	-	-	-	-	-	273,669	273,669
Streets, sidewalks and parking	-	-	-	-	-	4,446,408	4,446,408
Landscape maintenance	-	-	-	-	-	1,066,759	1,066,759
Strategic pension funding	3,250,860	-	-	-	-	-	3,250,860
Emergency contingency	12,064,534	-	-	-	-	-	12,064,534
American Rescue Plan	-	-	-	-	-	3,303,250	3,303,250
Economic stabilization	12,862,339	-	-	-	-	-	12,862,339
Total committed	28,177,733	-	-	-	-	16,297,001	44,474,734
Assigned to:							
Capital projects	-	-	-	20,051,403	-	4,680,490	24,731,893
Menlo Park City School District	1,000,000	-	-	-	-	-	1,000,000
Other purposes	540,643	-	-	-	-	-	540,643
Total assigned	1,540,643	-	-	20,051,403	-	4,680,490	26,272,536
Unassigned	250,000	-	-	-	-	(706,440)	(456,440)
Total Fund Balance	<u>\$ 34,232,360</u>	<u>\$ 32,094,834</u>	<u>\$ 9,269,907</u>	<u>\$ 23,735,240</u>	<u>\$ 19,800,020</u>	<u>\$ 65,546,854</u>	<u>\$ 184,679,215</u>

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

Fund	Deficit Fund Balance/Net Position
Belle Haven Child Development	\$309,763
Shuttle Program	\$377,009
HUT Repair & Maintenance	\$5,218

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 11: Encumbrances/Commitments

The City had various commitments totaling \$2,902,430 as of June 30, 2022. 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	\$ 800,883
Transportation Impact Fees Fund	238,950
General Capital Improvement Fund	445,949
Water Fund	88,629

Non-Major Funds

1,504,006

Total\$ 3,078,417**Note 12: Defined Benefit Pension Plan****a. Summary of Pension Plan Balances**

Pension related balances presented on the Statement of Net Position as of June 30, 2022 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	\$ 6,170,557	\$ 895,948	\$ 17,737,965	\$ 12,812,657	\$ 543,807
CALPERS Safety					
Cost Sharing Plan	3,957,620	3,703,783	17,766,805	12,195,891	2,453,243
Total	<u>\$ 10,128,177</u>	<u>\$ 4,599,731</u>	<u>\$ 35,504,770</u>	<u>\$ 25,008,548</u>	<u>\$ 2,997,050</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, 2022
Note 12: Defined Benefit Pension Plan (Continued)

Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect as of the June 30, 2021 measurement date, are summarized as follows:

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

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

Employees Covered – At June 30, 2022, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	283
Active employees	211
Total	<u>494</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 12: Defined Benefit Pension Plan (Continued)

Contributions – Section 20814(C) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2022, the employer contributions recognized as a reduction to the net pension liability were \$5,714,049 and \$3,373,701, for the miscellaneous plan and the safety rate plan, respectively.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021 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, 2020, actuarial valuations were determined using the following actuarial assumptions:

Measurement Date	June 30, 2021
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	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 12: Defined Benefit Pension Plan (Continued)

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

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

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

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

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

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

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

Subsequent Events

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 12: Defined Benefit Pension Plan (Continued)**Changes in the Net Pension Liability**

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2020 (MD)	<u>\$ 149,485,590</u>	<u>\$ 113,356,624</u>	<u>\$ 36,128,966</u>
Changes in the year:			
Service cost	3,284,454	-	3,284,454
Interest on the total pension liability	10,537,048	-	10,537,048
Differences between actual and expected experience	(20,117)	-	(20,117)
Contribution - employer	-	5,298,129	(5,298,129)
Contribution - employee	-	1,324,063	(1,324,063)
Net Investment income	-	25,683,430	(25,683,430)
Benefit payments, including refunds of employee contributions	(7,472,811)	(7,472,811)	-
Administrative expenses	-	(113,236)	113,236
Net changes	<u>6,328,574</u>	<u>24,719,575</u>	<u>(18,391,001)</u>
Balance at June 30, 2021 (MD)	<u>\$ 155,814,164</u>	<u>\$ 138,076,199</u>	<u>\$ 17,737,965</u>

As of June 30, 2022, the City reported a net pension liability of \$17,766,805 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, 2020 and 2021 were as follows:

Proportion - June 30, 2020	<u>0.271102%</u>
Proportion - June 30, 2021	<u>0.565270%</u>
Change - Increase (Decrease)	<u>0.294168%</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 of 7.15% for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate (dollars expressed in thousands):

	Miscellaneous Plan	Safety Plan
1% Decrease	6.15%	
Net Pension Liability	<u>\$ 38,331,442</u>	<u>\$ 32,743,403</u>
Current Discount Rate	7.15%	
Net Pension Liability	<u>\$ 17,737,965</u>	<u>\$ 17,766,805</u>
1% Increase	8.15%	
Net Pension Liability	<u>\$ 746,693</u>	<u>\$ 5,465,380</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 12: 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, 2022, the City recognized pension expense of \$537,807 and \$2,453,243, for the Miscellaneous and Safety plan, respectively. At June 30, 2022, 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	\$ 6,170,557	\$ -
Differences between actual and expected experience	895,948	(13,628)
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	-	(12,799,029)
Total	<u>\$ 7,066,505</u>	<u>\$ (12,812,657)</u>
Safety Plan		
Pension contributions subsequent to measurement date	\$ 3,957,620	\$ -
Differences between actual and expected experience	3,035,443	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	-	(10,574,665)
Adjustment due to differences in proportions	-	(1,621,226)
Difference in proportionate share of contributions	668,340	-
Total	<u>7,661,403</u>	<u>(12,195,891)</u>
Total All Plans	<u>\$ 14,727,908</u>	<u>\$ (25,008,548)</u>

The \$6,170,557 and \$3,957,620 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflow/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2023	\$ (2,484,201)	\$ (1,515,095)	\$ (3,999,296)
2024	(2,836,412)	(1,774,783)	(4,611,195)
2025	(3,071,080)	(2,295,109)	(5,366,189)
2026	(3,525,016)	(2,907,121)	(6,432,137)
Total	<u>\$ (11,916,709)</u>	<u>\$ (8,492,108)</u>	<u>\$ (20,408,817)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 13: Other Post-Employment Benefits (OPEB)**Plan Description**

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

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

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

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

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

Employees Covered

Inactive employees or beneficiaries currently receiving benefits	119
Inactive employees entitled to but not yet receiving benefits	64
Active employees	245
Total	<u>428</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 2020-21, the City contributed \$1,082,207 in benefit payments.

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, 2022
Note 13: Other Post-Employment Benefits (OPEB) (Continued)**Net OPEB Asset**

The City's net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.50%
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	5.25%
Mortality	CalPERS 1997-2015 Experience Study
Post Retirement Benefit Increase	Post-retirement mortality projected fully generational with Scale MP-2019
Healthcare Trend	Non-Medicare - 7.00% for 2022, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.1% for 2022, decreasing to an ultimate rate 4.0% in 2076 and later years

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	22.00%	4.56%
Fixed Income	49.00%	0.78%
TIPS	16.00%	-0.08%
Commodities	5.00%	1.22%
REITS	8.00%	4.06%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		4.75%
Discount Rate**		6.75%

*CalPERS approved new CERBT asset allocations in March 2022. Estimated impact is an increase to the expected long-term rate of return assumption for CERBT Strategy 3 of 0.50%.

**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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 13: Other Post-Employment Benefits (OPEB) (Continued)**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.

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, 2020 (MD)	\$ 18,908,673	\$ 22,772,721	\$ (3,864,048)
Changes in the year:			
Service Cost	632,227	-	632,227
Interest	1,282,486	-	1,282,486
Actual vs. expected experience	(2,019,086)	-	(2,019,086)
Changes in assumptions	3,079,757	-	3,079,757
Contribution - employer	-	219,861	(219,861)
Contribution - employee	-	-	-
Net investment income	-	3,389,948	(3,389,948)
Administrative expenses	-	(11,000)	11,000
Benefit payments, including refunds of employee contributions	(1,082,207)	(1,082,207)	-
Net changes	1,893,177	2,516,602	(623,425)
Balance at June 30, 2021 (MD)	\$ 20,801,850	\$ 25,289,323	\$ (4,487,473)

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, 2021:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Net OPEB Asset	\$ (2,100,298)	\$ (4,487,473)	\$ (6,509,971)

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, 2021:

	1% Decrease	Current Healthcare Trend Rate	1% Increase
	\$ (6,828,419)	\$ (4,487,473)	\$ (1,649,931)

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 13: Other Post-Employment Benefits (OPEB) (Continued)**Recognition of Deferred Outflow and Deferred Inflows of Resources**

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

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

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

For the fiscal year ended June 30, 2022, 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	\$ 1,026,991	\$ -
Differences between expected and actual experience	-	2,305,615
Changes in Assumptions	2,703,819	235,304
Net differences between projected and actual earnings on plan investments	-	1,056,547
Total	<u>\$ 3,730,810</u>	<u>\$ 3,597,466</u>

The \$1,026,991 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as an increase of the net OPEB asset during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ (267,596)
2024	(220,594)
2025	(244,734)
2026	(386,275)
2027	6,347
Thereafter	219,205
Total	<u>\$ (893,647)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 14: Landfill Post-Closure Care

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

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

The City's outstanding future post-closure care costs were estimated at \$1,795,224 at June 30, 2022. 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 2022:

	Balance June 30, 2021	Deletions	Balance June 30, 2022	Due within one year	Due in more than one year
Governmental Activities	<u>\$ 2,394,631</u>	<u>\$ 599,407</u>	<u>\$ 1,795,224</u>	<u>\$ 538,990</u>	<u>\$ 1,256,234</u>

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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

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

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

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

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

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

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

Note 17: Contingencies

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 18: Litigation

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

Note 19: Joint Ventures

General

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

San Francisquito Creek

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

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

In the fiscal year ended June 30, 2022, each member entity contributed \$235,000 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, 2022

Note 19: Joint Ventures (Continued)

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

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

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

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

Note 20: Leases

The City implemented GASB Statement No. 87 in the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

a. Leases Receivable and Deferred Inflows of Resources

The City leases land and buildings to various entities. As of June 30, 2022, the value of the leases receivable was \$37,288,237. The value of the deferred inflow of resources as of June 30, 2022 was \$36,379,251, and the amortization of the deferred inflow during the year totaled \$44,827. The City recognized lease revenue of \$635,199 during the fiscal year which included \$44,827 related to the amortization of the deferred inflow and \$584,880 for variable and other payments, including short term leases, not included in the measurement of the lease receivable under GASB 87.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022
Note 20: Leases (Continued)

The principal and interest payments that are expected to maturity are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 65,965	\$ 937,181	\$ 1,003,146
2024	71,011	938,331	1,009,342
2025	76,313	939,400	1,015,713
2026	81,868	939,426	1,021,294
2027	87,690	937,063	1,024,753
2028-2032	240,004	4,685,359	4,925,363
2033-2037	860,374	4,626,106	5,486,480
2038-2042	1,550,618	4,476,054	6,026,672
2043-2047	2,113,393	4,264,945	6,378,338
2048-2052	3,296,928	3,944,132	7,241,060
2053-2057	4,674,688	3,465,868	8,140,556
2058-2062	6,445,058	2,796,574	9,241,632
2063-2067	8,497,461	1,892,179	10,389,640
2068-2072	9,226,866	689,918	9,916,784
Total	\$ 37,288,237	\$ 35,532,536	\$ 72,820,773

b. Lease Payable and Right to Use Lease Assets

The City leases printers, a modular building, and vehicles from various entities. The City is required to make monthly payments ranging from \$178 to \$815. The leases have an interest rate of 5%. As of June 30, 2022, the value of the lease liability is \$18,431.

Right-to-use leased assets include the following at June 30, 2022:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Equipment	Right-to-Use Leased Assets	\$ 241,757	\$ 154,479
	Total	\$ 241,757	\$ 154,479

Future principal and interest requirements to maturity for the lease liability are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 87,383	\$ 1,900	\$ 89,283
Total	\$ 87,383	\$ 1,900	\$ 89,283

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 51,511,177	\$ 51,511,177	\$ 54,247,818	\$ 2,736,641
Licenses and permits	2,251,000	3,706,000	4,221,526	515,526
Intergovernmental	50,400	50,400	86,915	36,515
Charges for services	4,463,950	4,463,950	4,565,346	101,396
Use of money and property	1,751,303	1,751,303	993,689	(757,614)
Fines and forfeitures	135,000	135,000	350,382	215,382
Miscellaneous	125,000	125,000	287,307	162,307
Total Revenues	60,287,830	61,742,830	64,752,983	3,010,153
Expenditures:				
Current:				
General government	7,372,668	7,539,668	10,258,198	(2,718,530)
Public safety	18,512,045	18,532,045	18,125,213	406,832
Community development	8,072,303	8,572,303	7,974,959	597,344
Parks and recreation	10,185,590	10,266,278	8,338,023	1,928,255
Public works	13,343,614	13,536,614	12,249,522	1,287,092
Urban development and housing	581,300	581,300	339,061	242,239
Capital outlay	110,800	110,800	41,144	69,656
Total Expenditures	58,178,320	59,139,008	57,326,120	1,812,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,109,510	2,603,822	7,426,863	4,823,041
Other Financing Sources (Uses):				
Transfers in	1,494,740	1,494,740	875,508	(619,232)
Transfers out	(3,319,800)	(11,998,885)	(12,302,146)	303,261
Total Other Financing Sources (Uses)	(1,825,060)	(10,504,145)	(11,426,638)	(315,971)
Net Change in Fund Balances	284,450	(7,900,323)	(3,999,775)	4,507,070
Fund Balances, Beginning of Year	38,232,135	38,232,135	38,232,135	-
Fund Balances, End of Year	\$ 38,516,585	\$ 30,331,812	\$ 34,232,360	\$ 4,507,070

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BELOW MARKET RATE HOUSING
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 945,938	\$ 945,938
Use of money and property	-	-	(162,541)	(162,541)
Total Revenues	-	-	783,397	783,397
Expenditures:				
Current:				
General government	37,267	37,267	15,931	21,336
Urban development and housing	299,346	299,346	191,799	107,547
Total Expenditures	336,613	336,613	207,730	128,883
Excess (Deficiency) of Revenues Over (Under) Expenditures	(336,613)	(336,613)	575,667	912,280
Net Change in Fund Balances	(336,613)	(336,613)	581,944	918,557
Fund Balances, Beginning of Year	31,512,890	31,512,890	31,512,890	-
Fund Balances, End of Year	\$ 31,176,277	\$ 31,176,277	\$ 32,094,834	\$ 918,557

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 39,054	\$ 39,054
Charges for services	250,000	250,000	2,675,719	2,425,719
Use of money and property	-	-	(248,704)	(248,704)
Total Revenues	250,000	250,000	2,484,739	2,234,739
Expenditures:				
Current:				
Public works	375,000	375,000	511,353	(136,353)
Capital outlay	-	-	-	-
Total Expenditures	375,000	375,000	511,353	(136,353)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,000)	(125,000)	1,973,386	2,098,386
Net Change in Fund Balances	(125,000)	(125,000)	1,973,386	2,098,386
Fund Balances, Beginning of Year	7,296,521	7,296,521	7,296,521	-
Fund Balances, End of Year	\$ 7,171,521	\$ 7,171,521	\$ 9,269,907	\$ 2,098,386

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)**

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

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

Notes to Schedule:Benefit Changes:

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

Changes of Assumptions:

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

2019	2020	2021	2022
6/30/2018	6/30/2019	6/30/2020	6/30/2021
\$ 3,064,496	\$ 3,042,903	\$ 3,296,079	\$ 3,284,454
8,947,116	9,527,938	10,105,458	10,537,048
(867,180)	2,148,396	2,204,389	(20,117)
(620,756)	-	-	-
(5,608,391)	(6,443,255)	(7,205,963)	(7,472,811)
4,915,285	8,275,982	8,399,963	6,328,574
127,894,360	132,809,645	141,085,627	149,485,590
\$ 132,809,645	\$ 141,085,627	\$ 149,485,590	\$ 155,814,164
\$ 3,519,321	\$ 3,908,243	\$ 5,792,309	\$ 5,298,129
1,357,733	1,325,573	1,491,043	1,324,063
(238)	-	-	-
8,121,487	6,756,082	5,432,316	25,683,430
(5,608,391)	(6,443,255)	(7,205,963)	(7,472,811)
(148,920)	(73,164)	(152,252)	(113,236)
(282,802)	238	-	-
6,958,190	5,473,717	5,357,453	24,719,575
95,567,264	102,525,454	107,999,171	113,356,624
\$ 102,525,454	\$ 107,999,171	\$ 113,356,624	\$ 138,076,199
\$ 30,284,191	\$ 33,086,456	\$ 36,128,966	\$ 17,737,965
77.20%	76.55%	75.83%	88.62%
\$ 17,374,255	\$ 18,851,078	\$ 19,731,998	\$ 19,242,648
174.30%	175.51%	183.10%	92.18%

CITY OF MENLO PARK

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

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

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

Note to Schedule:

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal Cost Method

Amortization method

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

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

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

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

Retirement Age

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

Mortality

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

2019	2020	2021	2022
\$ 3,908,065	\$ 5,714,049	\$ 5,376,562	\$ 4,809,713
(3,908,065)	(5,714,049)	(5,376,562)	(5,298,129)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (488,416)</u>
\$ 18,851,078	\$ 19,731,998	\$ 19,242,648	\$ 19,978,429
20.73%	28.96%	27.94%	26.52%

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CITY OF MENLO PARK

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

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

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

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

Benefit Changes: None

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

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

2019	2020	2021	2022
6/30/2018	6/30/2019	6/30/2020	6/20/2021
0.26282%	0.26842%	0.27110%	0.32851%
\$ 25,325,786	\$ 27,505,607	\$ 29,497,100	\$ 17,766,805
\$ 5,996,613	\$ 6,414,285	\$ 6,354,466	\$ 6,034,111
422.3%	428.8%	464.2%	294.4%
75.26%	75.26%	75.10%	75.10%

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CITY OF MENLO PARK

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

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

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

Note to Schedule:

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal Cost Method

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

Amortization method

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

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

Direct rate smoothing

Varies by Entry Age and Service

2.50%

2.75%

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

Investment Rate of Return

7.15% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age

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

Mortality

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

2019	2020	2021	2022
\$ 2,373,439	\$ 3,519,360	\$ 3,373,701	\$ 3,957,660
(2,373,439)	(3,519,360)	(3,373,701)	(3,957,660)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,414,285	\$ 6,354,466	\$ 6,034,111	\$ 6,309,351
37.0%	55.4%	55.9%	62.7%

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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	2020	2021	2022
Total OPEB Liability					
Service cost	\$ 628,000	\$ 647,000	\$ 666,188	\$ 646,231	\$ 632,227
Interest on the total OPEB liability	1,113,000	1,174,000	1,237,187	1,244,906	1,282,486
Actual and expected experience difference	-	-	(880,930)	-	(2,019,086)
Changes in assumptions	-	-	22,596	(315,068)	3,079,757
Benefit payments	(801,000)	(915,000)	(893,000)	(928,437)	(1,082,207)
Net change in total OPEB liability	940,000	906,000	152,041	647,632	1,893,177
Total OPEB liability - beginning	16,263,000	17,203,000	18,109,000	18,261,041	18,908,673
Total OPEB liability - ending (a)	17,203,000	18,109,000	18,261,041	18,908,673	20,801,850
Plan Fiduciary Net Position					
Contribution - employer	1,082,000	1,198,000	895,000	931,457	219,861
Net investment income	1,785,000	1,511,000	1,278,573	777,337	3,389,948
Benefit payments	(801,000)	(915,000)	(893,000)	(928,437)	(1,082,207)
Administrative expense	(12,000)	(38,000)	(6,441)	(13,768)	(11,000)
Net change in plan fiduciary net position	2,054,000	1,756,000	1,274,132	766,589	2,516,602
Plan fiduciary net position - beginning	16,922,000	18,976,000	20,732,000	22,006,132	22,772,721
Plan fiduciary net position - ending (b)	18,976,000	20,732,000	22,006,132	22,772,721	25,289,323
Net OPEB Assets - ending (a) - (b)	\$ (1,773,000)	\$ (2,623,000)	\$ (3,745,091)	\$ (3,864,048)	\$ (4,487,473)
Plan fiduciary net position as a percentage of the total OPEB liability	110.31%	114.48%	120.51%	120.44%	121.57%
Covered-employee payroll	\$ 26,004,000	\$ 25,858,000	\$ 25,481,000	\$ 29,679,632	\$ 28,008,292
Net OPEB asset as a percentage of covered-employee payroll	6.82%	10.14%	14.70%	13.02%	16.02%

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

Notes to Schedule:

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

CITY OF MENLO PARK

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

	2018	2019	2020	2021	2022
Actuarially Determined Contribution	\$ 676,000	\$ 448,000	\$ 435,000	\$ 669,000	\$ 659,000
Contribution in Relation to the Actuarially Determined Contributions	(1,198,000)	(895,000)	(931,457)	(219,861)	(1,026,991)
Contribution Deficiency (Excess)	<u>\$ (522,000)</u>	<u>\$ (447,000)</u>	<u>\$ (496,457)</u>	<u>\$ 449,139</u>	<u>\$ (367,991)</u>
Covered-employee payroll	\$ 25,858,000	\$ 25,481,000	\$ 29,679,632	\$ 28,008,292	\$ 29,634,839
Contributions as a percentage of covered-employee payroll	2.61%	1.76%	1.47%	2.39%	3.47%

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

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2020 were from

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
Discount Rate	5.50%
Inflation	2.75%
Mortality	CalPERS 1997 to 2015

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2022**

Budgetary Principles

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2022

Budgetary Principles (Continued)

For the fiscal year ending June 30, 2022, the following funds had no adopted annual budgets:

Public Library Fund
Narcotic Seizure Fund
Literacy Grants Fund
Transportation Fund
Bay Area Air Quality Management Fund
Supplemental Law Enforcement Services Fund
Sharon Hills Park Fund
Vintage Oaks Landscape Fund
Family Literacy Grant Fund
Miscellaneous Trust Fund
OTS Grant Fund
ABC Grant Fund
Developer Funded Projects Fund
Donations-Library and Community Services Fund
CalRecycle SB1383 Local Assistance Grant Fund
Community Summer Enrichment SB1383 Grant Fund
Diverse Literature LSTA Fund
In-Lieu Fee for Community Amenities Fund
CA Arrearage Program State Water Resource Board Fund
Library Addition Fund
Measure T Capital Projects Fund

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.

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SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NON-MAJOR GOVERNMENTAL 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.

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.

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.

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

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

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

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

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS

Big Lift - Established to account for funds received from Big Lift program to improve children's literacy skills in San Mateo County.

Belle Haven Child Development Center - Established to account for funds received from California Department of Education to support childcare services.

Senior Transportation - Established to account for funds received from Federal through San Mateo County for Title III B program to provide transportation for seniors.

OTS Grant - Established to account for funds received from California Office of Traffic Safety (OTS) to improve traffic safety.

ABC Grant - Established to account for funds received from California Department of Alcoholic Beverage Control (ABC) to reduce underage drinking and alcohol-related harm.

Developer Funded Projects - Established to account for funds received from developer for track developer payments by projects.

ARPA Money-Federal Grant - Established to account for funds received per American Rescue Plan Act of 2021 to respond to COVID-19 pandemic-associated needs.

Donation-Library and Community Services - Established to account for donations received by library and community services to provide better recreation services to community.

CalRecycle SB1383 Local Assistance Grant - Established to account for funds received from California Department of Resources Recycling and Recovery (CalRecycle) to assist with implementation of SB1383 regulation.

Community Summer Enrichment Grant - Established to account for funds received from San Mateo County for community summer enrichment programs.

Diverse Literature LSTA: - Established to account for funds received from Federal through California State Library per Library Services and Technology Act (LSTA) to improve library services.

In-Lieu Fee for Community Amenities: - Established to account for funds received from developer payment for community amenities.

CA Arrearage Program State Water Resource Board: - Established to account for funds received from Federal through California State Water Board to provide relief to unpaid water and wastewater bills impacted by pandemic.

