

**NEW ISSUE BOOK-ENTRY ONLY**

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

*In the opinion of Jones Hall LLP, San Francisco, California, 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."*



**\$58,500,000\***  
**CITY OF BERKELEY**  
**2025-26 TAX AND REVENUE ANTICIPATION NOTES**

**Dated: Date of Delivery****Due: July 28, 2026**

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 2025-26 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 2026; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May 2026; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2026 (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, 2025-26 Tax and Revenue Anticipation Notes Special Account," as established in the City's Resolution adopted on June 24, 2025.

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****Interest Rate****Reoffering Yield****CUSIP†**

*The Notes are offered when, as and if issued and received by the Purchaser, subject to the approval of legality by Jones Hall LLP, San Francisco, California, 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 29, 2025.\**

Dated July \_\_, 2025

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\* 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 provided the following sentence for inclusion in this Official Statement. The Purchaser has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Purchaser 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, CALIFORNIA**

## **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 Lunaparra, Councilmember District 7  
Mark Humbert, Councilmember District 8

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## **CITY OFFICIALS**

Paul Buddenhagen  
City Manager

David White  
Deputy City Manager

Henry Oyekanmi  
Director of Finance

Farimah Brown  
City Attorney

Jenny Wong  
*City Auditor*

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## **PROFESSIONAL SERVICES**

### **Municipal Advisor**

NHA Advisors, LLC  
San Rafael, California

### **Bond Counsel and Disclosure Counsel**

Jones Hall LLP  
San Francisco, California

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## OFFICIAL STATEMENT

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**\$58,500,000\***  
**CITY OF BERKELEY**  
**2025-26 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 2025-26 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 2025-26 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 24, 2025 (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 – FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF BERKELEY AND ALAMEDA COUNTY” and “APPENDIX B – COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2024,” for demographic and financial information regarding the City. The City is currently facing significant budget deficits. See “APPENDIX A – FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF BERKELEY AND ALAMEDA COUNTY - General Fund Budget - *Adopted Biennial Budget*.”

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\* 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 28, 2026. 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 2025-26 fiscal year commencing July 1, 2025, and ending June 30, 2026, 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 2025-26 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 "2025-26 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 2026; (b) an amount equal to fifty percent (50%) of the principal amount of the Notes in the month of May 2026; and (c) an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2026 (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 2025-26 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 2025-26**

<u>Source</u>	<u>Amount</u>
Available Cash Balance, July 1, 2025	\$22,891,729
Taxes (including property tax, sales tax and other taxes)	241,767,745
Other Revenue	97,256,844
Proceeds of the Notes <sup>(1)*</sup>	58,896,620
Transfers In	14,060,478
 TOTAL UNRESTRICTED MONEYS*	 \$434,873,416
 ESTIMATED PRINCIPAL PLUS INTEREST NEEDED FOR NOTE REPAYMENT*	 \$60,891,944
 NOTE COVERAGE RATIO*	 7.14x

\* 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 2024-25 and the projected fiscal year 2025-26. 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 2024-25 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	\$50,087,331	\$21,521,586	\$9,285,060	\$4,523,874	\$1,325,005	\$1,779,146	\$23,090,246	\$1,638,050	\$8,744,729	\$25,219,952	\$53,388,940	\$28,849,528	\$50,087,331
<b>CASH RECEIPTS</b>													
Property Tax	\$3,502,463	\$2,833,384	\$5,711,196	\$3,690,299	\$5,004,567	\$46,857,256	\$2,713,514	\$958,526	\$13,968,924	\$30,917,273	\$5,322,914	\$9,227,504	\$130,707,820
Sales Tax	1,785,931	1,485,190	1,598,291	1,418,190	1,701,968	1,375,367	1,414,907	2,064,177	1,356,319	1,387,094	1,550,000	1,746,801	18,884,235
Other Taxes	2,481,351	2,864,685	1,501,321	4,417,949	1,996,522	13,483,160	7,303,476	16,951,046	10,753,528	13,283,610	2,658,108	3,825,432	81,520,188
License and Permits	193,046	315,875	81,908	71,138	65,476	43,384	70,121	67,141	58,418	1,342,265	105,664	105,664	2,520,100
Franchises	0	136,358	0	0	132,067	0	0	127,183	0	1,467,093	127,183	0	1,989,885
Subventions & Grants	0	22,119	44,263	163,739	275,519	27,127	158,813	4,520	239,352	78,828	30,000	223,569	1,267,851
Service Fees	1,402,706	796,480	790,922	998,549	848,985	1,100,720	377,257	2,234,152	1,246,701	1,264,995	1,116,106	784,635	12,962,207
Fines and Penalties	663,292	300,172	550,769	564,083	469,653	463,242	583,251	573,934	486,588	581,516	514,300	514,300	6,265,100
Rents and Royalties	22,671	24,867	27,316	30,728	28,427	36,910	26,141	22,944	26,009	75,072	20,615	19,333	361,033
Interest Income	1,889,719	833,459	1,661,013	846,569	1,730,491	364,333	1,429,429	804,756	689,034	1,260,833	1,470,937	369,726	13,350,298
CalPERS Discount	0	0	0	0	440,934	440,934	0	0	440,934	0	0	440,934	1,763,734
Miscellaneous	51,233	8,973	24,797	9,032	6,495	26,228	18,392	4,206	60,003	2,747	5,572	5,575	223,253
Transfers In/Indirect Costs	962,433	722,657	726,375	1,107,694	982,760	789,634	1,126,333	766,290	5,537,564	1,142,284	1,026,298	891,960	15,782,283
CalPERS Prepayments from Other Depts	3,448,519	4,057,081	4,057,081	4,057,081	4,057,081	4,057,081	4,057,081	4,057,081	4,057,081	4,057,081	6,085,622	6,694,184	52,742,054
TRAN Proceeds	36,002,185	0	0	0	0	0	0	0	0	0	0	0	36,002,185
<b>TOTAL RECEIPTS</b>	<b>\$52,405,549</b>	<b>\$14,401,299</b>	<b>\$16,775,251</b>	<b>\$17,375,051</b>	<b>\$17,740,945</b>	<b>\$69,065,377</b>	<b>\$19,278,715</b>	<b>\$28,635,955</b>	<b>\$38,920,456</b>	<b>\$56,860,690</b>	<b>\$20,033,318</b>	<b>\$24,849,617</b>	<b>\$376,342,225</b>
<b>CASH DISBURSEMENTS</b>													
General Government	\$3,180,209	\$6,029,969	\$3,882,696	\$3,624,600	\$5,294,476	\$4,651,211	\$3,942,142	\$3,794,235	\$4,452,471	\$3,806,170	\$6,637,648	\$5,995,599	\$55,291,427
Public Safety	8,156,570	11,382,786	12,039,767	12,395,046	17,098,116	11,820,994	12,593,479	11,856,451	11,793,017	11,618,011	16,279,553	13,271,615	150,305,405
Highways and Streets	61,015	108,434	125,278	363,015	212,338	149,697	244,569	302,392	278,936	297,884	408,340	409,286	2,961,184
Health and Human Service	901,224	1,291,763	1,560,771	1,628,887	1,874,740	1,470,940	1,811,356	1,728,681	1,656,427	2,645,024	2,888,910	2,617,164	22,075,886
Culture - Recreation	887,382	1,597,448	1,867,466	1,154,849	1,063,032	2,260,370	866,085	852,453	748,200	709,493	1,292,950	1,886,373	15,186,099
Urban Redevelopment/Housing	681,389	1,564,037	1,260,718	1,224,720	1,319,503	2,812,354	1,107,070	889,292	2,558,176	2,047,276	1,735,529	1,440,124	18,640,187
Econ Dev & Assistance	359,906	600,873	513,697	610,340	312,176	309,101	637,481	154,759	346,359	197,923	469,558	293,432	4,805,605
Transfers Out/Other	13,735,005	162,752	162,752	6,622,795	162,752	162,752	6,622,795	162,742	712,411	6,622,795	162,742	162,742	35,455,032
Transfer Out to Pension Saving Fund	0	0	0	0	440,934	440,934	0	0	440,934	0	0	440,934	1,763,734
Transfer Out to Stabilization Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	2,213,922	2,213,922
Transfer Out to Catastrophic Reserve Fund	0	0	0	0	0	0	0	0	0	0	0	1,811,391	1,811,391
CalPERS Unfunded Pension Liability													
Prepayment	52,742,054	0	0	0	0	0	0	0	0	0	0	0	52,742,054
TRAN Principal Pledge	0	0	0	0	0	0	17,697,500	0	0	0	17,697,500	0	35,395,000
TRAN Interest Pledge	0	0	0	0	0	0	0	0	0	0	0	1,764,834	1,764,834
Advances from GF/(Repayment to GF)	266,540	3,899,764	123,293	3,949,669	2,508,739	(324,074)	3,208,436	(6,211,728)	(541,699)	747,126	(3,000,000)	(1,500,000)	3,126,066
<b>TOTAL DISBURSEMENTS</b>	<b>\$80,971,295</b>	<b>\$26,637,825</b>	<b>\$21,536,438</b>	<b>\$31,573,920</b>	<b>\$30,286,804</b>	<b>\$23,754,277</b>	<b>\$48,730,911</b>	<b>\$13,529,276</b>	<b>\$22,445,232</b>	<b>\$28,691,702</b>	<b>\$44,572,731</b>	<b>\$30,807,415</b>	<b>\$403,537,826</b>
Interfund Borrowings	\$0	\$0	\$0	\$11,000,000	\$13,000,000	(\$24,000,000)	\$8,000,000	(\$8,000,000)	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	(\$28,565,745)	(\$12,236,526)	(\$4,761,187)	(\$3,198,869)	\$454,141	\$21,311,100	(\$21,452,196)	\$7,106,679	\$16,475,223	\$28,168,988	(\$24,539,413)	(\$5,957,798)	(\$27,195,602)
Ending Balance	\$21,521,586	\$9,285,060	\$4,523,874	\$1,325,005	\$1,779,146	\$23,090,246	\$1,638,050	\$8,744,729	\$25,219,952	\$53,388,940	\$28,849,528	\$22,891,729	\$22,891,729

(1) Actual through April 30, 2025.

(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 2025-26 Projected General Fund Cash Flows <sup>(1)</sup>**  
**(Including the Notes)**

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
Beginning Balance	\$22,891,729	\$18,526,568	\$12,054,318	\$8,466,959	\$1,169,946	\$1,110,026	\$45,651,198	\$4,616,359	\$14,696,414	\$34,688,393	\$67,811,508	\$29,249,895	\$22,891,729
<b>CASH RECEIPTS</b>													
Property Tax	\$3,617,745	\$2,926,643	\$5,899,177	\$3,811,763	\$5,169,290	\$48,399,541	\$2,802,828	\$990,075	\$14,428,705	\$31,934,901	\$5,498,115	\$9,531,223	\$135,010,005
Sales Tax	1,806,971	1,502,687	1,617,120	1,434,898	1,722,020	1,391,571	1,431,576	2,088,495	1,372,298	1,403,435	1,568,261	1,767,380	19,106,713
Other Taxes	2,667,964	3,080,127	1,614,230	4,750,207	2,146,673	14,497,180	7,852,744	18,225,873	11,562,263	14,282,623	2,858,015	4,113,129	87,651,027
License and Permits	193,804	317,116	82,230	71,417	65,733	43,554	70,397	67,405	58,648	1,347,538	106,079	106,079	2,530,000
Franchises	0	124,889	0	0	120,959	0	0	116,487	0	1,343,706	116,487	0	1,822,528
Subventions & Grants	0	17,446	34,912	129,147	217,312	21,396	125,262	3,565	188,786	62,175	23,662	176,337	1,000,000
Service Fees	1,384,611	786,206	780,720	985,668	838,033	1,086,521	372,391	2,205,332	1,230,619	1,248,677	1,101,709	774,513	12,795,000
Fines and Penalties	638,677	289,033	530,330	543,150	452,224	446,051	561,606	552,635	468,530	559,936	495,214	495,214	6,032,600
Rents and Royalties	21,978	24,107	26,482	29,789	27,558	35,782	25,342	22,243	25,214	72,778	19,985	18,742	350,000
Interest Income	1,981,684	874,020	1,741,847	887,768	1,814,707	382,064	1,498,993	843,921	722,566	1,322,192	1,542,521	387,718	14,000,000
CalPERS Discount	0	0	473,263	0	0	473,263	0	0	473,263	0	0	473,263	1,893,051
Miscellaneous	51,634	9,043	24,991	9,103	6,546	26,433	18,536	4,239	60,473	2,768	5,615	5,618	225,000
Transfers In/Indirect Costs	3,674,489	506,450	509,055	776,290	688,734	553,388	789,352	537,029	3,880,814	800,531	719,246	625,100	14,060,478
CalPERS Prepayments from Other Depts	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	58,896,620	0	0	0	0	0	0	0	0	0	0	0	58,896,620
<b>TOTAL RECEIPTS</b>	<b>\$77,984,337</b>	<b>\$14,812,280</b>	<b>\$17,688,869</b>	<b>\$19,960,969</b>	<b>\$17,624,302</b>	<b>\$71,711,257</b>	<b>\$19,903,540</b>	<b>\$30,011,810</b>	<b>\$38,826,691</b>	<b>\$58,735,771</b>	<b>\$20,586,678</b>	<b>\$24,135,185</b>	<b>\$411,981,687</b>
<b>CASH DISBURSEMENTS</b>													
General Government	\$3,194,090	\$6,056,288	\$3,899,643	\$3,640,420	\$5,317,585	\$4,671,512	\$3,884,126	\$3,735,574	\$4,396,683	\$3,747,560	\$6,591,398	\$5,946,546	\$55,081,426
Public Safety	7,776,357	10,852,185	11,478,542	11,817,259	16,301,099	11,269,966	12,345,007	11,642,336	11,581,859	11,415,011	15,859,258	12,991,533	145,330,412
Highways and Streets	97,622	173,488	200,439	580,806	339,730	239,507	137,042	229,556	192,029	222,345	399,067	400,581	3,212,212
Health and Human Service	715,942	1,026,190	1,239,892	1,294,004	1,489,312	1,168,529	1,414,929	1,349,251	1,291,851	2,077,203	2,270,949	2,055,071	17,393,123
Culture - Recreation	711,704	1,281,197	1,497,759	926,221	852,581	1,812,879	737,072	726,139	642,525	611,480	1,079,430	1,555,371	12,434,359
Urban Redevelopment/Housing	754,520	1,731,899	1,396,026	1,356,165	1,461,120	3,114,194	1,198,384	957,232	2,805,232	2,239,499	1,894,293	1,567,183	20,475,747
Econ Dev & Assistance	299,803	500,530	427,912	508,415	260,044	257,482	531,023	128,914	288,518	164,871	391,144	244,430	4,003,085
Transfers Out/Other	10,190,796	162,752	162,752	6,634,691	162,752	162,752	10,190,796	162,752	162,752	6,634,687	162,752	162,752	34,952,986
Transfer Out to Pension Saving Fund	0	0	473,263	0	0	473,263	0	0	473,263	0	0	473,263	1,893,051
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	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	29,000,000	0	0	0	29,000,000	0	58,000,000
TRAN Interest Pledge	0	0	0	0	0	0	0	0	0	0	0	2,891,944	2,891,944
Advances from GF/(Repayment to GF)	2,000,000	(500,000)	500,000	500,000	(1,500,000)	(3,000,000)	1,500,000	1,000,000	(3,000,000)	(1,500,000)	1,500,000	2,500,000	0
<b>TOTAL DISBURSEMENTS</b>	<b>\$82,349,499</b>	<b>\$21,284,529</b>	<b>\$21,276,228</b>	<b>\$27,257,981</b>	<b>\$24,684,222</b>	<b>\$20,170,085</b>	<b>\$60,938,379</b>	<b>\$19,931,754</b>	<b>\$18,834,712</b>	<b>\$25,612,655</b>	<b>\$59,148,291</b>	<b>\$30,788,674</b>	<b>\$412,277,011</b>
Interfund Borrowings	\$0	\$0	\$0	\$0	\$7,000,000	(\$7,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	(\$4,365,162)	(\$6,472,250)	(\$3,587,359)	(\$7,297,012)	(\$59,920)	\$44,541,172	(\$41,034,840)	\$10,080,056	\$19,991,979	\$33,123,115	(\$38,561,613)	(\$6,653,489)	(\$295,324)
Ending Balance	\$18,526,568	\$12,054,318	\$8,466,959	\$1,169,946	\$1,110,026	\$45,651,198	\$4,616,359	\$14,696,414	\$34,688,393	\$67,811,508	\$29,249,895	\$22,596,406	\$22,596,406

(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, 2024. 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	180 days	25	\$5M or 2%
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 June 30, 2024, the City portfolio included \$534,798,263 in pooled investments. The average life of the investments was 1,017 days and the weighted yield was 3.313%. The following is the market value of investments held by the City as of June 30, 2024:

<u>Security</u>	<u>Market Value</u>	<u>% of Total Portfolio</u>
Medium Term Notes	\$103,942,516	14.88%
Bank and Money Market Account	163,720,486	23.44
Federal Agency	425,927,397	60.98
Municipal Bonds	<u>4,928,350</u>	<u>0.71</u>
TOTAL <sup>(1)</sup> :	\$698,518,749 <sup>(1)</sup>	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.

## **COVID-19 Pandemic**

As described in this Official Statement, while indications are that the COVID-19 pandemic is transitioning to an endemic stage, many variables will continue to contribute to the economic impact of the COVID-19 pandemic and the recovery. The ultimate impact of COVID-19 on the City's operations and finances is not fully known, and it may be some time before the full impact of the COVID-19 pandemic is known. Future costs to the City could also be increased in the event that a sustained deterioration in global stock market values as an economic consequence of the COVID-19 pandemic negatively impacts the market value of assets held to fund the City's pension plans, requiring future unanticipated increases in required plan contributions. Accordingly, prospective investors should consider that COVID-19 may adversely impact the City and its finances.

## **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. 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.

## **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 Francisco, 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 a rating change for one series of the City's outstanding 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.

## **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.

There are a number of lawsuits and claims pending against the City. The aggregate amount of the uninsured liabilities of the City, and the timing of any anticipated payments of judgments that may result from suits and claims, will not, in the opinion of the City, materially affect the finances of the City or impair its ability to repay the Notes. A certificate of the City to this effect will be available at the time of original delivery of 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.

### **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 125,327 as of January 1, 2024, 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
2020	127,659	1,681,337	39,535,623
2021	120,950	1,666,341	39,327,868
2022	124,054	1,643,683	39,114,785
2023	125,181	1,650,656	39,061,058
2024	125,327	1,641,869	39,128,162

*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

## **CITY FINANCIAL INFORMATION**

Although the City is including information about the City's finances in this Appendix A, it is important to understand that the Bonds described in this Official Statement are voter-approved general obligations of the City payable solely from the levy and collection of ad valorem property taxes, unlimited as to rate or amount, and are not payable from the General Fund of the City.

### **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 2023-24 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 recent 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</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>
<b>ASSETS:</b>				
Cash and investments in treasury*	\$146,849	\$171,955	\$160,249	\$134,929
Receivables (net of allowance as applicable):				
Accounts	4,782	5,384	9,314	10,228
Interest	834	1,078	2,000	2,620
Taxes	13,092	10,795	9,083	9,915
Subventions/grants	1	--	--	50
Due from other funds	12,814	17,740	16,034	16,362
Notes receivable	6,197	13,818	15,954	31,326
Other	5	5	4	5
Prepaid Items	--	--	--	--
Total assets	184,574	220,776	212,640	205,434
<b>LIABILITIES:</b>				
Accounts payable	10,444	7,094	6,147	9,368
Accrued salaries and wages	8,081	8,934	3,541	4,672
Accrued interest payable	740	445	1,117	1,178
Advances from other funds	1,760	814	814	--
Deposits held	921	886	936	1,118
Unearned revenue	--	--	--	--
Tax and revenue anticipation notes	42,405	44,660	28,000	23,620
Other liabilities	4,955	6,129	6,515	4,693
Total liabilities	69,307	68,962	47,070	44,649
Deferred Inflows of Resources	3,385	3,770	7,103	7,756
<b>FUND BALANCES</b>				
Reserved for:				
Assigned to	19,577	12,163	16,753	30,338
Nonspendable	--	--	--	660
Restricted and Committed	35,941	60,697	71,799	92,454
Unreserved/Unassigned, report in:				
General fund	56,364	75,184	69,915	29,577
Total fund balances	111,882	148,043	158,467	153,029
Total liabilities and fund balances	<u>\$184,574</u>	<u>\$220,776</u>	<u>\$212,640</u>	<u>\$205,434</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>
<b>REVENUES:</b>				
Taxes	\$187,395	\$225,100	\$216,259	\$216,040
Licenses and Permits	1,805	1,580	1,471	1,457
Subvention and Grants/Intergovernmental	3,700	652	1,589	833
Service Fees	6,990	7,806	9,812	11,952
Fines and Forfeitures	3,579	4,967	6,117	5,947
Rents	189	294	233	273
Franchises	1,714	1,713	1,811	1,987
Private contribution	184	45	134	150
Interest	8,110	(10,069)	3,261	22,319
Other	74	506	560	826
<b>TOTAL REVENUES</b>	<b>213,740</b>	<b>232,595</b>	<b>241,248</b>	<b>\$261,783</b>
<b>EXPENDITURES:</b>				
General Government	27,357	29,693	32,732	42,002
Public Safety	120,179	124,901	128,306	137,522
Highways and Streets	3,163	3,833	3,055	2,224
Health and Human Services	19,320	17,897	15,695	15,531
Culture-Recreation	7,362	8,708	9,291	10,632
Community Development	9,258	12,693	16,592	22,499
Economic Development	2,534	3,005	3,643	3,271
Debt Service	139	98	496	2,347
Capital Outlay	--	--	1,494	5,850
<b>TOTAL EXPENDITURES</b>	<b>189,313</b>	<b>200,827</b>	<b>211,304</b>	<b>241,875</b>
Excess Revenues Over (Under) Expenditures	24,427	31,767	29,944	19,908
Transfers In(out)/Other	(10,614)	4,394	(19,520)	(25,345)
Net Change in Fund Balance	13,813	36,161	10,424	(5,438)
Fund Balance, July 1	98,069	111,882	148,043	158,467
Prior Period Adjustment	--	-	-	--
<b>Fund Balance, June 30*</b>	<b>\$111,882</b>	<b>\$148,043</b>	<b>\$158,467</b>	<b>\$153,029</b>

\* 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.

***Adopted Biennial Budget.*** The City adopted its fiscal years 2024-25 and 2025-26 biennial budget on June 25, 2024. For fiscal year 2024-25, the City authorized operating and capital budget expenditures of \$776.2 million based on revenues of approximately \$667.1 million. For fiscal year 2025-26, the City authorized operating and capital budget expenditures of \$717.0 million based on revenues of approximately \$692.6 million. In both fiscal years, prior year savings (accumulated fund balance), bond proceeds collected in prior fiscal years and/or anticipated grant funding offset the net increase in expenditures among the different funds to balance the budget.

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 2024-25, baseline revenues for the General Fund are projected to be \$273.4 million, while baseline expenditures are projected to be \$285.5 million, resulting in a deficit of \$12.1 million. For fiscal year 2025-26, baseline revenues for the General Fund are projected to be \$284 million, which baseline expenditures are projected to be \$296.1 million, resulting in a deficit of \$12 million. These projected deficits are based on revenue data received through the third quarter of the current fiscal year.



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. In an effort to maintain a balanced budget and to prepare for these potentialities, on April 21, 2025, the City imposed a hiring freeze, effective immediately, noting that the action is intended to slow down deficit spending, and that the City continues to discuss additional steps to balance the City budget, including transfers between funds, restricting certain General Fund contributions, maintaining vacant positions and using certain current fund balances.

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 section 115 pension trust fund to fund a portion of the increased pension cost, and utilizing certain fund balances to balance other funds. Through these one-time measures, the budget is balanced for both fiscal years.

### Five-Year Forecast

Also on June 25, 2024, the Budget and Finance Policy Committee was presented with a five-year forecast, showing a structural annual deficit in fiscal years 2023-24 through 2027-28. The following table shows the projected revenues and expenditures over the next five fiscal years for the City's General Fund and Special Funds.

#### CITY OF BERKELEY Five-Year Forecast Fiscal Years 2023-24 through 2027-28

	2023-24	2024-25	2025-26	2026-27	2027-28
Beginning Fund Balance	\$85,414,113	\$73,516,703	\$61,370,747	\$49,297,696	\$38,716,143
Total Revenues	273,448,848	273,404,097	284,047,718	296,147,777	302,488,599
Total Expenditures	285,346,258	285,550,053	296,120,769	306,729,330	317,787,520
Annual Surplus/(Shortfall)	(11,897,410)	(12,145,956)	(12,073,051)	(10,581,553)	(15,298,921)
Projected Ending Balance	\$73,516,703	\$61,370,747	\$49,297,696	\$38,716,143	\$23,417,222

*Source: City of Berkeley Annual Comprehensive Financial Reports*

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 to 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 a minimum 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, 2025, the Stability Reserve is projected to have \$32,798,073, and the Catastrophic Reserve is projected to have \$25,516,697, which total 21.33% of adopted General Fund revenues, below the long-term goal of 30% in 2027.

**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 simultaneous 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.

While staff envisions that, in most cases, repayment will start as soon as possible, the repayment guidelines are meant to reflect a commitment to maintain a sufficient Reserve, while also recognizing that a use of Reserve amounts may occur during an economic downturn and it may be necessary to postpone repayment while the economy improves. In fiscal year 2023-24, the City repaid \$7.5 million to the Stability Reserve, and \$2.2 million is expected to be repaid in fiscal year 2024-25. In fiscal year 2023-24, the City repaid \$6.1 million to the Catastrophic Reserve and \$1.8 million is expected to be repaid in fiscal year 2024-25.

## **Unfunded Liability Obligations and Unfunded Infrastructure Needs**

**General.** On April 11, 2023, the City Manager presented a biennial report of the City's unfunded liability obligations and unfunded infrastructure needs (the "**Report**"). The Report includes, among other things:

1. Employee and retiree benefit costs over a 10-year horizon
2. Costs for current active employees including:
  - a. total payroll costs for active employees during the current year;
  - b. projected payroll costs for the same number of employees for the next 10-year period.
3. A summary of all current City obligations including:
  - a. general obligation bonds;
  - b. certificates of participation;
  - c. loans;
  - d. all other current long-term obligations.
4. Summary of all capital assets and infrastructure including:
  - a. Appraisal of Public Buildings valued at \$5 million or more
  - b. Condition of Streets and Roads, projecting costs to bring streets and roads condition to an average Pavement Condition Index of 75 within 5 years.
  - c. Sewers: updated asset management plan for public sewers including projected costs for succeeding 5 years and projected revenue from sewer fees for the succeeding 5 years.

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/documents/2023-05-23%20Special%20Item%2001%20Unfunded%20Liability%20Obligations\\_0.pdf](https://berkeleyca.gov/sites/default/files/documents/2023-05-23%20Special%20Item%2001%20Unfunded%20Liability%20Obligations_0.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 maintaining a careful balance between cash on hand to fund daily operations and liquidity to cover unfunded liabilities is a key challenge for all governments, and reports that liabilities tied to pension benefits total \$1,971 million (of which only 77.4% is funded). For OPEB benefits, net liability is \$146 million (of which only 26.17% is funded). The City's unfunded infrastructure needs total \$2.52 billion.

**Unfunded Liabilities.** Due to projected increases in expenses, primarily pension and medical expenses, the City is projecting a General Fund structural deficit.

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, increasing by more than \$40 million over the next ten years, which will put a strain on resources and services.

In addition, the City's retiree health plans are significantly underfunded, as detailed in the Report.

**Unfunded Infrastructure Needs.** The City has an extensive portfolio of capital assets and infrastructure, including 95 buildings, 254 miles of public sanitary mains and 130 miles of sewer laterals, 216 centerline miles (450 lane miles) of public streets, 52 parks, 2 pools, 3 camps and 42 facilities served by the City's IT systems. In addition, Berkeley is a relatively older city, and

faces related challenges with its aging infrastructure. Despite the passage of several local bond measures to support capital facilities, there are significant unfunded needs related to parks, pools, camps, waterfront property, streets, sidewalks, storm drain/watershed, sewer, transportation and buildings/facilities. As needed improvements continue to be deferred, operating and maintenance costs rise and rehabilitation and replacement costs increase substantially. The Report details available annual funding and unfunded needs for capital and major maintenance.

As a result of the age of the City's infrastructure and limited resources allocated to infrastructure, the projected costs of the City's aging infrastructure needs are anticipated to reach more than \$2.52 billion by fiscal year 2027-28.

The Report also highlights that the City is located on the east side of the San Francisco bay, and has waterfront property with docks, pilings, parking lots and streets that have reached the end of their useful life. The City's mechanism for managing its waterfront revenues and expenditures (the "**Marina Fund**") is projected to have insufficient funding due to decreasing revenues and increasing expenditures, a trend that could be aggravated by failure to maintain the marina infrastructure. The City has created the Berkeley Marina Area Specific Plan to address an estimated \$113 million in infrastructure repairs but has not identified any specific funding sources.

The City is currently facing significant budget deficits. See "General Fund Budget - Adopted Biennial Budget."

### **State Budget and its Impact on the City**

**Fiscal Year 2025-26 State Budget.** The Governor sent the fiscal year 2025-26 budget proposal to the legislature on January 10, 2025 (the "**2025-26 State Budget Proposal**"). The 2025-26 State Budget Proposal presents a balanced budget with what are noted as significant reserves in the coming fiscal year, resulting in an upgrade to the State's financial forecast in the near term and modest upward revisions in the long term. A stronger-than-anticipated performance of the economy, stock market, and cash receipts, combined with an improved economic outlook, are noted as contributors to an upgraded revenue forecast, with General Fund revenues, before accounting for transfers and tax policy proposals, projected to be higher by approximately \$16.5 billion (2.7%) than was assumed in the 2024-25 State Budget for the three-year budget window of fiscal years 2023-24 through 2025-26.

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 2025-26 State Budget Proposal and other State budgets is available at [www.dof.ca.gov](http://www.dof.ca.gov) or [www.ebudget.ca.gov](http://www.ebudget.ca.gov). An impartial analysis of the budget is posted by the Legislative Analyst Office at [www.lao.ca.gov](http://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](http://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 decreased by \$1.2 million, or 1.0%, to \$117.8 million in fiscal year 2023-24 from \$119.0 million in fiscal year 2022-23, primarily as a result of increases/decreases in the following revenue sources:

- Property Transfer Tax revenue in fiscal year 2023-24 was \$18.0 million, \$4.0 million less than the fiscal year 2022-23 total of \$22.0 million. This decline was primarily as a result of a 26.2% decrease in the dollar value of property sales and a 10.0% decrease in the number of property sales transactions.
- Measure P Property Tax revenue in fiscal year 2023-24 was \$6.8 million, \$2.9 million or 29.9% less than the fiscal year 2022-23 total of \$9.7 million. This decline was primarily due to a 40.0% decrease in the dollar value of property sales, a 34.1% decrease in the number of property sales transactions, and significantly less property sales of \$10 million or more in fiscal year 2023-24 than there were in fiscal year 2022-23;

- Secured Property Taxes increased by \$5.6 million from \$79.3 million in fiscal year 2022-23 to \$84.9 million in fiscal year 2023-24, due to an increase in assessed value of 7.256% in the City.
- Secured Property Taxes increased \$5.6 million due to an increase in assessed value of 7.256% in the City.
- Vehicle In-Lieu Taxes increased \$1.2 million or 7.3% in fiscal year 2023-24 from \$16.7 million in fiscal year 2022-23 to \$17.9 million in fiscal year 2023-24, due to increase in assessed value of 7.256% 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.

See Table 1 of the forepart of this Official Statement for a table summarizing the historical and current assessed valuation of the taxable property in the City.

The City does not participate in the Teeter Plan. See Table 4 of the forepart of this Official Statement for a history of secured tax charges and delinquencies within the City during the past 10 years.

### **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 2020-21 through fiscal year 2023-24.

# **CITY OF BERKELEY** **GENERAL FUND REVENUES AND TRANSFERS**

	Actual Revenue <u>FY 2021</u>	Actual Revenue <u>FY 2022</u>	Actual Revenue <u>FY 2023</u>	Actual Revenue <u>FY 2024</u>
Real Property	\$68,166,155	\$70,657,482	\$79,260,689	\$84,850,061
Unsecured Property	3,448,412	4,422,414	3,830,697	4,506,444
Supplemental Taxes	2,249,517	2,317,723	3,561,752	2,842,273
Property Transfer Tax	21,469,955	42,901,750	22,878,336	17,528,223
Property Transfer Tax-Measure P	10,919,576	20,591,313	10,199,580	6,272,861
Sales Tax	15,792,305	18,928,278	19,194,971	18,717,040
Soda Tax	953,069	1,025,800	1,162,310	1,101,210
Business License	17,809,332	20,324,937	21,854,193	23,754,845
Business License – Cannabis Recreation	1,712,641	1,250,792	997,572	152,834
Measure U1	4,818,740	4,913,872	5,844,564	6,322,118
Utility Users Tax	13,892,200	14,750,065	17,634,565	17,209,441
Hotel Tax	2,292,480	5,727,046	7,477,911	6,979,323
Vehicle In-Lieu	14,380,453	15,006,003	16,659,665	17,875,821
Parking Fines	3,571,391	4,765,819	5,875,858	6,034,002
Moving Violations	131,756	156,253	149,420	166,152
Interest	5,917,722	6,694,122	12,117,025	15,155,999
Ambulance Fees	3,081,204	3,833,730	5,143,120	7,910,668
Franchise Fees	1,726,470	1,720,056	1,822,528	2,008,162
Other Revenue	18,514,060	17,185,630	15,872,263	13,600,820
Transfers and IDC	<u>21,180,762</u>	<u>29,445,571</u>	<u>23,605,162</u>	<u>20,312,614</u>
TOTAL	<u>\$232,028,200</u>	<u>\$286,618,657</u>	<u>\$275,142,181</u>	<u>\$273,300,911</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 increased approximately \$42,822 or 0.2% to \$19.97 million in fiscal year 2023-24 from \$19.92 million in fiscal year 2022-23. The City currently projects that sales tax revenue will decrease by 1.2% in fiscal year 2024-25 and then increase 2.9% in fiscal year 2025-26.

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

	2019	2020	2021	2022	2023
Retail and Food Services:					
Apparel Stores	\$42,772	\$20,385	\$37,143	\$43,166	\$44,187
Gen. Merchandise Stores	21,434	16,902	19,066	22,498	19,762
Food Stores	155,025	169,569	144,467	115,170	115,398
Eating and Drinking Places	391,474	208,146	283,279	366,323	383,140
Home Furnishings and Appliances	66,188	45,479	87,133	59,435	51,568
Bldg. Materials, Farm Implements	101,937	113,116	141,811	152,845	149,126
Auto Dealers, Auto Supplies	119,679	94,927	114,276	135,123	109,251
Gas/Service Stations	94,217	57,950	87,759	110,009	99,486
Other Retail Stores	<u>261,020</u>	<u>188,434</u>	<u>236,279</u>	<u>245,362</u>	<u>224,668</u>
Total Retail and Food Services	1,263,746	914,910	1,151,213	1,249,931	1,196,586
All Other Outlets	<u>372,108</u>	<u>315,081</u>	<u>341,988</u>	<u>431,788</u>	<u>401,687</u>
TOTAL ALL OUTLETS	<u>\$1,635,854</u>	<u>\$1,229,990</u>	<u>\$1,493,201</u>	<u>\$1,681,719</u>	<u>\$1,598,273</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 decreased \$0.8 million or 4.6% from \$17.6 million in fiscal year 2022-23 to \$16.8 million in fiscal year 2023-24. The decrease came primarily from decreases in every category, except electric (increased \$0.8 million), as follows: Gas (decreased \$1.1 million); telephone (decreased \$0.7 million); cellular (decreased \$0.04); and cable (decreased \$0.05 million). Utility users tax is expected to be flat from fiscal year 2024-25 through fiscal year 2025-26.

**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 \$0.7 million or 3.0% from \$23.4 million in fiscal year 2021-22 to \$23.9 million in fiscal year 2022-23 primarily due to business licenses taxes on recreational cannabis of \$1.0 million being added to business license taxes for fiscal year 2022-23 but being included in other revenue categories in fiscal year 2023-24. The City projects an 0.41% decrease in business licenses taxes in fiscal year 2024-25 and a 2% increase in fiscal year 2025-26.

**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 \$1.2 million or 7.3% in fiscal year 2023-24 from \$16.7 million in fiscal year 2022-23 to \$17.9 million in fiscal year 2023-24 due to increases in assessed value of 7.256% 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, 2023 (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 23.446% of annual payroll for the Miscellaneous Plan, 48.776% of annual payroll for the Public Safety Fire Plan, and 79.138% 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 2023-24 contributions to the pension plans and the funded status of the pension plans as of June 30, 2023, 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
<b>PERS – Miscellaneous Plan</b>						
\$1,256,885,291	\$895,078,800	\$361,806,491	71.21%	\$110,614,150	327.09%	\$34,576,213
<b>PERS – Public Safety Fire Plan</b>						
\$334,094,804	\$233,174,881	\$100,919,923	69.79%	\$18,118,697	556.99%	\$10,869,629
<b>PERS – Public Safety Police Plan</b>						
\$518,958,201	\$313,908,941	\$205,049,260	60.49%	\$21,578,636	950.24%	\$19,066,702

**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 years are shown in the table below, with dollar amounts shown in millions:

	2023-24	2024-25	2025-26	2026-27 Projected
Miscellaneous	\$25.8	\$30.1	\$31.9	\$34.6
Police	14.1	16.4	17.9	18.9
Fire	6.1	8.0	8.8	9.4
Total	\$46.0	\$54.5	\$58.6	\$62.9

**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 2023-24 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
6/30/2024	\$68,306,425	\$3,612,186	\$64,694,239	5.29%	\$21,578,636*	271.89%	\$2,235,650

\* 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, 2024 was \$392,104.

**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, 2024, the City's contribution to SMPF was \$74,479.

The funded status of the SMPF as of June 30, 2024, 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
6/30/2024	--	\$146,122	\$146,122	--%	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, 2024, there were 138 active employees, 27 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 2023-24 and the four preceding years were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Liability</b>
6/30/2020	\$2,104,622	36%	\$21,177,486
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

The funded status of the FRFH as of June 30, 2024, the date of the most recent actuarial report, is set forth below:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)-Unit Credit</b>	<b>Unfunded Actuarial Accrued Liability-UAAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as Percentage of covered Payroll</b>
7/1/2024	\$12,665,380	\$35,573,442	\$22,235,604	38.0%	\$18,640,673	119.29%

**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, 2024, there were 1,140 active employees, 393 inactive employees or beneficiaries currently receiving benefits and 203 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 2023-24 and the four preceding years were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2020	\$5,534,572	32.7%	\$60,659,492
6/30/2021	4,871,995	42.9	41,895,470
6/30/2022	2,071,289	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

The funded status of the RHPAP as of June 30, 2024, the most recent actuarial report, is set forth below:

<b>Actuarial Valuation Date</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Actuarial Accrued Liability-UAAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as Percentage of covered Payroll</b>
7/1/2024	\$62,048,880	\$35,241,306	\$26,807,574	56.8%	\$118,898,025	22.55%

**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, 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, 2024, there were 150 active employees and 47 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 2023-24 and the four preceding years were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Liability</b>
6/30/2020	\$4,432,549	4.0%	\$57,472,394
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

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 6.0% funded. The actuarial accrued liability for benefit was \$36.7 million, and the actuarial value of assets was \$2.2 million, resulting in an unfunded accrued liability of \$34.4 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$22.6 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, 2024, the most recent actuarial valuation date is as follows:

<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)- Unit Credit</b>	<b>Unfunded Actuarial Accrued Liability- UAAL</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as Percentage of covered Payroll</b>
\$2,214,765	\$36,660,551	\$34,445,786	6.0%	\$22,582,297	152.5%

## 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 March 31, 2025, the City employed approximately 1,605 full-time equivalent budgeted employees. There are six employee unions as shown below. In addition, the City employs approximately 155 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	164	06/30/2026
Berkeley Police Association	140	06/30/2026
I. B. E. W. Local 1245	11	06/30/2025
Service Employees International Local 1021 Maintenance and Clerical Chapters	460	06/26/2027
Service Employees International Local 1021 Community Services and Part-Time Recreation Leaders Association Chapters	393	06/26/2027
Public Employees Local 1	199	06/26/2027
Unrepresented Employees	131	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, 2024, \$7,229,101 and \$40,698,360 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, 2024 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 2024-25 TRANS have an outstanding principal amount of \$35,395,000 and mature on July 29, 2025.

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

*Lease Revenue Bonds.* On June 2, 2021, Berkeley Joint Powers Financing Authority (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 June 1, 2025, the principal balance outstanding was \$3,975,000.

*Lease Revenue Bonds.* 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 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 June 1, 2025, the principal balance outstanding was \$11,725,000.

**General Obligation Bonds.** The City has previously issued general obligation and general obligation refunding bonds that are secured by ad valorem taxes levied and collected in the City. See "DEBT SERVICE SCHEDULES.- Combined Debt Service Schedule" in the front part of this Official Statement for a summary of the City's outstanding general obligations.

## Employment

The unemployment rate in the Oakland-Fremont-Berkeley MD was 4.5% in February 2025, down from a revised 4.7% in January 2025, and unchanged from the year-ago estimate of 4.5%. This compares with an unadjusted unemployment rate of 5.5% for California and 4.5% for the nation during the same period. The unemployment rate was 4.4% in Alameda County, and 4.6% in Contra Costa County.

The table below provides information about employment by industry type for Alameda County for calendar years 2020 through 2024.

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

	2020	2021	2022	2023	2024
Civilian Labor Force <sup>(1)</sup>	1,425,400	1,414,000	1,432,000	1,448,500	1,448,600
Employment	1,303,300	1,329,500	1,384,800	1,392,800	1,383,700
Unemployment	122,000	84,500	47,200	55,700	64,900
Unemployment Rate	8.6%	6.0%	3.3%	3.8%	4.5%
<u>Wage and Salary Employment:</u> <sup>(2)</sup>					
Agriculture	1,500	1,700	1,900	1,800	1,500
Mining and Logging	200	200	300	300	300
Construction	71,100	74,300	75,600	75,700	74,100
Manufacturing	98,700	106,000	112,300	111,200	104,100
Wholesale Trade	42,100	41,100	41,500	41,200	40,700
Retail Trade	101,500	105,300	106,200	105,300	103,400
Transportation, Warehousing, Utilities	44,600	47,100	51,700	52,200	52,000
Information	25,600	24,700	25,000	24,200	22,400
Finance and Insurance	35,900	34,800	33,600	32,200	31,500
Real Estate and Rental and Leasing	16,800	17,200	18,400	18,500	18,400
Professional and Business Services	184,900	190,700	194,700	188,200	186,000
Educational and Health Services	191,300	198,500	205,800	216,900	229,400
Leisure and Hospitality	84,700	92,500	108,300	111,700	110,800
Other Services	33,100	35,600	39,200	41,500	42,700
Federal Government	14,200	13,400	13,100	13,200	13,300
State Government	38,200	35,900	33,100	33,500	32,300
Local Government	113,500	111,800	115,200	117,700	121,400
Total, All Industries <sup>(3)</sup>	1,097,900	1,130,800	1,175,800	1,185,100	1,184,300

(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  
2024**

<b><u>Employer</u></b>	<b><u>Number of Employees</u></b>	<b><u>% of Total Employment</u></b>
University of California Berkeley	13,847	21.26%
Lawrence Berkeley National Laboratory	3,581	5.50
Sutter East Bay Medical Foundation/Hospitals	2,031	3.12
Berkeley Unified School District	1,767	2.71
City of Berkeley	1,764	2.71
Bayer Corporation	979	1.50
Kaiser Permanente Medical Group	959	1.47
Siemens Corporation/Healthcare Diagnostics, Inc.	594	0.91
Berkeley Bowl Produce	586	0.90
YMCA of The Central Bay Area	542	0.83

*Source: City of Berkeley, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.*

**ALAMEDA COUNTY**  
**Major Employers**  
**(Listed Alphabetically)**  
**As of April 2025**

<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>
Alameda County Law Enforcement	Oakland	Government Offices-County
Alameda County Sheriff's Dept	San Leandro	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
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 Natl Lab	Livermore	University-College Dept/Facility/Office
Peoplesoft Inc	Pleasanton	Computer Software-Manufacturers
Ross Stores Inc	Dublin	Department Stores
Sanfrancisco Bayarea Rapid	Oakland	Transit Lines
Stanford Health Care-Vllycr	Livermore	Clinics
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	Schools-Universities & Colleges Academic
University of Ca-Berkeley	Berkeley	University-College Dept/Facility/Office
University-Ca-Berkeley Dept	Berkeley	University-College Dept/Facility/Office
Valley Care Health System	Livermore	Health Services

*Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2025 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 2021 through 2025.

### CITY OF BERKELEY; ALAMEDA COUNTY; STATE OF CALIFORNIA; UNITED STATES Effective Buying Income 2021 through 2025

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2021	City of Berkeley	\$6,203,796	\$79,437
	Alameda County	77,794,202	88,389
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
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

Source: Claritas, LLC.



## Construction Activity

Provided below are the building permits and valuations for the City and County for calendar years 2019 through 2023.

### CITY OF BERKELEY Total Building Permit Valuations (Valuations in Thousands)

	2019	2020	2021	2022	2023
<u>Permit Valuation</u>					
New Single-family	\$9,666.3	\$6,444.7	\$13,533.1	\$9,058.9	\$18,885.4
New Multi-family	7,513.6	12,643.5	53,032.6	12,373.6	22,887.6
Res. Alterations/Additions	<u>40,596.9</u>	<u>26,204.9</u>	<u>47,099.2</u>	<u>28,834.2</u>	<u>36,880.3</u>
Total Residential	57,776.8	45,293.1	113,664.9	50,266.7	78,653.3
 New Commercial	10,816.3	25,867.1	15,167.2	5,577.0	0.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	4,718.7	272.0	1,760.3	3,501.9	2,024.2
Com. Alterations/Additions	<u>12,885.4</u>	<u>23,290.5</u>	<u>65,213.8</u>	<u>13,158.1</u>	<u>21,111.1</u>
Total Nonresidential	28,420.4	49,429.6	82,141.3	22,237.0	23,135.3
 New Dwelling Units					
Single Family	46	21	69	40	70
Multiple Family	<u>42</u>	<u>117</u>	<u>286</u>	<u>72</u>	<u>384</u>
TOTAL	88	138	355	112	454

Source: Construction Industry Research Board, Building Permit Summary.

### ALAMEDA COUNTY Total Building Permit Valuations (Valuations in Thousands)

	2019	2020	2021	2022	2023
<u>Permit Valuation</u>					
New Single-family	\$675,129.8	\$394,500.3	\$407,585.0	\$339,046.4	\$332,289.9
New Multi-family	782,536.4	722,038.0	829,822.2	795,917.3	507,952.9
Res. Alterations/Additions	<u>512,409.9</u>	<u>293,866.8</u>	<u>222,971.3</u>	<u>323,712.1</u>	<u>425,659.0</u>
Total Residential	1,970,076.1	1,410,405.1	1,460,378.5	1,458,675.8	\$1,265,901.8
 New Commercial	718,569.0	238,516.5	312,914.6	268,498.1	405,330.0
New Industrial	5,638.5	0.0	600.0	33,740.8	65,576.2
New Other	78,049.8	131,447.0	110,817.0	120,294.6	94,551.2
Com. Alterations/Additions	<u>992,668.1</u>	<u>628,230.5</u>	<u>892,656.8</u>	<u>993,782.1</u>	<u>852,215.1</u>
Total Nonresidential	1,794,925.4	998,194.0	1,316,988.4	1,416,315.6	\$1,417,672.5
 New Dwelling Units					
Single Family	1,871	1,152	1,589	1,175	1,061
Multiple Family	<u>4,145</u>	<u>2,610</u>	<u>4,494</u>	<u>3,366</u>	<u>3,686</u>
TOTAL	6,016	3,762	6,083	4,541	4,747

Source: Construction Industry Research Board, Building Permit Summary.

**APPENDIX B**

**THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR YEAR ENDED JUNE 30, 2024**

An aerial photograph of the Berkeley, California cityscape, showing a mix of residential and commercial buildings, green trees, and a church steeple. The image is framed by large blue geometric shapes: a triangle on the top left and a larger triangle on the bottom right.

# Annual Comprehensive Financial Report

FOR THE YEAR ENDED  
**JUNE 30, 2024**

**City  
of Berkeley  
California**

# City of Berkeley California

ANNUAL COMPREHENSIVE FINANCIAL REPORT / FISCAL YEAR ENDED JUNE 30, 2024

PREPARED BY THE FINANCE DEPARTMENT

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# INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA





Department of  
Finance  
Office of the  
Director

January 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**

It is my privilege to submit the Annual Comprehensive Financial Report (ACFR) for the City of Berkeley (the City) for the fiscal year July 1, 2023 through June 30, 2024. Although it is formally submitted to the Mayor, City Council and City Managers, the ACFR is also intended to provide relevant financial 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 2024, 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, 2024 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, 2024 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 125,327, 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 2024 adopted budget included \$621,229,929 of expenditures and reserves, of which \$276,548,969 was allocated to the General Fund of the City and \$344,680,960 to all other funds. The City employs approximately 1,764 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 (33,078 undergraduates and 12,621 graduate students) and approximately 14,808 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 3,443 employees, and the Sutter East Bay Hospitals has approximately 2,393 employees. Despite the large student population, the City has an average household income of \$160,156, 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 13,138 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 \$1.87 billion in taxable sales taxes during FY 2024, less than the \$1.92 billion in FY 2023, as they continued to recover from the impact of COVID-19. In addition, the City's unemployment rate (as reported by the State of California Employment Development Department) increased from 4.0 percent in June 2023 to 4.5 percent in June 2024, compared to 4.6 percent for the County, 5.2 percent for the state and 4.1 percent for the U.S.

Growth in assessed valuation on secured property increased to \$26.5 billion (after exemptions and other deductions) in FY 2024 or 7.256 percent from \$24.7 billion in FY 2023, for a strong level of \$211,418 per capita. The tax base is diverse, with the top ten property taxpayers accounting for 5.79 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 an attempt through the biennial Budget and a strategic plan which tries to align City Council approved objectives with resources to make sure the highest priorities are met with the resources available to deliver desired results.

### **ADDRESSING LONG-TERM UNCERTAINTIES/ FINANCIAL POLICIES**

The Berkeley City Council adopted the biennial budget for Fiscal Years 2023 and 2024 on June 28, 2022. On June 27, 2023, the City Council approved the FY 2024 Adopted Budget Update ("FY24 Update") The FY24 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 as part of the American Rescue Plan Act ("ARPA"). Although federal and state resources have diminished, the effects of the pandemic continue to impact the community. The FY24 Update includes the use of remaining ARPA funding, as well as local Measure P and U1 revenues, to provide a combined \$2.9 million for anti-displacement programs and for COVID-19 emergency rental assistance. Measure P also supports a \$21 million budget for programs to support people experiencing homelessness or at risk of homelessness, including funding for emergency shelters, immediate street conditions and hygiene, homelessness prevention, and permanent housing. However, based on the significant use of fund balance in FY24, coupled with projected declining revenues and a looming sunset date, the use of Measure P to continue to fund services over time will be constrained.

The ability to deliver core services, to oversee capital projects and implement new initiatives is contingent on resources, including staffing. As such, the City developed a roadmap to help the City become an "Employer of Choice" to retain and recruit staff in order to address vacancies. The FY24 Update funds a position within Human Resources to assist with recruitment and continues to fund various recruitment and retention programs, primarily within the Fire and Police Departments, to help address vacancies and mitigate the use of overtime.

As it relates to the operating budget, approximately one half of the citywide budget is allocated for salaries and benefits. In addition to personnel-related expenditures, other operating costs continue to rise, including utilities, operational supplies, and insurance. Moreover, many of the City funds are still recovering from pandemic-related revenue losses and continue to face fiscal challenges. Thus, the City's ability to either generate revenues that outpace expenditures and/or control expenditures is a long-term challenge, especially expenditures where the City has limited control, such as retirement costs. Based on recent actuarial projections, pension costs will dramatically increase beginning in fiscal years 2025-2026 due to the low rate of return on investments made by the State (CalPERS). To help address the volatility in pension costs, the FY24 Update includes \$2.0 million of funding directed to the City's Section 115 Pension Trust.

Despite limited revenues, the FY24 Update maintains the City Council's commitment to funding capital infrastructure, including street paving, the second year of funding for the Waterfront Piling Project as well as other various capital improvements managed by Parks, Recreation and Waterfront, facility maintenance and accessibility improvements; and traffic calming and pedestrian safety projects. It also includes funding intended to help address longer-term capital needs, such as the Southside Impact Fee Nexus Study and the Vision 2050 Complete Streets Parcel Tax Community Engagement and Program Plan.

As the chart below illustrates, the process to develop the City's Adopted Fiscal Year 2023 and 2024 Biennial Budget involved discussions and deliberations with the City Council and Budget & Finance Policy Committee while seeking input from the community. Given limited resources, the process involved the City Manager making recommendations to prioritize funding for Council referrals and operational requests from City departments that pertained to implementing a federal, state or locally mandated function; addressed a public health and safety needs, critical operations and/or critical infrastructure need; or requests that assisted in generating revenue, matched awarded grant funding or otherwise leveraged other funding opportunities.



### **The Budget Reflects the City's Strategic Goals, Priorities and Fiscal Policies**

The budget reflects the City of Berkeley Strategic Plan, which identifies the long- term goals that the City government will achieve on behalf of the community, and the specific, short-term, two-year priority projects designed to advance those goals. The Plan serves as a guide for City staff to ensure that the priorities of the Mayor and City Council are met, all regulatory and financial obligations are fulfilled, and that the City continuously improves the services it provides for the community. The Plan helps employees throughout the organization to prioritize limited time and resources and to connect short-term, week-to-week work with longer-term goals for the city. The goals include:

- Create affordable housing and housing support services for our most vulnerable community members
- Be a global leader in addressing climate change, advancing environmental justice, and protecting the environment
- Champion and demonstrate social and racial equity
- Provide an efficient and financially-healthy City government
- Provide state-of-the-art, well-maintained infrastructure, amenities, and facilities
- Foster a dynamic, sustainable, and locally-based economy
- Create a resilient, safe, connected, and prepared City
- Be a customer-focused organization that provides excellent, timely, easily-accessible service and information to the community
- Attract and retain 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. On June 28, 2022, the City Council adopted Resolution No. 70, 442-N.S., which codified the revised fiscal policies outlined below.

1. Focusing on the long-term fiscal health of the City by adopting a two-year budget and conducting multi-year planning.
2. Building a prudent reserve based upon the City's adopted General Fund Reserve policy and using the goal of reaching a reserve of 30% of General Fund revenues by 2027 as a guideline.
3. Developing long-term strategies to reduce unfunded liabilities.
4. Controlling labor costs while minimizing layoffs and promoting recruitment and 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 be in balance and new programs to pay for themselves.
7. Any new expenditure requires new revenue or expenditure reductions.
8. Property transfer tax:
  - a. Allocate excess property transfer tax over the baseline to short-term operational needs, General Fund reserves and the City's capital infrastructure plan, including funding an approach to returning and maintaining the City's roads at an acceptable Pavement Condition Index.
  - b. Increase the property transfer tax baseline for operational needs to \$18.0 million for fiscal years 2023 and 2024, with a permanent adjustment to \$16.0 million beginning in fiscal year 2025.
9. Revenue generated from General Fund (Measure P) is excluded (exempt) from this policy.

10. 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.
11. 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 actuary and staff.
12. Allocating any additional revenue earned from investments that is over the annual (fiscal year) baseline of \$6 million in the following manner:
  - a. 1/3 to the Section 115 Pension Trust up to \$5.5 million per fiscal year, or as advised by the City's actuary and staff,
  - b. 1/3 to General Fund reserves up to 30% of General Fund revenue, or as recommended by Council policy, and
  - c. 1/3 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 at June 30, 2024 was \$30.6 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 at June 30, 2023, was \$23.7 million.

#### **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 stabilizing fund.



Recent changes in rate smoothing strategies by CalPERS have increased volatility in employer contribution rates in pensions. Monies set aside in a Section 115 Trust can be used to ease budgetary pressures resulting from unanticipated spikes in employer contribution rates. For example, a CalPERS employer who has extra money after making their current CalPERS contribution might set aside some or all of the surplus to use in future years when the required contribution is less affordable. The City wants to take steps to better manage and reduce its pension and other post-employment benefit liabilities. These actions will represent best practices for financial management, slowing the increases in the City's annual pension costs, and positioning the City to achieve retiree medical cost savings into the future.

The City Council authorized the establishment of an IRS Section 115 Trust Fund to help prefund pension obligations. During FY 2024, the funds balance increased by approximately \$7.4 million from \$19.1 million in FY 2023 to \$26.5 million as of June 30, 2024 (after increases/decreases in market value are included).

### **The Budget Reflects the City's Strategic Goals and Priorities**

The budget reflects the City of Berkeley Strategic Plan, which identifies the long-term goals that the City government will achieve on behalf of the community, and the specific, short-term, two-year priority projects designed to advance those goals. The Plan serves as a guide for City staff to ensure that the priorities of the Mayor and City Council are met, all regulatory and financial obligations are fulfilled, and that the City continuously improves the services it provides for the community. The Plan helps employees throughout the organization to prioritize limited time and resources and to connect short-term, week-to-week work with longer-term goals for the city.

The City of Berkeley Strategic Plan reflects Berkeley's values and provides a strategic framework for the work that city employees accomplish. The specific priorities associated with each goal are updated every two years along with the City's biennial budget.

For a project or program to be included as a two-year priority in the Strategic Plan, it must:

- Help to advance one or more City Council priorities
- Be completed within the Plan's two-year cycle (or at least a clear phase of the work must be completed)
- Have adequate resources in the City's budget to get the work done
- Engage multiple City departments collaborating to advance a shared priority

Looking ahead, the next biennial budget for Fiscal Years 2025-2026 will face similar challenges to those faced in FY 2024, in finding strategies to fund competing priorities. Just some of those needs include pension costs that are on the rise; negotiations with some bargaining units are recently completed or currently underway; the Council adopted a policy to increase funding for streets and other infrastructure needs such as facilities and sidewalks, which remain underfunded; dollars that need to be available to leverage State funding and provide services for the unhoused; and time is needed to fully evaluate and implement new service delivery models, including within Fire, HHCS, and Police.

## **SPENDING LIMITATION**

Article XIII B 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, 2024, the City was \$66.8 million or 19.5 percent under the total Article XIII B (Gann) spending limitation. The City was not impacted by the spending limitation in FY 2024.

## **LONG-TERM DEBT RATINGS**

During FY 2024, the City of Berkeley’s financial position improved slightly and the City continued to be financially strong. The City continues to benefit from participation in the Bay Area’s diverse and stable economy. The City also continues to maintain a bond rating of AA+ from Standard and Poor’s, and Aa1 at Moody’s. These are the two top national debt rating agencies. The City was able to maintain 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. Maintenance of the rating as the City recovered from the negative impacts of COVID-19 and the Fed’s raising interest rates over 500 basis points 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 331-room hotel, the Marriott Residence Inn, 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 \$200-\$500 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 500 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.<sup>1</sup> Other theaters and venues in the area include the 180-seat Aurora Theatre, the 1,400-capacity state-of-the-art concert hall in the refurbished UC

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

Theater, and the 440-seat Freight and Salvage, a traditional music performance venue. 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 cluster.

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 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).<sup>2</sup> Phase II of this project (the adoption of the design concept) was completed in July of 2023.<sup>3</sup> Subsequent phases of the Civic Center Plan will likely support Berkeley's artistic and cultural economic sector over the next half decade.

Downtown Berkeley is also an attractive location for urban living. Several multi-unit housing projects are just completing construction, including 5 projects totaling 270 dwelling units: 2072 Addison Ave (66 units), 2067 University Ave (50 units), 2370 Shattuck Ave (69 units), 2028 Bancroft Ave (37 units), and 2025 Kala Bagai Way (48 units). These projects are anticipated to lease up 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 2022, plans were approved for nearly 900 homes and another 828 newly built units were added to the city's housing market in 2022 (which contains a portion of FY 2023).<sup>4</sup> Berkeley's largest building to date, The Hub, at 26 stories and 456 units, at Oxford and Center streets just received its entitlements and is going to begin construction in early 2025.<sup>5</sup>

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, new dorm building which includes 244 apartments

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<sup>2</sup> Berkley City Council, *Adoption – Berkeley Civic Center Vision and Implementation Plan*, Item 14, September 22, 2020, online: <https://neighborland.com/berkeleycc>.

<sup>3</sup> See <https://www.berkeleyside.org/2023/07/28/berkeley-city-council-civic-center-design-plan-daylight-strawberry-creek> and <https://berkeleyca.gov/your-government/our-work/capital-projects/civic-center-vision-plan>.

<sup>4</sup> Berkeleyside, <https://www.berkeleyside.org/2023/07/25/berkeley-housing-boom-construction>, July 25, 2023.

<sup>5</sup> Berkeleyside, <https://www.berkeleyside.org/2024/09/13/hub-berkeley-zoning-adjustments-board-use-permit>, September 24, 2024.

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.<sup>6</sup> Bakar labs has brought together a number of 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.

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 graduated more than 1,000 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 QB3 Bakar Labs within the Bakar Bioenginuity Hub, the Energy Biosciences Institute Entrepreneurial Business Incubator (EBI2), and the Cyclotron Road entrepreneurial fellowship program (run by Activate in 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 “district identity.” In FY 2024, 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,” “Dare to Share” and “Local Love.”

In FY 2024, OED continued its #DiscoveredinBerkeley<sup>7</sup> 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 3.8 million impressions and generated more than 146,000 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 5<sup>th</sup> annual in-person Berkeley Holiday Gift Fair to promote local purchase of holiday gifts locally in December 2023.

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

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<sup>6</sup> UC Berkeley PR News, [Flurry of major campus construction projects to mark new academic year | Berkeley](#), August 21, 2023.

