

The background of the cover is a photograph of a street in Berkeley, California, featuring a modern building on the left, a street with a bus and cars, and a large blue diagonal graphic overlay on the right side. The text is overlaid on the white and blue areas.

# Annual Comprehensive Financial Report

FOR THE YEAR ENDED  
**JUNE 30, 2023**

**City  
of Berkeley  
California**

# City of Berkeley California

ANNUAL COMPREHENSIVE FINANCIAL REPORT / FISCAL YEAR ENDED JUNE 30, 2023

PREPARED BY THE FINANCE DEPARTMENT

# TABLE OF CONTENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

## INTRODUCTORY SECTION

Letter of Transmittal . . . . .	v
GFOA Certificate of Achievement . . . . .	xxix
Governmental Structure . . . . .	xxx
List of Elected and Appointed Officials . . . . .	xxxii
Organizational Chart . . . . .	xxxiii

## FINANCIAL SECTION

Independent Auditor's Report . . . . .	2
Management's Discussion and Analysis . . . . .	8

### Basic Financial Statements:

#### Government-wide Financial Statements:

Statement of Net Position . . . . .	35
Statement of Activities . . . . .	37

#### Governmental Fund Financial Statements:

Balance Sheet - Governmental Funds . . . . .	41
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position . . . . .	42
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds . . . . .	44
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities . . . . .	45

#### Proprietary Fund Financial Statements:

Statement of Net Position - Proprietary Funds . . . . .	48
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds . . . . .	52
Statement of Cash Flows - Proprietary Funds . . . . .	56

#### Fiduciary Fund Financial Statement:

Statement of Fiduciary Net Position . . . . .	62
Statement of Changes in Fiduciary Net Position . . . . .	63

#### Notes to Basic Financial Statements . . . . .

### Required Supplementary Information (Unaudited):

Notes to Required Supplementary Information . . . . .	151
Schedule of Revenues, Expenditures and Changes in Fund Balances – General Fund – Budgetary Basis . . . . .	152
Schedule of Revenues, Expenditures and Changes in Fund Balances – Grant Funds – Budgetary Basis . . . . .	153
Schedule of Revenues, Expenditure and Changes in Fund Balances - Library Fund - Budgetary basis . . . . .	154
Defined Benefit CalPERS Pension Plans . . . . .	155
Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plan . . . . .	155
Schedule of Changes in Net Pension Liability and Related Ratios – Fire Plan . . . . .	157
Schedule of Changes in Net Pension Liability and Related Ratios – Police Plan . . . . .	159

# TABLE OF CONTENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

Schedule of CalPERS Plan Contribution . . . . .	161
Notes to Schedules for All CalPERS Plans. . . . .	163
Defined Benefit Berkeley Retirement Income Plan	
Schedule of Changes in Net Pension Liability and Related Ratios. . . . .	164
Schedule of Investment Returns. . . . .	165
Defined Benefit Safety Members Pension Plan	
Schedule of Changes in Net Pension Liability and Related Ratios. . . . .	166
Schedule of Investment Returns. . . . .	167
Other Post-Employment Retiree Health Plans . . . . .	168
Schedule of Changes in Net OPEB Liability and Related Ratios – Fire Plan . . . . .	168
Schedule of Employer Contributions – Fire Plan . . . . .	168
Notes to Schedule of Employer Contributions – Fire Plan . . . . .	169
Schedule of Changes in Net OPEB Liability and Related Ratios – Miscellaneous Plan. . . . .	169
Schedule of Employer Contributions – Miscellaneous Plan . . . . .	171
Notes to Schedule of Employer Contributions – Miscellaneous Plan . . . . .	171
Schedule of Changes in Net OPEB Liability and Related Ratios – Police Plan . . . . .	172
Schedule of Employer Contributions – Police Plan. . . . .	172
Notes to Schedule of Employer Contributions – Police Plan . . . . .	173

**Supplementary Information:**

**Combining Financial Statements and Schedules:**

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Major Capital Project Fund -Capital Improvement – Budgetary Basis . . . . .	176
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Measure O Housing Bond - Budgetary Basis. . . . .	177
Nonmajor Governmental Funds Fund Description . . . . .	178
Combining Balance Sheet - Nonmajor Governmental Funds . . . . .	183
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds . . . . .	201
Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Budget and Actual – Budgetary Basis. . . . .	219
Internal Service Funds Description . . . . .	281
Combining Statement of Net Position - Internal Service Funds . . . . .	282
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds . . . . .	284
Combining Statement of Cash Flows - Internal Service Funds . . . . .	286
Fiduciary Funds Description . . . . .	288
Combining Statement of Fiduciary Net Position - Pension and OPEB Trust Funds . . . . .	289
Combining Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds . . . . .	291
Custodial Funds Description . . . . .	294
Combining Statement of Net Position Custodial Funds. . . . .	295
Combining Statement of Changes in Fiduciary Net Position Custodial Funds . . . . .	297



# TABLE OF CONTENTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

## STATISTICAL SECTION

Index to Statistical Section.....	302
Schedule I Net Position by Component.....	303
Schedule II Changes in Net Position.....	305
Schedule III Fund Balance, Governmental Funds.....	309
Schedule IV Changes in Fund Balances, Governmental Funds.....	311
Schedule V Assessed Value and Estimated Actual Value of Taxable Property.....	313
Schedule VI Direct and Overlapping Property Tax Rates.....	314
Schedule VII Principal Property Tax Payers.....	315
Schedule VIII Property Tax Levies and Collections.....	316
Schedule IX Ratio of Outstanding Debt by Type.....	317
Schedule X Ratio of General Bonded Debt Outstanding.....	319
Schedule XI Direct and Overlapping Governmental Activities Debt.....	320
Schedule XII Legal Debt Margin Information.....	321
Schedule XIII Demographic and Economic Statistics.....	323
Schedule XIV Principal Employers.....	324
Schedule XV Full-time Equivalent Employees by Function/Program.....	325
Schedule XVI Operating Indicators.....	327
Schedule XVII Capital Asset Statistics by Function/Program.....	329

## City of Berkeley General Obligation and General Fund Obligations Continuing Disclosure

Report Information.....	330
Independent Auditor's Report.....	343



THIS PAGE INTENTIONALLY BLANK

# INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA





Department of  
Finance  
Office of the  
Director

December 15, 2023

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, 2022 through June 30, 2023. 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 2023, 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, 2023 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, 2023 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 123,562, 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 2023 adopted budget included \$624,477,177 of expenditures and reserves, of which \$280,671,294 was allocated to the General Fund of the City and \$343,805,883 to all other funds. The City employs approximately 1,602 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 for Fall 2023 (33,078 undergraduates and 12,621 graduate students) and approximately 13,213 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 3,470 employees, and the Sutter East Bay Hospitals has approximately 1,773 employees. Despite the large student population, the City has a mean household income of \$144,355, 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 12,016 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 \$1.92 billion in taxable sales taxes during FY 2023, more than the \$1.89 billion in FY 2022, 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) decreased from 10.0 percent in June 2022 to 4.0 percent in June 2023, compared to 4.2 percent for the County, 4.6 percent for the state and 3.6 percent for the U.S. as they recovered from the impact of the coronavirus pandemic.

Growth in assessed valuation on secured property increased to \$24.7 billion (after exemptions and other deductions) in FY 2022 or 10.8 percent from \$22.3 billion in FY 2021, for a strong level of \$199,900 per capita. The tax base is diverse, with the top ten property taxpayers accounting for 6.02 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 City Council adopted the FY 2023 & 2024 Biennial Budget on June 28, 2022. The FY 2022 General Fund budget faced a \$25 million deficit that was mitigated by the receipt of the first tranche of American Rescue Plan Act ("ARPA") funding. Although local revenues are projected to begin to return to pre-pandemic levels of performance, expenditures outpace revenues within the General Fund, which required a multi-pronged approach to balance the budget for FY 2023 and FY 2024. This approach included revising the City's fiscal policies to increase the amount of property transfer tax revenue allocated to support operations (and subsequently decreasing the amount allocated to capital); deferring the use of remaining ARPA funds until FY 2024 and the one-time use of FY 2022 property transfer tax revenues for capital projects. Similarly, while revenues are proposed to increase in other citywide funds, including updating charges for certain city services, both personnel and non-personnel expenses continue to grow due to factors such as negotiated wage adjustments, pension costs, rising insurance premiums and inflationary cost of services and supplies, including fuel. While the City continues to explore methods to mitigate costs, such as funding the IRS Section 115 Trust Fund as described later in this document, the City used a combination of ARPA funds and existing fund balance across several funds to balance the budget.

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, 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 Biennial Budget included funding for a wide range of programs and projects including:

- Continued response to the COVID-19 pandemic, including rental assistance
- Continuity in government operations including funding the Employer of Choice initiative to recruit and retain City staff in light of high vacancy rates
- Funding the Reimagining Public Safety Initiative, including establishing the Diversity, Equity and Inclusion Unit within the City Manager’s Office
- Supporting housing for persons experiencing homelessness or at risk of homelessness, including the acquisition of Russel Street Residence, funding to leverage State encampment grants and Project HomeKey applications
- Significant funding of infrastructure needs, including street rehabilitation and one-time critical public safety projects including the Jail Control Panel Replacement project, the Waterfront piling project; Telegraph/Channing Garage Elevator Repairs, and various traffic calming and improvement projects
- Advancing climate change and sustainability initiatives

The fiscal policies adopted by the Council include:

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, 2023 was \$23.1 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 \$17.6 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 rate 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 2023, the funds balance increased by approximately \$4.7 million from \$14.4 million in FY 2022 to \$19.1 million as of June 30, 2023 (after declines 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

## **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, 2023, the City was \$55.1 million or 20.1 percent under the total Article XIII B (Gann) spending limitation. The City was not impacted by the spending limitation in FY 2023.

## **LONG-TERM DEBT RATINGS**

During FY 2023, the City of Berkeley’s financial position improved 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 in spite of 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 and citizen planning processes:

(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 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, just after Fiscal Year 2023 closed. 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

---

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

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



Bancroft Ave (37 units), and 2025 Kala Bagai Way (48 units).<sup>3</sup> Once occupied, each of 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: 1,790 dwelling units received entitlements in 2020 (the first part of FY 2021), up from 1,573 in 2019 (FY 2020). Moreover, 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>

The University of California (UC) at Berkeley has also been active in Downtown area development. UC is currently undertaking construction on a new building which includes 244 apartments with individual bedrooms for 772 transfer students at 1990 Oxford Street (Anchor House), and has opened the former UC Berkeley Art Museum (Woo Hon Fai Hall) into the Bakar BioEngenuity Hub.<sup>5</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 opened in early 2022, and 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 Bioengenuity 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 2023, staff continued its marketing initiatives to highlight businesses and enable economic recovery from COVID-19 in several districts, and assigned individual staffers to attend to each district including the smaller “commercial-neighborhood” or “C-N” zoned commercial districts. The ‘Discovered in Berkeley’ local marketing campaign featured a thoughtful roster of unique local-serving storefront businesses and the business districts in which they reside, by highlighting Berkeley businesses that fall into the categories of “Deep Tech”, “Food Forward,” “The Upcycle,” and “Dare to Share” and “Local Love.”

---

<sup>3</sup> To put that in perspective, that's more units than were certified in all of San Francisco for the four months of 2023, personal communication, City of Berkeley Planning and Development Director, August 18, 2023.

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

<sup>5</sup> UC Berkeley PR News, [Flurry of major campus construction projects to mark new academic year | Berkeley](#), August 21, 2023.

In FY 2023, OED continued its #DiscoveredinBerkeley<sup>6</sup> business marketing campaign, releasing 9 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 3.5 million impressions and generated more than 135,000 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 4<sup>th</sup> annual in-person Berkeley Holiday Gift Fair and a #Berkeleyholidays online Gift Guide ([www.BerkeleyHolidays.com](http://www.BerkeleyHolidays.com)) to promote local purchase of holiday gifts locally in December 2022.

The City facilitates five business improvement districts (BIDs) in the Downtown, Telegraph, Elmwood, North Shattuck, and Solano commercial districts that generate funds through a self-assessment to help promote and maintain their districts. There is also a city-wide Tourism BID which is funded by the self-assessment of Berkeley's hotels and motels and directly supports Visit Berkeley, the City's Convention and 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 FY 2024, 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, an expansion of the Elmwood District's boundaries and focus on organizational capacity building with all three local merchant groups.

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>7</sup> to allow expanded outdoor commercial activity including sidewalk seating, parklets and street closures for outdoor commerce. The 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. Staff worked closely with the City's communication team to prepare educational materials and a webpage to assist businesses with obtaining outdoor commerce permits in a seamless manner.<sup>8</sup> OED also commissioned a *Parklet Guide* that included five pre-approved parklet designs for streamlined City approval.<sup>9</sup> Since the launch of the outdoor commerce program, about 50 outdoor commerce permits have been issued to Berkeley businesses and organizations.

In FY 2023, 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, technical assistance, and recovery opportunities for locally-owned retail and services businesses. Supported by the 2022-23 National League of Cities, Center for Inclusive

---

<sup>6</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](https://www.instagram.com/discoveredinberkeley) channel.

<sup>7</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>8</sup> City of Berkeley, *Outdoor Commerce Permit Information*, online: <https://berkeleyca.gov/safety-health/covid-19/covid-19-information-businesses/covid-19-outdoor-commerce-and-dining>

<sup>9</sup> Berkeley Chamber of Commerce, *Parklet Guide*, June 2020.

Entrepreneurship cohort program, OED enlisted the assistance of Alliance for Community Development (ACD) and other community partners to locate and survey Black and Latinx small businesses for the purpose of determining their awareness and experiences, if any, with local resources for technical assistance and capital infusion. The research was conducted from November 2022 to June 2023 and the final results will be reported on in FY 2024.

OED will continue its support of these and other initiatives in FY 2024 and beyond.

(c) COVID-19 (Coronavirus) Pandemic – Promoting Sustainable Economic Recovery

During the full year of FY 2023 (July 1, 2022 to June 30, 2023), staff continued to provide support for local businesses impacted by the COVID-19 pandemic. This included disbursing federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) to support local economic recovery.

To support economic recovery in Berkeley, federal funding was allocated to the following programs:

- **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 \$610,500 to 15 businesses through 15 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>10</sup> This agreement immediately improved the experience for Berkeley’s borrowers with seamless electronic loan disbursement and the ability to make online loan payments. Additionally, \$60,000 of American Rescue Plan Act (ARPA) funds were distributed to Working Solutions, to provide technical assistance and small business support to Berkeley’s RLP participants. The technical assistance and loan funding provided to the RLP participants have created 74 jobs and retained 48.5 jobs to date.
- **Local business marketing and advertising:** The #DiscoveredinBerkeley business marketing campaign was launched in 2019 to, “*inspire pride among Berkeley residents and business owners alike about the amazing commercial activity happening in the neighborhoods where they live and work, encourage local shopping, raise awareness of the business services offered by the City’s Office of Economic Development and enhance Berkeley’s reputation as a good place to do business.*” In May 2022, \$12,500 of ARPA funding was allocated to *Cityside*, the publisher of the local independent online news publication, *Berkeleyside*, to support the creation of sponsored stories, banner ads, and graphics for social media and the DiscoveredinBerkeley.com website highlighting exceptional businesses in Berkeley. ARPA funds in the amount of \$37,500 were spent in FY 2023 on events, social media, and additional media channels that will greater increase local businesses’ sales, visibility in the region, reputation, and community pride.
- **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

---

<sup>10</sup> Online: <https://www.workingsolutions.org/news/announcing-a-new-partnership-with-the-city-of-berkeley>, March 2022.

community values of diversity, equity and inclusion. ARPA funds in the amount of \$20,000 will be spent on activities that engage Berkeley startup founders, funders, and STEM 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 on a continued multi-year engagement with Project Equity. The funds will 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>11</sup>

Staff anticipates that the balance of FY 2024 will be taken up with furthering these efforts, as OED continues to move from a stance of emergency economic crisis response to supporting sustainable business recovery efforts as the crisis abates.

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

Berkeley’s annual average unemployment rate in FY 2023 (the midpoint December 2022) was 2.5%, down from 4.3% the previous year. The sectors with the highest year-over-year percent growth in employment included Arts, Entertainment & Recreation (+19%), Manufacturing (+7%), Retail (+7%), and Accommodation & Food Services (+6%).

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

---

<sup>11</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>.



funding increased \$237 million over FY 2021 to \$1.445 billion in FY 2022, primarily from funding (\$196 million) provided by the federal Inflation Reduction Act (IRA), which supports the advancement of some of the Laboratory's major equipment and infrastructure projects. Researchers at LBNL used increases in Office of Science funding to seek solutions to serve humankind through science including significant new investments in Basic Energy Sciences (BES), including the Advanced Light Source (ALS) User Facility which will provide revolutionary X-ray capabilities after receiving the biggest investment at Berkeley Lab since the ALS was built in 1993, and Advanced Scientific Computing Research (ASCR) which includes the National Energy Research Scientific Computing Center (NERSC) work on quantum information science for national competitiveness and supercomputers analyzing and validating observational data in cosmology.

Other areas that received increases in funding included Solar, Vehicle Technologies, and Geothermal, which are included in the Lab's Energy Efficiency and Renewable Energy (EERE) program. The National Institutes of Health (NIH) and Department of Defense (DOD) continue to be the Berkeley Lab's largest Federal sponsors outside of the Department of Energy.<sup>12</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 71 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 1000+ people and span 46 acres in West Berkeley. In 2022, 62 Berkeley companies raised more than \$1.8 billion in venture capital and \$2.1 billion in capital overall (including grants and loans). Of the \$2.1 billion raised, Berkeley companies were awarded more than \$5.9 million in state and federal Research & Development (R&D) awards<sup>13</sup>, and almost \$250 million in loans.

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>14</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

---

<sup>12</sup> Lawrence Berkeley National Laboratory, Office of the Chief Financial Officer, *2022 Annual Financial Report*, Table 2.5: FY2022 Berkeley Lab Funding and Costs by Funding Source, online: <https://indd.adobe.com/view/publication/09a26f02-eb38-480b-8c11-e689ffb21abe/f3ik/publication-web-resources/pdf/AR2022-Final.pdf>.

<sup>13</sup> Federal funding included Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants, which are highly competitive programs that encourage US small businesses to engage in federal research and development with the potential for commercialization.

<sup>14</sup> Online: [www.berkeleystartupcluster.com](http://www.berkeleystartupcluster.com).

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 430 active Berkeley innovation companies, many of them in Berkeley's Downtown Berkeley incubators and co-working spaces or in West Berkeley research and development facilities.

In fact, West Berkeley (which 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 continued apace at 600 Addison Street, such that the new Berkeley Commons R&D facility expects leasing to begin in 2023. Existing private developers and owners of R&D coworking facilities, such as Wareham Development, Bonneville 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 strong, and lab space remains at a premium in Berkeley. In the fourth quarter 2022, the vacancy rate for Berkeley lab space was 5.3%, lower than the 14.7% vacancy rate in neighboring Emeryville, 10.1% rate reported for the East Bay, and the 6.5% lab vacancy rate reported for the Bay Area overall.

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>15</sup>, and shed light on the City's "Deep Tech" industries and resources through newsletters, social media, and the #DiscoveredinBerkeley<sup>16</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>17</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*

---

<sup>15</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>16</sup> Online: <https://www.discoveredinberkeley.com/>.

<sup>17</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>

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 *Commercial District Dashboard*, and is routinely publishing the information online in an accessible format for clients and researchers to use.<sup>18</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 2023, based on data gathered in Q3 and Q4 of 2022) shows that the citywide vacancy rate had increased to 8.4%, an increase of 0.1% since Q3 2022.

For context, normal market churn is associated with a vacancy rate between 4-8%. San Pablo Avenue, University Avenue, South Berkeley, and West Berkeley all experienced a rise in vacancy rates in FY 2023. San Pablo rose from 7.9% to 10.8%; University rose from 9.1% to 12.8%; South Berkeley rose from 8.8% to 11.8%; and West Berkeley rose from 4.7% to 5.2%. Downtown Berkeley experienced the largest drop in vacancy rate over the last year from 15.7% to 11.9%. This may be in part due to UC Berkeley students and faculty returning fully to campus this past academic year. Field work is currently underway for a comprehensive vacancy update to be published in March of 2024.

(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 2021, Visit Berkeley's BID revenues fell by 75% due to COVID-19 pandemic travel restrictions. In January 2022, \$500,000 of federal American Rescue Plan Act (ARPA) funds were disbursed to Visit Berkeley to support the hard-hit tourism and hospitality industries. Visit Berkeley utilized some of these funds to launch digital advertising campaigns designed to promote hotel booking conversions and brand awareness on outlets such as AAA.com, Expedia.com, Hotels.com, Travelzoo, and the Hearst and Conde Nast media networks. The theme, "Berkeley: Bay Area Basecamp," positioned the city as a Northern California travel destination hub. These campaigns and the improved public health outlook that largely removed health safety as a barrier to travel accelerated Berkeley's tourism sector recovery. In FY 2023, transient occupancy taxes returned to \$7.9 million, the FY 2019 pre-pandemic level.

With its marketing and operating budget restored, Visit Berkeley staffing returned to five full-

---

<sup>18</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>.

time employees. Significant accomplishments during the year included completion of the 2023/24 Berkeley Visitors Guide; a 42% 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 recovered to pre-pandemic levels, and meeting, conference and event travel is just starting to reset after its pandemic pause), Visit Berkeley has seized new opportunities afforded by the changing nature of travel. For example, they invested in full translations of the 2023/24 Visitors Guide to support international travel and rehired a key staff position, Director of Sales, to promote Berkeley's meeting and event venues.

Additionally, though several Berkeley hotels have transitioned to permanent housing solutions over the past three 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 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>19</sup>

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. Since the inception of the Public Art in Private Development program, seven on-site art projects have been completed, seven are in progress, and twenty-one projects have generated a total of \$4.27 million paid into the City's public art fund.

Recent major investments in the arts are focused on bolstering recovery from the COVID-19 pandemic. These include the Berkeley Arts Works Projects, a \$200,000 grant program funded by art fees on private development. This program provided grants of up to \$10,000 each for dozens of artists, performers, and community members to create temporary public art projects throughout Berkeley that bolster collective resilience and recovery from the effects of COVID-19.<sup>20</sup> The City also allocated \$2 million dollars of the city's American Rescue Plan Act (ARPA) funds to create a grant program to support the recovery and reopening efforts of Berkeley's

---

<sup>19</sup> City of Berkeley, *Economic Impact Report of the Arts in Berkeley*, MIG, September 2017.

<sup>20</sup> City of Berkeley, [Berkeley Art Works Projects](#), Accessed September 2022. Project grant recipients will prepare final reports by 2025, and complete program metrics will be analyzed at that time.

art sector.