CITY OF MENLO PARK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**
Special Revenue Funds

	Highway Users Tax	Federal Revenue Sharing	Landscape/Tree Assessment	Sidewalk Assessment
Assets:				
Pooled cash and investments	\$ 2,901,274	\$ 108,194	\$ 941,181	\$ 335,209
Receivables:				
Accounts	-	957	-	-
Notes and loans	-	12,197	-	-
Accrued interest	11,570	439	-	-
Prepaid costs	-	-	-	-
Due from other governments	64,257	-	13,764	5,622
Due from other funds	-	-	-	-
Total Assets	\$ 2,977,101	\$ 121,787	\$ 954,945	\$ 340,831
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 101,883	\$ -	\$ 199,163	\$ 250,000
Accrued liabilities	1,022	-	12,725	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	102,905	-	211,888	250,000
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	12,197	-	-
Restricted	2,874,196	109,590	743,057	90,831
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,874,196	121,787	743,057	90,831
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,977,101	\$ 121,787	\$ 954,945	\$ 340,831

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Landfill Post-Closure	County Transportation Tax	Public Library	Literacy Grants
Assets:				
Pooled cash and investments	\$ 7,891,857	\$ 928,951	\$ 83,414	\$ 53,729
Receivables:				
Accounts	89,247	-	-	-
Notes and loans	-	-	-	-
Accrued interest	32,027	3,765	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	87,103	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 8,013,131	\$ 1,019,819	\$ 83,414	\$ 53,729
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 69,192	\$ 40,323	\$ -	\$ -
Accrued liabilities	4,890	14,237	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	74,082	54,560	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	7,939,049	965,259	-	-
Committed	-	-	83,414	53,729
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	7,939,049	965,259	83,414	53,729
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,013,131	\$ 1,019,819	\$ 83,414	\$ 53,729

CITY OF MENLO PARK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**
Special Revenue Funds

	Narcotic Seizure	Downtown Parking Permits	Storm Drainage Fees	Bay Area Air Quality Management
Assets:				
Pooled cash and investments	\$ 42,659	\$ 4,436,341	\$ 93,533	\$ -
Receivables:				
Accounts	-	386	-	-
Notes and loans	-	-	-	-
Accrued interest	-	18,218	381	-
Prepaid costs	-	2,970	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 42,659	\$ 4,457,915	\$ 93,914	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 8,537	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	8,537	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	2,970	-	-
Restricted	42,659	-	93,914	-
Committed	-	4,446,408	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	42,659	4,449,378	93,914	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,659	\$ 4,457,915	\$ 93,914	\$ -

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Housing	Transportation	Storm Water Management (NPDES)	Supplemental Law Enforcement Services
Assets:				
Pooled cash and investments	\$ 1,363,033	\$ 989,688	\$ 353,944	\$ 304,499
Receivables:				
Accounts	3,149	-	37,525	-
Notes and loans	5,681,928	-	-	-
Accrued interest	-	-	-	995
Prepaid costs	-	-	-	-
Due from other governments	-	-	3,669	-
Due from other funds	-	-	-	-
Total Assets	\$ 7,048,110	\$ 989,688	\$ 395,138	\$ 305,494
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 58	\$ 49,985	\$ 5,459	\$ -
Accrued liabilities	-	-	6,363	-
Deposits payable	-	67,829	-	-
Due to other funds	-	-	-	-
Total Liabilities	58	117,814	11,822	-
Deferred Inflows of Resources:				
Unavailable revenues	368,685	-	-	-
Total Deferred Inflows of Resources	368,685	-	-	-
Fund Balances:				
Nonspendable	5,681,928	67,829	-	-
Restricted	997,439	804,045	383,316	305,494
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	6,679,367	871,874	383,316	305,494
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,048,110	\$ 989,688	\$ 395,138	\$ 305,494

CITY OF MENLO PARK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	Construction Impact Fee	Bayfront Park Maintenance	Recreation In- Lieu	Sharon Hills Park
Assets:				
Pooled cash and investments	\$ 6,012,800	\$ 679,009	\$ 2,867,208	\$ 60
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	21,326	2,841	11,245	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 6,034,126	\$ 681,850	\$ 2,878,453	\$ 60
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,808	\$ 34,738	\$ 6,218	\$ -
Accrued liabilities	2,004	349	3,100	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	6,812	35,087	9,318	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	6,027,314	-	2,869,135	-
Committed	-	646,763	-	60
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	6,027,314	646,763	2,869,135	60
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,034,126	\$ 681,850	\$ 2,878,453	\$ 60

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Vintage Oaks Landscape	Community Development Block Grant	Miscellaneous Trust	Shuttle Program
Assets:				
Pooled cash and investments	\$ -	\$ 1,200,703	\$ 686,017	\$ -
Receivables:				
Accounts	-	19,210	-	323,467
Notes and loans	-	161,896	-	-
Accrued interest	-	-	635	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	69,584	-
Total Assets	\$ -	\$ 1,381,809	\$ 756,236	\$ 323,467
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 511,031	\$ 156,733
Accrued liabilities	-	-	-	2,299
Deposits payable	-	-	-	-
Due to other funds	-	-	-	217,977
Total Liabilities	-	-	511,031	377,009
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	323,467
Total Deferred Inflows of Resources	-	-	-	323,467
Fund Balances:				
Nonspendable	-	161,896	-	-
Restricted	-	1,219,913	-	-
Committed	-	-	245,205	-
Assigned	-	-	-	-
Unassigned	-	-	-	(377,009)
Total Fund Balances	-	1,381,809	245,205	(377,009)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 1,381,809	\$ 756,236	\$ 323,467

CITY OF MENLO PARK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**
Special Revenue Funds

	Measure M	Library System Improvement	Downtown Public Amenity	HUT Repair & Maintenance
Assets:				
Pooled cash and investments	\$ 65,254	\$ 6,009,857	\$ 2,133,341	\$ -
Receivables:				
Accounts	-	-	300,000	-
Notes and loans	-	-	-	-
Accrued interest	-	24,890	8,739	2,108
Prepaid costs	-	-	-	-
Due from other governments	68,618	-	-	118,867
Due from other funds	-	-	-	-
Total Assets	\$ 133,872	\$ 6,034,747	\$ 2,442,080	\$ 120,975
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 46,148	\$ 1,471,580	\$ -	\$ -
Accrued liabilities	-	1,340	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	126,193
Total Liabilities	46,148	1,472,920	-	126,193
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	87,724	-	2,442,080	(5,218)
Committed	-	-	-	-
Assigned	-	4,561,827	-	-
Unassigned	-	-	-	-
Total Fund Balances	87,724	4,561,827	2,442,080	(5,218)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 133,872	\$ 6,034,747	\$ 2,442,080	\$ 120,975

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

Special Revenue Funds

	Measure W	Heritage Tree	Family Literacy Grant	Bayfront Mitigation
Assets:				
Pooled cash and investments	\$ 1,079,644	\$ 419,936	\$ 10,142	\$ 6,732,975
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	4,031	-	-	27,580
Prepaid costs	-	-	-	-
Due from other governments	101,308	-	9,500	-
Due from other funds	-	-	-	-
Total Assets	\$ 1,184,983	\$ 419,936	\$ 19,642	\$ 6,760,555
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,184,983	-	19,642	-
Committed	-	419,936	-	6,760,555
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,184,983	419,936	19,642	6,760,555
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,184,983	\$ 419,936	\$ 19,642	\$ 6,760,555

CITY OF MENLO PARK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	Big Lift	Belle Haven Child Development Center	Senior Transportation	OTS Grant
Assets:				
Pooled cash and investments	\$ -	\$ 79,113	\$ -	\$ 557
Receivables:				
Accounts	36,781	139,772	1,131	12,061
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 36,781	\$ 218,885	\$ 1,131	\$ 12,618
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,190	\$ 10,883	\$ -	\$ -
Accrued liabilities	4,415	46,542	-	-
Deposits payable	-	-	-	-
Due to other funds	29,176	471,223	1,131	-
Total Liabilities	36,781	528,648	1,131	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	12,061
Total Deferred Inflows of Resources	-	-	-	12,061
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	19,668	-	557
Assigned	-	-	-	-
Unassigned	-	(329,431)	-	-
Total Fund Balances	-	(309,763)	-	557
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 36,781	\$ 218,885	\$ 1,131	\$ 12,618

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	ABC Grant	Developer Funded Projects	ARPA Money - Federal Grant	Donations- Library and Community Services
Assets:				
Pooled cash and investments	\$ 2,689	\$ -	\$ 3,303,250	\$ 351,096
Receivables:				
Accounts	-	695,655	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 2,689	\$ 695,655	\$ 3,303,250	\$ 351,096
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 3,045
Accrued liabilities	18	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	433,300	-	-
Total Liabilities	18	433,300	-	3,045
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	348,051
Committed	2,671	262,355	3,303,250	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	2,671	262,355	3,303,250	348,051
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,689	\$ 695,655	\$ 3,303,250	\$ 351,096

CITY OF MENLO PARK

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	CalRecycle SB1383 Local Assistance Grant	Community Summer Enrichment Grant	Diverse Literature LSTA	In-lieu Fee for Community Amenities
Assets:				
Pooled cash and investments	\$ 50,108	\$ 33,152	\$ 9,480	\$ 9,405,000
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	\$ 50,108	\$ 33,152	\$ 9,480	\$ 9,405,000
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,516	\$ -
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	1,516	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	50,108	-	-	9,405,000
Committed	-	33,152	7,964	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	50,108	33,152	7,964	9,405,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 50,108	\$ 33,152	\$ 9,480	\$ 9,405,000

CITY OF MENLO PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds		Debt Service Funds	Total Other Governmental Funds
	CA Arrearage Program State Water Resource Board	Library Addition	Measure T	Library GO Bond 1990	
Assets:					
Pooled cash and investments	\$ 11,314	\$ 118,179	\$ -	\$ 349,947	\$ 62,438,337
Receivables:					
Accounts	-	-	-	-	1,659,341
Notes and loans	-	-	-	-	5,856,021
Accrued interest	-	484	-	1,433	172,707
Prepaid costs	-	-	-	-	2,970
Due from other governments	-	-	-	22	472,730
Due from other funds	-	-	-	-	69,584
Total Assets	\$ 11,314	\$ 118,663	\$ -	\$ 351,402	\$ 70,671,690
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	2,974,490
Accrued liabilities	-	-	-	-	99,304
Deposits payable	-	-	-	-	67,829
Due to other funds	-	-	-	-	1,279,000
Total Liabilities	-	-	-	-	4,420,623
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	704,213
Total Deferred Inflows of Resources	-	-	-	-	704,213
Fund Balances:					
Nonspendable	-	-	-	-	5,926,820
Restricted	-	-	-	351,402	39,348,983
Committed	11,314	-	-	-	16,297,001
Assigned	-	118,663	-	-	4,680,490
Unassigned	-	-	-	-	(706,440)
Total Fund Balances	11,314	118,663	-	351,402	65,546,854
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,314	\$ 118,663	\$ -	\$ 351,402	\$ 70,671,690

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Highway Users Tax	Federal Revenue Sharing	Landscape/Tree Assessment	Sidewalk Assessment
Revenues:				
Taxes	\$ 828,850	\$ -	\$ 772,149	\$ 314,647
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	2,300	-
Charges for services	-	(294)	-	-
Use of money and property	(63,207)	(2,353)	-	-
Miscellaneous	-	-	-	-
Total Revenues	765,643	(2,647)	774,449	314,647
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	86,679	-	854,095	-
Urban development and housing	-	2,250	-	-
Capital outlay	204,751	-	-	250,000
Total Expenditures	291,430	2,250	854,095	250,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	474,213	(4,897)	(79,646)	64,647
Other Financing Sources (Uses):				
Transfers in	-	-	534,300	-
Transfers out	-	-	(82,300)	(25,400)
Total Other Financing Sources (Uses)	-	-	452,000	(25,400)
Net Change in Fund Balances	474,213	(4,897)	372,354	39,247
Fund Balances, Beginning of Year	2,399,983	126,684	370,703	51,584
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	2,399,983	126,684	370,703	51,584
Fund Balances, End of Year	\$ 2,874,196	\$ 121,787	\$ 743,057	\$ 90,831

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Landfill Post-Closure	County Transportation Tax	Public Library	Literacy Grants
Revenues:				
Taxes	\$ -	\$ 1,169,105	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	972,448	-	-	-
Use of money and property	(197,185)	(21,529)	-	-
Miscellaneous	-	-	-	-
Total Revenues	775,263	1,147,576	-	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	588,208	737,473	-	-
Urban development and housing	-	-	-	-
Capital outlay	-	5,675	-	-
Total Expenditures	588,208	743,148	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	187,055	404,428	-	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(11,200)	(60,229)	-	-
Total Other Financing Sources (Uses)	(11,200)	(60,229)	-	-
Net Change in Fund Balances	175,855	344,199	-	-
Fund Balances, Beginning of Year	7,763,194	621,060	83,414	53,729
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	7,763,194	621,060	83,414	53,729
Fund Balances, End of Year	\$ 7,939,049	\$ 965,259	\$ 83,414	\$ 53,729

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Narcotic Seizure	Downtown Parking Permits	Storm Drainage Fees	Bay Area Air Quality Management
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	(10)	-	-
Intergovernmental	-	-	-	-
Charges for services	73	-	-	-
Use of money and property	-	(113,663)	(2,879)	-
Miscellaneous	-	-	-	-
Total Revenues	73	(113,673)	(2,879)	-
Expenditures:				
Current:				
Public safety	-	2,544	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	154,410	(1,440)	-
Urban development and housing	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	156,954	(1,440)	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	73	(270,627)	(1,439)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(33,600)	-	-
Total Other Financing Sources (Uses)	-	(33,600)	-	-
Net Change in Fund Balances	73	(304,227)	(1,439)	-
Fund Balances, Beginning of Year	42,586	4,753,605	95,353	2,608
Restatements	-	-	-	(2,608)
Fund Balances, Beginning of Year, as Restated	42,586	4,753,605	95,353	-
Fund Balances, End of Year	\$ 42,659	\$ 4,449,378	\$ 93,914	\$ -

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Housing	Transportation	Storm Water Management (NPDES)	Supplemental Law Enforcement Services
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	340,970	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	161,285
Charges for services	-	8,749	40,652	-
Use of money and property	78,425	-	-	(6,158)
Miscellaneous	-	-	-	-
Total Revenues	78,425	8,749	381,622	155,127
Expenditures:				
Current:				
Public safety	-	-	-	47,596
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	71,027	271,132	-
Urban development and housing	2,248	-	-	-
Capital outlay	-	-	40,024	-
Total Expenditures	2,248	71,027	311,156	47,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	76,177	(62,278)	70,466	107,531
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(47,800)	-
Total Other Financing Sources (Uses)	-	-	(47,800)	-
Net Change in Fund Balances	76,177	(62,278)	22,666	107,531
Fund Balances, Beginning of Year	6,603,190	934,152	360,650	197,963
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	6,603,190	934,152	360,650	197,963
Fund Balances, End of Year	\$ 6,679,367	\$ 871,874	\$ 383,316	\$ 305,494

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Construction Impact Fee	Bayfront Park Maintenance	Recreation In- Lieu	Sharon Hills Park
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	253,523	-	-	-
Charges for services	1,435,257	-	519,400	-
Use of money and property	(133,333)	(18,736)	(73,591)	-
Miscellaneous	-	-	-	-
Total Revenues	1,555,447	(18,736)	445,809	-
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	260,820	191,238	97,668	-
Urban development and housing	-	-	-	-
Capital outlay	403,323	-	1,165,341	-
Total Expenditures	664,143	191,238	1,263,009	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	891,304	(209,974)	(817,200)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(17,300)	-	-
Total Other Financing Sources (Uses)	-	(17,300)	-	-
Net Change in Fund Balances	891,304	(227,274)	(817,200)	-
Fund Balances, Beginning of Year	5,136,010	874,037	3,686,335	60
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	5,136,010	874,037	3,686,335	60
Fund Balances, End of Year	\$ 6,027,314	\$ 646,763	\$ 2,869,135	\$ 60

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Vintage Oaks Landscape	Community Development Block Grant	Miscellaneous Trust	Shuttle Program
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	248,027
Charges for services	-	-	-	65,281
Use of money and property	-	2,132	(3,555)	-
Miscellaneous	-	-	-	-
Total Revenues	-	2,132	(3,555)	313,308
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	526,672	-
Culture and recreation	-	-	7,008	-
Public works	-	-	-	697,003
Urban development and housing	-	2,250	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	2,250	533,680	697,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(118)	(537,235)	(383,695)
Other Financing Sources (Uses):				
Transfers in	478	-	-	60,229
Transfers out	-	-	(88,518)	-
Total Other Financing Sources (Uses)	478	-	(88,518)	60,229
Net Change in Fund Balances	478	(118)	(625,753)	(323,466)
Fund Balances, Beginning of Year	(478)	1,381,927	870,958	(53,543)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(478)	1,381,927	870,958	(53,543)
Fund Balances, End of Year	\$ -	\$ 1,381,809	\$ 245,205	\$ (377,009)

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

Special Revenue Funds

	Measure M	Library System Improvement	Downtown Public Amenity	HUT Repair & Maintenance
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 697,965
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	139,902	-	-	-
Charges for services	-	-	-	-
Use of money and property	(168)	(50,174)	(43,318)	(15,396)
Miscellaneous	-	-	300,000	-
Total Revenues	139,734	(50,174)	256,682	682,569
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	146,000	236,692	-	-
Urban development and housing	-	-	-	-
Capital outlay	-	2,472,578	-	700,690
Total Expenditures	146,000	2,709,270	-	700,690
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,266)	(2,759,444)	256,682	(18,121)
Other Financing Sources (Uses):				
Transfers in	-	6,330,000	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	6,330,000	-	-
Net Change in Fund Balances	(6,266)	3,570,556	256,682	(18,121)
Fund Balances, Beginning of Year	93,990	991,271	2,185,398	12,903
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	93,990	991,271	2,185,398	12,903
Fund Balances, End of Year	\$ 87,724	\$ 4,561,827	\$ 2,442,080	\$ (5,218)

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Measure W	Heritage Tree	Family Literacy Grant	Bayfront Mitigation
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	2,434,625
Licenses and permits	-	-	-	-
Intergovernmental	618,718	-	-	-
Charges for services	-	318,160	-	-
Use of money and property	(26,730)	-	-	(138,418)
Miscellaneous	-	-	-	-
Total Revenues	591,988	318,160	-	2,296,207
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Public works	72,500	-	-	-
Urban development and housing	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	72,500	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	519,488	318,160	-	2,296,207
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	519,488	318,160	-	2,296,207
Fund Balances, Beginning of Year	665,495	101,776	19,642	4,464,348
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	665,495	101,776	19,642	4,464,348
Fund Balances, End of Year	\$ 1,184,983	\$ 419,936	\$ 19,642	\$ 6,760,555

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Big Lift	Belle Haven Child Development Center	Senior Transportation	OTS Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	162,857	1,356,184	31,766	25,320
Charges for services	-	40,618	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	162,857	1,396,802	31,766	25,320
Expenditures:				
Current:				
Public safety	-	-	-	24,763
Community development	-	-	-	-
Culture and recreation	155,457	1,485,457	68,360	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	155,457	1,485,457	68,360	24,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,400	(88,655)	(36,594)	557
Other Financing Sources (Uses):				
Transfers in	-	-	36,594	-
Transfers out	(7,400)	(221,108)	-	-
Total Other Financing Sources (Uses)	(7,400)	(221,108)	36,594	-
Net Change in Fund Balances	-	(309,763)	-	557
Fund Balances, Beginning of Year	-	-	-	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	-	-	-
Fund Balances, End of Year	\$ -	\$ (309,763)	\$ -	\$ 557

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	ABC Grant	Developer Funded Projects	ARPA Money - Federal Grant	Donations- Library and Community Services
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	34,801	-	4,150,250	-
Charges for services	-	695,655	-	-
Use of money and property	-	-	-	803
Miscellaneous	-	-	-	-
Total Revenues	34,801	695,655	4,150,250	803
Expenditures:				
Current:				
Public safety	32,130	-	847,000	-
Community development	-	433,300	-	-
Culture and recreation	-	-	-	7,459
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	32,130	433,300	847,000	7,459
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,671	262,355	3,303,250	(6,656)
Other Financing Sources (Uses):				
Transfers in	-	-	-	354,707
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	354,707
Net Change in Fund Balances	2,671	262,355	3,303,250	348,051
Fund Balances, Beginning of Year	-	-	-	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	-	-	-
Fund Balances, End of Year	\$ 2,671	\$ 262,355	\$ 3,303,250	\$ 348,051

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	CalRecycle SB1383 Local Assistance Grant	Community Summer Enrichment Grant	Diverse Literature LSTA	In-lieu Fee for Community Amenities
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	50,108	33,152	20,000	-
Charges for services	-	-	-	9,405,000
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	50,108	33,152	20,000	9,405,000
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and recreation	-	-	12,036	-
Public works	-	-	-	-
Urban development and housing	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	12,036	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	50,108	33,152	7,964	9,405,000
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	50,108	33,152	7,964	9,405,000
Fund Balances, Beginning of Year	-	-	-	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	-	-	-
Fund Balances, End of Year	\$ 50,108	\$ 33,152	\$ 7,964	\$ 9,405,000

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Capital Project Funds		Debt Service Funds	Total Other Governmental Funds
	CA Arrearage Program State Water Resource Board	Library Addition	Measure T	Library GO Bond 1990	
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,782,716
Special assessments	-	-	-	33	2,775,628
Licenses and permits	-	-	-	-	(10)
Intergovernmental	171,469	-	-	-	7,459,662
Charges for services	-	-	-	-	13,500,999
Use of money and property	-	(2,996)	14,617	(8,875)	(826,287)
Miscellaneous	-	-	-	-	300,000
Total Revenues	171,469	(2,996)	14,617	(8,842)	26,992,708
Expenditures:					
Current:					
Public safety	-	-	-	-	954,033
Community development	-	-	-	-	959,972
Culture and recreation	-	-	-	-	1,735,777
Public works	-	-	-	-	4,463,505
Urban development and housing	-	-	-	-	6,748
Capital outlay	-	-	-	-	5,242,382
Total Expenditures	-	-	-	-	13,362,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	171,469	(2,996)	14,617	(8,842)	13,630,291
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	7,316,308
Transfers out	(160,155)	-	(339,833)	-	(1,094,843)
Total Other Financing Sources (Uses)	(160,155)	-	(339,833)	-	6,221,465
Net Change in Fund Balances	11,314	(2,996)	(325,216)	(8,842)	19,851,756
Fund Balances, Beginning of Year	-	121,659	325,216	360,244	45,697,706
Restatements	-	-	-	-	(2,608)
Fund Balances, Beginning of Year, as Restated	-	121,659	325,216	360,244	45,695,098
Fund Balances, End of Year	\$ 11,314	\$ 118,663	\$ -	\$ 351,402	\$ 65,546,854

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HIGHWAY USERS TAX
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 924,432	\$ 924,432	\$ 828,850	\$ (95,582)
Use of money and property	-	-	(63,207)	(63,207)
Total Revenues	924,432	924,432	765,643	(158,789)
Expenditures:				
Current:				
General government	-	-	-	-
Public works	18,713	18,713	86,679	(67,966)
Capital outlay	1,183,000	1,183,000	204,751	978,249
Total Expenditures	1,201,713	1,201,713	291,430	910,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	(277,281)	(277,281)	474,213	751,494
Net Change in Fund Balances	(277,281)	(277,281)	474,213	751,494
Fund Balances, Beginning of Year	2,399,983	2,399,983	2,399,983	-
Fund Balances, End of Year	\$ 2,122,702	\$ 2,122,702	\$ 2,874,196	\$ 751,494

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FEDERAL REVENUE SHARING
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ (294)	\$ (294)
Use of money and property	-	-	(2,353)	(2,353)
Total Revenues	-	-	(2,647)	(2,647)
Expenditures:				
Current:				
Urban development and housing	4,000	4,000	2,250	1,750
Total Expenditures	4,000	4,000	2,250	1,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	(4,897)	(897)
Net Change in Fund Balances	(4,000)	(4,000)	(4,897)	(897)
Fund Balances, Beginning of Year	126,684	126,684	126,684	-
Fund Balances, End of Year	\$ 122,684	\$ 122,684	\$ 121,787	\$ (897)

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LANDSCAPE/TREE ASSESSMENT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 753,157	\$ 753,157	\$ 772,149	\$ 18,992
Intergovernmental	-	-	2,300	2,300
Charges for services	-	-	-	-
Total Revenues	753,157	753,157	774,449	21,292
Expenditures:				
Current:				
Public works	963,771	963,771	854,095	109,676
Total Expenditures	963,771	963,771	854,095	109,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,614)	(210,614)	(79,646)	130,968
Other Financing Sources (Uses):				
Transfers in	534,300	534,300	534,300	-
Transfers out	(82,300)	(82,300)	(82,300)	-
Total Other Financing Sources (Uses)	452,000	452,000	452,000	-
Net Change in Fund Balances	241,386	241,386	372,354	130,968
Fund Balances, Beginning of Year	370,703	370,703	370,703	-
Fund Balances, End of Year	\$ 612,089	\$ 612,089	\$ 743,057	\$ 130,968

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SIDEWALK ASSESSMENT
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 305,838	\$ 305,838	\$ 314,647	\$ 8,809
Total Revenues	305,838	305,838	314,647	8,809
Expenditures:				
Current:				
Public works	1,650	1,650	-	1,650
Capital outlay	250,000	250,000	250,000	-
Total Expenditures	251,650	251,650	250,000	1,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,188	54,188	64,647	10,459
Other Financing Sources (Uses):				
Transfers out	(25,400)	(25,400)	(25,400)	-
Total Other Financing Sources (Uses)	(25,400)	(25,400)	(25,400)	-
Net Change in Fund Balances	28,788	28,788	39,247	10,459
Fund Balances, Beginning of Year	51,584	51,584	51,584	-
Fund Balances, End of Year	\$ 80,372	\$ 80,372	\$ 90,831	\$ 10,459

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LANDFILL POST-CLOSURE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 912,000	\$ 912,000	\$ 972,448	\$ 60,448
Use of money and property	-	-	(197,185)	(197,185)
Total Revenues	912,000	912,000	775,263	(136,737)
Expenditures:				
Current:				
Public works	512,635	512,635	588,208	(75,573)
Total Expenditures	512,635	512,635	588,208	(75,573)
Excess (Deficiency) of Revenues Over (Under) Expenditures	399,365	399,365	187,055	(212,310)
Other Financing Sources (Uses):				
Transfers out	(11,200)	(11,200)	(11,200)	-
Total Other Financing Sources (Uses)	(11,200)	(11,200)	(11,200)	-
Net Change in Fund Balances	388,165	388,165	175,855	(212,310)
Fund Balances, Beginning of Year	7,763,194	7,763,194	7,763,194	-
Fund Balances, End of Year	\$ 8,151,359	\$ 8,151,359	\$ 7,939,049	\$ (212,310)

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COUNTY TRANSPORTATION TAX
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,169,105	\$ 169,105
Use of money and property	-	-	(21,529)	(21,529)
Total Revenues	1,000,000	1,000,000	1,147,576	147,576
Expenditures:				
Current:				
Public works	1,126,025	1,126,025	737,473	388,552
Capital outlay	25,000	25,000	5,675	19,325
Total Expenditures	1,151,025	1,151,025	743,148	407,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	(151,025)	(151,025)	404,428	555,453
Net Change in Fund Balances	(151,025)	(151,025)	344,199	615,682
Fund Balances, Beginning of Year	621,060	621,060	621,060	-
Fund Balances, End of Year	\$ 470,035	\$ 470,035	\$ 965,259	\$ 615,682

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DOWNTOWN PARKING PERMITS
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 100,000	\$ 100,000	\$ (10)	\$ (100,010)
Use of money and property	-	-	(113,663)	(113,663)
Total Revenues	100,000	100,000	(113,673)	(213,673)
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	2,544	(2,544)
Public works	2,156,000	2,156,000	154,410	2,001,590
Capital outlay	-	-	-	-
Total Expenditures	2,156,000	2,156,000	156,954	1,999,046
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,056,000)	(2,056,000)	(270,627)	1,785,373
Other Financing Sources (Uses):				
Transfers out	(33,600)	(33,600)	(33,600)	-
Total Other Financing Sources (Uses)	(33,600)	(33,600)	(33,600)	-
Net Change in Fund Balances	(2,089,600)	(2,089,600)	(304,227)	1,785,373
Fund Balances, Beginning of Year	4,753,605	4,753,605	4,753,605	-
Fund Balances, End of Year	\$ 2,664,005	\$ 2,664,005	\$ 4,449,378	\$ 1,785,373

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORM DRAINAGE FEES
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ (2,879)	\$ (2,879)
Total Revenues	-	-	(2,879)	(2,879)
Expenditures:				
Current:				
Public works	48,200	48,200	(1,440)	49,640
Total Expenditures	48,200	48,200	(1,440)	49,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,200)	(48,200)	(1,439)	46,761
Net Change in Fund Balances	(48,200)	(48,200)	(1,439)	46,761
Fund Balances, Beginning of Year	95,353	95,353	95,353	-
Fund Balances, End of Year	\$ 47,153	\$ 47,153	\$ 93,914	\$ 46,761

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOUSING SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	78,425	78,425
Total Revenues	-	-	78,425	78,425
Expenditures:				
Current:				
Urban development and housing	4,000	4,000	2,248	1,752
Total Expenditures	4,000	4,000	2,248	1,752
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	76,177	80,177
Net Change in Fund Balances	(4,000)	(4,000)	76,177	80,177
Fund Balances, Beginning of Year	6,603,190	6,603,190	6,603,190	-
Fund Balances, End of Year	\$ 6,599,190	\$ 6,599,190	\$ 6,679,367	\$ 80,177

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STORM WATER MANAGEMENT (NPDES)
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Special assessments	\$ 337,862	\$ 337,862	\$ 340,970	\$ 3,108
Charges for services	88,000	88,000	40,652	(47,348)
Total Revenues	425,862	425,862	381,622	(44,240)
Expenditures:				
Current:				
Public works	381,168	381,168	271,132	110,036
Capital outlay	86,000	86,000	40,024	45,976
Total Expenditures	467,168	467,168	311,156	156,012
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,306)	(41,306)	70,466	111,772
Other Financing Uses:				
Transfers out	(47,800)	(47,800)	(47,800)	-
Total Other Financing Uses	(47,800)	(47,800)	(47,800)	-
Net Change in Fund Balances	(89,106)	(89,106)	22,666	111,772
Fund Balances, Beginning of Year	360,650	360,650	360,650	-
Fund Balances, End of Year	\$ 271,544	\$ 271,544	\$ 383,316	\$ 111,772

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CONSTRUCTION IMPACT FEE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 253,523	\$ 253,523
Charges for services	-	-	1,435,257	1,435,257
Use of money and property	-	-	(133,333)	(133,333)
Total Revenues	-	-	1,555,447	1,555,447
Expenditures:				
Current:				
Public works	83,593	83,593	260,820	(177,227)
Capital outlay	1,040,000	1,040,000	403,323	636,677
Total Expenditures	1,123,593	1,123,593	664,143	459,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,123,593)	(1,123,593)	891,304	2,014,897
Net Change in Fund Balances	(1,123,593)	(1,123,593)	891,304	2,014,897
Fund Balances, Beginning of Year	5,136,010	5,136,010	5,136,010	-
Fund Balances, End of Year	\$ 4,012,417	\$ 4,012,417	\$ 6,027,314	\$ 2,014,897

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BAYFRONT PARK MAINTENANCE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ (18,736)	\$ (18,736)
Total Revenues	-	-	(18,736)	(18,736)
Expenditures:				
Current:				
Public works	231,185	231,185	191,238	39,947
Total Expenditures	231,185	231,185	191,238	39,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	(231,185)	(231,185)	(209,974)	21,211
Other Financing Uses:				
Transfers out	(17,300)	(17,300)	(17,300)	-
Total Other Financing Uses	(17,300)	(17,300)	(17,300)	-
Net Change in Fund Balances	(248,485)	(248,485)	(227,274)	21,211
Fund Balances, Beginning of Year	874,037	874,037	874,037	-
Fund Balances, End of Year	\$ 625,552	\$ 625,552	\$ 646,763	\$ 21,211