<sup>7</sup> First launched in 2019, the *Discovered in Berkeley* the campaign promotes content primarily through *Berkeleyside* sponsored stories, the [www.discoveredinberkeley.com](http://www.discoveredinberkeley.com) website, and [@DiscoveredinBerkeley Instagram](#) channel.

Visit Berkeley, the City's Convention and Visitor's 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 January of 2024 the Elmwood Business Improvement District's boundaries were expanded, and in FY 2025 OED will continue to explore in collaboration with other city staff sections the establishment of the two additional parking benefit districts in the Lorin and Gilman commercial districts.

As a response to the pandemic, OED developed and continues to support Berkeley's Outdoor Commerce Program. In 2021, OED worked with a number of City of Berkeley staff departments on the creation of a "path to permanence" for outdoor dining and commerce<sup>8</sup> to allow expanded outdoor commercial activity including sidewalk seating, parklets and street closures for outdoor commerce. A City ordinance expanded the range of allowed outdoor activities on both public and private property and streamlined the permitting processes for Berkeley's businesses wishing to provide outdoor seating. Since the launch of the outdoor commerce program (one year after the declaration of the local COVID-19 Emergency ended), about 30 outdoor commerce permits have been issued to Berkeley businesses and organizations wishing to make their installations permanent.

In FY 2024, 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, 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 2025 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 to provide 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 fund on behalf of the city.<sup>9</sup> This agreement immediately improved the experience for Berkeley's borrowers with seamless electronic loan disbursement and the ability to make online loan payments. Working Solutions also provides technical assistance and small business support to Berkeley's RLP participants.

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<sup>8</sup> Berkeley City Council, *Referral Response: Path to Permanence: Outdoor Dining and Commerce in the Public Right-of-Way*, Item 38, June 15, 2021.

<sup>9</sup> Online: <https://www.workingsolutions.org/news/announcing-a-new-partnership-with-the-city-of-berkeley>, March 2022.



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.

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 have been used in FY 2023 and FY 2024 on a continued multi-year engagement with Project Equity. The funds enable Project Equity to stay as an on-call advisor to 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.<sup>10</sup>

**(d). Support creation of employment opportunities for local residents:**

Berkeley's annual average unemployment rate in FY 2024 (the midpoint December 2023) was 4.0%, up from 2.5% the previous year. The sectors with the highest year-over-year percent growth in employment included Arts, Entertainment & Recreation (+1900 jobs), Construction (+7,100 jobs), Leisure & Hospitality (7,000 jobs), and Accommodation & Food Services (+5,100 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, 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 (LBNL) 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

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<sup>10</sup> 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>.

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.<sup>11</sup> These federal funds complement other non-federal sponsors for research in other areas including: biofuels, biomedical engineering, integrative genomics, computing sciences, energy conservation, advanced telecommunications, and other physical, earth and environmental sciences.

Since 2020, the Lab has filed more than 300 patent applications and created more than 70 companies based on Berkeley Lab licensed technology.

***(f). Encourage startups in Downtown and West Berkeley:*** Berkeley's existing life sciences (biotech and healthcare) industry base includes more than 140 companies, from early-stage startups to multinational Bayer's bio-manufacturing and Biologics Development Facilities which employ more than 1,000+ people and span 46 acres in West Berkeley. In 2023, 84 Berkeley companies raised more than \$840 million in venture capital and \$17 million in 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 Downtown Berkeley and West Berkeley. To support the sector's growth in Berkeley, OED has taken a leadership role in the Berkeley Startup Cluster<sup>12</sup>, 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: 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 during the pandemic. The City maintains a list of more than 340 active Berkeley innovation startup companies, many of them in Berkeley's Downtown Berkeley incubators and co-working

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<sup>11</sup> Lawrence Berkeley National Laboratory, Office of the Chief Financial Officer, *2023 Annual Financial Report*, online: <https://cfo.lbl.gov/annual-financial-report/>, page 28.

<sup>12</sup> Online: [www.berkeleystartupcluster.com](http://www.berkeleystartupcluster.com).

spaces or in West Berkeley research and development facilities.

In fact, West Berkeley (which houses the Aquatic Park campus of the Berkeley Lab and provides easy access to the I-80/580 freeway, which connects Berkeley to San Francisco) is experiencing substantial development of new facilities that support the local bioscience, clean technology, and alternative meat industries. For example, Foundry 31, with 90,000 square feet of flexible office and lab space on the border of Berkeley and Emeryville, and theLAB Berkeley, nearby along 4<sup>th</sup> and 5<sup>th</sup> Streets in West Berkeley, opened their doors to life sciences and other R&D tenants in 2022. Meanwhile, the construction of more than a half-million square feet of purpose-built, state-of-the-art lab space wrapped up at 600 Addison Street, such that the new Berkeley Commons R&D facility started leasing space in mid-2024. Existing private developers and owners of R&D coworking facilities, such as Wareham Development, Bonnevillie Labs, and Cell Valley Labs, continue to provide space and programming to support life sciences entrepreneurs and other innovation industries. The demand for these types of facilities with combined office & lab facilities is steady, and lab space remains at a premium in Berkeley, despite some softening in the market. In the fourth quarter 2023, the vacancy rate for Berkeley lab space was 41%, due in part to increased inventory. For office, Berkeley's vacancy rate of 13.4% was lower than the 30% vacancy rate reported in the neighboring cities of Emeryville and Oakland, but above Richmond and Alameda's rates which are both below 10%.

OED, together with its Berkeley Startup Cluster partners, will continue to advocate for expanded zoning that enables innovation companies to increase the number of high-quality jobs they offer in Berkeley, encourage high tech industries to build diverse teams and workplace practices that lead to shared prosperity for the community<sup>13</sup>, and shed light on the City's "Deep Tech" industries and resources through newsletters, social media, and the #DiscoveredinBerkeley<sup>14</sup> business marketing campaign. The City of Berkeley's updated definition of "Research & Development (R&D)" made it more inclusive of the types of industrial, biological, and scientific R&D activities that firms are undertaking today and the types of spaces needed to safely and effectively conduct those activities. Further regulatory changes that will streamline lengthy permitting processes, allow R&D establishments to locate in additional Berkeley commercial districts, and improve zoning code clarity and consistency are expected to be in line with the "Keep Innovation in Berkeley" City Council referral<sup>15</sup>, passed in September 2022, with an intent to reduce the barriers that R&D businesses and startups face when deciding whether to grow their companies in Berkeley.

**(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 analytic tool, and staff has 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

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<sup>13</sup> Community engagement, workforce diversity and inclusive cultures are encouraged through the Berkeley Startup Cluster's *Berkeley Ventures, Berkeley Values* (BV<sup>2</sup>) initiative – see [www.berkeleystartupcluster.com/giveback](http://www.berkeleystartupcluster.com/giveback).

<sup>14</sup> Online: <https://www.discoveredinberkeley.com/>.

<sup>15</sup> "Referral: Keep Innovation in Berkeley" Berkeley City Council, September 13, 2022. <https://berkeleyca.gov/sites/default/files/documents/2022-09-13%20Item%2030%20Referral%20Keep%20Innovation%20in%20Berkeley.pdf>



*Commercial District Dashboard*, and is routinely publishing the information online in an accessible format for clients and researchers to use.<sup>16</sup> 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 2024, based on data gathered in Q3 and Q4 of 2023) shows that the citywide vacancy rate had decreased to 8.1%, a decrease of 0.3% since Q4 2022.

For context, normal market churn is associated with a vacancy rate between 4-8%. San Pablo Avenue, Telegraph Avenue, South Berkeley, and University all experienced a rise in vacancy rates in FY 2024. San Pablo rose from 10.8% to 15.5%; University rose from 12.8% to 17.7%; South Berkeley rose from 11.8% to 19.2%; and Telegraph rose from 8.5% to 9.3%. West Berkeley experienced a drop in its vacancy rate over the last year from 5.2% to 2.2%, North Shattuck and Solano also saw decreases in vacancy rates as well. Field work is currently underway for a comprehensive vacancy update to be published in March of 2025.

**(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 2017, Berkeley City Council authorized a ten-year extension of the Tourism BID. This BID effectively doubled the budget of Visit Berkeley and increased the economic impact of the local visitor and tourism industry.

In FY 2023, transient occupancy taxes (TOT) returned to \$7.9 million, the FY 2019 pre-pandemic level. In FY 2024, TOT was approximately \$8 million, average nightly hotel occupancy increased to 70%, and the average daily room rate was \$181 per night.

With its marketing and operating budget restored, Visit Berkeley staffing returned to five full-time employees. Significant accomplishments included completion of the 2023/24 Berkeley Visitors Guide; a year-over-year increase in traffic to VisitBerkeley.com with more than 600,000 page views; and similar increases in social media channel engagement. Though the industry still faces challenges (e.g., most international travel markets have not fully recovered to pre-pandemic levels, and meeting, conference and event travel is returning after its pandemic pause), Visit Berkeley has seized new opportunities afforded by the changing nature of travel and hosted a number of conferences in 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). Build 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

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<sup>16</sup> 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>.

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.<sup>17</sup>

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 addition, the City leveraged a matching grant from the National Endowment for the Arts to create a new Civic Arts grant program with \$60,000 to distribute in grants (up to \$5,000 each) for arts programming in Berkeley.

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 total construction costs. This program is generating ongoing and significant new resources for the arts and strengthening the community's arts and 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 2024, substantial progress was made on many of the action items identified in the plan: Including a new public art commission unveiled at the 2024 Juneteenth Festival; a large bronze sculpture by Mildred Howard installed at Adeline and Martin Luther King, Jr. Way and major artwork restoration project of "Mak Roote," a collaborative public art installation at the Berkeley transit node (University Avenue and the Amtrak station) created by muralist John Wehrle and poet Betsy Davids, which in recent years has suffered from vandalism, as well as fading and staining from overhead roadway runoff.

## **2. MAJOR CAPITAL PROJECTS-PUBLIC WORK**

### **(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

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<sup>17</sup> City of Berkeley, *Economic Impact Report of the Arts in Berkeley*, MIG, September 2017.

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 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 round of bonds in the amount of \$45 million were issued in May 2021. Project design and construction are currently 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: Restrooms in the ROW, Storm Drain Improvements (Marin, Virginia, and Spruce), Pathway Repairs Improvements, Sidewalks Maintenance and Safety Repairs, 1947 Center Street Improvements, Corporation Yard Improvements (Building B, Building H, and Wash Station), Fire Station #2, Telegraph-Channing Parking Garage Restroom & Elevators Improvements, and South Berkeley Senior Center Improvements Projects.

**(b). Streets and Roads Capital**

The City maintains 215 centerline miles of improved streets. A baseline annual amount of \$7 million in recurring funding for street paving from state and local sources is supplemented whenever possible by grants or one-time bond funding. T1 Funds added \$3.45 million across FY 2023 and FY 2024 for additional paving, and the City committed \$5 million in FY 2023, \$9.1 million in FY 2024, and \$8 million each in FY 25 & 26 in increased baseline Capital Improvement Fund contributions. In FY 2024, Public Works managed and constructed the FY 2021 Street Rehabilitation and 1322 Glendale Retaining Wall Projects. Additionally, Staff designed, bid, and contracted for the Street Rehabilitation FY 2022 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 manages sidewalk repair programs to keep the City's 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, sidewalk 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. Since 2019, Staff has hired a sidewalk shaving contractor to inspect addresses on the 50/50 list and sidewalk areas around commercial and school zones and within the Equity Zone. Through FY 2023, they have made over 31,000 repairs at nearly 6,000 addresses through a shaving treatment of the sidewalk to level the surface for safer travel. Currently, the FY 2022 Sidewalk Repair Project is ongoing, and through FY 2023, over 225 addresses have been repaired out of the 575 addresses identified within the project scope. In FY 2024, over 300 additional

addresses have been identified for sidewalk replacement and were part of the FY 2024 Sidewalk Repair Project that went into construction in Spring 2024.

**(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. Through 2018, Clean Stormwater Fee rates have 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 identified critical deficiencies in the stormwater system, suggested capital improvement projects, updated 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 include 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 requirements 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 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 assure 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 2025 CIP projects is \$30 million. Construction is scheduled to start in fall 2024 and are 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 2023-2024 included Martin Luther King Jr. Way Vision Zero Project, University West Bus Stop Improvements Project, Parker Street to Addison Bikeway Project, Woolsey-Eton Intersection Improvements Project, and the Southside Complete Streets Project.

### **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 also 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 plans to meet climate action goals for a clean energy future by 1) reducing energy use, 2) promoting cleaner electricity, and 3) 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 2021, the community has reduced overall greenhouse gas (GHG) emissions by 25% since 2000. In 2021, transportation accounted for 54% of emissions, another 43% comes from building energy use, and 2% 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. BESO currently requires that buildings less than 25,000 square feet undergo 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. Through a phased-in approach, BESO continues to ramp-up to include more buildings and more requirements in order to meet our building emissions targets.

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 2020, City Council directed staff to develop energy upgrade requirements for BESO's time of sale requirement for homes.

An updated time of sale policy could require homes to make upgrades based on energy assessment recommendations. Staff has worked with a technical advisory committee and key stakeholders on policy recommendations to determine which requirement options would best help spur energy efficiency, building decarbonization, resilience and home electrification readiness in recently sold homes. Staff began taking policy recommendations to Council Committees and Commissions in Fall of 2023 and continued throughout 2024.

### **(d) Municipal Facilities and Leadership**

While GHG emissions from municipal facilities only account for 0.3% of overall community emissions, it is important that the City leads by example in making its facilities as clean, 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 street lighting replacements and a heat pump HVAC upgrade for the Public Safety Building, seven heat pump water heaters replacing gas water heaters at the North, South, and Central libraries, several buildings at the Corp Yard, and a lighting retrofit, using on-bill financing, for the Spring Animal Shelter.

### **Solar + Storage for Critical Facilities**

The City is working with Ava on solar + storage systems for critical municipal facilities in order

to provide increased resiliency and clean back-up power in the case of a power outage. Alongside other Ava member communities, the City of Berkeley submitted a list of potential critical facilities to the Ava project portfolio to be included in an aggregated portfolio of facilities for this procurement. Currently two City of Berkeley facilities, the Live Oak Recreation Center and the Corp Yard, are anticipated to be included in the procurement. Ava plans to complete installation of Berkeley's solar + storage projects by April 2026, utilizing the Net Energy Metering (NEM) 2.0 tariff and Inflation Reduction Act (IRA) tax credits and incentives.

#### **(e) 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 9.2% of registered cars in the community were electric in 2022.

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 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 develop public EV DC Fast Charging Hubs in Berkeley and to assess the City's medium- and heavy-duty fleet for electrification opportunities, and pursuing funding to support additional EV charging infrastructure.

#### **(f) Climate Equity Fund**

On July 27, 2021, City Council approved a resolution establishing a Pilot Climate Equity Action Fund and allocated \$600,00 to provide climate change and resilience benefits to low-income residents for both buildings and transportation. The fund includes 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 2024/2025.

- 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. Each of these organizations are using Climate Equity Funds for building electrification upgrades that will improve health, safety, resilience, and comfort for income-qualified residents, while reducing community-wide greenhouse gas emissions.
- In Program Area #2, the [Berkeley E-Bike Equity Project \(BEEP\)](#), administered by Waterside Workshops, in partnership with GRID Alternatives, provides e-bikes for income-qualified residents and provides workforce training to youth. Over 600 residents applied for the e-bikes and were entered into a lottery for 50 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 get a year of quarterly e-bike maintenance check-ups. Waterside Workshops is also providing workforce training on e-bike assembly and maintenance for their youth interns.
- In Program Area #3, the Ecology Center leads the Climate Equity Collaborative. It is using its 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. The Ecology

Center has hosted four Climate Equity Collaborative convenings, facilitated over two dozen 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, and created a curated menu of free resilience measures for income-qualified community members.

#### **(g) Just Transition Pilot Program**

On June 14, 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. The program, using pre-qualified contractors who meet minimum labor standards, targets homes or households at or below 120% of the Area Median Income for replacing natural gas water heating, HVAC, and cooking equipment with systems that run on clean electricity. The resolution called for the establishment of labor standards that provide pathways to high-road careers for workers in residential electrification. This advances implementation of the Berkeley Existing Buildings Electrification Strategy (2021), which identified long- and short-term strategies to make existing buildings in Berkeley free of fossil fuels in a way that includes and benefits all residents, especially members of historically marginalized communities. On June 6, 2023, City Council approved a resolution to award a contract of \$1,500,000 to Rebuilding Together East Bay North (RTEBN) for this Pilot.

### **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, 2022. 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 satisfied 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) July 1, 2022 through June 30, 2024.

#### **ACKNOWLEDGEMENTS**

The preparation of this report could not be accomplished without the efforts of the following individuals: Finance Accounting Manager Suryun “jessie” Kim, Senior Accountants Alyssa Loo and Sandy Barger and the entire Accounting Division of the Finance Department, as well as the City’s Budget Manager, Sharon Friedrichsen, the accounting firm of Badawi & Associates, CPA, and the continued support of sound financial management by the City Manager, Dee Williams-Ridley, Mayor Jesse Arreguin 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

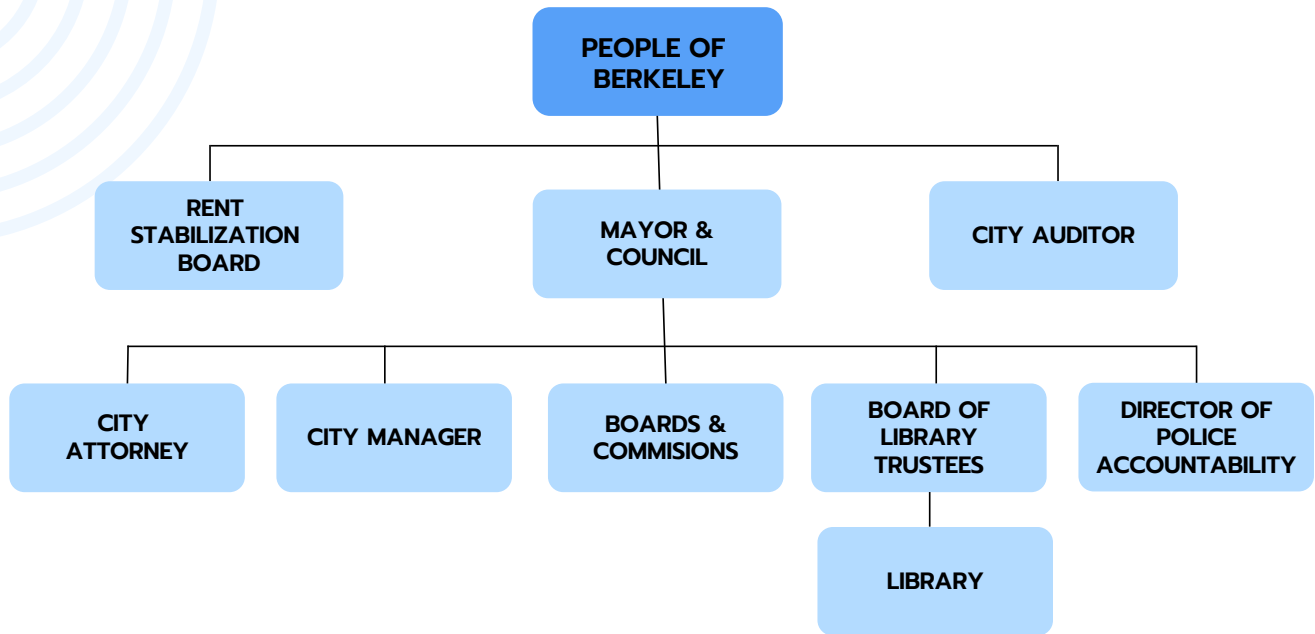
June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# City of Berkeley Government Structure

2024



## **CITY OF BERKELEY**

### **FY 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

#### **ELECTED OFFICIALS**

##### **Mayor**

Jesse Arreguin

##### **Councilmembers**

Rashi Kesarwani (District 1)

Terry Taplin (District 2)

Ben Bartlett (District 3)

Igor Tregub (District 4)

Sophie Hahn (District 5)

Susan Wengraf (District 6)

Cecilia Lunaparra (District 7)

Mark Humbert (District 8)

##### **City Auditor**

Jenny Wong

#### **APPOINTED OFFICIALS**

##### **City Manager**

Dee Williams-Ridley

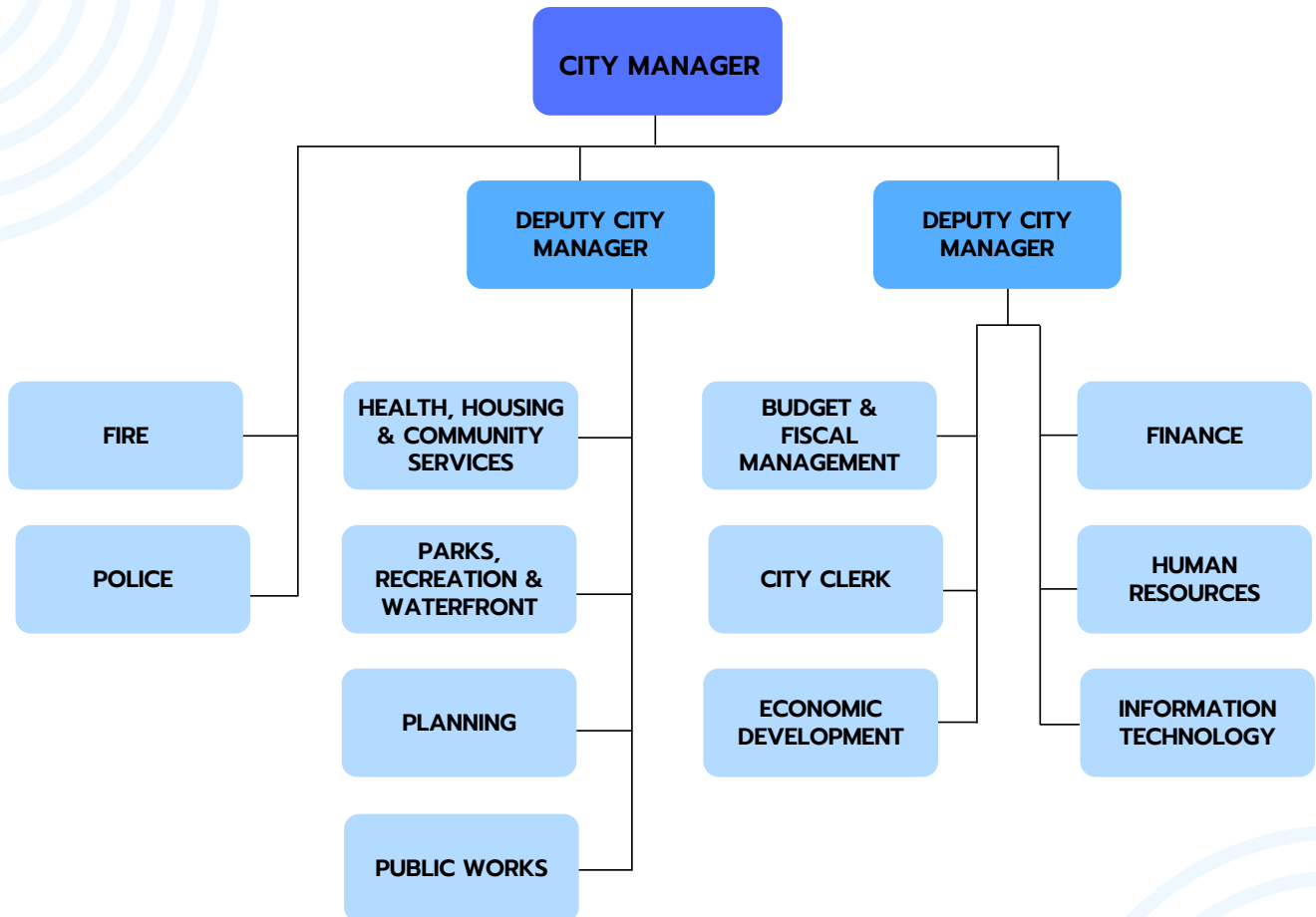
##### **Deputy City Managers**

Anne Cardwell

LaTanya Bellow

# City of Berkeley Organization Chart

2024





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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, 2024, 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, 2024, 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 8-28 and 141-163 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Honorable Mayor and Members of the City Council  
Of the City of Berkeley  
Berkeley, California  
Page 3

### ***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.

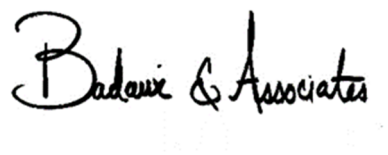
### ***Other Information***

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 January 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with the first letter of "Badawi" being a large, looped "B".

Badawi & Associates, CPAs  
Berkeley, California  
January 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, 2024. 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, 2024, City assets and deferred outflows exceeded liabilities and deferred inflows by \$424.8 million (net position). Included in this amount was a balance of -\$400.4 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 \$30.7 million during the fiscal year. Governmental activities net position increased \$25.4 million compared to prior year's increase of \$86.1. Business-type activities net position increased \$5.3 million compared to prior year's increase of \$17.4 million (Pages 11-17).
- Net pension liability increased by \$45.4 million or 6.7% during FY 2024 to \$723.8 million from \$678.4 million; it increased by \$41.9 million or 7.1% to \$628.3 million from \$586.4 million for governmental activities, while net pension liability also increased by \$3.5 million or 3.8% to \$95.5 million from \$92.0 million for business-type activities.
- Net OPEB liability decreased by \$4.3 million or 5.2% during FY 2024 to \$77.5 million from \$81.8 million for governmental activities, while net OPEB liability decreased by \$0.3 million or 5.3% to \$5.9 million from \$6.2 million for business-type activities.

#### Fund based

- At the close of fiscal year 2024, governmental funds reported combined ending fund balance of \$600.3 million, an increase of \$25.0 million, primarily due to (1) a decrease of \$5.4 million in General Fund revenues and transfers in over expenditures and transfers out; (2) increase of \$1.1 million in Grants Fund revenues and transfers in over expenditures and transfers out; (3) increased \$2.2 million in Capital Improvement Fund revenues and transfers in over expenditures and transfers out; (4) an increase of \$24.5 million in Other Governmental Funds revenues and transfers in over expenditures and transfers out. The ending fund balance is identified as: \$388.3 million or 64.7 percent was restricted fund balance, \$153.1 million or 25.5 percent was in committed funds, \$49.7 million or 8.3 percent was in assigned funds and \$0.7 million or 0.1 percent was non-spendable. (Page 19).
- At the close of fiscal year 2024, fund balance for the General Fund was \$153.0 million consisting primarily of \$38.2 million in restricted, \$30.3 million in assigned funds, \$29.6 million in unassigned funds, and \$54.3 million in committed funds (Page 19).
- At the close of fiscal year 2024, General Fund revenues, including transfers in and proceeds from sale of assets, were \$275.4 million. Total revenues and transfers were \$17.3 million higher than the prior fiscal year's revenues and transfers of \$258.1 million (Pages 19-21).
- Other General Fund financing sources consisted of \$ 2.2 million in inception of leases and subscriptions.
- At the close of fiscal year 2024, General Fund expenditures, including transfers out, were \$282.9 million. Total expenditures were \$35.2 million higher than the prior fiscal year's expenditures of \$247.7 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 34-36 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 168-290.

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 142-166.

The basic governmental funds financial statements can be found on pages 39-43 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 273-276.

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 61-136 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 141-163 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 168-290 of this report.

Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 295-321 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 \$424.8 million at the close of fiscal year 2024 as summarized on the following page.



**Statement of Net Position**  
**June 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Totals	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
<b>Assets:</b>						
Current and Other Assets	\$ 774,547,741	\$ 744,778,587	\$ 192,333,032	\$ 185,762,422	\$ 966,880,773	\$ 930,541,009
Capital Assets	361,526,666	346,173,112	247,081,442	245,988,825	608,608,108	592,161,937
Total Assets	<u>1,136,074,407</u>	<u>1,090,951,699</u>	<u>439,414,474</u>	<u>431,751,247</u>	<u>1,575,488,881</u>	<u>1,522,702,946</u>
<b>Deferred Outflows of Resources:</b>						
Related to Pensions	147,437,750	145,557,163	24,018,973	25,337,190	171,456,723	170,894,353
Related to Other Postemployment Benefits	21,129,804	29,815,850	3,188,668	3,767,254	24,318,472	33,583,104
Total Deferred Outflows of Resources	<u>168,567,554</u>	<u>175,373,013</u>	<u>27,207,641</u>	<u>29,104,444</u>	<u>195,775,195</u>	<u>204,477,457</u>
<b>Liabilities:</b>						
Current and Other Liabilities	97,028,295	101,682,545	11,184,368	9,420,927	108,212,663	111,103,472
Long-term Liabilities	269,941,052	278,117,677	51,398,592	52,957,329	321,339,644	331,075,006
Net Pension Liability	628,297,778	586,414,187	95,525,194	92,009,947	723,822,972	678,424,134
Net OPEB Liability	77,531,231	81,814,806	5,858,550	6,189,332	83,389,781	88,004,138
Total Liabilities	<u>1,072,798,356</u>	<u>1,048,029,215</u>	<u>163,966,704</u>	<u>160,577,535</u>	<u>1,236,765,060</u>	<u>1,208,606,750</u>
<b>Deferred Inflows of Resources:</b>						
Related to Pensions	5,948,078	12,441,456	974,646	2,433,757	6,922,724	14,875,213
Related to Other Postemployment Benefits	63,713,325	69,083,512	8,267,843	8,653,826	71,981,168	77,737,338
Related to Leases	1,099,242	926,207	28,901,539	29,989,934	30,000,781	30,916,141
Related to Deferred Gain On Refunding	774,523	893,108	-	-	774,523	893,108
Total Deferred Inflows of Resources	<u>71,535,168</u>	<u>83,344,283</u>	<u>38,144,028</u>	<u>41,077,517</u>	<u>109,679,196</u>	<u>124,421,800</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	238,725,136	221,025,803	198,194,602	194,599,398	436,919,738	415,625,201
Restricted	388,340,729	352,333,619	-	-	388,340,729	352,333,619
Unrestricted	(466,757,428)	(438,408,208)	66,316,781	64,601,241	(400,440,647)	(508,358,418)
Total Net Position	<u>\$ 160,308,437</u>	<u>\$ 134,951,214</u>	<u>\$ 264,511,383</u>	<u>\$ 259,200,639</u>	<u>\$ 424,819,820</u>	<u>\$ 394,151,853</u>

## Statement of Activities

The statement of activities shows how the City's net position changed during fiscal year 2024. The City's net position increased \$30.7 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, 2024						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 47,811,714	\$ 51,406,696	\$123,155,088	\$129,855,066	\$ 170,966,802	\$ 181,261,762
Operating grants and contributions	51,339,948	74,869,544	-	-	51,339,948	74,869,544
Capital grants and contributions	8,279,025	3,533,695	-	-	8,279,025	3,533,695
General revenues:						
Property taxes, levied for general purposes	135,671,723	135,683,027	-	-	135,671,723	135,683,027
Property taxes, levied for debt services	17,912,829	17,054,302	-	-	17,912,829	17,054,302
Property taxes for special purposes:						
Library	24,938,675	24,057,930	-	-	24,938,675	24,057,930
Parks	17,620,173	16,942,876	-	-	17,620,173	16,942,876
Paramedic	3,741,579	3,607,795	-	-	3,741,579	3,607,795
Fire	15,317,016	14,762,117	-	-	15,317,016	14,762,117
Sales taxes	19,965,109	19,922,287	-	-	19,965,109	19,922,287
Utility user taxes	16,795,837	17,606,482	-	-	16,795,837	17,606,482
Transient occupancy taxes	8,824,385	9,284,123	-	-	8,824,385	9,284,123
Business license tax	31,244,527	30,483,345	-	-	31,244,527	30,483,345
Other taxes	31,815,281	28,327,153	-	-	31,815,281	28,327,153
Other unrestricted state subventions	388,936	392,433	-	-	388,936	392,433
Contributions not restricted to specific programs	790,144	533,982	-	-	790,144	533,982
Investment earnings	30,456,778	5,449,667	5,905,335	(641,043)	36,362,113	4,808,624
Insurance claims reimbursement	26,130	-	-	-	26,130	-
Miscellaneous	1,762,526	1,167,004	-	-	1,762,526	1,167,004
Gain/(loss) on sale of capital assets	69,223	109,382	-	1,847	69,223	111,229
Total revenues	464,771,558	455,193,840	129,060,423	129,215,870	593,831,981	584,409,710
<b>Expenses:</b>						
General government	54,948,628	41,379,815	-	-	54,948,628	41,379,815
Public safety	189,954,425	152,870,594	-	-	189,954,425	152,870,594
Highways and streets	23,940,035	22,670,725	-	-	23,940,035	22,670,725
Health and welfare	44,536,312	40,215,932	-	-	44,536,312	40,215,932
Culture and recreation	65,781,017	50,969,408	-	-	65,781,017	50,969,408
Community development and housing	47,567,773	47,547,871	-	-	47,567,773	47,547,871
Economic development	6,756,744	5,740,020	-	-	6,756,744	5,740,020
Interest on long-term debt	7,966,078	7,856,844	-	-	7,966,078	7,856,844
Refuse services	-	-	55,655,272	49,800,325	55,655,272	49,800,325
Marina operations and maintenance	-	-	7,751,997	7,319,483	7,751,997	7,319,483
Sewer services	-	-	15,079,287	15,051,171	15,079,287	15,051,171
Clean storm water	-	-	3,644,030	3,806,181	3,644,030	3,806,181
Permit service center	-	-	23,061,585	19,014,775	23,061,585	19,014,775
Parking related	-	-	13,583,464	13,858,277	13,583,464	13,858,277
Building purchase and management	-	-	2,937,367	2,798,937	2,937,367	2,798,937
Total expenses	441,451,012	369,251,209	121,713,002	111,649,149	563,164,014	480,900,358
Excess in net position before other items	23,320,546	85,942,631	7,347,421	17,566,721	30,667,967	103,509,352
Transfers	2,036,677	121,148	(2,036,677)	(121,148)	-	-
Change in net position	25,357,223	86,063,779	5,310,744	17,445,573	30,667,967	103,509,352
Net position - beginning	134,951,214	48,887,435	259,200,639	241,755,066	394,151,853	290,642,501
Net position - ending	\$ 160,308,437	\$ 134,951,214	\$264,511,383	\$259,200,639	\$ 424,819,820	\$ 394,151,853

A more detailed statement of activities is shown on pages 30-31.

The largest portion of the City's net position reflects its investment of \$436.9 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, \$388.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, -\$400.4 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 \$25.4 million compared to the prior fiscal year's increase of \$86.1 million. Key elements of the decrease in net position were as follows:

**Program revenues** decreased \$22.4 million due to a decrease in charges for services of \$3.6 million, a decrease in operating grants and contributions of \$23.5 million, and an increase in capital grants and contributions of \$4.7 million. The major changes are highlighted below:

- Charges for services decreased \$3.6 million primarily due to a \$3.5 million decrease in Housing Mitigation revenue within the Affordable Housing Fund that was primarily due to a decline in real estate transactions in the City. This reduction in revenue is directly tied to property sales activity, which has decreased since the interest rate hikes began in March 2022.
- Operating grants and contributions decreased \$23.5 million primarily due to \$16.4 million less spending of American Rescue Plan Act grant funds in FY2024 versus FY 2023 and \$5 million less in Local Housing Trust in FY 2024 than in FY2023.
- Capital funding and contributions increased \$4.7 million primarily due to two capital project funds: the Southside Complete Streets Project, which amounts to \$2.5 million, and the Quick Build Pedestrian & Bicycle Safety Project, totaling \$0.34 million.

**General revenues increased \$32.0 million.** The details of the increases/decreases accounting for the \$32.0 million increase are highlighted below:

- Property tax revenue increased \$3.1 million, or 1.5% percent, from \$212.2 million in FY2023 to \$215.1 million in FY2024, which was due to the following:
  - **Property Taxes for General Purposes** decreased \$.011 million or .1%, from \$135.683 million in FY 2023 to \$135.671 million in FY 2024, primarily as a result of the following: A decline of \$3.9 million in Property Transfer Taxes resulting from a substantial decrease in the dollar value of property sales and in the number of property sales; A decline of \$2.9 million in Measure P Property Transfer Taxes resulting from a substantial decrease in the dollar value of property sales, in the number property sales, and in the number of property sales exceeding \$10 million; A decline of \$.7 million in Supplemental Taxes, due to less changes in property ownership in FY 2024 than in FY 2023. These declines were offset by an increase of \$5.6 million in Secured Property Taxes due to an increase in assessed value of 7.256% in the City; a \$1.2 million increase in Vehicle in Lieu Taxes due to an increase in assessed value of 7.256% in the City; and, an increase of \$.6 million in Unsecured Property Taxes due to an increase in assessed value on business capital assets.
  - **Property Taxes for Debt Service** increased \$0.8 million or 4.68%, from \$17.1 million in FY 2023 to \$17.9 million in FY 2024 primarily as a result of the following related to General Obligation Bonds: (1) An increase of 7.256% increase in the City's assessed values, which was offset by the changes in bond tax rates for the following bond issues: (1) Increase in Measure O to .025% in FY 2024 from .020% in FY 2023 ; (2) Decrease in Measure T1 to .014% in FY 2024 from .016% in FY 2023; (3) Decrease in 2015 Measure G,S and I to .0115% in FY 2024 from .013% in FY 2023; (4) Decrease in 2008 Library Measure FF to .0050% in FY 2024 from .0058% in FY 2023; and Decrease in Measure M to .0065% in FY 2024 from .0075% in FY 2023.

- **Property Taxes for Special Purposes** increased by \$2.1 million or 3.54% from \$59.4 million in FY 2023 to \$61.5 million in FY 2024, as a result of the following: (1) Increase in Library Taxes of \$.8 million due to a 4.44% increase in the per capita personal income growth in California; (2) Increase of \$.7 million in Parks Tax due to a 4.44% increase in the per capita personal income growth in California; (3) Increase of \$.134 million in the Paramedics Tax due to a 4.192% increase in the Consumer Price Index in the immediate San Francisco Bay Area; and, (4) Increase of \$.5 million in the Fire Tax due to a 4.44% increase in the per capital personal income growth in California.
- Utility Users Taxes decreased \$.7 million or 4.0%, from \$17.6 million in FY 2023 to \$16.9 million in FY2023. The decrease in UUT came from decreases in every category, except electric (\$+.8 million): Gas (\$-1.1 million); telephone (\$-.07 million); cellular (\$-.04 million); and cable (\$-.05 million).
- Transient Occupancy taxes (TOT) - decreased \$.5 million or 5.7% from \$9.3 million in FY 2023 to \$8.8 million in FY2024. The decrease in FY 2024 was primarily attributable to flat gross TOT reported in FY 2024 for the six largest hotels and one of the six largest hotels failed to pay for six months.
- Business License Taxes increased \$0.8 million or 7.8% from \$30.5 million in FY2023 to \$31.2 million in FY 2024 primarily due to an increase in business tax applications.
- Investment Earnings increased \$25.1 million from \$5.5 million in FY2023 to \$30.5 million in FY 2024 primarily as a result of (1) a significant increase in the net interest rate earned by the City from a range of 1.837% - 3.058% during FY 2023, to a range of 2.84% - 3.44% during FY2024; and (2) increase in the market value of investments in FY 2024.

**Expenses increased \$72.2 million** primarily due to the following: \$13.6 million increase in general government, \$37.1 million increase in public safety, \$1.3 million increase in highway and streets, \$4.3 million increase in health and welfare, \$14.8 million increase in culture and recreation, \$1.0 million increase in economic development and \$0.1 million increase in interest expense. These changes are highlighted below:

- General government expenses increased \$13.6 million.

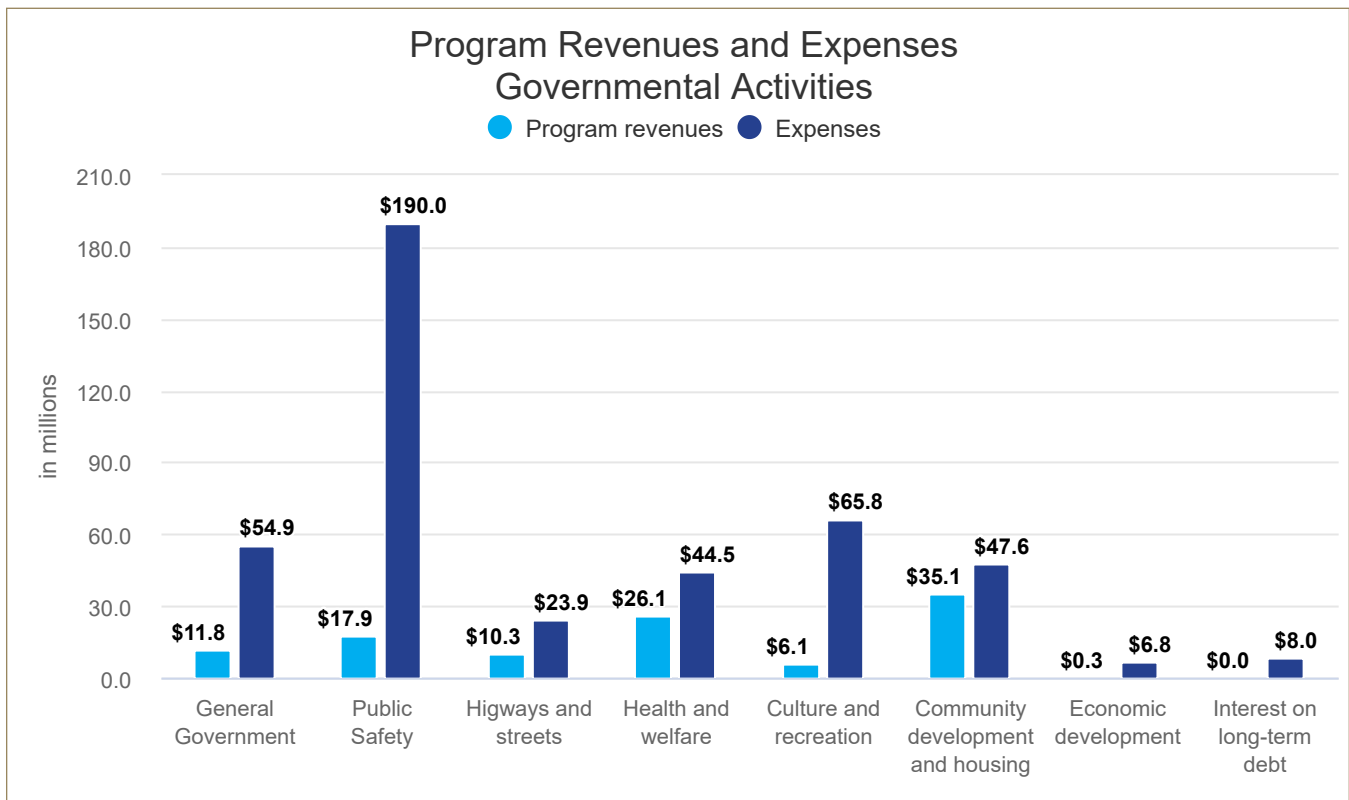
The reasons for the increase are as follows:

1. \$2.745 million for Hero pay.
  2. \$0.8 million for legal expenditures, including payment to Ruegg & Ellsworth for a lawsuit settlement.
  3. \$1.6 million for the Winter Shelter program.
  4. A \$4.58 million increase in salary and benefits due to a salary rate increase and the corresponding rise in related benefits.
  5. \$1.5 million increase in various non-payroll costs, like elections services, computer services, and property insurance costs.
  6. A \$2.7 million increase in actuarial pension expenses.
- Public safety expenses increased \$37.1 million in FY2024.  
Factors contributing to the increase:
    1. A significant \$25.3 million increase in actuarial pension expense.
    2. \$6.6 million increase in overtime costs for both police and firemen.
    3. Additional \$1.1 million in computer software costs.
    4. \$2.5 million increase in allocation costs from internal service funds.
  - Highway and streets expenses increased \$1.3 million.  
Factors contributing to the increase:
    1. \$0.9 million increase in allocation cost from internal service funds.
    2. \$0.6 million increase in actuarial pension expenses.
  - Health and welfare expenses increased \$4.3 million primarily driven by the follows:
    1. \$1.9 million million increase in salary and benefits due to a salary rate increase and the corresponding rise in related benefits.
    2. \$2.3 million increase in actuarial pension expenses.

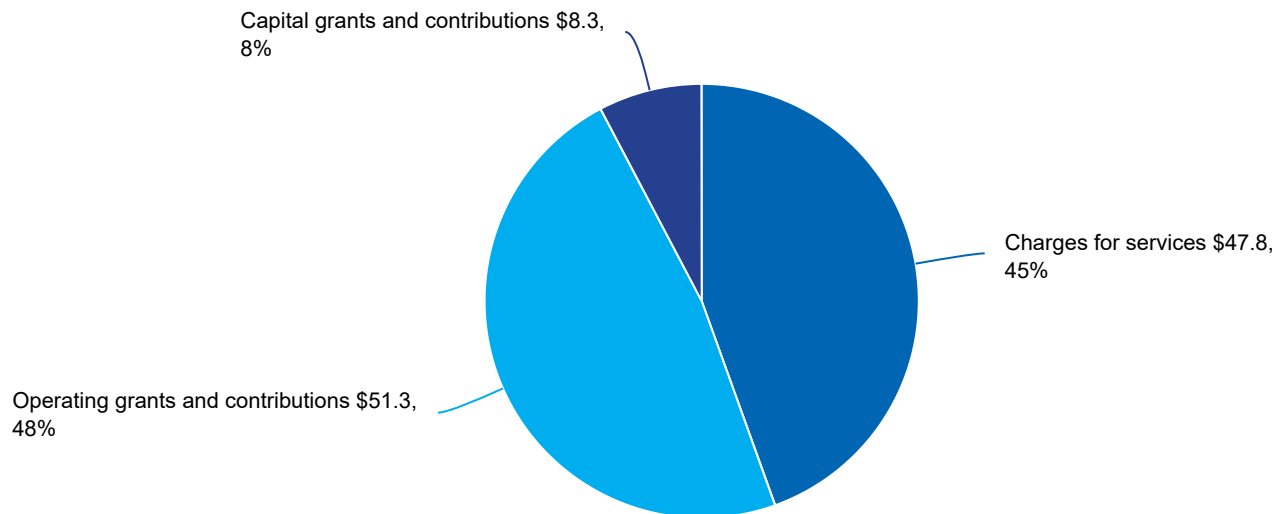
- Culture and recreation expenses increased \$14.8 million.

Factors contributing to the increase:

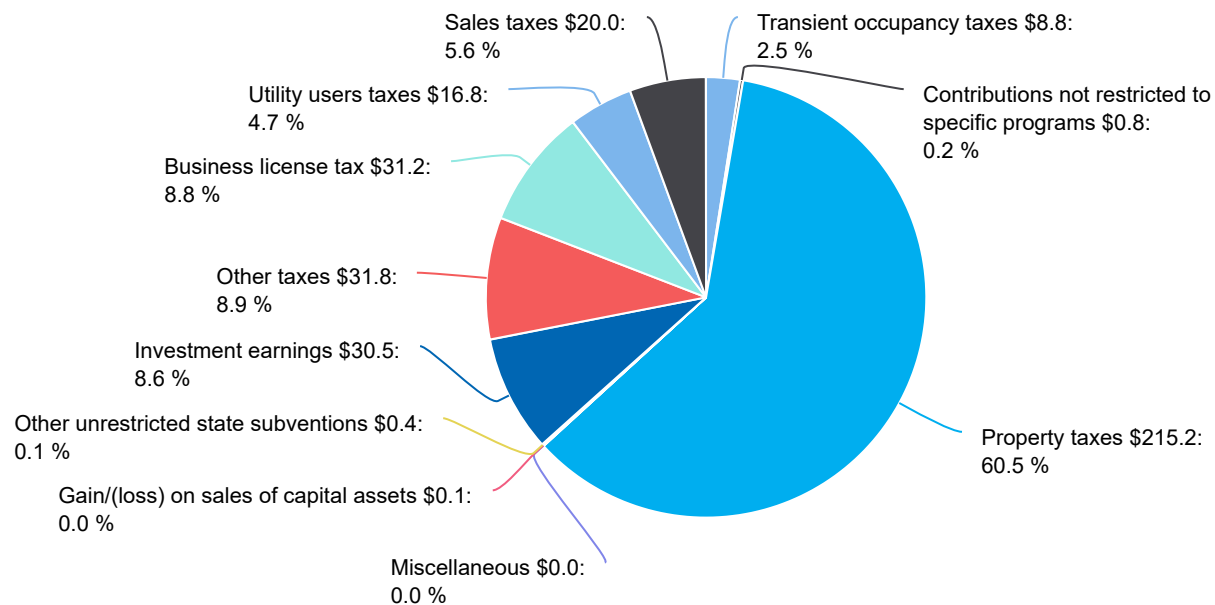
1. \$3 million increase in salary and benefits due to a salary rate increase and the corresponding rise in related benefits
  2. \$3.2 million increase in non-personnel costs
  3. \$ 1 million increase in allocation costs from internal service fund.
  4. \$2.15 million increase in fixed asset depreciation costs
  5. \$2.6 million increase in actuarial pension and OPEB expenses.
- Economic development expenses increased \$1.0 million primarily due to increased spending in the America Rescue Plan Act fund, which made grant payments to Eviction Defense Center Housing Retention Program..
  - As shown on the charts on the following page, public safety is the largest program (\$190.0 million), followed by culture and recreation (\$65.8 million), general government (\$54.9 million), community development and housing (\$47.6 million), health and welfare (\$44.5 million), highways and streets (\$23.9 million), and economic development (\$6.8 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 \$5.3 million, compared to FY 2023's increase of \$17.4 million. This increase was primarily the result of \$129.1 million in program and general revenues exceeding \$121.7 million in expenses. Key elements of net position changes from the prior fiscal year were as follows:

- Parking- Related activities' net position decreased \$0.9 million, compared to the FY 2023 increase of \$0.7 million. This \$0.9 million decrease was primarily due to the Off- Street Parking Fund which had revenues of \$5.5 million versus expenses of \$6.0 million; The Parking Meter Fund had revenues of \$9.0 million versus expenses of \$6.6 million and Transfers Out of \$1.8 million.

Off-Street Parking Fund revenues declined due to lower occupancy levels of Center Street and Oxford Street garages. On the other hand, Parking Meter Fund revenues increased as a result of rate increase in FY 2024.

- Marina Operations and Maintenance activities' net position was decreased by \$0.8 million, compared to the FY 2023 decrease of \$0.8 million. This was primarily due to revenues of \$6.9 million and total expenses of \$7.8 million.

Operating revenues increased by \$0.4 million due to improvement in the launch ramp revenue.

- Refuse Services activities' net position increased by \$4.5 million, compared to the FY 2023 decrease of \$1.1 million. This increased by \$4.5 million was primarily due to operating revenues of \$51.1 million, expenses of \$55.7 million.

While revenues remained relatively unchanged, expenses rose as a result of increase in pension expenses due to multiple retirements and capital expenses for upgrades of the facilities..

- Clean Storm Water activities' net position decreased by \$0.8 million, compared to the FY 2023 decrease of \$0.6 million. This \$0.8 million decrease was primarily due to Clean Storm Water Fees of \$4.5 million, and operating expenses of \$4.0 million.

Operating expenses rose, while the revenues remained stable. Operating expenses increased as a result of increase in the personnel services and employee benefits.

- Sewer Services activities' net position decreased by \$8.3 million, compared to the FY 2023 increase of \$9.3 million. This \$8.3 million decrease was primarily due to operating revenues of \$23.4 million and operating expenses of \$15.1 million.

Revenues fell due to less number of customer accounts billed compared to FY 2023. Expenses increase was due to higher employee benefits because of retirement, changes in employee status and payouts.

- Permit Service Center activities' net position increased by \$2.8 million, compared to the FY 2023 decrease of \$8.8 million. This \$2.8 million increase was primarily due to operating revenues of \$20.2 million, and operating expenses of \$23.0 million.

Permit Service Center revenues decreased \$7.6 million compared to FY 2023. The increase in residential permits revenues were offset by decline in mixed use and commercial permits revenues. On the other hand, expenses increased due to higher personnel services and employee benefits as more vacant positions were filled and additional building inspector positions were added in FY 2024.

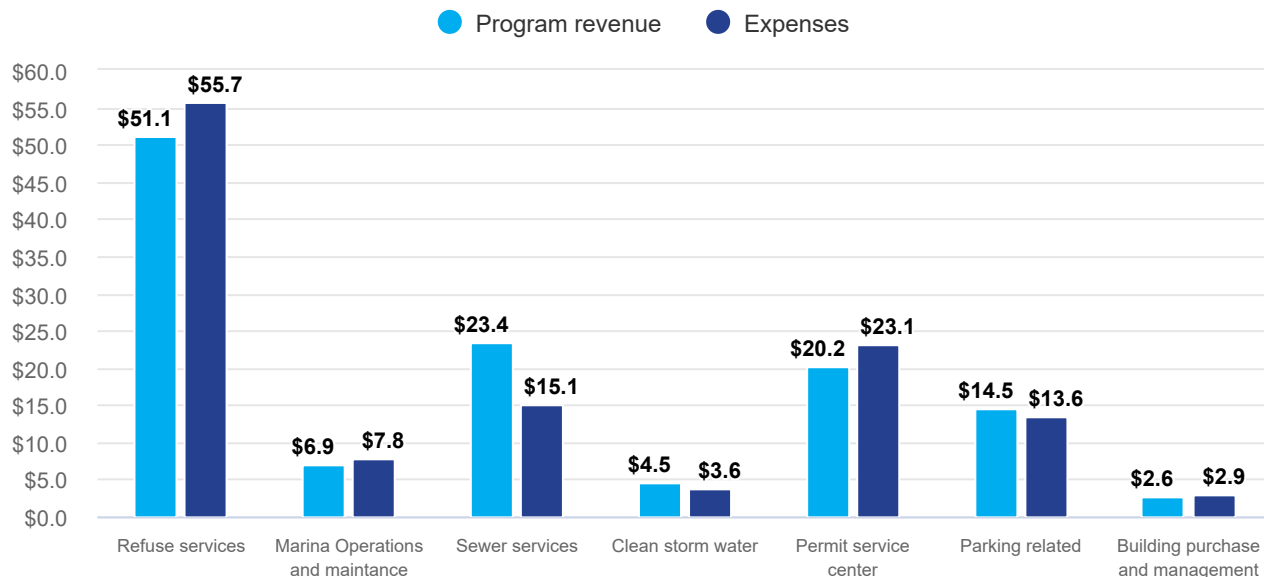
- Building Purchases and Management activities' net position decreased \$0.4 million, compared to unchanged in FY 2023. This \$0.4 million decrease was primarily due to operating revenues of \$2.6 million, and total expenses of \$2.9 million.

Building Purchases and Management revenues and expenses were relatively unchanged compared to FY 2023 as occupancy level remained stable. The decrease of net position was largely due to interest expense.

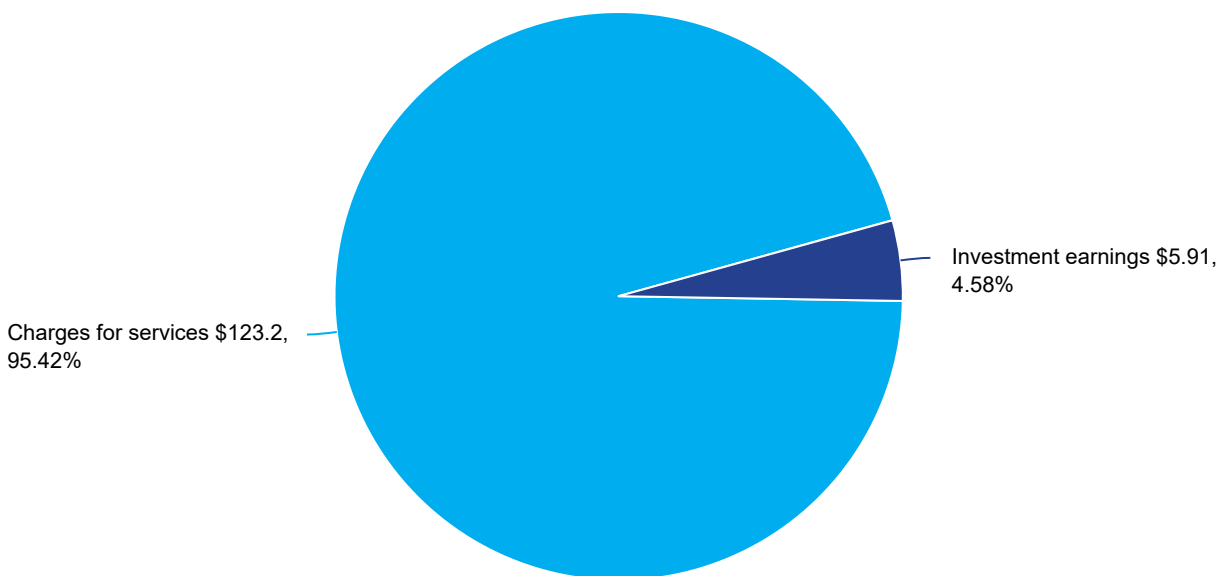
- Internal Service Funds (ISF) allocation of operating profit increased net position of business-type activities by \$1.1 million compared to prior fiscal year's increase of \$3.7 million.

As shown below, Refuse Services, Permit Service Center, and Sanitary Sewer funds have the greatest total expenses with \$55.7 million, \$23.1 million and \$15.1 million, respectively, out of approximately \$121.7 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 2024, City governmental funds reported a combined ending fund balance of \$600.3 million (an increase of \$25.0 million) compared to a FY 2023 combined ending fund balance of \$575.2 million. The increase in fund balance was primarily due to the following: General Fund had an decrease of \$5.5 million, Grants Fund had an increase of \$1.1 million, Library Fund had an increase of \$1.5 million, Capital Improvements Fund had a increase of \$2.3 million, and other Non-Major Governmental Funds had an increase of \$24.5 million. Of the \$600.3 million fund balance, approximately, \$388.3 million or 64.7 percent was restricted fund balance, \$153.1 million or 25.5 percent was in committed funds, \$49.7 million or 8.3 percent was in assigned funds, and \$8.4 million or 1.4 percent was in unassigned fund balance. Refer to pages 39-43 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, 2024, ending fund balance had a decrease of \$5.5 million, to \$153.0 million, compared to the FY 2023 decrease of \$0.0 million.

The Fund balance of the General Fund consists of \$0.7 million in nonspendable, \$38.2 million in restricted fund balance; and \$30.3 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; \$54.3 million was committed. The remaining \$29.6 million was unassigned. Refer to page 39 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**

	2024	2023	2022	2021	2020
<b>Revenues</b>	\$ 261,782,686	\$ 241,247,508	\$ 232,594,533	\$ 213,739,932	\$ 210,940,719
Expenditures	(241,803,092)	(211,303,884)	(200,826,851)	(189,313,176)	(188,605,343)
Other financing sources (uses)	(25,417,480)	(19,519,958)	4,393,666	(10,613,695)	(17,501,973)
Operating surplus/(deficit)	(5,437,886)	10,423,666	36,161,348	13,813,061	4,833,403
Beginning fund balance	158,467,144	148,043,478	111,882,130	98,069,069	93,235,667
Ending fund balance	<u>\$ 153,029,258</u>	<u>\$ 158,467,144</u>	<u>\$ 148,043,478</u>	<u>\$ 111,882,130</u>	<u>\$ 98,069,069</u>
<b>Fund balance categories:</b>					
Nonspendable	\$ 660,000	\$ -	\$ -	\$ -	\$ -
Restricted	38,165,215	31,121,862	13,817,991	6,196,569	4,820,212
Committed	54,289,457	40,677,503	46,879,379	29,744,146	-
Assigned	30,337,661	16,752,951	12,162,510	19,577,650	44,704,796
Unassigned	29,576,925	69,914,828	75,183,598	56,363,765	48,544,061
Fund balance	<u>\$ 153,029,258</u>	<u>\$ 158,467,144</u>	<u>\$ 148,043,478</u>	<u>\$ 111,882,130</u>	<u>\$ 98,069,069</u>

### General Fund – Revenue and Expenditure Analysis

General Fund Revenues for fiscal year 2024, including proceeds from sale of property, were \$261.8 million, an increase of \$20.5 million, or 8.5%, compared to the FY 2023 total of \$241.2 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 2024	Fiscal Year 2023	Variance Over/(Under) LastYear	% of Increase (Decrease) Over Prior Year	% of Total
Property taxes	\$ 117,795,902	\$ 119,023,362	\$ (1,227,460)	-1.0%	45.0%
Sales taxes	19,965,109	19,922,287	42,822	0.2%	7.6%
Utility users taxes	16,795,837	17,606,482	(810,645)	-4.6%	6.4%
Transient occupancy taxes	7,348,841	7,911,684	(562,843)	-7.1%	2.8%
Business license taxes	23,907,679	24,638,781	(731,102)	-3.0%	9.1%
U1 revenues	6,322,118	5,844,564	477,554	8.2%	2.4%
Short-term Rentals	1,475,544	1,372,439	103,105	7.5%	0.6%
Vehicle In-Lieu taxes	17,875,821	16,659,665	1,216,156	7.3%	6.8%
Other taxes	3,538,482	3,279,843	258,639	7.9%	1.4%
Other licenses & permits	1,457,201	1,471,063	(13,862)	-0.9%	0.6%
Intergovernmental	832,688	1,780,267	(947,579)	-53.2%	0.3%
Charges for services	11,951,866	7,494,045	4,457,821	59.5%	4.6%
Fines and penalties	5,946,906	7,371,182	(1,424,276)	-19.3%	2.3%
Rents and royalties	272,842	232,740	40,102	17.2%	0.1%
Franchise	1,986,788	1,810,581	176,207	9.7%	0.8%
Investment income	22,318,921	3,261,122	19,057,799	584.4%	8.5%
Other revenue	1,990,141	1,567,402	422,739	27.0%	0.8%
Total revenues	\$ 261,782,686	\$ 241,247,509	\$ 20,535,177	8.5%	100.00%

- Property taxes decreased by \$1.2 million or 1.0% to \$117.8 million in FY 2024 from \$119.0 million in FY 2023, primarily as a result of increases/(decreases) in the following categories:
  - i. Property Transfer Tax revenue in FY 2024 was \$18.0 million, which was \$4.0 million or 18.2% less than the FY 2023 total of \$22.0 million. This decline was primarily as a result of a 26.2% decrease in the dollar value of property sales and a 10.0% decrease in the number of property sales transactions;
  - ii. Measure P Property Tax revenue in FY 2024 was \$6.8 million, which was \$2.9 million or 29.9% less than the FY 2023 total of \$9.7 million. This decline was primarily due to a 40.0% decrease in the dollar value of property sales, a 34.1% decrease in the number of property sales transactions, and significantly less property sales of \$10 million or more in FY 2024 than there were in FY 2023;
  - iii. Secured Property Taxes increased by \$5.6 million from \$79.3 million in FY 2023 to \$84.9 million in FY 2024, due to an increase in assessed value of 7.256% in the City;
  - iv. Vehicle In-Lieu Taxes increased \$1.2 million or 7.3% in FY2024 from \$16.7 million in FY 2023 to \$17.9 million in FY 2024, due to increase in assessed value of 7.256% in the City.
- Utility Users Taxes decreased \$.8 million or 4.6%, from \$17.6 million in FY 2023 to \$16.8 million in FY 2024. The decrease in UUT came primarily from decreases in every category, except electric (\$+.8 million), as follows: Gas (\$-1.1 million); telephone (\$-.07 million); cellular (\$-.04 million); and cable (\$-.05 million).