Funded by ARPA, Berkeley Arts Recovery Grants (BARG) for *Organizations & Festivals* provided one-time grants to all qualifying Berkeley-based nonprofit and fiscally sponsored arts organizations and festivals. In February and March 2022, 74 grant awards were dispersed totaling \$1,532,345, with individual awards ranging from \$3,000 to \$33,000, and an average grant award amount of \$20,734 per organization. Also funded through ARPA, in May 2022, the Center for Cultural Innovation administered the Berkeley Arts Recovery Grants (BARG) for *Artists & Cultural Practitioners* on behalf of the City. This grant program distributed \$276,250 to 114 Berkeley-based artists, culture bearers, cultural practitioners, makers, specialized arts workers, and teaching artists. Awards ranged from \$1,250 to \$8,000 each and were disbursed at the end of FY 2022 and the start of FY 2023.<sup>21</sup>

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 2023, substantial progress was made on many of the action items identified in the plan. Most significantly, the Civic Arts Program tripled its capacity by adding two additional arts professional staff to manage key Civic Arts program areas (public art and grants). In FY 2023, Civic Arts also made progress on the goal to "support the creation of a centralized community arts center for performances, classes, art exhibitions and other activities" by participating in the planning process for the Civic Center's Veterans Memorial Building. For this process Civic Arts staff convened arts stakeholders to provide input into the building's architectural program, resulting in an adopted Civic Center Design Concept in July 2023.

## **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 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 85% of 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 next round of bonds in the amount of \$45 million have been issued, with project planning and design underway for those projects. The final bond sale of \$20 million is to take place in 2024.

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,

---

<sup>21</sup> In accordance with ARPA guidelines, BARG grant recipients will prepare final reports by 2025, and complete program metrics will be published thereafter.



Sidewalks Maintenance and Safety Repairs, 1947 Center Street Improvements, Corporation Yard Building B Improvements, Fire Station #2 and Fire Station #6 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 will add \$3.45 million across FY 2023 and FY 2024 for additional paving, and the City has committed \$5 million in FY 2023 and \$9.1 million in FY 2024 in new paving through Capital Improvement Fund contributions. In FY 2022, 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. In 2019, Staff 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 will be part of the FY 2024 Sidewalk Repair Project that goes 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 had not increased since the City's August 8, 1991 passage of Ordinance No. 6070-N.S. Revenue was insufficient to fund capital needs related to facility replacement or renewal and to meet the City's Municipal Regional Permit clean stormwater requirements. To meet these

unfunded needs, the City conducted rate studies and balloting processes in compliance with Proposition 218 for the Clean Stormwater Fees. A balloted vote passed a new Clean Stormwater Fee in May 2018, which added \$2.5 million annually to improve the City's ability to address water quality, green infrastructure, storm emergency response, and storm drain infrastructure.

In FY 2023, the City completed a solicitation process for the Stormwater Master Plan (SWMP), which identifies critical deficiencies in the stormwater system, suggests capital improvement projects, updates maintenance and inspection plans for stormwater facilities, and develop 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 requirement to reduce trash discharges to receiving water by 100% by June 30, 2025; storm drain repairs to address flooding at various locations throughout the City; and feasibility studies for future green infrastructure improvements.

#### (e). Sewer Capital Projects

Sewer capital improvements projects include replacing damaged and worn facilities, any needed expansion, to meet regulatory requirements and improve the performance of the City's sewer collection system. Revenue for the fund mainly comes from sanitary sewer service fees. In 2009, the EPA and the State and Regional Water Quality Control Boards sued EBMUD and all agencies conveying flows to EBMUD (Satellite agencies) for violation of the Clean Water Act. In 2014, all parties agreed to a stipulated settlement known as the final Consent Decree (CD), which, required the City to be in compliance in 12 years. CD compliance requires the City 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 2023 include the Parnassus Project at various locations in the hills above Euclid Avenue, Hearst Project covering areas on the northside of the UC Main Campus and in the Claremont area, and urgent sewer rehabilitation of defective sanitary sewer mains, maintenance holes, and sewer laterals at various locations throughout the city. Also, in FY 2023, staff started the design for FY 2024 sewer rehabilitation improvement projects on The Alameda, Cragmont and various locations in northeast Berkeley area, and on Virginia, Delaware and Russell in West Berkeley. The estimated construction cost of the FY 2024 CIP projects is \$20 million. Construction is scheduled to start in fall 2023 and projected to be completed by June 30, 2024. 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 include 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 2020, the community has reduced overall GHG emissions by 31% since 2000 and decreased 7% since 2019. From 2019 to 2020, emissions from the transportation sector decreased by 29% as travel and commuting declined sharply during much of 2020 due to COVID 19. Transportation sector emissions are expected to increase in future years as travel and commuting resume to pre-pandemic levels. Transportation accounts for 46% of emissions, another 51% comes from building energy use, and 3% comes from landfill waste.

#### **(b) East Bay Community Energy**

East Bay Community Energy (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 EBCE in 2018. EBCE offers two electricity services: Bright Choice (less expensive than PG&E) or 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 EBCE customers purchase emissions-free 100% renewable power, though customers can choose to change their service back to Bright Choice at any time.

#### **(c) Natural Gas Prohibition**

In July 2019, the City Council adopted the first ordinance in the nation to prohibit the use of natural gas in newly constructed buildings. This ordinance is currently being litigated but remains in effect in Berkeley as no injunction or stay of the ordinance was issued.

#### **(d) 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 is working with a technical advisory committee and key stakeholders on policy recommendations to determine which requirement or series of measures that would need to be installed when a home is sold would best help spur energy efficiency, building decarbonization, resilience and home electrification readiness in recently sold homes. Staff anticipates taking policy recommendations to Council Committees and Commissions in Fall of 2023 and to the City Council by Spring of 2024.

#### **(e) 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 East Bay Community Energy's (EBCE) 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 replaced gas water heaters at the North, South and Central libraries and several buildings at the Corp Yard and a lighting retrofit, using on-bill financing, for the Spring Animal Shelter.

#### **(f) Solar + Storage for Critical Facilities**

The City is working with East Bay Community Energy (EBCE) 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 Fremont, Hayward, and San Leandro, the City of Berkeley submitted a list of potential critical facilities to the EBCE project portfolio to be included in an aggregated portfolio of facilities for this procurement. Currently five City of Berkeley facilities: Fire Stations 1, 3, and 5, the Live Oak Recreation Center, and the Corp Yard are all anticipated to be included in the procurement. EBCE selected Gridscape Solutions as its solar developer and hopes complete installation of the solar + storage projects in 2024, using the more cost beneficial Net Energy Metering (NEM) 2.0 tariff and Inflation Reduction Act (IRA) tax credits and incentives.

#### **(g) Electric Vehicles & Charging Infrastructure**

The City hired an Electric Mobility Coordinator in 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 August 2022, there were over 200 publicly-available electric vehicle (EV) charging ports in Berkeley and approximately 7.5% of registered cars in the community were electric.

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 as of January 2023. Current efforts include work to install EV charging for municipal fleet vehicles at the Corp Yard, partnering with East Bay Community Energy (EBCE) to develop public EV DC Fast Charging Hubs in Berkeley and to assess the City's medium- and heavy-duty fleet for electrification opportunities, and analyzing the City's current fee for public charging at municipal charging stations.

#### **(h) Climate Equity Fund**

On July 27, 2021, City Council approved a resolution establishing a Pilot Climate Equity Action Fund and allocated \$600,000 to provide climate change and resilience benefits to low-income residents for both buildings and transportation. The fund includes three program areas: Program Area #1: Electrification Home Retrofits, Program Area #2: Electric Mobility Access, and Program Area #3: Community Engagement and Resilience.

- 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.

#### **(i) 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 \$1.5 million. The program, using pre-qualified contractors who meet minimum labor standards, will target homes for 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 \$1.5 million to Rebuilding Together East Bay North (RTEBN) in partnership with the Alameda County Construction Trades Workforce Initiative (CTWI).

## **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

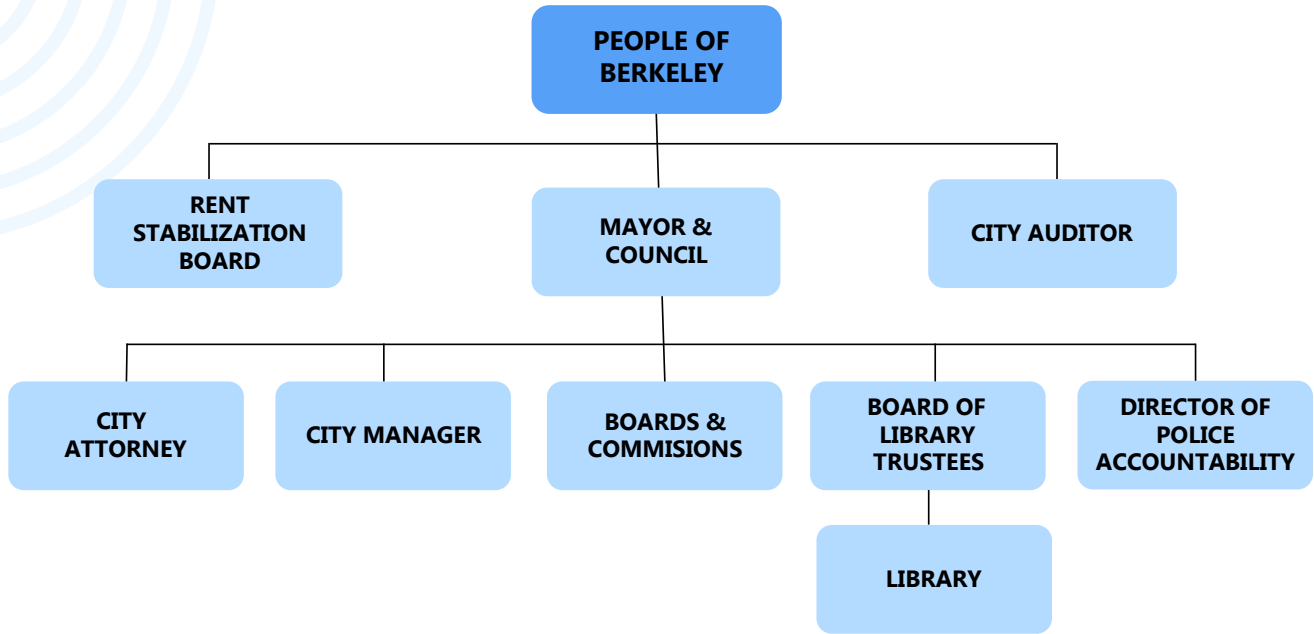
June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

# City of Berkeley Government Structure

2023



**CITY OF BERKELEY**  
**FY 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**ELECTED OFFICIALS**

**Mayor**

Jesse Arreguin

**Councilmembers**

Rashi Kesarwani (District 1)

Terry Taplin (District 2)

Ben Bartlett (District 3)

Kate Harrison (District 4)

Sophie Hahn (District 5)

Susan Wengraf (District 6)

Rigel Robinson (District 7)

Mark Humbert (District 8)

**City Auditor**

Jenny Wong

**APPOINTED OFFICIALS**

**City Manager**

Dee Williams-Ridley

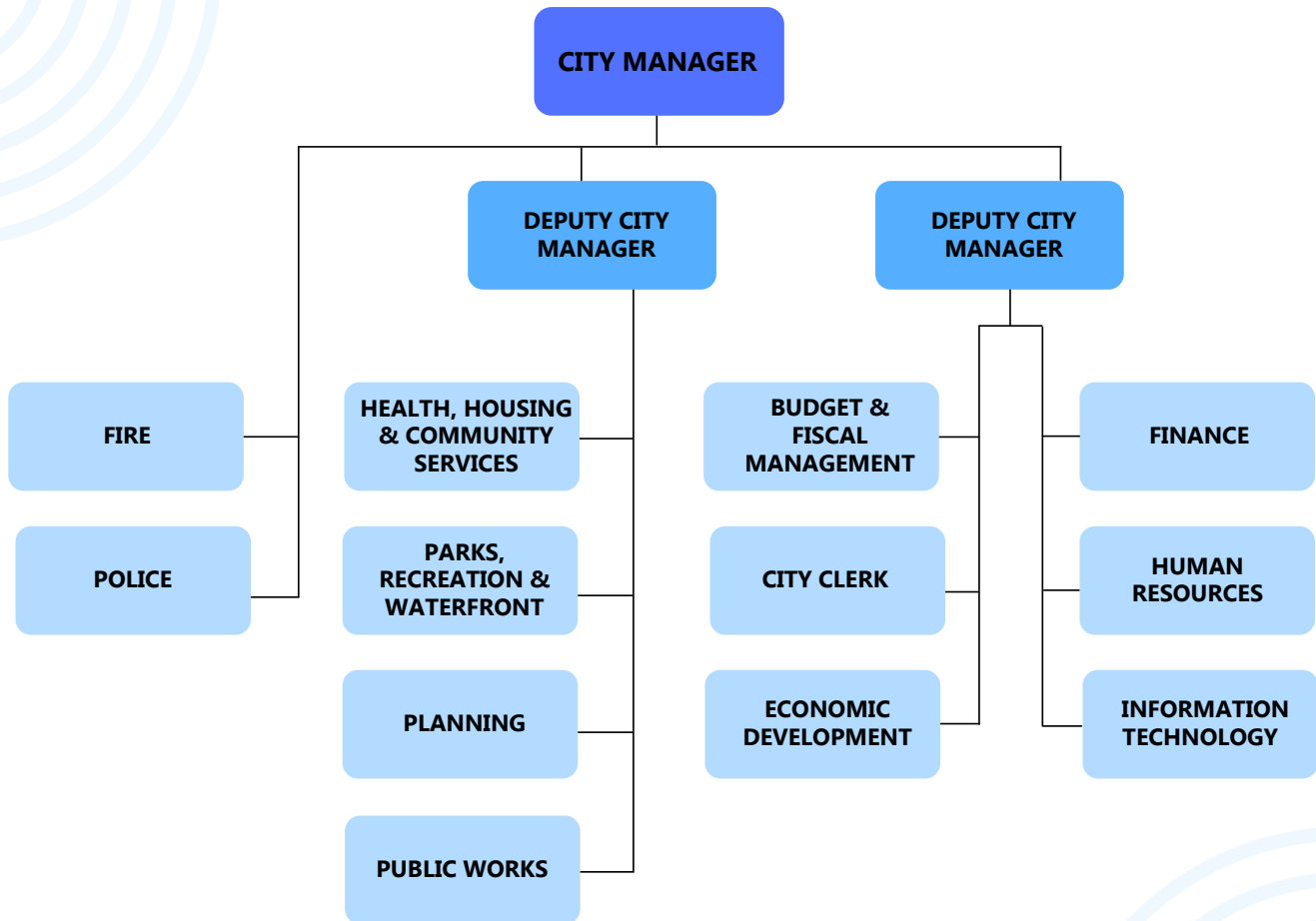
**Deputy City Managers**

Anne Cardwell

LaTanya Bellow

# City of Berkeley Organization Chart

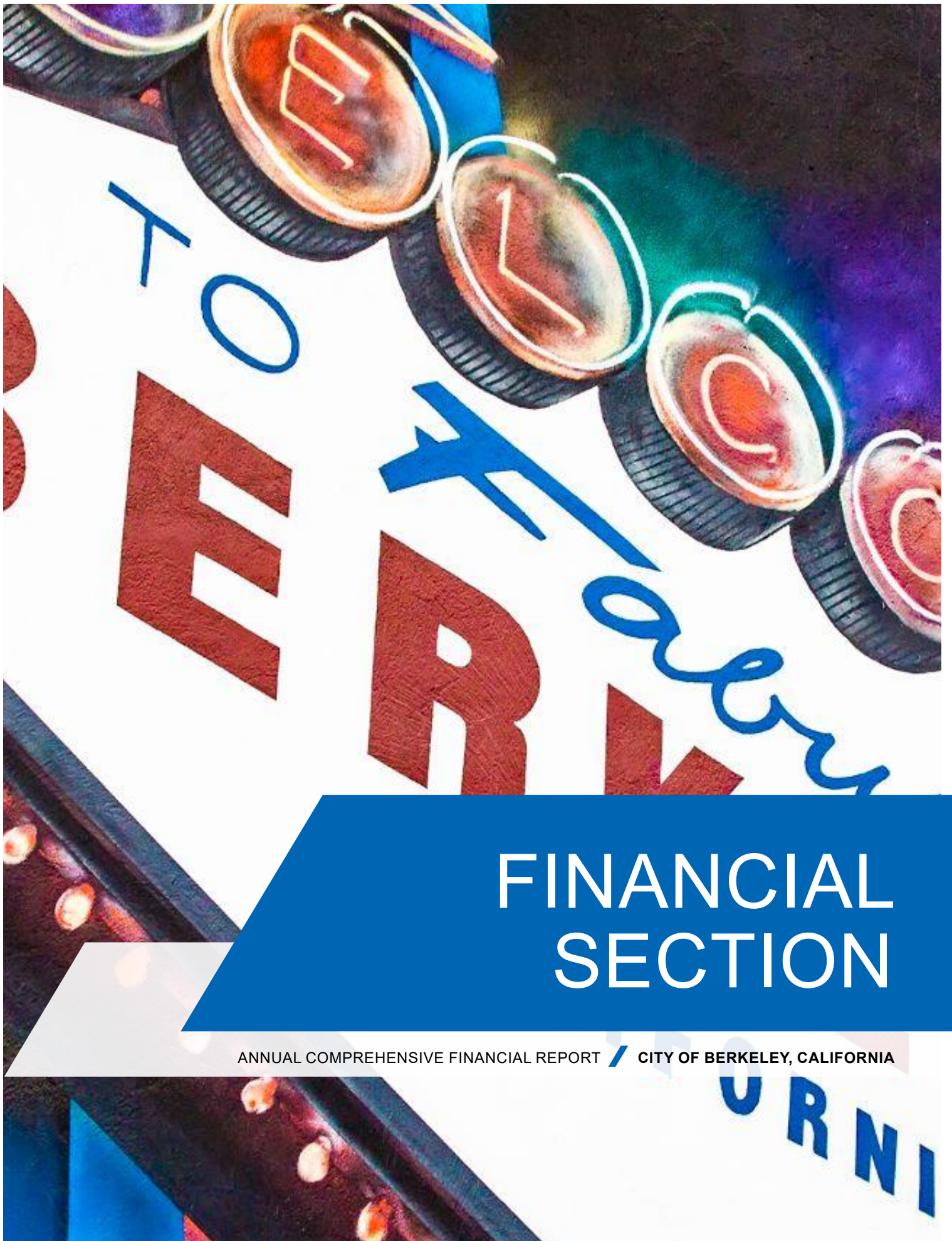
2023







THIS PAGE INTENTIONALLY BLANK



# FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

URNI



## 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, 2023, 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, 2023, 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.

To the Honorable Mayor and Members of the City Council  
Of the City of Berkeley  
Berkeley, California  
Page 2

### ***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 8-30 and 152-173 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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.

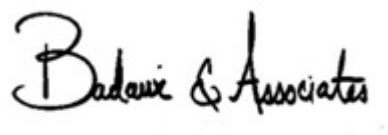
***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.



Badawi & Associates, CPAs  
Berkeley, California  
December 15, 2023





THIS PAGE INTENTIONALLY BLANK



THIS PAGE INTENTIONALLY BLANK



# 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, 2023. 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, 2023, City assets and deferred outflows exceeded liabilities and deferred inflows by \$394.2 million (net position). Included in this amount was a balance of -\$373.8 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 \$103.5 million during the fiscal year. Governmental activities net position increased \$86.1 million compared to prior year's increase of \$150.6. Business-type activities net position increased \$17.4 million compared to prior year's increase of \$29.4 million (Pages 11-18).
- Net pension liability increased by \$236.0 million or 53.3% during FY 2023 to \$678.4 million from \$442.5 million; it increased by \$199.8 million or 51.7% to \$586.4 million from \$386.6 million for governmental activities, while net pension liability also increased by \$36.2 million or 64.8% to \$92.0 million from \$55.8 million for business-type activities.
- Net OPEB liability increased by \$7.7 million or 10.3% during FY 2023 to \$81.8 million from \$74.2 million for governmental activities, while net OPEB liability increased by \$0.1 million or 1.7% to \$6.2 million from \$6.1 million for business-type activities.

#### Fund based

- At the close of fiscal year 2023, governmental funds reported combined ending fund balance of \$575.2 million, an increase of \$62.9 million, primarily due to (1) an increase of \$10.4 million in General Fund revenues and transfers in over expenditures and transfers out; (2) increased \$10.3 million in Grants Fund revenues and transfers in over expenditures and transfers out; (3) increased \$10.0 million in Capital Improvement Fund revenues and transfers in over expenditures and transfers out; (4) an increase of \$27.0 million in Other Governmental Funds revenues and transfers in over expenditures and transfers out. The ending fund balance is identified as: \$352.3 million or 61.2 percent was restricted fund balance, \$121.1 million or 21.1 percent was in committed funds, \$33.9 million or 5.9 percent was in assigned funds and, \$67.9 million or 11.8 percent was in unassigned fund balance. (Page 20).
- At the close of fiscal year 2023, fund balance for the General Fund was \$158.5 million consisting primarily of \$31.1 millions in restricted, \$16.8 million in assigned funds, \$69.9 million in unassigned funds, and \$40.7 million in committed funds (Page 20).
- At the close of fiscal year 2023, General Fund revenues, including transfers in and proceeds from sale of assets, were \$258.1 million. Total revenues and transfers were \$1.9 million lower than the prior fiscal year's revenues and transfers of \$259.9 million (Pages 20-22).
- At the close of fiscal year 2023, General Fund expenditures, including transfers out, were \$247.7 million. Total expenditures were \$23.9 million higher than the prior fiscal year's expenditures of \$223.8 million (Page 22).

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Government-wide financial statements

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



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

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

Government-wide financial statements distinguish City governmental activities that are principally supported by taxes and intergovernmental revenues from other business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City include general government, public safety, transportation, community development, and culture and leisure. Business-type activities of the City include water, wastewater, golf course, transportation, solid waste management, and theatres operations. The government-wide financial statements can be found on pages 35-38 of this report.

### **Fund financial statements**

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

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

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

The City maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Grants, Library, and Capital Improvements funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements shown on pages 178-298.

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 152-176.

The basic governmental funds financial statements can be found on pages 41-45 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 282-285.

The basic proprietary funds financial statements can be found on pages 48-59 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 62-63 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 ##-146 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 151-173 of this report.

Combining statements for non-major governmental funds, internal service funds, and custodial funds are presented immediately following the RSI. Combining financial statements and schedules can be found on pages 178-298 of this report.

Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 303-329 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 \$394.2 million at the close of fiscal year 2023 as summarized on the following page.

