

PRELIMINARY OFFICIAL STATEMENT DATED JULY 1, 2026

NEW ISSUE BOOK-ENTRY ONLY

RATING: S&P: "SP-1+"
See "RATING."

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, interest on the Notes is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the Notes is exempt from California personal income taxes. See "TAX MATTERS."



\$81,000,000*
CITY OF BERKELEY
2026-27 TAX AND REVENUE ANTICIPATION NOTES

Dated: Date of Delivery

Due: July 22, 2027

The tax and revenue anticipation notes captioned above (the "Notes") will be issued in denominations of \$5,000 or any integral multiple thereof. Principal and interest on the Notes will be payable upon maturity. The Notes are to be delivered as fully registered Notes, without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York (as described in APPENDIX E – BOOK-ENTRY ONLY SYSTEM). DTC will act as securities depository of the Notes. Purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. **The Notes are not subject to redemption prior to maturity.**

The Notes are by statute general obligations of the City of Berkeley, California (the "City"), payable solely from taxes, income, revenues, cash receipts and other moneys that are received by the City for its General Fund for fiscal year 2026-27 and that are generally available for the payment of current expenses and other obligations of the City (the "Unrestricted Moneys"). The Notes are secured by a pledge of Unrestricted Moneys to be received by the City in (a) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of January 2027; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May 2027; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2027 (such pledged amounts being hereinafter called the "Pledged Revenues"). The Pledged Revenues will be deposited into, and held by the City in, a special fund designated "City of Berkeley, California, 2026-27 Tax and Revenue Anticipation Notes Special Account," as established in the City's Resolution adopted on June 30, 2026.

Principal of and interest on the Notes are payable in lawful moneys of the United States of America upon maturity, and interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months and accrues from the date of delivery.

The Notes are legal investments for commercial banks in California and are eligible to secure deposits of public moneys in California.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The following firm, serving as municipal advisor to the City, has structured this issue.



MATURITY SCHEDULE

<u>Interest Rate</u>	<u>Reoffering Yield</u>	<u>CUSIP†</u>

*The Notes are offered when, as and if issued and received by the Purchaser, subject to the approval of legality by Jones Hall LLP, Bond Counsel. Certain legal matters will be passed upon for the City by Jones Hall LLP, as Disclosure Counsel, and by the City Attorney. It is anticipated that the Notes, in definitive form, will be available for delivery through DTC in New York, New York on or about July 23, 2026.**

Dated July __, 2026

* Preliminary; subject to change.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement and, if given or made, such information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Notes. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The information set forth in this Official Statement has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Purchaser. The information and expressions of opinion stated in this Official Statement are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein or in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any purpose, unless authorized in writing by the City.

The Notes have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), in reliance upon an exemption contained in such Act. The Notes have not been registered under the securities laws of any state.

IN CONNECTION WITH THIS OFFERING, THE PURCHASER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PURCHASER MAY OFFER AND SELL THE NOTES TO CERTAIN DEALERS AND BANKS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE PURCHASER.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words.

The Purchaser has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Although the City maintains an internet website for various purposes, none of the information on that website is incorporated by reference in this Official Statement or is intended to assist investors in making any investment decision or to provide any continuing information with respect to the Notes or any other bonds or obligations of the City.

CITY OF BERKELEY

ELECTED OFFICIALS

Adena Ishii, Mayor
Rashi Kesarwani, Councilmember District 1
Terry Taplin, Councilmember District 2
Ben Bartlett, Councilmember District 3
Igor Tregub, Councilmember District 4
Shoshana O'Keefe, Councilmember District 5
Brent Blackaby, Councilmember District 6
Cecilia Lunaperra, Councilmember District 7
Mark Humbert, Councilmember District 8

CITY OFFICIALS

Paul Buddenhagen
City Manager

David White
Deputy City Manager

Henry Oyekanmi
Director of Finance

Farimah Brown
City Attorney

Sara Stephens
Deputy City Attorney

PROFESSIONAL SERVICES

BOND AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

MUNICIPAL ADVISOR

NHA Advisors, LLC
San Rafael, California

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OFFICIAL STATEMENT

\$81,000,000*
CITY OF BERKELEY
2026-27 TAX AND REVENUE ANTICIPATION NOTES

INTRODUCTORY STATEMENT

This Official Statement, which includes the cover page, the appendices hereto and this introductory statement, is provided to furnish information in connection with the sale by the City of Berkeley, California (the “**City**”), of its 2026-27 Tax and Revenue Anticipation Notes (the “**Notes**”).

The Notes are issued in full conformity with the Constitution and laws of the State of California (the “**State**”), including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850 of the Government Code of the State), (the “**Law**”) and under the Law are general obligations of the City payable solely from those taxes, income, revenues, cash receipts and other moneys that are received by the City for its General Fund (the “**General Fund**”) for fiscal year 2026-27 and that are generally available for the payment of current expenses and other obligations of the City (the “**Unrestricted Moneys**”). The Notes are authorized by a resolution adopted by the City Council on June 30, 2026 (the “**Resolution**”). The City may, under the Law, issue the Notes only if the principal of and interest on the Notes will not exceed 85% of the estimated amount of the uncollected Unrestricted Moneys that will be available for the payment of said Notes. Proceeds from the sale of the Notes will be deposited into a segregated account in the General Fund and used and expended by the City for any purpose for which it is authorized to expend funds from the General Fund.

See “APPENDIX A – CERTAIN INFORMATION CONCERNING THE CITY OF BERKELEY” and “APPENDIX B – THE CITY’S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025,” for demographic and financial information regarding the City. The City is currently facing significant budget deficits. See “APPENDIX A – CERTAIN INFORMATION CONCERNING THE CITY OF BERKELEY - General Fund Budget - *Proposed Biennial Budget*.”

* Preliminary; subject to change.

THE NOTES

Description of the Notes

The Notes will be issued in the principal amount and at the interest rate shown on the cover page of this Official Statement. Principal of and interest on the Notes are payable in lawful moneys of the United States of America upon maturity, and interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months and accrues from the date of delivery.

The Notes will be dated the date of delivery and will mature on July 22, 2027. The Notes are to be delivered as fully registered Notes, without coupons, and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as securities depository of the Notes. Purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof.

Purpose of Issue

Proceeds of the Notes will provide moneys to meet the City’s General Fund cash flow requirements during the 2026-27 fiscal year commencing July 1, 2026, and ending June 30, 2027, including current expenses, capital expenditures, and the discharge of other obligations or indebtedness.

Book-Entry Only System

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered certificates registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX E – BOOK-ENTRY ONLY SYSTEM.”

So long as the Notes are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to the Notes will be made to DTC as provided as in the representation letter delivered on the date of issuance of the notes. The City cannot and does not give any assurances that DTC, participants in DTC’s book-entry only system (“**DTC Participants**”) or others will distribute payments of principal, interest or premium, if any, with respect to the Notes paid to DTC or its nominee as the registered owner, or will distribute any prepayment notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The City is not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Notes or an error or delay relating thereto.

SECURITY FOR AND SOURCES OF PAYMENT OF THE NOTES

Security for the Notes

The principal amount of the Notes, together with the interest thereon, is payable from Unrestricted Moneys, being the first taxes, income, revenue, cash receipts, and other moneys that are received by the City for the General Fund for fiscal year 2026-27, and which are generally available for the payment of current expenses and other obligations of the City. Estimated Unrestricted Moneys exceed estimated payment requirements by more than eight to one. See "THE NOTES – Available Sources of Payment."

As security for the repayment of principal of and interest on the Notes, the City has pledged to deposit into a special fund designated as the "2026-27 Tax and Revenue Anticipation Note Special Account" (the "**Special Account**") the first Unrestricted Moneys to be received by the City as follows: (a) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of January 2027; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May 2027; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2027 (such pledged amounts, the "**Pledged Revenues**"). The Notes are equally and ratably secured by the City's pledge of the Pledged Revenues.

The principal of the Notes and the interest thereon shall constitute a first lien and charge against and shall be paid from the first moneys received by the City from such Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the City lawfully available therefor. In the event there are insufficient Unrestricted Moneys received by the City to permit the deposits into the Special Account of the full amount of the Pledged Revenues to be deposited in the applicable month, by the last business day of such month, then the amount of such deficiency shall be satisfied and made up from any other moneys of the City lawfully available for the payment of the Notes and the interest thereon.

All Pledged Revenues, as and when received, shall be deposited by the City into the Special Account, which will be held by the City for the payment of the principal of and interest on the Notes at maturity. Amounts deposited by the City into the Special Account shall be applied solely for the purpose of paying the principal of and interest on the Notes. Such amounts shall be invested by the City in legal investments, as permitted by Section 53601 of the Government Code of the State. See "CITY INVESTMENT POLICY AND PORTFOLIO."

Available Sources of Repayment

The Notes, in accordance with State law, are general obligations of the City, but are payable only out of Unrestricted Moneys, which include the taxes, income, revenues, cash receipts and other moneys that are received by the City for the General Fund for fiscal year 2026-27 and that are generally available for payment of current expenses and other obligations of the City. The Constitution of the State substantially limits the City's ability to levy ad valorem taxes. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS." The City may, under existing law, issue the Notes only if the principal of, and interest on, the Notes will not exceed 85% of the estimated uncollected Unrestricted Moneys that will be available for the repayment of the Notes.

The Note coverage ratio is shown in the following table and is the ratio of estimated Unrestricted Moneys to the amount of Unrestricted Moneys needed to pay principal of and interest on the Notes.

The table below gives detail as to the sources of estimated Unrestricted Moneys and the Note Coverage Ratio.

CITY OF BERKELEY
Estimated Unrestricted Moneys
Fiscal Year 2026-27

<u>Source</u>	<u>Amount*</u>
Available Cash Balance, July 1, 2026	\$8,958,848
Taxes (including property tax, sales tax and other taxes)	254,583,877
Other Revenue	105,242,916
Proceeds of the Notes ^{(1)*}	82,077,390
Transfers In	13,479,572
TOTAL UNRESTRICTED MONEYS*	\$464,342,603
 ESTIMATED PRINCIPAL PLUS INTEREST NEEDED FOR NOTE REPAYMENT*	 \$84,231,000
 NOTE COVERAGE RATIO*	 5.51x

* Preliminary; subject to change.

(1) Excluding purchaser's discount and costs of issuance.

Source: *City of Berkeley Finance Department.*

Monthly Cash Flows

The City has prepared the accompanying monthly General Fund cash flow statements covering fiscal year 2025-26 and the projected fiscal year 2026-27. The General Fund is used to finance the ordinary operations of the City and is available for any legal authorized purposes. While expenditures generally occur evenly throughout the fiscal year, cash receipts occur unevenly. As a result, the General Fund cash balance tends to show a deficit during parts of the fiscal year. The projections are based on the City's budget and current financial condition.

City of Berkeley
Fiscal Year 2025-26 Actual and Projected General Fund Cash Flows ⁽¹⁾⁽²⁾

	Actual										Projected		TOTAL
	July	August	September	October	November	December	January	February	March	April	May	June	
Beginning Balance	\$31,204,448	\$39,026,574	\$21,640,326	\$17,246,870	\$1,911,142	\$3,794,275	\$55,325,962	\$6,631,970	\$11,335,161	\$24,721,470	\$52,028,911	\$17,701,343	\$31,204,448
CASH RECEIPTS													
Property Tax	\$2,728,755	\$3,462,302	\$5,964,439	\$4,042,974	\$8,341,928	\$49,362,715	\$2,401,853	\$2,217,090	\$12,313,809	\$30,920,456	\$4,552,729	\$8,114,267	\$134,423,316
Sales Tax	1,856,098	1,419,856	1,472,336	1,539,180	1,870,381	\$1,465,279	1,085,330	1,919,668	1,412,651	1,457,736	1,839,628	1,380,765	18,718,907
Other Taxes	4,612,103	3,063,548	1,888,236	3,914,034	3,410,894	\$13,235,399	8,101,260	16,702,857	11,913,095	13,363,763	3,024,511	5,313,592	88,543,292
License and Permits	496,208	193,663	132,008	96,236	59,754	\$46,919	48,946	49,029	65,240	97,654	849,196	305,124	2,439,977
Franchises	5,194	0	121,531	0	119,676	\$0	5,055	110,926	0	4,823	127,875	1,604,920	2,100,000
Subventions & Grants	67,717	(1)	247,000	0	21,390	\$220,464	353,490	4,614	193,388	0	203,066	231,677	1,542,805
Service Fees	948,480	962,567	1,192,905	948,337	849,728	\$1,177,363	944,129	1,464,049	2,676,153	1,811,971	1,283,956	483,947	14,743,585
Fines and Penalties	921,318	705,757	680,838	334,915	640,544	\$485,698	552,223	509,360	867,432	606,347	592,595	312,067	7,209,092
Rents and Royalties	30,242	26,886	33,572	34,049	31,198	\$32,799	33,048	30,845	37,809	34,359	29,830	28,902	383,539
Interest Income	1,493,095	1,002,441	831,358	1,957,475	1,119,378	\$445,588	1,049,949	743,970	646,000	1,586,362	1,784,693	839,691	13,500,000
CalPERS Discount	0	0	473,263	0	0	\$0	473,263	0	473,263	0	0	473,263	1,893,051
Miscellaneous	23,802	6,873	13,668	9,664	10,478	\$11,964	6,975	8,943	9,379	6,727	31,776	6,115	146,362
Transfers In/Indirect Costs	16,152,966	750,622	558,137	2,871,461	736,504	\$739,318	2,592,311	735,247	733,002	2,599,996	1,012,124	1,196,276	30,677,964
CalPERS Prepayments from Other Departments	3,048,159	4,354,513	4,354,513	6,531,769	4,354,513	\$4,354,513	4,354,513	4,354,513	4,354,513	4,354,513	6,531,769	5,660,867	56,608,665
TRAN Proceeds	59,001,001	0	0	0	0	0	0	0	0	0	0	0	59,001,001
TOTAL RECEIPTS	\$91,385,139	\$15,949,026	\$17,963,802	\$22,280,094	\$21,566,365	\$71,578,017	\$22,002,344	\$28,851,109	\$35,695,734	\$56,844,707	\$21,863,747	\$25,951,471	\$431,931,555
CASH DISBURSEMENTS													
General Government	\$3,019,084	\$6,047,719	\$4,201,704	\$6,131,029	\$3,611,810	\$3,707,516	\$3,979,639	\$3,638,984	\$4,057,497	\$4,033,448	\$4,954,005	\$6,559,898	\$53,942,333
Public Safety	10,225,520	12,319,305	13,285,147	17,503,235	11,832,949	12,381,278	13,778,738	12,249,791	13,030,734	13,348,798	19,073,471	16,080,075	165,109,040
Highways and Streets	110,161	227,468	225,422	444,208	311,419	282,406	226,658	239,080	276,524	229,786	387,314	558,081	3,518,526
Health and Human Service	947,767	1,076,075	1,233,535	1,845,551	1,664,670	2,069,542	2,072,633	2,141,918	1,335,098	2,170,624	2,216,860	2,413,363	21,187,636
Culture - Recreation	788,005	1,527,647	1,205,774	1,068,774	861,184	869,128	606,529	815,068	950,636	1,362,444	1,549,122	1,976,554	13,580,865
Urban Redevelopment/Housing	672,516	871,771	897,649	2,403,868	1,000,429	1,548,051	2,381,840	2,668,883	1,320,898	2,776,672	1,453,695	1,635,656	19,631,930
Econ Dev & Assistance	160,681	298,134	703,049	566,835	443,792	160,402	499,309	116,502	302,878	94,310	260,768	258,684	3,865,344
Transfers Out/Other	14,524,779	162,752	162,752	7,648,829	162,752	162,751	4,590,177	162,752	162,752	7,711,332	162,752	2,985,144	38,599,522
Transfer Out to Pension Saving Fund	0	0	473,263	0	0	0	3,295,655	0	473,263	0	0	473,263	4,715,443
Transfer Out of Excess of Property													
Transfer Tax	0	0	0	0	0	0	2,822,392	0	0	0	0	0	2,822,392
Transfer Out to Stabilization Reserve Fund	0	0	0	0	0	0	3,299,963	0	0	0	0	0	3,299,963
Transfer Out to Catastrophic Reserve Fund	0	0	0	0	0	0	2,699,970	0	0	0	0	0	2,699,970
CalPERS Unfunded Pension Liability Prepayment	56,608,665	0	0	0	0	0	0	0	0	0	0	0	56,608,665
TRAN Principal Pledge	0	0	0	0	0	0	29,060,000	0	0	0	29,060,000	0	58,120,000
TRAN Interest Pledge	0	0	0	0	0	0	0	0	0	0	0	2,318,342	2,318,342
Advances from GF/(Repayment to GF)	(3,494,165)	10,804,404	(31,037)	3,492	(205,774)	(1,134,745)	1,382,834	2,114,940	399,146	(2,190,146)	(2,926,672)	(565,094)	4,157,184
TOTAL DISBURSEMENTS	\$83,563,014	\$33,335,274	\$22,357,258	\$37,615,822	\$19,683,231	\$20,046,331	\$70,696,337	\$24,147,918	\$22,309,425	\$29,537,267	\$56,191,315	\$34,693,966	\$454,177,155
Interfund Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$7,822,125	(\$17,386,248)	(\$4,393,456)	(\$15,335,728)	\$1,883,134	\$51,531,687	(\$48,693,993)	\$4,703,191	\$13,386,309	\$27,307,440	(\$34,327,567)	(\$8,742,495)	(\$22,245,600)
Ending Balance	\$39,026,574	\$21,640,326	\$17,246,870	\$1,911,142	\$3,794,275	\$55,325,962	\$6,631,970	\$11,335,161	\$24,721,470	\$52,028,911	\$17,701,343	\$8,958,848	\$8,958,848

(1) Actual through April 30, 2026.

(2) Cash and investment balances provided in the table above represent the City's available cash balance (i.e., General Fund cash and investments less the Stabilization and Catastrophic Reserve Fund cash balances and short term liabilities).

Source: City of Berkeley.

City of Berkeley
Fiscal Year 2026-27 Projected General Fund Cash Flows ⁽¹⁾
(Including the Notes)

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	\$8,958,848	\$31,809,681	\$19,368,047	\$16,612,326	\$1,175,290	\$2,294,163	\$57,648,698	\$4,217,088	\$10,933,951	\$26,182,457	\$55,706,428	\$8,979,080	\$8,958,848
CASH RECEIPTS													
Property Tax	\$2,860,409	\$3,629,349	\$6,252,207	\$4,238,036	\$8,744,403	\$51,744,330	\$2,517,735	\$2,324,058	\$12,907,917	\$32,412,283	\$4,772,386	\$8,505,758	\$140,908,871
Sales Tax	1,927,003	1,474,097	1,528,581	1,597,979	1,941,833	1,521,255	1,126,792	1,993,002	1,466,617	1,513,424	1,909,904	1,433,512	19,434,000
Other Taxes	4,908,890	3,260,685	2,009,744	4,165,900	3,630,383	14,087,090	8,622,572	17,777,677	12,679,697	14,223,714	3,219,136	5,655,519	94,241,006
License and Permits	496,208	193,663	132,008	96,236	59,754	46,919	48,946	49,029	65,240	97,654	849,196	305,124	2,439,977
Franchises	5,194	0	121,531	0	119,676	0	5,055	110,926	0	4,823	127,875	1,604,920	2,100,000
Subventions & Grants	67,717	(1)	247,000	0	21,390	220,464	353,490	4,614	193,388	0	203,066	231,677	1,542,805
Service Fees	948,730	962,821	1,193,219	948,587	849,952	1,177,674	944,378	1,464,435	2,676,858	1,812,449	1,284,294	484,075	14,747,472
Fines and Penalties	876,751	671,616	647,903	318,714	609,558	462,203	525,509	484,721	825,471	577,015	563,929	296,971	6,860,360
Rents and Royalties	30,242	26,886	33,572	34,049	31,198	32,799	33,048	30,845	37,809	34,359	29,830	28,902	383,539
Interest Income	1,493,095	1,002,442	831,358	1,957,475	1,119,378	445,588	1,049,949	743,970	646,000	1,586,362	1,784,693	839,691	13,500,000
CalPERS Discount	0	0	513,419	0	0	513,419	0	0	513,419	0	0	513,419	2,053,676
Miscellaneous	22,964	6,631	13,186	9,323	10,109	11,542	6,729	8,628	9,048	6,490	30,657	5,900	141,207
Transfers In/Indirect Costs	7,097,442	329,815	245,239	1,261,689	323,612	324,849	1,139,034	323,060	322,073	1,142,411	444,716	525,631	13,479,572
CalPERS Prepayments from Other Departments	3,310,132	4,728,760	4,728,760	7,093,140	4,728,760	4,728,760	4,728,760	4,728,760	4,728,760	7,093,140	4,728,760	6,147,388	61,473,880
TRAN Proceeds	82,077,390	0	0	0	0	0	0	0	0	0	0	0	82,077,390
TOTAL RECEIPTS	\$106,122,169	\$16,286,763	\$18,497,727	\$21,721,129	\$22,190,005	\$75,316,890	\$21,101,998	\$30,043,724	\$37,072,297	\$60,504,124	\$19,948,443	\$26,578,485	\$455,383,755
CASH DISBURSEMENTS													
General Government	\$3,440,881	\$6,892,648	\$4,788,725	\$6,987,597	\$4,116,417	\$4,225,494	\$4,535,636	\$4,147,387	\$4,624,371	\$4,596,962	\$5,646,130	\$7,476,383	\$61,478,632
Public Safety	9,497,019	11,441,635	12,338,667	16,256,243	10,989,929	11,499,193	12,797,093	11,377,073	12,102,379	12,397,783	17,714,610	14,934,474	153,346,098
Highways and Streets	149,292	308,269	305,497	602,001	422,042	382,724	307,172	324,007	374,752	311,411	524,898	756,325	4,768,390
Health and Human Service	927,950	1,053,575	1,207,743	1,806,962	1,629,863	2,026,269	2,029,296	2,097,132	1,307,182	2,125,238	2,170,507	2,362,901	20,744,616
Culture - Recreation	709,569	1,375,590	1,085,755	962,391	775,465	782,618	546,157	733,939	856,013	1,226,830	1,394,927	1,779,814	12,229,068
Urban Redevelopment/Housing	576,603	747,440	769,628	2,061,031	857,749	1,327,270	2,042,145	2,288,250	1,132,513	2,380,666	1,246,371	1,402,381	16,832,047
Econ Dev & Assistance	132,846	246,489	581,262	468,644	366,916	132,616	412,815	96,321	250,411	77,973	215,596	213,873	3,195,763
Transfers Out/Other	9,863,295	162,752	162,752	9,863,295	162,752	162,752	9,863,295	162,752	162,752	9,863,290	162,752	162,752	40,755,191
Transfer Out to Pension Saving Fund	0	0	513,419	0	0	513,419	0	0	513,419	0	0	513,419	2,053,676
Transfer Out of Excess of Property Transfer Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer Out to Stabilization Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer Out to Catastrophic Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
CalPERS Unfunded Pension Liability													
Prepayment	61,473,880	0	0	0	0	0	0	0	0	0	0	0	61,473,880
TRAN Principal Pledge	0	0	0	0	0	0	40,500,000	0	0	0	40,500,000	0	81,000,000
TRAN Interest Pledge	0	0	0	0	0	0	0	0	0	0	0	3,231,000	3,231,000
Advances from GF/(Repayment to GF)	(3,500,000)	6,500,000	(500,000)	150,000	(250,000)	(1,090,000)	1,500,000	2,100,000	500,000	(2,000,000)	(2,900,000)	(510,000)	0
TOTAL DISBURSEMENTS	\$83,271,336	\$28,728,398	\$21,253,447	\$39,158,165	\$19,071,132	\$19,962,355	\$74,533,607	\$23,326,861	\$21,823,791	\$30,980,153	\$66,675,791	\$32,323,322	\$461,108,360
Interfund Borrowings	\$0	\$0	\$0	\$2,000,000	(\$2,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flows	\$22,850,833	(\$12,441,635)	(\$2,755,721)	(\$15,437,036)	\$1,118,873	\$55,354,535	(\$53,431,610)	\$6,716,862	\$15,248,506	\$29,523,971	(\$46,727,348)	(\$5,744,837)	(\$5,724,605)
Ending Balance	\$31,809,681	\$19,368,047	\$16,612,326	\$1,175,290	\$2,294,163	\$57,648,698	\$4,217,088	\$10,933,951	\$26,182,457	\$55,706,428	\$8,979,080	\$3,234,243	\$3,234,243

(1) Cash and investment balances provided in the table above represent the City's available cash balance (i.e., General Fund cash and investments less the Stabilization and Catastrophic Reserve Fund cash balances and short-term liabilities).
Source: City of Berkeley.

CITY INVESTMENT POLICY AND PORTFOLIO

The authority to invest the City's funds is derived from a resolution adopted annually by the City Council delegating to the Director of Finance and the Treasurer of the City the authority to invest these funds within the guidelines of Section 53600 et seq. of the Government Code of the State (the "**Government Code**"). The Government Code also directs the City to present an annual investment policy (the "**Investment Policy**") for confirmation to the City Council. The City Council voted to affirm the Investment Policy and designate the investment authority, effective July 1, 2025. The Investment Policy may be revised by the City Council at any time.

The objectives of the Investment Policy are preservation of capital, liquidity and yield. The Investment Policy addresses the soundness of financial institutions in which the City may deposit funds, types of investment instruments permitted by the City and the Government Code, investment duration and the amount which may be invested in certain instruments. The Investment Policy also reflects and supports the City's policy positions on important social and environmental issues, as contained in formal City Council actions including the Nuclear-Free Berkeley Act, the Responsible Investment Ordinance, the Oppressive States Contract Resolution and Divestment from Publicly-Traded Fossil Fuel Companies and Gun Manufacturers and Tobacco companies. Summarized below are the permitted investments under the Investment Policy. These policies may further restrict investment options available to the City.

Authorized Investment Type	Maximum Maturity	Maximum Percentage/Dollar of Portfolio	Maximum Investment in One Issuer
Bank/Time Deposit Accounts	5 years	100%	N/A
Money Market Funds	N/A	100	N/A
Repurchase Agreements	1 year	10	N/A
Reverse Repurchase Agreements	7 days	10	N/A
Banker's Acceptances	7 days	40	30%
U.S. Government Securities (Treasury bills, Notes and Bonds)	10 years*	100	N/A
U.S. Agency Securities by Agency	10 years*	100	N/A
Negotiable Certificates of Deposit	10 years*	30	\$250,000
Local Agency Bonds	5 years*	100	N/A
Commercial Paper			Greater of \$5,000,000 or 2%
	180 days	25	
Medium Term Notes	10 years		
	30 years*	30	30%
Public Bank Obligations	5 years	10% of unrestricted investments	N/A

Source: City of Berkeley

* Maturities over five years, up to 30 years, are authorized for the three Retiree Medical Plan Trusts and debt service reserve funds.

As of September 30, 2025, the City portfolio included \$641,740,041 in pooled investments. The average life of the investments was 610 days and the weighted yield was 3.078%. The following is the market value of investments held by the City as of September 30, 2025:

<u>Security</u>	<u>Market Value</u>	<u>% of Total Portfolio</u>
Medium Term Notes	\$65,946,649	10.28%
Bank and Money Market Account	225,523,990	35.14
Federal Agency	350,269,402	54.58
TOTAL ⁽¹⁾	\$641,740,041 ⁽¹⁾	100.00%

(1) Totals may not sum due to rounding.
Source: City of Berkeley Finance Department.

SPECIAL RISK FACTORS

The following information should be considered by prospective investors in evaluating the Notes; however, this information does not purport to be an exhaustive listing of the risks and other considerations, which may be relevant to an investment in the Notes.

Bankruptcy Considerations

In 1994, Orange County, California issued its 1994-1995 Tax and Revenue Anticipation Notes (the “**Orange County Notes**”) under the same statutory authority as the Notes. On December 6, 1994, Orange County filed a petition in bankruptcy. Subsequently, Orange County declined to set aside the taxes and revenues it had pledged for the repayment of the Orange County Notes and a noteholder brought suit to compel Orange County to do so. A March 8, 1995, ruling of the United States Bankruptcy Court for the Central District of California, held that the lien securing the Orange County Notes did not attach to revenues received by Orange County after the filing of its bankruptcy petition on December 6, 1994, and therefore, Orange County was not required to set aside the revenues pledged under the note resolution following the bankruptcy. The Bankruptcy Court ruled that under the United States Bankruptcy Code (the “**Bankruptcy Code**”), the lien did not attach to revenues received by Orange County after December 6, 1994, because the lien was a consensual security interest rather than a statutory lien. In July 1995, the United States District Court for the Central District of California reversed the decision of the Bankruptcy Court. Orange County appealed the decision of the District Court to the United States Court of Appeals for the Ninth Circuit. Before the Ninth Circuit rendered a decision, the parties settled their disputes. Accordingly, if the City were to file for bankruptcy, it is not clear whether it would be required to set aside revenues pledged under the Resolution as described above.

In addition, the Pledged Revenues and other moneys that will be set aside to pay the Notes will be held in the City’s General Fund, and these funds will be invested in the pooled investment fund. Should the City go into bankruptcy, a court might hold that the owners of the Notes do not have a valid lien on the Pledged Revenues. In that case, unless the owners could “trace” the funds, the owners would merely be unsecured creditors of the City. There can be no assurance that the owners of the Notes could successfully so “trace” the Pledged Revenues.

Limitations on Remedies

The rights of the owners of the Notes are subject to the limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Notes and the obligations incurred by the City, may become subject to the following: the Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Constitution; and the reasonable and necessary exercise in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Climate Change

The adoption by the State of the California Global Warming Solutions Act of 2006 (AB 32) and subsequent companion bills demonstrate the commitment by the State to take action and reduce greenhouse gases (“GHG”) to 1990 levels by 2020 and 80% below 1990 levels by 2050. The State Attorney General's Office, in accordance with SB 375, now requires that local governments examine local policies and large-scale planning efforts to determine how to reduce greenhouse gas emissions. Additionally, the State adopted Senate Bill No. 32, which established a revised statewide GHG emission reduction target of 40% below 1990 levels by 2030.

The City is vulnerable to the impacts of climate change. The severity of these impacts will depend on the amount of greenhouse gas emissions produced worldwide over the coming decades and the City's ability to adapt to the changing climate. These impacts will continue to grow in intensity and will disproportionately affect vulnerable communities such as the elderly, children, people with disabilities, and people with low incomes. In order to mitigate climate change locally, the City developed the Berkeley Climate Action Plan (CAP). The CAP sets a target of achieving 80% GHG reductions below 2000 levels by 2050. The City also has goals to become a fossil fuel free city, and reach 100% renewable electricity citywide by 2035. From 2000 to 2016, the City reduced its greenhouse gas emissions by 15% despite a population increase of approximately 18% in that same period. Community-wide emissions in 2019 decreased 26% from the 2000 baseline and decreased 4% from 2018. The City has moved beyond its initial emissions reduction goal and, on May 11, 2021, the City Council committed to become zero net emissions by 2045, requiring an additional 74% reduction of GHG emissions. Although natural gas bans on new construction were repealed in 2024 due to federal court rulings, the City still incentivizes all-electric building designs and strategic infrastructure decommissioning to hit its 2045 climate goals. The City's mitigation efforts include developing plans, programs and policies to:

- Reduce energy use in building construction and operation, in transportation by shifting travel to walking, biking, and transit, and by minimizing landfilled waste;
- Clean the electricity used in the City and
- Electrify transportation and buildings to significantly reduce natural gas and petroleum use.

It is also critical that the City adapt to current and projected climate change impacts, including sea level rise, drought, severe storms, and extreme heat, in order to protect its community, infrastructure, buildings, and economy. The City has several plans that address climate adaptation including the Local Hazard Mitigation Plan, the Resilience Strategy, and the Climate Action Plan. The City is also developing a sea level rise plan for the Berkeley Marina and a green infrastructure plan. Some key climate resilience actions that the City is taking include implementing green infrastructure projects and identifying opportunities for clean energy assurance solutions, such as solar plus storage, for buildings. The City also actively participates in regional organizations such as the Bay Area Climate Adaptation Network to develop regional strategies and solutions to adapt to climate change.

Climate change will have new, direct impacts and will also exacerbate existing local natural hazards. Rising sea levels have the potential to impact infrastructure and community members in west Berkeley and the Berkeley waterfront. This could increase the City's exposure to tsunami inundation and to flooding of critical infrastructure in these areas, which includes sanitary sewers, state highways, and railroad lines. Increased temperatures, when coupled with prolonged drought events, can increase the intensity of wildfires that may occur, and pose significant health and safety risks for vulnerable communities. Shorter, more intense wet seasons could make flooding more frequent, and may increase the landslide risk in the Berkeley hills. California may experience greater water and food insecurity, and drought may become a more persistent issue as the effects of climate change deepen.

Cybersecurity

The City and its departments face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. There have been, however, only limited cyber-attacks on the computer systems of the City. No assurances can be given that the security and operational control measures of the City will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the City and damage the digital networks and systems. The resulting costs and/or impacts on operations and General Fund revenues could be material.

Pandemic Diseases

In recent years, the COVID-19 pandemic impacted governments, businesses and people in a manner having negative effects on global and local economies. In response to the pandemic, the City took actions to activate its emergency operations center, temporarily close all non-essential City services, introduced teleworking as and where appropriate, implemented daily screening of all employees, and abided by all state and federal guidelines and orders.

Although the COVID-19 pandemic is now officially over, the City cannot predict the impact that COVID-19 or another future pandemic or other health event may have on the City. There can be no assurances that the spread of future pandemics or other health events, such as declining business and travel activity, will not materially adversely impact the financial condition of the City, and assessed valuations within the City. In addition, the City may experience increased personnel costs and/or reduced revenues due to any such situation and the related impact on economic and other activity in and around the City, potentially adversely impacting assessed valuations.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS

Limitations on Revenues

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum ad valorem tax on real property to one percent of “full cash value,” and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the one-percent limitation does not apply to ad valorem taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The tax for payment of the City’s general obligation bonds falls within the exception for bonds approved by a two-thirds vote.

Section 2 of Article XIII A defines “full cash value” to mean the county assessor’s valuation of real property as shown on the fiscal year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any ad valorem property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the City.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIII C and Article XIII D of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, known as the “Right to Vote on Taxes Act.” Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the “Supermajority Vote to Pass New Taxes and Fees Act.” Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIII C define “taxes” that are subject to voter approval as “any levy, charge, or exaction of any kind imposed by a local government,” with certain exceptions.

Taxes. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City (“**general taxes**”) require a majority vote; taxes for specific purposes (“**special taxes**”), even if deposited in the City’s General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Property-Related Fees, Charges and Assessments. Article XIII D also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a “special benefit,” as defined in Article XIII D, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Fees and Charges. Article XIII C also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City’s General Fund. If such repeal or reduction occurs, the City’s ability to pay debt service on the Notes could be adversely affected.

Burden of Proof. Article XIII C provides that local government “bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Similarly, Article XIII D provides that in “any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance” with Article XIII D.

Impact on City's General Fund. The approval requirements of Articles XIII C and XIII D reduce the flexibility of the City to raise revenues for the General Fund, and no assurance can be given that the City will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that the City may need to meet increased expenditure needs.

The City does not believe that any material source of General Fund revenue is subject to challenge under Articles XIII C or XIII D.

Judicial Interpretation. The interpretation and application of Articles XIII C and XIII D will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Expenditures and Appropriations

Article XIII B of the California Constitution. In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual "appropriations limit" or "Gann Limit" imposed by Article XIII B of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" exclude tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds.

Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity have their own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Each school district is required to establish an appropriations limit each year. In the event that a school district's revenues exceed its spending limit, the district may increase its appropriations limit to equal its spending by taking appropriations limit from the State.

Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceed the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D and Proposition 111 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting City revenues or the City's ability to expend revenues. The nature and impact of these measures cannot be predicted by the City.

LEGAL OPINION

The statements of law and legal conclusions set forth in this Official Statement under the heading "TAX MATTERS" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal proceedings required for the authorization of the Notes and to rendering the opinion discussed below. Such opinion will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Notes not mentioned in this paragraph. Bond Counsel takes no responsibility for the accuracy, completeness or fairness of this Official Statement. Bond Counsel's compensation is contingent upon the delivery of the Notes. Certain legal matters will be passed upon for the City by the City Attorney.

TAX MATTERS

In the opinion of Jones Hall LLP, San Mateo, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Notes is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Notes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Notes.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Note is sold is less than the amount payable at maturity thereof, then such difference constitutes "**original issue discount**" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Note is sold is greater than the amount payable at maturity thereof, then such difference constitutes "**original issue premium**" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Note on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing

during each period is added to the adjusted basis of such Notes to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Note. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Notes who purchase the Notes after the initial offering of a substantial amount of such maturity. Owners of such Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Notes under federal alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Note (said term being the shorter of the Note's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Note for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Note is amortized each year over the term to maturity of the Note on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Note premium is not deductible for federal income tax purposes. Owners of premium Notes, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Notes.

In the further opinion of Bond Counsel, interest on the Notes is exempt from California personal income taxes.

Owners of the Notes should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Notes may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Notes other than as expressly described above.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX C.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events. The notices of enumerated events will be filed by the City with the Municipal Securities Rulemaking Board.

The specific nature of the information to be contained in the notices of enumerated events is summarized under the caption "APPENDIX D – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the purchaser of the Notes in complying with Rule 15c2- 12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

The City and its related governmental entities have previously entered into numerous disclosure undertakings under the Rule in connection with the issuance of long-term obligations. See Note 8 of the City's Annual Comprehensive Financial Report attached to this Official Statement as APPENDIX B.

In the previous five years, the City failed to timely file a material event notice in connection with the failure to meet its debt service coverage covenant for one series of the City's bonds. To ensure future compliance with its continuing disclosure undertakings, the City has developed procedures for including all required continuing disclosure information in the supplementary section of its audited financial statements. In addition, the City has engaged NHA Advisors, LLC, to review this information annually to ensure compliance with its continuing disclosure undertakings, including the undertaking to be entered into in connection with the Notes.

Neither the County nor any other entity other than the City shall have any obligation or incur any liability whatsoever with respect to the performance of the City's duties regarding continuing disclosure.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or threatened concerning the validity of the Notes, and a certificate to that effect will be furnished by the City at the time of the original delivery of the Notes. The City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the City's ability to receive ad valorem taxes or to collect other Unrestricted Moneys or contesting the City's ability to issue and retire the Notes.

UNDERWRITING

The Notes were purchased by _____ (the "**Purchaser**") at a price of \$_____ (representing \$_____ aggregate principal amount of the Notes plus a purchase premium of \$_____, less a Purchaser's discount of \$_____). The purchase contract for the Notes provides that the Purchaser will purchase all the Notes if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Purchaser may offer and sell Notes to certain dealers and others at prices lower than the offering price stated on the cover page hereof. The offering price may be changed from time to time by the Purchaser.

MUNICIPAL ADVISOR

The City has retained NHA Advisors, LLC, San Rafael, California, as municipal advisor (the "**Municipal Advisor**") in connection with the preparation of this Official Statement and with respect to the issuance of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is a municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. The Municipal Advisor's compensation is contingent upon the delivery of the Notes.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, has assigned a rating to the Notes as shown on the cover of this Official Statement. The City supplied certain information to the rating agency to be considered in evaluating the Notes. The rating issued reflects only the views of such rating agency, and any explanation of the significance of such rating should be obtained from the rating agency. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Notes.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Notes. Quotations from and summaries and explanations of the Notes and the Resolution and of statutes and documents contained herein do not purport to be complete, and reference is hereby made to the Resolution, statutes and documents for full and complete statements of their provisions. Additional information can be obtained from the City's Director of Finance.

This Official Statement speaks only as of its date, and the information presented in this Official Statement is subject to change. Any statements in this Official Statement involving matters of opinion, whether or not expressly stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the City and any purchaser or owners of the Notes. This Official Statement and its distribution have been authorized and approved by the City Council of the City.

EXECUTION

The execution of this Official Statement and its delivery have been approved by the City Council.

CITY OF BERKELEY

By: _____
City Manager

APPENDIX A

CERTAIN INFORMATION CONCERNING THE CITY OF BERKELEY

Introduction

The City of Berkeley, California (the “**City**”) is located in Alameda County (the “**County**”) on the east side of the San Francisco Bay, approximately 10 miles northeast of San Francisco. The City encompasses a total area of approximately 19 square miles and had an estimated population of 127,654 as of January 1, 2026, giving it the highest population density of any city in the East Bay. The City is defined to a large degree, both culturally and economically, by the presence of the University of California campus located on the eastern side of the City. The University of California is a major component of the City's economy, employing more than 265,000 full and part-time workers across all University of California campuses statewide.

The City is among the oldest in California. The City was founded in 1864, incorporated as a town in 1878, and incorporated as a city in 1909. The City's first charter was adopted in 1895.

Population

Population figures for the City, County and State for the last five years are shown in the following table.

CITY OF BERKELEY Population Estimates As of January 1

Year	City of Berkeley	County of Alameda	State of California
2022	124,014	1,652,305	39,159,480
2023	125,063	1,657,494	39,167,274
2024	125,477	1,661,452	39,446,835
2025	127,123	1,667,901	39,646,907
2026	127,654	1,666,136	39,592,978

Source: State Department of Finance estimates (as of January 1).

City Government

The City operates under a Council-Manager form of government. The City is governed by a nine-member City Council, eight of whom are elected by district, plus the Mayor, who is elected on a city-wide basis. The Mayor and the City Council members serve four-year terms. The Council appoints a City Manager who is responsible for daily administration of City affairs and preparation and submission of the annual budget under the direction of the Mayor and the City Council for the Mayor's submission to the City Council. The City Manager appoints a Director of Finance to supervise the City's financial affairs. The Director of Finance also serves as the City's Treasurer.

The City Attorney, City Clerk and Director of Finance are appointed by the City Manager subject to City Council approval. The City Auditor is elected at the same time as the Mayor. Current members of the City Council are shown below:

<u>Member</u>	<u>District</u>	<u>Term Expires</u>
Adena Ishii	Mayor	11/30/2028
Rashi Kesarwani	1	11/30/2026
Terry Taplin	2	11/30/2028
Ben Bartlett	3	11/30/2028
Igor Tregub	4	11/30/2026
Shoshana O'Keefe	5	11/30/2028
Brent Blackaby	6	11/30/2028
Cecilia Lunaparra	7	11/30/2026
Mark Humbert	8	11/30/2026

Accounting Policies and Financial Reporting

The accounts of the City are organized on the basis of funds and account groups, to account for different activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which the spending activities are controlled. The City's General Fund and other governmental fund types use the modified accrual basis of accounting. All of the City's other funds, including proprietary fund types and fiduciary fund types use the accrual basis of accounting. The basis of accounting for all funds is more fully explained in the "Notes to the Financial Statements" contained in APPENDIX B.

The City Council employs, at the beginning of each fiscal year, an independent certified public accountant who, at such time or times as specified by the City Council, at least annually, and at such other times as he or she shall determine, examines the combined financial statements of the City in accordance with generally accepted auditing standards, including such tests of the accounting records and such other auditing procedures as such accountant considers necessary. As soon as practicable after the end of the fiscal year, a final audit and report is submitted by such accountant to the City Council and a copy of the financial statements as of the close of the fiscal year is published.

The City, all its funds and the funds of certain other component entities of the City are audited annually by a certified public accounting firm. The firm of Badawi and Associates, Certified Public Accounts, Berkeley, California, is the City's current auditor (the "**Auditor**"). The annual comprehensive financial report of the City for fiscal year 2024-25 is attached hereto as APPENDIX B. *The City's financial statements are public documents and are included within this Official Statement without the prior approval of the Auditor.*

The Governmental Accounting Standards Board ("**GASB**") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) government-wide financial statements prepared using the economic measurement focus and the accrual basis of accounting and fund financial statements prepared using both the current financial resources measurement focus and the modified accrual method of accounting (governmental funds) and funds using the economic measurement focus and the accrual basis of accounting (proprietary funds) and (iii) required

supplementary information. The City's financial statements are prepared in conformance with the requirements of Statement No. 34.

Comparative Financial Statements

The following tables provide a five-year history of the City's Comparative Balance Sheet, and both a recent history of General Fund revenues, expenditures, transfers, and ending fund balances and recently budgeted amounts.

CITY OF BERKELEY
GENERAL FUND BALANCE SHEET
(Fiscal Year Ending June 30)
(Dollar amounts in thousands)

	<u>Actual 2020-21</u>	<u>Actual 2021-22</u>	<u>Actual 2022-23</u>	<u>Actual 2023-24</u>	<u>Actual 2024-25</u>
ASSETS:					
Cash and investments in treasury*	\$146,849	\$171,955	\$160,249	\$134,929	\$142,942
Receivables (net of allowance as applicable):					
Accounts	4,782	5,384	9,314	10,228	5,902
Interest	834	1,078	2,000	2,620	2,038
Taxes	13,092	10,795	9,083	9,915	11,338
Subventions/grants	1	--	--	50	50
Due from other funds	12,814	17,740	16,034	16,362	21,361
Notes receivable	6,197	13,818	15,954	31,326	33,922
Other	5	5	4	5	5
Prepaid Items	--	--	--	--	--
Total assets	184,574	220,776	212,640	205,434	217,559
LIABILITIES:					
Accounts payable	10,444	7,094	6,147	9,368	9,966
Accrued salaries and wages	8,081	8,934	3,541	4,672	3,098
Accrued interest payable	740	445	1,117	1,178	1,765
Advances from other funds	1,760	814	814	--	--
Deposits held	921	886	936	1,118	1,223
Unearned revenue	--	--	--	--	--
Tax and revenue anticipation notes	42,405	44,660	28,000	23,620	35,395
Other liabilities	4,955	6,129	6,515	4,693	6,577
Total liabilities	69,307	68,962	47,070	44,649	58,023
Deferred Inflows of Resources	3,385	3,770	7,103	7,756	4,658
FUND BALANCES					
Reserved for:					
Assigned to	19,577	12,163	16,753	30,338	22,721
Nonspendable	--	--	--	660	--
Restricted and Committed	35,941	60,697	71,799	92,454	100,486
Unreserved/Unassigned, report in:					
General fund	56,364	75,184	69,915	29,577	31,671
Total fund balances	111,882	148,043	158,467	153,029	154,878
Total liabilities and fund balances	<u>\$184,574</u>	<u>\$220,776</u>	<u>\$212,640</u>	<u>\$205,434</u>	<u>\$217,559</u>

* Cash and investments in treasury includes restricted cash and investments.
Source: City of Berkeley, Annual Comprehensive Financial Reports.

CITY OF BERKELEY
STATEMENT OF GENERAL FUND
REVENUES, EXPENDITURES, TRANSFERS AND BALANCES
(Fiscal Year Ending June 30)
(Dollar amounts in thousands)

	<u>Actual</u> <u>2020-21</u>	<u>Actual</u> <u>2021-22</u>	<u>Actual</u> <u>2022-23</u>	<u>Actual</u> <u>2023-24</u>	<u>Actual</u> <u>2024-25</u>
REVENUES:					
Taxes	\$187,395	\$225,100	\$216,259	\$216,040	\$231,017
Licenses and Permits	1,805	1,580	1,471	1,457	3,463
Subvention and Grants/Intergovernmental	3,700	652	1,589	833	640
Service Fees	6,990	7,806	9,812	11,952	14,499
Fines and Forfeitures	3,579	4,967	6,117	5,947	6,122
Rents	189	294	233	273	380
Franchises	1,714	1,713	1,811	1,987	1,859
Private contribution	184	45	134	150	114
Interest	8,110	(10,069)	3,261	22,319	27,229
Other	74	506	560	826	517
TOTAL REVENUES	213,740	232,595	241,248	261,783	285,841
EXPENDITURES:					
General Government	27,357	29,693	32,732	42,002	47,250
Public Safety	120,179	124,901	128,306	137,522	147,157
Highways and Streets	3,163	3,833	3,055	2,224	2,754
Health and Human Services	19,320	17,897	15,695	15,531	21,147
Culture-Recreation	7,362	8,708	9,291	10,632	11,562
Community Development	9,258	12,693	16,592	22,499	20,222
Economic Development	2,534	3,005	3,643	3,271	4,582
Debt Service	139	98	496	2,347	2,589
Capital Outlay	--	--	1,494	5,850	19,680
TOTAL EXPENDITURES	189,313	200,827	211,304	241,875	276,942
Excess Revenues Over (Under) Expenditures	24,427	31,767	29,944	19,908	8,899
Transfers In(out)/Other	(10,614)	4,394	(19,520)	(25,345)	(6,775)
Net Change in Fund Balance	13,813	36,161	10,424	(5,438)	2,125
Fund Balance, July 1	98,069	111,882	148,043	158,467	153,029
Prior Period Adjustment	--	-	-	--	(276)
Fund Balance, June 30*	<u>\$111,882</u>	<u>\$148,043</u>	<u>\$158,467</u>	<u>\$153,029</u>	<u>\$154,878</u>

* Totals may not sum due to rounding.

Source: City of Berkeley Annual Comprehensive Financial Reports.

General Fund Budget

Budgetary Process and Administration. The City employs a two-year budget process. In year one of the biennial budget cycle, the City Council formally adopts authorized appropriations for the first fiscal year and approves “planned” appropriations for the second fiscal year. In year two, the City Council considers revisions and formally adopts authorized appropriations for the second fiscal year. Although the budget cycle covers a two-year period, the City Charter requires that the City Council adopt an annual appropriations ordinance for each budget year.

From January to May of each year, the City Council meets publicly to discuss policies and priorities for the upcoming budget. The City Manager prepares a proposed budget based on input from department heads and presents this to the City Council by the first Monday in May of a budget year or as fixed by the City Council. The City also maintains additional budgetary controls to ensure compliance with the annual appropriated budget. The City Manager is authorized to transfer budgeted amounts within funds as deemed necessary to meet the City’s needs; however, revisions that alter the total budget or move amounts from one fund to another must be approved by the City Council.

Revenues and expenditures relating to the City’s general governmental operations are budgeted and accounted for in the City’s General Fund, including public safety, highways and streets, health, housing and human services, culture and recreation, community development and economic development. General taxes and fees support most of these activities. The “business” or proprietary activities of the City are accounted for in each of eight enterprise funds, which include those established for Refuse Collection, Marina Operations, Sanitary Sewers, Clean Storm Water, Permit Service Center, Off-Street Parking, Parking Meter, and Building Purchases & Management. These activities are intended to be completely or largely self-supporting through user fees and charges.

The balance of this Appendix is concerned with the operations and performance of the City’s General Fund, unless otherwise noted.

Proposed Biennial Budget. The City will adopt its fiscal years 2026-27 and 2027-28 biennial budget on June 23, 2026. For fiscal year 2026-27, the City will propose operating and capital budget expenditures of \$905.2 million based on revenues of approximately \$760 million. For fiscal year 2027-28, the City authorized operating and capital budget expenditures of \$865.2 million based on revenues of approximately \$773.4 million.

The General Fund comprises less than one-half of the total budget, with the remainder of the budget consisting of various special funds that are restricted in purpose. Approximately fifty-five percent of the City’s General Fund revenue is derived from real and unsecured property, sales and soda taxes, and business license taxes.

For fiscal year 2026-27, proposed revenues for the General Fund are projected to be \$302.8 million, while proposed expenditures are projected to be \$313.9 million, resulting in a shortfall of \$11.0 million. For fiscal year 2027-28, proposed revenues for the General Fund are projected to be \$320.2 million, which proposed expenditures are projected to be \$319.6 million, resulting in a surplus of \$0.7 million.

The City is unable to predict the impact that certain federal policies may have on its finances and operations, including uncertain tariff and trade policies, the impact of reduced federal

funding on some City services and programs, and the impending possibilities of increased unemployment and an economic recession. On May 19, 2026, the City Council was presented with a proposed budget that is balanced for fiscal years 2026-27 and 2027-28.

The City has utilized balancing measures to ensure the current budget is balanced, as has been its historical practice. Some of the measures used include increasing salary savings for the public safety employees from 5% to 9%, utilizing the IRS Section 115 Pension Trust Fund (the “**Pension Trust Fund**”) to fund a portion of the increased pension cost, and utilizing certain fund balances to balance other funds. Through these measures, the budget is balanced for both fiscal years. For a discussion of the Pension Trust Fund, see “Retirement Programs – *IRS Section 115 Pension Trust Fund*.” See also “– Unfunded Liabilities and Unfunded Infrastructure Needs.”

Five-Year Forecast.

The following table shows the actual revenues and expenditures for fiscal year 2024-25, estimated revenues and expenditures for fiscal year 2025-26, proposed revenues and expenditures for fiscal years 2026-27 and 2027-28, and projected revenues and expenditures for fiscal year 2028-29 for the City’s General Fund and Special Funds, taking into account the one-time balancing measures described herein. See “– Unfunded Liabilities and Unfunded Infrastructure Needs.”

CITY OF BERKELEY Five-Year Forecast Fiscal Years 2024-25 through 2028-29

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>
Beginning Fund Balance	\$50,087,331	\$31,204,449	\$12,030,454	\$956,561	\$1,656,410
Total Revenues	291,178,535	310,058,837	302,843,394	320,288,556	329,897,213
Total Expenditures	311,539,113	329,232,832	313,917,287	319,588,707	329,176,368
Annual Surplus/(Shortfall)	(20,360,578)	(19,173,995)	(11,073,893)	699,848	720,845
Projected Ending Balance	\$31,204,449	\$12,030,454	\$956,561	\$1,656,410	\$2,377,255

Given the decreasing level of precision to be expected in the later years of a multi-year forecast, the significance of the projections in the out years is not so much in terms of their absolute amounts, but rather in the relative size of the decrease or increase from the prior year. This information should be used to provide a multi-year perspective on budgetary decision-making, rather than as a precise prediction of what will occur.

General Fund Reserves

Establishment of General Fund Reserve. On January 24, 2017, the City Council adopted a General Fund reserve policy, establishing a General Fund reserve (the “**Reserve**”), to prepare for the impact of economic cycles and catastrophic events and assure fluctuations in revenue do not impede the City’s ability to meet expenditure obligations. When revenues fail to meet the City’s normal operating requirements, or the need for disbursements temporarily exceeds receipts, the Reserve, upon a 2/3 vote of the City Council, may be used in accordance with the standards set forth therein.

The Reserve is composed of two elements, a Stability Reserve and a Catastrophic Reserve:

- 1) A Stability Reserve is maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls, and not to serve as a funding source for new programs or projects.
- 2) A Catastrophic Reserve is maintained for the purpose of sustaining General Fund operations in the case of a public emergency, such as a natural disaster or other catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, and terrorist attacks. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects.

The Reserve is accounted for in the Restricted and Committed fund balance of the City's balance sheet.

Target Reserve Levels. 55% of the Reserve is allocated to the Stability Reserve and 45% to the Catastrophic Reserve.

The long-term goal for the Reserve is between 20% to of 30% of the adopted General Fund revenues, to be achieved within no more than 10 years ("**Long-Term Goal**"). Based on a risk assessment (according to best practices), to be updated at least every five years, the City Council may consider increasing or lowering the Reserve level.

As of July 1, 2026, the Stability Reserve is projected to have \$36,000,000, and the Catastrophic Reserve is projected to have \$28,200,000, which total 20% of adopted General Fund revenues, within the long-term goal between 20% to 30 percent for fiscal year 2026-27.

Replenishment of the General Fund Reserve. The City Manager will recommend a replenishment schedule for all monies proposed for appropriation from the Reserve. The replenishment schedule will be adopted simultaneously with the appropriation to withdraw Reserve funds or, if infeasible due to emergency circumstances, no more than three months from the date of the withdrawal appropriation. Repayment shall begin no more than five years from the date of withdrawal and be completed within 10 years from the date of withdrawal.

Unfunded Liabilities and Unfunded Infrastructure Needs

General. On April 8, 2026, the City Auditor released a report assessing the City's financial condition for fiscal years 2015-16 through 2024-25 (the "**Report**"). The Report assesses the City's near-term and long-term financial condition across seven categories:

- Revenues and expenses;
- Budgetary practices;
- Demographic and economic indicators;
- Net position, liquidity, and reserves;
- Long-term debt and liabilities;
- Net pension and retiree healthcare liabilities; and
- Capital assets.

Certain provisions of the Report, which is available on the City's internet website but is not incorporated by reference herein, are described below. The link to the Report on the City's internet

website is the following: <https://berkeleyca.gov/sites/default/files/2026-04/2026-04-28%20Item%2009%20Berkeley%E2%80%99s%20Financial%20Condition%20%28FY%202016-FY%202025%29.pdf>. *The City takes no responsibility for the continued accuracy of the Internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.*

The Report concludes that Berkeley's long-term financial condition continues to face ongoing challenges, and that in the near term the City's structural deficit poses additional risk to long-term financial sustainability. The Report highlighted specific "near-term" and "long-term" financial indicators, including:

- The City's one-time balancing strategies to produce a balanced budget in the face of structural deficits can put the long-term sustainability of some funds at risk. See "– General Fund Budget" above.
- Certain enterprise funds maintained by the City have structural deficits and have required transfers from the General Fund and other funds to balance those deficits. The Report identifies these ongoing transfers as a risk to the long-term sustainability of both the enterprise funds and the General Fund.
- The City's net pension liability totaled \$694.8 million as of fiscal year 2024-25, with a pension funded ratio of approximately 66%, which the Report characterizes as high risk.
- The City made progress in decreasing its unfunded retiree healthcare liability.
- The City's unfunded capital and deferred maintenance needs grew to \$1.8 billion, as of fiscal year 2023-24, and the Report states that the City lacks advanced planning to finance its capital plan in the long term.

Unfunded Liabilities. Due to expected increases in expenses, primarily pension and medical expenses, the City is projecting a General Fund structural deficit estimated at \$32 million in fiscal year 2026-27 and \$33 million in fiscal year 2027-28.

The City provides retirement benefits to its employees through three plans in the California Public Employees' Retirement System ("**CalPERS**"). See "– Retirement Programs" below for additional information. The City has a significant pension liability that is anticipated to grow. According to the Report, the City's annual pension payment is estimated to increase from \$76 million in fiscal year 2024-25 to \$108 million in fiscal year 2033-34.

Unfunded Infrastructure Needs. Berkeley is a relatively older city and faces related challenges with its aging infrastructure. Despite increased capital investment in recent years, the City's unfunded capital and deferred maintenance needs have grown from \$603.5 million in fiscal year 2016-17 to \$1.8 billion as of fiscal year 2023-24, spanning streets and roads, sidewalks, sewers, storm drains, public buildings, parks and waterfront facilities, traffic signals, and other infrastructure. The Report notes that as needed improvements were deferred, operating and maintenance costs rose and rehabilitation and replacement costs increased substantially.

The Report notes that without sufficient investment, these unfunded capital needs will continue to grow. The Report concludes that the City currently lacks a long-term capital financing plan that identifies future funding mechanisms, including the timing and amount of potential bond measures, to address these needs. The City is considering placing a \$300 million general obligation bond measure on the November 2026 ballot (which would require the approval of two-thirds of those voting on the measure) to help address a portion of its unfunded capital needs.

Ongoing Reporting. The City has generally prepared a biennial report of the City's unfunded liability obligations and unfunded infrastructure needs. The most recent report was presented by the City Manager on April 11, 2023.

State Budget and its Impact on the City

Fiscal Year 2026-27 State Budget. On January 9, 2026, the Governor submitted the fiscal year 2026-27 state budget proposal to the Legislature (the “**2026-27 State Budget Proposal**”). The 2026-27 State Budget Proposal presents a balanced budget, including a discretionary reserve of \$4.5 billion, but projects a deficit of approximately \$22 billion in fiscal year 2027-28 and additional shortfalls in the two years thereafter. General Fund revenues over the three-year budget window of fiscal years 2024-25 through 2026-27 are projected to be more than \$42 billion higher than was assumed in the 2024-25 State Budget, an increase driven by stronger-than-anticipated stock market performance, higher cash receipts, and an improved economic outlook. However, the proposal cautions that much of this revenue growth is attributable to a relatively small number of technology companies and therefore is subject to significant volatility and unlikely to be sustained indefinitely. The proposal also identifies federal policy changes as a material risk to its revenue projections. In particular, House of Representatives Bill 1 of 2025 is projected to increase General Fund costs by approximately \$1.4 billion in fiscal year 2026-27, largely related to Medi-Cal and CalFresh programs. The 2026-27 State Budget Proposal further notes uncertainty associated with future federal policies affecting tariffs, immigration, inflation, investment activity, labor markets, and overall economic demand.

Voters approved Proposition 1A in November 2004 to amend the State Constitution to place constraints on the State's ability to divert certain specified revenues from local agencies to the State. Subsequently, in November 2010, voters approved Proposition 22 to amend the State Constitution to further constrain or eliminate the State's ability to redirect revenues from local agencies. “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS – Proposition 1A” and “– Proposition 22.”

Additional Information. Information about the 2026-27 State Budget Proposal and other State budgets is available at www.dof.ca.gov or www.ebudget.ca.gov. An impartial analysis of the budget is posted by the Legislative Analyst Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets, may be found at the website of the State Treasurer, www.treasurer.ca.gov. *The information referred to in this paragraph is prepared by the respective State agency maintaining each website and not by the City. The City takes no responsibility for the continued accuracy of the Internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.*

Federal Revenues

General. The federal government provides annual funding for several City programs, including funding from the Housing of Urban Development through the Community Block Grant, Emergency Solutions Grant, and HOME Investment Partnership in addition to other health and human services programs.

In January 2025, the federal government indicated that it was considering the reduction of federal funding to a number of programs, including programs that impact City programs. The City is unable to predict whether the federal government's review of spending may eventually impact its receipt of federal funding, and whether any such impact would have a material effect on the

finances or operations of the City. The City is reviewing mitigation plans for federal funding changes that may impact the City in the future.

Sanctuary Cities. On January 21, 2025, the City Council adopted a resolution reaffirming the City's status as a sanctuary city and to reassert policies and procedures to guide and support staff should U.S. Immigration and Customs Enforcement ("ICE") contact City officials or visit City offices.

In January 2025, President Trump signed an executive order directing the Department of Homeland Security and the Department of Justice to explore denying federal funds to sanctuary jurisdictions and to pursue civil or criminal actions against them. Additionally, the United States Congress is considering bill H.R. 32, the "No Bailout for Sanctuary Cities Act," that would empower the president to withhold federal funding from cities, counties and states with sanctuary city status. Multiple lawsuits have been filed by local governments challenging the executive order.

The City is unable to predict the outcome of ongoing litigation against the sanctuary cities executive order or whether the federal government's restriction of funding for sanctuary cities may eventually impact its receipt of federal funding, and whether any such impact would have a material effect on the finances or operations of the City. The City is reviewing mitigation plans to deal with any ongoing litigation that may impact City financials.

Ad Valorem Property Taxes

Tax Levies and Collections. Property taxes collected by the City increased by \$11.6 million, or 9.8%, to \$129.4 million in fiscal year 2024-25 from \$117.8 million in fiscal year 2023-24, primarily as a result of increases/decreases in the following revenue sources:

- Property Transfer Tax revenue in fiscal year 2024-25 was \$22.5 million, \$4.5 million more than the fiscal year 2023-24 total of \$18.0 million. This increase was primarily as a result of a 27.7% increase in the dollar value of property sales and a 5.7% decrease in the number of property sales transactions.
- Measure P Property Tax revenue in fiscal year 2024-25 was \$9.7 million, \$2.9 million or 42.6% more than the fiscal 2023-24 total of \$6.8 million. This increase was primarily due to a 63.1% increase in the dollar value of property sales, a 47.4% increase in the number of property sales transactions, and significantly more property sales of \$10 million or more in fiscal year 2024-25 than there were in fiscal year 2023-24;
- Secured Property Taxes increased by \$4.4 million from \$84.9 million in fiscal year 2023-24 to \$89.3 million in fiscal year 2024-25, due to an increase in assessed value of 6.39% in the City.
- Vehicle In-Lieu Taxes increased \$1.1 million or 6.3% in fiscal year 2024-25 from \$17.9 million in fiscal year 2023-24 to \$19.0 million in fiscal year 2024-25, due to increase in assessed value of 6.39% in the City.

Taxes are levied for each fiscal year on taxable real and personal property that is situated in the City as of the preceding January 1. A supplemental roll is developed when property changes hands, which produces additional revenue.

A ten percent penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll with respect to which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to auction sale by the County Tax Collector.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien is recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the taxpayer; (3) filing a certificate of delinquency for recording in the County Recorder's office in order to obtain a lien on specified property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

The County levies (except for levies to support prior voter-approved indebtedness) and collects all property taxes for property falling within that county's taxing boundaries.

Other General Fund Revenues and Transfers

In addition to property taxes, the City has several other major tax and fee revenue sources, as described below. The following table summarizes the City's actual audited General Fund revenues and transfers from fiscal year 2021-22 through fiscal year 2024-25.

CITY OF BERKELEY GENERAL FUND REVENUES AND TRANSFERS

	Actual Revenue FY 2022	Actual Revenue FY 2023	Actual Revenue FY 2024	Actual Revenue FY 2025
Real Property	\$70,657,482	\$79,260,689	\$84,850,061	\$89,041,388
Unsecured Property	4,422,414	3,830,697	4,506,444	4,798,998
Supplemental Taxes	2,317,723	3,561,752	2,842,273	2,035,343
Property Transfer Tax	42,901,750	22,878,336	17,528,223	23,052,568
Property Transfer Tax-Measure P	20,591,313	10,199,580	6,272,861	10,129,772
Sales Tax	18,928,278	19,194,971	18,717,040	18,925,939
Soda Tax	1,025,800	1,162,310	1,101,210	1,031,453
Business License	20,324,937	21,854,193	23,754,845	23,521,406
Business License – Cannabis Recreation	1,250,792	997,572	152,834	68,700
Measure U1	4,913,872	5,844,564	6,322,118	6,591,843
Utility Users Tax	14,750,065	17,634,565	17,209,441	18,999,486
Hotel Tax	5,727,046	7,477,911	6,979,323	6,129,181
Vehicle In-Lieu	15,006,003	16,659,665	17,875,821	19,001,998
Parking Fines	4,765,819	5,875,858	6,034,002	6,062,513
Moving Violations	156,253	149,420	166,152	165,360
Interest	6,694,122	12,117,025	15,155,999	16,373,873
Ambulance Fees	3,833,730	5,143,120	7,910,668	8,488,419
Franchise Fees	1,720,056	1,822,528	2,008,162	1,990,576
Other Revenue	17,185,630	15,872,263	13,600,820	18,956,825
Transfers and IDC	<u>29,445,571</u>	<u>23,605,162</u>	<u>20,312,614</u>	<u>15,810,314</u>
TOTAL	<u>\$286,618,657</u>	<u>\$275,142,181</u>	<u>\$273,300,911</u>	<u>\$291,175,955</u>

Source: City of Berkeley Budget Office. Revenues were recorded using the budget basis of accounting (i.e., Cash).

Sales and Use Tax. The sales tax is an excise tax imposed on retailers for the privilege of selling or leasing tangible personal property. The use tax is an excise tax imposed for the storage, use, or other consumption of tangible personal property purchased from any retailer. The total sales tax rate within the City is currently 10.25%. The proceeds of sales and uses taxes imposed within the City are distributed by the State to various agencies, with the City receiving 1.0% of the amount collected.

Collection of the sales and use tax is administered by the California Department of Tax and Fee Administration (the “CDTFA”). This process was formerly administered by the State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017, which took effect July 1, 2017, restructured the State Board of Equalization and separated its functions among three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. The State Board of Equalization will continue to perform the duties assigned to it by the state Constitution, while all other duties will be transferred to the newly established CDTFA and the Office of Tax Appeals. CDTFA will handle most of the taxes and fees previously collected by the State Board of Equalization, including sales and use tax. According to the CDTFA, it distributes quarterly tax revenues to local jurisdictions (like the City) using the following method:

Using the prior year’s like quarterly tax allocation as a starting point, the CDTFA first eliminates nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjusts for growth, in order to establish the estimated base amount. The CDTFA disburses 90% of the base amount to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter’s actual receipts. Ten percent is withheld as a reserve against unexpected occurrences that can affect tax collections (such as earthquakes, fire or other natural disaster) or distributions of revenue such as unusually

large refunds or negative fund transfers. The first and second advances each represent 30% of the 90% distribution, while the third advance represents the remaining 40%. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

The CDTFA receives an administrative fee based on the cost of services provided by the Board to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

Sales tax revenues stayed relatively level in fiscal year 2024-25. The City currently projects that sales tax revenue will remain level in fiscal year 2025-26 and projects an increase of approximately 3% in fiscal year 2026-27.

**CITY OF BERKELEY
TAXABLE TRANSACTIONS
(Figures in Thousands)**

	2021	2022	2023	2024	2025
Retail and Food Services:					
Apparel Stores	\$37,143	\$43,166	\$44,187	\$42,977	\$45,727
Gen. Merchandise Stores	19,066	22,498	19,762	22,028	21,552
Food Stores	144,467	115,170	115,398	118,006	119,982
Eating and Drinking Places	283,279	366,323	383,140	415,911	441,293
Home Furnishings and Appliances	87,133	59,435	51,568	50,941	52,578
Bldg. Materials, Farm Implements	141,811	152,845	149,126	140,440	132,560
Auto Dealers, Auto Supplies	114,276	135,123	109,251	101,490	103,304
Gas/Service Stations	87,759	110,009	99,486	87,939	79,838
Other Retail Stores	<u>236,279</u>	<u>245,362</u>	<u>224,668</u>	<u>214,175</u>	<u>207,584</u>
Total Retail and Food Services	1,151,213	1,249,931	1,196,586	1,193,906	1,204,417
All Other Outlets	<u>341,988</u>	<u>431,788</u>	<u>401,687</u>	<u>371,104</u>	<u>372,661</u>
TOTAL ALL OUTLETS	<u>\$1,493,201</u>	<u>\$1,681,719</u>	<u>\$1,598,273</u>	<u>\$1,565,010</u>	<u>\$1,577,077</u>

Source: State Department of Tax and Fee Administration.

Factors that have historically affected sales tax revenues include the overall economic growth of the Bay Area, competition from neighboring cities, the growth of specific industries within the City, the City's business attraction and retention efforts, and catalog and Internet sales.

Utility Users Tax. The City imposes a 7.5% tax on users of gas, electricity and telephone, as well as cellular telephone services for billing addresses within the City. The tax is not applicable to State, County, or City agencies, or to insurance companies and banks. Some of the factors affecting this revenue stream include consumer demand for these utilities, legislative and regulatory action, rate changes, and the evolution of technology. Utility users taxes increased \$2.7 million or 15.8% from \$16.8 million in fiscal year 2023-24 to \$19.4 million in fiscal year 2024-25. The increase in utility users tax came primarily from increases in electricity and gas due to several rate increases in fiscal year 2024-25. The City projects a 3% decrease in utility user tax in fiscal year 2025-26 and that it will then remain level in fiscal year 2026-27.

Business License Tax. The City requires all businesses within the City to be licensed and imposes a business license tax on all business locations and a new license registration fee on applicants for a new license. The annual tax is generally determined based on the type of business and the business's gross receipts. The tax rate varies between \$0.60 per \$1,000 gross

receipts for grocers, on the low end, and \$50.00 per \$1,000 gross receipts for adult cannabis sales on the high end. Most types of businesses are required to pay a minimum tax of at least \$51 per year. The overall revenue from this tax is dependent on the number of license renewals each year and the growth of businesses and industries within the City and the Bay Area more generally. Business license taxes revenue decreased \$0.3 million or 1.3% from \$23.9 million in fiscal year 2023-24 to \$23.6 million in fiscal year 2024-25 primarily due to the late billing of \$0.6 million in nonprofit business license taxes for fiscal year 2024-25. The City projects a 5% increase in business licenses taxes in fiscal year 2025-26 and that it will remain level in fiscal year 2026-27.

Property Transfer Tax. The City's transfer tax rate is 1.5% for properties with a consideration up to \$1.5 million and 2.5% for transferred properties with a consideration over \$1.5 million. The \$1.5 million threshold will be adjusted annually to capture approximately the top 33% of such transfers based on transfers that occurred in the 12 months preceding September 1 of the preceding year. However, the threshold cannot be reduced below \$1.5 million, meaning that the tax on properties transferred for \$1.5 million or less would remain at 1.5%, notwithstanding any adjustment. The tax is due when the transfer is recorded with the County. Title companies collect the tax as part of the sale closing process and remit the funds to the County when sales or transfers are finalized. The County remits the amounts due monthly, and the amounts are credited to the General Fund. A buyer of residential housing built before 1989 may voluntarily choose to reserve up to one-third of the transfer tax to perform seismic upgrades. Buyers typically have up to one year to complete the work and file for a rebate. Previously, title companies held the reserved amount in escrow until the work was completed, but since May 2007, the City has held the money in escrow accounts, with the interest going to the City.

Prior to fiscal year 2017-18, it was the City Council's policy that property transfer tax in excess of \$10.5 million was treated as one-time revenue to be transferred to the Capital Improvement Fund for capital infrastructure needs, but that amount was increased to \$12.5 million in fiscal year 2017-18 until fiscal year 2022-23; in fiscal year 2022-23, the City Council increased the baseline for fiscal year 2022-23 and fiscal year 2023-24 to \$18 million, with a permanent adjustment to \$16 million beginning in fiscal year 2024-25.

Parking Fines. The City issues and adjudicates citations and civil penalties for parking violations through its own administrative structure. It has a great degree of control over the administration of parking fines, although issuing agencies within the County try to standardize parking penalties to the extent possible. Revenue from parking fines is affected by the penalties imposed for violations, the number of employees issuing tickets, how many tickets employees are able to issue, and the number of working parking meters, among other factors. Currently, the City must remit an additional \$12.50 per citation to the State/County for State and County construction funds, Maddy emergency medical fund, and DNA identification fund.

Vehicle in Lieu Fees. Vehicle license fees ("VLF") imposed for the operation of vehicles on state highways are collected by the State Department of Motor Vehicles in lieu of personal property taxes on vehicles. In connection with the offset of the VLF, the State Legislature authorized appropriations from the State General Fund to "backfill" the offset so that local governments, which receive all of the vehicle license fee revenues, would not experience any loss of revenues. The legislation that established the VLF offset program also provided that if there were insufficient State General Fund moneys to fully "backfill" the VLF offset, the percentage offset would be reduced proportionately (i.e., the license fee payable by drivers would be increased) to assure that local governments would not be underfunded.

As part of the 2004 Budget Act negotiations, an agreement was made between the State and local government officials under which the VLF rate was permanently reduced from 2% to 0.65%. In order to protect local governments, the reduction in VLF revenue to cities and counties from this rate change was replaced by an increase in the amount of property tax they receive. Commencing in fiscal year 2004-05, local governments began to receive their full share of replacement property taxes, and those replacement property taxes now enjoy constitutional protection against certain transfers by the State because of the approval of Proposition 1A at the November 2004 election.

As a part of its fiscal year 2009-10 budget, California increased the vehicle license fee from 0.65% to 1.15% for registration fees due on or after the May 19, 2009 special election. This provision expired on July 1, 2011. On July 1, 2011, vehicle license fees returned to 0.65%, and the City is unaware of any current State legislative efforts likely to increase these in fees in the future.

Vehicle in-lieu taxes increased \$1.1 million or 6.3% in fiscal year 2024-25 from \$17.9 million in fiscal year 2023-24 to \$19.0 million in fiscal year 2024-25 due to increases in assessed value of 6.39% in the City.

Other Revenues. The City also collects additional General Fund revenues from franchise fees, transient occupancy taxes, ambulance fees, a tax on sugar-sweetened beverages, and other more minor sources. Under the City's cable and electric and gas franchise fee arrangements, the local cable provider pays an annual franchise fee of 5% of gross revenues, and the electricity and gas providers pay the greater of 2% of gross receipts attributable to miles of line operated or 0.5% of gross receipts. The transient occupancy tax, also known as the hotel tax, is a 12% tax on the room charge for rental of transient lodging, which was significantly reduced due to restrictions on travel and events due to COVID-19. The City also has an agreement with the County to be the exclusive provider of all emergency ground ambulance services within the City; the specific ambulance fee depends on the type of service delivered and is billed to clients or their insurance companies. Finally, other more minor revenue sources include payments for moving violations, interest on existing funds, and other service fees.

Retirement Programs

PERS Plan Description. The City contributes to three plans in California Public Employees' Retirement System ("PERS"). The first plan covers all of the City's full-time and part-time benefited sworn uniformed fire employees and all chiefs (and is referred to as the Safety Fire Plan in this Official Statement). The second covers all of the City's full-time and part-time benefited sworn uniformed police employees and all chiefs (and is referred to as the Safety Police Plan in this Official Statement). The third plan covers all remaining eligible City employees (and is referred to as the Miscellaneous Plan in this Official Statement). These plans are agent multiple-employer defined benefit pension plans administered by PERS, which acts as a common investment and administrative agent for participating public employers within the State of California.

PERS Plan Eligibility. For a more detailed discussion of the eligibility requirements for the City's PERS retirement plans, see Appendix B, Note 12.

PERS Plan Contributions. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration (the "**Board of Administration**"). For the measurement period ended June 30, 2024 (the measurement date),

the average active employee contribution rate is 8.0% of annual pay for the Miscellaneous Plan and 9.0% of annual pay for the Safety Plan (Fire and Police), and the employer contribution rate is 38.23% of annual payroll for the Miscellaneous Plan, 57.21% of annual payroll for the Public Safety Fire Plan, and 87.04% of annual payroll for the Public Safety Police Plan. The contribution requirements of the plan members are established by State statute, and the employer contribution rates are established and may be amended by PERS.

Implementation of GASB No. 68. Commencing with fiscal year ended June 30, 2015, the City implemented the provisions of GASB Statement No. 68, which require certain new pension disclosures in the notes to its audited financial statements commencing with the audit for fiscal year 2014-15. Statement No. 68 generally requires the City to recognize its proportionate share of the unfunded pension obligation by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year.

For a more detailed discussion of the eligibility requirements for the City's retirement plans, see Appendix C, Note 12. The City's fiscal year 2024-25 contributions to the pension plans and the funded status of the pension plans as of June 30, 2024, are set forth below.

Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Employee Payroll	Plan Net Pension Liability as a Percentage of Covered Employee Payroll	Contributions Employer
PERS – Miscellaneous Plan						
\$1,305,475,999	\$961,030,674	344,445,325	73.62%	\$122,072,322	282.16%	\$36,233,751
PERS – Public Safety Fire Plan						
\$347,233,954	\$249,950,465	97,283,489	71.98%	\$22,436,122	433.60%	\$10,675,536
PERS – Public Safety Police Plan						
\$537,526,152	\$338,191,948	199,334,204	62.92%	\$24,714,376	806.55%	\$20,107,255

Recent Actions by PERS. On November 15, 2021, the CalPERS Board 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 took effect in fiscal year 2023-24 for public agencies.

Dollar Contribution Based on Projected PERS Rate Increases. The City's projected annual financial contributions as a result of the PERS rate changes for the next four fiscal years are shown in the table below, with dollar amounts shown in millions:

	2026-27	2027-28	2028-29	2029-30
Miscellaneous	\$34.2	\$35.7	\$39.5	\$39.9
Police	19.8	20.5	22.0	22.3
Fire	9.5	9.9	10.9	11.0
Total	\$63.5	\$66.1	\$72.4	\$73.2

IRS Section 115 Pension Trust Fund. In fiscal year 2017-18, the City authorized an IRS Section 115 Trust Fund (the “**Pension Trust Fund**”) to help pre-fund its pension obligations. The Pension Trust Fund acts as a supplemental reserve that allows the City to set aside resources restricted for the payment of pension obligations and is intended to help offset projected increases in required CalPERS contributions in coming years. As of June 2025, the Pension Trust Fund had a balance of approximately \$29.5 million.

The City has made contributions to the Pension Trust Fund every year since fiscal year 2018-19. However, as noted in the Report, the City has met its annual contribution goal in only two of the seven years since the fund’s inception, and in fiscal year 2024-25 withdrew \$3 million from the Pension Trust Fund to help cover CalPERS contributions as part of its General Fund balancing measures, substantially reducing the net contribution for that year. Current City Council fiscal policies do not explicitly require the City to replenish the Pension Trust Fund after withdrawals. The Report recommends that the City adopt a policy to require replenishment after funds are withdrawn, modeled on the City’s existing General Fund Reserve Policy.

Berkeley Police Retirement Income Benefit Plan. Prior to December 22, 2012, the City maintained the Berkeley Police Retirement Income Benefit Plan (“**BPRIBP**”), a single-employer defined benefit income plan, for its police retirees and surviving spouses. Effective September 19, 2012, police retired on or after this date are no longer covered by BPRIBP. The City replaced this plan with the “Retiree Health Premium Assistance Coverage Plan.”

The City’s fiscal year 2024-25 contribution to the BPRIBP and the funded status of the BPRIBP is set forth below.

Fiscal Year Ended	Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Plan Net Pension Liability as a Percentage of Covered Employee Payroll	Contributions Employer
6/30/2025	\$56,244,954	\$2,638,284	\$53,606,670	4.70%	\$24,714,376*	235.94%	\$2,182,710

* Estimated.

For a more detailed discussion of the BPRIBP, see APPENDIX B to this Official Statement.

Peace Officers Research Association of California. Effective December 23, 2012, the City established a new sick leave program called Peace Officers Research Association of California (“**PORAC**”). If a sworn member of the Berkeley Police department has an accrued sick leave balance on December 23, 2012 that exceeds 200 hours, one half of all those hours in excess of 200 shall be maintained in a separate account. The financial value of those hours shall

be converted and deposited into the employee's PORAC medical trust account over five successive years in equal installments commencing on January 1, 2013. The conversion was at the employee's rate of pay on December 23, 2012. The City may accelerate the payment of hours to be converted. The remaining fifty percent of the sick leave balance in excess of 200 hours was credited into the employee's separate "catastrophic/service time" bank no later than February 1, 2013, up to a maximum of 500 hours.

The City's contribution to PORAC for the calendar year ending December 31, 2025, was \$362,816.

Safety Members Pension Fund. In addition, the City maintains the Safety Members Pension Fund ("SMPF"), a defined benefit plan for fire and police officers who retired prior to March 1973. In March 1973, all active fire and police officers were transferred from SMPF to PERS. The City pays the benefits to SMPF members on a pay-as-you-go basis, primarily through a Funding Agreement, purchased by the Berkeley Civic Improvement Corporation on behalf of the City in 1989. For the fiscal year ended June 30, 2025, the City did not contribute to SMPF.

The funded status of the SMPF as of June 30, 2025, the most recent actuarial date, is set forth below:

Actuarial Valuation Date	Plan Fiduciary Net Position	Total Pension Liability	Plan Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Plan Net Pension Liability as a Percentage of Covered Employee Payroll
6/30/2025	--	\$135,043	\$135,043	--%	N/A	N/A

For a more detailed discussion of the SMPF, see APPENDIX B of this Official Statement.

Post-Employment Health Benefits

The City offers certain post-employment health benefits to retirees. There are three plans: (i) the City of Berkeley Fire Employees Retiree Health Plan ("FRHF"), (ii) the City of Berkeley Miscellaneous Employees Retiree Health Plan ("RHPAP") and (iii) the Police Retiree Premium Assistance Plan ("PRPAP").

The City has adopted Government Accounting Standards Board Statement 75 which requires governmental agencies to change their accounting for Other Post-Employment Benefits ("OPEB") from pay-as-you-go to an accrual basis. See Appendix B, Note 3 for information about the City's OPEB liabilities.

City of Berkeley Fire Employees Retiree Health Plan. The FRFH is a single-employer defined benefit medical plan. To be eligible for benefits, sworn Fire employees must retire from the City on or after July 1, 1997, be vested in a PERS pension, and retire from the City on or after age 50. Benefits commence immediately upon retirement. Benefits are payable for the retiree's lifetime and continue for his or her covered spouse's/domestic partner's lifetime. The amount the City contributes toward the Fire Employees Retiree Health Plan is 4.5% per year regardless of the amount of increase in the underlying premium rate. The establishment and amendments of benefit provisions are negotiated between the employee bargaining units and the City Labor Negotiating Team, and are approved by the City Manager and City Council. As of June 30, 2025, there were 147 active employees, 19 retirees deferred and 89 retirees receiving benefits.

The City's targeted funding policy is equal to the service cost for active employees plus an amount to amortize unfunded liabilities over 30 years (rolling 30-year amortization) as a level percentage of payroll. The City strives to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45.

For the FRFH, the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for fiscal year 2024-25 and the four preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
6/30/2021	\$2,575,970	35%	\$23,873,248
6/30/2022	1,354,619	39	18,507,610
6/30/2023	3,659,767	36	22,908,062
6/30/2024	3,879,000	38	22,235,604
6/30/2025	2,634,000	57	11,307,820

The funded status of the FRFH as of June 30, 2025, the date of the most recent actuarial report, is set forth below:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-Unit Credit	Unfunded Actuarial Accrued Liability-UAAL	Funded Ratio	Covered Payroll	UAAL as Percentage of covered Payroll
7/1/2024	\$14,834,748	\$26,142,568	\$11,307,820	56.7%	\$21,891,001	51.66%

City of Berkeley Miscellaneous Employees Retiree Health Premium Assistance Plan. The RHPAP is a single-employer defined benefit medical plan. It provides retiree health benefits to eligible retirees and his/her spouse or domestic partner. The establishment and amendments of benefit provisions are negotiated between the employee bargaining units and the City and are approved by the City Council.

Retirees who are at least age 50, with at least 8 years of service with the City at the time of separation from service are eligible to receive retiree health benefits commencing at age 55. Benefits are payable for the retiree's lifetime and continue for his or her covered spouse's/domestic partner's lifetime. The City pays the monthly cost of the monthly premiums up to a participant's applicable percentage of the base dollar amount and subject to annual 4.5% increases regardless of the amount of increase in the underlying premium rate. As of June 30, 2025, there were 1,189 active employees, 392 inactive employees or beneficiaries currently receiving benefits and 154 inactive employees entitled to but not yet receiving benefits.

The City's targeted funding policy is equal to the normal cost for active employees plus an amount to amortize unfunded liabilities over 30 years as a level percentage of payrolls. The City is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. Any changes to the contribution requirements of the plan are negotiated by the bargaining units and City negotiating staff, and approved by the City Council.

For the RHPAP, the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2024-25 and the four preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2021	\$4,871,995	42.9%	\$41,895,470
6/30/2022	2,771,289	50.2	29,470,744
6/30/2023	6,017,367	52.3	29,845,739
6/30/2024	6,553,000	56.8	26,807,574
6/30/2025	6,658,000	73.6	14,121,454

The funded status of the RHPAP as of June 30, 2025 is set forth below:

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability- UAAL	Funded Ratio	Covered Payroll	UAAL as Percentage of covered Payroll
7/1/2024	\$53,555,610	\$39,434,156	\$14,121,454	73.63%	\$129,227,274	10.93%

Police Retiree Premium Assistance Plan. Effective September 19, 2012, the City replaced the "Berkeley Police Retirement Income Benefit Plan" with the "Retiree Health Premium Assistance Coverage Plan" for any police employees hired on or after that date, as well as any current employees who retire on or after such date. Under the newly established retiree health premium assistance plan, benefits will be the paid by the City directly to the provider who is providing retiree health coverage to the retiree or his or her surviving spouse. The maximum amount will be equal in value to the City sponsored health plan.

In order to be eligible for the Retiree Health Premium Assistance Coverage a "Retiree" must meet all of the following criteria:

- I. A person who is vested in PERS, and
- II. Has reached the age of 50, and
- III. Has retired from the City at age 50 or thereafter, and
- IV. Has applied for and is receiving a pension from at the time of retirement.

The maximum amount the City will contribute toward the payment of medical insurance premiums is based on the employee's years of service as a sworn member of the Berkeley Police Department at time of retirement. The retiree must have at least 10 years of service as a sworn member of the Berkeley Police Department to qualify for this benefit.

<u>Years of Service</u>	<u>City Percentage</u>
10 to 14	25%
15 to 19	50
20 or more	100

Beginning September 19, 2012, each month after the employee retires the City will pay the health care service provider an appropriate percentage based on years of service above an amount equal to \$1,200 per month for two-party coverage for the retiree and a qualifying spouse/domestic partner or \$600 per month for single party coverage. Upon death of either the

retiree or the retiree's spouse, the City will only pay the appropriate percentage of the single party rate to the provider on behalf of the surviving retiree or spouse/domestic partner. If there is no spouse/domestic partner at the time of retirement, the City shall only pay the single party rate. The retiree and/or surviving spouse/domestic partner will be responsible for payment of the difference between the amount the City contributes toward payment of the premium and the actual premium cost. The funds for this difference will come from the retiree's retirement account and the retiree must authorize such withdrawal of funds.

Beginning July 1, 2013, and effective each July 1 thereafter, the base rates the City contributes toward payment of the premium amount described in the preceding paragraph shall be increased by either the amount Kaiser increases the retiree medical premium for that year, or 6%, whichever is less. The retiree and/or surviving spouse/domestic partner shall pay the difference between the amount the City contributes toward payment of the premium and the actual premium cost. As of July 1, 2025, there were 150 active employees and 50 retirees.

For the retiree health premium assistance plan, the City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for fiscal year 2024-25 and the four preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
6/30/2021	\$5,076,625	4.0%	\$49,355,501
6/30/2022	4,636,861	6.2	32,429,614
6/30/2023	5,245,557	5.8	35,423,408
6/30/2024	2,591,000	6.0	34,445,786
6/30/2025	2,577,000	9.0	17,959,615

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. Under this method, the actuarial present value of projected benefits is the value of benefits expected to be paid for current actives and retirees and is calculated based on the assumptions and census data described this report. The Actuarial Accrued Liability ("AAL") is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service to date over service at expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. Since retirees are not accruing any more service, their normal cost is zero. In determining the Annual Required Contribution, the Unfunded AAL is amortized as a level percentage of payroll over 30 years.

As of July 1, 2024, the most recent actuarial valuation date, the plan was 9.0% funded. The actuarial accrued liability for benefit was \$19.7 million, and the actuarial value of assets was \$1.8 million, resulting in an unfunded accrued liability of \$17.9 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$22.7 million. The fair value of the assets was determined using market values as of the date of the actuarial report. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Funded status of the plan as of June 30, 2025, the most recent actuarial valuation date is as follows:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)- Unit Credit	Unfunded Actuarial Accrued Liability- UAAL	Funded Ratio	Covered Payroll	UAAL as Percentage of covered Payroll
\$1,786,107	\$19,745,722	\$17,959,615	9.0%	\$22,720,738	79.0%

Defined Contribution Plans

The City offers certain supplemental retirement and income plans to retirees. See Appendix B, Note 12 for information about the City's defined contribution plans.

Labor Relations

As of May 26, 2026, the City employed approximately 1,429 full-time equivalent budgeted employees. There are six employee unions as shown below. In addition, the City employs approximately 118 unrepresented employees that include Executive Management, Confidential professional or Confidential Office support positions. The City has not experienced any work stoppages or strikes by its employees.

CITY OF BERKELEY Labor Relations

<u>Labor Organization</u>	<u>Employees</u>	<u>Contract Expiration Date</u>
Berkeley Fire Fighters Association/I.A.F.F. Local 1227	160	06/30/2026
Berkeley Police Association	138	06/30/2026
I. B. E. W. Local 1245	12	06/30/2025
Service Employees International Local 1021 Maintenance and Clerical Chapters	451	06/26/2027
Service Employees International Local 1021 Community Services and Part-Time Recreation Leaders Association Chapters	347	06/26/2027
Public Employees Local 1	203	06/26/2027
Unrepresented Employees	118	06/26/2027

Source: City of Berkeley.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is self-insured for liability claims below \$350,000. The City is a member of the Bay Cities Joint Powers Insurance Authority ("BCJPIA"). The BCJPIA consists of 20 municipal or public agency members, all located within the metropolitan San Francisco Bay Area. The BCJPIA provides general liability, auto liability, and errors and omissions coverage between \$350,000 and \$1,000,000. The California Affiliated Risk Management Authority ("CARMA") provides additional coverage to the BCJPIA and its member entities for claims in excess of \$1,000,000, up to \$29,000,000.

The City is self-insured for workers' compensation. Payments are made to the Workers' Compensation Self-Insurance Internal Service Fund by transfers from the City's General Fund and other funds of the City on a pay-as-you-go basis.