- Transient Occupancy taxes (TOT) decreased \$.6 million or 7.6%, from \$7.9 million in FY 2023 to \$7.3 million in FY 2024 (after deductions of TOT rebates). The decrease in FY 2024 was primarily attributable to flat gross revenues at the six largest hotels in Berkeley during FY 2024 and one of the six largest hotels failed to pay for six months.
- Business License Taxes (BLT) revenue decreased \$0.7 million or -3.0% from \$23.4 million in FY 2022 to \$23.9 million in FY 2023 primarily due to BLT penalties of \$1.5 million and BLT on recreational cannabis of \$1.0 million being added to BLT in FY2023 but being included in other revenue categories in FY2024.
- Other Taxes increased \$0.3 million or 7.9% in FY 2024 to \$3.5 million from \$3.3 million in FY 2023. The \$0.3 million increase was due to increases in the following categories: Parking Lot Taxes (\$1.4 million); TNC User Taxes (\$.2 million); BLT Penalties (\$1.4 million); and, BLT Interest (\$.3 million).
- Charges for Services increased \$4.5 million or 60.0%, from \$7.5 million in FY 2023 to \$12.0 million in FY 2024 primarily due to a \$2.3 million increase in Ambulance Fees from \$5.5 million in FY 2023 to \$7.8 million in FY 2024.
- Fines and penalties decreased \$1.4 million or 19.3% to \$5.9 million in FY 2024 from \$7.4 million in FY 2023. The primary reason for the decrease was a decrease in ticket writing. For FY 2024, ticket writing decreased by 3,796 citations or 2.65% from 146,919 in FY 2023 to 143,123 in FY 2024.
- Investment income increased \$19.1 million from the total of \$3.2 million in FY 2023 to \$22.3 million in FY 2024 primarily as a result of (1) an increase in net interest rate earned by the City from a range of 1.837% to 3.058% during FY 2023 to a range of 2.84% to 3.44% during FY 2024; and, (2) an increase in the change in the market value of investments in FY 2024.

General Fund Expenditures for fiscal year 2024, including transfers out, increased \$35.2 million , or 14.2% 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
	2024	2023	Prior Fiscal		
General government	\$ 41,929,704	\$ 32,731,907	\$ 9,197,797	28.1%	14.8%
Public safety	137,521,526	128,305,763	9,215,763	7.2%	48.6%
Highway and streets	2,223,670	3,055,307	(831,637)	-27.2%	0.8%
Health and welfare	15,530,575	15,694,582	(164,007)	-1.0%	5.5%
Culture-recreation	10,631,605	9,290,768	1,340,837	14.4%	3.8%
Community development and housing	22,498,909	16,592,396	5,906,513	35.6%	8.0%
Economic development	3,270,927	3,642,815	(371,888)	-10.2%	1.2%
Debt service	2,346,556	496,474	1,850,082	372.6%	0.8%
Capital outlay	5,849,620	1,493,872	4,355,748	N/A	2.1%
Other financing uses	41,100,950	36,366,543	4,734,407	13.0%	14.5%
Total Expenditures and Other Financing Uses	\$ 282,904,042	\$ 247,670,427	\$ 35,233,615	14.2%	100.0%

- General government expenditures increased \$9.2 million or 28.1% in FY 2024, compared to the prior fiscal year. The reasons for the increase are the following factors: (1) **Hero Pay**: \$2.745 million for Hero pay. (2) **Winter Shelter Program**: \$1.6 million more allocated for the Winter Shelter program. (3) **Settlement Payment**: \$0.7 million for the lawsuit settlement with Ruegg & Ellsworth. (4) **City Manager/Administration Unit**: \$0.77 million increase due to staffing growth, along with a \$0.23 million payment to the former City Manager for the separation agreement. (5) **City Attorney/Legal Advice & Litigation**: \$0.59 million increase from hiring 2 additional staff members and salary adjustments. (6) **Property Insurance**: \$0.3 million increase in property insurance costs. (7) **Salary and Benefits**: \$1.8 million increase due to salary rate adjustments and the associated increase in benefits.

- Public safety expenditures increased \$9.2 million or 7.2% in FY 2024, compared to the prior fiscal year. It was primarily due to the following factors: (1) **Personnel Costs**: A \$5.77 million increase due to the hiring of additional police and fire personnel, salary and benefit adjustments, including incentive pay for new police officers. (2) **Professional Services**: A \$1.2 million increase in payments for services such as ambulance and parking citation services. (3) **Computer Software Costs**: A \$1 million increase for software subscriptions, including payment for Honeywell International Fire Station Emergency Alert services.
- Highways and streets expenditures decreased \$0.8 million or 27.2% in FY 2024, compared to the prior fiscal year.
- Health and welfare expenditures decreased \$0.2 million or 1.0% in FY 2024, compared to the prior fiscal year. The decrease is primarily due to (1) hiring freeze. (2) Department's operating expenditures were focused on COVID-grants and prioritizing spending down grant funds over General Fund wherever appropriate.
- Culture-Recreation expenditures increased \$1.3 million or 14.4% in FY 2024, compared to the prior fiscal year. The increase was mainly due to \$1.2 million spending on capital expenditures on the Willard Park Clubhouse and Restroom replacement project.
- Community Development and Housing expenditures increased \$5.9 million or 35.6% in FY 2024, compared to the prior fiscal year. The increase is due to (1) \$4.24 million increase in grant payments to community agencies; and (2) \$1 million increase in personnel costs due to rate increase and associated benefits.
- Economic development decreased \$0.4 million or 10.2% primarily due to decrease in grant to nonprofit organizations, like Berkeley Convention & Visitors, Telegraph Property & Business. The payments to those organizations last year were for the purpose of promoting Berkeley during COVID 19 period.
- Other Financing Uses increased \$4.7 million or 13.0% in FY 2024 primarily due to the following: 1) transfer out to Public Liability Fund increased by \$1 million as more appropriation of funds were needed to meet ongoing and anticipated litigation defense efforts through the end of FY 2024; 2) Council authorized an increase of \$1.9 million in the transfer out to the Section 115 Trust Fund; 3) The transfer out to Catastrophic Insurance Fund increased by \$1.25M compared to the prior fiscal year.

## **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 increase of \$1.1 million compared to prior fiscal year's increase of \$10.3 million. Much of the FY 2024's increase resulted from the sum of the following: \$26.7 million more in grant revenues received in FY 2023 (Primarily \$20.3 million from American Rescue Plan Act and \$5.0 million from Local Housing Trust Fund) than was received in FY 2024; \$1.0 million more received in charges for services revenue than was received in FY 2023; \$44.6 million in expenditures in FY 2024 versus \$45.4 in FY 2023; and, transfers of \$3.3 million of American Rescue Plan Act funds to other City departments in FY 2024 versus \$18.7 million of these grant funds transferred in FY 2023.

### ***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 \$1.5 million which is comparable to prior fiscal year's decrease of \$4.1 million. The \$1.5 million increase resulted primarily from an increase of \$0.9 million in Library taxes due to a 4.44% annual increase in the State Personal Income Growth Index.

### ***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 increased \$2.2 million, which was due to the fact that the total of the revenue and transfers from General Fund (\$18.4 million) exceeded the total of expenditures and the transfers out to various funds (\$16.2 million) by \$2.2 million. Compared to FY2023, the total revenue and transfers in for FY2024

decreased by \$0.6 million, while expenditure increased by more than \$7.2 million, primarily due to a \$6.7 million increase in capital outlay. As a result, the increase in the fund balance was \$7.8 million less than the previous year.

### ***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 \$1.11 million, compared to the prior fiscal year's \$1.074 million. The \$1.1 million increase resulted from investment income of \$1.11 million that was slightly higher than the investment income earned in FY 2023, due to higher interest rates earned by the City, and zero expenditures in FY 2024 versus \$.016 million in expenditures in FY 2023.

### **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, 2024**

<b>Fund</b>	<b>Unrestricted Net Position</b>	<b>Change in Unrestricted Net Position</b>	<b>Total Net Position</b>	<b>Change in Total Net Position</b>
Zero Waste	\$ (3,197,770)	\$ (3,540,718)	\$ 769,103	\$ (3,974,790)
Marina Operations	(2,049,850)	(898,157)	1,241,810	(415,968)
Sanitary Sewer	30,288,085	6,667,134	186,430,391	10,493,620
Clean Storm Water	8,308,401	1,568,189	28,343,380	1,012,255
Permit Service Center	17,068,290	(1,673,384)	20,341,626	(1,817,244)
Off-Street Parking	(1,810,742)	(464,692)	9,258,995	(1,466,925)
Parking Meters	(2,622,513)	(222,568)	(926,293)	778,809
Building Purchases and Management	(2,882,631)	(775,429)	(4,163,140)	(354,177)
<b>Total</b>	<b>\$ 43,101,271</b>	<b>\$ 660,375</b>	<b>\$ 241,295,873</b>	<b>\$ 4,255,580</b>

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 142. \$51.4 million increase between the original and final budget (expenditures plus transfer out) is primarily the result of \$12.0 million of encumbered rollovers, \$12.5 million unencumbered rollovers, and other \$20.8 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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 223,751,494	\$ 213,407,667	\$ 214,880,542	\$ 1,472,875
Licenses and permits	1,527,519	1,882,794	1,457,201	(425,593)
Intergovernmental	792,529	581,955	832,688	250,733
Charges for service	9,158,676	12,660,307	12,014,492	(645,815)
Fines and penalties	5,953,771	5,932,600	6,217,311	284,711
Rents and royalties	147,223	187,763	272,842	85,079
Franchise	1,720,056	1,822,528	2,008,162	185,634
Private contributions and donations	172,441	219,925	149,682	(70,243)
Investment income	8,826,211	14,000,000	15,155,999	1,155,999
Miscellaneous	166,002	282,866	280,620	-2,246
<b>Total revenues</b>	<b>252,215,922</b>	<b>250,978,405</b>	<b>253,269,539</b>	<b>2,291,134</b>
Expenditures:				
Current:				
General government	34,996,625	47,195,794	43,063,914	4,131,880
Public safety	124,633,968	128,238,444	136,392,093	(8,153,649)
Highway and streets	4,039,581	5,298,572	2,230,955	3,067,617
Health and welfare	16,316,449	16,132,851	15,765,837	367,014
Culture-recreation	9,331,523	11,517,152	10,603,399	913,753
Community development and housing	24,513,105	44,162,500	37,353,445	6,809,055
Economic development	3,716,643	3,727,778	3,456,905	270,873
Debt service:				
Interest and fiscal charges	200,000	200,000	720,436	(520,436)
TRAN issuance costs	-	-	70,310	70,310
<b>Capital outlay:</b>	<b>873,252</b>	<b>11,198,421</b>	<b>4,078,199</b>	<b>7,120,222</b>
<b>Total expenditures</b>	<b>218,621,146</b>	<b>267,671,512</b>	<b>253,735,493</b>	<b>14,076,639</b>
Revenues over/(under) expenditures	33,594,776	(16,693,107)	(465,954)	16,227,153
Other financing sources/(uses)				
Transfers in	8,091,924	13,591,924	13,591,924	-
Transfers out	(37,834,687)	(40,215,361)	(41,955,927)	(1,740,566)
<b>Total other financing sources/(uses)</b>	<b>(29,742,763)</b>	<b>(26,623,437)</b>	<b>(28,364,003)</b>	<b>(1,740,566)</b>
Net change in fund balance	3,852,013	(43,316,544)	(28,829,957)	14,486,587
Fund balance, July 1, 2023	137,509,127	137,509,127	137,509,127	-
Fund balance, June 30, 2024	<u>\$ 141,361,140</u>	<u>\$ 94,192,583</u>	<u>\$ 108,679,170</u>	<u>\$ 14,486,587</u>
Explanation of differences between budgetary basis to modified accrual basis:				
Net change in fund balances - budgetary basis			(28,829,957)	
Receivable accrual			8,513,147	
Due from other fund - advance			\$ 253,340	
Payable accrual			14,625,583	
Net change in fund balances - GAAP basis			<u>\$ (5,437,887)</u>	



Revenues, excluding financing sources, exceeded the final budget by \$2.3 million, or 0.9%, higher than budgetary estimates primarily as a result of increases (decreases) in the following categories:

- Property Transfer revenue in FY 2024 was \$17.5 million, which was \$5.4 million or 23.6% less than the Adopted Budget of \$22.9 million in FY 2023. This underperformance was primarily as a result of a 26.2% decrease in the dollar value of property sales and a 23.7% decrease in the number of property sales transactions, triggered by a 525 basis points increase in short-term interest rates and an increase in mortgage rates from around 4% at the start of FY 2024 to 7% by the end of FY 2024. During the fiscal year, staff decreased the FY 2024 Property Transfer Taxes budget from \$22.9 million to \$16.9 million.
- Measure P Property Tax revenue in FY 2024 was \$6.3 million, which was \$3.9 million or 38.2% less than the Adopted Budget of \$10.2 million, and was \$3.9 million less than the FY 2023 total of \$10.2 million. This underperformance was primarily due to a 40.0% decrease in the dollar value of property sales, a 34.1% decrease in the number of property sales transactions, and significantly less property sales of \$10 million or more in FY 2024 than there were in FY 2023. The huge drop in property sales was triggered by a 525 basis points increase in short-term interest rates and an increase in mortgage rates from around 4% at the start of FY 2024 to 7% by the end of FY 2024. During the fiscal year, staff decreased the FY 2024 Measure P Property Transfer Taxes budget from \$10.2 million to \$4.5 million.
- Secured Property Taxes in FY 2024 was \$84.9 million, which was \$.2 million or .2% above the Adopted Budget of \$84.7 million, and was \$3.6 million more than the FY 2023 actual total of \$79.3 million. This resulted from a FY 2024 assessed value increase of 7.256% in the City.
- Vehicle In Lieu Taxes in FY 2024 totaled \$17.9 million, which was \$.1 million or .6% above the Adopted Budget of \$17.8 million, and \$1.2 more than the FY 2023 total of \$16.7 million. This resulted from an increase in assessed value of 7.256% in the City.
- FY 2024 Utility Users Taxes totaled \$17.2 million, which was \$.3 million or 1.7% less than the Adopted Budget of \$17.5 million. This under performance in UUT came primarily from the decrease in every category, except electric (\$+.8 million), as follows: Gas (\$-1.1 million); telephone (\$-.07 million); cellular (\$-.04 million); and cable (\$-.05 million).
- Transient Occupancy Taxes (TOT) in FY 2024 totaled \$7.0 million (net of TOT rebates), which was \$1.4 million less than the Adopted Budget total of \$8.4 million, and \$.5 million less than the FY 2023 actual total of \$7.5 million. This under performance in FY 2024 was primarily attributable to flat gross revenue reported at the six largest hotels in Berkeley during FY 2024 and one of the six largest hotels failed to make payments for six months.
- Business License Taxes (BLT) in FY 2024 totaled \$23.7 million, which was \$2.1 million or 9.7% more than the Adopted Budget amount of \$21.6 million, and \$2.0 million more than the FY 2023 actual of \$21.7 million. This over performance was primarily due to an increase of 2.5% in BLT renewal applications, from 12,799 to 13,138, and an increase in the average payment. During FY 2024, staff increased the FY 2024 Business License Taxes (BLT) budget from \$21.6 million to \$23.2 million.
- U1 revenue in FY 2024 totaled \$6.3 million, which was \$.4 million or 6.8% more than the Adopted Budget amount of \$5.9 million, and \$.5 million more than the FY 2023 actual total of \$5.8 million. This over performance was primarily due to increases in the Rental of Real Property business license category.
- FY 2024 Fines and Penalties revenue totaled \$6.0 million, which was \$.2 million or 3.4% more than the FY 2024 Adopted Budget amount of \$5.8 million, and \$.1 million more than the FY 2023 actual total of \$5.9 million. This was despite a slight decrease in ticket writing of 3,796 or 2.65% from 146,919 in FY 2023 to 143,123 in FY 2024.
- FY 2024 Interest Income totaled \$15.2 million, which was \$6.4 million or 72.7% more than the FY 2024 Adopted Budget amount of \$8.8 million, and \$3.1 million more than the FY 2023 actual total of \$12.1 million. This over performance was primarily due to an increase in the net interest rate earned by the City from a range of 1.837%-3.058% during FY 2023 to a range of 2.84%-3.44% in FY 2024. Staff increased the FY 2024 Interest Income budget from \$8.8 million to \$14.0 million during FY 2024.
- Charges for service in FY 2024 totaled \$12.0 million, which was \$2.8 million or 30.4% from the adopted budget of \$9.2 million, and was \$4.5 million more than the FY 2023 actual total of \$7.5 million. This increase was primarily a result of a \$2.5 million increase in Ambulance Fees revenue. The Ambulance Fee increase resulted from an increase in the number of transports and in reimbursement fees. During FY 2024, staff increased the Charges for Service budget from \$9.2 million to \$12.7 million.

Expenditures, excluding other financing uses, were less than final budgetary estimates by \$14.1 million, or 5.3%, primarily due to the following:

- General government was under budget by \$4.1 million due to salary savings and underspending of non-personnel funds.
- Public Safety was over budget by \$8.2 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 \$3.1 million due to salary savings and underspending of non-personnel funds.
- Economic Development Health and welfare was under budget by \$0.3 million due to underspending in non-personnel funds.
- Community Development and Housing expenditures were under budget by \$6.8 million due to salary savings and underspending of non-personnel funds.
- Capital outlays were under budget by \$7.1 million.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital assets

Investments in capital assets for governmental and business-type activities as of June 30, 2024, totaled \$608.6 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 2024 was \$16.9 million, which represents a total increase of 2.9%, 4.4% increase for governmental activities and a 0.4% 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, 2024**

Fund	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 25,142,014	\$ 25,142,014	\$ 2,979,050	\$ 2,979,050	\$ 28,121,064	\$ 28,121,064
Construction in Progress	11,951	52,643,359	-	-	11,951	52,643,359
Buildings	128,536,228	81,250,911	56,525,017	59,437,083	185,061,245	140,687,994
Improvements Other than Buildings	34,524,019	29,113,792	9,781,084	9,638,004	44,305,103	38,751,796
Machinery and Equipment	26,112,398	27,636,719	3,210,934	2,725,063	29,323,332	30,361,782
Infrastructure	145,229,139	129,479,936	174,585,357	171,209,626	319,814,496	300,689,562
Right-to-use leased buildings	283,090	437,504	-	-	283,090	437,504
Right-to-use software subscription	1,687,829	468,878	-	-	1,687,829	-
Total Capital Assets, Net	<u>\$ 361,526,666</u>	<u>\$ 346,173,112</u>	<u>\$ 247,081,441</u>	<u>\$ 245,988,825</u>	<u>\$ 608,608,108</u>	<u>\$ 591,693,061</u>

Major capital asset events during fiscal year 2024 included the following:

- Governmental activities' Buildings increased by \$47.3 million or 58.2 percent from the prior fiscal year primarily due to FY 2024 additions of \$54.8 million and depreciation expense of \$7.5 million.
- Governmental activities Infrastructure increased by \$15.7 million or 12.2% over the prior fiscal year primarily due to FY 2024 additions of \$22.7 million and depreciation expense of \$6.9 million.
- Governmental activities Construction in Progress decreased by \$52.6 million or 100.0% over the prior fiscal year primarily due to (1) \$52.6 million deletions for the completion of Berkeley Tuolumne Park that burned down.
- Business-type activities Infrastructure increased by \$3.4 million or 2.0% over the prior fiscal year primarily due to (1) \$126 thousand for Storm Drain Improvements; (2) \$7.6 million for Sewer Rehab projects; and (3) decreased by \$4.3 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 2024, the City had total long-term debt outstanding of \$276.0 million (Excluding pension liabilities, OPEB liabilities, workers compensation and public liability claims and judgments, and compensated absences). Of this amount, \$213.0 million, or 77.0% percent, of total long-term debt consisted of the City's general obligation bonds and bond premiums, and a total of \$63.0 million, or 23.0% percent, consisted of revenue bonds, notes/loans payable and others which includes lease and SBITA payable. The long-term debt decreased \$9.9 million primarily as a result of principal payments of \$10.5 million made during FY 2024. 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	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds Including \$11.4 million in premiums	\$ 212,975	\$ 221,415	\$ -	\$ -	\$ 212,975	\$ 221,415
Revenue Bonds	7,170	7,610	43,107	43,169	50,278	50,778
Fire Equipment Notes	1,835	2,547	-	-	1,835	2,547
Others	1,487	922	-	-	1,487	922
Notes/Loans Payable	3,777	4,594	5,640	5,650	9,417	10,244
Total Long-Term Debt	\$ 227,244	\$ 237,088	\$ 48,748	\$ 48,819	\$ 275,992	\$ 285,907

### 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 13,138 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 \$1.87 billion in taxable sales taxes during FY 2024, slightly less than the \$1.92 billion generated in FY 2023. In addition, the City's unemployment rate (as reported by the State of California Employment Development Department) was 4.5 percent in June 2024 compared to 4.0 percent in June 2023, compared to 4.6 percent for the County, 5.2 percent for the state, and 4.1 percent for the U.S.

Growth in assessed valuation on secured property increased by 7.256 percent to \$26.5 billion in FY 2024 (net of exemptions and other deductions) from \$24.7 billion in FY 2023, for a strong level of \$211,418 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 FY 2024 budget update required difficult choices to be made among various Council priorities and community needs, especially given that it was an update to an adopted two-year budget. It largely maintained funding for infrastructure, namely streets and pedestrian safety; for rehousing and other services for the homeless; for the Reimagining Public Safety Initiative and the launch of a Re-Entry Employment and Guaranteed Income Programs and continued implementation of the Employer of Choice roadmap.

Looking ahead, the next biennial budget for Fiscal Years 2025-26 will face similar challenges in finding strategies to fund competing priorities. Just some of those include pension costs that are on the rise; negotiations with some bargaining units; the Council adopted policy to increase funding for streets and other infrastructure such as facilities and sidewalks, which remain underfunded; dollars that need to be available to leverage State funding and provide services for the unhoused; and time is needed to fully implement and evaluate new service delivery models, including within Fire, HHCS, and Police.

#### 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 so doing, 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 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](mailto:finance@cityofberkeley.info). This report is also available on the City's website at [www.cityofberkeley.info/finance](http://www.cityofberkeley.info/finance).



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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

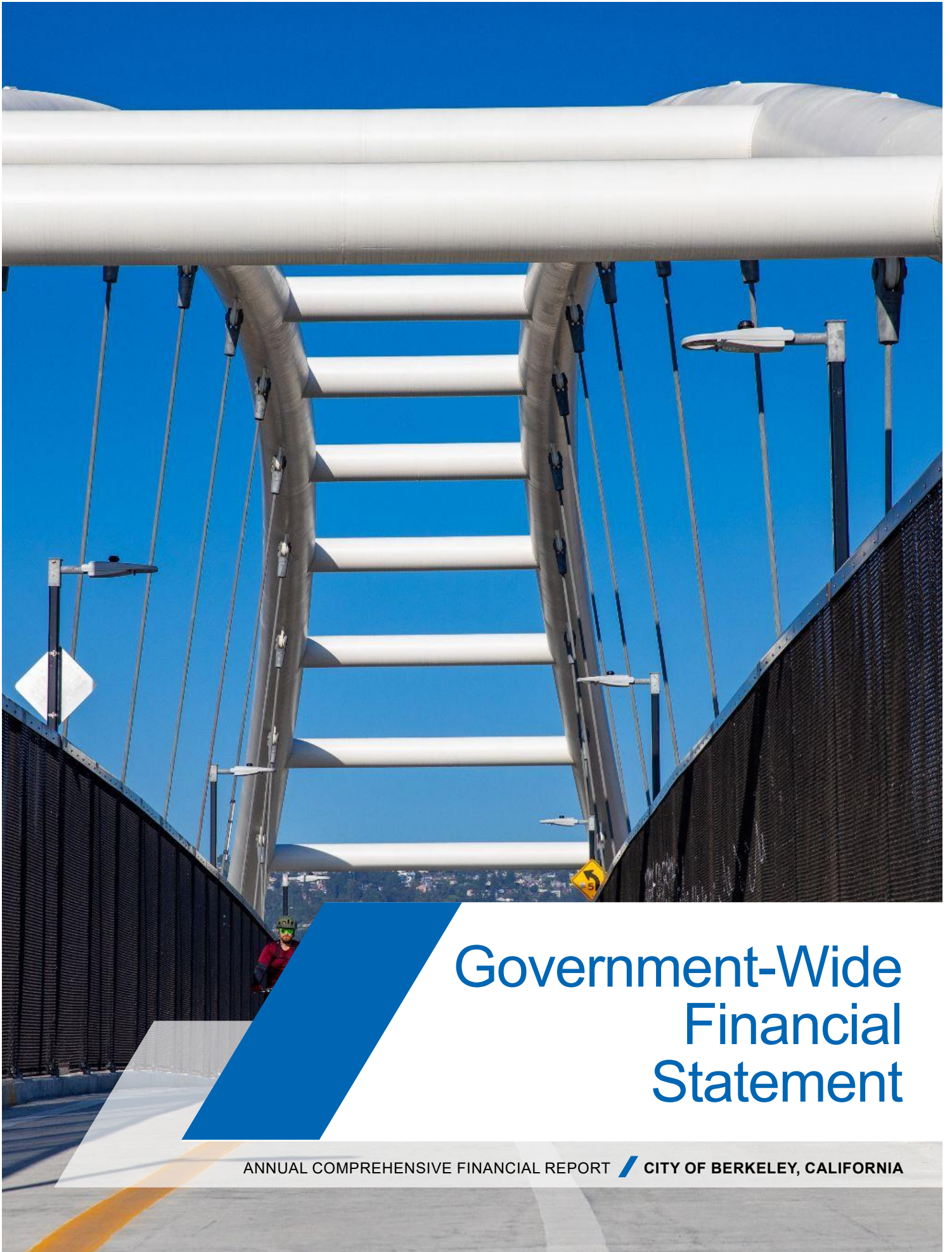
# Basic Financial Statements





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# Government-Wide Financial Statement

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

**Statement of Net Position**  
**June 30, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Rent Stabilization Board
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 309,241,595	\$ 127,093,639	\$ 436,335,234	\$ 7,421,619
Restricted cash and investments	271,353,027	-	271,353,027	-
Receivables (net of allowance for uncollectible)	55,356,315	14,215,916	69,572,231	-
Current portion of lease receivable	60,739	869,905	930,644	-
Inventories	21,196	-	21,196	-
Internal balances	(21,232,399)	21,232,399	-	-
Property held for resale	713,313	-	713,313	-
Total current assets	615,513,786	163,411,859	778,925,645	7,421,619
Noncurrent assets:				
Lease receivable	1,051,407	28,921,173	29,972,580	-
Notes receivable	157,982,548	-	157,982,548	-
Capital assets:				
Land	25,142,014	2,979,050	28,121,064	-
Construction in progress	11,951	-	11,951	-
Building	254,582,994	93,469,515	348,052,509	-
Improvements other than buildings	45,029,733	18,703,848	63,733,581	-
Machinery and equipment	91,025,378	11,591,317	102,616,695	841,652
Infrastructure	309,132,670	265,466,361	574,599,031	-
Right-to-use leased buildings	746,332	-	746,332	4,753,206
Right-to-use subscriptions	2,372,055	-	2,372,055	-
Less accumulated depreciation and amortization	(366,516,461)	(145,128,649)	(511,645,110)	(753,867)
Total capital assets	361,526,666	247,081,442	608,608,108	4,840,991
Total noncurrent assets	520,560,621	276,002,615	796,563,236	4,840,991
Total assets	1,136,074,407	439,414,474	1,575,488,881	12,262,610
<b>Deferred outflows of resources</b>				
Deferred pension items	147,437,750	24,018,973	171,456,723	2,249,499
Deferred OPEB items	21,129,804	3,188,668	24,318,472	207,812
Total deferred outflows of resources	168,567,554	27,207,641	195,775,195	2,457,311
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	22,320,487	4,516,284	26,836,771	227,386
Accrued salaries and wages	7,151,792	1,457,513	8,609,305	108,218
Accrued interest payable	3,764,455	415,002	4,179,457	142
Deposits held	1,273,505	582,145	1,855,650	57,722
Other liabilities	4,869,518	515,473	5,384,991	17,764
Unearned revenues	8,482,474	60,552	8,543,026	-
Advances - rent registration	-	-	-	4,359,129
Tax and revenue anticipation notes	23,620,000	-	23,620,000	-
Current portion of LT liability due within one year	25,546,064	3,637,399	29,183,463	276,621
Total current liabilities	97,028,295	11,184,368	108,212,663	5,046,982
Noncurrent liabilities due in more than one year:				
Net pension liabilities	628,297,778	95,525,194	723,822,972	8,793,063
Net OPEB liabilities	77,531,231	5,858,550	83,389,781	99,183
Others due in more than one year	269,941,052	51,398,592	321,339,644	4,994,169
Total noncurrent liabilities	975,770,061	152,782,336	1,128,552,397	13,886,415
Total liabilities	1,072,798,356	163,966,704	1,236,765,060	18,933,397
<b>Deferred inflows of resources</b>				
Deferred pension items	5,948,078	974,646	6,922,724	94,732
Deferred OPEB items	63,713,325	8,267,843	71,981,168	683,005
Lease	1,099,242	28,901,539	30,000,781	-
Deferred gain on refunding	774,523	-	774,523	-
Total deferred inflows of resources	71,535,168	38,144,028	109,679,196	777,737
<b>Net position</b>				
Net investment in capital assets	238,725,136	198,194,602	436,919,738	59,290
Restricted for:				
Other purposes	1,015,167	-	1,015,167	-
Operating Reserves	15,311,297	-	15,311,297	-
Law enforcement	16,289,576	-	16,289,576	-
Highway and streets	35,357,339	-	35,357,339	-
Health and welfare	48,650,358	-	48,650,358	-
Park, recreation, and education	34,875,794	-	34,875,794	-
Urban redevelopment and housing	179,359,701	-	179,359,701	-
Economic development	1,887,719	-	1,887,719	-
Debt service	24,415,778	-	24,415,778	-
Capital projects	31,178,000	-	31,178,000	-
Unrestricted	(466,757,428)	66,316,781	(400,440,647)	(5,050,503)
Total net position	\$ 160,308,437	\$ 264,511,383	\$ 424,819,820	\$ (4,991,213)

The accompanying notes are an integral part of these financial statements



**Statement of Activities**  
**For the year ended June 30, 2024**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>					
Governmental activities:					
General government	\$ 61,708,500	\$ (6,759,872)	\$ 6,187,268	\$ 5,589,178	\$ -
Public safety	189,902,157	52,268	16,671,805	1,191,453	-
Highways and streets	23,940,035	-	2,303,515	867,752	7,090,611
Health and welfare	44,452,510	83,802	2,831,863	23,227,161	-
Culture and recreation	65,781,017	-	5,232,751	256,328	597,517
Community development and housing	47,368,858	198,915	14,291,139	20,208,076	590,897
Economic development	6,756,744	-	293,373	-	-
Interest on long-term debt	7,966,078	-	-	-	-
Total governmental activities	447,875,899	(6,424,887)	47,811,714	51,339,948	8,279,025
Business-type activities:					
Refuse services	52,762,153	2,893,119	51,122,638	-	-
Marina operations and maintenance	7,356,610	395,387	6,925,076	-	-
Sewer services	14,112,414	966,873	23,353,988	-	-
Clean storm water	3,455,068	188,962	4,460,037	-	-
Permit service center	21,081,039	1,980,546	20,234,664	-	-
Parking related	13,583,464	-	14,499,073	-	-
Building purchase and management	2,937,367	-	2,559,612	-	-
Total business-type activities	115,288,115	6,424,887	123,155,088	-	-
Total primary government	\$ 563,164,014	\$ -	\$ 170,966,802	\$ 51,339,948	\$ 8,279,025
Component unit:					
Rent stabilization board	\$ 6,803,941	\$ -	\$ 5,894,236	\$ -	\$ -
Total component unit	\$ 6,803,941	\$ -	\$ 5,894,236	\$ -	\$ -

**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

Insurance reimbursement

Miscellaneous

Gain/(loss) on sales of capital assets

Transfers:

Primary government

Total general revenues and transfers

Changes in net position

Net position - beginning

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	
\$ (43,172,182)	\$ -	\$ (43,172,182)	\$ -	
(172,091,167)	-	(172,091,167)	-	
(13,678,157)	-	(13,678,157)	-	
(18,477,288)	-	(18,477,288)	-	
(59,694,421)	-	(59,694,421)	-	
(12,477,661)	-	(12,477,661)	-	
(6,463,371)	-	(6,463,371)	-	
(7,966,078)	-	(7,966,078)	-	
(334,020,325)	-	(334,020,325)	-	
-	(4,532,634)	(4,532,634)	-	
-	(826,921)	(826,921)	-	
-	8,274,701	8,274,701	-	
-	816,007	816,007	-	
-	(2,826,921)	(2,826,921)	-	
-	915,609	915,609	-	
-	(377,755)	(377,755)	-	
-	1,442,086	1,442,086	-	
\$ (334,020,325)	\$ 1,442,086	\$ (332,578,239)	\$ -	
			\$ (909,705)	
			\$ (909,705)	
135,671,723	-	135,671,723	-	
17,912,829	-	17,912,829	-	
24,938,675	-	24,938,675	-	
17,620,173	-	17,620,173	-	
3,741,579	-	3,741,579	-	
15,317,016	-	15,317,016	-	
19,965,109	-	19,965,109	-	
16,795,837	-	16,795,837	-	
8,824,385	-	8,824,385	-	
31,244,527	-	31,244,527	-	
31,815,281	-	31,815,281	-	
323,847,134	-	323,847,134	-	
388,936	-	388,936	-	
790,144	-	790,144	-	
30,456,778	5,905,335	36,362,113	-	
26,130	-	26,130	-	
1,762,526	-	1,762,526	-	
69,223	-	69,223	-	
2,036,677	(2,036,677)	-	-	
359,377,548	3,868,658	363,246,206	-	
25,357,223	5,310,744	30,667,967	(909,705)	
134,951,214	259,200,639	394,151,853	(4,081,508)	
\$ 160,308,437	\$ 264,511,383	\$ 424,819,820	\$ (4,991,213)	



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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

# Governmental Fund Financial Statements





**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	Major Funds						
	General Fund	Grants	Library	Capital Improvement	Measure O Housing Bond	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and investments in treasury	\$ 102,478,850	\$ -	\$ -	\$ 18,452,684	\$ -	\$ 90,440,795	\$ 211,372,329
Restricted cash and investments	32,450,143	41,134,806	25,075,189	-	37,876,153	134,816,736	271,353,027
Receivables (net of allowance where applicable):							
Accounts	10,227,514	-	-	-	-	1,797,388	12,024,902
Interest	2,620,360	-	-	-	-	579,108	3,199,468
Taxes	9,914,826	-	176,065	-	-	2,148,342	12,239,233
Subventions/grants	50,000	25,615,744	65,875	-	-	1,460,007	27,191,626
Due from other funds	16,361,500	-	-	2,688,024	-	-	19,049,524
Notes receivable	31,325,839	40,880,002	-	7,771,575	41,585,898	36,419,234	157,982,548
Other	4,812	156,082	-	-	-	-	160,894
Property held for resale	-	-	-	-	-	713,313	713,313
Total assets	\$ 205,433,844	\$ 107,786,634	\$ 25,317,129	\$ 28,912,283	\$ 79,462,051	\$ 268,374,923	\$ 715,286,864
<b>Liabilities</b>							
Accounts payable	\$ 9,367,678	\$ 2,907,580	\$ 353,218	\$ 1,109,116	\$ 53,140	\$ 5,602,505	\$ 19,393,237
Accrued salaries and wages	4,672,312	457,091	452,128	62,158	-	1,253,102	6,896,791
Accrued interest payable	1,177,719	-	-	-	-	-	1,177,719
Due to other funds	-	13,775,496	-	-	-	2,821,879	16,597,375
Deposits held	1,118,325	-	-	12,933	-	142,247	1,273,505
Unearned revenues	-	8,249,949	101,404	-	-	131,121	8,482,474
Taxes and revenue anticipation note	23,620,000	-	-	-	-	-	23,620,000
Other liabilities	4,692,542	-	15,312	-	-	161,664	4,869,518
Total liabilities	44,648,576	25,390,116	922,062	1,184,207	53,140	10,112,518	82,310,619
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	7,756,010	21,298,397	58,615	554,285	-	3,032,327	32,699,634
Total deferred inflows of resources	7,756,010	21,298,397	58,615	554,285	-	3,032,327	32,699,634
<b>Fund Balances</b>							
Nonspendable	660,000	-	-	-	-	-	660,000
Restricted	38,165,215	79,120,250	24,336,452	7,771,575	79,408,911	159,538,327	388,340,730
Committed	54,289,457	-	-	-	-	98,847,541	153,136,998
Assigned	30,337,661	-	-	19,402,216	-	-	49,739,877
Unassigned	29,576,925	(18,022,129)	-	-	-	(3,155,790)	8,399,006
Total fund balances	153,029,258	61,098,121	24,336,452	27,173,791	79,408,911	255,230,078	600,276,611
Total liabilities, deferred inflows of resources, and fund balances	\$ 205,433,844	\$ 107,786,634	\$ 25,317,129	\$ 28,912,283	\$ 79,462,051	\$ 268,374,923	\$ 715,286,864

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, 2024

Fund balances - total governmental funds (Page 39) \$ 600,276,611

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	11,951
Buildings	254,582,994
Improvements other than buildings	45,029,733
Machinery and equipment	91,025,378
Infrastructure	309,132,670
Right-to-use leased Building	746,332
Right-to-use software subscription	2,372,055
Less accumulated depreciation	(366,516,460)
Governmental activities capital assets, net	361,526,666
Less: capital assets for Internal Service Funds	(20,140,461)
Net capital assets	341,386,205

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 - CalPERS Miscellaneous Plan	(224,959,610)
Net pension liability - CalPERS Police Plan	(205,049,260)
Net pension liability - CalPERS Fire Plan	(100,919,923)
Net pension liability - Berkeley Police Retirement Income Benefit	(64,694,239)
Net pension liability - Safety Member Pension Plan	(146,122)
Net OPEB liability - Miscellaneous Retiree	(18,393,535)
Net OPEB liability - Police Retiree Premium Assistance Plan	(34,445,786)
Net OPEB liability - Fire Retiree Healthcare Plan	(22,235,604)

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	32,699,634
Lease receivable - principal and interest	1,121,703
Deferred outflow on pension - CalPERS Miscellaneous Plan	58,064,228
Deferred outflow on pension - CalPERS Police Plan	47,244,521
Deferred outflow on pension - CalPERS Fire Plan	33,814,196
Deferred outflow on pension - Berkeley Police Retirement Income Benefit Plan	105,134
Deferred outflow on Safety Member Pension Plan	
Deferred outflow on OPEB - Miscellaneous Retiree Healthcare Plan	4,009,237
Deferred outflow on OPEB - Police Retiree Healthcare Plan	10,243,242
Deferred outflow on OPEB - Fire Retiree Healthcare Plan	5,709,421

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	11,781,408
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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	(2,579,541)
Bonds, certificates of participation, notes and loans	(223,922,055)
Compensated absences	(19,094,937)
Lease Payable	(295,871)
Subscription Liability	(1,190,932)

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 - CalPERS Miscellaneous Plan	(2,463,622)
Deferred inflow on pension - CalPERS Police Plan	(787,885)
Deferred inflow on pension - CalPERS Fire Plan	(2,334,350)
Deferred inflow on pension - Berkeley Police Retirement Income Benefit Plan	-
Deferred inflow on Safety Member Pension Plan	-
Deferred inflow on OPEB - Miscellaneous Retiree Healthcare Plan	(16,369,990)
Deferred inflow on OPEB - Police Retiree Healthcare Plan	(34,753,977)
Deferred inflow on OPEB - Fire Retiree Healthcare Plan	(9,636,099)
Deferred inflow on lease	(1,099,242)
Deferred inflows due to the advance refunding resulting in defeasance of debt	<u>(774,523)</u>

Net position of governmental activities (Page 34) \$ 160,308,437

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, 2024**

	Major Funds					Measure O Housing Bond	Other Governmental Funds	Total Governmental Funds
	General Fund	Grants	Library	Capital Improvement				
<b>Revenues:</b>								
Taxes	\$ 216,040,063	\$ -	\$ 24,951,433	\$ -	\$ -	\$ -	\$ 82,705,010	\$ 323,696,506
Licenses and permits	1,457,201	-	-	-	-	-	505,514	1,962,715
Intergovernmental	832,688	46,176,230	42,993	-	-	-	6,276,061	53,327,972
Charges for service	11,951,866	2,140,796	-	-	-	-	22,669,870	36,762,532
Fines and penalties	5,946,906	-	15,327	-	-	-	469,863	6,432,096
Rents and royalties	272,842	-	-	-	-	-	144,253	417,095
Franchise	1,986,788	-	-	-	-	-	124,902	2,111,690
Private contribution and donations	149,682	-	317,492	-	-	-	322,970	790,144
Investment income/ (loss)	22,318,921	648,099	17,136	18,328	1,110,434	-	3,861,022	27,973,940
Miscellaneous	825,729	-	219	-	-	-	539,538	1,365,486
Total revenues	261,782,686	48,965,125	25,344,600	18,328	1,110,434	-	117,619,003	454,840,176
<b>Expenditures:</b>								
Current:								
General government	41,929,704	2,559,183	-	58,771	-	-	4,977,017	49,524,675
Public safety	137,521,526	651,616	-	-	-	-	20,773,686	158,946,828
Highway and streets	2,223,670	797,176	-	2,822,529	-	-	9,704,958	15,548,333
Health and welfare	15,530,575	20,707,201	-	-	-	-	5,170,923	41,408,699
Culture-recreation	10,631,605	878,114	23,585,585	710,873	-	-	20,601,109	56,407,286
Community development and housing	22,498,909	11,038,803	-	1,166,315	-	-	8,438,221	43,142,248
Economic development	3,270,927	1,213,985	-	17,671	-	-	2,026,391	6,528,974
Debt service:								
Principal repayment	1,526,723	-	-	-	-	-	9,064,080	10,590,803
Interest and fiscal charges	749,523	-	-	-	-	-	8,056,863	8,806,386
TRAN issuance costs	70,310	-	-	-	-	-	-	70,310
Capital outlay:	5,849,620	6,789,607	268,329	10,233,035	-	-	12,276,655	35,417,247
Total expenditures	241,803,092	44,635,685	23,853,914	15,009,194	-	-	101,089,903	426,391,788
Excess/(deficiency) of revenues over/(under) expenditures	19,979,594	4,329,440	1,490,686	(14,990,866)	1,110,434	-	16,529,100	28,448,388
Other financing sources/(uses)								
Transfers in	13,591,924	-	-	18,370,905	-	-	11,493,735	43,456,564
Transfers out	(41,100,950)	(3,255,744)	-	(1,136,391)	-	-	(3,512,688)	(49,005,773)
Inception of leases and subscriptions	2,091,546	-	-	-	-	-	-	2,091,546
Insurance recoveries	-	-	-	-	-	-	26,130	26,130
Sale of capital assets	-	11,272	-	-	-	-	-	11,272
Total other financing sources/(uses)	(25,417,480)	(3,244,472)	-	17,234,514	-	-	8,007,177	(3,420,261)
Net change in fund balance	(5,437,886)	1,084,968	1,490,686	2,243,648	1,110,434	-	24,536,277	25,028,127
Fund balance, July 1, 2023	158,467,144	60,013,153	22,845,766	24,930,143	78,298,477	-	230,693,801	575,248,484
Fund balance, June 30, 2024	\$ 153,029,258	\$ 61,098,121	\$ 24,336,452	\$ 27,173,791	\$ 79,408,911	-	\$ 255,230,078	\$ 600,276,611

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, 2024**

Net change in fund balances - total governmental funds (Page 42 ) \$ 25,028,127

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)	35,417,247
Deletion of capital assets due to sale is therefore deducted from fund balance	(62,814)
Depreciation expense is therefore deducted from fund balance (net of ISF's amount)	(18,401,818)

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

Tax receivable	(6,047)
Grant receivable	6,836,612
Accounts receivable	526,742
Lease receivable	11,001

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	154,618
Principal payment on bonds, certificates of participation, notes and loans	9,064,080
Inception of new subscription based I.T arrangements	(2,091,546)
Subscription liability payment - Principal	1,372,105

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	(451,294)
Amortization of original issuance premium on debt	632,892
Amortization of deferred gain on refunding of general obligation refunding bonds	118,585
Pension expense - CalPERS Miscellaneous Plan	(44,847,223)
Pension expense - CalPERS Police Plan	(32,586,965)
Pension expense adjustment - CalPERS Police Plan	(106)
Pension expense - CalPERS Fire Plan	(16,635,384)
Pension expense - Berkeley Police Retirement Income Benefit	(6,104,947)
Pension expense - Safety Member Pension Plan	699,494
Net OPEB expense - Miscellaneous Retiree	1,057,354
Net OPEB expense - Police Retiree Healthcare Plan	1,026,572
Net OPEB expense - Fire Retiree Healthcare Plan	(1,158,956)
Accrued interest payable	127,512

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 Miscellaneous Plan	36,223,585
CalPERS Police Plan	20,104,565
CalPERS Fire Plan	10,675,536

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)	(1,372,304)
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Changes in net position of governmental activities (page 35)	\$ 25,357,223
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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



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**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	Business-type Activities				
	Zero Waste	Marina Operations	Sanitary Sewer	Clean Storm Water	Permit Service Center
<b>Assets</b>					
Current assets:					
Cash and investments in treasury	\$ 23,413,119	\$ 3,924,940	\$ 44,420,003	\$ 11,251,968	\$ 38,202,189
Accounts receivable	9,865,315	379,004	2,160,817	104,227	817,654
Due from other fund	-	-	-	-	-
Current portion of lease receivable	-	582,713	-	-	-
Accrued interest	125,036	20,160	202,325	51,945	203,245
Inventory	-	-	-	-	-
Total current assets	33,403,470	4,906,818	46,783,145	11,408,140	39,223,087
Noncurrent assets:					
Lease receivable	-	27,371,538	-	-	-
Advances to other funds	-	-	-	-	-
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	14,607,261	126,696	-	-
Machinery and equipment	3,627,524	419,095	1,400,198	50,772	219,688
Infrastructure	-	-	224,240,934	41,225,426	-
Less accumulated depreciation	(4,729,158)	(10,571,633)	(71,557,839)	(21,277,832)	(1,319,988)
Total noncurrent assets	3,966,873	36,313,907	156,257,201	20,035,739	3,273,336
Total assets	37,370,342	41,220,725	203,040,346	31,443,879	42,496,424
<b>Deferred outflows of resources:</b>					
Deferred pension items	8,622,853	1,549,412	4,460,969	854,972	6,061,082
Deferred OPEB items	1,204,635	245,229	515,241	97,276	843,959
Total deferred outflows of resources	9,827,489	1,794,641	4,976,210	952,247	6,905,041
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	2,516,845	425,219	639,174	41,846	441,743
Accrued salaries and wages	586,980	105,756	188,395	35,447	391,272
Accrued interest payable	-	237,585	-	-	-
Due to other funds	-	-	-	-	-
Compensated absences - due within one year	384,329	58,064	97,617	11,853	143,232
Other liabilities	514,713	-	-	760	-
Deposits held	215	348,028	-	-	122,057
Landfill liabilities - due within one year	451,706	-	-	-	-
Unearned revenues	-	60,552	-	-	-
Claims and judgements payable	-	-	-	-	-
Notes payable - due within one year	-	225,371	-	-	-
Finance purchase agreements - due within one year	-	-	-	-	-
Revenue bonds payable - due within one year	-	-	-	-	-
Total current liabilities	4,454,788	1,460,575	925,186	89,906	1,098,305

Business-type Activities				Governmental Activities
Off-Street Parking	Parking Meter	Building Purchases & Management	Total	Internal Service Funds
\$ -	\$ 5,881,267	\$ 152	\$ 127,093,639	\$ 97,869,266
186,831	54,719	-	13,568,566	71,237
-	59,808	-	59,808	-
163,405	-	123,787	869,905	-
13,102	31,696	-	647,509	459,398
-	-	-	-	21,196
363,338	6,027,490	123,939	142,239,428	98,421,097
780,408	-	769,228	28,921,173	-
-	-	-	-	-
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	18,703,848	171,524
1,646,563	4,010,646	216,831	11,591,317	56,411,409
-	-	-	265,466,361	-
(16,885,359)	(2,850,229)	(15,936,612)	(145,128,649)	(37,617,202)
43,143,693	1,696,220	11,315,647	276,002,616	20,140,461
43,507,031	7,723,710	11,439,587	418,242,044	118,561,558
263,555	1,942,828	263,301	24,018,972	8,209,673
46,129	203,831	32,368	3,188,668	1,167,903
309,684	2,146,660	295,669	27,207,640	9,377,576
285,887	45,268	120,463	4,516,445	2,927,249
14,815	116,549	18,299	1,457,513	255,001
79,730	-	97,687	415,002	7,195
649,746	-	1,393,174	2,042,920	469,037
217	74,323	22,147	791,782	92,609
-	-	-	515,473	-
5,566	-	106,278	582,145	-
-	-	-	451,706	-
-	-	-	60,552	-
-	-	-	-	14,014,611
-	-	-	225,371	-
-	-	-	-	724,493
905,000	-	1,263,539	2,168,539	-
1,940,961	236,140	3,021,588	13,227,449	18,490,195



**Statement of Net Positiona**  
**Proprietary Funds**  
**June 30, 2024**

	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	2,016,497	304,653	512,177	62,188	751,510
Landfill liabilities - due in more than one year	890,400	-	-	-	-
Claims and judgments payable - due in more than one year	-	-	-	-	-
Notes payable - due in more than one year	-	5,415,126	-	-	-
Finance purchase agreements - due in more than one year	-	-	-	-	-
Revenue bond payable - due in more than one year	-	-	-	-	-
Net pension liabilities	33,567,803	6,312,242	17,487,357	3,357,387	23,538,322
Net OPEB liabilities	2,174,961	424,420	1,123,780	257,301	1,150,044
Total noncurrent liabilities	38,649,660	12,456,440	19,123,314	3,676,876	25,439,876
Total liabilities	43,104,449	13,917,015	20,048,500	3,766,782	26,538,181
Deferred inflows of resources:					
Deferred pension items	351,763	63,962	169,620	55,334	180,970
Deferred OPEB items	2,972,517	621,605	1,368,045	230,631	2,340,688
Deferred lease revenue	-	27,170,974	-	-	-
Total deferred inflows of resources	3,324,279	27,856,540	1,537,665	285,965	2,521,657
Net position					
Net investment in capital assets	3,966,873	3,291,661	156,142,306	20,034,979	3,273,336
Unrestricted	(3,197,770)	(2,049,850)	30,288,085	8,308,401	17,068,290
Total net position	\$ 769,103	\$ 1,241,810	\$ 186,430,391	\$ 28,343,380	\$ 20,341,626

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
1,141	389,955	116,198	4,154,319	1,128,069
-	-	-	890,400	-
-	-	-	-	33,912,850
-	-	-	5,415,126	-
-	-	-	-	1,110,689
30,388,548	-	10,550,199	40,938,747	-
1,167,084	8,912,465	1,182,535	95,525,193	32,528,625
51,236	589,203	87,606	5,858,550	2,456,306
31,608,009	9,891,623	11,936,538	152,782,335	71,136,539
33,548,970	10,127,763	14,958,125	166,009,784	89,626,734
9,231	142,554	1,212	974,646	362,220
117,373	526,345	90,639	8,267,842	2,953,259
882,146	-	848,419	28,901,538	-
1,008,750	668,899	940,270	38,144,026	3,315,479
11,069,737	1,696,220	(1,280,509)	198,194,602	18,305,279
(1,810,742)	(2,622,513)	(2,882,631)	43,101,271	16,691,642
\$ 9,258,995	\$ (926,293)	\$ (4,163,140)	\$ 241,295,873	\$ 34,996,921
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
				23,215,510
				Net position of business-type activities
				\$ 264,511,383

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2024**

	Business-type Activities - Enterprise Funds			
	Zero Waste	Marina Operations	Sanitary Sewer	Clean Storm Water
<b>Operating revenues:</b>				
Parking related revenues	\$ -	\$ -	\$ -	\$ -
Marina operations and maintenance	-	4,608,077	-	-
Sewer service fees	-	-	22,912,988	-
Clean storm water fees	-	-	-	4,460,037
Refuse service fees	51,121,651	-	-	-
Building permits	-	-	-	-
Other permits	-	-	-	-
Plan checking fees	-	-	-	-
Other fees	-	-	441,000	-
Equipment rentals service charge	-	-	-	-
Building maintenance	-	-	-	-
Central store service charge	-	-	-	-
Workers' compensation fees	-	-	-	-
IT service fee	-	-	-	-
Lease revenues	-	2,274,799	-	-
Other revenues	987	42,200	-	-
Total operating revenues	51,122,638	6,925,076	23,353,988	4,460,037
<b>Operating expenses:</b>				
Personnel services	13,776,751	2,295,989	4,626,244	935,271
Employee benefits	9,161,739	1,291,553	3,227,578	581,805
Transportation	9,315,307	213,985	952,219	692,952
Repairs and maintenance	1,561,130	321,295	258,809	327,039
Materials and supplies	3,049,871	290,076	76,748	5,420
Utilities	472,660	787,619	17,458	11,647
Insurance	-	11,404	-	-
Specialized and professional services	15,218,229	1,099,027	1,045,208	382,600
Depreciation	434,073	546,006	3,751,341	738,063
Judgments and claims	-	-	-	-
Communication	34,292	26,516	34,051	480
General administration	3,514,693	443,498	1,056,057	373,380
Total operating expenses	56,538,745	7,326,968	15,045,713	4,048,657
Operating income (loss)	(5,416,107)	(401,892)	8,308,275	411,380
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	1,552,187	271,251	2,287,867	585,552
Interest expense	-	(261,218)	-	-
Disposal of capital asset	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	1,552,187	10,033	2,287,867	585,552
Income (loss) before transfers	(3,863,920)	(391,859)	10,596,142	996,932
Transfers in	-	-	90,500	40,408
Transfers out	(110,870)	(24,109)	(193,022)	(25,085)
Change in net position	(3,974,790)	(415,968)	10,493,620	1,012,255
Total net position - beginning	4,743,893	1,657,778	175,936,771	27,331,125
Total net position - ending	\$ 769,103	\$ 1,241,810	\$ 186,430,391	\$ 28,343,380

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
\$ -	\$ 4,904,882	\$ 8,934,042	\$ -	\$ 13,838,924	\$ -
-	-	-	-	4,608,077	-
-	-	-	-	22,912,988	-
-	-	-	-	4,460,037	-
-	-	-	-	51,121,651	-
5,467,550	-	-	-	5,467,550	-
2,639,381	-	-	-	2,639,381	-
8,733,699	-	-	-	8,733,699	-
2,683,888	-	-	-	3,124,888	-
-	-	-	-	-	19,717,583
-	-	-	2,413,881	2,413,881	3,911,723
-	-	-	-	-	342,881
-	-	-	-	-	-
-	-	-	-	-	14,589,211
-	454,490	-	145,731	2,875,020	-
710,146	102,256	103,403	-	958,992	5,223,215
20,234,664	5,461,628	9,037,445	2,559,612	123,155,088	43,784,613
9,614,469	300,828	2,841,934	440,132	34,831,618	12,745,524
6,967,444	204,905	1,825,884	330,978	23,591,886	6,994,180
205,985	1,011	600,116	-	11,981,575	571,642
1,173,990	537,173	147,888	53,615	4,380,939	468,501
187,598	567	89,812	33,072	3,733,164	3,458,391
-	349,928	13,387	378,456	2,031,155	62,230
-	-	-	-	11,404	10,165
2,604,622	2,580,226	715,971	171,260	23,817,143	5,990,346
157,231	1,935,132	169,790	890,806	8,622,442	5,308,468
-	-	-	-	-	17,392,191
36,544	90,901	119,280	24,556	366,620	212,014
2,070,493	4,390	110,033	293,028	7,865,572	945,036
23,018,376	6,005,061	6,634,095	2,615,903	121,233,518	54,158,688
(2,783,712)	(543,433)	2,403,350	(56,291)	1,921,570	(10,374,075)
1,022,108	59,821	126,397	152	5,905,335	2,451,782
-	(975,393)	-	(298,038)	(1,534,649)	(38,682)
-	-	-	-	-	-
-	-	-	-	-	57,951
1,022,108	(915,572)	126,397	(297,886)	4,370,686	2,471,051
(1,761,604)	(1,459,005)	2,529,747	(354,177)	6,292,256	(7,903,024)
-	-	-	-	130,908	14,036,497
(55,640)	(7,920)	(1,750,938)	-	(2,167,584)	(6,450,612)
(1,817,244)	(1,466,925)	778,809	(354,177)	4,255,580	(317,139)
22,158,870	10,725,920	(1,705,102)	(3,808,963)		35,314,060
\$ 20,341,626	\$ 9,258,995	\$ (926,293)	\$ (4,163,140)		\$ 34,996,921
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,055,164	
Change in net position of business-type activities				\$ 5,310,744	

**City of Berkeley**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2024**

	<b>Business-type Activities</b>			
	<b>Zero Waste</b>	<b>Marina Operations</b>	<b>Sanitary Sewer</b>	<b>Clean Storm Water</b>
Cash flows from operating activities:				
Cash received from customers	\$ 50,085,280	\$ 6,895,015	\$ 23,400,078	\$ 4,449,979
Cash paid for goods and services	(31,490,729)	(2,994,850)	(4,436,144)	(1,877,165)
Cash paid for employee services	(21,561,000)	(3,145,727)	(7,313,256)	(1,473,770)
Claims and judgments paid	-	-	-	-
Net cash provided (used) by operating activities	(2,966,448)	754,438	11,650,678	1,099,043
Cash flows from noncapital financing activities:				
Transfers in	-	-	90,500	40,408
Transfers out	(110,870)	(24,109)	(193,022)	(25,085)
Advances repayment from other funds	-	-	-	-
Due from other fund	-	-	-	-
Receipt from interfund loans	-	-	-	-
Net cash provided (used) from noncapital financing activities	(110,870)	(24,109)	(102,522)	15,323
Cash flows from capital and related financing activities:				
Interest paid	-	(269,569)	-	-
Purchases of capital assets	-	(802,011)	(7,602,065)	(126,446)
Lease payments	-	(267,660)	-	-
Debt issuance	704,128	-	-	-
Debt (repayment)	-	(216,150)	-	-
Proceeds from disposal of capital assets	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Net cash provided (used) from capital and related financing activities	704,128	(1,555,390)	(7,602,065)	(126,446)
Cash flows from investing activities:				
Unrealized gain/loss on investments	(1,597,840)	(334,888)	(2,095,560)	(501,615)
Interest received	3,156,579	609,956	4,375,081	1,086,419
Net cash provided (used) from investing activities	1,558,739	275,068	2,279,521	584,804
Net increase (decrease) in cash and cash equivalent	(814,451)	(549,992)	6,225,612	1,572,724
Cash and cash equivalents, July 1, 2023	24,227,570	4,474,932	38,194,391	9,679,244
Cash and cash equivalents, June 30, 2024	23,413,119	3,924,940	44,420,003	11,251,968
Financial statement presentation:				
Cash and investments	23,413,119	3,924,940	44,420,003	11,251,968
Total	23,413,119	3,924,940	44,420,003	11,251,968
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Income (loss) from operations	\$ (5,416,107)	\$ (401,892)	\$ 8,308,275	\$ 411,380
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	434,073	546,006	3,751,341	738,063
Change in:				
Accounts receivable	(1,037,358)	(66,613)	46,090	(10,058)
Deferred outflow	619,556	120,999	333,782	1,214
Inventory	-	-	-	-
Accounts payable	1,665,489	187,556	(995,594)	(27,963)
Deposits held	-	11,014	-	-
Accrued salaries and wages	126,914	19,559	36,131	5,309
Unearned revenues	-	36,552	-	-
Compensated absences	75,914	225,341	(32,872)	35,450
Claims and judgments payable	-	-	-	-
Net pension liabilities	1,260,272	215,166	587,932	2,703
Net OPEB liability	(84,014)	(23,047)	(64,779)	(115)
Other liabilities	9,965	-	-	(55,684)
Deferred inflows	(621,151)	(116,204)	(319,629)	(1,256)
Net cash provided (used) by operating activities	\$ (2,966,448)	\$ 754,438	\$ 11,650,678	\$ 1,099,043

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
\$ 20,212,635	\$ 5,486,331	\$ 8,985,544	\$ 2,559,612	122,074,473	\$ 43,783,358
(6,319,041)	(3,278,309)	(1,762,969)	(912,279)	(53,071,485)	(14,766,415)
(15,097,992)	(484,549)	(4,534,867)	(741,123)	(54,352,285)	(18,754,885)
-	-	-	-	-	(15,593,563)
(1,204,398)	1,723,473	2,687,708	906,210	14,650,703	(5,331,505)
-	-	-	-	130,908	14,036,497
(55,640)	(7,921)	(1,750,938)	-	(2,167,585)	(6,450,612)
-	-	-	-	-	813,779
-	-	(59,808)	-	(59,808)	-
-	174,853	-	717,519	892,372	2,715
(55,640)	166,932	(1,810,746)	717,519	(1,204,113)	8,402,379
-	(978,150)	-	(312,773)	(1,560,492)	(41,474)
(13,371)	-	(1,171,168)	-	(9,715,061)	(3,709,407)
-	(36,082)	-	(11,374)	(315,115)	(711,979)
-	-	-	-	704,128	-
-	(932,899)	-	(1,312,057)	(2,461,106)	-
-	-	-	-	-	57,951
-	-	-	-	-	-
(13,371)	(1,947,131)	(1,171,168)	(1,636,204)	(13,347,646)	(4,404,909)
(1,498,709)	(122,238)	(169,029)	(9,845)	(6,329,724)	2,427,046
2,503,787	178,963	289,721	9,997	12,210,503	-
1,005,078	56,725	120,692	152	5,880,779	2,427,046
(268,332)	-	(173,514)	(12,323)	5,979,723	1,093,011
38,470,521	-	6,054,781	12,476	121,113,915	96,776,255
38,202,189	-	5,881,267	152	127,093,638	97,869,266
38,202,189	-	5,881,267	152	127,093,639	97,869,266
38,202,189	-	5,881,267	152	127,093,639	97,869,266
\$ (2,783,712)	\$ (543,433)	\$ 2,403,350	\$ (56,291)	1,921,570	\$ (10,374,075)
157,231	1,935,132	169,790	890,806	8,622,442	5,308,468
(22,029)	24,703	(51,901)	-	(1,117,167)	(1,256)
753,847	21,405	18,070	27,930	1,896,803	584,561
-	-	-	-	-	38,257
(38,386)	285,888	33,518	41,708	1,152,215	(3,086,347)
(1,423)	-	-	-	9,592	-
90,179	6,336	14,180	2,603	301,211	(30,991)
-	-	-	-	36,552	-
183,296	(22,536)	87,554	(18,313)	533,834	20,376
-	-	-	-	-	1,798,628
1,324,927	40,492	33,858	49,898	3,515,247	1,081,530
(146,928)	(3,556)	(3,072)	(5,270)	(330,781)	(102,329)
-	-	(0)	-	(45,719)	-
(721,400)	(20,957)	(17,639)	(26,862)	(1,845,096)	(568,327)
\$ (1,204,398)	\$ 1,723,473	\$ 2,687,708	\$ 906,210	14,650,703	\$ (5,331,505)



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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, 2024**

	Pension and Other Post- Employment Benefit Trust Funds	Private Purpose Trust Fund - Successor Agency of Former RDA	Custodial Funds
<b>Assets</b>			
Restricted cash and cash equivalents	\$ 3,040,156	\$ 6,971,515	\$ 2,063,266
Investments, at fair value:			
Medium term notes	12,983,350	-	-
US agency securities	24,357,483	-	-
Municipal bonds	5,046,950	-	-
Corporate bond	1,890,040	-	-
Preferred Stock	8,064,000	-	-
Savo Island loan	104,000	-	-
Interest receivable	638,570	20	-
Taxes receivable	-	-	11,610
Other accounts receivable	-	-	28,008
Total current assets	56,124,549	6,971,535	2,102,884
 Total assets	 56,124,549	 6,971,535	 2,102,884
<b>Liabilities</b>			
Accounts payable	936,151	-	461,052
Accrued interest payable	-	2,773	-
Due to City of Berkeley	-	-	14,934
Bonds payable - noncurrent	-	104,000	-
Deposits held	-	-	14,490
Other liabilities	-	-	357,029
Total liabilities	936,151	106,773	847,505
 <b>Net position restricted for:</b>			
Employee pension benefits held in trust	3,612,185	-	-
Employee OPEB benefits held in trust	51,576,213	-	-
City of Berkeley Successor Agency assets held in trust	-	6,864,762	-
Individuals, organizations, and other governments	-	-	1,255,379
Total net position	\$ 55,188,398	\$ 6,864,762	\$ 1,255,379

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, 2024**

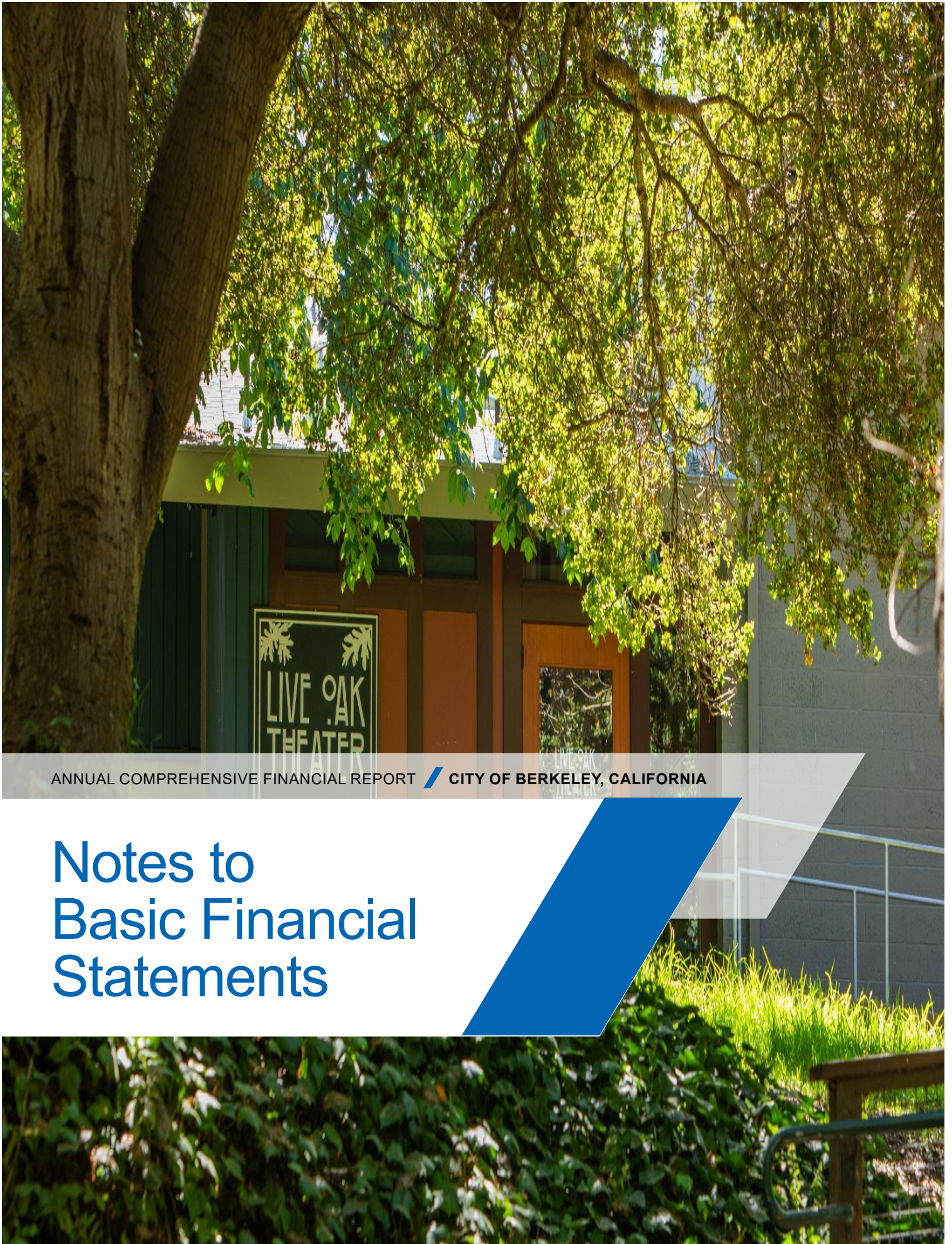
	<b>Pension and Other Post - Employment Benefit Trust Funds</b>	<b>Private Purpose Trust Funds - Successor Agency of Former RDA</b>	<b>Custodial Funds</b>
<b>Additions:</b>			
Tax increment income	\$ -	\$ 1,200,733	\$ -
Contributions: employer	6,375,392	-	-
Property tax collections for other entities	-	-	3,708,113
Investment income:			
Interest income	2,156,679	-	89
Increase (Decrease) in FMV of investments	626,209	-	-
Total Investment income	2,782,888	-	89
Total additions	9,158,280	1,200,733	3,708,202
<b>Deductions:</b>			
Community development	-	8,933	-
Benefits payment for service	6,446,912	-	-
Administrative expenses	10,963	-	-
Personnel services	-	-	305,477
Employee benefits	-	-	236,056
Payments of property tax to other entities	-	-	3,616,900
Payments to others	-	-	433,185
Total deductions	6,457,875	8,933	4,591,618
Change in net position	2,700,405	1,191,800	(883,416)
Total net position - beginning	52,487,993	5,672,962	2,138,795
Total net position - ending	\$ 55,188,398	\$ 6,864,762	\$ 1,255,379

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 2024, the City implemented the following Governmental Accounting Standards Board (the GASB) Statement:

#### **GASB Statement No. 100 and GASB Implementation Guide No. 2023-1**

For fiscal year 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections, and related guidance from GASB Implementation Guide No. 2023-1, "Implementation Guidance Update — 2023." GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result

## NOTES TO THE FINANCIAL STATEMENTS

in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections. The implementation of this GASB pronouncement did not have any effect on beginning net position.