**Statement of Net Position**  
**June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Totals	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
<b>Assets:</b>						
Current and Other Assets	\$ 744,778,587	\$ 713,020,776	\$ 185,762,422	\$ 175,845,992	\$ 930,541,009	\$ 888,866,768
Capital Assets	346,173,112	342,477,842	245,988,825	247,929,581	592,161,937	590,407,423
Total Assets	<u>1,090,951,699</u>	<u>1,055,498,618</u>	<u>431,751,247</u>	<u>423,775,573</u>	<u>1,522,702,946</u>	<u>1,479,274,191</u>
<b>Deferred Outflows of Resources:</b>						
Related to Pensions	145,557,163	52,044,338	25,337,190	8,378,459	170,894,353	60,422,797
Related to Other Postemployment Benefits	29,815,850	29,131,793	3,767,254	4,287,938	33,583,104	33,419,731
Total Deferred Outflows of Resources	<u>175,373,013</u>	<u>81,176,131</u>	<u>29,104,444</u>	<u>12,666,397</u>	<u>204,477,457</u>	<u>93,842,528</u>
<b>Liabilities:</b>						
Current and Other Liabilities	101,682,545	145,660,884	9,420,927	15,814,279	111,103,472	161,475,163
Long-term Liabilities	278,117,677	282,875,704	52,957,329	55,439,454	331,075,006	338,315,158
Net Pension Liability	586,414,187	386,644,770	92,009,947	55,825,691	678,424,134	442,470,461
Net OPEB Liability	81,814,806	74,156,336	6,189,332	6,087,671	88,004,138	80,244,007
Total Liabilities	<u>1,048,029,215</u>	<u>889,337,694</u>	<u>160,577,535</u>	<u>133,167,095</u>	<u>1,208,606,750</u>	<u>1,022,504,789</u>
<b>Deferred Inflows of Resources:</b>						
Related to Pensions	12,441,456	120,958,260	2,433,757	22,625,163	14,875,213	143,583,423
Related to Other Postemployment Benefits	69,083,512	76,479,667	8,653,826	9,586,748	77,737,338	86,066,415
Related to Leases	926,207	-	29,989,934	31,193,043	30,916,141	31,193,043
Related to Deferred Gain On Refunding	893,108	1,011,693	-	-	893,108	1,011,693
Total Deferred Inflows of Resources	<u>83,344,283</u>	<u>198,449,620</u>	<u>41,077,517</u>	<u>63,404,954</u>	<u>124,421,800</u>	<u>261,854,574</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	221,025,803	217,483,591	194,599,398	193,099,462	415,625,201	410,583,053
Restricted	352,333,619	318,362,643	-	-	352,333,619	318,362,643
Unrestricted	(438,408,208)	(486,958,799)	64,601,241	46,770,459	(373,806,967)	(508,358,418)
Total Net Position	<u>\$ 134,951,214</u>	<u>\$ 48,887,435</u>	<u>\$ 259,200,639</u>	<u>\$ 239,869,921</u>	<u>\$ 394,151,853</u>	<u>\$ 288,757,356</u>

**Statement of Activities**

The statement of activities shows how the City's net position changed during fiscal year 2023. The City's net position increased \$103.5 during the fiscal year. These increases are explained in the governmental and business-type activities on the following pages. Provided below is a summary of changes in net position.

**Statement of Activities  
Year Ended June 30, 2023**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 51,406,696	\$ 50,055,704	\$129,855,066	\$129,997,872	\$ 181,261,762	\$180,053,576
Operating grants and contributions	74,869,544	78,791,428	-	-	74,869,544	78,791,428
Capital grants and contributions	3,533,695	11,585,728	-	-	3,533,695	11,585,728
General revenues:						
Property taxes, levied for general purposes	135,683,027	153,440,402	-	-	135,683,027	153,440,402
Property taxes, levied for debt services	17,054,302	12,790,133	-	-	17,054,302	12,790,133
Property taxes for special purposes:						
Library	24,057,930	22,351,009	-	-	24,057,930	22,351,009
Parks	16,942,876	15,737,217	-	-	16,942,876	15,737,217
Paramedic	3,607,795	3,426,681	-	-	3,607,795	3,426,681
Fire	14,762,117	18,224,563	-	-	14,762,117	18,224,563
Sales taxes	19,922,287	19,976,288	-	-	19,922,287	19,976,288
Utility user taxes	17,606,482	15,001,999	-	-	17,606,482	15,001,999
Transient occupancy taxes	9,284,123	6,976,513	-	-	9,284,123	6,976,513
Business license tax	30,483,345	28,322,034	-	-	30,483,345	28,322,034
Other taxes	28,327,153	27,160,604	-	-	28,327,153	27,160,604
Other unrestricted state subventions	392,433	384,008	-	-	392,433	384,008
Contributions not restricted to specific programs	533,982	1,031,485	-	-	533,982	1,031,485
Investment earnings	5,449,667	(15,823,184)	(641,043)	(5,518,709)	4,808,624	(21,341,893)
Insurance claims reimbursement	-	-	-	-	-	-
Miscellaneous	1,167,004	1,975,103	-	-	1,167,004	1,975,103
Gain/(loss) on sale of capital assets	109,382	263,857	1,847	-	111,229	263,857
<b>Total revenues</b>	<b>455,193,840</b>	<b>451,671,572</b>	<b>129,215,870</b>	<b>124,479,163</b>	<b>584,409,710</b>	<b>576,150,735</b>
<b>Expenses:</b>						
General government	41,379,815	32,819,873	-	-	41,379,815	32,819,873
Public safety	152,870,594	111,224,119	-	-	152,870,594	111,224,119
Highways and streets	22,670,725	20,097,032	-	-	22,670,725	20,097,032
Health and welfare	40,215,932	37,029,496	-	-	40,215,932	37,029,496
Culture and recreation	50,969,408	42,017,875	-	-	50,969,408	42,017,875
Community development and housing	47,547,871	37,658,556	-	-	47,547,871	37,658,556
Economic development	5,740,020	6,376,040	-	-	5,740,020	6,376,040
Interest on long-term debt	7,856,844	6,196,846	-	-	7,856,844	6,196,846
Refuse services	-	-	49,800,325	43,158,125	49,800,325	43,158,125
Marina operations and maintenance	-	-	7,319,483	6,102,667	7,319,483	6,102,667
Sewer services	-	-	15,051,171	16,748,645	15,051,171	16,748,645
Clean storm water	-	-	3,806,181	2,750,543	3,806,181	2,750,543
Permit service center	-	-	19,014,775	17,184,988	19,014,775	17,184,988
Parking related	-	-	13,858,277	14,285,865	13,858,277	14,285,865
Building purchase and management	-	-	2,798,937	2,491,713	2,798,937	2,491,713
<b>Total expenses</b>	<b>369,251,209</b>	<b>293,419,837</b>	<b>111,649,149</b>	<b>102,722,546</b>	<b>480,900,358</b>	<b>396,142,383</b>
Excess in net position before other items	85,942,631	158,251,735	17,566,721	21,756,617	103,509,352	180,008,352
Transfers	121,148	(7,690,324)	(121,148)	7,690,324	-	-
<b>Change in net position</b>	<b>86,063,779</b>	<b>150,561,411</b>	<b>17,445,573</b>	<b>29,446,941</b>	<b>103,509,352</b>	<b>180,008,352</b>
Net position - beginning, as restated (note 15)	48,887,435	(101,673,976)	241,755,066	210,422,980	290,642,501	108,749,004
<b>Net position - ending</b>	<b>\$ 134,951,214</b>	<b>\$ 48,887,435</b>	<b>\$259,200,639</b>	<b>\$239,869,921</b>	<b>\$ 394,151,853</b>	<b>\$288,757,356</b>

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 \$415.6 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, \$352.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, -\$373.8 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 \$86.1 million compared to the prior fiscal year's increase of \$150.6 million. Key elements of the decrease in net position were as follows:

**Program revenues decreased \$10.6 million** due to an increase in charges for services of \$1.4 million, a decrease in operating grants and contributions of \$3.9 million, and a decrease in capital grants and contributions of \$8.1 million. The major changes are highlighted below:

- Charges for services increased \$1.4 million primarily due to the following: (1) An increase of \$1.2 million in ambulance fees from \$3.8 million in FY2022 to \$5.0 million in FY2023; (2) An increase of \$3.4 million in parking violation fines from \$4.8 million in FY2022 to \$8.2 million in FY2023; (3) An increase of 0.8 million in work for private parties from \$0.1 million in FY2022 to \$0.9 million in FY23; (4) A decrease of \$1.6 million in building permits from \$2.4 million in FY2022 to \$0.8 million in FY2023; (5) A decrease of \$2.4 million in housing mitigation fee from \$14.6 million in FY2022 to \$12.2 million in FY2023.
- Operating grants and contributions decreased \$3.9 million primarily due to \$16.4 million less spending of American Rescue Plan Act grant funds in FY2023 versus FY 2022. The decrease is offset by increases in grant revenue for Encampment Resolution Funding ( \$4 million ), \$5 million in Local Housing Trust Fund, \$2 million in COVID-19 ELC Enhancing Detection Funding, and \$1.5 million in CDBG.
- Capital funding and contributions decreased \$8.1 million primarily due to (1) decline in insurance reimbursements for rebuilding of Tuolumne Camp from \$6.9 million in FY2022 to \$0.7 million in FY 2023; and (2) \$2.8 million decrease in Milvia Bikeway and Pedestrian Improvement project.

**General revenues increased \$14.1 million.** The details of the increases/decreases accounting for the \$14.1 million increase are highlighted below:

- Property tax revenue decreased \$13.9 million, or 6.1% percent, over last year which was due to the following:
  - **Property Taxes for General Purposes** decreased \$17.8 million or 11.6%, from \$153.4 million in FY 2022 to \$135.7 million in FY 2023, primarily as a result of the following: A decline of \$17.7 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 \$10.9 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; An increase of \$8.7 million in Secured Property Taxes due to an increase in assessed value of 10.82% in the City; and, a \$1.7 million increase in Vehicle in Lieu Taxes due to an increase in assessed value of 10.82% in the City.
  - **Property Taxes for Debt Service** increased \$4.3 million or 33.3%, from \$12.8 million in FY 2022 to \$17.1 million in FY 2023 primarily as a result of the following: (1) Increase of \$2.1 million in Measure M; (2) Increase of \$3.4 million in Measure O; (3) Increase \$0.3 million in Measure T1; (4) Increase of \$0.2 million in Measure S; and (5) Increase of \$0.2 million in Library Measure FF.
  - **Property Taxes for Special Purposes** decreased by \$0.4 million or .6% from \$59.7 million in FY 2022 to \$59.4 million in FY 2023, as a result of the following: (1) Increase in Library Taxes of \$1.7 million due to a 7.55% increase in the per capita personal income growth in California; (2) Increase of \$1.2 million in Parks Tax due to a 7.55% increase in the per capita personal income growth in California; (3) Increase of \$0.2 million in the Paramedics Tax due to a 4.996% increase in the Consumer Price Index in the immediate San Francisco Bay Area; and, (4) Decrease of \$3.5 million in the Fire Tax due to the collection of the FY2021 amount (six months) in FY2022.

- Utility Users Taxes increased \$2.6 million or 17.4%, from \$15 million in FY2022 to \$17.6 million in FY2023. The increase in UUT came primarily from gas and electric and resulted from the following: (1) The increased cost of natural gas to PG&E and the colder-than-normal temperatures, which increased energy bills; (2) The higher energy demands and tighter supplies on the West Coast, as customers used more natural gas for heating during cooler temperatures; and, (3) PG&E received an 8% increase in electricity rates in January 2022 and another increase of 8.9% in March 2023.
- Transient Occupancy taxes (TOT) - increased \$2.3 million or 33.1% from \$7.0 million in FY2022 to \$9.3 million in FY2023. The increase in FY 2023 was primarily attributable to a gross increase of 60.0% (excluding TOT rebates of \$1.4 million) at the six largest hotels in Berkeley during FY2023 (96.0% growth in the 1st quarter, 99.7% in the 2nd., 70.6% in the 3rd., and 14.2% in the 4th Quarter. The significant increase was due to significant increases in occupancy rates and room prices at these hotels.
- Business License Taxes increased \$2.2 million or 7.8% from \$28.3 million in FY2022 to \$30.5 million in FY 2023 primarily due to an increase in rental of real property, constructor or contractor, and professional/semi-professional categories.
- Other Taxes increased \$1.2 million or 4.4% from \$27.1 million in FY2022 to \$28.3 million in FY2023 primarily as a result of increases in Parking Lot Taxes (+\$1.56 million) and TNC User Taxes (+\$.3 million).
- Investment Earnings increase \$21.3 million from -\$15.8 million in FY2022 to \$5.5 million in FY 2023 primarily as a result of the Federal Reserve Board increasing short-term interest rates beginning March 17, 2022, (1) the net interest rate earned by the City increased from a range of .912% - 1.480% during FY 2022, to a range of 1.837% - 3.058% during FY2023; and (2) a large decline in the market value of investments in FY 2022 than FY 2023.

**Expenses increased \$75.8 million** primarily due to the following: \$8.6 million increase in general government, \$41.6 million increase in public safety, \$2.6 million increase in highway and streets, \$3.2 million increase in health and welfare, \$9.0 million increase in culture and recreation, \$9.9 million increase in community development and housing, \$0.6 million decrease in economic development and \$1.7 million increase in interest expense. These changes are highlighted below:

- General government expenses increased \$8.6 million.

Factors contributing to the increase:

1. \$1.1 million increase in insurance costs, excluding employee benefits.
2. \$2.4 million increase in employee salary and benefit costs, driven by a 3% salary and wage increase and the hiring of additional staff.
3. \$2.0 million spending on a new grant called “Encampment Resolution”.
4. \$1.8 million increase in non-labor costs due to inflation and a higher demand for services.

- Public safety expenses increased \$41.6 million in FY2023.

Factors contributing to the increase:

1. A significant \$34.3 million increase in actuarial pension expense.
2. \$4.7 million increase in funding for Measure GG and Measure FF-Public Safety for fire prevention.
3. \$1.2 million increase from the UC Settlement fund to provide services to University of California at Berkeley students.

- Highway and streets expenses increased \$2.6 million.

Factors contributing to the increase:

1. \$0.9 million increase in spending from the Alameda Waste fund.
2. \$0.9 million increase in actuarial pension expenses.

- Health and welfare expenses increased \$3.2 million primarily driven by a \$3.1 million rise in actuarial pension expense.

- Culture and recreation expenses increased \$9.0 million.

Factors contributing to the increase:

1. \$2.6 million increase in actuarial pension expense.



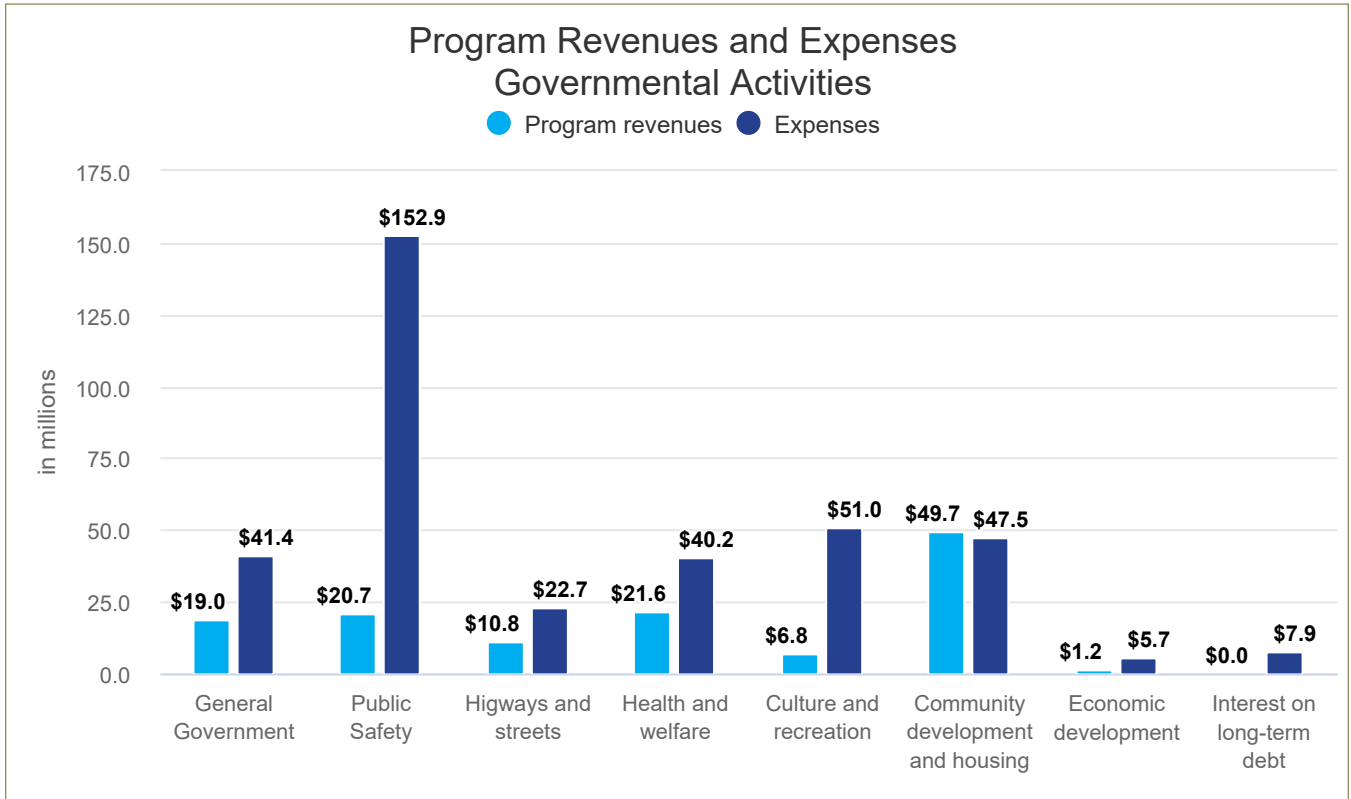
2. \$1.5 million increase in library spending.

- Community development and housing expenses increased \$9.9 million.

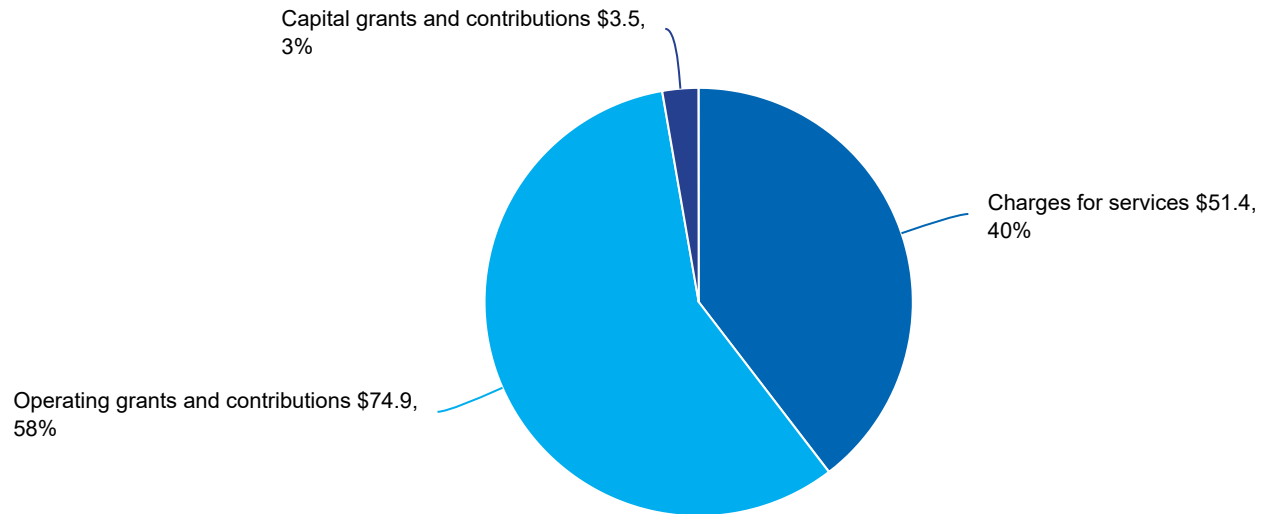
Key factors contributing to the increase:

1. The General Fund increased grant payments by \$3.6 million to support non-profit organizations providing housing services.
  2. The Grant fund - Permanent Local Housing Allocation increased spending by \$3.7 million, from \$1.2 million in FY 2022 to \$4.8 million in FY 2023
  3. \$1.4 million increase in actuarial pension expenses.
- Economic development expenses decreased \$0.6 million primarily due to reduced spending in the America Rescue Plan Act fund, which dropped from \$2.4 million in FY 2022 to \$0.8 million. However, this decrease was partially offset by an increase in spending of \$0.6 million in the General Fund and \$0.5 million in the CDBG fund.

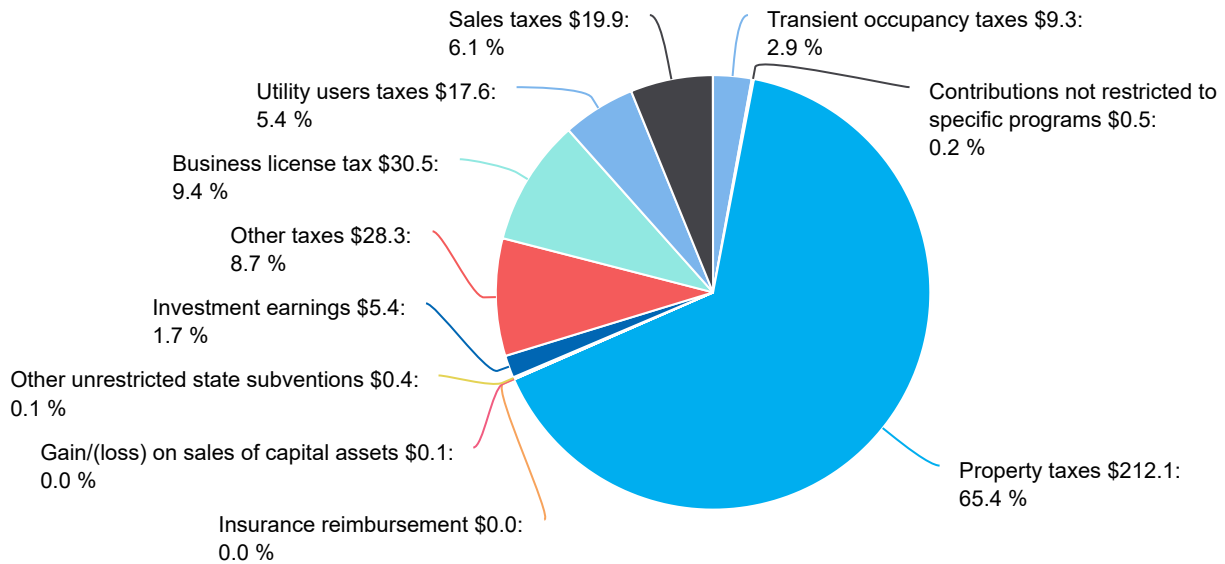
As shown on the charts on the following page, public safety is the largest program (\$152.9 million), followed by culture and recreation (\$51.0 million), community development and housing (\$47.5 million), general government (\$41.4 million), health and welfare (\$40.2 million), highways and streets (\$22.7 million), and economic development (\$5.7 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)