The City requires pre-employment physical examinations for high risk, high hazard employees as well as annual examination for all uniformed officers. As part of its workers' compensation program, copies of all injured employee medical reports are monitored by a third-party agent to ensure that injured employees receive proper care.

At June 30, 2025, \$5,709,954 and \$44,384,254 have been accrued for public liability, and workers' compensation claims, respectively. These accruals represent estimates of amounts to ultimately be paid for reported claims and, upon past experience, recent claim settlement trends and other information. It is the City's practice to obtain an actuarial study on an annual basis. Although the amount of actual losses incurred through June 30, 2025, are dependent on future developments, based upon information from the administrators and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses.

City Debt Structure

Short-Term Debt. The City has issued Tax and Revenue Anticipation Notes ("**TRANS**") in each recent year. The City's TRANS are a general obligation of the City, payable from the City's General Fund and any other lawfully available moneys. The fiscal year 2025-26 TRANS have an outstanding principal amount of \$58,120,000 and mature on July 28, 2026.

Long-Term General Fund Obligations. The City currently has outstanding long-term General Fund debt obligations described below. The City has never defaulted on the payment of principal of or interest on any of its indebtedness.

Lease Revenue Notes. On June 24, 2025, Berkeley Joint Powers Financing Authority (the "**Authority**") executed and delivered lease revenue notes in the aggregate principal amount of \$10,220,000. The City's underlying rental obligation is a General Fund obligation of the City. The notes bear interest at 4.375%, and the final maturity date is October 1, 2029. As of May 1, 2026, the principal balance outstanding was \$10,220,000.

Lease Revenue Bonds. On June 2, 2021, the Authority executed and delivered lease revenue bonds in the aggregate principal amount of \$3,975,000. The City's underlying rental obligation is a General Fund obligation of the City. The bonds bear interest at rates between 2.00%-5.00%, and the final maturity date is October 1, 2039. As of May 1, 2026, the principal balance outstanding was \$3,975,000.

In October 2012, the Authority issued lease revenue bonds on behalf of the City in the aggregate principal amount of \$27,260,000 to refund the Authority's 1999 Lease Revenue Bonds and 2003 Certificates of Participation. The City's underlying rental obligation is a General Fund and Building Purchase fund obligation of the City. The bonds bear interest at rates between 3.00%-5.00%, and the final maturity date is October 1, 2031. As of May 1, 2026, the principal balance outstanding was \$9,995,000.

Employment

The unemployment rate in the Oakland-Fremont-Berkeley MD was 4.3% in March 2026, down from a revised 4.6% in February 2026, and below the year-ago estimate of 4.5%. This compares with an unadjusted unemployment rate of 5.2% for California and 4.3% for the nation during the same period. The unemployment rate was 4.3% in Alameda County, and 4.4% in Contra Costa County.

The table below provides information about employment by industry type for the Oakland-Fremont-Berkeley MD for calendar years 2021 through 2025.

**OAKLAND- FREMONT-BERKELEY MD
(Alameda and Contra Costa Counties)
Civilian Labor Force, Employment and
Unemployment, Unemployment by Industry
(Annual Averages)**

	2021	2022	2023	2024	2025
Civilian Labor Force ⁽¹⁾	1,417,100	1,434,900	1,451,300	1,455,300	1,459,600
Employment	1,332,800	1,387,700	1,395,500	1,390,400	1,391,000
Unemployment	84,300	47,100	55,700	64,800	68,600
Unemployment Rate	5.9%	3.3%	3.8%	4.5%	4.7%
<u>Wage and Salary Employment: ⁽²⁾</u>					
Agriculture	1,700	1,900	1,800	1,500	1,300
Mining and Logging	200	300	300	300	300
Construction	74,300	75,600	75,700	74,100	71,000
Manufacturing	106,000	112,300	111,200	104,100	98,400
Wholesale Trade	41,100	41,500	41,200	40,400	40,100
Retail Trade	105,300	106,200	105,300	103,200	101,900
Transportation, Warehousing, Utilities	47,100	51,700	52,200	52,000	50,900
Information	24,700	25,000	25,100	24,800	24,500
Finance and Insurance	34,800	33,600	31,100	28,800	27,300
Real Estate and Rental and Leasing	17,200	18,400	18,500	18,100	17,600
Professional and Business Services	190,900	194,800	188,300	186,400	183,300
Educational and Health Services	198,500	205,800	216,800	229,700	241,000
Leisure and Hospitality	92,500	108,300	111,700	111,000	110,500
Other Services	35,600	39,200	41,500	43,000	43,800
Federal Government	13,400	13,100	13,200	13,300	12,700
State Government	35,900	33,100	34,500	36,600	36,300
Local Government	111,800	115,200	118,000	123,100	126,100
Total, All Industries ⁽³⁾	1,130,900	1,176,000	1,186,300	1,190,200	1,187,000

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Calculations may not foot due to rounding.

Source: State of California Employment Development Department.

The following tables show the major employers in the City and the County.

CITY OF BERKELEY
Major Employers
2025

<u>Employer</u>	<u>Number of Employees</u>	<u>% of Total Employment</u>
University of California Berkeley	14,229	21.74%
Lawrence Berkeley National Laboratory	3,622	5.53
Sutter East Bay Medical Foundation/Hospitals	2,289	3.50
City of Berkeley	1,923	2.94
Berkeley Unified School District	1,790	2.73
Kaiser Permanente Medical Group	952	1.45
Bayer Corporation	904	1.38
Berkeley Bowl Produce	585	0.89
YMCA of The Central Bay Area	579	0.88
Over 60 Health Center, Inc.	487	0.74

Source: City of Berkeley, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025.

ALAMEDA COUNTY
Major Employers
(Listed Alphabetically)
As of May 2026

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
Alameda County Law Enforcement	Oakland	Government Offices-County
Alameda County Sheriff's Ofc	Oakland	Government Offices-County
Alta Bates Summit Med Ctr Alta	Berkeley	Hospitals
BART PD	Oakland	Transit Lines
BELFOR Property Restoration	Hayward	Building Preservation
California State Univ East Bay	Hayward	Schools-Universities & Colleges Academic
Cooper Vision Inc	Pleasanton	Optical Goods-Wholesale
Dell EMC	Pleasanton	Computer Storage Devices (mfrs)
East Bay Muni Utility Dist	Oakland	Water & Sewage Companies-Utility
Kaiser Permanente Oakland Med	Oakland	Hospitals
Lawrence Berkeley Lab	Berkeley	Laboratories-Research & Development
Lawrence Livermore NTNL Lab	Livermore	Laboratories
Linl St & T Staff	Livermore	Research Service
Logitech	Newark	Computer Peripherals (mfrs)
Oracle	Pleasanton	Software/Application/Platform Publishing
Ross Stores Inc	Dublin	Department Stores
San Francisco Bay Area Rapid	Oakland	Transit Lines
Tekion Corp	Pleasanton	Software/Application/Platform Publishing
Tesla Fremont Factory	Fremont	Automobile-Manufacturers
Transportation Dept-California	Oakland	Government Offices-State
UCSF Benioff Children's Hosp	Oakland	Hospitals
University of Ca-Berkeley	Berkeley	University-College Dept/Facility/Office
University-Ca-Berkeley Dept	Berkeley	University-College Dept/Facility/Office

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2026 1st Edition.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income and median household effective buying income for the City, the County, the State and the United States for the period 2022 through 2026.

CITY OF BERKELEY; ALAMEDA COUNTY; STATE OF CALIFORNIA; UNITED STATES Effective Buying Income 2022 through 2026

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	City of Berkeley	\$6,646,946	\$88,676
	Alameda County	85,225,529	99,940
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Berkeley	\$6,074,419	\$88,720
	Alameda County	80,766,211	98,721
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Berkeley	\$6,251,098	\$89,175
	Alameda County	84,213,255	101,689
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Berkeley	\$6,486,075	\$89,591
	Alameda County	88,476,678	106,127
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of Berkeley	\$6,825,465	\$93,645
	Alameda County	93,282,704	110,609
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

APPENDIX B

THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025



Annual Comprehensive Financial Report

FOR THE YEAR ENDED
JUNE 30, 2025

City
of Berkeley
California

City of Berkeley California

ANNUAL COMPREHENSIVE FINANCIAL REPORT / FISCAL YEAR ENDED JUNE 30, 2025

PREPARED BY THE FINANCE DEPARTMENT

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INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA





Finance Department
Office of the Director

December 31, 2025

To: Honorable Mayor and Members of the City Council, City Manager, and
Citizens of the City of Berkeley

From: Henry Oyekanmi, Director of Finance

Re: **Presentation of the Annual Comprehensive Financial Report for FY 2025**

It is my privilege to submit the Comprehensive Annual Financial Report (ACFR) for the City of Berkeley (the City) for the fiscal year ended June 30, 2025. Although it is formally submitted to the Mayor, City Council and City Managers, the ACFR is also intended to provide relevant financial information to the residents of Berkeley, taxpayers, creditors, investors, and other interested parties.

The ACFR has been prepared by the Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). This ACFR consists of management's representations concerning the finances of the City of Berkeley and City management assumes full responsibility for the completeness, accuracy and reliability of all of the information presented in this report, including all disclosures. The report has been compiled in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The City's management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

An annual financial audit, performed by independent certified public accountants, is required by the City Charter. For FY 2025, the independent audit was conducted by Badawi & Associates, Certified Public Accountants. The goal of the audit was to provide reasonable assurance that the financial statements of the City of Berkeley for the fiscal year ended June 30, 2025, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditors expressed an opinion that the City's financial statements for the fiscal year ended June 30, 2025, are fairly stated in conformity with generally accepted accounting principles in the United States.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter

of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's report.

THE REPORTING ENTITY

This report combines the financial statements of the City and the Rent Stabilization Board (RSB) in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The Rent Stabilization Board is a discretely presented component unit because its governing body is not substantively the same as that of the City. It has a different governing body (nine-member Board of Commissioners), elected by the citizens of Berkeley, and City management does not have operational responsibility for the Rent Stabilization Board. In addition, it does not provide services entirely or almost entirely to the City. It is financially accountable in that it receives significant support services from the City, and it provides regulation of residential rents throughout the City.

PROFILE OF THE CITY

The City of Berkeley is located in Alameda County on the east side of the San Francisco Bay approximately ten (10) miles east of San Francisco. The City encompasses a total area of approximately 19 square miles and has an estimated population of 128,348, giving it the highest population density of any city in the East Bay. The City is defined to a large degree, both culturally and economically, by the presence of the University of California campus located on the eastern side of the City.

The City of Berkeley is among the oldest cities in California. It was founded in 1864, incorporated as a town in 1878, and incorporated as a City in 1909. The original City Charter was adopted in 1895. At the geographic midpoint of the Greater Bay Area, Berkeley is 20 minutes from San Francisco and close to population centers in Contra Costa County and the Silicon Valley. The City is governed by a City Council composed of members elected from eight districts to serve four-year terms, and a Mayor who serves as the president of the City Council, elected citywide to a four-year term. The City's FY 2025 adopted budget included \$686,125,119 of expenditures and reserves, of which \$285,550,053 was allocated to the General Fund of the City and \$400,575,066 to all other funds. The City employs approximately 1,747 full-time equivalent employees.

The City provides a full range of services exceeding that of most similarly sized cities in California. Services include public safety (police and fire); sanitation and sewer; waste management; leisure (parks, recreation and marina); health, housing and community services, including City funded health clinics and mental health services; animal control; public improvements; planning and zoning; general and administrative services; and library services. In addition, the City's reporting entity includes the financial activities of the Rent Stabilization Board.

The budget process is the vehicle through which the City establishes goals and objectives and prioritizes the desired programs or services that the City should provide, and which can be financed by the City's projected revenue for the budget year. It is the vehicle through which policy decisions are made, effected, controlled and monitored. Under the City Charter, the City Manager is responsible for preparing and recommending an operating budget and a capital improvements budget for City Council consideration and adoption.

The City of Berkeley employs a two-year budget process. In year one of the biennial budget cycle, the City Council formally adopts authorized appropriations for the first year of the two-year budget and approves "planned" appropriations for the second fiscal year. In year two of the budget cycle, the City Council considers revisions and formally adopts authorized appropriations for the second fiscal year. Although the budget cycle covers a two-year period, the City Charter requires that the City Council adopt an annual appropriations ordinance for each budget year.

The City's Capital Budget is considered a part of the City's Five-Year Capital Improvement Plan. Upon adoption each year by Council, the projects included in the annual budget represent legal appropriations. Capital expenditures are not fully "consumed" in the year of expenditure but instead produce long-term, tangible, future benefits.

In addition to this budget planning process, the City maintains budgetary controls. The City's objective in maintaining budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is authorized to transfer budgeted amounts within funds as deemed necessary in order to meet the City's needs. However, revisions that alter the total budget or move amounts from one fund to another must be approved by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Proprietary Funds are included in the annual appropriated budget.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders, contracts, and other commitments for the expenditure of money are secured in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as assignments of fund balance. Unencumbered amounts lapse at year-end and may be appropriated as part of the following year's budget.

LOCAL ECONOMY

The City is home to the main campus of the University of California. With 45,699 students and approximately 14,229 employees, the University provides a high degree of economic stability for the City and has spurred growth in the high technology and biotechnology sectors. The Lawrence Berkeley Laboratory also has 3,622 employees, and the Sutter East Bay Hospitals have approximately 2,289 employees. Despite the large student population, the City has an average household income of \$165,447, according to World Population Review.

During the fiscal year, the local economy grew consistent with regional trends. Berkeley's current economic base consists of approximately 13,100 licensed businesses operating in the City. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, cannabis clubs, consulting, arts and entertainment, hospitality services, along with several state, federal, and non-profit institutions. The City's revenue base generated approximately \$1.89 billion in taxable sales taxes during FY 2025, slightly more than the \$1.87 billion in FY 2024. In addition, the City's unemployment rate (as reported by the State of California Employment Development Department) increased from 4.5 percent in June 2024 to 5.0 percent in June 2025, compared to 5.0 percent for the County, 5.8 percent for the state and 4.1 percent for the U.S.

Growth in assessed valuation on secured property increased 6.39% to \$28.2 billion (after exemptions and other deductions) in FY 2025 from \$26.5 billion in FY 2024, for a strong level of \$219,634 per capita. The tax base is diverse, with the top ten property taxpayers accounting for 5.14 percent of total assessed valuation.

COMMUNITY PLANNING-CITY WORK

One of the major components of the City's efforts to develop an integrated budget process is the establishment of policy priorities by the City Council. One element of this process is the biennial budget and strategic plan, which aim to align City Council-approved objectives with available resources to ensure that the highest priorities are achieved.

ADDRESSING LONG-TERM UNCERTAINTIES AND FINANCIAL POLICIES

The Berkeley City Council adopted the biennial budget for Fiscal Years 2025 and 2026 on June 25, 2024. On June 24, 2025, the City Council approved the FY 2026 Adopted Budget Update (“FY26 Update”). The FY26 Update reflects revisions to the adopted biennial budget based upon changes in revenue and expenditure assumptions and incorporates new expenditures related to citywide projects and services that emerged since the biennial budget was initially adopted.

While local revenues are beginning to rebound to pre-pandemic levels, they will not match the amount of federal dollars previously received funding as part of the American Rescue Plan Act (“ARPA”). The ability to deliver core services, to oversee capital projects and implement new initiatives is contingent on resources, including staffing.

Although the FY26 Update is balanced, it relies on one-time savings and temporary measures to close the gap between revenues and expenditures. These measures include:

- Holding 44.4 vacant positions unfunded
- Reallocating 11.8 General Fund positions to alternative funding sources
- Eliminating one provisional temporary position
- Using \$6.0 million from the Section 115 Trust Fund to address FY26 pension obligations
- Transferring \$5.2 million from Workers’ Compensation fund to the General Fund
- Transferring \$6.2 million from the IT Cost Allocation Fund balance to the General Fund
- Utilizing \$2.5 million in Measure U1 funds

Additionally, the City Council acted to preempt the anticipated FY26 Marina Fund deficit.

Rising personnel costs, increasing operational expenses, and ongoing economic and political uncertainty continue to strain City resources. Many City funds are still recovering from pandemic-related revenue losses. The General Fund faces a structural deficit that cannot be resolved through one-time solutions alone. Long-term fiscal sustainability will require aligning ongoing expenditures with ongoing revenues.

Personnel costs account for approximately half of the City’s total operating budget. Other rising costs, such as utilities, health care, insurance, and retirement contributions, further limit the City’s financial flexibility. Pension costs are expected to continually rise.

The development of the FY26 Update involved extensive deliberation with the City Council and the Budget & Finance Policy Committee, along with community input. Given limited resources, the City Manager prioritized funding for Council referrals and departmental requests that:

- Fulfill federal, state, or local mandates
- Address public health, safety, or critical infrastructure
- Support revenue generation or leverage external funding

The City remains committed to responsible financial stewardship and to ensuring that future budgets reflect long-term fiscal balance and community priorities.



THE BUDGET REFLECTS THE CITY'S STRATEGIC GOALS, PRIORITIES AND FISCAL POLICIES

The budget aligns with the City of Berkeley's Strategic Plan, which outlines the long-term goals the City aims to achieve for the community, along with specific two-year priority projects that advance those goals. The Plan serves as a roadmap for City staff, ensuring that the priorities of the Mayor and City Council are addressed, regulatory and financial obligations are met, and services to the community are continuously improved.

It also helps staff across the organization prioritize limited time and resources, linking day-to-day work with the City's broader, long-term objectives. The Strategic Plan's goals include:

- Creating affordable housing and housing support services for our most vulnerable community members
- Being a global leader in addressing climate change, advancing environmental justice, and protecting the environment
- Championing and demonstrating social and racial equity
- Providing an efficient and financially healthy City government
- Providing state-of-the-art, well-maintained infrastructure, amenities, and facilities
- Fostering a dynamic, sustainable, and locally based economy
- Creating a resilient, safe, connected, and prepared City

- Being a customer-focused organization that provides excellent, timely, easily accessible service and information to the community
- Attracting and retaining a talented and diverse City government workforce

Fiscal policies adopted by the City Council provide the framework for the City's budget development. The fiscal policies articulate goals to build a prudent reserve, address pension liability and to fund a capital infrastructure plan.

1. Focusing on the long-term fiscal health of the City by adopting a two-year budget and conducting multi-year planning.
2. Building prudent reserves with a target range of between 20 to 30% of General Fund revenues.
3. Developing long-term strategies to reduce unfunded liabilities.
4. Controlling labor costs while minimizing layoffs and promoting retention of City staff.
5. Primarily allocating one-time revenue for one-time expenditures (e.g., capital investments and deferred maintenance).
6. Requiring enterprise and grant funds to balance and new programs to pay for themselves.
7. Any new expenditure requires new revenue or expenditure reductions.
8. Property transfer tax:
 - a. When possible, allocate excess property transfer tax over the baseline to short-term operational needs, General Fund reserves and the City's capital infrastructure plan; and,
 - b. Increase the property transfer tax baseline for operational needs with a permanent adjustment to \$16.0 million beginning in fiscal year 2025.
9. As the General Fund subsidy to the Safety Members Pension fund declines over the next several years, the amount of the annual decrease will be used to help fund the new Police Employee Retiree Health Plan.
10. Allocating annual savings derived from the prepayment of the annual CalPERS unfunded liability payments to the City's Section 115 Pension Trust up to \$5.5 million per fiscal year or as advised by the City's actuarial and staff.
11. Allocating any additional revenue earned from investments that is over the annual (fiscal year) baseline of \$6 million in the following manner:
 - a. One-third to the Section 115 Pension Trust up to \$5.5 million per fiscal year, or as advised by the City's actuarial and staff,
 - b. One-third to General Fund reserves up to 30% of General Fund revenue, or as recommended by Council policy, and
 - c. One-third to address the City's capital infrastructure plan.

IMPLEMENTATION OF POLICIES TO BUILD PRUDENT RESERVES AND STRATEGY TO REDUCE UNFUNDED LIABILITIES

On December 13, 2016, the City Council of the City of Berkeley established a General Fund Reserve (“Reserve”) policy to prepare for the impact of economic cycles and catastrophic events. The policy was to ensure that fluctuations in revenues do not impede the City’s ability to meet expenditure obligations. When revenues fail to meet the City’s normal operating requirements, or the need for disbursements temporarily exceeds receipts, General Fund reserves, upon a majority vote of the City Council, may be used in accordance with the standards set forth herein.

The Reserve shall be comprised of two elements: a Stability Reserve and a Catastrophic Reserve.

- **A Stability Reserve** will be maintained to mitigate loss of service delivery and financial risks associated with unexpected revenue shortfalls during a single fiscal year or during a prolonged recessionary period. The purpose of the Stability Reserve is to provide fiscal stability in response to unexpected downturns or revenue shortfalls, and not to serve as a funding source for new programs or projects. The balance in this reserve fund on June 30, 2025, was \$32.8 million.
- **A Catastrophic Reserve** will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, and terrorist attacks. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects. The balance in this reserve fund on June 30, 2025, was \$25.5 million.

On July 29, 2025, via Resolution No. 71-908-N.S., the City Council amended the General Fund Reserve policy to reflect a target range of 20 to 30 percent of revenue and maintain revenue as a baseline.

SECTION 115 TRUST FUND

On June 26, 2018, the City Council adopted a Resolution appointing the City Manager as the Plan Administrator and authorizing the City Manager to take the necessary steps to negotiate and execute the documents to establish a Section 115 Trust Fund to use as a pension rate stabilizing fund.

Recent changes to CalPERS’ rate smoothing strategies have increased the volatility of employer pension contribution rates. To help manage this uncertainty, funds set aside in a Section 115 Trust can be used to offset unexpected spikes in contribution costs. For example, an agency may reserve surplus funds after meeting its current CalPERS obligations to help cover higher costs in future years.

The City is committed to proactively managing and reducing its pension and other post-employment benefit (OPEB) liabilities. These efforts reflect financial best practices, help slow the growth of annual pension costs, and position the City to achieve long-term savings in retiree medical expenses. During FY 2025, the fund balance increased to \$30.7 million as of June 30, 2025 (after changes in market value are included).

SPENDING LIMITATION

Article XIIIB of the California Constitution, also known as the GANN spending limit, restricts the amount of “proceeds of taxes” California governments may spend. As of June 30, 2025, the City was \$58.6 million or 19.9 percent under the total Article XIIIB (GANN) spending limitation. The City was not impacted by the spending limitation in FY 2025.

LONG-TERM DEBT RATINGS

During FY 2025, the City of Berkeley's financial position improved and the City continued to be financially strong. The City also continues to maintain a bond rating of AA+ from Standard and Poor's, and had its rating increased from Aa2 to Aa1 at Moody's shortly before FY 2025 began. These are the two top national debt rating agencies. The City was able to maintain and increase these ratings in spite of all the challenges to the local economy due to a proven record of sound fiscal management by the City Manager, Mayor, City Council and City staff. The rating increase is a great accomplishment and a testament to the financial stability of the City.

MAJOR COMMUNITY IMPACTS AND INITIATIVES

1. ECONOMIC DEVELOPMENT

Berkeley's economic development strategy seeks to build on existing strengths to accomplish goals that have been identified by the City Council:

(a) Revitalize Downtown Berkeley and strengthen its role in the local and regional economy

Downtown Berkeley is a critical location within the local and regional economy as a center for transit-oriented jobs, housing, arts and entertainment, cultural activities, dining, and other commerce and social activities. Over the past several years, the area has benefited from tens of millions of dollars of public and private investment in housing, commercial development, and infrastructure. There are a number of infrastructure upgrades and development projects in the Downtown which are either underway or recently completed. These projects represent over a quarter of a billion dollars in private development and public improvements and include the Downtown BART Plaza (2018), the Center Street Parking Garage (2019), the Shattuck Avenue traffic reconfiguration project (2019) and the Kala Bagai Way renaming project (2020). The Marriott Residence Inn, a 331-room hotel located at the corner of Center Street and Shattuck Avenue, opened in December of 2021. To date, the hotel continues to support nightly room rates from \$174-\$599 and demand remains strong.

One of Downtown Berkeley's primary strengths is the success of its central Arts District in attracting a regional nighttime clientele and the emergence of the Downtown as a residential neighborhood. The Arts District is anchored by the Berkeley Repertory Theatre which, in a typical season, attracts an annual audience of 200,000 and employs more than 400 artists, artisans and administrators. In addition to Berkeley Rep's Theaters, the organization opened a pathbreaking adjacent workforce housing project at 2009 Addison Street with 45 units for cultural workers and visiting artists.¹ The Arts District is also home to the California Jazz Conservatory, an independent, accredited music conservatory offering jazz education to people of all ages and intimate jazz performances on two small stages year-round. In 2016, the Diller Scofidio + Renfro designed Berkeley Art Museum/Pacific Film Archive opened at the corner of Oxford and Center Street. The museum is a transformative cultural anchor, and a keystone investment in Downtown Berkeley's arts district.

With the completion of the Center Street Garage in 2019, the City's Civic Arts Program launched the Cube Space gallery dedicated to rotating exhibitions of installation art viewable at all hours, every day

¹ See, <https://www.berkeleyside.org/2022/09/02/berkeley-repertory-theatre-downtown-berkeley-housing-visiting-artists>, September 2, 2022.

of the week. Located on the ground floor of the Center Street Garage on Addison Street in the heart of the Arts District, the Cube Space is a highly visible symbol of the City's support and promotion of art in civic life.

In September of 2020, the City Council adopted the *Berkeley Civic Center Vision and Implementation Plan*, which called for (among other uses) an arts and cultural center to be developed in the city's Veterans Memorial Building (1931 Center Street). Phase II of this project (the adoption of the design concept) was completed in July of 2023. Subsequent phases of the Civic Center Plan including Phase III that focuses on two of the Civic Center buildings (the Veterans Building and the Maudelle Shirek building) will seek to leverage seismic improvement grants to support Berkeley's artistic and cultural economic sector over the next half decade.²

Downtown Berkeley is also an attractive location for urban living. Several multi-unit housing projects have completed or are completing construction, including 2072 Addison Ave (66 units), 2067 University Ave (50 units), 2370 Shattuck Ave (69 units), 2028 Bancroft Ave (37 units), 1752 Shattuck Ave (68 units), 2077 Haste (40 homes) and 2025 Kala Bagai Way (48 units). These projects are anticipated to lease quickly, with strong demand driven by regional economic growth as well as the increasing student population at UC Berkeley. Overall, Berkeley has seen increasing numbers in the housing development pipeline. From 2015 to 2020, permits for 2,943 housing units have been issued. In 2024, applicants submitted land use permit applications for 13 distinct projects representing a total of 1,600 new housing units. The plans span several neighborhoods and are typically close to transit corridors and the UC Berkeley campus. The Hub, a 26 story 456 unit building at Oxford and Center Streets, will be Berkeley's largest building to date and is slated to begin construction in early 2026.

The University of California (UC) at Berkeley has also been active in Downtown area development. UC has recently revealed plans for two new large developments: the *Bancroft-Fulton Student Housing* project will include a 23-story high-rise and nearly 1,600 beds for first and second-year undergraduate students, and the two acre *UC Innovation Zone* at Oxford and University Avenues with two buildings with laboratories and a multi-story parking garage. Taken together, both buildings are projected to provide 486,000 square feet of research and development space including the Innovative Genomics Institute, a partnership between UC Berkeley and UC San Francisco headed by Nobel laureate Jennifer Doudna.

UC has recently opened Anchor House, a new dorm building which includes 244 apartments with individual bedrooms for 772 transfer students at 1990 Oxford Street, and in May 2022 the former UC Berkeley Art Museum (Woo Hon Fai Hall) was converted into the Bakar BioEnginuity Hub. Bakar labs have brought together several campus programs focused on entrepreneurship, hosts a well-equipped incubator with capacity to support up to 80 startup companies, primarily in the life sciences. The incubator provides approximately 20,000 square feet of wet lab and 20,000 square feet of office space on the far eastern edge of Downtown Berkeley. When the new IGI-Bakar lab building is complete (anticipated in 2028), Bakar Labs will contribute over 400,000 square feet of biotech, materials and energy tech incubators, making it the largest university-owned and operated network in the country³.

² City of Berkeley, Council Calendar, [Revenue Grant: FEMA Seismic Hazard Mitigation Grant Program](#), Item 5, October 14, 2025.

³ UC Berkeley PR News, <https://news.berkeley.edu/2025/07/17/crispr-researchers-and-startup-entrepreneurs-will-share-new-building-in-uc-berkeley-innovation-zone>, July 17, 2025.

Downtown Berkeley, within walking distance of campus, continues to be a popular location not only for student recreation but also for innovation sector businesses, especially those that benefit from their proximity to the talent at UC Berkeley and the Berkeley Lab. For example, since it was launched in 2012 as a public-private partnership, the Berkeley SkyDeck startup accelerator, located in the penthouse suite of 2150 Shattuck Avenue, has launched more than 800 companies, of which several hundred temporarily relocated their teams to Berkeley, and a dozen have made Berkeley their long-term home. Other examples of programs that lead to startup and high-tech industry activity near campus include Bakar Labs within the Bakar BioEngenuity Hub, the Energy and Biosciences Institute Entrepreneurial Business Incubator (EBI2), and the Cyclotron Road entrepreneurial fellowship program (run by Activate partnership with the Berkeley Lab), which offers office space, lab facilities and coaching to aspiring founders.

(b) Strengthen neighborhood commercial districts such as Solano, Elmwood, Telegraph, Adeline, Fourth Street, San Pablo, North Shattuck and University Avenue

The City seeks to encourage shopping opportunities close to residential neighborhoods, which reduces the need to drive for short trips. Efforts are underway to support expansion of district-based niche marketing campaigns that recognize local strengths and support district identity. In FY 2025, staff continued its marketing initiatives to highlight businesses and assigned individual staffers to attend to each district including the smaller “commercial-neighborhood” or “C-N” zoned commercial districts. The ‘Discovered in Berkeley’ local marketing campaign featured a thoughtful roster of unique local-serving storefront businesses and the business districts in which they reside, by highlighting Berkeley businesses that fall into the categories of “Deep Tech”, “Food Forward,” “The Upcycle,” and “Dare to Share” and “Local Love.”

In FY 2025, OED continued its #DiscoveredinBerkeley⁴ business marketing campaign, releasing a creative roster of seasonal articles in the local news publication, *Berkeleyside*, about exceptional Berkeley businesses and their local innovation, creativity and resilience. The campaign encourages the community to support local businesses and, thus far, has made more than 4.4 million impressions and generated more than 179,000 concrete engagements with local business content, including article views, clicks on links, responses to social media posts, event attendance, and more. OED also sponsored the 7th annual Berkeley Holiday Gift Fair to promote local purchase of holiday gifts locally in December 2025.

The City facilitates five business improvement districts (BIDs) in the Downtown, Telegraph, Elmwood, North Shattuck, and Solano commercial districts that generate funds through a self-assessment to help promote and maintain their districts. There is also a city-wide Tourism BID which is funded by the self-assessment of Berkeley’s hotels and motels and directly supports Visit Berkeley, the City’s Convention and Visitors’ Bureau. Over the past year, the City has continued to provide technical assistance to each of the BIDs, with particular focus on bolstering the wider Berkeley Business District Network (BBDN), increasing the frequency of meetings to allow for improved communication and sharing across district networks. In Spring of 2025 the Tourism Business Improvement District’s term was renewed for 10 years and the rate was increased from 1% to 3%. In FY 2026, OED will continue to explore collaboration with other city departments to focus on the reestablishment of the Downtown commercial district for the next 10 years through 2036.

⁴ First launched in 2019, the *Discovered in Berkeley* the campaign promotes content primarily through *Berkeleyside* sponsored stories, the www.discoveredinberkeley.com website, and [@DiscoveredinBerkeley Instagram](https://www.instagram.com/DiscoveredinBerkeley) channel.

In FY 2025, OED continued a series of dynamic economic development initiatives to better support small independently owned businesses. These included deepening our baseline services by: improving OED's outreach and communications with small businesses, increasing support for businesses navigating the permitting process, further modifying the zoning ordinance to support small local businesses, working to address issues related to commercial retail vacancy and offering creative solutions including a retail vacancy toolkit, continuing new small business assistance and retention programs, especially support for worker cooperatives and increasing marketing, and technical assistance opportunities for locally-owned retail and services businesses. OED will continue its support of these and other initiatives in FY 2026 and beyond.

(c) Other Programs – Promoting a Sustainable, Diverse Economy

To support the economy in Berkeley post pandemic, the following programs were promoted:

Low interest rate loans to Berkeley small businesses: In July 2020, the City of Berkeley's existing Revolving Loan Fund (RLF) program was modified to accept \$814,000 of CARES funding to establish a second revolving loan fund, the COVID-19 Resiliency Loan Program (RLP), with a goal of providing low interest rate loans to Berkeley small businesses negatively impacted by the COVID-19 pandemic. To date, RLP has provided \$793,000 to 18 businesses through 18 loans. Through work with Berkeley's Loan Administration Board, and the Federal Economic Development Administration (EDA), a sub grantee agreement was executed for a nimble certified Community Development Financial Institution, Working Solutions, to manage the funds on behalf of the City.⁵ This agreement immediately improved the experience for Berkeley's borrowers with seamless electronic loan disbursement and the ability to make online loan payments. As of September 2025, Working Solutions is now also contracted to manage the Revolving Loan Fund which has 4 active loans and an outstanding principal of \$318,843. Working Solutions will provide technical assistance and small business support to Berkeley's Revolving Loan Fund portfolio participants.

Equity-focused programming for the innovation sector: Berkeley Ventures, Berkeley Values was launched in 2019 to align the growth of Berkeley's innovation sector with the community values of diversity, equity and inclusion. A diverse roster of activities have been deployed to engage Berkeley startup founders, funders, and STEM (science, technology, engineering and math) industry professionals to build a local economy that benefits the entire Berkeley community, including STEM CareerX Day tours of local innovation companies for Berkeley High School students and a STEM Career Accelerator Program for local college and high school students ages 16 and older. OED and the Institute for STEM Education at Cal State University arranged 125 Berkeley High School student-visits at 7 STEM CareerX tours in 2024 (a portion of FY25).

Business succession planning and support for worker owned cooperatives: Beginning in 2018, OED partnered with Project Equity to meet the local demand for business succession planning and provide technical assistance to Berkeley's businesses wishing to transition to employee ownership. ARPA funds in the amount of \$40,000 were used in FYs 2023-2025 on a continual multi-year engagement with Project Equity. The funds enabled Project Equity to stay as an on-call advisor to

⁵ Online: <https://www.workingsolutions.org/news/announcing-a-new-partnership-with-the-city-of-berkeley>, March 2022.

businesses in Berkeley that want to transition to worker ownership. Project Equity's work will also implement strategies to measure business retention risk in Berkeley on an ongoing basis.⁶

(d) Support creation of employment opportunities for local residents

Berkeley's annual average unemployment rate in FY 2025 (the midpoint December 2024) was 4.4%, up from 4.0% the previous year. The sectors with the highest year-over-year percentage growth in employment included Education and Health Services (+8900 jobs), Health care and social assistance (+8,400 jobs), Leisure & Hospitality (+1,600 jobs), and Professional and business services (+1,500 jobs).

Many of the jobs in Berkeley are in the public sector, including those employed by UC Berkeley, Lawrence Berkeley Laboratory, Berkeley Unified School District, Berkeley City College (Peralta College) and the City of Berkeley. Berkeley's largest private sector employers include Sutter Bay Hospitals (Medical Foundation), and Health Support Services (including the Alta Bates and Herrick campuses), Bayer Corporation (pharmaceuticals manufacturing), Kaiser Permanente, the YMCA of the Central Bay Area, and the grocery retailer Berkeley Bowl. Traditionally, Berkeley's strong employment sectors include food services, biomedical/biopharmaceutical, computer systems design services, environmental consulting services, and arts and entertainment. It is also observed that growth opportunities abound in Berkeley's "innovation sector". More than 400 Berkeley-based tech, biotech, research and development (R&D) and other STEM (science technology engineering and math) industry businesses were either able to adapt to having a remote workforce or continued work in medical, life science, and health manufacturing facilities, with many returning to work in-person or in a hybrid format.

(e) Increase technology transfer from UC Berkeley and Lawrence Berkeley National Laboratory

The Lawrence Berkeley National Laboratory (Berkeley Lab) and neighboring University of California – Berkeley (UCB) continue to serve as terrific catalysts for startup growth and entrepreneurship in the City of Berkeley. Notably, the Lawrence Berkeley National Laboratory funding increased with support provided by the federal Inflation Reduction Act (IRA), which supports the advancement of some of the Laboratory's major equipment and infrastructure projects. Researchers at LBNL used increases in Office of Science funding to seek solutions to serve humankind through science including significant new investments in Basic Energy Sciences (BES), including the Advanced Light Source (ALS) User Facility which will provide revolutionary X-ray capabilities after receiving the biggest investment at Berkeley Lab since the ALS was built in 1993, and Advanced Scientific Computing Research (ASCR) which includes the National Energy Research Scientific Computing Center (NERSC) work on quantum information science for national competitiveness and supercomputers analyzing and validating observational data in cosmology. Other areas that received increases in funding included Solar, Vehicle Technologies, and Geothermal, which are included in the Lab's Energy Efficiency and Renewable Energy (EERE) program. The National Institutes of Health (NIH) and Department of Defense (DOD) continue to be some of the Berkeley Lab's largest Federal sponsors outside of the Department of Energy. These federal funds complement other non-federal sponsors for research in other areas including: biofuels, biomedical engineering, integrative

⁶ Berkeley City Council, Off Agenda Memo, Update on the City's Partnership with Project Equity including Support for Employees Ownership and Succession Planning for Berkeley's Businesses, September 13, 2023, online: <https://berkeleyca.gov/your-government/city-council/agenda-memos>.

genomics, computing sciences, energy conservation, advanced telecommunications, and other physical, earth and environmental sciences.

Since 2020, Berkeley Lab has filed more than 300 patent applications and created more than 80 companies based on Berkeley Lab licensed technology. The FY 2024 budget was \$1.44B and since 2020, the Strategic Partnerships Office has generated \$856 million in awards. Since its inception in 2015, Cyclotron Road companies have exceeded \$3 billion in total follow-on funding.

(f) Encourage startups in Downtown and West Berkeley

Berkeley's existing life sciences (biotech and healthcare) industry base includes more than 130 companies, from early-stage startups to multinational Bayer's bio-manufacturing and Biologics Development Facilities which employ nearly 1,000 people and spans 46 acres in West Berkeley. In 2024, 58 Berkeley companies raised more than \$1.2 billion in venture and seed capital and \$14.3 million in government research and development grants.

Together, UC Berkeley and the Berkeley Lab provide tremendous anchors for Berkeley's "innovation ecosystem", which includes companies, buildings and human capital assets not only on their campuses, but also in commercial corridors near campus (such as Downtown Berkeley and the North Shattuck area) and West Berkeley. To support the sector's growth in Berkeley, OED has taken a leadership role in the Berkeley Startup Cluster⁷, a partnership between the City, UC Berkeley, Berkeley Lab, Berkeley Chamber and Downtown Berkeley Association. With a mission *to make Berkeley a more vibrant, accessible, and equitable place to grow*, the Berkeley Startup Cluster enables the City of Berkeley to work closely with both UC Berkeley and Berkeley Lab staff to retain local startups that are commercializing new technology, as well as attract national companies with an interest in intellectual property developed in Berkeley. This collaboration is productive as the companies benefit from the City's interest in nurturing innovative startups and overall responsiveness to business needs and the City receives high quality jobs and investment in return.

For this and other reasons including the overall quality of life in Berkeley, access to a highly educated workforce, the central and accessible location within the Bay Area, and access to investment opportunities, Berkeley's innovation sector has continued to thrive, even post pandemic. The City maintains a list of approximately 400 active Berkeley innovation startup companies, many of them in Berkeley's Downtown Berkeley incubators and co-working spaces or in West Berkeley research and development facilities.

In fact, West Berkeley (which has historically housed Wareham Development's Aquatic Park campus and provides easy access to the I-80/580 freeway which connects Berkeley to San Francisco) has experienced substantial development of new facilities that support the local bioscience, clean technology, and other R&D industries. For example, West Berkeley now includes:

- Foundry 31: with 90,000 square feet of flexible office and lab space on the border of Berkeley and Emeryville,
- theLAB Berkeley: along 4th and 5th Streets
- The Berkeley Commons: R&D facility (600 Addison Street), with 540,000 square feet of

⁷ Online: www.berkeleystartupcluster.com.

purpose-built, state-of-the-art lab space, and

- Bonneville Labs: flexible coworking lab space tailored for biotechnology companies and life science market leaders.

In the second quarter of 2025, the vacancy rate for Berkeley lab space was 50.7%, due in part to increased inventory of half a million square feet at Berkeley Commons. For office, Berkeley's vacancy rate of 13.7% was lower than the 28.3% vacancy rate reported in the neighboring city of Oakland and 24.9% in Emeryville, but above Richmond and Alameda's rates, which are both below 10%. ⁸

As a result of advocacy by Berkeley Startup Cluster partners, in December 2024, the City of Berkeley updated its zoning rules to "Keep Innovation in Berkeley", thereby allowing R&D businesses to locate with an over-the-counter permit in many Berkeley commercial districts near campus, and improved clarity and communications regarding the business license process. OED continues to shed light on the City's "innovation industries" and corresponding resources through newsletters, social media, and the #DiscoveredinBerkeley business marketing campaign. The Berkeley Ventures, Berkeley Values initiative encourages high tech industries to invest in the community and STEM CareerX tours show Berkeley High School students how they can apply STEM skills learned in the classroom to real world careers, thereby matching local technology startups with future talent in Berkeley High School.

(g) Generate location-based economic data to monitor and analyze local business trends and help fill commercial vacancies

Economic Development staff updates its inventory of ground floor space in the City's commercial districts annually and tracks commercial vacancy rates closely. This effort has proven valuable as an analytical tool, and staff have been able to generate reports that outline and assess sectoral and sub-sectoral trends within specific commercial neighborhoods. In addition, staff produces annual reports entitled, the Berkeley Economic Dashboard and Commercial District Dashboard, and is routinely publishing the information online in an accessible format for clients and researchers to use.⁹ The dashboard reports outline the state of real estate and business development and commercial vacancy in Berkeley. For example, the most recent dashboard report (published March 2025, based on data gathered in Q3 and Q4 of 2024) shows that the citywide vacancy rate had decreased to 7.5%, a decrease of 0.6% since Q4 2023.

For context, normal market churn is associated with a vacancy rate between 5-15%. Downtown, Elmwood, North Shattuck, Telegraph, and West Berkeley all experienced a rise in ground floor vacancies in FY 2025. Downtown's vacancy rate rose from 10.8% to 10.9%. Elmwood rose from 6.2% to 6.9%; North Shattuck rose from 1.9% to 2.0%. Telegraph rose from 9.3% to 9.9% and West Berkeley rose from 2.2% to 6.5%. San Pablo experienced a drop in its vacancy rate from 15.5% to 7.1%; Solano dropped from 2.6% to 2.1%; South Berkeley dropped from 19.2% to 8.9%; and University dropped from 17.7% to 7.7%. Field work is currently underway for a comprehensive vacancy update to be published in March of 2026.

⁸ See, JLL, *Q2 2025 Market Dynamics* and Colliers, *Q3 2025 Office* reports.

⁹ City of Berkeley, Office of Economic Development, *Berkeley Economic Dashboard and Commercial District Dashboards*, online: <https://berkeleyca.gov/doing-business/economic-development/economic-dashboards-and-reports>.

(h) Market Berkeley's visitor appeal and support Berkeley's Hotel/Motel Industry

The City provides annual support to Visit Berkeley (the Berkeley Convention and Visitors' Bureau) for its comprehensive marketing efforts aimed at promoting domestic tourism, corporate and association conferences and hospitality services. A local Tourism Business Improvement District (BID) was established in late 2012 to collect a transient occupancy tax on all of the City's hotel and motel properties for the purposes of promoting tourism to Berkeley and, in FY 2025 Berkeley City Council authorized a ten-year extension of the Tourism BID and increased the collection rate from 1% to 3%. This BID renewal supports the budget of Visit Berkeley and increased the economic impact of the local visitor and tourism industry.

In FY 2024, transient occupancy taxes (TOT) returned to \$7.9 million, the FY 2019 pre-pandemic level. In FY 2024, TOT was approximately \$8M, as average nightly hotel occupancy increased to 71%, and the average daily room rate was \$187.50 per night. In June 2024, Visit Berkeley appointed a new President & CEO. Under new leadership, Visit Berkeley published the 25/26 Destination Guide (the largest to date), created a new Sales & Marketing Manager position to support increased efforts across the organization. These efforts have placed Visit Berkeley at the forefront of new opportunities to showcase the city as a desirable destination for untapped markets, such as International Business & Leisure Travel, Entertainment, Collegiate Tourism, and increased cultural tourism. Berkeley properties continue to show increased daily occupancy and average daily rates since FY 2024.

Additionally, though several Berkeley hotels have transitioned to permanent housing solutions over the past four years thereby reducing the hotel room inventory and transient occupancy tax the City collects, this was offset by the addition of the 331-room Residence Inn by Marriott that opened in 2021.

(i) Building on Berkeley's strength as a regional hub of arts and culture

More than 150 arts and cultural organizations comprise an arts community that collectively is among the largest employment sectors in Berkeley. Per the 2017 study, the arts provide approximately 6,000 jobs in the City of Berkeley, reach an annual audience of 2.6 million people, have a combined budget of approximately \$98 million, and generate nearly \$165 million of economic impact (including direct and indirect expenditures). Arts, culture, and entertainment help drive the City's local economy. The City provides substantial support to the Berkeley Art Center, the annual Bay Area Book Festival, and also disburses annual arts grants to non-profit arts groups, individual artists and festivals through a competitive selection process. The City also provides funds for public art commissions based on a percent for art program that is tied to City building and infrastructure spending.¹⁰

The Civic Arts program provided grants to support a vibrant arts ecosystem, strengthen diverse cultural expressions, and ensure equitable access to arts and culture throughout Berkeley. In 2023, the city awarded approximately \$700,000 to cultural institutions, festivals and individual artists with 11 individual arts projects grants (totaling \$44,000), 31 community festival grants (totaling \$199,983), and 55 arts organizations (totaling \$454,799) awarded.

In 2017 the City launched its Public Art in Private Development program. This program requires developers of multi-unit housing projects and commercial projects greater than 10,000 square feet to include on-site, publicly accessible art projects with a value equal to at least 1.75% of total construction costs. Alternatively, projects can contribute an in-lieu fee at a discounted rate of 0.8% of

¹⁰ City of Berkeley, Economic Impact Report of the Arts in Berkeley, MIG, September 2017.

total construction costs. This program is generating ongoing and significant new resources for the arts and strengthening the community's cultural fabric.

In addition, in FY 2019 the City completed and adopted a comprehensive update to its Arts & Culture Plan. The Arts & Culture Plan, funded by a grant from the William & Flora Hewlett Foundation, and the UC Berkeley Chancellor's Community Partnership Fund, provides a forward-thinking blueprint for maintaining and expanding the arts programs and cultural institutions that have established Berkeley as a regional center for the arts, culture and entertainment. In FY 2025, substantial progress was made on many of the action items identified in the plan, including the installation of 76 new photographic works by Lara Kaur at the West Berkeley Family Wellness Center, finalized design and construction approval of a mosaic artwork by Julie W. Chang at the Willard Park Clubhouse, selected artist Sorell Raino Tsui for a new public artwork at the MLK Jr. Youth Services Center, completed maintenance and restoration of existing public artworks, including *Mak Roote* at the Amtrak Station and the *World Wall for Peace* at Civic Center Plaza, presented four quarterly exhibitions at Cube Space Gallery and issued a nationwide RFP for a new Public Art Strategic Plan.

2. MAJOR CAPITAL PROJECTS-PUBLIC WORKS

(a) Measure T1 – Infrastructure and Facilities Improvements General Obligation Bonds

In November 2016, Berkeley residents voted for and approved Ballot Measure T1, authorizing \$100 million of general obligation bonds to meet the unfunded needs for repairs, renovation, replacement, or reconstruction of the City's aging infrastructure and facilities, including sidewalks, storm drains/watershed, streets, senior and recreation centers, parks, and other important City facilities and buildings. The City Council adopted a multi-phase implementation plan for the Measure T1 program. Currently, all projects initially adopted by City Council for Phase 1 of the T1 Bond Program have been completed. Since the first series of bonds were sold in November of 2017, all of the projects slated for construction have gone through the planning and/or design phase and most have had construction completed, and the initial \$35 million in bond proceeds has been spent. A significant public outreach process in developing the project priorities for T1 Phase 2 was completed in FY 2021, and the second series of bonds in the amount of \$45 million were issued, with project design and construction underway for those projects. The final bond sale of \$20 million is to take place in 2026.

Public Works T1 projects currently in design or under construction include: Storm Drain Improvements (Marin, Virginia, and Spruce), Pathway Repair Improvements, Sidewalks Maintenance and Safety Repairs, 1947 Center Street Improvements, Corporation Yard Improvements (Building B, Building H, and Wash Station), Fire Station #2, Fire Station #6, Telegraph-Channing Parking Garage Restroom & Elevators Improvements, and South Berkeley Senior Center Improvements Projects.

(b) Streets and Roads Capital

The City maintains 213 centerline miles of improved streets. A baseline annual amount of \$15 million in recurring funding for street paving from state and local sources is supplemented whenever possible by grants or one-time bond funding. The City committed \$9.1 million in FY 2024, \$8 million in FY 2025 through FY 2028 in increased baseline Capital Improvement Fund contributions. In FY 2025, Public Works managed and constructed the FY 2024 Street Rehabilitation and the FY 2023 Retaining Wall and Storm Drain Improvement Project, with construction for the latter ongoing. Additionally, Staff designed, bid, and contracted for the FY 2025 Street Maintenance and Rehabilitation Project.

The City Auditor published an updated audit on the Street Rehabilitation Program focused on program funding resource sufficiency, paving policy, and guidelines that drive deciding which streets get paved. Public Works is developing its next five-year paving plan to address the audit report and to

develop funding solutions to bridge the structural funding shortfall affecting deferred maintenance of Berkeley's streets.

(c) Sidewalks Capital

The City maintains approximately 375 miles of concrete sidewalk. The City manages sidewalk repair programs to keep sidewalks safe and provide for safe pedestrian passage, including make-safe repairs, an on-call sidewalk shaving contract, and the City's 50/50 replacement cost-share program in which the City shares the costs for sidewalk repairs with property owners. Additionally, ADA ramp improvements and curb repairs get incorporated into major street repair projects as part of the Complete Streets approach to paving.

Since 2011, the 50/50 sidewalk replacement program has been very popular with Berkeley residents. Over time, the backlog of sidewalk repairs identified to be addressed through the 50/50 program grew beyond the funding capacity to make the needed repairs. In FY 2020, Council approved an additional allocation of \$500,000 to accelerate the 50/50 program. In FY 2025, Public Works managed and constructed the FY 2024 Sidewalk Repair Project, which included improvements to over 100 ADA ramps and repairs to nearly 250 addresses from the 50/50 program waitlist. Additionally, Staff designed, bid, and contracted for the FY 2025 Curb Ramp Improvement Project that includes improvements to over 90 ADA ramps.

(d) Storm Capital Projects

The City owns and operates storm drainage facilities consisting of approximately 93 miles of storm drain pipelines and associated manholes, inlets, and catch basins within the public right-of-way. All of Berkeley's creeks and storm drains eventually drain to the San Francisco Bay. The City's Clean Stormwater program reduces pollutants that enter the storm drain and ensures that regulatory mandates for clean water are met. The Program also funds capital needs to reduce flooding and avoid structural failures. The City's 2012 Watershed Management Plan identified \$208 million of capital costs to help achieve these goals. Prior to 2018, Clean Stormwater Fee rates had not increased since the City's August 8, 1991, passage of Ordinance No. 6070-N.S. Revenue was insufficient to fund capital needs related to facility replacement or renewal and to meet the City's Municipal Regional Permit clean stormwater requirements. To meet these unfunded needs, the City conducted rate studies and balloting processes in compliance with Proposition 218 for the Clean Stormwater Fees. A balloted vote passed a new Clean Stormwater Fee in May 2018, which added \$2.5 million annually to improve the City's ability to address water quality, green infrastructure, storm emergency response, and storm drain infrastructure.

In FY 2023, the city completed a solicitation process for the Stormwater Master Plan (SWMP), which identifies critical deficiencies in the stormwater system, suggests capital improvement projects, updates maintenance and inspection plans for stormwater facilities, and developed a City-specific drainage design standard. The city completed storm drain repairs on Marin Avenue to minimize flooding chances and sinkholes formed during the 2022-2023 wet season.

In FY 2023, the City completed a condition assessment of the Strawberry Creek culvert for repairs and submitted a Grant request with Dept of Water Resources for Codornices Creek restoration at two locations.

For FY 2024, planned projects included the first phase of the stormwater master plan starting in the fall of 2023; structural evaluation and design of structural repairs for City right-of-way sections of Strawberry Creek culvert; rehabilitation of drainage culverts and storm inlets at 24 locations spread over a two-mile stretch of Wildcat Canyon Road; installation of trash capture devices as part of the City's goal to meet regulatory requirement to reduce trash discharges to receiving water by 100% by

June 30, 2025; storm drain repairs to address flooding at various locations throughout the City; and feasibility studies for future green infrastructure improvements.

(e) Sewer Capital Projects

Sewer capital improvements projects include replacing damaged and worn facilities, any needed expansion, to meet regulatory requirements and improve the performance of the City's sewer collection system. Revenue for the fund mainly comes from sanitary sewer service fees. In 2009, the EPA and the State and Regional Water Quality Control Boards sued EBMUD and all agencies conveying flows to EBMUD (Satellite agencies) for violation of the Clean Water Act. In 2014, all parties agreed to a stipulated settlement known as the final Consent Decree (CD), which required the City to be in compliance in 12 years. CD compliance requires the city to rehabilitate an average of 4.2 miles of sewer pipeline annually based on a three-year rolling average. Rate hikes were implemented in the past to support the added financial load of the CD requirements, and the sewer fee is being assessed to ensure its adequacy.

Major sanitary sewer CIP projects under construction in FY 2024 include The Alameda, Euclid Ave, Cragmont Ave and various locations in Northeast Berkeley area, and on Virginia St, Jones St, Jaynes St, Russell St, 66th St and Fairview St in Western Berkeley, and urgent sewer rehabilitation of defective sanitary sewer mains, maintenance holes, and sewer laterals at various locations throughout the City. Also, in FY 2024, staff started the design for FY 2025 sewer rehabilitation improvement projects along Adeline and Shattuck, and along the Union Pacific Railroad Corridor (Third Street and UPRR right-of-way). The estimated construction cost of the FY 2026 CIP projects is \$12.5 million. Construction is scheduled to start in fall 2024 and is projected to be completed by June 30, 2025. Additionally, Public Works is completing a Sanitary Sewer Master Plan that will inform future sewer infrastructure needs. Recommendations and funding support needed to implement the plan will be reflected in future Sewer budgets.

(f) Transportation

The City of Berkeley is committed to improving traffic safety, encouraging transit use, bicycling and walking, and addressing a variety of transportation issues. The Transportation Division receives recurring allocations from State Gas Tax, local fund sources such as Measure BB, F, and the Capital Improvement Fund to fund transportation planning and operations such as traffic calming, traffic signal improvements and maintenance, street improvements, roadway marking, bicycle and pedestrian infrastructure improvements such as pathways, on-street facilities, and bicycle parking as well as bicycle and pedestrian planning programs. This funding is supplemented by local, state and federal grants whenever possible to deliver additional transportation infrastructure and safety projects.

Major transportation CIP projects either starting or continuing construction in FY 2024-2025 include Martin Luther King Jr. Way Vision Zero Project, Southside Complete Streets Project, University West Bus Stop Improvements Project, Parker Street to Addison Bikeway Project, Woolsey-Eton Intersection Improvements Project, Sacramento Street Pedestrian Safety Project, Shattuck/MLK Bus Stops, and Woolsey-Fulton Bike Blvd.

3. CLIMATE ACTION PLAN

The Berkeley Climate Action Plan (CAP) was adopted by City Council in 2009 as a roadmap to reduce community-wide greenhouse gas (GHG) emissions and set an original climate goal of reducing GHG emissions by 80% by 2050. Amplifying the urgency for climate action, Berkeley City Council has now

pledged 100% renewable electricity by 2035, resolved to become a “Fossil Fuel Free City”, committed to reaching zero net emissions by 2045, established a 2030 GHG emission target of reducing 60.5% below 2018 levels, and declared a Climate Emergency. Berkeley is working to meet climate action goals for a clean energy future by reducing energy use, promoting cleaner electricity, and electrifying buildings and transportation. The City of Berkeley centers equity and climate justice within its sustainability efforts with the understanding that any climate goals must ensure those who are most impacted by climate impacts benefit from climate action.

(a) Tracking Community Greenhouse Gas Emission Reductions

Based on the newest available data from 2023, the community has reduced overall greenhouse gas (GHG) emissions by 41% since 2000, despite a population increase of 16%. In 2023, transportation accounted for 58% of emissions, another 39% comes from building energy use, and 3% comes from landfill waste. Berkeley has made significant progress in reducing GHG emissions, and additional work is required to achieve the City’s ambitious goals.

(b) Ava Community Energy

Ava Community Energy (Ava), formerly known as East Bay Community Energy or EBCE, is the East Bay’s locally governed, green electricity supplier. Berkeley’s decrease in greenhouse gas emissions related to buildings can largely be attributed to Berkeley joining Ava in 2018. Ava offers two electricity services: Bright Choice (less expensive than PG&E) and Renewable 100 (sourced from 100% solar and wind power). In 2021, municipal buildings opted up to the Renewable 100 service and in 2022 all of Berkeley’s residential and commercial accounts were also transitioned over to Renewable 100. Most of Ava customers purchase emissions-free 100% renewable power, though customers can choose to change their service back to Bright Choice or PG&E at any time.

(c) Building Emissions Saving Ordinance (BESO)

Berkeley’s Building Emissions Saving Ordinance (BESO) became effective December 1, 2015, as BMC Chapter 19.81. BESO requires building owners to complete and publicly report building-specific energy efficiency and electrification assessments, including energy scores, so that building owners and potential buyers can make informed decisions about a building’s energy system and take actions to increase resilience and lower GHG emissions.

BESO currently requires buildings less than 25,000 square feet to conduct and report an energy assessment when a building is bought and sold. Larger buildings, greater than 25,000 square feet are required to undergo an energy assessment every 5 years and report their energy benchmarking data annually.

As of 2022, BESO began requiring that all buildings over 15,000 square feet complete energy benchmarking to ensure that building owners and managers can compare their energy to other similar buildings and learn about ways to save energy. To date, all energy upgrades for buildings have only been recommended and voluntary. However, in February 2025, City Council adopted amendments to BESO, including time-of-sale energy requirements for small residential properties (1-4 units) to help meet Berkeley’s building emissions targets.

Starting in January 2026, anyone selling a single-family home or duplex in Berkeley must get an energy assessment (Home Energy Score) and either install one or more resilience upgrades to meet the resilience standard or defer upgrade responsibility to the buyer, with an escrow deposit. Three- and four-unit residential buildings will be phased in beginning January 2028. These new BESO

requirements can improve indoor air quality, comfort, health, and safety in existing homes, as well as help new Berkeley homeowners prepare for the Bay Area Air District's zero NOx emissions standard, which will prohibit the sale and installation of NOx emitting gas-powered water heaters and furnaces.

(d) Municipal Facilities and Leadership

While GHG emissions from municipal facilities only account for 0.4% of overall community emissions, the City strives to lead by example in making its facilities as efficient, safe, and healthy as possible. In March 2021, the City of Berkeley opted up to the Ava 100% renewable product for its municipal accounts. Recently completed municipal energy upgrades include inter-departmental work with Public Works for eight heat pump water heaters replacing gas water heaters at library buildings, the Corp Yard, and the Marina; building lighting retrofits, using on-bill financing, at the Central Library and at 1947 Center Street in 2024; and kitchen electrification projects at the South Berkeley and North Berkeley Senior Centers.

(e) Solar + Storage for Critical Facilities

The City is working with Ava on solar + storage systems for critical municipal facilities to provide increased resiliency and clean back-up power in the case of a power outage. In November 2024, City Council authorized the negotiation and execution of a Power Purchase Agreement (PPA) with Ava to install solar + storage systems at the Live Oak Recreation Center and the Corp Yard. Ava will own and maintain the systems at these municipal sites and the City will agree to purchase the power generated from these systems for 25 years. Ava plans to complete installation of Berkeley's solar + storage projects by April 2026.

(f) Electric Vehicles & Charging Infrastructure

The City hired an Electric Mobility Coordinator in March 2023 to lead the implementation of the Electric Mobility Roadmap (2020) to support fossil fuel-free clean transportation, including walking, biking, public transportation, and a wide variety of electric vehicles, with a focus on equitable and affordable access. As of October 2023, there were 110 publicly available Level 2 electric vehicle (EV) charging ports and 19 publicly available DCFC ports in Berkeley. Approximately 11.4% of registered cars in the community were electric in 2023, compared to 5.2% statewide.

The City adopted local amendments to the 2022 California Green Building Standards Code to require greater EV charging readiness and installation in new buildings than required by the State, effective in January 2023, with additions that became effective July 2024. The City also adopted a new fee for public charging, based on energy dispensed (kWh) and time of use, effective July 2024. Current efforts include work to install EV charging for municipal fleet vehicles at the Corp Yard, partnering with Ava to develop public EV DC Fast Charging Hubs in Berkeley, and further work to assess the City's medium- and heavy-duty fleet for electrification opportunities.

(g) Climate Equity Fund

In July 2021, City Council approved a resolution establishing a Pilot Climate Equity Action Fund and allocated \$600,000 to provide climate change and resilience benefits to low-income residents for both buildings and transportation. The fund included three program areas: Program Area #1: Electrification Home Retrofits, Program Area #2: Electric Mobility Access, and Program Area #3: Community Engagement and Resilience. These contracts were executed in 2022 and conclude in 2024-2026.

- In Program Area #1, contracts were awarded to three organizations, Northern California Land Trust (NCLT), Association for Energy Affordability (AEA) and BlocPower, in collaboration with Revalue.io, for building electrification upgrades that improve health, safety, resilience, and

comfort for income-qualified residents, while reducing community-wide greenhouse gas emissions. As of February 2025, this ongoing project has supported building electrification upgrades in Case Joaquin Murrieta, student housing for 40 low-income, first-generate UC Berkeley students of color; at Walnut House Cooperative, a 22-unit limited-equity cooperative multifamily building; and in a single-family, income-qualified home.

- In Program Area #2, the Berkeley E-Bike Equity Project (BEEP), administered by Waterside Workshops, in partnership with GRID Alternatives, provided e-bikes for income-qualified residents and workforce training to youth. Over 600 residents applied for the e-bikes and were entered into a lottery for 56 e-bikes, which were distributed in Spring 2023. BEEP participants received training on e-bike safety, an e-bike or e-trike, helmet, bike lock, lights, as well as child seats, panniers, racks and other customizations, and got a year of quarterly e-bike maintenance check-ups, concluding in September 2024. A total of 134 Berkeley residents benefited from the program; 77% of BEEP participants reported a decrease in the use of a car or motor vehicle and 69% reported budget savings on transportation costs.
- In Program Area #3, the Ecology Center led the Climate Equity Collaborative, using Climate Equity Funds to provide community stipends to support BIPOC-serving organizations' capacity to participate in the Collaborative and for the purchase and distribution of resilience equipment and resources for target communities. Between September 2022 and August 2025, the Ecology Center hosted six Climate Equity Collaborative convenings, conducted 57 one-on-one meetings with community-based organizations, co-created a "Principles of Equitable Engagement" document with community organizations serving low-income, BIPOC, and frontline communities, engaged three Community Ambassadors, distributed 128 resilience measures (like Clipper Cards, induction hobs, and air filters) to 99 households, and implemented 12 educational workshops for 169 attendees on topics such as pollution and air quality, resilience, and induction cooking.

(h) Just Transition Pilot Program

In June 2022, City Council approved a resolution to develop an Existing Building Electrification Installation Incentives and Just Transition Pilot Program, with a budget of \$1,500,000 to ensure that income qualified residents and construction workers benefit from the transition off fossil fuels. This program aggregates electrification and resilience installations for low-to-moderate income households (at or below 120% of the Area Median Income) and requires that upgrades be completed by pre-qualified contractors who meet minimum labor standards, to ensure that residential electrification construction work also provides equitable benefits to workers. Through a competitive process the City selected Rebuilding Together East Bay Network as the program implementer. In 2025 the project team finalized the labor standards, developed a pipeline of income-qualified homes, provided support and training to contractors, released a request for qualification for contractors to participate, and selected contractors to bid on the aggregated projects. The program is slated to complete implementation by early 2026.

OTHER INFORMATION:

INDEPENDENT AUDIT

The City's Charter requires an annual audit of the City's records. These records, represented in the basic financial statements included in the ACFR have been audited by the public accounting firm, Badawi & Associates, CPAs.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2024. In order to receive this prestigious award of the Certificate of Achievement, the City must publish and submit such report to the GFOA for their evaluation. This report satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to fulfill the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's award for Distinguished Budget Presentation for the biennium (two-year period) beginning July 1, 2024 and staff plans to pursue that award for the current budget.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efforts of the following individuals: Acting Accounting Manager Alyssa Loo, Senior Accountant Sandy Barger and the entire Accounting Division of the Finance Department, as well as the City's Budget Manager, Maricar Dupaya and her budget team, the accounting firm of Badawi & Associates, CPA, and the continued support of sound financial management by the City Manager, Paul Buddenhagen, Mayor Adena Ishii and the City Council.

Due to the efforts of the entire City staff, the City's accounting and financial reporting systems continue to improve, as well as the quality of the information being reported to our citizens, the City Council, Department heads and Managers, Bond-holders, Federal, State and County agencies, and to other users of the City's financial reports.

Respectfully submitted,



Henry Oyekanmi

Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Berkeley
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

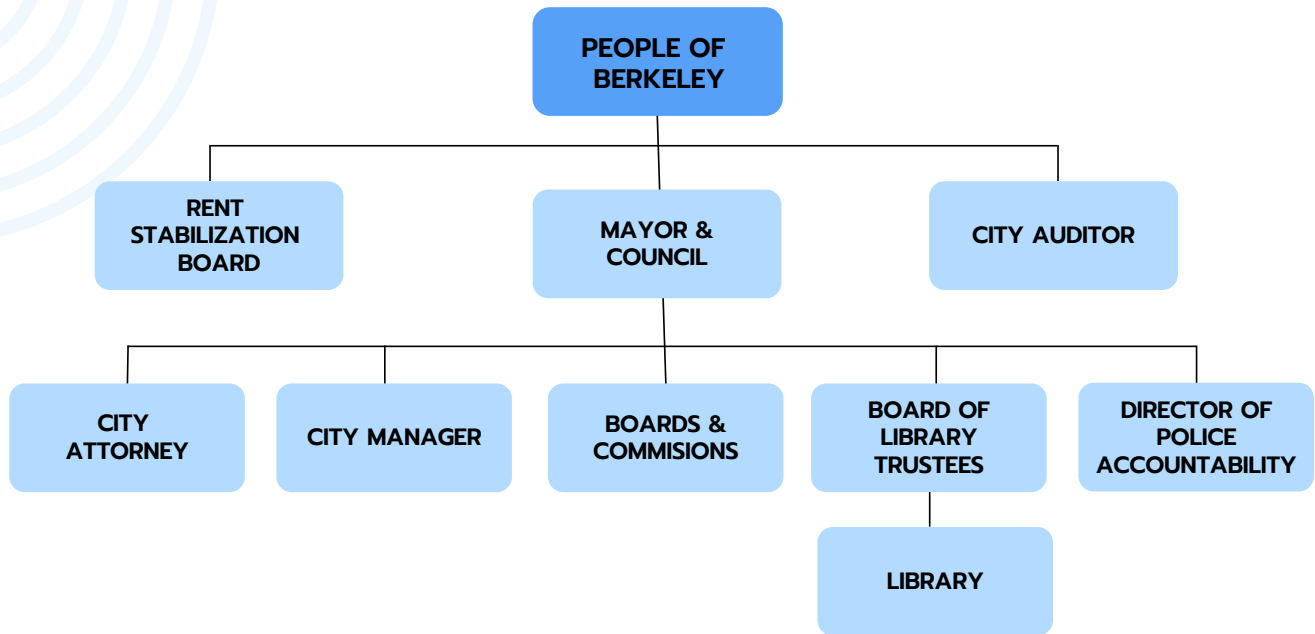
June 30, 2024

Christopher P. Morill

Executive Director/CEO

City of Berkeley Government Structure

2025



CITY OF BERKELEY

FY 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

ELECTED OFFICIALS

Mayor

Adena Ishii

Councilmembers

Rashi Kesarwani (District 1)

Terry Taplin (District 2)

Ben Bartlett (District 3)

Igor Tregub (District 4)

Shoshana O’Keefe (District 5)

Brent Blackaby (District 6)

Cecilia Lunaparra (District 7)

Mark Humbert (District 8)

City Auditor

Jenny Wong

APPOINTED OFFICIALS

City Manager

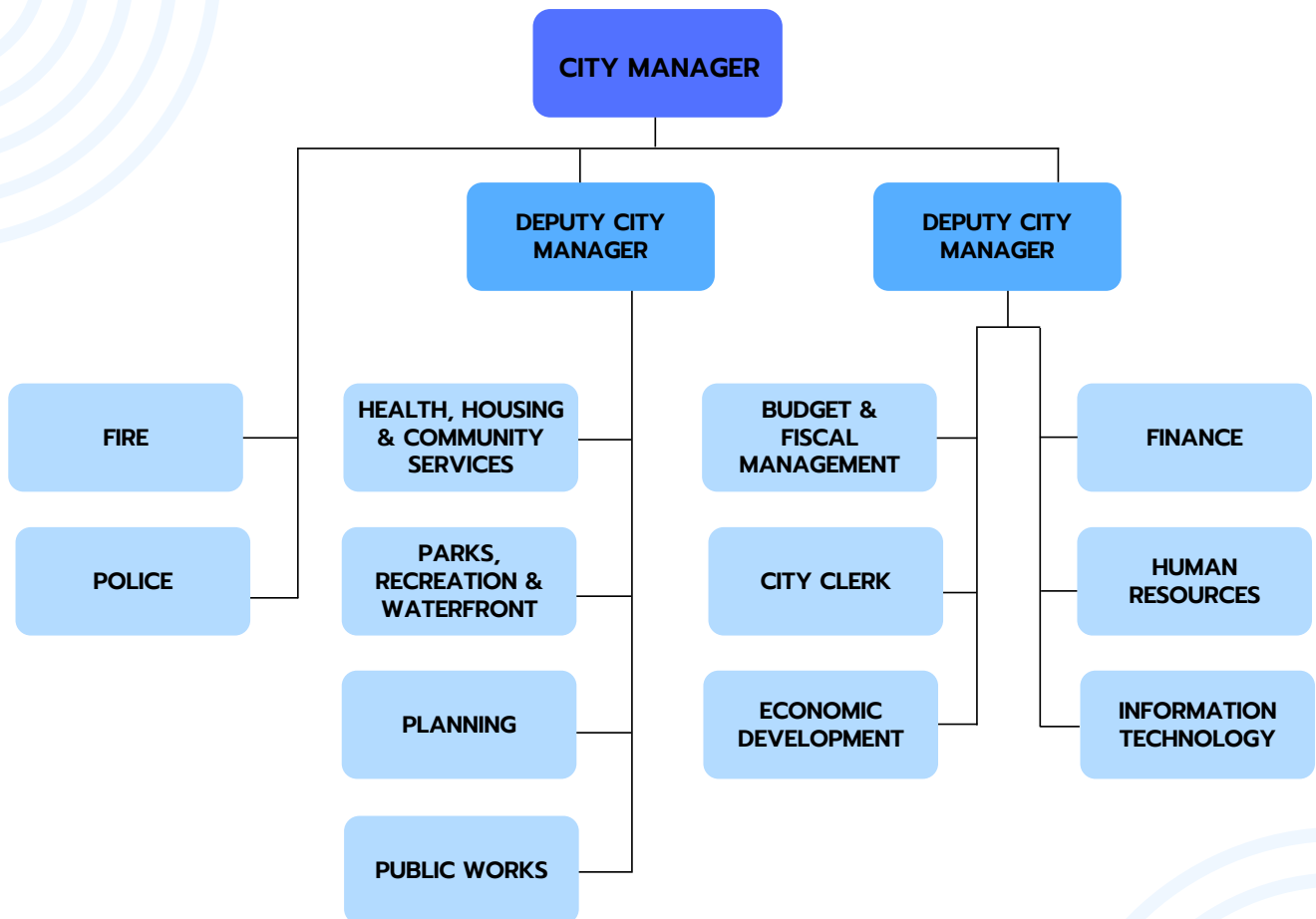
Paul Buddenhagen

Deputy City Managers

David White

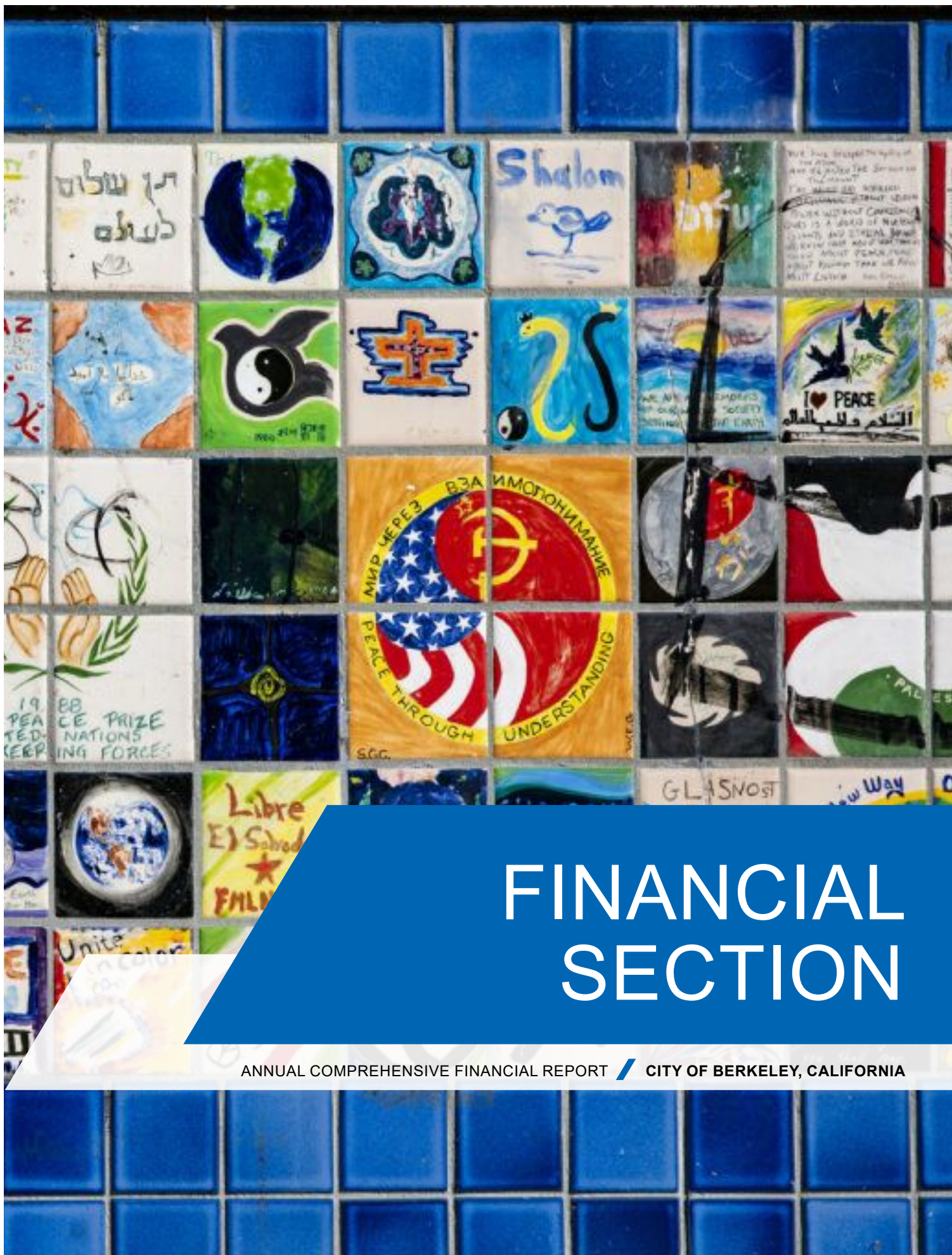
City of Berkeley Organization Chart

2025





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FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Berkeley
Berkeley, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Berkeley (City), as of and for the year ended June 30, 2025, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis budgetary comparison, pension, and other postemployment benefit information on pages 8-29 and 146-173 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.

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, 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 City's internal control over financial reporting and compliance.



Badawi & Associates, CPAs
Emeryville, California
December 31, 2025



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Management's Discussion and Analysis

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Berkeley (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages v-xix of this report. Comparative data on the government-wide financial statements is only presented in Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

Government-wide

- On June 30, 2025, City assets and deferred outflows exceeded liabilities and deferred inflows by \$467.9 million (net position). Included in this amount was a balance of -\$415.2 million in unrestricted net position. Unrestricted net position is net position that may be used to meet the City's ongoing obligations to citizens and creditors. The negative unrestricted net position is primarily due to the recognition of pension and OPEB liabilities.
- City total net position increased \$47.5 million during the fiscal year. Governmental activities net position increased \$41.2 million compared to prior year's increase of \$25.4. Business-type activities net position increased \$6.4 million compared to prior year's increase of \$5.3 million (Pages 11-17).
- Net pension liability decreased by \$37.4 million or 5.2% during FY 2025 to \$686.4 million from \$723.8 million; it decreased by \$33.0 million or 5.3% to \$595.3 million from \$628.3 million for governmental activities, while net pension liability also decreased by \$4.4 million or 4.6% to \$91.1 million from \$95.5 million for business-type activities.
- Net OPEB liability decreased by \$38.8 million or 50.0% during FY 2025 to \$38.7 million from \$77.5 million for governmental activities, while net OPEB liability decreased by \$1.4 million or 23.6% to \$4.5 million from \$5.9 million for business-type activities.

Fund based

- At the close of fiscal year 2025, governmental funds reported combined ending fund balance of \$621.9 million, an increase of \$21.9 million, primarily due to (1) an increase of \$2.1 million in General Fund revenues and transfers in over expenditures and transfers out; (2) an increase of \$9.3 million in Grants Fund revenues and transfers in over expenditures and transfers out; (3) a decrease of \$3.3 million in Capital Improvement Fund revenues and transfers in over expenditures and transfers out; (4) an increase of \$11.2 million in Other Governmental Funds revenues and transfers in over expenditures and transfers out. The ending fund balance is identified as: \$406.4 million or 65.4 percent was restricted fund balance, \$152.6 million or 24.5 percent was in committed funds, and \$38.8 million or 6.3 percent was in assigned funds; and \$23.0 million or 3.5% in unassigned funds.(Page 19).
- At the close of fiscal year 2025, fund balance for the General Fund was \$154.9 million consisting primarily of \$42.2 million in restricted, \$22.7 million in assigned funds, \$31.7 million in unassigned funds, and \$58.3 million in committed funds (Page 19).
- At the close of fiscal year 2025, General Fund revenues, including transfers in and proceeds from sale of assets, were \$294.8 million. Total revenues and transfers were \$19.4 million higher than the prior fiscal year's revenues and transfers of \$275.4 million (Pages 19-21).
- Other General Fund financing sources consisted of \$ 18.2 million in inception of leases and subscriptions.
- At the close of fiscal year 2025, General Fund expenditures, including transfers out, were \$310.9 million. Total expenditures were \$28.0 million higher than the prior fiscal year's expenditures of \$282.9 million (Page 21).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The statement of activities presents information showing how the City's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., earned but unused vacation leave or uncollected taxes).

Government-wide financial statements distinguish City governmental activities that are principally supported by taxes and intergovernmental revenues from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City include general government, public safety, transportation, community development, and culture and leisure. Business-type activities of the City include water, wastewater, golf course, transportation, solid waste management, and theatres operations. The government-wide financial statements can be found on pages 35-37 of this report.

Fund financial statements

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Grants, Library, and Capital Improvements funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements shown on pages 178-300.

The City adopts a biennial appropriated budget for its General Fund and major funds. Budgetary comparison statements have been provided to demonstrate compliance with this budget on pages 147-176.

The basic governmental funds financial statements can be found on pages 40-43 of this report.

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

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of zero waste, marina operations, sanitary sewer, clean storm water, permit service center, off-street parking, parking meter, and building purchases and management.

- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its equipment maintenance replacement, building maintenance, central services, computer replacement, workers' compensation, sick leave and vacation payout, public liability, and catastrophic loss. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found on pages 283-286.

The basic proprietary funds financial statements can be found on pages 47-54 of this report.

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

The basic fiduciary funds financial statements can be found on pages 57-58 of this report.

Notes to basic financial statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 61-140 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. RSI can be found on pages 146-173 of this report.

Combining statements for non-major governmental funds, internal service funds, and custodial funds are presented immediately following the RSI. Combining financial statements and schedules can be found on pages 178-300 of this report.

Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 305-332 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. City assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$467.9 million at the close of fiscal year 2025 as summarized on the following page.

Statement of Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Totals	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Assets:						
Current and Other Assets	\$ 786,386,449	\$ 774,547,741	\$ 197,072,328	\$ 192,333,032	\$ 983,458,777	\$ 966,880,773
Capital Assets	414,505,900	361,526,666	251,664,250	247,081,442	666,170,150	608,608,108
Total Assets	<u>1,200,892,349</u>	<u>1,136,074,407</u>	<u>448,736,578</u>	<u>439,414,474</u>	<u>1,649,628,927</u>	<u>1,575,488,881</u>
Deferred Outflows of Resources:						
Related to Pensions	104,808,530	147,437,750	16,906,465	24,018,973	121,714,995	171,456,723
Related to Other Postemployment Benefits	13,910,110	21,129,804	2,742,315	3,188,668	16,652,425	24,318,472
Total Deferred Outflows of Resources	<u>118,718,640</u>	<u>168,567,554</u>	<u>19,648,780</u>	<u>27,207,641</u>	<u>138,367,420</u>	<u>195,775,195</u>
Liabilities:						
Current and Other Liabilities	108,313,019	97,028,295	14,060,610	11,184,368	122,373,629	108,212,663
Long-term Liabilities	306,643,021	269,941,052	50,615,423	51,398,592	357,258,444	321,339,644
Net Pension Liability	595,295,398	628,297,778	91,138,494	95,525,194	686,433,892	723,822,972
Net OPEB Liability	38,733,630	77,531,231	4,477,343	5,858,550	43,210,973	83,389,781
Total Liabilities	<u>1,048,985,068</u>	<u>1,072,798,356</u>	<u>160,291,870</u>	<u>163,966,704</u>	<u>1,209,276,938</u>	<u>1,236,765,060</u>
Deferred Inflows of Resources:						
Related to Pensions	1,118,700	5,948,078	-	974,646	1,118,700	6,922,724
Related to Other Postemployment Benefits	69,980,081	63,713,325	8,826,975	8,267,843	78,807,056	71,981,168
Related to Leases	1,026,398	1,099,242	29,256,600	28,901,539	30,282,998	30,000,781
Related to Deferred Gain On Refunding	655,938	774,523	-	-	655,938	774,523
Total Deferred Inflows of Resources	<u>72,781,117</u>	<u>71,535,168</u>	<u>38,083,575</u>	<u>38,144,028</u>	<u>110,864,692</u>	<u>109,679,196</u>
Net Position:						
Net Investment in Capital Assets	270,511,386	238,725,136	202,985,229	198,194,602	473,496,615	436,919,738
Restricted	409,564,935	388,340,729	-	-	409,564,935	388,340,729
Unrestricted	(482,231,517)	(466,757,428)	67,024,685	66,316,781	(415,206,832)	(400,440,647)
Total Net Position	<u>\$ 197,844,804</u>	<u>\$ 160,308,437</u>	<u>\$ 270,009,913</u>	<u>\$ 264,511,383</u>	<u>\$ 467,854,717</u>	<u>\$ 424,819,820</u>

Statement of Activities

The statement of activities shows how the City's net position changed during fiscal year 2025. The City's net position increased \$47.5 during the fiscal year. These increases are explained in the governmental and business-type activities on the following pages. Provided below is a summary of changes in net position.

Statement of Activities Year Ended June 30, 2025						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 42,823,896	\$ 47,811,714	\$132,339,019	\$123,155,088	\$ 175,162,915	\$ 170,966,802
Operating grants and contributions	44,337,052	51,339,948	-	-	44,337,052	51,339,948
Capital grants and contributions	5,562,154	8,279,025	7,689,069	-	13,251,223	8,279,025
General revenues:						
Property taxes, levied for general purposes	148,363,839	135,671,723	-	-	148,363,839	135,671,723
Property taxes, levied for debt services	18,134,546	17,912,829	-	-	18,134,546	17,912,829
Property taxes for special purposes:						
Library	26,466,731	24,938,675	-	-	26,466,731	24,938,675
Parks	18,689,255	17,620,173	-	-	18,689,255	17,620,173
Paramedic	3,967,274	3,741,579	-	-	3,967,274	3,741,579
Fire	16,245,151	15,317,016	-	-	16,245,151	15,317,016
Sales taxes	19,962,225	19,965,109	-	-	19,962,225	19,965,109
Utility user taxes	19,446,965	16,795,837	-	-	19,446,965	16,795,837
Transient occupancy taxes	7,868,392	8,824,385	-	-	7,868,392	8,824,385
Business license tax	31,576,067	31,244,527	-	-	31,576,067	31,244,527
Other taxes	31,479,208	31,815,281	-	-	31,479,208	31,815,281
Other unrestricted state subventions	390,334	388,936	-	-	390,334	388,936
Contributions not restricted to specific programs	621,870	790,144	-	-	621,870	790,144
Investment earnings	36,286,314	30,456,778	5,040,481	5,905,335	41,326,795	36,362,113
Insurance claims reimbursement	-	26,130	-	-	-	26,130
Miscellaneous	2,063,021	1,762,526	-	-	2,063,021	1,762,526
Gain/(loss) on sale of capital assets	227,593	69,223	-	-	227,593	69,223
Total revenues	474,511,887	464,771,558	145,068,569	129,060,423	619,580,456	593,831,981
Expenses:						
General government	58,658,371	54,948,628	-	-	58,658,371	54,948,628
Public safety	162,279,443	189,954,425	-	-	162,279,443	189,954,425
Highways and streets	25,239,504	23,940,035	-	-	25,239,504	23,940,035
Health and welfare	54,786,456	44,536,312	-	-	54,786,456	44,536,312
Culture and recreation	68,666,935	65,781,017	-	-	68,666,935	65,781,017
Community development and housing	51,436,067	47,567,773	-	-	51,436,067	47,567,773
Economic development	5,588,739	6,756,744	-	-	5,588,739	6,756,744
Interest on long-term debt	8,340,813	7,966,078	-	-	8,340,813	7,966,078
Refuse services	-	-	57,314,070	55,655,272	57,314,070	55,655,272
Marina operations and maintenance	-	-	14,026,321	7,751,997	14,026,321	7,751,997
Sewer services	-	-	18,443,245	15,079,287	18,443,245	15,079,287
Clean storm water	-	-	4,711,613	3,644,030	4,711,613	3,644,030
Permit service center	-	-	23,350,359	23,061,585	23,350,359	23,061,585
Parking related	-	-	16,385,589	13,583,464	16,385,589	13,583,464
Building purchase and management	-	-	2,828,269	2,937,367	2,828,269	2,937,367
Total expenses	434,996,328	441,451,012	137,059,466	121,713,002	572,055,794	563,164,014
Excess in net position before other items	39,515,559	23,320,546	8,009,103	7,347,421	47,524,662	30,667,967
Transfers	1,646,312	2,036,677	(1,646,312)	(2,036,677)	-	-
Change in net position	41,161,871	25,357,223	6,362,791	5,310,744	47,524,662	30,667,967
Net position - beginning, as restated	156,682,933	134,951,214	263,647,122	259,200,639	420,330,055	394,151,853
Net position - ending	\$ 197,844,804	\$ 160,308,437	\$270,009,913	\$264,511,383	\$ 467,854,717	\$ 424,819,820

A more detailed statement of activities is shown on pages 36-37.

The largest portion of the City's net position reflects its investment of \$473.5 million in capital assets (land, buildings and improvements, equipment, intangibles, infrastructure, and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. 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 capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$409.6 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, -\$415.2 million may be used to meet the government's ongoing obligations to citizens and creditors, as well as to meet City imposed designations (e.g., reserves, endowments, pending litigations, contingencies, and capital projects).

Governmental activities increased \$41.2 million compared to the prior fiscal year's increase of \$25.4 million. Key elements of the decrease in net position were as follows:

Program revenues decreased \$14.7 million due to a decrease in charges for services of \$5.0 million, a decrease in operating grants and contributions of \$7.0 million, and a decrease in capital grants and contributions of \$2.7 million. The major changes are highlighted below:

- Charges for services decreased \$5.0 million primarily due to a \$9.7 million decrease in Housing Mitigation revenue in the Affordable Housing Fund, and a \$4.6 million increase in revenue for the Long Range Development Plan agreement with UC Berkeley. This reduction in revenue is directly tied to property sales activity, which decreased.
- Operating grants and contributions decreased \$7.0 million primarily due to \$2.9 million less spending of American Rescue Plan Act grant funds in FY2025 versus FY 2024, and a decline of \$2.2 million in Community Development Block Grant in FY 2025.
- Capital funding and contributions decreased \$2.7 million primarily due to three capital project funds: the goBerkeley Residential Shared Parking Program, which decreased \$6 million; the MLK Improvements Project, which increased \$0.77 million; and the Trees Make Life Better Project, which increased \$1 million.