As indicated, the City also adopted the provisions of GASB Implementation Guidance Update-2021, Question 5-1 that was effective during FY2024. The objective of the Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. Question 5.1 especially amended questions in previously issued Implementation Guides. The new guidance expands the scope of the capital assets threshold application from only an individual units cost to individual cost as well as aggregate significant costs even if the individual units are less than the capitalization threshold.

**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.

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 Pension Annuity fund 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.

## NOTES TO THE FINANCIAL STATEMENTS

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, 2024 are as follows:

	<b>Restricted cash and investments</b>
<b>Governmental activities:</b>	
TRANS repayment	\$ 24,797,719
U1 housing	7,438,153
Climate equity action	214,271
Grants	41,134,806
Library	25,075,189
Measure O housing bond	37,876,153
Non-major fund - Special revenue funds	82,110,847
Non-major fund - Capital project	28,388,645
Non-major fund - Debt service fund	24,317,245
Total governmental activities	<b>\$ 271,353,027</b>
<b>Pension and other post-employment benefit trust funds:</b>	
Police retirement income benefit plan	\$ 4,222,446
Miscellaneous retiree health premium assistance plan	35,312,176
Police retiree premium assistance plan	2,445,763
Fire employees retiree health plan	13,505,594
Total pension and other post-employment benefit trust funds	<b>\$ 55,485,979</b>
<b>Private purpose trust fund - Successor agency of former RDA:</b>	
Successor agency - WBIP	\$ 6,362,852
Successor agency - Savo DSF	608,663
Total private-purpose trust funds	<b>\$ 6,971,515</b>
<b>Custodial funds</b>	
District 47 underground/Miller	\$ 124,312
Sustainable energy	21,041
Solano avenue business improvement district	20,136
Telegraph business improvement district	157,830
Thousand oaks undergrounding	322,005
Measure H school tax	25,959
CFD No. 1 disaster fire protection Mello-Roos	1,192,569
Berkeley tourism business improvement district	90,208
Elmwood business improvement district	30,300
Downtown Berkeley property and improvement district	78,906
Total custodial funds	<b>\$ 2,063,266</b>

## 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

NOTES TO THE FINANCIAL STATEMENTS

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

### Compensated Absences - Other

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 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.

### Compensated Absences-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

## NOTES TO THE FINANCIAL STATEMENTS

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, 2024, 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.

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	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

## 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



## NOTES TO THE FINANCIAL STATEMENTS

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, 2024 are classified in the accompanying financials statements at fair value as follows:

	Unrestricted	Restricted	Total
Primary government except for fiduciary fund	\$ 436,335,234	\$ 271,353,027	\$ 707,688,261
Fiduciary fund	-	64,520,763	64,520,763
Component unit: Rent Stabilization Board	7,421,619	-	7,421,619
Total cash and investments	\$ 443,756,853	\$ 335,873,790	\$ 779,630,643

Cash and investments as of June 30, 2024 consist of the following:

Cash and deposits:	
Cash on hand	\$ 32,565
Deposits with financial institutions in pooled cash account	
Primary government	(3,461,224)
Fiduciary funds	12,074,917
Rent Stabilization Board	7,421,619
Total deposits with financial institutions	16,035,312
Deposits with fiscal agents for primary government	199
Deposits with fiscal agents for Fiduciary fund	21
Total cash and deposits	16,068,097
Investments:	
Investments for City government, excluding trust funds	711,116,723
Investments held in trust	52,445,823
Total investments	763,562,546
Total cash, deposits and investments	\$ 779,630,643

**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

#### 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

## NOTES TO THE FINANCIAL STATEMENTS

## 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, 2024.

#### 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	\$ 24,686,700	\$ 216,615,460	\$ 93,500,622	\$ 14,895,500	\$ 11,979,980	\$ 64,249,135	\$ 425,927,397
Municipal bond	4,928,350	-	-	-	-	-	4,928,350
Medium term notes	20,596,816	29,234,650	22,901,680	9,690,750	998,420	20,520,200	103,942,516
Money market	176,318,460	-	-	-	-	-	176,318,460
<b>Total Investments</b>	<b>\$ 226,530,326</b>	<b>\$ 245,850,110</b>	<b>\$ 116,402,302</b>	<b>\$ 24,586,250</b>	<b>\$ 12,978,400</b>	<b>\$ 84,769,335</b>	<b>\$ 711,116,723</b>

#### 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	Investment Maturities (in years)					More than 5	No Maturity
		1 - 2	2 - 3	3 - 4	4 - 5			
U.S. Agency securities	\$ 24,357,483	\$ 6,977,880	\$ -	\$ -	\$ -	\$ 17,379,603	\$ -	\$ -
Municipal bond	5,046,950	5,046,950	-	-	-	-	-	-
Medium term notes	12,983,350	2,482,750	-	-	-	10,500,600	-	-
Corporate bond	1,890,040	-	-	-	-	1,890,040	-	-
Preferred stock	8,064,000	-	-	-	-	-	-	8,064,000
Savo Island loan	104,000	-	104,000	-	-	-	-	-
<b>Total Investments</b>	<b>\$ 52,445,823</b>	<b>\$ 14,507,580</b>	<b>\$ 104,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,770,243</b>	<b>\$ 8,064,000</b>	<b>\$ -</b>

## 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, 2024
U.S. Agency Securities	\$ 425,927,397	AA+	AA+
Municipal bond	4,928,350	A	AA+
Medium Term Notes	103,942,516	A	A+
Money market	176,318,460	N/A	N/A
<b>Total</b>	<b>\$ 711,116,723</b>		

### *Trust Fund Investments*

Investment Type	Amount Held	Minimum Legal Rating	S & P Rating June 30, 2024
U.S. agency securities	\$ 24,357,483	AA+	AA+
Municipal bonds	5,046,950	A	A+
Medium term notes	12,983,350	A	A
Corporate bond	1,890,040	A	A+
Preferred stock	8,064,000	N/A	N/A
Savo Island loan	104,000	N/A	Not rated
<b>Total</b>	<b>\$ 52,445,823</b>		

## 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	\$ 301,943,767	56.5%
Federal farm credit bank	Federal agency securities	87,856,450	16.4%
	<b>Total</b>	<b>\$ 389,800,217</b>	<b>72.9%</b>

NOTES TO THE FINANCIAL STATEMENTS

Trust Fund Investments

Issuer	Investment Type	Reported Amount	Percentage of Holdings
Federal Farm Credit Bank	Federal agency securities	\$ 15,815,740	30.2%
Northern trust corp	Medium term notes	10,500,600	20.0%
Federal Home Loan Banks	Federal agency securities	8,541,743	16.3%
AT&T Inc	Preferred stock	8,064,000	15.4%
Sacramento County CA PO Bond	Municipal bond	5,046,950	9.6%
Total		<b>\$ 47,969,033</b>	<b>91.5%</b>

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.

The City has the following recurring fair value measurements as of June 30, 2024:

*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	\$ 425,927,397	\$ -	\$ 425,927,397	\$ -
Municipal bond	4,928,350	-	4,928,350	-
Medium term notes	103,942,516	-	103,942,516	-
<b>Total</b>	<b>\$ 534,798,263</b>	<b>\$ -</b>	<b>\$ 534,798,263</b>	<b>\$ -</b>

*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	\$ 24,357,483	\$ -	\$ 24,357,483	\$ -
Municipal bonds	5,046,950	-	5,046,950	-
Medium term notes	12,983,350	-	12,983,350	-
Corporate bond	1,890,040	-	1,890,040	-
Preferred securities	8,064,000	8,064,000	-	-
Others	104,000	-	-	104,000
<b>Total</b>	<b>\$ 52,445,823</b>	<b>\$ 8,064,000</b>	<b>\$ 44,277,823</b>	<b>\$ 104,000</b>

**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, 2024. 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	\$ 230,758	\$ 12,611	\$ 4,243	\$ 2,388	\$ 250,000
Uninsured and collateralized with securities held by pledging institution's trust department or agent, but not in City's name	37,644	66,897	198,806	3,637,789	3,941,136
<b>Total bank balance - all deposits*</b>	<b>\$ 268,402</b>	<b>\$ 79,508</b>	<b>\$ 203,049</b>	<b>\$ 3,640,177</b>	<b>\$ 4,191,136</b>

\* 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, 2024, 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	\$ 38,402,151
Net increase/(decrease) in the fair value of investments	(16,083,230)
Total investment income	<u>\$ 22,318,921</u>

### 3. NOTES AND LOANS RECEIVABLE

Details of Notes Receivable as of June 30, 2024 are as follows:

Notes/Loans Receivable	June 30, 2024
General Fund:	
Development Loans	\$ 18,689,290
Housing Assistance Loans	660,000
S.B. Rental Rehabilitation	2,191,678
Notes/Loans Receivable	10,020,747
Allowance for uncollectible	(235,876)
Total General Fund	<u>31,325,839</u>
Grant Fund:	
Development Loans	39,880,066
CalHome Senior Home Repair	854,703
Rehabilitation - Emergency Repair	5,233
1st Time Homebuyer Home Loans	140,000
Total Grant Fund	<u>40,880,002</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	41,585,898
Total Measure O Housing Fund	<u>41,585,898</u>
Nonmajor Governmental Funds:	
Development Loans	33,803,284
S.B. Rental Rehabilitation	27,253
CalHome Senior Home Repair	209,046
Rehabilitation - Emergency Repair	871,095
Rehabilitation - Senior Disabled	409,208
OED - Citywide Loans	76,731
OED - Mortgage Loan	77,000
OED - Revolving Loan	1,179,445
Allowance for uncollectible	(233,828)
Total Nonmajor Governmental Funds	<u>36,419,234</u>
Total Notes/Loans Receivable	<u><b>\$ 157,982,548</b></u>

#### 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.

### **1<sup>st</sup> 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.

## NOTES TO THE FINANCIAL STATEMENTS

#### 4. INTERFUND TRANSACTIONS

### A. Due To/From Other Funds

At June 30, 2024 the City had the following due to/from other funds:

From Fund	To Fund	Amount	Total
General Fund	Nonmajor governmental funds		
	Special revenue fund	\$ 905,000	
	Debt service fund	10,269	915,269
	Governmental fund		
	Grant fund		12,994,083
	Enterprise funds		
	Off-street parking	589,938	
	Building purchases & management	1,393,174	1,983,112
	Internal service funds		469,037
	Capital improvement fund	Governmental funds	
Capital project fund		1,906,610	
Grant fund		781,414	2,688,024
Enterprise fund	Enterprise funds		
	Off-street parking		59,808
		\$	19,109,333

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, 2024, 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	\$ 18,370,905
	Non-Major Funds	Employee Training Fund	750,000
		PERS Savings Fund	5,526,233
		Health State Aid	1,953,018
		Fair Elections Fund	612,210
		Phone System Replacement	449,408
		Fund\$ Replacement Fund	298,017
		Internal Service Funds	Equipment Replacement

		Worker's Compensation Fund	813,779
		Public Liability	4,895,888
		Catastrophic Insurance	6,278,456
		Information Technology Support	71,336
			<u>41,100,950</u>
Grant Fund	General Fund	Cover revenue suffered in the General Fund due to the Covid-19 pandemic and to help balance the FY2024 General Fund Budget	3,255,744
Capital Improvement Fund	Nonmajor Funds	First Source Fund	29,943
		Public Art Fund	52,400
		PERS Savings Fund	151,632
		Berkeley Repertory Theatre Fund	499,804
		Debt Service Payments	402,612
			<u>1,136,391</u>
Nonmajor Funds	General Fund	Health State Aid	2,643,280
	Nonmajor Funds	Gilam Field Reserve Fund for sports field user fees	
		Catastrophic Insurance	
		First Source Fund	113
		Public Art Fund	3,202
		Paramedic Fund	757,924
	Enterprise Fund	Clean Storm Water Fund	40,408
	Internal Service Funds	Catastrophic Insurance	67,761
			<u>3,512,688</u>
Zero Waste Fund	Internal Service Funds	Catastrophic Insurance	110,870
Marina Operations Fund	Non-Major Funds	First Source Fund	2,625
		Public Art Fund	4,594
	Internal Service Funds	Catastrophic Insurance	16,890
			<u>24,109</u>
Sanitary Sewer Operation Fund	Enterprise Fund	Private Sewer Lateral	90,500
	Internal Service Funds	Catastrophic Insurance	102,522
			<u>193,022</u>
Clean Storm Water Fund	Internal Service Funds	Catastrophic Insurance	25,085
Permit Service Center Fund	Internal Service Funds	Catastrophic Insurance	55,640
Off Street Parking Fund	Internal Service Funds	Catastrophic Insurance	7,920
Parking Meter Fund	General Fund	Homeless program funded by parking meters	1,742,288
	Internal Service Funds	Catastrophic Insurance	8,650
			<u>1,750,938</u>
Equipment Replacement Fund	General Fund	Worker's Compensation Fund	5,500,000
		Information Technology Support	450,612
	Internal Service Funds	Equipment Maintenance	500,000
			<u>6,450,612</u>

NOTES TO THE FINANCIAL STATEMENTS

\$ 57,623,969

**C. Advances to/from**

During 2017, the General Fund borrowed \$6,683,398 from the Workers Compensation Fund to fund the purchase of a building located at 1001, 1007, and 1011 University Avenue and 1925 Ninth Street. Repayment of the loan was to be funded from a combination of the Business License Tax of five or more units and excess Property Transfer Tax. Interest on the loan was the State of California Local Agency Investment Fund rate of 0.68 percent. During FY 2024, principal repayment of the loan in the amount of \$813,779 was made, leaving a principal balance of \$0 as of June 30, 2024.

**5. CAPITAL ASSETS**

At June 30, 2024, 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	11,951	-	11,951	-
Total Non-Depreciable Assets	25,153,965	2,979,050	28,133,015	-
Depreciable Assets				
Buildings	254,582,994	93,469,515	348,052,509	-
Improvements Other than Buildings	45,029,733	18,703,848	63,733,581	-
Machinery and Equipment	91,025,378	11,591,317	102,616,695	841,652
Infrastructure	309,132,670	265,466,361	574,599,031	-
Right-to-use leased buildings	746,332	-	746,332	4,753,206
Right-to-use software subscription	2,372,055	-	2,372,055	-
Total Depreciable Assets	702,889,162	389,231,042	1,092,120,203	5,594,858
Less Accumulated Depreciation and Amortization for:				
Buildings	126,046,766	36,944,498	162,991,264	-
Improvements Other than Buildings	10,505,714	8,922,764	19,428,478	-
Machinery and Equipment	64,912,980	8,380,383	73,293,363	604,160
Infrastructure	163,903,531	90,881,004	254,784,535	-
Right-to-use leased buildings	463,242	-	463,242	149,707
Right-to-use subscriptions*	684,226	-	684,226	-
Total Accumulated Depreciation	366,516,461	145,128,649	511,645,108	753,867
Total Depreciable Assets, net	336,372,702	244,102,393	580,475,095	4,840,991
Total Capital Assets	\$ 361,526,666	\$ 247,081,441	\$ 608,608,108	\$ 4,840,991

**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	52,643,359	11,951	-	(52,643,359)	11,951
Total Non-Depreciable Assets	77,785,373	11,951	-	(52,643,359)	25,153,965
Depreciable Assets					
Buildings	199,740,925	2,198,711	-	52,643,359	254,582,994
Improvements Other than Buildings	38,290,214	6,739,519	-	-	45,029,733
Machinery and Equipment	88,517,254	5,534,021	(3,036,128)	10,230	91,025,378
Infrastructure	286,393,058	22,739,611	-	-	309,132,670
Right-to-use leased buildings*	746,332	-	-	-	746,332
Right-to-use software subscription**	848,416	2,163,597	(639,958)	-	2,372,055

Total Depreciable Assets	614,536,200	39,375,459	(3,676,086)	52,653,589	702,889,162
Less Accumulated Depreciation and Amortization for:					
Buildings	118,490,015	7,556,751			126,046,766
Improvements Other than Buildings	9,176,422	1,329,292			10,505,714
Machinery and Equipment	60,880,535	6,734,774	(2,712,560)	10,230	64,912,980
Infrastructure	156,913,122	6,990,409			163,903,531
Right-to-use leased buildings	308,828	154,414			463,242
Right-to-use software subscription*	379,538	944,646	(639,958)		684,226
Total Accumulated Depreciation	346,148,460	23,710,286	(3,352,518)	10,230	366,516,461
Total Depreciable Assets, net	268,387,740	15,665,172	(323,568)	52,643,359	336,372,702
Total Capital Assets	\$ 346,173,112	\$ 15,677,122	\$ (323,568)	\$ -	\$ 361,526,666

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2024 was as follows:

General Government	\$ 1,624,898
Public Safety	1,426,943
Highways and Streets	6,919,599
Health and Welfare	286,300
Culture and Recreation	5,863,900
Community Development and Housing	2,280,177
Internal Service Funds	5,308,468
Total Depreciation Expense	\$ 23,710,286

## 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	2,979,050	-	-	2,979,050
Depreciable Assets				
Buildings	93,469,515	-	-	93,469,515
Improvements Other than Buildings	17,937,641	766,207	-	18,703,848
Machinery and Equipment	10,335,235	1,256,082	-	11,591,317
Infrastructure	257,773,590	7,692,771	-	265,466,361
Total Depreciable Assets	379,515,981	9,715,060	-	389,231,042
Less Accumulated Depreciation for:				
Buildings	34,032,432	2,912,066	-	36,944,498
Improvements Other than Buildings	8,299,637	623,127	-	8,922,764
Machinery and Equipment	7,610,172	770,212	-	8,380,383
Infrastructure	86,563,964	4,317,039	-	90,881,004
Total Accumulated Depreciation	136,506,205	8,622,443	-	145,128,649
Total Depreciable Assets, net	243,009,775	1,092,617	-	244,102,393
Total Capital Assets	\$ 245,988,825	\$ 1,092,617	\$ -	\$ 247,081,441

NOTES TO THE FINANCIAL STATEMENTS

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2024 was as follows:

Parking-Related	\$ 2,104,923
Marina Operations and Maintenance	546,006
Sewer Services	3,751,341
Clean Storm Water	738,063
Refuse Services	434,073
Permit Service Center	157,231
Building Purchases	890,806
Total Depreciation Expense	<u>\$ 8,622,443</u>

**C. Discretely Presented Component Unit**

Capital asset activity for the Rent Stabilization Board for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Assets				
Machinery and Equipment	\$ 595,666	\$ 245,986	\$ -	\$ 841,652
Right-to-use leased building	910,329	\$ 4,753,206	\$ (910,329)	4,753,206
Total Depreciable Assets	<u>1,505,995</u>	<u>4,999,192</u>	<u>(910,329)</u>	<u>5,594,858</u>
Less Accumulated Depreciation and Amortization for:				
Machinery and Equipment	595,666	8,494	-	604,160
Right-to-use leased building*	682,747	377,289	(910,329)	149,707
Total Accumulated Depreciation	<u>1,278,413</u>	<u>385,783</u>	<u>(910,329)</u>	<u>753,867</u>
Total Capital Assets	<u>\$ 227,582</u>	<u>\$ 4,613,409</u>	<u>\$ -</u>	<u>\$ 4,840,991</u>

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

**Leases Receivable**

For the year ended June 30, 2024, 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, 2024 were \$29,791,080 and \$28,901,539, respectively. The total of lease revenue recognized during FY 2024 was \$1,213,962. 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 6/30/24	Lease Revenue Recognized in FY 2024	Number of Extension Options	Total Months of Extension Options
1. 830 University Ave - Berkeley Free Clinic	60	0	\$ 2,000	2.47%	\$ 102,099	\$ 21,716	\$ 102,444	\$ 10,546	1	60
2. 830 University Ave - Lifelong Medical Care	60	0	\$ 2,000	2.47%	\$ 98,517	\$ 21,806	\$ 98,239	\$ 14,781	1	60
3. Camp Cazadero	414	928,238	\$ 45,000	3.05%	\$ 911,530	\$ 17,217	\$ 898,559	\$ 27,648	1	120
Total Amount:		<u>\$ 928,238</u>	<u>\$ 49,000</u>		<u>\$ 1,112,146</u>	<u>\$ 60,739</u>	<u>\$ 1,099,242</u>	<u>\$ 52,975</u>		

### 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 6/30/24	Lease Revenue Recognized in FY 2024	Number of Extension Options	Total Months of Extension Options
1. 1947 Center St. 5th Floor	114	1,126,810	\$ 10,881	1.60%	\$ 893,015	\$ 123,787	\$ 848,419	\$ 130,526	2	120
2. 2425 Channing Way Suite C	62	90,888	1,794	0.32%	48,269	21,411	47,404	21,574	1	60
3. 225 University Ave.	52	136,971	3,200	0.89%	56,845	42,465	53,804	40,353	1	24
4. 200 Marina Blvd.	714	25,657,614	70,904	2.58%	25,272,086	200,355	24,592,862	435,272	N/A	N/A
5. Bike Station Center Street Garage	175	612,144	4,113	1.99%	535,971	40,030	516,274	44,570	1	12
6. 2446 Durant Ave. Storage	42	10,302	325	0.89%	2,133	8,818	2,023	4,047	2	60
7. 2446 Durant Ave. Shop	41	49,654	1,617	0.73%	8,818	2,133	8,415	20,195	1	60
8. 1 Seawall Drive	294	519,086	1,691	2.48%	501,379	10,177	463,159	21,542	2	120
9. 2425 Channing Way Suite A	60	129,897	3,164	2.31%	129,897	0	99,588	25,979	1	60
10. 2444 Durant Ave.	48	77,635	2,186	0.89%	26,110	26,110	25,783	25,783	1	60
11. 2439 Channing Way	40	105,152	3,548	0.73%	15,485	15,485	14,763	44,289	1	60
12. 2425 Channing Way Suite B	101	233,929	2,343	0.73%	177,130	30,069	167,896	30,996	2	60
13. 2438 Durant Ave.	35	69,504	3,044	0.73%	0	0	0	33,141	1	60
14. 100 Seawall Drive	120	2,482,720	24,000	2.72%	2,029,981	235,755	1,977,960	252,506	2	60
15. 235 University Ave.	48	271,266	5,330	0.89%	93,961	93,961	83,189	83,189	1	60
Total Amount:		<u>\$ 31,573,574</u>	<u>\$ 138,140</u>		<u>\$ 29,791,078</u>	<u>\$ 850,556</u>	<u>\$ 28,901,539</u>	<u>\$ 1,213,962</u>		



## NOTES TO THE FINANCIAL STATEMENTS

## Principal and Interest Expected to Maturity

Fiscal Year	Business-Type Activities		
	Principal Receipt	Interest Revenue	Future Minimum Rent
2025	\$ 869,905	\$ 747,210	\$ 1,617,116
2026	732,562	727,186	1,459,748
2027	724,499	710,752	1,435,251
2028	735,231	693,882	1,429,113
2029	722,111	677,103	1,399,214
2030 - 2034	2,556,201	3,158,084	5,714,285
2035 - 2039	1,573,566	2,925,799	4,499,364
2040 - 2044	1,722,059	2,718,298	4,440,356
2045 - 2049	1,828,609	2,486,890	4,315,499
2050 - 2054	2,012,107	2,242,133	4,254,240
2055 - 2059	2,289,214	1,965,026	4,254,240
2060 - 2064	2,604,485	1,649,755	4,254,240
2065 - 2069	2,963,174	1,291,066	4,254,240
2070 - 2074	3,371,262	882,978	4,254,240
2075 - 2079	3,835,552	418,688	4,254,240
2080 - 2081	1,250,541	25,731	1,276,272
Total	\$ 29,791,078	\$ 23,320,581	\$ 53,111,658

Fiscal Year	Governmental Activities		
	Principal Receipt	Interest Revenue	Future Minimum Rent
2025	\$ 60,739	\$ 32,261	\$ 93,000
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 - 2034	106,313	118,687	225,000
2035 - 2039	123,533	101,467	225,000
2040 - 2044	143,542	81,458	225,000
2045 - 2049	166,793	58,207	225,000
2050 - 2054	193,810	31,190	225,000
2055 - 2059	86,046	3,954	90,000
Total	\$ 1,112,145	\$ 539,855	\$ 1,652,000

## Leases Payable

For the year ended June 30, 2024, 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 July 1, 2021, the city had a remaining 58 month lease as Lessee for the use of 1521 and 1523 University Avenue. An initial lease liability was recorded in the amount of \$746,332. As of June 30, 2024, the value of the lease liability was \$295,872, and the City is required to make monthly fixed payments of \$12,664 with an interest rate of 1.0586%. The Building's estimated useful life was 360 months as of the contract

commencement. The value of the right to use asset as of June 30, 2024 was \$746,332 with accumulated amortization of \$463,241, and is included in the table below. City of Berkeley has two extension option(s), each for 60 months.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	\$ 746,332	\$ 463,241
Total Leases	746,332	463,241

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	159,451	2,362	161,813
2026	136,421	663	137,084
Total	<u>\$ 295,872</u>	<u>\$ 3,025</u>	<u>\$ 298,897</u>

### 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 06/30/2024, City of Berkeley, CA had 8 active subscriptions. The subscriptions have payments that range from \$29,760 to \$442,761 and interest rates that range from 2.0237% to 2.9780%. As of 06/30/2024, the total combined value of the subscription liability is \$1,190,932, and the total combined value of the short-term subscription liability is \$373,105. The combined value of the right to use asset, as of 06/30/2024 of \$2,372,055 with accumulated amortization of \$684,227 is included within the Subscription Class activities table found below.

### Subscription Assets

Subscription Name	Description	Contractor	Term	As of Fiscal Year-end	
				Subscription Asset Ending Balance	Accumulated Amortization
Accela Software License	Permits and License	Accela, Inc.	24	\$294,451	\$147,225
Body Worn Cameras	Various Axon Products	Axon Enterprise, Inc.	60	\$1,077,902	\$269,476
Scheduling Software -CAREWARE	Berkeley Police Department E-Staffing Solution	Care Systems, Inc.	60	\$260,567	\$67,485
Cohesity	Data Management	ePlus Technologies, Inc.	42	208,459	119,119
Situational Awareness Software	HR Support and Training	Intterra, LLC	48	\$261,465	\$27,079
Electronic Case Management System	Inc Web Based Time Study and Case Management Software	Persimmoni International, Inc.	48	\$269,212	\$53,842
				<u>\$2,372,056</u>	<u>\$684,226</u>

NOTES TO THE FINANCIAL STATEMENTS

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Governmental Activities	
		Interest Payments	Total Payments
2025	\$373,105	\$24,257	\$397,362
2026	366,041	18,886	384,927
2027	324,451	10,042	334,493
2028	127,334	2,700	130,034
Total	\$1,190,931	\$55,885	\$1,246,816

## 7. TAX REVENUE ANTICIPATION NOTES PAYABLE

On July 25, 2023, the City issued \$23,620,000 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 4.00 percent and a yield of 1.50 percent and are recorded in the General Fund. Interest and principal on these Notes are payable on July 24, 2024 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	\$ 28,000,000	\$ 23,620,000	\$ (28,000,000)	\$ 23,620,000

### A. Pledged Revenues

Tax Revenue Anticipation Notes are secured by the City's General Fund tax revenues received in FY 2024. The City pledges to reserve an amount equal to:

- i. 50 percent of the principal amount of the Notes in January 2024;
- ii. an amount equal to 50 percent of the principal amount of the Notes in the month of May 2024; and
- iii. an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2024

The City had pledged and assigned approximately \$23,620,000 plus interest of \$1,177,719 or 9.12 percent of the City's rights to the General Fund FY 2024 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, 2024:

Governmental Activities	Beginning Balance	Additions	Deletions	Bond Discount/ (Premium)	Ending Balance	Due Within One Year
<b>Bonds Payable:</b>						
General Obligation Bonds:						
Measure M - Street and Integrated Watershed						
Series 2014	12,619,036	-	(385,000)	(14,580)	12,219,456	405,000
Series 2016	13,783,095	-	(335,000)	(22,467)	13,425,628	350,000
Measure T1 - Infrastructure and Facilities						
Series 2017	30,431,150	-	(765,000)	(28,185)	29,637,965	805,000
Series 2021	46,096,138	-	(1,750,000)	(107,426)	44,238,712	920,000
Measure O Affordable Housing						
Series 2020	36,722,224	-	(770,000)	(37,628)	35,914,596	800,000
Series 2022	41,224,303	-	(805,000)	(41,976)	40,377,327	580,000
2015 General Obligation Refunding Bonds	21,355,504	-	(2,380,000)	(188,859)	18,786,645	2,495,000
2020 General Obligation Refunding Bonds						
Series A 2020	7,557,113	-	(275,000)	(38,791)	7,243,322	285,000
Series B 2020	11,626,363	-	(415,000)	(79,878)	11,131,485	435,000
Revenue Bonds:						
2012 Lease Revenue Bonds	3,034,106	-	(366,552)	(36,131)	2,631,423	386,461
2021 Lease Revenue Refunding Bonds	4,575,811	-	-	(36,973)	4,538,838	-
Total Bonds Payable	229,024,843	-	(8,246,552)	(632,894)	220,145,397	7,461,461
<b>Loans Payable:</b>						
HUD 108 - Adeline	-	-	-	-	-	-
HUD 108 - UNA	582,000	-	(2,000)	-	580,000	580,000
HUD 108 - Ed Roberts Campus	3,430,000	-	(450,000)	-	2,980,000	475,000
California Energy Resources Conservation	582,185	-	(365,527)	-	216,658	216,658
Total Loans Payable	4,594,185	-	(817,527)	-	3,776,658	1,271,658
<b>Fire Equipment Notes</b>						
2016 Fire Engine and Trucks	-	-	-	-	-	-
2020 Fire Engine and Tiller	2,547,161	-	(711,979)	-	1,835,182	724,493
Total Fire Equipment Notes	2,547,161	-	(711,979)	-	1,835,182	724,493
<b>Lease Payable</b>						
1521 & 1523 University Ave.	450,489	-	(154,617)	-	295,872	159,451
Total Lease Payable	450,489	-	(154,617)	-	295,872	159,451
<b>Subscription Payable</b>						
SBITA	471,491	2,091,546	(1,372,105)	-	1,190,932	373,104
Total Subscription Payable	471,491	2,091,546	(1,372,105)	-	1,190,932	373,104
<b>Other Long-Term Obligations</b>						
Accrued Vacation and Sick Leave	19,843,946	34,205,120	(33,733,451)	-	20,315,615	1,541,286
Accrued Workers' Compensation						
Claims and Judgements	39,825,000	5,859,811	(4,986,452)	-	40,698,359	6,785,510
Accrued Public Liability Claims and Judgements	6,303,833	2,398,640	(1,473,372)	-	7,229,101	7,229,101
Total Other Long-Term Obligations	65,972,779	42,463,571	(40,193,275)	-	68,243,075	15,555,897
<b>Net Pension Liability:</b>						
CalPERS Miscellaneous Plan	247,422,989	85,182,622	(75,117,377)	-	257,488,234	-
CalPERS Fire Plan	88,112,107	39,595,196	(26,787,380)	-	100,919,923	-
CalPERS Police Plan	191,363,182	53,923,452	(40,237,374)	-	205,049,260	-
Police Retirement Income Benefit	58,670,293	10,653,252	(4,629,306)	-	64,694,239	-
Safety Member Pension Fund	845,616	29,506	(729,000)	-	146,122	-
Total Net Pension Liability	586,414,187	189,384,028	(147,500,437)	-	628,297,778	-
<b>Net OPEB Liability:</b>						
Miscellaneous Employees Retiree Health Plan	23,483,337	4,583,378	(7,216,874)	-	20,849,841	-
Fire Retiree Premium Assistance Plan	22,908,062	2,869,130	(3,541,588)	-	22,235,604	-
Police Retiree Premium Assistance Plan	35,423,408	3,314,024	(4,291,646)	-	34,445,786	-
Total Net OPEB Liability	81,814,807	10,766,532	(15,050,108)	-	77,531,231	-
<b>Total Governmental Activities</b>	<b>\$ 971,289,942</b>	<b>\$ 244,705,677</b>	<b>\$ (214,046,600)</b>	<b>\$ (632,894)</b>	<b>\$ 1,001,316,125</b>	<b>\$ 25,546,064</b>

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
2025	\$ 405,000	\$ 491,425	\$ 896,425
2026	420,000	478,788	898,788
2027	430,000	465,238	895,238
2028	445,000	449,350	894,350
2029-2033	2,505,000	1,959,013	4,464,013
2034-2038	3,070,000	1,384,550	4,454,550
2039-2043	3,800,000	635,406	4,435,406
2044	865,000	19,463	884,463
Subtotal	11,940,000	\$ 5,883,233	\$ 17,823,233
Bond Premium	279,456		
Total	\$ 12,219,456		

**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
2025	\$ 350,000	\$ 386,613	\$ 736,613
2026	370,000	370,463	740,463
2027	385,000	355,363	740,363
2028	405,000	339,563	744,563
2029-2033	2,330,000	1,468,988	3,798,988
2034-2038	2,755,000	1,115,600	3,870,600
2039-2043	3,280,000	708,031	3,988,031
2044-2047	3,120,001	191,700	3,311,701
Subtotal	12,995,001	\$ 4,936,321	\$ 17,931,322
Bond Premium	430,627		
Total	\$ 13,425,628		

**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.

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 805,000	\$ 923,931	\$ 1,728,931
2026	845,000	882,681	1,727,681
2027	885,000	843,856	1,728,856
2028	920,000	807,756	1,727,756
2029-2033	5,030,000	3,640,556	8,670,556
2034-2038	5,805,000	2,845,088	8,650,088
2039-2043	6,765,000	1,869,625	8,634,625
2044-2048	7,930,001	677,547	8,607,548
Subtotal	28,985,001	\$ 12,491,040	\$ 41,476,041
Bond Premium	652,964		
Total	\$ 29,637,965		

**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.

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 920,000	\$ 1,110,325	\$ 2,030,325
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
2029-2033	6,115,000	4,020,600	10,135,600
2034-2038	7,165,000	3,008,350	10,173,350
2039-2043	7,955,000	2,223,575	10,178,575
2044-2048	8,795,000	1,278,025	10,073,025
2049-2052	7,760,000	441,338	8,201,338
Subtotal	41,750,000	\$ 15,121,188	\$ 56,871,188
Bond Premium	2,488,712		
Total	\$ 44,238,712		

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
2025	\$ 800,000	\$ 1,209,790	\$ 2,009,790
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
2029-2033	4,910,000	5,117,294	10,027,294
2034-2038	5,785,000	4,226,619	10,011,619
2039-2043	6,915,000	3,066,606	9,981,606
2044-2048	8,280,000	1,690,294	9,970,294
2049-2051	5,675,000	293,675	5,968,675
Subtotal	34,930,000	\$ 19,059,087	\$ 53,989,087
Bond Premium	984,596		
Total	\$ 35,914,596		

**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
2025	\$ 580,000	\$ 2,015,370	\$ 2,595,370
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
2029-2033	4,100,000	8,836,150	12,936,150
2034-2038	5,425,000	7,473,363	12,898,363
2039-2043	6,970,000	5,918,615	12,888,615
2044-2048	8,860,000	3,976,750	12,836,750
2049-2053	11,305,000	1,468,125	12,773,125
Subtotal	39,195,000	\$ 35,510,833	\$ 74,705,833
Bond Premium	1,182,327		
Total	\$ 40,377,327		



## 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
2025	\$ 2,495,000	\$ 541,713	\$ 3,036,713
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
2029-2033	3,785,000	497,816	4,282,816
2034-2038	1,795,000	165,222	1,960,222
Subtotal	16,300,000	\$ 2,147,840	\$ 18,447,840
Bond Premium	2,486,645		
Total	\$ 18,786,645		

## 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
2025	\$ 285,000	\$ 244,575	\$ 529,575
2026	300,000	229,950	529,950
2027	315,000	214,575	529,575
2028	335,000	198,325	533,325
2029-2033	1,960,000	722,550	2,682,550
2034-2038	2,395,000	339,900	2,734,900
2039-2040	1,064,999	32,175	1,097,174
Subtotal	6,654,999	\$ 1,982,050	\$ 8,637,049
Bond Premium	588,323		
Total	\$ 7,243,322		

#### 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
2025	\$ 435,000	\$ 367,813	\$ 802,813
2026	455,000	345,563	800,563
2027	485,000	322,063	807,063
2028	505,000	297,313	802,313
2029-2033	2,925,000	1,084,238	4,009,238
2034-2038	3,550,000	480,344	4,030,344
2039-2040	1,565,000	47,325	1,612,325
Subtotal	9,920,000	\$ 2,944,659	\$ 12,864,659
Bond Premium	1,211,485		
Total	\$ 11,131,485		

### 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
2025	\$ 386,461	\$ 111,842	\$ 498,303
2026	405,198	92,051	497,249
2027	427,449	71,235	498,684
2028	442,673	53,908	496,581
2029-2030	779,949	56,556	836,505
Subtotal	2,441,730	\$ 385,592	\$ 2,827,322
Bond Premium	189,693		
Total	\$ 2,631,423		

**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
2025	\$ -	\$ 138,200	\$ 138,200
2026	-	138,200	138,200
2027	-	138,200	138,200
2028	-	138,200	138,200
2029-2033	1,385,000	532,125	1,917,125
2034-2038	1,800,000	190,575	1,990,575
2039-2040	790,000	15,900	805,900
Subtotal	3,975,000	\$ 1,291,400	\$ 5,266,400
Bond Premium	563,838		
Total	\$ 4,538,838		

## Loans Payable

### HUD 108 – Adeline Street

On August 7, 2003, the City of Berkeley borrowed \$500,000 from the U.S. Housing and Urban Development (HUD) Section 108 Loan Guarantee Program to bridge a funding gap that resulted from a 30 percent increase in construction costs of 3222 Adeline Street Apartments and anticipated increases for monthly utility costs. The apartments consist of a 19-unit mixed-use project for persons with disabilities and their families. Though the City, as the grantee, is required to make the loan payments, the funds for the repayment are the obligation and responsibility of the project developer as with any conventional loan a developer may secure. The HUD 108 Loan is secured by a first or second lien on the property and by a pledge of an income stream, such as monthly rents. The interest rate is 4.25 percent, and interest is payable semiannually on February 1 and August 1 of each year. This loan matured on August 1, 2022 and there are no future payments.

### 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 will mature on August 1, 2024.

Year Ending June 30,	Principal	Interest	Total
2025	\$ 580,000	\$ 8,584	\$ 588,584
Total	\$ 580,000	\$ 8,584	\$ 588,584

### 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
2025	\$ 475,000	\$ 85,881	\$ 560,881
2026	500,000	71,738	571,738
2027	510,000	56,458	566,458
2028	515,000	40,441	555,441
2029-2030	980,000	32,245	1,012,245
Total	\$ 2,980,000	\$ 286,763	\$ 3,266,763

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 will mature on June 22, 2025.

Year Ending June 30,	Principal	Interest	Total
2025	\$ 216,658	\$ 1,248	\$ 217,906
Total	<u>\$ 216,658</u>	<u>\$ 1,248</u>	<u>\$ 217,906</u>

There are no remaining payments as of June 30, 2024.

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, 2024	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	(2,448,368)
Total	<u>\$ 2,952,535</u>

The remaining payments as of June 30, 2024, were as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 724,493	\$ 28,960	\$ 753,453
2026	737,227	16,226	753,453
2027	373,462	3,268	376,730
Total	<u>\$ 1,835,182</u>	<u>\$ 48,454</u>	<u>\$ 1,883,636</u>

**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 85 for remaining repayments due on these arrangements as of June 30, 2024.

## Business-Type Activities

The following is a summary of long-term liabilities including premiums for the fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Bond Discount (Premium)	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>						
Bonds Payable:						
2012 Refunding Lease Revenue Bond	\$ 13,125,796	\$ -	\$ (1,198,448)	\$ (113,609)	\$ 11,813,739	\$ 1,263,539
Parking Revenue Bonds, Series 2016	32,226,447	-	(870,000)	(62,899)	31,293,548	905,000
Total Bonds Payable	45,352,243	-	(2,068,448)	(176,508)	43,107,287	2,168,540
Notes Payable						
Harbor Construction 5	5,856,644	-	(216,150)		5,640,491	225,371
Total Loans Payable	5,856,644	-	(216,150)		5,640,491	225,371
Other Long-Term Obligations						
Accrued Vacation and Sick Leave	4,412,267	7,990,521	(7,456,681)		4,946,107	791,782
Landfill Liabilities	637,978	704,128	-		1,342,106	451,706
Total Other Long-Term Obligations	5,050,245	8,694,649	(7,456,681)		6,288,213	1,243,488
Net Pension Liability - CalPERS Miscellaneous Plan	92,009,947	29,750,920	(26,235,673)		95,525,194	-
Net OPEB Liability - Miscellaneous Employees Retiree Health Plan	6,189,332	575,831	(906,613)		5,858,550	-
Total Business-Type Activities	\$ 154,458,411	\$ 39,021,400	\$ (36,883,565)	\$ (176,508)	\$ 156,419,735	\$ 3,637,399

## Revenue Bonds

### 2012 Lease Revenue Bonds

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.



## 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
2025	\$ 1,263,539	\$ 365,670	\$ 1,629,209
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
2029-2032	5,500,054	333,287	5,833,341
Subtotal	10,933,273	\$ 1,409,076	\$ 12,342,349
Bond Premium	880,466		
Total	\$ 11,813,739		

### 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
2025	905,000	1,006,250	\$ 1,911,250
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
2029-2033	5,740,000	3,819,850	9,559,850
2034-2038	6,900,000	2,660,700	9,560,700
2039-2043	8,015,000	1,547,100	9,562,100
2044-2046	5,410,001	327,750	5,737,751
Subtotal	29,915,001	\$ 12,157,000	\$ 42,072,001
Bond Premium	1,378,547		
Total	\$ 31,293,548		

### 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
2025	\$ 225,371	\$ 260,348	\$ 485,719
2026	236,472	249,247	485,719
2027	247,357	238,362	485,719
2028	258,742	226,977	485,719
2029-2033	1,482,523	946,072	2,428,595
2034-2038	1,857,486	571,109	2,428,595
2039-2041	1,332,540	124,563	1,457,103
Total	<u>\$ 5,640,491</u>	<u>\$ 2,616,678</u>	<u>\$ 8,257,169</u>

### 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 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, 2024, the estimated annual landfill closure cost are as follows:

Total Estimated Closure and Post-Closure Costs	\$ 1,342,106
Percentage of Used Capacity to Total Capacity	100%
Revised Estimated Total Closure and Post-Closure Costs Liability	<u>1,342,106</u>

The landfill has an estimated remaining capacity of zero cubic yards and closure construction was completed in 1990.

NOTES TO THE FINANCIAL STATEMENTS

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	Additions	Deletions	Ending Balance	Due Within One Year
Lease Payable - 2001 Center Street	\$ 234,975	\$ -	\$ (234,975)	\$ -	.
Lease Payable - 2000 Center Street		4,782,701		4,782,701	239,593
Accrued Vacation and Sick Leave	437,920	665,752	(615,581)	488,091	37,030
Net Pension Liability - CalPERS Miscellaneous Plan	8,454,553	2,864,944	(2,526,434)	8,793,063	-
Net OPEB Liability - Miscellaneous Employees Retiree Health Plan	173,071	128,446	(202,334)	99,183	-
Total Discretely Presented Component Unit	\$ 9,300,519	\$ 8,441,843	\$ (3,579,324)	\$ 14,163,038	\$ 276,623

**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.

As of 07/01/2021, the city had a 32 month lease as Lessee for the use of 2001 Center Street. As of 06/30/2023, there were 8 months remaining on the lease. An initial lease liability was recorded in the amount of \$910,329. As of 06/30/2023, the value of the lease liability is \$234,975. The City of Berkeley is required to make monthly fixed payments of \$27,777. The lease has an interest rate of 0.73%. The value of the right to use asset as of 06/30/2023 of \$910,329 with accumulated amortization of \$682,747 is included with Buildings on the Lease Class activities table found below. City of Berkeley has 1 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
2025	239,593	116,889	356,482
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	\$ 4,782,700	\$ 688,588	\$ 5,471,288

\* A new lease for 2000 Center St. started 3/1/2024, but doesn't need to pay rent until 10/1/2024

**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, 2024, \$1,220,678 in compensated absences, \$47,927,461 in claims and judgments payables, \$2,456,306 in Net OPEB Liability, and \$32,528,625 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, 2024 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 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 -\$10,222 at June 30, 2024, so for FY 2024, the pledged revenues (FY 2024 budgeted transfers in) were \$499,804 compared with debt service of \$498,669. Transfers are made from the City's General Fund that had \$261,544,556 in unrestricted revenues in FY2024.

**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

## NOTES TO THE FINANCIAL STATEMENTS

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 2024, the Off-street parking generated operating loss of \$543,433 and Parking meter funds generated operating income of \$2,403,350.

## 9. FUND BALANCES FOR GOVERNMENTAL FUNDS

Fund balances as of June 30, 2024, 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		
<b>Fund balances:</b>							
<b>Nonspendable for:</b>							
Long term notes receivable	\$ 660,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660,000
<b>Subtotal nonspendable for:</b>	660,000	-	-	-	-	-	660,000
<b>Restricted for:</b>							
Other purposes	-	-	-	-	-	1,015,168	1,015,168
Operating reserves <sup>(1)</sup>	-	-	-	-	-	15,311,297	15,311,297
Capital projects	-	-	-	-	-	31,178,000	31,178,000
Public safety	-	11,644	-	-	-	16,277,932	16,289,576
Street maintenance	-	4,630,916	-	-	-	30,726,423	35,357,339
Health and welfare	-	34,275,983	-	-	-	14,374,375	48,650,358
Park and recreation	-	-	24,336,452	-	-	10,539,342	34,875,794
Community development and housing	38,165,215	40,201,707	-	7,771,575	79,408,911	13,812,293	179,359,701
Economic development	-	-	-	-	-	1,887,719	1,887,719
Debt service reserve	-	-	-	-	-	24,415,778	24,415,778
<b>Subtotal restricted for:</b>	38,165,215	79,120,250	24,336,452	7,771,575	79,408,911	159,538,327	388,340,730
<b>Committed for:</b>							
Other purposes	-	-	-	-	-	131,517	131,517
Operating reserves <sup>(1) (2)</sup>	54,289,457	-	-	-	-	11,194,213	65,483,670
Capital projects	-	-	-	-	-	4,097,831	4,097,831
Public safety	-	-	-	-	-	5,727,650	5,727,650
Street maintenance	-	-	-	-	-	4,199,435	4,199,435
Health and welfare	-	-	-	-	-	345,909	345,909
Park and recreation	-	-	-	-	-	1,949,073	1,949,073
Community development and housing	-	-	-	-	-	67,254,831	67,254,831
Economic development	-	-	-	-	-	3,947,082	3,947,082
Debt service reserve	-	-	-	-	-	-	-
<b>Subtotal committed for:</b>	54,289,457	-	-	-	-	98,847,541	153,136,998
<b>Assigned to:</b>							
Operating reserves	7,476,212	-	-	-	-	-	7,476,212
Capital projects	-	-	-	75,973	-	-	75,973
Public safety	7,390,420	-	-	-	-	-	7,390,420
Street maintenance	233,148	-	-	16,876,781	-	-	17,109,928
Health and welfare	4,566,680	-	-	-	-	-	4,566,680
Park and recreation	3,521,166	-	-	918,938	-	-	4,440,104
Community development and housing	6,117,377	-	-	1,507,682	-	-	7,625,059
Economic development	1,032,659	-	-	22,843	-	-	1,055,502
<b>Subtotal assigned for:</b>	30,337,661	-	-	19,402,216	-	-	49,739,877
<b>Unassigned:</b>							
Operating reserves	29,576,925	-	-	-	-	-	29,576,925
Capital projects	-	(174,316)	-	-	-	(1,944,102)	(2,118,417)
Public safety	-	(6,776,533)	-	-	-	(56,746)	(6,833,279)
Street maintenance	-	(2,663,697)	-	-	-	(207)	(2,663,905)
Health and welfare	-	(505,493)	-	-	-	(5,998)	(511,491)
Park and recreation	-	(7,902,088)	-	-	-	-	(7,902,088)
Community development and housing	-	-	-	-	-	(1,138,515)	(1,138,515)
Economic development	-	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	(10,222)	(10,222)
<b>Subtotal unassigned for:</b>	29,576,925	(18,022,129)	-	-	-	(3,155,790)	8,399,006
<b>Total fund balance</b>	<u>\$ 153,029,258</u>	<u>\$ 61,098,121</u>	<u>\$ 24,336,452</u>	<u>\$ 27,173,791</u>	<u>\$ 79,408,911</u>	<u>\$ 255,230,078</u>	<u>\$ 600,276,611</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):

	<b>Amount</b>
Measure E: Special Tax for Disabled Fund	(125) <sup>(1)</sup>
Measure B: Bike and Pedestrian Fund	(46,927) <sup>(1)</sup>
PERS Savings Fund	(223,020) <sup>(1)</sup>
Fair Elections Fund	(32,193) <sup>(1)</sup>
Park Acquisition Fund	(178) <sup>(1)</sup>
09 Measure FF Library Fund	(2,449) <sup>(1)</sup>
GO 2014 Measure M Street and Watershed Improvement Fund	(1,650) <sup>(1)</sup>
Measure O Housing Bond Debt Service	(2,863,492) <sup>(2)</sup>

(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) The 2nd series of Measure O Housing Bond was not factored into the FY2024 budget. An amendment to the appropriation will be made in FY2025

### B. Deficit Fund Balances/Net Position

The following nonmajor funds had deficit fund balances / net position as of June 30, 2024:

<b>Special revenue funds</b>	<b>Amount</b>
Paramedic Assessment District	\$ (56,746) <sup>(1)</sup>
California Energy Commission	(87) <sup>(1)</sup>
Measure B: Paratransit	(121) <sup>(1)</sup>
1st Response Advanced Life Support	(5,998) <sup>(1)</sup>
Total special revenue funds	(6,206)
<b>Capital project funds</b>	
Fund\$ Replacemnt	(1,944,101) <sup>(1)</sup>
<b>Total capital project funds</b>	(1,944,101)
<b>Debt service funds</b>	
Berkeley Repertory Theatre	(10,222) <sup>(2)</sup>
Total debt service funds	(10,222)
<b>Internal service funds</b>	
Building Maintenance	(3,186,212) <sup>(3)</sup>
Central Services	(69,881) <sup>(3)</sup>
Public Liability	(4,911,520) <sup>(1)</sup>
Catatrophic Loss	(469,037) <sup>(4)</sup>
IT Cost Allocation Plan	(2,049,937) <sup>(3)</sup>
Total internal service funds	(10,686,587)
<b>Total</b>	<b>\$ (12,647,116)</b>

(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 2025 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.



## 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, 2024 is as follows:

Total assets	\$	77,564,564
Total liabilities		34,583,005
Net position	\$	<u>42,981,559</u>
Total revenues	\$	43,615,311
Total expenses		33,798,814
Net income/(loss)	\$	<u>9,816,497</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, 2024, \$7,229,101 and \$40,698,360 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, 2024 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, 2023	\$ 6,303,833	\$ 39,825,000	\$ 46,128,833
Incurred claims and changes in estimates	2,398,640	5,859,811	8,258,451
Claims and fee paid	(1,473,372)	(4,986,451)	(6,459,823)
Balance, June 30, 2024	<u>\$ 7,229,101</u>	<u>\$ 40,698,360</u>	<u>\$ 47,927,461</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, 2024, construction commitments totaled approximately \$80.5 million. The major projects comprising the bulk of the commitments are the FY2024 Sanitary Sewer Rehabilitation Projects, the FY2024/ FY2025 Street Rehabilitation Projects, FY2024 Sidewalk Repair and Replacement Project, FY2024 Storm Drain Repair, and Transportation traffic improvement and safety projects including: Southside Complete Streets, Parker-Addison Bikeway, University West Bus Stops, Sacramento Pedestrian Safety Crossing, and Woolsey-Eton Traffic Calming.

### 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, 2024, 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

#### Grants

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.

#### 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, 2024 are described in the following table:

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expenses
<b>By Individual Plan</b>				
CalPERS Miscellaneous Plan	\$ 92,542,371	\$ 3,895,221	\$ 361,806,491	\$ 49,617,477
CalPERS Public Safety - Fire Plan	33,814,196	2,334,350	100,919,923	16,635,384
CalPERS Public Safety - Police Plan	47,244,521	787,885	205,049,260	32,586,965
Berkeley Retirement Income Benefit Plan	105,134	-	64,694,239	8,640,597
Safety Members Pension Plan	-	-	146,122	(625,015)
Total	<u>\$ 173,706,222</u>	<u>\$ 7,017,456</u>	<u>\$ 732,616,035</u>	<u>\$ 106,855,408</u>
<b>By Individual Fund</b>				
Governmental Activities				
Governmental Funds	\$ 139,228,079	\$ 5,585,857	\$ 595,769,154	\$ 88,962,447
Internal Service Funds	8,209,671	362,221	32,528,624	3,855,359
Subtotal Governmental Activities	<u>147,437,750</u>	<u>5,948,078</u>	<u>628,297,778</u>	<u>92,817,806</u>
Enterprise Funds	24,018,973	974,646	95,525,194	12,530,905
Discretely Presented Component Unit				
Rent Stabilization Board Fund	2,249,499	94,732	8,793,063	1,266,697
Total	<u>\$ 173,706,222</u>	<u>\$ 7,017,456</u>	<u>\$ 732,616,035</u>	<u>\$ 106,815,408</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, 2024, 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)	13.09%	20.88%	24.35%
Required Unfunded Liability Payment	\$36,223,585	\$10,675,536	\$20,104,565
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	7.75%	12.50%	12.50%

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, 2024, 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, 2023 (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 23.446 percent of annual payroll for the Miscellaneous Plan, 48.776 percent of annual payroll for the Public Safety Fire Plan, and 79.138 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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2022 actuarial valuations were determined using the following assumptions:

	Miscellaneous	Public Safety	
		Fire	Police
Valuation Date	June 30, 2022	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023	June 30, 2023
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 <sup>(1)</sup>	6.90%	6.90%	6.90%
Mortality <sup>(2)</sup>	Derived using CalPERS' Membership Data for all Funds		
Post Retirement Benefit Increase	Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter		

<sup>(1)</sup> Net of pension plan investment expenses, including inflation.