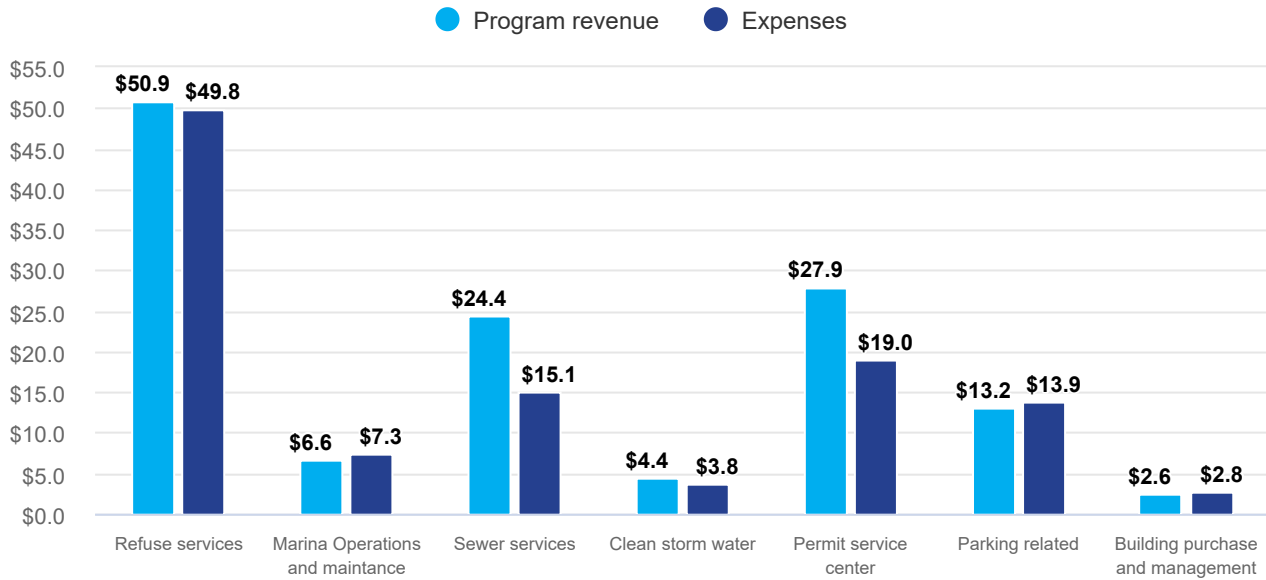


**Business-type activities** increased the City's net position by \$17.4 million, compared to FY 2022's increase of \$29.4 million. This increase was primarily the result of \$129.2 million in program and general revenues exceeding \$111.6 million in expenses. Key elements of net position changes from the prior fiscal year were as follows:

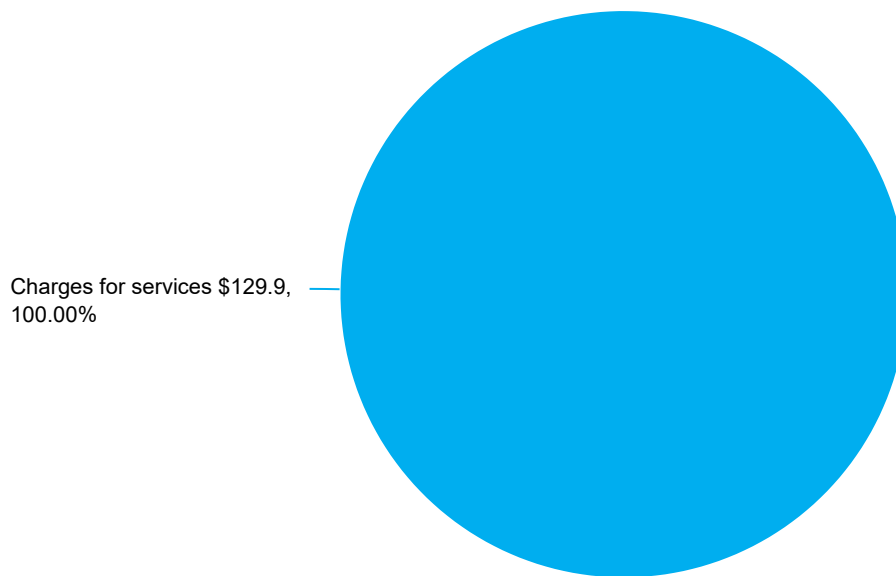
- Parking- Related activities' net position decreased \$0.7 million, compared to the FY 2022 increase of \$3.3 million. This \$0.7 million decrease was primarily due to the Off- Street Parking Fund which had revenues of \$4.7 million versus expenses of \$6.1 million; The Parking Meter Fund had revenues of \$8.5 million versus expenses of \$6.7 million and Transfers Out of \$1.8 million.
- Marina Operations and Maintenance activities' net position was decreased by \$0.8 million, compared to the FY 2022 increase of \$0.0 million. This was primarily due to revenues of \$6.6 million and total expenses of \$7.3 million.
- Refuse Services activities' net position increased by \$1.1 million, compared to the FY 2022 increase of \$6.4 million. This increased by \$1.1 million was primarily due to operating revenues of \$49.6 million, expenses of \$49.8 million.
- Clean Storm Water activities' net position increased by \$0.6 million, compared to the FY 2022 decrease of \$1.6 million. This \$0.6 million increase was primarily due to Clean Storm Water Fees of \$4.4 million, and operating expenses of \$3.9 million.
- Sewer Services activities' net position increased by \$9.3 million, compared to the FY 2022 increase of \$8.8 million. This \$9.3 million increase was primarily due to operating revenues of \$24.4 million and operating expenses of \$15.1 million.
- Permit Service Center activities' net position increased by \$8.8 million, compared to the FY 2022 increase of \$13.4 million. This \$8.8 million increase was primarily due to operating revenues of \$27.9 million, and operating expenses of \$19.2 million.
- Building Purchases and Management activities' net position decreased \$0.2 million, compared to unchanged in FY 2022. This \$0.2 million decrease was primarily due to operating revenues of \$2.6 million, and total expenses of \$2.8 million.
- Internal Service Funds (ISF) allocation of operating profit increased net position of business-type activities by \$2.6 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 \$49.8 million, \$19.0 million and \$15.1 million, respectively, out of approximately \$111.6 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 2023, City governmental funds reported a combined ending fund balance of \$575.2 million (an increase of \$62.9 million) compared to a FY 2022 combined ending fund balance of \$512.3 million. The increase in fund balance was primarily due to the following: General Fund had an increase of \$10.5 million, Grants Fund had an increase of \$10.3 million, Library Fund had an increase of \$4.1 million, Capital Improvements Fund had an increase of \$10.0 million, and other Non-Major Governmental Funds had an increase of \$27.0 million. Of the \$575.2 million fund balance, approximately, \$352.3 million or 61.2 percent was restricted fund balance, \$121.1 million or 21.1 percent was in committed funds, \$33.9 million or 5.9 percent was in assigned funds, and \$67.9 million or 11.8 percent was in unassigned fund balance. Refer to pages 41-45 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, 2023, ending fund balance had an increase of \$10.5 million, to \$158.5 million, compared to the FY 2022 increase of \$36.1 million.

The Fund balance of the General Fund consists of \$31.1 million in restricted fund balance; and \$16.8 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; \$40.7 million was committed. The remaining \$69.9 million was unassigned. Refer to page 41 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**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>	\$ 241,247,508	\$ 232,594,533	\$ 213,739,932	\$ 210,940,719	\$ 201,089,822
Expenditures	(211,303,884)	(200,826,851)	(189,313,176)	(188,605,343)	(164,040,069)
Other financing sources (uses)	(19,519,958)	4,393,666	(10,613,695)	(17,501,973)	(27,699,229)
Operating surplus/(deficit)	10,423,666	36,161,348	13,813,061	4,833,403	9,350,524
Beginning fund balance	148,043,478	111,882,130	98,069,069	93,235,667	83,885,143
Ending fund balance	<u>\$ 158,467,144</u>	<u>\$ 148,043,478</u>	<u>\$ 111,882,130</u>	<u>\$ 98,069,069</u>	<u>\$ 93,235,667</u>
<b>Fund balance categories:</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	31,121,862	13,817,991	6,196,569	4,820,212	3,696,971
Committed	40,677,503	46,879,379	29,744,146	-	-
Assigned	16,752,951	12,162,510	19,577,650	44,704,796	42,666,449
Unassigned	69,914,828	75,183,598	56,363,765	48,544,061	46,872,247
Fund balance	<u>\$ 158,467,144</u>	<u>\$ 148,043,478</u>	<u>\$ 111,882,130</u>	<u>\$ 98,069,069</u>	<u>\$ 93,235,667</u>

**General Fund – Revenue and Expenditure Analysis**

General Fund Revenues for fiscal year 2023, including transfers in and proceeds from sale of property, were \$241.2 million, an increase of \$8.7 million, or 3.7%, compared to the FY 2022 total of \$232.6 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		Variance	% of Increase (Decrease)	% of Total
	2023	2022	Over/(Under) LastYear	Over Prior Year	
Property taxes	\$ 119,023,362	\$ 138,434,399	\$ (19,411,037)	-14.0%	49.3%
Sales taxes	19,922,287	19,976,288	(54,001)	-0.3%	8.3%
Utility users taxes	17,606,482	15,001,999	2,604,483	17.4%	7.3%
Transient occupancy taxes	7,911,684	5,680,715	2,230,969	39.3%	3.3%
Business license taxes	24,638,781	23,408,162	1,230,619	5.3%	10.2%
U1 revenues	5,844,564	4,913,873	930,691	18.9%	2.4%
Short-term Rentals	1,372,439	1,295,798	76,641	5.9%	0.6%
Vehicle In-Lieu taxes	16,659,665	15,006,003	1,653,662	11.0%	6.9%
Other taxes	3,279,843	1,382,462	1,897,381	137.2%	1.4%
Other licenses & permits	1,471,063	1,579,944	(108,881)	-6.9%	0.6%
Intergovernmental	1,780,267	651,916	1,128,351	173.1%	0.7%
Charges for services	7,494,045	7,806,047	(312,002)	-4.0%	3.1%
Fines and penalties	7,371,182	4,967,462	2,403,720	48.4%	3.1%
Rents and royalties	232,740	294,329	(61,589)	-20.9%	0.1%
Franchise	1,810,581	1,712,652	97,929	5.7%	0.8%
Investment income	3,261,122	(10,069,162)	13,330,284	132.4%	1.4%
Other revenue	1,567,402	551,646	1,015,756	184.1%	0.6%
<b>Total revenues</b>	<b>\$ 241,247,509</b>	<b>\$ 232,594,533</b>	<b>\$ 8,652,976</b>	<b>3.7%</b>	<b>100.00%</b>

- Property taxes decreased by \$19.4 million or 14.0% to \$119.0 million in FY 2023 from \$138.4 million in FY 2022, primarily as a result of increases/(decreases) in the following categories:
  - i. Property Transfer Tax revenue in FY 2023 was \$22.0 million, which was \$17.7 million or 44.6% less than the FY 2022 total of \$39.7 million. This decline was primarily as a result of a 45.6% decrease in the dollar value of property sales and a 31.3% decrease in the number of property sales transactions;
  - ii. Measure P Property Tax revenue in FY 2023 was \$9.7 million, which was \$10.9 million or 52.9% less than the FY 2022 total of \$20.6 million. This decline was primarily due to a 45.6% decrease in the dollar value of property sales, a 45.6% decrease in the number of property sales transactions, and significantly less property sales of \$10 million or more in FY 2023 than there were in FY 2022;
  - iii. An increase of \$8.2 million in Secured Property Taxes, from \$71.1 million in FY 2022 to \$79.3 million in FY 2023, due to an increase in assessed value of 10.82% in the City;
  - iv. Vehicle In-Lieu Taxes increased \$1.7 million or 11.0% in FY2023 from \$15.0 million in FY 2022 to \$16.7 million in FY 2023, due to increase in assessed value of 10.82% in the City.

- Utility Users Taxes increased \$2.6 million or 17.4%, from \$15 million in FY 2022 to \$17.6 million in FY 2023. The increase in UUT came primarily from gas and electric and resulted from the following: (1) The increased cost of natural gas to PG&E and the colder-than-normal temperatures, which increased energy bills; (2) The higher energy demands and tighter supplies on the West Coast, as customers used more natural gas for heating during cooler temperatures; and, (3) PG&E received an 8% increase in electricity rates in January 2022 and another increase of 8.9% in March 2023.
- Transient Occupancy taxes (TOT) increased \$2.2 million or 39.3%, from \$5.7 million in FY 2022 to \$7.9 million in FY 2023 (after deductions of \$1.4 million in TOT rebates). The increase in FY 2023 was primarily attributable to a gross increase of 60.0% (excluding TOT rebates of \$1.4 million) at the six largest hotels in Berkeley during FY 2023 (96.0% growth in the 1st. quarter, 99.7% in the 2nd., 70.6% in the 3rd., and 14.2% in the 4th. Quarter). The significant increase was due to a significant increase in occupancy rates and room prices at these hotels.
- Business License Taxes (BLT) revenue increased \$1.2 million or 5.3% from \$23.4 million in FY 2022 to \$24.6 million in FY 2023 primarily due to increase in Rental of Real Property (\$1.1 million); and construction or contractor (\$0.3 million).
- Other Taxes increased \$1.9 million or 137.2% in FY 2023 to \$3.3 million from \$1.4 million in FY 2022. The \$3.3 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 decreased \$0.3 million or -4.0%, from \$7.8 million in FY 2022 to \$7.5 million in FY 2023.
- Fines and penalties increased \$2.4 million or 48.4% to \$7.4 million in FY 2023 from \$5.0 million in FY 2022. The primary reason for the increase was a significant increase in ticket writing, resulting from the lifting of COVID-19 restrictions. For FY 2023, ticket writing increased by 22,365 citations or 16.2% from 124,544 in FY 2022 to 146,909 in FY 2023
- Investment income increased \$13.3 million from the total of -\$10.1 million in FY 2022 to \$3.3 million in FY 2023 primarily as a result of the Federal Reserve Board increasing short-term interest rates beginning March 17, 2022, (1) the net interest rate earned by the City increased from a range of .912%-1.480% during FY 2022, to a range of 1.837%-3.058% during FY 2023; and (2) a smaller decline in the market value of investments in FY 2023 than in FY 2022.

General Fund Expenditures for fiscal year 2023, including transfers out, increased \$23.9 million , or 10.7% 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	% of Increase/	
	2023	2022	Over/(Under)	(Decrease)	% of Total
			Prior Fiscal	Over Prior	
				Year	
General government	\$ 32,731,907	\$ 29,692,864	\$ 3,039,043	10.2%	13.2%
Public safety	128,305,763	124,900,757	3,405,006	2.7%	51.8%
Highway and streets	3,055,307	3,833,392	(778,085)	-20.3%	1.2%
Health and welfare	15,694,582	17,896,636	(2,202,054)	-12.3%	6.3%
Culture-recreation	9,290,768	8,707,861	582,907	6.7%	3.8%
Community development and housing	16,592,396	12,692,681	3,899,715	30.7%	6.7%
Economic development	3,642,815	3,004,509	638,306	21.2%	1.5%
Debt service	496,474	98,151	398,323	405.8%	0.2%
Capital outlay	1,493,872	-	1,493,872	N/A	0.6%
Other financing uses	36,366,543	22,965,735	13,400,808	58.4%	14.7%
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 247,670,427</b>	<b>\$ 223,792,586</b>	<b>\$ 23,877,841</b>	<b>10.7%</b>	<b>100.0%</b>

- General government expenditures increased \$3.0 million or 10.2% in FY 2023, compared to the prior fiscal year. The reasons for the increase are the following: (1) \$1.1 million increase in insurance other than employee benefits. (2) increase of \$2.6 million in salary and benefit costs due to 3% increase in salary and wage starting from July 1, 2022.
- Public safety expenditures increased \$3.4 million or 2.7% in FY 2023, compared to the prior fiscal year. It was primarily a 3.0%-3.5% increase in salary and wage.
- Highways and streets expenditures decreased \$0.8 million or 20.3% in FY 2023, compared to the prior fiscal year.
- Health and welfare expenditures decreased \$2.2 million or 12.3% in FY 2023, 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 \$0.6 million or 6.7% in FY 2023, compared to the prior fiscal year.
- Community Development and Housing expenditures increased \$3.9 million or 30.7% in FY 2023, compared to the prior fiscal year. The increase is due to grant payments to community agencies.
- Economic development increased \$0.6 million or 21.2% primarily due to increase in the following payments: 1) to nonprofit organizations, like Berkeley Convention & Visitors, Telegraph Property & Business, to promote Berkeley and 2) to advertising.
- Other Financing Uses increased \$13.4 million or 58.4% in FY 2023 primarily due to the following: 1) transfer out to Capital Project fund increased by \$14.1 million as a result of the increase in property transfer tax revenue in FY 2022; 2) Council authorized an increase of \$1.9 million in the transfer out to the Catastrophic Insurance Fund; These increases are offset by a decrease of \$2.7 million in funding to the Playground Camp Fund for Berkeley.

### **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 increased \$10.3 million compared to prior fiscal year's increase of \$4.1 million. Much of the FY 2023's increase resulted from a \$29.0 million excess of revenues (\$74.4 million) over expenditures of (\$45.4 million).

#### ***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 \$4.1 million which is comparable to prior fiscal year's increase of \$4.4 million. The \$4.1 million increase resulted primarily from \$24.3 million in revenue and \$20.2 million in expenditures.

#### ***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.

The fund balance of the Capital Improvements Fund increased \$10.0 million, compared to the prior fiscal year's \$2.7 million. The net increase of \$10.0 million was primarily due to (1) Expenditures of \$7.8 million; (2) Transfers In from the General Fund of \$19.0 million; and, (3) total Transfers Out of \$1.1 million.

#### ***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 \$1.1 million, compared to the prior fiscal year's \$77.2 million. The \$1.1 million increase resulted primarily from \$1.1 million in revenue and \$0.016 million in expenditures.

### **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, 2023**

Fund	Unrestricted Net Position	Change in Unrestricted Net Position	Total Net Position	Change in Total Net Position
Zero Waste	\$ 342,948	\$ (349,634)	\$ 4,743,893	\$ (679,411)
Marina Operations	(1,151,693)	(131,144)	1,657,778	(2,262,943)
Sanitary Sewer	23,620,951	6,510,048	175,936,771	9,146,667
Clean Storm Water	6,740,212	637,242	27,331,125	964,866
Permit Service Center	18,741,674	7,787,436	22,158,870	7,627,368
Off-Street Parking	(1,346,050)	(1,233,645)	10,725,920	(2,265,877)
Parking Meters	(2,399,944)	2,648,677	(1,705,102)	2,564,274
Building Purchases and Management	(2,107,202)	(634,032)	(3,808,963)	(245,205)
<b>Total</b>	<b>\$ 42,440,895</b>	<b>\$ 15,234,948</b>	<b>\$ 237,040,293</b>	<b>\$ 14,849,739</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 152. \$10.1 million increase between the original and final budget (expenditures plus transfer out) is primarily the result of \$12.0 million of encumbered rollovers, unencumbered rollovers, and other 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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 213,381,207	\$ 214,450,236	\$ 217,385,131	\$ 2,934,895
Licenses and permits	1,548,145	2,113,292	1,471,063	(642,229)
Intergovernmental	803,232	803,232	1,588,585	785,353
Charges for service	7,740,099	9,190,099	9,499,279	309,180
Fines and penalties	4,480,508	5,954,058	6,038,245	84,187
Rents and royalties	149,210	149,210	232,740	83,530
Franchise	1,613,283	1,720,056	1,822,528	102,472
Private contributions and donations	174,769	174,769	134,229	(40,540)
Investment income	6,000,000	7,618,485	12,117,025	4,498,540
Miscellaneous	173,843	84,174	560,513	476,339
<b>Total revenues</b>	<b>236,064,296</b>	<b>242,257,611</b>	<b>250,849,338</b>	<b>8,591,727</b>
Expenditures:				
Current:				
General government	64,901,403	45,908,161	32,284,520	13,623,641
Public safety	123,746,013	124,294,712	128,394,573	(4,099,861)
Highway and streets	3,269,215	4,685,022	3,168,334	1,516,688
Health and welfare	12,708,700	17,064,220	15,683,043	1,381,177
Culture-recreation	8,879,747	9,473,987	9,292,584	181,403
Community development and housing	20,943,223	34,630,393	18,686,973	15,943,420
Economic development	3,236,267	3,811,441	3,542,606	268,835
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	200,000	200,000	429,209	(229,209)
Bond issuance cost	-	-	-	-
TRAN issuance costs	-	-	67,265	67,265
<b>Capital outlay:</b>	<b>199,936</b>	<b>6,097,867</b>	<b>1,493,877</b>	<b>4,603,990</b>
<b>Total expenditures</b>	<b>238,084,504</b>	<b>246,165,803</b>	<b>213,042,984</b>	<b>33,257,349</b>
Revenues over/(under) expenditures	(2,020,208)	(3,908,192)	37,806,354	41,714,546
Other financing sources/(uses)				
Transfers in	17,096,148	17,096,148	18,041,730	945,582
Transfers out	(33,357,479)	(35,334,076)	(36,795,995)	(1,461,919)
Interfund repayments	-	-	-	-
Interfund advances	-	-	-	-
<b>Sale of capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other financing sources/(uses)</b>	<b>(16,261,331)</b>	<b>(18,237,928)</b>	<b>(18,754,265)</b>	<b>(516,337)</b>
Net change in fund balance	(18,281,539)	(22,146,120)	19,052,089	41,198,209
Fund balance, July 1, 2022	118,457,038	118,457,038	118,457,038	-
Fund balance, June 30, 2023	<u>\$ 100,175,499</u>	<u>\$ 96,310,918</u>	<u>\$ 137,509,127</u>	<u>\$ 41,198,209</u>

Explanation of differences between budgetary basis to modified accrual basis:

Net change in fund balances - budgetary basis	19,052,089
Receivable accrual	(9,601,829)
Due from other fund - repayment	(1,195,145)
Due from other fund - advance	<u>\$ (172,184)</u>
Payable accrual	<u>2,340,734</u>

Revenues, excluding financing sources, exceeded the final budget by \$8.6 million, or 3.5%, higher than budgetary estimates primarily as a result of increases (decreases) in the following categories:

- Property Transfer revenue in FY 2023 was \$22.9 million, which was \$11.6 million or 33.6% less than the Adopted Budget of \$34.5 million FY 2023. This underperformance was primarily as a result of a 45.6% decrease in the dollar value of property sales and a 31.3% decrease in the number of property sales transactions, triggered by a 500 basis points increase in short-term interest rates and an increase in mortgage rates from around 4% at the start of FY 2023 to 7% by the end of FY 2023. During the fiscal year, staff increased the FY 2023 Property Transfer Taxes budget from \$34.5 million to \$22.9 million.
- Measure P Property Tax revenue in FY 2023 was \$10.2 million, which was \$3.9 million or 27.7% less than the Adopted Budget of \$14.1 million. This underperformance was primarily due to a 45.6% decrease in the dollar value of property sales, a 45.6% decrease in the number of property sales transactions, and significantly less property sales of \$10 million or more in FY 2023 than there were in FY 2022. The huge drop in property sales was triggered by a 500 basis points increase in short-term interest rates and an increase in mortgage rates from around 4% at the start of FY 2023 to 7% by the end of FY 2023. During the fiscal year, staff increased the FY 2023 Measure P Property Transfer Taxes budget from \$14.1 million to \$10.2 million.
- Secured Property Taxes in FY 2023 was \$79.3 million, which was \$3.6 million or 4.8% above the Adopted Budget of \$75.7 million. This over performance resulted from a projected 6% in assessed value reflected in the Adopted Budget projection versus an actual increase in FY 2023 assessed value of 10.82% in the City. During the fiscal year, staff increased the FY 2023 Secured Property Taxes budget from \$75.7 million to \$79.1 million.
- Vehicle In Lieu Taxes in FY 2023 totaled \$16.7 million, which was \$.7 million or 4.4% above the Adopted Budget of \$15.9 million. This over performance resulted from a projected 6% in assessed value versus an FY 2023 actual increase in assessed value of 10.82% in the City. During the fiscal year, staff increased the FY 2023 Vehicle In Lieu Tax budget from \$15.9 million to \$16.6 million.
- FY 2023 Utility Users Taxes totaled \$17.6 million, which was \$3.8 million more or 27.5% than the Adopted Budget of \$13.8 million. This over performance in UUT came primarily from gas and electric and resulted from the following: (1) The increased cost of natural gas to PG&E and the colder-than-normal temperatures, which increased energy bills; (2) The higher energy demands and tighter supplies on the West Coast, as customers used more natural gas for heating during cooler temperatures; and, (3) PG&E received an 8% increase in electricity rates in January 2022 and another increase of 8.9% in March 2023.
- Transient Occupancy Taxes (TOT) in FY 2023 totaled \$7.5 million (net of rebates of \$1.4 million), which was \$2.5 million or 50% more than the Adopted Budget total of \$5.0 million. This over performance in FY 2023 was primarily attributable to a gross increase of 60.0% (excluding TOT rebates of \$1.4 million) at the six largest hotels in Berkeley during FY 2023 (96.0% growth in the 1<sup>st</sup>. quarter, 99.7% in the 2<sup>nd</sup>., 70.6% in the 3<sup>rd</sup>., and 14.2% in the 4<sup>th</sup>. Quarter). The significant increase was due to a significant increase in occupancy rates and room prices at these hotels. During FY 2023, staff increased the FY 2023 gross TOT revenue budget from \$5.0 million to \$8.5 million (net of \$7.0 million after subtraction of estimated \$1.5 million TOT rebates owed).
- Business License Taxes (BLT) in FY 2023 totaled \$21.9 million, which was \$2.9 million or 15.3% than the Adopted Budget amount of \$19 million. from \$23.4 million in FY 2022 to \$21.7 million in FY 2023. This over performance was primarily due to increases in the following categories: Rental of Real Property (+\$1.1 million); Constructor or Contractor (+\$.3 million); and, Professional/Semi-professional (+\$.2 million) During FY 2023, staff increased the FY 2023 Business License Taxes (BLT) budget from \$19.0 million to \$21.1 million.