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RECREATION IN-LIEU
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for services	\$ -	\$ -	\$ 519,400	\$ 519,400
Use of money and property	-	-	(73,591)	(73,591)
Total Revenues	-	-	445,809	445,809
Expenditures:				
Current:				
Public works	-	-	97,668	(97,668)
Capital outlay	550,000	550,000	1,165,341	(615,341)
Total Expenditures	550,000	550,000	1,263,009	(713,009)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(550,000)	(550,000)	(817,200)	(267,200)
Net Change in Fund Balances	(550,000)	(550,000)	(817,200)	(267,200)
Fund Balances, Beginning of Year	3,686,335	3,686,335	3,686,335	-
Fund Balances, End of Year	\$ 3,136,335	\$ 3,136,335	\$ 2,869,135	\$ (267,200)

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,132	\$ 2,132
Total Revenues	-	-	2,132	2,132
Expenditures:				
Current:				
Urban development and housing	4,000	4,000	2,250	1,750
Total Expenditures	4,000	4,000	2,250	1,750
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	(4,000)	(118)	3,882
Net Change in Fund Balances	(4,000)	(4,000)	(118)	3,882
Fund Balances, Beginning of Year	1,381,927	1,381,927	1,381,927	-
Fund Balances, End of Year	\$ 1,377,927	\$ 1,377,927	\$ 1,381,809	\$ 3,882

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SHUTTLE PROGRAM
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 775,746	\$ 775,746	\$ 248,027	\$ (527,719)
Charges for services	65,300	65,300	65,281	(19)
Total Revenues	841,046	841,046	313,308	(527,738)
Expenditures:				
Current:				
Public works	1,200,400	1,200,400	697,003	503,397
Total Expenditures	1,200,400	1,200,400	697,003	503,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	(359,354)	(359,354)	(383,695)	(24,341)
Total Other Financing Sources	-	-	60,229	60,229
Net Change in Fund Balances	(359,354)	(359,354)	(323,466)	35,888
Fund Balances, Beginning of Year	(53,543)	(53,543)	(53,543)	-
Fund Balances, End of Year	\$ (412,897)	\$ (412,897)	\$ (377,009)	\$ 35,888

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MEASURE M
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 146,000	\$ 146,000	\$ 139,902	\$ (6,098)
Use of money and property	-	-	(168)	(168)
Total Revenues	146,000	146,000	139,734	(6,266)
Expenditures:				
Current:				
Public works	146,000	146,000	146,000	-
Total Expenditures	146,000	146,000	146,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(6,266)	(6,266)
Net Change in Fund Balances	-	-	(6,266)	(6,266)
Fund Balances, Beginning of Year	93,990	93,990	93,990	-
Fund Balances, End of Year	\$ 93,990	\$ 93,990	\$ 87,724	\$ (6,266)

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LIBRARY SYSTEM IMPROVEMENT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ (50,174)	\$ (50,174)
Total Revenues	-	-	(50,174)	(50,174)
Expenditures:				
Current:				
Public works	3,053	3,053	236,692	(233,639)
Capital outlay	(2,000,000)	6,330,000	2,472,578	3,857,422
Total Expenditures	(1,996,947)	6,333,053	2,709,270	3,623,783
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,996,947	(6,333,053)	(2,759,444)	3,573,609
Net Change in Fund Balances	1,996,947	(3,053)	3,570,556	3,573,609
Fund Balances, Beginning of Year	991,271	991,271	991,271	-
Fund Balances, End of Year	\$ 2,988,218	\$ 988,218	\$ 4,561,827	\$ 3,573,609

CITY OF MENLO PARK

BUDGETARY COMPARISON SCHEDULE
DOWNTOWN PUBLIC AMENITY
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ (43,318)	\$ (43,318)
Miscellaneous	-	300,000	300,000	-
Total Revenues	-	300,000	256,682	(43,318)
Expenditures:				
Current:				
Housing and Redevelopment	200,000	500,000	-	500,000
Total Expenditures	200,000	500,000	-	500,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(200,000)	256,682	456,682
Net Change in Fund Balances	(200,000)	(200,000)	256,682	456,682
Fund Balances, Beginning of Year	2,185,398	2,185,398	2,185,398	-
Fund Balances, End of Year	\$ 1,985,398	\$ 1,985,398	\$ 2,442,080	\$ 456,682

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HUT REPAIR & MAINTENANCE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 697,965	\$ 697,965
Use of money and property	-	-	(15,396)	(15,396)
Total Revenues	-	-	682,569	682,569
Expenditures:				
Capital outlay	550,000	550,000	700,690	(150,690)
Total Expenditures	550,000	550,000	700,690	(150,690)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(550,000)	(550,000)	(18,121)	531,879
Net Change in Fund Balances	(550,000)	(550,000)	(18,121)	531,879
Fund Balances, Beginning of Year	12,903	12,903	12,903	-
Fund Balances, End of Year	\$ (537,097)	\$ (537,097)	\$ (5,218)	\$ 531,879

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MEASURE W
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 618,718	\$ 618,718
Use of money and property	-	-	(26,730)	(26,730)
Total Revenues	-	-	591,988	591,988
Expenditures:				
Current:				
Public works	200,000	425,000	72,500	352,500
Total Expenditures	200,000	425,000	72,500	352,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(425,000)	519,488	944,488
Net Change in Fund Balances	(200,000)	(425,000)	519,488	944,488
Fund Balances, Beginning of Year	665,495	665,495	665,495	-
Fund Balances, End of Year	\$ 465,495	\$ 240,495	\$ 1,184,983	\$ 944,488

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HERITAGE TREE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 10,000	\$ 10,000	\$ 318,160	\$ 308,160
Developer participation	(135,000)	(135,000)	-	135,000
Total Revenues	(125,000)	(125,000)	318,160	443,160
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (125,000)	 (125,000)	 318,160	 443,160
 Net Change in Fund Balances	 (125,000)	 (125,000)	 318,160	 443,160
Fund Balances, Beginning of Year	101,776	101,776	101,776	-
Fund Balances, End of Year	\$ (23,224)	\$ (23,224)	\$ 419,936	\$ 443,160

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 BAYFRONT MITIGATION
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Assessments	\$ 2,434,625	\$ 2,434,625	\$ 2,434,625	\$ -
Use of money and property	-	-	(138,418)	(138,418)
Total Revenues	2,434,625	2,434,625	2,296,207	(138,418)
Net Change in Fund Balances	2,434,625	2,434,625	2,296,207	(138,418)
Fund Balances, Beginning of Year	4,464,348	4,464,348	4,464,348	-
Fund Balances, End of Year	\$ 6,898,973	\$ 6,898,973	\$ 6,760,555	\$ (138,418)

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CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BIG LIFT FUND
YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 190,000	\$ 190,000	\$ 162,857	\$ (27,143)
Total Revenues	190,000	190,000	162,857	(27,143)
Expenditures:				
Current:				
Parks and recreation	260,149	260,149	155,457	104,692
Total Expenditures	260,149	260,149	155,457	104,692
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,149)	(70,149)	7,400	77,549
Other Financing Sources:				
Transfers out	-	-	7,400	(7,400)
Total Other Financing Sources (Uses)	-	-	7,400	(7,400)
Net Change in Fund Balances	(70,149)	(70,149)	14,800	70,149
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ (70,149)	\$ (70,149)	\$ 14,800	\$ 70,149

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BELLE HAVEN CHILD DEVELOPMENT CENTER
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 1,286,500	\$ 1,286,500	\$ 1,356,184	\$ 69,684
Charges for services	-	-	40,618	40,618
Total Revenues	1,286,500	1,286,500	1,396,802	110,302
Expenditures:				
Current:				
Parks and recreation	1,607,690	1,527,002	1,485,457	41,545
Total Expenditures	1,607,690	1,527,002	1,485,457	41,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	(321,190)	(240,502)	(88,655)	151,847
Other Financing Sources:				
Transfers out	-	-	221,108	(221,108)
Total Other Financing Sources (Uses)	-	-	221,108	(221,108)
Net Change in Fund Balances	(321,190)	(240,502)	132,453	(69,261)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ (321,190)	\$ (240,502)	\$ 132,453	\$ (69,261)

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SENIOR TRANSPORTATION
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 31,766	\$ 31,766
Total Revenues	-	-	31,766	31,766
Expenditures:				
Current:				
Parks and recreation	32,400	32,400	68,360	(35,960)
Total Expenditures	32,400	32,400	68,360	(35,960)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,400)	(32,400)	(36,594)	(4,194)
Other Financing Sources:				
Transfers in	-	-	36,594	36,594
Total Other Financing Sources (Uses)	-	-	36,594	36,594
Net Change in Fund Balances	(32,400)	(32,400)	-	32,400
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ (32,400)	\$ (32,400)	\$ -	\$ 32,400

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ARPA MONEY - FEDERAL GRANT
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 4,150,250	\$ 4,150,250	\$ 4,150,250	\$ -
Total Revenues	4,150,250	4,150,250	4,150,250	-
Expenditures:				
Current:				
Public safety	-	-	847,000	(847,000)
Total Expenditures	-	-	847,000	(847,000)
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,150,250	4,150,250	3,303,250	(847,000)
Other Financing Sources:				
Transfers out	847,740	847,740	-	847,740
Total Other Financing Sources (Uses)	847,740	847,740	-	847,740
Net Change in Fund Balances	4,997,990	4,997,990	3,303,250	740
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ 4,997,990	\$ 4,997,990	\$ 3,303,250	\$ 740

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CAPITAL PROJECT FUNDS

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

Measure T Capital Projects Fund - Established to account for the proceeds of the 2022 Measure T Recreation Improvements Bond Issue used to construct improvements to the City's parks and recreation.

DEBT SERVICE FUNDS

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

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CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL CAPITAL IMPROVEMENT PROJECTS
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 108,050	\$ 108,050
Intergovernmental	-	-	-	-
Charges for services	50,000	50,000	173,751	123,751
Total Revenues	50,000	50,000	281,801	231,801
Expenditures:				
Current:				
Public works	-	-	-	-
Capital outlay	11,572,603	11,316,439	7,319,024	3,997,415
Total Expenditures	11,572,603	11,316,439	7,319,024	3,997,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,522,603)	(11,266,439)	(7,037,223)	4,229,216
Other Financing Sources:				
Transfers in	3,050,500	4,725,585	4,725,585	-
Total Other Financing Sources	3,050,500	4,725,585	4,725,585	-
Net Change in Fund Balances	(8,472,103)	(6,540,854)	(2,311,638)	4,229,216
Fund Balances, Beginning of Year	26,046,878	26,046,878	26,046,878	-
Fund Balances, End of Year	\$ 17,574,775	\$ 19,506,024	\$ 23,735,240	\$ 4,229,216

CITY OF MENLO PARK

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LIBRARY GO BOND 1990
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Special assessments	\$ -	\$ -	\$ 33	\$ 33
Use of money and property	7,545	7,545	(8,875)	(16,420)
Total Revenues	7,545	7,545	(8,842)	(16,387)
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,545	7,545	(8,842)	(16,387)
Other Financing Sources (Uses):				
Net Change in Fund Balances	7,545	7,545	(8,842)	(16,387)
Fund Balances, Beginning of Year	360,244	360,244	360,244	-
Fund Balances, End of Year	\$ 367,789	\$ 367,789	\$ 351,402	\$ (16,387)

CITY OF MENLO PARK

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MEASURE T
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Special assessments	\$ -	\$ -	\$ 1,088,376	\$ 1,088,376
Use of money and property	-	-	(104,674)	(104,674)
Total Revenues	-	-	983,702	983,702
Expenditures:				
Current:				
General government	-	-	208,625	(208,625)
Debt service:				
Principal retirement	1,041,281	1,041,281	6,415,000	(5,373,719)
Interest and fiscal charges	-	-	516,281	(516,281)
Total Expenditures	1,041,281	1,041,281	7,139,906	(6,098,625)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,041,281)	(1,041,281)	(6,156,204)	(5,114,923)
Other Financing Sources (Uses):				
Transfers in	-	-	339,833	339,833
Refunding bonds issued	-	-	20,205,000	20,205,000
Bond premium	-	-	1,619,032	1,619,032
Total Other Financing Sources (Uses)	-	-	22,163,865	22,163,865
Net Change in Fund Balances	(1,041,281)	(1,041,281)	16,007,661	17,048,942
Fund Balances, Beginning of Year	3,792,359	3,792,359	3,792,359	-
Fund Balances, End of Year	\$ 2,751,078	\$ 2,751,078	\$ 19,800,020	\$ 17,048,942

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.

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CITY OF MENLO PARK

**COMBINING SCHEDULE OF NET POSITION
WATER FUND
YEAR ENDED JUNE 30, 2022**

	Water Capital Improvement Fund	Water Operating Fund	Total Water Fund
Assets:			
Current:			
Pooled cash and investments	\$ 18,695,083	\$ 6,632,539	\$ 25,327,622
Receivables:			
Accounts	5,003	1,360,463	1,365,466
Accrued interest	64,031	40,958	104,989
Prepaid costs	5,080	-	5,080
Total Current Assets	18,769,197	8,033,960	26,803,157
Noncurrent:			
Capital assets - net of accumulated depreciation	-	23,380,072	23,380,072
Total Noncurrent Assets	-	23,380,072	23,380,072
Total Assets	18,769,197	31,414,032	50,183,229
Deferred Outflows of Resources:			
Pension related amounts	31,985	221,570	253,555
Total Deferred Outflows of Resources	31,985	221,570	253,555
Liabilities, Deferred Inflows of Resources, and Net Position:			
Liabilities:			
Current:			
Accounts payable	574,652	1,015,099	1,589,751
Accrued liabilities	7,306	42,880	50,186
Deposits payable	-	204,512	204,512
Accrued compensated absences	7,050	51,225	58,275
Total Current Liabilities	589,008	1,313,716	1,902,724
Noncurrent:			
Net pension liability	116,819	809,252	926,071
Accrued compensated absences	7,098	51,570	58,668
Total Noncurrent Liabilities	123,917	860,822	984,739
Total Liabilities	712,925	2,174,538	2,887,463
Deferred Inflows of Resources:			
Pension related amounts	84,382	584,547	668,929
Total Deferred Inflows of Resources	84,382	584,547	668,929
Net Position:			
Restricted for capital projects	18,003,875	-	18,003,875
Unrestricted	-	5,496,445	5,496,445
Total Net Position	\$ 18,003,875	\$ 28,876,517	\$ 46,880,392
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 18,801,182	\$ 31,635,602	\$ 50,436,784

CITY OF MENLO PARK

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
WATER FUND
YEAR ENDED JUNE 30, 2022

	Water Capital Improvement Fund	Water Operating Fund	Totals
Operating Revenues:			
Charges for services	\$ 1,888,630	\$ 12,261,708	\$ 14,150,338
Total Operating Revenues	1,888,630	12,261,708	14,150,338
Operating Expenses:			
Cost of sales and services	190,781	9,346,652	9,537,433
General and administrative	1,067	194,298	195,365
Depreciation expense	-	309,811	309,811
Total Operating Expenses	191,848	9,850,761	10,042,609
Operating Income	1,696,782	2,410,947	4,107,729
Nonoperating Revenues:			
Interest and investment earnings	(385,198)	(245,753)	(630,951)
Total Nonoperating Revenues	(385,198)	(245,753)	(630,951)
Income Before Transfers	1,311,584	2,165,194	3,476,778
Transfers in	-	160,155	160,155
Transfers out	-	(233,700)	(233,700)
Changes in Net Position	1,311,584	2,091,649	3,403,233
Net Position:			
Beginning of Fiscal Year	16,692,292	26,784,867	43,477,159
Restatements	(1)	1	-
Beginning of Fiscal Year, as restated	16,692,291	26,784,868	43,477,159
End of Fiscal Year	\$ 18,003,875	\$ 28,876,517	\$ 46,880,392

CITY OF MENLO PARK

COMBINING SCHEDULE OF CASH FLOWS
WATER FUND
YEAR ENDED JUNE 30, 2022

	Water Capital Improvement Fund	Water Operating Fund	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 1,882,616	\$ 12,506,577	\$ 14,389,193
Cash paid to suppliers for goods and services	(195,862)	(9,120,516)	(9,316,378)
Cash paid to employees for services	201,510	25,210	226,720
Net Cash Provided by Operating Activities	1,888,264	3,411,271	5,299,535
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(233,700)	(233,700)
Net Cash Used by Non-Capital Financing Activities	-	(233,700)	(233,700)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(935,789)	(935,789)
Net Cash Used by Capital and Related Financing Activities	-	(935,789)	(935,789)
Cash Flows from Investing Activities:			
Interest received	(387,326)	(260,676)	(648,002)
Net Cash Provided by Investing Activities	(387,326)	(260,676)	(648,002)
Net Increase in Cash and Cash Equivalents	1,500,938	1,981,106	3,482,044
Cash and Cash Equivalents at Beginning of Year	17,194,145	5,122,143	22,316,288
Cash and Cash Equivalents at End of Year	\$ 18,695,083	\$ 7,103,249	\$ 25,798,332
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 1,696,782	\$ 2,410,947	\$ 4,107,729
Adjustments to Reconcile Operating Income Net Cash Provided by Operating Activities:			
Depreciation	-	309,811	309,811
(Increase) decrease in accounts receivable	78,071	107,358	185,429
(Increase) decrease in pension outflows	114,480	75,799	190,279
Increase (decrease) in accounts payable	419,068	226,136	645,204
Increase (decrease) in accrued liabilities	(270)	(1,139)	(1,409)
Increase (decrease) in deposits payable	-	137,511	137,511
Increase (decrease) in net pension liability	(503,154)	(449,481)	(952,635)
Increase (decrease) in pension inflows	82,061	579,834	661,895
Increase (decrease) in compensated absences	6,306	14,495	20,801
Total Adjustments	191,482	1,000,324	1,191,806
Net Cash Provided by Operating Activities	\$ 1,888,264	\$ 3,411,271	\$ 5,299,535

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.

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CITY OF MENLO PARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Insurance	Liability Fire Insurance	Other Post Employment Benefits
Assets:			
Current:			
Pooled cash and investments	\$ 4,133,414	\$ -	\$ 844,257
Receivables:			
Accounts	-	153,963	-
Accrued interest	17,422	-	3,661
Prepaid costs	150,000	50,000	-
Total Current Assets	4,300,836	203,963	847,918
Noncurrent:			
Capital assets - net of accumulated depreciation/amortization	-	-	-
Total Noncurrent Assets	-	-	-
Total Assets	4,300,836	203,963	847,918
Liabilities:			
Current:			
Accounts payable	87,261	6,447	-
Accrued liabilities	-	628	22,022
Due to other funds	-	447,237	-
Leases payable	-	-	-
Accrued compensated absences, due within one year	-	1,612	806
Accrued claims and judgments, due within one year	806,905	242,673	-
Total Current Liabilities	894,166	698,597	22,828
Noncurrent:			
Accrued compensated absences, due in more than one year	-	1,623	812
Accrued claims and judgments, due in more than one year	2,443,707	165,544	-
Total Noncurrent Liabilities	2,443,707	167,167	812
Total Liabilities	3,337,873	865,764	23,640
Net Position:			
Investment in capital assets	-	-	-
Unrestricted	962,963	(661,801)	824,278
Total Net Position	\$ 962,963	\$ (661,801)	\$ 824,278

CITY OF MENLO PARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

Governmental Activities - Internal Service Funds			
	Information Technology	Vehicle Replacement	Totals
Assets:			
Current:			
Pooled cash and investments	\$ 1,819,705	\$ 2,075,339	\$ 8,872,715
Receivables:			
Accounts	1,974	-	155,937
Accrued interest	8,306	10,040	39,429
Prepaid costs	459,083	-	659,083
Total Current Assets	2,289,068	2,085,379	9,727,164
Noncurrent:			
Capital assets - net of accumulated depreciation/amortization	18,057	1,960,690	1,978,747
Total Noncurrent Assets	18,057	1,960,690	1,978,747
Total Assets	2,307,125	4,046,069	11,705,911
Liabilities:			
Current:			
Accounts payable	74,944	-	168,652
Accrued liabilities	48,724	-	71,374
Due to other funds	-	-	447,237
Leases payable	18,431	-	18,431
Accrued compensated absences, due within one year	80,642	-	83,060
Accrued claims and judgments, due within one year	-	-	1,049,578
Total Current Liabilities	222,741	-	1,838,332
Noncurrent:			
Accrued compensated absences, due in more than one year	81,185	-	83,620
Accrued claims and judgments, due in more than one year	-	-	2,609,251
Total Noncurrent Liabilities	81,185	-	2,692,871
Total Liabilities	303,926	-	4,531,203
Net Position:			
Investment in capital assets	-	-	-
Unrestricted	2,003,199	4,046,069	7,174,708
Total Net Position	\$ 2,003,199	\$ 4,046,069	\$ 7,174,708

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Insurance	Liability Fire Insurance	Other Post Employment Benefits
Operating Revenues:			
Charges for services	\$ 1,506,909	\$ 997,162	\$ 374,010
Total Operating Revenues	1,506,909	997,162	374,010
Operating Expenses:			
Personnel services	12,081	13,473	832,183
General and administrative	40,171	30,411	-
Insurance	985,868	1,063,406	-
Depreciation expense	-	-	-
Total Operating Expenses	1,038,120	1,107,290	832,183
Operating Income (Loss)	468,789	(110,128)	(458,173)
Nonoperating Revenues:			
Interest and investment earnings	(107,390)	(1,525)	(16,339)
Gain (loss) on disposal of capital assets	-	-	-
Total Nonoperating Revenues	(107,390)	(1,525)	(16,339)
Income (Loss) Before Transfers	361,399	(111,653)	(474,512)
Transfers in	-	-	-
Changes in Net Position	361,399	(111,653)	(474,512)
Net Position:			
Beginning of Fiscal Year	601,564	(550,148)	1,298,790
End of Fiscal Year	\$ 962,963	\$ (661,801)	\$ 824,278

CITY OF MENLO PARK

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Information Technology	Vehicle Replacement	Totals
Operating Revenues:			
Charges for services	\$ 3,695,856	\$ 601,110	\$ 7,175,047
Total Operating Revenues	3,695,856	601,110	7,175,047
Operating Expenses:			
Personnel services	1,661,852	-	2,519,589
General and administrative	1,881,109	10,699	1,962,390
Insurance	-	-	2,049,274
Depreciation expense	-	492,235	492,235
Total Operating Expenses	3,542,961	502,934	7,023,488
Operating Income (Loss)	152,895	98,176	151,559
Nonoperating Revenues:			
Interest and investment earnings	(52,049)	(58,842)	(236,145)
Gain (loss) on disposal of capital assets	-	33,752	33,752
Total Nonoperating Revenues	(52,049)	(25,090)	(202,393)
Income (Loss) Before Transfers	100,846	73,086	(50,834)
Transfers in	-	409,000	409,000
Changes in Net Position	100,846	482,086	358,166
Net Position:			
Beginning of Fiscal Year	1,902,353	3,563,983	6,816,542
End of Fiscal Year	\$ 2,003,199	\$ 4,046,069	\$ 7,174,708

CITY OF MENLO PARK

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Workers' Compensation Insurance	Liability Fire Insurance	Other Post Employment Benefits
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 1,506,909	\$ 1,290,436	\$ 374,010
Cash paid to suppliers for goods and services	(802,269)	(1,323,726)	-
Cash paid to employees for services	(53,043)	(40,021)	38,017
Net Cash Provided (Used) by Operating Activities	651,597	(73,311)	412,027
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	-	-
Net Cash Provided by Non-Capital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	-
Net Cash Used by Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities:			
Interest received	(110,865)	(944)	(18,069)
Net Cash Provided by Investing Activities	(110,865)	(944)	(18,069)
Net Increase (Decrease) in Cash and Cash Equivalents	540,732	(74,255)	393,958
Cash and Cash Equivalents at Beginning of Year	3,592,682	74,255	450,299
Cash and Cash Equivalents at End of Year	\$ 4,133,414	\$ -	\$ 844,257
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 468,789	\$ (110,128)	\$ (458,173)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
(Increase) decrease in accounts receivable	-	(153,963)	865,207
(Increase) decrease in prepaid expense	50,000	(20,000)	-
Increase (decrease) in accounts payable	54,835	449,835	-
Increase (decrease) in accrued liabilities	(791)	628	3,375
Increase (decrease) in claims and judgments	78,764	(242,918)	-
Increase (decrease) in compensated absences	-	3,235	1,618
Total Adjustments	182,808	36,817	870,200
Net Cash Provided (Used) by Operating Activities	\$ 651,597	\$ (73,311)	\$ 412,027
Non-Cash Investing, Capital, and Financing Activities:			
Capital contributions	\$ -	\$ -	\$ -

CITY OF MENLO PARK

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds		
	Information Technology	Vehicle Replacement	Totals
Cash Flows from Operating Activities:			
Cash received from interfund service provided	\$ 3,693,882	\$ 584,615	\$ 7,449,852
Cash paid to suppliers for goods and services	165,524	-	(1,960,471)
Cash paid to employees for services	(3,449,290)	(10,699)	(3,515,036)
Net Cash Provided (Used) by Operating Activities	410,116	573,916	1,974,345
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	409,000	409,000
Net Cash Provided by Non-Capital Financing Activities	-	409,000	409,000
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(505,860)	(505,860)
Net Cash Used by Capital and Related Financing Activities	-	(472,108)	(472,108)
Cash Flows from Investing Activities:			
Interest received	(53,825)	(61,394)	(245,097)
Net Cash Provided by Investing Activities	(53,825)	(61,394)	(245,097)
Net Increase (Decrease) in Cash and Cash Equivalents	356,291	449,414	1,666,140
Cash and Cash Equivalents at Beginning of Year	1,463,040	1,909,828	7,490,104
Cash and Cash Equivalents at End of Year	\$ 1,819,331	\$ 2,359,242	\$ 9,156,244
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 152,895	\$ 98,176	\$ 151,559
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	492,235	492,235
(Increase) decrease in accounts receivable	(1,974)	-	709,270
(Increase) decrease in prepaid expense	186,090	-	216,090
Increase (decrease) in accounts payable	(20,566)	(16,495)	467,609
Increase (decrease) in accrued liabilities	3,923	-	7,135
Increase (decrease) in claims and judgments	-	-	(164,154)
Increase (decrease) in compensated absences	89,748	-	94,601
Total Adjustments	257,221	475,740	1,822,786
Net Cash Provided (Used) by Operating Activities	\$ 410,116	\$ 573,916	\$ 1,974,345
Non-Cash Investing, Capital, and Financing Activities:			
Capital contributions	\$ -	\$ -	\$ -

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Statistical Section

Fiscal Year 2021-2022

- Unaudited -

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 Net General Bonded Debt Outstanding	12
Direct and Overlapping Debt	13
Legal Debt Service Margin Informations	14

Demographic and Economic Information

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

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

Operating Information

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

Operating Indicators by Demand and Level of Service by Function/Program	18
Capital Asset Statistics by Function	19
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Water Sold by Type of Customer	21
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Net Position by Component