<sup>(2)</sup> 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, 2022 valuation were based on the 2021 CalPERS Experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

### 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 <sup>(1)</sup>	Assumed asset allocation	Real return <sup>(1)(2)</sup>
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)
<b>Miscellaneous Plan</b>			
<b>Balance at June 30, 2022</b>	\$ 1,206,597,991	\$ 858,710,502	\$ 347,887,489
<b>Changes in the Measurement Period</b>			
Service Cost	22,772,699	-	22,772,699
Interest on the Total Pension Liability	82,550,887	-	82,550,887
Changes of Assumptions	1,359,651	-	1,359,651
Difference Between Expected and Actual Experience	10,487,302	-	10,487,302
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	34,576,213	(34,576,213)
Contribution - Employees	-	16,114,103	(16,114,103)
Net Investment Income	-	53,192,676	(53,192,676)
Benefit Payable, Including Refunds of Employee Contributions	(66,883,239)	(66,883,239)	-
Administrative Expense	-	(631,455)	631,455
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	50,287,300	36,368,298	13,919,002
<b>Balance at June 30, 2023</b>	\$ 1,256,885,291	\$ 895,078,800	\$ 361,806,491

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Public Safety - Fire Plan</b>			
<b>Balance at June 30, 2022</b>	\$ 312,150,980	\$ 224,038,873	\$ 88,112,107
<b>Changes in the Measurement Period</b>			
Service Cost	6,350,358	-	6,350,358
Interest on the Total Pension Liability	21,923,987	-	21,923,987
Changes of Assumptions	121,711	-	121,711
Difference Between Expected and Actual Experience	11,034,392	-	11,034,392
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	10,869,629	(10,869,629)
Contribution - Employees	-	2,185,715	(2,185,715)
Net Investment Income	-	13,732,036	(13,732,036)
Benefit Payable, Including Refunds of Employee Contributions	(17,486,624)	(17,486,624)	-
Administrative Expense	-	(164,748)	164,748
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	21,943,824	9,136,008	12,807,816
<b>Balance at June 30, 2023</b>	\$ 334,094,804	\$ 233,174,881	\$ 100,919,923

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Public Safety - Police Plan</b>			
<b>Balance at June 30, 2022</b>	\$ 492,597,755	\$ 301,234,573	\$ 191,363,182
<b>Changes in the Measurement Period</b>			
Service Cost	8,378,001	-	8,378,001
Interest on the Total Pension Liability	34,108,846	-	34,108,846
Changes in Benefit Terms	182,326	-	182,326
Changes of Assumptions	-	-	-
Difference Between Expected and Actual Experience	11,032,765	-	11,032,765
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	19,066,702	(19,066,702)
Contribution - Employees	-	2,474,205	(2,474,205)
Net Investment Income	-	18,696,467	(18,696,467)
Benefit Payable, Including Refunds of Employee Contributions	(27,341,492)	(27,341,492)	-
Administrative Expense	-	(221,514)	221,514
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	26,360,446	12,674,368	13,686,078
<b>Balance at June 30, 2023</b>	\$ 518,958,201	\$ 313,908,941	\$ 205,049,260

### 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%
<b>Net Pension Liability</b>			
Miscellaneous Plan	\$ 517,899,043	\$ 361,806,491	\$ 232,118,624
Public Safety - Fire Plan	143,813,064	100,919,923	65,493,096
Public Safety - Police Plan	273,129,767	205,049,260	149,117,649



## 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, 2024, the City recognized pension expense of \$49,617,477.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 36,223,585	\$ -
Changes in assumptions	8,829,140	
Differences between expected and actual experiences	6,741,837	(3,895,221)
Net differences between projected and actual earnings on pension plan investments	40,747,809	-
	<u>\$ 92,542,371</u>	<u>\$ (3,895,221)</u>

\$36,223,585 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2025	\$ 15,957,211
2026	7,047,305
2027	28,328,893
2028	1,090,156
Thereafter	-

As of June 30, 2024, the City had no reported payables to the plan.

**Public Safety - Fire Plan**

For the fiscal year ended June 30, 2024, the City recognized pension expense of \$16,635,384.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 10,675,536	\$ -
Changes in assumptions	4,114,885	-
Differences between expected and actual experiences	8,275,794	(2,334,350)
Net differences between projected and actual earnings on pension plan investments	10,747,981	-
	<u>\$ 33,814,196</u>	<u>\$ (2,334,350)</u>

\$10,675,536 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2025	\$ 5,400,180
2026	4,796,605
2027	10,296,216
2028	311,309
Thereafter	-

As of June 30, 2024, the City had no reported payables to the plan.

### Public Safety – Police Plan

For the fiscal year ended June 30, 2024, the City recognized pension expense of \$32,586,965.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 20,104,565	\$ -
Changes in assumptions	5,603,145	
Differences between expected and actual experiences	7,340,765	(787,885)
Net differences between projected and actual earnings on pension plan investments	14,196,046	-
	<u>\$ 47,244,521</u>	<u>\$ (787,885)</u>

\$20,104,565 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2025	\$ 11,480,307
2026	4,506,852
2027	9,990,293
2028	374,619
Thereafter	-

As of June 30, 2024, 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, 2024, the following employees were covered by the Berkeley Police Employee Retirement Income Plan:

	PERIP
Retirees	143
Active employees	-
Total	143

**Contribution Description**

The City (employer) contributed \$2,235,650 in FY 2024 and paid \$3,091,399 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, 2024, using an annual actuarial valuation as of June 30, 2023. 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, 2023						
Measurement date	June 30, 2024						
Actuarial assumptions:							
Discount rate	3.93%						
Inflation	2.50%						
Investment rate of return <sup>(1)</sup>	2.75%						
Mortality	CalPERS 2000-2019 experience Study Fully generational with Scale MP-2021						
Future benefit increase	Based on Medical Trend:						
	<table> <tr> <th>Year</th><th>Increase</th></tr> <tr> <td>2025</td><td>8.50%</td></tr> <tr> <td>2026 and beyond</td><td>3.45% - 8.50%</td></tr> </table>	Year	Increase	2025	8.50%	2026 and beyond	3.45% - 8.50%
Year	Increase						
2025	8.50%						
2026 and beyond	3.45% - 8.50%						

<sup>(1)</sup> Net of pension plan investment expenses, including inflation.

**Change of Assumption:**

For measurement date June 30, 2024, the discount rate was changed from 3.65% to 3.93%. 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)
<b>Balance at June 30, 2023</b>	\$ 62,943,710	\$ 4,273,417	\$ 58,670,293
<b>Changes in the measurement period</b>			
Service cost			
Interest on the total pension liability	2,241,027	-	2,241,027
Changes in Assumptions <sup>(1)</sup>	(2,199,138)	-	(2,199,138)
Changes in Benefit Terms		-	-
Difference between expected and actual experience	8,412,225	-	8,412,225
Plan to plan resource movement			-
Contribution - employer	-	2,235,650	(2,235,650)
Contribution - employees	-	-	-
Net investment income	-	194,518	(194,518)
Benefit payable, including refunds	(3,091,399)	(3,091,399)	-
Administrative expense	-	-	-
<b>Net change</b>	5,362,715	(661,231)	6,023,946
<b>Balance at June 30, 2024</b>	<u>\$ 68,306,425</u>	<u>\$ 3,612,186</u>	<u>\$ 64,694,239</u>

The Plan Fiduciary Net Position was 5.29% of the total pension liability at June 30, 2024.

(1) The assumption gain is primarily due to the change in the discount rate from 3.65% to 3.93%

**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 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net pension liability	\$73,081,720	\$64,694,239	\$57,658,789

**Pension Expenses/(Income) and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2024, the City recognized pension expense of \$8,640,597.

At June 30, 2024, 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	105,134	-
Net differences between projected and actual earnings on pension plan investments	-	-
	<u>\$ 105,134</u>	<u>\$ -</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
2025	\$ 81,483
2026	73,243
2027	(31,838)
2028	(17,754)

As of June 30, 2024, 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, 2024, 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 202419 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 2023, 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 measure as of June 30, 2024, 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

	SMPF
Valuation date	June 30, 2024
Measurement date	June 30, 2024
Actuarial assumptions:	
Discount rate	3.93%
Inflation	2.50%
Investment rate of return <sup>(1)</sup>	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 3.93 percent for the Plan. This rate includes investment expenses and inflation. A Crossover test was performed to determine the discount rate.

#### 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)
<b>Balance at June 30, 2023</b>	\$ 845,616	\$ -	\$ 845,616
<b>Changes in the measurement period</b>			
Service cost	-	-	-
Interest on the total pension liability	29,506	-	29,506
Difference between expected and actual experience	(653,384)	-	(653,384)
Assumption changes	(1,137)	-	(1,137)
Contribution - employer	-	318,877	(318,877)
Contribution - employees	-	-	-
Net investment income	-	-	-
Changes of assumptions	-	(318,877)	318,877
Benefit payable, including refunds	(74,479)	-	(74,479)
Administrative expense	-	-	-
<b>Net change</b>	(699,494)	-	(699,494)
<b>Balance at June 30, 2024</b>	\$ 146,122	\$ -	\$ 146,122

The Plan Fiduciary Net Position was 0% at the total pension liability at June 30, 2024.

#### 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	Current Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Net pension liability	\$150,270	\$146,122	\$142,210

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

For the fiscal year ended June 30, 2024, the City recognized pension expense (income) of (\$625,015).

At June 30, 2024, 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, 2024, using the accrual basis of accounting are as follows:

		Statement of Net Position for City Sponsored Pension Funds June 30, 2024	
		Safety Members Pension Annuity Fund	Police Retirement Income Benefit Plan
<b>Assets</b>			
Restricted cash and cash equivalents		\$ -	\$ -
Investments at fair value:			
Medium term notes		-	496,550
US agency securities		-	2,780,932
Preferred Securities		-	944,968
Interest receivable		-	63,080
Total assets		-	4,285,530
<b>Liabilities</b>			
Accounts payable		-	673,345
Total liabilities		-	673,345
<b>Net position restricted for:</b>			
Employee pension benefits held in trust		-	3,612,185
Total net position		\$ -	\$ 3,612,185
		Statement of Change in Net Position for City Sponsored Pension Funds For the year ended June 30, 2024	
		Safety Members Pension Annuity Fund	Police Retirement Income Benefit Plan
<b>Additions:</b>			
Tax increment income		\$ -	\$ -
Contributions: employer		74,479	2,235,650
Investment income		-	194,518
Total additions		74,479	2,430,168
<b>Deductions:</b>			
Benefits payment for service		74,479	3,091,399
Total deductions		74,479	3,091,399
Change in net position			(661,231)
Total net position - beginning		-	4,273,416
Total net position - ending		\$ -	\$ 3,612,185



**Expected Long-Term Rate of Return for BPRIP**

<b>Asset Class</b>	<b>Policy Target Allocation</b>	<b>Expected Real Rate of Return</b>
Medium Term Notes	26.00%	0.78%
US Agency Securities	34.00%	-0.35%
Cash and other	22.00%	-0.51%
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		2.75%

**13. OTHER POST-EMPLOYMENT BENEFITS**

Other Post-Employment Benefits (OPEB) related balances presented on the Statement of Net Position as of June 30, 2024 are described in the following tables:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net OPEB Liability</b>	<b>Actuarial OPEB Expenses (Income)</b>
By Individual Plan				
Fire Retiree Healthcare Plan	\$ 5,709,421	\$ 9,636,099	\$ 22,235,604	\$ 2,063,029
Miscellaneous Employees Retiree Health Premium Assistance Plan	8,573,621	28,274,097	26,807,574	1,438,630
Police retiree Healthcare Plan	10,243,242	34,753,977	34,445,786	(626,436)
Total	<u>\$ 24,526,284</u>	<u>\$ 72,664,173</u>	<u>\$ 83,488,964</u>	<u>\$ 2,875,223</u>
By Individual Fund				
Governmental Activities				
Governmental Funds	\$ 19,961,900	\$ 60,760,066	\$ 75,074,925	\$ 2,310,601
Internal Service Funds	1,167,904	2,953,259	2,456,306	139,662
Subtotal Governmental Activities	21,129,804	63,713,325	77,531,231	2,450,263
Enterprise Funds	3,188,668	8,267,842	5,858,550	390,014
Discretely Presented Component Unit				
Rent Stabilization Board Fund	207,812	683,005	99,183	34,947
Total	<u>\$ 24,526,284</u>	<u>\$ 72,664,172</u>	<u>\$ 83,488,964</u>	<u>\$ 2,875,223</u>

The Statement of OPEB Net Position and Statement of Changes in OPEB Net Position as of and for the year ended June 30, 2024, using the accrual basis of accounting are as follows:

**Statement of OPEB Net Position**  
**June 30, 2024**

	<b>Miscellaneous Retiree Health Premium Assistance Plan</b>	<b>Police Retiree Premium Assistance Plan</b>	<b>Fire Employees Retiree Health Plan</b>
<b>Assets</b>			
Restricted cash and cash equivalents	\$ 2,157,866	\$ -	\$ 882,290
Investments, at fair value:			
Medium term notes	-	-	1,986,200
US agency securities	14,910,430	1,660,526	8,558,375
Municipal bonds	5,046,950	-	-
Preferred Securities	13,092,930	785,237	2,078,729
Savo Island loan	104,000	-	-
Guaranteed investment contracts	-	-	-
Interest receivable	428,507	31,809	115,170

NOTES TO THE FINANCIAL STATEMENTS

Total assets	35,740,683	2,477,572	13,620,764
<b>Liabilities</b>			
Accounts payable	-	262,806	-
Total liabilities	-	262,806	-
<b>Net position restricted for:</b>			
Employee OPEB benefits held in trust	35,740,683	2,214,766	13,620,764
Total net position	\$ 35,740,683	\$ 2,214,766	\$ 13,620,764

**Statement of Changes in OPEB Net Position  
For the year ended June 30, 2024**

	Miscellaneous Retiree Health Premium Assistance Plan	Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan
<b>Additions:</b>			
Contributions: employer	\$ 2,761,054	\$ 400,136	\$ 904,073
Investment income	1,768,766	109,256	710,351
Total additions	4,529,820	509,392	1,614,424
<b>Deductions:</b>			
Benefits payment for service	2,153,140	473,662	654,234
Administrative expenses	3,003	3,154	4,806
Total deductions	2,156,143	476,816	659,040
Change in net position	2,373,677	32,576	955,384
Total net position - beginning	33,367,006	2,182,190	12,665,380
Total net position - ending	\$ 35,740,683	\$ 2,214,766	\$ 13,620,764

**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, 2024, 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	27
Active employees	138
Total	254

### 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 2024 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 2024, the City contributed \$904,073 to the trust and made benefit payments of \$654,234.

### Net OPEB Liability of the City

The Total OPEB Liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2023, using the following actuarial assumptions, applied to all prior periods including the measurement:

#### Actuarial Assumptions

Discount rate	3.93%
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 projected fully generational* with Scale MP-2021
AA municipal bond rate	3.93% (Bond Buyer 20 Index)
Non-medicare trend	8.5% for 2025, decreasing to an ultimate rate of 3.45% for 2076
Medicare trend Non Kaiser/Medicare Kaiser	Non-Kaiser 6.25% for 2025, decreasing to an ultimate rate of 3.45% for 2076; Kaiser 6.25% for 2025, 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, 2022 Measurement Date

· Discount rate was updated based on municipal bond rate

· Updated healthcare trend

The component of the City's Net OPEB Liability at June 30, 2024 and June 30, 2023, were as follows:

## NOTES TO THE FINANCIAL STATEMENTS

	FY Ending	
	6/30/2024	6/30/2023
Total OPEB liability	\$ 35,856,368	\$ 35,573,442
Fiduciary net position	13,620,764	12,665,380
Net OPEB Liability	\$ 22,235,604	\$ 22,908,062
Funded Status	38.0%	35.6%

## 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, 2024 are summarized in the following table:

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Medium Term Notes	27.00%	0.78%
US Agency Securities	35.00%	-0.35%
Cash and other	21.00%	-0.51%
Preferred Stock	17.00%	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, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 4.97 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 3.93 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, 2024 (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)
<b>Balance at June 30, 2023</b>	\$ 35,573,442	\$ 12,665,380	\$ 22,908,062
<b>Changes in the measurement period</b>			
Service cost	1,439,883	-	1,439,883
Interest	1,339,047	-	1,339,047
Difference between expected and actual experience	85,394	-	85,394
Changes of assumptions	(1,927,164)	-	(1,927,164)
Contribution - employer	-	904,073	(904,073)
Contribution - employees	-	-	-
Net investment income	-	710,351	(710,351)
Benefit payments	(654,234)	(654,234)	-
Administrative expense	-	(4,806)	4,806
<b>Net change</b>	282,926	955,384	(672,458)
<b>Balance at June 30, 2024</b>	\$ 35,856,368	\$ 13,620,764	\$ 22,235,604

### 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 3.93 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
	2.93%	3.93%	4.93%
Net OPEB liability	\$ 28,601,229	\$ 22,235,604	\$ 17,205,318

### 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	\$ 18,718,082	\$ 22,235,604	\$ 23,800,824

### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$2,063,029. As of fiscal year ended June 30, 2024, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

#### Deferred Outflows/Inflows Balances at June 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 1,816,823	\$ 3,498,679
Changes in assumptions	3,796,328	6,137,420
Net differences between projected and actual earnings on plan investments	96,270	-
	\$ 5,709,421	\$ 9,636,099

## NOTES TO THE FINANCIAL STATEMENTS

### Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$ (230,695)
2026	(174,659)
2027	(577,240)
2028	(607,194)
2029	(649,449)
Thereafter	(1,687,441)

#### 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, 2024 measurement date.

## Employees Covered

At June 30, 2024, the following current and former employees were covered by the benefit terms for RHPAP

	RHPAP
Inactive employees or beneficiaries currently receiving benefits	393
Inactive employees entitled to but not yet receiving benefits	203
Active employees	1,140
Total	1,736

## Contributions

The City's maximum contribution for Miscellaneous retirees for FY 2024 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	\$ 430	\$ 860	\$ 34	\$ 68
SEIU Local 1021 C&M - retired prior to July 30, 2023	639	1,069	34	68
SEIU Local 1021 C&M - retired on or after July 1, 2023	430	860	34	68
SEIU Local 1021 CSU - retired prior to June 29, 2008	430	860	136	272
SEIU Local 1021 CSU - retired after June 29, 2008	597	1,027	136	272
IBEW Local 1245 - retired prior to June 28, 2009	430	860	50	100
IBEW Local 1245 - retired after June 28, 2009	596	1,193	50	100
IBEW Local 1245 - retired on or after June 27, 2010	676	1,352	50	100
IBEW Local 1245 - retired on or after June 26, 2011	714	1,428	50	100
IBEW Local 1245 - retired on or after June 24, 2012	860	1,720	50	100
IBEW Local 1245 - retired on or after June 23, 2013	930	1,860	50	100
IBEW Local 1245 - retired on or after June 22, 2014	1,163	2,127	50	100
PEU Local One - retired prior to July 1, 2008	430	860	34	68
PEU Local One - retired after July 1, 2008	701	1,403	479	957
Unrepresented (Z-1, Z-5, Z-7) - retired prior to July 1, 2008	430	860	188	376
Unrepresented (Z-1, Z-5, Z-7) - retired after July 1, 2008	516	1,030	260	521

During FY 2024, the City contributed \$2,707,775 to the trust and made benefit payments of \$1,998,312.

## 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, 2024.



## NOTES TO THE FINANCIAL STATEMENTS

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Savo Island Loan	1.00%	1.71
Medium Term Notes	6.00%	0.78%
US Agency Securities	20.00%	-0.35%
Municipal Bonds	23.00%	0.79
Cash and other	34.00%	-0.50%
Preferred Stock	16.00%	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, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 5.37 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 3.93 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, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2023, using the following actuarial assumptions, applied to all prior periods including the measurement:

#### Actuarial Assumptions

Discount rate	3.93%*
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	3.93% (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	8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Medicare trend(non-Kaiser)Medicare(Kaiser)	Non-Kaiser 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 6.25% for 2025, 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, 2020 Measurement Date

\*\*Premiums determined separately for actives and early retirees. Implied subsidy removed.

The component of the City's Net OPEB Liability at June 30, 2024 and June 30, 2023 were as follows:

	FY Ending	
	6/30/2024	6/30/2023
Total OPEB liability	\$ 62,048,880	\$ 62,589,364
Fiduciary net position	35,241,306	32,743,625
Net OPEB Liability	<u>\$ 26,807,574</u>	<u>\$ 29,845,739</u>
Funded Status	56.80%	52.30%

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)
<b>Balance at June 30, 2023</b>	\$ 62,589,364	\$ 32,743,625	\$ 29,845,739
<b>Changes in the measurement period</b>			
Service cost	2,778,532	-	2,778,532
Interest	2,349,459	-	2,349,459
Change of benefit terms	156,706	-	156,706
Difference between expected and actual experience	(1,261,505)	-	(1,261,505)
Changes of assumptions	(2,565,364)	-	(2,565,364)
Contribution - employer	-	2,707,775	(2,707,775)
Contribution - employees	-	-	-
Net investment income	-	1,791,221	(1,791,221)
Benefit payments	(1,998,312)	(1,998,312)	0
Administrative expense	-	(3,003)	3,003
<b>Net change</b>	<u>(540,484)</u>	<u>2,497,681</u>	<u>(3,038,165)</u>
<b>Balance at June 30, 2024</b>	<u>\$ 62,048,880</u>	<u>\$ 35,241,306</u>	<u>\$ 26,807,574</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 3.93 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 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net OPEB liability	\$36,796,049	\$26,807,574	\$18,740,983

NOTES TO THE FINANCIAL STATEMENTS

**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 8.50 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	\$ 19,411,876	\$ 26,807,574	\$ 31,268,052

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$1,438,630. As of fiscal year ended June 30, 2024, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

**Deferred Outflows/Inflows Balances at June 30, 2024**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 8,573,621	\$ 10,865,194
Changes in assumptions	-	17,335,852
Net differences between projected and actual earnings on plan investments *	-	73,051
	<u>\$ 8,573,621</u>	<u>\$ 28,274,097</u>

\*Deferred Inflows and Outflows combined for footnote disclosure

**Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense**

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2025	\$ (3,111,441)
2026	(3,605,021)
2027	(5,896,573)
2028	(2,770,938)
2029	(1,721,778)
Thereafter	(2,594,725)

### 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, 2024, the following current and former employees were covered by the benefit terms for PRPAP:

	PRPAP
Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	15
Active employees	150
Total	197

#### 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, 2024, there were 150 active employees and 47 retirees. The base monthly dollar amount paid by the City for FY 2024 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	\$926	\$1,851	\$ 436	\$ 872

During FY 2024, the City contributed \$400,136 to the trust and made benefit payments of \$473,662.

## 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, 2024 are summarized in the following table:

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Medium Term Notes	6.00%	0.78%
US Agency Securities	50.00%	-0.35%
Cash and other	20.00%	-0.50%
Preferred Stock	24.00%	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, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 4.61 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 3.93 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, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023, using the following actuarial assumptions, applied to all prior periods including the measurement:

### Actuarial Assumptions

Discount rate	3.93%
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	3.93% (Bond Buyer 20 Index)
Non-medicare trend	8.5% for 2025, decreasing to an ultimate rate of 3.45% for 2076
Medicare trend (Non-Kaiser/Kaiser)	Non-Kaiser 7.50% for 2025, decreasing to an ultimate rate of 3.45% for 2076; Kaiser 6.25% for 2025, 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, 2021 Measurement Date

- Discount rate was updated based on municipal bond rate
- Demographic assumptions updated to CalPERS 2000-2019 Experience Study
- Mortality improvement scale was updated to Scale MP-2021
- Updated participation at retirement assumption

The component of the City's Net OPEB Liability at June 30, 2024 and June 30, 2023, were as follows:

	FY Ended	
	6/30/2024	6/30/2023
Total OPEB liability	\$ 36,660,551	\$ 37,605,598
Fiduciary net position	2,214,765	2,182,190
Net OPEB liability	<u>\$ 34,445,786</u>	<u>\$ 35,423,408</u>
Funded Status	6.00%	5.80%

NOTES TO THE FINANCIAL STATEMENTS

**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)
<b>Balance at June 30, 2023</b>	\$ 37,605,598	\$ 2,182,190	\$ 35,423,408
<b>Changes in the measurement period</b>			
Service cost	1,878,350	-	1,878,350
Interest	1,432,520	-	1,432,520
Difference between expected and actual experience	(1,947,797)	-	(1,947,797)
Changes of assumptions	(1,834,458)	-	(1,834,458)
Contribution - employer	-	400,136	(400,136)
Contribution - employees	-	109,255	(109,255)
Net investment income	-	-	-
Benefit payments	(473,662)	(473,662)	-
Administrative expense	-	(3,154)	3,154
<b>Net change</b>	(945,047)	32,575	(977,622)
<b>Balance at June 30, 2024</b>	\$ 36,660,551	\$ 2,214,765	\$ 34,445,786

**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 3.93 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 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Net OPEB liability	\$ 41,646,647	\$ 34,442,462	\$ 28,835,405

**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	\$ 28,781,930	\$ 34,442,462	\$ 41,877,389

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of -\$626,436. As of fiscal year ended June 30, 2024, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

**Deferred Outflows/Inflows Balances at June 30, 2024**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 15,250,653
Changes in assumptions	10,195,755	19,503,324
Net differences between projected and actual earnings on plan investments	47,487	-
	\$ 10,243,242	\$ 34,753,977

**Recognition of Deferred Outflows and Inflows of Resources in Future OPEB Expense**



<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2025	\$ (3,958,718)
2026	(3,956,218)
2027	(4,015,497)
2028	(3,349,096)
2029	(3,346,130)
Thereafter	(5,885,076)

## 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, 2024, was \$1,190,715 which comprised of 6 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 54 closed groups of participants, 6 active employees and 48 disabled participants receiving benefits. The unfunded liability for SRIP I at July 1, 2024, the date of the last actuarial study, was \$8,537,908. For FY 2024, the City paid total SRIP I disability payments of \$1,134,243.

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 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

## NOTES TO THE FINANCIAL STATEMENTS

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, 2024 were \$4,534,822 and there were 67 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, 2024 were as follows:

Plan	Contributions	Covered Payroll	% of Covered Payroll
SRIP I	\$ 4,059	\$ 71,211	5.70%
SRIP II	3,138,613	46,844,972	6.70%
SRIP III	101,215	5,060,750	2.00%

**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 837 active and 280 inactive participants in this plan as of June 30, 2024.

The total asset of PARS available for benefits at June 30, 2024 was \$3,671,373, 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, 2024 were as follows:

Contributions	Covered Payroll	% of Covered Payroll
\$ 267,532	\$ 7,134,165	3.75%

## 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.

## 15. SUBSEQUENT EVENTS

### FY 2024 Tax and Revenue Anticipation Notes

On July 30, 2024, the City issued \$35,395,000 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 5.00% and a yield of 2.95% and are recorded in the General Fund. Interest and principal on these notes are payable on July 29, 2025 by the General Fund. The notes were assigned a short-term rating of "SP-1+" by S&P Global Ratings.

## 16. 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: Savo 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 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, 2024.

### 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.

NOTES TO THE FINANCIAL STATEMENTS

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, 2024:

Successor Agency	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Savo Island	\$ 150,000	\$ -	\$ (46,000)	\$ 104,000	\$ -
Total Successor Agency	\$ 150,000	\$ -	\$ (46,000)	\$ 104,000	\$ -

## 17. 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 2024, \$2,491,058 in TOT was generated by Residence Inn. The details of the transient occupancy taxes rebated during FY 2024 are as follows:

PURPOSE	Percentage of Taxes Abated During FY 2024	Amount of Taxes Abated During FY 2024
Construction of 16 story Residence Inn and commercial development on the site	50	\$1,245,529



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# Required Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA





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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 Fund, 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 Fund, Lillie B. Wall Memorial, East Bay Public Utilities Comm, Other Special Deposit Fund, 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, 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 \$621,229,929 for FY 2024 and made supplementary budget appropriations totaling \$309,592,368 (for a total of revised budget of \$930,822,297) during the year. The supplementary budget appropriations consisted of the following: (1) FY 2023 outstanding encumbered rollovers of \$102,474,100; (2) FY 2023 unencumbered carryovers of \$83,054,324; (3) reappropriations and other adjustments of \$124,063,944. 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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 223,751,494	\$ 213,407,667	\$ 214,880,542	\$ 1,472,875
Licenses and permits	1,527,519	1,882,794	1,457,201	(425,593)
Intergovernmental	792,529	581,955	832,688	250,733
Charges for service	9,158,676	12,660,307	12,014,492	(645,815)
Fines and penalties	5,953,771	5,932,600	6,217,311	284,711
Rents and royalties	147,223	187,763	272,842	85,079
Franchise	1,720,056	1,822,528	2,008,162	185,634
Private contributions and donations	172,441	219,925	149,682	(70,243)
Investment income	8,826,211	14,000,000	15,155,999	1,155,999
Miscellaneous	166,002	282,866	280,620	(2,246)
Total revenues	252,215,922	250,978,405	253,269,539	2,291,134
<b>Expenditures:</b>				
Current:				
General government	34,996,625	47,195,794	43,063,914	4,131,880
Public safety	124,633,968	128,238,444	136,392,093	(8,153,649)
Highway and streets	4,039,581	5,298,572	2,230,955	3,067,617
Health and welfare	16,316,449	16,132,851	15,765,837	367,014
Culture-recreation	9,331,523	11,517,152	10,603,399	913,753
Community development and housing	24,513,105	44,162,500	37,353,445	6,809,055
Economic development	3,716,643	3,727,778	3,456,905	270,873
Debt service:				
Interest and fiscal charges	200,000	200,000	720,436	(520,436)
TRAN issuance costs	-	-	70,310	70,310
Capital outlay:	873,252	11,198,421	4,078,199	7,120,222
Total expenditures	218,621,146	267,671,512	253,735,493	14,076,639
Revenues over/(under) expenditures	33,594,776	(16,693,107)	(465,954)	16,227,153
Other financing sources/(uses)				
Transfers in	8,091,924	13,591,924	13,591,924	-
Transfers out	(37,834,687)	(40,215,361)	(41,955,927)	(1,740,566)
Total other financing sources/(uses)	(29,742,763)	(26,623,437)	(28,364,003)	(1,740,566)
Net change in fund balance	3,852,013	(43,316,544)	(28,829,957)	14,486,587
Fund balance, July 1, 2023	137,509,127	137,509,127	137,509,127	-
Fund balance, June 30, 2024	\$ 141,361,140	\$ 94,192,583	\$ 108,679,170	\$ 14,486,587

#### Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	\$ (28,829,957)
Receivable accrual	8,513,147
Due from other fund - advance	253,340
Payable accrual	14,625,583
Net change in fund balances - GAAP basis	\$ (5,437,887)

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Grants Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 45,044,606	\$ 45,044,606	\$ 45,830,607	\$ 786,001
Charges for service	182,373	182,373	2,109,912	1,927,539
Investment income	-	-	689,055	689,055
Total revenues	45,226,979	45,226,979	48,629,574	3,402,595
<b>Expenditures:</b>				
General government	-	2,405,457	2,435,930	(30,473)
Public safety	248,349	1,338,660	652,128	686,532
Highway and streets	421,519	2,238,330	797,176	1,441,154
Health and welfare	26,249,440	37,554,449	20,801,718	16,752,731
Culture-recreation	386,629	13,593,138	890,697	12,702,441
Community development and housing	10,660,879	13,911,324	11,182,278	2,729,046
Economic development	1,795,980	3,009,965	1,213,985	1,795,980
Capital outlay:	5,540,327	8,505,948	5,087,362	3,418,586
Total expenditures	45,303,123	82,557,271	43,061,274	39,495,997
Revenues over/(under) expenditures	(76,144)	(37,330,292)	5,568,300	42,898,592
Other financing sources/(uses)				
Transfers out	(3,255,744)	(3,255,744)	(3,255,744)	-
Sale of capital assets	-	-	11,272	11,272
Total other financing sources/(uses)	(3,255,744)	(3,255,744)	(3,244,472)	11,272
Net change in fund balance	(3,331,888)	(40,586,036)	2,323,828	42,909,864
Fund balance, July 1, 2023	(1,514,921)	(29,918,351)	19,581,072	(49,499,423)
Fund balance, June 30, 2024	\$ (4,846,809)	\$ (70,504,387)	\$ 21,904,900	\$ (6,589,559)

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 2,323,828
Receivable accrual	376,507
Notes receivable accrual	(40,956)
Payable accrual	(1,574,414)
Net change in fund balances - GAAP basis	\$ 1,084,965

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Library Fund - Budgetary basis**  
**For the year ended June 30, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 25,050,748	\$ 25,050,748	\$ 24,917,220	\$ (133,528)
Intergovernmental	68,420	68,420	112,686	44,266
Fines and penalties	40,000	40,000	15,327	(24,673)
Private contributions and donations	205,000	205,000	317,492	112,492
Investment Income	-	-	17,136	17,136
Miscellaneous	32,000	32,000	219	(31,781)
Total revenues	<u>25,396,168</u>	<u>25,396,168</u>	<u>25,380,080</u>	<u>(16,088)</u>
<b>Expenditures:</b>				
Culture-recreation	23,811,392	24,742,917	23,726,027	1,016,890
Capital Outlay:	<u>1,249,000</u>	<u>1,419,073</u>	<u>331,353</u>	<u>1,087,720</u>
Total expenditures	<u>25,060,392</u>	<u>26,161,990</u>	<u>24,057,380</u>	<u>2,104,610</u>
Revenues over/(under) expenditures	<u>335,776</u>	<u>(765,822)</u>	<u>1,322,700</u>	<u>2,088,522</u>
Net change in fund balance	335,776	(765,822)	1,322,700	2,088,522
Fund balance, July 1, 2023	22,977,602	22,977,602	22,977,602	-
Fund balance, June 30, 2024	<u>\$ 23,313,378</u>	<u>\$ 22,211,780</u>	<u>\$ 24,300,302</u>	<u>\$ 2,088,522</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 1,322,700
Receivable accrual	34,212
Grant receivable accrual	(69,693)
Payable accrual	203,467
Net change in fund balances - GAAP basis	<u>\$ 1,490,686</u>

## 2. DEFINED BENEFIT PENSION PLANS

### A. CalPERS Plans

#### Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period

##### Miscellaneous Plans<sup>(2)</sup>

Measurement period	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 17,671,892	\$ 16,872,463	\$ 16,093,496	\$ 18,319,450	\$ 18,834,712
Interest	60,962,710	62,911,744	65,105,036	66,532,424	68,846,245
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(15,778,151)	(9,281,443)	(10,781,092)	3,269,467
Change of assumptions	-	(14,788,782)	-	52,798,032	(8,383,824)
Benefit payments, including refunds of employee contributions	(37,309,302)	(38,947,389)	(43,938,243)	(45,764,257)	(49,503,784)
Net change in total pension liability	41,325,300	10,269,885	27,978,846	81,104,557	33,062,816
Total pension liability - beginning	822,654,845	863,980,146	874,250,030	902,228,876	983,333,433
Total pension liability - ending (a)	<u>\$ 863,980,146</u>	<u>\$ 874,250,030</u>	<u>\$ 902,228,876</u>	<u>\$ 983,333,433</u>	<u>\$ 1,016,396,249</u>
Plan fiduciary net position					
Contributions - employer	\$ 17,742,374	\$ 18,303,639	\$ 20,032,929	\$ 21,214,582	\$ 20,393,310
Contributions - employee	9,202,333	6,752,797	6,904,128	9,301,166	13,747,826
Net investment income	98,032,089	14,859,667	3,476,221	70,963,526	58,233,830
Benefit payments, including refunds of employee contributions	(37,309,302)	(38,947,389)	(43,938,243)	(45,764,257)	(49,503,784)
Administrative expense	-	(737,906)	(399,523)	(946,894)	(1,084,722)
Plan to plan resource movement	-	248,821	(284,978)	(3,491)	(1,705)
Other Miscellaneous Income/Expense	-	-	-	-	(2,059,905)
Net change in fiduciary net position	87,667,494	515,629	(14,209,466)	54,764,632	39,724,850
Plan fiduciary net position - beginning	655,032,952	641,339,412	665,548,878	696,104,044	735,828,894
Plan fiduciary net position - ending (b)	<u>\$ 655,032,952</u>	<u>\$ 641,855,041</u>	<u>\$ 651,339,412</u>	<u>\$ 696,104,044</u>	<u>\$ 735,828,894</u>
Plan net position liability/(asset) - ending (a) - (b)	\$ 208,947,194	\$ 218,701,152	\$ 260,889,464	\$ 287,229,389	\$ 280,567,355
Plan fiduciary net position as a % of the total pension liability	75.82%	73.42%	71.08%	70.79%	72.40%
Covered payroll	\$ 87,614,737	\$ 87,918,618	\$ 85,480,973	\$ 88,645,362	\$ 94,371,740
Plan net pension liability/(asset) as a % of covered payroll	238.48%	248.75%	205.20%	324.02%	297.30%

(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 one year's payroll growth assumption using 2.75% payroll growth assumption for fiscal years ended June 30, 2023

2019	2020	2021	2022	2023 <sup>(1)</sup>
\$ 19,887,312	\$ 20,079,663	\$ 20,548,191	\$ 22,096,104	\$ 22,772,699
72,675,697	75,652,840	78,084,124	79,182,682	82,550,887
-	-	-	-	-
16,884,427	4,241,153	(3,504,149)	(13,633,275)	10,487,302
-	-	-	30,901,992	1,359,651
(53,562,035)	(56,961,902)	(59,955,398)	(62,415,684)	(66,883,239)
55,885,401	43,011,754	35,172,768	56,131,819	50,287,300
1,016,396,249	1,072,281,650	1,115,293,404	1,150,466,172	1,206,597,991
<u>\$ 1,072,281,650</u>	<u>\$ 1,115,293,404</u>	<u>\$ 1,150,466,172</u>	<u>\$ 1,206,597,991</u>	<u>\$ 1,256,885,291</u>
\$ 20,886,356	\$ 24,065,716	\$ 26,643,623	\$ 29,982,031	\$ 34,576,213
15,885,527	16,545,469	16,374,227	16,799,060	16,114,103
48,037,150	37,989,064	176,980,962	(71,491,029)	53,192,676
(53,562,035)	(56,961,902)	(59,955,398)	(62,415,684)	(66,883,239)
(525,103)	(1,080,642)	(786,269)	(589,544)	(631,455)
(6,474)	-	28,657	36,141	-
1,705	-	-	-	-
30,717,126	20,557,705	159,285,802	(87,679,025)	36,368,298
766,546,020	787,103,725	787,103,725	946,389,527	858,710,502
<u>\$ 766,546,020</u>	<u>\$ 787,103,725</u>	<u>\$ 946,389,527</u>	<u>\$ 858,710,502</u>	<u>\$ 895,078,800</u>
\$ 305,735,630	\$ 328,189,679	\$ 204,076,645	\$ 347,887,489	\$ 361,806,491
71.49%	70.57%	82.26%	71.17%	71.21%
\$ 100,559,700	\$ 100,639,199	\$ 106,633,060	\$ 106,589,987	\$ 110,614,150
304.03%	326.11%	191.38%	326.38%	327.09%



**Public Safety - Fire Plan**

Measurement period	2014	2015	2016	2017	2018 <sup>(1)</sup>
Total pension liability					
Service cost	\$ 4,183,753	\$ 4,154,748	\$ 4,316,812	\$ 4,976,440	\$ 5,050,545
Interest	17,150,102	17,400,087	17,876,017	18,140,550	18,548,037
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(4,736,917)	(1,327,136)	(2,451,159)	(1,273,144)
Change of assumptions	-	(3,990,299)	-	14,328,945	(932,620)
Benefit payments, including refunds of employee contributions	(13,447,853)	(14,168,237)	(14,006,618)	(14,713,157)	(15,785,115)
Net change in total pension liability	7,886,002	(1,340,618)	6,859,075	20,281,619	5,607,703
Total pension liability - beginning	233,300,081	241,186,083	239,845,465	246,704,540	266,986,159
Total pension liability - ending (a)	<u>\$241,186,083</u>	<u>\$239,845,465</u>	<u>\$246,704,540</u>	<u>\$266,986,159</u>	<u>\$272,593,862</u>
Plan fiduciary net position					
Contributions - employer	\$ 4,754,912	\$ 5,237,775	\$ 5,967,197	\$ 6,328,886	\$ 6,983,081
Contributions - employee	1,410,383	1,489,005	1,523,845	1,575,673	1,801,681
Net investment income	28,071,245	4,117,374	939,196	19,375,895	15,877,869
Benefit payments,					
including refunds of employee contributions	(13,447,853)	(14,168,237)	(14,006,618)	(14,713,157)	(15,785,115)
Administrative expense	-	(205,370)	(111,091)	(260,728)	(294,358)
Plan to plan resource movement	-	(70)	-	-	(457)
Other Miscellaneous Income/Expense	-	-	-	-	(558,991)
Net change in fiduciary net position	20,788,687	(3,529,523)	(5,687,471)	12,306,569	8,023,710
Plan fiduciary net position - beginning	165,021,539	185,810,226	182,280,703	176,593,232	188,899,801
Plan fiduciary net position - ending (b)	<u>\$185,810,226</u>	<u>\$182,280,703</u>	<u>\$176,593,232</u>	<u>\$188,899,801</u>	<u>\$196,923,511</u>
Plan net position liability/(asset) - ending (a) - (b)	\$ 55,375,857	\$ 57,564,762	\$ 70,111,308	\$ 78,086,358	\$ 75,670,351
Plan fiduciary net position as a percentage of the total pension liability	77.04%	76.00%	71.58%	68.62%	72.24%
Covered payroll	\$ 14,907,370	\$ 15,467,011	\$ 16,185,414	\$ 16,684,346	\$ 17,219,137
Plan net pension liability/(asset) as a percentage of covered payroll	371.47%	372.18%	433.18%	468.02%	439.45%

(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.

2019	2020	2021	2022	2023
\$ 5,094,809	\$ 5,376,207	\$ 5,149,025	\$ 5,653,134	\$ 6,350,358
19,278,306	19,748,456	20,346,616	20,519,654	21,923,987
-	-	-	-	-
2,269,776	(2,098,331)	(257,904)	(4,050,012)	121,711
-	-	-	8,033,823	11,034,392
(15,568,769)	(16,111,142)	(16,663,456)	(17,163,074)	(17,486,624)
11,074,122	6,915,190	8,574,281	12,993,525	21,943,824
272,593,862	283,667,984	290,583,174	299,157,455	312,150,980
\$ 283,667,984	\$ 290,583,174	\$ 299,157,455	\$ 312,150,980	\$ 334,094,804
\$ 7,762,455	\$ 8,703,901	\$ 9,176,919	\$ 9,967,551	\$ 10,869,629
1,800,299	1,781,366	1,759,155	2,020,473	2,185,715
12,686,105	10,057,956	46,454,379	(18,723,751)	13,732,036
(15,568,769)	(16,111,142)	(16,663,456)	(17,163,074)	(17,486,624)
(140,529)	(286,834)	(207,389)	(154,569)	(164,748)
(457)	(457)	(457)	(36,141)	-
457	-	-	-	-
6,540,018	4,145,247	40,519,608	(24,089,511)	9,136,008
196,923,511	203,463,529	207,608,776	248,128,384	224,038,873
\$ 203,463,529	\$ 207,608,776	\$ 248,128,384	\$ 224,038,873	\$ 233,174,881
\$ 80,204,455	\$ 82,974,398	\$ 51,029,071	\$ 88,112,107	\$ 100,919,923
71.73%	71.45%	82.94%	71.77%	69.79%
\$ 18,392,338	\$ 17,619,953	\$ 18,330,455	\$ 18,875,240	\$ 18,118,697
436.08%	470.91%	278.38%	466.81%	556.99%

**Public Safety - Police Plan**

Measurement period	2014	2015	2016	2017	2018 <sup>(1)</sup>
Total pension liability					
Service cost	\$ 6,933,491	\$ 6,687,437	\$ 6,603,067	\$ 7,540,371	\$ 7,206,671
Interest	25,322,913	26,160,351	26,905,428	27,414,758	28,303,833
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(3,081,594)	(4,051,767)	(5,198,038)	607,197
Change of assumptions	-	(6,342,449)	-	22,647,547	(2,169,378)
Benefit payments, including refunds of employee contributions	(18,107,995)	(18,657,601)	(19,370,925)	(20,045,912)	(21,537,031)
Net change in total pension liability	14,148,409	4,766,144	10,085,803	32,358,726	12,411,292
Total pension liability - beginning	343,226,088	357,374,497	362,140,641	372,226,444	404,585,170
Total pension liability - ending (a)	\$ 357,374,497	\$ 362,140,641	\$ 372,226,444	\$ 404,585,170	\$ 416,996,462
Plan fiduciary net position					
Contributions - employer	\$ 10,060,801	\$ 10,108,019	\$ 10,777,599	\$ 11,858,699	\$ 13,095,114
Contributions - employee	2,037,428	1,988,892	2,054,362	2,098,584	2,103,617
Net investment income	35,084,789	5,119,789	1,121,784	25,095,844	20,550,338
Benefit payments, including refunds of employee contributions	(18,107,995)	(18,657,601)	(19,370,925)	(20,045,912)	(21,537,031)
Administrative expense		(260,769)	(141,206)	(333,874)	(381,485)
Plan to plan resource movement		(42)	(1,123)	3,491	(598)
Other Miscellaneous Income/Expense				-	(724,446)
Net change in fiduciary net position	29,075,023	(1,701,712)	(5,559,509)	18,676,832	13,105,509
Plan fiduciary net position - beginning	204,321,504	233,396,527	231,694,815	226,135,306	244,812,138
Plan fiduciary net position - ending (b)	\$ 233,396,527	\$ 231,694,815	\$ 226,135,306	\$ 244,812,138	\$ 257,917,647
Plan net position liability/(asset) - ending (a) - (b)	\$ 123,977,970	\$ 130,445,826	\$ 146,091,138	\$ 159,773,032	\$ 159,078,815
Plan fiduciary net position as a percentage of the total pension liability	65.31%	63.98%	60.75%	60.51%	61.85%
Covered payroll	\$ 22,471,207	\$ 22,490,875	\$ 22,289,585	\$ 22,933,002	\$ 22,701,037
Plan net pension liability/(asset) as a percentage of covered payroll	551.72%	579.99%	655.42%	696.69%	700.76%

(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.

2019	2020	2021	2022	2023
\$ 6,572,589	\$ 6,906,033	\$ 7,797,251	\$ 8,246,309	\$ 8,378,001
29,224,684	30,242,268	31,496,075	32,368,940	34,108,846
-	-	-	-	-
(261,541)	1,239,143	3,972,386	(2,363,653)	182,326
-	-	-	16,809,437	11,032,765
(22,568,755)	(23,373,646)	(24,687,419)	(26,018,808)	(27,341,492)
12,966,977	15,013,798	18,578,293	29,042,225	26,360,446
416,996,462	429,963,439	444,977,237	463,555,530	492,597,755
\$ 429,963,439	\$ 444,977,237	\$ 463,555,530	\$ 492,597,755	\$ 518,958,201
\$ 13,926,791	\$ 15,737,103	\$ 16,765,193	\$ 17,791,362	\$ 19,066,702
2,005,991	2,375,802	2,458,960	2,463,683	2,474,205
16,847,851	13,335,816	62,670,340	(25,347,432)	18,696,467
(22,568,755)	(23,373,646)	(24,687,419)	(26,018,808)	(27,341,492)
(184,056)	(377,747)	(275,357)	(207,161)	(221,514)
6,474	-	(28,657)	-	-
598	-	-	-	-
10,034,894	7,697,328	56,903,060	(31,318,356)	12,674,368
257,917,647	267,952,541	275,649,869	332,552,929	301,234,573
\$ 267,952,541	\$ 275,649,869	\$ 332,552,929	\$ 301,234,573	\$ 313,908,941
\$ 162,010,898	\$ 169,327,368	\$ 131,002,601	\$ 191,363,182	\$ 205,049,260
62.32%	61.95%	71.74%	61.15%	60.49%
\$ 21,803,626	\$ 21,101,838	\$ 25,356,914	\$ 24,332,573	\$ 21,578,636
743.05%	802.43%	516.63%	786.45%	950.24%

## Schedule of Plan Contributions for CalPERS Pension Plans

### Miscellaneous Plans

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Actuarially determined contribution	\$ 18,303,639	\$ 20,032,929	\$ 21,214,582	\$ 20,393,310	\$ 20,894,560
Contribution in relation to the actuarially determined contributions	(18,303,639)	(20,032,929)	(21,214,582)	(20,393,310)	(20,894,560)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 87,918,618	\$ 85,480,937	\$ 117,847,774	\$ 94,371,740	\$ 100,559,700
Contributions as a percentage of covered payroll	20.82%	23.44%	23.93%	21.61%	20.78%

\* Historical information is required only for measurement periods for which GASB 68 is applicable.

### Public Safety – Fire Plan

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Actuarially determined contribution	\$ 5,237,775	\$ 5,967,197	\$ 6,328,886	\$ 6,983,081	\$ 7,762,455
Contribution in relation to the actuarially determined contributions	(5,237,775)	(5,967,197)	(6,328,886)	(6,983,081)	(7,762,455)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 15,467,011	\$ 16,185,414	\$ 16,684,346	\$ 17,219,137	\$ 18,392,338
Contributions as a percentage of covered payroll	33.86%	36.87%	37.93%	40.55%	42.20%

\* Historical information is required only for measurement periods for which GASB 68 is applicable.

### Public Safety – Police Plan

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Actuarially determined contribution	\$ 10,108,019	\$ 10,777,599	\$ 11,858,699	\$ 13,095,114	\$ 13,918,569
Contribution in relation to the actuarially determined contributions	(10,108,019)	(10,777,599)	(11,858,699)	(13,095,114)	(13,918,569)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 22,490,875	\$ 22,289,585	\$ 22,933,002	\$ 22,701,037	\$ 21,803,626
Contributions as a percentage of covered payroll	44.94%	48.35%	51.71%	57.69%	63.84%

\* Historical information is required only for measurement periods for which GASB 68 is applicable.

<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
\$ 24,065,716	\$ 26,643,623	\$ 29,261,593	\$ 34,543,436	\$ 36,223,585
(24,065,716)	(26,643,623)	(29,261,593)	(34,543,436)	(36,223,585)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 102,290,694	\$ 106,633,060	\$ 108,591,330	\$ 117,847,774	\$ 125,065,571
23.53%	24.99%	26.95%	29.31%	28.96%

<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
\$ 8,703,901	\$ 9,176,919	\$ 9,467,357	\$ 10,869,629	\$ 10,675,536
(8,703,901)	(9,176,919)	(9,467,357)	(10,869,629)	(10,675,536)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,877,133	\$ 18,330,455	\$ 21,028,000	\$ 22,427,668	\$ 23,203,223
46.11%	50.06%	45.02%	48.47%	46.01%

<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
\$ 15,737,103	\$ 16,765,193	\$ 17,147,766	\$ 19,066,807	\$ 20,104,565
(15,737,103)	(16,765,193)	(17,147,766)	(19,066,807)	(20,104,565)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 22,263,161	\$ 25,356,914	\$ 24,514,659	\$ 24,471,086	\$ 26,722,439
70.69%	66.12%	69.95%	77.92%	75.23%

**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 2024 were derived from the June 30, 2020 funding valuation report.

		Public Safety	
	Miscellaneous	Fire	Police
Actuarial cost method		Entry-age normal	
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report		
Asset valuation method		Fair value of assets	
Inflation	2.500%	2.500%	2.500%
Salary increases	Varies by entry age and services		
Payroll growth	2.750%	2.750%	2.750%
Investment rate of return	7.00 % net of pension plan investment and administrative expenses; includes inflation		
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.		
Mortality	Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries		





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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	2015	2016	2017	2018
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	2,503,642	2,441,727	2,222,569	2,456,058
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	1,501,596	7,453,545	-	(2,399,531)
Change of assumptions	4,403,685	6,961,164	(7,646,392)	6,217,552
Benefit payments, including refunds of employee contributions	(1,678,949)	(2,044,596)	(2,112,022)	(2,155,214)
Net change in total pension liability	6,729,974	14,811,840	(7,535,845)	4,118,865
Total pension liability - beginning	54,881,084	61,611,058	76,422,898	68,887,053
Total pension liability - ending (a)	\$ 61,611,058	\$ 76,422,898	\$ 68,887,053	\$ 73,005,918
Plan fiduciary net position				
Contributions - employer	\$ 1,467,997	\$ 1,943,978	\$ 2,132,901	\$ 1,857,970
Contributions - employee	-	-	-	-
Net investment income	164,247	284,425	922	44,462
Benefit payments, including refunds of employee contributions	(1,678,949)	(2,044,596)	(2,112,022)	(2,155,214)
Administrative expenses	(41,778)	(42,154)	(42,204)	(17,199)
Net change in fiduciary net position	(88,483)	141,653	(20,403)	(269,981)
Plan fiduciary net position - beginning	6,587,939	6,499,456	6,641,114	6,620,711
Plan fiduciary net position - ending (b)	\$ 6,499,456	\$ 6,641,109	\$ 6,620,711	\$ 6,350,730
Plan net position liability/(asset) -ending (a) - (b)	\$ 55,111,597	\$ 69,781,784	\$ 62,266,342	\$ 66,655,188
Plan fiduciary net position as a percentage of the total pension liability	10.55%	8.69%	9.61%	8.70%
Covered payroll	\$ 20,002,000	\$ 20,002,000	\$ 20,002,000	\$ 20,002,000
Plan net pension liability/(asset) as a percentage of covered payroll	242.44%	275.53%	275.53%	311.30%

(1) Estimated

2019	2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,774,656	2,549,534	1,927,908	1,779,108	2,245,449	2,241,027
-	-	-	-	-	-
(2,744,787)	(3,119,941)	(1,862,018)	(4,052,001)	(5,386,410)	(2,199,138)
3,226,771	9,305,578	4,026,371	(11,671,743)	4,037,244	8,412,225
(2,618,766)	(2,427,646)	(2,522,372)	(2,762,477)	(2,766,666)	(3,091,399)
637,874	6,307,525	1,569,889	(16,707,113)	(1,870,383)	5,362,715
73,005,918	73,643,792	79,951,317	81,521,206	64,814,093	62,943,710
\$ 73,643,792	\$ 79,951,317	\$ 81,521,206	\$ 64,814,093	\$ 62,943,710	\$ 68,306,425
\$ 1,854,528	\$ 2,048,826	\$ 2,150,175	\$ 2,147,614	\$ 2,220,179	\$ 2,235,650
-	-	-	-	-	-
(29,544)	647,532	170,290	(379,204)	190,218	194,518
(2,618,766)	(2,427,646)	(2,522,372)	(2,762,477)	(2,766,666)	(3,091,399)
-	-	-	-	-	-
(793,782)	268,712	(201,907)	(994,067)	(356,269)	(661,231)
6,350,730	5,556,948	5,825,660	5,623,753	4,629,686	4,273,417
\$ 5,556,948	\$ 5,825,660	\$ 5,623,753	\$ 4,629,686	\$ 4,273,417	\$ 3,612,186
\$ 68,086,844	\$ 74,125,657	\$ 75,897,453	\$ 60,184,407	\$ 58,670,293	\$ 64,694,239
7.55%	7.29%	6.90%	7.14%	6.79%	5.29%
\$ 20,002,000 <sup>(1)</sup>	\$ 20,002,000 <sup>(1)</sup>	\$ 20,002,000 <sup>(1)</sup>	\$ 21,718,842 <sup>(1)</sup>	\$ 21,578,636 <sup>(1)</sup>	\$ 21,578,636 <sup>(1)</sup>
333.24%	370.59%	379.40%	277.11%	271.89%	271.89%

### Schedule of Plan Contributions for Berkeley Retirement Income Benefit Plan

There was no required contribution calculation for FY 2024.

### Schedule of Investment Returns

Year ending June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return on investments	2.55%	3.9%	3.7%	3.3%	3.3%	3.3%	3.3%	3.8%	2.7%	2.7%

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	2015	2016	2017	2018
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	205,818	185,544	110,849	106,968
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	450,045	418,546	(112,533)
Change of assumptions	38,147	114,194	(225,811)	7,477
Benefit payments, including refunds of employee contributions	(1,001,957)	(1,843,952)	(832,203)	(752,108)
Net change in total pension liability	(757,992)	(1,064,169)	(528,619)	(750,196)
Total pension liability - beginning	4,828,175	4,070,183	3,764,006	3,235,387
Total pension liability - ending (a)	<u>\$ 4,070,183</u>	<u>\$ 3,764,006</u>	<u>\$ 3,235,387</u>	<u>\$ 2,485,191</u>
Plan fiduciary net position				
Contributions - employer	\$ 604,755	\$ 1,101,309	\$ 513,316	\$ 454,108
Contributions - employee	-	-	-	-
Net investment income	96,509	166,222	43,310	17,690
Benefit payments, including refunds of employee contributions	(1,001,957)	(1,543,259)	(832,203)	(752,108)
Administrative expenses	-	(17,650)	(10,113)	(10,113)
Net change in fiduciary net position	(300,693)	(290,378)	(285,690)	(290,423)
Plan fiduciary net position - beginning	1,254,005	953,312	662,934	377,244
Plan fiduciary net position - ending (b)	<u>\$ 953,312</u>	<u>\$ 662,934</u>	<u>\$ 377,244</u>	<u>\$ 96,934</u>
Plan net position liability/(asset) - ending (a) - (b)	\$ 3,116,871	\$ 3,101,072	\$ 2,858,143	\$ 2,388,257
Plan fiduciary net position as a percentage of the total pension liability	23.42%	17.61%	11.66%	3.90%
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.

2019	2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
84,747	55,273	33,643	28,108	34,528	29,506
-	-	-	-	-	-
(100,070)	365,385	253,939	111,397	(2,515)	(653,384)
18,332	46,258	(21,303)	(59,043)	(2,329)	(1,137)
(625,486)	(566,995)	(480,630)	(493,937)	(318,877)	(74,479)
(622,477)	(100,079)	(214,351)	(413,475)	(289,193)	(699,494)
2,485,191	1,862,714	1,762,635	1,548,284	1,134,809	845,616
\$ 1,862,714	\$ 1,762,635	\$ 1,548,284	\$ 1,134,809	\$ 845,616	\$ 146,122
\$ 525,486	\$ 566,995	\$ 480,630	\$ 493,937	\$ 318,877	\$ -
-	-	-	-	-	-
3,066	-	-	-	-	-
(625,486)	(566,995)	(480,630)	(493,937)	(318,877)	-
-	-	-	-	-	-
(96,934)	-	-	-	-	-
96,934	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,862,714	\$ 1,762,635	\$ 1,548,284	\$ 1,134,809	\$ 845,616	\$ 146,122
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,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return on investments	2.55%	3.9%	3.7%	3.3%	3.3%	3.3%	3.3%	3.8%	N/A	N/A

### 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 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 1,139,553	\$ 1,096,067	\$ 1,168,001	\$ 1,342,365	\$ 1,766,598	\$ 1,911,547	\$ 1,392,578	\$ 1,439,883
Interest cost	1,016,737	1,102,679	1,101,475	1,156,748	952,902	917,203	1,110,807	1,339,047
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(696,670)	(240,242)	(5,001,736)	747,494	(2,050,333)	1,862,075	85,394
Changes of assumptions	(1,120,587)	(1,018,507)	1,769,199	5,330,768	418,168	(6,264,012)	1,512,247	(1,927,164)
Benefit payments	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)	(769,042)	(580,817)	(654,234)
Net change in total OPEB liability	599,967	74,508	3,472,572	2,193,384	3,408,440	(6,254,637)	5,296,890	282,926
Total OPEB liability - beginning	26,782,318	27,382,285	27,456,793	30,929,365	33,122,749	36,531,189	30,276,552	35,573,442
Total OPEB liability - ending	\$ 27,382,285	\$ 27,456,793	\$ 30,929,365	\$ 33,122,749	\$ 36,531,189	\$ 30,276,552	\$ 35,573,442	\$ 35,856,368
Plan fiduciary net position								
Contributions - employer	\$ 862,969	\$ 737,933	\$ 759,000	\$ 742,397	\$ 741,212	\$ 817,508	\$ 911,240	\$ 904,073
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	52,551	38,661	662,448	545,553	459,011	(937,465)	566,015	710,351
Benefit payments and refunds	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)	(769,042)	(580,817)	(654,234)
Administrative expenses	(25,329)	(14,233)	(4,945)	(3,979)	(10,823)	-	-	(4,806)
Other changes	-	-	-	-	-	-	-	-
Net changes	454,455	353,300	1,090,642	649,210	712,678	(888,999)	896,438	955,384
Plan fiduciary net position - beginning	9,397,656	9,852,111	10,205,411	11,296,053	11,945,263	12,657,941	11,768,942	12,665,380
Plan fiduciary net position - ending	\$ 9,852,111	\$ 10,205,411	\$ 11,296,053	\$ 11,945,263	\$ 12,657,941	\$ 11,768,942	\$ 12,665,380	\$ 13,620,764
Plan net OPEB liability/(asset)	\$ 17,530,174	\$ 17,251,382	\$ 19,633,312	\$ 21,177,486	\$ 23,873,248	\$ 18,507,610	\$ 22,908,062	\$ 22,235,604
Fiduciary net position as a percentage of the total OPEB liability	36.0%	37.2%	36.5%	36.1%	34.6%	38.9%	35.6%	38.0%
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
Net OPEB liability as a percentage of covered payroll	115.79%	110.50%	125.31%	138.35%	156.21%	109.35%	126.43%	119.29%

<sup>(1)</sup> 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 2.75% to 2.50%; and the Mortality improvement scale was updated to Scale MP-2020.