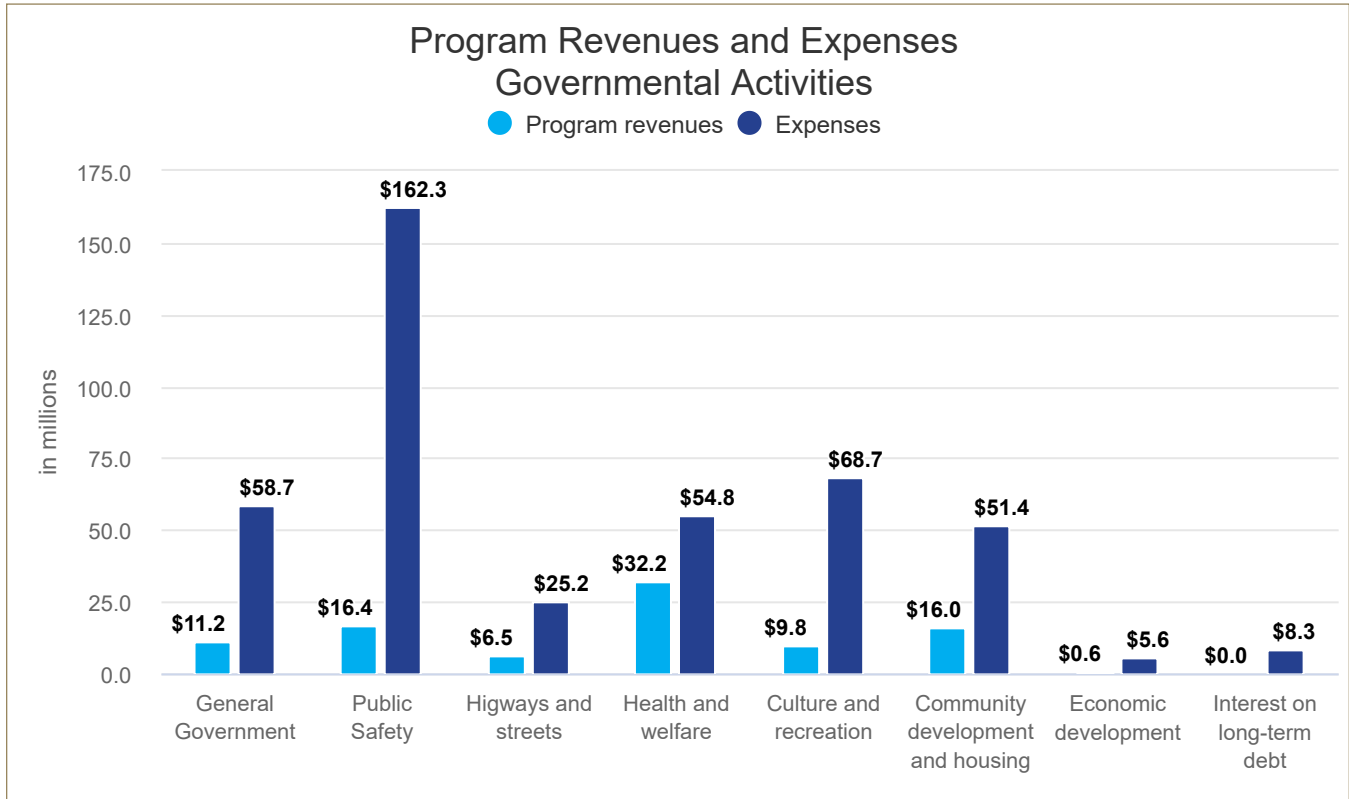
General revenues increased \$24.4 million. The details of the increases/decreases accounting for the \$24.4 million increase are highlighted below:

- Property tax revenue increased \$16.7 million, or 7.7% percent, from \$215.2 million in FY2024 to \$231.9 million in FY2025, which was due to the following:
 - **Property Taxes for General Purposes** increased \$12.7 million or 9.4%, from \$135.7 million in FY 2024 to \$148.4 million in FY 2025, primarily as a result of the following: An increase of \$4.5 million in Property Transfer Taxes resulting from a substantial increase in the dollar value of property sales and in the number of property sales; An increase of \$2.9 million in Measure P Property Transfer Taxes resulting from a substantial increase in the dollar value of property sales, in the number property sales, and in the number of property sales exceeding \$10 million; a decrease of \$.7 million in Supplemental Taxes; an increase of \$4.4 million in Secured Property Taxes due to an increase in assessed value of 6.39% in the City; a \$1.1 million increase in Vehicle in Lieu Taxes due to an increase in assessed value of 6.39% in the City; and, an increase of \$.3 million in Unsecured Property Taxes due to an increase in assessed value on business capital assets.
 - **Property Taxes for Debt Service** increased \$0.2 million or 1.24%, from \$17.9 million in FY 2024 to \$18.1 million in FY 2025 primarily as a result of the following related to General Obligation Bonds: (1) An increase of 6.39% increase in the City's assessed values, which was mostly offset by changes in bond tax rates for the following bond issues: (1) No change in Measure O in FY 2025; (2) Decrease in Measure T1 to .01364% in FY 2025 from .014% in FY 2024; (3) Decrease in 2015 Measure G,S and I to .0111% in FY 2025 from .015% in FY 2024; (4) Decrease in 2008 Library Measure FF to .0048% in FY 2025 from .0050% in FY 2024; and Decrease in Measure M to .0064% in FY 2025 from .0075% in FY 2024.

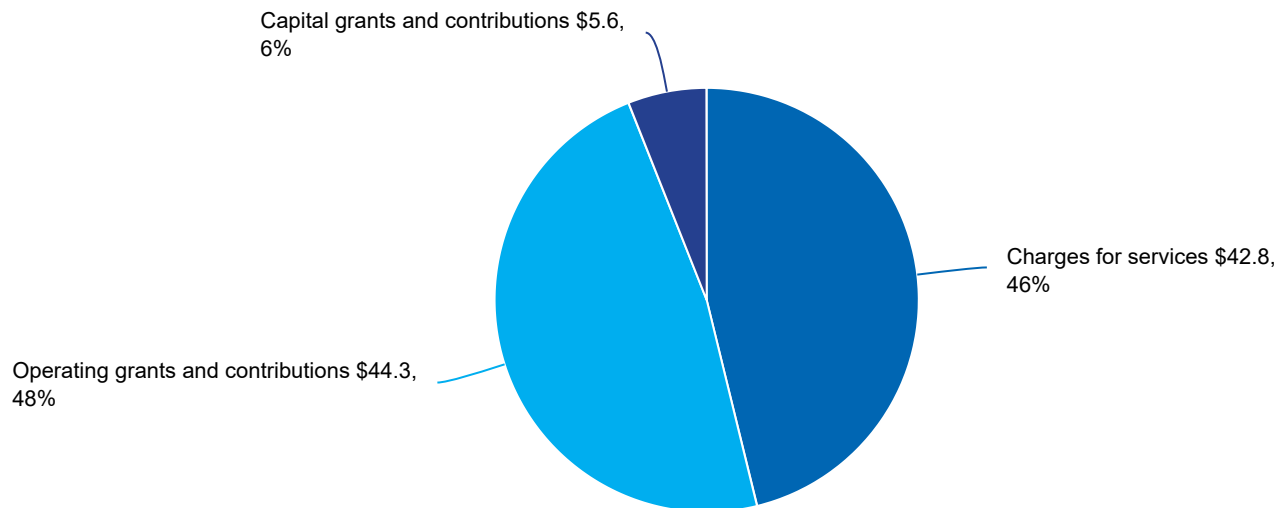
- **Property Taxes for Special Purposes** increased by \$3.8 million or 6.17% from \$61.6 million in FY 2024 to \$65.4 million in FY 2025, as a result of the following: (1) Increase in Library Taxes of \$1.5 million due to a 3.767% increase in the Consumer Price Index; (2) Increase of \$1.1 million in Parks Tax due to a 3.767% increase in the Consumer Price Index; (3) Increase of \$.2 million in the Paramedics Tax due to a 3.767% increase in the Consumer Price Index in the immediate San Francisco Bay Area; and, (4) Increase of \$.9 million in the Fire Tax due to a 3.767% increase in the Consumer Price Index.
- Utility Users Taxes increased \$2.6 million or 15.5.0%, from \$16.8 million in FY 2024 to \$19.4 million in FY2025 due to increases in gas and electricity rates.
- Transient Occupancy taxes (TOT) - decreased \$.9 million or 10.2% from \$8.8 million in FY 2024 to \$7.9 million in FY2025. The decrease in FY 2025 was primarily attributable to lower TOT reported in FY 2025 for the six largest hotels, and two of the six largest hotels had missing payments.
- Business License Taxes increased \$0.4 million or 1.0% from \$31.2 million in FY2024 to \$31.6 million in FY 2025 primarily due to an increase in business tax applications.
- Investment Earnings increased \$5.8 million from \$30.5 million in FY2024 to \$36.3 million in FY 2025 primarily as a result of an increase in the market value of investments in FY 2025.

Expenses decreased \$6.5 million primarily due to the following: \$3.7 million increase in general government, \$27.7 million decrease in public safety, \$1.3 million increase in highway and streets, \$10.3 million increase in health and welfare, \$2.9 million increase in culture and recreation, \$1.2 million decrease in economic development and \$0.4 million increase in interest expense. These changes are highlighted below:

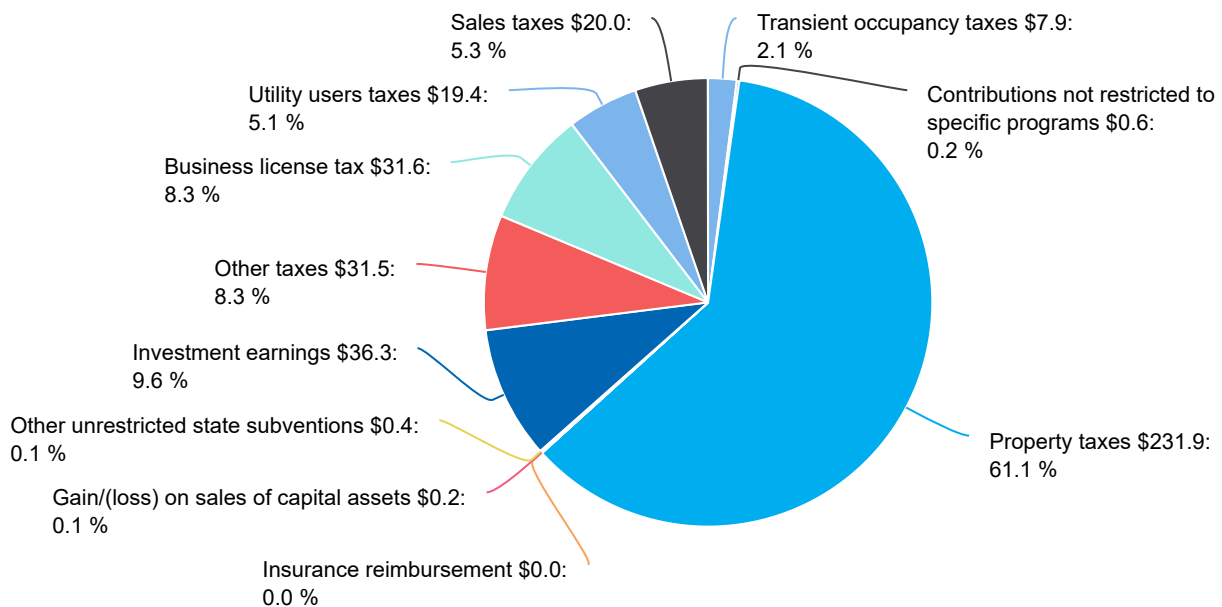
- **General government** expenses increased \$3.7 million, driven primarily by salary and benefit increases, higher election-related costs, new facility rent for Police Accountability, expanded IT expenditures, and higher property insurance premiums.
- **Public safety** expenses decreased \$27.7 million in FY2025, largely due to a significant reduction in actuarial pension and OPEB costs.
- **Highway and streets** expenses increased \$1.3 million, reflecting the impact of a 6% employee salary adjustment.
- **Health and welfare** expenses increased \$10.3 million, attributable to higher personnel costs, increased professional services, ARPA-funded special care units, and substantial growth in grants to nonprofit organizations.
- **Culture and recreation** expenses increased \$2.9 million, primarily due to higher salary and benefit expenses, partially offset by reductions in professional services and actuarial pension-related costs.
- **Community development/Housing** increased \$4.0 million, driven by salary and benefit growth along with higher professional service expenses.
- Economic development **expenses decreased \$1.2 million**, largely resulting from reduced loan issuance under the Housing Trust Fund program, as no loans were issued in FY 2025.
- As shown on the charts on the following page, public safety is the largest program (\$162.3 million), followed by culture and recreation (\$68.7 million), general government (\$58.7 million), health and welfare (\$55.4 million), community development and housing (\$51.8 million), highways and streets (\$25.2 million), and economic development (\$5.6 million). General revenues, such as property and sales tax, are not shown by program, but are effectively used to support program activities citywide.



Revenue by Source Governmental Activities Program Revenues (in millions)



Revenue by Source Governmental Activities General Revenues (in millions)



Business-type activities increased the City's net position by \$6.4 million, compared to FY 2024's increase of \$5.3 million. This increase was primarily the result of \$145.1 million in program and general revenues exceeding \$137.1 million in expenses. Key elements of net position changes from the prior fiscal year were as follows:

- Parking- Related activities' net position decreased \$2.5 million, compared to the FY 2024 decrease of \$0.9 million. This \$2.5 million decrease was primarily due to the Off- Street Parking Fund which had revenues of \$5.0 million versus expenses of \$7.3 million; The Parking Meter Fund had revenues of \$8.8 million versus expenses of \$7.9 million and Transfers Out of \$2.1 million.

Off-Street Parking Fund revenues increased due to higher occupancy levels at Telegraph Channing and Oxford Street garages. Parking Meter Fund revenues increased as a result of a rate increase in FY2025.

- Marina Operations and Maintenance activities' net position increased by \$1.3 million, compared to the FY 2024 decrease of \$0.8 million. This was primarily due to an increase of \$3.1 million in grants, which was offset by a major tenant being delinquent in their rent.
- Refuse Services activities' net position decrease of \$1.5 million, compared to the FY 2024 decrease of \$4.5 million. This decrease of \$1.5 million was primarily due to revenues that remained relatively unchanged, while expenses rose as a result of an increase in pension expenses due to multiple retirements and capital expenses for upgrades of the facilities.
- Clean Storm Water activities' net position was flat, compared to the FY 2024 decrease of \$0.8 million. This was primarily due to operating expenses that rose, while the revenues remained stable. Operating expenses increased as a result of increases in personnel services and employee benefits.
- Sewer Services activities' net position decreased by \$6.9 million, compared to the FY 2024 decrease of \$8.3 million. This \$6.9 million decrease was primarily due to operating revenues of \$25.3 million and operating expenses of \$18.4 million.

Revenues fell due to a decrease in the number of customer accounts billed compared to FY 2024. Expenses increased due to higher employee benefits.

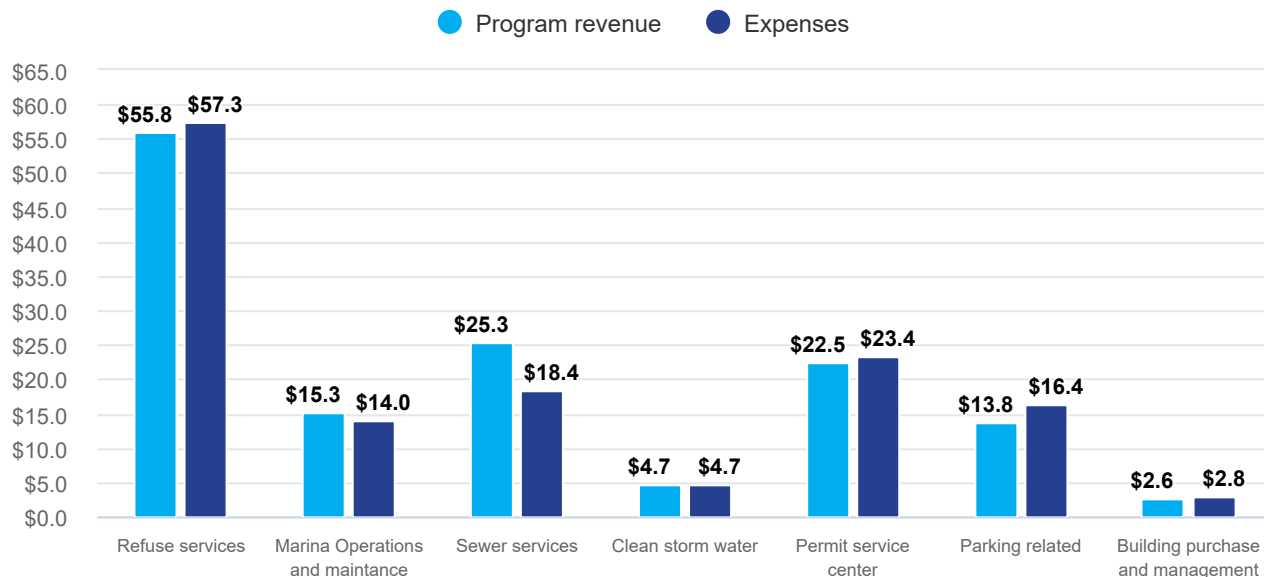
- Permit Service Center activities' net position decreased by \$0.8 million, compared to the FY 2024 decrease of \$2.8 million. This \$0.8 million decrease was primarily due to operating revenues of \$22.5 million, and operating expenses of \$23.0 million.

Permit Service Center's net position declined \$1.1 million as a result of an increase in residential permits revenues which was offset by a decline in mixed use and commercial permits revenues. The expenses increased due to higher personnel services and employee benefits.

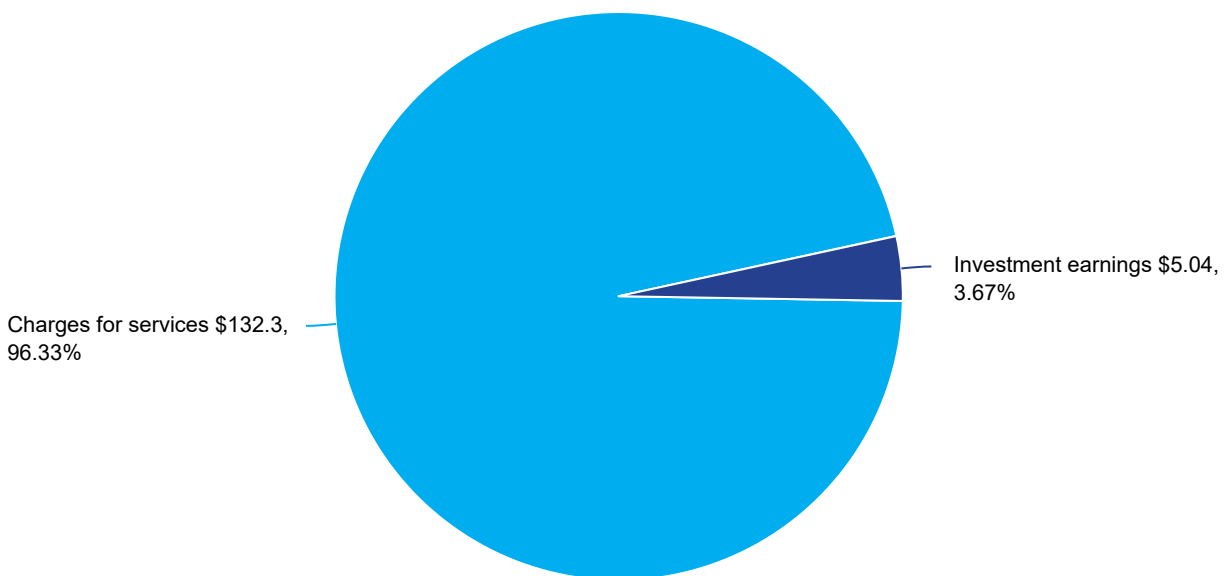
- Building Purchases and Management activities' net position increased \$0.3 million, compared to no change in FY 2024. This \$0.3 million increase was primarily due to interest expense.

As shown below, Refuse Services, Permit Service Center, and Sanitary Sewer funds have the greatest total expenses with \$57.3 million, \$23.4 million and \$18.4 million, respectively, out of approximately \$137.1 million in total business- type expenses. For all the business-type activities below, charges for services provided nearly 100 percent of revenues.

Program Revenues and Expenses Business Activities (in million)



Revenue by Source Business-type activities (in millions)



FINANCIAL ANALYSIS OF CITY FUNDS

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

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the close of fiscal year 2025, City governmental funds reported a combined ending fund balance of \$621.9 million (an increase of \$21.9 million) compared to a FY 2024 combined ending fund balance of \$600.0 million. The increase in fund balance was primarily due to the following: General Fund had an increase of \$2.1 million, Grants Fund had an increase of \$9.3 million, Library Fund had an increase of \$0.8 million, Capital Improvements Fund had a decrease of \$3.4 million, and other Non-Major Governmental Funds had an increase of \$11.2 million. Of the \$621.9 million fund balance, approximately, \$406.4 million or 65.4 percent was restricted fund balance, \$152.6 million or 24.5 percent was in committed funds, \$38.8 million or 6.2 percent was in assigned funds, and \$22.2 million or 3.6 percent was in unassigned fund balance. Refer to pages 40-43 for more detail of governmental funds.

General Fund – Fund Balance Analysis

The General Fund is the chief operating fund of the City. As of June 30, 2025, ending fund balance had a increase of \$2.1 million, to \$154.9 million, compared to the FY 2024 decrease of \$5.4 million.

The Fund balance of the General Fund consists of \$42.2 million in restricted fund balance; and \$22.7 million was assigned to stability reserves, catastrophic reserves and public safety, street maintenance, health and welfare, park and recreation, community development and housing loans, and economic development; \$58.3 million was committed. The remaining \$31.7 million was unassigned. Refer to page 40 for more detail of fund balance.

Below is a five-year trend on the General Fund:

Changes to General Fund - Fund Balance by Fiscal Year

	2025	2024	2023	2022	2021
Revenues	\$ 285,841,172	\$ 261,782,686	\$ 241,247,508	\$ 232,594,533	\$ 213,739,932
Expenditures	(276,941,924)	(241,803,092)	(211,303,884)	(200,826,851)	(189,313,176)
Other financing sources (uses)	(6,774,558)	(25,417,480)	(19,519,958)	4,393,666	(10,613,695)
Operating surplus/(deficit)	2,124,690	(5,437,886)	10,423,666	36,161,348	13,813,061
Beginning fund balance as restated	152,752,975	158,467,144	148,043,478	111,882,130	98,069,069
Ending fund balance	<u>\$ 154,877,665</u>	<u>\$ 153,029,258</u>	<u>\$ 158,467,144</u>	<u>\$ 148,043,478</u>	<u>\$ 111,882,130</u>
Fund balance categories:					
Nonspendable	\$ -	\$ 660,000	\$ -	\$ -	\$ -
Restricted	42,170,823	38,165,215	31,121,862	13,817,991	6,196,569
Committed	58,314,770	54,289,457	40,677,503	46,879,379	29,744,146
Assigned	22,721,191	30,337,661	16,752,951	12,162,510	19,577,650
Unassigned	31,670,881	29,576,925	69,914,828	75,183,598	56,363,765
Fund balance	<u>\$ 154,877,665</u>	<u>\$ 153,029,258</u>	<u>\$ 158,467,144</u>	<u>\$ 148,043,478</u>	<u>\$ 111,882,130</u>

General Fund – Revenue and Expenditure Analysis

General Fund Revenues for fiscal year 2025, including proceeds from sale of property, were \$285.8 million, an increase of \$24.1 million, or 9.2%, compared to the FY 2024 total of \$261.8 million. The chart below compares General Fund revenues for the past two fiscal years followed by key information

Comparison of General Fund Revenues

	Fiscal Year 2025	Fiscal Year 2024	Variance Over/(Under) LastYear	% of Increase (Decrease) Over Prior Year	% of Total
Property taxes	\$ 129,361,841	\$ 117,795,902	\$ 11,565,939	9.8%	45.3%
Sales taxes	19,962,225	19,965,109	(2,884)	0.0%	7.0%
Utility users taxes	19,446,965	16,795,837	2,651,128	15.8%	6.8%
Transient occupancy taxes	6,408,094	7,348,841	(940,747)	-12.8%	2.2%
Business license taxes	23,590,106	23,907,679	(317,573)	-1.3%	8.3%
U1 revenues	6,591,844	6,322,118	269,726	4.3%	2.3%
Short-term Rentals	1,460,298	1,475,544	(15,246)	-1.0%	0.5%
Vehicle In-Lieu taxes	19,001,998	17,875,821	1,126,177	6.3%	6.6%
Other taxes	5,193,816	3,538,482	1,655,334	46.8%	1.8%
Other licenses & permits	3,463,091	1,457,201	2,005,890	137.7%	1.2%
Intergovernmental	640,337	832,688	(192,351)	-23.1%	0.2%
Charges for services	14,499,016	11,951,866	2,547,150	21.3%	5.1%
Fines and penalties	6,122,208	5,946,906	175,302	2.9%	2.1%
Rents and royalties	379,828	272,842	106,986	39.2%	0.1%
Franchise	1,859,413	1,986,788	(127,375)	-6.4%	0.7%
Investment income	27,228,774	22,318,921	4,909,853	22.0%	9.5%
Other revenue	631,319	1,990,141	(1,358,822)	-68.3%	0.2%
Total revenues	\$ 285,841,172	\$ 261,782,686	\$ 24,058,487	9.2%	100.00%

- Property taxes increased \$11.6 million or 9.8% to \$129.4 million in FY 2025 from \$117.8 million in FY 2024, primarily as a result of increases/(decreases) in the following categories:
 - i. PropertyTransfer Tax revenue in FY 2025 was \$22.5 million, which was \$4.5 million or 24.8% more than the FY 2024 total of \$18.0 million. This increase was primarily as a result of a 27.7% increase in the dollar value of property sales and a 5.7% increase in the number of property sales transactions;
 - ii. Measure P Property Tax revenue in FY 2025 was \$9.7 million, which was \$2.9 million or 42.6% more than the FY 2024 total of \$6.8 million. This increase was primarily due to a 63.1% increase in the dollar value of property sales, a 47.4% increase in the number of property sales transactions, and significantly more property sales of \$10 million or more in FY 2025 than there were in FY 2024;
 - iii. Secured Property Taxes increased by \$4.4 million from \$84.9 million in FY 2024 to \$89.3 million in FY 2025, primarily due to an increase in assessed value of 6.39% in the City. This 6.39% increase in assessed value was partially offset by a 116.4% increase in Secured Property Tax refunds in FY 2025;
- Vehicle In-Lieu Taxes increased \$1.1 million or 6.3% in FY2025 from \$17.9 million in FY 2024 to \$19.0 million in FY 2025, due to increase in assessed value of 6.39% in the City.
- Utility Users Taxes increased \$2.7 million or 15.8%, from \$16.8 million in FY 2024 to \$19.4 million in FY 2025. The increase in UUT came primarily from increases in Electricity and Gas due to several rate increases in FY 2025.
- Transient Occupancy taxes (TOT) decreased \$.9 million or 12.8%, from \$7.3 million in FY 2024 to \$6.4 million in FY 2025 (after deductions of TOT rebates). The decrease in FY 2025 was primarily attributable to a significant decline in gross revenues at the six largest hotels in Berkeley during FY 2025 due to missed payments at two of the six largest hotels.

- Business License Taxes (BLT) revenue decreased \$0.3 million or -1.3% from \$23.9 million in FY 2024 to \$23.6 million in FY 2025 primarily due to the late billing of \$.6 million in nonprofit BLT for FY 2025; the billings were not made until early FY 2026.
- Other Taxes increased \$1.7 million or 46.8% in FY 2025 to \$5.2 million from \$3.5 million in FY 2024. The \$1.7 million increase was primarily due to BLT Penalties totaling \$.8 million and BLT Interest totaling \$.2 million being reported as Other Revenue in FY 2024; In addition, there were FY 2025 increases in Parking Lot Taxes of \$.2 million and TNC User Taxes \$.2 million.
- Charges for Services increased \$2.5 million or 21.3%, from \$12.0 million in FY 2024 to \$14.5 million in FY 2025 primarily due to a \$2.0 million increase in other licenses and permit fees in FY 2025 including an increase of \$.6 million in Ambulance Fee.
- Fines and penalties increased \$0.2 million or 2.9% to \$6.1 million in FY 2025 from \$5.9 million in FY 2024. The primary reason for the increase was an increase in ticket writing. For FY 2025, ticket writing increased by 20,494 citations or 14.2% from 144,633 in FY 2024 to 165,127 in FY 2025. The increase in ticket writing in FY 2025 didn't result in an even larger increase in Fines and Penalties because of a change in California law that no longer allows the towing and removal of vehicles for non-payment.
- Investment income increased \$4.9 million from the total of \$22.3 million in FY 2024 to \$27.2 million in FY 2025 primarily as a result of (1) a slight decrease in net interest rate earned by the City from a range of 2.84% to 3.44% during FY 2024 to a range of 2.92% to 3.32% during FY 2025; and, (2) an increase in the change in the market value of investments and accrued interest receivable of \$3.7 million in FY 2025.

General Fund Expenditures for fiscal year 2025, including transfers out, increased \$28.0 million , or 9.9% percent. The chart below compares general fund expenditures for the last two fiscal years followed by key information:

Comparison of General Fund Expenditures and Other Financing Uses

	Fiscal Year	Fiscal Year	Variance Over/(Under)	% of Increase/ (Decrease) Over Prior Year	% of Total
	2025	2024	Prior Fiscal		
General government	\$ 47,249,826	\$ 41,929,704	\$ 5,320,122	12.7%	15.2%
Public safety	147,156,901	137,521,526	9,635,375	7.0%	47.3%
Highway and streets	2,753,578	2,223,670	529,908	23.8%	0.9%
Health and welfare	21,147,159	15,530,575	5,616,584	36.2%	6.8%
Culture-recreation	11,561,579	10,631,605	929,974	8.7%	3.7%
Community development and housing	20,221,797	22,498,909	(2,277,112)	-10.1%	6.5%
Economic development	4,581,909	3,270,927	1,310,982	40.1%	1.5%
Debt service	2,589,491	2,346,556	242,935	10.4%	0.8%
Capital outlay	19,679,684	5,849,620	13,830,064	N/A	6.3%
Other financing uses	33,919,159	41,100,950	(7,181,791)	-17.5%	10.9%
Total Expenditures and Other Financing Uses	\$ 310,861,083	\$ 282,904,042	\$ 27,957,041	9.9%	100.0%

- **General government** expenditures increased \$5.3 million or 12.7% in FY 2025, driven primarily by \$2.45 million salary and benefit increases, \$1.9 million higher election-related costs, new facility rent of \$0.38 million for Police Accountability, and \$0.52 million expanded IT expenditures.
- **Public safety** expenditures increased \$9.6 million or 7.0% in FY 2025, largely due to a significant increase in salary and benefits of \$9.4 million from \$118.03 million in FY 2024 to \$127.44 million in FY 2025.
- **Highways and streets** expenditures increased \$0.5 million or 23.8% in FY 2025, compared to the prior fiscal year, reflecting the impact of a 6% employee salary adjustment of \$0.32 million, and increasing professional engineering services of \$0.19 million.

- **Health and welfare** expenditures increased \$5.6 million or 36.2% in FY 2025, compared to the prior fiscal year, attributable to \$0.34 million higher personnel costs, increase of \$1.14 million professional services, increase of \$3.83 million in grants to nonprofit organizations, and increase in IT costs of \$0.42 million.
- **Culture-Recreation** expenditures increased \$0.9 million or 8.7% in FY 2025, compared to the prior fiscal year, primarily due to \$0.71 million higher salary and benefit expenses, and increase of \$0.22 million in professional architecture services.
- **Community Development and Housing** expenditures decreased \$2.3 million or 10.1% in FY 2025, compared to the prior fiscal year. The decrease primarily is due to a \$4.74 million decline in loan issuance that was offset by a \$1.4 million increase in salary and benefit costs, and \$1.0 million increase in professional services.
- **Economic development** increased \$1.3 million or 40.1% primarily due to an increase of \$0.12 million in salary and benefits, and \$1.06 million increase in grant payments to community agencies.
- **Debt service** decreased \$0.24 million or 10.4%, attributable to a reduction in SBITA liabilities.
- **Capital outlay** increased \$13.8 million or 238.4%, primarily due to new lease for Fire Administration and Training Center.
- **Other Financing Uses** decreased \$7.2 million or 17.5% in FY 2025 primarily due to decrease in transfers out to PERS Savings Fund of \$0.99 million, Capital Improvements of \$4.3 million, and Public Liability of \$2.2 million.

Other Major Governmental Funds

Grants Fund

The Grants Fund accounts for revenues derived from grants, which are used for various projects throughout the City. The fund balance of the City's Grant Fund had an increase of \$9.3 million compared to prior fiscal year's increase of \$1.1 million. Much of the FY 2025 increase resulted from \$7.6 million more in grant revenues received in FY 2025, including a \$9 million increase in Shelter Plus Care, and a \$1.9 million decrease in charges for services.

Library Fund

The Library Fund provides for the operation of the City's library system. Property taxes and other revenues are restricted for library operations and maintenance expenditures.

The City's Library's Fund fund balance increased \$0.7 million, which is comparable to prior fiscal year's increase of \$1.5 million. The \$0.7 million increase resulted primarily from an increase of \$1.5 million in Library taxes due to a 3.767% annual increase in the Consumer Price Index, which was partially offset by an increase in expenditures due to increases in salaries and benefits .

Capital Improvements Fund

The Capital Improvements Fund accounts for local revenues, including developer fees, which are used to finance expenditures for land, buildings, major reconstruction and renovation of structures, and for major landscaping or park improvements. Practically all of its financing comes from a transfer from the General Fund based on the amount of excess property transfer tax received by the City each year.

The fund balance of the Capital Improvements Fund had a decrease of \$3.3 million, which was due to the receipt of less Transfers In from the General Fund resulting from a significant decline in the amount of excess Property Transfer taxes received by the City in FY 2024.

Measure O Housing Bond - Capital Project Fund

The Measure O Housing Bond Fund accounts for the expenditure of the bond proceeds for the Measure O Affordable Housing General Obligation Bonds, Series 2020.

The fund balance increased \$1.92 million, compared to the prior fiscal year's \$1.11 million. The \$1.92 million increase resulted from investment income of \$1.92 million, and zero expenditures in FY 2025. There were also zero expenditures in FY 2024.

Proprietary funds

The City's proprietary funds make up the totals found in the government-wide financial statements in business-type activities.

Details on net position for the Zero Waste, Marina Operations, Sanitary Sewer, Clean Storm Water, Permit Service Center, Off-Street Parking, Parking Meters, and Building Purchases and Management funds, are provided below.

Proprietary Funds
Fiscal Year Ended June 30, 2025

Fund	Unrestricted Net Position	Change in Unrestricted Net Position	Total Net Position	Change in Total Net Position
Zero Waste	\$ (4,564,642)	\$ (1,366,872)	\$ (923,233)	\$ (1,272,826)
Marina Operations	(2,993,980)	(944,130)	2,743,673	1,565,243
Sanitary Sewer	35,707,564	5,419,479	196,335,122	10,011,283
Clean Storm Water	8,858,936	550,535	28,965,135	634,693
Permit Service Center	16,596,707	(471,583)	20,397,123	211,840
Off-Street Parking	(1,766,940)	43,802	7,050,595	(2,208,163)
Parking Meters	(3,834,261)	(1,211,749)	(2,032,090)	(1,024,671)
Building Purchases and Management	(2,885,048)	(2,417)	(4,432,762)	(245,448)
Total	\$ 45,118,336	\$ 2,017,065	\$ 248,103,564	\$ 7,671,950

Other factors concerning the finances of these eight funds have been addressed in the discussion of the City's business-type activities on pages 13-15. Proprietary financial statements can be found on pages 39-45.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund budget and actual report can be found on page 147. \$32.1 million increase between the original and final budget (expenditures plus transfer out) is primarily the result of \$30.3 million of encumbered rollovers, \$13.4 million unencumbered rollovers, and other \$15.2 million adjustments. Provided below is a more detailed summary of budget and actual, with expenditures shown by category as opposed to activity. Major differences are highlighted below and on the following page.

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund - Budgetary Basis
For the Fiscal Year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 224,441,116	\$ 225,626,014	\$ 230,839,281	\$ 5,213,267
Licenses and permits	2,015,011	6,518,000	3,463,091	(3,054,909)
Intergovernmental	1,045,457	1,215,647	640,337	(575,310)
Charges for service	12,757,957	12,158,939	14,328,065	2,169,126
Fines and penalties	5,960,528	6,032,600	6,250,646	218,046
Rents and royalties	194,208	721,084	379,828	(341,256)
Franchise	1,822,529	1,822,528	1,990,576	168,048
Private contributions and donations	227,474	216,212	113,889	(102,323)
Investment income	13,500,000	13,500,000	16,414,594	2,914,594
Miscellaneous	218,980	1,847,056	972,929	-874,127
Total revenues	262,183,260	269,658,080	275,393,236	5,735,156
Expenditures:				
Current:				
General government	42,015,144	53,647,544	47,945,753	5,701,791
Public safety	135,896,489	137,870,382	147,153,814	(9,283,432)
Highway and streets	4,024,603	4,057,812	2,753,578	1,304,234
Health and welfare	17,488,729	22,992,424	21,302,504	1,689,920
Culture-recreation	9,616,645	11,003,725	11,473,298	-469,573
Community development and housing	23,317,093	26,349,782	23,800,350	2,549,432
Economic development	3,779,471	4,786,953	4,592,045	194,908
Debt service:				
Interest and fiscal charges	200,000	200,000	1,062,243	(862,243)
TRAN issuance costs	-	-	90,884	90,884
Capital outlay:	116,282	3,337,075	1,210,528	2,126,547
Total expenditures	236,454,456	264,245,697	261,384,997	3,042,468
Revenues over/(under) expenditures	25,728,804	5,412,383	14,008,239	8,595,856
Other financing sources/(uses)				
Transfers in	4,181,923	8,974,480	8,974,480	-
Transfers out	(27,897,676)	(32,207,404)	(39,679,126)	(7,471,722)
Sale of capital assets	-	-	13,125	
Total other financing sources/(uses)	(23,715,753)	(23,232,924)	(30,691,521)	(7,458,597)
Net change in fund balance	2,013,051	(17,820,541)	(16,683,282)	1,137,259
Fund balance, July 1, 2024	108,679,170	108,679,170	108,679,170	-
Fund balance, June 30, 2025	<u>\$ 110,692,221</u>	<u>\$ 90,858,629</u>	<u>\$ 91,995,888</u>	<u>\$ 1,137,259</u>
Explanation of differences between budgetary basis to modified accrual basis:				
Net change in fund balances - budgetary basis			(16,683,282)	
Receivable accrual			10,907,936	
Due from other fund - repayment			17,696,996	
Due from other fund - advance			5,158,320	
Payable accrual			(14,955,279)	
Net change in fund balances - GAAP basis			<u>\$ 2,124,690</u>	

Revenues, excluding financing sources, exceeded the final budget by \$5.7 million, or 2.1%, higher. Revenues were also \$13.2 million or 5.0% more than the adopted budget. The overperformance was primarily a result of increases (decreases) in the following categories:

- Property Transfer revenue in FY 2025 was \$22.5 million, which was \$3.5 million or 18.4% more than the FY 2025 Adopted Budget of \$19.0 million, and \$5 million or 20.0% more than the FY 2024 actual total of \$17.5 million. This was primarily as a result of a 27.7% increase in the dollar value of property sales and a 5.7% increase in the number of property sales transactions. During the fiscal year, staff increased the FY 2025 Property Transfer Taxes budget from \$19.0 million to \$22.6 million.
- Measure P Property Tax revenue in FY 2025 was \$9.7 million, which was \$3.5 million or 56.5% more than the Adopted Budget of \$6.2 million, and \$3.4 more than the FY 2024 total of \$6.3 million. This increase was primarily due to a 63.1% increase in the dollar value of property sales, a 47.4% increase in the number of property sales transactions, and significantly more property sales of \$10 million or more in FY 2025 than there were in FY 2024. During the fiscal year, staff increased the FY 2025 Measure P Property Transfer Taxes budget from \$6.2 million to \$9.1 million.
- Secured Property Taxes in FY 2025 was \$89.3 million, which was \$.6 million or .2% below the Adopted Budget of \$89.9 million, and was \$4.4 million more than the FY 2024 actual total of \$84.9 million. This increase resulted primarily from a FY 2025 assessed value increase of 6.39% in the City. The 6.39% increase in assessed value was partially offset by a 116% increase in Secured Property Tax refunds in FY 2025.
- Vehicle In Lieu Taxes in FY 2025 totaled \$19.0 million, which was \$.1 million or .6% above the Adopted Budget of \$18.9 million, and \$1.2 million more than the FY 2024 total of \$17.8 million. This resulted primarily from an increase in assessed value of 6.39% in the City. During the fiscal year, staff increased the FY 2025 Vehicle In Lieu Taxes budget from \$18.9 million to \$19.0 million.
- FY 2025 Utility Users Taxes totaled \$19.4 million, which was \$1.7 million or 9.6% more than the Adopted Budget of \$17.7 million. This over performance in UUT was primarily the result of several rate increases in Electricity and Gas, which significantly increased the revenue in those categories. During FY 2025, staff increased the FY 2025 UUT budget from \$17.4 million to \$19.4 million.
- Transient Occupancy Taxes (TOT) in FY 2025 totaled \$6.4 million (net of TOT rebates), which was \$1.3 million less than the Adopted Budget total of \$7.7 million, and \$.5 million less than the FY 2024 actual total of \$6.9 million. This under performance in FY 2025 was primarily attributable to a decline in gross revenue reported at the six largest hotels in Berkeley during FY 2025, which was caused by multiple missed payments at two of the six largest hotels. During FY 2025, staff decreased the FY 2025 TOT budget from \$7.7 million to \$6.5 million.
- Business License Taxes (BLT) in FY 2025 totaled \$23.7 million, which was equal to the Adopted Budget amount of \$23.7 million, and equal to the FY 2024 actual total of \$23.7 million. During FY 2025, staff increased the FY 2025 Business License Taxes (BLT) budget from \$23.7 million to \$24.0 million. The BLT revenue under performance was primarily due to the untimely billing of the FY 2025 Non- Profit BLT; The billing was not made until early FY 2026.
- U1 revenue in FY 2025 totaled \$6.6 million, which was \$.1 million or 1.5% more than the Adopted Budget amount of \$6.5 million, and \$.3 million more than the FY 2024 actual total of \$6.3 million. This slight over performance was primarily due to increases in the Rental of Real Property business license category.
- FY 2025 Fines and Penalties revenue totaled \$6.3 million, which was \$.5 million or 8.6% more than the FY 2025 Adopted Budget amount of \$5.8 million, and \$.3 million more than the FY 2024 actual total of \$6.0 million. This slight increase was due to a significant increase in ticket writing of 20,494 or 14.2% from 144,633 in FY 2024 to 165,127 in FY 2025. The increase in ticket writing in FY 2025 didn't result in an even larger increase in Fines and Penalties because of a change in California law that no longer allows the towing and removal of vehicles for non-payment. During FY 2025, staff increased the FY 2025 Fines and Penalties budget from \$5.8 million to \$5.9 million.
- FY 2025 Interest Income totaled \$16.4 million, which was \$2.9 million or 21.5% more than the FY 2025 Adopted Budget amount of \$13.5 million, and \$1.2 million more than the FY 2024 actual total of \$15.2 million. The FY 2025 Interest Income total of \$16.4 million included nearly \$1.8 million in discounts from prepayment of the CalPERS Unfunded Pension Liability, which the City Council has designated to the Section 115 Pension Trust Fund; The amount of the discount for the CalPERS Unfunded Pension Liability in FY 2024 was \$1.5 million.

The increase In Interest Income was due to the increase in the CalPERS discount and to holding a larger amount of short-term investments in the portfolio (with an inverted yield curve) in FY 2025 than in FY 2024.

- Charges for service in FY 2025 totaled \$14.3 million, which was \$1.5 million or 11.7% from the adopted budget of \$12.8 million, and was \$2.3 million more than the FY 2024 actual total of \$12.0 million. This increase was primarily a result of increases in several licenses and permit fees in FY 2025, including Ambulance Fees. During FY 2025, staff decreased the Charges for Service budget from \$12.8 million to \$12.2 million.

Expenditures, excluding other financing uses, were less than final budgetary estimates by \$3.0 million, or 1.2%, primarily due to the following:

- General government was under budget by \$5.7 million due to salary savings and underspending of non-personnel funds.
- Public Safety was over budget by \$9.3 million due to overspending of Police and Fire overtime budgets. This was related to staffing shortages forcing mandatory overtime, and due to mutual aid requests.
- Highways and streets were under budget by \$1.3 million due to salary savings and underspending of non-personnel funds.
- Economic Development Health and welfare was under budget by \$0.2 million due to underspending in non-personnel funds.
- Community Development and Housing expenditures were under budget by \$2.5 million due to salary savings and underspending of non-personnel funds.
- Capital outlays were under budget by \$2.1 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

Investments in capital assets for governmental and business-type activities as of June 30, 2025, totaled \$666.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total increase in capital assets for fiscal year 2025 was \$57.6 million, which represents a total increase of 9.5%, 14.7% increase for governmental activities and a 1.9% percent decrease for business-type activities. Additional information on the City's capital assets can be found on pages 75-76 in the notes to basic financial statements. Capital assets are summarized below:

City of Berkeley
Capital Assets (net of accumulated depreciation)
Fiscal Year Ended June 30, 2025

Fund	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 25,142,014	\$ 25,142,014	\$ 2,979,050	\$ 2,979,050	\$ 28,121,064	\$ 28,121,064
Construction in Progress	12,824,009	11,951	-	-	12,824,009	11,951
Buildings	127,848,987	128,536,228	53,616,347	56,525,017	181,465,334	185,061,245
Improvements Other than Buildings	35,844,808	34,524,019	11,794,066	9,781,084	47,638,874	44,305,103
Machinery and Equipment	29,304,197	26,112,398	2,933,888	3,210,934	32,238,085	29,323,332
Infrastructure	158,702,146	145,229,139	179,107,354	174,585,357	337,809,500	319,814,496
Right-to-use leased buildings	21,918,775	283,090	-	-	21,918,775	283,090
Right-to-use software subscription	2,920,964	1,687,829	1,233,546	-	4,154,510	1,687,829
Total Capital Assets, Net	\$ 414,505,900	\$ 361,526,666	\$ 251,664,250	\$ 247,081,441	\$ 666,170,150	\$ 608,608,108

Major capital asset events during fiscal year 2025 included the following:

- Governmental activities' Buildings decreased by \$0.7 million or 0.5% % from the prior fiscal year primarily due to FY 2025 additions of \$6.9 million and depreciation expense of \$7.6 million.
- Governmental activities Infrastructure increased by \$13.5 million or 9.3% over the prior fiscal year primarily due to FY 2025 additions of \$21.2 million and depreciation expense of \$7.6 million.

- Governmental activities Construction in Progress increased by \$12.8 million over the prior fiscal year primarily due to (1) \$8.1 million of Fire Engine additions; (2) \$0.2 million for 2nd Street Stair Center Site Shelter Unit improvement; and (3) \$4.5 million for Capital Leasehold improvement for Fire Building.
- Business-type activities infrastructure increased by \$4.5 million or 2.5% over the prior fiscal year primarily due to (1) \$0.7 million for Storm Drain Improvements; (2) \$8.2 million for Sewer Rehab projects; and (3) decreased by \$4.4 million due to depreciation expense.
- Business-type activities Buildings decreased by \$2.9 million due to depreciation expense.

Long-term debt

At the end of fiscal year 2025, the City had total long-term debt outstanding of \$304.4 million (Excluding pension liabilities, OPEB liabilities, workers compensation, public liability claims and judgements, and compensated absences). Of this amount, \$205.4 million, or 67.0% percent, of total long-term debt consisted of the City's general obligation bonds and bond premiums, and a total of \$99.1 million, or 33.0% percent, consisted of revenue bonds, notes/loans payable and other liabilities including lease and SBITA payables. The long-term debt decreased \$9.9 million primarily as a result of principal payments of \$10.5 million made during FY 2025. Additional information on long-term liabilities can be found on pages 80-96 in the notes to the basic financial statements. Long-term debt outstanding (including premiums) is summarized below:

Long-Term Debt (dollars in thousands)

Type	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds Including \$11.4 million in premiums	\$ 205,360	\$ 212,975	\$ -	\$ -	\$ 205,360	\$ 212,975
Revenue Bonds	16,960	7,170	40,762	43,107	57,722	50,277
Fire Equipment Notes	8,765	1,835	-	-	8,765	1,835
Lease Payable	22,209	-	-	-	22,209	-
Others	2,455	1,487	-	-	2,455	1,487
Notes/Loans Payable	2,505	3,777	5,415	5,640	7,920	9,417
Total Long-Term Debt	\$ 258,254	\$ 227,244	\$ 46,177	\$ 48,747	\$ 304,431	\$ 275,991

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the fiscal year, the local economy grew consistent with regional trends. Berkeley's current economic base consists of approximately 13,100 active licensed businesses operating in the City. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, cannabis clubs, consulting, arts and entertainment, hospitality services, along with several state, federal, and non-profit institutions. The City's revenue base generated approximately \$1.89 billion in taxable sales taxes during FY 2025, slightly more than the \$1.87 billion generated in FY 2024. In addition, the City's unemployment rate (as reported by the State of California Employment Development Department) was 5.0 percent in June 2025 compared to 4.5 percent in June 2024, compared to 5.0 percent for the County, 5.8 percent for the state, and 4.1 percent for the U.S.

Growth in assessed valuation on secured property increased by 6.39 percent to \$28.2 billion in FY 2025 (net of exemptions and other deductions) from \$26.5 billion in FY 2024, for a strong level of \$219,634 per capita. The tax base is diverse, with the top ten property taxpayers accounting for 5.79 percent of total assessed valuation.

Operating Factors and Challenges and Next Year's Budget

The Adopted FY 2025 and 2026 budget required difficult choices to be made among various Council priorities and community needs.

As expenditures outpace revenues, the FY 2025 and FY 2026 biennial budget required the prioritizing of resources to fund capital projects, including an increased allocation of General Fund for street paving consistent with Council

policy; to continue to implement existing Council priorities and initiatives; and to absorb the increased cost in personnel-related expenditures and rising operational expenses necessary to maintain programs.

While the budget is balanced, it requires the use of one-time savings and other measures to fund the four pillars of capital projects, Council priorities, personnel and programs. Moreover, the current and future fiscal outlook is not as strong as it has been in the past. Some of our leading, but volatile, General Fund revenue, such as property transfer tax, have significantly declined with decreased home sales, largely attributed to high interest rates.

In addition, there is significant political and economic uncertainty at the national, state and local levels, including several local ballot measures that will potentially impact revenues and expenditures, that will affect our costs and approaches to delivering services in the years ahead. These factors contribute to the biennial budget theme of stabilization. This approach emphasizes allowing time for the organization to continue to recover from the coronavirus pandemic, both fiscally and organizationally. It recommends aligning resources to continue to address our aging infrastructure and deferred maintenance needs; sustain the momentum related to implementing existing Council priorities and initiatives, such as the Reimagining Public Safety; to continue efforts related to recruitment and retention of staff to overcome vacancies, especially with our public safety departments, and to maintain the delivery of quality services to the community.

In this regard, the priorities for the upcoming biennial budget are similar to prior years, and, just like the last budget cycle, with limited resources, funding requests required evaluation using a criticality lens that prioritized resources based on criteria such as:

- Critical public health and safety operational items and capital projects;
- Implementation of State or local mandated functions;
- Increased cost of doing business necessary to maintain programs and/or implement newly authorized programs;
- Requests offset by grants and/or intended to generate revenue; and,
- Economic assistance to a variety of community organizations.

Again, given the increase in expenditures, the General Fund is balanced through a combination of one-time solutions. These factors include (1) increase in assumed salary savings materializing from vacant positions; (2) not making any funding allocations to the workers compensation fund in either fiscal year; (3) due to the increase in pension costs, utilizing \$3 million of funding from the City's Section 115 Trust toward pension expenses in each fiscal year, thereby allowing more General Fund to be redirected toward other expenditures and (4) the use of approximately \$2-3 million of fund balance (prior years' savings) in FY 2025 and FY 2026, respectively. While these strategies lead to a balanced biennial budget, they are not sustainable and efforts to either increase revenues and/or decrease expenditures beyond the baseline budget will need to be undertaken as part of the FY 2026 Mid-Biennial Budget Update and as part of the budget development process for FY 2027 and FY 2028.

Budget Strategies

Consistent with prior years, the following budget strategies will guide the development of the FY 2025 and FY 2026 Adopted Biennial Budget:

1. *Continue serving the community.* Public health and safety functions, as well as essential municipal services will be preserved to the maximum extent possible. In doing so, the City will make every effort to avoid service and workforce reductions.
2. *Live within our means.* Strive for long-term sustainability that aligns available resources with needs and the City's values that embrace a commitment to advancing racial and social equity, serving those who are most in need, and environmental sustainability.
3. *Identify expenditures that can be deferred.* Take a deferment first approach by thoroughly assessing expenditures with a special emphasis on large capital projects, equipment purchases, and new projects.
4. *Pursue other revenue and assistance.* Vigorously pursue cost recovery efforts, secure alternative sources of revenue, and be positioned to capitalize on federal and state assistance.
5. *Manage use of, and replenish, reserves.* In drawing on reserves, the City will adopt a long-term orientation to ensure that funds are available for the duration of the economic downturn. The City will look to its existing policies to ensure that any reserves that are utilized are restored when the economy improves.
6. *Be data-driven and transparent.* Budget decisions will be informed by data and be transparent. Staff will work collaboratively with the Budget Office and Finance Policy Committee with on-going communication and updates provided to the entire City Council.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of City finances for all those with an interest in the government's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department, City of Berkeley, 2180 Milvia Street, Third Floor, Berkeley, California 94704, or call (510) 981-7200, or e-mail finance@cityofberkeley.info. This report is also available on the City's website at www.cityofberkeley.info/finance.



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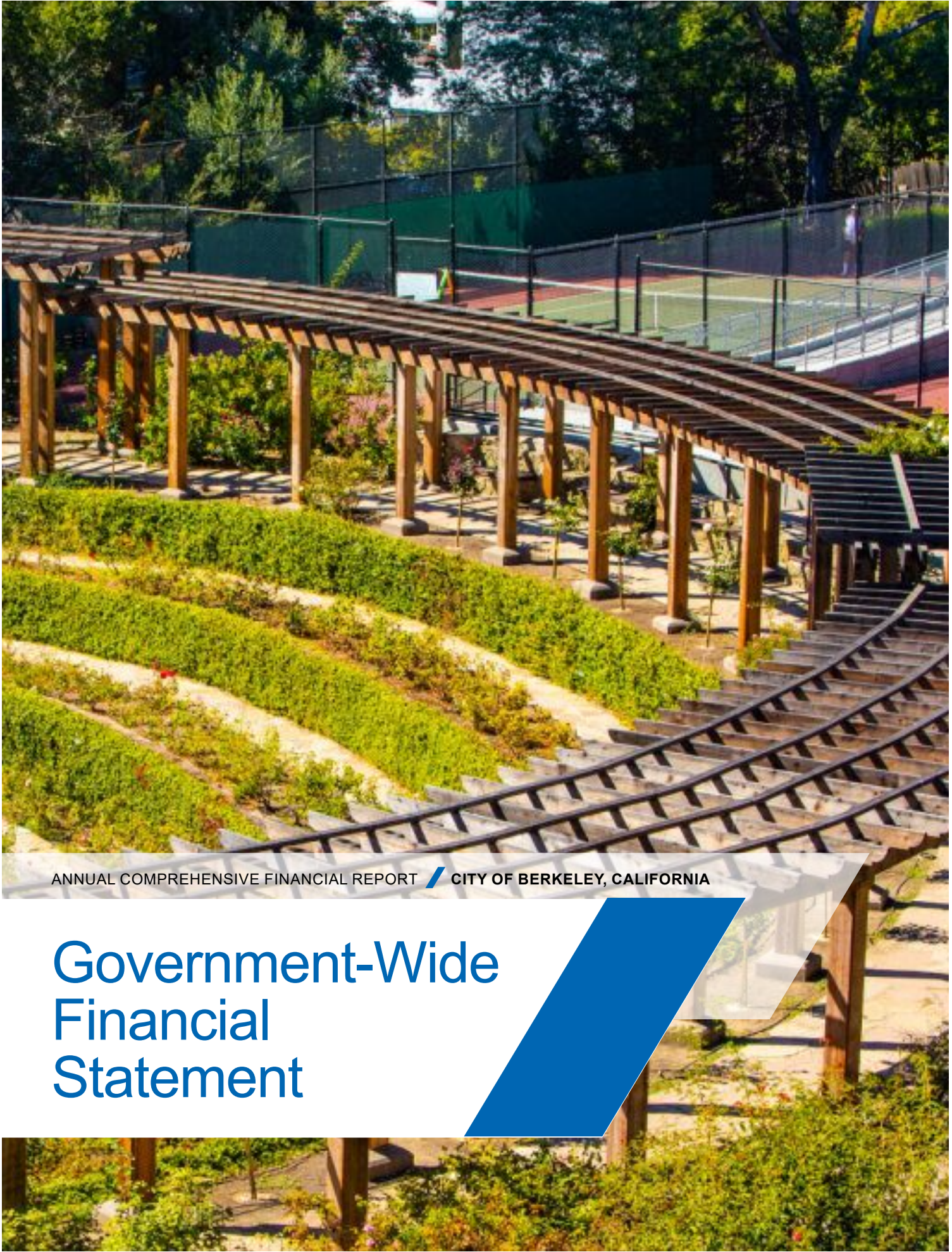
ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

Basic Financial Statements





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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

Government-Wide Financial Statement

Statement of Net Position

June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Rent Stabilization Board
Assets				
Current assets:				
Cash and investments	\$ 280,024,740	\$ 128,073,469	\$ 408,098,209	\$ 10,879,233
Restricted cash and investments	305,547,645	-	305,547,645	-
Receivables (net of allowance for uncollectible)	45,647,019	23,059,264	68,706,283	-
Current portion of lease receivable	62,355	763,741	826,096	-
Inventories	27,405	-	27,405	-
Internal balances	(15,525,893)	15,525,893	-	-
Prepaid Item	1,881,627	-	1,881,627	-
Property held for resale	713,313	-	713,313	-
Total current assets	618,378,211	167,422,367	785,800,578	10,879,233
Noncurrent assets:				
Lease receivable	989,051	29,649,961	30,639,012	-
Notes receivable	167,019,187	-	167,019,187	-
Capital assets:				
Land	25,142,014	2,979,050	28,121,064	-
Construction in progress	12,824,009	-	12,824,009	-
Building	261,495,379	93,469,515	354,964,894	-
Improvements other than buildings	47,848,121	21,375,311	69,223,432	-
Machinery and equipment	97,730,145	12,090,378	109,820,523	861,444
Infrastructure	330,295,129	274,427,971	604,723,100	-
Right-to-use leased buildings	23,367,146	-	23,367,146	4,753,206
Right-to-use subscriptions	4,710,378	1,714,393	6,424,771	-
Less accumulated depreciation and amortization	(388,906,421)	(154,392,368)	(543,298,789)	(1,238,539)
Total capital assets	414,505,900	251,664,250	666,170,150	4,376,111
Total noncurrent assets	582,514,138	281,314,211	863,828,349	4,376,111
Total assets	1,200,892,349	448,736,578	1,649,628,927	15,255,344
Deferred outflows of resources				
Deferred pension items	104,808,530	16,906,465	121,714,995	1,564,912
Deferred OPEB items	13,910,110	2,742,315	16,652,425	108,225
Total deferred outflows of resources	118,718,640	19,648,780	138,367,420	1,673,137
Liabilities				
Current liabilities:				
Accounts payable	23,400,282	5,584,070	28,984,352	122,265
Accrued salaries and wages	5,658,517	1,689,274	7,347,791	109,873
Accrued interest payable	4,378,562	414,243	4,792,805	9,378
Deposits held	1,377,944	598,531	1,976,475	63,799
Other liabilities	6,936,727	514,639	7,451,366	-
Unearned revenues	4,041,399	-	4,041,399	-
Advances - rent registration	-	-	-	6,120,731
Tax and revenue anticipation notes	35,395,000	-	35,395,000	-
Current portion of LT liability due within one year	27,124,588	5,259,853	32,384,441	437,956
Total current liabilities	108,313,019	14,060,610	122,373,629	6,864,002
Noncurrent liabilities due in more than one year:				
Net pension liabilities	595,295,398	91,138,494	686,433,892	8,370,840
Net OPEB liabilities	38,733,630	4,477,343	43,210,973	177,916
Others due in more than one year	306,643,021	50,615,423	357,258,444	4,873,344
Total noncurrent liabilities	940,672,049	146,231,260	1,086,903,309	13,422,100
Total liabilities	1,048,985,068	160,291,870	1,209,276,938	20,286,102
Deferred inflows of resources				
Deferred pension items	1,118,700	-	1,118,700	-
Deferred OPEB items	69,980,081	8,826,975	78,807,056	420,857
Lease	1,026,398	29,256,600	30,282,998	-
Deferred gain on refunding	655,938	-	655,938	-
Total deferred inflows of resources	72,781,117	38,083,575	110,864,692	420,857
Net position				
Net investment in capital assets	270,511,386	202,985,229	473,496,615	(166,996)
Restricted for:				
Other purposes	1,196,786	-	1,196,786	-
Operating Reserves	26,722,613	-	26,722,613	-
Law enforcement	23,559,253	-	23,559,253	-
Highway and streets	49,522,028	-	49,522,028	-
Health and welfare	42,799,921	-	42,799,921	-
Park, recreation, and education	37,375,162	-	37,375,162	-
Urban redevelopment and housing	192,683,935	-	192,683,935	-
Economic development	7,519,247	-	7,519,247	-
Debt service	28,185,990	-	28,185,990	-
Unrestricted	(482,231,517)	67,024,685	(415,206,832)	(3,611,482)
Total net position	\$ 197,844,804	\$ 270,009,913	\$ 467,854,717	\$ (3,778,478)

The accompanying notes are an integral part of these financial statements



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Statement of Activities
For the year ended June 30, 2025

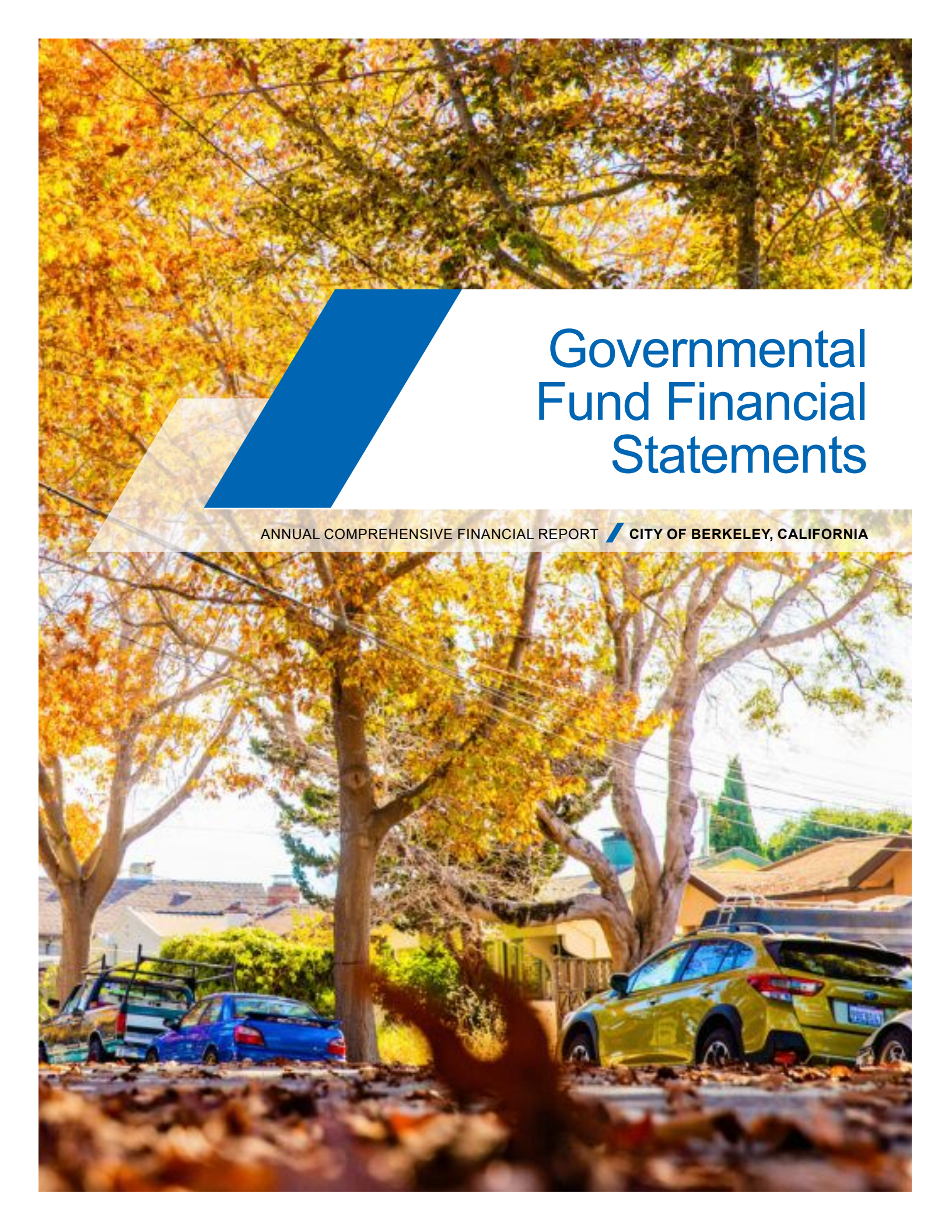
Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government					
Governmental activities:					
General government	\$ 65,494,205	\$ (6,835,834)	\$ 11,134,881	\$ 22,200	\$ -
Public safety	162,203,759	75,684	14,496,418	1,927,007	-
Highways and streets	25,239,504	-	4,174,938	273,132	2,056,351
Health and welfare	54,771,265	15,191	1,165,667	31,044,522	-
Culture and recreation	68,666,935	-	6,199,109	304,106	3,330,454
Community development and housing	51,259,871	176,196	5,100,307	10,766,085	175,349
Economic development	5,588,739	-	552,576	-	-
Interest on long-term debt	8,340,813	-	-	-	-
Total governmental activities	441,565,091	(6,568,763)	42,823,896	44,337,052	5,562,154
Business-type activities:					
Refuse services	54,547,976	2,766,094	55,824,861	-	-
Marina operations and maintenance	13,413,015	613,306	7,594,812	-	7,689,069
Sewer services	17,498,605	944,640	25,324,299	-	-
Clean storm water	4,512,606	199,007	4,685,118	-	-
Permit service center	21,304,643	2,045,716	22,513,267	-	-
Parking related	16,385,589	-	13,837,274	-	-
Building purchase and management	2,828,269	-	2,559,388	-	-
Total business-type activities	130,490,703	6,568,763	132,339,019	-	7,689,069
Total primary government	\$ 572,055,794	\$ -	\$ 175,162,915	\$ 44,337,052	\$ 13,251,223
Component unit:					
Rent stabilization board	\$ 7,172,890	\$ -	\$ 8,602,152	\$ -	\$ -
Total component unit	\$ 7,172,890	\$ -	\$ 8,602,152	\$ -	\$ -
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					
Property taxes, levied for debt services					
Property taxes, levied for special purposes:					
Library					
Parks					
Paramedic					
Fire					
Sales taxes					
Utility users taxes					
Transient occupancy taxes					
Business license tax					
Other taxes					
Total taxes					
Other unrestricted state subventions					
Contributions not restricted to specific programs					
Investment earnings					
Miscellaneous					
Gain/(loss) on sales of capital assets					
Transfers:					
Primary government					
Total general revenues and transfers					
Changes in net position					
Net position - beginning, as previous stated					
Adjustment - See Note 15					
Net position - beginning, as restated					
Net position - ending					

The accompanying notes are an integral part of these financial statements

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Rent Stabilization Board	
\$ (47,501,290)	\$ -	\$ (47,501,290)	\$ -	
(145,856,018)	-	(145,856,018)	-	
(18,735,083)	-	(18,735,083)	-	
(22,576,267)	-	(22,576,267)	-	
(58,833,266)	-	(58,833,266)	-	
(35,394,326)	-	(35,394,326)	-	
(5,036,163)	-	(5,036,163)	-	
(8,340,813)	-	(8,340,813)	-	
(342,273,226)	-	(342,273,226)	-	
-	(1,489,209)	(1,489,209)	-	
-	1,257,560	1,257,560	-	
-	6,881,054	6,881,054	-	
-	(26,495)	(26,495)	-	
-	(837,092)	(837,092)	-	
-	(2,548,315)	(2,548,315)	-	
-	(268,881)	(268,881)	-	
-	2,968,622	2,968,622	-	
\$ (342,273,226)	\$ 2,968,622	\$ (339,304,604)	\$ -	
			\$ 1,429,262	
			\$ 1,429,262	
148,363,839	-	148,363,839	-	
18,134,546	-	18,134,546	-	
26,466,731	-	26,466,731	-	
18,689,255	-	18,689,255	-	
3,967,274	-	3,967,274	-	
16,245,151	-	16,245,151	-	
19,962,225	-	19,962,225	-	
19,446,965	-	19,446,965	-	
7,868,392	-	7,868,392	-	
31,576,067	-	31,576,067	-	
31,479,208	-	31,479,208	-	
342,199,653	-	342,199,653	-	
390,334	-	390,334	-	
621,870	-	621,870	-	
36,286,314	5,040,481	41,326,795	-	
2,063,021	-	2,063,021	-	
227,593	-	227,593	-	
1,646,312	(1,646,312)	-	-	
383,435,097	3,394,169	386,829,266	-	
41,161,871	6,362,791	47,524,662	1,429,262	
160,308,437	264,511,382	424,819,819	(4,991,213)	
(3,625,504)	(864,260)	(4,489,764)	(216,527)	
156,682,933	263,647,122	420,330,055	(5,207,740)	
\$ 197,844,804	\$ 270,009,913	\$ 467,854,717	\$ (3,778,478)	



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Governmental Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds						
	General Fund	Grants	Library	Capital Improvement	Measure O Housing Bond	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and investments in treasury	\$ 97,236,438	\$ -	\$ -	\$ 16,199,095	\$ -	\$ 79,363,681	\$ 192,799,214
Restricted cash and investments	45,705,825	46,919,227	25,805,005	-	35,180,728	151,936,860	305,547,645
Receivables (net of allowance where applicable):							
Accounts	5,902,477	-	-	-	-	6,866,869	12,769,346
Interest	2,037,739	-	-	-	-	611,698	2,649,437
Taxes	11,338,064	-	266,834	-	-	2,560,669	14,165,567
Subventions/grants	50,000	13,976,134	39,580	-	-	1,421,393	15,487,107
Due from other funds	21,361,319	-	-	1,831,976	-	-	23,193,295
Notes receivable	33,922,430	40,710,858	-	7,771,575	46,146,133	38,468,191	167,019,187
Other	4,812	156,082	-	-	-	-	160,894
Property held for resale	-	-	-	-	-	713,313	713,313
Prepaid items	-	1,881,627	-	-	-	-	1,881,627
Total assets	\$ 217,559,104	\$ 103,643,928	\$ 26,111,419	\$ 25,802,646	\$ 81,326,861	\$ 281,942,674	\$ 736,386,632
Liabilities							
Accounts payable	\$ 9,966,176	\$ 2,410,976	\$ 482,150	\$ 1,390,427	\$ -	\$ 4,278,503	\$ 18,528,232
Accrued salaries and wages	3,097,983	492,578	510,798	84,582	-	1,263,175	5,449,116
Accrued interest payable	1,764,833	-	-	-	-	-	1,764,833
Due to other funds	-	14,964,796	-	-	-	1,379,604	16,344,400
Deposits held	1,222,764	-	-	12,933	-	142,247	1,377,944
Unearned revenues	-	3,899,027	23,893	-	-	118,479	4,041,399
Taxes and revenue anticipation note	35,395,000	-	-	-	-	-	35,395,000
Other liabilities	6,576,519	-	14,717	-	-	345,491	6,936,727
Total liabilities	58,023,275	21,767,377	1,031,558	1,487,942	-	7,527,499	89,837,651
Deferred Inflows of Resources							
Unavailable revenue	4,658,164	11,440,633	25,123	483,035	-	8,027,023	24,633,978
Total deferred inflows of resources	4,658,164	11,440,633	25,123	483,035	-	8,027,023	24,633,978
Fund Balances							
Nonspendable	-	1,881,627	-	-	-	-	1,881,627
Restricted	42,170,823	77,963,350	25,054,738	7,771,575	81,326,861	172,150,571	406,437,918
Committed	58,314,770	-	-	-	-	94,253,754	152,568,524
Assigned	22,721,191	-	-	16,060,094	-	-	38,781,285
Unassigned	31,670,881	(9,409,058)	-	-	-	(16,173)	22,245,650
Total fund balances	154,877,665	70,435,919	25,054,738	23,831,669	81,326,861	266,388,152	621,915,004
Total liabilities, deferred inflows of resources, and fund balances							
	\$ 217,559,104	\$ 103,643,928	\$ 26,111,419	\$ 25,802,646	\$ 81,326,861	\$ 281,942,674	\$ 736,386,632

The accompanying notes are an integral part of these financial statements

Reconciliation of the Balance Sheet of Government Funds to the Statement of Net Position

June 30, 2025

Fund balances - total governmental funds (Page 40)	\$ 621,915,004
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	
Land	25,142,014
Construction in progress	12,824,009
Buildings	261,495,379
Improvements other than buildings	47,848,121
Machinery and equipment	97,730,145
Infrastructure	330,295,129
Right-to-use leased Building	23,367,146
Right-to-use software subscription	4,710,378
Less accumulated depreciation	(388,906,421)
Governmental activities capital assets, net	414,505,899
Less: capital assets for Internal Service Funds	(32,504,489)
Net capital assets	382,001,410
Net OPEB liability and assets and net pension liability in governmental activities, net of internal service fund portion, are not due and payable and therefore, are not reported in the funds.	
Net pension liability	(564,008,175)
Net OPEB liability	(36,704,605)
Other long-term assets, net of internal service fund portion, are not available to pay for current period expenditures and, therefore, are deferred in the funds.,	
Unavailable revenue	24,633,977
Lease receivable - principal and interest	1,060,724
Deferred outflow on pension	98,611,640
Deferred outflow on OPEB	12,880,287
Internal service funds are used by management to charge the costs of public liability, equipment maintenance, building maintenance, supply warehouse, workers compensation, electrical warehouse, and catastrophic loss services to individual funds.	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	2,548,024
Long-term liabilities, including bonds payable, net of internal service fund portion, are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued interest payable on long-term debt	(2,531,883)
Bonds, certificates of participation, notes and loans	(224,824,569)
Compensated absences	(23,780,369)
Lease Payable	(22,209,351)
Subscription Liability	(2,092,421)
Other long-term liabilities and deferred inflows, net of internal service fund portion, are not available to pay for current period therefore, are deferred in the funds.	
Deferred inflow on pension	(1,118,700)
Deferred inflow on OPEB - Miscellaneous Retiree Healthcare Plan	(66,853,853)
Deferred inflow on lease	(1,026,398)
Deferred inflows due to the advance refunding resulting in defeasance of debt	(655,938)
Net position of governmental activities (Page 35)	<u>\$ 197,844,804</u>

The accompanying notes are an integral part of these financial statements

City of Berkeley
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2025

	Major Funds					Measure O Housing Bond	Other Governmental Funds	Total Governmental Funds
	General Fund	Grants	Library	Capital Improvement				
Revenues:								
Taxes	\$231,017,187	\$ -	\$ 26,473,928	\$ -	\$ -	\$ -	\$ 84,691,201	\$ 342,182,316
Licenses and permits	3,463,091	-	-	-	-	-	827,554	4,290,645
Intergovernmental	640,337	55,283,524	185,558	-	-	-	4,106,995	60,216,414
Charges for service	14,499,016	211,892	-	142,500	-	-	12,970,563	27,823,971
Fines and penalties	6,122,208	-	11,990	-	-	-	344,904	6,479,102
Rents and royalties	379,828	-	-	-	-	-	187,004	566,832
Franchise	1,859,413	-	-	-	-	-	117,200	1,976,613
Private contribution and donations	113,889	-	209,597	-	-	-	298,384	621,870
Investment income/ (loss)	27,228,774	1,081,248	18,356	18,515	1,917,950	-	4,094,232	34,359,075
Miscellaneous	517,429	-	5,567	-	-	-	993,349	1,516,345
Total revenues	285,841,172	56,576,664	26,904,996	161,015	1,917,950	-	108,631,386	480,033,183
Expenditures:								
Current:								
General government	47,249,826	1,772,841	-	51,188	-	-	4,648,901	53,722,756
Public safety	147,156,901	1,968,701	-	-	-	-	22,134,268	171,259,870
Highway and streets	2,753,578	1,024,467	-	3,449,801	-	-	9,395,048	16,622,894
Health and welfare	21,147,159	24,028,923	-	-	-	-	5,917,089	51,093,171
Culture-recreation	11,561,579	993,674	25,924,974	588,816	-	-	23,322,377	62,391,420
Community development and housing	20,221,797	13,584,981	-	2,700,992	-	-	9,820,968	46,328,738
Economic development	4,581,909	69,000	-	8,539	-	-	699,329	5,358,777
Debt service:								
Principal repayment	1,392,206	42,053	-	-	-	-	9,044,565	10,478,824
Interest and fiscal charges	1,106,401	-	-	-	-	-	7,650,450	8,756,851
Debt issuance costs	-	-	-	-	-	-	248,923	248,923
TRAN issuance costs	90,884	-	-	-	-	-	-	90,884
Capital outlay:	19,679,684	3,778,448	261,736	9,286,418	-	-	28,216,435	61,222,721
Total expenditures	276,941,924	47,263,088	26,186,710	16,085,754	-	-	121,098,353	487,575,829
Excess/(deficiency) of revenues over/(under) expenditures	8,899,248	9,313,576	718,286	(15,924,739)	1,917,950	-	(12,466,967)	(7,542,646)
Other financing sources/(uses)								
Transfers in	8,974,480	-	-	14,834,267	-	-	22,019,496	45,828,243
Transfers out	(33,919,159)	-	-	(2,251,650)	-	-	(15,037,874)	(51,208,683)
Debt issuance	-	-	-	-	-	-	10,220,000	10,220,000
Premium on debt issuance	-	-	-	-	-	-	28,923	28,923
Inception of leases and subscriptions	18,156,996	19,381	-	-	-	-	6,384,300	24,560,677
Insurance recoveries	-	-	-	-	-	-	10,196	10,196
Sale of capital assets	13,125	4,841	-	-	-	-	-	17,966
Total other financing sources/ (uses)	(6,774,558)	24,222	-	12,582,617	-	-	23,625,041	29,457,322
Net change in fund balance	2,124,690	9,337,798	718,286	(3,342,122)	1,917,950	-	11,158,074	21,914,676
Fund balance, July 1, 2024 as previously reported	153,029,258	61,098,121	24,336,452	27,173,791	79,408,911	-	255,230,078	600,276,611
Adjustments - See Note 15	(276,283)	-	-	-	-	-	-	(276,283)
Fund balance, July 1, 2024 as restated	152,752,975	61,098,121	24,336,452	27,173,791	79,408,911	-	255,230,078	600,000,328
Fund balance, June 30, 2025	\$154,877,665	\$ 70,435,919	\$ 25,054,738	\$ 23,831,669	\$ 81,326,861	\$ -	\$ 266,388,152	\$ 621,915,004

The accompanying notes are an integral part of these financial statements

City of Berkeley**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the year ended June 30, 2025**

Net change in fund balances - total governmental funds (Page 42) \$ 21,914,676

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 cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance (net of ISF's amount)	61,222,721
Deletion of capital assets due to sale is therefore deducted from fund balance	(1,204)
Depreciation expense is therefore deducted from fund balance (net of ISF's amount)	(20,606,315)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Tax receivable	17,339
Grant receivable	(9,926,877)
Accounts receivable	1,843,881
Lease receivable	11,866

Issuance of long-term debt provides current financial resources to governmental funds but incurring debt increases long-term liabilities in the Statement of Net Position. Repayment of principal on long-term debts is an expenditures in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Lease payment	
Face value of bonds issued	(10,220,000)
Principal payment on bonds, certificates of participation, notes and loans	8,733,118
Issuance of premium on debt	(28,923)
Inception of new leases and subscription based I.T arrangements	(24,560,676)
Lease and Subscription liability payment - Principal	1,745,707

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(1,968,009)
Amortization of original issuance premium on debt	613,290
Amortization of deferred gain on refunding of general obligation refunding bonds	118,585
Pension expense	(82,266,593)
Net OPEB expense	25,194,920
Accrued interest payable	47,657

Employer contributions made during the year and subsequent to the measurement date for pension are classified as expenditures for governmental funds, but are considered deferred outflows of resource on the statement of net position.

CalPERS	77,878,292

Internal service funds are used by management to charge the costs of public liability, equipment maintenance, building maintenance, supply warehouse, workers compensation, electrical warehouse, and catastrophic loss services to individual funds. The activities of the internal service funds is reported with governmental activities.

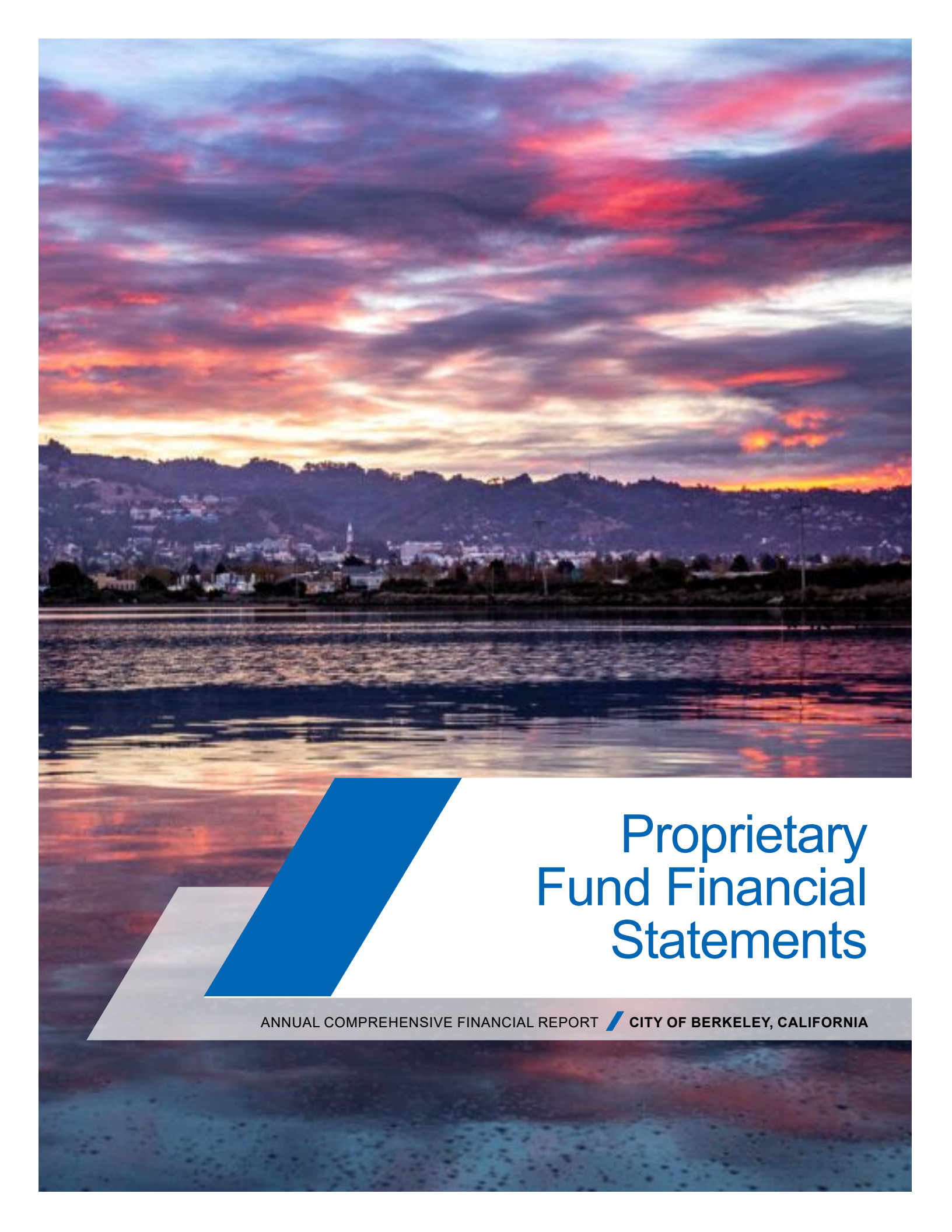
Income/(loss)	(8,601,584)

Changes in net position of governmental activities (page 35)	\$ 41,161,871

The accompanying notes are an integral part of these financial statements



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Proprietary Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities				
	Zero Waste	Marina Operations	Sanitary Sewer	Clean Storm Water	Permit Service Center
Assets					
Current assets:					
Cash and investments in treasury	\$ 20,040,104	\$ -	\$ 52,024,132	\$ 12,146,572	\$ 38,967,929
Accounts receivable	12,487,701	6,477,630	2,295,646	56,133	890,893
Current portion of lease receivable	-	473,331	-	-	-
Accrued interest	80,621	9,303	194,247	48,901	159,048
Inventory	-	-	-	-	-
Total current assets	32,608,427	6,960,264	54,514,025	12,251,607	40,017,869
Noncurrent assets:					
Lease receivable	-	26,898,206	-	-	-
Capital assets:					
Land	1,089,529	557,386	40,426	-	-
Building	2,004,070	3,930,260	2,006,786	37,373	4,373,637
Improvements other than buildings	1,974,908	17,278,724	126,696	-	-
Machinery and equipment	3,622,421	616,316	1,379,322	49,799	186,014
Construction in progress	-	-	-	-	-
Infrastructure	-	-	232,506,065	41,921,906	-
Right-to-use - SBITA	135,615	-	471,914	135,615	971,250
Less accumulated depreciation	(5,185,133)	(11,160,768)	(75,553,640)	(22,038,493)	(1,730,485)
Total noncurrent assets	3,641,409	38,120,124	160,977,567	20,106,199	3,800,416
Total assets	36,249,836	45,080,389	215,491,592	32,357,805	43,818,285
Deferred outflows of resources:					
Deferred pension items	6,080,912	1,060,549	3,393,783	637,577	4,073,328
Deferred OPEB items	1,091,267	214,130	427,829	97,121	645,696
Total deferred outflows of resources	7,172,179	1,274,679	3,821,612	734,698	4,719,024
Liabilities					
Current liabilities:					
Accounts payable	1,061,049	1,460,565	1,906,906	144,821	256,188
Accrued salaries and wages	693,965	120,616	222,978	56,439	402,123
Accrued interest payable	2,621	227,395	7,875	2,621	14,394
Due to other funds	-	2,477,099	-	-	-
Compensated absences - due within one year	444,034	34,739	218,272	16,418	211,765
Other liabilities	514,524	73	-	-	-
Deposits held	215	355,920	-	-	130,553
Landfill liabilities - due within one year	1,326,390	-	-	-	-
Unearned revenues	-	-	-	-	-
Claims and judgements payable	-	-	-	-	-
Notes payable - due within one year	-	236,472	-	-	-
Finance purchase agreements - due within one year	-	-	-	-	-
Subscription Liability - due within one year	24,386	-	123,424	24,386	240,938
Revenue bonds payable - due within one year	-	-	-	-	-
Total current liabilities	4,067,183	4,912,879	2,479,455	244,685	1,255,960

Business-type Activities				Governmental Activities
Off-Street Parking	Parking Meter	Building Purchases & Management	Total	Internal Service Funds
\$ -	\$ 4,894,628	\$ 104	\$ 128,073,469	\$ 87,225,526
252,417	72,959	-	22,533,380	67,378
161,859	-	128,551	763,741	-
11,677	22,085	-	525,882	337,972
-	-	-	-	27,406
425,953	4,989,672	128,655	151,896,471	87,658,282
2,111,078	-	640,677	29,649,961	-
1,291,709	-	-	2,979,050	-
56,310,371	314,871	24,492,148	93,469,515	1,174,730
-	220,933	1,774,051	21,375,311	171,524
1,646,563	4,376,443	213,500	12,090,378	63,074,672
-	-	-	-	8,104,321
-	-	-	274,427,971	-
-	-	-	1,714,393	540,572
(18,789,810)	(3,110,075)	(16,823,963)	(154,392,368)	(40,561,327)
42,569,911	1,802,172	10,296,413	281,314,212	32,504,492
42,995,865	6,791,844	10,425,068	433,210,683	120,162,774
186,439	1,298,192	175,684	16,906,464	6,196,889
41,330	199,686	25,256	2,742,315	1,029,822
227,770	1,497,878	200,940	19,648,779	7,226,711
627,597	39,803	87,137	5,584,068	4,872,048
18,835	152,258	22,059	1,689,274	209,401
76,862	-	82,476	414,243	81,846
1,625,433	-	2,277,928	6,380,460	468,435
2,108	81,155	5,565	1,014,056	124,373
42	-	-	514,639	-
5,566	-	106,278	598,531	-
-	-	-	1,326,390	-
-	-	-	-	-
-	-	-	-	13,105,725
-	-	-	236,472	-
-	-	-	-	1,786,167
-	-	-	413,133	79,497
945,000	-	1,324,802	2,269,802	-
3,301,444	273,216	3,906,245	20,441,067	20,727,492

Statement of Net Positiona
Proprietary Funds
June 30, 2025

	Business-type Activities				
	Zero Waste	Marina Operations	Sanitary Sewer	Clean Storm Water	Permit Service Center
Noncurrent liabilities:					
Compensated absences - due in more than one year	2,329,757	182,270	1,145,231	86,140	1,111,084
Landfill liabilities - due in more than one year	924,000	-	-	-	-
Claims and judgments payable - due in more than one year	-	-	-	-	-
Notes payable - due in more than one year	-	5,178,654	-	-	-
Finance purchase agreements - due in more than one year	-	-	-	-	-
Revenue bond payable - due in more than one year	-	-	-	-	-
Subscription Liability - due in more than one year	85,590	-	193,403	85,590	335,205
Net pension liabilities	32,000,037	6,010,731	16,829,161	3,223,307	22,312,358
Net OPEB liabilities	1,824,150	328,187	853,290	256,821	536,533
Total noncurrent liabilities	37,163,534	11,699,841	19,021,085	3,651,858	24,295,180
Total liabilities	41,230,717	16,612,720	21,500,540	3,896,543	25,551,140
Deferred inflows of resources:					
Deferred OPEB items	3,114,531	660,561	1,477,542	230,825	2,589,046
Deferred lease revenue	-	26,338,113	-	-	-
Total deferred inflows of resources	3,114,531	26,998,674	1,477,542	230,825	2,589,046
Net position					
Net investment in capital assets	3,641,409	5,737,653	160,627,557	20,106,199	3,800,416
Unrestricted	(4,564,642)	(2,993,980)	35,707,564	8,858,936	16,596,707
Total net position	<u>\$ (923,233)</u>	<u>\$ 2,743,673</u>	<u>\$ 196,335,122</u>	<u>\$ 28,965,135</u>	<u>\$ 20,397,123</u>

The accompanying notes are an integral part of these financial statements

Business-type Activities				Governmental Activities
Off-Street Parking	Parking Meter	Building Purchases & Management	Total	Internal Service Funds
11,058	425,802	29,200	5,320,542	1,514,980
-	-	-	924,000	-
-	-	-	-	36,988,284
-	-	-	5,178,654	-
-	-	-	-	6,978,778
29,380,649	-	9,111,789	38,492,439	-
-	-	-	699,789	283,096
1,119,522	8,514,880	1,128,496	91,138,491	31,287,222
36,387	576,375	65,600	4,477,343	2,029,025
30,547,616	9,517,057	10,335,085	146,231,257	79,081,385
33,849,060	9,790,273	14,241,330	166,672,324	99,808,877
123,384	531,538	99,547	8,826,975	3,126,227
2,200,595	-	717,892	29,256,599	-
2,323,979	531,538	817,439	38,083,574	3,126,227
8,817,535	1,802,172	(1,547,714)	202,985,228	23,739,547
(1,766,940)	(3,834,261)	(2,885,048)	45,118,336	714,834
\$ 7,050,595	\$ (2,032,090)	\$ (4,432,762)	\$ 248,103,564	\$ 24,454,381
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
				21,906,353
				Net position of business-type activities
				\$ 270,009,917

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Zero Waste	Marina Operations	Sanitary Sewer	Clean Storm Water
Operating revenues:				
Parking related revenues	\$ -	\$ -	\$ -	\$ -
Marina operations and maintenance	-	5,329,258	-	-
Sewer service fees	-	-	25,157,309	-
Clean storm water fees	-	-	-	4,685,118
Refuse service fees	55,822,714	-	-	-
Building permits	-	-	-	-
Other permits	-	-	-	-
Plan checking fees	-	-	-	-
Other fees	-	-	166,990	-
Equipment rentals service charge	-	-	-	-
Building maintenance	-	-	-	-
Central store service charge	-	-	-	-
Workers' compensation fees	-	-	-	-
IT service fee	-	-	-	-
Lease revenues	-	2,265,554	-	-
Other revenues	2,147	-	-	-
Total operating revenues	55,824,861	7,594,812	25,324,299	4,685,118
Operating expenses:				
Personnel services	15,367,183	2,728,602	5,271,742	1,121,173
Employee benefits	9,494,000	1,451,005	4,106,611	760,651
Transportation	9,159,456	257,293	997,459	140,064
Repairs and maintenance	1,712,823	2,826,103	1,126,287	366,004
Materials and supplies	1,794,389	399,989	419,782	42,907
Utilities	839,530	921,329	53,717	13,787
Insurance	-	16,891	-	-
Specialized and professional services	15,692,133	3,644,335	873,675	1,029,736
Depreciation	461,078	594,125	4,016,678	761,634
Judgments and claims	-	-	-	-
Communication	50,233	27,965	38,214	1,672
General administration	2,725,170	706,259	1,039,405	384,754
Total operating expenses	57,295,995	13,573,896	17,943,570	4,622,382
Operating income (loss)	(1,471,134)	(5,979,084)	7,380,729	62,736
Nonoperating revenues (expenses):				
Investment earnings	1,047,149	122,868	2,311,243	570,785
Interest expense	(2,913)	(250,158)	(8,167)	(2,913)
Capital grants - State	-	7,689,069	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	1,044,236	7,561,779	2,303,076	567,872
Income (loss) before transfers	(426,898)	1,582,695	9,683,805	630,608
Transfers in	-	-	520,501	29,170
Transfers out	(845,928)	(17,452)	(193,023)	(25,085)
Change in net position	(1,272,826)	1,565,243	10,011,283	634,693
Total net beginning balance as previously reported	769,103	1,241,810	186,430,391	28,343,380
Adjustment - see note 15	(419,510)	(63,380)	(106,552)	(12,938)
Total net position - beginning, as restated	349,593	1,178,430	186,323,839	28,330,442
Total net position - ending	\$ (923,233)	\$ 2,743,673	\$ 196,335,122	\$ 28,965,135

The accompanying notes are an integral part of these financial statements

Business-type Activities - Enterprise Funds					Governmental Activities
Permit Service Center	Off-Street Parking	Parking Meter	Building Purchases & Management	Total	Internal Service Funds
\$ -	\$ 4,618,745	\$ 8,636,019	\$ -	\$ 13,254,764	\$ -
-	-	-	-	5,329,258	-
-	-	-	-	25,157,309	-
-	-	-	-	4,685,118	-
-	-	-	-	55,822,714	-
8,496,043	-	-	-	8,496,043	-
3,098,498	-	-	-	3,098,498	-
7,412,708	-	-	-	7,412,708	-
3,272,504	-	-	-	3,439,494	-
-	-	-	-	-	18,958,208
-	-	-	2,415,608	2,415,608	3,911,723
-	-	-	-	-	359,180
-	-	-	-	-	-
-	-	-	-	-	16,981,907
-	323,696	-	143,780	2,733,030	-
233,514	80,405	178,409	-	494,475	4,544,674
22,513,267	5,022,846	8,814,428	2,559,388	132,339,019	44,755,692
10,008,409	376,919	3,071,843	288,245	38,234,116	13,306,639
6,653,703	276,381	2,257,587	299,946	25,299,884	6,625,747
188,873	4,778	600,479	-	11,348,402	492,692
1,320,757	809,168	132,581	73,852	8,367,575	463,904
283,701	1,744	227,687	5,500	3,175,699	5,435,126
-	373,324	9,527	482,790	2,694,004	64,680
-	-	-	-	16,891	-
2,010,615	3,451,157	1,174,574	86,932	27,963,157	10,206,643
444,170	1,904,452	262,761	890,683	9,335,581	5,652,785
-	-	-	-	-	19,825,009
42,640	105,578	29,619	36,363	332,284	193,086
2,095,190	18,940	151,970	405,088	7,526,776	1,168,220
23,048,058	7,322,441	7,918,628	2,569,399	134,294,369	63,434,531
(534,791)	(2,299,595)	895,800	(10,011)	(1,955,350)	(18,678,839)
817,047	39,835	130,467	1,089	5,040,482	1,895,212
(14,779)	(940,483)	-	(236,526)	(1,455,939)	(363,495)
-	-	-	-	7,689,069	-
-	-	-	-	-	209,627
802,268	(900,648)	130,467	(235,437)	11,273,612	1,741,344
267,477	(3,200,243)	1,026,267	(245,448)	9,318,262	(16,937,495)
-	1,000,000	-	-	1,549,671	14,215,664
(55,637)	(7,920)	(2,050,938)	-	(3,195,983)	(7,188,912)
211,840	(2,208,163)	(1,024,671)	(245,448)	7,671,951	(9,910,743)
20,341,626	9,258,995	(926,293)	(4,163,140)	241,295,872	34,996,921
(156,343)	(237)	(81,126)	(24,174)	(864,260)	(631,797)
20,185,283	9,258,758	(1,007,419)	(4,187,314)	240,431,612	34,365,124
\$ 20,397,123	\$ 7,050,595	\$ (2,032,090)	\$ (4,432,762)	\$ 248,103,564	\$ 24,454,381
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(1,309,160)	
Change in net position of business-type activities				\$ 6,362,791	

City of Berkeley
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2025

	Business-type Activities			
	Zero Waste	Marina Operations	Sanitary Sewer	Clean Storm Water
Cash flows from operating activities:				
Cash received from customers	\$ 53,202,475	\$ 6,982,068	\$ 25,189,469	\$ 4,733,211
Cash paid for goods and services	(33,429,720)	(7,756,853)	(3,280,807)	(1,876,709)
Cash paid for employee services	(24,273,759)	(4,276,622)	(8,530,823)	(1,817,403)
Claims and judgments paid	-	-	-	-
Net cash provided (used) by operating activities	(4,501,004)	(5,051,407)	13,377,839	1,039,100
Cash flows from noncapital financing activities:				
Transfers in	-	-	520,501	29,170
Transfers out	(845,928)	(17,452)	(193,023)	(25,085)
Due from other fund	-	-	-	-
Receipt from interfund loans	-	2,477,099	-	-
Net cash provided (used) from noncapital financing activities	(845,928)	2,459,647	327,478	4,085
Cash flows from capital and related financing activities:				
Interest paid	(292)	(260,348)	(292)	(292)
Capital grants - State	-	7,689,069	-	-
Purchases of capital assets	(25,638)	(2,873,674)	(8,420,217)	(722,117)
Lease payments	-	(250,148)	-	-
Debt issuance	908,283	-	0	(0)
Debt (repayment)	-	(5,771,804)	-	-
Proceeds from disposal of capital assets	-	-	-	-
Net cash provided (used) from capital and related financing activities	882,353	(1,466,905)	(8,420,509)	(722,409)
Cash flows from investing activities:				
Unrealized gain/loss on investments	(184,446)	(24,292)	(444,907)	(112,004)
Interest received	1,276,010	158,017	2,764,228	685,833
Net cash provided (used) from investing activities	1,091,564	133,725	2,319,321	573,829
Net increase (decrease) in cash and cash equivalent	(3,373,015)	(3,924,940)	7,604,129	894,604
Cash and cash equivalents, July 1, 2024	23,413,119	3,924,940	44,420,003	11,251,968
Cash and cash equivalents, June 30, 2025	20,040,104	-	52,024,132	12,146,572
Financial statement presentation:				
Cash and investments	20,040,104	-	52,024,132	12,146,572
Total	20,040,104	-	52,024,132	12,146,572
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Income (loss) from operations	\$ (1,471,134)	\$ (5,979,084)	\$ 7,380,729	\$ 62,736
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	461,078	594,125	4,016,678	761,634
Change in:				
Accounts receivable	(2,622,386)	(552,193)	(134,830)	48,093
Deferred outflow	2,655,310	519,962	1,154,598	217,549
Accounts payable	(1,455,796)	1,035,347	1,267,732	102,975
Deposits held	-	7,891	-	-
Accrued salaries and wages	106,985	14,860	34,584	20,992
Unearned revenues	-	(60,552)	-	-
Compensated absences	372,965	(145,708)	753,709	28,517
Net pension liabilities	(1,567,766)	(301,511)	(658,196)	(134,080)
Net OPEB liability	(350,811)	(96,233)	(270,490)	(479)
Other liabilities	(190)	73	-	(760)
Deferred inflows	(209,749)	(25,005)	(60,123)	(55,140)
Net cash provided (used) by operating activities	\$ (4,081,494)	\$ (4,988,027)	\$ 13,484,391	\$ 1,052,038
Schedule of non-cash capital and related financing activities:				
SBITA assets and liabilities addition	\$ 135,615	\$ -	\$ 471,924	\$ 135,615

The accompanying notes are an integral part of these financial statements

Business-type Activities					Governmental Activities
Permit Service Center	Off-Street Parking	Parking Meter	Building Purchases & Management	Total	Internal Service Funds
\$ 22,440,028	\$ 4,957,260	\$ 8,796,188	\$ 2,559,388	\$ 128,860,087	\$ 44,759,552
(6,118,836)	(4,422,937)	(2,331,902)	(1,123,851)	(60,341,613)	(16,085,763)
(15,965,567)	(621,425)	(5,231,161)	(685,805)	(61,402,564)	(19,549,389)
-	-	-	-	-	(17,658,461)
355,625	(87,102)	1,233,126	749,732	7,115,910	(8,534,061)
-	1,000,000	-	-	1,549,671	14,215,664
(55,637)	(7,921)	(2,050,938)	-	(3,195,984)	(7,188,912)
-	-	59,808	-	59,808	-
-	975,687	-	884,754	4,337,540	(602)
(55,637)	1,967,766	(1,991,130)	884,754	2,751,035	7,026,150
(386)	(943,350)	-	(251,737)	(1,456,697)	(285,242)
-	-	-	-	7,689,069	-
(395,107)	-	(368,714)	-	(12,805,466)	(9,553,505)
-	(10,675)	-	(6,740)	(267,563)	-
0	-	-	-	908,283	-
-	(967,899)	-	(1,377,147)	(8,116,850)	(1,174,558)
-	-	-	-	-	209,627
(395,492)	(1,921,924)	(368,714)	(1,635,624)	(14,049,224)	(10,803,678)
(325,247)	(18,107)	(50,560)	-	(1,159,563)	2,016,638
1,186,491	59,367	190,639	1,090	6,321,675	-
861,244	41,260	140,079	1,090	5,162,112	2,016,638
765,740	-	(986,639)	(48)	979,831	(10,294,951)
38,202,189	-	5,881,267	152	127,093,638	97,520,477
38,967,929	-	4,894,628	104	128,073,469	87,225,526
38,967,929	-	4,894,628	104	128,073,469	87,225,526
38,967,929	-	4,894,628	104	128,073,469	87,225,526
\$ (534,791)	\$ (2,299,595)	\$ 895,800	\$ (10,011)	(1,955,350)	\$ (18,678,840)
444,170	1,904,452	262,761	890,683	9,335,581	5,652,785
(73,239)	(65,586)	(18,240)	-	(3,418,380)	3,859
2,186,017	81,914	648,781	94,729	7,558,861	2,150,866
-	-	-	-	-	(6,210)
(185,555)	341,710	(5,465)	(33,326)	1,067,623	1,944,799
8,495	-	-	-	16,386	-
10,851	4,020	35,709	3,760	231,760	(45,600)
-	-	-	-	(60,552)	-
428,107	11,808	42,679	(103,580)	1,388,497	135,668
-	-	-	-	-	2,166,548
(1,225,964)	(47,562)	(397,585)	(54,039)	(4,386,702)	(1,241,403)
(613,511)	(14,849)	(12,828)	(22,006)	(1,381,208)	(427,281)
-	42	-	-	(834)	-
67,388	(3,220)	(137,361)	7,696	(415,513)	(189,252)
\$ 511,968	\$ (86,865)	\$ 1,314,252	\$ 773,906	7,980,169	\$ (8,534,061)
\$ 971,250	\$ -	\$ -	\$ -	1,714,403	



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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

Fiduciary Fund Financial Statements



Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Pension and Other Post- Employment Benefit Trust Funds	Private Purpose Trust Fund - Successor Agency of Former RDA	Custodial Funds
Assets			
Restricted cash and cash equivalents	\$ 1,391,633	\$ 8,127,982	\$ 2,417,244
Medium term notes	15,310,430	-	-
US agency securities	26,005,252	-	-
Municipal bonds	3,791,889	-	-
Corporate bond	4,028,600	-	-
Preferred Stock	7,640,000	-	-
Savo Island loan	54,000	-	-
Interest receivable	686,013	20	-
Taxes receivable	-	-	16,322
Other accounts receivable	-	-	28,557
Total current assets	58,907,817	8,128,002	2,462,123
Total assets	58,907,817	8,128,002	2,462,123
Liabilities			
Accounts payable	214,523	-	447,461
Accrued interest payable	-	1,440	-
Due to City of Berkeley	-	-	1,688
Bonds payable - noncurrent	-	54,000	-
Deposits held	-	-	14,490
Other liabilities	-	-	425,627
Total liabilities	214,523	55,440	889,266
Net position restricted for:			
Employee pension benefits	2,638,285	-	-
Employee OPEB benefits	56,055,009	-	-
City of Berkeley Successor Agency assets	-	8,072,562	-
Individuals, organizations, and other governments	-	-	1,572,857
Total net position	\$ 58,693,294	\$ 8,072,562	\$ 1,572,857

The accompanying notes are an integral part of the financial statements.