- U1 revenue in FY 2023 totaled \$5.8 million, which was \$.9 million or 18.4% more than the Adopted Budget amount of \$4.9 million. This over performance was primarily due to increases in the Rental of Real Property business license category. During FY 2023, staff increased the FY 2023 U1 Taxes budget from \$4.9 million to \$5.9 million.
- FY 2023 Fines and Penalties revenue totaled \$6.0 million, which was \$1.7 million or 37.8% more than the FY 2023 Adopted Budget amount of \$4.5 million. This over performance was primarily due to a significant increase in ticket writing, resulting from the lifting of COVID-19 restrictions. For FY 2023, ticket writing increased by 22,365 or 16.2% from 124,544 in FY 2022 to 146,909 in FY 2023. During FY 2023, staff increased the Fines and Penalties revenue budget from \$4.5 million to \$6.0 million.
- FY 2023 Ambulance Fee Fines revenue totaled \$5.1 million, which was \$1.2 million or 30.8% more than the FY 2023 Adopted Budget amount of \$3.9 million. This over performance was primarily due to This increase was primarily due to an increase in the number of transports, which increased by 568 in FY 2023, from 5,268 to 5,836. This increase was primarily due to (1) an increase in the number of transports, which increased by 375 in the nine months of FY 2023; and (2) to the Public Provider Ground Emergency Medical Transportation (PPGEMT) program replacing the Quality Assurance Fee Program (QAF); The MEDI-CAL and MCAL HMO reimbursement rate increased to \$1,062 under the PPGEMT Program from \$339 under the QAF Program. Staff increased the Ambulance Fee revenue projection from \$3.9 million to \$5.3 million in FY 2023.
- FY 2023 Interest Income totaled \$12.8 million, which was \$6.8 million or 113.3% more than the FY 2023 Adopted Budget amount of \$6.0 million. This over performance was primarily due to the Federal Reserve Board (the Fed) increasing interest rates 500 basis points (i.e., 5.0%) from a range of 0%-.25% on March 17, 2022 to a range of 5.0%-5.25% on May 3, 2023.

As a result of the Fed's actions, the net interest rate earned by the City increased from a range of .912%-1.480% during FY 2022, to a range of 1.837%-3.058% during FY 2023. Staff increased the FY 2023 Interest Income budget from \$6.0 million to \$7.6 million during FY 2023.

- Charges for service in FY2023 totaled \$9.5 million which was \$1.8 million from the adopted budget of \$7.7 million. This increase was primarily a result of a \$1.3 million increase in indirect cost reimbursement.

FY 2023 Indirect Cost Reimbursements totaled \$6.8 million, which was \$1.3 million or 23.6% more than the FY 2023 Adopted Budget amount of \$5.5 million. This over performance was primarily due to (1) an increase in the indirect cost rates calculated for FY 2023 (a range of 21-25%) compared to the rates calculated in FY 2022 (a range of 17%-18%), and (2) An increase of \$2.0 million or 7.1% in the indirect cost allocation base (total direct salaries and wages) from \$28.3 million in FY 2022 to \$30.3 in FY 2023.

Expenditures, excluding other financing uses, were more than final budgetary estimates by \$33.3 million, or 13.5%, primarily due to the following:

- General government was under budget by \$13.6 million due to salary savings and underspending of non-personnel funds.
- Public Safety was over budget by \$4.1 million due to overspending of Police and Fire overtime budgets. This was related to staffing shortages forcing mandatory overtime, and due to mutual aid requests.
- Highways and streets were under budget by \$1.5 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 \$15.9 million due to salary savings and underspending of non-personnel funds.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital assets**

Investments in capital assets for governmental and business-type activities as of June 30, 2023, totaled \$592.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total increase in

capital assets for fiscal year 2023 was \$1.8 million, which represents a total increase of 0.3%, 1.1% increase for governmental activities and a 0.8% 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, 2023**

Fund	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 25,142,014	\$ 25,142,014	\$ 2,979,050	\$ 2,979,050	\$ 28,121,064	\$ 28,121,064
Buildings	81,250,911	84,410,833	59,437,083	62,349,172	140,687,994	146,760,005
Improvements Other than Buildings	29,113,792	26,823,467	9,638,004	10,157,118	38,751,796	36,980,585
Machinery and Equipment	27,636,719	26,748,061	2,725,063	3,250,842	30,361,782	29,998,903
Infrastructure	129,479,936	120,679,521	171,209,626	167,017,665	300,689,562	287,697,186
Right-to-use leased buildings	437,504	591,918	-	-	437,504	591,918
Right-to-use software subscription	468,878	-	-	-	468,878	-
Construction in Progress	52,643,359	58,082,028	0	2,175,734	52,643,359	60,257,762
Total Capital Assets, Net	<u>\$ 346,173,112</u>	<u>\$ 342,477,843</u>	<u>\$ 245,988,825</u>	<u>\$ 247,929,581</u>	<u>\$ 592,161,937</u>	<u>\$ 590,407,423</u>

Major capital asset events during fiscal year 2023 included the following:

- Governmental activities’ Buildings decreased by \$3.2 million or 3.7 percent from the prior fiscal year primarily due to FY 2023 additions of \$2.6 million and depreciation expense of \$5.8 million.
- Governmental activities Infrastructure increased by \$8.8 million or 7.3% over the prior fiscal year primarily due to FY 2023 additions of \$12.9 million and depreciation expense of \$6.7 million.
- Governmental activities Construction in Progress decreased by \$5.4 million or 9.4% over the prior fiscal year primarily due to (1) \$8.4 million deletions for the completion of Marina Infrastructure, Camp Cazadero and one fire engine during FY2023; and (2) though the additions of \$2.6 million for reconstruction of the Berkeley Tuolumne Park that burned down.
- Business-type activities Infrastructure increased by \$4.2 million or 2.5% over the prior fiscal year primarily due to (1) \$1.1 million for Storm Drain Improvements; (2) \$7.3 million for Sewer Rehab projects; (3) prior period adjustment of \$1.9 million; and (4) a decrease of \$4.2 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 2023, the City had total long-term debt outstanding of \$288.3 million (Excluding pension liabilities, OPEB liabilities and compensated absences). Of this amount, \$221.4 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 \$66.9 million, or 23.0% percent, consisted of revenue bonds, notes/loans payable and others which includes lease and SBITA payable. The long-term decreased \$10.8 million primarily as a result of principal payments of \$9.2 million made during FY 2023. 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	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds Including \$11.4 million in premiums	\$ 221,415	\$ 228,565	\$ -	\$ -	\$ 221,415	\$ 228,565
Revenue Bonds	7,610	8,036	45,352	47,536	52,962	55,572
Fire Equipment Notes	2,547	3,459	-	-	2,547	3,459
Others	922	-	-	-	922	-
Notes/Loans Payable	4,594	5,415	5,857	6,063	10,451	11,478
Total Long-Term Debt	<u>\$ 237,088</u>	<u>\$ 245,474</u>	<u>\$ 51,209</u>	<u>\$ 53,599</u>	<u>\$ 288,297</u>	<u>\$ 299,073</u>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the fiscal year, the local economy continued to recover from the negative impacts of the COVID-19 pandemic. Berkeley's current economic base consists of approximately 12,016 active licensed businesses operating in the City. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, consulting, arts and entertainment, hospitality services, along with several state, federal, and non-profit institutions. The City's revenue base generated approximately \$1.92 billion in taxable sales taxes during FY 2023, more than the \$1.89 billion generated in FY 2022, due to the continued recovery from the negative impact of the COVID-19 pandemic. In addition, the City's unemployment rate (as reported by the State of California Employment Development Department) was 4.0 percent in June 2023 compared to 10.0 percent in June 2022, compared to 4.2 percent for the County, 4.6 percent for the state, and 3.6 percent for the U.S. as a result of the negative impact of the coronavirus pandemic.

Growth in assessed valuation on secured property increased by 10.8 percent to \$24.7 billion in FY 2023 (net of exemptions and other deductions) from \$22.3 billion in FY 2022, for a strong level of \$199,900 per capita. The tax base is diverse, with the top ten property taxpayers accounting for 6.02 percent of total assessed valuation.

### Next Year's Budget

On June 29, 2022, Council voted to approve the FY 2023 and FY 2024 Biennial Budget. As a result of the economic impact of the coronavirus pandemic, the FY 2022 Budget was adopted for one year. The FY 2023 and FY 2024 Budget is characterized by the return of a biennial budget.

### Operating Factors and Challenges

Department narratives describe the hybrid approaches delivering a combination of virtual and in-person services moving forward in order to enhance customer service, meet new service delivery expectations and improve operational efficiencies.

While some revenues are projected to continue to improve, some General Fund revenues, such as sales and use taxes and transient occupancy taxes, still lag in terms of pre-pandemic levels of performance. The City received federal funding of approximately \$66.6 million under the American Rescue Plan Act (ARPA) of 2021, used in part to help offset revenue losses and balance the FY 2022 and FY 2023 budgets. The Biennial Budget defers the partial use of remaining ARPA funds until FY 2024, as part of a series of strategies to balance the General Fund baseline budget. Additional budget balancing strategies are outlined below.

### Budget Strategies

Consistent with prior years, the following budget strategies guided the development of the FY 2023 and FY 2024 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).





THIS PAGE INTENTIONALLY BLANK

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

# Basic Financial Statements





THIS PAGE INTENTIONALLY BLANK





ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

# Government-Wide Financial Statement



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

	Primary Government			Component
	Governmental Activities	Business Type Activities	Total	Unit Rent Stabilization Board
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 312,671,116	\$ 121,113,915	\$ 433,785,031	\$ 6,217,751
Restricted cash and investments	277,773,877	-	277,773,877	-
Receivables (net of allowance for uncollectible)	44,898,438	13,977,528	58,875,966	-
Inventories	59,453	-	59,453	-
Internal balances	(21,009,798)	21,009,798	-	-
Property held for resale	713,313	-	713,313	-
Total current assets	615,106,399	156,101,241	771,207,640	6,217,751
Noncurrent assets:				
Lease Receivable	911,531	29,661,181	30,572,712	-
Notes Receivable	128,760,657	-	128,760,657	-
Capital assets:				
Land	25,142,014	2,979,050	28,121,064	-
Building	199,740,926	93,469,515	293,210,441	-
Improvements other than buildings	38,290,214	17,937,641	56,227,855	-
Machinery and equipment	88,517,254	10,335,235	98,852,489	595,666
Infrastructure	286,393,058	257,773,590	544,166,648	-
Construction in progress	52,643,359	-	52,643,359	-
Right-to-use leased buildings	746,332	-	746,332	910,329
Right-to-use subscriptions	848,416	-	848,416	-
Less accumulated depreciation and amortization	(346,148,461)	(136,506,206)	(482,654,667)	(1,278,413)
Total capital assets	346,173,112	245,988,825	592,161,937	227,582
Total noncurrent assets	475,845,300	275,650,006	751,495,306	227,582
Total assets	1,090,951,699	431,751,247	1,522,702,946	6,445,333
<b>Deferred outflows of resources</b>				
Deferred pension items	145,557,163	25,337,190	170,894,353	2,376,439
Deferred OPEB items	29,815,850	3,767,254	33,583,104	337,054
Total deferred outflows of resources	175,373,013	29,104,444	204,477,457	2,713,493
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	18,776,815	3,364,231	22,141,046	142,506
Accrued salaries and wages	5,409,832	1,156,302	6,566,134	97,343
Accrued interest payable	3,833,928	440,846	4,274,774	142
Deposits held	1,090,701	572,553	1,663,254	15,076
Other liabilities	6,590,697	561,192	7,151,889	35,764
Unearned revenues	13,037,300	24,000	13,061,300	-
Advances - rent registration	-	-	-	2,644,518
Tax and revenue anticipation notes	28,000,000	-	28,000,000	-
Current portion of LT liability due within one year	24,943,272	3,301,803	28,245,075	268,199
Total current liabilities	101,682,545	9,420,927	111,103,472	3,203,548
Noncurrent liabilities due in more than one year:				
Net pension liabilities	586,414,187	92,009,947	678,424,134	8,454,553
Net OPEB liabilities	81,814,806	6,189,332	88,004,138	173,071
Others due in more than one year	278,117,677	52,957,329	331,075,006	404,696
Total noncurrent liabilities	946,346,670	151,156,608	1,097,503,278	9,032,320
Total liabilities	1,048,029,215	160,577,535	1,208,606,750	12,235,868
<b>Deferred inflows of resources</b>				
Deferred pension items	12,441,456	2,433,757	14,875,213	235,241
Deferred OPEB items	69,083,512	8,653,826	77,737,338	769,225
Lease	926,207	29,989,934	30,916,141	-
Deferred gain on refunding	893,108	-	893,108	-
Total deferred inflows of resources	83,344,283	41,077,517	124,421,800	1,004,466
<b>Net position</b>				
Net investment in capital assets	221,025,803	194,599,398	415,625,201	227,582
Restricted for:				
Other purposes	1,115,054	-	1,115,054	-
Operating Reserves	14,395,717	-	14,395,717	-
Law enforcement	14,602,678	-	14,602,678	-
Highway and streets	60,030,476	-	60,030,476	-
Health and welfare	39,198,804	-	39,198,804	-
Park, recreation, and education	30,408,883	-	30,408,883	-
Urban redevelopment and housing	165,428,851	-	165,428,851	-
Economic development	5,369,144	-	5,369,144	-
Debt service	21,784,012	-	21,784,012	-
Unrestricted	(438,408,208)	64,601,241	(373,806,967)	(4,309,090)
Total net position	\$ 134,951,214	\$ 259,200,639	\$ 394,151,853	\$ (4,081,508)

The accompanying notes are an integral part of these financial statements



THIS PAGE INTENTIONALLY BLANK



**Statement of Activities**  
**For the year ended June 30, 2023**

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	\$ 48,138,392	\$ (6,758,577)	\$ 6,898,201	\$ 12,094,780	\$ -
Public safety	152,809,518	61,076	15,915,575	4,770,714	-
Highways and streets	22,670,725	-	3,593,027	4,763,832	2,472,216
Health and welfare	40,132,130	83,802	2,122,437	19,436,601	-
Culture and recreation	50,969,408	-	4,406,883	1,356,409	1,061,479
Community development and housing	47,371,677	176,194	17,574,961	32,137,406	-
Economic development	5,740,020	-	895,612	309,802	-
Interest on long-term debt	7,856,844	-	-	-	-
Total governmental activities	<u>375,688,714</u>	<u>(6,437,505)</u>	<u>51,406,696</u>	<u>74,869,544</u>	<u>3,533,695</u>
Business-type activities:					
Refuse services	46,993,762	2,806,563	50,887,731	-	-
Marina operations and maintenance	6,706,112	613,371	6,561,217	-	-
Sewer services	14,036,661	1,014,510	24,385,878	-	-
Clean storm water	3,625,846	180,335	4,421,484	-	-
Permit service center	17,192,049	1,822,726	27,856,023	-	-
Parking related	13,858,277	-	13,183,193	-	-
Building purchase and management	2,798,937	-	2,559,540	-	-
Total business-type activities	<u>105,211,644</u>	<u>6,437,505</u>	<u>129,855,066</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 480,900,358</u>	<u>\$ -</u>	<u>\$ 181,261,762</u>	<u>\$ 74,869,544</u>	<u>\$ 3,533,695</u>
Component unit:					
Rent stabilization board	\$ 6,114,525	\$ -	\$ 6,862,628	\$ -	\$ -
Total component unit	<u>\$ 6,114,525</u>	<u>\$ -</u>	<u>\$ 6,862,628</u>	<u>\$ -</u>	<u>\$ -</u>

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, as restated ( see Note 15)

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
\$ (22,386,834)	\$ -	\$ (22,386,834)	\$ -
(132,184,305)	-	(132,184,305)	-
(11,841,650)	-	(11,841,650)	-
(18,656,894)	-	(18,656,894)	-
(44,144,637)	-	(44,144,637)	-
2,164,496	-	2,164,496	-
(4,534,606)	-	(4,534,606)	-
(7,856,844)	-	(7,856,844)	-
(239,441,274)	-	(239,441,274)	-
-	1,087,406	1,087,406	-
-	(758,266)	(758,266)	-
-	9,334,707	9,334,707	-
-	615,303	615,303	-
-	8,841,248	8,841,248	-
-	(675,084)	(675,084)	-
-	(239,397)	(239,397)	-
-	18,205,917	18,205,917	-
\$ (239,441,274)	\$ 18,205,917	\$ (221,235,357)	\$ -
			\$ 748,103
			\$ 748,103
135,683,027	-	135,683,027	-
17,054,302	-	17,054,302	-
24,057,930	-	24,057,930	-
16,942,876	-	16,942,876	-
3,607,795	-	3,607,795	-
14,762,117	-	14,762,117	-
19,922,287	-	19,922,287	-
17,606,482	-	17,606,482	-
9,284,123	-	9,284,123	-
30,483,345	-	30,483,345	-
28,327,153	-	28,327,153	-
317,731,437	-	317,731,437	-
392,433	-	392,433	-
533,982	-	533,982	-
5,449,667	(641,043)	4,808,624	-
-	-	-	-
1,167,004	-	1,167,004	-
109,382	1,847	111,229	-
121,148	(121,148)	-	-
325,505,053	(760,344)	324,744,709	-
86,063,779	17,445,573	103,509,352	748,103
48,887,435	241,755,066	290,642,501	(4,829,611)
\$ 134,951,214	\$ 259,200,639	\$ 394,151,853	\$ (4,081,508)



THIS PAGE INTENTIONALLY BLANK

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

# Governmental Fund Financial Statements



**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	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	\$ 115,915,394	\$ -	\$ -	\$ 17,500,768	\$ -	\$ 82,478,699	\$ 215,894,861
Restricted cash and investments	44,333,758	42,957,492	23,513,966	-	38,400,860	128,567,801	277,773,877
Receivables (net of allowance where applicable):							
Accounts	9,314,225	-	5,498	-	-	1,796,763	11,116,486
Interest	2,000,228	-	-	-	-	584,948	2,585,176
Taxes	9,083,432	-	141,853	-	-	2,250,237	11,475,522
Subventions/grants	-	16,454,057	-	-	-	2,575,523	19,029,580
Due from other funds	16,034,179	-	-	1,123,144	-	-	17,157,323
Notes receivable	15,953,805	40,737,472	-	7,771,575	39,930,589	24,367,216	128,760,657
Other	4,812	156,082	-	-	-	-	160,894
Property held for resale	-	-	-	-	-	713,313	713,313
<b>Total assets</b>	<b>\$ 212,639,833</b>	<b>\$ 100,305,103</b>	<b>\$ 23,661,317</b>	<b>\$ 26,395,487</b>	<b>\$ 78,331,449</b>	<b>\$ 243,334,500</b>	<b>\$ 684,667,689</b>
<b>Liabilities</b>							
Accounts payable	\$ 6,147,059	\$ 1,083,052	\$ 426,226	\$ 840,662	\$ 32,972	\$ 4,233,249	\$ 12,763,220
Accrued salaries and wages	3,541,220	354,476	343,453	57,464	-	827,227	5,123,840
Accrued interest payable	1,116,888	-	-	-	-	-	1,116,888
Advances from other funds	813,779	-	-	-	-	-	813,779
Due to other funds	-	12,502,078	-	-	-	3,038,375	15,540,453
Deposits held	935,521	-	-	12,933	-	142,247	1,090,701
Unearned revenues	-	12,887,110	31,711	-	-	118,479	13,037,300
Taxes and revenue anticipation note	28,000,000	-	-	-	-	-	28,000,000
Other liabilities	6,515,151	-	8,663	-	-	66,883	6,590,697
<b>Total liabilities</b>	<b>47,069,618</b>	<b>26,826,716</b>	<b>810,053</b>	<b>911,059</b>	<b>32,972</b>	<b>8,426,460</b>	<b>84,076,878</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	7,103,071	13,465,234	5,498	554,285	-	4,214,239	25,342,327
<b>Total deferred inflows of resources</b>	<b>7,103,071</b>	<b>13,465,234</b>	<b>5,498</b>	<b>554,285</b>	<b>-</b>	<b>4,214,239</b>	<b>25,342,327</b>
<b>Fund Balances</b>							
Restricted	31,121,862	61,651,774	22,845,766	7,771,575	78,298,477	150,644,165	352,333,619
Committed	40,677,503	-	-	-	-	80,422,023	121,099,526
Assigned	16,752,951	-	-	17,158,568	-	-	33,911,519
Unassigned	69,914,828	(1,638,621)	-	-	-	(372,387)	67,903,820
<b>Total fund balances</b>	<b>158,467,144</b>	<b>60,013,153</b>	<b>22,845,766</b>	<b>24,930,143</b>	<b>78,298,477</b>	<b>230,693,801</b>	<b>575,248,484</b>
Total liabilities, deferred inflows of resources, and fund balances	\$ 212,639,833	\$ 100,305,103	\$ 23,661,317	\$ 26,395,487	\$ 78,331,449	\$ 243,334,500	\$ 684,667,689