##### Schedule of Employer Contributions

Measurement Period	2016 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023	2024
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
Contributions in relations to the actuarially determined contribution	862,969	737,933	759,000	742,397	741,212	817,508	911,240	904,073
Contribution deficiency/(excess)	\$ 1,128,956	\$ 1,425,095	\$ 1,567,493	\$ 1,362,225	\$ 1,834,758	\$ 537,111	\$ 2,748,527	\$ 2,974,927
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
Contributions as a percentage of covered payroll	5.7%	4.7%	4.8%	4.8%	4.8%	4.8%	5.0%	4.9%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB 75 is applicable.

## Notes to Schedule of Employer Contributions

Valuation date	July 1, 2023
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	2.75%
Medical trend	Non-Medicare-8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare-Non-Kaiser 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 6.25% for 2025, decreasing to an ultimate rate of 6.25% 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 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 3,158,691	\$ 2,758,915	\$ 2,722,025	\$ 3,179,095	\$ 4,501,763	\$ 3,620,832	\$ 2,660,490	\$ 2,778,532
Interest cost	2,037,274	2,347,169	2,384,553	2,431,913	2,350,294	1,807,863	2,164,400	2,349,459
Changes of benefit terms	-	-	-	-	174,029	-	46,750	156,706
Difference between expected and actual experience	-	(1,080,363)	(632,496)	(1,851,097)	(7,240,048)	(5,248,182)	(3,479,634)	(1,261,505)
Changes of assumptions	(6,804,556)	(5,371,861)	2,729,815	22,060,044	(15,323,082)	(12,289,862)	3,420,624	(2,565,364)
Benefit payments	(736,196)	(927,645)	(984,708)	(1,328,358)	(1,174,959)	(2,091,325)	(1,408,065)	(1,998,312)
Net change in total OPEB liability	(2,344,787)	(2,273,785)	6,219,189	24,491,597	(16,712,003)	(14,200,674)	3,404,565	(540,484)
Total OPEB liability - beginning	64,005,272	61,660,475	59,386,690	65,605,879	90,097,476	73,385,473	59,184,799	62,589,364
Total OPEB liability - ending	\$ 61,660,475	\$ 59,386,690	\$ 65,605,879	\$ 90,097,476	\$ 73,385,473	\$ 59,184,799	\$ 62,589,364	\$ 62,048,880
Plan fiduciary net position								
Contributions - employer	\$ 3,352,941	\$ 2,000,393	\$ 2,003,621	\$ 2,193,113	\$ 2,219,280	\$ 2,302,446	\$ 2,614,996	\$ 2,707,775
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	212,183	393,160	2,233,680	217,442	1,091,946	(1,986,312)	1,822,639	1,791,221
Benefit payments and refunds	(735,196)	(927,645)	(984,708)	(1,328,358)	(1,174,959)	(2,091,325)	(1,408,065)	(1,998,312)
Administrative expenses	(64,386)	(69,263)	(37,536)	(30,346)	(84,248)	(757)	-	(3,003)
Other changes	-	-	-	-	-	-	-	-
Net changes	2,764,542	1,396,649	3,215,057	1,051,851	2,052,019	(1,775,948)	3,029,570	2,497,681
Plan fiduciary net position - beginning	20,995,355	23,774,427	25,759,897	28,386,133	29,437,984	31,490,003	29,714,055	32,743,625
Plan fiduciary net position - ending	\$ 23,759,897	\$ 25,759,897	\$ 28,974,954	\$ 29,437,984	\$ 31,490,003	\$ 29,714,055	\$ 32,743,625	\$ 35,241,306
Plan OPEB net liability/(asset)	\$ 37,900,578	\$ 34,215,614	\$ 37,219,746	\$ 60,659,492	\$ 41,895,470	\$ 29,470,744	\$ 29,845,739	\$ 26,807,574
Fiduciary net position as a percentage of the total OPEB liability	38.50%	43.38%	44.17%	32.67%	42.91%	50.21%	52.31%	56.80%
Covered payroll	\$ 84,216,839	\$ 90,333,251	\$ 91,491,386	\$ 94,774,757	\$ 99,542,579	\$ 102,205,676	\$ 110,614,150	\$ 118,898,025
Net OPEB liability as a percentage of covered payroll	45.00%	37.88%	40.68%	64.00%	42.09%	28.83%	26.98%	22.55%

<sup>(1)</sup> 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 2.75% to 2.50%; and the Mortality improvement scale was updated to Scale MP-2020



## Schedule of Employer Contributions

Measurement Period	2017 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023	2024
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
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
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
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
Contributions as a percentage of covered payroll	4.0%	2.2%	2.2%	2.3%	2.2%	2.3%	2.4%	2.3%

<sup>(1)</sup> 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, 2023
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	2.75%
Inflation	2.50%
Medical trend	Non-Medicare- Non-Kaiser 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076. Medicare-Non-Kaiser 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 6.25% for 2025, 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

## C. POLICE RETIREE PREMIUM ASSISTANCE PLAN

### Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement Period	2017 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost Interest cost	\$ 3,710,498	\$ 3,023,242	\$ 2,629,121	\$ 2,923,570	\$ 3,748,506	\$ 3,673,425	\$ 1,897,103	\$ 1,878,350
Interest cost	1,556,852	1,800,859	1,779,243	1,803,350	1,415,045	1,200,184	1,283,005	1,432,520
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(8,663,806)	(2,849,858)	(3,609,918)	(6,089,186)	(5,459,588)	(4,508,061)	(2,316,099)	(1,947,797)
Changes of assumptions	-	(5,544,476)	4,668,732	12,709,723	(7,333,890)	(17,119,515)	2,628,194	(1,834,458)
Benefit payments	(150,908)	(226,007)	(221,190)	(203,998)	(279,563)	(604,145)	(465,182)	(473,662)
Net change in total OPEB liability	(3,547,364)	(3,796,240)	5,245,988	11,143,459	(7,909,490)	(17,358,112)	3,027,021	(945,047)
Total OPEB liability - beginning	50,800,336	47,252,972	43,456,732	48,702,720	59,846,179	51,936,689	34,578,577	37,605,598
Total OPEB liability - ending	\$ 47,252,972	\$ 43,456,732	\$ 48,702,720	\$ 59,846,179	\$ 51,936,689	\$ 34,578,577	\$ 37,605,598	\$ 36,660,551
Plan fiduciary net position								
Contributions - employee	\$ 562,995	\$ 295,743	\$ 400,137	\$ 400,136	\$ 400,136	\$ 400,136	\$ 400,136	\$ 400,136
Net investment income	-	-	-	-	99,904	(228,216)	98,273	109,255
Contributions - employer	(9,698)	(5,508)	468,950	(267,637)	-	-	-	-
Benefit payments and refunds	(150,908)	(226,007)	(221,190)	(203,998)	(279,563)	(604,145)	(465,182)	(473,662)
Administrative expenses	(12,167)	(4,209)	(1,886)	(4,871)	(13,074)	-	-	-
Other changes	-	-	-	-	-	-	-	(3,154)
Net changes	390,222	60,019	646,011	(76,370)	207,403	(432,225)	33,227	32,575
Plan fiduciary net position - beginning	1,353,903	1,744,125	1,804,144	2,450,155	2,373,785	2,581,188	2,148,963	2,182,190
Plan fiduciary net position - ending	\$ 1,744,125	\$ 1,804,144	\$ 2,450,155	\$ 2,373,785	\$ 2,581,188	\$ 2,148,963	\$ 2,182,190	\$ 2,214,765
Plan net OPEB liability/(asset)	\$ 45,508,847	\$ 41,652,588	\$ 46,252,565	\$ 57,472,394	\$ 49,355,501	\$ 32,429,614	\$ 35,423,408	\$ 34,445,786
Fiduciary net position as a percentage of the total OPEB liability	3.7%	4.2%	5.0%	4.0%	5.0%	6.2%	5.8%	6.0%
Covered payroll	\$ 20,303,490	\$ 19,473,765	\$ 18,760,962	\$ 20,695,223	\$ 21,718,889	\$ 21,681,336	\$ 21,578,636	\$ 22,582,297
Net OPEB liability as a percentage of covered payroll	224.1%	213.9%	246.5%	277.7%	227.2%	149.6%	164.2%	152.5%

<sup>(1)</sup> 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 2.75% to 2.50%; and the Mortality improvement scale was updated to Scale MP-2020.

### Schedule of Employer Contributions

Measurement Period	2017 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023	2024
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
Contributions in relations to the actuarially determined contribution	562,995	295,743	400,137	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
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
Contributions as a percentage of covered payroll	2.77%	1.52%	2.13%	1.93%	1.84%	1.85%	1.85%	1.77%

<sup>(1)</sup> 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, 2023
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	3.93%
Inflation	2.50%
Medical trend	Non-Medicare-8.50% for 2025, decreasing to an ultimate rate of 3.45 in 2076 Medicare-Non-Kaiser 7.50 for 2025, decreasing to an ultimate rate of 3.45 in 2076; Medicare-Kaiser 6.25% 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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The background of the entire page is a photograph showing several hands of different skin tones stacked on top of each other, symbolizing unity and teamwork. A white diagonal band cuts across the middle of the image, containing the title and subtitle.

# 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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	-	-	18,328	18,328
Total revenues	-	-	18,328	18,328
<b>Expenditures:</b>				
Current:				
General government	507,597	618,434	58,772	559,662
Highway and streets	2,609,490	5,079,066	2,672,475	2,406,591
Culture-recreation	-	727,274	693,553	33,721
Community development and housing	941,700	3,045,260	1,166,315	1,878,945
Economic development	-	3,654	17,671	(14,017)
Capital outlay:	15,138,202	30,661,110	9,653,661	21,007,449
Total expenditures	19,196,989	40,134,798	14,262,447	25,872,351
Revenues over/(under) expenditures	(19,196,989)	(40,134,798)	(14,244,119)	25,890,679
Other financing sources/(uses)				
Transfers in	18,370,905	18,370,905	18,370,905	-
Transfers out	(1,136,390)	(1,136,390)	(1,136,390)	-
Total other financing sources/(uses)	17,234,515	17,234,515	17,234,515	-
Net change in fund balance	(1,962,474)	(22,900,283)	2,990,396	25,890,679
Fund balance, July 1, 2023	17,957,597	17,957,597	17,957,597	-
Fund balance, June 30, 2024	15,995,123	(4,942,686)	20,947,993	25,890,679

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 2,990,396
Payable accrual	(746,748)
Net change in fund balances - GAAP basis	\$ 2,243,648

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 1,110,434	\$ 1,110,434
Total revenues	-	-	1,110,434	1,110,434
<b>Expenditures:</b>				
Current				
Community development and housing	6,445,567	8,636,181	1,655,308	6,980,873
Capital Outlay:	-	-	-	-
Total expenditures	6,445,567	8,636,181	1,655,308	6,980,873
Net change in fund balance	(6,445,567)	(8,636,181)	(544,874)	8,091,307
Fund balance, July 1, 2023	38,367,889	38,367,889	38,367,889	-
Fund balance, June 30, 2024	<u>\$ 31,922,322</u>	<u>\$ 29,731,708</u>	<u>\$ 37,823,015</u>	<u>\$ 8,091,307</u>

**Explanation of differences between budgetary  
basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (544,874)
Payable accrual	1,655,308
Net change in fund balances - GAAP basis	<u>\$ 1,110,434</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

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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.

## NONMAJOR GOVERNMENTAL FUNDS

### Debt Service Funds

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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 fixture.

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 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.

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds			
	Asset Forfeiture	Measure E: Special Tax Tax for Disabled	Workforce Investment Act	Community Workforce
<b>Assets</b>				
Cash and investments in treasury	\$ 9,035	\$ -	\$ -	\$ 10,074
Restricted cash and investments	235,343	213,225	122,900	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	817	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	12,048	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>244,378</u>	<u>226,090</u>	<u>122,900</u>	<u>10,074</u>
<b>Liabilities</b>				
Accounts payable	125,541	-	-	-
Accrued salaries and wages	-	553	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>125,541</u>	<u>553</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	817	-	-
Total deferred inflows of resources	<u>-</u>	<u>817</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	118,837	224,720	122,900	-
Committed	-	-	-	10,074
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>118,837</u>	<u>224,720</u>	<u>122,900</u>	<u>10,074</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 244,378</u>	<u>\$ 226,090</u>	<u>\$ 122,900</u>	<u>\$ 10,074</u>

Special Revenue Funds

Sec 108 Hud Loan Grant Assistance	Fund Raising Activities	California Housing Finance Agency	Gilman Sport Field	Gilman Fields Reserve	Animal Shelter
\$ -	\$ 875,614	\$ -	\$ 92,517	\$ 1,042,277	\$ 144,319
1,435,414	-	111,418	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,878,490	-	82,401	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,313,904	875,614	193,819	92,517	1,042,277	144,319
-	3,669	-	1,152	-	400
-	294	-	4,472	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	907	-	-
60,000	3,963	-	6,531	-	400
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,253,904	-	193,819	-	-	-
-	871,651	-	85,986	1,042,277	143,919
-	-	-	-	-	-
-	-	-	-	-	-
4,253,904	871,651	193,819	85,986	1,042,277	143,919
\$ 4,313,904	\$ 875,614	\$ 193,819	\$ 92,517	\$ 1,042,277	\$ 144,319



**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds			
	Paramedic Assessment District	California Energy Commission	Tieback Mitigation R-O-W	Domestic Violence Prevention Vital Statistics
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ 1,318,729	\$ 46,472
Restricted cash and investments	22,366	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	1,915	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	27,192	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	51,473	-	1,318,729	46,472
<b>Liabilities</b>				
Accounts payable	3,670	-	-	-
Accrued salaries and wages	102,634	-	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	87	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	106,304	87	-	-
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	1,915	-	-	-
Total deferred inflows of resources	1,915	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	1,318,729	46,472
Assigned	-	-	-	-
Unassigned	(56,746)	(87)	-	-
Total fund balances	(56,746)	(87)	1,318,729	46,472
Total liabilities, deferred inflows of resources, and fund balances	\$ 51,473	\$ -	\$ 1,318,729	\$ 46,472

Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ 38,662,952	\$ 556,819	\$ 691,624	\$ 1,523,089	\$ 1,290,000	\$ 1,050,443
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,147,731	-	1,326,345	2,421,103	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,810,683	556,819	2,017,969	3,944,192	1,290,000	1,050,443
334,704	2,016	209	-	-	330,880
11,579	-	7,592	972	-	111,029
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,915
-	-	-	-	-	77,949
-	-	-	-	-	-
-	-	-	-	-	762
346,283	2,016	7,801	972	-	526,535
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
55,464,400	554,803	2,010,168	3,943,220	1,290,000	523,908
-	-	-	-	-	-
-	-	-	-	-	-
55,464,400	554,803	2,010,168	3,943,220	1,290,000	523,908
\$ 55,810,683	\$ 556,819	\$ 2,017,969	\$ 3,944,192	\$ 1,290,000	\$ 1,050,443

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds			
	State Proposition 172	Traffic Congestion Relief	State Transportation Tax	CDBG
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ 12	\$ -	\$ -
Restricted cash and investments	1,703,497	-	8,600,762	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	695,269	2,500
Interest receivable	-	-	-	51,953
Taxes receivable	-	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	1,327,069
Due from other funds	-	-	-	-
Notes receivable	-	-	-	8,522,585
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	1,703,497	12	9,296,031	9,904,107
<b>Liabilities</b>				
Accounts payable	66,010	-	434,474	122,400
Accrued salaries and wages	-	-	55,985	30,032
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	898,915
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	66,010	-	490,459	1,051,347
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	136,505	1,468,690
Total deferred inflows of resources	-	-	136,505	1,468,690
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	1,637,487	12	8,669,067	8,522,585
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(1,138,515)
Total fund balances	1,637,487	12	8,669,067	7,384,070
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,703,497	\$ 12	\$ 9,296,031	\$ 9,904,107

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
\$ 4,263,994	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,947,910	646,136	388	1,241,757	10,010,902
650,472	10,365	-	-	-	26,250
-	-	-	-	-	-
26,624	-	-	-	177,140	1,285,328
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,941,090	3,958,275	646,136	388	1,418,897	11,322,480
1,332	182	65,028	509	7,761	1,123,021
32,690	2,163	3,942	-	4,078	39,450
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
34,022	2,345	68,970	509	11,839	1,162,471
650,472	10,365	-	-	-	26,250
650,472	10,365	-	-	-	26,250
-	-	-	-	-	-
-	3,945,565	577,166	-	1,407,058	10,133,759
4,256,596	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(121)	-	-
4,256,596	3,945,565	577,166	(121)	1,407,058	10,133,759
\$ 4,941,090	\$ 3,958,275	\$ 646,136	\$ 388	\$ 1,418,897	\$ 11,322,480

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	<b>Special Revenue Funds</b>			
	<b>Measure BB: Bike and Pedestrian</b>	<b>Measure BB: Paratransit</b>	<b>Shelter Operations</b>	<b>One Time Funding</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ 12,781	\$ -	\$ -
Restricted cash and investments	630,945	495,636	81,351	1,635,271
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	139,061	141,111	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>770,006</u>	<u>649,528</u>	<u>81,351</u>	<u>1,635,271</u>
<b>Liabilities</b>				
Accounts payable	6,195	38,568	-	-
Accrued salaries and wages	7,541	4,127	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>13,736</u>	<u>42,695</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	756,270	606,833	81,351	1,635,271
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>756,270</u>	<u>606,833</u>	<u>81,351</u>	<u>1,635,271</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 770,006</u>	<u>\$ 649,528</u>	<u>\$ 81,351</u>	<u>\$ 1,635,271</u>

### 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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,198,641	2,951,402	3,206,838	-	2,561,069	367,986
38,651	88,165	44,457	-	23,526	-
-	-	-	-	-	-
127,084	-	-	-	17,134	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,179,445
-	-	-	-	-	-
-	-	-	-	-	-
11,364,376	3,039,567	3,251,295	-	2,601,729	1,547,431
527,237	-	316,660	-	279,923	-
246,760	-	197,502	-	9,434	-
-	-	-	-	-	-
-	-	-	5,998	-	-
90	-	-	-	-	-
-	-	-	-	-	40,530
-	-	-	-	-	-
11,983	-	-	-	-	-
786,070	-	514,162	5,998	289,357	40,530
38,963	88,165	4,079	-	26,248	-
38,963	88,165	4,079	-	26,248	-
-	-	-	-	-	-
10,539,343	2,951,402	2,733,054	-	2,286,124	1,506,901
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(5,998)	-	-
10,539,343	2,951,402	2,733,054	(5,998)	2,286,124	1,506,901
\$ 11,364,376	\$ 3,039,567	\$ 3,251,295	\$ -	\$ 2,601,729	\$ 1,547,431

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds			
	Citywide RLF	Legacy Fund	Miles Lab	Employee Training
<b>Assets</b>				
Cash and investments in treasury	\$ 647,475	\$ 79,549	\$ 343,899	\$ 138,786
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>801,206</u>	<u>79,549</u>	<u>343,899</u>	<u>138,786</u>
<b>Liabilities</b>				
Accounts payable	-	255	46,997	-
Accrued salaries and wages	-	-	-	7,269
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>46,997</u>	<u>7,269</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	801,206	79,294	296,902	131,517
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>801,206</u>	<u>79,294</u>	<u>296,902</u>	<u>131,517</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 801,206</u>	<u>\$ 79,549</u>	<u>\$ 343,899</u>	<u>\$ 138,786</u>



Special Revenue Funds

UC Settlement	Private Percent- Art Fund	Private Party Sidewalks	Public Art	Lillie B. Wall Memorial	Vital and Health Statistic
\$ 6,472,505	\$ 3,263,244	\$ 1,659,917	\$ -	\$ -	\$ 299,437
-	-	-	195,249	15,347	-
-	-	196,720	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,472,505	3,263,244	1,856,637	195,249	15,347	299,437
720,418	117,368	148,505	8,250	-	-
31,715	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
752,133	117,368	148,505	8,250	-	-
-	-	196,720	-	-	-
-	-	196,720	-	-	-
-	-	-	-	-	-
-	-	-	186,999	15,347	-
5,720,372	3,145,876	1,511,412	-	-	299,437
-	-	-	-	-	-
-	-	-	-	-	-
5,720,372	3,145,876	1,511,412	186,999	15,347	299,437
\$ 6,472,505	\$ 3,263,244	\$ 1,856,637	\$ 195,249	\$ 15,347	\$ 299,437

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Special Revenue Funds			
	East Bay Public Utilities Commission	PERS Savings	Other Special Deposits	Health State Aid Realignment
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ 11,163,620	\$ 76,242	\$ -
Restricted cash and investments	3,992	15,311,297	-	5,906,139
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	30,593	-	-
Taxes receivable	-	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	32,726
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	3,992	26,505,510	76,242	5,938,865
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued salaries and wages	-	-	-	26,611
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	76,242	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	-	-	76,242	26,611
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	3,992	15,311,297	-	5,912,254
Committed	-	11,194,213	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	3,992	26,505,510	-	5,912,254
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,992	\$ 26,505,510	\$ 76,242	\$ 5,938,865

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
\$ -	\$ -	\$ -	\$ 7,278	\$ -	\$ 10,635,312	\$ -	\$ 86,378,015
131,112	6,437,563	1,387,658	-	264,837	-	1,036,495	82,110,846
-	-	-	-	-	16,031	-	1,795,138
-	-	-	-	-	-	-	82,546
-	-	-	-	-	61,989	-	2,014,711
-	-	-	-	-	-	-	-
-	100,212	-	-	-	-	-	1,460,007
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	33,711,831
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
131,112	6,537,775	1,387,658	7,278	264,837	10,713,332	1,036,495	207,553,094
785	40,764	7,075	-	19	116,661	33,804	5,032,442
7,050	61,427	-	-	821	172,669	2,871	1,183,262
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	905,000
-	-	-	-	-	-	-	142,247
-	-	-	-	-	12,642	-	131,121
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	13,652
7,835	102,191	7,075	-	840	301,972	36,675	7,407,724
-	-	-	-	-	3,389	-	2,652,578
-	-	-	-	-	3,389	-	2,652,578
-	-	-	-	-	-	-	-
123,277	6,435,584	1,380,583	-	263,997	10,407,971	999,820	103,944,549
-	-	-	7,278	-	-	-	94,749,710
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(1,201,467)
123,277	6,435,584	1,380,583	7,278	263,997	10,407,971	999,820	197,492,792
\$ 131,112	\$ 6,537,775	\$ 1,387,658	\$ 7,278	\$ 264,837	\$ 10,713,332	\$ 1,036,495	\$ 207,553,094

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Capital Project Funds			
	Infrastructure & Facilities Measure T1	Phone System Replacement	Fund\$ Replacement	Public, Education and Government Access Facilities
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ 1,382,216	\$ -	\$ 2,549,244
Restricted cash and investments	27,487,739	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	-	-	35,051
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	27,487,739	1,382,216	-	2,584,295
<b>Liabilities</b>				
Accounts payable	558,315	-	11,748	-
Accrued salaries and wages	44,027	-	25,743	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	1,906,610	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	96,059	-	-	-
Total liabilities	698,401	-	1,944,101	-
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	26,789,338	-	-	-
Committed	-	1,382,216	-	2,584,295
Assigned	-	-	-	-
Unassigned	-	-	(1,944,101)	-
Total fund balances	26,789,338	1,382,216	(1,944,101)	2,584,295
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,487,739	\$ 1,382,216	\$ -	\$ 2,584,295

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
\$ -	\$ -	\$ -	\$ 92,003	\$ 39,317	\$ -
58	836,213	6,457	-	-	58,178
-	-	-	-	2,250	-
-	-	-	-	-	496,562
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,266,263
-	-	-	-	-	-
-	-	-	-	-	713,313
-	-	-	-	-	-
58	836,213	6,457	92,003	41,567	3,534,316
-	-	-	-	-	-
-	70	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	51,953
-	70	-	-	-	51,953
-	-	-	-	2,250	377,499
-	-	-	-	2,250	377,499
-	-	-	-	-	-
58	836,143	6,457	-	-	3,104,864
-	-	-	92,003	39,317	-
-	-	-	-	-	-
-	-	-	-	-	-
58	836,143	6,457	92,003	39,317	3,104,864
\$ 58	\$ 836,213	\$ 6,457	\$ 92,003	\$ 41,567	\$ 3,534,316

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Income Housing Fund: Savo Island Project	Total Capital Project Funds	Pension Refunding Bonds
<b>Assets</b>			
Cash and investments in treasury	\$ -	\$ 4,062,780	\$ -
Restricted cash and investments	-	28,388,645	128,660
Receivables (net of allowance where applicable):			
Accounts receivable	-	2,250	-
Interest receivable	-	496,562	-
Taxes receivable	-	35,051	-
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	36,406,004	128,660
<b>Liabilities</b>			
Accounts payable	-	570,063	-
Accrued salaries and wages	-	69,840	-
Advances from other funds	-	-	-
Due to other funds	-	1,906,610	-
Deposits held	-	-	-
Unearned revenues	-	-	-
Taxes and revenue anticipation note	-	-	-
Other liabilities	-	148,012	-
Total liabilities	-	2,694,525	-
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	-	379,749	-
Total deferred inflows of resources	-	379,749	-
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	441,140	31,178,000	128,660
Committed	-	4,097,831	-
Assigned	-	-	-
Unassigned	-	(1,944,101)	-
Total fund balances	441,140	33,331,730	128,660
Total liabilities, deferred inflows of resources, and fund balances	\$ 441,140	\$ 36,406,004	\$ 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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,999,714	2,886,891	47	1,399,373	494,658	578,380
-	-	-	-	-	-
-	-	-	-	-	-
9,192	13,788	-	2,536	951	3,170
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,008,906	2,900,679	47	1,401,909	495,609	581,550
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,269	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10,269	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,008,906	2,900,679	-	1,401,909	495,609	581,550
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(10,222)	-	-	-
2,008,906	2,900,679	(10,222)	1,401,909	495,609	581,550
\$ 2,008,906	\$ 2,900,679	\$ 47	\$ 1,401,909	\$ 495,609	\$ 581,550



**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	Debt Service Funds			
	2010 COP Animal Shelter	GO 2014 Measure M Street and Watershed Improvement	Infrastructure & Facilities Measure T1	Measure O Housing Bond
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	319,252	3,355,544	7,120,499	6,034,227
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	11,887	25,358	31,698
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>319,252</u>	<u>3,367,431</u>	<u>7,145,857</u>	<u>6,065,925</u>
<b>Liabilities</b>				
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>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	319,252	3,367,431	7,145,857	6,065,925
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>319,252</u>	<u>3,367,431</u>	<u>7,145,857</u>	<u>6,065,925</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 319,252</u>	<u>\$ 3,367,431</u>	<u>\$ 7,145,857</u>	<u>\$ 6,065,925</u>

<b>Total Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 90,440,795
24,317,245	134,816,736
-	1,797,388
-	579,108
98,580	2,148,342
-	-
-	1,460,007
-	-
-	36,419,234
-	-
-	713,313
-	-
<u>24,415,825</u>	<u>268,374,923</u>
-	5,602,505
-	1,253,102
-	-
10,269	2,821,879
-	142,247
-	131,121
-	-
-	161,664
<u>10,269</u>	<u>10,112,518</u>
-	3,032,327
-	3,032,327
-	-
24,415,778	159,538,327
-	98,847,541
-	-
(10,222)	(3,155,790)
<u>24,405,556</u>	<u>255,230,078</u>
\$ <u>24,415,825</u>	\$ <u>268,374,923</u>

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	Asset Forfeiture	Measure E: Special Tax for Disabled	Workforce Investment Act	Community Workforce
<b>Revenues:</b>				
Taxes	\$ -	\$ 1,673,381	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	7,919	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	7,919	1,673,381	-	-
<b>Expenditures:</b>				
Current:				
General government	-	20,709	-	-
Public safety	176,897	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	1,653,260	14,143	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	176,897	1,673,969	14,143	-
Revenues over/(under) expenditures	(168,978)	(588)	(14,143)	-
Other financing sources/(uses)				
Transfers in	-	-	32,681	-
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	32,681	-
Net change in fund balance	(168,978)	(588)	18,538	-
Fund balance, July 1, 2023	287,815	225,308	104,362	10,074
Fund balance, June 30, 2024	\$ 118,837	\$ 224,720	\$ 122,900	\$ 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	-
-	-	-	284,712	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	259,477	-	-	-	46,194
130,141	-	-	-	-	-
-	-	-	-	-	-
130,141	259,477	-	284,712	75,000	46,194
-	-	-	-	-	-
-	-	-	-	-	16,801
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	296,580	-	-
195	45,574	-	-	-	-
-	-	-	-	-	-
452,000	-	-	-	-	-
116,148	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
568,343	45,574	-	296,580	-	16,801
(438,202)	213,903	-	(11,868)	75,000	29,393
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(438,202)	213,903	-	(11,868)	75,000	29,393
4,692,106	657,748	193,819	97,854	967,277	114,526
\$ 4,253,904	\$ 871,651	\$ 193,819	\$ 85,986	\$ 1,042,277	\$ 143,919

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	Paramedic Assessment District	California Energy Commission	Tieback Mitigation R-O-W	Domestic Violence Prevention Vital Statistics
<b>Revenues:</b>				
Taxes	\$ 3,740,850	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	19,572
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	3,740,850	-	-	19,572
<b>Expenditures:</b>				
Current:				
General government	20,710	-	-	-
Public safety	4,602,310	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	5,693
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	4,623,020	-	-	5,693
Revenues over/(under) expenditures	(882,170)	-	-	13,879
Other financing sources/(uses)				
Transfers in	757,924	-	-	-
Transfers out	(10,712)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	747,212	-	-	-
Net change in fund balance	(134,958)	-	-	13,879
Fund balance, July 1, 2023	78,212	(87)	1,318,729	32,593
Fund balance, June 30, 2024	\$ (56,746)	\$ (87)	\$ 1,318,729	\$ 46,472

### Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
10,716,307	83,852	224,955	133,059	-	3,336,544
-	-	-	-	-	-
-	-	-	-	-	99,958
-	-	-	-	-	-
-	-	-	-	-	11,564
-	-	-	-	-	-
-	-	-	-	-	32,861
10,716,307	83,852	224,955	133,059	-	3,480,927
-	-	-	-	-	-
-	-	-	-	-	4,898
-	-	-	-	-	-
-	14,007	-	-	-	-
-	-	-	-	-	3,321,745
542,368	-	249,118	40,783	-	-
-	-	4,350	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	167,642
542,368	14,007	253,468	40,783	-	3,494,285
10,173,939	69,845	(28,513)	92,276	-	(13,358)
-	-	-	-	-	-
-	-	-	-	-	(3,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(3,000)
10,173,939	69,845	(28,513)	92,276	-	(16,358)
45,290,461	484,958	2,038,681	3,850,944	1,290,000	540,266
\$ 55,464,400	\$ 554,803	\$ 2,010,168	\$ 3,943,220	\$ 1,290,000	\$ 523,908

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	State Proposition 172	Traffic Congestion Relief	State Transportation Tax	CDBG
<b>Revenues:</b>				
Taxes	\$ 1,231,430	\$ -	\$ 6,615,885	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	5,826,854
Charges for service	-	-	18,996	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	20,304
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	231,612	10,971
Miscellaneous	-	-	-	-
Total revenues	1,231,430	-	6,866,493	5,858,129
<b>Expenditures:</b>				
Current:				
General government	-	-	497,963	-
Public safety	1,141,990	-	-	-
Highway and streets	-	-	2,911,661	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	1,860,080
Economic development	-	-	-	1,313,721
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	36,448	-	1,446,271	-
Total expenditures	1,178,438	-	4,855,895	3,173,801
Revenues over/(under) expenditures	52,992	-	2,010,598	2,684,328
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	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	-	-
Net change in fund balance	52,992	-	2,010,598	2,684,328
Fund balance, July 1, 2023	1,584,495	12	6,658,469	4,699,742
Fund balance, June 30, 2024	\$ 1,637,487	\$ 12	\$ 8,669,067	\$ 7,384,070



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
\$ -	\$ -	\$ -	\$ -	\$ 595,195	\$ 8,367,086
-	-	-	-	-	-
-	-	-	-	-	-
2,344,503	-	-	-	-	-
458,070	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	123,826	24,353	2	35,828	283,242
-	6,070	-	-	-	-
2,802,573	129,896	24,353	2	631,023	8,650,328
-	15,125	8,255	-	-	172,249
-	-	-	-	-	-
-	246,162	313,693	-	283,668	3,416,168
-	-	-	-	-	-
-	-	-	-	-	-
1,851,625	-	-	123	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	257,189	-	-	95,896	5,462,719
1,851,625	518,476	321,948	123	379,564	9,051,136
950,948	(388,580)	(297,595)	(121)	251,459	(400,808)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
950,948	(388,580)	(297,595)	(121)	251,459	(400,808)
3,305,648	4,334,145	874,761	-	1,155,599	10,534,567
\$ 4,256,596	\$ 3,945,565	\$ 577,166	\$ (121)	\$ 1,407,058	\$ 10,133,759

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	Measure BB: Bike and Pedestrian	Measure BB: Paratransit	Shelter Operations	One Time Funding
<b>Revenues:</b>				
Taxes	\$ 824,099	\$ 836,315	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	1,458
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	14,459	16,850	-	-
Miscellaneous	-	-	-	467,978
Total revenues	838,558	853,165	-	469,436
<b>Expenditures:</b>				
Current:				
General government	96,986	-	-	-
Public safety	-	-	-	-
Highway and streets	304,832	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	1,072,405	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	109,071	-	-	-
Total expenditures	510,889	1,072,405	-	-
Revenues over/(under) expenditures	327,669	(219,240)	-	469,436
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	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	-	-
Net change in fund balance	327,669	(219,240)	-	469,436
Fund balance, July 1, 2023	428,601	826,073	81,351	1,165,835
Fund balance, June 30, 2024	\$ 756,270	\$ 606,833	\$ 81,351	\$ 1,635,271

### 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
\$ 17,617,008	\$ -	\$ 5,608,974	\$ -	\$ 2,142,191	\$ -
217,854	56,711	-	-	-	-
-	-	-	-	-	-
-	452,899	51,105	-	918	-
-	-	-	-	-	-
22,790	-	-	-	-	-
-	-	-	-	-	-
5,000	-	-	-	-	-
229,880	-	-	-	71,080	94,184
32,583	-	-	-	-	-
18,125,115	509,610	5,660,079	-	2,214,189	94,184
-	-	387,912	-	58,574	-
-	-	4,191,698	-	-	-
-	-	-	-	1,772,257	-
-	-	268,066	-	-	-
14,481,078	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	6,122
-	-	-	-	365,527	-
-	-	-	-	4,924	-
-	-	-	-	-	-
622,567	-	-	-	461,684	-
15,103,645	-	4,847,676	-	2,662,966	6,122
3,021,470	509,610	812,403	-	(448,777)	88,062
-	-	-	-	-	-
(45,244)	-	-	-	(12,120)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	26,130	-
-	-	-	-	-	-
(45,244)	-	-	-	14,010	-
2,976,226	509,610	812,403	-	(434,767)	88,062
7,563,117	2,441,792	1,920,651	(5,998)	2,720,891	1,418,839
\$ 10,539,343	\$ 2,951,402	\$ 2,733,054	\$ (5,998)	\$ 2,286,124	\$ 1,506,901

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	Citywide RLF	Legacy Fund	Miles Lab	Employee Training
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	6,723	-	-	-
Miscellaneous	-	-	-	-
Total revenues	6,723	-	-	-
<b>Expenditures:</b>				
Current:				
General government	-	-	-	819,850
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	943	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	160,384	-
Total expenditures	-	-	161,327	819,850
Revenues over/(under) expenditures	6,723	-	(161,327)	(819,850)
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	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	-	-	750,000
Net change in fund balance	6,723	-	(161,327)	(69,850)
Fund balance, July 1, 2023	794,483	79,294	458,229	201,367
Fund balance, June 30, 2024	\$ 801,206	\$ 79,294	\$ 296,902	\$ 131,517

### Special Revenue Funds

UC Settlement	Private Percent- Art Fund	Private Party Sidewalks	Public Art	Lillie B. Wall Memorial	Vital and Health Statistic
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	230,949	-	-	-	-
-	-	-	-	-	-
4,507,873	62,424	310,755	-	-	26,912
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	735	-
-	-	-	-	-	-
-	-	-	-	-	-
4,507,873	293,373	310,755	-	735	26,912
-	-	-	-	-	-
2,450,863	-	-	-	-	-
36,338	-	57,197	-	-	-
-	-	-	-	-	10,159
-	-	-	-	-	-
187,500	-	-	-	-	-
-	654,093	-	22,056	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,179,467	-	275,960	-	-	-
3,854,168	654,093	333,157	22,056	-	10,159
653,705	(360,720)	(22,402)	(22,056)	735	16,753
-	-	-	60,196	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	60,196	-	-
653,705	(360,720)	(22,402)	38,140	735	16,753
5,066,667	3,506,596	1,533,814	148,859	14,612	282,684
\$ 5,720,372	\$ 3,145,876	\$ 1,511,412	\$ 186,999	\$ 15,347	\$ 299,437

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Special Revenue Funds			
	East Bay Public Utilities Commission	PERS Savings	Other Special Deposits	Health State Aid Realignment
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,123,114
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	117	1,741,082	-	-
Miscellaneous	-	-	-	-
Total revenues	117	1,741,082	-	2,123,114
<b>Expenditures:</b>				
Current:				
General government	-	44,049	-	-
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	935,021
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	-	44,049	-	935,021
Revenues over/(under) expenditures	117	1,697,033	-	1,188,093
Other financing sources/(uses)				
Transfers in	-	5,677,865	-	1,953,018
Transfers out	-	-	-	(2,643,280)
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	-	5,677,865	-	(690,262)
Net change in fund balance	117	7,374,898	-	497,831
Fund balance, July 1, 2023	3,875	19,130,611	-	5,414,423
Fund balance, June 30, 2024	\$ 3,992	\$ 26,505,509	\$ -	\$ 5,912,254

Special Revenue Funds							
Tobacco Control	Mental Health State Aid Realignment	City Opt. Public Safety	Fund for Impounded and Unneutered	Alameda County		Fair Elections	Total Special Revenue Funds
				Abandoned Vehicle Abatement Authority	Measure FF- Public Safety		
\$ 300,000	\$ 3,408,611	\$ -	\$ -	\$ -	\$ 9,708,042	\$ -	\$ 64,792,181
-	-	-	-	-	-	-	505,514
-	-	374,207	-	-	-	-	6,276,061
-	-	-	-	31,003	63,481	-	22,669,870
-	-	-	-	-	2,416	-	469,863
-	-	-	-	-	-	-	143,052
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	322,970
1,766	-	37,257	-	-	-	-	3,053,373
-	-	-	-	-	-	-	539,492
301,766	3,408,611	411,464	-	31,003	9,773,939	-	98,772,376
-	-	-	-	-	-	708,957	2,851,339
-	-	82,838	-	-	8,103,132	-	20,771,427
-	-	-	-	-	-	-	9,341,976
298,684	3,581,852	-	-	57,441	-	-	5,170,923
-	-	-	-	-	-	-	18,100,346
-	-	-	-	-	-	-	7,517,174
-	-	-	-	-	-	-	2,000,342
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	817,527
-	-	-	-	-	-	-	121,072
-	-	-	-	-	-	-	-
-	-	-	-	-	184,460	-	10,459,758
298,684	3,581,852	82,838	-	57,441	8,287,592	708,957	77,151,884
3,082	(173,241)	328,626	-	(26,438)	1,486,347	(708,957)	21,620,492
-	-	-	-	-	-	612,210	9,843,894
-	-	-	-	-	(757,924)	-	(3,472,280)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	26,130
-	-	-	-	-	-	-	-
-	-	-	-	-	(757,924)	612,210	6,397,744
3,082	(173,241)	328,626	-	(26,438)	728,423	(96,747)	28,018,237
120,195	6,608,825	1,051,957	7,278	290,435	9,679,548	1,096,567	169,474,555
\$ 123,277	\$ 6,435,584	\$ 1,380,583	\$ 7,278	\$ 263,997	\$ 10,407,971	\$ 999,820	\$ 197,492,792

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Capital Project Funds			Public, Education and Government Access Facilities
	Infrastructure & Facilities Measure T1	Phone System Replacement	Fund\$ Replacement	
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	124,902
Private contributions and donations	-	-	-	-
Investment income	771,926	-	-	-
Miscellaneous	-	-	-	-
Total revenues	771,926	-	-	124,902
<b>Expenditures:</b>				
Current:				
General government	-	238,282	1,887,219	-
Public safety	2,259	-	-	-
Highway and streets	227,647	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	2,500,763	-	-	-
Community development and housing	921,047	-	-	-
Economic development	26,049	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	1,816,897	-	-	-
Total expenditures	5,494,662	238,282	1,887,219	-
Revenues over/(under) expenditures	(4,722,736)	(238,282)	(1,887,219)	124,902
Other financing sources/(uses)				
Transfers in	-	449,408	298,017	-
Transfers out	(40,408)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	(40,408)	449,408	298,017	-
Net change in fund balance	(4,763,144)	211,126	(1,589,202)	124,902
Fund balance, July 1, 2023	31,552,482	1,171,090	(354,899)	2,459,393
Fund balance, June 30, 2024	\$ 26,789,338	\$ 1,382,216	\$ (1,944,101)	\$ 2,584,295



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	-
-	-	-	-	-	-
-	-	-	-	-	-
-	26,660	189	2,688	1,134	5,052
-	-	-	-	-	-
-	26,660	189	2,688	2,335	5,052
-	-	-	-	-	-
-	-	-	-	178	-
-	-	-	-	-	-
-	135,335	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	135,335	-	-	178	-
-	(108,675)	189	2,688	2,157	5,052
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(108,675)	189	2,688	2,157	5,052
58	944,818	6,268	89,315	37,160	3,099,812
\$ 58	\$ 836,143	\$ 6,457	\$ 92,003	\$ 39,317	\$ 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, 2024**

	<u>Capital Project Funds</u>		
	<u>Income Housing Fund: Savo Island Project</u>	<u>Total Capital Project Funds</u>	<u>Pension Refunding Bonds</u>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for service	-	-	-
Fines and penalties	-	-	-
Rents and royalties	-	1,201	-
Franchise	-	124,902	-
Private contributions and donations	-	-	-
Investment income	-	807,649	-
Miscellaneous	-	-	-
Total revenues	-	933,752	-
<b>Expenditures:</b>			
Current:			
General government	-	2,125,679	-
Public safety	-	2,259	-
Highway and streets	-	362,982	-
Health and welfare	-	-	-
Culture-recreation	-	2,500,763	-
Community development and housing	-	921,047	-
Economic development	-	26,049	-
Debt service:			
Principal repayment	-	-	-
Interest and fiscal charges	-	-	-
Debt issuance costs	-	-	-
Capital outlay:	-	1,816,897	-
Total expenditures	-	7,755,676	-
Revenues over/(under) expenditures	-	(6,821,924)	-
Other financing sources/(uses)			
Transfers in	-	747,425	-
Transfers out	-	(40,408)	-
Debt proceeds	-	-	-
Face value of refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Premium on bond issued	-	-	-
Insurance Recoveries	-	-	-
Sale of capital assets	-	-	-
Total other financing sources/(uses)	-	707,017	-
Net change in fund balance	-	(6,114,907)	-
Fund balance, July 1, 2023	441,140	39,446,637	128,660
Fund balance, June 30, 2024	\$ 441,140	\$ 33,331,730	\$ 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
\$ 1,670,328	\$ 2,505,492	\$ -	\$ 460,780	\$ 172,793	\$ 575,975
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	46	-	-	-
1,670,328	2,505,492	46	460,780	172,793	575,975
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
690,000	1,600,236	366,552	294,175	110,799	374,791
650,087	446,175	132,117	82,021	30,892	104,498
-	-	-	-	-	-
-	-	-	-	-	-
1,340,087	2,046,411	498,669	376,196	141,691	479,289
330,241	459,081	(498,623)	84,584	31,102	96,686
-	-	499,804	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	499,804	-	-	-
330,241	459,081	1,181	84,584	31,102	96,686
1,678,665	2,441,598	(11,403)	1,317,325	464,507	484,864
\$ 2,008,906	\$ 2,900,679	\$ (10,222)	\$ 1,401,909	\$ 495,609	\$ 581,550

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2024**

	Debt Service Funds			
	2010 COP Animal Shelter	GO 2014 Measure M Street and Watershed Improvement	Infrastructure & Facilities Measure T1	Measure O Housing Bond
<b>Revenues:</b>				
Taxes	\$ -	\$ 2,159,907	\$ 4,607,802	\$ 5,759,752
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	2,159,907	4,607,802	5,759,752
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	720,000	2,515,000	1,575,000
Interest and fiscal charges	139,900	912,512	2,141,831	3,295,758
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	139,900	1,632,512	4,656,831	4,870,758
Revenues over/(under) expenditures	(139,900)	527,395	(49,029)	888,994
Other financing sources/(uses)				
Transfers in	402,612	-	-	-
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	402,612	-	-	-
Net change in fund balance	262,712	527,395	(49,029)	888,994
Fund balance, July 1, 2023	56,540	2,840,036	7,194,886	5,176,931
Fund balance, June 30, 2024	\$ 319,252	\$ 3,367,431	\$ 7,145,857	\$ 6,065,925

Total Debt Service Funds		Total Nonmajor Governmental Funds	
\$	17,912,829	\$	82,705,010
	-		505,514
	-		6,276,061
	-		22,669,870
	-		469,863
	-		144,253
	-		124,902
	-		322,970
	-		3,861,022
	46		539,538
	17,912,875		117,619,003
	-		4,977,018
	-		20,773,686
	-		9,704,958
	-		5,170,923
	-		20,601,109
	-		8,438,221
	-		2,026,391
	8,246,553		9,064,080
	7,935,791		8,056,863
	-		-
	-		12,276,655
	16,182,344		101,089,904
	1,730,531		16,529,099
	902,416		11,493,735
	-		(3,512,688)
	-		-
	-		-
	-		-
	-		-
	-		26,130
	-		-
	902,416		8,007,177
	2,632,947		24,536,277
	21,772,609		230,693,801
\$	24,405,556	\$	255,230,078

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and penalties	\$ 55,000	\$ 55,000	\$ 7,919	\$ (47,081)
Total revenues	55,000	55,000	7,919	(47,081)
<b>Expenditures:</b>				
Current:				
Public safety	118,500	5,292	94,910	(89,618)
Capital outlay:	82,500	177,500	-	177,500
Total expenditures	201,000	182,792	94,910	87,882
Revenues over/(under) expenditures	(146,000)	(127,792)	(86,991)	40,801
Net change in fund balance	(146,000)	(127,792)	(86,991)	40,801
Fund balance, July 1, 2023	287,815	287,815	287,815	-
Fund balance, June 30, 2024	\$ 141,815	\$ 160,023	\$ 200,824	\$ 40,801

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (86,991)
Payable accrual	(81,987)
Net change in fund balances - GAAP basis	\$ (168,978)

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,673,845	\$ 1,673,845	\$ 1,670,629	\$ (3,216)
Total revenues	1,673,845	1,673,845	1,670,629	(3,216)
<b>Expenditures:</b>				
General government	20,585	20,585	20,710	(125)
Community development and housing	1,653,260	1,653,260	1,653,260	-
Total expenditures	1,673,845	1,673,845	1,673,970	(125)
Net change in fund balance	-	-	(3,341)	(3,341)
Fund balance, July 1, 2023	226,144	226,144	226,144	-
Fund balance, June 30, 2024	<u>\$ 226,144</u>	<u>\$ 226,144</u>	<u>\$ 222,803</u>	<u>\$ (3,341)</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (3,341)
Receivable accrual	2,753
Net change in fund balances - GAAP basis	<u>\$ (588)</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
Community development and housing	\$ 57,676	\$ 57,676	\$ 14,143	\$ 43,533
Total expenditures	57,676	57,676	14,143	43,533
Revenues over/(under) expenditures	(57,676)	(57,676)	(14,143)	43,533
Other financing sources/(uses)				
Transfers in	32,681	32,681	32,681	-
Total other financing sources/(uses)	32,681	32,681	32,681	-
Net change in fund balance	(24,995)	(24,995)	18,538	43,533
Fund balance, July 1, 2023	104,362	104,362	104,362	-
Fund balance, June 30, 2024	\$ 79,367	\$ 79,367	\$ 122,900	\$ 43,533



**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ 626,723	\$ 626,723	\$ 591,826	\$ (34,897)
Total revenues	626,723	626,723	591,826	(34,897)
<b>Expenditures:</b>				
Current:				
Community development and housing	-	-	196	(196)
Debt service:				
Principal repayment	459,000	459,000	452,000	7,000
Interest and fiscal charges	128,612	128,612	116,148	12,464
Total expenditures	587,612	587,612	568,344	19,268
Net change in fund balance	39,111	39,111	23,482	(15,629)
Fund balance, July 1, 2023	5,184,698	5,184,698	5,184,698	-
Fund balance, June 30, 2024	<u>\$ 5,223,809</u>	<u>\$ 5,223,809</u>	<u>\$ 5,208,180</u>	<u>\$ (15,629)</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 23,482
Notes accrual	(461,684)
Net change in fund balances - GAAP basis	<u>\$ (438,202)</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Private contribution and donations	\$ 43,000	\$ 43,000	\$ 259,477	\$ 216,477
Total revenues	43,000	43,000	259,477	216,477
<b>Expenditures:</b>				
Current:				
Health and welfare	9,600	9,600	-	9,600
Community development and housing	54,448	95,537	45,574	49,963
Capital outlay:	-	-	-	-
Total expenditures	64,048	105,137	45,574	59,563
Net change in fund balance	(21,048)	(62,137)	213,903	276,040
Fund balance, July 1, 2023	657,748	657,748	657,748	-
Fund balance, June 30, 2024	<u>\$ 636,700</u>	<u>\$ 595,611</u>	<u>\$ 871,651</u>	<u>\$ 276,040</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Gilman Sport Field Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 335,000	\$ 335,000	\$ 284,712	\$ (50,288)
Total revenues	335,000	335,000	284,712	(50,288)
<b>Expenditures:</b>				
Culture-recreation	297,279	314,376	296,580	17,796
Total expenditures	297,279	314,376	296,580	17,796
<b>Other financing sources/(uses)</b>				
Transfers in	196,000	196,000	-	(196,000)
Total other financing sources/(uses)	196,000	196,000	-	(196,000)
Net change in fund balance	233,721	216,624	(11,868)	(228,492)
Fund balance, July 1, 2023	97,854	97,854	97,854	-
Fund balance, June 30, 2024	<u>\$ 331,575</u>	<u>\$ 314,478</u>	<u>\$ 85,986</u>	<u>\$ (228,492)</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 75,000	\$ 15,000
Total revenues	60,000	60,000	75,000	15,000
<b>Other financing sources/(uses)</b>				
Transfers in	\$ 115,000	\$ 115,000	-	(115,000)
Total other financing sources/(uses)	115,000	115,000	-	(115,000)
Net change in fund balance	175,000	175,000	75,000	(100,000)
Fund balance, July 1, 2023	967,277	967,277	967,277	-
Fund balance, June 30, 2024	\$ 1,142,277	\$ 1,142,277	\$ 1,042,277	\$ (100,000)

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Animal Shelter Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Private contributions and donations	\$ 45,000	\$ 45,000	\$ 46,194	\$ 1,194
Total revenues	45,000	45,000	46,194	1,194
<b>Expenditures:</b>				
Public safety	52,480	56,532	16,801	39,731
Total expenditures	52,480	56,532	16,801	39,731
Net change in fund balance	(7,480)	(11,532)	29,393	40,925
Fund balance, July 1, 2023	114,526	114,526	114,526	-
Fund balance, June 30, 2024	<u>\$ 107,046</u>	<u>\$ 102,994</u>	<u>\$ 143,919</u>	<u>\$ 40,925</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,742,618	\$ 3,742,618	\$ 3,734,721	\$ (7,897)
Total revenues	3,742,618	3,742,618	3,734,721	(7,897)
<b>Expenditures:</b>				
Current:				
General government	20,585	20,585	20,710	(125)
Public safety	4,944,869	4,946,072	4,602,310	343,762
Capital Outlay	5,000	5,000	-	5,000
Total expenditures	4,970,454	4,971,657	4,623,020	348,637
<b>Revenues over/(under) expenditures</b>	<b>(1,227,836)</b>	<b>(1,229,039)</b>	<b>(888,299)</b>	<b>340,740</b>
<b>Other financing sources/(uses)</b>				
Transfers in	757,925	757,925	757,924	(1)
Transfers out	(10,712)	(10,712)	(10,712)	-
Total other financing sources/(uses)	747,213	747,213	747,212	(1)
<b>Net change in fund balance</b>	<b>(480,623)</b>	<b>(481,826)</b>	<b>(141,087)</b>	<b>340,739</b>
Fund balance, July 1, 2023	80,700	80,700	80,700	-
Fund balance, June 30, 2024	<u>\$ (399,923)</u>	<u>\$ (401,126)</u>	<u>\$ (60,387)</u>	<u>\$ 340,739</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (141,087)
Receivable accrual	6,129
Net change in fund balances - GAAP basis	<u>\$ (134,958)</u>

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 25,000	\$ 25,000	\$ 19,572	\$ (5,428)
Total revenues	25,000	25,000	19,572	(5,428)
<b>Expenditures:</b>				
Health and welfare	26,635	26,635	5,693	20,942
Total expenditures	26,635	26,635	5,693	20,942
Net change in fund balance	(1,635)	(1,635)	13,879	15,514
Fund balance, July 1, 2023	32,593	32,593	32,593	-
Fund balance, June 30, 2024	<u>\$ 30,958</u>	<u>\$ 30,958</u>	<u>\$ 46,472</u>	<u>\$ 15,514</u>

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 10,716,307	\$ 10,716,307
Total revenues	-	-	10,716,307	10,716,307
<b>Expenditures:</b>				
Community development and housing	322,650	342,396	542,368	(199,972)
Economic development	2,676,249	13,791,749	11,291,749	2,500,000
Total expenditures	2,998,899	14,134,145	11,834,117	2,300,028
Net change in fund balance	(2,998,899)	(14,134,145)	(1,117,810)	13,016,335
Fund balance, July 1, 2023	44,107,075	44,107,075	44,107,075	-
Fund balance, June 30, 2024	<u>\$ 41,108,176</u>	<u>\$ 29,972,930</u>	<u>\$ 42,989,265</u>	<u>\$ 13,016,335</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (1,117,810)
Notes receivable accrual	(11,291,749)
Net change in fund balances - GAAP basis	<u>\$ 10,173,939</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 11,851	\$ 11,851	\$ 83,852	\$ 72,001
Total revenues	11,851	11,851	83,852	72,001
<b>Expenditures:</b>				
Current:				
Health and welfare	13,275	23,962	14,007	9,955
Total expenditures	13,275	23,962	14,007	9,955
Net change in fund balance	(1,424)	(12,111)	69,845	81,956
Fund balance, July 1, 2023	484,958	484,958	484,958	-
Fund balance, June 30, 2024	<u>\$ 483,534</u>	<u>\$ 472,847</u>	<u>\$ 554,803</u>	<u>\$ 81,956</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 224,955	\$ 224,955
Total revenues	-	-	224,955	224,955
<b>Expenditures:</b>				
Community development and housing	215,616	216,350	249,118	(32,768)
Economic development	394,666	393,966	4,350	389,616
Total expenditures	610,282	610,316	253,468	356,848
Net change in fund balance	(610,282)	(610,316)	(28,513)	581,803
Fund balance, July 1, 2023	2,038,681	2,038,681	2,038,681	-
Fund balance, June 30, 2024	<u>\$ 1,428,399</u>	<u>\$ 1,428,365</u>	<u>\$ 2,010,168</u>	<u>\$ 581,803</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 196,000	\$ 196,000	\$ 133,059	\$ (62,941)
Total revenues	196,000	196,000	133,059	(62,941)
<b>Expenditures:</b>				
Economic development	71,642	71,642	-	71,642
Community development and housing	50,706	50,706	40,783	9,923
Total expenditures	122,348	122,348	40,783	81,565
Net change in fund balance	73,652	73,652	92,276	18,624
Fund balance, July 1, 2023	3,850,944	3,850,944	3,850,944	-
Fund balance, June 30, 2024	<u>\$ 3,924,596</u>	<u>\$ 3,924,596</u>	<u>\$ 3,943,220</u>	<u>\$ 18,624</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Playground Camp Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 3,022,812	\$ 3,022,812	\$ 3,336,544	\$ 313,732
Rents and royalties	48,223	48,223	99,958	51,735
Private contributions and donations	-	-	11,564	11,564
Miscellaneous	38,250	38,250	32,861	(5,389)
Total revenues	3,109,285	3,109,285	3,480,927	371,642
<b>Expenditures:</b>				
Current:				
Culture-recreation	3,592,658	3,978,908	3,385,569	593,339
Public Safety	-	4,898	4,898	-
Capital outlay:	18,610	297,757	157,385	140,372
Total expenditures	3,611,268	4,281,563	3,547,852	733,711
Revenues over/(under) expenditures	(501,983)	(1,172,278)	(66,925)	1,105,353
Other financing sources/(uses)				
Transfer out	(3,000)	(3,000)	(3,000)	-
Total other financing sources/(uses)	(3,000)	(3,000)	(3,000)	-
Net change in fund balance	(504,983)	(1,175,278)	(69,925)	1,105,353
Fund balance, July 1, 2023	(2,534,153)	(2,534,153)	(2,534,153)	-
Fund balance, June 30, 2024	<u>\$ (3,039,136)</u>	<u>\$ (3,709,431)</u>	<u>\$ (2,604,078)</u>	<u>\$ 1,105,353</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (69,925)
Payable accrual	(53,567)
Net change in fund balances - GAAP basis	<u>\$ (16,358)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**State Proposition 172 Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 931,227	\$ 931,227	\$ 1,326,924	\$ 395,697
Total revenues	931,227	931,227	1,326,924	395,697
<b>Expenditures:</b>				
General government	67,464	67,464	-	67,464
Public safety	352,923	1,783,202	1,140,755	642,447
Capital outlay	22,000	22,000	36,448	(14,448)
Total expenditures	442,387	1,872,666	1,177,203	695,463
Net change in fund balance	488,840	(941,439)	149,721	1,091,160
Fund balance, July 1, 2023	1,593,414	1,593,414	1,593,414	-
Fund balance, June 30, 2024	<u>\$ 2,082,254</u>	<u>\$ 651,975</u>	<u>\$ 1,743,135</u>	<u>\$ 1,091,160</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 149,721
Receivable accrual	(95,494)
Payable accrual	(1,235)
Net change in fund balances - GAAP basis	<u>\$ 52,992</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 6,696,569	\$ 6,696,569	\$ 6,588,112	\$ (108,457)
Charges for service	-	-	18,996	18,996
Investment income	-	-	231,612	231,612
Total revenues	<u>6,696,569</u>	<u>6,696,569</u>	<u>6,838,720</u>	<u>142,151</u>
<b>Expenditures:</b>				
Current:				
General government	670,824	669,938	497,220	172,718
Highway and streets	2,897,835	3,346,736	2,911,662	435,074
Capital outlay:	2,300,303	6,084,989	1,459,884	4,625,105
Total expenditures	<u>5,868,962</u>	<u>10,101,663</u>	<u>4,868,766</u>	<u>5,232,897</u>
Net change in fund balance	827,607	(3,405,094)	1,969,954	5,375,048
Fund balance, July 1, 2023	6,657,640	6,657,640	6,657,640	-
Fund balance, June 30, 2024	<u>\$ 7,485,247</u>	<u>\$ 3,252,546</u>	<u>\$ 8,627,594</u>	<u>\$ 5,375,048</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 1,969,954
Receivable accrual	27,773
Payable accrual	12,871
Net change in fund balances - GAAP basis	<u>\$ 2,010,598</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**CDBG Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 3,595,558	\$ 3,595,558	\$ 5,826,854	\$ 2,231,296
Rents and royalties	-	-	20,304	20,304
Investment Income	441,667	441,667	102,738	(338,929)
Miscellaneous	400,518	400,518	-	(400,518)
Total revenues	4,437,743	4,437,743	5,949,896	1,512,153
<b>Expenditures:</b>				
Current:				
Community development and housing	4,792,214	5,746,529	3,111,302	2,635,227
Economic Development	-	1,313,720	1,313,720	-
Capital outlay:	-	561,863	-	561,863
Total expenditures	4,792,214	7,622,112	4,425,022	3,197,090
Net change in fund balance	(354,471)	(3,184,369)	1,524,874	4,709,243
Fund balance, July 1, 2023	5,789,103	5,789,103	5,789,103	-
Fund balance, June 30, 2024	\$ 5,434,632	\$ 2,604,734	\$ 7,313,977	\$ 4,709,243

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 1,524,874
Payable accrual	1,313,721
Notes Receivable accrual	(154,267)
Net change in fund balances - GAAP basis	\$ 2,684,328

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 1,697,000	\$ 1,697,000	\$ 2,328,684	\$ 631,684
Fines and penalties	86,780	86,780	458,070	371,290
Total revenues	1,783,780	1,783,780	2,786,754	1,002,974
<b>Expenditures:</b>				
Current:				
Community development and housing	2,356,542	2,254,816	1,851,625	403,191
Total expenditures	2,356,542	2,254,816	1,851,625	403,191
Net change in fund balance	(572,762)	(471,036)	935,129	1,406,165
Fund balance, July 1, 2023	3,308,662	3,308,662	3,308,662	-
Fund balance, June 30, 2024	\$ 2,735,900	\$ 2,837,626	\$ 4,243,791	\$ 1,406,165

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 935,129
Receivable accrual	15,819
Net change in fund balances - GAAP basis	\$ 950,948