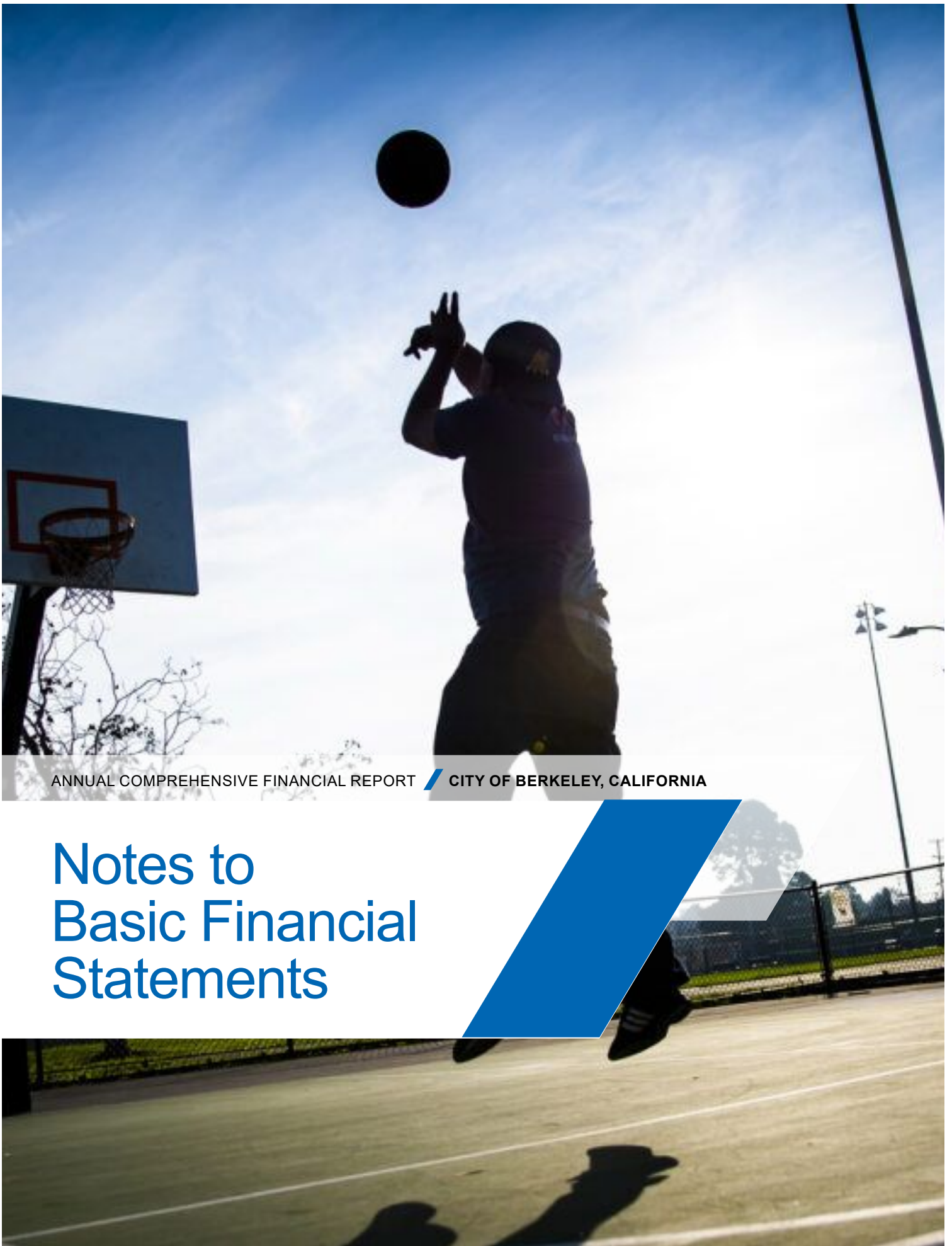
City of Berkeley
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2025

	Pension and Other Post - Employment Benefit Trust Funds	Private Purpose Trust Funds - Successor Agency of Former RDA	Custodial Funds
Additions:			
Tax increment income	\$ -	\$ 1,212,787	\$ -
Contributions: employer	6,656,387	-	201,501
Property tax collections for other entities	-	-	3,531,863
Investment income:			
Interest income	2,809,633	-	92
Increase (Decrease) in FMV of investments	406,109	-	-
Total Investment income	3,215,742	-	92
Total additions	9,872,129	1,212,787	3,733,456
Deductions:			
Community development	-	4,987	-
Benefits payment for service	6,345,602	-	-
Administrative expenses	21,631	-	-
Personnel services	-	-	20,217
Employee benefits	-	-	16,668
Payments of property tax to other entities	-	-	2,952,217
Payments to others	-	-	426,876
Total deductions	6,367,233	4,987	3,415,978
Change in net position	3,504,896	1,207,800	317,478
Total net position - beginning	55,188,398	6,864,762	1,255,379
Total net position - ending	\$ 58,693,294	\$ 8,072,562	\$ 1,572,857

The accompanying notes are an integral part of the financial statements.



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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The City of Berkeley (the City) is a municipal corporation created under the laws of the State of California. The City operates under its own charter. The current charter provides for a Council-Manager form of government and the City is governed by an elected mayor and eight-member council. The City provides the following services: public safety (police and fire); sanitation and sewer; housing; leisure (parks, recreation, and marina); health and human services, including City funded health clinics; animal control; public improvements; planning and zoning; library services; and general and administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Berkeley and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens, on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Blended Component Units

These basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. The blended component unit has a June 30 year-end. The following entity is reported as a blended component unit:

The Berkeley Joint Powers Financing Authority (BJPFA) was established solely to assist the City in the issuance of certain bonds. The City Council served as the Board of Directors of the BJPFA. It is controlled by and financially dependent on the City; its financial activities were accounted for as part of the respective funds. Separate financial statements for the BJPFA are not issued.

Discretely Presented Component Units

The Rent Stabilization Board (Rent Board) is responsible for: the proper administration of programs to regulate residential rents; protecting tenants from unwarranted rent increases and arbitrary, discriminatory, or retaliation evictions; helping maintain the diversity of the Berkeley community; and to ensure compliance with legal obligations relating to the rental of housing. The nine member Board of Commissioners is elected by the citizens. However, the Rent Board is fiscally dependent upon the City because the City Council authorizes any bonded debt, and provides support services such as accounting, human resources, payroll, information technology and finance.

Complete financial statements for the Rent Board may be obtained at the entity's administrative offices:

Rent Stabilization Board
2125 Milvia Street
Berkeley, California

B. Implementation of Recently Issued Accounting Principles

During FY 2025, the City implemented the following Governmental Accounting Standards Board (the GASB) Statements:

i. In June 2022, GASB issued **Statement No. 101, Compensated Absences**.

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or

NOTES TO THE FINANCIAL STATEMENTS

otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. The requirements of this statement were in effect for financial statements starting with the fiscal year that ends June 30, 2025. The implementation of GASB Statement No. 101 resulted in the recognition of compensated absences liabilities totaling \$31.8 million as of June 30, 2025. The total prior year adjustment increased compensated absences liabilities by \$3.9 million, and the beginning balances have been restated. Please see Note 8.

ii. In December 2023, GASB issued **Statement No. 102, Certain Risk Disclosures**.

The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this statement were in effect for financial statements starting with the fiscal year that ends June 30, 2025. The application of Statement No. 102 did not have any effect on the City's financial statements. The City has been monitoring indications that federal funding may be impacted next year, and has determined that disclosure under GASB Statement No. 102 is appropriate. See Note 11, E ii, Federal Funding Risks.

C. Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements except in the case of interfund services provided and used, which are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues come from sources other than the tax base. Therefore, taxes are reported instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category, such as governmental, proprietary, and fiduciary, are presented. The emphasis of fund financial statements is on the major governmental and enterprises funds of the City, and

are reported separately in the accompanying financial statements, all remaining governmental funds are aggregated and reported as nonmajor funds in the accompanying financial statements.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for all the enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include personnel services, employee benefits, repairs and maintenance, professional services, transportation, materials and supplies, claims and judgments, rent, insurance, utilities, communications, general administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Grants Fund** accounts for grant monies received from other governments and private sources to be used to cover expenditures for providing public services and improving public safety.

The **Library Fund** accounts for all monies received and expended for the operation of the City's main and branch libraries, the major source of revenues are special taxes approved by two-thirds of the voters.

The **Measure O Housing Bond Fund** accounts for the affordable housing projects financed by a bond revenue.

The **Capital Improvement Fund** accounts for expenditures for land, buildings, major reconstruction and renovation of structures, and for major landscaping or park improvements financed by local revenues.

The government reports the following major enterprise funds:

The **Zero Waste Fund** accounts for monies received and expended from refuse collection services, including the surcharge to provide for expenses incurred in the collection and disposal of solid waste materials as well as for plans, surveys, engineering expenses, property acquisition, and construction costs of facilities for future refuse disposal.

The **Marina Operations Fund** accounts for the day-to-day operations of the Berkeley Marina.

The **Sanitary Sewer Fund** accounts for the collection of revenues from sanitary sewer charges, and the expenses related to the operation, maintenance, replacement, reconstruction, and repair of sanitary facilities.

The **Clean Storm Water Fund** accounts for the fees collected to improve the quality of storm water discharged from the City's storm drainage system.

The **Permit Service Center Fund** accounts for revenues from customers processing development permit application (i.e., building and zoning permits) and the funds expended to operate the permit review functions of the Permit Service Center.

The **Off Street Parking Fund** accounts for the operations of the City's Center Street garage, Sather Gate garage, Sather Gate Mall leases, and Oxford/Fulton parking lot.

The **Parking Meter Fund** accounts for the collection of coins from the City's parking meters and for the purchasing, leasing, installing, repairing, maintaining, operating, removing, and policing of the meters.

The **Building Purchases & Management Fund** accounts for the purchase and management of the building at 1947 Center Street.

NOTES TO THE FINANCIAL STATEMENTS

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds).

The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The **Internal Service Funds** account for equipment maintenance replacement, building maintenance, central services, computer replacement, workers' compensation, sick and vacation payouts, public liability, catastrophic loss services to other departments of the City on a cost reimbursement basis, and IT cost allocation plan.

The **Pension and OPEB Trust Funds** account for the activities of the Safety Members Pension Fund, which provides pension benefits on a pay-as-you-go basis for fire and police employees hired on or before February 28, 1973; Police Retirement and the Police Retirement Income Benefit Plan. It also accounts for the *Other Post-Employment Benefits Trust Funds*, including the Retiree Medical Benefit Trust, Berkeley Police Employees Retiree Health Plan Trust Fund, and Fire Medical Trust funds and allocated sources to provide medical benefits for retirees.

The **Private Purpose Trust Funds** account for **Successor Agency** activities of the former Berkeley Redevelopment Agency, which was dissolved on January 31, 2012 under AB 1X 26. Please refer to more details above in Section 1 under "*Successor Agency Trust for Assets of Former Redevelopment Agency*".

The **Custodial Funds** account for the District 47 Underground/Miller, Sustainable Energy, Thousand Oaks Heights Applicant Funded Utility Undergrounding special assessment tax monies, Measure H School Tax, Community Facilities District No. 1 Disaster Fire Protection special assessment tax monies, Sick Leave Entitlement (funds held for retiree benefits not held in trust meeting the definition of GASB Statement No. 75), Berkeley Tourism BID, Elmwood Business Improvement District, Solano Avenue Business Improvement District, and Telegraph Business Improvement District.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, utility users taxes, transient occupancy taxes, ambulance fees, interest, and sales taxes associated with the current fiscal year are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the City receives cash.

E. Cash, Cash Equivalents, and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term instruments with original maturities of three months or less from the date acquisition.

State of California statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, State and Local agencies, certificates of deposits, commercial paper rated A-1/P-1, medium term corporate notes rated A or its equivalent or better by Moody's or Standard & Poor's, asset backed corporate notes, negotiable certificates of deposits, bankers' acceptances, mutual funds, guaranteed

investment contracts, repurchase agreements, reverse repurchase agreements when authorized by the City Council, and the State Treasurer's investment pool (Local Agency Investment Fund).

The City does not utilize the Local Agency Investment Fund, as this fund is not in compliance with the City's nuclear free ordinance.

Investments for the City, as well as for its component units, are reported at fair value. The value is determined based upon quoted market closing prices. The fair value of mutual funds is stated at share value. Income from pooled investments is allocated to the individual funds based on the fund average monthly balance in relation to the total pooled investments.

For the purpose of the statement of cash flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

F. Restricted Cash and Investments

Certain proceeds of the City's resources set aside for their repayment are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

The debt service account is used to segregate resources accumulated for principal payments; the construction account is used to report those proceeds of the revenue bond issuance that are restricted for use in construction; the interest account is used to segregate resources accumulated for interest payments; the debt service reserve account is used to segregate resources set aside to make up potential future deficiencies in the interest account and the debt service account; and the cost of issuance account is used to segregate proceeds of the revenue bond issuance that are to be used to pay the cost of issuance.

The balance of the restricted cash and investments as of June 30, 2025 are as follows:

	<u>Restricted cash and investments</u>
Governmental activities:	
TRANS repayment	\$ 37,159,834
U1 housing	8,449,862
Climate equity action	96,130
Grants	46,919,227
Library	25,805,005
Measure O housing bond	35,180,728
Non-major fund - Special revenue funds	93,535,040
Non-major fund - Capital project	30,447,039
Non-major fund - Debt service fund	27,954,781
Total governmental activities	<u>\$ 305,547,645</u>
Pension and other post-employment benefit trust funds:	
Police retirement income benefit plan	\$ 2,843,346
Miscellaneous retiree health premium assistance plan	38,955,494
Police retiree premium assistance plan	1,772,482
Fire employees retiree health plan	14,650,482
Total pension and other post-employment benefit trust funds	<u>\$ 58,221,804</u>
Private purpose trust fund - Successor agency of former RDA:	
Successor agency - WBIP	\$ 7,419,138
Successor agency - Savo DSF	708,844
Total private-purpose trust funds	<u>\$ 8,127,982</u>
Custodial funds	
District 47 underground/Miller	\$ 124,312
Sustainable energy	20,339

NOTES TO THE FINANCIAL STATEMENTS

Solano avenue business improvement district	16,007
Telegraph business improvement district	261,252
Thousand oaks undergrounding	343,368
Measure H school tax	251,904
CFD No. 1 disaster fire protection Mello-Roos	1,102,079
Berkeley tourism business improvement district	41,080
Elmwood business improvement district	29,950
North Shattuck business improvement district	109,741
Downtown Berkeley property and improvement district	117,212
Total custodial funds	<u>\$ 2,417,244</u>

G. Receivables and Payables

Transactions between funds that are representative of long-term lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to/advances from other funds”. All other outstanding balances between funds are reported as “due to/from other funds”. The latter transactions are typically loans from the General Fund to cover cash shortages in other funds that result from the pooled cash arrangement. The loans are short-term in nature and generally result from the time lag in receiving grant reimbursements. The amounts are repaid to the General Fund when the grant reimbursements are made. Any residual balances between the governmental activities and business type activities are reported in the government-wide financial statements as internal balances.

All trade accounts receivable are presented net of allowance for doubtful accounts. No allowances for doubtful accounts have been provided for taxes or rental registration fees. Property taxes are levied as of July 1 on property assessed on the same date. Alameda County assesses properties, bills for, collects and distributes property taxes as follows:

	Secured	Unsecured
Valuation/Lien dates	January 1	January 1
Levy dates	July 1	July 1
Due dates	50% on Nov1 50% on Feb1	July 1
Delinquent as of	Dec 10 (for Nov) Apr 10 (for Feb)	August 31

The term “unsecured” refers to taxes on businesses’ machinery, furniture, and equipment. Property taxes are secured by liens on the property being taxed.

Property taxes are recorded as revenue when they become both measurable and available to finance expenditures in the fiscal year. Deferred inflows of resources is recorded for the amount included in taxes receivable, which is not collected within 60 days after fiscal year-end.

H. Inventories and Prepaid Expenses

All inventories are valued at the lower of cost or market on a first-in-first-out basis. Inventory in the Supplies Warehouse Fund consists of postage supplies held for consumption by all departments of the City. The cost is recorded as an expense in the appropriate fund at the time inventory items are withdrawn for use (consumption method).

The City uses the consumption method to record changes in prepaid items in governmental funds; they are recorded at cost as assets in the period which they are purchased and recognized as expenditures in the period they are used or consumed.

I. Land Held for Resale

Land parcels held for resale are accounted for at the lower of cost or net realizable market value.

J. Capital Assets

Capital assets, which include land, buildings, machinery, construction in progress, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (land rights, software and right-to-use

leased buildings) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

City policy has set the capitalization threshold for reporting capital assets at the following:

Non-Infrastructure Capital Assets	\$5,000
Infrastructure Capital Assets	\$100,000

For capital assets, depreciation is recorded on the straight-line method over the useful lives of the assets as follows:

Depreciation/Amortization:

Building and Improvements	15 to 30 years
Equipment	4 to 10 years
Infrastructure	10 to 50 years
Right-to use lease buildings	Shorter of useful life or lease term
Right-to use IT Subscriptions	Shorter of useful life or subscription term

K. Compensated Absences

i. Compensated Absences

The City of Berkeley recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Accrued Vacation, Sick Leave, and Compensatory Time Vacation, sick leave, compensatory time, and related benefits are accrued as determined by the agreements between the City and the respective employees' collective bargaining group. For governmental funds, compensated absence obligations are recorded in the appropriate governmental funds when due. The portion not currently due is recorded in the government-wide financial statements. For proprietary funds, compensated absences are expensed when earned by employees. At year-end, the accrued but unpaid compensated absence obligations are recorded as current and noncurrent liabilities in the appropriate proprietary funds.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued when incurred in proprietary funds and is reported as a fund liability. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. The City has established an Internal Service Fund (Sick and Vacation Payout Fund) to pay for compensated absences when a worker leaves the City or retires. The City uses the vested method for calculating compensated absences.

The personnel policies of the City do not allow employees to accrue vacation in excess of eight weeks (320 hours). For example, when a miscellaneous employee (Police and Fire sworn employees have different formulas) is terminated or retires, with a vested pension with twenty years of service, an employee is entitled to be paid 38 percent of the accrued sick leave balance and 62 percent of the balance can be used for CALPERS credit. Employees with at least twenty-eight (28) years of benefited City service or an employee retiring on permanent disability arising out of, and incurred in, the course and scope of their employment with the City

NOTES TO THE FINANCIAL STATEMENTS

with at least twenty-eight (28) years of benefited service shall be entitled to receive payment in an amount equal to 50 percent of their accrued sick leave days up to a maximum of (200) unused sick leave days. The employee has the option of using the payout entitlement for retiree medical insurance premium payments.

ii. New Sick Leave Program for Police (PORAC)

Effective December 23, 2012, Section 24.6 Maximum Sick Leave Accrual, of the Police MOU in its entirety has been abolished and the following New Sick Leave Program is in effect:

Initial Implementation with Existing Sick Leave Balances

If a sworn member of the Berkeley Police Department has an accrued sick leave balance on December 23, 2012, one half of those hours in excess of 200 it has been converted and will be deposited into the employee's retiree Peace Officers Research Association of California (PORAC) medical trust account over five successive years in installments commencing on January 1, 2013. The conversion rate is the employee's rate of pay on December 23, 2012. The remaining fifty percent of the sick leave balance in excess of 200 hours was credited into the employee's separate "catastrophic/service time" bank no later than February 1, 2013 up to a maximum of 500 hours.

After initial implementation and Going Forward

Beginning January 1, 2013, at the end of each calendar year, if an employee has an accrued sick leave balance of 200 hours or more of sick leave, fifty percent of all hours accrued in excess of 200 hours is converted into a cash equivalent at the end of each calendar year. The annual cash conversion is calculated at the employee's hourly rate including additional pay such as POST pay, Bilingual Pay and Longevity Pay then in effect at the end of the calendar year. The annual cash conversion is limited to 50 percent of the hours an employee has accrued in excess of 200 hours as of December 31 of each year. The City pays the annual cash equivalent into an employee's retiree PORAC medical trust account on behalf of the employee member. Upon retirement, any sick leave hours that have not been converted into an employee's PORAC medical trust account, used for the purposes of additional retirement service credit as provided in PERL Section 20965, or "catastrophic/service time" bank is forfeited.

L. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs with the exception of bond insurance are expensed at time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The Tax Reform Act of 1986 instituted arbitrage restrictions related to the issuance of tax-exempt bonds issued after August 31, 1986. Those regulations relate to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. An independent firm performs arbitrage rebate calculations to determine the applicability of federal arbitrage regulations. As of June 30, 2025, the City did not have a liability due.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 financial position will sometimes report a separate section for deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods.

Net Position

In the government-wide and proprietary funds financial statements, net position is categorized in the following categories:

Net Investment in Capital Assets is the portion of net position that relates to the City's capital assets less accumulated depreciation and any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds.

Restricted Net Position is the portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of all net position that does not meet the definition of either of the other two components.

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

N. Fund Balances

The City follows the provisions of GASB Statement No. 54 Fund Balance and Governmental Fund Type Definitions. GASB Statement No. 54 established Fund Balance classifications based largely upon the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds.

GASB Statement No. 54 distinguishes fund balance between amounts that are considered non-spendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that controls the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts is reported in the classifications listed on the following page.

Nonspendable Fund Balance are amounts that are not in a spendable form, such as inventories, prepaid items, and long-term loans and notes receivable. It also includes amounts that are legally or contractually required to be maintained intact or required to be retained in perpetuity, such as the principal of an endowment fund.

Restricted Fund Balance are amounts reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (e.g., through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance are amounts that have been limited to specific purposes as defined in the City Charter or through adoption of an ordinance by the City Council, the highest level of decision making authority in the City. These commitments may be changed or lifted, but only by the same formal action that was used to impose the constraint originally. City Council action to commit fund balance must occur within the fiscal reporting period, while the amount committed may be subsequently determined.

Assigned Fund Balance are amounts that are intended to be used by the City for specific purposes that are neither restricted nor committed through City Council budgetary action, which includes the approval of appropriations and revenues pertaining to the next fiscal year's budget. Intent is expressed by the City Council or City Manager, to which the City Council has delegated the authority, to assign amounts to be used for specific purposes.

Unassigned Fund Balance are amounts within the General Fund, the residual resources (either positive or negative), in excess of what can properly be classified in one of the other four fund balance categories. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification in one of the other four fund balance categories.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance categories, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Spending Policy

The City's policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available, except for instances wherein a City's ordinance or resolution specifies the fund balance.

NOTES TO THE FINANCIAL STATEMENTS

The City's policy is that committed and assigned fund balances are considered to have been spent first before unassigned fund balances have been spent, when expenditure are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, except for instances where in a City ordinance specifies the fund balance. For committed fund balance, the City Council is the highest level of decision making authority. Commitments may be changed or lifted only by the City adopting a resolution that imposed the constraint originally. For assigned fund balance, it comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council or City manager, to which the City Council has delegated the authority, to assign amounts to be used for specific purposes.

O. Use of Estimates

A number of estimates and assumptions relating to the reporting of revenues, expenditure/expenses, assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America, actual results could differ from these results.

P. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's three Plans (Separate ones for Miscellaneous, Fire and Police employees) and additions to/deductions from the OPEB Plans' 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	July 1, 2024
Measurement Date	June 30, 2025
Measurement Period	July 1, 2024 to June 30, 2025

Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, the fiduciary net position of the City's defined benefit retirement plans (Police Retiree Income Plan, Safety Members Pension Plan and the California Public Employees' Retirement System), and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported in the plans. 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.

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2025 are classified in the accompanying financials statements at fair value as follows:

	Unrestricted	Restricted	Total
Primary government except for fiduciary fund	\$ 408,098,209	\$ 305,547,645	\$ 713,645,854
Fiduciary fund	-	68,767,030	68,767,030
Component unit: Rent Stabilization Board	10,879,233	-	10,879,233
Total cash and investments	<u>\$ 418,977,442</u>	<u>\$ 374,314,675</u>	<u>\$ 793,292,117</u>

Cash and investments as of June 30, 2025 consist of the following:

Cash and deposits:

Cash on hand	\$ 32,565
Deposits with financial institutions in pooled cash account	
Primary government	23,287,841
Fiduciary funds	11,936,859
Rent Stabilization Board	<u>10,879,232</u>

Total deposits with financial institutions	46,103,932
Deposits with fiscal agents for primary government	136
Deposits with fiscal agents for Fiduciary fund	14
Total cash and deposits	46,136,647
Investments:	
Investments for City government, excluding trust funds	690,325,299
Investments held in trust	56,830,171
Total investments	747,155,470
Total cash, deposits and investments	\$ 793,292,117

Pooled Cash and Investments - The City maintains a cash and investment pool that is available for use by all funds and component units. Each fund's portion of this pool is displayed on the governmental fund balance sheets and proprietary fund statement of net position as "cash and investments."

Restricted Cash and Investments - The City has other investments, not held by the City Treasury, that are invested pursuant to governing bond covenants. These amounts are reflected as restricted cash in the financial statements.

Investments in Retirement Plans - The funds of the retirement plans and retiree medical plans are invested pursuant to City investment policies established specifically for those plans by the City Council, which are pursuant to Sections 2.44.040 and 2.44.060 of the Berkeley Municipal Code, Resolution No. 45,087-N.S., and Sections 53601, 53607, 53636 and 53648 of the State Government Code, the Director of Finance, the Treasurer of the City, is authorized to make investments of the City's Trusts' idle funds. Pursuant to Section 53622, some of the investment vehicles the City Council has authorized includes equity mutual funds or equity index funds, preferred stocks and bond funds. The Code also directs the City to present an annual investment policy to the City Council for approval. The objective of the investment policies is to maximize the expected return of the plans at the acceptable level of risk.

A. Investments

Investments Authorized by the California Government Code and the City of Berkeley Investment Policies

The table below identifies the **investment types** that are authorized for the City of Berkeley's pooled investment policies. The table also identifies certain provisions of the California Government Code and/or the City's investment policies that address **interest rate risk and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code.

Authorized Investment Type	Maximum Maturity	Percentage/ Dollar of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	100%	N/A
U.S. treasury securities	10 years	100%	N/A
U.S. agency securities	10 years	100%	N/A
Banker's acceptances	7 days	40%	30%
Commercial paper	180 days	25%	\$5MM or 2%
Negotiable certificates of deposit	10 years	30%	N/A
Repurchase agreements	1 year	10%	N/A
Medium-term notes	10 years	30%	N/A
Guaranteed investment contracts	5 years	25%	N/A
Money market funds	N/A	100%	N/A
Mortgage pass-through securities	5 years	20%	N/A
County pooled investment funds	N/A	N/A	N/A
JPA pools (other investment pools)	N/A	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS

B. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policies. The table on the next page identifies the **investment types** that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address **interest rate risk**, and **concentration of credit risk**.

Authorized Investment Type	Maximum Maturity	Percentage/ Dollar of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	10 years	100%	N/A
U.S. Agency Securities	10 years	100%	N/A
Money Market Funds	N/A	100%	N/A
Guaranteed Investment Contracts	5 years	25%	N/A

C. Risk Disclosures

i. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The City has the intention of holding all investments to maturity. The average maturity of the City's pooled investments governed by the Investment Policies was approximately 1.51 years as of June 30, 2025.

City's Investments

Information about the sensitivity of the fair values of the City's investments (excluding investments held in trust for retiree medical plans) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Investment Maturities (in years)						
	Total	Less than 1	1 - 2	2 - 3	3 - 4	4 - 5	More than 5
U.S. Agency securities	\$ 382,599,732	\$ 214,752,390	\$ 97,221,530	\$ 10,025,650	\$ -	\$ 15,035,450	\$ 45,564,712
Medium term notes	80,506,623	24,881,550	23,482,563	9,962,650	1,021,960	4,733,500	16,424,400
Money market	227,218,944	227,218,944	-	-	-	-	-
Total Investments	\$ 690,325,299	\$ 466,852,884	\$ 120,704,093	\$ 19,988,300	\$ 1,021,960	\$ 19,768,950	\$ 61,989,112

Trust Fund Investments

In accordance with Government Code Sections 53620-53622, the assets of the City of Berkeley retiree medical plan trusts may be invested in any form or type of investments deemed prudent by the City Council. These plans are authorized by investment policies approved by the City Council to invest in various types of investments, up to a maturity of 30 years.

- The issuer of commercial paper must have the highest rating from two nationally recognized rating agencies, not one (as required by the State).
- Purchases of corporate notes shall be limited to securities rated "A" or higher by Moody's or Standard and Poor's.
- Purchases of long-term (i.e., beyond five years) corporate bonds are limited to the Retiree Medical Plan Trust Fund and debt service reserve funds. Issuers must have a Moody's credit rating of "A3" or higher and Standard and Poor's rating of "A-" or higher.

These OPEB and pension investments are reported at fair value, as follows:

Investment Type	Total	1 - 2	2 - 3	3 - 4	4 - 5	More than 5	No Maturity
U.S. Agency securities	\$ 24,137,452	\$ -	\$ 7,155,072	\$ -	\$ -	\$ 16,982,380	\$ -
Municipal bond	3,791,889	3,791,889	-	-	-	-	-
Corporate bond	21,206,830	2,503,750	-	-	-	18,703,080	-
Preferred stock	7,640,000	-	-	-	-	-	7,640,000
Savo Island loan	54,000	-	54,000	-	-	-	-
Total Investments	\$ 56,830,171	\$ 6,295,639	\$ 7,209,072	\$ -	\$ -	\$ 35,685,460	\$ 7,640,000

NOTES TO THE FINANCIAL STATEMENTS

ii. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policies, or debt agreements and the actual rating as of the year end for each investment type.

City's Investments

Investment Type	Amount Held	Minimum Legal Rating	S & P Rating June 30, 2025
U.S. Agency Securities	\$ 382,599,732	AA+	AA+
Medium Term Notes	80,506,623	A	A+
Money market	227,218,944	N/A	N/A
Total	\$ 690,325,299		

Trust Fund Investments

Investment Type	Amount Held	Minimum Legal Rating	S & P Rating June 30, 2025
U.S. agency securities	\$ 24,137,452	AA+	AA+
Municipal bonds	3,791,889	A	A+
Corporate bond	21,206,830	A	A+
Preferred stock	7,640,000	N/A	N/A
Savo Island loan	54,000	N/A	Not rated
Total	\$ 56,830,171		

iii. Concentration of Credit Risk

The investment policies of the City contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of total investments are as follows:

City's Investments

	Investment Type	Reported Amount	Percentage of Holdings
Federal home loan banks	Federal agency securities	\$ 283,326,881	41.0%
Federal farm credit bank	Federal agency securities	84,528,800	12.2%
	Total	\$ 367,855,681	53.2%

Trust Fund Investments

Issuer	Investment Type	Reported Amount	Percentage of Holdings
Federal Farm Credit Bank	Federal agency securities	\$ 20,143,772	35.5%
Northern trust corp	Medium term notes	10,798,200	19.0%
AT&T Inc	Preferred stock	7,640,000	13.4%
Deutsche Bank	Medium term notes	4,028,600	7.1%
Federal Home Loan Banks	Federal agency securities	3,993,680	7.0%
Total		\$ 46,604,252	82.0%

iv. Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the City's exposure to custodial credit risk for deposits, except that the California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

For an investment, custodial credit risk is the risk of loss associated with the counterparty failure to a transaction, 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 of the City's investments except money market mutual funds and guaranteed investment contracts are subject to custodial risk. All security transactions entered into by the City are conducted on a delivery versus payment basis. City's investments, OPEB trust fund investments and pension fund investments are held by Principal Bank as the custodian. Principal bank has professional liability insurance that is structured with five layers on top of the base coverage and each layer adds \$10M to the previous layer:

- Layer B – \$10M in excess of \$10M for \$20M total
- Layer C - \$10M in excess of \$20M for \$30M total
- Layer D - \$10M in excess of \$30M for \$40M total
- Layer E - \$10M in excess of \$40M for \$50M total
- Layer F - \$10M in excess of \$50M for \$60M total.

D. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered hierarchy, as follows:

- Level 1: Investments reflect prices quoted for identical assets in active markets
- Level 2 of the fair value hierarchy investments are valued using prices determined by matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices for similar securities that are observable in the marketplace.
- Level 3: Investments reflect prices based upon unobservable sources.

NOTES TO THE FINANCIAL STATEMENTS

The City has the following recurring fair value measurements as of June 30, 2025:

City's Investments

Investment Types	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets		Significant Unobservable Inputs
		Identical Assets (Level 1)	Similar Assets (Level 2)	(Level 3)
U.S. agency securities	\$ 382,599,732	\$ -	\$ 382,599,732	\$ -
Medium term notes	80,506,623	-	80,506,623	-
Total	\$ 463,106,355	\$ -	\$ 463,106,355	\$ -

Trust Fund Investments

Investment Types	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets		Significant Unobservable Inputs
		Identical Assets (Level 1)	Similar Assets (Level 2)	(Level 3)
U.S. agency securities	\$ 24,137,452	\$ -	\$ 24,137,452	\$ -
Municipal bonds	3,791,889	-	3,791,889	-
Corporate bond	21,206,830	-	21,206,830	-
Preferred securities	7,640,000	7,640,000	-	-
Others	54,000	-	-	54,000
Total	\$ 56,830,171	\$ 7,640,000	\$ 49,136,171	\$ 54,000

E. Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits. Included as deposits are bank deposits. In accordance with the California Government Code, demand deposits that are not insured must be collateralized with governmental securities at 110 percent of all such deposits or pledging of first deed mortgage notes equal to 150 percent of the City's deposits. The collateral must be held by the bank in the City's name. The following chart presents bank deposit balances for the primary government, its component units, and fiduciary funds as of June 30, 2025. Deposits are listed in terms of whether they are exposed to custodial credit risk (i.e., the risk that in the event of a bank failure, the City's deposits may not be returned). Deposits are exposed to custodial credit risk if they are either, (1) insured and collateralized, (2) uninsured and collateralized with securities held by the pledging financial institution, or (3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the City.

Bank Deposit Balances

Deposits Exposed to Custodial Credit Risk

Description	Primary Government	Component Unit (Rent Board)	Fiduciary Funds		Total Bank Balances
			OPEB	Others	
Insured and/or collateralized	\$ 126,279	\$ 58,993	\$ 7,546	\$ 57,182	\$ 250,000
Uninsured and collateralized with securities held by pledging institution's trust department or agent, but not in City's name	2,745,447	1,282,573	164,062	1,243,196	5,435,278
Total bank balance - all deposits*	\$ 2,871,726	\$ 1,341,566	\$ 171,608	\$ 1,300,378	\$ 5,685,278

* These amounts represent bank balances before reconciling items.

The City applies the provision of GASB 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which requires governments to present investments at fair value. For the fiscal year ended June 30, 2025, the City had an increase in the fair value of investments based on quoted market prices for the securities held, which are included as investment income in the General Fund, as follows:

Interest income	\$ 16,414,594
Net increase/(decrease) in the fair value of investments	10,814,180
Total investment income	<u>\$ 27,228,774</u>

3. NOTES AND LOANS RECEIVABLE

Details of Notes Receivable as of June 30, 2025 are as follows:

Notes/Loans Receivable	June 30, 2025
General Fund:	
Development Loans	\$ 21,745,880
S.B. Rental Rehabilitation	2,391,678
Notes/Loans Receivable	10,020,748
Allowance for uncollectible	(235,876)
Total General Fund	<u>33,922,430</u>
Grant Fund:	
Development Loans	39,748,348
CalHome Senior Home Repair	817,277
Rehabilitation - Emergency Repair	5,233
1st Time Homebuyer Home Loans	140,000
Total Grant Fund	<u>40,710,858</u>
Capital Improvement Fund:	
Development Loans	7,275,114
Security Deposit Revolving Loan Fund Program	375,000
CalHome Senior Home Repair	121,461
Total Capital Improvement Fund	<u>7,771,575</u>
Measure O housing Fund:	
Development Loan	46,146,133
Total Measure O Housing Fund	<u>46,146,133</u>
Nonmajor Governmental Funds:	
Development Loans	35,758,673
S.B. Rental Rehabilitation	27,253
CalHome Senior Home Repair	336,217
Rehabilitation - Emergency Repair	862,492
Rehabilitation - Senior Disabled	409,208
OED - Citywide Loans	76,731
OED - Mortgage Loan	77,000
OED - Revolving Loan	1,154,445
Allowance for uncollectible	(233,828)
Total Nonmajor Governmental Funds	<u>38,468,191</u>
Total Notes/Loans Receivable	<u>\$ 167,019,187</u>

NOTES TO THE FINANCIAL STATEMENTS

Development Loans

This loan program began in 1991, in which the City awards loans to developers every year. The first year of maturity for loans starts in 2046, but most of the loans may be forgiven. Development loans normally are charged 6 percent simple interest per annum, with a range of 3 to 6 percent. The agreements require the borrower to pay annual interest only, at the lesser of 50 percent of the property's net cash flow or the amount of interest calculated at 6 percent. Some of the loans may be forgiven after 55 years from the loan date, if the terms of the agreement are satisfied. Most of the loans have a residual receipt clause, which means a portion of the revenue received from the development is used to repay the loan back to the city on an annual basis after project completion.

Senior Rehabilitation Loans

This loan program began in 1980. The City is unable to predict the maturity dates of the loans because most of them are only due upon sale of the property. Ninety percent of these loans are deferred with no monthly payments required. Interest rates range between 0 to 6 percent.

CALHOME Senior Home Repair Loans

Cal Home funds are additional resources to existing Senior and Disabled Home Rehabilitation Loan Programs. Financial assistance from the Cal Home is in the form of a deferred payment loan that is due and payable upon sale or transfer of title to the property. The interest rate is zero. Cal Home has been in existence since 2002 and it targets seniors and disabled homeowners who are very low income and are unable to undertake rehabilitation of their homes because of limited income.

Rehabilitation – Emergency Repair

This loan program was done primarily in the 1980s and was a predecessor for the Senior and Disabled Rehabilitation Loan Programs. Funds are used for repairs to homes.

Rehabilitation – Senior Disabled

This loan program is related to CDBG and CalHome funds, which are used for zero-interest loans to homeowners who are either 62 or older or disabled. Funds are used for health and safety repairs.

1st Time Homebuyer Home Loans

This loan program provides a second mortgage for low-income homeowners. It was implemented in approximately 1998 and 1999.

OED Citywide, Mortgage, and Revolving Loans

OED loans are revolving loans funds that can provide access to capital for businesses and entrepreneurs who seek to grow, retain or create jobs, but do not qualify for a traditional bank loan. The OED program serves all commercial areas in the City. The interest rate is based on Prime Rate plus 2 percent at the time of loan approval. Loan terms are up to 7 years.

Golden Bear Homes Homekey Project Loan

The State of California Housing and Community Development created the State Homekey program to fund the acquisition and development of existing residential buildings, including hotels, motels, and other residential building structures to house households experiencing or at risk of homelessness.

4. INTERFUND TRANSACTIONS

A. Due To/From Other Funds

At June 30, 2025 the City had the following due to/from other funds:

From Fund	To Fund	Amount	Total
General Fund	Nonmajor governmental funds		
	Special revenue fund	\$ 1,369,483	
	Debt service fund	10,120	1,379,604
	Governmental fund		
	Grant fund		13,132,820
	Enterprise funds		
	Off-street parking	1,625,433	
	Marina Operations	2,477,099	
	Building purchases & management	2,277,928	6,380,460
	Internal service funds		468,435
Capital improvement fund	Grant fund		1,831,976
			\$ 23,193,295

The amounts due to the General Fund and Capital Improvement Funds from other funds represent reclassified temporary negative cash balances pending grant reimbursements or other receivables. Current interfund balances arise in the normal course of operations and are expected to be repaid within the next fiscal year.

The plan to increase service charges for Building purchases and management fund has been discussed. Currently the increase is put on hold due to various competing factors and financial outlook. The discussion will be revised in the coming budget process.

B. Transfers

At June 30, 2025, the City had the following transfers in/out which arise in the normal course of operations.

From Fund	To Fund	Purpose	Amount
General Fund	Capital Improvement Fund	Capital project support	14,099,209
	Non-Major Funds	Employee Training Fund	750,000
		PERS Savings Fund	4,815,734
		Health State Aid	1,953,018
		Fair Elections Fund	612,210
		Fund\$ Replacement Fund	-
	Internal Service Funds	Equipment Replacement	1,631,358
		Worker's Compensation Fund	-
		Public Liability	2,664,292
		Catastrophic Insurance	7,322,003
		Information Technology Support	71,335
			33,919,159

NOTES TO THE FINANCIAL STATEMENTS

Capital Improvement Fund	Nonmajor Funds	First Source Fund	29,917
		Public Art Fund	244,896
		Fund\$ Replacement Fund	946,400
		Berkeley Repertory Theatre Fund	499,802
		Debt Service Payment	402,613
		Equipment Replacement	128,022
	Internal Service Fund		<u>2,251,650</u>
Nonmajor Funds	General Fund	Health State Aid	2,643,280
		Payroll Trust Fund	3,000,000
	Nonmajor Funds	First Source Fund	3,750
		Paramedic Fund	757,925
		Public Art Fund	66,344
		PERS Savings Fund	536,325
		Fire Admin Training Fund	7,500,000
		Sewer Lateral Fund	430,000
	Enterprise Fund	Clean Storm Water Fund	29,170
		Catastrophic Insurance	71,081
	Internal Service Fund		<u>15,037,874</u>
Zero Waste Fund	Capital Improvement Fund		
	Internal Service Fund	Capital project support	735,058
		Catastrophic Insurance	110,870
			<u>845,928</u>
Marina Operations Fund	Nonmajor Funds	First Source & Public Art Fund	562
		Catastrophic Insurance	16,890
	Internal Service Fund		<u>17,452</u>
Sanitary Sewer Operation Fund	Enterprise Fund	Private Sewer Lateral	90,501
		Catastrophic Insurance	102,522
	Internal Service Fund		<u>193,023</u>
Clean Storm Water Fund	Internal Service Funds	Catastrophic Insurance	25,085
Permit Service Center Fund	Internal Service Fund	Catastrophic Insurance	55,637
Off Street Parking Fund	Internal Service Fund	Catastrophic Insurance	7,920
Parking Meter Fund	General Fund	Homeless program funded by parking meters	1,042,288
	Enterprise Fund	Off Street Parking Fund	1,000,000
	Internal Service Fund	Catastrophic Insurance	8,650
			<u>2,050,938</u>
Internal Service Fund	General Fund	Information Technology Support	496,355
		Monsanto Settlement	1,792,557
	Proprietary Fund	Maintenance of City Vehicles	2,000,000
		Fund\$ Replacement Fund	2,900,000
	Nonmajor Fund		<u>2,900,000</u>
			<u>7,188,912</u>
			<u>\$ 61,593,578</u>

5. CAPITAL ASSETS

At June 30, 2025, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total	Component Unit
Non-Depreciable Assets				
Land	\$ 25,142,014	\$ 2,979,050	\$ 28,121,064	\$ -
Construction in Progress	12,824,009	-	12,824,009	-
Total Non-Depreciable Assets	37,966,023	2,979,050	40,945,073	-
Depreciable Assets				
Buildings	261,495,379	93,469,515	354,964,894	-
Improvements Other than Buildings	47,848,121	21,375,311	69,223,432	-
Machinery and Equipment	97,730,145	12,090,378	109,820,523	861,444
Infrastructure	330,295,129	274,427,971	604,723,100	-
Right-to-use leased buildings	23,367,146	-	23,367,146	4,753,206
Right-to-use software subscription	4,710,378	1,714,393	6,424,771	-
Total Depreciable Assets	765,446,298	403,077,568	1,168,523,866	5,614,650
Less Accumulated Depreciation and Amortization for:				
Buildings	133,646,392	39,853,169	173,499,561	-
Improvements Other than Buildings	12,003,313	9,581,245	21,584,558	-
Machinery and Equipment	68,425,948	9,156,490	77,582,438	639,710
Infrastructure	171,592,983	95,320,617	266,913,600	-
Right-to-use leased buildings	1,448,371	-	1,448,371	598,829
Right-to-use subscriptions*	1,789,414	480,847	2,270,261	-
Total Accumulated Depreciation	388,906,421	154,392,368	543,298,789	1,238,539
Total Depreciable Assets, net	376,539,877	248,685,200	625,225,077	4,376,111
Total Capital Assets	\$ 414,505,900	\$ 251,664,250	\$ 666,170,150	\$ 4,376,111

A. Government Activities

The following is a summary of changes in the capital assets for the governmental activities during the fiscal year:

	Beginning Balance	Additions	Deletions	Transfer Adjustments	Ending Balance
Non-Depreciable Assets					
Land	\$ 25,142,014	\$ -	\$ -	\$ -	\$ 25,142,014
Construction in Progress	11,951	12,824,008		(11,951)	12,824,009
Total Non-Depreciable Assets	25,153,965	12,824,008	-	(11,951)	37,966,023
Depreciable Assets					
Buildings	254,582,994	6,912,385			261,495,379
Improvements Other than Buildings	45,029,733	2,818,388			47,848,121
Machinery and Equipment	91,025,378	10,420,599	(3,727,782)	11,951	97,730,145
Infrastructure	309,132,670	21,162,458	-	-	330,295,129
Right-to-use leased buildings	746,332	22,620,814			23,367,146
Right-to-use software subscription	2,372,055	2,632,774	(294,451)		4,710,378
Total Depreciable Assets	702,889,162	66,567,419	(4,022,233)	11,951	765,446,298
Less Accumulated Depreciation and Amortization for:					
Buildings	126,046,766	7,599,625			133,646,392
Improvements Other than Buildings	10,505,714	1,497,598			12,003,313
Machinery and Equipment	64,912,980	7,087,656	(3,574,687)		68,425,948
Infrastructure	163,903,531	7,689,452			171,592,983
Right-to-use leased buildings	463,242	985,129			1,448,371
Right-to-use software subscription	684,226	1,399,639	(294,451)		1,789,414
Total Accumulated Depreciation	366,516,461	26,259,099	(3,869,138)	-	388,906,421
Total Depreciable Assets, net	336,372,702	40,308,319	(153,095)	11,951	376,539,877
Total Capital Assets	\$ 361,526,666	\$ 53,132,327	\$ (153,095)	\$ -	\$ 414,505,900

NOTES TO THE FINANCIAL STATEMENTS

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2025 was as follows:

General Government	\$ 1,494,968
Public Safety	2,581,164
Highways and Streets	7,634,330
Health and Welfare	318,913
Culture and Recreation	6,143,758
Community Development and Housing	2,433,182
Internal Service Funds	5,652,784
Total Depreciation Expense	<u>\$ 26,259,099</u>

B. Business-Type Activities

The following is a summary of changes in the capital assets for business-type activities during the fiscal year:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Assets				
Land	\$ 2,979,050	\$ -	\$ -	\$ 2,979,050
Construction in Progress	-	-	-	-
Total Non-Depreciable Assets	<u>2,979,050</u>	<u>-</u>	<u>-</u>	<u>2,979,050</u>
Depreciable Assets				
Buildings	93,469,515	-	-	93,469,515
Improvements Other than Buildings	18,703,848	2,671,463	-	21,375,311
Machinery and Equipment	11,591,317	570,923	(71,862)	12,090,378
Infrastructure	265,466,361	8,961,610	-	274,427,971
Right-to-Use Software Subscription	-	1,714,393	-	1,714,393
Total Depreciable Assets	<u>389,231,042</u>	<u>13,918,389</u>	<u>(71,862)</u>	<u>403,077,568</u>
Less Accumulated Depreciation for:				
Buildings	36,944,498	2,908,671	-	39,853,169
Improvements Other than Buildings	8,922,764	658,481	-	9,581,245
Machinery and Equipment	8,380,383	847,969	(71,862)	9,156,490
Infrastructure	90,881,004	4,439,613	-	95,320,617
Right-to-Use Software Subscription	-	480,848	-	480,848
Total Accumulated Depreciation	<u>145,128,649</u>	<u>9,335,581</u>	<u>(71,862)</u>	<u>154,392,368</u>
Total Depreciable Assets, net	<u>244,102,393</u>	<u>4,582,808</u>	<u>-</u>	<u>248,685,200</u>
Total Capital Assets	<u>\$ 247,081,441</u>	<u>\$ 4,582,808</u>	<u>\$ -</u>	<u>\$ 251,664,250</u>

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2025 was as follows:

Parking-Related	\$ 2,167,212
Marina Operations and Maintenance	594,125
Sewer Services	4,016,678
Clean Storm Water	761,634
Refuse Services	461,078
Permit Service Center	444,170
Building Purchases	890,683
Total Depreciation Expense	<u>\$ 9,335,581</u>

C. Discretely Presented Component Unit

Capital asset activity for the Rent Stabilization Board for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Assets				
Machinery and Equipment	\$ 841,652	\$ 22,503	\$ (2,711)	\$ 861,444
Right-to-use leased building	4,753,206	\$ -	\$ -	4,753,206
Total Depreciable Assets	5,594,858	22,503	(2,711)	5,614,650
Less Accumulated Depreciation and Amortization for:				
Machinery and Equipment	604,160	38,261	(2,711)	639,710
Right-to-use leased building*	149,707	449,122	-	598,829
Total Accumulated Depreciation	753,867	487,383	(2,711)	1,238,539
Total Capital Assets	\$ 4,840,991	\$ (464,880)	\$ -	\$ 4,376,111

6. Leases and Subscription-Based IT Arrangements**Leases Receivable**

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about the City's 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. The City has 15 building lessor financing leases in which it is acting as Lessor. The total value of the lease receivable and deferred inflow of resource at June 30, 2025 were \$30,413,703 and \$29,252,272 respectively. The total of lease revenue recognized during FY 2025 was \$1,158,393. Following are the additional disclosures related to each of the leases:

Governmental Activities:

Location	Months in Lease	Beg. Lease Receivable	Monthly/ Annual Payment Amount	Interest Rate	Value of Lease Receivable	Due Within One Year	Deferred Inflow at 6/30/25	Lease Revenue Recognized in FY 2025	Number of Extension Options	Total Months of Extension Options
1. 830 University Ave - Berkeley Free Clinic	60	102,099	\$ 2,000	2.47%	\$ 80,382	\$ 22,261	\$ 79,846	\$ 22,598	1	60
2. 830 University Ave - Lifelong Medical Care	60	98,517	\$ 2,000	2.47%	\$ 76,710	\$ 22,353	\$ 75,641	\$ 22,598	1	60
3. Camp Cazadero	414	911,530	\$ 45,000	3.05%	\$ 894,314	\$ 17,741	\$ 870,911	\$ 27,648	1	120
Total Amount:		\$ 1,112,146	\$ 49,000		\$ 1,051,406	\$ 62,355	\$ 1,026,398	\$ 72,844		

NOTES TO THE FINANCIAL STATEMENTS

Business - Type Activities:

Location	Months in Lease	Beg. Lease Receivable	Monthly Payment Amount	Interest Rate	Value of Lease Receivable	Due Within One Year	Deferred Inflow at 6/30/25	Lease Revenue Recognized in FY 2025	Number of Extension Options	Total Months of Extension Options
1. 1947 Center St. 5th Floor	114	893,015	\$ 10,881	1.60%	\$ 769,228	\$ 128,551	\$ 717,893	\$ 130,526	2	120
2. 2425 Channing Way Suite C	62	48,269	1,794	0.32%	26,859	21,478	25,829	21,574	1	60
3. 225 University Ave.	52	56,844	3,200	0.89%	14,380	14,380	13,451	40,353	1	24
4. 200 Marina Blvd.	714	25,272,086	70,904	2.58%	25,071,730	205,593	24,157,590	435,272	N/A	N/A
5. Bike Station Center Street Garage	175	535,971	4,113	1.99%	495,942	40,834	471,704	44,570	1	12
6. 2446 Durant Ave. Storage	42	2,133	325	0.89%	0	0	0	2,023	2	60
7. 2446 Durant Ave. Shop	41	8,818	1,617	0.73%	0	0	0	8,415	1	60
8. 1 Seawall Drive	294	501,379	1,691	2.48%	491,202	11,115	441,617	21,542	2	120
9. 2425 Channing Way Suite A	60	129,897	3,164	2.31%	110,547	37,139	73,609	25,979	1	60
10. 2444 Durant Ave.	48	26,110	2,186	0.89%	0	0	0	25,783	1	60
11. 2439 Channing Way	40	15,485	3,548	0.73%	0	0	0	14,763	1	60
12. 2425 Channing Way Suite B	101	177,130	2,343	0.73%	147,061	31,229	136,900	30,996	2	60
13. 100 Seawall Drive	120	2,029,981	24,000	2.72%	1,794,225	242,243	1,725,455	252,506	2	60
14. 235 University Ave.	48	93,961	5,330	0.89%	0	0	0	83,189	1	60
15. 2435 + 2439 Channing Way	360	0	6,416	3.10%	1,492,529	31,179	1,488,224	20,902	2	120
Total Amount:		\$ 29,791,079	\$ 141,512		\$ 30,413,702	\$ 763,741	\$ 29,252,272	\$ 1,158,393		

Principal and Interest Expected to Maturity

Fiscal Year	Business-Type Activities		
	Principal Receipt	Interest Revenue	Future Minimum Rent
2026	\$ 763,741	\$ 772,999	\$ 1,536,740
2027	756,658	755,585	1,512,243
2028	768,401	737,704	1,506,105
2029	756,324	719,882	1,476,206
2030	758,074	701,948	1,460,022
2031 - 2035	2,360,544	3,290,177	5,650,721
2036 - 2040	1,791,256	3,044,466	4,835,722
2041 - 2045	2,036,636	2,794,264	4,830,900
2046 - 2050	2,143,536	2,516,284	4,659,820
2051 - 2055	2,398,829	2,214,707	4,613,536
2056 - 2060	2,349,057	1,905,183	4,254,240
2061 - 2065	2,672,569	1,581,671	4,254,240
2066 - 2070	3,040,635	1,213,605	4,254,240
2071 - 2075	3,459,390	794,850	4,254,240
2076 - 2080	3,935,817	318,423	4,254,240
2081	422,237	3,187	425,424
Total	\$ 30,413,702	\$ 23,364,935	\$ 53,778,639

Fiscal Year	Governmental Activities		
	Principal Receipt	Interest Revenue	Future Minimum Rent
2026	\$ 62,354	\$ 30,646	\$ 93,000
2027	64,013	28,987	93,000
2028	65,716	27,284	93,000
2029	39,286	25,714	65,000
2030	20,005	24,995	45,000
2031 - 2035	109,553	115,447	225,000
2036 - 2040	127,298	97,702	225,000
2041 - 2045	147,918	77,082	225,000
2046 - 2050	171,877	53,123	225,000
2051 - 2055	199,717	25,283	225,000
2056 - 2060	43,669	1,331	45,000
Total	\$ 1,051,406	\$ 507,594	\$ 1,559,000

Leases Payable

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement No. 87 Leases. 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.

As of 06/30/2025, City of Berkeley, CA had 3 active leases. The leases have payments that range from \$122,828 to \$850,140 and interest rates that range from 1.0586% to 3.2260%. As of 06/30/2025, the total combined value of the lease liability is \$22,209,352, the total combined value of the short-term lease liability

NOTES TO THE FINANCIAL STATEMENTS

is \$880,781. The combined value of the right to use asset, as of 06/30/2025 of \$23,367,146 with accumulated amortization of \$1,448,369 is included within the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	23,367,146	1,448,371
Total Leases	\$ 23,367,146	\$ 1,448,371

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	880,781	698,014	1,578,794
2027	861,586	672,685	1,534,271
2028	984,155	642,741	1,626,897
2029	1,019,497	610,864	1,630,361
2030	1,056,043	577,852	1,633,895
2031 - 2035	5,705,272	2,353,373	8,058,645
2036 - 2040	5,830,604	1,437,750	7,268,354
2041 - 2045	5,871,414	427,827	6,299,241
Total	\$ 22,209,352	\$ 7,421,106	\$ 29,630,458

Subscription-Based Information Technology Arrangements

Beginning the year ended June 30, 2023, the City's financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

SBITA Payables

As of 06/30/2025, the City had 14 active subscriptions. The subscriptions have payments that range from \$21,262 to \$337,875 and interest rates that range from 2.1843% to 2.9780%. As of 06/30/2025, the total combined value of the subscription liability is \$3,567,935, and the total combined value of the short-term subscription liability is \$1,511,333. The combined value of the right to use asset, as of 06/30/2025 of \$6,424,772 with accumulated amortization of \$2,270,264 is included within the Subscription Class activities table found below.

Principal and Interest Requirements to Maturity

			Governmental Activities	
Fiscal Year	Principal Payments		Interest Payments	Total Payments
2026	\$1,098,200		\$61,003	\$1,159,203
2027	678,084		33,366	711,450
2028	415,022		16,771	431,793
2029	263,706		6,906	270,612
Total	<u>\$2,455,012</u>		<u>\$118,046</u>	<u>\$2,573,058</u>

			Business-Type Activities	
Fiscal Year	Principal Payments		Interest Payments	Total Payments
2026	\$413,133		\$28,478	\$441,611
2027	447,017		17,937	464,954
2028	122,551		6,532	129,083
2029	130,221		3,365	133,586
Total	<u>\$1,112,922</u>		<u>\$56,312</u>	<u>\$1,169,234</u>

Subscription Assets

Governmental Activities			As of Fiscal Year-end		
Subscription Name	Description	Contractor	Term	Subscription Asset Ending Balance	Accumulated Amortization
(Police Officer) Early Intervention System	Cloud-based subscription service	Benchmark Solutions LLC	19	\$197,133	\$40,522
Accela 2025	Permits and License	Accela, Inc.	24	\$258,692	\$86,231
Asset & Work Order Management	Software Modules	Assetworks, LLC	48	\$561,832	\$112,366
Body Worn Cameras	Various Axon Products	Axon Enterprise, Inc.	24	1,077,902	538,951
CRM System	License	Catallis	48	\$404,957	\$80,991
Scheduling Software -CAREWARE	Berkeley Police Department E-Staffing Solution	Care Systems, Inc.	23	\$260,567	\$134,970
Citizenserve	Inspection & Code Enforcement Software	Online Solutions LLC	48	\$283,917	\$56,783
Cohesity	Data Management	ePlus Technologies, Inc.	6	208,459	178,679
HCS Database: Multi-family Housing Database	Software license	City Data Services, LLC	36	157,569	39,392
Situational Awareness Software	HR Support and Training	Intterra, LLC	41	261,465	81,238
Electronic Case Management System	Inc Web Based Time Study and Case Management Software	Persimmoni International, Inc.	36	269,212	107,685
Record Management Software System	Records software license	FileTrail, Inc	51	151,859	23,201
Tyler New World CAD	Computer Aided Dispatch Software	Tyler Technologies, Inc	12	616,815	308,407
				<u>\$4,710,378</u>	<u>\$1,789,414</u>

Business-Type Activities			As of Fiscal Year-end		
Subscription Name	Description	Contractor	Term	Subscription Asset Ending Balance	Accumulated Amortization
Accela 2025	Permits and License	Accela, Inc.	24	1,034,767	344,922
Asset & Work Order Management	Software Modules	Assetworks, LLC	48	406,844	81,369
Citizenserve	Inspection & Code Enforcement Software	Online Solutions LLC	48	272,783	54,557
				<u>\$1,714,393</u>	<u>\$480,848</u>

NOTES TO THE FINANCIAL STATEMENTS

7. TAX REVENUE ANTICIPATION NOTES PAYABLE

On July 30, 2024, the City issued \$35,395,000 of Tax Revenue Anticipation Notes (Notes) in order to alleviate the strain on working capital prior to the receipt of property tax revenues in December. The Notes were issued with a coupon rate of 5.00 percent and a yield of 2.95 percent and are recorded in the General Fund. Interest and principal on these Notes are payable on July 29, 2025 by the General Fund. The City has maintained a MIG-1 rating on this short-term issue.

	Beginning Balance	Additions	Deletions	Ending Balance
Tax Revenue Anticipation Notes Payable	\$ 23,620,000	\$ 35,395,000	\$ (23,620,000)	\$ 35,395,000

A. Pledged Revenues

Tax Revenue Anticipation Notes are secured by the City's General Fund tax revenues received in FY 2025. The City pledges to reserve an amount equal to:

- i. 50 percent of the principal amount of the Notes in January 2025;
- ii. an amount equal to 50 percent of the principal amount of the Notes in the month of May 2025; and
- iii. an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2025

The City had pledged and assigned approximately \$35,395,000 plus interest of \$1,764,833 or 13.4 percent of the City's rights to the General Fund FY 2025 annual revenues.

8. LONG-TERM LIABILITIES

A. Governmental Activities

The following is a summary of long-term liabilities including premiums for the fiscal year ended June 30, 2025:

Governmental Activities	Beginning Balance	Adjustment	Adjusted Beginning Balance	Additions	Deletions	Bond Discount/ (Premium)	Ending Balance	Due Within One Year
Bonds Payable:								
General Obligation Bonds:								
Measure M - Street and Integrated Watershed								
Series 2014	\$12,219,456		\$12,219,456	-	\$(405,000)	\$(14,580)	\$11,799,876	\$420,000
Series 2016	13,425,628		13,425,628	-	(350,000)	(19,283)	13,056,345	370,000
Measure T1 - Infrastructure and Facilities								
Series 2017	29,637,965		29,637,965	-	(805,000)	(28,185)	28,804,780	845,000
Series 2021	44,238,712		44,238,712	-	(920,000)	(91,005)	43,227,707	965,000
Measure O Affordable Housing								
Series 2020	35,914,596		35,914,596	-	(800,000)	(37,628)	35,076,968	825,000
Series 2022	40,377,327		40,377,327	-	(580,000)	(41,976)	39,755,351	615,000
2015 General Obligation Refunding Bonds	18,786,645		18,786,645	-	(2,495,000)	(188,859)	16,102,786	2,625,000
2020 General Obligation Refunding Bonds								
Series A 2020	7,243,322		7,243,322	-	(285,000)	(38,791)	6,919,531	300,000
Series B 2020	11,131,485		11,131,485	-	(435,000)	(79,878)	10,616,607	455,000
Revenue Bonds:								
2012 Lease Revenue Bonds	2,631,423		2,631,423	-	(386,461)	(36,131)	2,208,831	405,198
2021 Lease Revenue Refunding Bonds	4,538,838		4,538,838	-	-	(36,973)	4,501,865	-
2025 Lease Revenue Notes				10,248,923			10,248,923	
Total Bonds Payable	220,145,397	-	220,145,397	10,248,923	(7,461,461)	(613,289)	222,319,570	7,825,198
Loans Payable:								
HUD 108 - UNA	580,000		580,000	-	(580,000)	-	-	-
HUD 108 - Ed Roberts Campus	2,980,000		2,980,000	-	(475,000)	-	2,505,000	500,000
California Energy Resources Conservation	216,658		216,658	-	(216,658)	-	-	-
Total Loans Payable	3,776,658	-	3,776,658	-	(1,271,658)	-	2,505,000	500,000
Fire Equipment Notes								
2020 Fire Engine and Tiller	1,835,182		1,835,182	-	(724,493)	-	1,110,689	737,227
2025 Fire Engine and Tiller				8,104,321	(450,065)		7,654,256	1,048,940
Total Fire Equipment Notes	1,835,182	-	1,835,182	8,104,321	(1,174,558)	-	8,764,945	1,786,167
Lease Payable (See Note 6)								
1521 & 1523 University Ave.	295,872		295,872	-	(159,451)	-	136,421	136,421
1900 Addison Street				1,533,771	(89,738)		1,444,033	125,541
Fire Admin and Training Center				21,087,043	(458,145)		20,628,898	618,819
Total Lease Payable	295,872	-	295,872	22,620,814	(707,334)	-	22,209,352	880,781
Subscription Payable								
SBITA	1,190,932		1,190,932	2,382,933	(1,118,852)		2,455,013	1,098,199
Total Subscription Payable	1,190,932	-	1,190,932	2,382,933	(1,118,852)	-	2,455,013	1,098,199
Other Long-Term Obligations								
Accrued vacation and Sick leave **	20,315,615	3,000,429	23,316,044	30,455,586	(28,351,909)	-	25,419,721	1,928,518
Accrued Workers' Compensation								
Claims and Judgements	40,698,359		40,698,359	10,397,821	(6,711,926)	-	44,384,254	7,395,971
Accrued Public Liability Claims and Judgements	7,229,101		7,229,101	354,338	(1,873,685)	-	5,709,754	5,709,754
Total Other Long-Term Obligations	68,243,075	3,000,429	71,243,504	41,207,745	(36,937,520)	-	75,513,729	15,034,243
Net Pension Liability:								
CalPERS Miscellaneous Plan	257,488,234		257,488,234	86,550,875	(99,103,117)	-	244,935,992	-
CalPERS Fire Plan	100,919,923		100,919,923	31,493,114	(35,129,548)	-	97,283,489	-
CalPERS Police Plan	205,049,260		205,049,260	47,749,801	(53,464,857)	-	199,334,204	-
Police Retirement Income Benefit	64,694,239		64,694,239	2,619,551	(13,707,120)	-	53,606,670	-
Safety Member Pension Fund	146,122		146,122	36,954	(48,033)	-	135,043	-
Total Net Pension Liability	628,297,778		628,297,778	168,450,295	(201,452,675)	-	595,295,398	-
Net OPEB Liability:								
Miscellaneous Employees Retiree Health Plan	20,849,841		20,849,841	5,005,174	(16,388,821)	-	9,466,194	-
Fire Retiree Premium Assistance Plan	22,235,604		22,235,604	2,885,000	(13,812,784)	-	11,307,820	-
Police Retiree Premium Assistance Plan	34,445,786		34,445,786	3,450,312	(19,936,483)	-	17,959,615	-
Total Net OPEB Liability	77,531,231	-	77,531,231	11,340,486	(50,138,088)	-	38,733,629	-
Total Governmental Activities	\$1,001,316,125	\$3,000,429	\$1,004,316,554	\$264,355,517	\$(300,262,146)	\$(613,289)	\$967,796,637	\$27,124,588

** Adjusted beginning balance due to the implementation of GASB 101

NOTES TO THE FINANCIAL STATEMENTS

Measure M - Street and Integrated Watershed Improvements Bonds, Series 2014

On November 6, 2012, the residents of the City duly approved, by at least a two-thirds vote, Measure M which authorized the City to issue \$30,000,000 in General Obligation Bonds to provide funds to improvements to streets, with integrated watershed improvements within the City.

On November 19, 2013, the City issued the first series of bonds for \$15,000,000. The interest rates on the bonds range from 3.00 percent to 5.00 percent. Interest is payable semi-annually on March 1 and September 1, and the principal is payable annually on September 1. The General Obligation bonds mature on September 1, 2043. This bond has a rating of Aa2 from Moody's and AA+ from S&P.

The annual debt service requirements on the Measure M – Street and Integrated Watershed Improvements Bonds, Series 2014 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 420,000	\$ 478,788	\$ 898,788
2027	430,000	465,238	895,238
2028	445,000	449,350	894,350
2029	465,000	431,150	896,150
2030-2034	2,605,000	1,855,784	4,460,784
2035-2039	3,200,000	1,249,575	4,449,575
2040-2044	3,970,000	461,922	4,431,922
Subtotal	11,535,000	\$ 5,391,807	\$ 16,926,807
Bond Premium	264,876		
Total	\$ 11,799,876		

Measure M - Street and Integrated Watershed Improvements Bonds, Series 2016

On November 6, 2012, the residents of the City duly approved, by at least a two-thirds vote, Measure M which authorized the City to issue \$30,000,000 in General Obligation Bonds to provide funds to improvements to streets, with integrated watershed improvements within the City.

On May 31, 2016, the City issued the second series of bonds for \$15,000,000. The interest rates on the bonds range from 2.00 percent to 5.00 percent. Interest is payable semi-annually on March 1 and September 1, and the principal is payable annually on September 1. The General Obligation bonds mature on September 1, 2046. This bond has a rating of Aa2 from Moody's and AA+ from S&P.

The annual debt service requirements on the Measure M – Street and Integrated Watershed Improvements Bonds, Series 2016 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 370,000	\$ 370,463	\$ 740,463
2027	385,000	355,363	740,363
2028	405,000	339,563	744,563
2029	425,000	322,963	747,963
2030-2034	2,420,000	1,396,900	3,816,900
2035-2039	2,850,000	1,041,900	3,891,900
2040-2044	3,405,000	613,431	4,018,431
2045-2047	2,385,000	109,125	2,494,125
Subtotal	12,645,000	\$ 4,549,708	\$ 17,194,708
Bond Premium	411,345		
Total	\$ 13,056,345		

Measure T1 – Infrastructure and Facilities, Series 2017

On October 17, 2017, the City of Berkeley issued the first series of bonds for \$35,000,000 from an aggregate authorized amount of not to exceed \$100,000,000 of General Obligation Bonds duly approved by at least two-thirds of the voters voting on Measure T1 at an election held on November 8, 2016, to provide funds to finance the repair, renovation, replacement, or reconstruction of existing City infrastructure and facilities, including sidewalks, storm drains, parks, streets, senior and recreation centers, and other important City facilities and buildings. The interest rates on the bonds range from 2.125 percent to 5.000 percent, with an average yield of 2.66 percent. Interest is payable semi-annually on March 1 and September 1, and the principal is payable annually on September 1. The General Obligation bonds mature on September 1, 2047.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 845,000	\$ 882,681	\$ 1,727,681
2027	885,000	843,856	1,728,856
2028	920,000	807,756	1,727,756
2029	960,000	779,156	1,739,156
2030-2034	5,165,000	3,499,181	8,664,181
2035-2039	5,980,000	2,665,981	8,645,981
2040-2044	6,980,000	1,648,700	8,628,700
2045-2048	6,445,000	439,797	6,884,797
Subtotal	28,180,000	\$ 11,567,108	\$ 39,747,108
Bond Premium	624,780		
Total	\$ 28,804,780		

Measure T1 – Infrastructure and Facilities, Series 2021

On May 25, 2021, the City of Berkeley issued the second series of bonds for \$45,000,000 from an aggregate authorized amount of not to exceed \$100,000,000 of General Obligation Bonds duly approved by at least two-thirds of the voters voting on Measure T1 at an election held on November 8, 2016, to provide funds to finance the repair, renovation, replacement, or reconstruction of existing City infrastructure and facilities, including sidewalks, storm drains, parks, streets, senior and recreation centers, and other important City facilities and buildings. The interest rates on the bonds range from 2.125 percent to 5.000 percent, with an average yield of 2.03 percent. Interest is payable semi-annually on March 1 and September 1, and the principal is payable annually on September 1. The General Obligation bonds mature on September 1, 2051.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 965,000	\$ 1,063,200	\$ 2,028,200
2027	1,010,000	1,013,825	2,023,825
2028	1,065,000	961,950	2,026,950
2029	1,115,000	907,450	2,022,450
2030-2034	6,355,000	3,786,700	10,141,700
2035-2039	7,340,000	2,842,525	10,182,525
2040-2044	8,110,000	2,062,925	10,172,925
2045-2049	8,985,000	1,105,550	10,090,550
2050-2052	5,885,000	266,738	6,151,738
Subtotal	40,830,000	\$ 14,010,863	\$ 54,840,863
Bond Premium	2,397,707		
Total	\$ 43,227,707		

NOTES TO THE FINANCIAL STATEMENTS

Measure O – Affordable Housing, Series 2020

On November 6, 2018, more than two-thirds of the residents of Berkeley voted for and approved Ballot Measure O, authorizing \$135,000,000 of General Obligation Bonds to create and preserve affordable housing for low-income households, working families, and individuals including teachers, seniors, veterans, the homeless, and persons with disabilities.

On February 25, 2020, the City Council authorized the issuance of the initial series of Measure O bonds in the amount of \$38,000,000. The interest rates on the bonds range from 2.125 percent to 5.000 percent. Interest and principal are payable annually on September 1.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 825,000	\$ 1,181,353	\$ 2,006,353
2027	855,000	1,151,953	2,006,953
2028	885,000	1,121,503	2,006,503
2029	915,000	1,090,003	2,005,003
2030-2034	5,080,000	4,948,988	10,028,988
2035-2039	5,985,000	4,020,019	10,005,019
2040-2044	7,175,000	2,802,419	9,977,419
2045-2049	8,565,000	1,401,225	9,966,225
2050-2051	3,845,000	131,835	3,976,835
Subtotal	34,130,000	\$ 17,849,298	\$ 51,979,298
Bond Premium	946,968		
Total	\$ 35,076,968		

Measure O – Affordable Housing, Series 2022

On November 6, 2018, more than two-thirds of the residents of Berkeley voted for and approved Ballot Measure O, authorizing \$135,000,000 of General Obligation Bonds to create and preserve affordable housing for low-income households, working families, and individuals including teachers, seniors, veterans, the homeless, and persons with disabilities.

On April 26, 2022, the City Council authorized the issuance of the second series of Measure O bonds, series 2022 in the amount of \$40,000,000. The interest rates on the bonds range from 5.0 percent to 6.000 percent. Interest and principal are payable annually on September 1.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 615,000	\$ 1,979,520	\$ 2,594,520
2027	650,000	1,941,570	2,591,570
2028	690,000	1,901,370	2,591,370
2029	730,000	1,858,770	2,588,770
2030-2034	4,335,000	8,591,300	12,926,300
2035-2039	5,725,000	7,175,061	12,900,061
2040-2044	7,310,000	5,571,121	12,881,121
2045-2049	9,300,000	3,522,750	12,822,750
2050-2053	9,260,000	954,000	10,214,000
Subtotal	38,615,000	\$ 33,495,462	\$ 72,110,462
Bond Premium	1,140,351		
Total	\$ 39,755,351		

2015 General Obligation Refunding Bonds

On July 15, 2015, the City of Berkeley issued \$36,680,000 of General Obligation Refunding Bonds and paid \$6,275,000 of cash on hand to current refund the 2002, 2007A, and 2007B General Obligation Bonds and advance refund the 2008 General Obligation Bonds with interest rates ranging from 3.00 percent to 5.50 percent and a combined par value of \$44,940,000.

The 2002 General Obligation Bonds were issued to finance facilities to increase the level of fire protection in the City, including the construction of a jointly funded, multi-jurisdictional fire station, the seismic retrofitting of City buildings which house public safety personnel and equipment, the replacement of water mains and the seismic retrofitting of other City buildings.

The 2007A and 2007B General Obligation Bonds were issued to refund the 1992 Series C Bonds and the 1996 Series A, Series B, and Series C Bonds respectively. Those bonds were issued to acquire property, expand and retrofit the Main Library, internally retrofit (as the most cost-effective means to achieve earthquake safety) and improve the Martin Luther King, Jr. Civic Center building, and revitalize the downtown/ Civic Center area.

The 2008 General Obligation Bonds were issued to finance a new Animal Shelter to replace the existing shelter in the City and to pay for costs of issuing the bonds.

A portion of the net proceeds from the issuance of the 2015 Refunding Bonds were used to purchase U.S. government securities. A portion of those securities (\$6,534,205) was deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2008 Bonds were called on September 1, 2016. The remaining amount (\$33,903,767), combined with cash on hand, was deposited in an irrevocable trust with an escrow agent to redeem the refunded bonds on September 26, 2015 (2002 Bonds) and September 1, 2015 (2007 Series A & B Bonds).

The advance and current refunding met the requirements of an in-substance defeasance and the term bonds were removed from the City's government-wide financial statements.

As a result of the advance and current refunding, the City of Berkeley reduced its total debt service requirements by \$7,137,075, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,808,919.

Interest is payable semi-annually on March 1 and September 1, and the principal is payable annually on September 1. The General Obligation bonds mature on September 1, 2037. This bond has a rating of Aa2 from Moody's and AA+ from S&P.

The 2015 Refunding Bonds were issued at a premium of \$4,144,029 and, after paying issuance costs of \$245,094 and underwriter's discount of \$140,961, the net proceeds were \$40,437,973. The net carrying amount of the old debt exceeded the reacquisition price by \$1.1 million. This amount is being amortized over the remaining life of the old debt.

The annual debt service requirements on the 2015 General Obligation Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 2,625,000	\$ 413,713	\$ 3,038,713
2027	2,760,000	306,688	3,066,688
2028	2,840,000	222,688	3,062,688
2029	1,960,000	150,688	2,110,688
2030-2034	2,160,000	405,034	2,565,034
2035-2038	1,460,000	107,316	1,567,316
Subtotal	13,805,000	\$ 1,606,127	\$ 15,411,127
Bond Premium	2,297,786		
Total	\$ 16,102,786		

NOTES TO THE FINANCIAL STATEMENTS

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for governmental activities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 25-30 year serial bonds with amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

Measure FF - Series A 2020 General Obligation Refunding Bonds

On November 4, 2008, the residents of the City duly approved, by at least a two-thirds vote, Measure FF which authorized the City to issue \$26,000,000 in General Obligation Bonds to provide funds to finance renovations, construction, seismic and access improvements, and expansion of program areas at four neighborhood branch libraries in the City.

On April 14, 2009, the City issued the first series of bonds for \$10,000,000. The interest rates on the bonds range from 1.25 percent to 5.30 percent. Interest is payable semi-annually on March 1 and September 1.

On April 16, 2020, the City issued \$7,790,000 City of Berkeley 2020 Refunding Bonds, Series A to refund the 2009 Bonds. The refunding generated net present value savings (including all transaction costs) equal to 24.27% of the outstanding principal amount of the 2009 Bonds for the benefit of property taxpayers in the City.

A portion of the net proceeds \$8,407,689 from the issuance of Refunding Bonds were deposited in an irrevocable trust with an escrow agent to provide debt service payments, principal amount \$8,330,000 and interest, until all the 2009 Bonds were called on September 1, 2020.

As a result of the advance refunding, the City of Berkeley reduced its total debt service requirements by \$2,570,813 over the next 20 years, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,021,831, and deferred gain of \$200,674.

The annual debt service requirements on the Measure FF Series A 2020 General Obligation Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 300,000	\$ 229,950	\$ 529,950
2027	315,000	214,575	529,575
2028	335,000	198,325	533,325
2029	355,000	181,075	536,075
2030-2034	2,055,000	636,200	2,691,200
2035-2039	2,470,000	269,250	2,739,250
2040	540,000	8,100	548,100
Subtotal	6,370,000	\$ 1,737,475	\$ 8,107,475
Bond Premium	549,531		
Total	\$ 6,919,531		

Measure FF - Series B 2020 General Obligation Refunding Bonds

On November 4, 2008, the residents of the City duly approved, by at least a two-thirds vote, Measure FF which authorized the City to issue \$26,000,000 in General Obligation Bonds to provide funds to finance renovations, construction, seismic and access improvements, and expansion of program areas at four neighborhood branch libraries in the City.

On August 3, 2010, the City issued the second series of bonds for \$16,000,000. The interest rates on the bonds range from 3.00 percent to 5.00 percent. Interest is payable semi-annually on March 1 and September 1, and principal is payable annually on September 1.

On June 3, 2020, the City issued \$11,690,000 of City of Berkeley 2020 Refunding General Obligation Bonds, Series B 2020 to refund the 2010 Bonds. The refunding generated net present value savings (including all transaction costs) equal to 17.31% of the outstanding principal amount of the 2010 Bonds for the benefit of property taxpayers in the City.

A portion of the net proceeds \$13,115,253 from the issuance of Refunding Bonds were deposited in an irrevocable trust with an escrow agent to provide debt service payments, principal amount \$12,855,000 and interest, until all the 2010 Bonds were called on September 1, 2020.

As a result of the advance refunding, the City of Berkeley reduced its total debt service requirements by \$2,680,608 over the next 20 years, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,225,136.