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, 2023**

Fund balances - total governmental funds (Page 41)	\$ 575,248,484
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
Buildings	199,740,926
Improvements other than buildings	38,290,214
Machinery and equipment	88,517,254
Infrastructure	286,393,058
Construction in progress	52,643,359
Right-to-use leased Building	746,332
Right-to-use software subscription	848,416
Less accumulated depreciation	<u>(346,148,461)</u>
Governmental activities capital assets, net	346,173,112
Less: capital assets for Internal Service Funds	<u>(21,739,522)</u>
Net capital assets	324,433,590
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	(215,975,894)
Net pension liability - CalPERS Police Plan	(191,363,182)
Net pension liability - CalPERS Fire Plan	(88,112,107)
Net pension liability - Berkeley Police Retirement Income Benefit	(58,670,293)
Net pension liability - Safety Member Pension Plan	(845,616)
Net OPEB liability - Miscellaneous Retiree	(20,924,701)
Net OPEB liability - Police Retiree Premium Assistance Plan	(22,908,062)
Net OPEB liability - Fire Retiree Healthcare Plan	(35,423,408)
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	25,342,327
Lease receivable - principal and interest	937,668
Deferred outflow on pension - CalPERS Miscellaneous Plan	61,433,119
Deferred outflow on pension - CalPERS Police Plan	46,828,832
Deferred outflow on pension - CalPERS Fire Plan	28,493,832
Deferred outflow on pension - Berkeley Police Retirement Income Benefit Plan	186,135
Deferred outflow on OPEB - Miscellaneous Retiree Healthcare Plan	8,436,626
Deferred outflow on OPEB - Police Retiree Healthcare Plan	12,454,373
Deferred outflow on OPEB - Fire Retiree Healthcare Plan	7,577,960
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	13,153,713
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	(2,707,053)
Bonds, certificates of participation, notes and loans	(233,619,028)
Compensated absences	(18,643,644)
Lease Payable	(450,489)
Subscription Liability	(471,491)
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	(6,192,590)
Deferred inflow on pension - CalPERS Police Plan	(1,575,769)
Deferred inflow on pension - CalPERS Fire Plan	(3,861,954)
Deferred inflow on OPEB - Miscellaneous Retiree Healthcare Plan	(19,323,567)
Deferred inflow on OPEB - Police Retiree Healthcare Plan	(37,014,058)
Deferred inflow on OPEB - Fire Retiree Healthcare Plan	(9,673,224)
Deferred inflow on lease	(926,207)
Deferred inflows due to the advance refunding resulting in defeasance of debt	<u>(893,108)</u>
Net position of governmental activities (Page 35)	<u>\$ 134,951,214</u>

The accompanying notes are an integral part of these financial statements

**City of Berkeley**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2023**

	Major Funds						Total Governmental Funds
	General Fund	Grants	Library	Capital Improvement	Measure O Housing Bond	Other Governmental Funds	
<b>Revenues:</b>							
Taxes	\$ 216,259,107	\$ -	\$ 24,057,930	\$ -	\$ -	\$ 77,471,341	\$ 317,788,378
Licenses and permits	1,471,063	-	-	-	-	1,171,506	2,642,569
Intergovernmental	1,588,585	72,828,912	65,331	-	-	3,048,433	77,531,261
Charges for service	9,812,238	1,130,036	-	-	-	25,925,180	36,867,454
Fines and penalties	6,117,330	-	17,689	-	-	281,761	6,416,780
Rents and royalties	232,740	-	-	-	-	175,736	408,476
Franchise	1,810,581	-	-	-	-	251,038	2,061,619
Private contribution and donations	134,229	-	167,364	-	-	232,391	533,984
Investment income/ (loss)	3,261,122	415,030	14,201	9,518	1,074,667	2,185,422	6,959,960
Miscellaneous	560,513	-	6,024	-	-	209,343	775,880
Total revenues	<u>241,247,508</u>	<u>74,373,978</u>	<u>24,328,539</u>	<u>9,518</u>	<u>1,074,667</u>	<u>110,952,151</u>	<u>451,986,361</u>
<b>Expenditures:</b>							
Current:							
General government	32,731,907	2,126,315	-	209,527	-	4,922,974	39,990,723
Public safety	128,305,763	994,069	-	41,757	-	19,643,876	148,985,465
Highway and streets	3,055,307	2,222,509	-	2,118,483	-	8,121,811	15,518,110
Health and welfare	15,694,582	20,527,159	-	-	-	4,123,033	40,344,774
Culture-recreation	9,290,768	455,376	20,104,859	479,586	-	16,645,713	46,976,302
Community development and housing	16,592,396	17,697,690	-	1,389,833	16,457	9,033,548	44,729,924
Economic development	3,642,815	920,958	-	41,783	-	1,086,933	5,692,489
Debt service:							
Principal repayment	-	-	-	-	-	7,763,409	7,763,409
Interest and fiscal charges	429,209	-	-	-	-	7,966,533	8,395,742
TRAN issuance costs	67,265	-	-	-	-	-	67,265
Capital outlay:	1,493,872	477,094	88,949	3,565,592	-	13,226,624	18,852,131
Total expenditures	<u>211,303,884</u>	<u>45,421,170</u>	<u>20,193,808</u>	<u>7,846,561</u>	<u>16,457</u>	<u>92,534,454</u>	<u>377,316,334</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>29,943,624</u>	<u>28,952,808</u>	<u>4,134,731</u>	<u>(7,837,043)</u>	<u>1,058,210</u>	<u>18,417,697</u>	<u>74,670,027</u>
Other financing sources/(uses)							
Transfers in	16,846,585	-	-	19,000,905	-	12,479,658	48,327,148
Transfers out	(36,366,543)	(18,686,380)	-	(1,136,391)	-	(4,566,033)	(60,755,347)
Insurance recoveries	-	-	-	-	-	686,002	686,002
Total other financing sources/(uses)	<u>(19,519,958)</u>	<u>(18,686,380)</u>	<u>-</u>	<u>17,864,514</u>	<u>-</u>	<u>8,599,627</u>	<u>(11,742,197)</u>
Net change in fund balance	10,423,666	10,266,428	4,134,731	10,027,471	1,058,210	27,017,324	62,927,830
Fund balance, July 1, 2022	148,043,478	49,746,725	18,711,035	14,902,672	77,240,267	203,676,477	512,320,654
Fund balance, June 30, 2023	<u>\$ 158,467,144</u>	<u>\$ 60,013,153</u>	<u>\$ 22,845,766</u>	<u>\$ 24,930,143</u>	<u>\$ 78,298,477</u>	<u>\$ 230,693,801</u>	<u>\$ 575,248,484</u>

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, 2023**

Net change in fund balances - total governmental funds (Page 44 ) \$ 62,927,830

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)	31,209,618
Deletion of capital assets due to sale is therefore deducted from fund balance	(9,981,617)
Depreciation expense is therefore deducted from fund balance (net of ISF's amount)	(15,312,239)

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

Tax receivable	(56,940)
Grant receivable	544,119
Accounts receivable	3,539,787
Lease receivable	11,461

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	149,671
Principal payment on bonds, certificates of participation, notes and loans	7,763,409
Subscription liability payment - Principal	376,925

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

Compensated absences	(1,587,922)
Amortization of original issuance premium on debt	632,896
Amortization of deferred gain on refunding of general obligation refunding bonds	118,585
Pension expense - CalPERS Miscellaneous Plan	(32,085,795)
Pension expense - CalPERS Police Plan	(23,155,271)
Pension expense - CalPERS Fire Plan	(8,972,444)
Pension expense - Berkeley Police Retirement Income Benefit	1,383,036
Pension expense - Safety Member Pension Plan	288,896
Net OPEB expense - Miscellaneous Retiree	695,995
Net OPEB expense - Police Retiree Healthcare Plan	793,758
Net OPEB expense - Fire Retiree Healthcare Plan	(1,179,228)
Accrued interest payable	(206,724)

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 son the statement of net position.

CalPERS Miscellaneous Plan	34,543,436
CalPERS Police Plan	19,066,807
CalPERS Fire Plan	10,869,629

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)	3,686,101
---------------	-----------

Changes in net position of governmental activities (page 35) \$ 86,063,779

The accompanying notes are an integral part of these financial statements





# Proprietary Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-type Activities</b>				
	<b>Zero Waste</b>	<b>Marina Operations</b>	<b>Sanitary Sewer</b>	<b>Clean Storm Water</b>	<b>Permit Service Center</b>
<b>Assets</b>					
Current assets:					
Cash and investments in treasury	\$ 24,227,570	\$ 4,474,932	\$ 38,194,391	\$ 9,679,244	\$ 38,470,521
Accounts receivable	8,827,956	312,392	2,206,906	94,168	795,624
Current portion of lease receivable	-	565,201	-	-	-
Accrued interest	131,588	23,978	193,979	51,196	186,214
Inventory	-	-	-	-	-
<b>Total current assets</b>	<b>33,187,114</b>	<b>5,376,503</b>	<b>40,595,277</b>	<b>9,824,609</b>	<b>39,452,360</b>
Noncurrent assets:					
Lease receivable	-	27,954,251	-	-	-
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	13,841,054	126,696	-	-
Machinery and equipment	3,627,524	383,290	1,364,460	50,772	206,316
Infrastructure	-	-	216,674,607	41,098,982	-
Construction in progress	-	0	-	-	-
Less accumulated depreciation	(4,295,085)	(10,025,626)	(67,806,497)	(20,539,770)	(1,162,757)
<b>Total noncurrent assets</b>	<b>4,400,946</b>	<b>36,640,615</b>	<b>152,406,477</b>	<b>20,647,358</b>	<b>3,417,196</b>
<b>Total assets</b>	<b>37,588,059</b>	<b>42,017,118</b>	<b>193,001,754</b>	<b>30,471,966</b>	<b>42,869,556</b>
<b>Deferred outflows of resources:</b>					
Deferred pension items	9,095,455	1,630,099	4,681,444	855,985	6,557,929
Deferred OPEB items	1,351,590	285,541	628,549	97,476	1,100,958
<b>Total deferred outflows of resources</b>	<b>10,447,044</b>	<b>1,915,640</b>	<b>5,309,992</b>	<b>953,462</b>	<b>7,658,888</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	851,357	237,663	1,634,768	69,809	480,129
Accrued salaries and wages	460,066	86,196	152,264	30,138	301,093
Accrued interest payable	-	245,936	-	-	-
Due to other funds	-	-	-	-	-
Compensated absences - due within one year	372,177	21,991	102,879	6,178	113,890
Other liabilities	504,748	-	-	56,444	-
Deposits held	215	337,014	-	-	123,480
Landfill liabilities - due within one year	310,880	-	-	-	-
Unearned revenues	-	24,000	-	-	-
Claims and judgements payable	-	-	-	-	-
Notes payable - due within one year	-	216,150	-	-	-
Finance purchase payable - due within one year	-	-	-	-	-
Revenue bonds payable - due within one year	-	-	-	-	-
<b>Total current liabilities</b>	<b>2,499,444</b>	<b>1,168,950</b>	<b>1,889,910</b>	<b>162,569</b>	<b>1,018,592</b>

Business-type Activities				Governmental Activities
Off-Street Parking	Parking Meter	Building Purchases & Management	Total	Internal Service Funds
\$ 0	\$ 6,054,781	\$ 12,476	\$ 121,113,915	\$ 96,776,255
211,534	2,818	-	12,451,400	69,981
218,824	-	119,152	903,177	-
10,007	25,990	-	622,951	434,662
-	-	-	-	59,453
440,365	6,083,589	131,628	135,091,443	97,340,351
813,915	-	893,015	29,661,181	-
-	-	-	-	813,779
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	17,937,641	171,524
1,646,563	2,839,478	216,831	10,335,235	55,200,075
-	-	-	257,773,590	-
-	-	-	0	-
(14,950,226)	(2,680,439)	(15,045,806)	(136,506,206)	(34,806,806)
45,112,332	694,843	12,330,240	275,650,006	22,553,302
45,552,697	6,778,432	12,461,868	410,741,449	119,893,653
278,739	1,955,525	282,012	25,337,189	8,615,245
52,349	209,205	41,586	3,767,254	1,346,891
331,088	2,164,730	323,599	29,104,443	9,962,136
(0)	11,750	78,755	3,364,230	6,013,596
8,479	102,370	15,697	1,156,302	285,992
82,488	-	112,422	440,846	9,987
474,893	-	675,655	1,150,548	466,322
3,825	60,307	25,078	706,325	91,065
-	0	-	561,193	-
5,566	-	106,278	572,553	-
-	-	-	310,880	-
-	-	-	24,000	-
-	-	-	-	13,124,833
-	-	-	216,150	-
-	-	-	-	711,979
870,000	-	1,198,448	2,068,448	-
1,445,250	174,427	2,212,332	10,571,475	20,703,774



**Statement of Net Positiona**  
**Proprietary Funds**  
**June 30, 2023**

	<b>Business-type Activities</b>				
	<b>Zero Waste</b>	<b>Marina Operations</b>	<b>Sanitary Sewer</b>	<b>Clean Storm Water</b>	<b>Permit Service Center</b>
<b>Noncurrent liabilities:</b>					
Compensated absences - due in more than one year	1,952,735	115,385	539,787	32,413	597,556
Landfill liabilities - due in more than one year	327,096	-	-	-	-
Claims and judgments payable - due in more than one year	-	-	-	-	-
Notes payable - due in more than one year	-	5,640,497	-	-	-
Finance purchase payable - due in more than one year	-	-	-	-	-
Revenue bonds payable - due in more than one year	-	-	-	-	-
Net pension liabilities	32,307,531	6,097,076	16,899,426	3,354,684	22,213,395
Net OPEB liabilities	2,258,974	447,466	1,188,559	257,416	1,296,972
<b>Total noncurrent liabilities</b>	<b>36,846,337</b>	<b>12,300,424</b>	<b>18,627,771</b>	<b>3,644,512</b>	<b>24,107,923</b>
<b>Total liabilities</b>	<b>39,345,780</b>	<b>13,469,374</b>	<b>20,517,682</b>	<b>3,807,082</b>	<b>25,126,516</b>
<b>Deferred inflows of resources:</b>					
Deferred pension items	874,877	153,273	413,659	56,456	730,922
Deferred OPEB items	3,070,553	648,497	1,443,634	230,765	2,512,136
Deferred lease revenue	-	28,003,835	-	-	-
<b>Total deferred inflows of resources</b>	<b>3,945,430</b>	<b>28,805,606</b>	<b>1,857,293</b>	<b>287,221</b>	<b>3,243,057</b>
<b>Net position</b>					
Net investment in capital assets	4,400,946	2,809,470	152,315,820	20,590,914	3,417,196
Unrestricted	342,948	(1,151,693)	23,620,951	6,740,212	18,741,674
<b>Total net position</b>	<b>\$ 4,743,893</b>	<b>\$ 1,657,778</b>	<b>\$ 175,936,771</b>	<b>\$ 27,331,125</b>	<b>\$ 22,158,870</b>

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
20,069	316,417	131,580	3,705,942	1,109,237
-	-	-	327,096	-
-	-	-	-	33,004,000
-	-	-	5,640,497	-
-	-	-	-	1,835,182
31,356,447	-	11,927,347	43,283,795	-
1,126,592	8,878,607	1,132,637	92,009,946	31,447,095
54,792	592,275	92,876	6,189,331	2,558,635
32,557,900	9,787,299	13,284,440	151,156,607	69,954,149
34,003,151	9,961,726	15,496,772	161,728,082	90,657,923
26,038	156,608	21,924	2,433,758	811,143
121,523	529,930	96,789	8,653,826	3,072,663
1,007,154	-	978,945	29,989,934	-
1,154,715	686,538	1,097,657	41,077,518	3,883,806
12,071,970	694,843	(1,701,761)	194,599,398	19,192,362
(1,346,050)	(2,399,944)	(2,107,202)	42,440,895	16,121,698
\$ 10,725,920	\$ (1,705,102)	\$ (3,808,963)	\$ 237,040,293	\$ 35,314,060
			22,160,346	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
			\$ 259,200,639	Net position of business-type activities

**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the year ended June 30, 2023**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Zero Waste</b>	<b>Marina Operations</b>	<b>Sanitary Sewer</b>	<b>Clean Storm Water</b>
<b>Operating revenues:</b>				
Parking related revenues	\$ -	\$ -	\$ -	\$ -
Marina operations and maintenance	-	4,275,479	-	-
Sewer service fees	-	-	23,674,152	-
Clean storm water fees	-	-	-	4,421,484
Refuse service fees	50,886,324	-	-	-
Building permits	-	-	-	-
Other permits	-	-	-	-
Plan checking fees	-	-	-	-
Other fees	-	15,977	545,109	-
Equipment rentals service charge	-	-	-	-
Building maintenance	-	-	-	-
Central store service charge	-	-	-	-
Workers' compensation fees	-	-	-	-
IT service fee	-	-	-	-
Lease revenues	-	2,208,011	-	-
Other revenues	1,407	61,750	166,617	-
<b>Total operating revenues</b>	<b>50,887,731</b>	<b>6,561,217</b>	<b>24,385,878</b>	<b>4,421,484</b>
<b>Operating expenses:</b>				
Personnel services	13,347,377	2,426,508	4,747,579	865,516
Employee benefits	8,792,816	1,286,807	2,516,768	522,871
Transportation	8,740,024	180,349	965,206	789,541
Repairs and maintenance	1,509,078	291,003	1,057,264	325,745
Materials and supplies	563,925	207,804	262,738	162,385
Utilities	591,583	736,854	21,571	30,102
Insurance	-	64,621	-	-
Specialized and professional services	14,919,443	810,662	1,078,161	95,023
Depreciation	429,701	539,160	3,630,746	721,661
Judgments and claims	-	-	-	-
Communication	20,929	25,711	34,156	1,244
General administration	2,799,129	595,939	1,064,614	364,877
<b>Total operating expenses</b>	<b>51,714,005</b>	<b>7,165,418</b>	<b>15,378,803</b>	<b>3,878,965</b>
Operating income (loss)	(826,274)	(604,201)	9,007,075	542,519
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	252,528	3,115	242,108	24,148
Interest expense	3,368	(270,403)	-	-
Disposal of capital asset	-	(2,517,339)	-	-
Gain (loss) on disposal of capital assets	1,847	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>257,743</b>	<b>(2,784,627)</b>	<b>242,108</b>	<b>24,148</b>
Income (loss) before transfers	(568,531)	(3,388,828)	9,249,183	566,667
Transfers in	-	1,150,000	90,501	423,291
Transfers out	(110,880)	(24,115)	(193,017)	(25,092)
Change in net position	(679,411)	(2,262,943)	9,146,667	964,866

Total net position - beginning as restated ( see Note 15)	5,423,304	3,920,721	166,790,104	26,366,259
Total net position - ending	<u>\$ 4,743,893</u>	<u>\$ 1,657,778</u>	<u>\$ 175,936,771</u>	<u>\$ 27,331,125</u>

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
\$ -	\$ 4,313,210	\$ 8,496,574	\$ -	\$ 12,809,784	\$ -
-	-	-	-	4,275,479	-
-	-	-	-	23,674,152	-
-	-	-	-	4,421,484	-
-	-	-	-	50,886,324	-
11,812,661	-	-	-	11,812,661	-
3,251,338	-	-	-	3,251,338	-
8,935,173	-	-	-	8,935,173	-
3,681,550	-	-	-	4,242,636	-
-	-	-	-	-	18,165,571
-	-	-	2,411,881	2,411,881	3,349,285
-	-	-	-	-	317,827
-	-	-	-	-	11,340,652
-	-	-	-	-	14,589,211
-	307,402	-	147,659	2,663,072	-
175,301	58,617	7,390	-	471,082	5,453,450
<u>27,856,023</u>	<u>4,679,229</u>	<u>8,503,964</u>	<u>2,559,540</u>	<u>129,855,066</u>	<u>53,215,996</u>
8,553,292	333,059	2,838,929	534,805	33,647,065	12,211,142
4,727,472	169,117	1,894,233	268,921	20,179,005	5,355,892
192,608	416	568,967	-	11,437,111	526,671
1,174,146	589,405	110,028	116,988	5,173,657	473,783
258,923	672	125,713	22,086	1,604,246	7,371,101
-	271,964	13,500	328,235	1,993,809	60,138
-	-	-	-	64,621	8,914
2,187,346	2,713,173	873,492	68,452	22,745,752	4,762,813
160,068	1,935,132	181,324	891,943	8,489,735	5,070,593
-	-	-	-	-	18,401,838
42,603	79,413	21,640	21,613	247,309	154,809
1,912,909	4,708	93,201	210,552	7,045,929	965,014
<u>19,209,367</u>	<u>6,097,059</u>	<u>6,721,027</u>	<u>2,463,595</u>	<u>112,628,239</u>	<u>55,362,708</u>
8,646,656	(1,417,830)	1,782,937	95,945	17,226,827	(2,146,712)
(963,651)	(31,039)	(167,723)	(529)	(641,043)	(1,660,620)
-	(1,009,088)	-	(340,621)	(1,616,744)	(52,119)
-	-	-	-	(2,517,339)	-
-	-	-	-	1,847	109,382
<u>(963,651)</u>	<u>(1,040,127)</u>	<u>(167,723)</u>	<u>(341,150)</u>	<u>(4,773,279)</u>	<u>(1,603,357)</u>
7,683,005	(2,457,957)	1,615,214	(245,205)	12,453,548	(3,750,069)
-	200,000	2,700,000	-	4,563,792	10,470,976
<u>(55,637)</u>	<u>(7,920)</u>	<u>(1,750,940)</u>	<u>-</u>	<u>(2,167,601)</u>	<u>(438,968)</u>
7,627,368	(2,265,877)	2,564,274	(245,205)	14,849,739	6,281,939

14,531,502	12,991,797	(4,269,376)	(3,563,758)	29,032,121
<u>\$ 22,158,870</u>	<u>\$ 10,725,920</u>	<u>\$ (1,705,102)</u>	<u>\$ (3,808,963)</u>	<u>\$ 35,314,060</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				2,595,834
Change in net position of business-type activities				<u>\$ 17,445,573</u>



**City of Berkeley**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2023**

	<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	\$ 49,224,663	\$ 6,531,265	\$ 24,491,107	\$ 4,365,832
Cash paid for goods and services	(28,851,860)	(4,185,619)	(7,975,786)	(1,649,692)
Cash paid for employee services	(22,991,380)	(3,928,496)	(8,158,607)	(1,441,042)
Claims and judgments paid	-	-	-	-
Net cash provided (used) by operating activities	<u>(2,618,577)</u>	<u>(1,582,850)</u>	<u>8,356,713</u>	<u>1,275,098</u>
Cash flows from noncapital financing activities:				
Transfers in	-	1,150,000	90,501	423,291
Transfers out	(110,880)	(24,115)	(193,017)	(25,092)
Advances repayment from other funds	-	-	-	-
Receipt from interfund loans	-	-	-	-
Net cash provided (used) from noncapital financing activities	<u>(110,880)</u>	<u>1,125,885</u>	<u>(102,516)</u>	<u>398,199</u>
Cash flows from capital and related financing activities:				
Interest paid	-	(279,080)	-	-
Purchases of capital assets	(99,924)	(455,570)	(7,308,174)	(1,105,731)
Lease payments	-	(284,654)	-	-
Debt issuance	50,567	-	-	-
Debt (repayment)	-	(206,639)	-	-
Proceeds from disposal of capital assets	1,847	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-
Net cash provided (used) from capital and related financing activities	<u>(47,510)</u>	<u>(1,225,943)</u>	<u>(7,308,174)</u>	<u>(1,105,731)</u>
Cash flows from investing activities:				
Unrealized gain/loss on investments	(1,597,840)	(334,888)	(2,095,560)	(501,615)
Interest received	1,806,613	393,108	2,263,197	503,743
Net cash provided (used) from investing activities	<u>208,773</u>	<u>58,220</u>	<u>167,637</u>	<u>2,128</u>
Net increase (decrease) in cash and cash equivalent	<u>(2,568,194)</u>	<u>(1,624,689)</u>	<u>1,113,661</u>	<u>569,694</u>
Cash and cash equivalents, July 1, 2022	26,795,764	6,099,621	35,195,585	9,109,550
Fund balance restatement	-	-	1,885,145	-
Cash and cash equivalents, June 30, 2023	<u>24,227,570</u>	<u>4,474,932</u>	<u>38,194,391</u>	<u>9,679,244</u>
Financial statement presentation:				
Cash and investments	<u>24,227,570</u>	<u>4,474,932</u>	<u>38,194,391</u>	<u>9,679,244</u>
Total	<u>24,227,570</u>	<u>4,474,932</u>	<u>38,194,391</u>	<u>9,679,244</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Income (loss) from operations	\$ (826,274)	\$ (604,201)	\$ 9,007,075	\$ 542,519
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	429,701	539,160	3,630,746	721,661
Change in:				
Accounts receivable	(1,663,068)	1,048	105,229	(55,652)
Deferred outflow	(5,908,968)	(1,028,459)	(2,795,555)	(380,015)
Inventory	-	-	-	-
Accounts payable	325,422	(1,295,979)	(3,492,076)	62,781