Financial Trend:
Schedule 1

June 30, 2022

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Government Activities</u>										
Net Investment in Capital Assets										
Restricted for:										
Capital Projects	14,394,634	13,601,651	14,926,424	7,275,487	6,886,511	14,563,359	21,466,015	22,687,512	20,590,395	22,115,806
Debt Service	1,943,354	2,133,308	2,123,752	1,663,696	2,136,803	2,443,730	2,819,470	3,310,775	4,167,057	20,151,422
Community Development	-	-	-	22,783,957	26,018,398	33,378,323	33,150,735	39,340,727	39,184,406	18,602,691
Special Projects	1,501,478	2,238,560	2,010,049	5,572,610	6,360,828	10,428,012	11,731,025	11,690,934	15,803,825	13,979,408
Total Restricted - Government Activities	17,839,466	17,973,519	19,060,225	37,295,730	41,402,540	60,813,424	69,167,245	77,029,948	79,745,683	74,849,327
Total Unrestricted - Government Activities	50,586,566	60,530,382	30,340,383	21,095,111	23,288,128	21,915,256	32,617,602	35,511,703	28,564,449	70,171,516
Total Government Activities	\$ 415,476,398	\$ 422,623,575	\$ 390,559,048	\$ 403,972,386	\$ 414,737,559	\$ 437,217,674	\$ 450,199,863	\$ 461,721,341	\$ 458,280,189	\$ 479,907,155
<u>Business-Type Activities</u>										
Net Investment in Capital Assets										
Restricted for:										
Capital Projects	15,273,688	15,212,663	12,445,532	11,441,134	12,741,320	12,532,189	14,500,909	14,597,745	16,692,292	18,003,875
Special Projects	-	-	-	-	-	-	-	-	-	-
Total Restricted - Business-Type Activities	15,273,688	15,212,663	12,445,532	11,441,134	12,741,320	12,532,189	14,500,909	14,597,745	16,692,292	18,003,875
Total Unrestricted - Business-Type Activities	(735,629)	(538,996)	(431,151)	(100,584)	(1,423,792)	(482,861)	(10,039)	2,381,989	4,661,638	8,642,071
Total Business-Type Activities	\$ 24,617,741	\$ 25,679,413	\$ 26,004,454	\$ 26,219,055	\$ 27,529,953	\$ 29,791,532	\$ 32,883,377	\$ 38,476,984	\$ 43,477,159	\$ 50,026,018

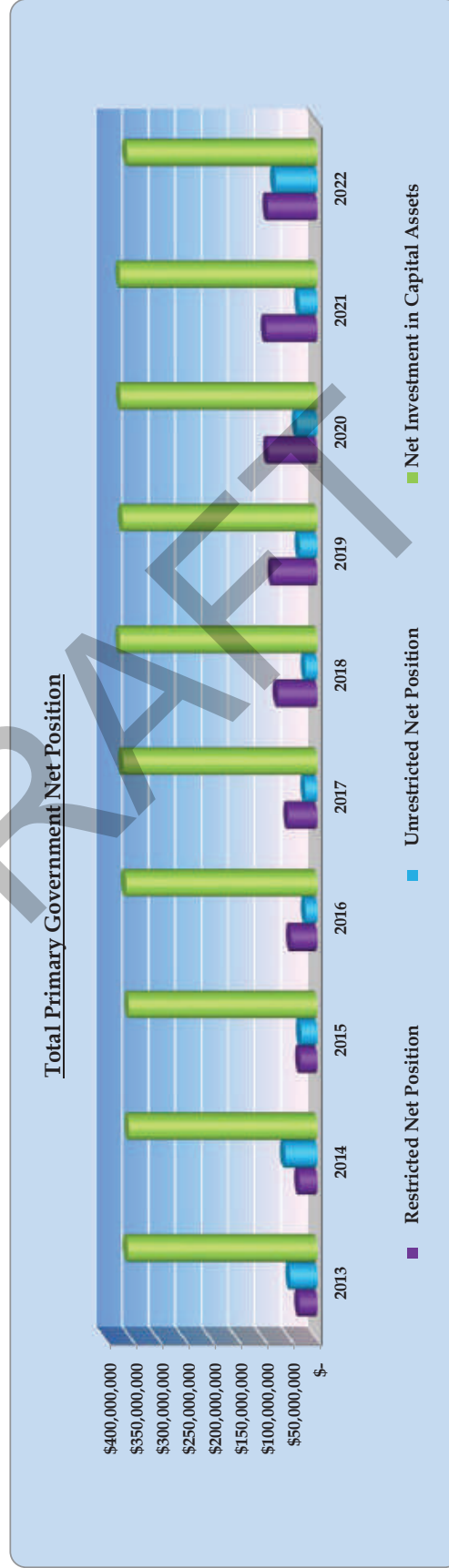
Source: City of Menlo Park

Net Position by Component

Financial Trend:
Schedule 1

June 30, 2022

Primary Government	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Investment in Capital Assets	\$ 357,130,048	\$ 355,125,420	\$ 355,148,513	\$ 360,460,050	\$ 366,259,316	\$ 372,231,198	\$ 366,807,523	\$ 370,676,940	\$ 372,093,286	\$ 358,266,384
Unrestricted Net Position	49,850,937	59,991,386	29,909,232	20,994,527	21,864,336	21,432,395	32,607,563	37,893,782	33,226,087	78,813,587
Investment in Capital Assets & Unrestricted Net Position	406,980,985	415,116,806	385,057,745	381,454,577	388,123,652	393,663,593	399,415,086	408,570,722	405,319,373	437,079,971
Restricted Net Position	33,113,154	33,186,182	31,505,757	48,736,864	54,143,860	73,345,613	83,668,154	91,627,693	96,437,975	92,853,202
Total Primary Government Net Position	\$ 440,094,139	\$ 448,302,988	\$ 416,563,502	\$ 430,191,441	\$ 442,267,512	\$ 467,009,206	\$ 483,083,240	\$ 500,198,415	\$ 501,757,348	\$ 529,933,173
% of Change - from Prior Year	1.5%	1.9%	-7.1%	3.3%	2.8%	5.6%	3.4%	3.6%	0.3%	5.6%



Source: City of Menlo Park

Changes in Net Position
June 30, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary Government-Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 3,125,908	\$ 3,011,181	\$ 3,053,753	\$ 3,388,132	\$ 60,298	\$ 66,108	\$ 3,318,750	\$ 3,743,014	\$ 6,008,212	\$ 14,985,439
Public Safety	1,579,674	2,031,899	1,840,342	1,979,203	1,813,050	579,481	4,128,823	3,339,637	1,180,552	547,284
Public Works	6,924,069	6,189,576	7,472,508	7,149,654	6,414,741	12,645,169	10,658,497	6,745,172	4,801,776	7,606,619
Culture and Recreation	3,873,165	3,782,550	5,348,966	5,410,577	4,383,149	4,166,726	4,502,821	2,866,141	1,283,856	193,913
Community Development	3,695,171	5,467,278	5,350,231	8,200,673	8,291,796	14,921,125	5,541,232	10,098,753	4,424,215	7,406,602
Operating Grants and Contributions	1,644,022	1,438,966	1,876,305	1,976,101	3,918,581	2,559,182	1,994,449	3,695,265	4,033,649	7,409,506
Capital Grants and Contributions	2,353,049	2,341,476	2,262,146	2,123,799	-	-	-	-	1,050,000	-
Total Governmental Activities-Program Revenues	23,195,058	24,262,926	27,204,251	30,228,139	24,881,615	34,937,791	30,144,572	30,487,982	22,782,260	38,149,363
Business-Type Activities										
Charges for Services	6,633,147	8,046,619	8,165,645	7,647,125	9,487,140	11,335,453	12,850,561	14,870,751	15,057,913	14,594,048
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	6,633,147	8,046,619	8,165,645	7,647,125	9,487,140	11,335,453	12,850,561	14,870,751	15,057,913	14,594,048
Total Primary Government-Program Revenues	29,828,205	32,309,545	35,369,896	37,875,264	34,368,755	46,273,244	42,995,133	45,358,733	37,840,173	52,743,411
General Revenues & Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	15,731,889	15,156,065	16,824,728	18,227,209	20,676,911	23,135,956	26,066,433	28,478,935	28,146,419	32,730,223
Sales Taxes	6,043,870	6,444,292	6,527,498	5,425,089	5,635,240	7,215,357	7,156,070	6,922,306	6,659,717	6,534,862
Transient Occupancy Tax	3,468,256	4,158,809	4,720,226	6,268,171	6,662,631	7,770,969	10,296,163	7,283,528	3,253,778	8,374,454
Other Taxes	4,556,371	4,946,135	4,616,187	4,882,372	9,272,058	9,921,476	9,124,553	9,168,081	27,957,361	9,521,652
Total Taxes	29,800,386	30,705,301	32,688,639	34,802,841	42,246,840	48,043,758	52,643,219	51,852,850	66,017,275	57,161,191
Investment Earnings	647,963	982,640	1,205,744	1,169,712	2,361,140	3,055,706	4,944,823	6,364,737	1,432,099	(584,662)
Gain (Loss) on Sale of Capital Assets	547,749	264	45,544	47,567	-	-	-	-	-	-
Miscellaneous	107,652	1,222,100	234,380	1,144,891	555,225	532,554	367,025	995,603	875,372	321,059
Transfers	181,525	185,881	189,041	220,185	201,061	207,896	193,175	223,000	230,000	269,245
Extraordinary gain (l)	-	771,822	-	-	-	-	-	-	-	-
Total Governmental Activities - General Revenues	31,285,275	33,868,008	34,363,348	37,385,196	45,364,266	51,839,914	58,148,242	59,436,190	68,554,746	57,166,833
Business-Type Activities										
Investment Earnings	(8,799)	117,849	146,647	111,026	61,846	81,291	514,878	698,787	126,115	(694,597)
Miscellaneous	-	-	(1,752)	-	-	-	-	-	-	649,568
Transfers	(181,525)	(185,881)	(189,041)	(220,185)	(201,061)	(207,896)	(193,175)	(223,000)	(230,000)	(269,245)
Total Business-Type Activities - General Revenues	(190,324)	(68,032)	(44,146)	(109,159)	(139,215)	(126,605)	321,703	475,787	(103,885)	(314,274)
Total Primary Government-Program Revenues, General Revenues & Other Changes in Net Position	60,923,156	66,109,521	69,689,098	75,151,301	79,593,806	97,986,553	101,465,078	105,270,710	106,291,034	109,595,970

Source: City of Menlo Park

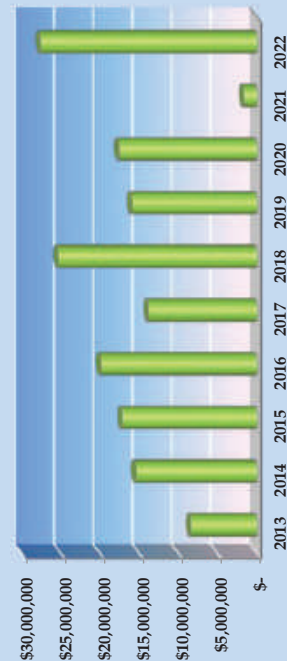
Notes:

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

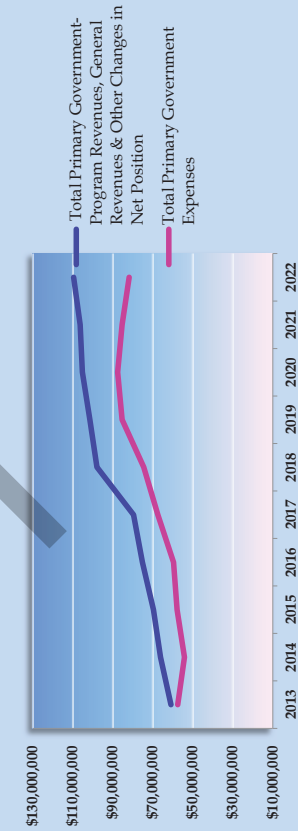
Changes in Net Position
June 30, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General Government	7,386,399	6,332,057	8,057,304	8,896,023	6,831,261	8,277,794	8,208,369	11,877,351	10,328,218	12,351,543
Public Safety	14,248,362	14,080,936	14,237,536	17,090,541	16,597,178	17,979,557	19,688,473	21,487,258	20,217,575	16,047,640
Public Works	10,809,670	10,920,198	11,638,045	10,784,753	16,964,601	18,144,697	24,979,226	21,656,255	23,291,709	21,622,928
Culture and Recreation	9,860,317	11,077,343	11,400,791	11,250,082	12,870,799	13,656,875	14,532,416	15,184,705	12,574,141	12,293,588
Community Development	6,186,002	4,240,784	4,384,310	4,060,817	5,440,687	6,513,854	7,171,610	7,096,824	8,118,959	8,739,508
Interest on Long-Term Debt	2,971,231	1,229,193	1,219,698	850,924	776,182	967,824	730,531	527,161	820,644	235,007
Total Governmental Activities Expenses	51,461,981	47,880,511	50,937,684	52,933,140	59,480,708	65,340,601	75,310,625	77,829,554	75,351,246	71,290,214
Business-Type Activities										
Water & Solid Waste	6,112,954	6,299,614	6,916,915	6,657,761	8,037,027	8,947,269	10,080,419	9,752,931	9,953,853	10,564,923
Total Business-Type Activities Expenses	6,112,954	6,299,614	6,916,915	6,657,761	8,037,027	8,947,269	10,080,419	9,752,931	9,953,853	10,564,923
Total Primary Government Expenses	57,574,935	54,180,125	57,854,599	59,590,901	67,517,735	74,487,870	85,391,044	87,582,485	85,305,099	81,855,137
Net Revenue (Expenses)										
Governmental Activities	(27,199,055)	(20,676,260)	(20,709,545)	(28,051,525)	(24,542,917)	(35,396,029)	(45,166,053)	(47,341,572)	(52,568,986)	(33,140,851)
Business-type Activities	1,933,665	1,866,031	730,210	2,829,379	3,298,426	3,903,292	2,770,142	5,117,820	5,104,060	4,029,125
Total Net Revenue (Expenses)	(25,265,390)	(18,810,229)	(19,979,335)	(25,222,146)	(21,244,491)	(31,492,737)	(42,395,911)	(42,223,752)	(47,464,926)	(29,111,726)
Changes in Net Position										
Governmental Activities	6,668,953	13,687,088	16,675,651	17,312,741	10,765,173	21,237,104	12,982,189	12,094,618	(3,248,240)	24,025,982
Business-type Activities	1,865,633	1,821,885	621,051	2,690,164	3,171,821	4,224,995	3,091,845	5,593,607	5,000,175	3,714,851
Changes in Net Position	\$ 8,534,586	\$ 15,508,973	\$ 17,296,702	\$ 20,002,905	\$ 13,936,994	\$ 25,462,099	\$ 16,074,034	\$ 17,688,225	\$ 1,751,935	\$ 27,740,833

Changes in Net Position

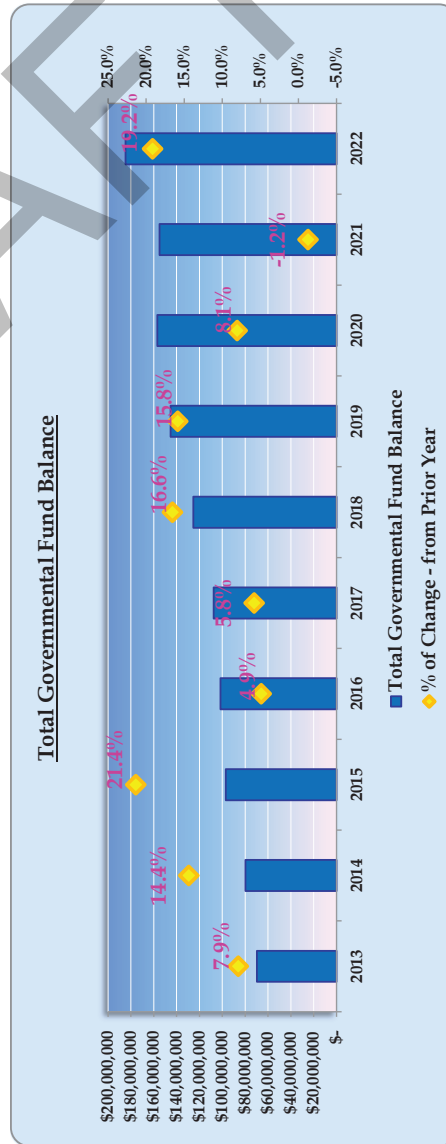


Revenues and Expenses



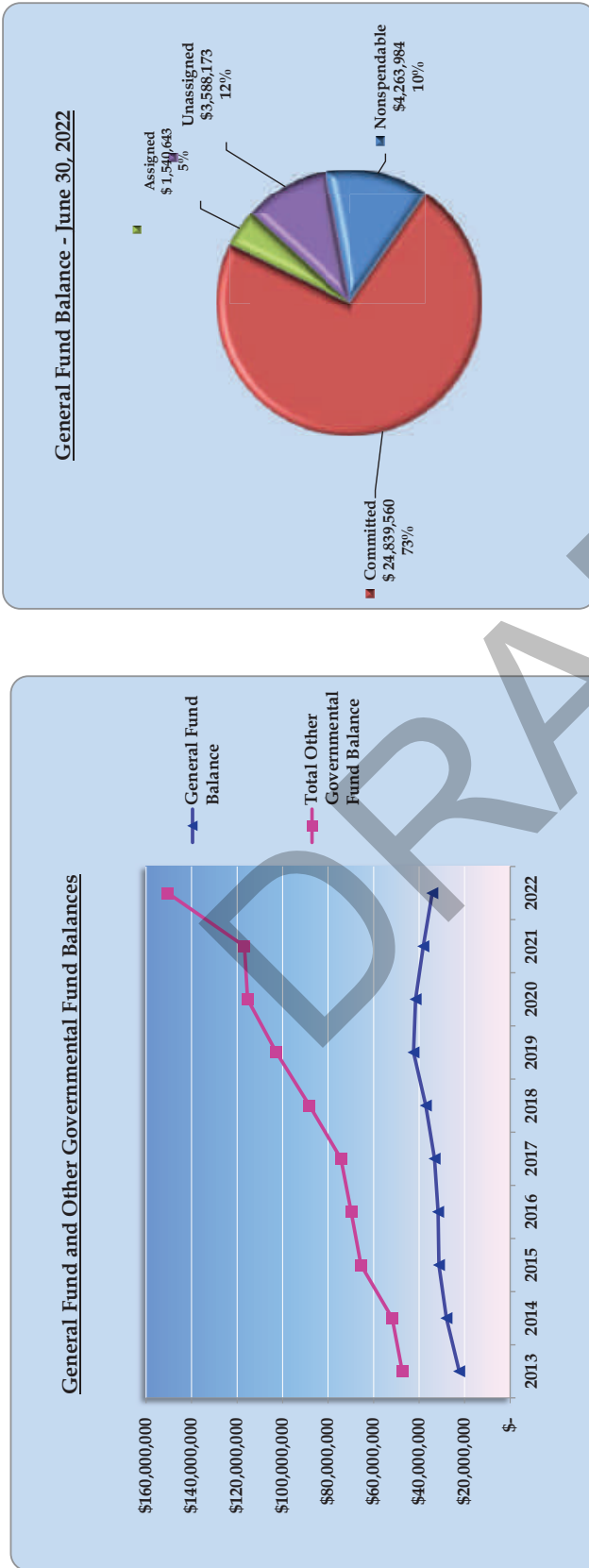
Fund Balances - Governmental Funds
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Fund</u>										
Nonspendable	\$ 1,005,376	\$ 1,076,587	\$ 1,072,888	\$ 1,373,313	\$ 1,395,679	\$ 1,404,765	\$ 31,476	\$ 18,687	\$ 458,698	\$ 4,263,984
Committed	14,000,000	16,240,000	15,930,000	20,852,000	24,600,000	25,600,000	28,980,000	27,918,200	28,950,860	24,839,560
Assigned	2,728,033	4,307,634	4,468,298	4,483,513	4,940,127	6,214,219	7,040,221	7,177,514	4,010,180	1,540,643
Unassigned	4,644,239	6,367,022	9,865,646	5,007,430	2,282,609	3,897,104	6,406,921	6,406,921	4,800,628	3,588,173
General Fund Balance	22,377,648	27,991,243	31,336,832	31,716,256	33,218,415	37,116,088	42,458,618	41,521,322	38,220,366	34,232,360
<u>Other Governmental Funds</u>										
Nonspendable	4,907,442	565	2,041	-	-	-	4,919	6,523	56,166	35,275,074
Restricted	42,501,844	21,704,829	30,573,722	37,295,730	41,402,540	60,813,424	69,167,245	77,025,608	79,745,683	74,849,327
Committed	-	14,350,759	17,888,242	12,594,224	15,157,048	8,161,693	9,503,142	10,514,058	9,571,587	16,297,001
Assigned	-	15,834,509	17,148,769	20,143,982	18,186,022	19,594,032	24,197,642	27,864,228	27,435,116	24,731,893
Unassigned	-	(54,106)	(63,823)	(121,456)	(414,877)	(330,452)	(111,373)	-	(54,021)	(706,440)
Total Other Governmental Fund Balance	47,409,286	51,836,556	65,548,951	69,912,480	74,330,733	88,238,697	102,761,575	115,410,417	116,754,531	150,446,855
Total Governmental Fund Balance	\$ 69,786,934	\$ 79,827,799	\$ 96,885,783	\$ 101,628,736	\$ 107,549,148	\$ 125,354,785	\$ 145,220,193	\$ 156,931,739	\$ 154,974,897	\$ 184,679,215
% of Change - from Prior Year	7.9%	14.4%	21.4%	4.9%	5.8%	16.6%	15.8%	8.1%	-1.2%	19.2%



Source: City of Menlo Park

(Continued)



Source: City of Menlo Park

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

Financial Trends:
Schedule 4

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Taxes										
Secured property taxes	\$ 14,854,925	\$ 14,081,491	\$ 15,400,581	\$ 16,927,658	\$ 19,676,899	\$ 22,311,958	\$ 23,975,575	\$ 26,328,428	\$ 26,074,184	\$ 33,227,639
Unsecured property taxes	351,099	384,686	414,466	466,089	301,908	24,746	615,669	635,643	676,885	532,570
Other property taxes	525,865	689,888	1,012,292	940,188	698,101	799,252	896,296	1,021,924	1,395,350	3,890,766
Sales taxes	6,043,870	6,444,292	6,527,498	5,425,088	5,635,240	6,910,437	7,156,070	7,028,306	6,659,717	6,534,862
Other Taxes(1), (3)	8,007,960	9,085,311	9,729,062	11,054,349	11,572,087	13,269,854	20,278,184	16,112,745	12,459,914	13,952,747
Special assessments	2,831,235	3,131,099	2,938,371	2,618,490	2,676,947	2,667,087	1,848,653	1,834,543	4,159,091	3,864,004
Licenses and permits (3)	4,845,041	6,222,575	5,562,806	6,372,725	6,260,028	7,120,760	3,933,310	2,712,711	3,065,032	4,221,516
Fines and forfeitures	998,259	1,253,621	1,346,449	1,349,853	1,110,891	150,112	1,482,275	733,053	436,753	350,382
Use of money and property	594,476	955,817	1,170,488	1,677,993	1,269,957	2,241,452	4,677,868	6,003,086	1,452,575	(348,517)
Intergovernmental	2,276,829	1,757,274	2,158,680	2,616,291	2,549,637	2,253,258	2,987,225	4,108,607	4,177,563	7,585,631
Charges for services	13,225,264	13,312,487	14,801,784	16,906,213	16,123,233	28,137,256	21,007,655	21,040,916	9,740,147	21,861,753
Other Revenues	202,137	141,434	234,380	331,756	562,919	475,769	605,280	713,135	1,841,842	605,977
Total Revenues	54,756,960	57,459,615	61,296,857	66,686,693	68,437,847	86,361,941	89,464,060	88,273,097	72,139,053	96,279,330
Expenditures										
Current										
General Government	5,204,412	5,567,633	6,297,514	5,521,808	6,982,290	7,496,989	7,552,554	10,628,188	8,487,735	10,482,754
Public Safety	13,831,018	14,194,657	14,955,891	15,933,746	16,826,266	17,875,498	19,053,402	19,692,219	18,378,936	19,079,246
Public Works	8,174,802	8,130,751	9,795,903	11,352,894	14,078,566	13,921,775	18,563,322	17,434,152	16,962,288	17,224,380
Culture and Recreation	9,014,947	9,330,874	10,015,841	10,055,990	10,695,856	11,345,600	12,772,914	12,573,530	10,278,272	10,073,800
Community Development	3,937,710	4,248,952	3,513,848	4,533,057	5,191,543	6,145,363	6,677,611	6,268,348	6,955,460	8,934,931
Urban Development and Housing	286,699	133,523	78,606	153,767	105,696	226,796	365,921	590,764	1,026,881	537,608
Capital Outlay	7,904,805	5,999,875	1,483,122	1,730,011	8,724,067	10,341,449	3,608,825	8,754,814	11,113,110	12,602,550
Capital Expenditures	-	-	2,483,647	8,589,250	-	-	-	-	-	-
Debt Service										
Principal	760,000	620,000	1,000,000	1,055,000	425,000	440,000	455,000	475,000	585,000	6,415,000
Interest and Fiscal Charges(2)	1,255,585	1,230,855	862,315	931,400	782,173	976,333	742,278	650,276	538,213	516,281
Total Expenditures	50,369,978	49,457,120	50,486,687	59,856,923	63,811,457	68,769,803	69,791,827	77,067,291	74,325,895	85,866,550
Revenues over (under) Expenditures	4,386,982	8,002,495	10,810,170	6,829,770	4,626,390	17,592,138	19,672,233	11,205,806	(2,186,842)	10,412,780

Source: City of Menlo Park

Notes:

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

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

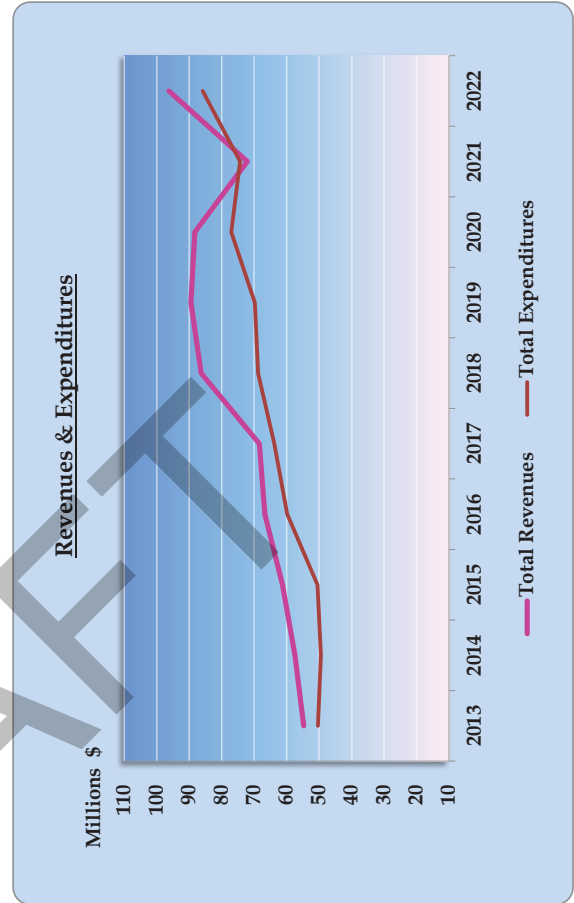
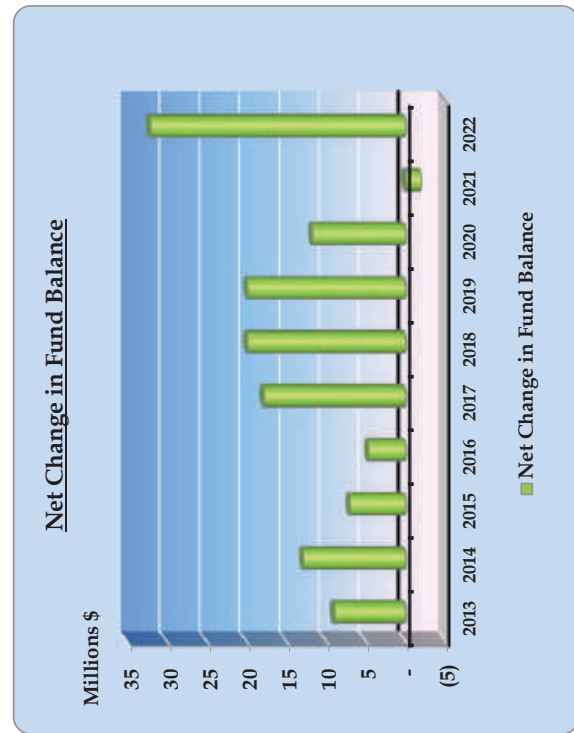
(3) Business License was included in other taxes beginning FY 2018-19 in prior years was included in Licenses & permits.