The annual debt service requirements on the Measure FF – Series B 2020 General Obligation Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 455,000	\$ 345,563	\$ 800,563
2027	485,000	322,063	807,063
2028	505,000	297,313	802,313
2029	530,000	271,438	801,438
2030-2034	3,060,000	950,488	4,010,488
2035-2039	3,655,000	378,056	4,033,056
2040	795,000	11,925	806,925
Subtotal	9,485,000	\$ 2,576,846	\$ 12,061,846
Bond Premium	1,131,607		
Total	\$ 10,616,607		

Revenue Bonds

The City also issues bonds where the City pledges income derived from the acquired or constructed assets or tax increment or the General Fund to pay debt service.

Revenue bond debt service requirements to maturity for the Pension Refunding Bonds and Berkeley Repertory Theatre are as follows:

2012 Lease Revenue Bonds

On October 24, 2012, the Berkeley Joint Powers Financing Authority (BJPFA) issued \$5,693,851 of Refunding Lease Revenue Bonds, to refund the 1999 BJPFA Lease Revenue Bonds, with interest rates ranging from 2.00 percent to 5.00 percent and to current refund prior Lease Revenue Bonds with interest rates ranging from 5.20 percent to 5.70 percent and a par value of \$6,770,000.

The 1999 Lease Revenue Bonds were issued to acquire a new theater facility and a 6.4 acre park and park facilities.

The current Refunding Lease Revenue Bonds were issued at a premium of \$542,791 and, after paying issuance costs of \$58,095 and underwriter's discount of \$18,247, the net proceeds were \$6,160,299. The net proceeds from the issuance of the Refunding Lease Revenue Bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds were called on November 9, 2012.

The current refunding met the requirements of an in-substance defeasance and the term bonds were removed from the City's government-wide financial statements.

As a result of the current refunding, Berkeley Joint Powers Financing Authority reduced its total debt service requirements by \$1,661,350, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,214,306.

NOTES TO THE FINANCIAL STATEMENTS

The annual debt service requirements on the 2012 Lease Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 405,198	\$ 92,051	\$ 497,249
2027	427,449	71,235	498,684
2028	442,673	53,908	496,581
2029	459,068	40,095	499,163
2030	320,879	16,461	337,340
Subtotal	2,055,267	\$ 273,750	\$ 2,329,017
Bond Premium	153,564		
Total	\$ 2,208,831		

2021 Refunding Lease Revenue Bonds - 2010 Animal Shelter Financing

On June 2, 2021, the Berkeley Joint Powers Financing Authority (BJPFA) issued \$3,975,000 of Refunding Lease Revenue Bonds to refund the principal remaining on the 2010 Certificates of Participation-Animal Shelter. The 2010 COPs were issued to provide funds to the City to finance a portion of the acquisition and construction of an animal shelter.

The 2021 Refunding Lease Revenue Bonds were issued with interest rates ranging from 2.00 percent to 5.00 percent and to current refund prior 2010 COPs-Animal Shelter financing in the amount of \$4,868,506.

The current Refunding Lease Revenue Bonds were issued at a premium of \$674,757 and, after receiving a transfer of \$414,595 from the prior issue's debt service reserve, paying issuance costs of \$164,114 and underwriter's discount of \$31,732, the net proceeds were \$4,868,506. The net proceeds from the issuance of the Refunding Lease Revenue Bonds were held by the 2010 Trustee and deposited in the Escrow Funds as cash. These funds will be sufficient to defease the outstanding 2010 Certificates as of the date of issuance of the Bonds and prepay the 2010 Certificates in full on the prepayment date.

The current refunding met the requirements of an in-substance defeasance and the term bonds were removed from the City's government-wide financial statements.

As a result of the current refunding, Berkeley Joint Powers Financing Authority reduced its total debt service requirements by \$2,147,997, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,733,350.

The annual debt service requirements on the 2021 Refunding Lease Revenue Bonds - Animal Shelter are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 138,200	\$ 138,200
2027	-	138,200	138,200
2028	-	138,200	138,200
2029	190,000	133,450	323,450
2030-2034	1,530,000	459,250	1,989,250
2035-2039	1,855,000	141,900	1,996,900
2040	400,000	4,000	404,000
Subtotal	3,975,000	\$ 1,153,200	\$ 5,128,200
Bond Premium	526,865		
Total	\$ 4,501,865		

2025 Lease Revenue Notes

On May 20, 2025, the Berkeley Joint Powers Financing Authority (BJPFA) issued \$10,220,000 of Lease Revenue Notes, to refund the 1999 BJPFA Lease Revenue Bonds, with interest rates 4.35% to acquire a new theater facility and a 6.4 acre park and park facilities.

The Notes are being issued primarily to finance the construction of certain tenant improvements of the City of Berkeley (the "City"), within the fire administration and training building and such other improvements that may be identified from time to time by the City.

The current Lease Revenue Notes were issued at a premium of \$28,922.60 and, after paying issuance costs of \$203,954.60 and underwriter's discount of \$44,968, the net proceeds were \$10,220,000. Under the Indenture, the Notes are payable from and secured by a first pledge of and lien on "Revenues".

The annual debt service requirements on the 2025 Lease Revenue Notes

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 344,038	\$ 344,038
2027	-	447,125	447,125
2028	-	447,125	447,125
2029	-	447,125	447,125
2030	10,220,000	223,563	10,443,563
Subtotal	10,220,000	\$ 1,908,976	\$ 12,128,976
Bond Premium	28,923		
Total	\$ 10,248,923		

Loans Payables

HUD 108 – University Avenue Neighborhood Apartments (UNA)

As of June 30, 2012, the City of Berkeley made a total drawdown of \$604,000 of the \$705,000 loan commitment from the U.S. Housing and Urban Development (HUD) Section 108 Loan Guarantee Program. The purpose of this loan is to help finance the costs associated with the development of certain real property located at 1719 and 1725 University Avenue, Berkeley, California. The interest is payable semiannually on February 1 and August 1 of each year. This loan matured on August 1, 2024.

HUD 108- Ed Roberts Campus

In August 2009, the City of Berkeley accepted a \$6,000,000 loan from the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program and executed a loan agreement with The Ed Roberts Campus, Inc. to construct a public facility that will operate primarily as a one-stop service center for people with disabilities. The interest rate is 3.40 percent, and interest is payable semiannually on February 1 and August 1 of each year. This loan will mature on August 1, 2029.

Year Ending June 30,	Principal	Interest	Total
2026	\$ 500,000	\$ 71,738	\$ 571,738
2027	510,000	56,458	566,458
2028	515,000	40,441	555,441
2029	500,000	24,205	524,205
2030	480,000	8,040	488,040
Total	\$ 2,505,000	\$ 200,882	\$ 2,705,882

NOTES TO THE FINANCIAL STATEMENTS

California Energy Resources Conservation and Development

In February 2014, the City of Berkeley accepted a \$3,000,000 loan from the California Energy Resources Conservation and Development Commission (the Energy Commission) with loan number 005-13-ECD. This loan is made to the City for an energy savings project, which consists of retrofitting 7,975 street lights with LED technology. It is estimated that the City will have an annual energy cost savings of \$387,021 after implementation. This loan consists of a 1.00 percent interest rate, with interest payable semiannually on December 22 and June 22 of each year. This loan matured on June 22, 2025.

Fire Equipment Notes

The City entered into a finance purchase agreement in FY 2019-20 for financing the acquisition of fire equipment. The assets acquired through this include four engines and one tiller which are allocated among four fire stations. The acquisition amount for the equipment described in this schedule to be paid to the vendor is \$4,943,578 (excluding sales tax of \$457,280 to be payable to the State Board of Equalization) and the contract rate is 1.75 percent.

The assets acquired through the agreement were as follows:

	Year Ended June 30, 2025	Governmental Activities
Assets:		
Fire Engine Quantum 1500 GPM Pump		\$ 945,082
Fire Engine Quantum 1500 GPM Pump		945,082
Fire Engine Quantum 1500 GPM Pump		945,082
Fire Engine Quantum 1500 GPM Pump		945,082
Tiller 107' Quantum		1,620,574
Less: Accumulated Depreciation		(3,150,473)
Total		<u>\$ 2,250,430</u>

The remaining payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Total
2027	\$ 737,227	\$ 16,226	\$ 753,453
2028	373,462	3,268	376,730
Total	<u>\$ 1,110,689</u>	<u>\$ 19,494</u>	<u>\$ 1,130,183</u>

The City entered into a finance purchase agreement in FY 2024-2025 for financing the acquisition of fire equipment. The assets acquired through this include Three engines and two tractors which are allocated among five fire stations. The acquisition amount for the equipment described in this schedule to be paid to the vendor is \$8,104,321 (excluding sales tax of \$751,206 to be payable to the State Board of Equalization) and the contract rate is 4.14 percent.

The assets acquired through the agreement were as follows on the following page:

	Year Ended June 30, 2025	Governmental Activities
Assets:		
107' Enforcer Tractor Drawn Aerials		\$ 2,225,829
107' Enforcer Tractor Drawn Aerials		2,225,829
Enforcer 1500 GPM Type1 Fire Engine		1,217,554
Enforcer 1500 GPM Type1 Fire Engine		1,217,554
Enforcer 1500 GPM Type1 Fire Engine		1,217,554
Total		<u>\$ 8,104,321</u>

The remaining payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$1,048,940	\$306,422	\$1,355,362
2027	1,092,856	262,506	1,355,362
2028	1,138,611	216,751	1,355,362
2029	1,186,282	169,080	1,355,362
2030-2032	3,187,567	200,838	3,388,405
Total	\$7,654,256	\$1,155,597	\$8,809,853

Subscription-Based Information Technology Arrangements

As discussed in Note 6, the City's financial statement includes subscription-based information technology arrangements. Please refer to note 6 page 86 for remaining repayments due on these arrangements as of June 30, 2025.

Business-Type Activities

The following is a summary of long-term liabilities including premiums for the fiscal year ended June 30, 2025:

	Beginning Balance	Adjustment	Adjusted Beginning Balance	Additions	Deletions	Bond Discount (Premium)	Ending Balance	Due Within One Year
Business-Type Activities								
Bonds Payable:								
2012 Refunding Lease Revenue Bond	\$ 11,813,740	\$ -	\$ 11,813,740	\$ -	\$ (1,263,539)	\$ (113,609)	\$ 10,436,592	\$ 1,324,802
Parking Revenue Bonds, Series 2016	31,293,548		31,293,548	-	(905,000)	(62,899)	30,325,649	945,000
Total Bonds Payable	43,107,288		43,107,288	-	(2,168,539)	(176,508)	40,762,241	2,269,803
Notes Payable								
Harbor Construction 5	5,640,491		5,640,491	-	(225,371)	-	5,415,120	236,472
Total Loans Payable	5,640,491		5,640,491	-	(225,371)	-	5,415,120	236,472
Subscription Payable								
SBITA	-			1,498,782	(385,859)	-	1,112,923	413,133
Total Subscription Payable	-			1,498,782	(385,859)	-	1,112,923	413,133
Other Long-Term Obligations								
Accrued Vacation and Sick Leave	4,946,107	864,254	5,810,361	7,589,536	(7,065,295)	-	6,334,602	1,014,056
Landfill Liabilities	1,342,106		1,342,106	908,284	-	-	2,250,390	1,326,390
Total Other Long-Term Obligations	6,288,213	864,254	7,152,467	8,497,820	(7,065,295)	-	8,584,992	2,340,446
Net Pension Liability - CalPERS Miscellaneous Plan	95,525,194		95,525,194	30,248,529	(34,635,229)	-	91,138,494	-
Net OPEB Liability - Miscellaneous Employees Retiree Health Plan	5,858,550		5,858,550	607,448	(1,988,655)	-	4,477,343	-
Total Business-Type Activities	\$ 156,419,736	\$ 864,254	\$ 157,283,990	\$ 40,852,579	\$ (46,468,948)	\$ (176,508)	\$ 151,491,113	\$ 5,259,853

Revenue Bonds

2012 Lease Revenue Bonds

NOTES TO THE FINANCIAL STATEMENTS

On October 24, 2012, the BJPFA issued \$21,566,149 of Refunding Lease Revenue Bonds with interest rates ranging from 2.00 percent to 5.00 percent to current refund prior Certificates of Participation with interest rates ranging from 3.625 percent to 5.00 percent and a par value of \$24,665,000.

The prior Certificates of Participation were issued on behalf of the City to purchase and renovate the building at 1947 Center Street.

The current Refunding Lease Revenue Bonds were issued at a premium of \$2,055,885 and, after paying issuance costs of \$220,043 and underwriter's discount of \$69,114, the net proceeds were \$23,332,876. The net proceeds from the issuance of the Refunding Lease Revenue Bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds were called on November 9, 2012.

The current refunding met the requirements of an in-substance defeasance and the term bonds were removed from the City's government-wide financial statements.

As a result of the current refunding, BJPFA reduced its total debt service requirements by \$6,627,294, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$4,818,892.

The annual debt service requirements on the 2012 Lease Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,324,802	\$ 300,962	\$ 1,625,764
2027	1,397,551	232,903	1,630,454
2028	1,447,327	176,254	1,623,581
2029	1,500,932	131,092	1,632,024
2030-2032	3,999,121	202,195	4,201,316
Subtotal	9,669,733	\$ 1,043,406	\$ 10,713,139
Bond Premium	766,859		
Total	\$ 10,436,592		

Parking Revenue Bonds, Series 2016

On August 9, 2016, the BJPFA issued \$33,970,000 in parking revenue bonds, on behalf of the City, to provide funds to (1) finance the demolition of the current Center Street garage, the construction of a new downtown Center Street Garage and other related work; (2) purchase a reserve fund insurance policy for the bonds; and (3) pay capitalized interest through June 1, 2019. Interest rates ranging from 3.00 percent to 4.00 percent are payable semi-annually on June 1 and December 1. Principal is due annually on June 1 starting in FY 2019-20. The bonds mature June 1, 2046 and are collateralized solely by all the installment payments received by BJPFA from the City under the installment sale agreement, any business interruption insurance proceeds paid to the Trustee pursuant to the installment sale agreement, and certain monies derived from certain other funds and accounts held by the Trustee pursuant to the indenture. This bond had an underlying rating of A from S&P on June 30, 2020, and an insured rating of AA. However, the rating was downgraded to BBB by S&P's global ratings on November 19, 2020.

The annual debt service requirements on the Parking Revenue Bonds, Series 2016 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 945,000	\$ 970,050	\$ 1,915,050
2027	980,000	932,250	1,912,250
2028	1,020,000	893,050	1,913,050
2029	1,060,000	852,250	1,912,250
2030-2034	5,970,000	3,590,250	9,560,250
2035-2039	7,120,000	2,440,800	9,560,800
2040-2044	8,255,000	1,306,650	9,561,650
2045-2046	3,660,000	165,450	3,825,450
Subtotal	29,010,000	\$ 11,150,750	\$ 40,160,750
Bond Premium	1,315,649		
Total	\$ 30,325,649		

Notes Payable

Harbor Construction 5

The City of Berkeley borrowed a total of \$7.1 million of the \$9.0 million maximum loan amount from the California State Department of Boating and Waterways. The purpose of this loan is financing for the demolition and replacement of wooden docks and wood piles into a new marina berthing system and concrete piles. New utilities, including electrical power and water are to be installed. The new docks and gangways were to be designed and built for barrier-free access. In addition, existing restroom buildings were to be replaced. The loan is payable on August 1 of each year with an interest of 4.50 percent.

The annual debt service requirements on the Harbor Construction 5 Loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 236,472	\$ 249,247	\$ 485,719
2027	247,357	238,362	485,719
2028	258,742	226,977	485,719
2029	270,049	215,670	485,719
2030-2034	1,551,363	877,232	2,428,595
2035-2039	1,942,977	485,613	2,428,590
2040-2041	908,160	63,229	971,389
Total	\$ 5,415,120	\$ 2,356,330	\$ 7,771,450

Other Long-Term Obligations

Landfill Liabilities

On July 13, 2010, the City Council adopted an amendment with SCS Field Services for Cesar Chavez Park Landfill post-closure monitoring and maintenance under contract No. 71988. The City began to record the landfill liabilities in FY 2010-11 based on the requirements of GASB Statement No. 18. This Statement is based on the October 9, 1991, U.S. Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Facility Criteria," which establishes closure requirements for all municipal solid waste landfills (MSWLFs) that receive solid waste after October 9, 1991. The EPA rule also establishes thirty-year post closure care requirements for MSWLFs that accept solid waste after October 9, 1993. The effect of the EPA rule and similar state and local laws or regulations is to obligate MSWLF owners and operators to perform certain closing functions and post closure monitoring and maintenance functions as a condition of the right to operate the MSWLF in the current period. For MSWLFs that use proprietary fund accounting and reporting, a portion of the estimated total current cost of MSWLF closure and post closure care is required to be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. Estimated total current cost should be assigned to periods based on MSWLF

NOTES TO THE FINANCIAL STATEMENTS

use rather than on the passage of time, using a formula provided in this Statement. MSWLF capital assets excluded from the calculation of the estimated total cost of MSWLF closure and post closure care should be fully depreciated by the date that the MSWLF stops accepting solid waste. Capital assets used for a single cell should be fully depreciated by the date that each cell is closed.

In accordance with requirements established by the California Integrated Waste Management Board, the City has recognized a portion of the landfill's closure and post closure care (closure) costs. These cost estimates are based on the amount of landfill used to date. The estimated closure and corrective action costs are current estimates based on data provided by SCS Field Services, an independent consultant and are subject to changes in inflation, technological advancements, or regulatory changes.

The City last accepted waste in 1983 and closed the landfill in phases over the period 1981 through 1990 in accordance with closure regulations contained in California Code of Regulations Title 14, Chapter 15 and the San Francisco Regional Water Quality Control Board requirements which were then in effect. As of June 30, 2025, the estimated annual landfill closure cost are as follows:

Total Estimated Closure and Post-Closure Costs	\$	2,250,390
Percentage of Used Capacity to Total Capacity		100%
Revised Estimated Total Closure and Post-Closure Costs Liability		2,250,390

The landfill has an estimated remaining capacity of zero cubic yards and closure construction was completed in 1990.

Other long-term obligation payments (including Net pension and OPEB liabilities) are primarily made from general revenues recorded in the General Fund, except for workers compensation claims which are paid from the Workers Compensation Fund, and public liability claim which are paid from the Public Liability Fund.

Compensated Absences

It is the policy of the City to record the cost of vested vacation and sick leave as earned. Earned vacation and sick leave that is taken during the year is payable from the fund(s) the employee's salary or wage is chargeable to. The vested compensated absences balances for employees who retire or otherwise leave the City are paid from the Sick Leave and Vacation Payouts Internal Service Fund at the time of departure.

A. Discretely Presented Component Unit

Discretely Presented Component Unit	Beginning Balance	Adjustment	Adjusted Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Lease Payable - 2000 Center Street	\$ 4,782,701	\$ -	\$ 4,782,701	\$ -	(239,593)	\$ 4,543,108	\$ 379,676
Accrued Vacation and Sick Leave	488,091	216,527	704,618	920,377	(856,804)	768,191	58,280
Net Pension Liability - CalPERS Miscellaneous Plan	8,793,063	-	8,793,063	2,911,446	(3,333,669)	8,370,840	-
Net OPEB Liability - Miscellaneous Employees Retiree Health Plan	99,183	-	99,183	113,365	(34,631)	177,917	-
Total Discretely Presented Component Unit	\$ 14,163,038	\$ 216,527	\$ 14,379,565	\$ 3,945,188	\$ (4,464,697)	\$ 13,860,056	\$ 437,956

Leases Payable

Beginning with the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. 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.

On 03/01/2024, City of Berkeley, CA entered into a 127 month lease as Lessee for the use of 2000 Center St. Suite 400. An initial lease liability was recorded in the amount of \$4,753,206. As of 06/30/2025, the value of the lease liability is \$4,543,108, and the value of the short-term lease liability is \$379,676. City of Berkeley, CA is required to make monthly fixed payments of \$39,088. The lease has an interest rate of 2.4770%. The value of the right to use asset as of 06/30/2025 of \$4,753,206 with accumulated amortization of \$598,829 is included with Buildings on the Lease Class activities table found below. City of Berkeley, CA has 2 extension option(s), each for 60 months. .

The annual lease payable requirements on 2000 Center Street are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 379,676	\$ 108,281	\$ 487,957
2027	403,993	98,603	502,596
2028	429,364	88,311	517,675
2029	455,827	77,378	533,205
2030-2034	2,717,303	198,478	2,915,781
2035	156,944	648	157,592
Subtotal	\$ 4,543,107	\$ 571,699	\$ 5,114,806

B. Internal Service Funds

These funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals above for governmental activities. As of June 30, 2025, \$1,639,353 in compensated absences, \$50,094,009 in claims and judgments payables, \$2,029,025 in Net OPEB Liability, and \$31,287,222 in Net Pension Liability are included in the amounts presented in the table for governmental activities. The liabilities for workers' compensation are paid from the Workers' Compensation Internal Service Fund and the liabilities for public liability claims are paid from the Public Liability Internal Service Fund.

C. Non-Obligatory Debt

Thousand Oaks Heights

On September 2, 2004, the City issued \$1,490,000 in Thousand Oaks Heights Applicant Funded Utility Undergrounding Assessment District Limited Obligation Improvement Bonds (Bonds) pursuant to the provision of the Improvement Bond Act of 1915 (Division 10 of the California Streets and Highways Code) for the purpose of financing the construction and acquisition of certain public improvement within the City's Thousand Oaks Heights Applicant Funded Utility Undergrounding Assessment District. Interest on the Bonds is payable March 2, 2005, and thereafter semiannually on September 2 and March 2 of each year. The Bonds were issued to improve 105 parcel district by providing the undergrounding of existing overhead utility facilities, removal of existing poles and related above ground facilities, replacement of street lighting, with appurtenant work and improvements and including incidental costs and expenses of project design and construction supervision, legal proceedings, and bond financing. The Bonds were issued upon, and secured by, the unpaid special assessment levied on parcels within the Districts. The Bonds are special limited obligations of the City; they are not payable from the City's General Fund and the City is not obligated in any way to repay the debt in the event of a default. The Bonds are due in annual installments ranging from \$50,525 to \$100,255, and have an interest rate ranging between 4.60 and 5.25 percent. The total principal outstanding as of June 30, 2025 was \$805,000.

D. Pledged Revenue

The Bank of New York Trust Company

City Pledge to The Bank of New York Trust Company: On October 6, 1999, the City of Berkeley issued \$9,125,000 of bonds called the Berkeley Joint Powers Financing Authority Lease Revenue Bonds, Series

NOTES TO THE FINANCIAL STATEMENTS

1999. The bonds were issued for the acquisition of a theatre and park facilities. All of the revenues and fund balance are pledged in their entirety to the payment of principal and interest on the bonds. The City has pledged and assigned to Berkeley Joint Powers Financing Authority approximately 100 percent of the City's rights to the revenues and 100 percent of the fund balance of the Berkeley Repertory Theatre Fund. In October 2012, The Berkeley Joint Powers Financing Authority issued its 2012 Refunding Lease Revenue Bonds (1999 and 2003 Refinancing). The Bonds were being issued to provide funds to (i) refinance three outstanding lease obligations of the City and related outstanding 1999 Lease Revenue Bonds of the Authority and 2003 Certificates of Participation of the City and (ii) pay the costs of issuing the Bonds. As a result of the refinancing of the Original Theater Lease and the Original Park Lease, the Authority will concurrently defease and provide for redemption of the Authority's outstanding \$9,125,000 Berkeley Joint Powers Financing Authority Lease Revenue Bonds, Series 1999, which the Authority issued pursuant to a Trust Indenture, dated as of October 1, 1999, by and among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee. The total original principal of 2012 Refunding Lease Revenue Bonds as of October 24, 2012 was \$5,693,852. The fund had a deficit fund balance of -\$10,088 at June 30, 2025, so for FY 2025, the pledged revenues (FY 2025 budgeted transfers in) were \$499,802 compared with debt service of \$498,303. Transfers are made from the City's General Fund that had \$285,841,172 in revenues in FY2025.

Parking Revenue Bonds, Series 2016

On August 9, 2016, Berkeley Joint Powers Financing Authority (BJPFA) issued \$33,970,000 in parking revenue bonds, on behalf of the City, to provide funds to (1) finance the demolition of the current Center Street garage, the construction of a new downtown Center Street Garage and other related work; (2) purchase a reserve fund insurance policy for the bonds; and (3) pay capitalized interest through June 1, 2019. Interest rates ranging from 3.00 percent to 4.00 percent are payable semi-annually on June 1 and December 1. Principal is due annually on June 1 starting in FY 2019-20. The bonds mature June 1, 2046 and are collateralized solely by all the installment payments received by BJPFA from the City under the installment sale agreement, any business interruption insurance proceeds paid to the Trustee pursuant to the installment sale agreement, and certain monies derived from certain other funds and accounts held by the Trustee pursuant to the indenture. The City has pledged and assigned to BJPFA approximately 100 percent of the City's rights to the net revenues of the Off-Street Parking Fund and Parking Meter Fund. In addition, the bond covenant provides that the City is to maintain a ratio of net revenues of the Off-street parking fund and Parking meter fund of 1.25 times total bond debt service. For FY 2025, the net Off-street parking revenues for coverage of \$-59,164 and the Parking meter revenues for coverage of \$1,153,415.

9. FUND BALANCES FOR GOVERNMENTAL FUNDS

Fund balances as of June 30, 2025, for the governmental funds were categorized as nonspendable, restricted, committed, assigned, or unassigned for the following purposes:

	Major Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Grants	Library	Capital Improvement	Measure O Housing Bond		
Fund balances:							
Nonspendable for:							
Long term notes receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items		1,881,627					1,881,627
Subtotal nonspendable for:	-	1,881,627	-	-	-	-	1,881,627
Restricted for:							
Other purposes	96,130	-	-	-	-	1,100,656	1,196,786
Operating reserves ⁽¹⁾	-	-	-	-	-	24,840,986	24,840,986
Capital projects	-	-	-	-	-	-	-
Public safety	-	11,648	-	-	-	23,862,226	23,873,874
Street maintenance	-	1,636,376	-	-	-	47,885,652	49,522,028
Health and welfare	-	31,025,806	-	-	-	11,774,115	42,799,921
Park and recreation	-	-	25,054,738	-	-	12,320,424	37,375,162
Community development and housing	42,074,692	45,289,520	-	7,771,575	81,326,861	14,661,275	191,123,923
Economic development	-	-	-	-	-	7,519,247	7,519,247
Debt service reserve	-	-	-	-	-	28,185,990	28,185,990
Subtotal restricted for:	42,170,823	77,963,350	25,054,738	7,771,575	81,326,861	172,150,571	406,437,918
Committed for:							
Other purposes	-	-	-	-	-	-	-
Operating reserves ^{(1) (2)}	58,314,770	-	-	-	-	5,859,768	64,174,538
Capital projects	-	-	-	-	-	4,508,630	4,508,630
Public safety	-	-	-	-	-	-	-
Street maintenance	-	-	-	-	-	8,862,162	8,862,162
Health and welfare	-	-	-	-	-	378,251	378,251
Park and recreation	-	-	-	-	-	2,316,029	2,316,029
Community development and housing	-	-	-	-	-	68,188,605	68,188,605
Economic development	-	-	-	-	-	4,140,309	4,140,309
Debt service reserve	-	-	-	-	-	-	-
Subtotal committed for:	58,314,770	-	-	-	-	94,253,754	152,568,524
Assigned to:							
Operating reserves	4,562,261	-	-	-	-	-	4,562,261
Capital projects	7,725,443	-	-	51,106	-	-	7,776,549
Public safety	2,252,654	-	-	-	-	-	2,252,654
Street maintenance	319,537	-	-	12,715,902	-	-	13,035,439
Health and welfare	1,305,335	-	-	-	-	-	1,305,335
Park and recreation	1,507,373	-	-	587,877	-	-	2,095,249
Community development and housing	4,759,924	-	-	2,696,683	-	-	7,456,607
Economic development	288,666	-	-	8,525	-	-	297,191
Subtotal assigned for:	22,721,191	-	-	16,060,094	-	-	38,781,286
Unassigned:							
Operating reserves	31,670,881	-	-	-	-	-	31,670,881
Capital projects	-	(176,625)	-	-	-	-	(176,624)
Public safety	-	(3,207,201)	-	-	-	(5,998)	(3,213,199)
Street maintenance	-	(2,223,208)	-	-	-	(87)	(2,223,296)
Health and welfare	-	(470,058)	-	-	-	-	(470,058)
Park and recreation	-	(3,331,966)	-	-	-	-	(3,331,966)
Community development and housing	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	(10,088)	(10,088)
Subtotal unassigned for:	31,670,881	(9,409,058)	-	-	-	(16,173)	22,245,648
Total fund balance	<u>\$ 154,877,665</u>	<u>\$ 70,435,919</u>	<u>\$ 25,054,738</u>	<u>\$ 23,831,669</u>	<u>\$ 81,326,861</u>	<u>\$ 266,388,152</u>	<u>\$ 621,915,004</u>

(1) include PERS Savings

(2) Include Stabilization, Catastrophic Reserves

NOTES TO THE FINANCIAL STATEMENTS

10. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures / Over Appropriations

The following non-major governmental funds expenditures exceeded appropriations at the legal level of budgetary control (the fund level):

	<u>Amount</u>
Measure E: Special Tax for Disabled Fund	(575) ⁽¹⁾
Inclusionary Housing Program Fund	(5,133) ⁽¹⁾
PERS Savings Fund	(63,999) ⁽¹⁾
Park Acquisition Fund	(242) ⁽¹⁾
Berkeley Repertory Theatre Fund	(183) ⁽¹⁾
GO 2014 Measure M Street and Watershed Improvement Fund	(1,650) ⁽¹⁾
Measure O Housing Bond Debt Service	(1,575) ⁽¹⁾
2010 COP Animal Shelter Fund	(536,325) ⁽²⁾

(1) An amendment to the appropriations ordinance was not prepared. The fund balance was used to cover the excess or General Fund transfer to write off deficits.

(2) Deficit was due to transfer out from the savings from refunding lease revenue bond to PERS saving fund.

B. Deficit Fund Balances/Net Position

The following nonmajor funds had deficit fund balances / net position as of June 30, 2025:

Special revenue funds	<u>Amount</u>
California Energy Commission	(87) ⁽¹⁾
1st Response Advanced Life Support	(5,998) ⁽¹⁾
Tobacco Control	(436) ⁽¹⁾
Total special revenue funds	(6,521)
Debt service funds	
Berkeley Repertory Theatre	(10,088) ⁽²⁾
Total debt service funds	(10,088)
Internal service funds	
Building Maintenance	(4,035,236) ⁽³⁾
Central Services	(114,118) ⁽³⁾
Workers' Compensation	(9,752,938) ^{(4),(5)}
Public Liability	(5,682,317) ⁽¹⁾
Catastrophic Loss	(468,435) ⁽⁴⁾
IT Cost Allocation Plan	(5,284,045) ⁽⁴⁾
Total internal service funds	(25,337,089)
Total	<u>\$ (25,353,698)</u>

(1) Deficit partially due to timing of receivables and billing of project costs. The City plans to transfer General Fund monies to cover the unbillable amount after the project is complete.

(2) Capital Improvement Fund will transfer money in FY 2026 to cover deficit.

(3) Ongoing deficit that the City is aware of. Internal charges to funds have been increased to gradually decrease the deficit.

(4) Created by net pension and OPEB liabilities, where beneficiary payments are long term and steps are being taken by the city to increase the funding ratio over the long term.

(5) Created by actuarial worker's compensation liability.

11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

A. Public Liability

The City has excess coverage for Public Liability claims between \$350,000 and \$1,000,000 through Bay Cities Joint Powers Insurance Authority (BCJPIA). The California Affiliated Risk Management Authority (CARMA) provides additional coverage to BCJPIA and its member entities from claims in excess of \$1 million to \$29 million. The program is administered through the Public Liability Internal Service Fund. There were no transfers in FY 2018. Disbursements from the Public Liability Internal Service Fund are restricted to the payment of liability claims, personnel and other investigation costs.

The City is a member of the Bay Cities Joint Powers Insurance Authority (BCJPIA) for its liability coverage. BCJPIA was created in 1986 to develop effective risk management programs to reduce the amount and frequency of losses; to provide for pooled self-insurance among member agencies, to share the risk of self-insured losses; and to jointly purchase and provide administrative and other services including, but not limited to claims adjusting, data processing, risk management, loss prevention, accounting services, actuarial services, and legal services in connection with the program. BCJPIA consists of 15 cities, four towns, and one police and fire authority all located within the metropolitan Bay Area.

BCJPIA provides General Liability, Auto Liability, and Errors & Omissions coverage for its members in excess of the member's retained limit, or Self-Insured Retention (SIR), up to \$1,000,000 per occurrence.

Each Member retains the portion of every loss that falls within their SIR, ranging from \$5,000 to \$500,000. The City's SIR is \$350,000. BCJPIA is also a member of the California Affiliated Risk Management Authorities (CARMA), a risk-sharing joint powers authority. When losses exceed the \$1,000,000 per occurrence limit, CARMA provides coverage up to \$29,000,000. BCJPIA is governed by a Board of Directors, which is comprised of appointed officials from the member entities. To the extent that allocated losses and administrative expenses exceed contributions previously paid and other income, the BCJPIA may assess its members' additional premiums. Complete financial statements of BCJPIA can be obtained from: Bay Cities Joint Powers Insurance Authority, 6371 Auburn Blvd., Suite B, Citrus Heights, CA 95621-0488. Condensed accrual basis financial information of BCJPIA as of and for the year ended June 30, 2025 is as follows:

Total assets	\$	90,271,100
Total liabilities		34,901,688
Net position	\$	<u>55,369,412</u>
Total revenues	\$	45,959,961
Total expenses		33,572,108
Net income/(loss)	\$	<u>12,387,853</u>

B. Workers' Compensation

The City is self-insured for workers' compensation. Payments are made to the Workers' Compensation Self-Insurance Internal Service Fund by transfers from all City funds. Funds are available to pay claims and administrative costs of the program.

At June 30, 2025, \$5,709,954 and \$44,384,254 have been accrued for public liability, and workers' compensation claims, respectively. These accruals represent estimates of amounts to ultimately be paid for reported claims and, upon past experience, recent claim settlement trends and other information. It is the City's practice to obtain an actuarial study on an annual basis. Although the amount of actual losses incurred through June 30, 2025 are dependent on future developments, based upon information from the administrators and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses.

NOTES TO THE FINANCIAL STATEMENTS

Changes in the balance of claim liabilities during the fiscal year for all self-insurance funds are as follows:

	Public Liability	Workers' Compensation	Total
Balance, July 1, 2024	\$ 7,229,101	\$ 40,698,360	\$ 51,524,717
Incurred claims and changes in estimates	354,338	10,397,821	10,752,159
Claims and fee paid	(1,873,685)	(6,711,926)	(8,585,611)
Balance, June 30, 2025	<u>\$ 5,709,754</u>	<u>\$ 44,384,255</u>	<u>\$ 50,094,009</u>

There were no significant reductions in insurance coverage from the prior year in public liability and there were no settlements exceeding the limits of the City's excess coverage for the past three years.

C. Construction Commitments

As of June 30, 2025, construction commitments totaled approximately \$43.5 million. The major projects comprising the bulk of the commitments are the FY 25 Sanitary Sewer Rehabilitation Projects, the FY 24/FY25 Street Rehabilitation Projects, FY 25 Sidewalk Repair and Replacement Project, FY 25 Storm Drain Repair, and Transportation traffic improvement and safety projects including: Adeline/Shattuck Rehab, University West Bus Stops, Telegraph/Channing Parking Garage Restroom Renovation, and Strawberry Creek Culvert Maintenance Project.

D. Encumbrances

The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations, which have not yet been fulfilled, cancelled or discharged, at June 30, 2025, total governmental funds encumbrance balances for the City were:

General fund	\$ 5,509,118
Grant fund	7,726,648
Library fund	685,164
Capital improvement fund	4,491,447
Non-major governmental funds	3,486,275
Total governmental funds	<u>\$ 21,898,652</u>

E. Contingent Liabilities

i. General Grant Risks

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although City management expects such amounts, if any, to be immaterial.

ii. Federal Funding Risks

The City receives federal funding to support various City programs. Federal policies on the federal debt ceiling, Affordable Care Act, taxes, foreign trade and tariffs, immigration, climate change, clean energy, and other matters can shift dramatically from one administration to another. From time to time, such changes can result in shifts in the level of federal funding for various priorities, leading to unpredictability in near-term and future federal grant funding.

Recent executive orders, agency directives, notice of funding opportunities and grant agreements may condition funding to requirements unacceptable to the City, such as cooperation with federal immigration enforcement, and prohibition of diversity, equity and inclusion (DEI) programs.

The City cannot predict if federal grant funding in support of governmental services, whether direct grants from the federal government or pass through grants from the State, will continue.

Lawsuits and Claims

There are a number of lawsuits and claims pending against the City. Included in these are a number of property damage, civil suits, and personal injury seeking damages in excess of the City's insurance limits. The aggregate amount of the uninsured liabilities of the City which may result from all suits and claims will not, in the opinion of City management, materially affect the City's finances, or impair its ability to otherwise meet its obligations.

12. DEFINED BENEFIT PENSION PLANS

Pension related balances presented on the Statement of Net Position as of June 30, 2025 are described in the following table:

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expenses
By Individual Plan				
CalPERS Miscellaneous Plan	\$ 64,393,324	\$ -	\$ 344,445,326	\$ 48,769,944
CalPERS Public Safety - Fire Plan	26,184,544	1,092,880	97,283,489	16,177,667
CalPERS Public Safety - Police Plan	32,702,039	-	199,334,204	30,627,486
Berkeley Retirement Income Benefit Plan	-	25,820	53,606,670	(8,773,905)
Safety Members Pension Plan	-	-	135,043	32,544
Total	<u>\$ 123,279,907</u>	<u>\$ 1,118,700</u>	<u>\$ 694,804,732</u>	<u>\$ 86,833,736</u>
By Individual Fund				
Governmental Activities				
Governmental Funds	\$ 98,611,642	\$ 1,118,700	\$ 564,008,175	\$ 69,837,526
Internal Service Funds	6,196,888	-	31,287,223	3,487,270
Subtotal Governmental Activities	<u>104,808,530</u>	<u>1,118,700</u>	<u>595,295,398</u>	<u>73,324,796</u>
Enterprise Funds	16,906,465	-	91,138,494	12,322,855
Discretely Presented Component Unit				
Rent Stabilization Board Fund	1,564,912	-	8,370,840	1,186,085
Total	<u>\$ 123,279,907</u>	<u>\$ 1,118,700</u>	<u>\$ 694,804,732</u>	<u>\$ 86,833,736</u>

A. California Public Employees' Retirement System (CALPERS)

General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans 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.

NOTES TO THE FINANCIAL STATEMENTS

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	Public Safety	
		Fire	Police
CLASSIC:			
Vesting Period	5 Years Service	5 Years Service	5 Years Service
Benefit Payment	Monthly for Life	Monthly for Life	Monthly for Life
Earliest Retirement Age	55	50	50
Benefit Factor for Each Year of Service as a % of Annual Salary	2.7% at Age 55	3% at Age 55	3% at Age 55
Required Employee Contribution Rates	8%	9%	9%
Required Employer Contribution Rates (normal cost)	12.72%	21.22%	24.26%
Required Unfunded Liability Payment	\$41,867,118	\$13,425,919	\$22,585,256
PEPRA:			
Earliest Retirement Age	62	62	62
Benefit Factor for Each Year of Service as a % of Annual Salary	2% at Age 62	2.7% at Age 57	2.7% at Age 57
Required Employee Contribution Rates	8.25%	11.75%	13.50%

On January 1, 2013, the Public Employee Pension Reform Act (PEPRA) went into effect. This State law applies to employees hired after January 1, 2013 who are new to PERS. These employees are termed PEPRA members and employees that were enrolled in PERS (without significant separation) prior to January 1, 2013 are now referred to as classic members. PEPRA miscellaneous members will be enrolled in a 2 percent at 62 plan and PEPRA safety members (Fire and Police) will be enrolled in a 2.7 percent at 57 plan. PEPRA members will be required to pay half the normal cost of their plans.

Employees Covered

At June 30, 2025, the following employees were covered by the benefit terms for each plan:

	Miscellaneous	Public Safety	
		Fire	Police
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	1,756	131	356
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,192	64	85
Active Employees	1,149	206	145
Total	4,097	401	586

Contributions Description

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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2024 (the measurement date), the average active employee contribution rate is 8.0 percent of annual pay for the Miscellaneous Plan and 9.0 percent of annual pay for the Safety Plan (Fire and Police), and the employer contribution rate is 38.23 percent of annual payroll for the Miscellaneous Plan, 57.21 percent of annual payroll for the Public Safety Fire Plan, and 87.04 percent of annual payroll for the Public Safety Police Plan.

Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update

procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following assumptions:

	Miscellaneous	Public Safety	
		Fire	Police
Valuation Date	June 30, 2023	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method		
Actuarial Assumptions:			
Discount Rate	6.90%	6.90%	6.90%
Inflation	2.30%	2.30%	2.30%
Salary Increases	Varies by Entry Age and Services		
Investment Rate of Return ⁽¹⁾	6.90%	6.80%	6.80%
Mortality ⁽²⁾	Derived using CalPERS' Membership Data for all Funds		
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter		

⁽¹⁾ Net of pension plan investment expenses, including inflation.

⁽²⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% of Society of Actuaries Scale MP-2016.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the 2021 CalPERS Experience study and review of Actuarial Assumptions. Mortality rates incorporate generational improvements using 80% of Scale MP-2020 published by the Society of Actuaries.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for each Plan. This rate includes investment expenses and inflation. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans will run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

NOTES TO THE FINANCIAL STATEMENTS

The expected real rates of return by asset class are as follows:

Asset Class ⁽¹⁾	Assumed asset allocation	Real return ⁽¹⁾⁽²⁾
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 asset Liability Management study

Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Miscellaneous Plan			
Balance at June 30, 2023	\$ 1,256,885,291	\$ 895,078,800	\$ 361,806,491
Changes in the Measurement Period			
Service Cost	24,536,537	-	24,536,537
Interest on the Total Pension Liability	85,743,650	-	85,743,650
Changes of Assumptions		-	-
Difference Between Expected and Actual Experience	8,705,551	-	8,705,551
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	36,233,751	(36,233,751)
Contribution - Employees	-	15,225,611	(15,225,611)
Net Investment Income	-	85,615,870	(85,615,870)
Benefit Payable, Including Refunds of Employee Contributions	(70,395,030)	(70,395,030)	-
Administrative Expense	-	(728,328)	728,328
Other Miscellaneous Income/Expense	-	-	-
Net Change	48,590,708	65,951,874	(17,361,166)
Balance at June 30, 2024	\$ 1,305,475,999	\$ 961,030,674	\$ 344,445,325

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Public Safety - Fire Plan			
Balance at June 30, 2023	\$ 334,094,804	\$ 233,174,881	\$ 100,919,923
Changes in the Measurement Period			
Service Cost	6,800,389		6,800,389
Interest on the Total Pension Liability	22,779,415		22,779,415
Changes of Assumptions		-	-
Difference Between Expected and Actual Experience	1,723,575		1,723,575
Plan to Plan Resource Movement		-	-
Contribution - Employer	-	10,675,536	(10,675,536)
Contribution - Employees	-	2,285,146	(2,285,146)
Net Investment Income	-	22,168,866	(22,168,866)
Benefit Payable, Including Refunds of Employee Contributions	(18,164,229)	(18,164,229)	-
Administrative Expense	-	(189,735)	189,735
Other Miscellaneous Income/Expense	-	-	-
Net Change	13,139,150	16,775,584	(3,636,434)
Balance at June 30, 2024	<u>\$ 347,233,954</u>	<u>\$ 249,950,465</u>	<u>\$ 97,283,489</u>
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Public Safety - Police Plan			
Balance at June 30, 2023	\$ 518,958,201	\$ 313,908,941	\$ 205,049,260
Changes in the Measurement Period			
Service Cost	8,397,945		8,397,945
Interest on the Total Pension Liability	35,357,845		35,357,845
Changes in Benefit Terms		-	-
Changes of Assumptions	-	-	-
Difference Between Expected and Actual Experience	3,738,582		3,738,582
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	20,107,255	(20,107,255)
Contribution - Employees	-	3,091,762	(3,091,762)
Net Investment Income	-	30,265,840	(30,265,840)
Benefit Payable, Including Refunds of Employee Contributions	(28,926,421)	(28,926,421)	-
Administrative Expense	-	(255,429)	255,429
Other Miscellaneous Income/Expense	-	-	-
Net Change	18,567,951	24,283,007	(5,715,056)
Balance at June 30, 2024	<u>\$ 537,526,152</u>	<u>\$ 338,191,948</u>	<u>\$ 199,334,204</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability			
Miscellaneous Plan	\$ 505,531,162	\$ 344,445,325	\$ 210,611,242
Public Safety - Fire Plan	141,940,187	97,283,489	60,393,160
Public Safety - Police Plan	269,072,982	199,334,204	142,006,710

NOTES TO THE FINANCIAL STATEMENTS

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

Miscellaneous Plan

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$48,769,944.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 41,867,118	
Changes in assumptions		
Differences between expected and actual experiences	8,700,009	
Net differences between projected and actual earnings on pension plan investments	13,826,197	
	<u>\$ 64,393,324</u>	<u>\$ -</u>

\$41,867,118 reported as deferred outflows of resources related to contributions subsequent to the measurement date but before the end of city's reporting period will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2026	\$ 5,138,273
2027	26,119,670
2028	(3,820,790)
2029	(4,910,947)
Thereafter	-

As of June 30, 2025, the City had no reported payables to the plan.

Public Safety - Fire Plan

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$16,177,667.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 13,425,919	
Changes in assumptions	2,155,416	
Differences between expected and actual experiences	6,798,829	1,092,880
Net differences between projected and actual earnings on pension plan investments	3,804,380	
	<u>\$ 26,184,544</u>	<u>\$ 1,092,880</u>

\$13,425,919 reported as deferred outflows of resources related to contributions subsequent to the measurement date but before the end of the city's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ 3,983,543
2027	9,483,154
2028	(545,946)
2029	(1,255,006)
Thereafter	-

As of June 30, 2025, the City had no reported payables to the plan.

Public Safety – Police Plan

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$30,627,486.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 22,585,256	
Changes in assumptions		
Differences between expected and actual experiences	5,452,885	
Net differences between projected and actual earnings on pension plan investments	4,663,898	
	<u>\$ 32,702,039</u>	<u>\$ -</u>

\$22,585,256 reported as deferred outflows of resources related to contributions subsequent to the measurement date but before the end of the City's reporting period will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ 4,180,857
2027	9,089,132
2028	(1,389,292)
2029	(1,763,913)
Thereafter	-

As of June 30, 2025, the City had no reported payables to the plan.

NOTES TO THE FINANCIAL STATEMENTS

B. City Sponsored Defined Benefit Pension Plan

Berkeley Police Employees Retirement Income Plan

Plan Description

The City sponsors a Retiree Income Plan for its Police retirees. This plan is a single-employer defined benefit pension plan. To be eligible for benefits, Police employees must retire from the City on or after July 1, 1989 and before September 19, 2012, be vested in a CalPERS pension, have ten years of service with the Berkeley Police department, and retire from the City on or after age 50 or with a disability benefit. Benefits commence 10 years after retirement for retirements before July 6, 1997, 5 years after retirement for retirements before July 1, 2007, and 2 years after retirement for retirements on or after July 1, 2007.

Benefits Provided

Benefits are payable for the retiree's lifetime and continue for the life of the surviving spouse. For employees retiring before September 19, 2012, the City pays a monthly income benefit equal to the City's Active 2-party Kaiser premium regardless of marital status. The monthly benefit is pro-rated by service according to the schedule shown in Appendix A, if the employee has less than 20 years of service with the City at retirement. Appendix A provides a more detailed summary of benefits. Benefits are paid from a Section 401(a) trust; therefore, benefits are taxable to the retiree when paid.

At June 30, 2025, the following employees were covered by the Berkeley Police Employee Retirement Income Plan:

	PERIP
Retirees	144
Active employees	-
Total	144

Contribution Description

The City (employer) contributed \$2,182,710 in FY 2025 and paid \$3,302,390 in benefits.

Net Pension Liability

The City's net pension liability for the Berkeley Police Employees Retirement Income Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

	PERIP
Valuation date	June 30, 2024
Measurement date	June 30, 2025
Actuarial assumptions:	
Discount rate	5.20%
Inflation	2.50%
Investment rate of return ⁽¹⁾	2.75%
Mortality	CalPERS 2000-2019 experience Study Fully generational with Scale MP-2021
Future benefit increase	Based on Medical Trend:
	Year Increase
	2026 7.90%
	2027 and beyond 3.45% - 7.9%

⁽¹⁾ Net of pension plan investment expenses, including inflation.

Change of Assumption:

For measurement date June 30, 2025, the discount rate was changed from 3.93% to 5.20%. Updated medical trend changed expected future benefit increases.

Change in Net Pension Liability

The changes in the Net Pension Liability for the Berkeley Police Employees Retirement Income Plan were as follows on the following page:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Balance at June 30, 2024	\$ 68,306,425	\$ 3,612,186	\$ 64,694,239
Changes in the measurement period			
Service cost			
Interest on the total pension liability	2,619,551		2,619,551
Changes in Assumptions ⁽¹⁾	(7,922,269)		(7,922,269)
Changes in Benefit Terms			-
Difference between expected and actual experience	(3,456,363)		(3,456,363)
Plan to plan resource movement			-
Contribution - employer	-	2,182,710	(2,182,710)
Contribution - employees	-	-	-
Net investment income	-	145,778	(145,778)
Benefit payable, including refunds	(3,302,390)	(3,302,390)	-
Administrative expense	-	-	-
Net change	(12,061,471)	(973,902)	(11,087,569)
Balance at June 30, 2025	<u>\$ 56,244,954</u>	<u>\$ 2,638,284</u>	<u>\$ 53,606,670</u>

The Plan Fiduciary Net Position was 4.70% of the total pension liability at June 30, 2025.

(1) The assumption gain is primarily due to the change in the discount rate from 3.93% to 5.20%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for Berkeley Police Employees Retirement Income Plan, calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net pension liability	\$59,700,357	\$53,606,670	\$48,427,033

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

For the fiscal year ended June 30, 2025, the City recognized pension expense of -\$8,773,905.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ -
Differences between expected and actual experiences		-
Net differences between projected and actual earnings on pension plan investments	-	25,820
	<u>\$ -</u>	<u>\$ 25,820</u>

NOTES TO THE FINANCIAL STATEMENTS

These deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ 60,875
2027	(44,206)
2028	(30,122)
2029	(12,367)

As of June 30, 2025, the City had no reported payables to the plan.

C. Safety Members Pension Fund

Plan Description

The City maintains the Safety Members Pension Fund (SMPF). This plan is a single-employer defined benefit pension plan for fire and police officers that retired before March 1973. In March 1973, all active fire and police officers were transferred from SMPF to CalPERS. The Safety Members Pension Board administers the plan. The authority under which benefit provisions are established or may be amended is the Berkeley Municipal Code chapters 4.20, 4.24, 4.28 and 4.32.

Benefits Provided

Service and disability retirement benefits are based on a percentage of salary at retirement, multiplied by years of service. Benefits are adjusted annually by either:

- Current active salary increases (based on the same rank at retirement) or
- The increase in the California Consumer Price Index (with a 1 percent minimum and a 3 percent cap).

Employees Covered

At June 30, 2025, the following employees were covered by SMPF:

	SMPF
Retirees	1
Active employees	-
Total	1

The plan is closed to new entrants.

Contribution Description

The City pays SMPF benefits on a pay-as-you-go basis. In February 1989, the Berkeley Civic Improvement Corporation purchased, on behalf of the City, a Guaranteed Income Contract (GIC) from Massachusetts Mutual. This contract provided annual payments through 202519 and an annual guaranteed 9.68 percent rate of return (net of expenses). The City pays the difference between actual benefit payments and contract provided annual payments, from the General Fund. Additional amounts may be paid, through 2024, under a Risk Agreement to compensate the City for the difference between the amounts paid by the City to its pensioners and the actuarially determined amounts.

Net Pension Liability

The City's net pension liability for the SMPF is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2025. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

	SMPF
Valuation date	June 30, 2025
Measurement date	June 30, 2025
Actuarial assumptions:	
Discount rate	5.20%
Inflation	2.50%
Investment rate of return ⁽¹⁾	N/A
Mortality	CalPERS 2000-2019 experience Study Mortality projected fully generational with Scale MP-2021

Discount Rate

The discount rate used to measure the total pension liability was 5.20 percent for the Plan. This rate includes investment expenses and inflation.

Change in Net Pension Liability

The changes in the Net Pension Liability for the Berkeley Safety Members Pension Fund were as follows on the following page:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Balance at June 30, 2024	\$ 146,122		\$ 146,122
Changes in the measurement period			
Service cost	-	-	-
Interest on the total pension liability	4,886		4,886
Difference between expected and actual experience	32,068		32,068
Assumption changes	(4,410)		(4,410)
Contribution - employer	-		-
Contribution - employees	-	-	-
Net investment income	-	-	-
Changes of assumptions	-		-
Benefit payable, including refunds	(43,623)		(43,623)
Administrative expense	-	-	-
Net change	(11,079)	-	(11,079)
Balance at June 30, 2025	\$ 135,043	\$ -	\$ 135,043

The Plan Fiduciary Net Position was 0% at the total pension liability at June 30, 2025.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for Berkeley Safety Member Pension Fund, calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net pension liability	\$138,490	\$135,043	\$131,778

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

For the fiscal year ended June 30, 2025, the City recognized pension expense (income) of \$32,544.

At June 30, 2025, the city reported no deferred outflows deferred inflows of resources.

NOTES TO THE FINANCIAL STATEMENTS

Other Information

The Statement of Net Position and Statement of Changes in Net Position for the Safety Member Pension Fund and Berkeley Police Retirement Income Benefit Plan as of and for the year ended June 30, 2025, using the accrual basis of accounting are as follows:

		Statement of Net Position for City Sponsored Pension Funds June 30, 2025	
		Safety Members Pension Annuity Fund	Police Retirement Income Benefit Plan
Assets			
Restricted cash and cash equivalents		\$ -	108,247
Investments at fair value:			
Medium term notes		-	500,750
US agency securities		-	1,472,776
Preferred Securities		-	761,573
Interest receivable		-	7,702
Total assets		-	2,851,048
Liabilities			
Accounts payable		-	212,768
Total liabilities		-	212,768
Net position restricted for:			
Employee pension benefits held in trust		-	2,638,284
Total net position		\$ -	\$ 2,638,284
		Statement of Change in Net Position for City Sponsored Pension Funds For the year ended June 30, 2025	
		Safety Members Pension Annuity Fund	Police Retirement Income Benefit Plan
Additions:			
Tax increment income		\$ -	\$ -
Contributions: employer		43,623	2,182,710
Investment income		-	145,779
Total additions		43,623	2,328,489
Deductions:			
Benefits payment for service		43,623	3,302,386
Total deductions		43,623	3,302,386
Change in net position			(973,897)
Total net position - beginning		-	3,612,181
Total net position - ending		\$ -	\$ 2,638,284

Expected Long-Term Rate of Return for BPRIP

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Medium Term Notes	19.00%	0.78%
US Agency Securities	41.00%	-0.35%
Cash and other	21.00%	-0.51%
Preferred Stock	19.00%	1.32%
Total	100.00%	
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		2.75%

13. OTHER POST-EMPLOYMENT BENEFITS

Other Post-Employment Benefits (OPEB) related balances presented on the Statement of Net Position as of June 30, 2025 are described in the following tables:

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	Actuarial OPEB Expenses (Income)
By Individual Plan				
Fire Retiree Healthcare Plan	\$ 4,136,924	\$ 12,780,192	\$ 11,307,820	\$ (5,159,965)
Miscellaneous Employees Retiree Health Premium Assistance Plan	4,473,957	33,409,624	14,121,454	(465,581)
Police retiree Healthcare Plan	8,149,769	33,038,097	17,959,615	(15,909,234)
Total	<u>\$ 16,760,650</u>	<u>\$ 79,227,913</u>	<u>\$ 43,388,889</u>	<u>\$ (21,534,780)</u>
By Individual Fund				
Governmental Activities				
Governmental Funds	\$ 12,880,287	\$ 66,853,854	\$ 36,704,604	\$ (21,352,052)
Internal Service Funds	1,029,823	3,126,228	2,029,025	(45,199)
Subtotal Governmental Activities	13,910,110	69,980,082	38,733,629	(21,397,251)
Enterprise Funds	2,742,315	8,826,975	4,477,343	(126,219)
Discretely Presented Component Unit				
Rent Stabilization Board Fund	108,225	420,856	177,917	(11,309)
Total	<u>\$ 16,760,650</u>	<u>\$ 79,227,913</u>	<u>\$ 43,388,889</u>	<u>\$ (21,534,780)</u>

The Statement of OPEB Net Position and Statement of Changes in OPEB Net Position as of and for the year ended June 30, 2025, using the accrual basis of accounting are as follows:

Statement of OPEB Net Position
June 30, 2025

	Miscellaneous Retiree Health Premium Assistance Plan	Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan
Assets			
Restricted cash and cash equivalents	\$ 827,788	\$ 54,771	\$ 400,827
Investments, at fair value:			
Medium term notes	16,835,280		2,003,000
US agency securities	12,989,839	1,205,963	10,336,674
Municipal bonds	3,791,889	-	-
Preferred Securities	4,456,698	511,748	1,909,981
Savo Island loan	54,000	-	-
Guaranteed investment contracts	-	-	-
Interest receivable	479,998	13,832	184,481

NOTES TO THE FINANCIAL STATEMENTS

Total assets	39,435,491	1,786,314	14,834,963
Liabilities			
Accounts payable	1,336	207	214
Total liabilities	1,336	207	214
Net position restricted for:			
Employee OPEB benefits held in trust	39,434,156	1,786,107	14,834,749
Total net position	\$ 39,434,156	\$ 1,786,107	\$ 14,834,749

**Statement of Changes in OPEB Net Position
For the year ended June 30, 2025**

	Miscellaneous Retiree Health Premium Assistance Plan	Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan
Additions:			
Contributions: employer	\$ 2,978,689	\$ 400,136	\$ 1,051,229
Investment income	2,301,921	96,971	671,071
Total additions	5,280,610	497,107	1,722,300
Deductions:			
Benefits payment for service	1,771,424	722,687	505,480
Administrative expenses	16,506	2,286	2,836
Total deductions	1,787,930	724,973	508,316
Change in net position	3,492,680	(227,866)	1,213,984
Total net position - beginning	35,941,476	2,013,973	13,620,765
Total net position - ending	\$ 39,434,156	\$ 1,786,107	\$ 14,834,749

A. Berkeley Fire Employees Retiree Health Plan

Plan Description and Benefits Provided

The City of Berkeley Fire Employees Retiree Health Plan (FRHF) is a single-employer defined benefit medical trust plan administered by The Lipman Company (TLC). It is reported in an Other Employee Benefit Trust Fund of the City. To be eligible for benefits, sworn Fire employees must retire from the City on or after July 1, 1997, be vested in a CalPERS pension, and retire from the City on or after age 50. Benefits commence immediately upon retirement. Benefits are payable for the retiree's lifetime and continue for his or her covered spouse's/domestic partner's lifetime.

The amount the City contributes toward the FRHF increases 4.5 percent annually regardless of the amount of increase in the underlying premium rate. The establishment and amendments of benefit provisions are negotiated between the employee bargaining units and the City Labor Negotiating Team, then approved by the City Manager and City Council. The FRHF does not issue a publicly available financial report that includes financial statements and required supplementary information. The City's portion of the benefit is based on the following years of service of the retiree:

Years of Service	City Percentage
Less than 10	0%
10 to 14	25%
15 to 19	50%
20 to 24	75%
More than 25	100%

Employees Covered

At June 30, 2025, the following current and former employees were covered by the benefit terms for FRHF

	FRHF
Inactive employees or beneficiaries currently receiving benefits	89
Inactive employees entitled to but not yet receiving benefits	19
Active employees	147
Total	255

Contributions

The City makes a contribution towards the medical premium. For all Medicare eligible retirees of retirement age, the maximum payment is equal to the City's percentage of the 2001 single or two-party Health Net Senior Plus rate (depending on whether retiree has a covered dependent) adjusted 4.5 percent annually.

The City's maximum contribution for Fire retirees for FY 2025 is shown in the following table:

	City's Contribution for Non-Medicare Eligible Retirees		City's Contribution for Medicare Eligible Retirees	
	Single-Party	Two-Party	Single-Party	Two-Party
Retired before 7/1/06	\$ 535	\$ 1,066	\$ 724	\$ 1,444
Retired after 7/1/06	434	868	434	868

During FY 2025, the City contributed \$1,051,229 to the trust and made benefit payments of \$505,480.

Net OPEB Liability of the City

The Total OPEB Liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2024, using the following actuarial assumptions, applied to all prior periods including the measurement:

Actuarial Assumptions

Discount rate	5.20%
Expected long-term rate of return	2.50%
General inflation	2.50%
Aggregate payroll increases	2.75%
Merit payroll increases	CalPERS 2000-2019 Experience Study
Mortality, retirement, disability, termination	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational* with Scale MP-2021
AA municipal bond rate	5.20% (Bond Buyer 20 Index)
Non-medicare trend	7.9% for 2026, decreasing to an ultimate rate of 3.45% for 2076
Medicare trend Non Kaiser/Medicare Kaiser	Non-Kaiser 7.90% for 2026, decreasing to an ultimate rate of 3.45% for 2076; Kaiser 5.65% for 2065, decreasing to an ultimate rate of 3.45% for 2076.*
Healthcare participation for future retirees	100.00%
Current retirees	100.00% if currently participating, 80% of non-participating retirees commence reimbursements immediately
Cap increases	4.50% annually

*Changes since June 30, 2024 Measurement Date

· Discount rate was updated based on municipal bond rate

· Changes of benefit terms: Plan closed to hires after 6/30/24. Caps frozen for participants hired on or after 6/5/2006 and retiring after 6/30/2024.

The component of the City's Net OPEB Liability at June 30, 2025 and June 30, 2024, were as follows:

NOTES TO THE FINANCIAL STATEMENTS

	FY Ending	
	6/30/2025	6/30/2024
Total OPEB liability	\$ 26,142,568	\$ 35,856,368
Fiduciary net position	14,834,748	13,620,764
Net OPEB Liability	\$ 11,307,820	\$ 22,235,604
Funded Status	56.7%	38.0%

Investments

Investment Policy

FRHF's policy in regard to the allocation of invested assets is established and may be amended by the City of Berkeley City Council.

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 asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class in the target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Medium Term Notes	19.00%	0.78%
US Agency Securities	40.00%	-0.35%
Cash and other	23.00%	-0.50%
Preferred Stock	18.00%	1.32%
Total	100.00%	
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		2.50%

Rate of Return

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 4.70 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at rates equal to the actuarially determined contribution rates. 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 OPEB liability.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for each major asset class included in the target asset allocation as of June 30, 2025 (see the discussion of the Plan's investment policy) above.

Change in Net OPEB Liability

The changes in the Net OPEB Liability for the Berkeley City of Berkeley Fire Employees Retiree Health Plan was as follows:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability / (Asset)
Balance at June 30, 2024	\$ 35,856,368	\$ 13,620,764	\$ 22,235,604
Changes in the measurement period			
Service cost	1,426,866	-	1,426,866
Interest	1,455,298	-	1,455,298
Difference between expected and actual experience	(717,860)	-	(717,860)
Changes of assumptions	(4,746,777)	-	(4,746,777)
Change of benefit terms	(6,625,847)	-	(6,625,847)
Contribution - employer	-	1,051,229	(1,051,229)
Contribution - employees	-	-	-
Net investment income	-	671,071	(671,071)
Benefit payments	(505,480)	(505,480)	-
Administrative expense	-	(2,836)	2,836
Net change	(9,713,800)	1,213,984	(10,927,784)
Balance at June 30, 2025	\$ 26,142,568	\$ 14,834,748	\$ 11,307,820

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

The following presents the City's net OPEB liability calculated, using the discount rate of 5.20 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	4.20%	5.20%	6.20%
Net OPEB liability	\$ 14,937,593	\$ 11,307,820	\$ 8,337,453

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the City's net OPEB liability calculated, using the current healthcare cost trend rate of well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$ 9,591,666	\$ 11,307,820	\$ 12,213,620

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of -\$5,159,965. As of fiscal year ended June 30, 2025, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

Deferred Outflows/Inflows Balances at June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,468,642	\$ 3,229,574
Changes in assumptions	2,668,282	9,272,636
Net differences between projected and actual earnings on plan investments	-	277,982

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\$	4,136,924	\$	12,780,192

Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ (981,046)
2027	(1,383,627)
2028	(1,413,581)
2029	(1,455,836)
2030	(1,457,864)
Thereafter	(1,951,314)

B. Berkeley Miscellaneous Employees Retiree Health Plan**Plan Description and Benefits Provided**

The City of Berkeley Retiree Health Premium Assistance Plan (RHPAP) is a single-employer defined benefit medical plan with Voya. It is an Other Employee Benefit Trust Fund of the City, which provides retiree health benefits to eligible retirees and his/her spouse or domestic partner. The establishment and amendments of benefit provisions are negotiated between the employee bargaining units and the City, and are approved by the City Council. The RHPAP does not issue a publicly available financial report that includes financial statements and required supplementary information.

Employees are eligible for retiree health benefits if they satisfy the following requirement:

- Retirees who are at least age 50, with at least 8 years of service with the City at the time of separation from service are eligible to receive retiree health benefits commencing at age 55.
- Benefits are payable for the retiree's lifetime and continue for his or her covered spouse's/domestic partner's lifetime. The City pays the monthly cost of the monthly premiums up to a participant's applicable percentage of the base dollar amount and subject to annual 4.5 percent increases as specified in the Retiree Health Premium Assistance Plan document regardless of the amount of increase in the underlying premium rate. The City's portion of the benefit is based on the following years of service of the retiree:

Years of Service	City Percentage
8	30%
9	40%
10	50%
11	58%
12	66%
13	74%
14	82%
15	90%
16	92%
17	94%
18	96%
19	98%
20+	100%

For SEIU Maintenance and Clerical employees, the City contributes additional \$200/month until age 65 for retirements from 7/1/2022 to 6/26/2024. This change of benefit is effective as of June 30, 2025 measurement date.

Employees Covered

At June 30, 2025, the following current and former employees were covered by the benefit terms for RHPAP

	RHPAP
Inactive employees or beneficiaries currently receiving benefits	392
Inactive employees entitled to but not yet receiving benefits	154
Active employees	1,189
Total	1,735

Contributions

The City's maximum contribution for Miscellaneous retirees for FY 2025 is shown in the following table:

	City's Contribution for Non-Medicare Eligible		City's Contribution for Medicare Eligible Retirees	
	Single-Party	Two-Party	Single-Party	Two-Party
SEIU Local 1021 C&M - retired prior to July 1, 2022	\$ 453	\$ 906	\$ 37	\$ 74
SEIU Local 1021 C&M - retired prior to June 30, 2023	673	1,126	37	74
SEIU Local 1021 C&M - retired on or after July 1, 2023	453	906	37	74
SEIU Local 1021 CSU - retired prior to June 29, 2008	453	906	148	297
SEIU Local 1021 CSU - retired after June 29, 2008	629	1,081	148	297
IBEW Local 1245 - retired prior to June 28, 2009	453	906	55	109
IBEW Local 1245 - retired after June 28, 2009	628	1,256	55	109
IBEW Local 1245 - retired on or after June 27, 2010	712	1,424	55	109
IBEW Local 1245 - retired on or after June 26, 2011	725	1,505	55	109
IBEW Local 1245 - retired on or after June 24, 2012	906	1,812	55	109
IBEW Local 1245 - retired on or after June 23, 2013	980	1,959	55	109
IBEW Local 1245 - retired on or after June 22, 2014	1,225	2,240	55	109
PEU Local One - retired prior to June 29, 2008	449	899	36	71
PEU Local One - retired after June 29, 2008	733	1,466	500	1,000
Unrepresented (Z-1, Z-5, Z-7) - retired prior to July 1, 2008	453	906	205	410
Unrepresented (Z-1, Z-5, Z-7) - retired after July 1, 2008	543	1,085	284	569

During FY 2025, the City contributed \$2,929,882 to the trust and made benefit payments of \$1,768,401.

Investments

Investment Policy

RHPAP's policy in regard to the allocation of invested assets is established and may be amended by the City of Berkeley City Council.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for each major asset class included in the target asset allocation as of June 30, 2025.

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Asset Class	Policy Target Allocation	Expected Real Rate of Return
Savo Island Loan	1.00%	1.71
Medium Term Notes	1.00%	0.78%
US Agency Securities	23.00%	-0.35%
Municipal Bonds	21.00%	0.79
Cash and other	33.00%	-0.50%
Preferred Stock	21.00%	1.32%
Total	100.00%	
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		2.75%

Rate of Return

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 5.36 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at rates equal to the actuarially determined contribution rates. 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 OPEB liability.

Net OPEB Liability of the City

The Total OPEB Liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2024, using the following actuarial assumptions, applied to all prior periods including the measurement:

Actuarial Assumptions

Discount rate	5.20%*
Expected long-term rate of return	2.75%
General inflation	2.50%
Aggregate payroll increases	2.75%
Merit payroll increases	CalPERS 2000-2019 Experience Study
Mortality, retirement, disability, termination	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality improvement projected fully generational with Scale MP-2021
AA municipal bond rate	5.20% (Bond Buyer 20 Index)
Crossover test	Bond rate is greater than long-term expected rate of return on assets. No crossover test was performed.
Non-medicare trend	7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Medicare trend(non-Kaiser)Medicare(Kaiser)	Non-Kaiser 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076.
Healthcare participation for future retirees	Pre-65: 60% Post-65: 95% for Local 1, 80% for other groups
Cap increases	Kaiser retiree premium increase up to a maximum of 4.50% annually

*Changes since June 30, 2024 Measurement Date

**Discount rate changed from 3.93% to 5.20% based on Bond Buyer 20 Index.

The component of the City's Net OPEB Liability at June 30, 2025 and June 30, 2024 were as follows:

	FY Ending	
	6/30/2025	6/30/2024
Total OPEB liability	\$ 53,555,610	\$ 62,048,880
Fiduciary net position	39,434,156	35,241,306
Net OPEB Liability	<u>\$ 14,121,454</u>	<u>\$ 26,807,574</u>
Funded Status	73.30%	56.80%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Change in Net OPEB Liability

The changes in the Net OPEB Liability for the Berkeley Miscellaneous Retiree Healthcare Plan was as follows:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability / (Asset)
Balance at June 30, 2024	\$ 62,048,880	\$ 35,241,306	\$ 26,807,574
Changes in the measurement period			
Service cost	3,038,353	-	3,038,353
Interest	2,523,179	-	2,523,179
Change of benefit terms	-	-	-
Difference between expected and actual experience	(2,797,044)	-	(2,797,044)
Changes of assumptions	(9,489,357)	-	(9,489,357)
Contribution - employer	-	2,929,882	(2,929,882)
Contribution - employees	-	-	-
Net investment income	-	2,992,410	(2,992,410)
Benefit payments	(1,768,401)	(1,768,401)	-
Administrative expense	-	38,959	(38,959)
Net change	<u>(8,493,270)</u>	<u>4,192,850</u>	<u>(12,686,120)</u>
Balance at June 30, 2025	<u>\$ 53,555,610</u>	<u>\$ 39,434,156</u>	<u>\$ 14,121,454</u>

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

The following presents the City's net OPEB liability calculated, in accordance with GASB Statement No. 74, using the discount rate of 5.20 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Net OPEB liability	\$21,932,399	\$14,121,454	\$7,747,569

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Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the City's net OPEB liability calculated, in accordance with GASB Statement No. 74, using the current healthcare cost trend rate of 7.90 percent decreasing to 3.45 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$ 7,911,491	\$ 14,121,454	\$ 17,679,351

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of -\$465,581. As of fiscal year ended June 30, 2025, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

Deferred Outflows/Inflows Balances at June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 10,535,101
Changes in assumptions	4,473,957	21,545,160
Net differences between projected and actual earnings on plan investments *	-	1,329,363
	<u>\$ 4,473,957</u>	<u>\$ 33,409,624</u>

Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ (5,550,796)
2027	(7,842,348)
2028	(4,716,713)
2029	(4,540,500)
2030	(3,253,274)
Thereafter	(3,032,036)

C. Police Retiree Premium Assistance Plan

Plan Description and Benefits Provided

Effective September 19, 2012, the City replaced the "Berkeley Police Retirement Income benefit Plan" with the "Retiree Health Premium Assistance Coverage Plan" for any police employees hired on or after that date, as well as any current employees who retire on or after such date. The Retiree Health Premium Assistance Coverage Plan is a single-employer defined benefit medical plan administered by The Lipman Company (TLC). Under the newly established retiree health premium assistance plan, benefits will be paid by the City directly to the provider who is providing retiree health coverage to the retiree or his or her surviving spouse. The maximum amount will be equal in value to the City sponsored health plan.

In order to be eligible for the Retiree health Premium Assistance Coverage a "Retiree" must meet all of the following criteria:

- A person who is vested in CalPERS, and
- Has reached the age of 50, and
- Has retired from the City at age 50 or thereafter, and
- Has applied for and is receiving a pension from CalPERS at the time of retirement

Benefits Provided

The maximum amount the City will contribute toward the payment of medical insurance premiums is based on the employee's years of service as a sworn member of the Berkeley Police Department at time of retirement. The retiree must have at least 10 years of service as a sworn member of the Berkeley Police Department to qualify for this benefit.

Years of Service	City Percentage
10-14	25%
15-19	50%
20+	100%

Employees Covered

At June 30, 2025, the following current and former employees were covered by the benefit terms for PRPAP:

	PRPAP
Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	14
Active employees	150
Total	200

Contributions

Beginning July 1, 2013 and effective each July 1 thereafter, the base rates the City contributes toward payment of the premium amount described in the preceding paragraph will be increased by either the amount Kaiser increases the retiree medical premium for that year, or 6.0 percent, whichever is less. The retiree and/or surviving spouse/domestic partner shall pay the difference between the amount the City contributes toward payment of the premium and the actual premium cost. As of July 1, 2025, there were 150 active employees and 50 retirees. The base monthly dollar amount paid by the City for FY 2025 was as follows:

	City's Contribution for Non-Medicare Eligible Retirees		City's Contribution for Medicare Eligible Retirees	
	Single-Party	Two-Party	Single-Party	Two-Party
PRPAP	\$935	\$1,870	\$ 462	\$ 925

During FY 2025, the City contributed \$400,136 to the trust and made benefit payments of \$923,479.

NOTES TO THE FINANCIAL STATEMENTS

Investments

Investment Policy

PRPAP's policy in regard to the allocation of invested assets is established and may be amended by the City of Berkeley City Council.

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 asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class in the target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Medium Term Notes	19.00%	0.78%
US Agency Securities	40.00%	-0.35%
Cash and other	23.00%	-0.50%
Preferred Stock	18.00%	1.32%
Total	100.00%	
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		2.50%

Rate of Return

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 3.99 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at rates equal to the actuarially determined contribution rates. 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 OPEB liability.

Net OPEB Liability of the City

The Total OPEB Liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2024, using the following actuarial assumptions, applied to all prior periods including the measurement:

Actuarial Assumptions

Discount rate	5.20%
Expected long-term rate of return	2.50%
General inflation	2.50%
Aggregate payroll increases	2.75%
Merit payroll increases	CalPERS 2000-2019 Experience Study Mortality, retirement, disability, termination CalPERS 2000-2019 Experience Study
Mortality, retirement, disability, termination	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
AA municipal bond rate	5.20% (Bond Buyer 20 Index)
Non-medicare trend	7.9% for 2026, decreasing to an ultimate rate of 3.45% for 2076
Medicare trend (Non-Kaiser/Kaiser)	Non-Kaiser 7.90% for 2026, decreasing to an ultimate rate of 3.45% for 2076; Kaiser 5.65% for 2026, decreasing to an ultimate rate of 3.45% for 2076.
Healthcare participation for future retirees	100.00%
Cap increases	Kaiser retiree premium increase up to a maximum of 6.00% annually

*Changes since June 30, 2024 Measurement Date

· Discount rate was updated based on municipal bond rate

· Changes of benefit terms: City contribution caps were frozen for retirements after 6/30/24. Employees hired after 6/30/24 receive the PEMHCA minimum benefit.

The component of the City's Net OPEB Liability at June 30, 2025 and June 30, 2024, were as follows:

	FY Ended	
	6/30/2025	6/30/2024
Total OPEB liability	\$ 19,745,722	\$ 36,660,551
Fiduciary net position	1,786,107	2,214,765
Net OPEB liability	\$ 17,959,615	\$ 34,445,786
Funded Status	9.00%	6.00%

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Change in Net OPEB Liability

The changes in the Net OPEB Liability for the Berkeley Police Retiree Health Premium Assistance Plan was as follows:

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability / (Asset)
Balance at June 30, 2024	\$ 36,660,551	\$ 2,214,765	\$ 32,490,542
Changes in the measurement period			
Service cost	1,751,827	-	1,751,827
Interest	1,495,406	-	1,495,406
Difference between expected and actual experience	(1,079,645)	-	(1,079,645)
Changes of assumptions	(3,781,351)	-	(3,781,351)
Contribution - employer	-	400,136	(400,136)
Contribution - employees	-	96,972	(96,972)
Net investment income	-	-	-
Benefit payments	(722,687)	(722,687)	-
Administrative expense	-	(203,079)	203,079
Change in benefit terms	(14,578,379)		(14,578,379)
Net change	(16,914,829)	(428,658)	(16,486,171)
Balance at June 30, 2025	\$ 19,745,722	\$ 1,786,107	\$ 17,959,615

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

The following presents the City's net OPEB liability calculated, in accordance with GASB Statement No. 74, using the discount rate of 5.20 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	4.20%	5.20%	6.20%
Net OPEB liability	\$ 20,847,995	\$ 17,959,615	\$ 15,610,488

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the City's net OPEB liability calculated, using the current healthcare cost trend rate and what it would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$ 16,639,957	\$ 17,959,615	\$ 19,494,651

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of -\$15,909,234. As of fiscal year ended June 30, 2025, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

Deferred Outflows/Inflows Balances at June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 13,447,489
Changes in assumptions	8,149,769	19,559,916
Net differences between projected and actual earnings on plan investments	-	30,692
	\$ 8,149,769	\$ 33,038,097

Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2026	\$ (4,531,587)
2027	(4,590,866)
2028	(3,924,465)
2029	(3,921,498)
2030	(4,513,230)
Thereafter	(3,406,682)

D. Defined Contribution Plans

i. Supplemental Retirement and Income Plans (SRIP)

There are three separate Supplemental Retirement and Income Plans (SRIP) that were enacted by Ordinance at different times and are set forth in the Berkeley Municipal Code as follows:

- Supplementary Retirement and Income Plan I (SRIP I) – Berkeley Municipal Code Chapter 4.36.101 et seq.
- Supplementary Retirement and Income Plan II (SRIP II) – Berkeley Municipal Code Chapter 4.38.101 et seq.
- Supplementary Retirement and Income Plan III (SRIP III) – Berkeley Municipal Code Chapter 4.39.101 et seq.
- SRIP I and SRIP II cover non-sworn employees. SRIP III covers sworn Police personnel except for the Police Chief who is included in SRIP II.

SRIP I

On January 1, 1983, Ordinance No. 5450-N.S., which was codified in the Berkeley Municipal Code under Chapter 4.36.101 et seq., established SRIP I. The SRIP I plan consists of two components: 1) a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code, and 2) an employer paid disability benefit.

Money Purchase Pension Plan: The administrators of the money purchase pension plan are Hartford Life Insurance Company and Prudential Retirement Services. The plan is a defined contribution plan whereby the City contributes 5.7 percent of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account and 1 percent of salary up to a salary of \$32,400 into a disability reserve account for each covered employee (all permanent City employees). The total assets of SRIP I available for benefits at June 30, 2025, was \$1,854,740 which comprised of 17 participant accounts. These assets are the property of the individual account holders and not the property of the City. These assets cannot be used to pay disability benefits.

Disability Benefit: Employees hired after January 1, 1983, but prior to July 22, 1988, who became disabled in their own occupation are entitled to receive a disability income benefit equal to 60 percent of their highest compensation, reduced by any disability payments they receive from Social Security, State Disability Insurance, or Workers' Compensation. Employees hired after July 21, 1988, are not eligible for benefits under this plan which was closed to new enrollees.

Benefits are payable for the disabled participant's lifetime or until recovery from disability. The third party administrator is Cigna. Currently, the City pays the monthly cost of the monthly disability benefits on a pay-as-you-go basis. There were a total of 48 closed groups of participants, 1 active employees and 47 disabled participants receiving benefits. The unfunded liability for SRIP I at July 1, 2025, the date of the last actuarial study, was \$8,537,908. For FY 2025, the City paid total SRIP I disability payments of \$1,101,762.

With the inception of SRIP II, the City contracted with Standard Insurance Company of Oregon to provide a portion of disability benefits through a Long Term Disability plan for those active employees remaining in SRIP I on or after July 22, 1988. Subsequently, the City prospectively dropped the Long Term Disability

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plan provided by Standard Insurance Company of Oregon and purchased a Long Term Disability plan from Hartford Life Insurance Company. Later, the City dropped the Long Term Disability plan provided by Hartford Life and purchased a Long Term Disability Plan from UNUM Provident. Ultimately, the City chose to delete the Long Term Disability plan and self-fund the benefit. The disability benefits of all those in SRIP I disabled prior to July 22, 1988, as well as the self-insured portion of SRIP I disability benefits arising on or after July 22, 1988, applicable to SRIP I coverage, are paid from City contributions.

SRIP II

On July 22, 1988, Ordinance No. 5900-N.S., which was codified in the Berkeley Municipal Code under Chapter 4.38.101 et seq., established SRIP II, a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a defined contribution money purchase pension plan, whereby the City contributes 6.7 percent of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account for each eligible employee. Enrollment in the plan is mandatory for all eligible persons hired on or after July 22, 1988, and elective for those eligible and hired prior to July 22, 1988.

SRIP III

Effective January 1, 1989, the City established SRIP III, which was codified in the Berkeley Municipal Code under Chapter 4.39.101 et seq., a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a defined contribution plan, whereby the City contributes 2 percent of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account for all sworn police officers except the Police Chief.

The total assets of SRIP II and SRIP III available for benefits at June 30, 2025 were \$3,461,508 and there were 45 participants.

The City Council is responsible for establishing or amending (through changes in the Berkeley Municipal Code) retirement provisions and contribution requirement for all SRIP plans. These investments are held by trustees for the benefit of the participants and are not included in the City's basic financial statements.

The City's contributions (required and actual) and covered payroll for SRIP I, SRIP II, and SRIP III for the year ended June 30, 2025 were as follows:

Plan	Contributions	Covered Payroll	% of Covered Payroll
SRIP I	\$ 1,847	\$ 108,607	1.70%
SRIP II	3,237,743	175,249,819	1.85%
SRIP III	96,331	34,935,776	0.28%

ii. Public Agency Retirement Systems (PARS)

On September 14, 1993, the City Council adopted Resolution # 57,141- N.S. authorizing a contract with the Public Agency Retirement System (PARS) to administer a 401(a) retirement plan for the City's hourly and daily employees, effective October 1, 1993. This retirement plan is an alternative to participation in Social Security. The plan is a defined contribution plan whereby the City and employee each contribute 3.75 percent of salary into a tax deferred savings account. These benefits are non-forfeitable at all time, meaning that the benefit may be distributed to the employee only upon retirement or separation from service or death (with certain restrictions). All temporary and hourly employees are eligible and enrolled in the plan. There were a total of 2,443 active and 176 inactive participants in this plan as of June 30, 2025.

The total asset of PARS available for benefits at June 30, 2025 was \$4,169,640, which was comprised of participant accounts. The City Council is responsible for establishing or amending (through changes in the Berkeley Municipal Code) retirement provisions and contribution requirements for the PARS plan. These investments are held by trustees for the benefit of the participants and are not included in the City's basic financial statements. The City's contribution (required and actual) and covered payroll for the year ended June 30, 2025 were as follows:

Contributions	Covered Payroll	% of Covered Payroll
\$ 268,875	\$ 7,207,757	3.73%

14. RELATED PARTY TRANSACTION

In May 2017, the City recruited a new City Manager. Included as part of the compensation package was a \$660,000, 3 percent interest only housing assistance loan, payable after the earlier of 20 years, sale of the house, or within 24 months of the City Manager's separation with the City. The loan is secured by a note signed by the City Manager, and a deed of trust on the residence that was purchased. The payments may be deferred and there is no prepayment penalty.

Effective July 10, 2024, the Former City Manager resigned her position, As part of the separation agreement, the following amendments were made by City Council to the home loan agreement above:

1. As an element of consideration, the deduction of \$200,000 was made from the home principal amount, reducing it from \$660,000 to \$460,000, as long as an annual payment of \$100 for the years 2024, 2025, and 2026 are made on the anniversary of the Second Effective Date; and,
2. As an element of consideration, the City Council authorized a reduction in the home loan interest rate from 3% to 0% for the period beginning on her resignation date of July 10, 2024 to three years from the Second Effective Date.

On June 16, 2025, the principal of \$460,000 and total interest of \$142,964 was paid to the City to settle the related party obligation.

15. RESTATEMENT OF GOVERNMENT WIDE STATEMENT OF ACTIVITIES, GENERAL FUND and INTERNAL SERVICE FUNDS.

As of June 30, 2025, the City restated the beginning net position / fund balance of Government-wide Statement of Governmental Activities, Governmental Fund, Internal Service Fund to correct prior-period errors. The restatements reflect the following adjustments:

- A correction of a **\$813,789** transfer that was improperly recorded from the General Fund to the Internal Service Fund.
- Removal of **\$1,090,072** in overstated revenue previously reported in the General Fund.
- Elimination of a **\$456,000** liability that had been improperly recorded in the Building Maintenance Fund.

In addition, the City implemented **GASB Statement No. 101, Compensated Absences**, resulting in the following changes to beginning net position/fund balance:

- Government-wide Governmental Activities: **Decrease of \$3,000,432**
- Government-wide Business-Type Activities: **Decrease of \$864,260**
- Internal Service Fund: **Decrease of \$283,008**
- Enterprise Fund: **Decrease of \$864,260**
- Component Unit – Rent Stabilization Board: **Decrease of \$216,527**

Government-wide: Governemtal Activities	Total
Net position - beginning balance	\$ 160,308,437
Restatement:	
Implementation of GASB 101 - Compensated Absences	(3,000,432)
General Fund -Adjustment for cash balance	813,789
General Fund - Adjustment for receivable	(1,090,071)
Internal Service Fund -Worker's Com. Fund - adjustment for cash balance	(813,789)

NOTES TO THE FINANCIAL STATEMENTS

Internal Service Fund - Building Maintenance Fund - adjustment for accounts payable	465,000
Net position - beginning balance, as restated	<u>\$ 156,682,933</u>

Government-wide: Business Type Activities

Net position - beginning balance	\$ 264,511,382
Restatement:	
Implementation of GASB 101 - Compensated Absences	(864,260)
Total net position - beginning balance, as restated	<u>\$ 263,647,122</u>

Govenmental Fund

	Total
General Fund - beginning balance	\$ 153,029,258
Restatement:	
Adjustment for cash balance	813,789
Adjustment for receivable	(1,090,072)
General Fund balance - beginning, as restated	<u>\$ 152,752,975</u>

Internal Service Funds

	Total
Total net postion - beginning balance:	\$ 34,996,921
Restatement:	
Implementation of GASB 101 - Compensated Absences	(283,008)
Workers' Comp. Fund - adjustment for cash balance	(813,789)
Building Maintenance Fund - beginning accounts payable	465,000
Total net position - beginning balance, as restated	<u>\$ 34,365,124</u>

Enterprise Fund - Zero

	Total
Net polistion - Beginning balance:	\$ 769,103
Restatement: Due to implemetnation of GASB 101 -Compensated Absences:	(419,510)
Net polistion - Beginning balance, as restated	<u>\$ 349,593</u>

Enterprise Fund - Marina Operations

	Total
Net polistion - Beginning balance:	\$ 1,241,810
Restatement: Due to implemetnation of GASB 101 -Compensated Absences:	(63,380)
Net polistion - Beginning balance, as restated	<u>\$ 1,178,430</u>

Enterprise Fund - Sanitary Sewer

	Total
Net polistion - Beginning balance:	\$ 186,430,391
Restatement: Due to implemetnation of GASB 101 -Compensated Absences:	(106,552)
Net polistion - Beginning balance, as restated	<u>\$ 186,323,839</u>

Enterprise Fund - Clean Storm Water

	Total
Net polistion - Beginning balance:	\$ 28,343,380
Restatement: Due to implemetnation of GASB 101 -Compensated Absences:	(12,938)
Net polistion - Beginning balance, as restated	<u>\$ 28,330,442</u>

Enterprise Fund - Permit Service Center	Total
Net position - Beginning balance:	\$ 20,341,626
Restatement: Due to implementation of GASB 101 -Compensated Absences:	(156,343)
Net position - Beginning balance, as restated	<u>\$ 20,185,283</u>
Enterprise Fund - Off Street Parking	Total
Net position - Beginning balance:	\$ 9,258,995
Restatement: Due to implementation of GASB 101 -Compensated Absences:	(237)
Net position - Beginning balance, as restated	<u>\$ 9,258,758</u>
Enterprise Fund - Parking Meter	Total
Net position - Beginning balance:	-\$926,293
Restatement: Due to implementation of GASB 101 -Compensated Absences:	(81,126)
Net position - Beginning balance, as restated	<u>-\$1,007,419</u>
Enterprise Fund - Building Purchases & Managements	Total
Net position - Beginning balance:	-\$4,163,140
Restatement: Due to implementation of GASB 101 -Compensated Absences:	(24,174)
Net position - Beginning balance, as restated	<u>\$ (4,187,314)</u>
Component Unit - Rent Stabilization Board	Total
Total net position - beginning balance:	-\$4,991,213
Restatement: Due to implementation of GASB 101 -Compensated Absences:	(216,527)
Total net position - beginning balance, as restated	<u>\$ (5,207,740)</u>

16.SUBSEQUENT EVENTS

FY 2025 Tax and Revenue Anticipation Notes

On July 29, 2025, the City issued \$58,120,000 of tax and revenue anticipation notes in order to alleviate the strain on working capital prior to the receipt of property tax revenues in December. The notes were issued with a coupon rate of 4.00% and a yield of 2.30% and are recorded in the General Fund. Interest and principal on these notes are payable on July 28, 2026 by the General Fund. The notes were assigned a short-term rating of "SP-1+" by S&P Global Ratings.

17.SUCCESSOR AGENCY

Description of the Entity

The Redevelopment Agency of the City of Berkeley was established to eliminate blight and provide construction financing for affordable housing. There were two Redevelopment Project Areas: Sava Island and West Berkeley Project Areas.

On June 29, 2011, Governor Brown signed Assembly Bill 1X 26 (AB 1X 26) eliminating redevelopment agencies throughout the State in order to protect funding for core public services at the local level.

Pursuant to City Council action taken on January 17, 2012, the City elected to serve as the Successor Agency to the Berkeley Redevelopment Agency of the City of Berkeley (Successor Agency). The Successor Agency is a separate legal entity, which serves as a custodian for the assets and liabilities of the dissolved Redevelopment Agency pending distribution to the appropriate taxing entities after the payment of enforceable

NOTES TO THE FINANCIAL STATEMENTS

obligations. The activity of the Successor Agency is overseen by an Oversight Board comprised of individuals appointed by various government agencies and the City of Berkeley as Successor Agency of the former Redevelopment Agency.

Assets, Liabilities, and Net Position or Equity

All the Notes Receivable and capital assets were transferred to the Housing Special Revenue Funds of the City and therefore, there are no more outstanding items as of June 30, 2025.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditure

The following is a summary of Long-term obligations of the Successor Agency as of June 30, 2025:

Successor Agency	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Savo Island	\$ 104,000	\$ -	\$ (50,000)	\$ 54,000	\$ -
Total Successor Agency	\$ 104,000	\$ -	\$ (50,000)	\$ 54,000	\$ -

18. TAX ABATEMENT-ECONOMIC DEVELOPMENT INCENTIVES

GASB Statement No. 77, *Tax Abatement Disclosures* defines tax abatements as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. According to GASB 77, the substance of this agreement meets the definition of "tax abatements" if the revenues received were not available for general municipal purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the provisions of an agreement. The taxes paid to the City are included in the revenue reported in these financial statements and the payments made to the businesses based upon the taxes paid are also included as expenditures in these financial statements.