Deposits held	0	23,303	-	-
Accrued salaries and wages	(789,142)	(129,813)	(310,485)	(29,213)
Unearned revenues	-	(31,000)	-	-
Compensated absences	396,875	(937)	(367,786)	6,942
Claims and judgments payable	-	-	-	-
Net pension liabilities	13,007,362	2,278,814	6,150,144	839,368
Net OPEB liability	36,566	7,725	16,963	2,612
Other liabilities	(33,171)	-	-	56,444
Deferred inflows	(7,593,881)	(1,342,512)	(3,587,540)	(492,349)
Net cash provided (used) by operating activities	<u>\$ (2,618,577)</u>	<u>\$ (1,582,850)</u>	<u>\$ 8,356,713</u>	<u>\$ 1,275,098</u>

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
\$ 27,792,108	\$ 4,838,818	\$ 8,506,993	\$ 2,559,540	128,310,324	\$ 53,225,037
(5,736,980)	(3,699,952)	(1,994,562)	(723,406)	(54,817,857)	(25,221,523)
(14,242,518)	(517,846)	(5,072,931)	(722,976)	(57,075,798)	(18,405,402)
-	-	-	-	-	(978,005)
7,812,610	621,020	1,439,499	1,113,157	16,416,670	8,620,107
-	200,000	2,700,000	-	4,563,792	10,470,976
(55,637)	(7,921)	(1,750,940)	-	(2,167,602)	(438,968)
-	1	-	546,997	546,998	1,567
(55,637)	192,080	949,060	546,997	2,943,188	10,033,575
-	(1,011,750)	-	(351,956)	(1,642,786)	(55,828)
-	1	(96,921)	(2)	(9,066,320)	(2,001,685)
-	(10,981)	-	(15,883)	(311,518)	(911,654)
-	-	-	-	50,567	-
-	(902,900)	-	(1,280,769)	(2,390,307)	-
-	-	-	-	1,847	109,382
-	-	-	-	1,847	-
-	(1,925,630)	(96,921)	(1,648,610)	(13,358,517)	(2,859,785)
(1,498,709)	(122,240)	(169,029)	(9,846)	(6,329,727)	(1,839,325)
437,751	89,118	(15,008)	10,772	5,489,294	-
(1,060,958)	(33,122)	(184,037)	926	(840,433)	(1,839,325)
6,696,015	(1,145,652)	2,107,601	12,471	5,160,907	13,954,572
31,774,506	1,145,652	3,947,180	5	114,067,863	82,821,684
-	-	-	-	1,885,145	-
38,470,521	0	6,054,781	12,476	121,113,915	96,776,256
38,470,521	0	6,054,781	12,476	121,113,915	96,776,255
38,470,521	0	6,054,781	12,476	121,113,915	96,776,255
\$ 8,646,656	\$ (1,417,830)	\$ 1,782,937	\$ 95,945	17,226,827	\$ (2,146,712)
160,068	1,935,132	181,324	891,943	8,489,735	5,070,593
(63,915)	159,589	3,029	-	(1,513,742)	9,040
(4,940,755)	(174,219)	(1,063,035)	(147,040)	(16,438,046)	(5,465,695)
-	-	-	-	-	(45,441)
25,317	(40,208)	(188,021)	44,520	(4,558,245)	3,637,380
6,238	7	-	-	29,548	-

(454,415)	(24,925)	(168,392)	(23,912)	(1,930,298)	(350,980)
-	-	-	-	(31,000)	-
(126,354)	23,894	(92,387)	116,781	(42,972)	(54,251)
-	-	-	-	-	17,423,833
10,867,090	387,127	2,328,391	325,961	36,184,255	12,059,794
29,755	1,409	5,511	1,118	101,660	36,405
-	-	0	-	23,274	(14,490,219)
(6,337,076)	(228,955)	(1,349,857)	(192,158)	(21,124,327)	(7,063,640)
<u>\$ 7,812,610</u>	<u>\$ 621,020</u>	<u>\$ 1,439,499</u>	<u>\$ 1,113,157</u>	<u>16,416,670</u>	<u>\$ 8,620,107</u>



THIS PAGE INTENTIONALLY BLANK



# Fiduciary Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA



**Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023**

	<b>Pension and Other Post- Employment Benefit Trust Funds</b>	<b>Private Purpose Trust Fund - Successor Agency of Former RDA</b>	<b>Custodial Funds</b>
<b>Assets</b>			
Restricted cash and cash equivalents	\$ 9,747,983	\$ 5,826,942	\$ 2,843,999
Investments, at fair value:			
Medium term notes	2,457,675	-	-
US agency securities	28,360,967	-	-
Municipal bonds	5,137,600	-	-
Preferred Stock	8,432,000	-	-
Savo Island loan	150,000	-	-
Interest receivable	401,158	20	-
Taxes receivable	-	-	10,912
Other accounts receivable	-	-	18,200
Total current assets	<u>54,687,383</u>	<u>5,826,962</u>	<u>2,873,111</u>
Total assets	<u>54,687,383</u>	<u>5,826,962</u>	<u>2,873,111</u>
<b>Liabilities</b>			
Accounts payable	2,199,390	-	436,951
Accrued interest payable	-	4,000	-
Due to City of Berkeley	-	-	11,223
Bonds payable - noncurrent	-	150,000	-
Deposits held	-	-	14,490
Other liabilities	-	-	231,274
Total liabilities	<u>2,199,390</u>	<u>154,000</u>	<u>693,938</u>
Unavailable revenues	-	-	40,378
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>40,378</u>
<b>Net position restricted for:</b>			
Employee pension benefits held in trust	4,273,417	-	-
Employee OPEB benefits held in trust	48,214,576	-	-
City of Berkeley Successor Agency assets held in trust	-	5,672,962	-
Individuals, organizations, and other governments	-	-	2,138,795
Total net position	<u>\$ 52,487,993</u>	<u>\$ 5,672,962</u>	<u>\$ 2,138,795</u>

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

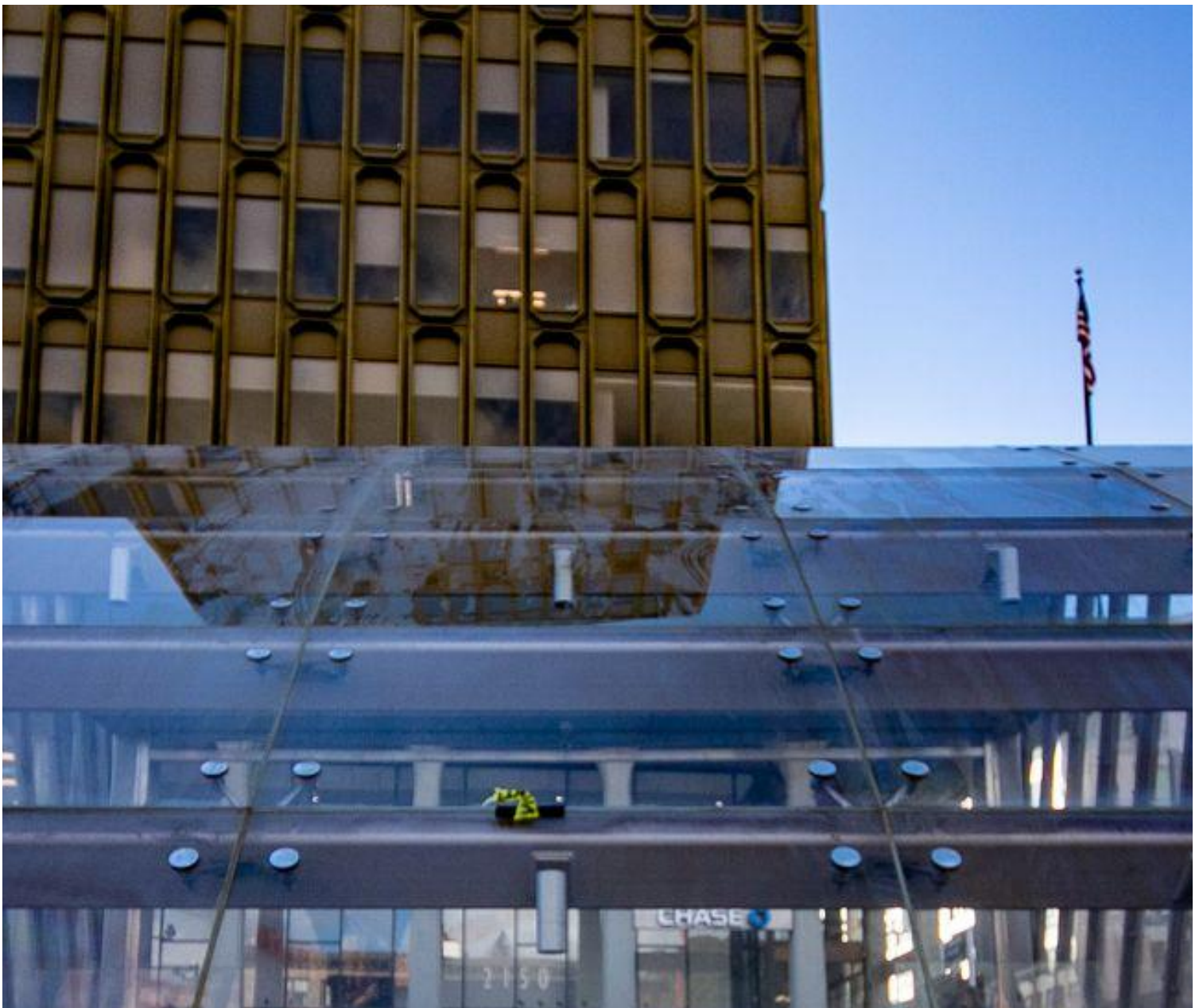
**City of Berkeley**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2023**

	<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	\$ -	\$ 1,203,504	\$ -
Contributions: employer	6,508,859	-	-
Property tax collections for other entities	-	-	3,579,015
Investment income:			
Interest income	2,091,477	-	35
Increase (Decrease) in FMV of investments	626,209	-	-
Total Investment income	2,717,686	-	35
Total additions	<u>9,226,545</u>	<u>1,203,504</u>	<u>3,579,050</u>
<b>Deductions:</b>			
Community development	-	15,893	-
Benefits payment for service	5,549,004	-	-
Personnel services	-	-	290,086
Employee benefits	-	-	188,702
Payments of property tax to other entities	-	-	3,311,274
Payments to others	-	-	980,696
Total deductions	<u>5,549,004</u>	<u>15,893</u>	<u>4,770,758</u>
Change in net position	3,677,541	1,187,611	(1,191,708)
Total net position - beginning	<u>48,810,452</u>	<u>4,485,351</u>	<u>3,330,503</u>
Total net position - ending	<u>\$ 52,487,993</u>	<u>\$ 5,672,962</u>	<u>\$ 2,138,795</u>

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



THIS PAGE INTENTIONALLY BLANK



# Governmental Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

## NOTES TO THE 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 2023, the City implemented the following Governmental Accounting Standards Board (the GASB) Statement:

**GASB Statement No. 91**

The City has adopted GASB Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit



debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The application of Statement No. 91 did not have any effect on the City's financial statements.

#### **GASB Statement No. 94**

The City has adopted GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement was implemented for FY 2023 reporting purposes. The application of Statement No. 94 did not have any effect on the City's financial statements.

#### **GASB Statement No. 96**

Statement No. 96, "Subscription-Based Information Technology Arrangements," issued in May 2020, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The purpose of this statement is to define and establish accounting principles for SBITAs, which include subscription arrangements for IT software and tangible capital assets. It requires governments to recognize a right-to-use subscription asset and a corresponding subscription liability. The key benefit of this statement is that it promotes uniformity and consistency in accounting practices and financial reporting for SBITAs among government entities. It enhances the relevance and reliability of financial statements by ensuring that governments report subscription assets and liabilities, allowing users to understand the scale and obligations related to these arrangements. Application of this Statement was effective for the City's FY ended June 30, 2023. See Notes 5, 6 and Note 8.

#### **GASB Statement No. 97**

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans— An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contributions other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this Statement was effective for the City's FY ended June 30, 2022. There was no impact on the City's net position as a result of implementation of this statement.

#### **GASB Statement No. 99**

Statement No. 99, "Omnibus 2022," issued in April 2022, serves the purpose of enhancing comparability in accounting and financial reporting and improving the consistency of authoritative literature. It achieves these



## NOTES TO THE FINANCIAL STATEMENTS

goals by addressing various practice issues and providing guidance on accounting and financial reporting for financial guarantees. The statement covers several areas, including the classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, clarification provisions in Statement No. 87, *Leases*, clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, disclosure related to nonmonetary transactions, clarification of provisions in Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis-* for State and Local Governments, and more. The changes introduced by this statement aim to ensure uniformity in the application of accounting standards and ultimately lead to more consistent and comparable financial reporting for state and local government entities.

The requirements of this statement that impacted the City were implemented for FY 2023 reporting purposes. The required changes are reflected in the City’s financial statements and notes to those statements. The requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will be implemented in FY 2024.

### C. Leases and Subscription-Based Information Technology Arrangements (SBITA)

#### Leases

A lease is defined as a contract that conveys control of the rights to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The City recognizes lease receivables of \$100,000 or more, except for the Sather Gate Mall leases, which combined together are more than \$100,000. The \$100,000 amount is based on the future lease payments remaining at the start of the lease. The City recognizes lease liabilities with an initial, individual value of \$100,000 or more, based on the future lease payments remaining at the start of the lease.

City as lessor: The City is a lessor for noncancellable leases of 15 buildings, including the Sather Gate Mall buildings. (See Note 6). The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

City staff monitors changes in circumstances that would significantly affect the amount of the lease receivable, and warrant a remeasurement of the lease receivable and deferred inflow of resources.

City as lessee: The City has one noncancellable lease of nonfinancial assets at 1521 and 1523 University Avenue. (See Note 6). The City recognizes a lease liability and an intangible right-to-use lease buildings (lease asset) in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be received during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

#### Subscription-Based IT Arrangements (SBITA)

The City is a subscriber of certain subscription-based information technology arrangements. SBITA is defined as a contract that conveys control of the right to use another party’s information technology software alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. The City recognizes a SBITA liability and an intangible right-to-use information technology asset (SBITA asset) in the government-wide financial statements when the total contract exceeds the \$100,000 threshold, at the inception of the subscription term, which occurs when the subscription asset becomes operational.

At the commencement of a SBITA contract, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of subscription payments made. The SBITA asset is initially measured as the initial amount

of the SBITA liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its subscription term.

Key estimates and judgments related to SBITA arrangements include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term and (3) subscription payments.

The City uses the interest rate charged by the provider as the discount rate. When the interest rate charged by the provider is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA arrangements.

The subscription term includes the noncancellable period of the SBITA arrangement. Subscription payments included in the measurement of the SBITA liability are composed of fixed payments and the purchase option price if the City is reasonably certain to exercise. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the subscription term if the SBITA arrangement is reasonably certain to be extended (or not terminated).

The City monitors changes in circumstances that would require a remeasurement of its SBITA arrangement and will re-measure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported as an intangible right-to-use subscription asset with other capital assets and corresponding SBITA liabilities are reported with long-term debt on the statement of net position.

Payments due under the SBITA contracts can include fixed payments and variable payments that depends on an index or a rate (such as the Consumer Price Index or a market rate), initially measured using the index or rate as of the commencement of the subscription term. The City does not have any variable payment SBITA arrangements for FY 2023.

Assets and liabilities arising from a SBITA arrangement are initially measured on a present value basis. SBITA liabilities include the net present value of the following contract payments:

- Fixed payments (including in-substance fixed payments), less any contract incentives receivable.
- Amounts expected to be payable by the City under residual value guarantees.
- The exercise price of a purchase option if the City is reasonably certain to exercise that option, and
- Payments of penalties for terminating the subscription arrangement, if the subscription term reflects the City exercising that option.

Subscription payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in some of the subscription arrangements across the City.

The subscription payments are discounted using the interest rate implicit in the subscription contract. If that rate cannot be readily determined, which is generally the case for subscription arrangements in the City, the subscriber's incremental borrowing rate is used, being the rate that the individual subscriber would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

## **D. 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.

## NOTES TO THE FINANCIAL STATEMENTS

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.

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.

## E. 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, except for Custodial Funds which use the economic resources measurement focus and accrual basis of accounting. 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.

## NOTES TO THE FINANCIAL STATEMENTS

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.

**F. 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.

**G. 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, 2023 are as follows:

	<u>Restricted cash and investments</u>
<b>Governmental activities:</b>	
TRANS repayment	\$ 29,116,889
U1 housing	14,808,215
Climate equity action	408,654
Grants	42,957,492
Library	23,513,966
Measure O housing bond	38,400,860
Non-major fund - Special revenue funds	73,522,396
Non-major fund - Capital project	33,433,503
Non-major fund - Debt service fund	21,611,902
Total governmental activities	<u>\$ 277,773,877</u>
<b>Pension and other post-employment benefit trust funds:</b>	
Police retirement income benefit plant	\$ 4,259,105
Miscellaneous retiree health premium assistance plan	34,383,197
Police retiree premium assistance plan	2,418,537
Fire employees retiree health plan	13,225,386
Total Pension and other post-employment benefit trust funds	<u>\$ 54,286,225</u>
<b>Private purpose trust fund - Successor agency of former RDA:</b>	
Successor agency - WBIP	\$ 5,324,029
Successor agency - Savo DSF	502,913
Total private-purpose trust funds	<u>\$ 5,826,942</u>
<b>Custodial funds</b>	
District 47 underground/Miller	\$ 124,312
Sustainable energy	38,118
Solano avenue business improvement district	14,716
Telegraph business improvement district	170,557
Thousand oaks undergrounding	313,895
Measure H school tax	153,569
CFD No. 1 disaster fire protection Mello-Roos	1,767,257
Berkeley tourism business improvement district	116,097
Elmwood business improvement district	28,918
North Shattuck business improvement district	97,459
Downtown Berkeley property and improvement district	19,101
Total custodial funds	<u>\$ 2,843,999</u>

## H. Receivables and Payables

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



NOTES TO THE FINANCIAL STATEMENTS

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:

	<u>Secured</u>	<u>Unsecured</u>
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.

**I. 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.

**J. Land Held for Resale**

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

**K. 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

## L. 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.

## M. Long-term Obligations

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

## 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 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, 2023, the City did not have a liability due.

#### N. 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.

#### O. 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.

### P. 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.

### Q. 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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

### R. Pensions

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

NOTES TO THE FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financials statements at fair value as follows:

	Unrestricted	Restricted	Total
Primary government except for fiduciary fund	\$ 433,785,031	\$ 277,773,877	\$ 711,558,908
Fiduciary fund	-	62,957,166	62,957,166
Component unit: Rent Stabilization Board	6,217,751	-	6,217,751
Total cash and investments	<u>\$ 440,002,782</u>	<u>\$ 340,731,043</u>	<u>\$ 780,733,825</u>

Cash and investments as of June 30, 2023 consist of the following:

Cash and deposits:		
Cash on hand		\$ 26,767
Deposits with financial institutions in pooled cash account		
Primary government		20,218,605
Fiduciary funds		18,418,909
Rent Stabilization Board		6,217,750
Total deposits with financial institutions		<u>44,855,264</u>
Deposits with fiscal agents for primary government		238
Deposits with fiscal agents for Fiduciary fund		16
Total cash and deposits		<u>44,882,285</u>
Investments:		
Investments for City government, excluding trust funds		691,313,298
Investments held in trust		44,538,242
Total investments		<u>735,851,540</u>
Total cash, deposits and investments		<u>\$ 780,733,825</u>

**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, 2023.

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	\$ 402,491,251	\$ 4,967,300	\$ 24,197,050	\$ 178,124,080	\$ 113,518,121	\$ 22,752,280	\$ 58,932,420
Municipal bond	4,837,200	-	4,837,200	-	-	-	-
Medium term notes	117,964,504	25,734,110	19,635,905	28,709,700	18,476,939	9,626,100	15,781,750
Certificates of deposit	499,888	499,888	-	-	-	-	-
Corporate bond	989,070	-	-	-	-	-	989,070
Money market	164,531,385	164,531,385	-	-	-	-	-
<b>Total Investments</b>	<b>\$ 691,313,298</b>	<b>\$ 195,732,683</b>	<b>\$ 48,670,155</b>	<b>\$ 206,833,780</b>	<b>\$ 131,995,060</b>	<b>\$ 32,378,380</b>	<b>\$ 75,703,240</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	Investment Maturities (in years)							No Maturity
	Total	Less than 1	1 - 2	2 - 3	3 - 4	4 - 5	More than 5	
U.S. Agency securities	\$ 16,009,867	\$ -	\$ -	\$ 6,811,560	\$ -	\$ -	\$ 9,198,307	\$ -
Municipal bond	5,137,600	-	-	5,137,600	-	-	-	-
Medium term notes	12,825,075	-	-	2,457,675	-	-	10,367,400	-
Corporate bond	1,983,700	-	-	-	-	-	1,983,700	-
Preferred stock	8,432,000	-	-	-	-	-	-	8,432,000
Savo Island loan	150,000	-	-	150,000	-	-	-	-
<b>Total Investments</b>	<b>\$ 44,538,242</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,556,835</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,549,407</b>	<b>\$ 8,432,000</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*

<u>Investment Type</u>	<u>Amount Held</u>	<u>Minimum Legal Rating</u>	<u>S &amp; P Rating June 30, 2023</u>
U.S. Agency Securities	402,491,251	AA+	AA+
Municipal bond	4,837,200	A	AA+
Medium Term Notes	117,964,504	A	A+
Certificates of Deposit	499,888	N/A	N/A
Corporate bond	989,070	A	A
Money market	164,531,385	N/A	N/A
<b>Total</b>	<b>\$ 691,313,298</b>		

### *Trust Fund Investments*

<u>Investment Type</u>	<u>Amount Held</u>	<u>Minimum Legal Rating</u>	<u>S &amp; P Rating June 30, 2023</u>
U.S. agency securities	\$ 16,009,867	AA+	AA+
Municipal bonds	5,137,600	A	A+
Medium term notes	12,825,075	A	A
Corporate bond	1,983,700	A	A+
Preferred stock	8,432,000	N/A	N/A
Savo Island loan	150,000	N/A	Not rated
<b>Total</b>	<b>\$ 44,538,242</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*

<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage of Holdings</u>
Federal home loan banks	\$ 296,117,003	42.8%
Federal farm credit bank	72,789,500	10.5%
<b>Total</b>	<b>\$ 368,906,503</b>	<b>53.3%</b>

NOTES TO THE FINANCIAL STATEMENTS

Trust Fund Investments

Issuer	Investment Type	Reported Amount	Percentage of Holdings
AT&T Inc.	Preferred securities	\$ 8,432,000	18.9%
Federal farm credit bank	Federal agency securities	6,811,560	15.3%
Northern trust corp	Medium term notes	10,367,400	23.3%
Federal home loan banks	Federal agency securities	9,198,307	20.7%
Sacramento county CA PO bond	Municipal bond	5,137,600	11.5%
Morgan Stanley DW DTC#0015	Medium-term notes	2,457,675	5.5%
	<b>Total</b>	<b>\$ 42,404,542</b>	<b>95.2%</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 with limits of \$60,000,000 xs \$142,500,000.