(Continued)

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

Financial Trends:
Schedule 4

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing Sources (Uses)										
Transfer In	6,091,632	2,994,261	4,699,084	9,873,559	7,659,532	5,612,101	9,804,193	7,980,877	3,934,900	13,257,234
Transfer Out	(5,910,107)	(2,808,380)	(4,523,543)	(9,853,374)	(7,458,471)	(5,404,205)	(9,611,018)	(7,757,877)	(3,704,900)	(13,396,989)
Proceeds from Sale of Fixed/Capital Assets	766,855	1,080,667	-	-	1,534	5,603	-	-	-	6,277
Proceeds from Refunding bonds Issuance	-	-	-	-	-	-	-	9,640,000	-	20,205,000
Payment to Refunded bond Escrow Agent	-	-	-	-	-	-	-	(9,962,267)	-	-
Bond Premium	-	-	-	-	-	-	-	605,007	-	1,619,032
Discount on Issuance of Debt	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	948,380	1,266,548	175,541	20,185	202,595	213,499	193,175	505,740	230,000	21,690,554
Extraordinary gain(loss)/(4)	-	771,822	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 8,950,875	\$ 12,848,540	\$ 7,005,311	\$ 4,646,575	\$ 17,794,733	\$ 19,885,732	\$ 19,865,408	\$ 11,711,546	\$ (1,956,842)	\$ 32,103,334
% of Change	-139.5%	43.5%	-45.5%	-33.7%	283.0%	11.8%	-0.1%	-41.0%	-116.7%	-1740.6%
Capital Expenditures										
Debt Service as Percentage of Non-Capital Expenditures	4.7%	4.3%	4.0%	4.0%	2.2%	2.4%	1.8%	1.6%	1.8%	9.5%



Source: City of Menlo Park

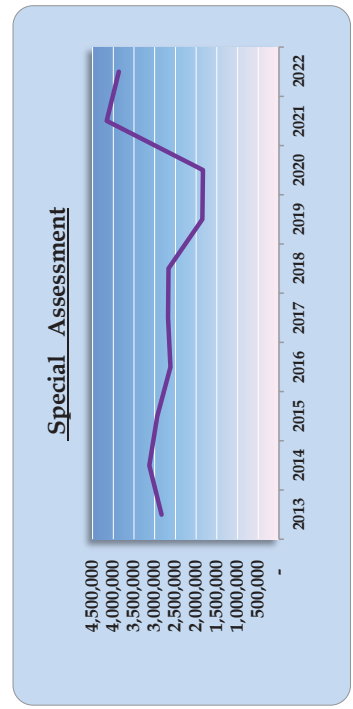
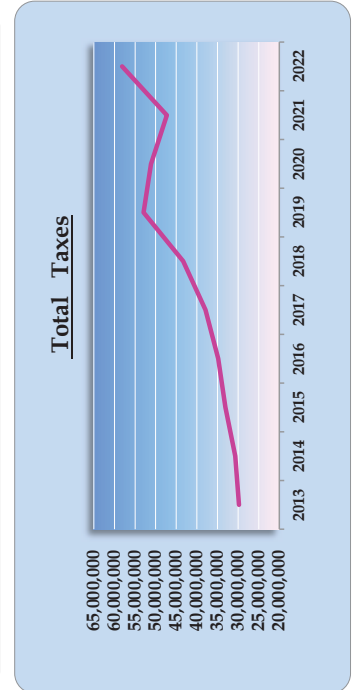
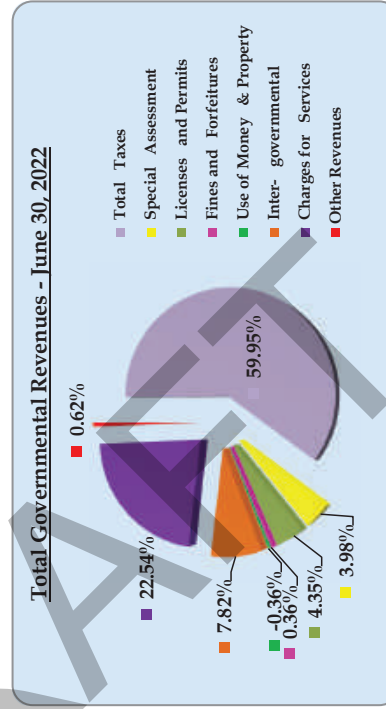
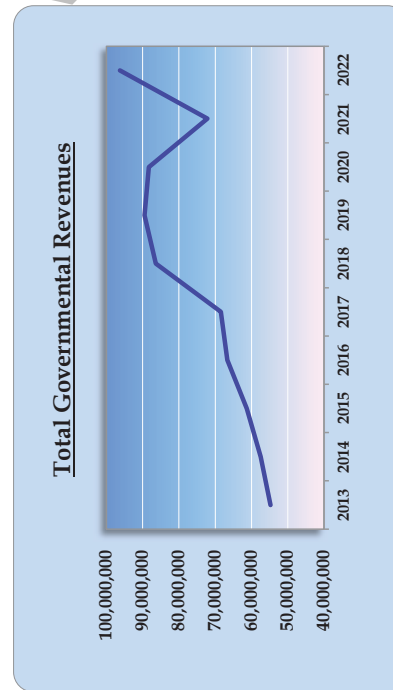
(4) In fiscal year 2013-14, the extraordinary gain was due to sale of the Hamilton Ave. property

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

Fiscal Year Ending June 30	Total Taxes	Special Assessment	Licenses and Permits	Fines and Forfeitures	Use of Money & Property	Inter- governmental	Charges for Services	Other Revenues	Total Governmental Revenues
2013	29,783,719	2,831,235	4,845,041	998,259	594,476	2,276,829	13,225,264	202,137	54,756,960
2014	30,685,668	3,131,099	6,222,575	1,253,261	955,817	1,757,274	13,312,487	141,434	57,459,615
2015	33,083,899	2,938,371	5,562,806	1,346,449	1,170,488	2,158,680	14,801,784	234,380	61,296,857
2016	34,813,372	2,618,490	6,372,725	1,349,853	1,677,993	2,616,291	16,906,213	331,756	66,686,693
2017	37,884,235	2,676,947	6,260,028	1,110,891	1,269,957	2,549,637	16,123,233	562,919	68,437,847
2018	43,316,247	2,667,087	7,120,761	150,112	2,241,452	2,253,258	28,137,256	475,769	86,361,942
2019	52,921,794	1,848,653	3,933,310	1,482,275	4,677,868	2,987,225	21,007,655	605,280	89,464,060
2020	51,127,046	1,834,543	2,712,711	733,053	6,003,086	4,108,607	21,040,916	713,135	88,273,097
2021	47,266,050	4,159,091	3,065,032	436,753	1,452,575	4,177,563	9,740,147	1,841,842	72,139,053
2022	58,138,584	3,864,004	4,221,516	350,382	(348,517)	7,585,631	21,861,753	605,977	96,279,330

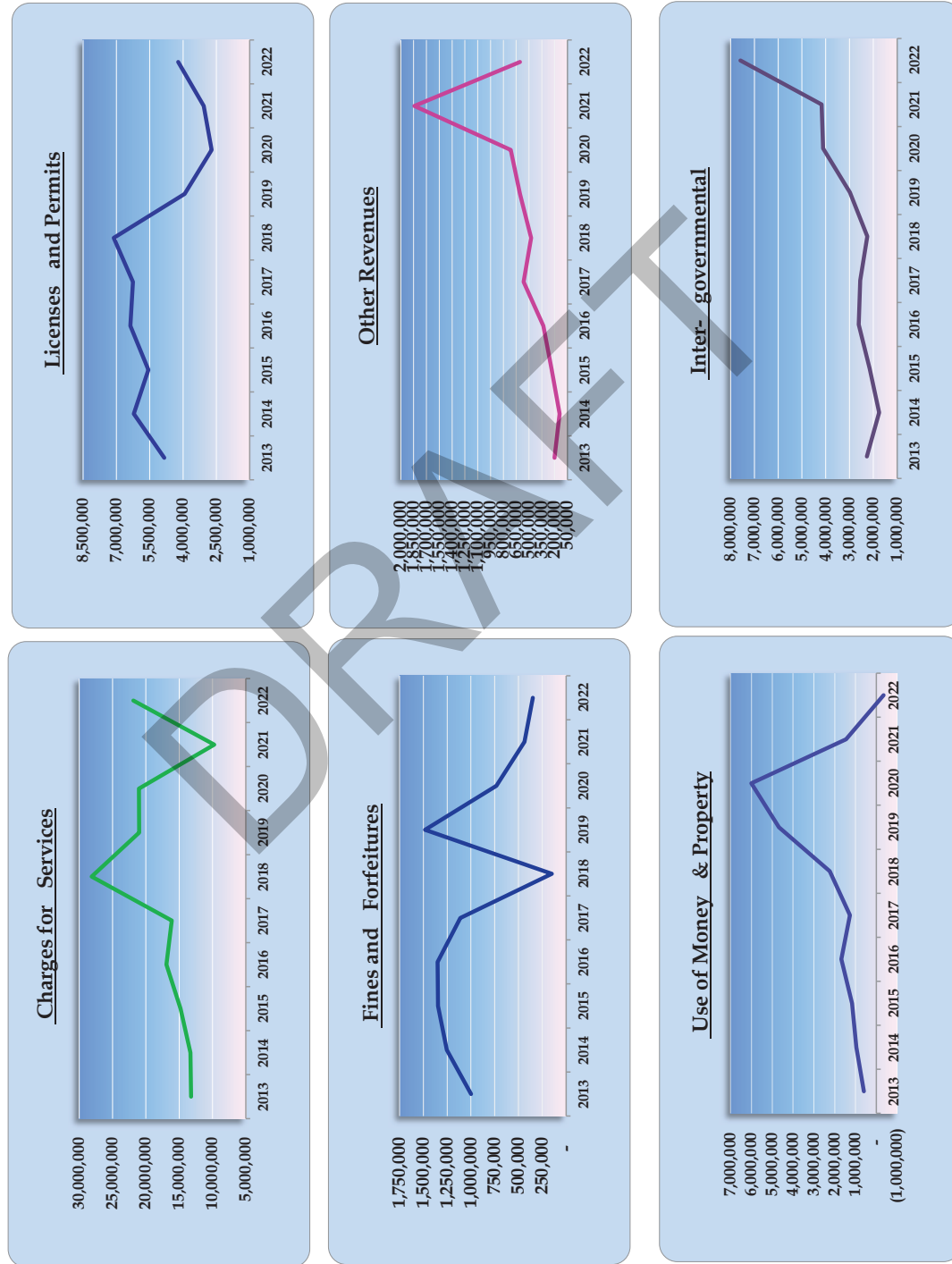
Source: City of Menlo Park

⁽¹⁾ General governmental revenues by source consist of the following City funds: General, Special Revenue, Debt Service, Capital Projects and Expendable Trusts.



(Continued)

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



Source: City of Menlo Park

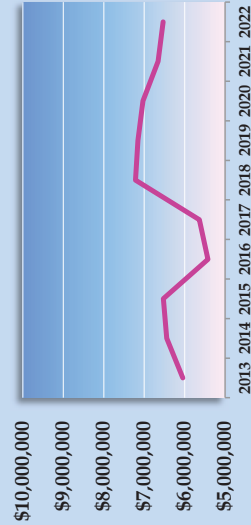
Governmental Funds Tax Revenue by Type
Last Ten Fiscal Years

Revenue Capacity:
Schedule 6

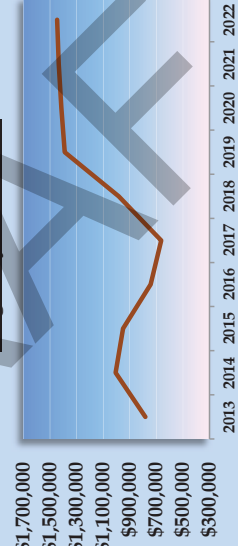
Fiscal Year Ending June 30	Highway		County Transportation Tax	Franchise		Hotel Occupancy Tax	Utility		Property Tax			Total Property Tax	Total Governmental Funds
	Sales Tax	Users Tax		Tax			Tax	Users Tax	Secured	Unsecured	Transfer Tax	Other	
2013	6,043,870	783,719	812,249	1,848,480	3,468,256	1,095,256	1,157,653	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	1,187,020	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	1,220,297	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	1,253,672	16,927,658	301,908	635,816	62,288	18,333,935	34,813,372
2017	5,635,240	663,555	904,462	2,001,107	6,662,631	1,253,672	1,322,169	19,676,899	24,746	615,669	68,293	25,487,540	49,218,291
2018	7,215,357	982,742	977,537	2,121,387	7,770,969	1,322,169	1,626,569	26,328,428	676,885	919,507	769,519	32,730,223	54,969,884
2019	7,156,070	1,390,972	1,044,435	2,181,173	10,296,163	1,661,938	1,442,005	26,074,184	532,570	828,531	566,819	28,146,419	44,018,708
2020	7,028,306	1,415,270	1,001,990	2,203,963	7,177,528	1,626,569	1,433,648	30,508,627					
2021	6,659,717	1,434,847	944,817	2,137,125	3,253,778	1,442,005							
2022	6,534,862	1,447,568	1,169,105	2,250,038	9,404,440	1,433,648							

Source: City of Menlo Park and County of San Mateo

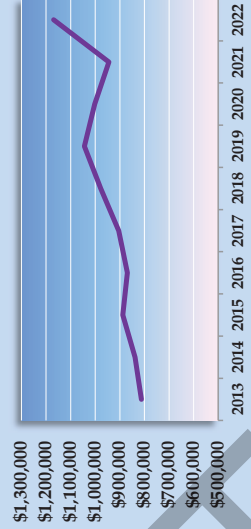
Sales Tax



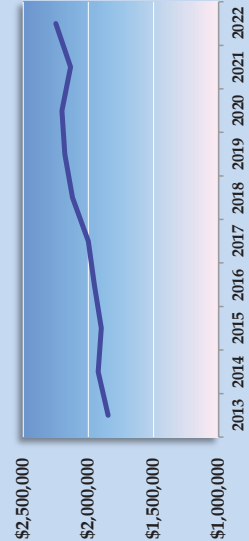
Highway Users Tax



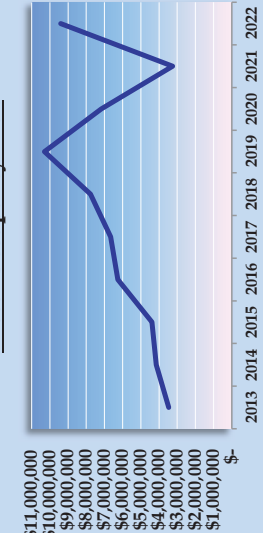
County Transportation Tax



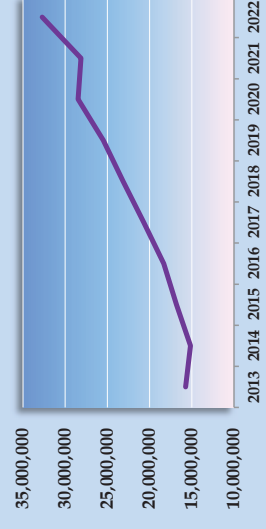
Franchise Tax



Hotel Occupancy Tax

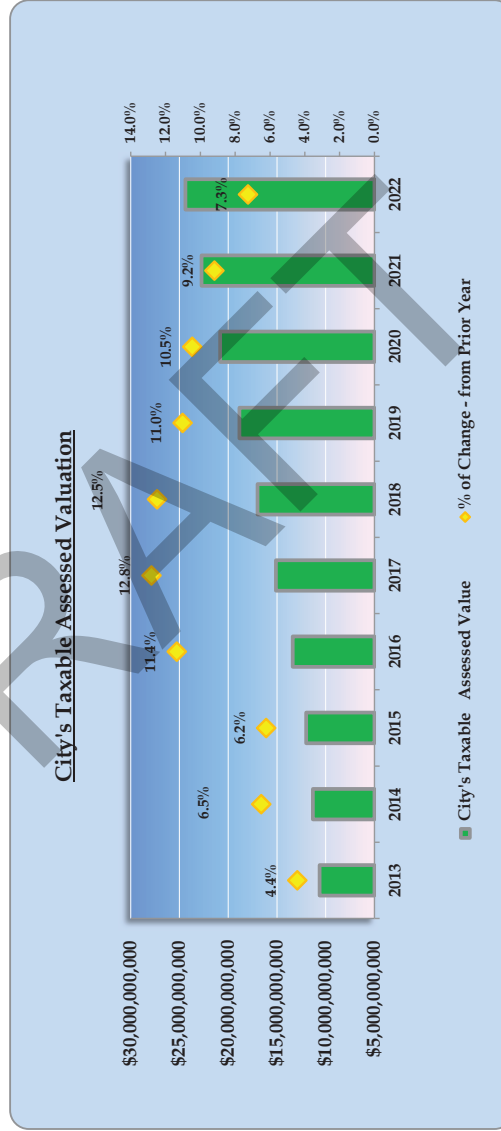


Total Property Tax



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

Fiscal Year Ending June 30	Secured	Unsecured	Less Exemptions	City's Taxable Assessed Value	% of Change - from Prior Year	Total Direct Tax Rate
2013	10,059,424,137	819,698,175	(258,752,495)	10,620,369,817	4.4%	0.0024
2014	10,793,653,677	809,314,081	(291,016,106)	11,311,951,652	6.5%	0.0024
2015	11,505,930,742	814,834,786	(305,046,407)	12,015,719,121	6.2%	0.0024
2016	12,752,897,442	927,792,380	(300,228,143)	13,380,461,679	11.4%	0.0011
2017	14,218,711,817	1,148,145,263	(270,990,043)	15,095,867,037	12.8%	0.0010
2018	15,756,865,369	1,547,821,754	(323,167,196)	16,981,519,927	12.5%	0.0010
2019	18,155,327,753	1,062,432,203	(363,506,000)	18,854,253,956	11.0%	0.0010
2020	20,184,133,096	1,046,462,723	(402,911,741)	20,827,684,078	10.5%	0.0010
2021	22,142,794,209	1,007,916,459	(407,023,041)	22,743,687,627	9.2%	0.0010
2022	23,874,879,221	1,086,160,175	(563,479,907)	24,397,559,489	7.3%	0.0010



Source: County of San Mateo

Notes:

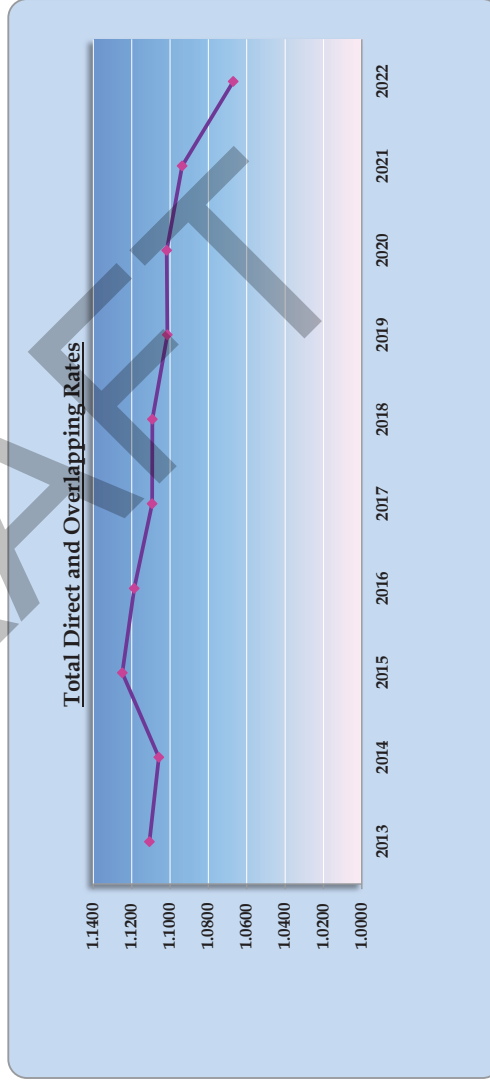
In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase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

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

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

(Per \$1,000 Assessed Valuation)

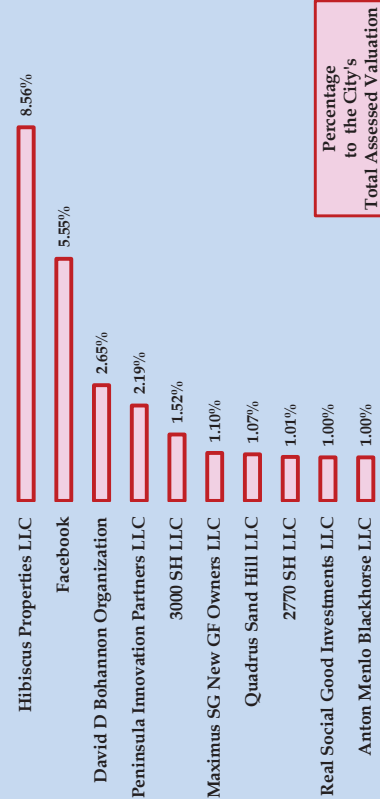
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City Direct Rates (1)	0.0024	0.0024	0.0024	0.0011	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010
Overlapping Rates (2)										
San Mateo County	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Menlo Park Elementary	0.0402	0.0381	0.0486	0.0393	0.0357	0.0385	0.0383	0.0365	0.0351	0.0328
San Mateo Junior College	0.0194	0.0194	0.0190	0.0250	0.0247	0.0235	0.0175	0.0231	0.0176	-
Menlo Park Debt Service	0.0038	0.0026	0.0025	-	-	-	-	-	-	-
Menlo Park Parks & Rec Bond	0.0118	0.0144	0.0115	0.0102	0.0092	0.0080	0.0073	0.0065	0.0080	0.0037
Sequoia Union High School District	0.0356	0.0313	0.0433	0.0434	0.0391	0.0383	0.0365	0.0340	0.0315	0.0290
Midpeninsula Reg Open	-	-	-	0.0008	0.0006	0.0009	0.0018	0.0016	0.0015	0.0015
Total Overlapping Rates	1.1108	1.1058	1.1249	1.1187	1.1093	1.1092	1.1014	1.1017	1.0937	1.0670
Total Direct and Overlapping Rates	1.1132	1.1082	1.1273	1.1198	1.1103	1.1102	1.1024	1.1027	1.0947	1.0680
% of Change - from Prior Year	-0.3%	-0.4%	1.7%	-0.7%	-0.8%	0.0%	-0.7%	0.03%	-0.73%	-2.44%



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

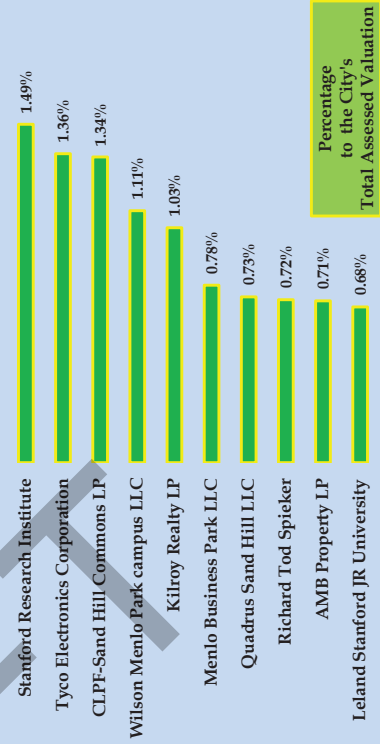
FY 2021-2022					FY 2012-2013				
Property Owner	Rank	Value	Taxable Assessed	Ratio to Total City's Assessed Valuation	Property Owner	Rank	Value	Taxable Assessed	Ratio to Total City's Assessed Valuation
Hibiscus Properties LLC	1	\$ 2,088,599,445		8.56%	Stanford Research Institute	1	\$ 158,408,202		1.49%
Facebook	2	1,353,372,796		5.55%	Tyco Electronics Corporation	2	144,628,816		1.36%
David D Bohannon Organization	3	647,533,451		2.65%	CLPF-Sand Hill Commons LP	3	143,071,756		1.34%
Peninsula Innovation Partners LLC	4	533,694,889		2.19%	Wilson Menlo Park campus LLC	4	117,912,000		1.11%
3000 SH LLC	5	370,771,005		1.52%	Kilroy Realty LP	5	109,959,840		1.03%
Maximus SG New GF Owners LLC	6	267,943,303		1.10%	Menlo Business Park LLC	6	83,085,693		0.78%
Quadrus Sand Hill LLC	7	260,417,318		1.07%	Quadrus Sand Hill LLC	7	77,579,996		0.73%
2770 SH LLC	8	245,570,000		1.01%	Richard Tod Spieker	8	76,312,640		0.72%
Real Social Good Investments LLC	9	243,626,266		1.00%	AMB Property LP	9	75,721,531		0.71%
Anton Menlo Blackhorse LLC	10	243,568,403		1.00%	Leland Stanford JR University	10	72,922,410		0.68%
Total Top 10 Taxpayers' Totals		\$ 6,255,096,876		25.64%	Total Top 10 Taxpayers' Totals		\$ 1,059,602,884		9.94%
City's Total Assessed Valuation		\$ 24,397,559,489		100%	City's Total Assessed Valuation		\$ 10,662,442,102		100%

City's Top Ten Principal Property Tax Payers - June 30, 2022



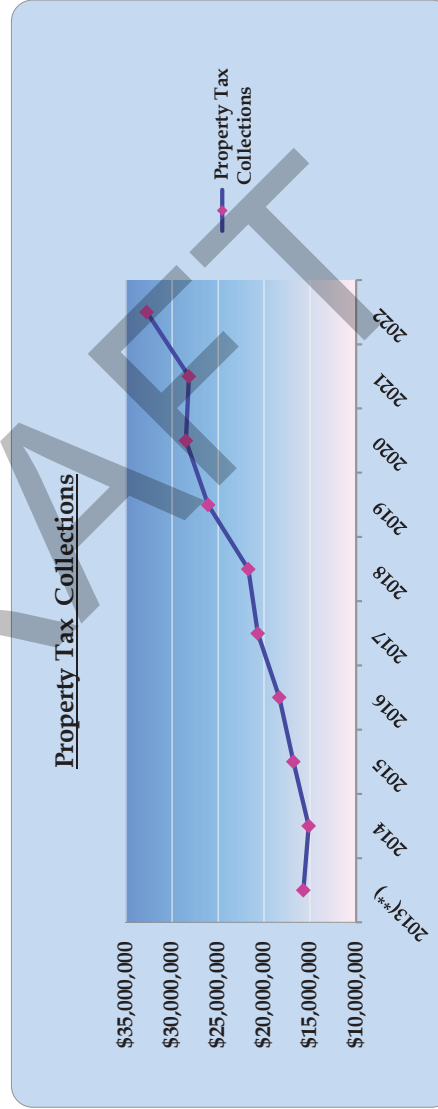
Source:
San Mateo County Tax Roll
California Municipal Statistics Inc
HDL, Coren & Cone

City's Top Ten Principal Property Tax Payers - June 30, 2013



Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ending June 30	Property Tax Levies	Property Tax Collections	Percentage of Collections	Subsequent Year Collections	Total Collections	Percentage of Collections
2013(**)	15,731,889	15,731,889	100.00%	-	15,731,889	100%
2014	15,156,065	15,156,065	100.00%	-	15,156,065	100%
2015	16,824,725	16,824,725	100.00%	-	16,824,725	100%
2016	18,333,935	18,333,935	100.00%	-	18,333,935	100%
2017	20,676,911	20,676,911	100.00%	-	20,676,911	100%
2018	21,696,456	21,696,456	100.00%	-	21,696,456	100%
2019	26,066,433	26,066,433	100.00%	-	23,971,701	100%
2020	28,478,935	28,478,935	100.00%	-	28,478,935	100%
2021	28,146,419	28,146,419	100.00%	-	28,146,419	100%
2022	32,730,223	32,730,223	100.00%	-	32,730,223	100%



Source:

County of San Mateo, Estimated Property Tax Revenue and Estimated Tax Increment Revenue