On November 7, 2016, the City of Berkeley entered into a Hotel Incentive Agreement (CMS NO. H3WSR) agreement with Center Street Partners, LLC, in the form of a rebate of future Transient Occupancy Tax revenue generated by the project, thereby increasing the economic feasibility of the project, facilitating the development of the hotel and commercial project and increasing the likelihood of future General Fund revenues, without assuming any risk. This financial assistance agreement involves making certain periodic payments in the form of a rebate of new transient occupancy tax revenue generated by the Project in an amount not to exceed \$13, 125, 267 cumulatively, which amount represents the projected total amount of permit and impact fees to be charged by the City to the Project, with adjustments for inflation.

In authorizing the City Manager to execute this agreement, the City Council made the following determinations: (1) the Project will provide significant economic development benefits to the City in terms of both job creation and new tax revenue, including new property tax revenue, transient occupancy tax revenue, sales tax revenue, and other new revenue; (2) the Downtown Area Plan identifies a hotel and conference center as a highly desired use that warrants consideration of incentives; (3) the Owner requested financial assistance from the City equivalent to the total value of permit and impact fees charged by the City to the Project (maximum total rebate projected at \$13,125,267), in order to increase the Owner's rate of return, economic feasibility of the Project, and ability to attract financing; (4) the City engaged third party consultants to confirm that without financial assistance from the City, the Project would likely be economically infeasible; and, (5) the City is able to provide assistance in the form of a rebate of up to 50 percent of future transient occupancy tax

revenues generated by the Project, thereby increasing the economic feasibility of the Project and facilitating the development of the Project.

Construction of the Residence Inn was completed during FY 2022 and operations were started on December 21, 2021. During FY 2025, \$2,546,848 in TOT was generated by Residence Inn. The details of the transient occupancy taxes rebated during FY 2025 are as follows:

PURPOSE	Percentage of Taxes Abated During FY 2025	Amount of Taxes Abated During FY 2025
Construction of 16 story Residence Inn and commercial development on the site	50	\$1,273,424



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Required Supplementary Information





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1. BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Information

Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the upcoming fiscal year. The proposed budget includes a summary of the proposed expenditures and forecasted revenues, and available cash balances (i.e. budget basis fund balance/net position for the City's General Fund, Special Revenue Funds; Capital Project Funds; all Enterprise Funds, and all Internal Service Funds. The City of Berkeley adopts an annual appropriated budget for its General fund, capital project funds, debt service funds, and special revenue funds except for Community Workforce (First Source), California Housing Finance Agency, California Energy Commission, Tieback Mitigation R-O-W, Parking in-Lieu Fee, Traffic Congestion Relief, Shelter Operations, Street and Open Space Improvement, 1st Response Advance Life Support, Citywide RLF, Legacy, Lillie B. Wall Memorial, East Bay Public Utilities Commission, Other Special Deposit, Impounded and Unneutered, Measure G - Fire Seismic Projects, Measure G - Public Safety Bldg, Street improvement, Income Housing Fund WBIP, Income Housing Fund - Savo Island Project, Fire Admin Training Building and Pension Refunding Bonds.

The City Council adopts an annual budget by resolution prior to July 1 of each fiscal year. The annual budget indicates appropriations by fund. The Council may adopt supplemental appropriations during the year. At the fund level, expenditures may not legally exceed appropriations. The City Manager is authorized to transfer budgeted amounts between departments or programs within any fund. Any revisions or transfers that alter the total appropriations of any fund must be approved by the City Council. The City utilizes a five-year capital plan, which is updated annually. Capital Project Funds are appropriated annually as part of the regular budget process. Any unused funds are re-appropriated to the following fiscal year until the project is completed.

The City Council approved an original annual appropriation ordinance of \$686,125,119 for FY 2025 and made supplementary budget appropriations totaling \$272,582,115 (for a total of revised budget of \$958,707,235) during the year. The supplementary budget appropriations consisted of the following: (1) FY 2024 outstanding encumbered rollovers of \$100,876,953; (2) FY 2024 unencumbered carryovers of \$130,537,377; (3) reappropriations and other adjustments of \$41,167,785. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental fund types.

Encumbrances outstanding at year-end are reported in assigned fund balance unless the purchase order relates to restricted or committed resources. They do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

B. Budgetary Results Reconciled to Results in Accordance with GAAP

The adopted budget and actual results reported in the governmental funds' budgetary schedules are on a modified cash basis, which is inconsistent with generally accepted accounting principles (GAAP). Under this budget basis, revenues are recorded when received, and interfund loans and repayments are recorded as other financing sources/uses, instead of increases and decreases in the due to/due from accounts.

C. Budgetary Comparison Schedules

The following are the budget comparison schedules for the General Fund and all major Special Revenue Funds.

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**General Fund - Budgetary Basis**

For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 224,441,116	\$ 225,626,014	\$ 230,839,281	\$ 5,213,267
Licenses and permits	2,015,011	6,518,000	3,463,091	(3,054,909)
Intergovernmental	1,045,457	1,215,647	640,337	(575,310)
Charges for service	12,757,957	12,158,939	14,328,065	2,169,126
Fines and penalties	5,960,528	6,032,600	6,250,646	218,046
Rents and royalties	194,208	721,084	379,828	(341,256)
Franchise	1,822,529	1,822,528	1,990,576	168,048
Private contributions and donations	227,474	216,212	113,889	(102,323)
Investment income	13,500,000	13,500,000	16,414,594	2,914,594
Miscellaneous	218,980	1,847,056	972,929	(874,127)
Total revenues	262,183,260	269,658,080	275,393,236	5,735,156
Expenditures:				
Current:				
General government	42,015,144	53,647,544	47,945,753	5,701,791
Public safety	135,896,489	137,870,382	147,153,814	(9,283,432)
Highway and streets	4,024,603	4,057,812	2,753,578	1,304,234
Health and welfare	17,488,729	22,992,424	21,302,504	1,689,920
Culture-recreation	9,616,645	11,003,725	11,473,298	(469,573)
Community development and housing	23,317,093	26,349,782	23,800,350	2,549,432
Economic development	3,779,471	4,786,953	4,592,045	194,908
Debt service:				
Interest and fiscal charges	200,000	200,000	1,062,243	(862,243)
TRAN issuance costs	-	-	90,884	90,884
Capital outlay:	116,282	3,337,075	1,210,528	2,126,547
Total expenditures	236,454,456	264,245,697	261,384,997	3,042,468
Revenues over/(under) expenditures	25,728,804	5,412,383	14,008,239	8,595,856
Other financing sources/(uses)				
Transfers in	4,181,923	8,974,480	8,974,480	-
Transfers out	(27,897,676)	(32,207,404)	(39,679,126)	(7,471,722)
Sale of capital assets	-	-	13,125	-
Total other financing sources/(uses)	(23,715,753)	(23,232,924)	(30,691,521)	(7,458,597)
Net change in fund balance	2,013,051	(17,820,541)	(16,683,282)	1,137,259
Fund balance, July 1, 2024	108,679,170	108,679,170	108,679,170	-
Fund balance, June 30, 2025	\$ 110,692,221	\$ 90,858,629	\$ 91,995,888	\$ 1,137,259

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (16,683,282)
Receivable accrual	10,907,936
Due from other fund - repayment	17,696,996
Due from other fund - advance	5,158,320
Payable accrual	(14,955,279)
Net change in fund balances - GAAP basis	\$ 2,124,690

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Grants Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 46,510,403	\$ 52,014,204	\$ 55,640,681	\$ 3,626,477
Charges for service	214,650	214,650	186,080	(28,570)
Investment income	-	-	1,374,152	1,374,152
Total revenues	46,725,053	52,228,854	57,200,913	4,972,059
Expenditures:				
General government	-	3,594,523	3,777,721	(183,198)
Public safety	262,707	4,302,722	1,947,881	2,354,841
Highway and streets	382,244	2,770,306	999,919	1,770,387
Health and welfare	29,574,826	34,793,417	23,436,163	11,357,254
Culture-recreation	258,314	1,170,098	1,020,122	149,976
Community development and housing	18,256,048	24,911,994	13,962,328	10,949,666
Economic development	1,126,763	1,253,270	69,000	1,184,270
Debt service:				
Capital outlay:	2,064,099	12,180,848	5,344,777	6,836,071
Total expenditures	51,925,001	84,977,178	50,557,911	34,419,267
Revenues over/(under) expenditures	(5,199,948)	(32,748,324)	6,643,002	39,391,326
Other financing sources/(uses)				
Sale of capital assets	-	-	4,841	4,841
Total other financing sources/(uses)	-	-	4,841	4,841
Net change in fund balance	(5,199,948)	(32,748,324)	6,647,843	39,396,167
Fund balance, July 1, 2024	21,904,900	21,904,900	21,904,900	-
Fund balance, June 30, 2025	\$ 16,704,952	\$ (10,843,424)	\$ 28,552,743	\$ 39,396,167

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 6,647,843
Receivable accrual	(331,346)
Notes receivable accrual	(273,523)
Payable accrual	3,294,823
Net change in fund balances - GAAP basis	\$ 9,337,798

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Library Fund - Budgetary basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive Negative
Revenues:				
Taxes	\$ 25,905,893	\$ 25,905,893	\$ 26,383,158	\$ 477,265
Intergovernmental	68,420	68,420	108,047	39,627
Fines and penalties	40,000	40,000	11,990	(28,010)
Private contributions and donations	250,000	250,000	209,597	(40,403)
Investment Income	-	-	18,356	18,356
Miscellaneous	32,000	32,000	5,567	(26,433)
Total revenues	26,296,313	26,296,313	26,736,715	440,402
Expenditures:				
Culture-recreation	27,183,230	27,207,393	25,893,184	1,314,209
Capital Outlay:	2,050,000	1,375,841	-	1,375,841
Total expenditures	29,233,230	28,583,234	25,893,184	2,690,050
Revenues over/(under) expenditures	(2,936,917)	(2,286,921)	843,531	3,130,452
Other financing sources/(uses)				
Transfers in	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ -
Transfers out	(5,000,000)	(5,000,000)	(5,000,000)	-
Net change in fund balance	(2,936,917)	(2,286,921)	843,531	3,130,452
Fund balance, July 1, 2024	22,877,767	21,379,363	29,998,581	8,619,218
Fund balance, June 30, 2025	\$ 19,940,850	\$ 19,092,442	\$ 30,842,112	\$ 11,749,670

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 843,531
Receivable accrual	90,768
Grant receivable accrual	77,511
Payable accrual	(293,524)
Net change in fund balances - GAAP basis	\$ 718,286



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2. DEFINED BENEFIT PENSION PLANS

A. CalPERS Plans

Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period

Miscellaneous Plans⁽²⁾

Measurement period	2015	2016	2017	2018	2019
Total pension liability					
Service cost	\$ 16,872,463	\$ 16,093,496	\$ 18,319,450	\$ 18,834,712	\$ 19,887,312
Interest	62,911,744	65,105,036	66,532,424	68,846,245	72,675,697
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(15,778,151)	(9,281,443)	(10,781,092)	3,269,467	16,884,427
Change of assumptions	(14,788,782)		52,798,032	(8,383,824)	-
Benefit payments, including refunds of employee contributions	(38,947,389)	(43,938,243)	(45,764,257)	(49,503,784)	(53,562,035)
Net change in total pension liability	10,269,885	27,978,846	81,104,557	33,062,816	55,885,401
Total pension liability - beginning	863,980,146	874,250,030	902,228,876	983,333,433	1,016,396,249
Total pension liability - ending (a)	\$ 874,250,030	\$ 902,228,876	\$ 983,333,433	\$ 1,016,396,249	\$ 1,072,281,650
Plan fiduciary net position					
Contributions - employer	\$ 18,303,639	\$ 20,032,929	\$ 21,214,582	\$ 20,393,310	\$ 20,886,356
Contributions - employee	6,752,797	6,904,128	9,301,166	13,747,826	15,885,527
Net investment income	14,859,667	3,476,221	70,963,526	58,233,830	48,037,150
Benefit payments, including refunds of employee contributions	(38,947,389)	(43,938,243)	(45,764,257)	(49,503,784)	(53,562,035)
Administrative expense	(737,606)	(399,523)	(946,894)	(1,084,722)	(525,103)
Plan to plan resource movement	248,821	(284,978)	(3,491)	(1,705)	(6,474)
Other Miscellaneous Income/Expense ⁽¹⁾	-	-	-	(2,059,905)	1,705
Net change in fiduciary net position	515,926	(14,209,466)	54,764,632	39,724,850	30,717,126
Plan fiduciary net position - beginning ⁽²⁾	655,032,952	655,548,878	641,339,412	696,104,044	735,828,894
Plan fiduciary net position - ending (b)	\$ 655,548,878	\$ 641,339,412	\$ 696,104,044	\$ 735,828,894	\$ 766,546,020
Plan net position liability/(asset) - ending (a) - (b)	\$ 218,701,152	\$ 260,889,464	\$ 287,229,389	\$ 280,567,355	\$ 305,735,630
Plan fiduciary net position as a % of the total pension liability	74.98%	71.08%	70.79%	72.40%	71.49%
Covered payroll	\$ 87,918,618	\$ 85,480,937	\$ 88,645,362	\$ 94,371,740	\$ 100,639,199
Plan net pension liability/(asset) as a % of covered payroll ⁽³⁾	248.75%	205.20%	324.02%	297.30%	304.03%

(1) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB No. 68, Accounting and Financial Reporting for Pensions.

(2) Includes any beginning of year adjustment

(3) Includes one year's payroll growth using 2.8% payroll grow assumption for fiscal year ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal year ended 2015 through 2017.

2020	2021	2022	2023	2024 ⁽¹⁾
\$ 20,079,663	\$ 20,548,191	\$ 22,096,104	\$ 22,772,699	\$ 24,536,537
75,652,840	78,084,124	79,182,682	82,550,887	85,743,650
-	-	-	-	-
4,241,153	(3,504,149)	(13,633,275)	10,487,302	8,705,551
-	-	30,901,992	1,359,651	-
(56,961,902)	(59,955,398)	(62,415,684)	(66,883,239)	(70,395,030)
43,011,754	35,172,768	56,131,819	50,287,300	48,590,708
1,072,281,650	1,115,293,404	1,150,466,172	1,206,597,991	1,256,885,291
<u>\$ 1,115,293,404</u>	<u>\$ 1,150,466,172</u>	<u>\$ 1,206,597,991</u>	<u>\$ 1,256,885,291</u>	<u>\$ 1,305,475,999</u>
\$ 24,065,716	\$ 26,643,623	\$ 29,982,031	\$ 34,576,213	\$ 36,233,751
16,545,469	16,374,227	16,799,060	16,114,103	15,225,611
37,989,064	176,980,962	(71,491,029)	53,192,676	85,615,870
(56,961,902)	(59,955,398)	(62,415,684)	(66,883,239)	(70,395,030)
(1,080,642)	(786,269)	(589,544)	(631,455)	(728,328)
-	28,657	36,141	-	-
-	-	-	-	-
20,557,705	159,285,802	(87,679,025)	36,368,298	65,951,874
766,546,020	787,103,725	946,389,527	858,710,502	895,078,800
<u>\$ 787,103,725</u>	<u>\$ 946,389,527</u>	<u>\$ 858,710,502</u>	<u>\$ 895,078,800</u>	<u>\$ 961,030,674</u>
\$ 328,189,679	\$ 204,076,645	\$ 347,887,489	\$ 361,806,491	\$ 344,445,325
70.57%	82.26%	71.17%	71.21%	73.62%
\$ 102,290,694	\$ 106,633,060	\$ 106,589,987	\$ 111,740,429	\$ 122,072,322
320.84%	191.38%	326.38%	323.79%	282.16%

Public Safety - Fire Plan

Measurement period	2015	2016	2017	2018 ⁽¹⁾	2019
Total pension liability					
Service cost	\$ 4,154,748	\$ 4,316,812	\$ 4,976,440	\$ 5,050,545	\$ 5,094,809
Interest	17,400,087	17,876,017	18,140,550	18,548,037	19,278,306
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(4,736,917)	(1,327,136)	(2,451,159)	(1,273,144)	2,269,776
Change of assumptions	(3,990,299)	-	14,328,945	(932,620)	-
Benefit payments, including refunds of employee contributions	(14,168,237)	(14,006,618)	(14,713,157)	(15,785,115)	(15,568,769)
Net change in total pension liability	(1,340,618)	6,859,075	20,281,619	5,607,703	11,074,122
Total pension liability - beginning	241,186,083	239,845,465	246,704,540	266,986,159	272,593,862
Total pension liability - ending (a)	<u>\$239,845,465</u>	<u>\$246,704,540</u>	<u>\$266,986,159</u>	<u>\$272,593,862</u>	<u>\$283,667,984</u>
Plan fiduciary net position					
Contributions - employer	\$ 5,237,775	\$ 5,967,197	\$ 6,328,886	\$ 6,983,081	\$ 7,762,455
Contributions - employee	1,489,005	1,523,845	1,575,673	1,801,681	1,800,299
Net investment income	4,117,374	939,196	19,375,895	15,877,869	12,686,105
Benefit payments, including refunds of employee contributions	(14,168,237)	(14,006,618)	(14,713,157)	(15,785,115)	(15,568,769)
Administrative expense	(205,370)	(111,091)	(260,728)	(294,358)	(140,529)
Plan to plan resource movement	(70)	-	-	(457)	(457)
Other Miscellaneous Income/Expense	-	-	-	(558,991)	457
Net change in fiduciary net position	(3,529,523)	(5,687,471)	12,306,569	8,023,710	6,540,018
Plan fiduciary net position - beginning	185,810,226	182,280,703	176,593,232	188,899,801	196,923,511
Plan fiduciary net position - ending (b)	<u>\$182,280,703</u>	<u>\$176,593,232</u>	<u>\$188,899,801</u>	<u>\$196,923,511</u>	<u>\$203,463,529</u>
Plan net position liability/(asset) - ending (a) - (b)	\$ 57,564,762	\$ 70,111,308	\$ 78,086,358	\$ 75,670,351	\$ 80,204,455
Plan fiduciary net position as a percentage of the total pension liability	76.00%	71.58%	68.62%	72.24%	71.73%
Covered payroll	\$ 15,467,011	\$ 16,185,414	\$ 16,684,346	\$ 17,219,137	\$ 17,619,953
Plan net pension liability/(asset) as a percentage of covered payroll	372.18%	433.18%	468.02%	439.45%	436.08%

(1) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

2020	2021	2022	2023	2024
\$ 5,376,207	\$ 5,149,025	\$ 5,653,134	\$ 6,350,358	\$ 6,800,389
19,748,456	20,346,616	20,519,654	21,923,987	22,779,415
-	-	-	-	-
(2,098,331)	(257,904)	(4,050,012)	121,711	-
-	-	8,033,823	11,034,392	1,723,575
(16,111,142)	(16,663,456)	(17,163,074)	(17,486,624)	(18,164,229)
6,915,190	8,574,281	12,993,525	21,943,824	13,139,150
283,667,984	290,583,174	299,157,455	312,150,980	334,094,804
\$ 290,583,174	\$ 299,157,455	\$ 312,150,980	\$ 334,094,804	\$ 347,233,954
\$ 8,703,901	\$ 9,176,919	\$ 9,967,551	\$ 10,869,629	\$ 10,675,536
1,781,366	1,759,155	2,020,473	2,185,715	2,285,146
10,057,956	46,454,379	(18,723,751)	13,732,036	22,168,866
(16,111,142)	(16,663,456)	(17,163,074)	(17,486,624)	(18,164,229)
(286,834)	(207,389)	(154,569)	(164,748)	(189,735)
(457)	(457)	(36,141)	-	-
-	-	-	-	-
4,145,247	40,519,608	(24,089,511)	9,136,008	16,775,584
203,463,529	207,608,776	248,128,384	224,038,873	233,174,881
\$ 207,608,776	\$ 248,128,384	\$ 224,038,873	\$ 233,174,881	\$ 249,950,465
\$ 82,974,398	\$ 51,029,071	\$ 88,112,107	\$ 100,919,923	\$ 97,283,489
71.45%	82.94%	71.77%	69.79%	71.98%
\$ 18,877,133	\$ 18,330,455	\$ 18,875,240	\$ 20,923,750	\$ 22,436,122
470.91%	278.38%	466.81%	482.32%	433.60%

Public Safety - Police Plan

Measurement period	2015	2016	2017	2018 ⁽¹⁾	2019
Total pension liability					
Service cost	\$ 6,687,437	\$ 6,603,067	\$ 7,540,371	\$ 7,206,671	\$ 6,572,589
Interest	26,160,351	26,905,428	27,414,758	28,303,833	29,224,684
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(3,081,594)	(4,051,767)	(5,198,038)	607,197	(261,541)
Change of assumptions	(6,342,449)	-	22,647,547	(2,169,378)	-
Benefit payments, including refunds of employee contributions	(18,657,601)	(19,370,925)	(20,045,912)	(21,537,031)	(22,568,755)
Net change in total pension liability	4,766,144	10,085,803	32,358,726	12,411,292	12,966,977
Total pension liability - beginning	357,374,497	362,140,641	372,226,444	404,585,170	416,996,462
Total pension liability - ending (a)	\$ 362,140,641	\$ 372,226,444	\$ 404,585,170	\$ 416,996,462	\$ 429,963,439
Plan fiduciary net position					
Contributions - employer	\$ 10,108,019	\$ 10,777,599	\$ 11,858,699	\$ 13,095,114	\$ 13,926,791
Contributions - employee	1,988,892	2,054,362	2,098,584	2,103,617	2,005,991
Net investment income	5,119,789	1,121,784	25,095,844	20,550,338	16,847,851
Benefit payments, including refunds of employee contributions	(18,657,601)	(19,370,925)	(20,045,912)	(21,537,031)	(22,568,755)
Administrative expense	(260,769)	(141,206)	(333,874)	(381,485)	(184,056)
Plan to plan resource movement	(42)	(1,123)	3,491	(598)	6,474
Other Miscellaneous Income/Expense			-	(724,446)	598
Net change in fiduciary net position	(1,701,712)	(5,559,509)	18,676,832	13,105,509	10,034,894
Plan fiduciary net position - beginning		(1,701,712)	226,135,306	244,812,138	257,917,647
Plan fiduciary net position - ending (b)	\$ (1,701,712)	\$ (7,261,221)	\$ 244,812,138	\$ 257,917,647	\$ 267,952,541
Plan net position liability/(asset) - ending (a) - (b)	\$ 130,445,826	\$ 146,091,138	\$ 159,773,032	\$ 159,078,815	\$ 162,010,898
Plan fiduciary net position as a percentage of the total pension liability	63.98%	60.75%	60.51%	61.85%	62.32%
Covered payroll	\$ 22,490,875	\$ 22,289,585	\$ 22,933,002	\$ 22,701,037	\$ 21,803,626
Plan net pension liability/(asset) as a percentage of covered payroll	579.99%	655.42%	696.69%	700.76%	743.05%

(1) During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions, CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

2020	2021	2022	2023	2024
\$ 6,906,033	\$ 7,797,251	\$ 8,246,309	\$ 8,378,001	\$ 8,397,945
30,242,268	31,496,075	32,368,940	34,108,846	35,357,845
-	-	-	-	-
1,239,143	3,972,386	(2,363,653)	182,326	
-	-	16,809,437	11,032,765	3,738,582
(23,373,646)	(24,687,419)	(26,018,808)	(27,341,492)	(28,926,421)
15,013,798	18,578,293	29,042,225	26,360,446	18,567,951
429,963,439	444,977,237	463,555,530	492,597,755	518,958,201
\$ 444,977,237	\$ 463,555,530	\$ 492,597,755	\$ 518,958,201	\$ 537,526,152
\$ 15,737,103	\$ 16,765,193	\$ 17,791,362	\$ 19,066,702	\$ 20,107,255
2,375,802	2,458,960	2,463,683	2,474,205	3,091,762
13,335,816	62,670,340	(25,347,432)	18,696,467	30,265,840
(23,373,646)	(24,687,419)	(26,018,808)	(27,341,492)	(28,926,421)
(377,747)	(275,357)	(207,161)	(221,514)	(255,429)
-	(28,657)	-	-	-
-	-	-	-	-
7,697,328	56,903,060	(31,318,356)	12,674,368	24,283,007
267,952,541	275,649,869	332,552,929	301,234,573	313,908,941
\$ 275,649,869	\$ 332,552,929	\$ 301,234,573	\$ 313,908,941	\$ 338,191,948
\$ 169,327,368	\$ 131,002,601	\$ 191,363,182	\$ 205,049,260	\$ 199,334,204
61.95%	71.74%	61.15%	60.49%	62.92%
\$ 22,263,161	\$ 25,356,914	\$ 24,332,573	\$ 24,750,372	\$ 24,714,376
802.43%	516.63%	786.45%	828.47%	806.55%

Schedule of Plan Contributions for CalPERS Pension Plans

Miscellaneous Plans

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Actuarially determined contribution	\$ 20,032,929	\$ 21,214,582	\$ 20,393,310	\$ 20,894,560	\$ 24,065,716
Contribution in relation to the actuarially determined contributions	(20,032,929)	(21,214,582)	(20,393,310)	(20,894,560)	(24,065,716)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 85,480,937	\$ 88,645,362	\$ 94,371,740	\$100,639,199	\$102,290,694
Contributions as a percentage of covered payroll	23.44%	23.93%	21.61%	20.78%	23.53%

Public Safety – Fire Plan

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Actuarially determined contribution	\$ 5,967,197	\$ 6,328,886	\$ 6,983,081	\$ 7,762,455	\$ 8,703,901
Contribution in relation to the actuarially determined contributions	(5,967,197)	(6,328,886)	(6,983,081)	(7,762,455)	(8,703,901)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 16,185,414	\$ 16,684,346	\$ 17,219,137	\$ 17,619,953	\$ 18,877,133
Contributions as a percentage of covered payroll	36.87%	37.93%	40.55%	42.20%	46.11%

Public Safety – Police Plan

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Actuarially determined contribution	\$ 10,777,599	\$ 11,858,699	\$ 13,095,114	\$ 13,918,569	\$ 15,737,103
Contribution in relation to the actuarially determined contributions	(10,777,599)	(11,858,699)	(13,095,114)	(13,918,569)	(15,737,103)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 22,289,585	\$ 22,933,002	\$ 22,701,037	\$ 21,803,626	\$ 22,263,161
Contributions as a percentage of covered payroll	48.35%	51.71%	57.69%	63.84%	70.69%

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
\$ 26,643,623	\$ 29,261,593	\$ 34,543,436	\$ 36,223,585	\$ 41,867,118
(26,643,623)	(29,261,593)	(34,543,436)	(36,223,585)	(41,867,118)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 106,633,060	\$ 106,589,987	\$ 111,740,429	\$ 122,072,322	\$ 134,989,105
24.99%	26.95%	29.31%	29.67%	31.02%

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
\$ 9,176,919	\$ 9,467,357	\$ 10,869,629	\$ 10,675,536	\$ 13,425,919
(9,176,919)	(9,467,357)	(10,869,629)	(10,675,536)	(13,425,919)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,330,455	\$ 18,875,240	\$ 20,923,750	\$ 22,436,122	\$ 27,546,710
50.06%	45.02%	48.47%	47.58%	48.74%

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
\$ 16,765,193	\$ 17,147,766	\$ 19,066,807	\$ 20,104,565	\$ 22,585,256
(16,765,193)	(17,147,766)	(19,066,807)	(20,104,565)	(22,585,256)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 25,356,914	\$ 24,332,573	\$ 24,750,372	\$ 24,714,376	\$ 27,717,452
66.12%	69.95%	77.92%	81.35%	81.48%

Notes to Schedules for all plans (miscellaneous, fire, and police) above:

The actuarial methods and assumptions used to set the actuarially determined contribution for FY 2025 were derived from the June 30, 2022 funding valuation report.

		Public Safety	
	Miscellaneous	Fire	Police
Actuarial cost method		Entry-age normal	
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report		
Asset valuation method		Fair value of assets	
Inflation	2.300%	2.300%	2.300%
Salary increases		Varies by entry age and services	
Payroll growth	2.800%	2.800%	2.800%
Investment rate of return	6.8 % net of pension plan investment and administrative expenses; includes inflation		
Retirement age	The probabilities of Retirement are based on the 2021 CalPERS Experience Study and review of Actuarial Assumptions.		
Mortality	The probabilities of Retirement are based on the 2021 CalPERS Experience Study and review of Actuarial Assumptions.Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.		



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B. Berkeley Retirement Income Benefit Plan

Schedule of Changes in Net Pension Liability and Related Ratios for Berkeley Public Retirement Income Benefit Plan

Measurement period	2016	2017	2018	2019
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	2,441,727	2,222,569	2,456,058	2,774,656
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	7,453,545	-	(2,399,531)	(2,744,787)
Change of assumptions	6,961,164	(7,646,392)	6,217,552	3,226,771
Benefit payments, including refunds of employee contributions	(2,044,596)	(2,112,022)	(2,155,214)	(2,618,766)
Net change in total pension liability	14,811,840	(7,535,845)	4,118,865	637,874
Total pension liability - beginning	61,611,058	76,422,898	68,887,053	73,005,918
Total pension liability - ending (a)	<u>\$ 76,422,898</u>	<u>\$ 68,887,053</u>	<u>\$ 73,005,918</u>	<u>\$ 73,643,792</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,943,978	\$ 2,132,901	\$ 1,857,970	\$ 1,854,528
Contributions - employee	-	-	-	-
Net investment income	284,425	922	44,462	(29,544)
Benefit payments, including refunds of employee contributions	(2,044,596)	(2,112,022)	(2,155,214)	(2,618,766)
Administrative expenses	(42,154)	(42,204)	(17,199)	-
Net change in fiduciary net position	141,653	(20,403)	(269,981)	(793,782)
Plan fiduciary net position - beginning	6,499,456	6,641,114	6,620,711	6,350,730
Plan fiduciary net position - ending (b)	<u>\$ 6,641,109</u>	<u>\$ 6,620,711</u>	<u>\$ 6,350,730</u>	<u>\$ 5,556,948</u>
Plan net position liability/(asset) -ending (a) - (b)	\$ 69,781,784	\$ 62,266,342	\$ 66,655,188	\$ 68,086,844
Plan fiduciary net position as a percentage of the total pension liability	8.69%	9.61%	8.70%	7.55%
Covered payroll	\$ 20,002,000	\$ 20,002,000	\$ 20,002,000	-1\$ 20,002,000
Plan net pension liability/(asset) as a percentage of covered payroll	275.53%	275.53%	311.30%	333.24%

(1) Estimated

2020	2021	2022	2023	2024	2025
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,549,534	1,927,908	1,779,108	2,245,449	2,241,027	2,619,551
-	-	-	-	-	-
(3,119,941)	(1,862,018)	(4,052,001)	(5,386,410)	(2,199,138)	(3,455,363)
9,305,578	4,026,371	(11,671,743)	4,037,244	8,412,225	(7,922,269)
(2,427,646)	(2,522,372)	(2,762,477)	(2,766,666)	(3,091,399)	(3,302,390)
6,307,525	1,569,889	(16,707,113)	(1,870,383)	5,362,715	(12,060,471)
73,643,792	79,951,317	81,521,206	64,814,093	62,943,710	68,306,425
\$ 79,951,317	\$ 81,521,206	\$ 64,814,093	\$ 62,943,710	\$ 68,306,425	\$ 56,245,954
\$ 2,048,826	\$ 2,150,175	\$ 2,147,614	\$ 2,220,179	\$ 2,235,650	\$ 2,182,710
-	-	-	-	-	-
647,532	170,290	(379,204)	190,218	194,518	145,778
(2,427,646)	(2,522,372)	(2,762,477)	(2,766,666)	(3,091,399)	(3,302,390)
-	-	-	-	-	-
268,712	(201,907)	(994,067)	(356,269)	(661,231)	(973,902)
5,556,948	5,825,660	5,623,753	4,629,686	4,273,417	3,612,186
\$ 5,825,660	\$ 5,623,753	\$ 4,629,686	\$ 4,273,417	\$ 3,612,186	\$ 2,638,284
\$ 74,125,657	\$ 75,897,453	\$ 60,184,407	\$ 58,670,293	\$ 64,694,239	\$ 53,606,670
7.29%	6.90%	7.14%	6.79%	5.29%	4.69%
\$ 20,002,000 ⁽¹⁾	\$ 20,002,000 ⁽¹⁾	\$ 21,718,842 ⁽¹⁾	\$ 21,578,636 ⁽¹⁾	\$ 21,578,636 ⁽¹⁾	\$ (1)\$ 22,720,738 ⁽¹⁾
370.59%	379.40%	277.11%	271.89%	271.89%	235.94%

Schedule of Plan Contributions for Berkeley Retirement Income Benefit Plan

There was no required contribution calculation for FY 2025.

Schedule of Investment Returns

Year ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return on investments	3.9%	3.7%	3.3%	3.3%	3.3%	3.3%	3.8%	2.7%	2.7%	4.9%

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10- year trend is compiled, pension plans should present information for those years which information is available.

C. Safety Members Pension Fund

Schedule of Changes in Net Pension Liability and Related Ratios for Safety Members Pension Fund

Measurement period	2016	2017	2018	2019
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	185,544	110,849	106,968	84,747
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	450,045	418,546	(112,533)	(100,070)
Change of assumptions	114,194	(225,811)	7,477	18,332
Benefit payments, including refunds of employee contributions	(1,843,952)	(832,203)	(752,108)	(625,486)
Net change in total pension liability	(1,064,169)	(528,619)	(750,196)	(622,477)
Total pension liability - beginning	4,070,183	3,764,006	3,235,387	2,485,191
Total pension liability - ending (a)	\$ 3,764,006	\$ 3,235,387	\$ 2,485,191	\$ 1,862,714
Plan fiduciary net position				
Contributions - employer	\$ 1,101,309	\$ 513,316	\$ 454,108	\$ 525,486
Contributions - employee	-	-	-	-
Net investment income	166,222	43,310	17,690	3,066
Benefit payments, including refunds of employee contributions	(1,543,259)	(832,203)	(752,108)	(625,486)
Administrative expenses	(17,650)	(10,113)	(10,113)	-
Net change in fiduciary net position	(290,378)	(285,690)	(290,423)	(96,934)
Plan fiduciary net position - beginning	953,312	662,934	377,244	96,934
Plan fiduciary net position - ending (b)	\$ 662,934	\$ 377,244	\$ 96,934	\$ -
Plan net position liability/(asset) - ending (a) - (b)	\$ 3,101,072	\$ 2,858,143	\$ 2,388,257	\$ 1,862,714
Plan fiduciary net position as a percentage of the total pension liability	17.61%	11.66%	3.90%	0.00%
Covered-employee payroll	N/A	N/A	N/A	N/A
Plan net pension liability/(asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A

N/A - No covered-employee payroll or related ratio is presented, because there were no active members, and the plan was closed to new entrants.

2020	2021	2022	2023	2024	2025
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,886
55,273	33,643	28,108	34,528	29,506	(43,623)
-	-	-	-	-	-
365,385	253,939	111,397	(2,515)	(653,384)	32,068
46,258	(21,303)	(59,043)	(2,329)	(1,137)	(4,410)
(566,995)	(480,630)	(493,937)	(318,877)	(74,479)	-
(100,079)	(214,351)	(413,475)	(289,193)	(699,494)	(11,079)
1,862,714	1,762,635	1,548,284	1,134,809	845,616	146,122
<u>\$ 1,762,635</u>	<u>\$ 1,548,284</u>	<u>\$ 1,134,809</u>	<u>\$ 845,616</u>	<u>\$ 146,122</u>	<u>\$ 135,043</u>
\$ 566,995	\$ 480,630	\$ 493,937	\$ 318,877	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
(566,995)	(480,630)	(493,937)	(318,877)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,762,635	\$ 1,548,284	\$ 1,134,809	\$ 845,616	\$ 146,122	\$ 135,043
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Plan Contributions for Safety Member Pension Fund

Historically, the plan has been funded based on contributions necessary to pay benefits not provided by the MassMutual GIC. Funding is not based on actuarially determined contributions and contributions not neither statutorily not contractually established.

Schedule of Investment Returns

Year ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual money-weighted rate of return on investments	3.9%	3.7%	3.3%	3.3%	3.3%	3.3%	3.8%	N/A	N/A	N/A



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3. OTHER POST-EMPLOYMENT RETIREE HEALTH PLANS

A. Berkeley Fire Employees Retiree Health Plan

Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement Period	2017 ⁽¹⁾	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 1,139,553	\$ 1,096,067	\$ 1,168,001	\$ 1,342,365	\$ 1,766,598
Interest cost	1,016,737	1,102,679	1,101,475	1,156,748	952,902
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(696,670)	(240,242)	(5,001,736)	747,494
Changes of assumptions	(1,120,587)	(1,018,507)	1,769,199	5,330,768	418,168
Benefit payments	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)
Net change in total OPEB liability	599,967	74,508	3,472,572	2,193,384	3,408,440
Total OPEB liability - beginning	26,782,318	27,382,285	27,456,793	30,929,365	33,122,749
Total OPEB liability - ending	<u>\$ 27,382,285</u>	<u>\$ 27,456,793</u>	<u>\$ 30,929,365</u>	<u>\$ 33,122,749</u>	<u>\$ 36,531,189</u>
Plan fiduciary net position					
Contributions - employer	\$ 862,969	\$ 737,933	\$ 759,000	\$ 742,397	\$ 741,212
Contributions - employee	-	-	-	-	-
Net investment income	52,551	38,661	662,448	545,553	459,011
Benefit payments and refunds	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)
Administrative expenses	(25,329)	(14,233)	(4,945)	(3,979)	(10,823)
Other changes	-	-	-	-	-
Net changes	454,455	353,300	1,090,642	649,210	712,678
Plan fiduciary net position - beginning	9,397,656	9,852,111	10,205,411	11,296,053	11,945,263
Plan fiduciary net position - ending	<u>\$ 9,852,111</u>	<u>\$ 10,205,411</u>	<u>\$ 11,296,053</u>	<u>\$ 11,945,263</u>	<u>\$ 12,657,941</u>
Plan net OPEB liability/(asset)	\$ 17,530,174	\$ 17,251,382	\$ 19,633,312	\$ 21,177,486	\$ 23,873,248
Fiduciary net position as a percentage of the total OPEB liability	36.0%	37.2%	36.5%	36.1%	34.6%
Covered payroll	\$ 15,139,847	\$ 15,614,466	\$ 15,667,851	\$ 15,307,269	\$ 15,282,868
Net OPEB liability as a percentage of covered payroll	115.79%	110.50%	125.31%	138.35%	156.21%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable.

*Future years' information will be displayed up to 10 years as information becomes available.

**Changes in Assumptions. The discount rate was updated based on the municipal bond rate as of the measurement date, the expected rate of return on assets, and the crossover test; The inflation was updated from 3.93% to 5.2%; and the Mortality improvement scale was updated to Scale MP-2021.

Measurement Period	2022	2023	2024	2025
Total OPEB liability				
Service cost	\$ 1,911,547	\$ 1,392,578	\$ 1,439,883	\$ 1,426,866
Interest cost	917,203	1,110,807	1,339,047	1,455,298
Changes of benefit terms	-	-	-	(6,625,847)
Difference between expected and actual experience	(2,050,333)	1,862,075	85,394	(717,860)
Changes of assumptions	(6,264,012)	1,512,247	(1,927,164)	(4,746,777)
Benefit payments	(769,042)	(580,817)	(654,234)	(505,480)
Net change in total OPEB liability	(6,254,637)	5,296,890	282,926	(9,713,800)
Total OPEB liability - beginning	36,531,189	30,276,552	35,573,442	35,856,368
Total OPEB liability - ending	<u>\$ 30,276,552</u>	<u>\$ 35,573,442</u>	<u>\$ 35,856,368</u>	<u>\$ 26,142,568</u>
Plan fiduciary net position				
Contributions - employer	\$ 817,508	\$ 911,240	\$ 904,073	\$ 1,051,229
Contributions - employee	-	-	-	-
Net investment income	(937,465)	566,015	710,351	671,071
Benefit payments and refunds	(769,042)	(580,817)	(654,234)	(505,480)
Administrative expenses	-	-	(4,806)	(2,836)
Other changes	-	-	-	-
Net changes	(888,999)	896,438	955,384	1,213,984
Plan fiduciary net position - beginning	12,657,941	11,768,942	12,665,380	13,620,764
Plan fiduciary net position - ending	<u>\$ 11,768,942</u>	<u>\$ 12,665,380</u>	<u>\$ 13,620,764</u>	<u>\$ 14,834,748</u>
Plan net OPEB liability/(asset)	\$ 18,507,610	\$ 22,908,062	\$ 22,235,604	\$ 11,307,820
Fiduciary net position as a percentage of the total OPEB liability	38.9%	35.6%	38.0%	56.7%
Covered payroll	\$ 16,924,571	\$ 18,118,697	\$ 18,640,673	\$ 21,891,001
Net OPEB liability as a percentage of covered payroll	109.35%	126.43%	119.29%	51.66%

Schedule of Employer Contributions

Measurement Period	2016 ⁽¹⁾	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution (ADC)	\$ 1,991,925	\$ 2,163,028	\$ 2,326,493	\$ 2,104,622	\$ 2,575,970	\$ 1,354,619	\$ 3,659,767	\$ 3,879,000	\$ 2,634,000
Contributions in relations to the actuarially determined contribution	862,969	737,933	759,000	742,397	741,212	817,508	911,240	904,073	1,051,229
Contribution deficiency/(excess)	<u>\$ 1,128,956</u>	<u>\$ 1,425,095</u>	<u>\$ 1,567,493</u>	<u>\$ 1,362,225</u>	<u>\$ 1,834,758</u>	<u>\$ 537,111</u>	<u>\$ 2,748,527</u>	<u>\$ 2,974,927</u>	<u>\$ 1,582,771</u>
Covered payroll	\$ 15,139,847	\$ 15,614,466	\$ 15,667,851	\$ 15,307,269	\$ 15,282,868	\$ 16,924,571	18,118,697	\$ 18,640,673	\$ 21,891,001
Contributions as a percentage of covered payroll	5.7%	4.7%	4.8%	4.8%	4.8%	4.8%	5.0%	4.9%	4.8%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable.

Notes to Schedule of Employer Contributions

Valuation date	July 1, 2024
Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method	Level dollar, over 20-year open period
Asset valuation method	Market value of assets
Inflation	2.50%
Discount rate	5.20%
Medical trend	Non-Medicare-7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare-Non-Kaiser 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076.
Mortality	CalPERS 2000-2019 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2021

B. Berkeley Miscellaneous Employees Retiree Health Plan

Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement Period	2017 ⁽¹⁾	2018	2019	2020
Total OPEB liability				
Service cost	\$ 3,158,691	\$ 2,758,915	\$ 2,722,025	\$ 3,179,095
Interest cost	2,037,274	2,347,169	2,384,553	2,431,913
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(1,080,363)	(632,496)	(1,851,097)
Changes of assumptions	(6,804,556)	(5,371,861)	2,729,815	22,060,044
Benefit payments	(736,196)	(927,645)	(984,708)	(1,328,358)
Net change in total OPEB liability	(2,344,787)	(2,273,785)	6,219,189	24,491,597
Total OPEB liability - beginning	64,005,272	61,660,475	59,386,690	65,605,879
Total OPEB liability - ending	\$ 61,660,475	\$ 59,386,690	\$ 65,605,879	\$ 90,097,476
Plan fiduciary net position				
Contributions - employer	\$ 3,352,941	\$ 2,000,393	\$ 2,003,621	\$ 2,193,113
Contributions - employee	-	-	-	-
Net investment income	212,183	393,160	2,233,680	217,442
Benefit payments and refunds	(735,196)	(927,645)	(984,708)	(1,328,358)
Administrative expenses	(64,386)	(69,263)	(37,536)	(30,346)
Other changes	-	-	-	-
Net changes	2,764,542	1,396,649	3,215,057	1,051,851
Plan fiduciary net position - beginning	20,995,355	23,774,427	25,759,897	28,386,133
Plan fiduciary net position - ending	\$ 23,759,897	\$ 25,759,897	\$ 28,974,954	\$ 29,437,984
Plan OPEB net liability/(asset)	\$ 37,900,578	\$ 34,215,614	\$ 37,219,746	\$ 60,659,492
Fiduciary net position as a percentage of the total OPEB liability	38.50%	43.38%	44.17%	32.67%
Covered payroll	\$ 84,216,839	\$ 90,333,251	\$ 91,491,386	\$ 94,774,757
Net OPEB liability as a percentage of covered payroll	45.00%	37.88%	40.68%	64.00%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable.

* Changes in assumptions. The discount rate was updated based on the municipal bond rate as of the measurement date, the expected rate of return on assets, and the crossover test; The inflation was updated from 3.93% to 5.20%; and the Mortality improvement scale was updated to Scale MP-2021

2021	2022	2023	2024	2025
\$ 4,501,763	\$ 3,620,832	\$ 2,660,490	\$ 2,778,532	\$ 3,038,353
2,350,294	1,807,863	2,164,400	2,349,459	2,523,179
174,029	-	46,750	156,706	
(7,240,048)	(5,248,182)	(3,479,634)	(1,261,505)	(2,797,044)
(15,323,082)	(12,289,862)	3,420,624	(2,565,364)	(9,489,357)
(1,174,959)	(2,091,325)	(1,408,065)	(1,998,312)	(1,768,401)
(16,712,003)	(14,200,674)	3,404,565	(540,484)	(8,493,270)
90,097,476	73,385,473	59,184,799	62,589,364	62,048,880
\$ 73,385,473	\$ 59,184,799	\$ 62,589,364	\$ 62,048,880	\$ 53,555,610
\$ 2,219,280	\$ 2,302,446	\$ 2,614,996	\$ 2,707,775	\$ 2,929,882
-	-	-	-	-
1,091,946	(1,986,312)	1,822,639	1,791,221	2,992,410
(1,174,959)	(2,091,325)	(1,408,065)	(1,998,312)	(1,768,401)
(84,248)	(757)	-	(3,003)	38,959
-	-	-	-	-
2,052,019	(1,775,948)	3,029,570	2,497,681	4,192,850
29,437,984	31,490,003	29,714,055	32,743,625	35,241,306
\$ 31,490,003	\$ 29,714,055	\$ 32,743,625	\$ 35,241,306	\$ 39,434,156
\$ 41,895,470	\$ 29,470,744	\$ 29,845,739	\$ 26,807,574	\$ 14,121,454
42.91%	50.21%	52.31%	56.80%	73.63%
\$ 99,542,579	\$ 102,205,676	\$ 110,614,150	\$ 118,898,025	\$ 129,227,274
42.09%	28.83%	26.98%	22.55%	10.93%

Schedule of Employer Contributions

Measurement Period	2017 ⁽¹⁾	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution (ADC)	\$ 4,610,828	\$ 4,729,448	\$ 5,051,655	\$ 5,534,572	\$ 4,871,995	\$ 2,771,289	\$ 6,017,367	\$ 6,553,000	\$ 6,658,000
Contributions in relations to the actuarially determined contribution	\$ 3,352,941	\$ 2,000,397	\$ 2,003,621	\$ 2,193,113	\$ 2,219,280	\$ 2,302,446	\$ 2,614,996	\$ 2,707,775	\$ 2,929,882
Contribution deficiency/ (excess)	\$ 7,963,769	\$ 6,729,845	\$ 3,048,034	\$ 3,341,459	\$ 2,652,715	\$ (231,157)	\$ 3,402,371	\$ 3,845,225	\$ 3,728,118
Covered payroll	\$84,216,839	\$90,333,251	\$91,491,386	\$96,774,757	\$99,542,525	\$102,205,676	\$110,614,150	\$118,898,025	\$129,227,274
Contributions as a percentage of covered payroll	4.0%	2.2%	2.2%	2.3%	2.2%	2.3%	2.4%	2.3%	2.3%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable.

*Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule of Employer Contributions

Valuation date	July 1, 2024
Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method	Level dollar, over 20-year open period
Asset valuation method	Market value of assets
Discount rate	5.20%
Inflation	2.50%
Medical trend	Non-Medicare- Non-Kaiser 7.9% for 2026, decreasing to an ultimate rate of 3.45% in 2076. Medicare-Non-Kaiser 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076.
Mortality	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021



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C. POLICE RETIREE PREMIUM ASSISTANCE PLAN**Schedule of Changes in Net OPEB Liability and Related Ratios**

Measurement Period	2017 ⁽¹⁾	2018	2019	2020
Total OPEB liability				
Service cost	\$ 3,710,498	\$ 3,023,242	\$ 2,629,121	\$ 2,923,570
Interest cost	1,556,852	1,800,859	1,779,243	1,803,350
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(8,663,806)	(2,849,858)	(3,609,918)	(6,089,186)
Changes of assumptions	-	(5,544,476)	4,668,732	12,709,723
Benefit payments	(150,908)	(226,007)	(221,190)	(203,998)
Net change in total OPEB liability	(3,547,364)	(3,796,240)	5,245,988	11,143,459
Total OPEB liability - beginning	50,800,336	47,252,972	43,456,732	48,702,720
Total OPEB liability - ending	\$ 47,252,972	\$ 43,456,732	\$ 48,702,720	\$ 59,846,179
Plan fiduciary net position				
Contributions - employee	\$ 562,995	\$ 295,743	\$ 400,137	\$ 400,136
Net investment income	-	-	-	-
Contributions - employer	(9,698)	(5,508)	468,950	(267,637)
Benefit payments and refunds	(150,908)	(226,007)	(221,190)	(203,998)
Administrative expenses	(12,167)	(4,209)	(1,886)	(4,871)
Other changes	-	-	-	-
Net changes	390,222	60,019	646,011	(76,370)
Plan fiduciary net position - beginning	1,353,903	1,744,125	1,804,144	2,450,155
Plan fiduciary net position - ending	\$ 1,744,125	\$ 1,804,144	\$ 2,450,155	\$ 2,373,785
Plan net OPEB liability/(asset)	\$ 45,508,847	\$ 41,652,588	\$ 46,252,565	\$ 57,472,394
Fiduciary net position as a percentage of the total OPEB liability	3.7%	4.2%	5.0%	4.0%
Covered payroll	\$ 20,303,490	\$ 19,473,765	\$ 18,760,962	\$ 20,695,223
Net OPEB liability as a percentage of covered payroll	224.1%	213.9%	246.5%	277.7%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable.

* Changes in assumptions. The discount rate was updated based on the municipal bond rate as of the measurement date, the expected rate of return on assets, and the crossover test; The inflation was updated from 3.93% to 5.20%; and the Mortality improvement scale was updated to Scale MP-2020.

2021	2022	2023	2025	2025
\$ 3,748,506	\$ 3,673,425	\$ 1,897,103	\$ 1,878,350	\$ 1,751,827
1,415,045	1,200,184	1,283,005	1,432,520	1,495,406
-	-	-	-	(14,578,379)
(5,459,588)	(4,508,061)	(2,316,099)	(1,947,797)	(1,079,645)
(7,333,890)	(17,119,515)	2,628,194	(1,834,458)	(3,781,351)
(279,563)	(604,145)	(465,182)	(473,662)	(722,687)
(7,909,490)	(17,358,112)	3,027,021	(945,047)	(16,914,829)
59,846,179	51,936,689	34,578,577	37,605,598	36,660,551
\$ 51,936,689	\$ 34,578,577	\$ 37,605,598	\$ 36,660,551	\$ 19,745,722
\$ 400,136	\$ 400,136	\$ 400,136	\$ 400,136	\$ 400,136
99,904	(228,216)	98,273	109,255	96,972
-	-	-	-	-
(279,563)	(604,145)	(465,182)	(473,662)	(722,687)
(13,074)	-	-	-	(2,287)
-	-	-	(3,154)	(200,792)
207,403	(432,225)	33,227	32,575	(428,658)
2,373,785	2,581,188	2,148,963	2,182,190	2,214,765
\$ 2,581,188	\$ 2,148,963	\$ 2,182,190	\$ 2,214,765	\$ 1,786,107
\$ 49,355,501	\$ 32,429,614	\$ 35,423,408	\$ 34,445,786	\$ 17,959,615
5.0%	6.2%	5.8%	6.0%	9.0%
\$ 21,718,889	\$ 21,681,336	\$ 21,578,636	\$ 22,582,297	\$ 22,720,738
227.2%	149.6%	164.2%	152.5%	79.0%

Schedule of Employer Contributions

Measurement Period	2017 ⁽¹⁾	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution (ADC)	\$ 5,105,429	\$ 4,929,429	\$ 5,155,293	\$ 4,432,549	\$ 5,076,625	\$ 4,636,861	\$ 5,245,557	\$ 2,591,000	\$ 2,577,000
Contributions in relations to the actuarially determined contribution	562,995	295,743	400,137	400,136	400,136	400,136	400,136	400,136	400,136
Contribution deficiency/(excess)	\$ 4,542,434	\$ 4,633,686	\$ 4,755,156	\$ 4,032,413	\$ 4,676,489	\$ 4,236,725	\$ 4,845,421	\$ 2,190,864	\$ 2,176,864
Covered payroll	\$ 20,303,490	\$ 19,473,765	\$ 18,760,962	\$ 20,695,223	\$ 21,718,887	\$ 21,681,336	\$ 21,578,636	\$ 22,582,297	\$ 22,720,738
Contributions as a percentage of covered payroll	2.77%	1.52%	2.13%	1.93%	1.84%	1.85%	1.85%	1.77%	1.76%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable.

*Future years' information will be displayed up to 10 years as information becomes available

Notes to Schedule of Employer Contributions

Valuation date	July 1, 2024
Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method	Level dollar, over 20-year open period
Asset valuation method	Market value of assets
Discount rate	5.20%
Inflation	2.50%
Medical trend	Non-Medicare-7.90% for 2026, decreasing to an ultimate rate of 3.45 in 2076 Medicare-Non-Kaiser 6.90 for 2025, decreasing to an ultimate rate of 3.45 in 2076; Medicare-Kaiser 5.65% for 2025, decreasing to an ultimate rate of 3.45%
Mortality	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021



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Combining Financial Statements and Schedules

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA



Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Improvement Fund
For the Fiscal Year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	-	-	\$ 142,500	\$ 142,500
Investment income	-	-	18,515	18,515
Total revenues	-	-	161,015	161,015
Expenditures:				
Current:				
General government	\$ 73,193	\$ 73,193	\$ 51,187	\$ 22,006
Highway and streets	2,302,605	4,679,258	3,517,961	1,161,297
Culture-recreation	-	587,468	536,584	50,884
Community development and housing	984,551	4,686,023	2,675,727	2,010,296
Economic development	-	8,210	8,539	(329)
Capital outlay:	10,617,678	22,135,504	8,403,550	13,731,954
Total expenditures	13,978,027	32,169,656	15,193,548	16,976,108
Revenues over/(under) expenditures	(13,978,027)	(32,169,656)	(15,032,533)	17,137,123
Other financing sources/(uses)				
Transfers in	14,099,209	14,099,209	14,099,209	-
Transfers out	(984,687)	(2,059,109)	(2,251,650)	(192,541)
Total other financing sources/(uses)	13,114,522	12,040,100	11,847,559	(192,541)
Net change in fund balance	(863,505)	(20,129,556)	(3,184,974)	16,944,582
Fund balance, July 1, 2024	20,947,993	20,947,993	20,947,993	-
Fund balance, June 30, 2025	20,084,488	818,437	17,763,019	16,944,582

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (3,184,974)
Notes receivable accrual	735,058
Payable accrual	(892,206)
Net change in fund balances - GAAP basis	\$ (3,342,122)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure O Housing Bond Capital Project Fund
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 1,917,950	\$ 1,917,950
Total revenues	-	-	1,917,950	1,917,950
Expenditures:				
Current				
Community development and housing	6,445,567	11,549,554	5,079,341	6,470,213
Capital Outlay:	-	-	-	-
Total expenditures	6,445,567	11,549,554	5,079,341	6,470,213
Net change in fund balance	(6,445,567)	(11,549,554)	(3,161,391)	8,388,163
Fund balance, July 1, 2024	37,823,015	37,823,015	37,823,015	-
Fund balance, June 30, 2025	<u>\$ 31,377,448</u>	<u>\$ 26,273,461</u>	<u>\$ 34,661,624</u>	<u>\$ 8,388,163</u>

**Explanation of differences between budgetary
basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (3,161,391)
Payable accrual	5,079,341
Net change in fund balances - GAAP basis	<u>\$ 1,917,950</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The **Asset Forfeiture Fund** accounts for monies received from the seizure and forfeiture of assets acquired by the City as a result of narcotics related law enforcement.

The **Special Tax for Disabled Fund** accounts for special tax, which is solely for providing emergency services and incidental case management for severely physically disabled persons.

The **Workforce Investment Act Fund** accounts for funds provided by allocation of Workforce Investment Act grant funds.

The **Community Workforce Fund** accounts for funds provided by allocation of adult employment workforce.

The **Sec 108 HUD Loan Grant Assistant** accounts for funds for Sec 108 HUD loan and its disbursement.

The **Fund Raising Activities Fund** accounts for funds donated for providing food meal program.

The **California Housing Finance Agency Fund** accounts for funds for operating a local housing program.

The **Gilman Sports Field Fund** accounts for funds for Gilman sports field.

The **Gilman Fields Reserve Fund** is used to reserve for funds for Gilman fields.

The **Animal Shelter Fund** accounts for funds donated for providing animal shelter and related services.

The **Paramedic Assessment District Fund** is used to account for special tax assessed for paramedic service.

The **California Energy Commission Fund** accounts for street light maintenance and conversion to LED for energy savings.

The **Tieback Mitigation R-O-W Fund** accounts for the collection of mitigation fees from developers for the future potential cost associated in removing tiebacks or any other cost associated in the Public right of way.

The **Domestic Violence Prevention Vital Statistics Fund** accounts for the surcharge for birth and death certificates that are issued by the Berkeley Public Health Vital Statistics unit to be used in the administration and coordination of domestic violence and family violence prevention activities.

The **Affordable Housing Mitigation Fee Fund** accounts for funds received from mitigation fee assessed on the construction of new rental units.

The **Affordable Child Care Fund** accounts for funds received from fees collected from developers of large scale commercial development to assist low-income families with monthly child care payments.

The **Inclusionary Housing Program Fund** accounts for the administration of the Inclusionary Housing Program, whereby 20% of new units in apartment projects in the City of Berkeley must be offered at a rent or sale price that is affordable to low income households. The City charges fees for the administration and monitoring of this program.

The **Condo Conversion Program Fund** accounts for the administration of the affordable housing. Housing department can charge 10% of the revenue for program delivery costs.

The **Parking In-Lieu Fee Fund** accounts for monies received to use for a variety of enhanced transit and transportation demand management programs based on Downtown Area Plan Policy AC 1.3. Fees collected are to be used for capital projects in the Downtown Area.

The **Playground Camp Fund** accounts for registration and miscellaneous fees for the purpose of operating the City's vacation camp and day camps. Fund established to account for the money received under the state's SB300 program.

The **State Proposition 172 Fund** is used to receive monies from sales tax to be used for public safety.

The **Traffic Congestion Relief Fund** established to use for project roadway thermoplastic markings.

The **State Transportation Tax Fund** is used to consolidate Special Gas Tax Fund – Disc; State 2106; State 2107; and State Prop 111, which to receive monies from City's gasoline tax apportionment revenue per code sections, for the highway traffic congestion relief and spending.

The **CDBG Fund** is used pursuant to Housing & Community Development Act of 1974 to consolidate monies for several Federal programs (Model Cities, Urban Renewal, Open Space & Water and Sewer) under a single

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds, continued

block grant designed to allow the City to finance developmental activities (especially housing) on a minimally restricted basis.

The **Rental Housing Safety Program Fund** is used established to receive monies by charging an annual per unit fee to the rental housing property owner, imposing fines to all related violations. The purpose of this fund is to provide and streamline the Rental Housing Safety Program (RHSP) while maintaining the overall goal of having owners, tenants, and the City work together to increase the safety of all residential rental units.

The **Measure B: Local Streets and Roads Fund** accounts for the tax assessed for local streets and roads.

The **Measure B: Bike and Pedestrians Fund** is used to receive monies for the maintenance of bike and pedestrian lanes.

The **Measure B: Paratransit Fund** accounts for the revenue assessed from property tax to be used for expenses related for paratransit services.

The **Measure F Alameda County VRF Street and Road Fund** accounts for the revenue assessed from vehicle registration fee to be used for expenses related for road and street services

The **Measure BB: Local Streets and Roads Fund** established to account for the tax assessed for local streets and roads, which has to separate from any other funds it receives from Alameda CTC per funding agreement article II.B.2.

The **Measure BB: Bike and Pedestrians Fund** is used to receive monies for the maintenance of bike and pedestrian lanes, which has to separate from any other funds it receives from Alameda CTC per funding agreement article II.B.2.

The **Measure BB: Paratransit Fund** accounts for the revenue assessed from property tax to be used for expenses related for paratransit services, , which has to separate from any other funds it receives from Alameda CTC per funding agreement article II.B.2.

The **Shelter Operations Fund** accounts used to provide shelter needs to homeless people.

The **One Time Funding Fund** accounts for the revenue relating to Ed Roberts Campus.

The **Park Tax Fund** accounts for the receipt and expenditure of the special tax approved by two thirds of the voters on May 6, 1997 and re-authorized in November 2000 and November 2008. It is used for the direct cost of acquisition and maintenance of improvements related to parks and landscape in the city.

The **Street and Open Space Improvement Fund** accounts for the SOSIP impact fee assessed to be used for the comprehensive design of significant positive alternations and additions to Downtown's parks, plazas, and streetscape.

The **Measure GG Fire Preparation Tax Fund** accounts for fire and disaster tax passed in Bond Measure GG in 2009. The monies collected are for emergency responses.

The **1st Response Advanced Life Support (ALSFR) Fund** accounts for funds to set up a minimum requirements, conduct and competency in the operation of ALSFR services.

The **Street Lighting Fund** is established to receive special assessment district monies used for maintenance and or servicing of existing and future public lighting facilities, and the installation or construction of public lighting for the maintenance of servicing thereof, including grading, clearing, removal of debris, the installation of curbs and gutters, walls, sidewalks or paving or water, irrigation, drainage or electrical facilities.

The **Business Economic Development Fund** is used to receive monies from a federal grant (Economic Development Administration) for the purpose of providing loans to eligible South Berkeley establishments under a program approved by the City Council.

The **Citywide RLF (Revolving Loan Fund) Fund** established to account for Citywide Commercial revolving loan fund for revitalization of business enterprises and job stimulation.

The **Legacy fund** accounts for balances in inactive funds.

The **Miles Lab Fund** is used to provide job training for Berkeley residents.

The **Employee Training Fund** is used to provide training to city employees.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds, continued

The **UC Settlement Fund** established to account for agreed upon expenses to be shared between City of Berkeley and University of California, Berkeley.

The **Private Percent Art Fund** established for the purpose of implementing the Arts and Cultural Plan.

The **Private Party Sidewalks Fund** accounts for reimbursements from private parties, which were previously passed through Landscape Assessment District Fund, now a parks tax, and all sidewalk funding is to be removed from this fund.

The **Public Art Fund** is used to set aside funds for the development of visual art in public places, including art developed in conjunction with city construction projects.

The **Lillie B. Wall Memorial Fund** established to provide day nursing care to needy children in the City of Berkeley

The **Vital and Health Statistics Fund** established to account for monies held in trust for vital and health statistic program.

The **East Bay Public Utilities Commission Fund** is used to oversee expenses involved in the construction of certain public improvements in Assessment District No. 1960-1 in the City of Berkeley.

The **PERS Savings Fund** accounts for monies accumulated to assist City pay for its pension and OPEB liabilities.

The **Other Special Deposits Fund** is used to receive monies left in trust with the City of Berkeley for specific purposes from various sources.

The **Health State Aid Realignment Fund** is used to receive monies (Assembly Bill 1491) from vehicle license fees and state sales tax to support public health activities within the City's health jurisdiction. This fund provides for the ongoing fiscal relief measure in response to the local funding dilemma created by Proposition 13. These funds replace the Assembly Bill 8 allocations normally received by the city for providing Public Health Services.

The **Tobacco Control Fund** is used to receive State monies from special tax on cigarettes to provide public health education and outreach on tobacco use prevention and cessation.

The **Mental Health State Aid Realignment Fund** accounts for receive monies from State sales tax for the purpose of providing mental health services to the citizens of Berkeley and Albany.

The **City Opt. Public Safety Trust Fund** is used to receive monies from State as a result of Assembly Bill 3229 for the purpose of purchasing radio equipment for the Communications Center of the new public safety building.

The **Fund for Impounded and Unneutered Fund** accounts for monies held in trust for impounded and unneutered animals.

The **Alameda County Abandoned Vehicle Abatement Authority Fund** was established to provide an interest bearing abandoned and inoperative vehicle fund in accordance with requirements mandated by the California Vehicle Code, section 22710.

The **Measure FF - Public Safety** is established for the purpose of funding firefighter and emergency medical response including, but not limited to, training, hiring, maintaining and upgrading facilities and equipment, upgrades to the 9-1-1 communication system and wildfire prevention and preparedness activities.

The **Fair Elections Fund** is established for the purpose of providing public financing for the election campaigns of certified participating candidates; and paying for the administrative and enforcement costs of the Berkeley Fair Campaign Practices Commission ("Commission") and City staff related to the Fair Elections Fund public campaign financing program.

NONMAJOR GOVERNMENTAL FUNDS

Capital Project Funds

The **Infrastructure Facilities Measure T1 Fund** accounts for the receipt and expenditure of the proceeds from the General Obligation bonds approved by over two third of the voters on November 8, 2016, to finance renovations, replacement, or reconstruction of the City's aging infrastructure and facilities.

The **Phone System Replacement Fund** accounts for monies received from other funds to build a reserve for the future replacement of the phone system.

The **Fund\$ Replacement Fund** accounts for monies received from other funds to build a reserve for the future replacement of the Fund\$ enterprise wide software system.

The **Public, Education & Government Access Facilities Fund** accounts for monies received from the Cable Television Franchise. These monies are to be used for capital expenditure for PEG studios, video production equipment, mobile production van(s), internal wiring connections, and related capital items.

The **Measure G: Fire Seismic Projects Fund** accounts for fire seismic projects.

The **Measure M: Street and Watershed Improvements Fund** accounts for street and watershed improvements.

The **Measure G: Public Safety Building Fund** accounts for the retrofit of the public safety building.

The **Street Improvement Fund** established by Resolution 26,971 to receive shared County Gas Tax revenues from the City of Berkeley and County of Alameda for use on specific street improvement projects. Contract is for five years, fiscal year 1988-89 through fiscal year 1992-93.

The **Park Acquisition Development Fund** accounts for monies provided by an annual tax levy of \$.20 for each \$100 of assessed valuation. This levy ended after FY 1979-80. A minimum of 75% of the revenues are used for the acquisition and development of real property which are used for recreation and open space purposes determined by the Recreation and Parks Commission and Planning Commission. The balance of the Fund (up to 25%) may be used for the renovation of existing City park properties and for associated administrative expenses.

The **Income Housing Fund – West Berkeley Improvement Project Fund** accounts for noncash portion transferred from former West Berkeley Low and Moderate Housing Fund due to AB 1X 26.

The **Income Housing Fund – Savo Island Project Fund** accounts for noncash portion transferred from former Savo Island Low and Moderate Housing Fund due to AB 1X 26.

The **Fire Admin Training Building** - to account for revenue and expenditure for the leasehold improvement of the new Fire Administration Building.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

The **Pension Refunding Bonds** was established to receive monies and to make interest and principal payment on these bonds. On May 1, 1998, the City issued debenture bonds to refund the certificates of participation issued in 1989 by Berkeley Civic Improvement Corporation (BCIC) which was purchased on behalf of the City; a funding and risk agreement which provides payments to the Safety Members Pension Fund for the City's pension obligation.

The **09 Measure FF – Library Fund** accounts for a bond measure FF in 2009 – the library's retrofitting projects, part of the monies received are for furniture and fixtures.

The **GO 2015 Refunding bonds for 2007 Refunding Bonds' Fund** was established to receive monies and to make interest and principal payment on the Berkeley 2015 General obligation refunding bonds replacing 2007 General obligation refunding bonds, which replaced the old Measure S series A, B, C.

The **Berkeley Repertory Theatre Fund** was established to receive monies and to make interest and principal payment on the Berkeley Joint Powers Financing Authority Lease Revenue Bonds, Series 1999. The proceeds of the bonds are used to acquire a new theater facility with a park to be constructed by the Berkeley Repertory Theatre or other public facilities.

The **GO 2015 Refunding bonds for 2002 Refunding Bonds' portion Fund** was established to receive monies and to make interest and principal payment on the Berkeley 2015 General Obligation refunding bonds replacing 2002 General Obligation bonds, which replaced the old Measure G series A and B.

The **GO 2015 Refunding bonds for 2007 Refunding Bonds Proceeds' portion Fund** was established to receive Proceeds on the Berkeley 2015 General Obligation refunding bonds replacing 2007 General Obligation Refunding bonds, which replaced the old Measure G series C.

The **GO 2015 Refunding bonds for 2008 Animal Shelter – Measure I's portion Fund** was established to receive monies and to make interest and principal payment on the Berkeley 2015 General Obligation bonds replacing 2008 General Obligation bonds, which replaced 2002 General Obligation bond for the animal shelter.

The **2010 COP Animal Shelter Fund** established to receive funds to finance a portion of the acquisition and construction of an animal shelter

The **GO 2014 Measure M Street and Watershed Improvement Fund** established to receive monies to make interest and principal payment on the Berkeley 2014 General Obligation bonds for improvements to the street, with integrated watershed improvements.

The **Infrastructure & Facilities Measure T1 Fund** established to receive monies and to make interest and principal payment on the Berkeley 2017 General Obligations bonds for infrastructure and facilities renovation and improvements.

The **Measure O Housing Bond Fund** will be used to receive monies to make interest and principal payments on the Measure O Affordable Housing General Obligation Bonds, Series 2020.

The **JPFA Lease Revenue Bond Fire Building** will be used to receive monies to make interest and principal payments on leasehold improvement of the new Fire Administration Building.

The **2025 Lease Revenue Notes** was issued primarily to finance the construction of certain tenant improvements of the City of Berkeley within the fire administration and training building and such other improvements that may be identified from time to time by the City.

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Asset Forfeiture	Measure E: Special Tax Tax for Disabled	Workforce Investment Act	Community Workforce
Assets				
Cash and investments in treasury	\$ 121,863	\$ -	\$ -	\$ 10,074
Restricted cash and investments	-	247,484	104,023	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	697	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	18,434	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	121,863	266,615	104,023	10,074
Liabilities				
Accounts payable	-	-	-	-
Accrued salaries and wages	-	658	1,318	-
Advances from other funds	-	-	-	-
Due to other funds	32,176	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	32,176	658	1,318	-
Deferred Inflows of Resources				
Unavailable revenue	-	697	-	-
Total deferred inflows of resources	-	697	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	89,687	265,260	102,705	-
Committed	-	-	-	10,074
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	89,687	265,260	102,705	10,074
Total liabilities, deferred inflows of resources, and fund balances	\$ 121,863	\$ 266,615	\$ 104,023	\$ 10,074

Special Revenue Funds

Sec 108 Hud Loan Grant Assistance	Fund Raising Activities	California Housing Finance Agency	Gilman Sport Field	Gilman Fields Reserve	Animal Shelter
\$ - 1,228,479	\$ 1,024,813 -	\$ - 111,418	\$ 247,017 -	\$ 1,117,277 -	\$ 147,644 -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,065,806	-	82,401	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,294,285	1,024,813	193,819	247,017	1,117,277	147,644
-	753	-	17,844	-	95
-	-	-	5,127	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	989	-	-
60,000	753	-	23,960	-	95
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,234,285	-	193,819	-	-	-
-	1,024,060	-	223,057	1,117,277	147,549
-	-	-	-	-	-
-	-	-	-	-	-
3,234,285	1,024,060	193,819	223,057	1,117,277	147,549
\$ 3,294,285	\$ 1,024,813	\$ 193,819	\$ 247,017	\$ 1,117,277	\$ 147,644

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Paramedic Assessment District	California Energy Commission	Tieback Mitigation R-O-W	Domestic Violence Prevention Vital Statistics
Assets				
Cash and investments in treasury	\$ -	\$ -	\$ 1,356,529	\$ 55,691
Restricted cash and investments	322,760	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	1,632	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	41,487	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	365,879	-	1,356,529	55,691
Liabilities				
Accounts payable	-	-	-	-
Accrued salaries and wages	49,626	-	-	1,357
Advances from other funds	-	-	-	-
Due to other funds	-	87	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	49,626	87	-	1,357
Deferred Inflows of Resources				
Unavailable revenue	1,632	-	-	-
Total deferred inflows of resources	1,632	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	314,621	-	-	-
Committed	-	-	1,356,529	54,334
Assigned	-	-	-	-
Unassigned	-	(87)	-	-
Total fund balances	314,621	(87)	1,356,529	54,334
Total liabilities, deferred inflows of resources, and fund balances	\$ 365,879	\$ -	\$ 1,356,529	\$ 55,691

Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ 36,496,752	\$ 541,529	\$ 608,996	\$ 1,147,345	\$ 1,290,000	\$ 1,226,682
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,473,809	-	1,337,421	2,762,667	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,970,561	541,529	1,946,417	3,910,012	1,290,000	1,226,682
305,648	-	104	-	-	345,341
13,116	-	8,169	614	-	158,301
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,915
-	-	-	-	-	77,949
-	-	-	-	-	-
-	-	-	-	-	968
318,764	-	8,273	614	-	588,474
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,651,797	541,529	1,938,144	3,909,398	1,290,000	638,208
-	-	-	-	-	-
-	-	-	-	-	-
55,651,797	541,529	1,938,144	3,909,398	1,290,000	638,208
\$ 55,970,561	\$ 541,529	\$ 1,946,417	\$ 3,910,012	\$ 1,290,000	\$ 1,226,682

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	State Proposition 172	Traffic Congestion Relief	State Transportation Tax	CDBG
Assets				
Cash and investments in treasury	\$ -	\$ 12	\$ -	\$ -
Restricted cash and investments	1,802,948	-	8,420,346	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	744,572	2,500
Interest receivable	-	-	-	51,953
Taxes receivable	87,448	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	1,282,499
Due from other funds	-	-	-	-
Notes receivable	-	-	-	8,730,508
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	1,890,396	12	9,164,918	10,067,460
Liabilities				
Accounts payable	99,039	-	65,772	111,030
Accrued salaries and wages	-	-	65,306	31,289
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	1,331,223
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	99,039	-	131,078	1,473,542
Deferred Inflows of Resources				
Unavailable revenue	-	-	152,536	1,424,119
Total deferred inflows of resources	-	-	152,536	1,424,119
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,791,357	12	8,881,304	7,169,799
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,791,357	12	8,881,304	7,169,799
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,890,396	\$ 12	\$ 9,164,918	\$ 10,067,460

Special Revenue Funds

Rental Housing Safety Program	Measure B: Local Streets and Roads	Measure B: Bike and Pedestrian	Measure B: Paratransit	Measure F: Alameda County VRF Street and Road	Measure BB: Local Streets and Roads
\$ 5,155,169	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,340,820	124,905	1,206	1,133,891	12,240,403
1,014,159	13,771	-	-	-	26,250
-	-	-	-	-	-
1,197	-	-	-	181,988	1,364,049
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,170,525	2,354,591	124,905	1,206	1,315,879	13,630,702
411	180,186	58,360	509	99,108	323,268
42,352	-	118	-	22,668	50,120
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,763	180,186	58,478	509	121,776	373,388
1,014,159	13,771	-	-	-	26,250
1,014,159	13,771	-	-	-	26,250
-	-	-	-	-	-
-	2,160,634	66,427	697	1,194,103	13,231,064
5,113,603	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,113,603	2,160,634	66,427	697	1,194,103	13,231,064
\$ 6,170,525	\$ 2,354,591	\$ 124,905	\$ 1,206	\$ 1,315,879	\$ 13,630,702

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Measure BB: Bike and Pedestrian	Measure BB: Paratransit	Shelter Operations	One Time Funding
Assets				
Cash and investments in treasury	\$ -	\$ 12,781	\$ -	\$ -
Restricted cash and investments	897,072	130,917	81,351	2,411,599
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	148,535	144,068	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	1,045,607	287,766	81,351	2,411,599
Liabilities				
Accounts payable	18,664	26,936	-	-
Accrued salaries and wages	12,058	6,310	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	30,722	33,246	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	1,014,885	254,520	81,351	2,411,599
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,014,885	254,520	81,351	2,411,599
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,045,607	\$ 287,766	\$ 81,351	\$ 2,411,599

Special Revenue Funds

Park Tax	Street and Open Space Improvement	Measure GG: Fire Preparation Tax	1st Response Advanced Life Support (ALSFR)	Street Lighting	Business Economic Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,132,763	2,951,402	3,170,293	-	2,515,356	429,670
49,642	88,165	64,622	-	23,526	-
-	-	-	-	-	-
194,565	-	-	-	26,191	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,154,445
-	-	-	-	-	-
-	-	-	-	-	-
13,376,970	3,039,567	3,234,915	-	2,565,073	1,584,115
685,445	-	8,838	-	146,721	-
309,073	-	39,319	-	17,271	-
-	-	-	-	-	-
-	-	-	5,998	-	-
90	-	-	-	-	-
-	-	-	-	-	40,530
-	-	-	-	-	-
11,983	-	-	-	-	-
1,006,591	-	48,157	5,998	163,992	40,530
49,955	88,165	3,504	-	26,760	-
49,955	88,165	3,504	-	26,760	-
-	-	-	-	-	-
12,320,424	2,951,402	3,183,254	-	2,374,321	1,543,585
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(5,998)	-	-
12,320,424	2,951,402	3,183,254	(5,998)	2,374,321	1,543,585
\$ 13,376,970	\$ 3,039,567	\$ 3,234,915	\$ -	\$ 2,565,073	\$ 1,584,115

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Citywide RLF	Legacy Fund	Miles Lab	Employee Training
Assets				
Cash and investments in treasury	\$ 657,385	\$ 79,549	\$ 295,995	\$ 240,403
Restricted cash and investments	-	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	153,731	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>811,116</u>	<u>79,549</u>	<u>295,995</u>	<u>240,403</u>
Liabilities				
Accounts payable	-	255	-	-
Accrued salaries and wages	-	-	-	4,436
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>255</u>	<u>-</u>	<u>4,436</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	811,116	79,294	295,995	235,967
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>811,116</u>	<u>79,294</u>	<u>295,995</u>	<u>235,967</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 811,116</u>	<u>\$ 79,549</u>	<u>\$ 295,995</u>	<u>\$ 240,403</u>

Special Revenue Funds

UC Settlement	Private Percent- Art Fund	Private Party Sidewalks	Public Art	Lillie B. Wall Memorial	Vital and Health Statistic
\$ 5,236,565	\$ 3,356,938	\$ 1,476,977	\$ -	\$ -	\$ 316,419
-	-	-	441,955	16,395	-
4,614,586	-	205,936	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,851,151	3,356,938	1,682,913	441,955	16,395	316,419
266,493	27,745	202,191	23,113	-	-
124,039	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
390,532	27,745	202,191	23,113	-	-
4,614,586	-	205,936	-	-	-
4,614,586	-	205,936	-	-	-
-	-	-	-	-	-
-	-	-	418,842	16,395	-
4,846,033	3,329,193	1,274,786	-	-	316,419
-	-	-	-	-	-
-	-	-	-	-	-
4,846,033	3,329,193	1,274,786	418,842	16,395	316,419
\$ 9,851,151	\$ 3,356,938	\$ 1,682,913	\$ 441,955	\$ 16,395	\$ 316,419

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	East Bay Public Utilities Commission	PERS Savings	Other Special Deposits	Health State Aid Realignment
Assets				
Cash and investments in treasury	\$ -	\$ 5,807,228	\$ 92,466	\$ -
Restricted cash and investments	4,114	24,840,986	-	6,284,476
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	52,540	-	-
Taxes receivable	-	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	38,682
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	4,114	30,700,754	92,466	6,323,158
Liabilities				
Accounts payable	-	-	16,224	4,037
Accrued salaries and wages	-	-	-	27,287
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	76,242	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	-	-	92,466	31,324
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	4,114	24,840,986	-	6,291,834
Committed	-	5,859,768	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	4,114	30,700,754	-	6,291,834
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,114	\$ 30,700,754	\$ 92,466	\$ 6,323,158

Special Revenue Funds							
Alameda County							
Tobacco Control	Mental Health State Aid Realignment	City Opt. Public Safety	Fund for Impounded and Unneutered	Abandoned Vehicle Abatement Authority	Measure FF- Public Safety	Fair Elections	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ 7,498	\$ -	\$ 4,559,655	\$ -	\$ 72,687,252
23,575	5,331,734	1,501,683	-	207,436	-	1,083,580	93,535,040
-	-	-	-	-	14,561	-	6,864,619
-	-	-	-	-	-	-	104,493
-	-	-	-	-	96,121	-	2,304,083
-	-	-	-	-	-	-	-
-	100,212	-	-	-	-	-	1,421,393
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	35,760,788
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,575	5,431,946	1,501,683	7,498	207,436	4,670,337	1,083,580	212,677,668
15,968	66,025	53,440	-	111	485,649	-	3,655,323
8,043	88,335	1,301	-	2,194	133,762	3,433	1,227,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,369,484
-	-	-	-	-	-	-	142,247
-	-	-	-	-	-	-	118,479
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	13,940
24,011	154,360	54,741	-	2,305	619,411	3,433	6,526,473
-	-	-	-	-	14,561	-	7,636,631
-	-	-	-	-	14,561	-	7,636,631
-	-	-	-	-	-	-	-
(436)	5,277,586	1,446,942	-	205,131	4,036,365	1,080,147	108,449,021
-	-	-	7,498	-	-	-	90,071,628
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(6,085)
(436)	5,277,586	1,446,942	7,498	205,131	4,036,365	1,080,147	198,514,564
\$ 23,575	\$ 5,431,946	\$ 1,501,683	\$ 7,498	\$ 207,436	\$ 4,670,337	\$ 1,083,580	\$ 212,677,668

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Capital Project Funds			
	Infrastructure & Facilities Measure T1	Phone System Replacement	Fund\$ Replacement	Public, Education and Government Access Facilities
Assets				
Cash and investments in treasury	\$ -	\$ 854,516	\$ 776,667	\$ 2,408,940
Restricted cash and investments	19,101,757	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	-	-	25,345
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	19,101,757	854,516	776,667	2,434,285
Liabilities				
Accounts payable	576,481	1,199	-	-
Accrued salaries and wages	17,726	-	18,449	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	279,598	-	-	-
Total liabilities	873,805	1,199	18,449	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	18,227,952	-	-	-
Committed	-	853,317	758,218	2,434,285
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	18,227,952	853,317	758,218	2,434,285
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,101,757	\$ 854,516	\$ 776,667	\$ 2,434,285

Capital Project Funds

Measure G: Fire Seismic Projects	Measure M: Street and Watershed Improvements	Measure G: Public Safety Building	Street Improvement	Park Acquisition Development	Income Housing Fund: West Berkeley Improvement Project
\$ -	\$ -	\$ -	\$ 94,814	\$ 41,492	\$ -
58	780,392	6,654	-	-	58,178
-	-	-	-	2,250	-
-	-	-	-	-	507,205
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,266,263
-	-	-	-	-	-
-	-	-	-	-	713,313
-	-	-	-	-	-
58	780,392	6,654	94,814	43,742	3,544,959
-	45,500	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	51,953
-	45,500	-	-	-	51,953
-	-	-	-	2,250	388,142
-	-	-	-	2,250	388,142
-	-	-	-	-	-
58	734,892	6,654	-	-	3,104,864
-	-	-	94,814	41,492	-
-	-	-	-	-	-
-	-	-	-	-	-
58	734,892	6,654	94,814	41,492	3,104,864
\$ 58	\$ 780,392	\$ 6,654	\$ 94,814	\$ 43,742	\$ 3,544,959

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Income Housing Fund: Savo Island Project	Fire Admin Training Building Bond	Total Capital Project Funds	Pension Refunding Bonds
Assets				
Cash and investments in treasury	\$ -	\$ 2,500,000	\$ 6,676,429	\$ -
Restricted cash and investments	-	10,500,000	30,447,039	128,660
Receivables (net of allowance where applicable):		-		
Accounts receivable	-	-	2,250	-
Interest receivable	-	-	507,205	-
Taxes receivable	-	-	25,345	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	441,140	-	2,707,403	-
Other	-	-	-	-
Property held for resale	-	-	713,313	-
Prepaid items	-	-	-	-
Total assets	441,140	13,000,000	41,078,984	128,660
Liabilities				
Accounts payable	-	-	623,180	-
Accrued salaries and wages	-	-	36,175	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	331,551	-
Total liabilities	-	-	990,906	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	390,392	-
Total deferred inflows of resources	-	-	390,392	-
Fund Balances				
Nonspendable	-	-	-	-
Restricted	441,140	13,000,000	35,515,560	128,660
Committed	-	-	4,182,126	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	441,140	13,000,000	39,697,686	128,660
Total liabilities, deferred inflows of resources, and fund balances	\$ 441,140	\$ 13,000,000	\$ 41,078,984	\$ 128,660

Debt Service Funds					
2009 Measure FF Library	GO 2015 Refunding Bonds for GO 2007 Refunding Bonds	Berkeley Repertory Theatre	GO 2015 Refunding Bonds for GO 2002 Refunding Bonds	GO 2015 Refunding Bonds for GO 2007 Refunding Bonds Series A	GO 2015 Refunding Bonds for GO 2008 Animal Shelter Measure I
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,090,951	3,071,518	32	1,438,761	501,746	604,872
-	-	-	-	-	-
-	-	-	-	-	-
18,226	28,478	-	5,316	1,899	6,455
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,109,177	3,099,996	32	1,444,077	503,645	611,327
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,120	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,120	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,109,177	3,099,996	-	1,444,077	503,645	611,327
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(10,088)	-	-	-
2,109,177	3,099,996	(10,088)	1,444,077	503,645	611,327
\$ 2,109,177	\$ 3,099,996	\$ 32	\$ 1,444,077	\$ 503,645	\$ 611,327

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Debt Service Funds			
	2010 COP Animal Shelter	GO 2014 Measure M Street and Watershed Improvement	Infrastructure & Facilities Measure T1	Measure O Housing Bond
Assets				
Cash and investments in treasury	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	45,640	3,620,852	7,617,135	8,834,614
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	24,301	51,640	94,926
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>45,640</u>	<u>3,645,153</u>	<u>7,668,775</u>	<u>8,929,540</u>
Liabilities				
Accounts payable	-	-	-	-
Accrued salaries and wages	-	-	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	-	-	-	-
Restricted	45,640	3,645,153	7,668,775	8,929,540
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>45,640</u>	<u>3,645,153</u>	<u>7,668,775</u>	<u>8,929,540</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,640</u>	<u>\$ 3,645,153</u>	<u>\$ 7,668,775</u>	<u>\$ 8,929,540</u>

Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ -	\$ 79,363,681
27,954,781	151,936,860
-	6,866,869
-	611,698
231,241	2,560,669
-	-
-	1,421,393
-	-
-	38,468,191
-	-
-	713,313
-	-
<u>28,186,022</u>	<u>281,942,674</u>
-	4,278,503
-	1,263,175
-	-
10,120	1,379,604
-	142,247
-	118,479
-	-
-	345,491
<u>10,120</u>	<u>7,527,499</u>
-	8,027,023
-	8,027,023
-	-
28,185,990	172,150,571
-	94,253,754
-	-
(10,088)	(16,173)
<u>28,175,902</u>	<u>266,388,152</u>
\$ <u>28,186,022</u>	\$ <u>281,942,674</u>

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Special Revenue Funds			
	Asset Forfeiture	Measure E: Special Tax for Disabled	Workforce Investment Act	Community Workforce
Revenues:				
Taxes	\$ -	\$ 1,774,821	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	2,343	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	2,343	1,774,821	-	-
Expenditures:				
Current:				
General government	-	22,202	-	-
Public safety	31,493	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	1,712,079	55,737	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	31,493	1,734,281	55,737	-
Revenues over/(under) expenditures	(29,150)	40,540	(55,737)	-
Other financing sources/(uses)				
Transfers in	-	-	35,542	-
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	35,542	-
Net change in fund balance	(29,150)	40,540	(20,195)	-
Fund balance, July 1, 2024	118,837	224,720	122,900	10,074
Fund balance, June 30, 2025	\$ 89,687	\$ 265,260	\$ 102,705	\$ 10,074

Special Revenue Funds

Sec 108 Hud Loan Grant Assistance	Fund Raising Activities	California Housing Finance Agency	Gilman Sport Field	Gilman Fields Reserve	Animal Shelter
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	75,000	-
-	-	-	439,352	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	176,734	-	-	-	33,941
129,846	-	-	-	-	-
-	-	-	-	-	-
129,846	176,734	-	439,352	75,000	33,941
-	-	-	-	-	-
-	-	-	-	-	30,311
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	302,281	-	-
-	24,325	-	-	-	-
-	-	-	-	-	-
1,055,000	-	-	-	-	-
94,465	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,149,465	24,325	-	302,281	-	30,311
(1,019,619)	152,409	-	137,071	75,000	3,630
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,019,619)	152,409	-	137,071	75,000	3,630
4,253,904	871,651	193,819	85,986	1,042,277	143,919
\$ 3,234,285	\$ 1,024,060	\$ 193,819	\$ 223,057	\$ 1,117,277	\$ 147,549

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Special Revenue Funds			
	Paramedic Assessment District	California Energy Commission	Tieback Mitigation R-O-W	Domestic Violence Prevention Vital Statistics
Revenues:				
Taxes	\$ 3,967,557	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	37,800	20,696
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	3,967,557	-	37,800	20,696
Expenditures:				
Current:				
General government	22,202	-	-	-
Public safety	4,321,197	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	12,834
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	4,343,399	-	-	12,834
Revenues over/(under) expenditures	(375,842)	-	37,800	7,862
Other financing sources/(uses)				
Transfers in	757,925	-	-	-
Transfers out	(10,716)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	747,209	-	-	-
Net change in fund balance	371,367	-	37,800	7,862
Fund balance, July 1, 2024	(56,746)	(87)	1,318,729	46,472
Fund balance, June 30, 2025	\$ 314,621	\$ (87)	\$ 1,356,529	\$ 54,334

Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
831,330	-	246,675	2,290	-	3,988,487
-	-	-	-	-	-
-	-	-	-	-	161,094
-	-	-	-	-	-
-	-	-	-	-	70,646
-	-	-	-	-	-
-	-	-	-	-	56,532
831,330	-	246,675	2,290	-	4,276,759
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	13,274	-	-	-	-
-	-	-	-	-	3,831,000
643,820	-	309,699	36,112	-	-
113	-	9,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	331,255
643,933	13,274	318,699	36,112	-	4,162,255
187,397	(13,274)	(72,024)	(33,822)	-	114,504
-	-	-	-	-	-
-	-	-	-	-	(3,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,796
-	-	-	-	-	-
-	-	-	-	-	(204)
187,397	(13,274)	(72,024)	(33,822)	-	114,300
55,464,400	554,803	2,010,168	3,943,220	1,290,000	523,908
\$ 55,651,797	\$ 541,529	\$ 1,938,144	\$ 3,909,398	\$ 1,290,000	\$ 638,208

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Special Revenue Funds			
	State Proposition 172	Traffic Congestion Relief	State Transportation Tax	CDBG
Revenues:				
Taxes	\$ 1,165,579	\$ -	\$ 6,985,357	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	3,654,586
Charges for service	-	-	33,119	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	247,538	-
Miscellaneous	-	-	-	-
Total revenues	1,165,579	-	7,266,014	3,654,586
Expenditures:				
Current:				
General government	-	-	583,432	-
Public safety	1,011,709	-	-	-
Highway and streets	-	-	3,017,170	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	69,989	-
Community development and housing	-	-	-	2,775,765
Economic development	-	-	-	89,357
Debt service:				
Principal repayment	-	-	-	17,485
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	3,354,016	1,058,103
Total expenditures	1,011,709	-	7,024,607	3,940,710
Revenues over/(under) expenditures	153,870	-	241,407	(286,124)
Other financing sources/(uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(29,170)	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	71,852
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	(29,170)	71,852
Net change in fund balance	153,870	-	212,237	(214,272)
Fund balance, July 1, 2024	1,637,487	12	8,669,067	7,384,070
Fund balance, June 30, 2025	\$ 1,791,357	\$ 12	\$ 8,881,304	\$ 7,169,798