**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 123,826	\$ 123,826
Miscellaneous	-	-	6,070	6,070
Total revenues	-	-	129,896	129,896
<b>Expenditures:</b>				
Current:				
General government	6,598	8,189	15,125	(6,936)
Highway and streets	15,360	425,643	246,162	179,481
Capital Outlay:	-	2,680,374	260,675	2,419,699
Total expenditures	21,958	3,114,206	521,962	2,592,244
Net change in fund balance	(21,958)	(3,114,206)	(392,066)	2,722,140
Fund balance, July 1, 2023	4,355,382	4,355,382	4,355,382	-
Fund balance, June 30, 2024	<u>\$ 4,333,424</u>	<u>\$ 1,241,176</u>	<u>\$ 3,963,316</u>	<u>\$ 2,722,140</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (392,066)
Payable accrual	3,486
Net change in fund balances - GAAP basis	<u>\$ (388,580)</u>

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 24,353	\$ 24,353
Total revenues	-	-	24,353	24,353
<b>Expenditures:</b>				
Current:				
General government	-	-	8,255	(8,255)
Highway and streets	-	209,993	248,665	(38,672)
Total expenditures	-	209,993	256,920	(46,927)
Net change in fund balance	-	(209,993)	(232,567)	(22,574)
Fund balance, July 1, 2023	879,818	879,818	879,818	-
Fund balance, June 30, 2024	<u>\$ 879,818</u>	<u>\$ 669,825</u>	<u>\$ 647,251</u>	<u>\$ (22,574)</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (232,567)
Payable accrual	(65,028)
Net change in fund balances - GAAP basis	<u>\$ (297,595)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Measure B: Paratransit Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
<b>Expenditures:</b>				
Community development and housing	36,797	36,797	123	36,674
Total expenditures	36,797	36,797	123	36,674
Net change in fund balance	(36,797)	(36,797)	(121)	36,676
Fund balance, July 1, 2023	(165,117)	(165,117)	(165,117)	-
Fund balance, June 30, 2024	<u>\$ (201,914)</u>	<u>\$ (201,914)</u>	<u>\$ (165,238)</u>	<u>\$ 36,676</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 457,637	\$ 457,637	\$ 510,851	\$ (53,214)
Investment income	-	-	35,828	(35,828)
Total revenues	457,637	457,637	546,679	(89,042)
<b>Expenditures:</b>				
Current:				
General government	2,500	10,000	-	10,000
Highway and streets	311,296	475,958	283,668	192,290
Capital Outlay:	655,000	1,391,103	215,624	1,175,479
Total expenditures	968,796	1,877,061	499,292	1,377,769
Net change in fund balance	(511,159)	(1,419,424)	47,387	(1,466,811)
Fund balance, July 1, 2023	1,258,992	1,258,992	1,258,992	-
Fund balance, June 30, 2024	\$ 747,833	\$ (160,432)	\$ 1,306,379	\$ (1,466,811)

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 47,387
Receivable accrual	84,344
Payable accrual	119,728
Net change in fund balances - GAAP basis	\$ 251,459

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 6,750,147	\$ 6,750,147	\$ 7,659,862	\$ 909,715
Investment income	-	-	283,242	283,242
Total revenues	6,750,147	6,750,147	7,943,104	1,192,957
<b>Expenditures:</b>				
Current:				
Highway and streets	2,937,400	5,783,372	3,306,247	2,477,125
General Government	152,025	268,035	172,248	95,787
Capital Outlay:	6,996,189	12,053,023	4,371,773	7,681,250
Total expenditures	10,085,614	18,104,430	7,850,268	10,254,162
Net change in fund balance	(3,335,467)	(11,354,283)	92,836	11,447,119
Fund balance, July 1, 2023	11,089,947	11,089,947	11,089,947	-
Fund balance, June 30, 2024	\$ 7,754,480	\$ (264,336)	\$ 11,182,783	\$ 11,447,119

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 92,836
Receivable accrual	707,224
Payable accrual	(1,200,868)
Net change in fund balances - GAAP basis	\$ (400,808)

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 773,953	\$ 773,953	\$ 837,315	\$ 63,362
Investment income	-	-	14,459	14,459
Total revenues	773,953	773,953	851,774	77,821
<b>Expenditures:</b>				
Current:				
General Government	110,787	110,787	96,987	13,800
Highway and streets	190,901	497,874	304,287	193,587
Capital Outlay:	1,183,194	1,356,953	244,244	1,112,709
Total expenditures	1,484,882	1,965,614	645,518	1,320,096
Net change in fund balance	(710,929)	(1,191,661)	206,256	1,397,917
Fund balance, July 1, 2023	586,510	586,510	586,510	-
Fund balance, June 30, 2024	<u>\$ (124,419)</u>	<u>\$ (605,151)</u>	<u>\$ 792,766</u>	<u>\$ 1,397,917</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 206,256
Receivable accrual	(13,215)
Payable accrual	134,628
Net change in fund balances - GAAP basis	<u>\$ 327,669</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 969,418	\$ 969,418	\$ 836,858	\$ (132,560)
Investment income	-	-	16,850	16,850
Total revenues	969,418	969,418	853,708	(115,710)
<b>Expenditures:</b>				
Community development and housing	969,418	1,159,955	1,072,405	87,550
Total expenditures	969,418	1,159,955	1,072,405	87,550
Net change in fund balance	-	(190,537)	(218,697)	(28,160)
Fund balance, July 1, 2023	879,791	879,791	879,791	-
Fund balance, June 30, 2024	\$ 879,791	\$ 689,254	\$ 661,094	\$ (28,160)

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (218,697)
Receivable accrual	(543)
Net change in fund balances - GAAP basis	\$ (219,240)

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**One Time Funding Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and penalties	\$ -	\$ -	\$ 1,458	\$ 1,458
Miscellaneous	-	50,000	467,978	417,978
Total revenues	-	50,000	469,436	419,436
<b>Expenditures:</b>				
Capital Outlay:	-	50,000	-	50,000
Total expenditures	-	50,000	-	50,000
Net change in fund balance	-	-	469,436	469,436
Fund balance, July 1, 2023	1,165,835	1,165,835	1,165,835	-
Fund balance, June 30, 2024	\$ 1,165,835	\$ 1,165,835	\$ 1,635,271	\$ 469,436



**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Park Tax Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 17,664,146	\$ 17,664,146	\$ 17,587,968	\$ (76,178)
Licenses and permits	127,500	127,500	217,854	90,354
Rents and royalties	20,000	20,000	22,790	2,790
Private contribution and donations	-	-	5,000	5,000
Investment income	2,000	2,000	229,880	227,880
Miscellaneous	-	-	32,583	32,583
Total revenues	17,813,646	17,813,646	18,096,075	282,429
<b>Expenditures:</b>				
Current:				
Culture-recreation	15,763,312	18,610,564	14,499,751	4,110,813
Capital Outlay:	158,004	905,125	519,797	385,328
Total expenditures	15,921,316	19,515,689	15,019,548	4,496,141
Revenues over/(under) expenditures	1,892,330	(1,702,043)	3,076,527	4,778,570
Other financing sources/(uses)				
Transfers out	(41,929)	(44,934)	(45,244)	(310)
Total other financing sources/(uses)	(41,929)	(44,934)	(45,244)	(310)
Net change in fund balance	1,850,401	(1,746,977)	3,031,283	4,778,260
Fund balance, July 1, 2023	1,165,835	1,165,835	1,165,835	-
Fund balance, June 30, 2024	\$ 3,016,236	\$ (581,142)	\$ 4,197,118	\$ 4,778,260

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 3,031,283
Tax receivable accrual	29,040
Payable accrual	(84,096)
Net change in fund balances - GAAP basis	\$ 2,976,226

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 5,631,795	\$ 5,631,795	\$ 5,601,380	\$ (30,415)
Charges for service	46,000	46,000	51,105	5,105
Total revenues	5,677,795	5,677,795	5,652,485	(25,310)
<b>Expenditures:</b>				
Current:				
General government	350,585	387,785	387,911	(126)
Public safety	5,031,191	5,579,620	4,191,698	1,387,922
Health and welfare	289,672	289,836	268,066	21,770
Capital Outlay:				
Capital Outlay (CO)	15,000	15,000	-	15,000
Total expenditures	5,686,448	6,272,241	4,847,675	1,424,566
Net change in fund balance	(8,653)	(594,446)	804,810	1,399,256
Fund balance, July 1, 2023	1,925,717	1,925,717	1,925,717	-
Fund balance, June 30, 2024	\$ 1,917,064	\$ 1,331,271	\$ 2,730,527	\$ 1,399,256

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 804,810
Receivable accrual	7,593
Net change in fund balances - GAAP basis	\$ 812,403

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Street Lighting Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,240,939	\$ 2,240,939	\$ 2,140,302	\$ (100,637)
Charges for service	-	-	918	918
Investment income	-	-	71,080	71,080
Total revenues	2,240,939	2,240,939	2,212,300	(28,639)
<b>Expenditures:</b>				
Current:				
General government	49,592	54,723	55,157	(434)
Highway and streets	1,936,040	2,556,772	1,569,110	987,662
Capital Outlay:				
Capital Outlay	849,115	1,535,464	456,000	1,079,464
Debt service:				
Principal repayment	354,761	354,761	365,527	(10,766)
Interest and fiscal charges	15,690	15,690	4,924	10,766
Total expenditures	3,205,198	4,517,410	2,450,718	2,066,692
Revenues over/(under) expenditures	(964,259)	(2,276,471)	(238,418)	2,038,053
Other financing sources/(uses)				
Transfers out	(12,120)	(12,120)	(12,120)	-
Insurance Recoveries	-	-	26,130	(26,130)
Total other financing sources/(uses)	(12,120)	(12,120)	14,010	(26,130)
Net change in fund balance	(976,379)	(2,288,591)	(224,408)	2,011,923
Fund balance, July 1, 2023	2,536,025	2,536,025	2,536,025	-
Fund balance, June 30, 2024	\$ 1,559,646	\$ 247,434	\$ 2,311,617	\$ 2,011,923

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (224,408)
Receivable accrual	1,889
Payable accrual	(212,248)
Net change in fund balances - GAAP basis	\$ (434,767)

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Business Economic Development Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ 150,000	\$ 150,000	\$ 94,184	\$ (55,816)
Total revenues	150,000	150,000	94,184	(55,816)
<b>Expenditures:</b>				
Economic development	156,387	162,513	6,122	156,391
Total expenditures	156,387	162,513	6,122	156,391
Net change in fund balance	(6,387)	(12,513)	88,062	100,575
Fund balance, July 1, 2023	1,023,564	1,023,564	1,023,564	-
Fund balance, June 30, 2024	\$ 1,017,177	\$ 1,011,051	\$ 1,111,626	\$ 100,575

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Miles Lab Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ -	\$ (9,000)
Total revenues	9,000	9,000	-	(9,000)
<b>Expenditures:</b>				
Culture-recreation	-	163,943	114,330	49,613
Total expenditures	-	163,943	114,330	49,613
Net change in fund balance	9,000	(154,943)	(114,330)	40,613
Fund balance, July 1, 2023	458,229	458,229	458,229	-
Fund balance, June 30, 2024	<u>\$ 467,229</u>	<u>\$ 303,286</u>	<u>\$ 343,899</u>	<u>\$ 40,613</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (114,330)
Payable accrual	(46,997)
Net change in fund balances - GAAP basis	<u>\$ (161,327)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Employee Training Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
General government	\$ 851,401	\$ 867,596	\$ 819,850	\$ 47,746
Total expenditures	851,401	867,596	819,850	47,746
Revenues over/(under) expenditures	(851,401)	(867,596)	(819,850)	47,746
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	(101,401)	(117,596)	(69,850)	47,746
Fund balance, July 1, 2023	201,367	201,367	201,367	-
Fund balance, June 30, 2024	\$ 99,966	\$ 83,771	\$ 131,517	\$ 47,746

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**UC Settlement Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 4,507,873	\$ 4,507,873
Total revenues	-	-	4,507,873	4,507,873
<b>Expenditures:</b>				
Current:				
General government	-	50,000	40,559	9,441
Public Safety	3,043,326	2,959,884	2,292,787	667,097
Highway and streets	-	272,312	36,338	235,974
Community development and housing	250,000	187,500	187,500	-
Capital Outlay:	1,638,370	3,040,440	837,513	2,202,927
Total expenditures	4,931,696	6,510,136	3,394,697	3,115,439
Revenues over/(under) expenditures	(4,931,696)	(6,510,136)	1,113,176	7,623,312
Other financing sources/(uses)				
Net change in fund balance	(4,931,696)	(6,510,136)	1,113,176	7,623,312
Fund balance, July 1, 2023	5,118,400	5,118,400	5,118,400	-
Fund balance, June 30, 2024	\$ 186,704	\$ (1,391,736)	\$ 6,231,576	\$ 7,623,312

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 1,113,176
Payable accrual	(459,471)
Net change in fund balances - GAAP basis	\$ 653,705

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Private Percent Art Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ -	\$ 230,949	\$ 230,949
Charges for service	-	-	62,424	62,424
Total revenues	-	-	293,373	293,373
<b>Expenditures:</b>				
Economic development	110,372	1,251,482	654,093	597,389
Total expenditures	110,372	1,251,482	654,093	597,389
Net change in fund balance	(110,372)	(1,251,482)	(360,720)	890,762
Fund balance, July 1, 2023	3,506,596	3,506,596	3,506,596	-
Fund balance, June 30, 2024	<u>\$ 3,396,224</u>	<u>\$ 2,255,114</u>	<u>\$ 3,145,876</u>	<u>\$ 890,762</u>



**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Private Party Sidewalks Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 100,000	\$ 100,000	\$ 310,755	\$ 210,755
Total revenues	100,000	100,000	310,755	210,755
<b>Expenditures:</b>				
Current				
Highway and streets	50,000	102,254	57,197	45,057
Capital outlay:	50,000	1,137,162	262,162	875,000
Total expenditures	100,000	1,239,416	319,359	920,057
Net change in fund balance	-	(1,139,416)	(8,604)	1,130,812
Fund balance, July 1, 2023	1,533,814	1,533,814	1,533,814	-
Fund balance, June 30, 2024	<u>\$ 1,533,814</u>	<u>\$ 394,398</u>	<u>\$ 1,525,210</u>	<u>\$ 1,130,812</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (8,604)
Payable accrual	(13,798)
Net change in fund balances - GAAP basis	<u>\$ (22,402)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Public Art Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
Economic development	\$ 118,718	\$ 118,718	\$ 22,056	\$ 96,662
Total expenditures	118,718	118,718	22,056	96,662
Revenues over/(under) expenditures	(118,718)	(118,718)	(22,056)	96,662
Other financing sources/(uses)				
Transfers in	57,191	60,196	60,196	-
Total other financing sources/(uses)	57,191	60,196	60,196	-
Net change in fund balance	(61,527)	(58,522)	38,140	96,662
Fund balance, July 1, 2023	148,859	148,859	148,859	-
Fund balance, June 30, 2024	\$ 87,332	\$ 90,337	\$ 186,999	\$ 96,662

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 30,000	\$ 30,000	\$ 26,911	\$ (3,089)
Total revenues	30,000	30,000	26,911	(3,089)
<b>Expenditures:</b>				
Current:				
Health and welfare	28,292	52,920	10,158	42,762
Capital Outlay	2,000	2,000	-	2,000
Total expenditures	30,292	54,920	10,158	44,762
Net change in fund balance	(292)	(24,920)	16,753	41,673
Fund balance, July 1, 2023	282,684	282,684	282,684	-
Fund balance, June 30, 2024	<u>\$ 282,392</u>	<u>\$ 257,764</u>	<u>\$ 299,437</u>	<u>\$ 41,673</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**PERS Savings Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
Current				
General Government	\$ -	\$ -	\$ 223,020	\$ (223,020)
Revenues over/(under) expenditures	-	-	(223,020)	(223,020)
<b>Other financing sources/(uses)</b>				
Transfers in	\$ 2,151,632	\$ 4,190,640	\$ 5,677,866	\$ 1,487,226
Total other financing sources/(uses)	2,151,632	4,190,640	5,677,866	1,487,226
Net change in fund balance	2,151,632	4,190,640	5,454,846	1,264,206
Fund balance, July 1, 2023	19,201,637	19,201,637	19,201,637	-
Fund balance, June 30, 2024	<u>\$ 21,353,269</u>	<u>\$ 23,392,277</u>	<u>\$ 24,656,483</u>	<u>\$ 1,264,206</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 5,454,846
Receivable accrual	<u>1,920,052</u>
Net change in fund balances - GAAP basis	<u>\$ 7,374,898</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,750,000	\$ 1,750,000	\$ 2,127,958	\$ 377,958
Total revenues	1,750,000	1,750,000	2,127,958	377,958
<b>Expenditures:</b>				
Health and welfare	1,304,370	1,473,398	935,021	538,377
Total expenditures	1,304,370	1,473,398	935,021	538,377
Revenues over/(under) expenditures	445,630	276,602	1,192,937	916,335
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	(244,632)	(413,660)	502,675	916,335
Fund balance, July 1, 2023	5,394,541	5,394,541	5,394,541	-
Fund balance, June 30, 2024	<u>\$ 5,149,909</u>	<u>\$ 4,980,881</u>	<u>\$ 5,897,216</u>	<u>\$ 916,335</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 502,675
Receivable accrual	(4,844)
Net change in fund balances - GAAP basis	<u>\$ 497,831</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Tobacco Control Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Investment income	-	-	1,766	1,766
Total revenues	300,000	300,000	301,766	1,766
<b>Expenditures:</b>				
Health and welfare	300,243	357,925	298,684	59,241
Total expenditures	300,243	357,925	298,684	59,241
Net change in fund balance	(243)	(57,925)	3,082	61,007
Fund balance, July 1, 2023	120,195	120,195	120,195	-
Fund balance, June 30, 2024	\$ 119,952	\$ 62,270	\$ 123,277	\$ 61,007

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,710,000	\$ 2,710,000	\$ 3,408,611	\$ 698,611
Total revenues	2,710,000	2,710,000	3,408,611	698,611
<b>Expenditures:</b>				
Current:				
Health and welfare	4,031,749	4,612,004	3,581,852	1,030,152
Total expenditures	4,031,749	4,612,004	3,581,852	1,030,152
Net change in fund balance	(1,321,749)	(1,902,004)	(173,241)	1,728,763
Fund balance, July 1, 2023	6,585,406	6,585,406	6,585,406	-
Fund balance, June 30, 2024	<u>\$ 5,263,657</u>	<u>\$ 4,683,402</u>	<u>\$ 6,412,165</u>	<u>\$ 1,728,763</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 374,207	\$ 124,207
Investment income	-	-	37,257	37,257
Total revenues	250,000	250,000	411,464	161,464
<b>Expenditures:</b>				
Public safety	272,292	412,499	82,838	329,661
Total expenditures	272,292	412,499	82,838	329,661
Net change in fund balance	(22,292)	(162,499)	328,626	491,125
Fund balance, July 1, 2023	1,051,957	1,051,957	1,051,957	-
Fund balance, June 30, 2024	\$ 1,029,665	\$ 889,458	\$ 1,380,583	\$ 491,125



**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 103,000	\$ 103,000	\$ 31,003	\$ (71,997)
Total revenues	103,000	103,000	31,003	(71,997)
<b>Expenditures:</b>				
Health and welfare	128,168	131,550	57,441	74,109
Total expenditures	128,168	131,550	57,441	74,109
Net change in fund balance	(25,168)	(28,550)	(26,438)	2,112
Fund balance, July 1, 2023	290,435	290,435	290,435	-
Fund balance, June 30, 2024	<u>\$ 265,267</u>	<u>\$ 261,885</u>	<u>\$ 263,997</u>	<u>\$ 2,112</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 9,770,233	\$ 9,770,233	\$ 9,694,527	\$ (75,706)
Charges for service	-	-	63,481.00	63,481.00
Fines and penalties	-	-	2,416.00	2,416.00
Total revenues	9,770,233	9,770,233	9,760,424	(9,809)
<b>Expenditures:</b>				
Current:				
Public safety	5,637,919	9,393,370	8,083,335	1,310,035
Capital Outlay:	691,457	1,120,249	133,547	986,702
Total expenditures	6,329,376	10,513,619	8,216,882	2,296,737
Revenues over/(under) expenditures	3,440,857	(743,386)	1,543,542	2,286,928
<b>Other financing sources/(uses)</b>				
Transfers out	(757,925)	(757,925)	(757,924)	1
Total other financing sources/(uses)	(757,925)	(757,925)	(757,924)	1
Net change in fund balance	2,682,932	(1,501,311)	785,618	2,286,929
Fund balance, July 1, 2023	9,697,357	9,697,357	9,697,357	-
Fund balance, June 30, 2024	\$ 12,380,289	\$ 8,196,046	\$ 10,482,975	\$ 2,286,929

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 785,618
Receivable accrual	13,516
Payable accrual	(70,711)
Net change in fund balances - GAAP basis	\$ 728,423

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fair Elections Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
Current:				
General government	\$ 612,210	\$ 676,764	\$ 708,957	\$ (32,193)
Total expenditures	612,210	676,764	708,957	(32,193)
Revenues over/(under) expenditures	(612,210)	(676,764)	(708,957)	(32,193)
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	-	(64,554)	(96,747)	(32,193)
Fund balance, July 1, 2023	1,096,567	1,096,567	1,096,567	-
Fund balance, June 30, 2024	<u>\$ 1,096,567</u>	<u>\$ 1,032,013</u>	<u>\$ 999,820</u>	<u>\$ (32,193)</u>

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ 500,000	\$ 500,000	\$ 771,926	\$ 271,926
Total revenues	500,000	500,000	771,926	271,926
<b>Expenditures:</b>				
Current:				
Public Safety	5,891	8,581	2,259	5,891
Highway and streets	161,919	188,398	227,647	(39,249)
Culture-recreation	720,012	2,675,192	2,462,392	212,800
Community development and housing	1,361,468	2,331,899	905,877	1,426,022
Economic development	-	649,635	26,049	623,586
Capital outlay:	15,842,515	23,256,104	2,049,197	21,206,907
Total expenditures	18,091,805	29,109,809	5,673,421	23,435,957
Revenues over/(under) expenditures	(17,591,805)	(28,609,809)	(4,901,495)	23,707,883
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	2,408,195	(8,609,809)	(4,901,495)	3,707,883
Fund balance, July 1, 2023	31,759,918	31,759,918	31,759,918	-
Fund balance, June 30, 2024	\$ 34,168,113	\$ 23,150,109	\$ 26,858,423	\$ 3,707,883

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (4,901,495)
Payable accrual	138,351
Net change in fund balances - GAAP basis	\$ (4,763,144)

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Phone System Replacement Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
<b>Expenditures:</b>				
General government	\$ 449,408	\$ 269,773	\$ 238,282	\$ 31,491
Total expenditures	449,408	269,773	238,282	31,491
Revenue over/(under) expenditures	(449,408)	(269,773)	(238,282)	31,491
Other financing sources/(uses)				
Transfers in	449,408	449,408	449,408	-
Total other financing sources/(uses)	449,408	449,408	449,408	-
Net change in fund balance	-	179,635	211,126	31,491
Fund balance, July 1, 2023	1,171,090	1,171,090	1,171,090	-
Fund balance, June 30, 2024	<u>\$ 1,171,090</u>	<u>\$ 1,350,725</u>	<u>\$ 1,382,216</u>	<u>\$ 31,491</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fund\$ Replacement Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
General government	\$ 3,372,446	\$ 3,425,095	\$ 1,906,971	\$ 1,518,124
Total expenditures	3,372,446	3,425,095	1,906,971	1,518,124
Revenues over/(under) expenditures	(3,372,446)	(3,425,095)	(1,906,971)	(1,518,124)
Other financing sources/(uses)				
Transfers in	-	298,017	298,017	-
Total other financing sources/(uses)	-	298,017	298,017	-
Net change in fund balance	(3,372,446)	(3,127,078)	(1,608,954)	1,518,124
Fund balance, July 1, 2023	(334,745)	(334,745)	(334,745)	-
Fund balance, June 30, 2024	<u>\$ (3,707,191)</u>	<u>\$ (3,461,823)</u>	<u>\$ (1,943,699)</u>	<u>\$ 1,518,124</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (1,608,954)
Payable accrual	19,752
Net change in fund balances - GAAP basis	<u>\$ (1,589,202)</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Franchise	\$ -	\$ -	\$ 121,741	\$ 121,741
Total revenues	-	-	121,741	121,741
<b>Expenditures:</b>				
General government	100,000	100,000	-	100,000
Total expenditures	100,000	100,000	-	100,000
Net change in fund balance	(100,000)	(100,000)	121,741	221,741
Fund balance, July 1, 2023	2,459,686	2,459,686	2,459,686	-
Fund balance, June 30, 2024	<u>\$ 2,359,686</u>	<u>\$ 2,359,686</u>	<u>\$ 2,581,427</u>	<u>\$ 221,741</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 121,741
Receivable accrual	3,161
Net change in fund balances - GAAP basis	<u>\$ 124,902</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 26,660	\$ 26,660
Total revenues	-	-	26,660	26,660
<b>Expenditures:</b>				
Current:				
Highway and streets	-	136,724	135,335	1,389
Capital outlay:	-	713,759	-	713,759
Total expenditures	-	850,483	135,335	715,149
Revenues over/(under) expenditures	-	(850,483)	(108,675)	741,808
Net change in fund balance	-	(850,483)	(108,675)	741,808
Fund balance, July 1, 2023	944,818	944,818	944,818	-
Fund balance, June 30, 2024	<u>\$ 944,818</u>	<u>\$ 94,335</u>	<u>\$ 836,143</u>	<u>\$ 741,808</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and penalties	\$ 192	\$ 192	\$ -	\$ (192)
Rents and royalties	-	-	1,201	1,201
Investment income	-	-	1,134	1,134
Total revenues	192	192	2,335	2,143
<b>Expenditures:</b>				
General government	-	-	178	(178)
Total expenditures	-	-	178	(178)
Net change in fund balance	192	192	2,157	1,965
Fund balance, July 1, 2023	37,160	37,160	37,160	-
Fund balance, June 30, 2024	<u>\$ 37,352</u>	<u>\$ 37,352</u>	<u>\$ 39,317</u>	<u>\$ 1,965</u>

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1,677,260	\$ 1,677,260
Total revenues	-	-	1,677,260	1,677,260
<b>Expenditures:</b>				
Debt Service:				
Principal repayment	690,000	690,000	690,000	-
Interest and fiscal charges	647,638	647,638	650,087	(2,449)
Debt issuance costs	-	-	-	-
Total expenditures	1,337,638	1,337,638	1,340,087	(2,449)
Net change in fund balance	(1,337,638)	(1,337,638)	337,173	1,674,811
Fund balance, July 1, 2023	1,675,939	1,675,939	1,675,939	-
Fund balance, June 30, 2024	\$ 338,301	\$ 338,301	\$ 2,013,112	\$ 1,674,811

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 337,173
Receivable accrual	(6,932)
Net change in fund balances - GAAP basis	\$ 330,241

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,309,864	\$ 3,309,864	\$ 2,515,890	\$ (793,974)
Total revenues	3,309,864	3,309,864	2,515,890	(793,974)
<b>Expenditures:</b>				
Principal repayment	1,600,236	1,600,236	1,600,236	-
Interest and fiscal charges	447,023	447,023	446,175	848
Total expenditures	2,047,259	2,047,259	2,046,411	848
Net change in fund balance	1,262,605	1,262,605	469,479	(793,126)
Fund balance, July 1, 2023	2,438,077	2,438,077	2,438,077	-
Fund balance, June 30, 2024	\$ 3,700,682	\$ 3,700,682	\$ 2,907,556	\$ (793,126)

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 469,479
Receivable accrual	(10,398)
Net change in fund balances - GAAP basis	\$ 459,081

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Berkeley Repertory Theatre Fund - Budgetary Basis**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Miscellaneous	\$ -	\$ -	\$ 46	\$ 46
Total revenues	-	-	46	46
<b>Expenditures:</b>				
Principal repayment	366,552	366,552	366,552	-
Interest and fiscal charges	133,268	133,268	132,117	1,151
Total expenditures	499,820	499,820	498,669	1,151
Revenues over/(under) expenditures	(499,820)	(499,820)	(498,623)	1,197
Other financing sources/(uses)				
Transfers in	499,802	499,802	499,804	2
Total other financing sources/(uses)	499,802	499,802	499,804	2
Net change in fund balance	(18)	(18)	1,181	1,199
Fund balance, July 1, 2023	(11,403)	(11,403)	(11,403)	-
Fund balance, June 30, 2024	<u>\$ (11,421)</u>	<u>\$ (11,421)</u>	<u>\$ (10,222)</u>	<u>\$ 1,199</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,463,321	\$ 1,463,321	\$ 462,692	\$ (1,000,629)
Total revenues	1,463,321	1,463,321	462,692	(1,000,629)
<b>Expenditures:</b>				
Principal repayment	294,175	294,175	294,175	-
Interest and fiscal charges	84,521	84,521	82,021	2,500
Debt issuance costs	-	-	-	-
Total expenditures	378,696	378,696	376,196	2,500
Revenues over/(under) expenditures	1,084,625	1,084,625	86,496	(998,129)
Net change in fund balance	1,084,625	1,084,625	86,496	(998,129)
Fund balance, July 1, 2023	1,316,738	1,316,738	1,316,738	-
Fund balance, June 30, 2024	\$ 2,401,363	\$ 2,401,363	\$ 1,403,234	\$ (998,129)

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 86,496
Receivable accrual	(1,912)
Net change in fund balances - GAAP basis	\$ 84,584

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 256,987	\$ 256,987	\$ 173,510	\$ (83,477)
Total revenues	<u>256,987</u>	<u>256,987</u>	<u>173,510</u>	<u>(83,477)</u>
<b>Expenditures:</b>				
Principal repayment	110,799	110,799	110,799	-
Interest and fiscal charges	<u>31,741</u>	<u>31,741</u>	<u>30,892</u>	<u>849</u>
Total expenditures	<u>142,540</u>	<u>142,540</u>	<u>141,691</u>	<u>849</u>
Net change in fund balance	114,447	114,447	31,819	(82,628)
Fund balance, July 1, 2023	464,202	464,202	464,202	-
Fund balance, June 30, 2024	<u>\$ 578,649</u>	<u>\$ 578,649</u>	<u>\$ 496,021</u>	<u>\$ (82,628)</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 31,819
Receivable accrual	<u>(717)</u>
Net change in fund balances - GAAP basis	<u>\$ 31,102</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 578,365	\$ 578,365
Total revenues	-	-	578,365	578,365
<b>Expenditures:</b>				
Principal repayment	374,791	374,791	374,791	-
Interest and fiscal charges	105,393	105,393	104,498	895
Total expenditures	480,184	480,184	479,289	895
Net change in fund balance	(480,184)	(480,184)	99,076	579,260
Fund balance, July 1, 2023	484,073	484,073	484,073	-
Fund balance, June 30, 2024	<u>\$ 3,889</u>	<u>\$ 3,889</u>	<u>\$ 583,149</u>	<u>\$ 579,260</u>

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 99,076
Receivable accrual	(2,390)
Net change in fund balances - GAAP basis	<u>\$ 96,686</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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
<b>Expenditures:</b>				
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	402,612	(1)
Total other financing sources/(uses)	402,613	402,613	402,612	(1)
Net change in fund balance	262,528	262,528	262,712	184
Fund balance, July 1, 2023	56,540	56,540	56,540	-
Fund balance, June 30, 2024	\$ 319,068	\$ 319,068	\$ 319,252	\$ 184



**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 2,168,871	\$ 2,168,871
Total revenues	-	-	2,168,871	2,168,871
<b>Expenditures:</b>				
Principal repayment	720,000	720,000	720,000	-
Interest and fiscal charges	910,863	910,863	912,513	(1,650)
Total expenditures	1,630,863	1,630,863	1,632,513	(1,650)
Revenues over/(under) expenditures	(1,630,863)	(1,630,863)	536,358	2,167,221
Net change in fund balance	(1,630,863)	(1,630,863)	536,358	2,167,221
Fund balance, July 1, 2023	2,836,672	2,836,672	2,836,672	-
Fund balance, June 30, 2024	\$ 1,205,809	\$ 1,205,809	\$ 3,373,030	\$ 2,167,221

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 536,358
Receivable accrual	(8,963)
Net change in fund balances - GAAP basis	\$ 527,395

**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, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 4,626,924	\$ 4,626,924
Total revenues	-	-	4,626,924	4,626,924
<b>Expenditures:</b>				
Principal repayment	1,985,825	1,985,825	2,515,000	(529,175)
Interest and fiscal charges	2,713,181	2,713,181	2,141,831	571,350
Total expenditures	4,699,006	4,699,006	4,656,831	42,175
Revenues over/(under) expenditures	(4,699,006)	(4,699,006)	(29,907)	4,669,099
Other financing sources/(uses)				
Net change in fund balance	(4,699,006)	(4,699,006)	(29,907)	4,669,099
Fund balance, July 1, 2023	7,189,011	7,189,011	7,189,011	-
Fund balance, June 30, 2024	\$ 2,490,005	\$ 2,490,005	\$ 7,159,104	\$ 4,669,099

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ (29,907)
Receivable accrual	(19,122)
Net change in fund balances - GAAP basis	\$ (49,029)

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Measure O Housing Bond Debt Service**  
**For the year ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 5,783,655	\$ 5,783,655
Total revenues	-	-	5,783,655	5,783,655
<b>Expenditures:</b>				
Principal repayment	770,000	770,000	1,575,000	(805,000)
Interest and fiscal charges	1,237,265	1,237,265	3,295,757	(2,058,492)
Total expenditures	2,007,265	2,007,265	4,870,757	(2,863,492)
Net change in fund balance	(2,007,265)	(2,007,265)	912,898	2,920,163
Fund balance, July 1, 2023	5,141,316	5,141,316	5,141,316	-
Fund balance, June 30, 2024	\$ 3,134,051	\$ 3,134,051	\$ 6,054,214	\$ 2,920,163

**Explanation of differences between budgetary basis to modified accrual basis:**

Net change in fund balances - budgetary basis	\$ 912,898
Receivable accrual	(23,904)
Net change in fund balances - GAAP basis	\$ 888,994



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## INTERNAL SERVICE FUNDS

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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, 2024**

	<b>Equipment Maintenance Replacement</b>	<b>Building Maintenance</b>	<b>Central Services</b>	<b>Computer Replacement</b>
<b>Assets</b>				
Current assets:				
Cash and investments in treasury	\$ 26,092,948	\$ 2,457,261	\$ 95,741	\$ 627
Accounts receivable	9,142	12,904	-	-
Accrued interest	104,116	13,708	-	3
Inventory	-	-	21,196	-
Total current assets	26,206,206	2,483,873	116,937	630
Noncurrent assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Building	1,162,882	11,848	-	-
Improvements other than buildings	171,524	-	-	-
Machinery and equipment	54,878,694	151,140	-	1,137,034
Construction in progress	-	-	-	-
Less accumulated depreciation	(36,265,029)	(131,169)	-	(1,137,034)
Total noncurrent assets	19,948,071	31,819	-	-
Total assets	46,154,277	2,515,692	116,937	630
<b>Deferred outflows of resources:</b>				
Deferred pension items	2,246,266	1,312,169	45,617	-
Deferred OPEB items	315,590	185,578	9,242	-
Total deferred outflows of resources	2,561,856	1,497,747	54,859	-
<b>Liabilities</b>				
Current liabilities				
Accounts payable	1,200,035	631,920	18,700	-
Accrued salaries and wages	114,123	70,936	2,839	-
Accrued interest payable	7,195	-	-	-
Due to other funds	-	-	-	-
Compensated absences	21,173	8,323	73	-
Claims and judgments payable	-	-	-	-
Capital lease payable	724,493	-	-	-
Total current liabilities	2,067,019	711,179	21,612	-
Noncurrent liabilities				
Compensated absences	257,909	101,378	891	-
Claims and judgments payable	-	-	-	-
Capital lease payable	1,110,689	-	-	-
Net pension liabilities	8,998,531	5,469,904	178,074	-
Net OPEB liabilities	546,723	409,472	17,472	-
Total noncurrent liabilities	10,913,852	5,980,754	196,437	-
Total liabilities	12,980,871	6,691,933	218,049	-
<b>Deferred inflows of resources:</b>				
Deferred pension items	91,562	42,719	1,969	-
Deferred OPEB items	786,220	464,999	21,659	-
Total deferred inflows of resources	877,782	507,718	23,628	-
<b>Net position</b>				
Net investment in capital assets	18,112,889	31,819	-	-
Unrestricted	16,744,591	(3,218,031)	(69,881)	630
Total net position	\$ 34,857,480	\$ (3,186,212)	\$ (69,881)	\$ 630

Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ 44,298,081	\$ 8,874,643	\$ 3,638,452	\$ -	\$ 12,411,513	\$ 97,869,266
49,191	-	-	-	-	71,237
288,890	42,142	10,539	-	-	459,398
-	-	-	-	-	21,196
44,636,162	8,916,785	3,648,991	-	12,411,513	98,421,097
-	-	-	-	-	-
-	-	-	-	-	1,174,730
-	-	-	-	-	171,524
2,642	-	-	-	241,899	56,411,409
-	-	-	-	-	-
(2,642)	-	-	-	(81,328)	(37,617,202)
-	-	-	-	160,571	20,140,461
44,636,162	8,916,785	3,648,991	-	12,572,084	118,561,558
495,869	-	141,502	-	3,968,250	8,209,673
94,411	-	36,531	-	526,551	1,167,903
590,280	-	178,033	-	4,494,801	9,377,576
1,041	-	477,236	-	598,317	2,927,249
29,509	35,719	1,875	-	-	255,001
-	-	-	-	-	7,195
-	-	-	469,037	-	469,037
4,011	-	334	-	58,695	92,609
6,785,510	-	7,229,101	-	-	14,014,611
-	-	-	-	-	724,493
6,820,071	35,719	7,708,546	469,037	657,012	18,490,195
48,853	-	4,070	-	714,968	1,128,069
33,912,850	-	-	-	-	33,912,850
-	-	-	-	-	1,110,689
2,110,400	-	859,313	-	14,912,403	32,528,625
135,802	-	71,109	-	1,275,728	2,456,306
36,207,905	-	934,492	-	16,903,099	71,136,539
43,027,976	35,719	8,643,038	469,037	17,560,111	89,626,734
21,961	-	2,416	-	201,593	362,220
232,173	-	93,090	-	1,355,118	2,953,259
254,134	-	95,506	-	1,556,711	3,315,479
-	-	-	-	160,571	18,305,279
1,944,332	8,881,066	(4,911,520)	(469,037)	(2,210,508)	16,691,642
\$ 1,944,332	\$ 8,881,066	\$ (4,911,520)	\$ (469,037)	\$ (2,049,937)	\$ 34,996,921

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the year ended June 30, 2024**

	Equipment Maintenance Replacement	Building Maintenance	Central Services	Computer Replacement
<b>Operating revenues:</b>				
Equipment rentals service charge	\$ 19,717,583	\$ -	\$ -	\$ -
Building maintenance	-	3,911,723	-	-
Central store service charge	-	-	342,881	-
Workers' compensation fees	-	-	-	-
IT service fee	-	-	-	-
Other revenues	34	852,084	-	-
Total operating revenues	19,717,617	4,763,807	342,881	-
<b>Operating expenses:</b>				
Personnel services	2,525,748	1,751,447	59,022	-
Employee benefits	1,869,196	1,170,736	45,660	-
Transportation	351,851	206,077	13,714	-
Repairs and maintenance	118,629	349,872	-	-
Materials and supplies	2,384,289	608,090	169,829	-
Utilities	56,769	5,461	-	-
Insurance	10,165	-	-	-
Specialized and professional services	1,520,246	283,144	115,083	-
Depreciation	5,286,269	4,473	-	-
Judgments and claims	-	465,000	-	-
Communication	570	104,850	80	-
General administration	100,610	65,054	7,056	6
Total operating expenses	14,224,342	5,014,204	410,444	6
Operating income (loss)	5,493,275	(250,397)	(67,563)	(6)
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	336,571	106,732	-	26
Interest expense	(38,682)	-	-	-
Gain (loss) on disposal of capital assets	57,951	-	-	-
Total nonoperating revenues (expenses)	355,840	106,732	-	26
Income (loss) before transfers	5,849,115	(143,665)	(67,563)	20
Transfers in	1,581,700	-	-	-
Transfers out	(500,000)	-	-	-
Change in net position	6,930,815	(143,665)	(67,563)	20
Total net position - beginning balance	27,926,665	(3,042,547)	(2,318)	610
Total net position - ending	\$ 34,857,480	\$ (3,186,212)	\$ (69,881)	\$ 630



Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,717,583
-	-	-	-	-	3,911,723
-	-	-	-	-	342,881
-	-	-	-	-	-
-	-	-	-	14,589,211	14,589,211
-	3,832,757	538,340	-	-	5,223,215
-	3,832,757	538,340	-	14,589,211	43,784,613
618,438	2,946,546	199,280	-	4,645,043	12,745,524
438,020	35,432	103,543	-	3,331,593	6,994,180
-	-	-	-	-	571,642
-	-	-	-	-	468,501
-	-	-	-	296,183	3,458,391
-	-	-	-	-	62,230
-	-	-	-	-	10,165
889,457	-	32	-	3,182,384	5,990,346
-	-	-	-	17,726	5,308,468
5,859,811	-	4,390,871	6,676,509	-	17,392,191
1,160	-	-	-	105,354	212,014
-	-	-	-	772,310	945,036
7,806,886	2,981,978	4,693,726	6,676,509	12,350,593	54,158,688
(7,806,886)	850,779	(4,155,386)	(6,676,509)	2,238,618	(10,374,075)
1,786,826	222,342	(715)	-	-	2,451,782
-	-	-	-	-	(38,682)
-	-	-	-	-	57,951
1,786,826	222,342	(715)	-	-	2,471,051
(6,020,060)	1,073,121	(4,156,101)	(6,676,509)	2,238,618	(7,903,024)
813,779	-	4,895,888	6,673,794	71,336	14,036,497
(5,500,000)	-	-	-	(450,612)	(6,450,612)
(10,706,281)	1,073,121	739,787	(2,715)	1,859,342	(317,139)
12,650,613	7,807,945	(5,651,307)	(466,322)	(3,909,279)	35,314,060
\$ 1,944,332	\$ 8,881,066	\$ (4,911,520)	\$ (469,037)	\$ (2,049,937)	\$ 34,996,921

**Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2024**

	Equipment Maintenance Replacement	Building Maintenance	Central Services	Computer Replacement
Cash flows from operating activities:				
Cash received from customers	\$ 19,722,280	\$ 4,757,888	\$ 342,881	\$ -
Cash paid for goods and services	(6,280,983)	(1,846,670)	(258,546)	(6)
Cash paid for employee services	(4,143,665)	(2,672,058)	(99,069)	-
Claims and judgments paid	-	(465,000)	-	-
Net cash provided (used) by operating activities	9,297,632	(225,840)	(14,734)	(6)
Cash flows from noncapital financing activities:				
Transfers in	1,581,700	-	-	-
Transfers out	(500,000)	-	-	-
Advances repayment from other funds	-	-	-	-
Due to other funds	-	-	-	-
Net cash provided (used) from noncapital financing activities	1,081,700	-	-	-
Cash flows from capital and related financing activities:				
Interest paid	(41,474)	-	-	-
Purchases of capital assets	(3,524,488)	(22,141)	-	-
Loan proceeds for equipment purchase	-	-	-	-
Lease payments	(711,979)	-	-	-
Proceeds from disposal of capital assets	57,951	-	-	-
Net cash provided (used) from capital and related financing activities	(4,219,990)	(22,141)	-	-
Cash flows from investing activities:				
Gain/(loss) on investments	320,115	108,733	-	26
Net cash provided (used) from investing activities	320,115	108,733	-	26
Net increase (decrease) in cash and cash equivalents	6,479,457	(139,248)	(14,734)	20
Cash and cash equivalents, July 1, 2023	19,613,491	2,596,509	110,475	607
Cash and cash equivalents, June 30, 2024	\$ 26,092,948	\$ 2,457,261	\$ 95,741	\$ 627
Financial statement presentation:				
Cash and investments	26,092,948	2,457,261	95,741	627
Total	\$ 26,092,948	\$ 2,457,261	\$ 95,741	\$ 627
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Income (loss) from operations	\$ 5,493,275	\$ (250,397)	\$ (67,563)	\$ (6)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	5,286,269	4,473	-	-
Change in:				
Accounts receivable	4,663	(5,919)	-	-
Deferred outflow	154,608	88,737	3,042	-
Inventory	-	-	38,257	-
Accounts payable	(1,737,854)	(224,122)	8,959	-
Accrued salaries and wages	34,976	14,604	628	-
Compensated absences	(49,910)	78,719	(1,223)	-
Other liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Claims and judgments payable	-	-	-	-
Net pension liabilities	288,846	169,605	6,608	-
Net OPEB liability	(26,464)	(14,371)	(323)	-
Deferred inflows	(150,777)	(87,169)	(3,119)	-
Net cash provided (used) by operating activities	\$ 9,297,632	\$ (225,840)	\$ (14,734)	\$ (6)

Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ -	\$ 3,832,757	\$ 538,340	\$ -	\$ 14,589,212	\$ 43,783,358
(890,611)	-	(233,544)	-	(5,256,055)	(14,766,415)
(997,829)	(3,064,475)	(284,777)	-	(7,493,012)	(18,754,885)
(4,986,451)	-	(3,465,603)	(6,676,509)	-	(15,593,563)
(6,874,891)	768,282	(3,445,584)	(6,676,509)	1,840,145	(5,331,505)
813,779	-	4,895,888	6,673,794	71,336	14,036,497
(5,500,000)	-	-	-	(450,612)	(6,450,612)
813,779	-	-	-	-	813,779
-	-	-	2,715	-	2,715
(3,872,442)	-	4,895,888	6,676,509	(379,276)	8,402,379
-	-	-	-	-	(41,474)
-	-	-	-	(162,778)	(3,709,407)
-	-	-	-	-	-
-	-	-	-	-	(711,979)
-	-	-	-	-	57,951
-	-	-	-	(162,778)	(4,404,909)
1,780,897	221,319	(4,044)	-	-	2,427,046
1,780,897	221,319	(4,044)	-	-	2,427,046
(8,966,436)	989,601	1,446,260	-	1,298,091	1,093,011
53,264,517	7,885,042	2,192,192	-	11,113,422	96,776,255
\$ 44,298,081	\$ 8,874,643	\$ 3,638,452	\$ -	\$ 12,411,513	\$ 97,869,266
44,298,081	8,874,643	3,638,452	-	12,411,513	97,869,266
\$ 44,298,081	\$ 8,874,643	\$ 3,638,452	\$ -	\$ 12,411,513	\$ 97,869,266
\$ (7,806,886)	\$ 850,779	\$ (4,155,386)	\$ (6,676,509)	\$ 2,238,618	\$ (10,374,075)
-	-	-	-	17,726	5,308,468
-	-	-	-	-	(1,256)
36,802	-	10,592	-	290,780	584,561
-	-	-	-	-	38,257
6	-	(233,512)	-	(899,824)	(3,086,347)
4,589	(82,497)	(3,291)	-	-	(30,991)
(7,236)	-	4,404	-	(4,378)	20,376
-	-	-	-	-	-
-	-	-	-	-	-
873,360	-	925,268	-	-	1,798,628
66,762	-	18,544	-	531,165	1,081,530
(6,727)	-	(2,080)	-	(52,364)	(102,329)
(35,561)	-	(10,123)	-	(281,578)	(568,327)
\$ (6,874,891)	\$ 768,282	\$ (3,445,584)	\$ (6,676,509)	\$ 1,840,145	\$ (5,331,505)



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## FIDUCIARY FUNDS

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The ***Safety Member Pension Fund/Pension Annuity 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, 2024**

	Pension Trust Funds		Other Post- Employment Benefits Trust Funds
	Safety Members Pension Annuity Fund	Police Retirement Income Benefit Plan	Miscellaneous Retiree Health Premium Assistance Plan
<b>Assets</b>			
Restricted cash and cash equivalents	\$ -	\$ -	\$ 2,157,866
Investments, at fair value:			
Medium term notes	-	496,550	10,500,600
US agency securities	-	2,922,089	10,908,687
Municipal bonds	-	-	5,046,950
Corporate bond	-	-	1,890,040
Preferred Securities	-	803,807	4,704,033
Savo Island loan	-	-	104,000
Interest receivable	-	63,084	428,507
Total assets	-	4,285,530	35,740,683
<b>Liabilities</b>			
Accounts payable	-	673,345	-
Total liabilities	-	673,345	-
<b>Net position restricted for:</b>			
Employee pension benefits held in trust	-	3,612,185	-
Employee OPEB benefits held in trust	-	-	35,740,683
Total net position	\$ -	\$ 3,612,185	\$ 35,740,683

Other Post-Employment Benefits Trust Funds		
Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan	Total
\$ -	\$ 882,290	\$ 3,040,156
-	1,986,200	12,983,350
1,905,583	8,621,124	24,357,483
-	-	5,046,950
-	-	1,890,040
540,180	2,015,980	8,064,000
-	-	104,000
31,809	115,170	638,570
2,477,572	13,620,764	56,124,549
262,806	-	936,151
262,806	-	936,151
-	-	3,612,185
2,214,766	13,620,764	51,576,213
\$ 2,214,766	\$ 13,620,764	\$ 55,188,398

**Statement of Changes in Fiduciary Net Position**  
**Pension and OPEB Trust Funds**  
**For the year ended June 30, 2024**

	Pension Trust Funds		Other Post- Employment Benefits Trust Funds
	Safety Members Pension Annuity Fund	Police Retirement Income Benefit Plan	Miscellaneous Retiree Health Premium Assistance Plan
<b>Additions:</b>			
Contributions: employer	\$ 74,479	\$ 2,235,650	\$ 2,761,054
Interest income		153,635	1,926,159
Increase (Decrease) in FMV of investments		40,883	(157,393)
Total Investment income	-	194,518	1,768,766
Total additions	74,479	2,430,168	4,529,820
<b>Deductions:</b>			
Benefits payment for service	74,479	3,091,399	2,153,140
Administrative expenses	-	-	3,003
Total deductions	74,479	3,091,399	2,156,143
Change in net position	-	(661,231)	2,373,677
Total net position - beginning	-	4,273,416	33,367,006
Total net position - ending	\$ -	\$ 3,612,185	\$ 35,740,683



**Other Post-Employment Benefits  
Trust Funds**

<b>Police Retiree Premium Assistance Plan</b>		<b>Fire Employees Retiree Health Plan</b>		<b>Total</b>	
\$	400,136	\$	904,073	\$	6,375,392
	92,178		637,661		2,809,633
	17,078		72,690		(26,742)
	109,256		710,351		2,782,891
	509,392		1,614,424		9,158,283
	473,662		654,234		6,446,914
	3,154		4,806		10,963
	476,816		659,040		6,457,877
	32,576		955,384		2,700,406
	2,182,190		12,665,380		52,487,993
\$	2,214,766	\$	13,620,764	\$	55,188,398



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**CUSTODIAL FUNDS**

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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, 2024**

	District 47 Underground/ Miller	Sustainable Energy	Solano Avenue Bid	Telegraph Business Improvement District	Thousand Oaks Undergrounding
<b>Assets</b>					
Restricted cash and cash equivalents	\$ 124,312	\$ 21,040	\$ 20,136	\$ 157,830	\$ 322,005
Taxes receivable	-	-	-	8,050	-
Other accounts receivable	-	-	1,000	-	-
Total assets	124,312	21,040	21,136	165,880	322,005
<b>Liabilities</b>					
Accounts payable	-	-	-	245,392	-
Deposits held	-	14,490	-	-	-
Other liabilities	-	-	7,000	-	-
Total liabilities	-	14,490	7,000	245,392	-
<b>Net position restricted for:</b>					
Individuals, organizations, and other governments	124,312	6,550	14,136	(79,512)	322,005
Total net position	\$ 124,312	\$ 6,550	\$ 14,136	\$ (79,512)	\$ 322,005

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
\$ 25,958	\$ 1,192,569	\$ -	\$ 90,208	\$ 30,300	\$ 2	\$ 78,906	\$ 2,063,266
-	1,481	-	-	-	629	1,450	11,610
27,008	-	-	-	-	-	-	28,008
52,966	1,194,050	-	90,208	30,300	631	80,356	2,102,884
-	383	205,145	-	10,132	-	-	461,052
-	14,934	-	-	-	-	-	14,934
-	-	-	-	-	-	-	14,490
42,787	397	302,540	-	-	4,305	-	357,029
42,787	15,714	507,685	-	10,132	4,305	-	847,505
10,179	1,178,336	(507,685)	90,208	20,168	(3,674)	80,356	1,255,379
\$ 10,179	\$ 1,178,336	\$ (507,685)	\$ 90,208	\$ 20,168	\$ (3,674)	\$ 80,356	\$ 1,255,379

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the year ended June 30, 2024**

	<b>District 47 Underground/ Miller</b>	<b>Sustainable Energy</b>	<b>Solano Avenue Bid</b>	<b>Telegraph Business Improvement District</b>	<b>Thousand Oaks Undergrounding</b>
<b>Additions:</b>					
Property tax - special assessment	\$ -	\$ 18,105	\$ 30,461	\$ 621,573	\$ 108,641
Investment income	-	-	-	-	89
Total additions	-	18,105	30,461	621,573	108,730
<b>Deductions:</b>					
Personnel services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Payments of property tax to other entities	-	-	25,042	875,068	-
Payments to others	-	35,183	-	-	101,066
Total deductions	-	35,183	25,042	875,068	101,066
Change in net position	-	(17,078)	5,419	(253,495)	7,664
Total net position	124,312	23,628	8,717	173,983	314,341
Total net position	\$ 124,312	\$ 6,550	\$ 14,136	\$ (79,512)	\$ 322,005

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
\$ 344,678	\$ 2,979	\$ 201,500	\$ 682,945	\$ 32,050	\$ 204,525	\$ 1,460,656	\$ 3,708,113
-	-	-	-	-	-	-	89
344,678	2,979	201,500	682,945	32,050	204,525	1,460,656	3,708,202
-	305,476	-	-	-	-	-	305,476
-	236,056	-	-	-	-	-	236,056
472,289	-	-	512,738	40,800	307,823	1,383,140	3,616,900
-	30,868	266,068	-	-	-	-	433,185
472,289	572,400	266,068	512,738	40,800	307,823	1,383,140	4,591,617
(127,611)	(569,421)	(64,568)	170,207	(8,750)	(103,298)	77,516	\$ (883,415)
137,790	1,747,757	(443,117)	(79,999)	28,918	99,624	2,840	2,138,794
\$ 10,179	\$ 1,178,336	\$ (507,685)	\$ 90,208	\$ 20,168	\$ (3,674)	\$ 80,356	\$ 1,255,379



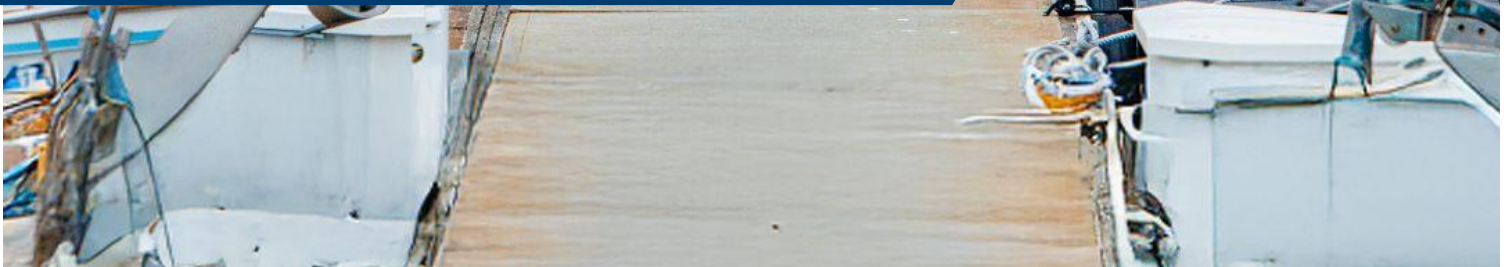
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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

# 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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends (Schedules I-IV)</b>	<b>295</b>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity (Schedules V-VIII)</b>	<b>305</b>
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property tax.	
<b>Debt Capacity (Schedules IX-XII)</b>	<b>309</b>
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.	
<b>Demographic and Economic Information (Schedules XIII – XV)</b>	<b>315</b>
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.	
<b>Operating Information (Schedules XVI-XVII)</b>	<b>319</b>
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>2015</u>	<u>2016</u>	<u>2016</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 144,121,755	\$ 141,589,468	\$ 141,589,468	\$ 141,589,468
Restricted for debt services	10,252,532	14,108,873	14,108,873	14,108,873
Restricted for special purpose	103,118,112	115,277,370	115,277,370	115,277,370
Restricted for capital project	11,955,810	13,173,675	13,173,675	13,173,675
Unrestricted	(387,079,250)	(383,255,676) <sup>(2)</sup>	(383,255,676) <sup>(2)</sup>	(383,255,676) <sup>(2)</sup>
Total governmental activities net position (as restated)	<u>\$ (117,631,041)</u>	<u>\$ (99,106,290)</u>	<u>\$ (99,106,290)</u>	<u>\$ (99,106,290)</u>
Business-type activities				
Net investment in capital assets	\$ 148,835,892	\$ 159,340,573	\$ 159,340,573	\$ 159,340,573
Restricted for debt services	-	-	-	-
Unrestricted	(25,344,187)	(16,664,516)	(16,664,516)	(16,664,516)
Total business-type activities net position (as restated)	<u>\$ 123,491,705</u>	<u>\$ 142,676,057</u>	<u>\$ 142,676,057</u>	<u>\$ 142,676,057</u>
Primary government				
Net investment in capital assets	\$ 292,957,647	\$ 300,930,041	\$ 300,930,041	\$ 300,930,041
Restricted	125,326,454	142,559,917	142,559,917	142,559,917
Unrestricted	(412,423,438)	(399,920,192) <sup>(2)</sup>	(399,920,192) <sup>(2)</sup>	(399,920,192) <sup>(2)</sup>
Total primary government net position (as restated)	<u>\$ 5,860,663</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

2019	2020	2021	2022	2023	2024
\$ 148,963,344	\$ 161,393,048	\$ 182,328,842	\$ 217,483,591	\$ 221,025,803	\$ 238,725,136
11,493,670	12,604,209	15,901,481	19,056,617	21,784,012	24,415,778
157,015,284	183,188,081	225,221,791	299,306,026	330,549,607	332,746,951
7,929,263	8,079,264	8,100,475	-	-	31,178,000
(428,454,001)	(484,103,854)	(533,226,565)	(486,958,799)	(438,408,208)	(466,757,428)
<u>\$ (103,052,440)</u>	<u>\$ (118,839,252)</u>	<u>\$ (101,673,976)</u>	<u>\$ 48,887,435</u>	<u>\$ 134,951,214</u>	<u>\$ 160,308,437</u>
\$ 178,421,303	\$ 189,800,731	\$ 185,554,832	\$ 193,099,462	\$ 194,599,398	\$ 198,194,602
-	-	-	-	-	-
(1,651,335)	5,456,014	24,868,148	46,770,459	64,601,241	66,316,781
<u>\$ 176,769,968</u>	<u>\$ 195,256,745</u>	<u>\$ 210,422,980</u>	<u>\$ 239,869,921</u>	<u>\$ 259,200,639</u>	<u>\$ 264,511,383</u>
\$ 327,384,647	\$ 351,193,779	\$ 367,883,674	\$ 410,583,053	\$ 415,625,201	\$ 436,919,738
176,438,217	203,871,554	249,223,747	318,362,643	352,333,619	388,340,729
(430,105,336)	(478,647,840)	(508,358,418)	(440,188,340)	(373,806,967)	(400,440,647)
<u>\$ 73,717,528</u>	<u>\$ 76,417,492</u>	<u>\$ 108,749,004</u>	<u>\$ 288,757,356</u>	<u>\$ 394,151,853</u>	<u>\$ 424,819,820</u>

**Schedule II**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental activities:					
General government	\$ 31,486,649	\$ 31,344,033	\$ 36,177,528	\$ 47,539,559	\$ 39,612,843
Public safety	106,809,311	114,150,343 <sup>(2)</sup>	101,655,408	123,171,811	133,992,694
Highways and streets	19,738,696	17,611,249 <sup>(2)</sup>	16,051,208	18,628,805	22,246,641
Health and welfare	19,422,959	19,734,011	23,806,106	28,183,652	35,370,732
Culture and recreation	35,475,983	34,749,031 <sup>(2)</sup>	37,190,348	42,996,852	52,589,537
Community development/housing	17,752,712	17,593,646 <sup>(2)</sup>	20,571,263	25,125,419	27,346,388
Economic development	3,850,278	4,183,775	2,311,510	2,719,990	5,459,483
Interest on long-term debt	3,886,382	4,778,074	4,595,099	5,287,052 <sup>(3)</sup>	4,970,955
Total governmental activities	<u>238,422,970</u>	<u>244,144,162</u>	<u>242,358,470</u>	<u>293,653,140</u>	<u>321,589,272</u>
Business-type activities:					
Parking related	8,915,668	8,482,161	10,701,956	10,736,569	15,166,461
Marina operations and maintenance	5,067,986	5,075,974	6,027,251	7,046,873	6,893,836
Sewer services	13,545,934	12,061,833	13,143,481	13,018,315	17,774,981
Clean storm water	2,902,288	2,857,423	2,975,238	2,938,401	2,318,716
Refuse services	32,611,968	30,939,532	36,964,948	40,242,431	43,117,310
Permit service center	12,069,245	14,887,645	14,667,858	16,915,058	17,491,552
Building purchase and management	2,749,275	2,440,891	2,814,061	2,666,087 <sup>(3)</sup>	2,629,827
Total business-type activities	<u>77,862,364</u>	<u>76,745,459</u>	<u>87,294,793</u>	<u>93,563,734</u>	<u>105,392,683</u>
Total primary government expenses	<u>\$ 316,285,334</u>	<u>\$ 320,889,621</u>	<u>\$ 329,653,263</u>	<u>\$ 387,216,874</u>	<u>\$ 426,981,955</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 3,584,077	\$ 3,915,028	\$ 5,236,680	\$ 5,720,397	\$ 4,313,273
Public safety	7,440,233	14,535,669	14,387,253	11,168,764	11,145,339
Highways and streets	2,320,608	1,666,472	1,355,297	1,909,139	1,413,973
Health and welfare	1,582,411	1,633,130	1,958,225	1,494,988	1,479,103
Culture and recreation	2,182,771	2,298,241	2,154,058	2,628,060	2,291,989
Community development/housing	2,319,125	5,226,574	5,267,951	3,451,491	5,165,907
Economic development	691,350	629,397	43,321	186,584	463,045
Operating grants and contributions	33,379,186	35,167,186	42,894,135	25,099,244	27,032,700
Capital grants and contributions	2,000,063	2,194,454	2,609,542	4,806,465	3,363,352
Total governmental activities program revenues	<u>55,499,824</u>	<u>67,266,151</u>	<u>75,906,462</u>	<u>56,465,132</u>	<u>56,668,681</u>
Business-type activities:					
Charges for services:					
Refuse services	38,923,942	40,529,067	41,846,007	45,004,548	48,524,914
Marina operations and maintenance	6,242,357	6,709,274	6,435,644	5,793,447	6,934,118
Sewer services	13,090,534	14,880,418	19,868,359	23,979,787	24,344,044
Clean storm water	2,068,847	2,087,827	2,064,770	2,061,279	3,949,602
Permit service center	17,911,716	15,774,949	18,579,481	17,803,610	16,685,852
Parking related	13,062,773	13,349,457	12,396,672	12,332,740	14,215,039
Building purchase and management	2,216,349	2,256,349	1,978,447	2,841,172	2,734,674
Operating and capital grants and contributions	383,930	99,845	5,250	535,569	-
Total business-type activities program revenues	<u>93,900,448</u>	<u>95,687,186</u>	<u>103,174,630</u>	<u>110,352,152</u>	<u>117,388,243</u>
Total primary government revenues	<u>\$ 149,400,272</u>	<u>\$ 162,953,337</u>	<u>\$ 179,081,092</u>	<u>\$ 166,817,284</u>	<u>\$ 174,056,924</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (182,923,146)	\$ (176,878,011)	\$ (166,452,008)	\$ (237,188,008)	\$ (264,920,595)
Business-type activities	16,038,085	18,941,727	15,879,837	16,788,418	11,995,560
Total primary government net (expense)/revenue	<u>\$ (166,885,061)</u>	<u>\$ (157,936,284)</u>	<u>\$ (150,572,171)</u>	<u>\$ (220,399,590)</u>	<u>\$ (252,925,035)</u>