City of Menlo Park

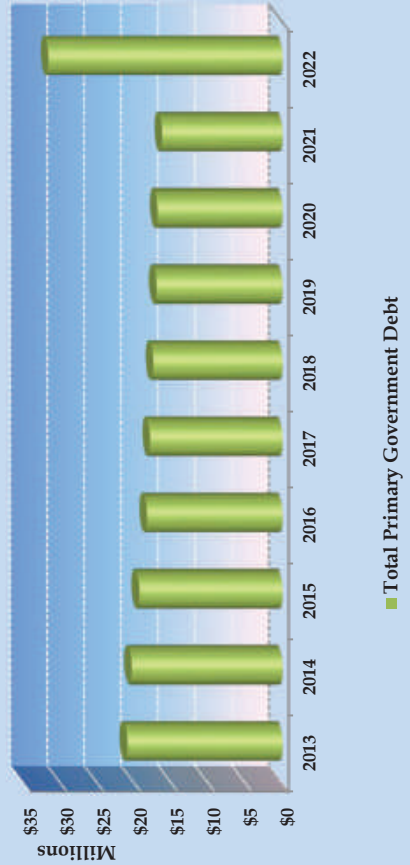
Notes:

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

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30	General Obligation Bonds(1)	(1)	Tax Allocation Bonds	(4)	Total Primary Government Debt	Percentage of Personal Income	(7)	Outstanding Debt Per Capita	(8)
2013	21,016,779		-		21,016,779	not available		639	
2014	20,397,966		-		20,397,966	0.92%		617	
2015	19,399,153		-		19,399,153	0.83%		582	
2016	18,345,340		-		18,345,340	0.79%		548	
2017	17,921,527		-		17,921,527	0.73%		528.85	
2018	17,482,714		-		17,482,714	0.69%		508.85	
2019	17,028,901		-		17,028,901	0.64%		492.89	
2020	16,904,925		-		16,904,925	0.60%		487.20	
2021	16,294,495		-		16,294,495	0.54%		464.31	
2022	31,707,705		-		31,707,705	0.97%		913.95	

City's Debt



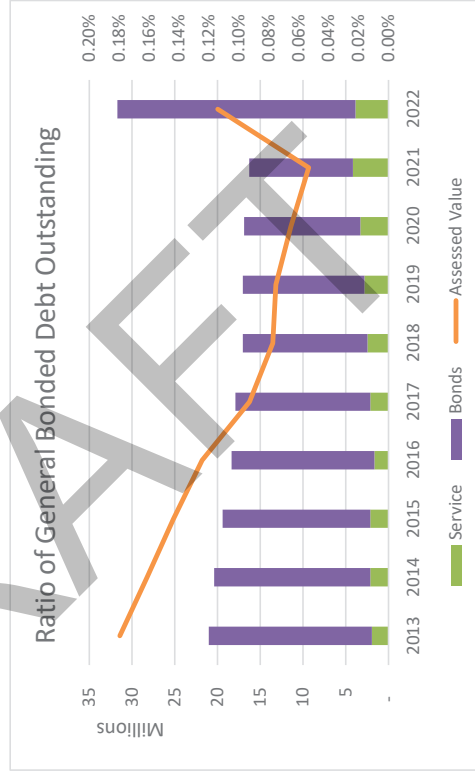
Source: City of Menlo Park

Notes:

- (1) General Obligation Bonds consists of 2019 & 2022 General Obligation Bonds
- (2) The City issued \$14,315,000 in 2022 General Obligation Bonds
- (3) The 2012 General Obligation Bonds was refinanced with 2022 General Obligation Refunding Bonds
- (4) Tax Allocation Bonds consists of 2006 Las Pulgas Project Tax Allocation Bonds
- (5) The 1996 & 2000 Tax Allocation Bonds were refinanced with 2006 Refunding Bonds
- (6) In fiscal year 2011-12 former Community Redevelopment Agency was dissolved and all debts transferred
- (7) County of San Mateo's personal income per capita
- (8) U.S. Census Bureau, Quickfacts Census.gov, Population

Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Restricted for Debt Service</u>	<u>Net General Obligation Bonds</u>	<u>Total City Taxable Assessed Valuation</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Per Capita</u>
2013	21,016,779	1,943,354	19,073,425	10,620,369,817	0.18%	639.18
2014	20,397,966	2,133,308	18,264,658	11,311,951,652	0.16%	616.79
2015	19,399,153	2,123,752	17,275,401	12,015,719,121	0.14%	582.40
2016	18,345,340	1,663,696	16,681,644	13,380,461,679	0.12%	548.46
2017	17,482,714	2,136,803	15,784,724	16,981,519,927	0.09%	515.90
2018	17,028,901	2,443,730	14,585,171	18,854,253,956	0.08%	424.52
2019	17,028,901	2,819,470	14,209,431	18,854,253,956	0.08%	411.28
2020	16,904,925	3,310,775	13,594,150	20,827,684,078	0.07%	391.78
2021	16,294,495	4,159,091	12,135,404	22,743,687,627	0.05%	345.80
2022	31,707,705	3,864,004	27,843,701	24,397,559,489	0.11%	802.57



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

Direct and Overlapping Debt
June 30, 2022

Fiscal year 2021-22

City Assessed Valuation ⁽¹⁾ \$ 24,397,559,489

Direct and Overlapping Tax and Assessment Debt

Outstanding Debt 6/30/2022	Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt	Ratio to City's Assessed Valuation
\$ 733,897,184	9.160%	\$ 67,224,982	0.28%
475,140,000	21.052%	100,026,473	0.41%
119,645,000	37.734%	45,146,844	0.19%
122,782,593	61.930%	76,039,260	0.31%
86,230,000	60.369%	52,056,189	0.21%
177,986,248	5.024%	8,942,029	0.04%
84,575,000	6.902%	5,837,367	0.02%
29,570,000	100%	29,570,000	0.12%
		\$ 384,843,144	1.58%

City of Menlo Park

Total Direct and Overlapping Tax and Assessment Debt

San Mateo County General Fund Obligations	\$ 612,605,687	9.160%	\$ 56,114,681	0.23%
San Mateo County Board of Education Certificates of Participation	6,490,000	9.160%	594,484	0.00%
Midpeninsula Regional Park District General Fund Obligations	99,705,600	6.902%	6,881,681	0.03%
Menlo Park Fire Protection District Certification of Participation	9,275,000	51.465%	4,773,379	0.02%
San Mateo County Mosquito and Vector Control District	3,825,000	9.160%	350,370	0.00%
Total Overlapping General Fund Debt			\$ 68,714,595	0.28%
Overlapping Tax Increment Debt - Successor Agency	31,865,000	100%	\$ 31,865,000	0.13%

Total Direct Debt
Total Overlapping Debt
Combined Total Debt (2)

\$ 29,570,000
\$ 455,852,739
\$ 485,422,739

0.12%
1.87%
1.99%

Combined Total Debt - June 30, 2022



Source: California Municipal Statistics, Inc.

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Legal Debt Service Margin Information
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City's Taxable Assessed Valuation	\$10,620,369,817	\$11,311,951,652	\$12,015,719,121	\$13,380,461,679	\$15,095,867,037	\$16,981,519,927	\$18,854,253,956	\$20,827,684,078	\$22,743,687,627	\$24,397,559,489
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,655,092,454	2,827,987,913	3,003,929,780	3,345,115,420	3,773,966,759	4,245,379,982	4,713,563,489	5,206,921,020	5,685,921,907	6,099,389,872
Debt Service Limit Percentage (CA Govt. Code Section 43605) ⁽¹⁾	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Service Limit	398,263,868	424,198,187	450,589,467	501,767,313	566,095,014	636,806,997	707,034,523	781,038,153	852,888,286	914,908,481
Less:										
General Obligation Bonds	21,016,779	20,397,966	19,399,153	18,345,340	17,921,527	17,482,714	17,028,901	16,904,925	16,294,495	31,707,705
Legal Debt Service Margin	\$ 377,247,089	\$ 403,800,221	\$ 431,190,314	\$ 483,421,973	\$ 548,173,487	\$ 619,324,283	\$ 690,005,622	\$ 764,133,228	\$ 836,593,791	\$ 883,200,776
Legal Debt Service Margin as a Percentage of Debt Service Limit	94.7%	95.2%	95.7%	96.3%	96.8%	97.3%	97.6%	97.8%	98.1%	96.5%

Legal Debt Service Limit



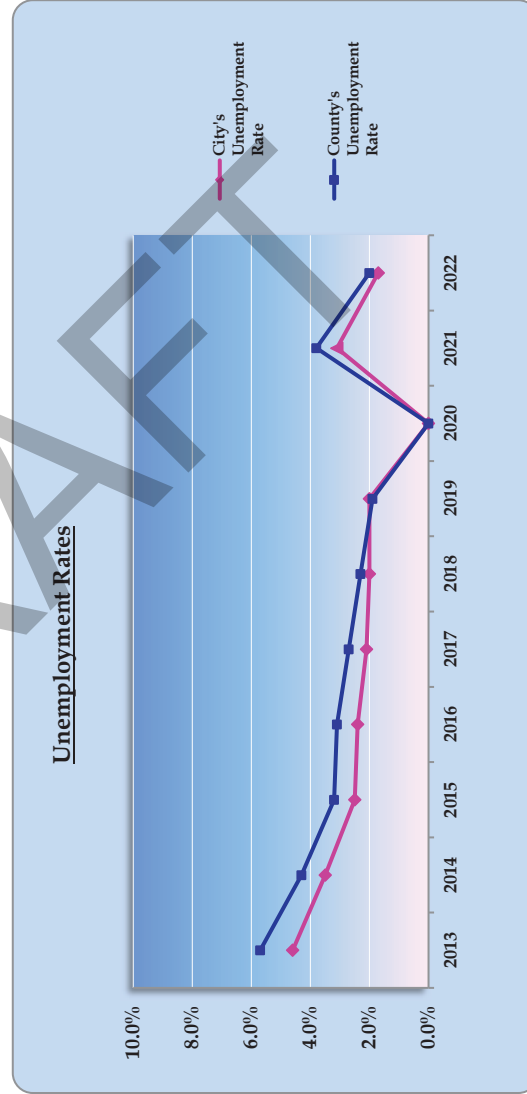
Source: County of San Mateo, Assessed Valuation Reports

Notes:

- (1) The City refunded 2009 Gen. Obligation Bonds with 2015 General Obligation Refunding Bond
- (2) The City refunded 2012 Gen. Obligation Bonds with 2022 General Obligation Refunding Bond
- (3) The City issued the remaining Measure T Recreation Bonds with 2022 General Obligation Bonds
- (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

Calendar Year	Population	City's Unemployment Rate	County's Unemployment Rate	Personal Income Per Capita	K-12 Public School Enrollments
2013	32,881	4.6%	5.7%	not available	4,835
2014	33,071	3.5%	4.3%	67,072	4,976
2015	33,309	2.5%	3.2%	69,802	5,062
2016	33,449	2.4%	3.1%	69,802	5,218
2017	33,888	2.1%	2.7%	71,981	5,400
2018	34,357	2.0%	2.3%	74,162	5,423
2019	34,549	2.0%	1.9%	78,357	5,428
2020	34,698	6% *	10.8% *	81,562	5,600
2021	35,094	3.1%	3.8%	85,710	5,598
2022	34,693	1.7%	2.0%	94,353	5,324

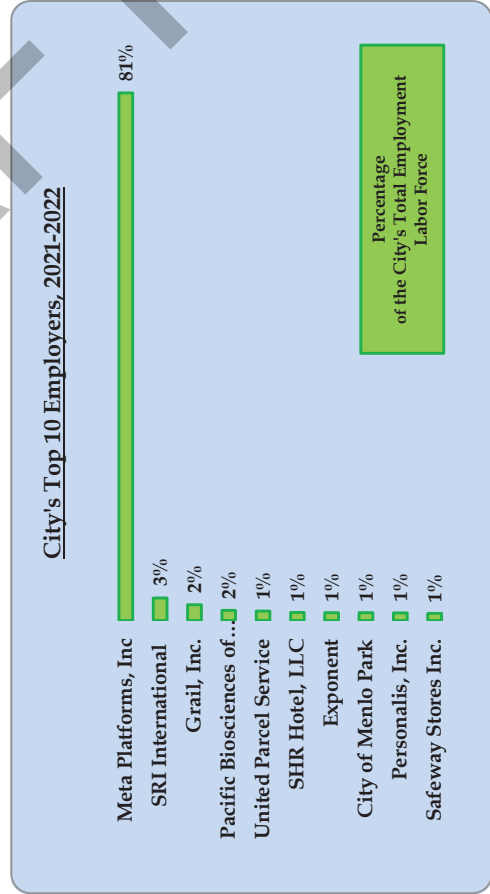


Source:

U.S. Census Bureau, Quickfacts.Census.gov, Population 2021 Estimate; State of CA Dept of Finance Price Factor & Population Information, January 1, 2021
 U.S. Department of Commerce, bea.gov, CA1-3 Personal Income Summary, County of San Mateo Per capita personal income 2017-2021
 California Department of Education, Data Quest/Enrollment over time, school year 2020-21 Menlo Park Elementary Schools K-12 and Menlo Atherton High School
 California Labor Market Information, EDD, labormarketinfo.edd.ca.gov, updated October 2022
 * Unemployment rate higher due to COVID-19 shelter in place in March 2020

Principal Employers
Current Fiscal Year and Ten Years Prior

		2021-2022		2012-2013	
		Rank	Percentage of Total City's Labor Force	Total Employees	Percentage of Total City's Labor Force
<u>City's Principal Employers</u>					
Meta Platforms, Inc	1	16,586	81%	2,865	17%
SRI International	2	710	3%	1,421	8%
Grail, Inc.	3	497	2%	n/a	n/a
Pacific Biosciences of California, Inc.	4	320	2%	300	2%
United Parcel Service	5	295	1%	246	1%
SHR Hotel, LLC	6	252	1%	n/a	n/a
Exponent	7	250	1%	n/a	n/a
City of Menlo Park	8	245	1%	230	1%
Personalis, Inc.	9	239	1%	n/a	n/a
Safeway Stores Inc.	10	226	1%	264	2%
Top 10 Employers		19,620	96%	5,326	32%
Total Employment of the City's Labor Force		20,400	100%	16,900	100%

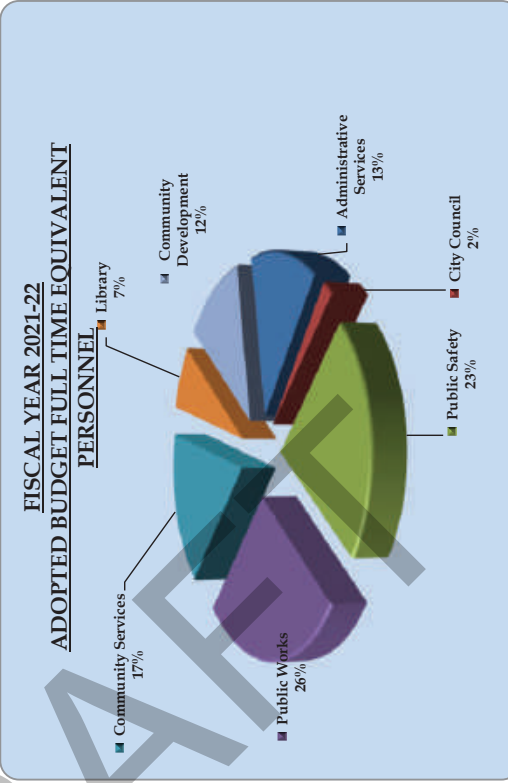
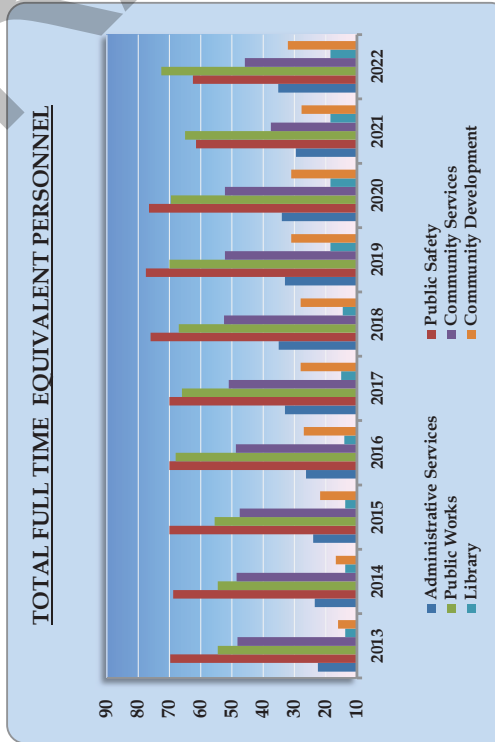


Source:

City of Menlo Park, Finance, Business License, calendar year, non-profit organizations' data is not available
State of California, Employment Development Department, Labor Force Report, Unemployment Rates/Labor Force, updated October, 2022

Full Time Equivalent City Employees by Function
Last Ten Fiscal Years

<u>FTE by Department</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Administrative Services	22.50	23.50	24.00	26.25	33.00	35.00	33.00	34.00	29.50	35.20
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Public Safety	69.75	68.75 ⁽¹⁾	70.00 ⁽¹⁾	70.00 ⁽¹⁾	70.00 ⁽¹⁾	76.00 ⁽¹⁾	77.50	76.50	61.50	62.50
Public Works	54.50	54.50	55.50	68.00	66.00	67.00	70.00	69.50	65.00	72.60
Community Services	48.25	48.50	47.50	48.75	51.00	52.50	52.25	52.25	37.50	45.85
Library	13.75	13.75	13.75	14.00	15.00	14.50	18.50	18.50	18.50	18.50
Community Development	16.00	16.75	21.75	27.00	28.00	28.00	31.00	31.00	27.75	32.10
Total Full Time Equivalent Employees	229.75	230.75	237.50	259.00	268.00	278.00	287.25	286.75	244.75	271.75



Source: City of Menlo Park, Human Resources

Remarks:

⁽¹⁾ Reduction of 5.0 FTE includes the loss of the San Carlos dispatch contract, which resulted in the elimination of 4 FTE's for dispatch Library was assigned to Community Services in fiscal year 2020-21

Operating Indicators by Demand Level of Service, by Function/Program

Last Ten Fiscal Years

Operating Information:
Schedule 18

		Fiscal Year Ending June 30th									
FUNCTION/PROGRAM		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety	Incidents	41,206	40,964	39,605	39,456	39,122	39,553	42,031	38,392	28,042	29,891
	Calls for Service	22,383	21,021	21,293	21,384	21,487	22,659	23,639	23,124	20,290	20,140
Public Works	Officer Initiated Incidents	18,823	19,943	18,312	18,072	17,635	16,894	18,392	15,268	7,752	9,751
	Transportation:										
	Shuttle Passengers	80,774	82,420	82,663	71,597	57,737	60,508	50,611	33,131	7,700	13,184 *
Culture and Recreation	Engineering:										
	Encroachment Permits Issued	300	365	372	447	406	550	552	380	634	539
Culture and Recreation	Parks and recreation:										
	Number of Activity Hours Provided (1)	2,403,979	3,095,612	3,312,426	3,354,773	3,339,783	3,209,611	3,192,116	2,019,835	424,165	3,605,682
Community Development	Number of Recreational Activities Participants (2)	931,490	1,119,365	1,196,406	981,761	1,009,084	950,392	980,852	595,707	119,141	1,057,110
	Library:										
	Books Volumes held	157,155	165,118	167,970	149,524	135,200	141,352	129,275	111,447	122,318	93,147
	Video/DVD held	13,348	16,704	17,344	17,556	16,643	16,659	16,118	14,921	13,954	12,583
	Books Volumes added	11,183	10,966	10,202	8,760	8,884	12,880	12,961	8,610	7,382	5,210
	Total Circulations	672,967	682,381	609,387	587,909	621,261	544,893	593,479	456,294	149,359	554,478
Community Development	Building Permits Issued:										
	Residential Buildings - Count	728	717	734	900	734	659	905	1,661	1,288	1,318
	Residential - Value (\$1000s)	64,932	65,386	118,952	215,219	81,949	83,132	69,512	72,988	56,595	81,489
	Commercial Buildings - Count	229	180	187	174	184	152	188	260	145	173
	Commercial - Value (\$1000s)	61,201	238,585	282,621	151,139	605,311	460,907	252,117	264,723	147,636	89,533
	Accessory Buildings - Count	100	91	90	138	110	103	76	105	82	53
	Accessory - Value (\$1000s)	1,876	3,752	3,999	3,985	18,331	9,072	3,465	3,638	2,841	4,906
	Building Inspection Conducted	10,171	10,004	10,639	12,103	13,704	11,062	12,168	14,259	9,660	9,118
Administrative Services	Housing and Redevelopment:										
	Below Market Rate - Units sold	1	4	0	0	0	0	0	3	3	0
	Below Market Rate - Units resold	0	2	1	1	0	0	0	0	0	0
	Housing Rehabilitation - New loans	0	0	0	0	0	0	0	0	0	0
	Housing Rehab Loans - Cumulative \$	960,179	917,315	799,640	698,128	622,798	527,324	424,829	400,054	374,385	254,377
	Housing Rehab Homes - Cumulative Count	28	26	22	17	15	17	15	13	13	9
	RDA - Housing Rehabilitation - New loans	0	0	0	0	0	0	0	0	0	0
	RDA - Housing Rehab Loans - Cumulative \$	328,676	299,139	258,558	236,375	164,701	160,817	131,839	127,452	124,445	119,374
	Count	7	7	5	5	5	3	2	2	2	2
Administrative Services	Finance:										
	New Business License Applications	811	661	691	718	575	708	538	607	683	594

Source: City of Menlo Park

Note:

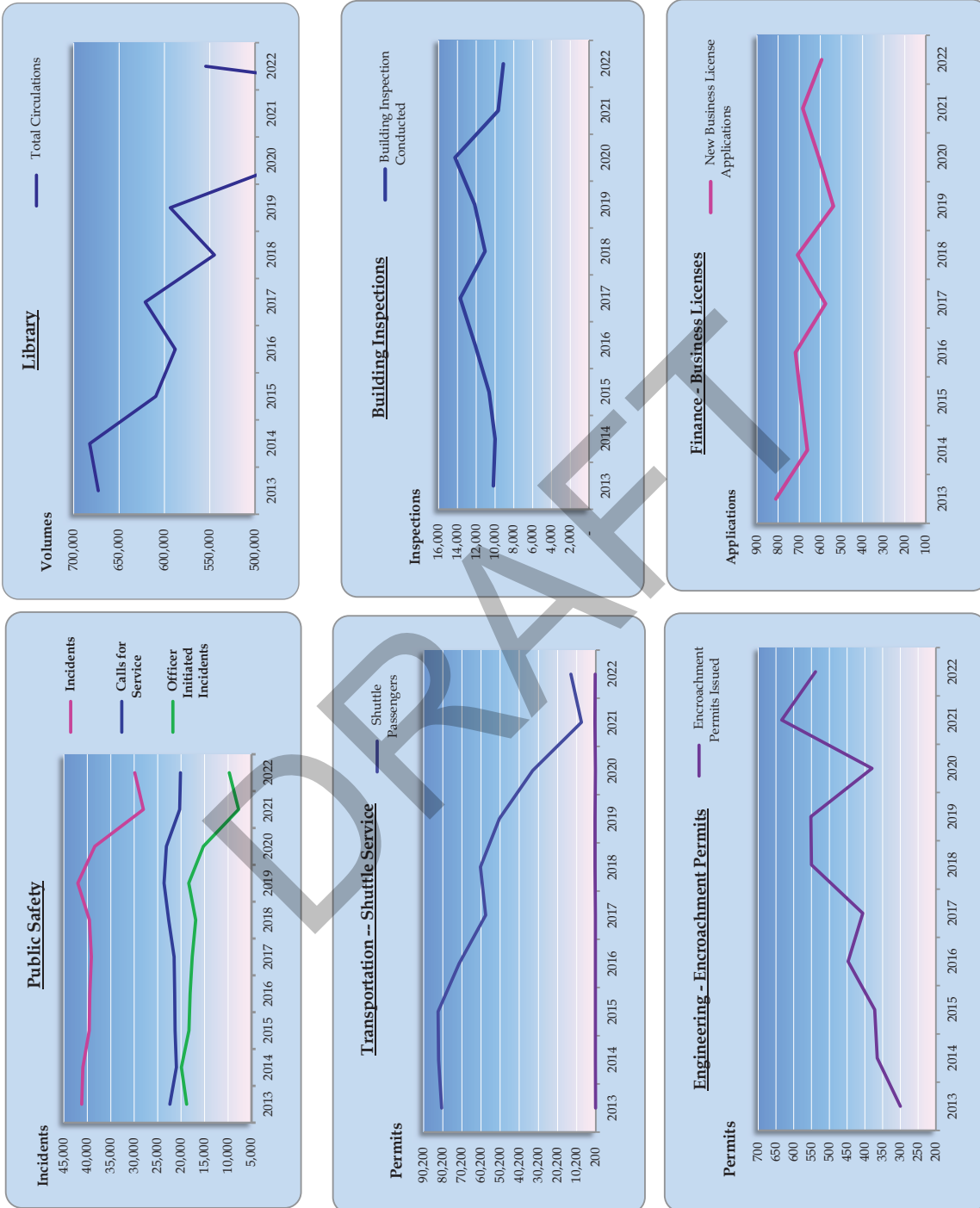
(1) Number of Recreational Activities was limited to primarily outdoor activities due to COVID-19.

(2) Number of Activity Hours are well below FY2019-20 due to COVID-19.

* The reduction of Shuttle passengers and other services in 20-21 was due to COVID-19 shelter in place in March 2020.

* In 2021-22, Shuttle passengers and other services increased by 71%.