Special Revenue Funds

Rental Housing Safety Program	Measure B: Local Streets and Roads	Measure B: Bike and Pedestrian	Measure B: Paratransit	Measure F: Alameda County VRF Street and Road	Measure BB: Local Streets and Roads
\$ -	\$ -	\$ -	\$ -	\$ 717,701	\$ 7,775,092
-	-	-	-	-	-
-	-	-	-	-	-
2,463,479	10,365	-	-	-	-
298,940	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	98,149	10,645	818	30,649	324,640
-	-	-	-	-	-
2,762,419	108,514	10,645	818	748,350	8,099,732
-	8,511	1,485	-	2,500	289,176
-	-	-	-	-	-
-	232,398	519,899	-	289,150	2,841,287
-	-	-	-	-	-
-	-	-	-	-	-
1,774,004	-	-	-	-	-
-	-	-	-	-	-
40,220	-	-	-	-	21,976
-	-	-	-	-	-
-	-	-	-	-	-
283,917	1,652,536	-	-	669,655	1,966,230
2,098,141	1,893,445	521,384	-	961,305	5,118,669
664,278	(1,784,931)	(510,739)	818	(212,955)	2,981,063
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
192,729	-	-	-	-	116,241
-	-	-	-	-	-
-	-	-	-	-	-
192,729	-	-	-	-	116,241
857,007	(1,784,931)	(510,739)	818	(212,955)	3,097,304
4,256,596	3,945,565	577,166	(121)	1,407,058	10,133,759
\$ 5,113,603	\$ 2,160,634	\$ 66,427	\$ 697	\$ 1,194,103	\$ 13,231,063

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Special Revenue Funds			
	Measure BB: Bike and Pedestrian	Measure BB: Paratransit	Shelter Operations	One Time Funding
Revenues:				
Taxes	\$ 846,648	\$ 821,192	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	16,800
Fines and penalties	-	-	-	42,445
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	21,100	6,721	-	-
Miscellaneous	-	-	-	767,083
Total revenues	867,748	827,913	-	826,328
Expenditures:				
Current:				
General government	96,437	-	-	-
Public safety	-	-	-	-
Highway and streets	512,696	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	1,180,226	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	50,000
Total expenditures	609,133	1,180,226	-	50,000
Revenues over/(under) expenditures	258,615	(352,313)	-	776,328
Other financing sources/(uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	-	-
Net change in fund balance	258,615	(352,313)	-	776,328
Fund balance, July 1, 2024	756,270	606,833	81,351	1,635,271
Fund balance, June 30, 2025	\$ 1,014,885	\$ 254,520	\$ 81,351	\$ 2,411,599

Special Revenue Funds

Park Tax	Street and Open Space Improvement	Measure GG: Fire Preparation Tax	1st Response Advanced Life Support (ALSFR)	Street Lighting	Business Economic Development
\$ 18,688,092	\$ -	\$ 5,957,230	\$ -	\$ 2,233,850	\$ -
274,978	-	-	-	-	-
-	-	-	-	-	-
5,703	-	-	-	612	-
-	-	-	-	-	-
24,709	-	-	-	-	-
-	-	-	-	-	-
16,015	-	-	-	-	-
299,416	-	-	-	67,948	67,811
106,171	-	-	-	-	-
19,415,084	-	5,957,230	-	2,302,410	67,811
-	-	389,401	-	51,692	-
-	-	4,878,594	-	137,906	-
-	-	-	-	1,763,807	-
-	-	239,035	-	-	-
16,652,834	-	-	-	-	-
-	-	-	-	-	25,000
-	-	-	-	-	6,127
36,627	-	-	-	238,634	-
-	-	-	-	3,638	-
-	-	-	-	-	-
1,022,939	-	-	-	130,057	-
17,712,400	-	5,507,030	-	2,325,734	31,127
1,702,684	-	450,200	-	(23,324)	36,684
-	-	-	-	-	-
(115,338)	-	-	-	(12,120)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
193,735	-	-	-	116,241	-
-	-	-	-	7,400	-
-	-	-	-	-	-
78,397	-	-	-	111,521	-
1,781,081	-	450,200	-	88,197	36,684
10,539,343	2,951,402	2,733,054	(5,998)	2,286,124	1,506,901
\$ 12,320,424	\$ 2,951,402	\$ 3,183,254	\$ (5,998)	\$ 2,374,321	\$ 1,543,585

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Special Revenue Funds			
	Citywide RLF	Legacy Fund	Miles Lab	Employee Training
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	9,910	-	-	-
Miscellaneous	-	-	-	-
Total revenues	9,910	-	-	-
Expenditures:				
Current:				
General government	-	-	-	645,550
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	907	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	-	-	907	645,550
Revenues over/(under) expenditures	9,910	-	(907)	(645,550)
Other financing sources/(uses)				
Transfers in	-	-	-	750,000
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	-	750,000
Net change in fund balance	9,910	-	(907)	104,450
Fund balance, July 1, 2024	801,206	79,294	296,902	131,517
Fund balance, June 30, 2025	\$ 811,116	\$ 79,294	\$ 295,995	\$ 235,967

Special Revenue Funds

UC Settlement	Private Percent- Art Fund	Private Party Sidewalks	Public Art	Lillie B. Wall Memorial	Vital and Health Statistic
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	552,576	-	-	-	-
-	-	-	-	-	-
4,480,181	-	312,355	-	-	28,457
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,048	-
-	-	-	-	-	-
-	-	-	-	-	-
4,480,181	552,576	312,355	-	1,048	28,457
-	-	-	-	-	-
3,356,017	-	-	-	-	-
45,261	-	66,480	-	-	-
-	-	-	-	-	11,475
-	-	-	-	-	-
312,500	-	-	-	-	-
-	369,259	-	78,084	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,640,742	-	482,501	-	-	-
5,354,520	369,259	548,981	78,084	-	11,475
(874,339)	183,317	(236,626)	(78,084)	1,048	16,982
-	-	-	309,927	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	309,927	-	-
(874,339)	183,317	(236,626)	231,843	1,048	16,982
5,720,372	3,145,876	1,511,412	186,999	15,347	299,437
\$ 4,846,033	\$ 3,329,193	\$ 1,274,786	\$ 418,842	\$ 16,395	\$ 316,419

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Special Revenue Funds			
	East Bay Public Utilities Commission	PERS Savings	Other Special Deposits	Health State Aid Realignment
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,228,639
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	122	1,907,185	-	-
Miscellaneous	-	-	-	-
Total revenues	122	1,907,185	-	2,228,639
Expenditures:				
Current:				
General government	-	63,999	-	-
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	1,158,797
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	-	63,999	-	1,158,797
Revenues over/(under) expenditures	122	1,843,186	-	1,069,842
Other financing sources/(uses)				
Transfers in	-	5,352,059	-	1,953,018
Transfers out	-	(3,000,000)	-	(2,643,280)
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	2,352,059	-	(690,262)
Net change in fund balance	122	4,195,245	-	379,580
Fund balance, July 1, 2024	3,992	26,505,509	-	5,912,254
Fund balance, June 30, 2025	\$ 4,114	\$ 30,700,754	\$ -	\$ 6,291,834

Special Revenue Funds							
				Alameda County			
Tobacco Control	Mental Health State Aid Realignment	City Opt. Public Safety	Fund for Impounded and Unneutered	Abandoned Vehicle Abatement Authority	Measure FF- Public Safety	Fair Elections	Total Special Revenue Funds
\$ 225,000	\$ 2,881,975	\$ -	\$ -	\$ -	\$ 10,287,921	\$ -	\$ 66,556,654
-	-	-	-	-	-	-	827,554
-	-	377,409	-	-	-	-	4,106,995
-	-	-	220	31,764	20,878	-	12,970,563
-	-	-	-	-	1,176	-	344,904
-	-	-	-	-	-	-	185,803
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	298,384
2,359	-	46,567	-	-	-	-	3,271,424
-	-	-	-	-	-	-	929,786
227,359	2,881,975	423,976	220	31,764	10,309,975	-	89,492,067
-	-	-	-	-	-	531,883	2,708,470
-	-	307,549	-	-	8,059,492	-	22,134,268
-	-	-	-	1	-	-	9,288,149
351,072	4,039,973	-	-	90,629	-	-	5,917,089
-	-	-	-	-	-	-	20,857,011
-	-	-	-	-	-	-	8,849,267
-	-	-	-	-	-	-	551,940
					-		
-	-	-	-	-	173,163	-	1,583,105
-	-	-	-	-	-	-	98,103
-	-	-	-	-	-	-	-
-	-	50,068	-	-	5,884,503	-	18,576,522
351,072	4,039,973	357,617	-	90,630	14,117,158	531,883	90,563,924
(123,713)	(1,157,998)	66,359	220	(58,866)	(3,807,183)	(531,883)	(1,071,857)
-	-	-	-	-	-	612,210	9,770,681
-	-	-	-	-	(8,257,925)	-	(14,071,549)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	5,693,502	-	6,384,300
-	-	-	-	-	-	-	10,196
-	-	-	-	-	-	-	-
-	-	-	-	-	(2,564,423)	612,210	2,093,628
(123,713)	(1,157,998)	66,359	220	(58,866)	(6,371,606)	80,327	1,021,771
123,277	6,435,584	1,380,583	7,278	263,997	10,407,971	999,820	197,492,791
\$ (436)	\$ 5,277,586	\$ 1,446,942	\$ 7,498	\$ 205,131	\$ 4,036,365	\$ 1,080,147	\$ 198,514,562

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Capital Project Funds			
	Infrastructure & Facilities Measure T1	Phone System Replacement	Fund\$ Replacement	Public, Education and Government Access Facilities
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	117,200
Private contributions and donations	-	-	-	-
Investment income	574,517	-	-	-
Miscellaneous	-	-	-	-
Total revenues	574,517	-	-	117,200
Expenditures:				
Current:				
General government	-	528,899	1,144,081	267,210
Public safety	-	-	-	-
Highway and streets	27,034	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	2,465,366	-	-	-
Community development and housing	971,701	-	-	-
Economic development	147,389	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	5,094,413	-	-	-
Total expenditures	8,705,903	528,899	1,144,081	267,210
Revenues over/(under) expenditures	(8,131,386)	(528,899)	(1,144,081)	(150,010)
Other financing sources/(uses)				
Transfers in	-	-	3,846,400	-
Transfers out	(430,000)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	(430,000)	-	3,846,400	-
Net change in fund balance	(8,561,386)	(528,899)	2,702,319	(150,010)
Fund balance, July 1, 2024	26,789,338	1,382,216	(1,944,101)	2,584,295
Fund balance, June 30, 2025	\$ 18,227,952	\$ 853,317	\$ 758,218	\$ 2,434,285

Capital Project Funds					
Measure G: Fire Seismic Projects	Measure M: Street and Watershed Improvements	Measure G: Public Safety Building	Street Improvement	Park Acquisition Development	Income Housing Fund: West Berkeley Improvement Project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,201	-
-	-	-	-	-	-
-	-	-	-	-	-
-	24,114	197	2,811	1,216	-
-	-	-	-	-	-
-	24,114	197	2,811	2,417	-
-	-	-	-	-	-
-	-	-	-	242	-
-	-	-	-	-	-
-	79,865	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	45,500	-	-	-	-
-	125,365	-	-	242	-
-	(101,251)	197	2,811	2,175	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(101,251)	197	2,811	2,175	-
58	836,143	6,457	92,003	39,317	3,104,864
\$ 58	\$ 734,892	\$ 6,654	\$ 94,814	\$ 41,492	\$ 3,104,864

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Capital Project Funds			
	Income Housing Fund: Savo Island Project	Fire Admin Training Building Bond	Total Capital Project Funds	Pension Refunding Bonds
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	1,201	-
Franchise	-	-	117,200	-
Private contributions and donations	-	-	-	-
Investment income	-	-	602,855	-
Miscellaneous	-	-	-	-
Total revenues	-	-	721,256	-
Expenditures:				
Current:				
General government	-	-	1,940,432	-
Public safety	-	-	-	-
Highway and streets	-	-	106,899	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	2,465,366	-
Community development and housing	-	-	971,701	-
Economic development	-	-	147,389	-
Debt service:			-	
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	248,923	248,923	-
Capital outlay:	-	4,500,000	9,639,913	-
Total expenditures	-	4,748,923	15,520,623	-
Revenues over/(under) expenditures	-	(4,748,923)	(14,799,367)	-
Other financing sources/(uses)				
Transfers in	-	7,500,000	11,346,400	-
Transfers out	-	-	(430,000)	-
Debt proceeds	-	10,220,000	10,220,000	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	28,923	28,923	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	17,748,923	21,165,323	-
Net change in fund balance	-	13,000,000	6,365,956	-
Fund balance, July 1, 2024	441,140	-	33,331,730	128,660
Fund balance, June 30, 2025	\$ 441,140	\$ 13,000,000	\$ 39,697,686	\$ 128,660

Debt Service Funds					
2009 Measure FF Library	GO 2015 Refunding Bonds for GO 2007 Refunding Bonds	Berkeley Repertory Theatre	GO 2015 Refunding Bonds for GO 2002 Refunding Bonds	GO 2015 Refunding Bonds for GO 2007 Refunding Bonds Series A	GO 2015 Refunding Bonds for GO 2008 Animal Shelter Measure I
\$ 1,434,307	\$ 2,241,105	\$ -	\$ 418,340	\$ 149,407	\$ 507,984
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	335	-	-	-
1,434,307	2,241,105	335	418,340	149,407	507,984
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
720,000	1,677,558	386,461	308,389	116,152	392,900
614,036	364,230	113,542	67,783	25,219	85,307
-	-	-	-	-	-
-	-	-	-	-	-
1,334,036	2,041,788	500,003	376,172	141,371	478,207
100,271	199,317	(499,668)	42,168	8,036	29,777
-	-	499,802	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100,271	199,317	134	42,168	8,036	29,777
2,008,906	2,900,679	(10,222)	1,401,909	495,609	581,550
\$ 2,109,177	\$ 3,099,996	\$ (10,088)	\$ 1,444,077	\$ 503,645	\$ 611,327

City of Berkeley
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Government Fund
For the year ended June 30, 2025

	Debt Service Funds			
	2010 COP Animal Shelter	GO 2014 Measure M Street and Watershed Improvement	Infrastructure & Facilities Measure T1	Measure O Housing Bond
Revenues:				
Taxes	\$ -	\$ 1,912,410	\$ 4,063,871	\$ 7,407,123
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	219,953	-
Miscellaneous	-	-	-	63,228
Total revenues	-	1,912,410	4,283,824	7,470,351
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	755,000	1,725,000	1,380,000
Interest and fiscal charges	139,900	879,688	2,035,906	3,226,736
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	139,900	1,634,688	3,760,906	4,606,736
Revenues over/(under) expenditures	(139,900)	277,722	522,918	2,863,615
Other financing sources/(uses)				
Transfers in	402,613	-	-	-
Transfers out	(536,325)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Inception of leases and subscriptions	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	(133,712)	-	-	-
Net change in fund balance	(273,612)	277,722	522,918	2,863,615
Fund balance, July 1, 2024	319,252	3,367,431	7,145,857	6,065,925
Fund balance, June 30, 2025	\$ 45,640	\$ 3,645,153	\$ 7,668,775	\$ 8,929,540

Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ 18,134,547	\$ 84,691,201
-	827,554
-	4,106,995
-	12,970,563
-	344,904
-	187,004
-	117,200
-	298,384
219,953	4,094,232
63,563	993,349
18,418,063	108,631,386
-	4,648,902
-	22,134,268
-	9,395,048
-	5,917,089
-	23,322,377
-	9,820,968
-	699,329
7,461,460	9,044,565
7,552,347	7,650,450
-	248,923
-	28,216,435
15,013,807	121,098,354
3,404,256	(12,466,968)
902,415	22,019,496
(536,325)	(15,037,874)
-	10,220,000
-	-
-	-
-	28,923
-	6,384,300
-	10,196
-	-
366,090	23,625,041
3,770,346	11,158,073
24,405,556	255,230,078
\$ 28,175,902	\$ 266,388,151

City of Berkely**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual****Asset Forfeiture Fund - Budgetary Basis****For the year ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and penalties	\$ 55,000	\$ 55,000	\$ 2,343	\$ (52,657)
Total revenues	55,000	55,000	2,343	(52,657)
Expenditures:				
Current:				
Public safety	118,500	231,708	113,480	118,228
Capital outlay:	82,500	82,500	-	82,500
Total expenditures	201,000	314,208	113,480	200,728
Revenues over/(under) expenditures	(146,000)	(259,208)	(111,137)	148,071
Net change in fund balance	(146,000)	(259,208)	(111,137)	148,071
Fund balance, July 1, 2024	118,837	118,837	118,837	-
Fund balance, June 30, 2025	\$ (27,163)	\$ (140,371)	\$ 7,700	\$ 148,071

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (111,137)
Payable accrual	81,987
Net change in fund balances - GAAP basis	\$ (29,150)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure E: Special Tax for Disabled - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,733,706	\$ 1,733,706	\$ 1,768,435	\$ 34,729
Total revenues	1,733,706	1,733,706	1,768,435	34,729
Expenditures:				
General government	21,627	21,627	22,202	(575)
Community development and housing	1,712,079	1,712,079	1,712,079	-
Total expenditures	1,733,706	1,733,706	1,734,281	(575)
Net change in fund balance	-	-	34,154	34,154
Fund balance, July 1, 2024	224,720	224,720	224,720	-
Fund balance, June 30, 2025	<u>\$ 224,720</u>	<u>\$ 224,720</u>	<u>\$ 258,874</u>	<u>\$ 34,154</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 34,154
Receivable accrual	6,386
Net change in fund balances - GAAP basis	<u>\$ 40,540</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Workforce Investment Act Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Community development and housing	\$ 58,311	\$ 58,311	\$ 55,737	\$ 2,574
Total expenditures	58,311	58,311	55,737	2,574
Revenues over/(under) expenditures	(58,311)	(58,311)	(55,737)	2,574
Other financing sources/(uses)				
Transfers in	35,355	35,355	35,542	187
Total other financing sources/(uses)	35,355	35,355	35,542	(187)
Net change in fund balance	(22,956)	(22,956)	(20,195)	2,387
Fund balance, July 1, 2024	122,900	122,900	122,900	-
Fund balance, June 30, 2025	<u>\$ 99,944</u>	<u>\$ 99,944</u>	<u>\$ 102,705</u>	<u>\$ 2,387</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Sec 108 Hud Loan Grant Assistance Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 626,723	\$ 626,723	\$ 942,530	\$ 315,807
Total revenues	626,723	626,723	942,530	315,807
Expenditures:				
Debt service:				
Principal repayment	1,055,000	1,055,000	1,055,000	-
Interest and fiscal charges	128,612	128,612	94,465	34,147
Total expenditures	1,183,612	1,183,612	1,149,465	34,147
Net change in fund balance	(556,889)	(556,889)	(206,935)	349,954
Fund balance, July 1, 2024	4,253,904	4,253,904	4,253,904	-
Fund balance, June 30, 2025	<u>\$ 3,697,015</u>	<u>\$ 3,697,015</u>	<u>\$ 4,046,969</u>	<u>\$ 349,954</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (206,935)
Notes accrual	(812,684)
Net change in fund balances - GAAP basis	<u>\$ (1,019,619)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Fund Raising Activities Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Private contribution and donations	\$ 43,000	\$ 43,000	\$ 176,734	\$ 133,734
Total revenues	43,000	43,000	176,734	133,734
Expenditures:				
Current:				
Health and welfare	9,600	9,600	-	9,600
Community development and housing	40,733	106,114	24,325	81,789
Total expenditures	50,333	115,714	24,325	91,389
Net change in fund balance	(7,333)	(72,714)	152,409	225,123
Fund balance, July 1, 2024	871,651	871,651	871,651	-
Fund balance, June 30, 2025	\$ 864,318	\$ 798,937	\$ 1,024,060	\$ 225,123

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Gilman Sport Field Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 391,500	\$ 391,500	\$ 439,352	\$ 47,852
Total revenues	391,500	391,500	439,352	47,852
Expenditures:				
Culture-recreation	318,415	328,753	302,281	26,472
Total expenditures	318,415	328,753	302,281	26,472
Other financing sources/(uses)				
Transfers in	196,000	196,000	-	(196,000)
Total other financing sources/(uses)	196,000	196,000	-	(196,000)
Net change in fund balance	269,085	258,747	137,071	(121,676)
Fund balance, July 1, 2024	85,986	85,986	85,986	-
Fund balance, June 30, 2025	<u>\$ 355,071</u>	<u>\$ 344,733</u>	<u>\$ 223,057</u>	<u>\$ (121,676)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Gilman Fields Reserve Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 75,000	\$ 15,000
Total revenues	60,000	60,000	75,000	15,000
Other financing sources/(uses)				
Transfers in	\$ 90,000	\$ 90,000	-	(90,000)
Total other financing sources/(uses)	90,000	90,000	-	(90,000)
Net change in fund balance	150,000	150,000	75,000	(75,000)
Fund balance, July 1, 2024	1,042,277	1,042,277	1,042,277	-
Fund balance, June 30, 2025	<u>\$ 1,192,277</u>	<u>\$ 1,192,277</u>	<u>\$ 1,117,277</u>	<u>\$ (75,000)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Animal Shelter Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Private contributions and donations	\$ 45,000	\$ 45,000	\$ 33,941	\$ (11,059)
Total revenues	45,000	45,000	33,941	(11,059)
Expenditures:				
Public safety	52,480	54,518	30,311	24,207
Total expenditures	52,480	54,518	30,311	24,207
Net change in fund balance	(7,480)	(9,518)	3,630	13,148
Fund balance, July 1, 2024	143,919	143,919	143,919	-
Fund balance, June 30, 2025	<u>\$ 136,439</u>	<u>\$ 134,401</u>	<u>\$ 147,549</u>	<u>\$ 13,148</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Paramedic Assessment District Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,874,480	\$ 3,874,480	\$ 3,953,261	\$ 78,781
Total revenues	3,874,480	3,874,480	3,953,261	78,781
Expenditures:				
Current:				
General government	21,627	21,627	22,202	(575)
Public safety	4,449,247	4,448,937	4,321,195	127,742
Capital Outlay	5,000	5,000	-	5,000
Total expenditures	4,475,874	4,475,564	4,343,397	132,167
Revenues over/(under) expenditures	(601,394)	(601,084)	(390,136)	210,948
Other financing sources/(uses)				
Transfers in	757,925	757,925	757,925	-
Transfers out	(10,712)	(10,712)	(10,716)	(4)
Total other financing sources/(uses)	747,213	747,213	747,209	(4)
Net change in fund balance	145,819	146,129	357,073	210,944
Fund balance, July 1, 2024	(56,746)	(56,746)	(56,746)	-
Fund balance, June 30, 2025	\$ 89,073	\$ 89,383	\$ 300,327	\$ 210,944

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 357,073
Receivable accrual	14,294
Net change in fund balances - GAAP basis	\$ 371,367

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Domestic Violence Prevention Vital Statistics Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 25,000	\$ 25,000	\$ 20,696	\$ (4,304)
Total revenues	25,000	25,000	20,696	(4,304)
Expenditures:				
Health and welfare	29,065	29,065	12,834	16,231
Total expenditures	29,065	29,065	12,834	16,231
Net change in fund balance	(4,065)	(4,065)	7,862	11,927
Fund balance, July 1, 2024	46,472	46,472	46,472	-
Fund balance, June 30, 2025	\$ 42,407	\$ 42,407	\$ 54,334	\$ 11,927

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Affordable Housing Mitigation Fee Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 6,086,371	\$ 6,086,371	\$ 831,330	\$ (5,255,041)
Total revenues	6,086,371	6,086,371	831,330	(5,255,041)
Expenditures:				
Community development and housing	798,048	901,422	643,821	257,601
Economic development	27,896,669	30,222,746	2,326,190	27,896,556
Total expenditures	28,694,717	31,124,168	2,970,011	28,154,157
Net change in fund balance	(22,608,346)	(25,037,797)	(2,138,681)	22,899,116
Fund balance, July 1, 2024	55,464,400	55,464,400	55,464,400	-
Fund balance, June 30, 2025	<u>\$ 32,856,054</u>	<u>\$ 30,426,603</u>	<u>\$ 53,325,719</u>	<u>\$ 22,899,116</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (2,138,681)
Notes receivable accrual	(2,326,078)
Net change in fund balances - GAAP basis	<u>\$ 187,397</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Affordable Child Care Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 11,851	\$ 11,851	\$ -	\$ (11,851)
Total revenues	11,851	11,851	-	(11,851)
Expenditures:				
Current:				
Health and welfare	13,275	15,564	13,274	2,290
Total expenditures	13,275	15,564	13,274	2,290
Net change in fund balance	(1,424)	(3,713)	(13,274)	(9,561)
Fund balance, July 1, 2024	554,803	554,803	554,803	-
Fund balance, June 30, 2025	<u>\$ 553,379</u>	<u>\$ 551,090</u>	<u>\$ 541,529</u>	<u>\$ (9,561)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Inclusionary Housing Program Fund - Budgetary Basis
For the year ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 220,809	\$ 220,809	\$ 246,675	\$ 25,866
Total revenues	220,809	220,809	246,675	25,866
Expenditures:				
Community development and housing	299,566	304,566	309,699	(5,133)
Economic development	412,699	20,076	20,076	-
Total expenditures	712,265	324,642	329,775	(5,133)
Net change in fund balance	(491,456)	(103,833)	(83,100)	20,733
Fund balance, July 1, 2024	2,010,168	2,010,168	2,010,168	-
Fund balance, June 30, 2025	<u>\$ 1,518,712</u>	<u>\$ 1,906,335</u>	<u>\$ 1,927,068</u>	<u>\$ 20,733</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (83,100)
Notes receivable accrual	11,076
Net change in fund balances - GAAP basis	<u>\$ (72,024)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Condo Conversion Program Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 313,220	\$ 313,220	\$ 2,290	\$ (310,930)
Total revenues	313,220	313,220	2,290	(310,930)
Expenditures:				
Economic development	438,048	438,048	341,564	96,484
Community development and housing	71,430	71,430	36,112	35,318
Total expenditures	509,478	509,478	377,676	131,802
Net change in fund balance	(196,258)	(196,258)	(375,386)	(179,128)
Fund balance, July 1, 2024	3,943,220	3,943,220	3,943,220	-
Fund balance, June 30, 2025	<u>\$ 3,746,962</u>	<u>\$ 3,746,962</u>	<u>\$ 3,567,834</u>	<u>\$ (179,128)</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (375,386)
Notes receivable accrual	341,564
Net change in fund balances - GAAP basis	<u>\$ (33,822)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Playground Camp Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 2,992,500	\$ 2,992,500	\$ 3,988,487	\$ 995,987
Rents and royalties	124,187	124,187	161,094	36,907
Private contributions and donations	9,000	9,000	70,646	61,646
Miscellaneous	40,250	40,250	56,532	16,282
Total revenues	3,165,937	3,165,937	4,276,759	1,110,822
Expenditures:				
Current:				
Culture-recreation	3,770,312	3,823,186	3,725,487	97,699
Public Safety	2,000	-	-	-
Capital outlay:	72,000	394,463	338,012	56,451
Total expenditures	3,844,312	4,217,649	4,063,499	154,150
Revenues over/(under) expenditures	(678,375)	(1,051,712)	213,260	1,264,972
Other financing sources/(uses)				
Transfer out	(3,000)	(3,000)	(3,000)	-
Insurance recoveries	-	-	2,796	2,796
Total other financing sources/(uses)	(3,000)	(3,000)	(204)	2,796
Net change in fund balance	(681,375)	(1,054,712)	213,056	1,267,768
Fund balance, July 1, 2024	523,908	523,908	523,908	-
Fund balance, June 30, 2025	\$ (157,467)	\$ (530,804)	\$ 736,964	\$ 1,267,768

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 213,056
Payable accrual	98,756
Net change in fund balances - GAAP basis	\$ 114,300

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
State Proposition 172 Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 931,227	\$ 931,227	\$ 1,078,132	\$ 146,905
Total revenues	931,227	931,227	1,078,132	146,905
Expenditures:				
General government	67,464	-	-	-
Public safety	357,229	1,040,247	997,839	42,408
Capital outlay	22,000	22,000	-	22,000
Total expenditures	446,693	1,062,247	997,839	64,408
Net change in fund balance	484,534	(131,020)	80,293	211,313
Fund balance, July 1, 2024	1,637,487	1,637,487	1,637,487	-
Fund balance, June 30, 2025	<u>\$ 2,122,021</u>	<u>\$ 1,506,467</u>	<u>\$ 1,717,780</u>	<u>\$ 211,313</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 80,293
Receivable accrual	87,448
Payable accrual	(13,871)
Net change in fund balances - GAAP basis	<u>\$ 153,870</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
State Transportation Tax Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 6,684,448	\$ 6,684,448	\$ 6,952,085	\$ 267,637
Charges for service	-	-	33,119	33,119
Investment income	-	-	247,538	247,538
Total revenues	6,684,448	6,684,448	7,232,742	548,294
Expenditures:				
Current:				
General government	750,284	748,492	583,432	165,060
Highway and streets	4,199,323	5,274,196	3,017,170	2,257,026
Culture-recreation	57,489	57,489	69,989	(12,500)
Capital outlay:	2,947,495	5,960,716	3,451,233	2,509,483
Total expenditures	7,954,591	12,040,893	7,121,824	4,919,069
Net change in fund balance	(1,270,143)	(5,356,445)	110,918	5,467,363
Fund balance, July 1, 2024	8,669,067	8,669,067	8,669,067	-
Fund balance, June 30, 2025	\$ 7,398,924	\$ 3,312,622	\$ 8,779,985	\$ 5,467,363

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 110,918
Receivable accrual	33,272
Payable accrual	68,047
Net change in fund balances - GAAP basis	\$ 212,237

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
CDBG Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,595,558	\$ 3,595,558	\$ 3,654,586	\$ 59,028
Investment Income	441,667	441,667	75,021	(366,646)
Miscellaneous	400,518	400,518	-	(400,518)
Total revenues	4,437,743	4,437,743	3,729,607	(708,136)
Expenditures:				
Current:				
Community development and housing	4,566,152	4,389,897	3,138,695	1,251,202
Economic Development	-	89,356	89,356	-
Capital outlay:	-	2,240,642	891,619	1,349,023
Total expenditures	4,566,152	6,719,895	4,119,670	2,600,225
Net change in fund balance	(128,409)	(2,282,152)	(390,063)	1,892,089
Fund balance, July 1, 2024	7,384,070	7,384,070	7,384,070	-
Fund balance, June 30, 2025	<u>\$ 7,255,661</u>	<u>\$ 5,101,918</u>	<u>\$ 6,994,007</u>	<u>\$ 1,892,089</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (390,063)
Payable accrual	178,960
Notes Receivable accrual	(3,169)
Net change in fund balances - GAAP basis	<u>\$ (214,272)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Rental Housing Safety Program Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 1,697,000	\$ 1,697,000	\$ 2,488,906	\$ 791,906
Fines and penalties	86,780	86,780	298,940	212,160
Total revenues	1,783,780	1,783,780	2,787,846	1,004,066
Expenditures:				
Current:				
Community development and housing	2,657,072	2,769,557	1,905,413	864,144
Total expenditures	2,657,072	2,769,557	1,905,413	864,144
Net change in fund balance	(873,292)	(985,777)	882,433	1,868,210
Fund balance, July 1, 2024	4,256,596	4,256,596	4,256,596	-
Fund balance, June 30, 2025	\$ 3,383,304	\$ 3,270,819	\$ 5,139,029	\$ 1,868,210

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 882,433
Receivable accrual	167,302
Payable accrual	(192,729)
Net change in fund balances - GAAP basis	\$ 857,007

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure B: Local Streets and Roads Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	-	-	10,365	10,365
Investment income	\$ -	\$ -	\$ 98,149	\$ 98,149
Total revenues	-	-	108,514	108,514
Expenditures:				
Current:				
General government	833	1,654	8,511	(6,857)
Highway and streets	6,718	139,157	218,422	(79,265)
Capital Outlay:	2,000,000	3,063,407	1,652,536	1,410,871
Total expenditures	2,007,551	3,204,218	1,879,469	1,324,749
Net change in fund balance	(2,007,551)	(3,204,218)	(1,770,955)	1,433,263
Fund balance, July 1, 2024	3,945,565	3,945,565	3,945,565	-
Fund balance, June 30, 2025	\$ 1,938,014	\$ 741,347	\$ 2,174,610	\$ 1,433,263

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (1,770,955)
Payable accrual	(13,976)
Net change in fund balances - GAAP basis	\$ (1,784,931)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure B: Bike and Pedestrian Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 10,645	\$ 10,645
Total revenues	-	-	10,645	10,645
Expenditures:				
Current:				
General government	-	-	1,485	(1,485)
Highway and streets	-	543,341	559,058	(15,717)
Capital Outlay:	47,646	47,646	-	47,646
Total expenditures	47,646	590,987	560,543	30,444
Net change in fund balance	(47,646)	(590,987)	(549,898)	41,089
Fund balance, July 1, 2024	577,166	577,166	577,166	-
Fund balance, June 30, 2025	\$ 529,520	\$ (13,821)	\$ 27,268	\$ 41,089

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (549,898)
Payable accrual	39,159
Net change in fund balances - GAAP basis	\$ (510,739)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure B: Paratransit Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 818	\$ 818
Total revenues	-	-	818	818
Expenditures:				
Community development and housing	36,797	36,797	-	36,797
Total expenditures	36,797	36,797	-	36,797
Net change in fund balance	(36,797)	(36,797)	818	37,615
Fund balance, July 1, 2024	(121)	(121)	(121)	-
Fund balance, June 30, 2025	<u>\$ (36,918)</u>	<u>\$ (36,918)</u>	<u>\$ 697</u>	<u>\$ 37,615</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure F: Alameda County VRF Street and Road Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 505,898	\$ 505,898	\$ 712,853	\$ 206,955
Investment income	-	-	30,649	30,649
Total revenues	505,898	505,898	743,502	237,604
Expenditures:				
Current:				
General government	2,500	2,500	2,500	-
Highway and streets	304,718	399,729	289,149	110,580
Capital Outlay:	255,000	1,255,664	574,682	680,982
Total expenditures	562,218	1,657,893	866,331	791,562
Net change in fund balance	(56,320)	(1,151,995)	(122,829)	1,029,166
Fund balance, July 1, 2024	1,407,058	1,407,058	1,407,058	-
Fund balance, June 30, 2025	\$ 1,350,738	\$ 255,063	\$ 1,284,229	\$ 1,029,166

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (122,829)
Receivable accrual	4,848
Payable accrual	(94,973)
Net change in fund balances - GAAP basis	\$ (212,955)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure BB: Local Streets and Roads Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,990,480	\$ 7,990,480	\$ 7,696,371	\$ (294,109)
Investment income	-	-	324,640	324,640
Total revenues	7,990,480	7,990,480	8,021,011	30,531
Expenditures:				
Current:				
Highway and streets	3,648,456	4,900,178	2,922,068	1,978,110
General Government	197,973	386,637	289,176	97,461
Capital Outlay:	5,740,440	9,314,740	2,021,134	7,293,606
Total expenditures	9,586,869	14,601,555	5,232,378	9,369,177
Net change in fund balance	(1,596,389)	(6,611,075)	2,788,633	9,399,708
Fund balance, July 1, 2024	10,133,759	10,133,759	10,133,759	-
Fund balance, June 30, 2025	\$ 8,537,370	\$ 3,522,684	\$ 12,922,392	\$ 9,399,708

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 2,788,633
Receivable accrual	194,962
Payable accrual	113,709
Net change in fund balances - GAAP basis	\$ 3,097,304

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure BB: Bike and Pedestrian Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 864,497	\$ 864,497	\$ 837,174	\$ (27,323)
Investment income	-	-	21,100	21,100
Total revenues	864,497	864,497	858,274	(6,223)
Expenditures:				
Current:				
General Government	166,732	166,732	96,436	70,296
Highway and streets	698,206	1,117,982	500,228	617,754
Capital Outlay:	1,163,194	1,353,496	-	1,353,496
Total expenditures	2,028,132	2,638,210	596,664	2,041,546
Net change in fund balance	(1,163,635)	(1,773,713)	261,610	2,035,323
Fund balance, July 1, 2024	756,270	756,270	756,270	-
Fund balance, June 30, 2025	<u>\$ (407,365)</u>	<u>\$ (1,017,443)</u>	<u>\$ 1,017,880</u>	<u>\$ 2,035,323</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 261,610
Receivable accrual	9,474
Payable accrual	(12,469)
Net change in fund balances - GAAP basis	<u>\$ 258,615</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure BB: Paratransit Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 969,418	\$ 969,418	\$ 818,234	\$ (151,184)
Investment income	-	-	6,721	6,721
Total revenues	969,418	969,418	824,955	(144,463)
Expenditures:				
Community development and housing	975,667	1,251,303	1,180,225	71,078
Total expenditures	975,667	1,251,303	1,180,225	71,078
Net change in fund balance	(6,249)	(281,885)	(355,270)	(73,385)
Fund balance, July 1, 2024	606,833	606,833	606,833	-
Fund balance, June 30, 2025	<u>\$ 600,584</u>	<u>\$ 324,948</u>	<u>\$ 251,563</u>	<u>\$ (73,385)</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (355,270)
Receivable accrual	2,958
Net change in fund balances - GAAP basis	<u>\$ (352,313)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
One Time Funding Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Service	\$ -	\$ -	\$ 16,800	\$ 16,800
Fines and penalties	-	-	42,445	42,445
Miscellaneous	-	-	767,083	767,083
Total revenues	-	-	826,328	826,328
Expenditures:				
Capital Outlay:	-	50,000	50,000	-
Total expenditures	-	50,000	50,000	-
Net change in fund balance	-	(50,000)	776,328	826,328
Fund balance, July 1, 2024	1,635,271	1,635,271	1,635,271	-
Fund balance, June 30, 2025	\$ 1,635,271	\$ 1,585,271	\$ 2,411,599	\$ 826,328

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Park Tax Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 18,297,945	\$ 18,297,945	\$ 18,620,612	\$ 322,667
Licenses and permits	187,425	187,425	274,978	87,553
Charges for service	-	-	5,703	5,703
Rents and royalties	20,000	20,000	24,709	4,709
Private contribution and donations	-	-	16,015	16,015
Investment income	2,000	2,000	299,416	297,416
Miscellaneous	-	-	106,171	106,171
Total revenues	18,507,370	18,507,370	19,347,604	840,234
Expenditures:				
Current:				
Culture-recreation	15,760,430	16,963,757	16,842,815	120,942
Capital Outlay:	138,100	784,576	555,858	228,718
Total expenditures	15,898,530	17,748,333	17,398,673	349,660
Revenues over/(under) expenditures	2,608,840	759,037	1,948,931	1,189,894
Other financing sources/(uses)				
Transfers out	(51,417)	(51,417)	(115,338)	(63,921)
Total other financing sources/(uses)	(51,417)	(51,417)	(115,338)	(63,921)
Net change in fund balance	2,557,423	707,620	1,833,593	1,125,973
Fund balance, July 1, 2024	10,539,343	10,539,343	10,539,343	-
Fund balance, June 30, 2025	\$ 13,096,766	\$ 11,246,963	\$ 12,372,936	\$ 1,125,973

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 1,833,593
Tax receivable accrual	261,216
Payable accrual	(313,729)
Net change in fund balances - GAAP basis	\$ 1,781,081

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure GG: Fire Preparation Tax Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 5,821,950	\$ 5,821,950	\$ 5,936,490	\$ 114,540
Charges for service	46,000	46,000	-	(46,000)
Total revenues	5,867,950	5,867,950	5,936,490	68,540
Expenditures:				
Current:				
General government	388,827	388,827	389,401	(574)
Public safety	5,169,963	5,308,988	4,878,594	430,394
Health and welfare	308,799	308,784	239,035	69,749
Capital Outlay:	15,000	15,000	-	15,000
Total expenditures	5,882,589	6,021,599	5,507,030	514,569
Net change in fund balance	(14,639)	(153,649)	429,460	583,109
Fund balance, July 1, 2024	2,733,054	2,733,054	2,733,054	-
Fund balance, June 30, 2025	<u>\$ 2,718,415</u>	<u>\$ 2,579,405</u>	<u>\$ 3,162,514</u>	<u>\$ 583,109</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 429,460
Receivable accrual	20,740
Net change in fund balances - GAAP basis	<u>\$ 450,200</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Street Lighting Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,240,939	\$ 2,240,939	\$ 2,225,306	\$ (15,633)
Charges for service	-	-	612	612
Investment income	-	-	67,948	67,948
Total revenues	2,240,939	2,240,939	2,293,866	52,927
Expenditures:				
Current:				
General government	57,128	57,128	51,692	5,436
Highway and streets	1,964,095	2,880,065	1,937,928	942,137
Capital Outlay:	849,115	973,757	19,500	954,257
Debt service:				
Principal repayment	354,761	354,761	354,564	197
Interest and fiscal charges	15,690	15,690	3,638	12,052
Total expenditures	3,240,789	4,281,401	2,367,322	1,914,079
Revenues over/(under) expenditures	(999,850)	(2,040,462)	(73,456)	1,967,006
Other financing sources/(uses)				
Transfers out	(12,120)	(12,120)	(12,120)	-
Insurance Recoveries	-	-	7,400	7,400
Total other financing sources/(uses)	(12,120)	(12,120)	(4,720)	7,400
Net change in fund balance	(1,011,970)	(2,052,582)	(78,176)	1,974,406
Fund balance, July 1, 2024	2,286,124	2,286,124	2,286,124	-
Fund balance, June 30, 2025	\$ 1,274,154	\$ 233,542	\$ 2,207,948	\$ 1,974,406

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (78,176)
Receivable accrual	124,785
Payable accrual	41,588
Net change in fund balances - GAAP basis	\$ 88,197

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Business Economic Development Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 150,000	\$ 150,000	\$ 67,811	\$ (82,189)
Total revenues	150,000	150,000	67,811	(82,189)
Expenditures:				
Economic development	156,387	165,536	6,127	159,409
Total expenditures	156,387	165,536	6,127	159,409
Net change in fund balance	(6,387)	(15,536)	61,684	77,220
Fund balance, July 1, 2024	1,506,901	1,506,901	1,506,901	-
Fund balance, June 30, 2025	<u>\$ 1,500,514</u>	<u>\$ 1,491,365</u>	<u>\$ 1,568,585</u>	<u>\$ 77,220</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 61,684
Notes payable accrual	(25,000)
Net change in fund balances - GAAP basis	<u>\$ 36,684</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Miles Lab Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Expenditures:				
Culture-recreation	-	-	907	(907)
Capital outlay:	-	49,613	46,997	2,616
Total expenditures	-	49,613	47,904	1,709
Net change in fund balance	-	(49,613)	(47,904)	1,709
Fund balance, July 1, 2024	296,902	296,902	296,902	-
Fund balance, June 30, 2025	<u>\$ 296,902</u>	<u>\$ 247,289</u>	<u>\$ 248,998</u>	<u>\$ 1,709</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (47,904)
Payable accrual	46,997
Net change in fund balances - GAAP basis	<u>\$ (907)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Employee Training Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
General government	\$ 860,645	\$ 952,440	\$ 645,550	\$ 306,890
Total expenditures	860,645	952,440	645,550	306,890
Revenues over/(under) expenditures	(860,645)	(952,440)	(645,550)	306,890
Other financing sources/(uses)				
Transfers in	750,000	750,000	750,000	-
Total other financing sources/(uses)	750,000	750,000	750,000	-
Net change in fund balance	(110,645)	(202,440)	104,450	306,890
Fund balance, July 1, 2024	131,517	131,517	131,517	-
Fund balance, June 30, 2025	\$ 20,872	\$ (70,923)	\$ 235,967	\$ 306,890

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
UC Settlement Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 3,059,636	\$ 3,059,636	\$ 4,480,181	\$ 1,420,545
Total revenues	3,059,636	3,059,636	4,480,181	1,420,545
Expenditures:				
Current:				
Public Safety	2,930,754	3,211,125	3,399,928	(188,803)
Highway and streets	-	278,438	45,261	233,177
Community development and housing	250,000	312,500	312,500	-
Capital Outlay:	1,639,630	3,189,971	1,993,869	1,196,102
Total expenditures	4,820,384	6,992,034	5,751,558	1,240,476
Net change in fund balance	(1,760,748)	(3,932,398)	(1,271,377)	2,661,021
Fund balance, July 1, 2024	5,720,372	5,720,372	5,720,372	-
Fund balance, June 30, 2025	<u>\$ 3,959,624</u>	<u>\$ 1,787,974</u>	<u>\$ 4,448,995</u>	<u>\$ 2,661,021</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (1,271,377)
Payable accrual	397,038
Net change in fund balances - GAAP basis	<u>\$ (874,339)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Private Percent Art Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 552,576	\$ 552,576
Total revenues	-	-	552,576	552,576
Expenditures:				
Economic development	116,780	860,712	369,259	491,453
Total expenditures	116,780	860,712	369,259	491,453
Net change in fund balance	(116,780)	(860,712)	183,317	1,044,029
Fund balance, July 1, 2024	3,145,876	3,145,876	3,145,876	-
Fund balance, June 30, 2025	\$ 3,029,096	\$ 2,285,164	\$ 3,329,193	\$ 1,044,029

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Private Party Sidewalks Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 100,000	\$ 100,000	\$ 312,355	\$ 212,355
Total revenues	100,000	100,000	312,355	212,355
Expenditures:				
Current				
Highway and streets	-	75,019	66,480	8,539
Capital outlay:	100,000	646,582	321,582	325,000
Total expenditures	100,000	721,601	388,062	333,539
Net change in fund balance	-	(621,601)	(75,707)	545,894
Fund balance, July 1, 2024	1,511,412	1,511,412	1,511,412	-
Fund balance, June 30, 2025	<u>\$ 1,511,412</u>	<u>\$ 889,811</u>	<u>\$ 1,435,705</u>	<u>\$ 545,894</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (75,707)
Payable accrual	(160,919)
Net change in fund balances - GAAP basis	<u>\$ (236,626)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Public Art Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Economic development	\$ 121,001	\$ 187,501	\$ 78,084	\$ 109,417
Total expenditures	121,001	187,501	78,084	109,417
Revenues over/(under) expenditures	(121,001)	(187,501)	(78,084)	109,417
Other financing sources/(uses)				
Transfers in	61,870	61,870	309,927	248,057
Total other financing sources/(uses)	61,870	61,870	309,927	248,057
Net change in fund balance	(59,131)	(125,631)	231,843	357,474
Fund balance, July 1, 2024	186,999	186,999	186,999	-
Fund balance, June 30, 2025	\$ 127,868	\$ 61,368	\$ 418,842	\$ 357,474

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Vital and Health Statistic Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 30,000	\$ 30,000	\$ 28,457	\$ (1,543)
Total revenues	30,000	30,000	28,457	(1,543)
Expenditures:				
Current:				
Health and welfare	28,292	28,292	11,475	16,817
Capital Outlay	2,000	2,000	-	2,000
Total expenditures	30,292	30,292	11,475	18,817
Net change in fund balance	(292)	(292)	16,982	17,274
Fund balance, July 1, 2024	299,437	299,437	299,437	-
Fund balance, June 30, 2025	<u>\$ 299,145</u>	<u>\$ 299,145</u>	<u>\$ 316,419</u>	<u>\$ 17,274</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
PERS Savings Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 731,572	\$ 731,572
Total revenues	-	-	731,572	731,572
Expenditures:				
Current				
General Government	\$ -	\$ -	\$ 63,999	\$ (63,999)
Revenues over/(under) expenditures	-	-	667,573	667,573
Other financing sources/(uses)				
Transfers in	\$ -	\$ 3,052,000	\$ 5,352,059	\$ 2,300,059
Transfers out	-	(3,000,000)	(3,000,000)	-
Total other financing sources/(uses)	-	52,000	2,352,059	2,300,059
Net change in fund balance	-	52,000	3,019,632	2,967,632
Fund balance, July 1, 2024	26,505,509	26,505,509	26,505,509	-
Fund balance, June 30, 2025	<u>\$ 26,505,509</u>	<u>\$ 26,557,509</u>	<u>\$ 29,525,141</u>	<u>\$ 2,967,632</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 3,019,632
Receivable accrual	<u>1,175,613</u>
Net change in fund balances - GAAP basis	<u>\$ 4,195,245</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Health State Aid Realignment Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,750,000	\$ 1,750,000	\$ 2,222,683	\$ 472,683
Total revenues	1,750,000	1,750,000	2,222,683	472,683
Expenditures:				
Health and welfare	1,856,958	2,568,908	1,158,797	1,410,111
Total expenditures	1,856,958	2,568,908	1,158,797	1,410,111
Revenues over/(under) expenditures	(106,958)	(818,908)	1,063,886	1,882,794
Other financing sources/(uses)				
Transfers in	1,953,018	1,953,018	1,953,018	-
Transfers out	(2,643,280)	(2,643,280)	(2,643,280)	-
Total other financing sources/(uses)	(690,262)	(690,262)	(690,262)	-
Net change in fund balance	(797,220)	(1,509,170)	373,624	1,882,794
Fund balance, July 1, 2024	5,912,254	5,912,254	5,912,254	-
Fund balance, June 30, 2025	\$ 5,115,034	\$ 4,403,084	\$ 6,285,878	\$ 1,882,794

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 373,624
Receivable accrual	5,956
Net change in fund balances - GAAP basis	\$ 379,580

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Tobacco Control Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 300,000	\$ 300,000	\$ 225,000	\$ (75,000)
Investment income	-	-	2,359	2,359
Total revenues	300,000	300,000	227,359	(72,641)
Expenditures:				
Health and welfare	368,910	402,998	351,072	51,926
Total expenditures	368,910	402,998	351,072	51,926
Net change in fund balance	(68,910)	(102,998)	(123,713)	(20,715)
Fund balance, July 1, 2024	123,277	123,277	123,277	-
Fund balance, June 30, 2025	\$ 54,367	\$ 20,279	\$ (436)	\$ (20,715)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Mental Health State Aid Realignment Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 2,710,000	\$ 2,710,000	\$ 2,881,975	\$ 171,975
Total revenues	2,710,000	2,710,000	2,881,975	171,975
Expenditures:				
Current:				
Health and welfare	5,276,500	5,499,171	4,039,973	1,459,198
Total expenditures	5,276,500	5,499,171	4,039,973	1,459,198
Net change in fund balance	(2,566,500)	(2,789,171)	(1,157,998)	1,631,173
Fund balance, July 1, 2024	6,435,584	6,435,584	6,435,584	-
Fund balance, June 30, 2025	<u>\$ 3,869,084</u>	<u>\$ 3,646,413</u>	<u>\$ 5,277,586</u>	<u>\$ 1,631,173</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
City Opt. Public Safety Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 377,409	\$ 127,409
Investment income	-	-	46,567	46,567
Total revenues	250,000	250,000	423,976	173,976
Expenditures:				
Public safety	272,394	426,451	307,549	118,902
Capital outlay:	-	-	50,068	(50,068)
Total expenditures	272,394	426,451	357,617	68,834
Net change in fund balance	(22,394)	(176,451)	66,359	242,810
Fund balance, July 1, 2024	1,380,583	1,380,583	1,380,583	-
Fund balance, June 30, 2025	<u>\$ 1,358,189</u>	<u>\$ 1,204,132</u>	<u>\$ 1,446,942</u>	<u>\$ 242,810</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Alameda County Abandoned Vehicle Abatement Authority Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 103,000	\$ 103,000	\$ 31,764	\$ (71,236)
Total revenues	103,000	103,000	31,764	(71,236)
Expenditures:				
Health and welfare	121,233	121,229	90,630	30,599
Total expenditures	121,233	121,229	90,630	30,599
Net change in fund balance	(18,233)	(18,229)	(58,866)	(40,637)
Fund balance, July 1, 2024	263,997	263,997	263,997	-
Fund balance, June 30, 2025	<u>\$ 245,764</u>	<u>\$ 245,768</u>	<u>\$ 205,131</u>	<u>\$ (40,637)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure FF - Public Safety Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 10,102,578	\$ 10,102,578	\$ 10,253,789	\$ 151,211
Charges for service	-	-	20,878	20,878
Fines and penalties	-	-	1,176	1,176
Total revenues	10,102,578	10,102,578	10,275,843	173,265
Expenditures:				
Current:				
Public safety	7,910,994	17,783,551	8,088,725	9,694,826
Capital Outlay:	660,880	771,757	241,914	529,843
Total expenditures	8,571,874	18,555,308	8,330,639	10,224,669
Revenues over/(under) expenditures	1,530,704	(8,452,730)	1,945,204	10,397,934
Other financing sources/(uses)				
Transfers out	(757,925)	(757,925)	(8,257,925)	(7,500,000)
Total other financing sources/(uses)	(757,925)	(757,925)	(8,257,925)	(7,500,000)
Net change in fund balance	772,779	(9,210,655)	(6,312,721)	2,897,934
Fund balance, July 1, 2024	10,407,971	10,407,971	10,407,971	-
Fund balance, June 30, 2025	\$ 11,180,750	\$ 1,197,316	\$ 4,095,250	\$ 2,897,934

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (6,312,721)
Receivable accrual	5,727,633
Payable accrual	(5,786,518)
Net change in fund balances - GAAP basis	\$ (6,371,606)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Fair Elections Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Current:				
General government	\$ 650,932	\$ 650,932	\$ 531,883	\$ 119,049
Total expenditures	650,932	650,932	531,883	119,049
Revenues over/(under) expenditures	(650,932)	(650,932)	(531,883)	119,049
Other financing sources/(uses)				
Transfers in	612,210	612,210	612,210	-
Total other financing sources/(uses)	612,210	612,210	612,210	-
Net change in fund balance	(38,722)	(38,722)	80,327	119,049
Fund balance, July 1, 2024	999,820	999,820	999,820	-
Fund balance, June 30, 2025	\$ 961,098	\$ 961,098	\$ 1,080,147	\$ 119,049

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure TI - Infrastructure & Facilities Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ 500,000	\$ 500,000	\$ 574,517	\$ 74,517
Total revenues	500,000	500,000	574,517	74,517
Expenditures:				
Current:				
Highway and streets	178,413	201,211	27,034	174,177
Culture-recreation	914,031	2,982,975	2,464,310	518,665
Community development and housing	1,486,613	1,823,558	986,869	836,689
Economic development	-	154,495	147,389	7,106
Capital outlay:	8,117,001	22,985,481	5,635,532	17,349,949
Total expenditures	10,696,058	28,147,720	9,261,134	18,886,586
Revenues over/(under) expenditures	(10,196,058)	(27,647,720)	(8,686,617)	18,961,103
Other financing sources/(uses)				
Debt proceeds	20,000,000	20,000,000	-	(20,000,000)
Total other financing sources/(uses)	20,000,000	20,000,000	-	(20,000,000)
Net change in fund balance	9,803,942	(7,647,720)	(8,686,617)	(1,038,897)
Fund balance, July 1, 2024	26,789,338	26,789,338	26,789,338	-
Fund balance, June 30, 2025	\$ 36,593,280	\$ 19,141,618	\$ 18,102,721	\$ (1,038,897)

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (8,686,617)
Payable accrual	125,231
Net change in fund balances - GAAP basis	\$ (8,561,386)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Phone System Replacement Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
General government	\$ 449,408	\$ 708,768	\$ 528,899	\$ 179,869
Total expenditures	449,408	708,768	528,899	179,869
Net change in fund balance	(449,408)	(708,768)	(528,899)	(179,869)
Fund balance, July 1, 2024	1,382,216	1,382,216	1,382,216	-
Fund balance, June 30, 2025	<u>\$ 932,808</u>	<u>\$ 673,448</u>	<u>\$ 853,317</u>	<u>\$ (179,869)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Fund\$ Replacement Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
General government	\$ 2,807,857	\$ 3,147,842	\$ 1,155,829	\$ 1,992,013
Total expenditures	2,807,857	3,147,842	1,155,829	1,992,013
Revenues over/(under) expenditures	(2,807,857)	(3,147,842)	(1,155,829)	1,992,013
Other financing sources/(uses)				
Transfers in	-	946,400	3,846,400	2,900,000
Total other financing sources/(uses)	-	946,400	3,846,400	2,900,000
Net change in fund balance	(2,807,857)	(2,201,442)	2,690,571	4,892,013
Fund balance, July 1, 2024	(1,944,101)	(1,944,101)	(1,944,101)	-
Fund balance, June 30, 2025	<u>\$ (4,751,958)</u>	<u>\$ (4,145,543)</u>	<u>\$ 746,470</u>	<u>\$ 4,892,013</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 2,690,571
Payable accrual	11,748
Net change in fund balances - GAAP basis	<u>\$ 2,702,319</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Public, Education and Government Access Facilities Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Franchise	\$ -	\$ -	\$ 126,907	\$ 126,907
Total revenues	-	-	126,907	126,907
Expenditures:				
General government	100,000	367,210	267,210	100,000
Total expenditures	100,000	367,210	267,210	100,000
Net change in fund balance	(100,000)	(367,210)	(140,303)	226,907
Fund balance, July 1, 2024	2,584,295	2,584,295	2,584,295	-
Fund balance, June 30, 2025	<u>\$ 2,484,295</u>	<u>\$ 2,217,085</u>	<u>\$ 2,443,992</u>	<u>\$ 226,907</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (140,303)
Receivable accrual	(9,707)
Net change in fund balances - GAAP basis	<u>\$ (150,010)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure M: Street and Watershed Improvements Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Investment income	\$ -	\$ -	\$ 24,114	\$ 24,114
Total revenues	-	-	24,114	24,114
Expenditures:				
Current:				
Highway and streets	-	80,276	79,865	411
Total expenditures	-	80,276	79,865	411
Revenues over/(under) expenditures	-	(80,276)	(55,751)	24,525
Net change in fund balance	-	(80,276)	(55,751)	24,525
Fund balance, July 1, 2024	836,143	836,143	836,143	-
Fund balance, June 30, 2025	<u>\$ 836,143</u>	<u>\$ 755,867</u>	<u>\$ 780,392</u>	<u>\$ 24,525</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (55,751)
Payable accrual	(45,500)
Net change in fund balances - GAAP basis	<u>\$ (101,251)</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Park Acquisition Development Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and penalties	\$ 192	\$ 192	\$ -	\$ (192)
Rents and royalties	-	-	1,201	1,201
Investment income	-	-	1,216	1,216
Total revenues	192	192	2,417	2,225
Expenditures:				
General government	-	-	242	(242)
Total expenditures	-	-	242	(242)
Net change in fund balance	192	192	2,175	1,983
Fund balance, July 1, 2024	39,317	39,317	39,317	-
Fund balance, June 30, 2025	\$ 39,509	\$ 39,509	\$ 41,492	\$ 1,983

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
09 Measure FF Library Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 1,425,276	\$ 1,425,276
Total revenues	-	-	1,425,276	1,425,276
Expenditures:				
Debt Service:				
Principal repayment	690,000	690,000	720,000	(30,000)
Interest and fiscal charges	647,638	647,638	614,038	33,600
Total expenditures	1,337,638	1,337,638	1,334,038	3,600
Net change in fund balance	(1,337,638)	(1,337,638)	91,238	1,428,876
Fund balance, July 1, 2024	2,008,906	2,008,906	2,008,906	-
Fund balance, June 30, 2025	\$ 671,268	\$ 671,268	\$ 2,100,144	\$ 1,428,876

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 91,238
Receivable accrual	9,033
Net change in fund balances - GAAP basis	\$ 100,271

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
GO 2015 Refunding Bonds for GO 2007 Refunding Bonds Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 3,309,864	\$ 3,309,864	\$ 2,226,416	\$ (1,083,448)
Total revenues	3,309,864	3,309,864	2,226,416	(1,083,448)
Expenditures:				
Principal repayment	1,600,236	1,600,236	1,677,558	(77,322)
Interest and fiscal charges	447,023	447,023	364,230	82,793
Total expenditures	2,047,259	2,047,259	2,041,788	5,471
Net change in fund balance	1,262,605	1,262,605	184,628	(1,077,977)
Fund balance, July 1, 2024	2,900,679	2,900,679	2,900,679	-
Fund balance, June 30, 2025	\$ 4,163,284	\$ 4,163,284	\$ 3,085,307	\$ (1,077,977)

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 184,628
Receivable accrual	14,689
Net change in fund balances - GAAP basis	\$ 199,317

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Berkeley Repertory Theatre Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 335	\$ 335
Total revenues	-	-	335	335
Expenditures:				
Principal repayment	366,552	366,552	386,461	(19,909)
Interest and fiscal charges	133,268	133,268	113,542	19,726
Total expenditures	499,820	499,820	500,003	(183)
Revenues over/(under) expenditures	(499,820)	(499,820)	(499,668)	152
Other financing sources/(uses)				
Transfers in	499,802	499,802	499,802	-
Total other financing sources/(uses)	499,802	499,802	499,802	-
Net change in fund balance	(18)	(18)	134	152
Fund balance, July 1, 2024	(10,222)	(10,222)	(10,222)	-
Fund balance, June 30, 2025	<u>\$ (10,240)</u>	<u>\$ (10,240)</u>	<u>\$ (10,088)</u>	<u>\$ 152</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
GO 2015 Refunding Bonds for GO 2002 Refunding Bonds Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,463,321	\$ 1,463,321	\$ 415,560	\$ (1,047,761)
Total revenues	1,463,321	1,463,321	415,560	(1,047,761)
Expenditures:				
Principal repayment	294,175	294,175	308,390	(14,215)
Interest and fiscal charges	84,521	84,521	67,782	16,739
Total expenditures	378,696	378,696	376,172	2,524
Revenues over/(under) expenditures	1,084,625	1,084,625	39,388	(1,045,237)
Net change in fund balance	1,084,625	1,084,625	39,388	(1,045,237)
Fund balance, July 1, 2024	1,401,909	1,401,909	1,401,909	-
Fund balance, June 30, 2025	\$ 2,486,534	\$ 2,486,534	\$ 1,441,297	\$ (1,045,237)

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 39,388
Receivable accrual	2,780
Net change in fund balances - GAAP basis	\$ 42,168

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
GO 2015 Refunding Bonds for GO 2007 Refunding Bonds Series A Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 256,987	\$ 256,987	\$ 148,459	\$ (108,528)
Total revenues	<u>256,987</u>	<u>256,987</u>	<u>148,459</u>	<u>(108,528)</u>
Expenditures:				
Principal repayment	110,799	110,799	116,152	(5,353)
Interest and fiscal charges	<u>31,741</u>	<u>31,741</u>	<u>25,219</u>	<u>6,522</u>
Total expenditures	<u>142,540</u>	<u>142,540</u>	<u>141,371</u>	<u>1,169</u>
Net change in fund balance	114,447	114,447	7,088	(107,359)
Fund balance, July 1, 2024	495,609	495,609	495,609	-
Fund balance, June 30, 2025	<u>\$ 610,056</u>	<u>\$ 610,056</u>	<u>\$ 502,697</u>	<u>\$ (107,359)</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 7,088
Receivable accrual	<u>948</u>
Net change in fund balances - GAAP basis	<u>\$ 8,036</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
GO 2015 Refunding Bonds for GO 2008 Animal Shelter Measure I Fund - Budgetary Basis
For the year ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 504,698	\$ 504,698
Total revenues	-	-	504,698	504,698
Expenditures:				
Principal repayment	374,791	374,791	392,900	(18,109)
Interest and fiscal charges	105,393	105,393	85,306	20,087
Total expenditures	480,184	480,184	478,206	1,978
Net change in fund balance	(480,184)	(480,184)	26,492	506,676
Fund balance, July 1, 2024	581,550	581,550	581,550	-
Fund balance, June 30, 2025	<u>\$ 101,366</u>	<u>\$ 101,366</u>	<u>\$ 608,042</u>	<u>\$ 506,676</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 26,492
Receivable accrual	3,285
Net change in fund balances - GAAP basis	<u>\$ 29,777</u>

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
2010 COP Animal Shelter Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures:				
Interest and fiscal charges	\$ 140,085	\$ 140,085	\$ 139,900	\$ 185
Total expenditures	140,085	140,085	139,900	185
Revenues over/(under) expenditures	(140,085)	(140,085)	(139,900)	185
Other financing sources/(uses)				
Transfers in	402,613	402,613	402,613	-
Transfers out	-	-	(536,325)	(536,325)
Total other financing sources/(uses)	402,613	402,613	(133,712)	(536,325)
Net change in fund balance	262,528	262,528	(273,612)	(536,140)
Fund balance, July 1, 2024	319,252	319,252	319,252	-
Fund balance, June 30, 2025	\$ 581,780	\$ 581,780	\$ 45,640	\$ (536,140)

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
GO 2014 Measure M Street and Watershed Improvement - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 1,899,996	\$ 1,899,996
Total revenues	-	-	1,899,996	1,899,996
Expenditures:				
Principal repayment	720,000	722,175	755,000	(32,825)
Interest and fiscal charges	910,863	910,863	879,688	31,175
Total expenditures	1,630,863	1,633,038	1,634,688	(1,650)
Revenues over/(under) expenditures	(1,630,863)	(1,633,038)	265,308	1,898,346
Net change in fund balance	(1,630,863)	(1,633,038)	265,308	1,898,346
Fund balance, July 1, 2024	3,367,431	3,367,431	3,367,431	-
Fund balance, June 30, 2025	\$ 1,736,568	\$ 1,734,393	\$ 3,632,739	\$ 1,898,346

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 265,308
Receivable accrual	12,414
Net change in fund balances - GAAP basis	\$ 277,722

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure TI - Infrastructure & Facilities Fund - Budgetary Basis
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 4,037,589	\$ 4,037,589
Investment income	\$ -	\$ -	\$ 219,953	\$ 219,953
Total revenues	-	-	4,257,542	4,257,542
Expenditures:				
Principal repayment	1,985,825	1,985,825	1,725,000	260,825
Interest and fiscal charges	2,713,181	2,713,181	2,035,906	677,275
Total expenditures	4,699,006	4,699,006	3,760,906	938,100
Revenues over/(under) expenditures	(4,699,006)	(4,699,006)	496,636	5,195,642
Net change in fund balance	(4,699,006)	(4,699,006)	496,636	5,195,642
Fund balance, July 1, 2024	7,145,857	7,145,857	7,145,857	-
Fund balance, June 30, 2025	\$ 2,446,851	\$ 2,446,851	\$ 7,642,493	\$ 5,195,642

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 496,636
Receivable accrual	26,282
Net change in fund balances - GAAP basis	\$ 522,918

Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual
Measure O Housing Bond Debt Service
For the year ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ -	\$ -	\$ 7,407,123	\$ 7,407,123
Total revenues	-	-	7,407,123	7,407,123
Expenditures:				
Principal repayment	770,000	1,380,000	1,380,000	-
Interest and fiscal charges	1,237,265	3,225,160	3,226,735	(1,575)
Total expenditures	2,007,265	4,605,160	4,606,735	(1,575)
Net change in fund balance	(2,007,265)	(4,605,160)	2,800,388	7,405,548
Fund balance, July 1, 2024	6,065,925	6,065,925	6,065,925	-
Fund balance, June 30, 2025	\$ 4,058,660	\$ 1,460,765	\$ 8,866,313	\$ 7,405,548

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ 2,800,388
Receivable accrual	63,227
Net change in fund balances - GAAP basis	\$ 2,863,615



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INTERNAL SERVICE FUNDS

The **Equipment Maintenance and Replacement Fund** accounts for rental fees that are used to maintain and replace equipment in the Corporation yard.

The **Building Maintenance Fund** accounts for charges for services by the Public Works Building Maintenance Division for the maintenance of City buildings.

The **Supply Warehouse Fund** was established for maintaining an inventory of office materials and supplies in the City's warehouse facility. Departmental budgets are charged for this service.

The **Computer Replacement Fund** accounts for the charges to departments to systematically modernize the Citywide PC infrastructure and safeguard the efficiency of the Citywide network operations.

The **Workers' Compensation Self-Insurance Fund** accounts for the cost of providing workers' compensation coverage on a Citywide basis.

The **Sick Leave & Vacation Payouts Fund** accounts for unused sick and vacation benefits.

The **Public Liability Fund** was established to pay any expenditures related to public liability claims. This fund is reimbursed by the General Fund.

The **Catastrophic Loss Fund** was established to fund any public liability judgement against the City in excess of \$250,000.

The **IT Cost Allocation Fund** was established to replace the existing financial system of the City.

Combining Statement of Net Position
All Internal Service Funds
June 30, 2025

	Equipment Maintenance Replacement	Building Maintenance	Central Services	Computer Replacement
Assets				
Current assets:				
Cash and investments in treasury	\$ 28,105,521	\$ 1,470,116	\$ 26,559	\$ 641
Accounts receivable	6,106	12,081	-	-
Accrued interest	111,329	7,410	-	3
Inventory	-	-	27,406	-
Total current assets	28,222,956	1,489,607	53,965	644
Noncurrent assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Building	1,162,882	11,848	-	-
Improvements other than buildings	171,524	-	-	-
Machinery and equipment	61,216,760	133,245	-	1,137,034
Construction in progress	8,104,321	-	-	-
Right-to-use - SBITA	-	135,615	-	-
Less accumulated depreciation	(39,020,174)	(145,353)	-	(1,137,034)
Total noncurrent assets	31,635,313	135,355	-	-
Total assets	59,858,269	1,624,962	53,965	644
Deferred outflows of resources:				
Deferred pension items	1,695,197	958,457	37,203	-
Deferred OPEB items	279,878	166,187	8,807	-
Total deferred outflows of resources	1,975,075	1,124,644	46,010	-
Liabilities				
Current liabilities				
Accounts payable	2,783,397	255,671	63	-
Accrued salaries and wages	112,904	72,531	2,043	-
Accrued interest payable	75,417	2,621	-	-
Due to other funds	-	-	-	-
Compensated absences	24,402	19,235	59	-
Claims and judgments payable	-	-	-	-
Subscription liability - due within one year	-	24,386	-	-
Finance purchase agreement	1,786,167	-	-	-
Total current liabilities	4,782,287	374,444	2,165	-
Noncurrent liabilities				
Compensated absences	297,241	234,302	714	-
Claims and judgments payable	-	-	-	-
Subscription liability - due in more than one year	-	85,590	-	-
Capital lease payable	6,978,778	-	-	-
Net pension liabilities	8,658,654	5,251,749	172,884	-
Net OPEB liabilities	436,216	349,467	16,126	-
Total noncurrent liabilities	16,370,889	5,921,108	189,724	-
Total liabilities	21,153,176	6,295,552	191,889	-
Deferred inflows of resources:				
Deferred pension items	-	-	-	-
Deferred OPEB items	830,954	489,290	22,204	-
Total deferred inflows of resources	830,954	489,290	22,204	-
Net position				
Net investment in capital assets	22,870,368	25,379	-	-
Unrestricted	16,978,846	(4,060,615)	(114,118)	644
Total net position	\$ 39,849,214	\$ (4,035,236)	\$ (114,118)	\$ 644

Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ 36,470,837	\$ 9,903,494	\$ 1,974,505	\$ -	\$ 9,273,853	\$ 87,225,526
49,191	-	-	-	-	67,378
169,048	39,430	10,752	-	-	337,972
-	-	-	-	-	27,406
36,689,076	9,942,924	1,985,257	-	9,273,853	87,658,282
-	-	-	-	-	-
-	-	-	-	-	1,174,730
-	-	-	-	-	171,524
-	-	-	-	587,633	63,074,672
-	-	-	-	-	8,104,321
-	-	-	-	404,957	540,572
-	-	-	-	(258,766)	(40,561,327)
-	-	-	-	733,824	32,504,492
36,689,076	9,942,924	1,985,257	-	10,007,677	120,162,774
355,577	-	141,333	-	3,009,122	6,196,889
85,334	-	33,724	-	455,892	1,029,822
440,911	-	175,057	-	3,465,014	7,226,711
982	-	1,114,638	-	717,297	4,872,048
20,611	1,312	-	-	-	209,401
-	-	-	-	3,808	81,846
-	-	-	468,435	-	468,435
7,734	-	-	-	72,943	124,373
7,395,971	-	5,709,754	-	-	13,105,725
-	-	-	-	55,111	79,497
-	-	-	-	-	1,786,167
7,425,298	1,312	6,824,392	468,435	849,159	20,727,492
94,213	-	-	-	888,510	1,514,980
36,988,284	-	-	-	-	36,988,284
-	-	-	-	197,506	283,096
-	-	-	-	-	6,978,778
2,023,874	-	859,209	-	14,320,852	31,287,222
107,712	-	62,425	-	1,057,079	2,029,025
39,214,083	-	921,634	-	16,463,947	79,081,385
46,639,381	1,312	7,746,026	468,435	17,313,106	99,808,877
-	-	-	-	-	-
243,544	-	96,605	-	1,443,630	3,126,227
243,544	-	96,605	-	1,443,630	3,126,227
-	-	-	-	481,207	23,739,547
(9,752,938)	9,941,612	(5,682,317)	(468,435)	(5,765,252)	714,834
\$ (9,752,938)	\$ 9,941,612	\$ (5,682,317)	\$ (468,435)	\$ (5,284,045)	\$ 24,454,381

Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the year ended June 30, 2025

	Equipment Maintenance Replacement	Building Maintenance	Central Services	Computer Replacement
Operating revenues:				
Equipment rentals service charge	\$ 18,958,208	\$ -	\$ -	\$ -
Building maintenance	-	3,911,723	-	-
Central store service charge	-	-	359,180	-
Workers' compensation fees	-	-	-	-
IT service fee	-	-	-	-
Other revenues	391,036	8,451	-	-
Total operating revenues	19,349,244	3,920,174	359,180	-
Operating expenses:				
Personnel services	2,699,816	1,914,860	41,685	-
Employee benefits	1,784,277	1,258,005	33,472	-
Transportation	291,603	187,473	13,616	-
Repairs and maintenance	94,680	369,224	-	-
Materials and supplies	4,210,835	795,628	180,368	-
Utilities	58,366	6,314	-	-
Insurance	-	-	-	-
Specialized and professional services	1,645,458	511,811	126,929	-
Depreciation	5,443,267	32,079	-	-
Judgments and claims	-	-	-	-
Communication	8,104	87,149	67	-
General administration	154,098	99,476	7,056	-
Total operating expenses	16,390,504	5,262,019	403,193	-
Operating income (loss)	2,958,740	(1,341,845)	(44,013)	-
Nonoperating revenues (expenses):				
Investment earnings	482,155	56,167	-	14
Interest expense	(353,464)	(2,913)	-	-
Gain (loss) on disposal of capital assets	209,627	-	-	-
Total nonoperating revenues (expenses)	338,318	53,254	-	14
Income (loss) before transfers	3,297,058	(1,288,591)	(44,013)	14
Transfers in	3,759,380	-	-	-
Transfers out	(2,000,000)	-	-	-
Change in net position	5,056,438	(1,288,591)	(44,013)	14
Total net beginning balance as previously reported	34,857,480	(3,186,212)	(69,881)	630
Adjustment - See Note 15	(64,704)	439,567	(224)	-
Total net position - beginning balance as restated	34,792,776	(2,746,645)	(70,105)	630
Total net position - ending	\$ 39,849,214	\$ (4,035,236)	\$ (114,118)	\$ 644

Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,958,208
-	-	-	-	-	3,911,723
-	-	-	-	-	359,180
-	-	-	-	-	-
-	-	-	-	16,981,907	16,981,907
-	4,145,187	-	-	-	4,544,674
-	4,145,187	-	-	16,981,907	44,755,692
714,023	3,219,719	-	-	4,716,536	13,306,639
459,590	43,130	-	-	3,047,273	6,625,747
-	-	-	-	-	492,692
-	-	-	-	-	463,904
-	-	-	-	248,295	5,435,126
-	-	-	-	-	64,680
-	-	-	-	-	-
411,499	-	370	-	7,510,576	10,206,643
-	-	-	-	177,439	5,652,785
10,397,821	-	1,707,133	7,720,055	-	19,825,009
967	-	-	-	96,799	193,086
-	-	-	-	907,591	1,168,221
11,983,900	3,262,849	1,707,503	7,720,055	16,704,509	63,434,532
(11,983,900)	882,338	(1,707,503)	(7,720,055)	277,398	(18,678,840)
1,112,676	178,208	65,992	-	-	1,895,212
-	-	-	-	(7,118)	(363,495)
-	-	-	-	-	209,627
1,112,676	178,208	65,992	-	(7,118)	1,741,344
(10,871,224)	1,060,546	(1,641,511)	(7,720,055)	270,280	(16,937,496)
-	-	2,664,292	7,720,657	71,335	14,215,664
-	-	(1,792,557)	-	(3,396,355)	(7,188,912)
(10,871,224)	1,060,546	(769,776)	602	(3,054,740)	(9,910,743)
1,944,332	8,881,066	(4,911,520)	(469,037)	(2,049,937)	34,996,921
(826,046)	-	(1,021)	-	(179,368)	(631,797)
1,118,286	8,881,066	(4,912,541)	(469,037)	(2,229,305)	34,365,124
\$ (9,752,938)	\$ 9,941,612	\$ (5,682,317)	\$ (468,435)	\$ (5,284,045)	\$ 24,454,381

Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2025

	Equipment Maintenance Replacement	Building Maintenance	Central Services	Computer Replacement
Cash flows from operating activities:				
Cash received from customers	\$ 19,352,280	\$ 3,920,997	\$ 359,180	\$ -
Cash paid for goods and services	(4,879,782)	(2,433,324)	(352,883)	-
Cash paid for employee services	(4,417,886)	(2,976,352)	(75,479)	-
Claims and judgments paid	-	-	-	-
Net cash provided (used) by operating activities	10,054,612	(1,488,679)	(69,182)	-
Cash flows from noncapital financing activities:				
Transfers in	3,759,380	-	-	-
Transfers out	(2,000,000)	-	-	-
Advances repayment from other funds	-	-	-	-
Due to other funds	-	-	-	-
Net cash provided (used) from noncapital financing activities	1,759,380	-	-	-
Cash flows from capital and related financing activities:				
Interest paid	(285,242)	-	-	-
Purchases of capital assets	(9,026,188)	(25,931)	-	-
Loan proceeds for equipment purchase	-	-	-	-
Subscription liabilities	-	-	-	-
Debt service payments	(1,174,558)	-	-	-
Proceeds from disposal of capital assets	209,627	-	-	-
Net cash provided (used) from capital and related financing activities	(10,276,361)	(25,931)	-	-
Cash flows from investing activities:				
Gain/(loss) on investments	474,942	62,465	-	14
Net cash provided (used) from investing activities	474,942	62,465	-	14
Net increase (decrease) in cash and cash equivalents	2,012,573	(1,452,145)	(69,182)	14
Cash and cash equivalents, as restated, July 1, 2024	26,092,948	2,922,261	95,741	627
Cash and cash equivalents, June 30, 2025	\$ 28,105,521	\$ 1,470,116	\$ 26,559	\$ 641
Financial statement presentation:				
Cash and investments	28,105,521	1,470,116	26,559	641
Total	\$ 28,105,521	\$ 1,470,116	\$ 26,559	\$ 641
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Income (loss) from operations	\$ 2,958,740	\$ (1,341,845)	\$ (44,013)	\$ -
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	5,443,267	32,079	-	-
Change in:				
Accounts receivable	3,036	823	-	-
Deferred outflow	586,781	373,103	8,849	-
Inventory	-	-	(6,210)	-
Accounts payable	1,583,362	(376,249)	(18,637)	-
Accrued salaries and wages	(1,219)	1,595	(796)	-
Compensated absences	(22,143)	118,403	(415)	-
Other liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Claims and judgments payable	-	-	-	-
Net pension liabilities	(339,877)	(218,155)	(5,190)	-
Net OPEB liability	(110,507)	(60,005)	(1,346)	-
Deferred inflows	(46,828)	(18,428)	(1,424)	-
Net cash provided (used) by operating activities	\$ 10,054,612	\$ (1,488,679)	\$ (69,182)	\$ -

Workers' Compensation	Sick Leave & Vacation Payout	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ -	\$ 4,145,187	\$ -	\$ -	\$ 16,981,908	\$ 44,759,552
(412,525)	-	637,032	-	(8,644,281)	(16,085,763)
(1,121,522)	(3,297,256)	(12,013)	-	(7,648,881)	(19,549,389)
(6,711,926)	-	(3,226,480)	(7,720,055)	-	(17,658,461)
(8,245,973)	847,931	(2,601,461)	(7,720,055)	688,746	(8,534,061)
-	-	2,664,292	7,720,657	71,335	14,215,664
-	-	(1,792,557)	-	(3,396,355)	(7,188,912)
-	-	-	-	-	-
-	-	-	(602)	-	(602)
-	-	871,735	7,720,055	(3,325,020)	7,026,150
-	-	-	-	-	(285,242)
-	-	-	-	(501,386)	(9,553,505)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(1,174,558)
-	-	-	-	-	209,627
-	-	-	-	(501,386)	(10,803,678)
1,232,518	180,920	65,779	-	-	2,016,638
1,232,518	180,920	65,779	-	-	2,016,638
(7,013,455)	1,028,851	(1,663,947)	-	(3,137,660)	(10,294,951)
43,484,292	8,874,643	3,638,452	-	12,411,513	97,520,477
\$ 36,470,837	\$ 9,903,494	\$ 1,974,505	\$ -	\$ 9,273,853	\$ 87,225,526
36,470,837	9,903,494	1,974,505	-	9,273,853	87,225,526
\$ 36,470,837	\$ 9,903,494	\$ 1,974,505	\$ -	\$ 9,273,853	\$ 87,225,526
\$ (11,983,900)	\$ 882,338	\$ (1,707,503)	\$ (7,720,055)	\$ 277,398	\$ (18,678,840)
-	-	-	-	177,439	5,652,785
-	-	-	-	-	3,859
149,369	-	2,976	-	1,029,788	2,150,866
-	-	-	-	-	(6,210)
(59)	-	637,402	-	118,980	1,944,799
(8,898)	(34,407)	(1,875)	-	-	(45,600)
36,826	-	(5,425)	-	8,422	135,668
-	-	-	-	-	-
-	-	-	-	-	-
3,685,895	-	(1,519,347)	-	-	2,166,548
(86,526)	-	(104)	-	(591,551)	(1,241,403)
(28,090)	-	(8,684)	-	(218,649)	(427,281)
(10,590)	-	1,099	-	(113,081)	(189,252)
\$ (8,245,973)	\$ 847,931	\$ (2,601,461)	\$ (7,720,055)	\$ 688,746	\$ (8,534,061)



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FIDUCIARY FUNDS

The ***Safety Member Pension Fund*** accounts for the single-employer defined benefit pension plan for fire and police officers that retired before March 1973.

The ***Police Retirement Fund*** accounts for the single-employer income benefits pension plan for Berkeley police officers that retired on or after July 1, 1989, but before September 19, 2012.

The ***Miscellaneous Retiree Medical Fund*** accounts for the single-employer defined benefit medical plan for retirees and their spouse or domestic partner.

The ***Fire Medical Fund*** accounts for the single-employer defined benefit medical plan for sworn fire officers that retired on or after July 1, 1997.

The ***Police Medical Fund*** accounts for the single-employer defined benefit medical plan for sworn police officers that retired on or after September 19, 2012

Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2025

	Pension Trust Funds		Other Post-Employment Benefits Trust Funds
	Safety Members Pension Fund	Police Retirement Income Benefit Plan	Miscellaneous Retiree Health Premium Assistance Plan
Assets			
Restricted cash and cash equivalents	\$ -	\$ 108,247	\$ 827,788
Investments, at fair value:			
Medium term notes	-	500,750	12,806,680
US agency securities	-	1,472,776	12,989,839
Municipal bonds	-	-	3,791,889
Corporate bond	-	-	4,028,600
Preferred Securities	-	761,573	4,456,698
Savo Island loan	-	-	54,000
Interest receivable	-	7,702	479,998
Total assets	-	2,851,048	39,435,492
Liabilities			
Accounts payable	-	212,763	1,337
Total liabilities	-	212,763	1,337
Net position restricted for:			
Employee pension benefits	-	2,638,285	-
Employee OPEB benefits	-	-	39,434,155
Total net position	\$ -	\$ 2,638,285	\$ 39,434,155

Other Post-Employment Benefits Trust Funds		
Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan	Total
\$ 54,771	\$ 400,827	\$ 1,391,633
-	2,003,000	15,310,430
1,205,963	10,336,674	26,005,252
-	-	3,791,889
-	-	4,028,600
511,748	1,909,981	7,640,000
-	-	54,000
13,832	184,481	686,013
1,786,314	14,834,963	58,907,817
208	215	214,523
208	215	214,523
-	-	2,638,285
1,786,106	14,834,748	56,055,009
\$ 1,786,106	\$ 14,834,748	\$ 58,693,294

Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the year ended June 30, 2025

	Pension Trust Funds		Other Post-Employment Benefits Trust Funds
	Safety Members Pension Fund	Police Retirement Income Benefit Plan	Miscellaneous Retiree Health Premium Assistance Plan
Additions:			
Contributions: employer	\$ 43,623	\$ 2,182,710	\$ 2,978,689
Interest income		153,635	1,926,159
Increase (Decrease) in FMV of investments		(7,856)	375,762
Total Investment income	-	145,779	2,301,921
Total additions	43,623	2,328,489	5,280,610
Deductions:			
Benefits payment for service	43,623	3,302,390	1,570,632
Administrative expenses	-	-	16,507
Total deductions	43,623	3,302,390	1,587,139
Change in net position	-	(973,901)	3,693,471
Total net position - beginning	-	3,612,186	35,740,684
Total net position - ending	\$ -	\$ 2,638,285	\$ 39,434,155

Other Post-Employment Benefits Trust Funds		
Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan	Total
\$ 400,136	\$ 1,051,229	\$ 6,656,387
92,178	637,661	2,809,633
4,793	33,410	406,109
96,971	671,071	3,215,742
497,107	1,722,300	9,872,129
923,479	505,480	6,345,604
2,287	2,836	21,630
925,766	508,316	6,367,234
(428,659)	1,213,984	3,504,895
2,214,765	13,620,764	55,188,399
\$ 1,786,106	\$ 14,834,748	\$ 58,693,293



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CUSTODIAL FUNDS

The **District 47 Underground/Miller Fund** accounts for property tax collected, and bond proceeds, for the District 47 residents for the underground utility.

The **Sustainable Energy Fund** accounts for property tax collected, and bond proceeds, for the renewable solar system for Berkeley citizens.

The **Solano Avenue Bid Fund** accounts for the revenue assessed from the Solano Avenue's business district to be used for expenses related for cleaning, repairing and advertising improvement for the district in order to general aggressive sales benefit as a long term goal.

The **Telegraph Business Improvement District Fund** is used to receive special real property assessments monies, which is used to improve the commercial business district of Telegraph area. The management district provides maintenance, revitalization and marketing services above and beyond those provided by the City of Berkeley.

The **Thousand Oaks Undergrounding Fund** accounts for property tax collected, and bond proceeds, for the Thousand Oaks District residents for the underground utility.

The **Measure H School Tax Fund** accounts for property tax collected under Measure H for the Berkeley Unified School District.

The **CFD No. 1 Disaster Fire Protection Mello-Roos Fund** accounts for property tax collected, and bond proceeds, for the Community Fire District Mello-Roos.

The **Sick Leave Entitlement Fund** accounts for unused sick leave balances for retirees.

The **Berkeley Tourism BID Fund** accounts for Business Improvement District Taxes collect for the purpose of business and economic development in the city.

The **Elmwood Business Improvement District Fund** accounts for assessment fee collected for the Elmwood Business District for improvement purposes.

The **North Shattuck Business Improvement District Fund** established for the purpose of collecting and accounting for bid revenues.

The **Downtown Berkeley Property and Improvement District Fund** accounts for the revenue assessed from the Downtown Berkeley's business district to be used for expenses related for cleaning, repairing and advertising improvement for the district in order to general aggressive sales benefit as a long term goal.