2020	2021	2022	2023	2024
\$ 36,361,812	\$ 37,969,856	\$ 32,819,873	\$ 41,379,815	\$ 54,948,628
157,090,127	149,237,352	111,224,119	152,870,594	189,954,425
24,788,042	16,721,534	20,097,032	22,670,725	23,940,035
40,673,233	41,577,559	37,029,496	40,215,932	44,536,312
45,695,251	51,985,738	42,017,875	50,969,408	65,781,017
34,523,756	32,758,249	37,658,556	47,547,871	47,567,773
6,704,853	5,627,518	6,376,040	5,740,020	6,756,744
5,336,107	5,527,301	6,196,846	7,856,844	7,966,078
351,173,181	341,405,107	293,419,837	369,251,209	441,451,012
15,216,074	10,744,575	14,285,865	13,858,277	13,583,464
6,822,452	7,234,475	6,102,667	7,319,483	7,751,997
16,210,405	17,247,422	16,748,645	15,051,171	15,079,287
2,290,427	2,631,714	2,750,543	3,806,181	3,644,030
44,402,312	44,269,653	43,158,125	49,800,325	55,655,272
20,565,515	19,589,787	17,184,988	19,014,775	23,061,585
2,819,469	2,468,796	2,491,713	2,798,937	2,937,367
108,326,654	104,186,422	102,722,546	111,649,149	121,713,002
\$ 459,499,835	\$ 445,591,529	\$ 396,142,383	\$ 480,900,358	\$ 563,164,014
\$ 3,131,573	\$ 4,397,955	\$ 8,330,119	\$ 6,898,201	\$ 6,187,268
9,067,824	10,187,676	10,912,787	15,915,575	16,671,805
2,722,787	1,400,964	3,699,746	3,593,027	2,303,515
1,163,819	1,087,713	2,713,528	2,122,437	2,831,863
1,202,687	2,317,382	4,087,107	4,406,883	5,232,751
7,074,535	6,298,729	20,312,417	17,574,961	14,291,139
-	-	-	895,612	293,373
30,366,687	37,789,826	78,791,428	74,869,544	51,339,948
7,037,595	17,948,256	11,585,728	3,533,695	8,279,025
61,767,507	81,428,501	140,432,860	129,809,935	107,430,687
21,413,637	47,254,269	49,557,551	50,887,731	51,122,638
6,304,333	8,933,581	6,113,093	6,561,217	6,925,076
23,533,991	26,495,328	25,558,093	24,385,878	23,353,988
4,062,103	4,135,134	4,328,800	4,421,484	4,460,037
11,268,937	21,999,153	30,544,861	27,856,023	20,234,664
48,721,810	5,866,541	11,034,615	13,183,193	14,499,073
2,810,620	2,768,005	2,860,859	2,559,540	2,559,612
-	-	-	-	-
118,115,431	117,452,011	129,997,872	129,855,066	123,155,088
\$ 179,882,938	\$ 198,880,512	\$ 270,430,732	\$ 259,665,001	\$ 230,585,775
\$ (289,405,674)	\$ (259,976,606)	\$ (152,986,977)	\$ (239,441,274)	\$ (334,020,325)
9,788,777	13,265,589	27,275,326	18,205,917	1,442,086
\$ (279,616,897)	\$ (246,711,017)	\$ (125,711,651)	\$ (221,235,357)	\$ (332,578,239)

Continued

**Schedule II**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes, levied for general purposes	\$ 70,348,949	\$ 73,726,035	\$ 80,791,426	\$ 85,758,114	\$ 92,655,664
Property taxes, levied for debt service	7,684,617	7,822,325	7,231,134	7,803,416	9,334,683
Property taxes for special purposes:					
Library	15,971,859	16,454,651	17,316,575	18,125,394	19,086,897
Parks	9,652,446	9,951,462	11,704,798	12,307,839	12,960,911
Paramedic	2,586,719	2,665,478	2,759,600	2,822,459	2,964,822
Fire	4,119,965	4,201,668	4,431,198	4,643,707	4,889,292
Sales taxes	16,583,124	17,111,938	20,577,996	17,944,285	18,857,882
Utility users taxes	14,387,874	14,337,343	14,186,649	15,199,534	14,688,225
Transient occupancy taxes	6,245,833	7,131,568	7,879,633	7,753,933	8,754,269
Business license tax	15,370,377	16,102,328	18,773,158	19,500,558	25,805,130
Other taxes	3,135,412	3,860,198	3,582,337	7,617,254	22,144,726
Unrestricted motor vehicle fees	-	-	-	-	-
Other unrestricted state subventions	400,987	389,343	389,424	387,332	390,434
Contributions not restricted to specific programs	1,226,855	221,637	195,733	362,374	265,286
Interest and investment earnings	4,125,873	2,506,398	3,415,952	1,821,527	3,282,904
Insurance reimbursement	-	-	-	-	-
Miscellaneous	6,924,698	3,445,882	2,169,816	4,671,918	2,871,625
Gain/loss on sale of capital assets	1,156,367	90,971	71,608	-	-
Extraordinary gain/(loss)	-	988,313	-	-	-
Transfers	1,249,232	(85,691)	(74,271)	92,978	1,030,495
Total governmental activities	<u>181,171,187</u>	<u>180,921,847</u>	<u>195,402,766</u>	<u>206,812,622</u>	<u>239,983,245</u>
<b>Business-type activities</b>					
Interest and investment earnings	387,021	27,918	168,021	123,865	280,816
Miscellaneous	-	-	-	-	323,866
Gain on sale of capital assets	3,293	-	332	-	-
Transfers	(1,249,232)	85,691	74,271	(92,978)	(1,030,495)
Total business-type activities	<u>(858,918)</u>	<u>113,609</u>	<u>242,624</u>	<u>30,887</u>	<u>(425,813)</u>
Total primary government	<u>\$ 180,312,269</u>	<u>\$ 181,035,456</u>	<u>\$ 195,645,390</u>	<u>\$ 206,843,509</u>	<u>\$ 239,557,432</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 21,216,848 -2	\$ (2,001,301)	\$ 18,524,751	\$ 40,360,614	\$ 2,795,237
Business-type activities	7,658,016	16,151,695	19,184,352	15,910,724	16,362,605
Total primary government	<u>\$ 28,874,864</u>	<u>\$ 14,150,394</u>	<u>\$ 37,709,103</u>	<u>\$ 56,271,338</u>	<u>\$ 19,157,842</u>

Continued



2020	2021	2022	2023	2024
\$ 114,315,762	\$ 126,973,349	\$ 153,440,402	\$ 135,683,027	\$ 135,671,723
9,462,115	12,183,689	12,790,133	17,054,302	17,912,829
20,375,089	20,710,050	22,351,009	24,057,930	24,938,675
13,865,074	14,582,521	15,737,217	16,942,876	17,620,173
3,156,883	3,237,447	3,426,681	3,607,795	3,741,579
5,218,308	5,298,142	18,224,563	14,762,117	15,317,016
18,253,632	17,619,492	19,976,288	19,922,287	19,965,109
13,557,384	13,876,525	15,001,999	17,606,482	16,795,837
7,040,883	3,114,546	6,976,513	9,284,123	8,824,385
28,763,018	25,363,297	28,322,034	30,483,345	31,244,527
22,962,304	23,384,480	27,160,604	28,327,153	31,815,281
-	-	-	-	-
388,062	385,644	384,008	392,433	388,936
443,939	653,399	1,031,485	533,982	790,144
13,099,214	7,887,837	(15,823,184)	5,449,667	30,456,778
3,597,947	-	-	-	26,130
1,564,914	890,427	1,975,103	1,167,004	1,762,526
17,825	447,058	263,857	109,382	69,223
-	-	-	-	-
(526,148)	(1,296,542)	(7,690,324)	121,148	2,036,677
275,556,205	275,311,361	303,548,388	325,505,053	359,377,548
3,592,813	47,274	(5,518,709)	(641,043)	5,905,335
-	-	-	-	-
11,434	(10)	-	1,847	-
526,148	1,296,542	7,690,324	(121,148)	(2,036,677)
4,130,395	1,343,806	2,171,615	(760,344)	3,868,658
\$ 279,686,599	\$ 276,655,167	\$ 305,720,003	\$ 324,744,709	\$ 363,246,206
\$ (13,849,470)	\$ 15,334,756	\$ 150,561,411	\$ 86,063,779	\$ 25,357,223
13,919,172	14,609,395	29,446,941	17,445,573	5,310,744
\$ 69,702	\$ 29,944,151	\$ 180,008,352	\$ 103,509,352	\$ 30,667,967
				Concluded

**Schedule III**  
**Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2015	2016	2017	2018	2019
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ 75,000	\$ 142,342	\$ -
Restricted	3,648,330	3,595,304	4,255,304	3,755,304	3,696,971
Committed	-	-	-	-	-
Assigned	3,830,670	3,686,427	3,015,329	33,373,367	42,666,449
Unassigned	45,810,050	57,742,775	56,312,803	46,614,130	46,872,247
Total general fund	<u>\$ 53,289,050</u>	<u>\$ 65,024,506 <sup>(4)</sup></u>	<u>\$ 63,658,436 <sup>(4)</sup></u>	<u>\$ 83,885,143 <sup>(4)</sup></u>	<u>\$ 93,235,667</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 3,024,783	\$ -	\$ 894,467	\$ -	\$ 485,140
Restricted	135,592,436	146,652,555	171,561,176	213,078,230	172,741,247
Committed	-	-	-	-	56,528,083
Assigned	12,140,810	13,741,138	9,654,440	9,098,207	14,406,925
Unassigned	(5,111,970)	(4,055,850)	(6,003,579)	(5,458,232)	(144,666)
Total all other governmental funds	<u>\$ 145,646,063</u>	<u>\$ 156,337,845 <sup>(4)</sup></u>	<u>\$ 176,106,504 <sup>(4)</sup></u>	<u>\$ 216,718,205 <sup>(4)</sup></u>	<u>\$ 244,016,729</u>

<sup>(1)</sup> Restated in 2009 due an adjustment in receivables in Capital Project funds

<sup>(2)</sup> Restated in 2010 due to implementation of GASB54 in FY2011 for new fund balances definition

<sup>(3)</sup> 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

<sup>(4)</sup> Implementation of GASB 63 and 65 adding "Deferred Inflows of Resources" on the Balance Sheet in Governmental Funds.

2020	2021	2022	2023	2024
\$ -	\$ -	\$ -	\$ -	\$ 660,000
4,820,212	6,196,569	13,817,991	31,121,862	38,165,215
-	29,744,146	46,879,379	40,677,503	54,289,457
44,704,796	19,577,650	12,162,510	16,752,951	30,337,661
48,544,061	56,363,765	75,183,598	69,914,828	29,576,925
<u>\$ 98,069,069</u>	<u>\$ 111,882,130</u>	<u>\$ 148,043,478</u>	<u>\$ 158,467,144</u>	<u>\$ 153,029,258</u>
\$ 485,140	\$ 1,127,417	\$ 485,140	\$ -	\$ -
199,051,339	243,027,178	304,059,510	321,211,757	350,175,515
51,007,441	47,508,039	60,737,146	80,422,023	98,847,541
12,830,506	9,544,337	7,131,097	17,158,568	19,402,216
(385,951)	(6,579,910)	(8,135,717)	(2,011,008)	(21,177,919)
<u>\$ 262,988,475</u>	<u>\$ 294,627,061</u>	<u>\$ 364,277,176</u>	<u>\$ 416,781,340</u>	<u>\$ 447,247,353</u>

**Schedule IV**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	2015	2016	2017	2018	2019
<b>Revenues:</b>					
Taxes	\$ 167,926,924	\$ 182,816,853	\$ 202,424,662	\$ 232,141,241	\$ 248,703,772
Licenses and permits	747,408	322,629	556,331	1,112,474	1,901,597
Intergovernmental	43,545,804	49,367,193	38,700,204	32,196,279	28,956,505
Charges for service	13,462,066	15,763,295	18,690,214	17,369,445	16,925,097
Fines and penalties	6,458,690	6,761,750	6,664,490	7,250,933	5,722,785
Rents and royalties	790,282	1,024,276	575,071	1,167,208	1,149,890
Franchise	1,820,785	1,880,847	2,458,817	2,188,386	1,980,538
Private contribution and donations	221,637	195,733	362,374	265,287	462,613
Investment income/ (loss)	2,546,848	3,329,771	1,821,528	3,282,923	8,973,164
Miscellaneous	2,655,600	1,445,540	4,144,140	1,591,740	1,768,486
<b>Total revenues</b>	<b>240,176,044</b>	<b>262,907,887</b>	<b>276,397,831</b>	<b>298,565,916</b>	<b>334,471,702</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	29,951,904	29,742,445	42,974,661	35,642,792	33,491,216
Public safety	92,726,601	98,101,003	104,685,885	104,307,579	113,030,306
Highway and streets	14,417,722	12,762,905	13,933,075	12,214,301	19,110,976
Health and welfare	19,390,326	21,140,809	24,536,400	26,518,050	30,807,652
Culture-recreation	32,825,401	34,226,586	39,520,665	38,347,719	43,279,764
Community development and housing	16,204,711	16,626,123	19,820,452	22,547,249	23,682,683
Economic development	3,845,172	4,252,971	2,341,947	2,633,706	5,022,535
Capital outlay	7,027,752	14,020,367	7,660,615	17,383,694	-
<b>Debt service:</b>					
Principal repayment	8,370,956	2,160,325	10,964,272	5,295,707	6,734,693
Interest and fiscal charges	4,461,272	4,893,120	4,761,036	5,181,299	5,477,207
Debt issuance costs	-	-	-	-	-
Bonds issuance costs	57,500	428,417	214,700	243,954	-
TRAN issuance costs	-	-	-	-	64,800
<b>Capital outlay:</b>					
Highway and streets	-	-	-	-	4,460,002
Culture-recreation	-	-	-	-	2,295,544
<b>Total expenditures</b>	<b>229,279,317</b>	<b>238,355,071</b>	<b>271,413,708</b>	<b>270,316,050</b>	<b>287,457,378</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>10,896,727</b>	<b>24,552,816</b>	<b>4,984,123</b>	<b>28,249,866</b>	<b>47,014,324</b>
<b>Other financing sources(uses):</b>					
Transfers in	18,483,505	20,583,750	22,965,817	61,850,103	28,993,415
Transfers out	(22,527,217)	(24,464,333)	(25,159,093)	(65,103,257)	(39,358,689)
Bonds issued	2,700,000	-	15,000,000	35,000,000	-
Premium on notes and loans issued	-	-	608,059	841,306	-
Face value of refunding bonds issued	-	36,680,000	-	-	-
Call Premium on refunding bonds	-	4,144,029	-	-	-
Payment to refunded bond escrow agent	-	(38,480,000)	-	-	-
Premium on debt issuance	-	(604,600)	-	-	-
Inception of leases and subscriptions	-	-	-	-	-
Insurance recoveries	-	-	-	-	17,927,255
Sale of capital assets	45,000	15,574	3,679	7,145	-
<b>Total other financing sources(uses)</b>	<b>(1,298,712)</b>	<b>(2,125,580)</b>	<b>13,418,462</b>	<b>32,595,297</b>	<b>(10,365,274)</b>
<b>Extraordinary gain/ (loss)</b>	<b>988,313</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 9,598,015</b>	<b>\$ 22,427,236</b>	<b>\$ 18,402,585</b>	<b>\$ 60,845,163</b>	<b>\$ 36,649,050</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>5.78%</b>	<b>3.15%</b>	<b>5.97%</b>	<b>4.15%</b>	<b>4.35%</b>

(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

2020	2021	2022	2023	2024
\$ 256,872,153	\$ 266,202,704	\$ 323,260,132	\$ 317,788,378	\$ 323,696,506
2,456,015	1,925,603	4,237,356	2,642,569	1,962,715
31,476,921	46,370,352	81,435,381	77,531,261	53,327,972
19,070,459	16,280,893	38,087,197	36,867,454	36,762,532
4,381,944	3,761,031	5,219,760	6,416,780	6,432,096
799,983	638,628	1,031,485	408,476	417,095
1,972,164	1,854,994	1,843,962	2,061,619	2,111,690
443,939	653,399	1,308,004	533,984	790,144
10,891,239	9,527,497	(11,233,433)	6,959,960	27,973,940
763,226	251,799	667,099	775,880	1,365,486
332,725,990	347,466,900	445,856,943	451,986,361	454,840,176
29,437,616	32,485,673	34,440,650	39,990,723	49,524,675
128,803,063	132,465,784	140,823,054	148,985,465	158,946,828
14,087,561	10,471,435	11,940,764	15,518,110	15,548,333
36,690,027	39,020,384	40,166,088	40,344,774	41,408,699
47,141,184	47,763,608	51,189,624	46,976,302	56,407,286
39,276,468	33,448,395	38,154,847	44,729,924	43,142,248
6,444,578	5,448,693	6,331,876	5,692,489	6,528,974
-	-	-	18,852,131	35,417,247 <sup>(1)</sup>
6,476,012	7,113,637	5,978,593	7,763,409	10,590,803
5,704,625	5,637,022	6,353,083	8,395,742	8,806,386
-	-	432,800	-	-
1,029,749	750,846	-	-	-
71,181	70,517	68,576	67,265	70,310
17,900,178	11,265,763	16,477,971	-	-
7,269,574	31,040,969	19,606,683	-	-
340,331,816	356,982,726	371,964,609	377,316,334	426,391,788
(7,605,826)	(9,515,826)	73,892,334	74,670,027	28,448,388
23,073,587	18,579,336	45,575,565	48,327,148	43,456,564
(31,089,237)	(25,093,830)	(61,840,769)	(60,755,347)	(49,005,773)
38,000,000	45,000,000	40,000,000	-	-
-	-	-	-	-
19,480,000	3,975,000	-	-	-
-	-	-	-	-
(21,185,000)	(4,765,000)	-	-	-
3,422,838	3,485,747	1,266,279	-	-
-	-	-	-	2,091,546
3,597,947	13,601,625	6,904,976	686,002	26,130
204	-	13,077	-	11,272
31,702,392	54,782,878	31,919,128	(11,742,197)	(3,420,261)
-	-	-	-	-
\$ 24,096,566	\$ 45,267,052	\$ 105,811,463	\$ 62,927,831	\$ 25,028,128
3.88%	4.06%	3.68%	4.51%	4.55%

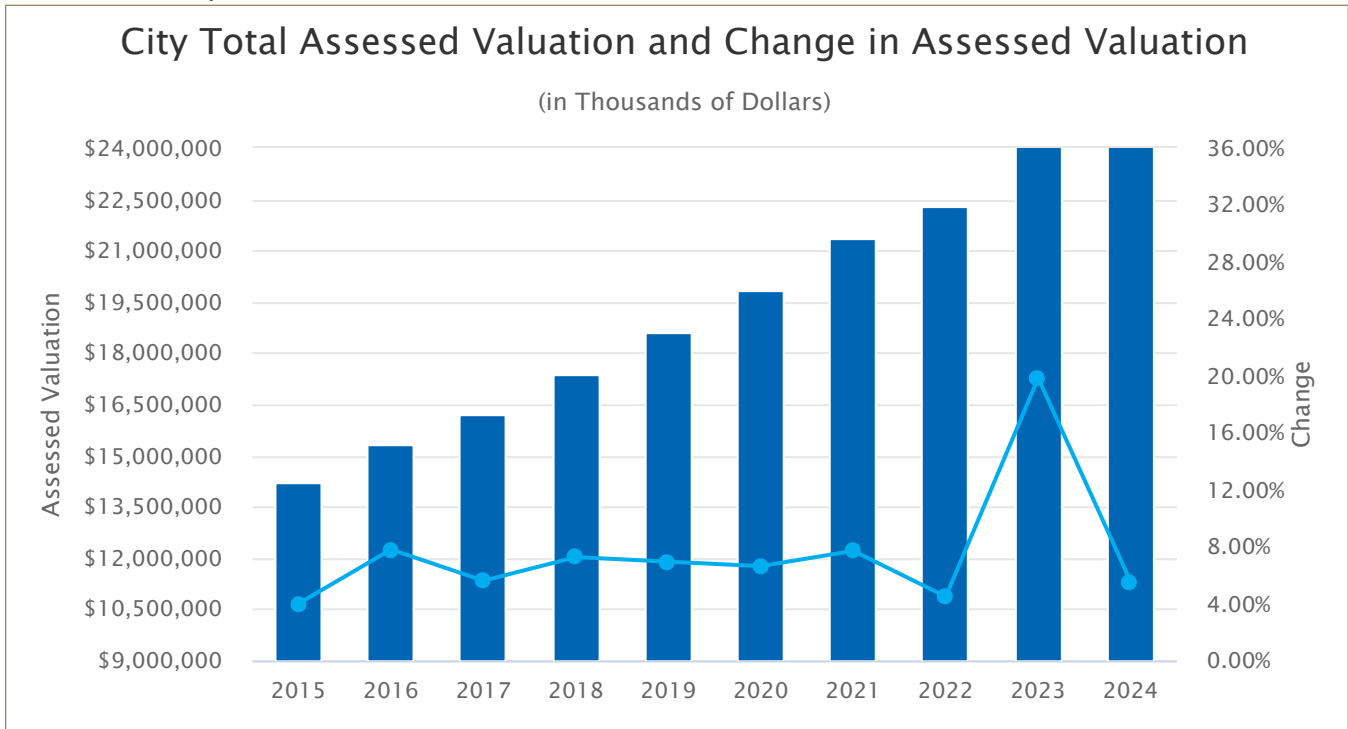
**Schedule V**  
**Assessed Value and Estimated Actual Values of Taxable Property**  
**Last Ten Fiscal Years**  
**(In Thousands of Dollars)**

Fiscal Year	Residential Property	Utility Property	Commercial and Industrial Property	Institutional Property	Less Exemptions:	Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2015	\$ 11,914,464	\$ 631	\$ 2,788,276	\$ 305,922	\$ (775,326)	\$ 14,233,968	10.51	\$ 14,233,968
2016	12,776,968	389	2,912,034	328,366	(675,233)	15,342,524	10.43	15,342,524
2017	13,647,543	389	3,081,314	329,444	(857,818)	16,200,872	10.45	16,200,872
2018	14,668,956	444	3,168,968	351,338	(813,189)	17,376,517	10.49	17,376,517
2019	15,708,398	444	3,303,496	387,419	(818,602)	18,581,155	10.44	18,581,155
2020	16,815,887	425	3,532,715	382,314	(920,145)	19,811,196	10.54	19,811,196
2021	18,152,371	425	3,705,511	378,658	(901,353)	21,335,612	10.54	21,335,612
2022	19,139,720	513	3,731,891	375,106	(955,797)	22,291,433	10.62	22,291,433
2023	22,693,396	513	4,497,777	402,405	(881,805)	26,712,286	10.62	26,712,286
2024	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 <sup>(1)</sup>	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	
2015	10.00	0.51	10.51	1.35	0.41	0.09	0.05	0.05	12.45
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	12.17
2018	10.00	0.49	10.49	1.22	0.31	0.01	0.02	0.08	12.14
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

**Note:**

<sup>(1)</sup> 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	2013		2023	
	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 <sup>(1)</sup>	<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 <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years <sup>(2)</sup>		
		Amount	Percentage of Levy	Secured	Unsecured	Total
2015	\$ 48,135	\$ 47,523	98.73%	\$ 478	\$ 134	\$ 611
2016	51,764	51,028	98.58%	607	128	736
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	1,008
2023	83,845	82,709	98.64%	907	229	1,136
2024	90,139	88,827	98.54%	1,059	253	1,312

Note:

<sup>(1)</sup> Levies include Secured and Unsecured Property.

<sup>(2)</sup> 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
2015	\$ 83,900	\$ 708	\$ 84,608	\$ 6,052	\$ 508	\$ 6,560
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

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
2015	20,073	1,922	21,995	8,549	-	30,544
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

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> See Schedule XIII for personal income and population data.

Source: City of Berkeley, Finance Department

Governmental Activities (long-term debt instruments only)						
Tax Allocation Bonds <sup>(1)</sup>	Other	Certificates of Participation (Net of premiums)	Certificates of Participation (premiums)	Total Certificates of Participation	Notes/Loans Payable	Total Governmental Activities
\$ -	\$ 2,009	\$ 5,445	\$ 378	\$ 5,823	\$ 10,312	\$ 109,312
-	4,141	5,345	374	5,719	9,784	111,379
-	3,271	5,235	359	5,594	9,131	114,888
-	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
-	3,320	-	-	-	3,777	227,243

Total Primary Government	Percentage of Personal Income <sup>(3)</sup>	Per Capita <sup>(3)</sup>
141,923	2.82%	1,177
143,788	2.74%	1,170
205,168	3.40%	1,450
197,735	3.78%	1,688
233,344	3.48%	1,688
231,223	3.91%	1,886
267,430	4.52%	2,290
299,075	4.51%	2,401
286,791	4.13%	2,321
274,890	3.46%	2,193

**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 <sup>(3)</sup>	Outstanding Debt Per Capita <sup>(3)</sup>
Fiscal Year Ended June 30,	General Obligation Bonds <sup>(1), (4)</sup>	Pension Refunding Bonds	Tax Allocation Bonds <sup>(2)</sup>	Certificates of Participation	Total		
2015	\$ 84,608	\$ 815	\$ -	\$ 5,823	\$ 91,246	0.64%	\$ 768
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

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> Net of resources restricted for the repayment of the principal of debt.

<sup>(2)</sup> 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.

<sup>(3)</sup> See Schedule XIII for personal income and population data.

<sup>(4)</sup> 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, 2024**  
**(In Thousands of Dollars, except assessed valuation)**

2023-2024 Assessed Valuation: \$ 28,189,621

	Debt Outstanding 6/30/2024	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt 6/30/2024
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Alameda County	\$ 497,219	6.94%	\$ 34,507
Bay Area Rapid Transit District	2,441,159	2.76%	67,376
Peralta Community College District	434,305	18.70%	81,215
Berkeley Unified School District	291,994	100.00%	291,994
City of Berkeley (GO bonds net of premium)	202,670	100.00%	202,670
City of Berkeley (GO bonds premium)	10,305	100.00%	10,305
City of Berkeley Community Facilities District No. 1	-	4.33%	0
East Bay Regional Park District	6,258	100.00%	6,258
City of Berkeley Thousand Oaks Heights AFUU Assessment District	805	100.00%	805
Subtotal overlapping tax and assessment debt			695,130
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Alameda County and Coliseum Obligations	\$ 656,657	6.94%	\$ 45,572
Alameda-Contra Costa Transit District Certificates of Participation	10,416	8.17%	851
Peralta Community College District Pension Obligations	115,176	18.70%	21,538
City of Berkeley Revenue bonds (Governmental activities)	6,417	100.00%	6,417 <sup>(1)</sup>
City of Berkeley Revenue bonds premium (Governmental activities)	754	100.00%	754 <sup>(1)</sup>
City of Berkeley Certificates of Participation (Governmental activities)	-	100.00%	0 <sup>(1)</sup>
City of Berkeley Certificates of Participation premium (Governmental activities)	-	100.00%	0 <sup>(1)</sup>
City of Berkeley Capital Leases & SBITAs (Governmental activities)	3,411	100.00%	3,411 <sup>(1)</sup>
City of Berkeley Notes and Loans Payable (Governmental activities)	3,777	100.00%	3,777 <sup>(1)</sup>
Subtotal overlapping General Fund debt			\$ 82,320
Overlapping tax increment debt:	-	100.00%	-
TOTAL DIRECT DEBT			227,334
TOTAL OVERLAPPING DEBT			550,116
<b>COMBINED TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 777,450<sup>(2)</sup></b>

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.

<sup>(1)</sup> Excludes issue to be sold.

<sup>(2)</sup> 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)**

	2015	2016	2017	2018	2019
Debt limit	\$ 2,135,095	\$ 2,301,379	\$ 2,430,131	\$ 2,606,477	\$ 2,787,173
Debt applicable to limit	84,608	85,761	91,495	117,520	111,920
Legal debt margin	<u>\$ 2,050,487</u>	<u>\$ 2,215,618</u>	<u>\$ 2,338,636</u>	<u>\$ 2,696,853</u>	<u>\$ 2,675,253</u>
Total net debt applicable to the limit as a percentage of debt limit	4.13%	3.87%	3.91%	4.36%	4.18%

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 2024

Assessed Value	\$	28,189,621
Debt limit		4,228,443
Debt applicable to limit:		202,670
Legal Debt Margin	\$	<u>4,025,773</u>

2020	2021	2022	2023	2024
\$ 2,971,679	\$ 3,200,342	\$ 3,343,715	\$ 4,006,843	\$ 4,228,443
142,905	181,995	181,995	210,550	202,670
<u>\$ 2,828,774</u>	<u>\$ 3,018,347</u>	<u>\$ 3,343,715</u>	<u>\$ 3,796,293</u>	<u>\$ 4,025,773</u>
5.05%	6.03%	10.92%	5.55%	5.03%

**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)		
2015	118,853	4,950,941	41,656	32 <sup>(8)</sup>	9,410	37,581	4.0%
2016	119,915	5,111,617	42,627 <sup>(8)</sup>	31	9,785	38,204	3.8%
2017	121,238	5,168,012	42,627 <sup>(8)</sup>	31	9,410	40,173	3.4%
2018	121,874	5,436,921	44,611 <sup>(8)</sup>	31	10,340	41,910	2.7%
2019	123,328	5,640,776	45,738 <sup>(8)</sup>	31	10,194	42,501	3.1%
2020	122,580	5,911,911	48,229 <sup>(8)</sup>	31	9,844	43,185	13.5%
2021	116,761	5,910,325	50,619 <sup>(8)</sup>	31	9,409	42,327	6.7%
2022	124,563	6,624,385	53,181 <sup>(8)</sup>	32	9,177	45,036	3.1%
2023	123,562	6,940,230	56,168 <sup>(8)</sup>	32	9,073	45,307	4.2%
2024	125,327	7,934,452	63,310 <sup>(8)</sup>	33	9,077	45,699 45,307	4.70%

Source:

- <sup>(1)</sup> California State Dept. of Finance - Population Research Unit (as of January 1)
- <sup>(2)</sup> Association of Bay Area Governments, U.S. Census
- <sup>(3)</sup> From [www.bayareacensus.ca.gov/cities/Berkeley.htm](http://www.bayareacensus.ca.gov/cities/Berkeley.htm)
- <sup>(4)</sup> Association of Bay Area Governments, Bay Area Census
- <sup>(5)</sup> Berkeley Unified School District from California Department of Education
- <sup>(6)</sup> University of California
- <sup>(7)</sup> From State of California Employment Development Department - Labor market Information Division
- <sup>(8)</sup> From U.S. Census Bureau



**Schedule XIV  
Principal Employers  
Current Year and Ten Years Ago**

Employer	2014			2024		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
University of California Berkeley	14,808	1	22.58%	13,847	1	21.26%
Lawrence Berkeley National Laboratory	3,443	2	5.25%	3,581	2	5.50%
Sutter East Bay Medical Foundation/ Hospitals	2,393	3	3.65%	2,031	3	3.12%
Berkeley Unified School District	1,772	4	2.70%	1,767	4	2.71%
City of Berkeley	1,323	5	2.02%	1,764	5	2.71%
Bayer Coporation	1,208	6	1.84%	979	6	1.50%
Kaiser Permanente Medical Group	585	7	0.89%	959	7	1.47%
Siemens Energy Generation Service				594	8	0.91%
Berkley Bowl Produce	532	8	0.81%	586	9	0.90%
YMCA of The Central Bay Area				542	10	0.83%
Pyramid Acquisition II Management LLC	504	9	0.77%			0.00%
Berkeley Young Mens Christian	403	10	0.61%			0.00%
Total	26,971		41.12%	26,650		40.91%

Source: City of Berkeley, Office of Economic Development

**Schedule XV**  
**Full-time-Equivalent City Governmental Employees by Function/Program**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019
<u>Function/Program</u>					
General Government	172.00	175.78	172.28	186.72	197.25
Police	273.00	273.00	272.00	272.00	283.20
Fire	139.00	140.00	140.00	148.00	149.00
Health Services	122.95	121.05	130.25	145.85	145.85
Culture and Recreation	98.88	98.88	96.50	101.50	156.12
Community Development/Housing	41.05	41.05	43.55	38.05	87.33
Economic Development <sup>(1)</sup>	5.85	5.85	5.85	3.00	7.00
Library	101.33	105.95	107.95	110.15	116.10
Planning	61.30	65.00	71.50	82.08	94.80
Public Works/Transportation	285.60	289.60	292.60	295.60	300.60
Rent Board	21.95	19.75	20.60	22.75	22.55
<b>Total</b>	<b>1,322.91</b>	<b>1,335.91</b>	<b>1,353.08</b>	<b>1,405.70</b>	<b>1,559.80</b>

**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

<sup>(1)</sup> In FY2024, the Office of Economic Development is included in the City Manager's Office total FTE count.

Source: City Manager - Budget Office

2020	2021	2022	2023	2024
205.75	207.00	214.00	236.25	249.25
288.20	288.20	292.20	318.20	308.00
153.00	153.00	153.00	203.00	205.00
145.85	145.85	145.85	145.85	145.85
155.37	155.37	159.87	165.62	113.00
100.33	100.33	114.73	119.73	92.35
7.00	7.00	7.00	8.00	-
116.05	116.05	115.60	115.60	118.60
103.40	103.40	110.33	116.04	108.04
320.50	320.50	323.00	340.00	341.94
22.35	22.35	24.55	23.55	25.00
<u>1,617.80</u>	<u>1,619.05</u>	<u>1,660.13</u>	<u>1,791.84</u>	<u>1,707.03</u>

**Schedule XVI**  
**Operating Indicators**  
**Last three fiscal years**

FUNCTION/PROGRAM	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
General government			
Building Permits Issued			
Residential Permits Issued	3,310	3,051	3,132
Residential Permits Value	\$ 139,594,705	\$ 165,941,720	\$ 180,330,982
Mixed Use Issued	27 <sup>(1)</sup>	21 <sup>(1)</sup>	11 <sup>(1)</sup>
Mixed Use Value	\$ 78,653,762 <sup>(1)</sup>	\$ 79,161,268 <sup>(1)</sup>	\$ 62,338,634 <sup>(1)</sup>
Commercial Permits Issued	267	268	237
Commercial Permits Value	\$ 205,439,402	\$ 196,764,392	\$ 105,355,791
Residential Parking Permits			
Number of Daily Permits Issued	12,118	16,299	119,810
Number of 14 Day Permits Issued	1,109	1,247	875
Number of Annual Permits Issued	13,076	12,562	13,057
City Clerk			
Number of Council Resolutions Passed	482	491	495
Number of Ordinances Passed	50	50	47
Number of Contracts Passed	511	459	551
General Services			
Number of Purchase Orders Issued	4,534	5,000	5,075
Police			
Physical Arrests	2,144	2,469	1,977
Parking Violations	128,271	146,919	143,123
Traffic (moving) Violations	1,351	2,034	2,278
DUI Arrests	111	137	100
Fire			
Structure Fires	73	88	76
Vehicle Fire	29	31	26
Other Fires	238	308	400
Medical Calls	9,562	10,437	10,765
Haz-mat Calls	663	723	241
Other Calls	4,622	5,590	6,021
Out of City	38	40	23
Department of Health Services			
Health Inspections and Permits	1,811	2,300	2,399
Public Health Services Encounters	128,812	84,652	71,216
Mobile Crisis Visits	1,184	977	863
Housing and Community Services Department			
Home Delivered Meal	81,520	85,716	83,060
Summer and year-round jobs provided for youth	137	244	403
Library			
Number of visits made to Library Branches	564,021	618,074	697,967
Number of people that are registered library card holders	143,372	143,840	157,190
Number of times materials from the library circulated (items checked out)	1,397,939	1,436,269	1,429,524

(Continued)

**Notes**

- <sup>(1)</sup> Mixed Use previously categorized between residential and commercial based on dominate property use.
- <sup>(2)</sup> "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.
- <sup>(3)</sup> 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

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
FUNCTION/PROGRAM			
Solid Waste Management			
Transfer Station Customers	132,296 <sup>(2)</sup>	125,141 <sup>(2)</sup>	116,634 <sup>(2)</sup>
Total incoming tons at transfer station			
Refuse and C&D	90,217	85,494	82,024
Organics	29,336 <sup>(3)</sup>	30,505 <sup>(3)</sup>	32,155 <sup>(3)</sup>
Total incoming tons	119,553 <sup>(3)</sup>	115,999 <sup>(3)</sup>	114,179 <sup>(3)</sup>
Landfilled Tons	74,833	71,400	68,914
Recycled /Composted Tons	43,742	47,506	46,117
Total tons exiting transfer station	118,575	118,906	115,032
Recycling Method			
Recycled/Composted tons:			
Organics collection to compost facility	20,102	20,253	20,848
Organics - public to compost facility	9,234	10,252	11,306
Transfer Station Salvage	780	785	744
C&D Diverted at sorting facility	12,831	15,482	15,056
Add 'I' TS Diversion Programs	795	735	611
TOTAL TRANSFER STATION DIVERSION	43,742	47,507	48,565
Buyback drop-off	2,607	2,794	2,720
Residential Curbside	7,996	7,506	6,720
Commercial recycling	4,849	5,251	5,080
TOTAL RECYCLING COLLECTION at CCC (Not at transfer station)	15,452	15,551	14,520
TOTAL CITY CONTROLLED DIVERSION	59,194	63,058	63,085
Other Public Works			
Street Resurfacing/Overlay/Reconstruction (miles)	3	3	8
ADA Compliance: New Curb Ramps	42	46	94
Traffic Circles - Cumulative	57	57	60
Street Poles with Lights - Cumulative	7,960	8,036	7,889
Marina			
Number of Berths	1,032	1,032	1,023
Number of Occupied Berths	850	886	859
Number of new berthers	172	178	185
Number of paid launchers	5,927	6,076	5,098
Launch Ramp Total Revenue	\$ 94,832	\$ 97,216	\$ 86,671
Parking			
Number of Pay and Display Meters Operating	230	241	221
Number of Single Space Meters Operating	2,017	2,031	2,026
Planning and Development Department			
Customers Served	31,427	28,117	29,752
Building & Safety Inspections Performed	25,339	28,600	28,192
Toxics: CUPA Inspections	495	316	370
Sanitary Sewer			
Number of Customer Accounts Billed	33,548	32,951	32,918 (Concluded)

**Schedule XVII**  
**Capital Asset Statistics by Function/Program**  
**Last three fiscal years**

Function/Program	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Police			
Number of Stations	2	2	2
Parking Enforcement Vehicles	48	48	48
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	37	35	35
Support Vehicles	20	24	22
Transfer Tractors	8	8	8
Transfer Trailers	8	8	8
Other Public Works			
Streets (miles)	215	215	215
Streetlights	7,960	8,036	8,083
Traffic Signals	143	145	149
Sidewalks (miles)	400	375	375
Parks and Recreation			
Number of Parks	54	54	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	6	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 <sup>(1)</sup>			
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	1,249	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)**

**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, 2024**

Security Type	Market Value	Book Value
U.S. agency securities	\$ 425,927,397	446,786,290
Municipal bond	4,928,350	5,011,010
Medium term notes	103,942,516	105,801,071
Money market	176,318,460	176,318,460
<b>Total</b>	<b>711,116,723</b>	<b>733,916,832</b>

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 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:

<b>City of Berkeley Property Tax Collections and Delinquencies (Fiscal Year Ended June 30, 2024) (In Thousands of Dollars)</b>		
Total Property Tax Levied	Delinquent Property Taxes	Percent Delinquent
\$90,139	\$1,312	1.46%

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:

<b>Election</b>	<b>Authorized Amount</b>	<b>Unissued (as of 6/30/2024)</b>	<b>Bond Issue</b>	<b>Outstanding (as of 6/30/2024)</b>
1992	\$55,000,000	\$0*	2015 Bonds (Refunded 2002 Bonds, 2007 A Bonds, 2007 B Bonds, 2008 Bonds)	\$16,300,000
1996	\$49,000,000	\$0		
2002	\$7,200,000	\$0		
2008	\$26,000,000	\$0	2020A Bonds (Refunded 2009 Bonds) 2020B Bonds (Refunded 2010 Bonds)	\$6,655,000 \$9,920,000
2012	\$30,000,000	\$0	2014 Bonds 2016 Bonds	\$11,940,000 \$12,995,000
2016	\$100,000,000	\$20,000,000	2017 Bonds 2021 Bonds	\$28,985,000 \$41,750,000
2018	\$135,000,000	\$57,000,000	2020 Bonds 2022 Bonds	\$34,930,000 \$39,195,000
<b>Total</b>	<b>\$402,200,000</b>	<b>\$77,000,000</b>		<b>\$202,670,000</b>

\* \$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, 2024).**

Fiscal Year	2014 G.O.Bonds	2015 G.O.Bonds	2016 G.O.Bonds	2017 G.O.Bonds	2020 G.O.Bonds (Measure O)	2020 G.O.Bonds (Series A)	2020 G.O.Bonds (Series B)	2021 G.O. Bonds	2022 G.O. Bonds	Total
2024-25	896,425	3,036,713	736,613	1,728,931	2,009,790	529,575	802,813	2,030,325	2,595,370	14,366,554
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
<b>Total</b>	<b>\$ 17,823,231</b>	<b>\$ 18,447,838</b>	<b>\$ 17,931,319</b>	<b>\$ 41,476,041</b>	<b>\$ 53,989,085</b>	<b>\$ 8,637,050</b>	<b>\$ 12,864,656</b>	<b>\$ 56,871,188</b>	<b>\$ 74,705,833</b>	<b>\$ 302,746,240</b>

Below are the amounts total outstanding principal and remaining interest of each above general obligation debt (as of June 30, 2024).

	2014 G.O.Bonds	2015 G.O.Bonds	2016 G.O.Bonds	2017 G.O.Bonds	2020 G.O.Bonds (Measure O)	2020 G.O.Bonds (Series A)	2020 G.O.Bonds (Series B)	2021 G.O. Bonds	2022 G.O. Bonds	Total
Remaining Principal	11,940,000.00	16,300,000.00	12,995,001.00	28,985,000.00	34,930,000.00	6,655,000.00	9,920,000.00	41,750,000.00	39,195,000.00	202,670,001.00
Remaining Interest	5,883,231.00	2,147,838.00	4,936,318.00	12,491,041.00	19,059,085.00	1,982,050.00	2,944,656.00	15,121,188.00	35,510,833.00	100,076,240.00
<b>Total</b>	<b>\$ 17,823,231</b>	<b>\$ 18,447,838</b>	<b>\$ 17,931,319</b>	<b>\$ 41,476,041</b>	<b>\$ 53,989,085</b>	<b>\$ 8,637,050</b>	<b>\$ 12,864,656</b>	<b>\$ 56,871,188</b>	<b>\$ 74,705,833</b>	<b>\$ 302,746,241</b>

**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, 2024): \$805,000

**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 2023-2024**

	Amount	Number of	Delinquency
Total Levy	Delinquent	Delinquent	Rate
		Parcels	
\$112,007	\$1,657	1	1.48%

**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: \$29,915,000

**B.** Balance in funds and accounts held by the Authority, the City or the Trustee relating to the Bonds as of June 30, 2024

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<sup>(1)</sup>)**

Year	Center Street Garage		Telegraph Channing Garage		Oxford Street Garage	
	Short-term <sup>(2)</sup>	Overall <sup>(3)</sup>	Short-Term <sup>(2)</sup>	Overall <sup>(3)</sup>	Short-term <sup>(2)</sup>	Overall <sup>(3)</sup>
2020 - Pandemic <sup>(5)</sup>	5%	12%	5%	9%	0%	0%
2021 - Pandemic <sup>(6)</sup>	32%	39%	22%	29%	0%	0%
2022 <sup>(7)</sup>	38%	47%	61%	66%	32%	39%
2023 <sup>(8)</sup>	65%	74%	80%	83%	86%	89%
2024 <sup>(9)</sup>	55%	64%	86%	88%	43%	51%

<sup>(1)</sup> Weekday peak parking – Tuesday through Thursday 10 a.m. to 2 p.m.

<sup>(2)</sup> Represents hourly parkers.

<sup>(3)</sup> Represents hourly parkers and monthly permit parkers.

<sup>(4)</sup> May 2020 data. Please note: In Q4 FY2020 (3/16/20), shelter-in-place orders due to the COVID-19 pandemic significantly affected City parking facilities. Due to safety concerns and reduced customer demand, the City closed the Oxford Garage and reduced hours at the Center Street and Telegraph Channing Garages. These remained in place through the end of the fiscal year.

<sup>(5)</sup> 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.

<sup>(6)</sup> April 2022 data. All garages open at full capacity.

<sup>(7)</sup> April 2023 data.

<sup>(8)</sup> April 2024 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**

<b>Fiscal Year Ended June 30:</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
<b>Assets</b>					
Current Assets:					
Cash and investments in treasury	\$ 1,395,917	\$ 34,277	\$ 1,145,652	\$ -	\$ -
Accounts receivables, net	376,247	348,562	379,048	221,540	199,933
Current portion of lease receivable			228,741	218,824	163,405
Total current assets	1,772,164	382,839	1,753,442	440,365	363,338
Noncurrent Assets:					
Lease receivable			1,032,739	813,915	780,408
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	48,771,160	46,876,972	44,941,841	43,006,708	41,071,576
Total capital assets, net	50,062,869	48,168,681	46,233,550	44,298,417	42,363,285
Total noncurrent assets	50,062,869	48,168,681	47,266,289	45,112,332	43,143,693
<b>Total assets</b>	<b>51,835,033</b>	<b>48,551,520</b>	<b>49,019,730</b>	<b>45,552,697</b>	<b>43,507,031</b>
<b>Deferred outflows of resources</b>					
Deferred pension items	186,454	188,917	97,302	278,739	263,555
Deferred OPEB items	-	-	59,567	52,349	46,129
<b>Total Deferred outflows of resources</b>	<b>186,454</b>	<b>188,917</b>	<b>156,868</b>	<b>331,088</b>	<b>309,684</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,199,138	221,479	40,208	-	285,887
Accrued salaries and wages	20,297	21,004	33,404	8,479	14,815
Accrued interest payable	89,555	179,063	85,150	82,488	79,730
Due to other funds	-	474,894	474,893	474,893	649,746
Compensated absences	4,308	3,709	-	3,825	217
Deposits held	5,566	5,566	5,559	5,566	5,566
Unearned revenues	-	-	-	-	-
Revenue bonds payable	760,000	760,000	840,000	870,000	905,000
Total current liabilities	2,078,864	1,665,715	1,479,214	1,445,250	1,940,961
Noncurrent liabilities:					
Compensated absences	22,601	19,459	-	20,069	1,141
Revenue bonds payable	34,143,046	33,237,246	32,289,347	31,356,447	30,388,548
Net pension liability	995,024	1,073,567	739,465	1,126,592	1,167,084
Net OPEB liabilities	170,590	100,075	53,383	54,792	51,236
Total noncurrent liabilities:	35,331,261	34,430,347	33,082,195	32,557,900	31,608,009
<b>Total liabilities</b>	<b>37,410,125</b>	<b>35,621,168</b>	<b>34,561,409</b>	<b>34,003,151</b>	<b>33,548,970</b>
<b>Deferred inflows of resources</b>					
Deferred pension items	47,836	92,961	242,061	26,038	9,231
Deferred OPEB items	-	-	134,455	121,523	117,373
Deferred lease revenue	-	-	1,246,876	1,007,154	882,146
<b>Total Deferred inflows of resources</b>	<b>47,836</b>	<b>92,961</b>	<b>1,623,392</b>	<b>1,154,715</b>	<b>1,008,750</b>
<b>Net Position</b>					
Net investment in capital assets	15,159,823	15,738,682	13,104,202	12,071,970	11,069,737
Unrestricted (deficit)	(596,297)	(3,187,268)	(112,405)	(1,346,050)	(1,810,742)
<b>Total Net Position</b>	<b>\$ 14,563,526</b>	<b>\$ 12,551,414</b>	<b>\$ 12,991,797</b>	<b>\$ 10,725,920</b>	<b>\$ 9,258,995</b>

**Table 3**  
**CITY OF BERKELEY**  
**Off Street Parking Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

<b>Fiscal Year Ended June 30:</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
<b>Revenues:</b>					
Center Street Garage	\$ 2,273,066	\$ 1,043,093	\$ 2,089,031	\$ 2,877,128	\$ 3,188,256
Oxford Garage	444,237	870	203,835	422,132	385,745
Telegraph Garage	884,430	344,194	1,184,198	1,313,252	1,322,782
Others	315,028	223,427	37,960	66,717	564,845
<b>Total revenues <sup>(1)</sup></b>	<b>3,916,761</b>	<b>1,611,584</b>	<b>3,515,024</b>	<b>4,679,229</b>	<b>5,461,628</b>
<b>Operating Expenses:</b>					
Personnel services	286,275	272,937	292,772	333,059	300,828
Employee benefits	256,254	206,868	72,190	169,117	204,905
Transportation	4,792	3,282	305	416	1,011
Repairs and maintenance	622,118	551,965	530,661	589,405	537,173
Materials and supplies	34,557	4,533	648	672	567
Utilities	265,501	232,946	247,044	271,964	349,928
Specialized and professional services	2,402,218	1,704,273	2,606,407	2,713,173	2,580,226
Depreciation	1,926,168	1,931,983	1,935,132	1,935,132	1,935,132
Communication	36,999	50,787	67,416	79,413	90,901
General administration	9,485	1,557	183,598	4,708	4,390
<b>Total operating expenses</b>	<b>5,844,367</b>	<b>4,961,131</b>	<b>5,936,173</b>	<b>6,097,059</b>	<b>6,005,061</b>
<b>Operating Income (Loss)</b>	<b>(1,927,599)</b>	<b>(3,349,547)</b>	<b>(2,421,149)</b>	<b>(1,417,830)</b>	<b>(543,433)</b>
<b>Non-operating revenues (expenses):</b>					
Other Financing Sources (uses):					
Investment earnings <sup>(2)</sup>	-	-	(120,510)	(31,039)	59,821
Interest expense	(1,157,646)	(1,121,735)	(950,038)	(1,009,088)	(975,393)
Gain (loss) on disposal of capital assets	-	-	-	-	-
<b>Total non-operating revenue (expenses)</b>	<b>(1,157,646)</b>	<b>(1,121,735)</b>	<b>(1,070,548)</b>	<b>(1,040,127)</b>	<b>(915,572)</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(3,085,245)</b>	<b>(4,471,282)</b>	<b>(3,491,697)</b>	<b>(2,457,957)</b>	<b>(1,459,005)</b>
Transfer in	-	1,910,250	3,940,000	200,000	-
Transfer out	(7,920)	(7,920)	(7,920)	(7,920)	(7,920)
<b>Change in net position</b>	<b>(3,093,165)</b>	<b>(2,568,952)</b>	<b>440,383</b>	<b>(2,265,877)</b>	<b>(1,466,925)</b>
Total Net Position - Beginning	17,656,691	15,120,366	12,551,414	10,725,920	10,725,920
Total Net Position - Ending	<u>\$ 14,563,526</u>	<u>\$ 12,551,414</u>	<u>\$ 12,991,797</u>	<u>\$ 8,460,043</u>	<u>\$ 9,258,995</u>

<sup>(1)</sup> Total revenues reflect audited figures prepared on a full accrual basis. Garage figures provided on a cash basis.

<sup>(2)</sup> 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**

<b>Fiscal Year Ended June 30:</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 3,884,015	\$ 2,311,101	\$ 3,947,180	\$ 6,054,781	\$ 5,881,267
Accounts receivables, net	27,054	11,957	15,523	28,809	86,415
Due from other fund	-	-	-	-	59,808
Total current assets	3,911,069	2,323,058	3,962,703	6,083,589	6,027,490
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	-	-
Construction in Progress	-	-	-	-	-
Buildings, property, equip. & infrastructure, net	773,347	437,132	563,544	473,910	1,475,287
Improvements other than buildings			215,701	220,933	220,933
Total capital assets, net	773,347	437,132	779,245	694,843	1,696,220
Total noncurrent assets	773,347	437,132	779,245	694,843	1,696,220
<b>Total assets</b>	<b>4,684,416</b>	<b>2,760,190</b>	<b>4,741,948</b>	<b>6,778,432</b>	<b>7,723,710</b>
<b>Deferred outflows of resources</b>					
Deferred pension items	1,211,280	1,283,582	864,262	1,955,525	1,942,828
Deferred OPEB items	-	-	237,433	209,205	203,831
<b>Total Deferred outflows of resources</b>	<b>1,211,280</b>	<b>1,283,582</b>	<b>1,101,695</b>	<b>2,164,730</b>	<b>2,146,660</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	304,379	288,625	199,771	11,750	45,268
Accrued salaries and wages	250,144	274,396	270,762	102,370	116,549
Accrued interest payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Compensated absences - due within one year	51,581	47,838	75,096	60,307	74,323
Deposits held	-	-	-	-	-
Notes payable - due within one year	-	-	-	-	-
Capital lease payable - due within one year	-	-	-	-	-
Revenue bonds payable - due within one year	-	-	-	-	-
Total current liabilities	606,104	610,859	545,629	174,427	236,140
Noncurrent liabilities:					
Compensated absences - due in more than one year	-	-	394,015	316,417	389,955
Revenue bonds payable - due in more than one year	270,636	-	-	-	-
Net pension liability	7,269,261	9,580,057	6,550,216	8,878,607	8,912,465
Net OPEB liabilities	8,996,404	8,559,686	586,764	592,275	589,203
Total noncurrent liabilities:	9,267,040	18,139,743	7,530,995	9,787,299	9,891,623
<b>Total liabilities</b>	<b>9,873,144</b>	<b>18,750,602</b>	<b>8,076,624</b>	<b>9,961,726</b>	<b>10,127,763</b>
<b>Deferred inflows of resources</b>					
Deferred pension items	-	-	1,455,888	156,608	142,554
Deferred OPEB items	341,213	418,226	580,507	529,930	526,345
Deferred lease revenue			-	-	-
<b>Total Deferred inflows of resources</b>	<b>341,213</b>	<b>418,226</b>	<b>2,036,395</b>	<b>686,538</b>	<b>668,899</b>
<b>Net Position</b>					
Net investment in capital assets	773,347	437,132	779,245	694,843	1,696,220
Unrestricted (deficit)	(5,092,008)	(7,002,502)	(5,058,621)	(2,399,944)	(2,622,513)
<b>Total Net Position</b>	<b>\$ (4,318,661)</b>	<b>\$ (6,565,370)</b>	<b>\$ (4,269,376)</b>	<b>\$ (1,705,102)</b>	<b>\$ (926,293)</b>

Source: City of Berkeley, Department of Finance.



**Table 5**  
**CITY OF BERKELEY**  
**Parking Meter Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

<b>Fiscal Year Ended June 30:</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
<b>Operating Revenues:</b>					
Parking meter revenues	\$ 7,352,176	\$ 4,254,957	\$ 7,519,591	\$ 8,503,964	\$ 9,037,445
<b>Total Revenues</b>	<u>7,352,176</u>	<u>4,254,957</u>	<u>7,519,591</u>	<u>8,503,964</u>	<u>9,037,445</u>
<b>Operating Expenses:</b>					
Personnel services	2,979,846	1,459,398	3,317,793	2,838,929	2,841,934
Employee benefits	2,798,124	1,463,511	1,914,678	1,894,233	1,825,884
Transportation	495,479	135,409	521,459	568,967	600,116
Repairs and maintenance	131,280	65,420	141,470	110,028	147,888
Materials and supplies	205,923	119,754	161,932	125,713	89,812
Utilities	12,195	10,630	9,259	13,500	13,387
Specialized and professional services	1,253,135	809,583	1,357,172	873,492	715,971
Depreciation	438,305	394,025	185,037	181,324	169,790
Communication	188,559	152,087	20,624	21,640	119,280
General administration	-	-	16,334	93,201	110,033
<b>Total Operating Expenses</b>	<u>8,502,846</u>	<u>4,609,817</u>	<u>7,645,758</u>	<u>6,721,027</u>	<u>6,634,095</u>
<b>Operating Income (Loss)</b>	<u>(1,150,670)</u>	<u>(354,860)</u>	<u>(126,167)</u>	<u>1,782,937</u>	<u>2,403,350</u>
<b>Non-operating Revenues (Expenses):</b>					
Investment earnings <sup>(1)</sup>	116,174	-	(166,901)	(167,723)	126,397
Interest expense	-	(149,551)	-	-	-
Gain(loss) of dispos. capital assets	-	(10)	-	-	-
<b>Total non-operating revenue (expenses)</b>	<u>116,174</u>	<u>(149,561)</u>	<u>(166,901)</u>	<u>(167,723)</u>	<u>126,397</u>
Net income (loss) before contributions and transfers	<u>(1,034,496)</u>	<u>(504,421)</u>	<u>(293,068)</u>	<u>1,615,214</u>	<u>2,529,747</u>
Transfers in <sup>(2)</sup>	-	-	4,340,000	2,700,000	-
Transfers out	(1,750,938)	(1,742,288)	(1,750,938)	(1,750,940)	(1,750,938)
<b>Change in net position</b>	<u>(2,785,434)</u>	<u>(2,246,709)</u>	<u>2,295,994</u>	<u>2,564,274</u>	<u>778,809</u>
Total Net Position - Beginning	<u>(1,533,227)</u>	<u>(4,318,661)</u>	<u>(6,565,370)</u>	<u>(4,269,376)</u>	<u>(1,705,102)</u>
Total Net Position - Ending	<u>\$ (4,318,661)</u>	<u>\$ (6,565,370)</u>	<u>\$ (4,269,376)</u>	<u>\$ (1,705,102)</u>	<u>\$ (926,293)</u>

<sup>(1)</sup> GASB 31 requires the City to record the unrecognized loss of investments to reflect the fair market value.

<sup>(2)</sup> 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:	2023-2024
<b>Off street parking enterprise operating revenues</b>	
Center street garage	\$ 3,113,527
Oxford garage	385,745
Telegraph/Channing garage	1,322,782
Telegraph/Channing mall rents	450,160
Other	110,356
<b>Total off street parking enterprise revenues</b>	5,382,570
<b>Off street parking enterprise operating expenses</b>	
Personnel	490,886
Non-personnel	3,169,858
Property and business interruption insurance for Center street garage	-
Parking management services	-
<b>Total off street parking enterprise expenses</b>	3,660,744
<b>NET OFF STREET PARKING REVENUES FOR COVERAGE</b>	\$ 1,721,826
<b>Parking meter enterprise operating revenues</b>	
Various lots	\$ 8,985,544
PSC transfer	-
<b>Total parking meter enterprise revenues</b>	8,985,544
<b>Parking Meter Enterprise Operating Expenses</b>	
Personnel	4,549,047
Non-personnel	1,796,486
<b>Total Parking Meter Enterprise Expenses</b>	6,345,533
<b>NET PARKING METER REVENUES FOR COVERAGE</b>	2,640,011
Draws from Rate Stabilization Fund	-
<b>TOTAL NET REVENUES FOR COVERAGE</b>	4,361,837
2016 Revenue bonds debt service	1,911,050
Coverage ratio (Off street parking fund only)	0.90
Coverage ratio (Off street parking fund and parking meter fund)	2.28

<sup>(1)</sup> 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, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated January 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.

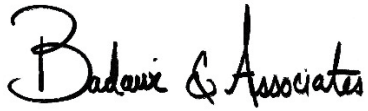
**Report on Compliance and Other Matters**

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*.

To the Honorable Mayor and Members of the City Council  
of the City of Berkeley  
Berkeley, California  
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### **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 written in a cursive, flowing style.

Badawi & Associates, CPAS  
Berkeley, California  
January 31, 2025





**APPENDIX C**  
**FORM OF OPINION OF BOND COUNSEL**

[ ], 2025

City Council  
City of Berkeley  
2180 Milvia Street  
Berkeley, California 94704

**OPINION:** \$[ ] City of Berkeley, California  
2025-26 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 24, 2025.

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 2025-26 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 24, 2025 (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: \_\_\_\_\_, 2025

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](http://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.