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



Source: City of Menlo Park

Capital Asset Inventory by Function
Last Ten Fiscal Years

Operating Information:
Schedule 19

<u>Function</u>	<u>Facility</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government	Civic Center-Administration	1	1	1	1	1	1	1	1	1	1
	Police Stations	2	2	2	2	2	2	2	2	2	2
Public Safety	Streets (miles)	100	100	100	100	100	100	100	100	100	96.3
	Streetlights	2233	2233	2233	2233	2238	2240	2270	2270	2270	2300
Public Works	Traffic Signals	22	22	22	22	22	23	23	25	25	25
	Water:										
	- Daily average introduced into system (1,000 gallons)	3238	3531	2633	2202	2202	2670	2835	1079	3778	3449
	- Water storage (millions of gallons)	6.0	6.0	6.0	6.0	6.0	5.5	5.5	5.5	5.5	5.5
	- Water lines (miles)	59	59	63	59	59	59	59	59	59	59
	Child Care Centers	3	3	3	3	3	3	3	3	3	3
	Recreation Center	1	1	1	1	1	1	1	1	1	1
	Library	2	2	2	2	2	2	2	2	2	2
	Parks	14	14	14	14	14	14	14	14	14	14
	Community Centers	2	2	1	1	1	1	1	1	1	1
Parks and Recreation	Senior Center	1	1	1	1	1	1	1	1	1	1
	Gymnasium	2	2	2	2	2	2	2	2	2	2
	Gymnastics Center	1	1	1	1	1	1	1	1	1	1
	Pools (locations)	2	2	2	2	2	2	2	2	2	2
	Medical Clinic	1	1	0	0	0	0	0	0	0	0
	Gate House	1	1	1	1	1	1	1	1	1	1
	Dog Park Areas	2	2	2	2	2	2	2	2	2	2

Source: City of Menlo Park

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Capital Asset and Infrastructure Statistics by Activities

Last Ten Fiscal Years

Operating Information:
Schedule 20

Fiscal Year Ending	Non-Depreciable						Depreciable								
	Land	Land Improvement	Real Estate Held for Sale	Construction in Progress	Total		Share Use			Other			Less: Accumulatec		Combined Total
					Non-Depreciable		Buildings	Facilities	Leased Assets	Equipment	Improvements	Infrastructure	Depreciation	Depreciable	
2013	199,256,305	32,900,109	733,597	2,537,004	235,427,015		76,762,760	2,600,000		7,064,784	16,370,783	113,871,991	(83,296,591)	133,373,727	368,800,742
2014	199,256,305	32,900,109	-	1,953,563	234,109,977		77,022,447	2,600,000		7,329,067	173,248,051	114,657,739	(88,526,395)	130,407,663	364,517,640
2015	199,256,305	32,921,636	-	2,362,145	234,540,086		77,198,498	2,600,000		6,818,988	17,615,799	115,318,426	(93,534,204)	126,017,507	360,557,593
2016	199,998,884	32,921,636	-	4,007,088	236,927,608		78,908,590	2,600,000		6,978,110	17,865,240	119,176,312	(98,528,975)	126,999,277	363,926,885
2017	199,998,884	32,921,636		9,337,248	242,257,768		78,908,590	2,600,000		7,871,989	18,044,301	123,130,552	(104,844,782)	125,710,650	367,968,418
2018	199,998,884	32,921,636	-	14,810,224	247,730,744		81,417,014	2,600,000		8,621,375	18,324,609	124,403,700	(111,125,734)	124,240,964	371,971,708
2019	199,998,884	32,921,636	-	2,051,668	234,972,188		82,745,716	2,600,000		9,248,866	18,572,743	133,369,518	(116,065,114)	130,471,729	365,443,917
2020	199,998,884	32,921,636	-	7,308,386	240,228,906		82,763,317	2,600,000		10,360,408	19,561,135	133,742,935	(123,202,961)	125,824,834	366,053,740
2021	199,998,884	32,956,478	-	9,337,666	242,293,028		82,865,846	2,600,000		11,021,295	19,773,485	137,697,912	(130,016,264)	123,942,274	366,235,302
2022	199,998,884	32,956,478	-	13,939,316	246,894,678		77,052,275	2,600,000	241,757	12,090,394	20,434,126	141,020,260	(133,768,723)	119,670,089	366,564,767
2013	1,066,454	-	-	2,310,988	3,377,442		4,159,460	-		542,565	-	8,371,534	(6,371,319)	6,702,240	10,079,682
2014	1,066,454	-	-	3,436,621	4,503,075		4,159,460	-		540,323	-	8,371,534	(6,568,646)	6,502,671	11,005,746
2015	1,066,454	-	-	6,607,112	7,673,566		4,159,460	-		494,276	-	8,371,534	(6,708,763)	6,316,507	13,990,073
2016	1,066,454	-	-	2,256,956	3,323,410		7,823,985	-		525,118	-	10,111,882	(6,905,890)	11,555,095	14,878,505
2017	1,066,454	-	-	3,901,402	4,967,856		7,831,635	-		509,343	-	10,111,881	(7,208,291)	11,244,568	16,212,424
2018	1,066,454	-	-	5,747,244	6,813,698		7,831,636	-		517,996	-	10,111,881	(7,533,007)	10,928,506	17,742,204
2019	1,066,454	-	-	6,719,966	7,786,420		7,831,636	-		485,573	-	10,111,881	(7,823,003)	10,606,087	18,392,507
2020	1,066,454	-	-	10,144,668	11,211,122		7,831,636	-		446,121	-	10,111,881	(8,103,510)	10,286,128	21,497,250
2021	1,066,454	-	-	11,080,457	12,146,911		7,831,636	-		446,121	-	10,111,881	(8,413,320)	9,976,318	22,123,229
2022	1,066,454	-	-	12,647,112	13,713,566		7,831,636	-		446,121	-	10,111,881	(8,723,132)	9,666,506	23,380,072

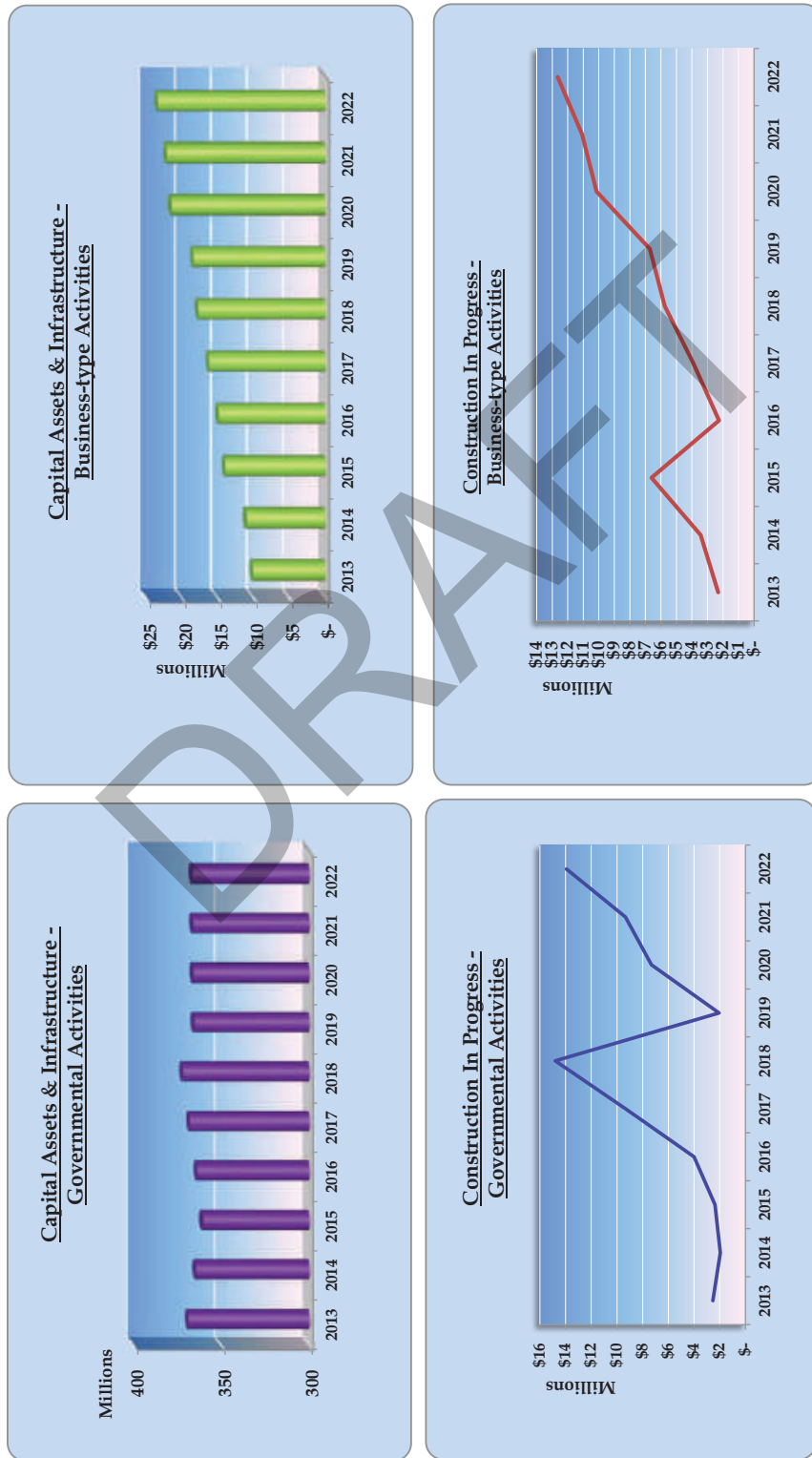
Governmental Activities

Business-type Activities

Source: City of Menlo Park

(Continued)

Capital Asset and Infrastructure Statistics by Activities
Last Ten Fiscal Years



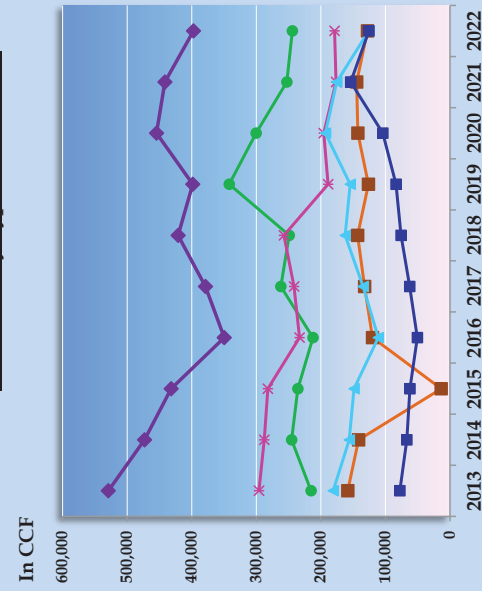
Source: City of Menlo Park

Water Sold by Type of Customer
Last Ten Fiscal Years

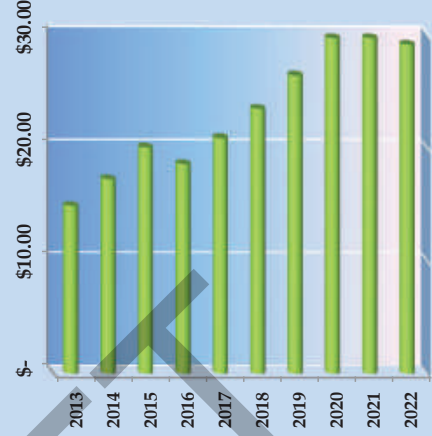
(in CCF)

	Fiscal year ending June 30th									
<u>Type of Customer</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Single Family	529,161	473,312	432,062	349,573	378,848	421,103	398,254	454,610	441,437	397,166
Multi-family	158,386	141,634	13,487	119,843	132,285	143,084	126,250	142,681	144,672	127,630
Commercial	215,162	245,206	235,530	212,187	262,133	249,093	341,880	300,099	252,604	243,983
Industrial	295,864	287,567	282,021	232,846	241,563	257,321	188,936	195,384	176,456	178,845
Landscape/Irrigation	181,100	155,937	148,509	110,982	134,569	162,184	154,674	192,927	175,510	126,114
Public Facility	77,494	66,833	61,828	50,526	62,292	75,899	83,394	103,856	153,741	125,696
Total Water Sold - CCF	1,457,167	1,370,489	1,173,437	1,075,957	1,211,690	1,308,684	1,293,388	1,389,557	1,344,420	1,199,434
Direct Rate(*)	\$ 14.86	\$ 17.24	\$ 20.03	\$ 18.56	\$ 20.86	\$ 23.46	\$ 26.40	\$ 29.71	\$ 29.71	\$ 29.16

Water Sold by Type of Customers



Water - Direct Rate(*)



Source: California Water Service Company, City of Menlo Park

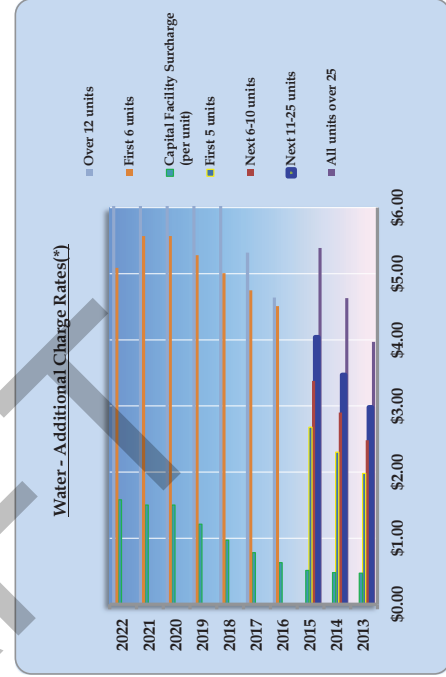
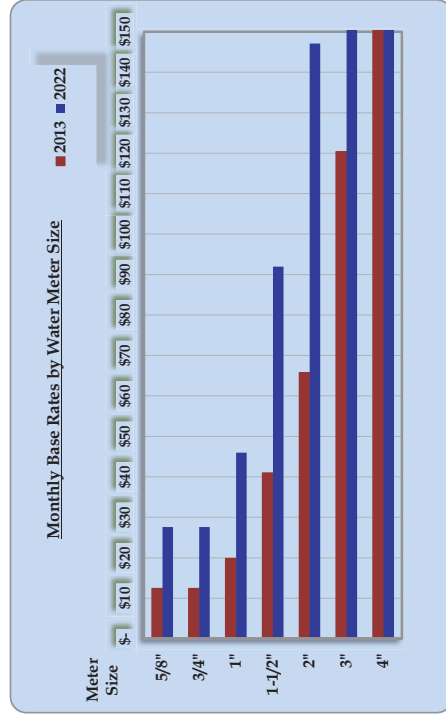
Notes: 1 unit is 748 gallons

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

Water Service Rates
Last Ten Fiscal Years

Monthly Base Rate by Meter Size	Fiscal Year Ending June 30th									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
5/8"	12.41	14.46	16.84	17.93	20.08	22.49	25.19	28.21	28.21	27.58
3/4"	12.41	14.46	16.84	17.93	20.08	22.49	25.19	28.21	28.21	27.58
1"	19.85	23.12	26.94	29.88	33.47	37.49	41.99	47.03	47.03	45.97
1-1/2"	40.95	47.70	55.57	59.77	66.94	74.97	83.97	94.05	94.05	91.95
2"	65.77	76.62	89.26	95.63	107.10	119.95	134.34	150.46	150.46	147.12
3"	120.36	140.21	163.35	179.30	200.82	224.92	251.91	282.14	282.14	294.24
4"	186.12	216.83	252.61	299.43	335.36	375.60	420.67	471.15	471.15	459.75
6"	413.20	481.38	560.81	597.67	669.39	749.72	839.69	940.45	940.45	919.50
8"	916.98	1,068.28	1,244.54	956.27	1,071.02	1,199.54	1,343.48	1,504.70	1,504.70	1,471.20
10"	2,034.97	2,370.74	2,761.91	1,374.63	1,539.59	1,724.34	1,931.26	2,163.01	2,163.01	2,114.84
<i>Additional charges (*)</i>										
First 5 units	1.98	2.30	2.68	-	-	-	-	-	-	-
Next 6-10 units	2.48	2.90	3.38	-	-	-	-	-	-	-
Next 11-25 units	2.98	3.47	4.04	-	-	-	-	-	-	-
All units over 25	3.97	4.63	5.39	-	-	-	-	-	-	-
First 6 units	-	-	-	4.51	4.75	5.01	5.28	5.57	5.57	5.09
7-12 units	-	-	-	-	-	-	-	-	-	6.82
Over 12 units	-	-	-	4.64	5.32	6.09	6.97	7.98	7.98	8.69
Capital Facility Surcharge (per unit)	0.47	0.48	0.51	0.63	0.78	0.97	1.21	1.50	1.50	1.58

**



Source: City of Menlo Park, Master Fee Schedules

Notes: (*) Additional charge is based on monthly meter readings, one unit is 748 gallons; Structural rate change in 2015-16.

The Menlo Park Municipal Water District charges an excess-use rate above normal demand.

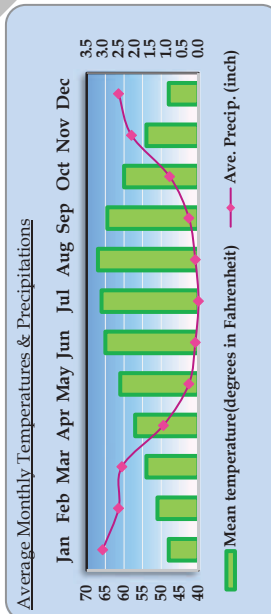
Miscellaneous Statistics

June 30, 2022

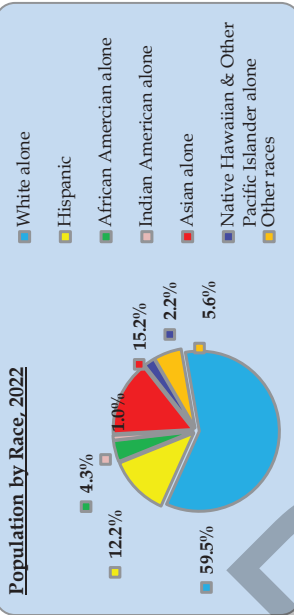
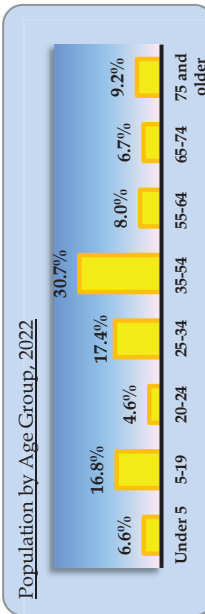
Operating Information:
Schedule 23

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

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



Demographic Profile
 Population, 2022 Estimate 34,825
 People per square miles, 2022 3,333
 Male Persons, 2022 48.9%
 Female Persons, 2022 51.1%
 Median age (years), 2022 37.9%



Population 5 years and over 93.4%
Percentage Speak English only 65.0%
Percentage Speak a language other than English only 35.0%
Percentage Speak a language other than English:
 Age 5-17 36.3%
 Age 18-64 39.6%
 Age 65+ 24.1%
Education Attainment - Population 25 years and over
 Less than high school graduate 4.7%
 High school graduate or equivalent 9.4%
 Some college or associate's degree 15.4%
 Bachelor's degree 29.8%
 Graduate or professional degree 40.7%
Marital Status
 Never married 33.2%
 Now married - except separated 54.4%
 Divorced or separated 6.9%
 Widowed 3.5%
Citizenship Status
 Native, 5 years and over 46.2%
 Foreign-born, 5 years and over 26.9%
 Naturalized U.S. citizen 13.7%
 Not a U.S. citizen 13.2%
Poverty Status in the past 12 months, 2012
 Below poverty level 5.6%
 At or above poverty level 94.4%

Housing Characteristics
 Total housing units 14,026
 Occupied housing units 12,401
 Homeownership rate 58.2%
 Housing units in multi-unit structures 41.8%
 Median value of owner-occupied homes \$ 2,000,000
 Foreign born persons 26.9%

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, 2022 Demographic Profile Data / ACS Demographic & Housing Estimates, July 2022

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DRAFT



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Menlo Park, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated **December 22, 2022**.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-001 that we consider to be material weaknesses. We consider the following deficiencies, described on the accompanying schedule of findings and questioned costs, to be significant deficiencies: 2022-002.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2022-001.



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

City of Menlo Park, California's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lughard, LLP

Brea, California

[DATE]

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

SCHEDULE OF FINDINGS AND RESPONSES

Reference No.: 2022-001 – Final Reconciliation Process

Evaluation of Finding:

Material weakness.

Criteria:

Management is responsible for the preparation and fair presentation, as well as the accuracy of its financial statements, including disclosures in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Condition:

During the audit, we found the following conditions that resulted in significant audit adjustments to the financial statements:

Accuracy in External Financial Reporting

The year-end closing process did not ensure that account balances were reconciled and accurate in advance of the audit requiring adjusting journal entries to correct the final financial statements. It appears these errors were primarily caused by the trial balance being prepared from data that was not always complete. The more significant entries identified include:

- Adjustments to record assets not properly capitalized.
- Adjustments to record cash appropriately.

Effect or Potential Effect of Condition:

Cash would have been understated as of June 30, 2022.

Capital Assets would have been further understated at FY 2022 and expenses would have been overstated.

Recommendation:

The City should include in their year-end close process a review of capital assets not being depreciated to ensure they have not been placed in service. The City should also consider using a software solution for the tracking of all capital assets. The City should perform regular bank reconciliations to ensure proper accounting of cash.

Client Response:

CLIENT TO PROVIDE



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

Reference Number: 2022-002 – Correcting Journal Entries

Evaluation of Finding:

Significant Deficiency

Condition:

During the course of the audit, the City of Menlo Park provided numerous correcting journal entries. These ranged from closing entries that were improperly not included in the financial records provided for the audit to corrections of material errors.

Criteria:

The City of Menlo Park should ensure that the general ledger and other financial records are complete, accurate and reviewed in a timely manner.

Cause of Condition:

Due to staffing changes at the City of Menlo Park, there are areas which are not being properly reviewed for completeness and accuracy.

Effect or Potential Effect of Condition:

The potential effect of the City of Menlo Park not posting journal entries varies by journal entry, but the management of the City should strive to ensure the accuracy and completeness of the financial information.

Recommendation:

The City of Menlo Park should review the year-end close process and update with improved procedures that will help ensure the accuracy and completeness of the information under audit.

Management's Response and Corrective Action:

CLIENT TO PROVIDE

CITY OF MENLO PARK
MEASURE A TRANSPORTATION FUND

INDEPENDENT ACCOUNTANTS'
REPORT ON SCHEDULE OF
RECEIPTS AND DISBURSEMENTS

FOR FISCAL YEAR ENDED JUNE 30, 2022

DRAFT

CITY OF MENLO PARK
MEASURE A TRANSPORTATION FUND

INDEPENDENT ACCOUNTANTS'
REPORT ON SCHEDULE OF
RECEIPTS AND DISBURSEMENTS

FOR FISCAL YEAR ENDED JUNE 30, 2022

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INDEPENDENT ACCOUNTANTS' REPORT

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

Opinions

We have examined management's assertion, included in the accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes* (Agreement) between the City of Menlo Park (City) and the San Mateo County Transportation Authority entered into on June 19, 1989, that the City complied with the requirements of the Agreement during the year ended June 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion on the City's compliance based upon our examination.

In our opinion, management's assertion that the City complied with the aforementioned requirements for the fiscal year ended June 30, 2022, is, in all material respects, fairly stated.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our responsibility is to express opinions on compliance with the requirements described in the Agreement based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and the Agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the City's local program. An audit includes examining, on a test basis, evidence about



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

the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Agreement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Agreement for Distribution of San Mateo County Measure A Funds for Local Transportation Purposes*. Accordingly, this communication is not suitable for any other purpose

Lance, Soll & Lughard, LLP

Sacramento, California
January XX, 2023

DRAFT

CITY OF MENLO PARK MEASURE A TRANSPORTATION FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Receipts:	
Sales and Use Taxes	\$ 1,169,105
Interest Income	(21,529)
	<hr/>
Total receipts	\$ 1,147,576
	<hr/>
Disbursements:	
Multi-modal management	\$ 278
Streets	276,415
Transportation demand management program	526,684
	<hr/>
Total disbursements	\$ 803,377
	<hr/>
Receipts over disbursements	\$ 344,199
	<hr/>

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CITY OF MENLO PARK
MEASURE W TRANSPORTATION FUND

INDEPENDENT ACCOUNTANTS'
REPORT ON SCHEDULE OF
RECEIPTS AND DISBURSEMENTS

FOR FISCAL YEAR ENDED JUNE 30, 2022

DRAFT

CITY OF MENLO PARK
MEASURE W TRANSPORTATION FUND

INDEPENDENT ACCOUNTANTS'
REPORT ON SCHEDULE OF
RECEIPTS AND DISBURSEMENTS

FOR FISCAL YEAR ENDED JUNE 30, 2022

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INDEPENDENT ACCOUNTANTS' REPORT

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

Opinions

We have examined management's assertion, included in the accompanying Management's Report on Compliance with the *Agreement for Distribution of San Mateo County Measure W Funds for Local Transportation Purposes* (Agreement) between the City of Menlo Park (City) and the San Mateo County Transportation Authority entered into on October 7, 2020, that the City complied with the requirements of the Agreement during the year ended June 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion on the City's compliance based upon our examination.

In our opinion, management's assertion that the City complied with the aforementioned requirements for the fiscal year ended June 30, 2022, is, in all material respects, fairly stated.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our responsibility is to express opinions on compliance with the requirements described in the Agreement based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and the Agreement require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the City's local program. An audit includes examining, on a test basis, evidence about



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

the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
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Report on Internal Control Over Compliance

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Agreement for Distribution of San Mateo County Measure W Funds for Local Transportation Purposes*. Accordingly, this communication is not suitable for any other purpose

Lance, Soll & Lughard, LLP

Sacramento, California
January XX, 2023

DRAFT

CITY OF MENLO PARK MEASURE W TRANSPORTATION FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Receipts:	
Other Governmental	\$ 618,718
Interest Income	<u>(26,730)</u>
Total receipts	<u>\$ 591,988</u>
Disbursements:	
Streets	<u>\$ 72,500</u>
Total disbursements	<u>\$ 72,500</u>
Receipts over disbursements	<u>\$ 519,488</u>

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**CITY OF MENLO PARK, CALIFORNIA
BELLE HAVEN CHILD DEVELOPMENT CENTER
FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

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CITY OF MENLO PARK, CALIFORNIA
BELLE HAVEN CHILD DEVELOPMENT CENTER

FINANCIAL STATEMENTS

FOR FISCAL YEAR ENDED JUNE 30, 2022

DRAFT

CITY OF MENLO PARK, CALIFORNIA
BELLE HAVEN CHILD DEVELOPMENT CENTER

FINANCIAL STATEMENTS

FOR FISCAL YEAR ENDED JUNE 30, 2022

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CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

GENERAL INFORMATION
YEAR ENDED JUNE 30, 2022

Name of Agency

City of Menlo Park
Belle Haven Child Development Center
410 Ivy Drive
Menlo Park, California
(650) 330-2270

Program Numbers

41-2184-00-23254-0
41-2184-00-13609-0
41-2184-00-23038-0
41-2184-00-15136-0

Type of Agency

Public Agency of the City of Menlo Park

Director of Community Services

Sean Reinhart

Interim Finance Director

Marvin Davis

City Manager

Justin Murphy

Period Covered

The Fiscal Year Ended June 30, 2022

Days of Operation

244

Hours of Operation

7:30AM to 5:30 PM

CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

BALANCE SHEET
JUNE 30, 2022

ASSETS

Cash	\$	79,113
Federal support receivable - food service		9,114
State support receivable - child development		130,658
Total Assets	\$	218,885

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND FUND BALANCES**

Liabilities:

Accounts Payable	\$	10,883
Accrued Payroll		46,542
Due to the City		471,223
Total Liabilities		528,648

Fund Balance:

Unassigned		(309,763)
Total Fund Balance		(309,763)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	218,885

CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

Revenues:

Federal Support	
Food service	\$ 61,367
State Support	
Child development	1,250,561
Parent fees	
Non Certified	39,470
Other Revenue- CRRSA	30,000
Other Revenue- QRIS	14,256
Reimbursement Revenue	1,148
	<hr/>
Total Revenues	1,396,802
	<hr/>

Expenditures:

Salaries	
Certified teachers	432,970
Institutional aides	510,581
Employee benefits	434,296
Food services	67,063
Instructional materials and supplies	21,060
Utilities	18,531
Miscellaneous operating expense	106
Professional services	850
	<hr/>
Total Expenditures	1,485,457
	<hr/>
Revenues Over/(Under) Expenditures	(88,655)

Fund Balance:

Beginning of Year	<hr/> (221,108)
End of Year	<hr/> <hr/> \$ (309,763)

**CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER**

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The accompanying financial statements of the City of Menlo Park (City) Belle Haven Child Development Center (Child Development Center) include the financial activities of the City's preschool age childcare center. The financial operations of the Center are accounted for in the General Fund of the City.

The accompanying financial statements are not intended to present the financial position or results of operations of the City.

b. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus, wherein only current assets and current liabilities generally are included on the balance sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreasing (expenditures and other financing uses) in net current assets.

The Child Development Center's financial activities are accounted for using the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Revenues considered susceptible to accrual include charges for services, federal and state grants and interest. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

c. Cash and Investments

All Child Development Center monies are invested in a cash and investment pool, whereby funds can spend cash at any time without prior notice or penalty.

d. Program Funding Terms & Conditions

In accordance with the applicable requirements from the Funding Terms & Conditions of the California State Preschool Program (Grant Program):

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease, purchase, acquisition, or repair or renovation of early learning and cash facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2022.
2. All expenses claimed for reimbursement under a related rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There were no related party rent expenses claimed for the year ended June 30, 2022.
3. Bad debt expense is unallowable unless it relates to uncollectible family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2022.

**CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Note 2: Cash

The cash balance for the Child Development Center is held in the City's cash and investment pool. The City maintains a cash and investment pool in order to facilitate the management of cash. Interest is allocated to its various funds based upon average cash balances. Investments held in the City's cash management pool are available on demand to the Child Development Center and are stated at fair value. Information regarding categorization of investments can be found in the City's financial statements.

Note 3: Child Development Contracts

The Child Development Center contracts with the California State Department of Education to conduct a child development program. Program reimbursement is the lesser of allowable costs incurred and a maximum funding amount, which is based on average daily enrollment and days of operation. For the year ended June 30, 2022, the Center earned \$1,250,561 of the maximum reimbursable amount of \$1,390,376.