**Combining Statement of Net Position
Custodial Funds
June 30, 2025**

	District 47 Underground/ Miller	Sustainable Energy	Solano Avenue Bid	Telegraph Business Improvement District	Thousand Oaks Undergrounding
Assets					
Restricted cash and cash equivalents	\$ 124,312	\$ 20,339	\$ 16,007	\$ 261,252	\$ 343,368
Taxes receivable	-	-	-	4,961	806
Other accounts receivable	-	-	4,500	-	-
Total assets	124,312	20,339	20,507	266,213	344,174
Liabilities					
Accounts payable	-	-	-	250,826	-
Deposits held	-	14,490	-	-	-
Other liabilities	-	-	10,501	-	-
Total liabilities	-	14,490	10,501	250,826	-
Net position restricted for:					
Individuals, organizations, and other governments	124,312	5,849	10,006	15,387	344,174
Total net position	<u>\$ 124,312</u>	<u>\$ 5,849</u>	<u>\$ 10,006</u>	<u>\$ 15,387</u>	<u>\$ 344,174</u>

Measure H School Tax	CFD No. 1 Disaster Fire Protection Mello-Roos	Sick Leave Entitlement	Berkeley Tourism BID	Elmwood Business Improvement District	North Shattuck Business Improvement District	DT Berkeley Property and Improvement District	Total
\$ 251,904	\$ 1,102,079		\$ 41,080	\$ 29,950	\$ 109,741	\$ 117,212	\$ 2,417,244
-	1,805	-	-	-	1,678	7,072	16,322
24,057	-	-	-	-	-	-	28,557
275,961	1,103,884	-	41,080	29,950	111,419	124,284	2,462,123
	583	196,052	-	-	-	-	447,461
-	1,688	-	-	-	-	-	1,688
-	-	-	-	-	-	-	14,490
39,836	397	374,893	-	-	-	-	425,627
39,836	2,668	570,945	-	-	-	-	889,266
236,125	1,101,216	(570,945)	41,080	29,950	111,419	124,284	1,572,857
\$ 236,125	\$ 1,101,216	\$ (570,945)	\$ 41,080	\$ 29,950	\$ 111,419	\$ 124,284	\$ 1,572,857

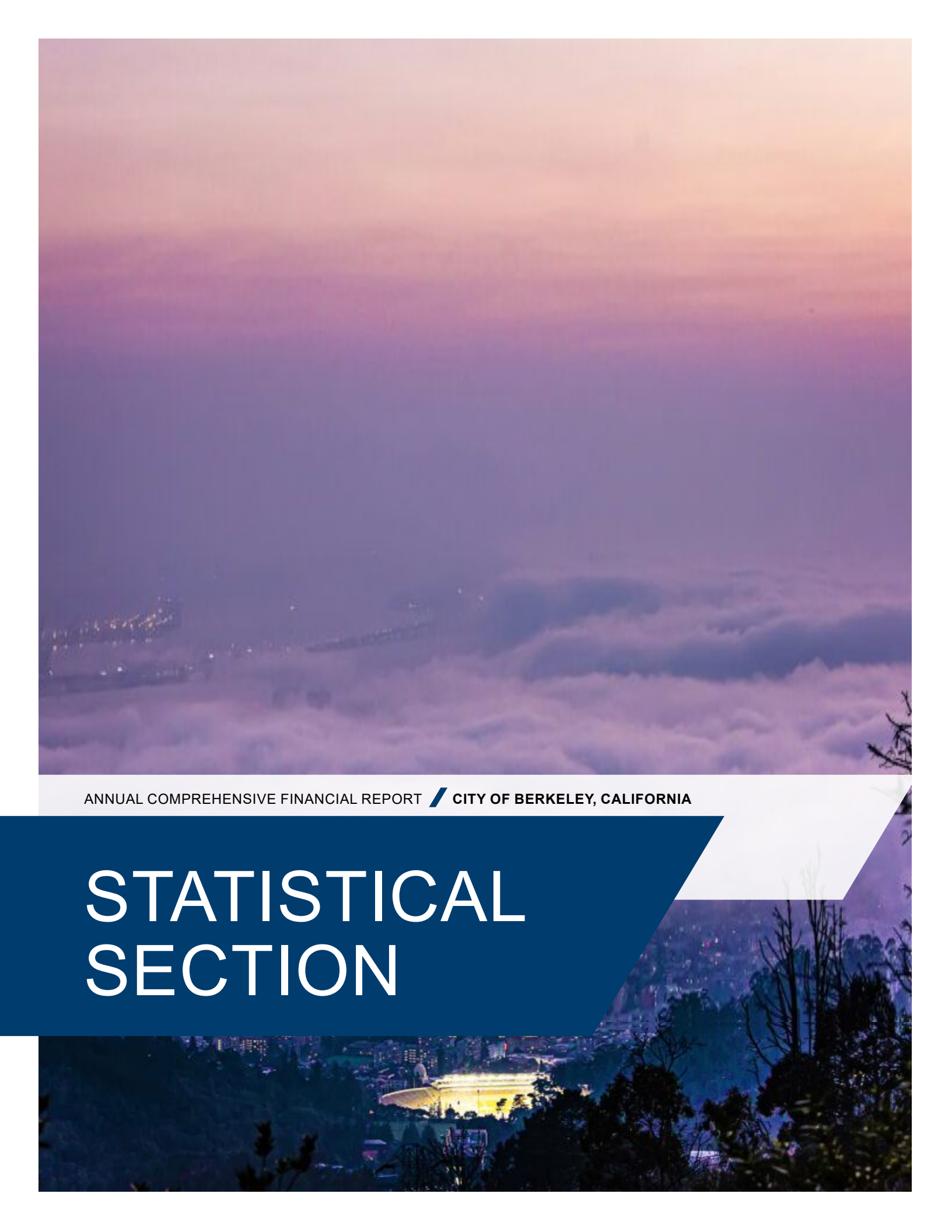
**Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2025**

	District 47 Underground/ Miller	Sustainable Energy	Solano Avenue Bid	Telegraph Business Improvement District	Thousand Oaks Undergrounding
Additions:					
Property tax - special assessment	\$ -	\$ 18,157	\$ 29,608	\$ 627,747	\$ 120,337
Contributions: employer					
Investment income	-	-	-	-	92
Total additions	-	18,157	29,608	627,747	120,429
Deductions:					
Personnel services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Payments of property tax to other entities	-	-	33,738	532,849	-
Payments to others	-	18,859	-	-	98,261
Total deductions	-	18,859	33,738	532,849	98,261
Change in net position	-	(702)	(4,130)	94,898	22,168
Total net position, beginning	124,312	6,551	14,136	(79,511)	322,006
Total net position, ending	<u>\$ 124,312</u>	<u>\$ 5,849</u>	<u>\$ 10,006</u>	<u>\$ 15,387</u>	<u>\$ 344,174</u>

Measure H School Tax	CFD No. 1 Disaster Fire Protection Mello-Roos	Sick Leave Entitlement	Berkeley Tourism BID	Elmwood Business Improvement District	North Shattuck Business Improvement District	DT Berkeley Property and Improvement District	Total
\$ 225,945	\$ 4,763	\$ - 201,501	\$ 590,196	\$ 38,250	\$ 228,173	\$ 1,648,687	\$ 3,531,863 201,501
-	-	-	-	-	-	-	92
225,945	4,763	201,501	590,196	38,250	228,173	1,648,687	3,733,456
-	20,217	-	-	-	-	-	20,217
-	16,668	-	-	-	-	-	16,668
-	-	-	639,324	28,468	113,078	1,604,760	2,952,217
-	44,997	264,761	-	-	-	-	426,878
-	81,882	264,761	639,324	28,468	113,078	1,604,760	3,415,980
225,945	(77,119)	(63,260)	(49,128)	9,782	115,095	43,927	317,476
10,180	1,178,335	(507,685)	90,208	20,168	(3,676)	80,357	1,255,381
\$ 236,125	\$ 1,101,216	\$ (570,945)	\$ 41,080	\$ 29,950	\$ 111,419	\$ 124,284	\$ 1,572,857



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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

STATISTICAL SECTION



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INDEX TO STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends (Schedules I-IV)	305
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity (Schedules V-VIII)	315
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	
Debt Capacity (Schedules IX-XII)	319
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information (Schedules XIII – XV)	325
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.	
Operating Information (Schedules XVI-XVII)	329
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

Schedule I
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 141,589,468	\$ 141,589,468	\$ 141,589,468	\$ 141,589,468
Restricted for debt services	14,108,873	14,108,873	14,108,873	14,108,873
Restricted for special purpose	115,277,370	115,277,370	115,277,370	115,277,370
Restricted for capital project	13,173,675	13,173,675	13,173,675	13,173,675
Unrestricted	(383,255,676) ⁽²⁾	(383,255,676) ⁽²⁾	(383,255,676) ⁽²⁾	(383,255,676) ⁽²⁾
Total governmental activities net position (as restated)	<u>\$ (99,106,290)</u>	<u>\$ (99,106,290)</u>	<u>\$ (99,106,290)</u>	<u>\$ (99,106,290)</u>
Business-type activities				
Net investment in capital assets	\$ 159,340,573	\$ 159,340,573	\$ 159,340,573	\$ 159,340,573
Restricted for debt services	-	-	-	-
Unrestricted	(16,664,516)	(16,664,516)	(16,664,516)	(16,664,516)
Total business-type activities net position (as restated)	<u>\$ 142,676,057</u>	<u>\$ 142,676,057</u>	<u>\$ 142,676,057</u>	<u>\$ 142,676,057</u>
Primary government				
Net investment in capital assets	\$ 300,930,041	\$ 300,930,041	\$ 300,930,041	\$ 300,930,041
Restricted	142,559,917	142,559,917	142,559,917	142,559,917
Unrestricted	(399,920,192) ⁽²⁾	(399,920,192) ⁽²⁾	(399,920,192) ⁽²⁾	(399,920,192) ⁽²⁾
Total primary government net position (as restated)	<u>\$ 43,569,766</u>	<u>\$ 43,569,766</u>	<u>\$ 43,569,766</u>	<u>\$ 43,569,766</u>

Notes:

- (1) Restated 2010 due to look back adjustment
- (2) Restated 2010 due to landfill liabilities & look back adjustment
- (3) Restated due to implementation of GASB 63 and 65 in FY2013 and a prior period adjustment for fixed assets
- (4) Restated due to implementation of GASB 68 Accounting and Financial Reporting for Pension
- (5) Restated due to implementation of GASB 62 changing the amortization of bond premium from straight line (SL) to interest method (IM).

Source: City of Berkeley, Finance Department

2022	2023	2024	2024	2024	2025
\$ 217,483,591	\$ 221,025,803	\$ 238,725,136	\$ 238,725,136	\$ 238,725,136	\$ 270,511,386
19,056,617	21,784,012	24,415,778	24,415,778	24,415,778	28,185,990
299,306,026	330,549,607	332,746,951	332,746,951	332,746,951	381,378,945
-	-	31,178,000	31,178,000	31,178,000	-
(486,958,799)	(438,408,208)	(466,757,428)	(466,757,428)	(466,757,428)	(482,231,517)
<u>\$ 48,887,435</u>	<u>\$ 134,951,214</u>	<u>\$ 160,308,437</u>	<u>\$ 160,308,437</u>	<u>\$ 160,308,437</u>	<u>\$ 197,844,804</u>
\$ 193,099,462	\$ 194,599,398	\$ 198,194,602	\$ 198,194,602	\$ 198,194,602	\$ 202,985,229
-	-	-	-	-	-
46,770,459	64,601,241	66,316,781	66,316,781	66,316,781	67,024,685
<u>\$ 239,869,921</u>	<u>\$ 259,200,639</u>	<u>\$ 264,511,383</u>	<u>\$ 264,511,383</u>	<u>\$ 264,511,383</u>	<u>\$ 270,009,914</u>
\$ 410,583,053	\$ 415,625,201	\$ 436,919,738	\$ 436,919,738	\$ 436,919,738	\$ 473,496,615
318,362,643	352,333,619	388,340,729	388,340,729	388,340,729	409,564,935
(440,188,340)	(373,806,967)	(400,440,647)	(400,440,647)	(400,440,647)	(415,206,832)
<u>\$ 288,757,356</u>	<u>\$ 394,151,853</u>	<u>\$ 424,819,820</u>	<u>\$ 424,819,820</u>	<u>\$ 424,819,820</u>	<u>\$ 467,854,718</u>

Schedule II
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 47,539,559	\$ 39,612,843	\$ 36,361,812	\$ 37,969,856	\$ 32,819,873
Public safety	123,171,811	133,992,694	157,090,127	149,237,352	111,224,119
Highways and streets	18,628,805	22,246,641	24,788,042	16,721,534	20,097,032
Health and welfare	28,183,652	35,370,732	40,673,233	41,577,559	37,029,496
Culture and recreation	42,996,852	52,589,537	45,695,251	51,985,738	42,017,875
Community development/housing	25,125,419	27,346,388	34,523,756	32,758,249	37,658,556
Economic development	2,719,990	5,459,483	6,704,853	5,627,518	6,376,040
Interest on long-term debt	5,287,052	4,970,955	5,336,107	5,527,301	6,196,846
Total governmental activities	<u>293,653,140</u>	<u>321,589,272</u>	<u>351,173,181</u>	<u>341,405,107</u>	<u>293,419,837</u>
Business-type activities:					
Parking related	10,736,569	15,166,461	15,216,074	10,744,575	14,285,865
Marina operations and maintenance	7,046,873	6,893,836	6,822,452	7,234,475	6,102,667
Sewer services	13,018,315	17,774,981	16,210,405	17,247,422	16,748,645
Clean storm water	2,938,401	2,318,716	2,290,427	2,631,714	2,750,543
Refuse services	40,242,431	43,117,310	44,402,312	44,269,653	43,158,125
Permit service center	16,915,058	17,491,552	20,565,515	19,589,787	17,184,988
Building purchase and management	2,666,087	2,629,827	2,819,469	2,468,796	2,491,713
Total business-type activities	<u>93,563,734</u>	<u>105,392,683</u>	<u>108,326,654</u>	<u>104,186,422</u>	<u>102,722,546</u>
Total primary government expenses	<u>\$ 387,216,874</u>	<u>\$ 426,981,955</u>	<u>\$ 459,499,835</u>	<u>\$ 445,591,529</u>	<u>\$ 396,142,383</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 5,720,397	\$ 4,313,273	\$ 3,131,573	\$ 4,397,955	\$ 8,330,119
Public safety	11,168,764	11,145,339	9,067,824	10,187,676	10,912,787
Highways and streets	1,909,139	1,413,973	2,722,787	1,400,964	3,699,746
Health and welfare	1,494,988	1,479,103	1,163,819	1,087,713	2,713,528
Culture and recreation	2,628,060	2,291,989	1,202,687	2,317,382	4,087,107
Community development/housing	3,451,491	5,165,907	7,074,535	6,298,729	20,312,417
Economic development	186,584	463,045	-	-	-
Operating grants and contributions	25,099,244	27,032,700	30,366,687	37,789,826	78,791,428
Capital grants and contributions	4,806,465	3,363,352	7,037,595	17,948,256	11,585,728
Total governmental activities program revenues	<u>56,465,132</u>	<u>56,668,681</u>	<u>61,767,507</u>	<u>81,428,501</u>	<u>140,432,860</u>
Business-type activities:					
Charges for services:					
Refuse services	45,004,548	48,524,914	21,413,637	47,254,269	49,557,551
Marina operations and maintenance	5,793,447	6,934,118	6,304,333	8,933,581	6,113,093
Sewer services	23,979,787	24,344,044	23,533,991	26,495,328	25,558,093
Clean storm water	2,061,279	3,949,602	4,062,103	4,135,134	4,328,800
Permit service center	17,803,610	16,685,852	11,268,937	21,999,153	30,544,861
Parking related	12,332,740	14,215,039	48,721,810	5,866,541	11,034,615
Building purchase and management	2,841,172	2,734,674	2,810,620	2,768,005	2,860,859
Operating and capital grants and contributions	535,569	-	-	-	-
Total business-type activities program revenues	<u>110,352,152</u>	<u>117,388,243</u>	<u>118,115,431</u>	<u>117,452,011</u>	<u>129,997,872</u>
Total primary government revenues	<u>\$ 166,817,284</u>	<u>\$ 174,056,924</u>	<u>\$ 179,882,938</u>	<u>\$ 198,880,512</u>	<u>\$ 270,430,732</u>
Net (Expense)/Revenue					
Governmental activities	\$ (237,188,008)	\$ (264,920,595)	\$ (289,405,674)	\$ (259,976,606)	\$ (152,986,977)
Business-type activities	16,788,418	11,995,560	9,788,777	13,265,589	27,275,326
Total primary government net (expense)/revenue	<u>\$ (220,399,590)</u>	<u>\$ (252,925,035)</u>	<u>\$ (279,616,897)</u>	<u>\$ (246,711,017)</u>	<u>\$ (125,711,651)</u>

2021	2022	2023	2024	2025
\$ 41,379,815	\$ 54,948,628	\$ 54,948,628	\$ 54,948,628	\$ 58,658,371
152,870,594	189,954,425	189,954,425	189,954,425	162,279,443
22,670,725	23,940,035	23,940,035	23,940,035	25,239,504
40,215,932	44,536,312	44,536,312	44,536,312	54,786,456
50,969,408	65,781,017	65,781,017	65,781,017	68,666,935
47,547,871	47,567,773	47,567,773	47,567,773	51,436,067
5,740,020	6,756,744	6,756,744	6,756,744	5,588,739
7,856,844	7,966,078	7,966,078	7,966,078	8,340,813
369,251,209	441,451,012	441,451,012	441,451,012	434,996,328
13,858,277	13,583,464	13,583,464	13,583,464	16,385,589
7,319,483	7,751,997	7,751,997	7,751,997	14,026,321
15,051,171	15,079,287	15,079,287	15,079,287	18,443,245
3,806,181	3,644,030	3,644,030	3,644,030	4,711,613
49,800,325	55,655,272	55,655,272	55,655,272	57,314,070
19,014,775	23,061,585	23,061,585	23,061,585	23,350,359
2,798,937	2,937,367	2,937,367	2,937,367	2,828,269
111,649,149	121,713,002	121,713,002	121,713,002	137,059,466
\$ 480,900,358	\$ 563,164,014	\$ 563,164,014	\$ 563,164,014	\$ 572,055,794
\$ 6,898,201	\$ 6,187,268	\$ 6,187,268	\$ 6,187,268	\$ 11,134,881
15,915,575	16,671,805	16,671,805	16,671,805	14,496,418
3,593,027	2,303,515	2,303,515	2,303,515	4,174,938
2,122,437	2,831,863	2,831,863	2,831,863	1,165,667
4,406,883	5,232,751	5,232,751	5,232,751	6,199,109
17,574,961	14,291,139	14,291,139	14,291,139	5,100,307
895,612	293,373	293,373	293,373	552,576
74,869,544	51,339,948	51,339,948	51,339,948	44,337,052
3,533,695	8,279,025	8,279,025	8,279,025	5,562,154
129,809,935	107,430,687	107,430,687	107,430,687	92,723,102
50,887,731	51,122,638	51,122,638	51,122,638	55,824,861
6,561,217	6,925,076	6,925,076	6,925,076	7,594,812
24,385,878	23,353,988	23,353,988	23,353,988	25,324,299
4,421,484	4,460,037	4,460,037	4,460,037	4,685,118
27,856,023	20,234,664	20,234,664	20,234,664	22,513,267
13,183,193	14,499,073	14,499,073	14,499,073	13,837,274
2,559,540	2,559,612	2,559,612	2,559,612	2,559,388
-	-	-	-	7,689,069
129,855,066	123,155,088	123,155,088	123,155,088	140,028,088
\$ 259,665,001	\$ 230,585,775	\$ 230,585,775	\$ 230,585,775	\$ 232,751,190
\$ (239,441,274)	\$ (334,020,325)	\$ (334,020,325)	\$ (334,020,325)	\$ (342,273,226)
18,205,917	1,442,086	1,442,086	1,442,086	2,968,622
\$ (221,235,357)	\$ (332,578,239)	\$ (332,578,239)	\$ (332,578,239)	\$ (339,304,604)

Continued

Schedule II
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes, levied for general purposes	\$ 85,758,114	\$ 92,655,664	\$ 114,315,762	\$ 126,973,349	\$ 153,440,402
Property taxes, levied for debt service	7,803,416	9,334,683	9,462,115	12,183,689	12,790,133
Property taxes for special purposes:					
Library	18,125,394	19,086,897	20,375,089	20,710,050	22,351,009
Parks	12,307,839	12,960,911	13,865,074	14,582,521	15,737,217
Paramedic	2,822,459	2,964,822	3,156,883	3,237,447	3,426,681
Fire	4,643,707	4,889,292	5,218,308	5,298,142	18,224,563
Sales taxes	17,944,285	18,857,882	18,253,632	17,619,492	19,976,288
Utility users taxes	15,199,534	14,688,225	13,557,384	13,876,525	15,001,999
Transient occupancy taxes	7,753,933	8,754,269	7,040,883	3,114,546	6,976,513
Business license tax	19,500,558	25,805,130	28,763,018	25,363,297	28,322,034
Other taxes	7,617,254	22,144,726	22,962,304	23,384,480	27,160,604
Unrestricted motor vehicle fees	-	-	-	-	-
Other unrestricted state subventions	387,332	390,434	388,062	385,644	384,008
Contributions not restricted to specific programs	362,374	265,286	443,939	653,399	1,031,485
Interest and investment earnings	1,821,527	3,282,904	13,099,214	7,887,837	(15,823,184)
Insurance reimbursement	-	-	3,597,947	-	-
Miscellaneous	4,671,918	2,871,625	1,564,914	890,427	1,975,103
Gain/loss on sale of capital assets	-	-	17,825	447,058	263,857
Extraordinary gain/(loss)	-	-	-	-	-
Transfers	92,978	1,030,495	(526,148)	(1,296,542)	(7,690,324)
Total governmental activities	<u>206,812,622</u>	<u>239,983,245</u>	<u>275,556,205</u>	<u>275,311,361</u>	<u>303,548,388</u>
Business-type activities					
Interest and investment earnings	123,865	280,816	3,592,813	47,274	(5,518,709)
Miscellaneous	-	323,866	-	-	-
Gain on sale of capital assets	-	-	11,434	(10)	-
Transfers	(92,978)	(1,030,495)	526,148	1,296,542	7,690,324
Total business-type activities	<u>30,887</u>	<u>(425,813)</u>	<u>4,130,395</u>	<u>1,343,806</u>	<u>2,171,615</u>
Total primary government	<u>\$ 206,843,509</u>	<u>\$ 239,557,432</u>	<u>\$ 279,686,599</u>	<u>\$ 276,655,167</u>	<u>\$ 305,720,003</u>
Change in Net Position					
Governmental activities	\$ 40,360,614	\$ 2,795,237	\$ (13,849,470)	\$ 15,334,756	\$ 150,561,411
Business-type activities	15,910,724	16,362,605	13,919,172	14,609,395	29,446,941
Total primary government	<u>\$ 56,271,338</u>	<u>\$ 19,157,842</u>	<u>\$ 69,702</u>	<u>\$ 29,944,151</u>	<u>\$ 180,008,352</u>

Continued

2021	2022	2023	2024	2025
\$ 135,683,027	\$ 135,671,723	\$ 135,671,723	\$ 135,671,723	\$ 148,363,839
17,054,302	17,912,829	17,912,829	17,912,829	18,134,546
24,057,930	24,938,675	24,938,675	24,938,675	26,466,731
16,942,876	17,620,173	17,620,173	17,620,173	18,689,255
3,607,795	3,741,579	3,741,579	3,741,579	3,967,274
14,762,117	15,317,016	15,317,016	15,317,016	16,245,151
19,922,287	19,965,109	19,965,109	19,965,109	19,962,225
17,606,482	16,795,837	16,795,837	16,795,837	19,446,965
9,284,123	8,824,385	8,824,385	8,824,385	7,868,392
30,483,345	31,244,527	31,244,527	31,244,527	31,576,067
28,327,153	31,815,281	31,815,281	31,815,281	31,479,208
-	-	-	-	-
392,433	388,936	388,936	388,936	390,334
533,982	790,144	790,144	790,144	621,870
5,449,667	30,456,778	30,456,778	30,456,778	36,286,314
-	26,130	26,130	26,130	-
1,167,004	1,762,526	1,762,526	1,762,526	2,063,021
109,382	69,223	69,223	69,223	227,593
-	-	-	-	-
121,148	2,036,677	2,036,677	2,036,677	1,646,312
325,505,053	359,377,548	359,377,548	359,377,548	383,435,097
(641,043)	5,905,335	5,905,335	5,905,335	5,040,481
-	-	-	-	-
1,847	-	-	-	-
(121,148)	(2,036,677)	(2,036,677)	(2,036,677)	(1,646,312)
(760,344)	3,868,658	3,868,658	3,868,658	3,394,169
\$ 324,744,709	\$ 363,246,206	\$ 363,246,206	\$ 363,246,206	\$ 386,829,266
\$ 86,063,779	\$ 25,357,223	\$ 25,357,223	\$ 25,357,223	\$ 41,161,871
17,445,573	5,310,744	5,310,744	5,310,744	6,362,791
\$ 103,509,352	\$ 30,667,967	\$ 30,667,967	\$ 30,667,967	\$ 47,524,662
				Concluded

Schedule III
Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2018	2019	2020	2021	2022
General Fund					
Nonspendable	\$ 142,342	\$ -	\$ -	\$ -	\$ -
Restricted	3,755,304	3,696,971	4,820,212	6,196,569	13,817,991
Committed	-	-	-	29,744,146	46,879,379
Assigned	33,373,367	42,666,449	44,704,796	19,577,650	12,162,510
Unassigned	46,614,130	46,872,247	48,544,061	56,363,765	75,183,598
Total general fund	<u>\$ 83,885,143 ⁽⁴⁾</u>	<u>\$ 93,235,667 ⁽⁴⁾</u>	<u>\$ 98,069,069 ⁽⁴⁾</u>	<u>\$ 111,882,130 ⁽⁴⁾</u>	<u>\$ 148,043,478</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ 485,140	\$ 485,140	\$ 1,127,417	\$ 485,140
Restricted	213,078,230	172,741,247	199,051,339	243,027,178	304,059,510
Committed	-	56,528,083	51,007,441	47,508,039	60,737,146
Assigned	9,098,207	14,406,925	12,830,506	9,544,337	7,131,097
Unassigned	(5,458,232)	(144,666)	(385,951)	(6,579,910)	(8,135,717)
Total all other governmental funds	<u>\$ 216,718,205 ⁽⁴⁾</u>	<u>\$ 244,016,729 ⁽⁴⁾</u>	<u>\$ 262,988,475 ⁽⁴⁾</u>	<u>\$ 294,627,061 ⁽⁴⁾</u>	<u>\$ 364,277,176</u>

⁽¹⁾ Restated in 2009 due an adjustment in receivables in Capital Project funds

⁽²⁾ Restated in 2010 due to implementation of GASB54 in FY2011 for new fund balances definition

⁽³⁾ The City began to implement GASB 54 in FY2011. GASB 54 requires fund balances to be broken down into 5 categories:

(i). non-spendable; (ii).Restricted; (iii) Committed; (iv) Assigned; and (v) Unassigned

⁽⁴⁾ Implementation of GASB 63 and 65 adding "Deferred Inflows of Resources" on the Balance Sheet in Governmental Funds.

2023	2024	2024	2024	2025
\$ -	\$ 660,000	\$ 660,000	\$ 660,000	\$ -
31,121,862	38,165,215	(660,000)	38,165,215	42,170,823
40,677,503	54,289,457	-	54,289,457	58,314,770
16,752,951	30,337,661	30,337,661	30,337,661	22,721,191
69,914,828	29,576,925	(30,337,661)	29,576,925	31,670,881
<u>\$ 158,467,144</u>	<u>\$ 153,029,258</u>	<u>\$ -</u>	<u>\$ 153,029,258</u>	<u>\$ 154,877,665</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,881,627
321,211,757	350,175,515	18,151,817	350,175,515	364,267,095
80,422,023	98,847,541	-	98,847,541	94,253,754
17,158,568	19,402,216	-	19,402,216	16,060,094
(2,011,008)	(21,177,919)	(18,022,216)	(21,177,919)	(9,425,231)
<u>\$ 416,781,340</u>	<u>\$ 447,247,353</u>	<u>\$ 129,601</u>	<u>\$ 447,247,353</u>	<u>\$ 467,037,339</u>

Schedule IV
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020
Revenues:					
Taxes	\$ 182,816,853	\$ 202,424,662	\$ 232,141,241	\$ 248,703,772	\$ 256,872,153
Licenses and permits	322,629	556,331	1,112,474	1,901,597	2,456,015
Intergovernmental	49,367,193	38,700,204	32,196,279	28,956,505	31,476,921
Charges for service	15,763,295	18,690,214	17,369,445	16,925,097	19,070,459
Fines and penalties	6,761,750	6,664,490	7,250,933	5,722,785	4,381,944
Rents and royalties	1,024,276	575,071	1,167,208	1,149,890	799,983
Franchise	1,880,847	2,458,817	2,188,386	1,980,538	1,972,164
Private contribution and donations	195,733	362,374	265,287	462,613	443,939
Investment income/ (loss)	3,329,771	1,821,528	3,282,923	8,973,164	10,891,239
Miscellaneous	1,445,540	4,144,140	1,591,740	1,768,486	763,226
Total revenues	262,907,887	276,397,831	298,565,916	334,471,702	332,725,990
Expenditures:					
Current:					
General government	29,742,445	42,974,661	35,642,792	33,491,216	29,437,616
Public safety	98,101,003	104,685,885	104,307,579	113,030,306	128,803,063
Highway and streets	12,762,905	13,933,075	12,214,301	19,110,976	14,087,561
Health and welfare	21,140,809	24,536,400	26,518,050	30,807,652	36,690,027
Culture-recreation	34,226,586	39,520,665	38,347,719	43,279,764	47,141,184
Community development and housing	16,626,123	19,820,452	22,547,249	23,682,683	39,276,468
Economic development	4,252,971	2,341,947	2,633,706	5,022,535	6,444,578
Capital Outlay	14,020,367	7,660,615	17,383,694	-	-
Debt service:					
Principal repayment	2,160,325	10,964,272	5,295,707	6,734,693	6,476,012
Interest and fiscal charges	4,893,120	4,761,036	5,181,299	5,477,207	5,704,625
Debt issuance costs	-	-	-	-	-
Bonds issuance costs	428,417	214,700	243,954	-	1,029,749
TRAN issuance costs	-	-	-	64,800	71,181
Capital outlay:					
Highway and streets	-	-	-	4,460,002	17,900,178
Culture-recreation	-	-	-	2,295,544	7,269,574
Total expenditures	238,355,071	271,413,708	270,316,050	287,457,378	340,331,816
Excess (deficiency) of revenues over/(under) expenditures	24,552,816	4,984,123	28,249,866	47,014,324	(7,605,826)
Other financing sources(uses):					
Transfers in	20,583,750	22,965,817	61,850,103	28,993,415	23,073,587
Transfers out	(24,464,333)	(25,159,093)	(65,103,257)	(39,358,689)	(31,089,237)
Debt issuance	-	15,000,000	35,000,000	-	38,000,000
Premium on notes and loans issued	-	608,059	841,306	-	-
Face value of refunding bonds issued	36,680,000	-	-	-	19,480,000
Call Premium on refunding bonds	4,144,029	-	-	-	-
Payment to refunded bond escrow agent	(38,480,000)	-	-	-	(21,185,000)
Premium on debt issuance	(604,600)	-	-	-	3,422,838
Inception of leases and subscriptions	-	-	-	-	-
Insurance recoveries	-	-	-	17,927,255	3,597,947
Sale of capital assets	15,574	3,679	7,145	-	204
Total other financing sources(uses)	(2,125,580)	13,418,462	32,595,297	(10,365,274)	31,702,392
Extraordinary gain/ (loss)	-	-	-	-	-
Net change in fund balances	\$ 22,427,236	\$ 18,402,585	\$ 60,845,163	\$ 36,649,050	\$ 24,096,566
Debt service as a percentage of noncapital expenditures	3.15%	5.97%	4.15%	4.35%	3.88%

(1) Capital Outlay amount Government Fund Financials does not agree with Capital Outlay amount in Note 9 and table IV due to timing difference in capitalization of assets in Playground Camp and Measure T1 funds.

Source: City of Berkeley, Finance Department

2021	2022	2023	2024	2025
\$ 266,202,704	\$ 323,260,132	\$ 317,788,378	\$ 323,696,506	\$ 342,182,316
1,925,603	4,237,356	2,642,569	1,962,715	4,290,645
46,370,352	81,435,381	77,531,261	53,327,972	60,216,414
16,280,893	38,087,197	36,867,454	36,762,532	27,823,971
3,761,031	5,219,760	6,416,780	6,432,096	6,479,102
638,628	1,031,485	408,476	417,095	566,832
1,854,994	1,843,962	2,061,619	2,111,690	1,976,613
653,399	1,308,004	533,984	790,144	621,870
9,527,497	(11,233,433)	6,959,960	27,973,940	34,359,075
251,799	667,099	775,880	1,365,486	1,516,345
347,466,900	445,856,943	451,986,361	454,840,176	480,033,183
32,485,673	34,440,650	39,990,723	49,524,675	53,722,756
132,465,784	140,823,054	148,985,465	158,946,828	171,259,870
10,471,435	11,940,764	15,518,110	15,548,333	16,622,894
39,020,384	40,166,088	40,344,774	41,408,699	51,093,171
47,763,608	51,189,624	46,976,302	56,407,286	62,391,420
33,448,395	38,154,847	44,729,924	43,142,248	46,328,738
5,448,693	6,331,876	5,692,489	6,528,974	5,358,777
-	-	18,852,131	35,417,247	61,222,721 ⁽¹⁾
7,113,637	5,978,593	7,763,409	10,590,803	10,478,824
5,637,022	6,353,083	8,395,742	8,806,386	8,756,851
-	432,800	-	-	248,923
750,846	-	-	-	-
70,517	68,576	67,265	70,310	90,884
11,265,763	16,477,971	-	-	-
31,040,969	19,606,683	-	-	-
356,982,726	371,964,609	377,316,334	426,391,788	487,575,829
(9,515,826)	73,892,334	74,670,027	28,448,388	(7,542,646)
18,579,336	45,575,565	48,327,148	43,456,564	-
(25,093,830)	(61,840,769)	(60,755,347)	(49,005,773)	(5,380,440)
45,000,000	40,000,000	-	-	10,220,000
-	-	-	-	-
3,975,000	-	-	-	-
-	-	-	-	-
(4,765,000)	-	-	-	-
3,485,747	1,266,279	-	-	28,923
-	-	-	2,091,546	24,560,677
13,601,625	6,904,976	686,002	26,130	10,196
-	13,077	-	11,272	17,966
54,782,878	31,919,128	(11,742,197)	(3,420,261)	29,457,322
-	-	-	-	-
\$ 45,267,052	\$ 105,811,463	\$ 62,927,831	\$ 25,028,128	\$ 21,914,676
4.06%	3.68%	4.51%	4.96%	4.52%

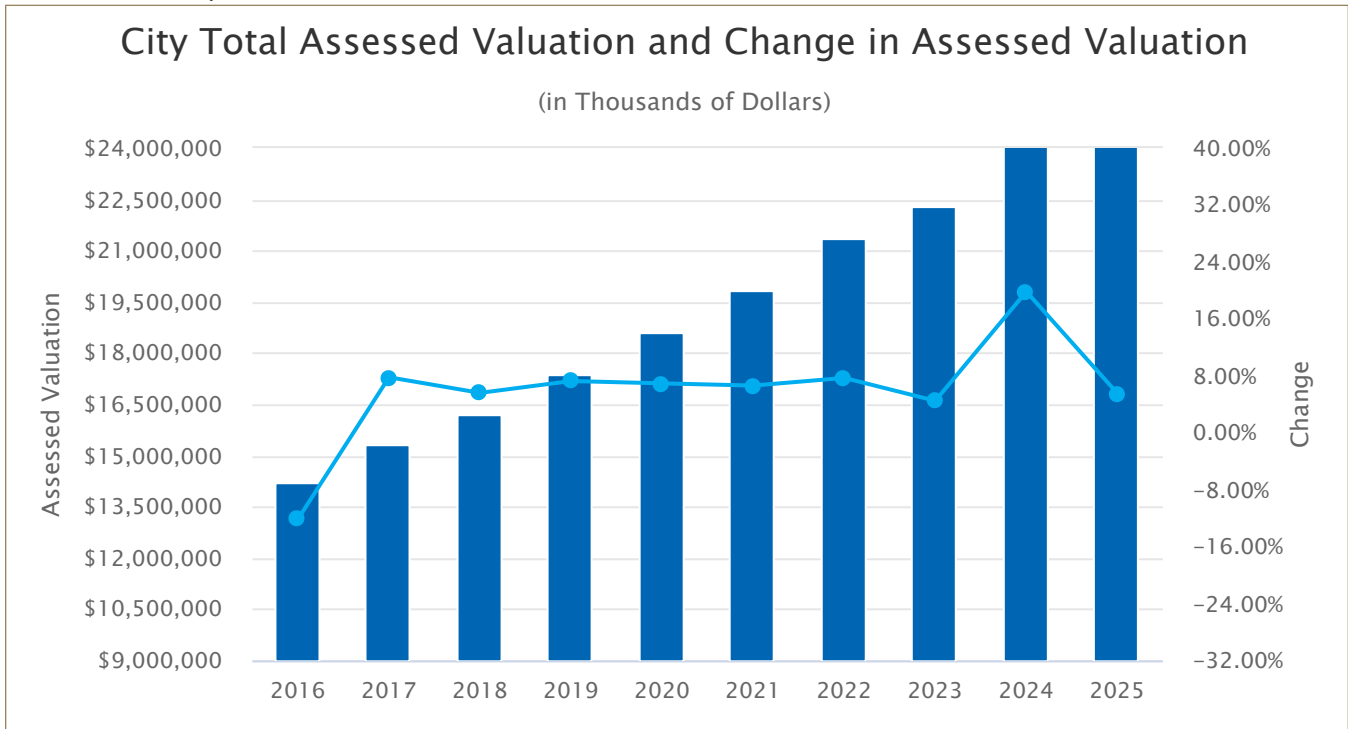
Schedule V
Assessed Value and Estimated Actual Values of Taxable Property
Last Ten Fiscal Years
(In Thousands of Dollars)

Fiscal Year	Residential Property	Utility Property	Commercial and Industrial Property	Institutional Property	Less Exemptions:	Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2016	\$ 11,914,464	\$ 631	\$ 2,788,276	\$ 328,366	\$ (775,326)	\$ 14,233,968	10.51	\$ 14,233,968
2017	12,776,968	389	2,912,034	328,366	(675,233)	15,342,524	10.43	15,342,524
2018	13,647,543	389	3,081,314	329,444	(857,818)	16,200,872	10.45	16,200,872
2019	14,668,956	444	3,168,968	351,338	(813,189)	17,376,517	10.49	17,376,517
2020	15,708,398	444	3,303,496	387,419	(818,602)	18,581,155	10.44	18,581,155
2021	16,815,887	425	3,532,715	382,314	(920,145)	19,811,196	10.54	19,811,196
2022	18,152,371	425	3,705,511	378,658	(901,353)	21,335,612	10.54	21,335,612
2023	19,139,720	513	3,731,891	375,106	(955,797)	22,291,433	10.62	22,291,433
2024	22,693,396	513	4,497,777	402,405	(881,805)	26,712,286	10.62	26,712,286
2025	24,218,546	513	4,731,566	429,630	(1,190,634)	28,189,621	10.61	28,189,621

Note:

In 1978, the voters of the State of California passed Proposition 13 which limited taxes to a 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 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.

Source: Alameda County Auditor - Controller's Office



Schedule VI
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$1,000 of Assessed Value)

Fiscal Year	City Direct Rates			Overlapping Rates					Total Rate
	Basic Rate ⁽¹⁾	General Obligation Debt Service	Total Direct Rate	Berkeley Unified School	Peralta Community College	East Bay Municipal Utility Dist 1	East Bay Regional Park Dist	Bay Area Rapid Transit	
2016	10.00	0.43	10.43	1.32	0.34	0.07	0.03	0.03	12.22
2017	10.00	0.45	10.45	1.33	0.26	0.03	0.03	0.08	12.18
2018	10.00	0.49	10.49	1.22	0.31	0.01	0.02	0.08	12.13
2019	10.00	0.44	10.44	1.20	0.26	0.11	0.06	0.12	12.19
2020	10.00	0.54	10.54	1.00	0.45	0.04	0.01	0.14	12.18
2021	10.00	0.53	10.53	1.45	0.41	0.04	0.02	0.06	12.51
2022	10.00	0.62	10.62	0.84	0.41	0.10	0.06	0.14	12.17
2023	10.00	0.62	10.62	0.74	0.42	0.09	0.06	0.13	12.06
2024	10.00	0.61	10.61	0.78	0.39	0.09	0.01	0.15	12.03
2025	10.00	0.49	10.49	1.15	0.43	0.08	0.01	0.15	12.31

Note:

⁽¹⁾ In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% (or \$10 per \$1,000 of assessed value) fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of City, school, and other Districts' bonds.

Source: Alameda County Auditor - Controller's Office

Schedule VII
Principal Property Tax Payers
Current Year and Ten Years Ago
(In Thousands of Dollars)

Assessee Name	2015		2025	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Bayer Healthcare Llc	279,182	2.04%	439,329	1.56%
Ca Ag Logan Park Property Owner Llc			167,132	0.59%
Mark At Berkeley Llc			152,520	0.54%
Mceref Acheson Llc			149,274	0.53%
Foundry31 Owner De Llc			147,428	0.52%
Kaiser Foundation Health Plan Inc			140,641	0.50%
Aquatic Park Science Center II LLC			122,272	0.43%
Berkeley Multifamily I Property Owner Llc			108,811	0.39%
Berkeley Downtown Hotel Owner Llc			106,000	0.38%
1500 San Pablo Llc			98,638	0.35%
EQR Action Berkeley LP	155,258	1.13%		
CVBAF ACQ LLC	67,810	0.50%		
Granite Library Gardens LP	63,260	0.46%		
Essex Berkeley 4th Street LP	47,310	0.35%		
SC Hillside Berkeley, INC	46,440	0.34%		
1950 MLK LLC	36,834	0.27%		
Ed Roberts Campus	36,014	0.26%		
Oxford Plaza LP	35,723	0.26%		
Reddy Hanumandla R & Hanumandla J TRS	35,514	0.26%		
Total - Principal taxpayers	<u>\$ 803,345</u>	<u>5.87%</u>	<u>\$ 1,632,045</u>	<u>5.79%</u>
Total - All real properties assessed by the City ⁽¹⁾	<u>\$ 13,686,815</u>		<u>\$ 28,189,622</u>	

Note:

(1) Assessed value includes only real properties.

Source: California Municipal Statistics, Inc.

Schedule VIII
Property Tax Levies and Collections,
Last Ten Fiscal Years
(In Thousands of Dollars)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years ⁽²⁾		
		Amount	Percentage of Levy	Secured	Unsecured	Total
2016	\$ 51,764	\$ 51,028	98.58%	\$ 607	\$ 128	\$ 735
2017	52,097	51,535	98.92%	787	-	787
2018	59,191	58,534	98.89%	489	168	657
2019	62,757	62,109	98.97%	512	135	647
2020	67,163	66,315	98.74%	664	184	848
2021	72,200	71,317	98.78%	647	236	883
2022	75,505	74,497	98.67%	816	191	1,007
2023	83,845	82,709	98.64%	907	229	1,136
2024	90,139	88,827	98.54%	1,059	253	1,312
2025	95,403	93,897	98.42%	1,199	306	1,505

Note:

⁽¹⁾ Levies include Secured and Unsecured Property.

⁽²⁾ Collection in subsequent years is reported based on revenue received from the County for the fiscal year end shown. The City does not receive information from the County that specifies how much of the subsequent collection received belongs to each fiscal year. Subsequent collections for both tax types include penalties and interest assessed on the previously unpaid amounts. As a result, total collections for each levy year are not presented.

Source: Alameda County Auditor - Controller Agency

Schedule IX
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita)

Fiscal Year Ended June 30,	Governmental Activities (long-term debt instruments only)					
	General Obligation Bonds	General Obligation Bonds (premiums)	Total G.O. Bonds + Premiums	Lease Revenue Bonds	Lease Revenue Bonds (premiums)	Total Revenue Bonds + Premiums
2016	\$ 81,125	\$ 4,636	\$ 85,761	\$ 5,495	\$ 479	\$ 5,974
2017	86,465	5,030	91,495	4,953	443	5,396
2018	117,520	5,596	123,116	4,420	406	4,826
2019	111,920	5,331	117,251	4,126	370	4,496
2020	142,905	8,276	151,181	3,819	334	4,153
2021	181,995	10,677	192,672	7,473	973	8,446
2022	217,140	11,426	228,566	7,136	900	8,036
2023	210,550	10,865	221,415	6,783	827	7,610
2024	202,670	10,305	212,975	6,417	754	7,171
2025	195,595	9,745	205,340	16,250	709	16,959

Fiscal Year Ended June 30,	Business-type Activities (long-term debt instruments only)					
	Lease Revenue Bonds	Lease Revenue Bonds (premiums)	Total Revenue Bonds + Premiums	Notes/Loans Payable	Certificates of Participation (Net of premiums)	Total Business-Type Activities
2016	19,215	1,813	21,028	7,872	-	28,900
2017	52,297	1,698	53,995	6,967	-	60,962
2018	51,370	3,339	54,709	6,802	-	61,511
2019	50,409	3,161	53,570	6,629	-	60,199
2020	48,646	2,983	51,629	6,449	-	58,078
2021	46,817	2,805	49,622	6,261	-	55,883
2022	44,909	2,627	47,536	6,063	-	53,599
2023	42,917	2,564	45,481	5,857	-	51,338
2024	40,848	2,259	43,107	5,640	-	48,747
2025	38,680	2,083	40,763	5,415	-	46,178

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

⁽¹⁾ Tax allocation Bonds belong to Berkeley Redevelopment Agency, which was dissolved on January 31, 2012, due to AB 1X 26. All the outstanding amounts were transferred to the Successor Agency as Private Trust funds.

⁽²⁾ The City refunded over \$27 million to defease 1999 Lease Revenue Bonds and 2003 COP during the year, with the proceeds from a new Refunding Lease Revenue Bond.

⁽³⁾ See Schedule XIII for personal income and population data.

Source: City of Berkeley, Finance Department

Governmental Activities (long-term debt instruments only)

Tax Allocation	Other (Capital leases)	Certificates of Participation (Net of premiums)	Certificates of Participation (premiums)	Total Certificates of Participation	Notes/Loans Payable	Leases Payable	SBTIA Payable	Total Activities
Bonds ⁽¹⁾								
\$ -	\$ 4,141	\$ 5,345	\$ 374	\$ 5,719	\$ 9,784	\$ -	\$ -	\$ 111,379
-	3,271	5,235	359	5,594	9,131			114,887
-	2,372	5,125	343	5,468	8,424			144,206
-	1,442	5,010	327	5,337	7,698			136,224
-	5,650	4,890	312	5,202	6,959			173,145
-	4,564	-	-	-	6,201			211,883
-	3,459	-	-	-	5,415			245,476
-	3,469	-	-	-	4,594			237,088
-	3,322	-	-	-	3,777			227,245
-	8,765	-	-	-	2,505	22,209	2,455	258,233

Total Primary Government	Percentage of Personal Income ⁽³⁾	Per Capita ⁽³⁾
140,279	2.74%	1,170
175,849	3.40%	1,450
205,717	3.78%	1,688
196,423	3.48%	1,593
231,223	3.91%	1,886
267,766	4.52%	2,293
299,075	4.51%	2,401
288,426	4.13%	2,334
275,992	3.46%	2,150
304,411	3.42%	2,292

Schedule X
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita)

General Bonded Debt Outstanding						Net General Bonds Debt as a Percentage of Actual Taxable Value of Property ⁽³⁾	Outstanding Debt Per Capita ⁽³⁾
Fiscal Year Ended June 30,	General Obligation Bonds ^{(1), (4)}	Pension Refunding Bonds	Tax Allocation Bonds ⁽²⁾	Certificates of Participation	Total		
2016	\$85,761	\$ 520	\$ -	\$5,719	\$92,000	0.60%	\$767
2017	91,495	250	-	5,594	97,339	0.60%	803
2018	117,520	-	-	5,125	122,645	0.71%	1,006
2019	111,920	-	-	5,010	116,930	0.63%	948
2020	142,905	-	-	4,890	147,795	0.75%	1,206
2021	181,995	-	-	-	181,995	0.85%	1,593
2022	217,140	-	-	-	217,140	0.97%	1,743
2023	210,550	-	-	-	210,550	0.79%	1,792
2024	202,670	-	-	-	202,670	0.72%	1,617
2025	195,595	-	-	-	195,595	0.67%	1,524

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

⁽¹⁾ Net of resources restricted for the repayment of the principal of debt.

⁽²⁾ Tax allocation Bonds belong to Berkeley Redevelopment Agency, which was dissolved on January 31, 2012, due to AB 1X 26. All the outstanding amounts were transferred to the Successor Agency as Private Trust funds.

⁽³⁾ See Schedule XIII for personal income and population data.

⁽⁴⁾ Note: Bond premiums totaling \$10,865 are excluded from the General Obligation Bonds total since they are an adjustment in interest expense (rather than Bonds Payable), arising from the market value of the bonds being higher than the face value of the bonds.

Source: Finance Department, City of Berkeley

Schedule XI
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025
(In Thousands of Dollars, except assessed valuation)

2024-2025 Assessed Valuation: \$ 28,189,621

	Debt Outstanding 6/30/2025	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt 6/30/2025
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Alameda County	\$ 485,275	6.94%	\$ 33,673
Bay Area Rapid Transit District	2,449,414	2.76%	67,481
Peralta Community College District	499,260	18.70%	93,382
Berkeley Unified School District	505,660	100.00%	505,650
City of Berkeley (GO bonds net of premium)	195,595	100.00%	195,595
City of Berkeley (GO bonds premium)	9,745	100.00%	9,745
City of Berkeley Community Facilities District No. 1	-	0.00%	-
East Bay Regional Park District	144,520	4.33%	6,258
City of Berkeley Thousand Oaks Heights AFUU Assessment District	805	100.00%	805
Subtotal overlapping tax and assessment debt			912,589
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Alameda County and Coliseum Obligations	\$ 630,850	6.94%	\$ 43,781
Alameda-Contra Costa Transit District Certificates of Participation	9,718	8.17%	794
Peralta Community College District Pension Obligations	1,098,353	18.70%	205,392
City of Berkeley Revenue bonds (Governmental activities)	6,030	100.00%	6,030 ⁽¹⁾
City of Berkeley Revenue bonds premium (Governmental activities)	680	100.00%	680 ⁽¹⁾
City of Berkeley Certificates of Participation (Governmental activities)	-	100.00%	0 ⁽¹⁾
City of Berkeley Certificates of Participation premium (Governmental activities)	-	100.00%	0 ⁽¹⁾
City of Berkeley Capital Leases & SBITAs (Governmental activities)	8,765	100.00%	8,765 ⁽¹⁾
City of Berkeley Notes and Loans Payable (Governmental activities)	2,505	100.00%	2,505 ⁽¹⁾
Subtotal overlapping General Fund debt			\$ 267,947
Overlapping tax increment debt:	-	100.00%	-
TOTAL DIRECT DEBT			223,320
TOTAL OVERLAPPING DEBT			957,216
COMBINED TOTAL DIRECT AND OVERLAPPING DEBT			\$ 1,180,536⁽²⁾

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

⁽¹⁾ Excludes issue to be sold.

⁽²⁾ Excludes tax and revenue anticipation notes, and business-type activities.

Source: California Municipal Statistics, Inc.

Schedule XII
Legal Debt Margin Information,
Last Ten Fiscal Years
(In Thousands of Dollars)

	2016	2017	2018	2019	2020
Debt limit	\$ 2,301,379	\$ 2,430,131	\$ 2,606,477	\$ 2,787,173	\$ 2,971,679
Debt applicable to limit	85,761	91,495	117,520	111,920	142,905
Legal debt margin	<u>\$ 2,215,618</u>	<u>\$ 2,338,636</u>	<u>\$ 2,488,957</u>	<u>\$ 2,675,253</u>	<u>\$ 2,828,774</u>
Total net debt applicable to the limit as a percentage of debt limit	3.87%	3.91%	4.72%	4.18%	5.05%

Note: The City of Berkeley is a charter city and, as such, does not have a debt limit. However, the debt limit computation is calculated using the 15% limit that would be in effect if the city were a general law city.

Bond premiums totaling \$10,865 are excluded from the General Obligation Bonds total since they are an adjustment in interest expense (rather than Bonds Payable), arising from the market value of the bonds being higher than the face value of the bonds.

Source: City of Berkeley, Finance Department

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	\$	28,189,621
Debt limit		4,228,443
Debt applicable to limit:		195,595
Legal Debt Margin	\$	<u>4,032,848</u>

2021	2022	2023	2024	2025
\$ 3,200,342	\$ 3,343,715	\$ 4,006,843	\$ 4,228,443	\$ 4,228,443
181,995	181,995	210,550	202,670	195,595
<u>\$ 3,018,347</u>	<u>\$ 3,161,720</u>	<u>\$ 3,796,293</u>	<u>\$ 4,025,773</u>	<u>\$ 4,032,848</u>
6.03%	5.76%	5.55%	5.03%	4.85%

Schedule XIII
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Personal					University of California Enrollment	City Unemployment Rate
	Population (1)	Income (thousands of dollars) (2)	Per Capita Personal Income (3)	Median Age (4)	Public School Enrollment (5)		
2016	119,915	5,111,617	42,627 ⁽⁸⁾	31	9,785	38,204	3.8%
2017	121,238	5,168,012	42,627 ⁽⁸⁾	31	9,410	40,173	3.4%
2018	121,874	5,436,921	44,611 ⁽⁸⁾	31	10,340	41,910	2.7%
2019	123,328	5,640,776	45,738 ⁽⁸⁾	31	10,194	42,501	3.1%
2020	122,580	5,911,911	48,229 ⁽⁸⁾	31	9,844	43,185	13.5%
2021	116,761	5,910,325	50,619 ⁽⁸⁾	31	9,409	42,327	6.7%
2022	124,563	6,624,385	53,181 ⁽⁸⁾	32	9,177	45,036	3.1%
2023	123,562	6,940,230	56,168 ⁽⁸⁾	32	9,073	45,307	4.2%
2024	125,327	7,934,452	63,310 ⁽⁸⁾	33	9,077	45,699	4.7%
2025	128,348	8,591,102	66,936 ⁽⁸⁾	33	9,162	45,882	5.0%

Source:

- ⁽¹⁾ California State Dept. of Finance - Population Research Unit (as of January 1)
- ⁽²⁾ Association of Bay Area Governments, U.S. Census
- ⁽³⁾ From www.bayareacensus.ca.gov/cities/Berkeley.htm
- ⁽⁴⁾ Association of Bay Area Governments, Bay Area Census
- ⁽⁵⁾ Berkeley Unified School District from California Department of Education
- ⁽⁶⁾ University of California
- ⁽⁷⁾ From State of California Employment Development Department - Labor market Information Division
- ⁽⁸⁾ From U.S. Census Bureau

**Schedule XIV
Principal Employers
Current Year and Ten Years Ago**

Employer	2015			2025		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
University of California Berkeley	14,540	1	22.35%	14,229	1	21.74%
Lawrence Berkeley National Laboratory	3,385	2	5.20%	3,622	2	5.53%
Sutter East Bay Medical Foundation/Hospitals	2,376	3	3.65%	2,289	3	3.50%
City of Berkeley	1,336	6	2.05%	1,923	4	2.94%
Berkeley Unified School District	1,733	4	2.66%	1,790	5	2.73%
Kaiser Permanente Medical Group	728	7	1.12%	952	6	1.45%
Bayer Coporation	1,417	5	2.18%	904	7	1.38%
Berkley Bowl Produce	560	8	0.86%	585	8	0.89%
YMCA of The Central Bay Area				579	9	0.88%
Over 60 Health Center, Inc				487	10	0.74%
FHR Claremont Hotel Management	500	9	0.77%			0.00%
Pacific Steel Casting Company	418	10	0.64%			0.00%
Total	26,993		41.48%	27,360		41.78%

Source: City of Berkeley, Office of Economic Development

Schedule XV
Full-time-Equivalent City Governmental Employees by Function/Program
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
<u>Function/Program</u>					
General Government	175.78	172.28	186.72	197.25	205.75
Police	273.00	272.00	272.00	283.20	288.20
Fire	140.00	140.00	148.00	149.00	153.00
Health Services	121.05	130.25	145.85	145.85	145.85
Culture and Recreation	98.88	96.50	101.50	156.12	155.37
Community Development/Housing	41.05	43.55	38.05	87.33	100.33
Economic Development ⁽¹⁾	5.85	5.85	3.00	7.00	7.00
Library	105.95	107.95	110.15	116.10	116.05
Planning	65.00	71.50	82.08	94.80	103.40
Public Works/Transportation	289.60	292.60	295.60	300.60	320.50
Rent Board	19.75	20.60	22.75	22.55	22.35
Total	1,335.91	1,353.08	1,405.70	1,559.80	1,617.80

Notes:

Full-time equivalent employment is calculated as one or more employee positions totaling one full year of service or approximately 2,080 hours a year

⁽¹⁾ In FY2024, the Office of Economic Development is included in the City Manager's Office total FTE count.

Source: City Manager - Budget Office

2021	2022	2023	2024	2025
207.00	214.00	236.25	249.25	257.75
288.20	292.20	318.20	308.00	308.00
153.00	153.00	203.00	205.00	202.00
145.85	145.85	145.85	145.85	145.85
155.37	159.87	165.62	113.00	113.00
100.33	114.73	119.73	92.35	102.35
7.00	7.00	8.00	-	-
116.05	115.60	115.60	118.60	133.05
103.40	110.33	116.04	108.04	108.89
320.50	323.00	340.00	341.94	349.94
22.35	24.55	23.55	25.00	26.00
1,619.05	1,660.13	1,791.84	1,707.03	1,746.83

**Schedule XVI
Operating Indicators
Last three fiscal years**

FUNCTION/PROGRAM	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
General government			
Building Permits Issued			
Residential Permits Issued	3,051	3,132	2,790
Residential Permits Value	165,941,720	180,330,982	245,735,888
Mixed Use Issued	21	11	17 ⁽¹⁾
Mixed Use Value	79,161,268	62,338,634	10,285,192 ⁽¹⁾
Commercial Permits Issued	268	237	221
Commercial Permits Value	196,764,392	105,355,791	42,217,615
Residential Parking Permits			
Number of Daily Permits Issued	16,299	119,810	8,106
Number of 14 Day Permits Issued	1,247	875	863
Number of Annual Permits Issued	12,562	13,057	11,769
City Clerk			
Number of Council Resolutions Passed	491	495	428
Number of Ordinances Passed	50	47	53
Number of Contracts Passed	459	551	529
General Services			
Number of Purchase Orders Issued	5,000	5,075	5,317
Police			
Physical Arrests	2,469	1,977	2,086
Parking Violations	146,919	143,123	163,849
Traffic (moving) Violations	2,034	2,278	2,129
DUI Arrests	137	100	137
Fire			
Structure Fires	88	76	61
Vehicle Fire	31	26	32
Other Fires	308	400	404
Medical Calls	10,437	10,765	10,542
Haz-mat Calls	723	241	243
Other Calls	5,590	6,021	6,011
Out of City	40	23	20
Department of Health Services			
Health Inspections and Permits	2,300	2,399	3,690
Public Health Services Encounters	84,652	71,216	277,924
Mobile Crisis Visits	977	863	688
Housing and Community Services Department			
Home Delivered Meal	85,716	83,060	81,279
Summer and year-round jobs provided for youth	244	403	401
Library			
Number of visits made to Library Branches	618,074	697,967	679,712
Number of people that are registered library card holders	143,840	157,190	85,043
Number of times materials from the library circulated (items checked out)	1,436,269	1,429,524	1,419,443

(Continued)

Notes

⁽¹⁾ Mixed Use previously categorized between residential and commercial based on dominate property use.

- ⁽²⁾ "Customers" are all paying customers regardless of the town they come from.
Landfilled and recycled tons are all tons going through the transfer station. It includes SWMD collection trucks, as well as paying customers.
- ⁽³⁾ Outside tons not included in transfer station tons:
- a) Tons collected by private haulers and taken to other landfills
 - b) Tons delivered by members of the public to other landfills or transfer stations
 - c) Berkeley tons recycled by the private sector

FUNCTION/PROGRAM	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Solid Waste Management			
Transfer Station Customers	125,141	116,634	132,296 ⁽²⁾
Total incoming tons at transfer station			
Refuse and C&D	85,494	82,024	90,217
Organics	30,505	32,155	29,336 ⁽³⁾
Total incoming tons	115,999	114,179	119,553 ⁽³⁾
Landfilled Tons	71,400	68,914	74,833
Recycled /Composted Tons	47,506	46,117	43,073
Total tons exiting transfer station	118,906	115,032	117,906
Recycling Method			
Recycled/Composted tons:			
Organics collection to compost facility	20,253	20,848	20,102
Organics - public to compost facility	10,252	11,306	9,233
Transfer Station Salvage	785	744	780
C&D Diverted at sorting facility	15,482	15,056	12,831
Add 'I' TS Diversion Programs	735	611	795
TOTAL TRANSFER STATION DIVERSION	47,507	48,565	43,741
Buyback drop-off	2,794	2,720	2,607
Residential Curbside	7,506	6,720	7,996
Commercial recycling	5,251	5,080	4,849
TOTAL RECYCLING COLLECTION at CCC (Not at transfer station)	15,551	14,520	15,452
TOTAL CITY CONTROLLED DIVERSION	63,058	63,085	59,193
Other Public Works			
Street Resurfacing/Overlay/Reconstruction (miles)	3	8	12
ADA Compliance: New Curb Ramps	46	94	164
Traffic Circles - Cumulative	57	60	64
Street Poles with Lights - Cumulative	8,036	7,889	7,889
Marina			
Number of Berths	1,032	1,023	1,023
Number of Occupied Berths	886	859	878
Number of new berthers	178	185	184
Number of paid launchers	6,076	5,098	4,681
Launch Ramp Total Revenue	97,216	86,671	77,826
Parking			
Number of Pay and Display Meters Operating	241	221	182
Number of Single Space Meters Operating	2,031	2,026	2,012
Planning and Development Department			
Customers Served	28,117	29,752	26,625
Building & Safety Inspections Performed	28,600	28,192	27,878
Toxics: CUPA Inspections	316	370	267
Sanitary Sewer			
Number of Customer Accounts Billed	32,951	32,918	33,103 (Concluded)

Schedule XVII
Capital Asset Statistics by Function/Program
Last three fiscal years

Function/Program	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Police			
Number of Stations	2	2	2
Parking Enforcement Vehicles	48	48	32
Fire			
Number of Stations	7	7	7
Number of Fire Trucks	14*	14*	14
Library			
Central Library	1	1	1
Branch Libraries	4	4	4
Solid Waste Management			
Collection Vehicles	35	35	36
Support Vehicles	24	22	24
Transfer Tractors	8	8	8
Transfer Trailers	8	8	8
Other Public Works			
Streets (miles)	215	215	215
Streetlights	8,036	8,083	8,177
Traffic Signals	145	149	150
Sidewalks (miles)	375	375	375
Parks and Recreation			
Number of Parks	54	55	55
Public Swimming Pools	2	2	2
Over night Summer Camps	3	3	3
Number of Community Centers	7	7	7
Number of Club Houses	2	2	2
Community Gardens	6	8	8
Nature Center	1	1	1
Adventure Playground	1	1	1
Sanitary Sewer			
Public Sanitary Sewer Mains (miles)	254	254	254
Public Sewer Laterals (miles)	130	130	130
Parking ⁽¹⁾			
Number of Parking Garages	3	3	3
Number of Parking Lots	2	2	2
Number of Off Street Parking Meter Spaces	35	35	35
Number of Off Street Parking Garage Spaces	1,249	1,239	1,239

Source: Operating indicators were provided by the various operating departments

* On March 2, 2015 as part of pilot program, Fire added a part-time "Truck", 10 hours a day; weekdays only. This addition affected a fraction of 85 days, which calculated out to be approximately 0.10. However, the fractional numbers did not show up towards the total for this report.

**CITY OF BERKELEY
GENERAL OBLIGATION AND GENERAL FUND OBLIGATIONS
CONTINUING DISCLOSURE ANNUAL REPORT INFORMATION**

\$15,000,000
City of Berkeley
2014 General Obligation Bonds
(Street and Integrated Watershed Improvements)

\$15,000,000
City of Berkeley
2016 General Obligation Bonds
(Street and Integrated Watershed Improvements)

\$38,000,000
City of Berkeley
2020 General Obligation Bonds
(2018 Election Measure O: Affordable Housing)
(Federally Taxable)
(Sustainability Bonds)

\$11,690,000
City of Berkeley
2020 Refunding General Obligation Bonds, Series B
(2008 Election Measure FF: Neighborhood Branch
Library Improvements Project)
(Green Bonds)

\$27,260,000
Berkeley Joint Powers Financing Authority
2012 Refunding Lease Revenue Bonds
(1999 and 2003 Refinancing)

\$40,000,000
City of Berkeley
2022 General Obligation Bonds, Series B
(2018 Election Measure O: Affordable Housing)
(Federally Taxable)

\$36,680,000
City of Berkeley
2015 General Obligation Refunding Bonds

\$35,000,000
City of Berkeley
2017 General Obligation Bonds
(2016 Election: Infrastructure and Facilities
Improvements)

\$7,790,000
City of Berkeley
2020 Refunding General Obligation Bonds, Series A
(2008 Election Measure FF: Neighborhood Branch
Library Improvements Project)
(Green Bonds)

\$45,000,000
City of Berkeley
2021 General Obligation Bonds
(2016 Election: Infrastructure and Facilities
Improvements)

\$3,975,000
Berkeley Joint Powers Financing Authority
2021 Refunding Lease Revenue Bonds
(2010 Animal Shelter COP Refinancing)

\$10,220,000
Berkeley Joint Powers Financing Authority
2025 Lease Revenue Notes
(Fire Administration and Training Project)
(Federally Taxable)

Content of Annual Reports

1. Audited financial statements:
This exhibit is attached to the City's audited financial statements.

2. Summary of investments held in the City's investment portfolio for the most recently-completed fiscal year, including market value, book value and a description of any investments that do not comply with the City's investment policies:

**City of Berkeley
Investment Portfolio
as of June 30, 2025**

Security Type	Market Value	Book Value
U.S. agency securities	\$ 382,599,732	389,911,153
Medium term notes	80,506,623	79,854,314
Money market	227,218,944	227,218,944
Total	690,325,299	696,984,411

All of the City's investments comply with its investment policies.

3. General fund budget for the fiscal year during which the annual report is filed (only required for the 2025 Lease Revenue, 2021 Refunding Lease Revenue Bonds, and 2012 Refunding Lease Revenue Bonds):

The City's current budget will be provided separately from this report.

4. General fund balance sheet for the most recently-completed fiscal year:

Please see information in the audited financial statements.

5. General fund summary of revenues and expenditures for the most recently-completed fiscal year:

Please see information in the audited financial statements.

6. General fund tax revenues by source for the most recently-completed fiscal year:

Please see information in the audited financial statements.

7. Assessed valuation of property in the City for the most recently-completed fiscal year and, to the extent the City is no longer on the Teeter Plan (or its equivalent) and such information is available from the County, information about property tax levies and collections for the most recently completed fiscal year:

Please see information in the audited financial statements.

8. Top ten property tax assesses for current fiscal year, taxable value and percentage of total assessed value:

Please see information in the audited financial statements.

9. Property tax collection delinquencies for the City:

City of Berkeley Property Tax Collections and Delinquencies (Fiscal Year Ended June 30, 2024) (In Thousands of Dollars)		
Total Property Tax Levied	Delinquent Property Taxes	Percent Delinquent
\$95,403	\$1,505	1.58%

10. Summary of property tax rates for all taxing entities within the City expressed as a percentage of assessed valuation:

Please see information in the audited financial statements.

11. Taxable transactions in the City for the most recently-completed fiscal year (only required for the 2021 Refunding Lease Revenue Bonds and 2012 Refunding Lease Revenue Bonds):

The most currently available taxable transaction data for the City will be provided separately from this report.

12. Description of the City's outstanding general fund debt and lease obligations as of the end of the most recently-completed fiscal year, including long-term general fund obligations:

Please see information in the audited financial statements.

13. A schedule of aggregate annual debt service on tax-supported indebtedness of the City:

Please see information in the audited financial statements.

14. Summary of outstanding and authorized but unissued tax-supported indebtedness of the City:

Election	Authorized Amount	Unissued (as of 6/30/2025)	Bond Issue	Outstanding (as of 6/30/2025)
1992	\$55,000,000	\$0*	2015 Bonds (Refunded 2002 Bonds, 2007 A Bonds, 2007 B Bonds, 2008 Bonds)	\$13,805,000
1996	\$49,000,000	\$0		
2002	\$7,200,000	\$0		
2008	\$26,000,000	\$0	2020A Bonds (Refunded 2009 Bonds)	\$6,370,000
			2020B Bonds (Refunded 2010 Bonds)	\$9,485,000
2012	\$30,000,000	\$0	2014 Bonds	\$11,535,000
			2016 Bonds	\$12,645,000
2016	\$100,000,000	\$20,000,000	2017 Bonds	\$28,180,000
			2021 Bonds	\$40,830,000
2018**	\$135,000,000	\$57,000,000	2020 Bonds	\$34,130,000
			2022 Bonds	\$38,615,000
Total	\$402,200,000	\$77,000,000		\$195,595,000

* \$32,500,000 of this authorization was unissued but canceled

15. Amount of all general obligation debt of the City outstanding, and total scheduled debt service on such general obligation debt (as of June 30, 2025).

Fiscal Year	2014	2015	2016	2017	2020	2020	2020	2021	2022	Total
	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds (Measure O)	G.O.Bonds (Series A)	G.O.Bonds (Series B)			
2025-26	898,788	3,038,713	740,463	1,727,681	2,006,353	529,950	800,563	2,028,200	2,594,520	14,365,229
2026-27	895,238	3,066,688	740,363	1,728,856	2,006,953	529,575	807,063	2,023,825	2,591,570	14,390,129
2027-28	894,350	3,062,688	744,563	1,727,756	2,006,503	533,325	802,313	2,026,950	2,591,370	14,389,816
2028-29	896,150	2,110,688	747,963	1,739,156	2,005,003	536,075	801,438	2,022,450	2,588,770	13,447,691
2029-30	892,250	988,088	757,713	1,737,931	2,007,365	532,950	799,313	2,020,325	2,588,620	12,324,554
2030-31	892,650	394,931	763,913	1,731,906	2,003,590	538,825	800,813	2,026,475	2,589,870	11,742,973
2031-32	892,250	394,856	764,588	1,731,456	2,004,946	535,750	803,888	2,032,675	2,583,570	11,743,979
2032-33	890,713	394,253	764,813	1,730,106	2,006,390	538,950	803,788	2,033,675	2,585,320	11,748,007
2033-34	892,922	392,906	765,875	1,732,781	2,006,696	544,725	802,688	2,028,550	2,578,920	11,746,063
2034-35	894,100	391,006	767,813	1,729,481	2,005,865	542,200	804,038	2,032,225	2,579,220	11,745,948
2035-36	888,588	393,669	773,969	1,730,206	2,003,896	548,700	810,644	2,036,825	2,578,633	11,765,129
2036-37	891,244	390,663	779,269	1,729,881	1,997,815	549,675	806,650	2,037,725	2,580,170	11,763,091
2037-38	887,697	391,978	783,675	1,727,738	1,997,346	549,600	806,325	2,038,025	2,581,420	11,763,804
2038-39	887,947		787,175	1,728,675	2,000,096	549,075	805,400	2,037,725	2,580,619	11,376,712
2039-40	886,884		790,125	1,728,363	1,996,065	548,100	806,925	2,036,825	2,577,811	11,371,098
2040-41	888,925		797,456	1,725,956	1,995,253			2,035,325	2,576,973	10,019,888
2041-42	884,050		804,100	1,726,350	1,997,471			2,033,225	2,577,860	10,023,056
2042-43	887,600		809,175	1,725,281	1,992,721			2,035,475	2,575,353	10,025,606
2043-44	884,463		817,575	1,722,750	1,995,909			2,032,075	2,573,125	10,025,896
2044-45			825,075	1,723,675	1,994,740			2,031,950	2,570,875	9,146,315
2045-46			831,675	1,722,975	1,994,405			2,034,975	2,564,625	9,148,655
2046-47			837,375	1,719,628	1,992,200			2,031,081	2,564,125	9,144,409
2047-48				1,718,519	1,993,040			2,030,244	2,564,000	8,305,803
2048-49					1,991,840			2,028,506	2,559,125	6,579,471
2049-50					1,988,600			2,030,813	2,559,250	6,578,663
2050-51					1,988,235			2,027,163	2,554,125	6,569,523
2051-52								2,027,556	2,553,500	4,581,056
2052-53									2,547,125	2,547,125
Total	\$ 16,926,806	\$ 15,411,125	\$ 17,194,706	\$ 39,747,110	\$ 51,979,295	\$ 8,107,475	\$ 12,061,844	\$ 54,840,863	\$ 72,110,463	\$ 288,379,686

Below are the amounts total outstanding principal and remaining interest of each above general obligation debt (as of June 30, 2025).

	2014	2015	2016	2017	2020	2020	2020	2021	2022	Total
	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds (Measure O)	G.O.Bonds (Series A)	G.O.Bonds (Series B)			
Remaining Principal	11,535,000.00	13,805,000.00	12,645,000.00	28,179,999.00	34,130,000.00	6,370,001.00	9,485,000.00	40,830,000.00	38,615,000.00	195,595,000.00
Remaining Interest	5,391,805.00	1,606,125.00	4,549,705.00	11,567,109.00	17,849,296.00	1,737,475.00	2,576,843.00	14,010,863.00	33,495,462.00	92,784,683.00
Total	\$ 16,926,805	\$ 15,411,125	\$ 17,194,705	\$ 39,747,108	\$ 51,979,296	\$ 8,107,476	\$ 12,061,843	\$ 54,840,863	\$ 72,110,462	\$ 288,379,683

**CITY OF BERKELEY
LAND-SECURED OBLIGATIONS
CONTINUING DISCLOSURE ANNUAL REPORT INFORMATION**

\$1,490,000
City of Berkeley
Thousand Oaks Heights Applicant Funded Utility
Undergrounding Assessment District
Limited Obligation Improvement Bonds

Content of Annual Reports

1. Audited financial statements:

This exhibit is attached to the City's audited financial statements.

2. The following information:

A. Principal amount of Bonds outstanding (as of June 30, 2025): \$750,000

B. Balance in the Acquisition and Improvement Account: \$0

C. The amount of any advances made by the City pursuant to Section 8769(a) of the Improvement Bond Act of 1915, to cure any deficiency in the Redemption Account, or, if a reserve account has been established for the Bonds, the balance in reserve account and a statement of projected reserve fund draw, if any: There are no deficiencies in the Redemption Account and no reserve account was established for the bonds.

D. The delinquency rate, total amount of delinquencies, number of parcels delinquent in payment of the Assessment:

**Assessment Levy and Delinquency Information
Fiscal Year 2024-2025**

	Amount	Number of	Delinquency
Total Levy	Delinquent	Delinquent	Rate
		Parcels	
\$112,321	\$3,301	3	2.94%

**CITY OF BERKELEY
PARKING ENTERPRISE OBLIGATIONS
CONTINUING DISCLOSURE ANNUAL REPORT INFORMATION**

**\$33,970,000
Berkeley Joint Powers Financing Authority
Parking Revenue Bonds, Series 2016**

Content of Annual Reports

1. Audited financial statements:

This exhibit is attached to the City's audited financial statements.

2. Other financial information and operating data:

A. Principal amount of Bonds outstanding (as of June 30, 2025): \$29,010,000

B. Balance in funds and accounts held by the Authority, the City or the Trustee relating to the Bonds as of June 30, 2025

Project Fund:	\$0.00
Capitalized Interest Subaccount:	\$0.00

C. A description of any event of default under the Installment Sale Agreement:

No events of default have occurred to date.

D. Changes, if any, to the rate structure of the Center Street Garage, Oxford Way Garage or Telegraph Channing Garage:

No changes have been made to the rate structure since the issuance of the bonds

- E.** Occupancy rates, in substantially the form provided in Table 1 of the Official Statement (to be provided within nine months of the close of the most recently completed fiscal year):

No changes have been made to the rate structure since the issuance of the bonds.

TABLE 1
CITY OF BERKELEY PARKING GARAGES
HISTORICAL OCCUPANCY LEVELS
(Weekday Peak Parking⁽¹⁾)

Year	Center Street Garage		Telegraph Channing Garage		Oxford Street Garage	
	Short-term ⁽²⁾	Overall ⁽³⁾	Short-Term ⁽²⁾	Overall ⁽³⁾	Short-term ⁽²⁾	Overall ⁽³⁾
2021 - Pandemic ⁽⁴⁾	32%	39%	22%	29%	0%	0%
2022 ⁽⁵⁾	38%	47%	61%	66%	32%	39%
2023 ⁽⁶⁾	65%	74%	80%	83%	86%	89%
2024 ⁽⁷⁾	55%	64%	86%	88%	43%	51%
2025 ⁽⁸⁾	42%	61%	82%	97%	43%	66%

⁽¹⁾ Weekday peak parking – Tuesday through Thursday 10 a.m. to 2 p.m.

⁽²⁾ Represents hourly parkers.

⁽³⁾ Represents hourly parkers and monthly permit parkers.

⁽⁴⁾ April 2021. Residual impacts of the COVID-19 pandemic resulted in lower parking occupancy rates compared to previous years. As of April 2021, the Oxford Garage remained closed and the Center Street and Telegraph Channing Garages had reduced hours and capacity.

⁽⁵⁾ April 2022 data. All garages open at full capacity.

⁽⁶⁾ April 2023 data.

⁽⁷⁾ April 2024 data.

⁽⁸⁾ April 2025 data.

Source: City's Garage Parking Access and Control System (PARCS) SKIDATA.

- F.** Revenues, expenses and changes in net position and statement of net position for each of the Off Street Parking Enterprise and the Parking Meter Enterprise, in substantially the form provided in Tables 2 through 5, respectively, of the Official Statement. (The City does not need to provide projected results for future years.):

Table 2
CITY OF BERKELEY
Off Street Parking Fund
Statement of Net Position

Fiscal Year Ended June 30:	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Assets					
Current Assets:					
Cash and investments in treasury	\$ 34,277	\$ 1,145,652	\$ -	\$ -	\$ -
Accounts receivables, net	348,562	379,049	221,541	199,933	264,094
Current portion of lease receivable	-	228,741	218,824	163,405	161,859
Total current assets	382,839	1,753,442	440,365	363,338	425,953
Noncurrent Assets:					
Lease receivable	-	1,032,739	813,915	780,408	2,111,078
Restricted cash and cash equivalents	-	-	-	-	-
Capital Assets:					
Land	1,291,709	1,291,709	1,291,709	1,291,709	1,291,709
Construction in Progress	-	-	-	-	-
Buildings, property, equip. and infrastructure	46,876,972	44,941,841	43,006,708	41,071,576	39,167,125
Total capital assets, net	48,168,681	46,233,550	44,298,417	42,363,285	40,458,834
Total noncurrent assets	48,168,681	47,266,289	45,112,332	43,143,693	42,569,911
Total assets	48,551,520	49,019,730	45,552,697	43,507,031	42,995,865
Deferred outflows of resources					
Deferred pension items	124,183	97,302	278,739	263,555	186,439
Deferred OPEB items	64,734	59,567	52,349	46,129	41,330
Total Deferred outflows of resources	188,917	156,869	331,088	309,684	227,770
Liabilities					
Current liabilities:					
Accounts payable	221,479	40,208	-	285,887	627,597
Accrued salaries and wages	21,004	33,404	8,479	14,815	18,835
Accrued interest payable	179,063	85,150	82,488	79,730	76,862
Due to other funds	474,894	474,893	474,893	649,746	1,625,433
Compensated absences	3,709	-	3,825	217	2,108
Other liabilities	-	-	-	-	42
Deposits held	5,566	5,559	5,566	5,566	5,566
Revenue bonds payable	760,000	840,000	870,000	905,000	945,000
Total current liabilities	1,665,715	1,479,214	1,445,250	1,940,961	3,301,444
Noncurrent liabilities:					
Compensated absences	19,459	-	20,069	1,141	11,058
Revenue bonds payable	33,237,246	32,289,347	31,356,447	30,388,548	29,380,649
Net pension liability	1,073,567	739,465	1,126,592	1,167,084	1,119,522
Net OPEB liabilities	100,075	53,383	54,792	51,236	36,387
Total noncurrent liabilities:	34,430,347	33,082,195	32,557,900	31,608,009	30,547,616
Total liabilities	36,096,062	34,561,409	34,003,150	33,548,970	33,849,060
Deferred inflows of resources					
Deferred pension items	92,961	242,061	26,038	9,231	-
Deferred OPEB items	-	134,455	121,523	117,373	123,384
Deferred lease revenue	-	1,246,876	1,007,154	882,146	2,200,595
Total Deferred inflows of resources	92,961	1,623,392	1,154,715	1,008,750	2,323,979
Net Position					
Net investment in capital assets	14,171,435	13,104,202	12,071,970	11,069,737	18,950,719
Unrestricted (deficit)	(1,620,021)	(112,405)	(1,346,050)	(1,810,742)	(4,849,529)
Total Net Position	\$ 12,551,414	\$ 12,991,797	\$ 10,725,920	\$ 9,258,995	\$ 14,101,190

Table 3
CITY OF BERKELEY
Off Street Parking Fund
Statement of Revenues, Expenses and Changes in Net Position

Fiscal Year Ended June 30:	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Revenues:					
Center Street Garage	\$ 1,043,093	\$ 2,089,031	\$ 2,877,128	\$ 3,188,256	\$ 2,740,123
Oxford Garage	870	203,835	422,132	385,745	405,616
Telegraph Garage	344,194	1,184,198	1,313,252	1,322,782	1,464,906
Others	223,427	37,960	66,717	564,845	412,201
Total revenues ⁽¹⁾	1,611,584	3,515,024	4,679,229	5,461,628	5,022,846
Operating Expenses:					
Personnel services	272,937	292,772	333,059	300,828	376,919
Employee benefits	206,868	72,190	169,117	204,905	276,381
Transportation	3,282	305	416	1,011	4,778
Repairs and maintenance	551,965	530,661	589,405	537,173	809,168
Materials and supplies	4,533	648	672	567	1,744
Utilities	232,946	247,044	271,964	349,928	373,324
Specialized and professional services	1,704,273	2,606,407	2,713,173	2,580,226	3,451,157
Depreciation	1,931,983	1,935,132	1,935,132	1,935,132	1,904,452
Communication	50,787	67,416	79,413	90,901	105,578
General administration	1,557	183,598	4,708	4,390	18,940
Total operating expenses	4,961,131	5,936,173	6,097,059	6,005,061	7,322,441
Operating Income (Loss)	(3,349,547)	(2,421,149)	(1,417,830)	(543,433)	(2,299,595)
Non-operating revenues (expenses):					
Other Financing Sources (uses):					
Investment earnings	-	(120,510)	(31,039)	59,821	39,835
Interest expense	(1,121,735)	(950,038)	(1,009,088)	(975,393)	(940,483)
Gain (loss) on disposal of capital assets	-	-	-	-	-
Total non-operating revenue (expenses)	(1,121,735)	(1,070,548)	(1,040,127)	(915,572)	(900,648)
Net income (loss) before contributions and transfers	(4,471,282)	(3,491,697)	(2,457,957)	(1,459,005)	(3,200,243)
Transfer in	1,910,250	3,940,000	200,000	-	1,000,000
Transfer out	(7,920)	(7,920)	(7,920)	(7,920)	(7,920)
Change in net position	(2,568,952)	440,383	(2,265,877)	(1,466,925)	(2,208,163)
Total Net Position - Beginning	15,120,366	12,551,414	12,991,797	10,725,920	9,258,758
Total Net Position - Ending	<u>\$ 12,551,414</u>	<u>\$ 12,991,797</u>	<u>\$ 10,725,920</u>	<u>\$ 9,258,995</u>	<u>\$ 7,050,595</u>

⁽¹⁾ Total revenues reflect audited figures prepared on a full accrual basis. Garage figures provided on a cash basis.

⁽²⁾ GASB 31 requires the City to record the unrecognized loss of investments to reflect the fair market value.

Source: City of Berkeley, Department of Finance

Table 4
CITY OF BERKELEY
Parking Meter Fund
Statement of Net Position

Fiscal Year Ended June 30:	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Assets					
Current Assets:					
Cash and cash equivalents	\$ 2,311,101	\$ 3,947,180	\$ 6,054,781	\$ 5,881,267	\$ 4,894,628
Accounts receivables, net	11,957	5,847	2,818	86,415	95,044
Accrued interest	-	9,676	25,990	-	-
Due from other fund	-	-	-	59,808	-
Total current assets	<u>2,323,058</u>	<u>3,962,703</u>	<u>6,083,589</u>	<u>6,027,490</u>	<u>4,989,672</u>
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	-	-
Construction in Progress	-	-	-	-	-
Buildings, property, equip. & infrastructure, net	433,711	563,544	473,910	1,475,287	1,581,239
Improvements other than buildings	3,421	215,701	220,933	220,933	220,933
Total capital assets, net	<u>437,132</u>	<u>779,245</u>	<u>694,843</u>	<u>1,696,220</u>	<u>1,802,172</u>
Total noncurrent assets	<u>437,132</u>	<u>779,245</u>	<u>694,843</u>	<u>1,696,220</u>	<u>1,802,172</u>
Total assets	<u>2,760,190</u>	<u>4,741,948</u>	<u>6,778,432</u>	<u>7,723,710</u>	<u>6,791,844</u>
Deferred outflows of resources					
Deferred pension items	1,025,939	864,262	1,955,525	1,942,828	1,298,192
Deferred OPEB items	257,643	237,433	209,205	203,831	199,686
Total Deferred outflows of resources	<u>1,283,582</u>	<u>1,101,695</u>	<u>2,164,730</u>	<u>2,146,660</u>	<u>1,497,878</u>
Liabilities					
Current liabilities:					
Accounts payable	288,625	199,771	11,750	45,268	39,803
Accrued salaries and wages	274,396	270,762	102,370	116,549	152,258
Compensated absences - due within one year	47,838	75,096	60,307	74,323	81,155
Total current liabilities	<u>610,859</u>	<u>545,629</u>	<u>174,427</u>	<u>236,140</u>	<u>273,216</u>
Noncurrent liabilities:					
Compensated absences - due in more than one year	250,996	394,015	316,417	389,955	425,802
Net pension liability	8,559,686	6,550,216	8,878,607	8,912,465	8,514,880
Net OPEB liabilities	769,375	586,764	592,275	589,203	576,375
Total noncurrent liabilities:	<u>9,580,057</u>	<u>7,530,995</u>	<u>9,787,299</u>	<u>9,891,623</u>	<u>9,517,057</u>
Total liabilities	<u>10,190,916</u>	<u>8,076,624</u>	<u>9,961,726</u>	<u>10,127,763</u>	<u>9,790,273</u>
Deferred inflows of resources					
Deferred pension items	-	1,455,888	156,608	142,554	-
Deferred OPEB items	418,226	580,507	529,930	526,345	531,538
Deferred lease revenue	-	-	-	-	-
Total Deferred inflows of resources	<u>418,226</u>	<u>2,036,395</u>	<u>686,538</u>	<u>668,899</u>	<u>531,538</u>
Net Position					
Net investment in capital assets	437,132	779,245	694,843	1,696,220	3,604,344
Unrestricted (deficit)	(7,002,502)	(5,048,621)	(2,399,944)	(2,622,513)	(7,668,522)
Total Net Position	<u>\$ (6,565,370)</u>	<u>\$ (4,269,376)</u>	<u>\$ (1,705,102)</u>	<u>\$ (926,293)</u>	<u>\$ (4,064,179)</u>

Source: City of Berkeley, Department of Finance.

Table 5
CITY OF BERKELEY
Parking Meter Fund
Statement of Revenues, Expenses and Changes in Net Position

Fiscal Year Ended June 30:	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Operating Revenues:					
Parking meter revenues	\$ 4,254,957	\$ 7,519,591	\$ 8,503,964	\$ 9,037,445	\$ 8,814,428
Total Revenues	<u>4,254,957</u>	<u>7,519,591</u>	<u>8,503,964</u>	<u>9,037,445</u>	<u>8,814,428</u>
Operating Expenses:					
Personnel services	1,459,398	3,317,793	2,838,929	2,841,934	3,071,843
Employee benefits	1,463,511	1,914,678	1,894,233	1,825,884	2,257,587
Transportation	135,409	521,459	568,967	600,116	600,479
Repairs and maintenance	65,420	141,470	110,028	147,888	132,581
Materials and supplies	119,754	161,932	125,713	89,812	227,687
Utilities	10,630	9,259	13,500	13,387	9,527
Specialized and professional services	809,583	1,357,172	873,492	715,971	1,174,574
Depreciation	394,025	185,037	181,324	169,790	262,761
Communication	14,103	20,624	21,640	119,280	29,619
General administration	137,984	16,334	93,201	110,033	151,970
Total Operating Expenses	<u>4,609,817</u>	<u>7,645,758</u>	<u>6,721,027</u>	<u>6,634,095</u>	<u>7,918,628</u>
Operating Income (Loss)	<u>(354,860)</u>	<u>(126,167)</u>	<u>1,782,937</u>	<u>2,403,350</u>	<u>895,800</u>
Non-operating Revenues (Expenses):					
Investment earnings ⁽¹⁾	-	(166,901)	(167,723)	126,397	130,467
Interest expense	(149,551)	-	-	-	-
Gain(loss) of dispos. capital assets	(10)	-	-	-	-
Total non-operating revenue (expenses)	<u>(149,561)</u>	<u>(166,901)</u>	<u>(167,723)</u>	<u>126,397</u>	<u>130,467</u>
Net income (loss) before contributions and transfers	<u>(504,421)</u>	<u>(293,068)</u>	<u>1,615,214</u>	<u>2,529,747</u>	<u>1,026,267</u>
Transfers in ⁽²⁾	-	4,340,000	2,700,000	-	-
Transfers out	(1,742,288)	(1,750,938)	(1,750,940)	(1,750,938)	(2,050,938)
Change in net position	<u>(2,246,709)</u>	<u>2,295,994</u>	<u>2,564,274</u>	<u>778,809</u>	<u>(1,024,671)</u>
Total Net Position - Beginning	(4,318,661)	(6,565,370)	(4,269,376)	(1,705,102)	(1,007,419)
Total Net Position - Ending	<u>\$ (6,565,370)</u>	<u>\$ (4,269,376)</u>	<u>\$ (1,705,102)</u>	<u>\$ (926,293)</u>	<u>\$ (2,032,090)</u>

⁽¹⁾ GASB 31 requires the City to record the unrecognized loss of investments to reflect the fair market value.

⁽²⁾ Transfers in reflect public works engineering fees collected in the Permit Service Center Fund transferred to Parking Meter Fund in lieu of lost parking meter revenues.

Source: City of Berkeley, Department of Finance.

- G.** Coverage ratio calculation for the Bonds, in substantially the form provided in Table 6 of the Official Statement. (The City does not need to provide projected results for future years.):

Table 6
CITY OF BERKELEY
Off Street Parking Fund and Parking Meter Fund
Summary of statement of revenues, expenses and debt service coverage

Fiscal year ended June 30:	2024-2025
Off street parking enterprise operating revenues	
Center street garage	\$ 2,657,994
Oxford garage	405,616
Telegraph/Channing garage	1,464,906
Telegraph/Channing mall rents	323,696
Other	88,505
Total off street parking enterprise revenues	4,940,717
Off street parking enterprise operating expenses	
Personnel	625,445
Non-personnel	4,374,436
Property and business interruption insurance for Center street garage	-
Parking management services	-
Total off street parking enterprise expenses	4,999,881
NET OFF STREET PARKING REVENUES FOR COVERAGE	\$ (59,164)
Parking meter enterprise operating revenues	
Various lots	\$ 8,746,723
PSC transfer	-
Total parking meter enterprise revenues	8,746,723
Parking Meter Enterprise Operating Expenses	
Personnel	5,266,870
Non-personnel	2,326,438
Total Parking Meter Enterprise Expenses	7,593,308
NET PARKING METER REVENUES FOR COVERAGE	1,153,415
Draws from Rate Stabilization Fund	-
TOTAL NET REVENUES FOR COVERAGE	1,094,251
2016 Revenue bonds debt service	1,911,250
Coverage ratio (Off street parking fund only)	(0.03)
Coverage ratio (Off street parking fund and parking meter fund)	0.57

⁽¹⁾ Excludes non-cash items and capital expenses

Source: City of Berkeley



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**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**

Independent Auditors Report

To the Honorable Mayor and Members of the City Council
of the City of Berkeley
Berkeley, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Berkeley, California (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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. 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.

To the Honorable Mayor and Members of the City Council
of the City of Berkeley
Berkeley, California
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with a large, looped "B" at the beginning.

Badawi & Associates, CPAS
Emeryville, California
December 31, 2025



APPENDIX C
FORM OF OPINION OF BOND COUNSEL

[Closing Date]

City Council
City of Berkeley
2180 Milvia Street
Berkeley, California 94704

OPINION: \$_____ City of Berkeley, California
2026-27 Tax and Revenue Anticipation Notes

Members of the City Council:

We have acted as bond counsel to the City of Berkeley, California (the “City”) in connection with the issuance by the City, of the tax and revenue anticipation notes captioned above, dated the date hereof (the “Notes”). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we deem necessary to render this opinion.

The Notes are issued pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the “Act”), and a resolution (the “Resolution”) of the City Council of the City, adopted on June 30, 2026.

Regarding questions of fact material to our opinion, we have relied upon representations of the City in the Resolution, and on the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of City Attorney, and others, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The City is a duly created and validly existing municipal corporation and charter city with the power to adopt the Resolution, perform the agreements on its part contained therein and issue the Notes.
2. The Resolution constitutes a valid and binding obligation of the City, enforceable against the City.
3. Pursuant to the Act, the Resolution creates a first lien on funds pledged by the Resolution for the security of the Notes.

4. The Notes have been duly authorized and executed by the City and are valid and binding general obligations of the City.

5. The interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. It should be noted however that interest on the Notes may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Notes.

6. The interest on the Notes is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Notes.

The rights of the owners of the Notes and the enforceability of the Notes are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions, and any assumptions expressed herein, and in reliance upon the representations, covenants and opinions referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by the City of Berkeley (the “**City**”) in connection with the issuance by the City, of the \$_____ City of Berkeley 2026-27 Tax and Revenue Anticipation Notes (the “**Notes**”). The Notes are being issued pursuant to a resolution adopted by the City Council of the City on June 30, 2026 (the “**Resolution**”). The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Notes and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Dissemination Agent**” shall mean NHA Advisors, LLC, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“**Listed Events**” shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“**MSRB**” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

“**Participating Underwriter**” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 3, the City shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Notes:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.

- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Notes under the Resolution.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 3 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event’s occurrence is material for purposes of U.S. federal securities law.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 3(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 4. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the City shall give notice of such termination in the same manner as for a Listed Event under Section 3(b).

Section 5. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NHA Advisors, LLC.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a) it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Notes, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Notes, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Notes.

Section 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

Section 8. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate any holder or beneficial owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

Section 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Notes and shall create no rights in any other person or entity.

Date: _____, 2026

CITY OF BERKELEY

By _____
City Manager

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal, interest and other payments on the Notes to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Notes and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

*Neither the issuer of the Notes (the “**Issuer**”) nor the trustee, fiscal agent or paying agent appointed with respect to the Notes (the “**Agent**”) take any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Notes, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Notes, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “**Rules**” applicable to DTC are on file with the Securities and Exchange Commission and the current “**Procedures**” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “**Securities**”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust

companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.