The Program had the following grant expenditures and corresponding grant receipts for the fiscal year ending June 30, 2022:

<u>Contract Number</u>	<u>Award Amount</u>	<u>Grant Expenditures</u>	<u>Grant Revenue Received</u>	<u>Amount Due From/(To) State</u>
CSPP-0528	1,390,376	1,250,561	1,119,903	130,658
	<u>\$ 1,390,376</u>	<u>\$ 1,250,561</u>	<u>\$ 1,119,903</u>	<u>\$ 130,658</u>

Note 4: Food Service Contract

Under a separate contract, the California State Department of Education provided cost reimbursement support for food services. The following is an analysis of the support of the food service program and receivable of the year ended June 30, 2022.

<u>Cash Received During Year</u>	<u>Current Year Receivable</u>	<u>Total Revenue</u>
\$ 52,253	\$ 9,114	\$ 61,367
<u>\$ 52,253</u>	<u>\$ 9,114</u>	<u>\$ 61,367</u>

**CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Note 5: Schedule of State and Federal Awards

Grantor	Federal CFDA Number	Grantor's Number	Award Amount			Expenditures		
	Federal		State	Total	Federal	State	Total	
U.S. Department of Agriculture								
Passed through California								
Department of Education								
Child Care Meals Program- 2021	10.558	N/A	\$ 15,113	\$ -	\$ 15,113	\$ -	\$ -	\$ -
Child Care Meals Program- 2022	10.558	N/A	43,887	2,367	46,254	43,887	2,367	46,254
			<u>59,000</u>	<u>2,367</u>	<u>61,367</u>	<u>43,887</u>	<u>2,367</u>	<u>46,254</u>
U.S. Department of Health and Human Services								
Passed through California								
Department of Education								
Child Development Program- 2022	N/A	CSPP-1519	-	1,250,561	1,250,561	-	1,250,561	1,250,561
			-	1,250,561	1,250,561	-	1,250,561	1,250,561
Total State and Federal			\$ 59,000	\$ 1,252,928	\$ 1,311,928	\$ 43,887	\$ 1,252,928	\$ 1,296,815

Note 6: Schedule of Administrative Costs

Total administrative costs for administrative salaries and audit services were \$26,152 for the year ended June 30, 2022. These costs were funded by the General Fund and are not required to be paid back. As such, they are not recognized as expenses in the financial statements.

Note 7: Contributed Space

The City provides the facility space at no cost to the Child Development Center.

Note 8: Contingencies and Commitments

Grants – The Child Development Center participates in a number of Federal and State 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 a noncompliance with grantor program regulations, the Child Development Center may be required to reimburse the grantor government. As of June 30, 2022, some amounts of grant expenditures have not been audited, but the Child Development Center believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the Child Development Center.

COVID-19 National Health Emergency – On March 15, 2020, the Child Development Center's operations were impacted by the COVID-19 national health emergency which resulted in shelter in place orders by national, state and county health departments. Once reopened, the Child Development Center implemented customer and staff safety procedures based on recommendations from the health departments and industry specialists. The Child Development Center's operations were impacted due to the operations requiring in-person attendance, and therefore could no longer take place once the emergency orders became effective. The Child Development Center's revenue has been significantly impacted by the health emergency. The Child Development Center continues to evaluate the impact of this health emergency on the Child Development Center's operations.

CITY OF MENLO PARK
 BELLE HAVEN CHILD DEVELOPMENT CENTER

STATEMENT OF EXPENDITURES BY STATE CATEGORIES
 FOR THE YEAR ENDED JUNE 30, 2022

<u>Expenditure Codes</u>		<u>Reimbursable</u>	<u>Non-Reimbursable</u>
1000	Certified Salaries: Teacher's salaries	\$ 432,970	\$ -
2000	Classified Salaries: Salaries of instructional aides for direct teaching assistance	510,581	-
3000	Employee Benefits: Old age, survivors, disability and health insurance	434,296	-
4200	Books, Supplies, and Equipment Repayment: Instructional materials and supplies	6,107	14,953
4710	Food services	66,969	94
5500	Contracted Services and Other Operating Expenses: Utilities	18,531	-
5100	Audit and miscellaneous services	-	850
5800	Miscellaneous	106	-
Total Expenditures		\$ 1,469,560	\$ 15,897

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Contractor Name: City of Menlo Park Belle Haven Child Development Center

Contract Number: CSPP 1519

**California Department of Education
Audited Enrollment, Attendance and Fiscal
Report for California State Preschool Program**

Fiscal Year Ended: June 30, 2022

Vendor Code: 2184

Section 1 – Number of Counties Where Services are Provided

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2): **0**

Number of counties where the agency provided services to non-certified children (Form 3): **1**

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4): **0**

Total enrollment and attendance forms to attach: **4**

Note: For each of the above categories, submit one July-December form and one form for each service county for January-June.

Section 2 – Days of Enrollment, Attendance and Operation

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	11,047		11,047	
Total Certified Days of Enrollment with Mental Health Consultation Services	244		244	
Days of Attendance (including MHCS)	10,478		10,478	N/A
Total Non-Certified Days of Enrollment	949		949	
Total Non-Certified Days of Enrollment with Mental Health Consultation Services			0	

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	244		244	N/A

Contractor Name: City of Menlo Park Belle Haven Child Development Center

Contract Number: CSPP 1519

Section 3 – Revenue

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	61,368	(1)	61,367
County Maintenance of Effort (EC Section 8279)			0
Other: American Rescue Plan Act (ARPA)	30,000		30,000
Other: Reimbursement revenue	1,148		1,148
TOTAL RESTRICTED INCOME	92,516	(1)	92,515

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Reserve			0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Waived Family Fees for Certified Children	51,030		51,030
Interest Earned on Child Development Apportionment Payments			0
Fees for Non-Certified Children	39,470		39,470
Unrestricted Income: Head Start			0
Other:			0
Other:			0

Contractor Name: City of Menlo Park Belle Haven Child Development Center

Contract Number: CSPP 1519

Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
1000 Certificated Salaries	429,651	3,319	432,970
2000 Classified Salaries	511,313	(732)	510,581
3000 Employee Benefits	434,323	(27)	434,296
4000 Books and Supplies	69,026	4,050	73,076
5000 Services and Other Operating Expenses	18,531	106	18,637
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)			0
Depreciation or Use Allowance			0
Start-up Expenses (service level exemption)			0
Indirect Costs (include in Total Administrative Cost)			0
TOTAL REIMBURSABLE EXPENSES	1,462,844	6,716	1,469,560

Does the agency have an indirect cost rate approved by its cognizant agency (Select YES or NO)? ☐ Yes ☒ No

Approved Indirect Cost Rate: 1.7 %

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)	26,152		26,152
Total Staff Training Cost (included in Reimbursable Expenses)			0

☐ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 4.

Contractor Name: City of Menlo Park Belle Haven Child Development Center

Contract Number: CSPP 1519

Section 5 - Supplemental Funding

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding			0
Other: QRIS Block Grants	14,256		14,256
Other:			0
TOTAL SUPPLEMENTAL REVENUE	14,256	0	14,256

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries			0
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses		15,697	15,697
TOTAL SUPPLEMENTAL EXPENSES	0	15,697	15,697

Contractor Name: City of Menlo Park Belle Haven Child Development Center

Contract Number: CSPP 1519

Section 6 - Summary

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	11,291	0	11,291
Days of Operation	244	0	244
Days of Attendance (including MHCS)	10,478	0	10,478
Total Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	92,516	(1)	92,515
Transfer from Reserve	0	0	0
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	1,462,844	6,716	1,469,560
Total Administrative Cost	26,152	0	26,152
Total Staff Training Cost	0	0	0
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

Contractor Name: City of Menlo Park Belle Haven Child Development Center

Contract Number: CSPP 1519

Section 7 – Auditor’s Assurances

Independent auditor’s assurances on agency’s compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO): ☒ Yes ☐ No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO): ☒ Yes ☐ No

Section 8 – Comments

Include any comments in the comment box. If necessary, attach additional sheets to explain adjustments.

CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

SCHEDULE OF REIMBURSABLE ADMINISTRATIVE COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Reimbursable Administrative Costs	CSPP-1519
Salaries	\$ -
Services and other operating expenses	-
Total	\$ -

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CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

SCHEDULE OF RENOVATION AND REPAIR EXPENDITURES UTILIZING CONTRACT FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Expenditures Under \$10,000 Unit Cost			Expenditures Over \$10,000 Unit Cost With CCD Approval			Expenditures Over \$10,000 Unit Cost Without CCD Approval		
Cost		Item	Cost		Item	Cost		Item
\$	-	None	\$	-	None	\$	-	None

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CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

SCHEDULE OF EQUIPMENT EXPENDITURES UTILIZING CONTRACT FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Expenditures Under \$7,500 Unit Cost			Expenditures Over \$7,500 Unit Cost With CCD Approval			Expenditures Over \$7,500 Unit Cost Without CCD Approval		
Cost		Item	Cost		Item	Cost		Item
\$	-	None	\$	-	None	\$	-	None

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CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

SUMMARY OF MEALS REPORTED
FOR THE YEAR ENDED JUNE 30, 2022

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments *	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
July 2021									
Breakfast									
Full price/base rate	150	-	150	0.3300	\$ 49	0.0000	\$ -	0.0000	\$ -
Reduced price	80	-	80	1.6700	134	0.0000	-	0.0000	-
Free	344	-	344	1.9700	678	0.0000	-	0.0000	-
Lunch									
Full price/base rate	153	-	153	0.3500	54	0.0000	-	0.2600	40
Reduced price	83	-	83	3.2600	271	0.0000	-	0.2600	22
Free	354	-	354	3.6600	1,296	0.0000	-	0.2600	92
Supplement									
Full price/base rate	119	-	119	0.0900	11	0.0000	-	0.0000	-
Reduced price	64	-	64	0.5000	32	0.0000	-	0.0000	-
Free	274	-	274	1.0000	274	0.0000	-	0.0000	-
					\$ 2,799		\$ -		\$ 154
August 2021									
Breakfast									
Full price/base rate	184	-	184	0.3300	\$ 61	0.0000	\$ -	0.0000	\$ -
Reduced price	99	-	99	1.6700	165	0.0000	-	0.0000	-
Free	424	-	424	1.9700	835	0.0000	-	0.0000	-
Lunch									
Full price/base rate	187	-	187	0.3500	65	0.0000	-	0.2600	49
Reduced price	101	-	101	3.2600	329	0.0000	-	0.2600	26
Free	431	-	431	3.6600	1,577	0.0000	-	0.2600	112
Supplement									
Full price/base rate	149	-	149	0.0900	13	0.0000	-	0.0000	-
Reduced price	81	-	81	0.5000	41	0.0000	-	0.0000	-
Free	345	-	345	1.0000	345	0.0000	-	0.0000	-
					\$ 3,431		\$ -		\$ 187
September 2021									
Breakfast									
Full price/base rate	213	-	213	0.3300	\$ 70	0.0000	\$ -	0.0000	\$ -
Reduced price	114	-	114	1.6700	190	0.0000	-	0.0000	-
Free	490	-	490	1.9700	965	0.0000	-	0.0000	-
Lunch									
Full price/base rate	211	-	211	0.3500	74	0.0000	-	0.2600	55
Reduced price	113	-	113	3.2600	368	0.0000	-	0.2600	29
Free	486	-	486	3.6600	1,779	0.0000	-	0.2600	126
Supplement									
Full price/base rate	162	-	162	0.0900	15	0.0000	-	0.0000	-
Reduced price	87	-	87	0.5000	44	0.0000	-	0.0000	-
Free	373	-	373	1.0000	373	0.0000	-	0.0000	-
					\$ 3,878		\$ -		\$ 210
October 2021									
Breakfast									
Full price/base rate	281	-	281	0.3300	\$ 92	0.0000	\$ -	0.0000	\$ -
Reduced price	140	-	140	1.6700	234	0.0000	-	0.0000	-
Free	439	-	439	1.9700	865	0.0000	-	0.0000	-
Lunch									
Full price/base rate	281	-	281	0.3500	98	0.0000	-	0.2600	73
Reduced price	140	-	140	3.2600	456	0.0000	-	0.2600	36
Free	438	-	438	3.6600	1,603	0.0000	-	0.2600	114
Supplement									
Full price/base rate	191	-	191	0.0900	17	0.0000	-	0.0000	-
Reduced price	95	-	95	0.5000	48	0.0000	-	0.0000	-
Free	297	-	297	1.0000	297	0.0000	-	0.0000	-
					\$ 3,710		\$ -		\$ 223
November 2021									
Breakfast									
Full price/base rate	230	-	230	0.3300	\$ 76	0.0000	\$ -	0.0000	\$ -
Reduced price	115	-	115	1.6700	192	0.0000	-	0.0000	-
Free	360	-	360	1.9700	709	0.0000	-	0.0000	-
Lunch									
Full price/base rate	230	-	230	0.3500	81	0.0000	-	0.2600	60
Reduced price	115	-	115	3.2600	375	0.0000	-	0.2600	30
Free	359	-	359	3.6600	1,314	0.0000	-	0.2600	93
Supplement									
Full price/base rate	175	-	175	0.0900	16	0.0000	-	0.0000	-
Reduced price	88	-	88	0.5000	44	0.0000	-	0.0000	-
Free	274	-	274	1.0000	274	0.0000	-	0.0000	-
					\$ 3,081		\$ -		\$ 183

CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

SUMMARY OF MEALS REPORTED
FOR THE YEAR ENDED JUNE 30, 2022

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments *	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
CITY OF MENLO PARK									
GENERAL CHILD DEVELOPMENT PROGRAM									
CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED									
YEAR ENDED JUNE 30, 2006									
	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
December 2021									
Breakfast									
Full price/base rate	189	-	189	0.3300	\$ 63	0.0000	\$ -	0.0000	\$ -
Reduced price	95	-	95	1.6700	159	0.0000	-	0.0000	-
Free	295	-	295	1.9700	581	0.0000	-	0.0000	-
Lunch									
Full price/base rate	189	-	189	0.3500	66	0.0000	-	0.2600	49
Reduced price	94	-	94	3.2600	306	0.0000	-	0.2600	24
Free	295	-	295	3.6600	1,080	0.0000	-	0.2600	77
Supplement									
Full price/base rate	139	-	139	0.0900	13	0.0000	-	0.0000	-
Reduced price	69	-	69	0.5000	35	0.0000	-	0.0000	-
Free	217	-	217	1.0000	217	0.0000	-	0.0000	-
					\$ 2,520		\$ -		\$ 150
January 2022									
Breakfast									
Full price/base rate	143	-	143	0.3300	\$ 47	0.0000	\$ -	0.0000	\$ -
Reduced price	71	-	71	1.6700	119	0.0000	-	0.0000	-
Free	223	-	223	1.9700	439	0.0000	-	0.0000	-
Lunch									
Full price/base rate	142	-	142	0.3500	50	0.0000	-	0.2600	37
Reduced price	71	-	71	3.2600	231	0.0000	-	0.2600	18
Free	221	-	221	3.6600	809	0.0000	-	0.2600	57
Supplement									
Full price/base rate	107	-	107	0.0900	10	0.0000	-	0.0000	-
Reduced price	54	-	54	0.5000	27	0.0000	-	0.0000	-
Free	167	-	167	1.0000	167	0.0000	-	0.0000	-
					\$ 1,899		\$ -		\$ 112
February 2022									
Breakfast									
Full price/base rate	244	-	244	0.3300	\$ 81	0.0000	\$ -	0.0000	\$ -
Reduced price	122	-	122	1.6700	204	0.0000	-	0.0000	-
Free	382	-	382	1.9700	753	0.0000	-	0.0000	-
Lunch									
Full price/base rate	244	-	244	0.3500	85	0.0000	-	0.2600	63
Reduced price	122	-	122	3.2600	398	0.0000	-	0.2600	32
Free	381	-	381	3.6600	1,394	0.0000	-	0.2600	99
Supplement									
Full price/base rate	181	-	181	0.0900	16	0.0000	-	0.0000	-
Reduced price	91	-	91	0.5000	46	0.0000	-	0.0000	-
Free	284	-	284	1.0000	284	0.0000	-	0.0000	-
					\$ 3,261		\$ -		\$ 194
March 2022									
Breakfast									
Full price/base rate	339	-	339	0.3300	\$ 112	0.0000	\$ -	0.0000	\$ -
Reduced price	170	-	170	1.6700	284	0.0000	-	0.0000	-
Free	530	-	530	1.9700	1,044	0.0000	-	0.0000	-
Lunch									
Full price/base rate	338	-	338	0.3500	118	0.0000	-	0.2600	88
Reduced price	170	-	170	3.2600	554	0.0000	-	0.2600	44
Free	530	-	530	3.6600	1,940	0.0000	-	0.2600	138
Supplement									
Full price/base rate	251	-	251	0.0900	23	0.0000	-	0.0000	-
Reduced price	126	-	126	0.5000	63	0.0000	-	0.0000	-
Free	392	-	392	1.0000	392	0.0000	-	0.0000	-
					\$ 4,530		\$ -		\$ 270
April 2022									
Breakfast									
Full price/base rate	372	-	372	0.3300	\$ 123	0.0000	\$ -	0.0000	\$ -
Reduced price	153	-	153	1.6700	256	0.0000	-	0.0000	-
Free	492	-	492	1.9700	969	0.0000	-	0.0000	-
Lunch									
Full price/base rate	372	-	372	0.3500	130	0.0000	-	0.2600	97
Reduced price	152	-	152	3.2600	496	0.0000	-	0.2600	40
Free	490	-	490	3.6600	1,793	0.0000	-	0.2600	127
Supplement									
Full price/base rate	257	-	257	0.0900	23	0.0000	-	0.0000	-
Reduced price	105	-	105	0.5000	53	0.0000	-	0.0000	-
Free	338	-	338	1.0000	338	0.0000	-	0.0000	-
					\$ 4,181		\$ -		\$ 264

CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER

SUMMARY OF MEALS REPORTED
FOR THE YEAR ENDED JUNE 30, 2022

	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments *	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
CITY OF MENLO PARK GENERAL CHILD DEVELOPMENT PROGRAM									
CENTER BASED PROGRAMS - SUMMARY OF MEALS REPORTED YEAR ENDED JUNE 30, 2006									
	Meals			Federal		State		Cash In Lieu	Meal Reimbursement
	Reported	Adjustments	Allowed	Statutory Rate	Meal Reimbursement	Statutory Rate	Meal Reimbursement		
May 2022									
Breakfast									
Full price/base rate	418	-	418	0.3300	\$ 138	0.0000	\$ -	0.0000	\$ -
Reduced price	171	-	171	1.6700	286	0.0000	-	0.0000	-
Free	551	-	551	1.9700	1,085	0.0000	-	0.0000	-
Lunch									
Full price/base rate	418	-	418	0.3500	146	0.0000	-	0.2600	109
Reduced price	171	-	171	3.2600	557	0.0000	-	0.2600	44
Free	550	-	550	3.6600	2,013	0.0000	-	0.2600	143
Supplement									
Full price/base rate	303	-	303	0.0900	27	0.0000	-	0.0000	-
Reduced price	124	-	124	0.5000	62	0.0000	-	0.0000	-
Free	400	-	400	1.0000	400	0.0000	-	0.0000	-
					\$ 4,714		\$ -		\$ 296
June 2022									
Breakfast									
Full price/base rate	303	-	303	0.3300	\$ 100	0.0000	\$ -	0.0000	\$ -
Reduced price	124	-	124	1.6700	207	0.0000	-	0.0000	-
Free	400	-	400	1.9700	788	0.0000	-	0.0000	-
Lunch									
Full price/base rate	302	-	302	0.3500	106	0.0000	-	0.2600	79
Reduced price	124	-	124	3.2600	404	0.0000	-	0.2600	32
Free	398	-	398	3.6600	1,457	0.0000	-	0.2600	103
Supplement									
Full price/base rate	226	-	226	0.0900	20	0.0000	-	0.0000	-
Reduced price	93	-	93	0.5000	47	0.0000	-	0.0000	-
Free	299	-	299	1.0000	299	0.0000	-	0.0000	-
					\$ 3,428		\$ -		\$ 214
Adjustments					-		-		-
GRAND TOTAL			25,903		\$ 41,432		\$ -		\$ 2,457

* The adjustments are due to the resubmitted claims for reimbursement that were changed as a result of the recalculation of the fixed percentage enrollment subsequent to the end of the fiscal year.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
Belle Haven Child Development Center
City of Menlo Park, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Menlo Park (City) Belle Haven Child Development Center (Child Development Center) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Child Development Center's basic financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Child Development Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Child Development Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Child Development Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Child Development Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Honorable Mayor and Members of the City Council
Belle Haven Child Development Center
City of Menlo Park, California

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lance, Soll & Lingham, LLP

Sacramento, California
December 15, 2022

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS AND ON INTERNAL CONTROL OVER COMPLIANCE

To the Honorable Mayor and Members of the City Council
Belle Haven Child Development Center
City of Menlo Park, California

Opinions

We have audited the compliance of the California State Preschool and the Child Adult Food Care Programs of the Belle Haven Child Development Center (the Child Development Center), with the types of compliance requirements described in the *CDSS Audit Guide* issued by the California Department of Social Services, August 2022, for the year ended June 30, 2022.

In our opinion, the Child Development Center complied, in all material respects with the compliance requirements referred to above that are applicable to the Child Development Center for the year ended June 30, 2022.

Basis for Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the City and the Child Development Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit does not provide a legal determination of the Child Development Center's compliance with the compliance requirements referred to above..

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Child Development Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our responsibility is to express opinions on compliance with the requirements described in the CDSS Audit Guide based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a material effect on the Child Development Center's Programs. An audit includes examining,



To the Honorable Mayor and Members of the City Council
Belle Haven Child Development Center
City of Menlo Park, California

on a test basis, evidence about the Child Development Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Child Development Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Child Development Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Child Development Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, and 2022-005 that we consider to be significant deficiencies

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



To the Honorable Mayor and Members of the City Council
Belle Haven Child Development Center
City of Menlo Park, California

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lance, Solt & Loughard, LLP

Sacramento, California
[REDACTED], 2022

DRAFT

**CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER**

**SUMMARY OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

No current year findings.

DRAFT

**CITY OF MENLO PARK
BELLE HAVEN CHILD DEVELOPMENT CENTER**

**SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

No prior year findings.

DRAFT



FISCAL YEAR 2021-22

Annual Comprehensive Financial Report (ACFR)

Finance and Audit Committee, March 6, 2023



PRESENTATION OVERVIEW

- Annual Comprehensive Financial Report
 - Compliance, components
- Certificate of Achievement
- Financial Statements
 - Governmental, Proprietary, Fiduciary, Notes
- Audit Results
- Highlights
- Supplemental Information, Statistical
- Financial Report Access





ANNUAL COMPREHENSIVE FINANCIAL REPORT



- **Compliance**
 - State Financial Transaction Report (GC Section 53891) based on ACFR by Jan 31
 - Federal Single Audit (2CFR200.501) based on ACFR by March 31
 - 2022 GO Bond Annual Report (Cont. Disclosure) based on ACFR by March 31
 - Governmental Accounting Standards Board (GASB) 34
- **Introductory**
 - Transmittal Letter
 - City's organizational chart and principal officials
- **Financial**
 - Independent Auditor's report, Management Discussion & Analysis (MD&A)
 - Basic Financial Statements, notes and required supplementary information (NPL, OPEB)
- **Statistical**
 - Select financial and demographic information (unaudited)



CERTIFICATE OF ACHIEVEMENT



- 2021: Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting
- Rewards local governments for going beyond the minimum of generally accepted accounting principles (GAAP) in the spirit of transparency and disclosure (GASB 34)
- The City expects to receive this award for 2022



FINANCIAL STATEMENTS



- **Government-wide Financial Statements**
 - Statement of Net Position and Statement of Activities
 - Broad overview; report capital assets, long-term debt, liabilities (Financial Markets, Investors)
- **Basic Fund Financial Statements**
 - Near-term inflows and outflows of resources
 - Balances of resources available at end of fiscal year
- **Notes to the Basic Financial Statements**
 - Disclosures to ensure complete financial picture
 - Summary of accounting policies, cash and investments, post-employment benefits



AUDIT RESULTS



- Unmodified, clean opinion on the City's financial statements
 - “the financial statements 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.”
- Report on internal controls
 - One ‘Material Weakness’: Final Reconciliation Process
 - One ‘Significant Deficiency’: Correcting Journal Entries
- Management's Response
 - Primarily due to staff turnover and difficulty implementing new accounting standards (GASB 87)
 - The City is adjusting internal processes and implementing software to address these concerns



HIGHLIGHTS

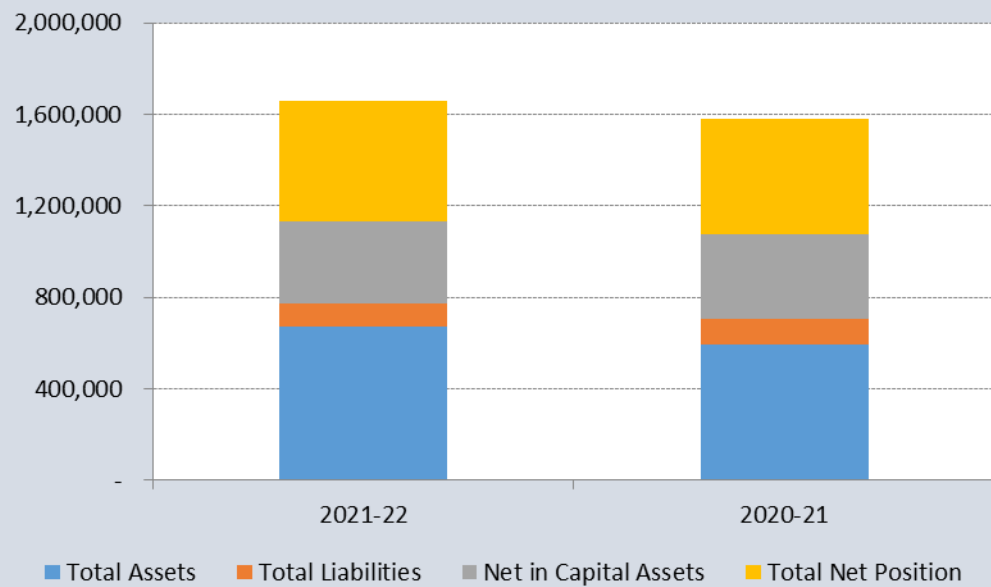


- The City's Net Position, an indicator of its overall financial state, increased by \$28.18 million to \$529.93 million
- Total revenues increased by \$22.54 million to \$109.60 million
- Total expenses decreased by \$3.45 million to \$81.86 million
- General Fund revenues and other financing sources increased by \$9.09 million to \$65.63 million, while expenditures and other financing uses increased by \$9.79 million to \$69.63 million
- The General Fund unrestricted fund balance decreased by \$4.0 million to \$34.2 million, while compared to a budgeted deficit of \$7.9 million.

HIGHLIGHTS



Citywide Net Position (\$000 millions)



HIGHLIGHTS



<u>Governmental Fund Balances</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Positive (Negative) Change</u>
General Fund	\$ 34,232,360	\$ 38,220,366	\$ (3,988,006)
Below Market Rate Housing Fund	32,094,834	31,072,605	1,022,229
Transportation Impact Fees Fund	9,269,907	7,296,521	1,973,386
Measure T Debt Services	19,800,020	3,806,813	15,993,207
General Capital Improvement Project Fund	23,735,240	26,046,878	(2,311,638)
Other Governmental Funds	65,546,854	48,531,714	17,015,140
TOTAL	\$ 184,679,215	\$ 154,974,897	\$ 29,704,318

- Measure T Debt Services: The net change in fund balance is \$15.99 million in part due to the refunding of the 2012 General Obligation Bonds and new issuance of the 2022 General Obligation Bonds of \$14.32 million.
- Other Governmental Funds: Primarily driven by special revenue funds (Bayfront Mitigation, ARPA, In-lieu Community Amenities).



SUPPLEMENTAL AND STATISTICAL INFORMATION



- Provides trend data and unaudited, non-financial information to help contextualize assessment of the City's financial position
 - For example, tables summarizing governmental fund balances for the last ten fiscal years, demographic and economic statistics for the city and county, list of principal employers



FINANCIAL REPORT ACCESS



The FY2021-22 ACFR, as well as prior year reports, are available on the city website:

<https://menlopark.gov/ACFR>



THANK YOU