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, 2023:

City's Investments

Investment Types	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets		Significant Unobservable Inputs (Level 3)
		Identical Assets (Level 1)	Similar Assets (Level 2)	
U.S. agency securities	\$ 402,491,251	\$ -	\$ 402,491,251	\$ -
Municipal bond	4,837,200	-	4,837,200	-
Medium term notes	117,964,504	-	117,964,504	-
Corporate bond	989,070	-	989,070	-
Certificates of deposit	499,888	-	499,888	-
<b>Total</b>	<b>\$ 526,781,913</b>	<b>\$ -</b>	<b>\$ 526,781,913</b>	<b>\$ -</b>

*Trust Fund Investments*

Investment Types	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets		Significant Unobservable Inputs (Level 3)
		Identical Assets (Level 1)	Similar Assets (Level 2)	
U.S. agency securities	\$ 16,009,867	\$ -	\$ 16,009,867	\$ -
Municipal bonds	5,137,600	-	5,137,600	-
Medium term notes	12,825,075	-	12,825,075	-
Corporate bond	1,983,700	-	1,983,700	-
Preferred securities	8,432,000	8,432,000	-	-
Others	150,000	-	-	150,000
<b>Total</b>	<b>\$ 44,538,242</b>	<b>\$ 8,432,000</b>	<b>\$ 35,956,242</b>	<b>\$ 150,000</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, 2023. 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	\$ 125,861	\$ 94,424	\$ 145,455	\$ 134,260	\$ 500,000
Uninsured and collateralized with securities held by pledging institution's trust department or agent, but not in City's name	8,161,985	6,123,326	9,432,614	8,706,597	32,424,522
Total bank balance - all deposits*	\$ 8,287,846	\$ 6,217,750	\$ 9,578,069	\$ 8,840,857	\$ 32,924,522

\* 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, 2023, 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	\$ 25,765,628
Net increase/(decrease) in the fair value of investments	(22,504,506)
Total investment income	<u>\$ 3,261,122</u>

NOTES TO THE FINANCIAL STATEMENTS

3. NOTES AND LOANS RECEIVABLE

Details of Notes Receivable as of June 30, 2023 are as follows:

Notes/Loans Receivable	June 30, 2023
General Fund:	
Development Loans	\$ 7,067,470
Housing Assistance Loans	660,000
S.B. Rental Rehabilitation	2,391,678
Notes/Loans Receivable	6,070,533
Allowance for uncollectible	(235,876)
Total General Fund	<u>15,953,805</u>
Grant Fund:	
Development Loans	39,737,536
CalHome Senior Home Repair	854,703
Rehabilitation - Emergency Repair	5,233
1st Time Homebuyer Home Loans	140,000
Total Grant Fund	<u>40,737,472</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	39,930,589
Total Measure O Housing Fund	<u>39,930,589</u>
Nonmajor Governmental Funds:	
Development Loans	21,659,499
S.B. Rental Rehabilitation	27,253
CalHome Senior Home Repair	209,046
Rehabilitation - Emergency Repair	962,862
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>24,367,216</u>
Total Notes/Loans Receivable	<u>\$ 128,760,657</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, 2023 the City had the following due to/from other funds:

Due To / From Other Funds	From Fund	To Fund	Amount	Total
General Fund		Nonmajor governmental funds		
		Special revenue fund	\$ 2,701,581	
		Debt service fund	11,459	2,713,040
		Governmental fund		
		Grant fund		11,704,269
		Enterprise funds		
		Off-street parking	474,893	
		Building purchases & management	675,655	1,150,548
		Internal service funds		466,322
		Capital improvement fund		
		Governmental funds		
		Grant fund		797,809
		Nonmajor governmental funds		325,335
			<u>\$ 17,157,323</u>	

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.

B. Transfers

At June 30, 2023, 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	\$ 19,000,905
		Employee Training Fund	750,000
	Non-Major Funds	PERS Savings Fund	3,634,103
		Health State Aid	1,953,018
		Fair Elections Fund	505,002
		Phone System Replacement	449,408
		Internal Service Funds	1,081,699
		Public Liability	3,895,888
		Catastrophic Insurance	5,025,184
	Information Technology Support	71,336	
			<u>36,366,543</u>
Grant Fund	General Fund	To cover revenue suffered in the General Fund due to the Covid-19 pandemic and to help balance the FY2023 General Fund Budget	12,022,049
		Nonmajor Funds	2,614,331
	Enterprise Funds	Paramedic Fund	2,614,331
		Marina Operations	1,150,000
		Off Street Parking	200,000

		Parking Meter Support	2,700,000
			<u>18,686,380</u>
Capital Improvement Fund	Non-Major Funds	First Source Fund	29,943
		Public Art Fund	52,400
		PERS Savings Fund	151,632
		Berkeley Repertory Theatre Fund	499,803
		Debt Service Payments	402,613
			<u>1,136,391</u>
Non-major Funds	General Fund	Health State Aid	2,643,280
	Nonmajor Funds	Gilman Field Reserve Fund for sports field user fees	75,000
		Paratransit Fund	84,569
		First Source Fund	6,675
		Public Art Fund	11,681
		Paramedic Fund	757,925
		PERS Savings Fund	494,336
	Internal Service Funds	Catastrophic Insurance	69,276
	Enterprise Funds	Clean Storm Water Fund	423,291
			<u>4,566,033</u>
Zero Waste Fund	Internal Service Funds	Catastrophic Insurance	110,880
Marina Operations Fund	Non-Major Funds	First Source Fund	2,625
		Public Art Fund	4,594
	Internal Service Funds	Catastrophic Insurance	16,896
			<u>24,115</u>
Sanitary Sewer Operation Fund	Enterprise Fund	Private Sewer Lateral	90,501
	Internal Service Funds	Catastrophic Insurance	102,516
			<u>193,017</u>
Clean Storm Water Fund	Internal Service Funds	Catastrophic Insurance	25,092
Permit Service Center Fund	Internal Service Funds	Catastrophic Insurance	55,637
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	8,652
			<u>1,750,940</u>
Internal Service Fund	General Fund	Information Technology Support	438,968
			<u>\$ 63,361,916</u>

### 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 will be funded from a combination of the Business License Tax of five or more units and excess Property Transfer Tax. Interest on the loan is the State of California Local Agency Investment Fund rate of 0.68 percent. No principal repayment of the loan was made during FY 2023, leaving a principal balance outstanding of \$813,779 as of June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS

5. CAPITAL ASSETS

At June 30, 2023, the City’s capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>Non-Depreciable Assets</b>				
Land	\$ 25,142,014	\$ 2,979,050	\$ 28,121,064	\$ -
Construction in Progress	52,643,359	-	52,643,359	-
Total Non-Depreciable Assets	77,785,373	2,979,050	80,764,423	-
<b>Depreciable Assets</b>				
Buildings	199,740,926	93,469,515	293,210,441	-
Improvements Other than Buildings	38,290,214	17,937,641	56,227,855	-
Machinery and Equipment	88,517,254	10,335,235	98,852,489	595,666
Infrastructure	286,393,058	257,773,590	544,166,648	-
Right-to-use leased buildings	746,332	-	746,332	910,329
Right-to-use software subscription*	848,416	-	848,416	-
Total Depreciable Assets	614,536,200	379,515,981	994,052,181	1,505,995
<b>Less Accumulated Depreciation and Amortization for:</b>				
Buildings	118,490,015	34,032,432	152,522,447	-
Improvements Other than Buildings	9,176,422	8,299,637	17,476,059	-
Machinery and Equipment	60,880,535	7,610,172	68,490,707	595,666
Infrastructure	156,913,122	86,563,964	243,477,086	-
Right-to-use leased buildings	308,828	-	308,828	682,747
Right-to-use subscriptions*	379,538	-	379,538	-
Total Accumulated Depreciation	346,148,460	136,506,205	482,654,665	1,278,413
Total Depreciable Assets, net	268,387,740	243,009,775	511,397,516	227,582
Total Capital Assets	\$ 346,173,112	\$ 245,988,825	\$ 592,161,937	\$ 227,582

\*The City implemented GASB Statement No. 96 effective July 1, 2022. As a result, the beginning Balance include the right-to-use software subscription for those qualifying subscription that were in place at the date.

A. Government Activities

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

	Beginning Balance as Restated	Additions	Deletions	Transfer Adjustments	Ending Balance
<b>Non-Depreciable Assets</b>					
Land	\$ 25,142,014	\$ -	\$ -	-	\$ 25,142,014
Construction in Progress	58,082,028	2,967,948	(8,406,617)	-	52,643,359
Total Non-Depreciable Assets	83,224,042	2,967,948	(8,406,617)	-	77,785,373
<b>Depreciable Assets</b>					
Buildings	197,115,330	2,625,594	-	-	199,740,925
Improvements Other than Buildings	34,804,036	3,486,178	-	-	38,290,214
Machinery and Equipment	82,744,052	7,243,547	(1,470,345)	-	88,517,254
Infrastructure	270,922,882	12,952,837	-	2,517,339	286,393,058
Right-to-use leased buildings*	746,332	-	-	-	746,332
Right-to-use software subscription**	848,416	-	-	-	848,416
Total Depreciable Assets	587,181,048	26,308,156	(1,470,345)	2,517,339	614,536,200
<b>Less Accumulated Depreciation and Amortization for:</b>					
Buildings	112,704,497	5,785,518	-	-	118,490,015
Improvements Other than Buildings	7,980,569	1,195,853	-	-	9,176,422
Machinery and Equipment	55,995,991	6,197,748	(1,313,205)	-	60,880,535
Infrastructure	150,243,361	6,669,761	-	-	156,913,122
Right-to-use leased buildings	154,414	154,414	-	-	308,828
Right-to-use software subscription*	-	379,538	-	-	379,538
Total Accumulated Depreciation	327,078,832	20,382,833	(1,313,205)	-	346,148,460

Total Depreciable Assets, net	260,102,216	5,925,323	(157,140)	2,517,339	268,387,740
Total Capital Assets	<u>\$ 343,326,258</u>	<u>\$ 8,893,271</u>	<u>\$ (8,563,757)</u>	<u>\$ 2,517,339</u>	<u>\$ 346,173,112</u>

\* The City implemented GASB Statement No. 96 effective July 1, 2022. As a result, the beginning Balance include the right-to-use software subscription for those qualifying subscription that were in place at the date.

\* The transfer of \$2.5 million from Business-Type to Government Activities was for street improvements as part of the Marina project. These will be funded and maintained through general revenues.

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2023 was as follows:

General Government	\$ 1,113,098
Public Safety	1,141,371
Highways and Streets	6,810,533
Health and Welfare	269,095
Culture and Recreation	3,709,954
Community Development and Housing	2,268,187
Internal Service Funds	5,070,593
Total Depreciation Expense	<u>\$ 20,382,833</u>

## B. Business-Type Activities

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Non-Depreciable Assets</b>				
Land	\$ 2,979,050	\$ -	\$ -	\$ 2,979,050
Construction in Progress	2,175,734	341,605	(2,517,339)	-
Total Non-Depreciable Assets	<u>5,154,784</u>	<u>341,605</u>	<u>(2,517,339)</u>	<u>2,979,050</u>
<b>Depreciable Assets</b>				
Buildings	93,469,516	-	-	93,469,515
Improvements Other than Buildings	17,837,445	100,196	-	17,937,641
Machinery and Equipment	10,404,879	268,567	(338,213)	10,335,235
Infrastructure	251,285,875	6,487,714	-	257,773,590
Total Depreciable Assets	<u>371,112,569</u>	<u>6,856,477</u>	<u>(338,213)</u>	<u>379,515,981</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	31,120,344	2,912,088	-	34,032,432
Improvements Other than Buildings	7,680,327	619,310	-	8,299,637
Machinery and Equipment	7,154,037	777,437	(321,302)	7,610,172
Infrastructure	82,383,064	4,180,900	-	86,563,964
Total Accumulated Depreciation	<u>128,337,772</u>	<u>8,489,735</u>	<u>(321,302)</u>	<u>136,506,205</u>
Total Depreciable Assets, net	<u>244,659,943</u>	<u>(1,633,258)</u>	<u>(16,911)</u>	<u>243,009,775</u>
Total Capital Assets	<u>\$ 249,814,727</u>	<u>\$ (1,291,653)</u>	<u>\$ (2,534,250)</u>	<u>\$ 245,988,825</u>

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2023 was as follows:

Parking-Related	\$ 2,116,456
Marina Operations and Maintenance	539,160
Sewer Services	3,630,746
Clean Storm Water	721,661
Refuse Services	429,701
Permit Service Center	160,068
Building Purchases	891,943
Total Depreciation Expense	<u>\$ 8,489,735</u>

**C. Discretely Presented Component Unit**

Capital asset activity for the Rent Stabilization Board for the fiscal year ended June 30, 2023 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Depreciable Assets				
Machinery and Equipment	\$ 595,666	\$ -	\$ -	\$ 595,666
Right-to-use leased building	910,329			910,329
Total Depreciable Assets	<u>1,505,995</u>	<u>-</u>	<u>-</u>	<u>1,505,995</u>
Less Accumulated Depreciation and Amortization for:				
Machinery and Equipment	595,073	593	-	595,666
Right-to-use leased building*	341,373	341,374		682,747
Total Accumulated Depreciation	<u>936,446</u>	<u>341,967</u>	<u>-</u>	<u>1,278,413</u>
Total Capital Assets	<u>\$ 569,549</u>	<u>\$ (341,967)</u>	<u>\$ -</u>	<u>\$ 227,582</u>

## 6. Leases and Subscription-Based IT Arrangements

### Leases Receivable

For the year ended June 30, 2023, 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, 2023 were \$30,564,358 and \$29,989,934, respectively. The total of lease revenue recognized during FY 2023 was \$1,203,110. Following are the additional disclosures related to each of the leases:

### Business-Type Activities:

Location	Months in Lease	Beg. Lease Receivable	Monthly Payment Amount	Interest Rate	Value of Lease Receivable	Deferred Inflow at 6/30/23	Lease Revenue Recognized in FY 2023	Number of Extension Options	Total Months of Extension Options
1. 1947 Center St.	114	1,126,810	\$ 10,881	1.60%	\$ 1,012,167	\$ 978,945	\$ 130,526	2	120
2. 2425 Channing Way	62	90,888	1,794	0.32%	69,612	68,978	21,574	1	60
3. 225 University Ave.	52	136,971	3,200	0.89%	97,691	94,157	40,353	1	24
4. 200 Marina Blvd.	714	25,657,614	70,904	2.58%	25,467,337	25,028,134	435,272	N/A	N/A
5. Bike Station Center Street Garage	175	612,144	4,113	1.99%	574,641	560,844	44,570	1	12
6. 2446 Durant Ave. Storage	42	10,302	325	0.89%	6,297	6,070	4,046	2	60
7. 2446 Durant Ave. Shop	41	49,654	1,617	0.73%	29,615	28,610	20,195	1	60
8. 1 Seawall Drive	294	519,086	1,691	2.48%	510,660	484,701	21,542	2	120
9. 2435 Channing Way	19	12,271	1,705	0.51%	0	0	12,113	1	60
10. 2444 Durant Ave.	48	77,635	2,186	0.89%	51,987	51,566	25,783	1	60
11. 2439 Channing Way	40	105,152	3,548	0.73%	61,150	59,052	44,289	1	60
12. 2425 Channing Way Suite B	101	233,929	2,343	0.73%	206,074	198,893	30,996	2	60
13. 2438 Durant Ave.	35	69,504	3,044	0.73%	33,362	33,141	36,154	1	60
14. 100 Seawall Drive	120	2,482,720	24,000	2.72%	2,259,423	2,230,466	252,506	2	60
15. 235 University Ave.	48	271,266	5,330	0.89%	184,341	166,378	83,189	1	60
<b>Total Amount:</b>		<b>\$ 31,455,948</b>	<b>\$ 136,681</b>		<b>\$ 30,564,358</b>	<b>\$ 29,989,934</b>	<b>\$ 1,203,109</b>		

### Governmental Activities:

Location	Months in Lease	Beg. Lease Receivable	Annual Payment Amount	Interest Rate	Value of Lease Receivable	Deferred Inflow at 6/30/23	Lease Revenue Recognized in FY 2023	Number of Extension Options	Total Months of Extension Options
Camp Cazadero	414	953,855	\$ 45,000	3.05%	\$ 928,238	\$ 926,207	\$ 27,648	1	120
<b>Total Amount:</b>		<b>\$ 953,855</b>	<b>\$ 45,000</b>		<b>\$ 928,238</b>	<b>\$ 926,207</b>	<b>\$ 27,648</b>		



NOTES TO THE FINANCIAL STATEMENTS

Principal and Interest Expected to Maturity

Fiscal Year	Business-Type Activities		
	Principal Receipt	Interest Revenue	Future Minimum Rent
2024	\$ 903,177	\$ 757,709	\$ 1,660,886
2025	850,555	741,059	1,591,614
2026	695,423	725,022	1,420,445
2027	685,302	709,467	1,394,769
2028	701,021	693,519	1,394,540
2029 - 2033	2,954,014	3,225,860	6,179,874
2034 - 2038	1,582,316	2,965,790	4,548,106
2039 - 2043	1,673,008	2,761,927	4,434,935
2044 - 2048	1,821,012	2,533,943	4,354,955
2049 - 2053	1,960,848	2,293,392	4,254,240
2054 - 2058	2,230,896	2,023,344	4,254,240
2059 - 2063	2,538,135	1,716,105	4,254,240
2064 - 2068	2,887,687	1,366,553	4,254,240
2069 - 2073	3,285,379	968,861	4,254,240
2074 - 2078	3,737,841	516,399	4,254,240
2079 - 2081	2,057,744	69,376	2,127,120
Total	\$ 30,564,358	\$ 24,068,327	\$ 54,632,685

Fiscal Year	Governmental Activities		
	Principal Receipt	Interest Revenue	Future Minimum Rent
2024	\$ 16,707	\$ 28,293	\$ 45,000
2025	17,217	27,783	45,000
2026	17,741	27,259	45,000
2027	18,282	26,718	45,000
2028	18,839	26,161	45,000
2029 - 2033	103,168	121,832	225,000
2034 - 2038	119,879	105,121	225,000
2039 - 2043	139,297	85,703	225,000
2044 - 2048	161,860	63,140	225,000
2049 - 2053	188,077	36,923	225,000
2054 - 2058	127,170	7,830	135,000
Total	\$ 928,238	\$ 556,762	\$ 1,485,000

**Leases Payable**

For the year ended 6/30/2023, 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 has 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 06/30/2023, the value of the lease liability is \$450,489. City Of Berkeley is required to make monthly fixed payments of \$12,664. The lease has an interest rate of 1.0586%. The Buildings estimated useful life was 360 months as of the contract commencement.

The value of the right to use asset as of 06/30/2023 of \$746,332 with accumulated amortization of \$154,414 is included with Buildings on the Lease Class activities table found below. City Of Berkeley has 2 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	\$ 308,827
Total Leases	746,332	308,827

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 154,618	\$ 4,022	\$ 158,640
2025	159,451	2,362	161,813
2026	136,421	663	137,084
Total	\$ 450,489	\$ 7,048	\$ 457,537

### Subscription-Based Information Technology Arrangements

For the year ended 6/30/2023, the 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.

#### Subscription Assets

Subscription Name	Description	Contractor	Term	As of Fiscal Year-end	
				Subscription Asset Beginning Balance	Amortization Expense
Tyler New World	CAD & Fire RMS	Tyler Technologies, Inc.	24	\$581,476	\$290,738
Housing & Community Services (HCS) Database	Multi-family Housing Database	City Data Services	24	58,482	29,241
Cohesity	Data Management	ePlus Technologies, Inc.	42	208,459	59,560
				\$848,417	\$379,539

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$382,261	\$9,556	\$391,817
2025	59,273	1,949	61,222
2026	29,957	654	30,611
Total	\$471,491	\$12,159	\$483,650

NOTES TO THE FINANCIAL STATEMENTS

**7. TAX REVENUE ANTICIPATION NOTES PAYABLE**

On July 26, 2023, the City issued \$28,000,000 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 25, 2023 by the General Fund. The City has maintained a MIG-1 rating on this short-term issue.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Tax Revenue Anticipation Notes Payable	\$ 44,660,000	\$ 28,000,000	\$ (44,660,000)	\$ 28,000,000

**A. Pledged Revenues**

Tax Revenue Anticipation Notes are secured by the City’s General Fund tax revenues received in FY 2023. The City pledges to reserve an amount equal to:

- i. 50 percent of the principal amount of the Notes in January 2023;
- ii. an amount equal to 50 percent of the principal amount of the Notes in the month of May 2023; and
- iii. an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2023

The City had pledged and assigned approximately \$28,000,000 plus interest of \$1,116,889 or 11.3 percent of the City’s rights to the General Fund FY 2023 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, 2023:

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	13,003,616	-	(370,000)	(14,580)	12,619,036	385,000
Series 2016	14,125,563	-	(320,000)	(22,468)	13,783,095	335,000
Measure T1 - Infrastructure and Facilities						
Series 2017	31,189,336	-	(730,000)	(28,186)	30,431,150	765,000
Series 2021	47,703,564	-	(1,500,000)	(107,426)	46,096,138	1,750,000
Measure O Affordable Housing						
Series 2020	37,499,852	-	(740,000)	(37,628)	36,722,224	770,000
Series 2022	41,266,279	-	-	(41,976)	41,224,303	805,000
2015 General Obligation Refunding Bonds	23,814,363	-	(2,270,000)	(188,859)	21,355,504	2,380,000
2020 General Obligation Refunding Bonds						
Series A 2020	7,860,904	-	(265,000)	(38,791)	7,557,113	275,000
Series B 2020	12,101,241	-	(395,000)	(79,878)	11,626,363	415,000
Revenue Bonds:						
2012 Lease Revenue Bonds	3,422,736	-	(352,499)	(36,131)	3,034,106	366,552
2021 Lease Revenue Refunding Bonds	4,612,784	-	-	(36,973)	4,575,811	-
Total Bonds Payable	236,600,238	-	(6,942,499)	(632,896)	229,024,843	8,246,552
<b>Certificates of Participation:</b>						
<b>Loans Payable:</b>						
HUD 108 - Adeline	32,000	-	(32,000)	-	-	-
HUD 108 - UNA	584,000	-	(2,000)	-	582,000	2,000
HUD 108 - Ed Roberts Campus	3,855,000	-	(425,000)	-	3,430,000	450,000
California Energy Resources Conservation	944,095	-	(361,910)	-	582,185	365,527
Total Loans Payable	5,415,095	-	(820,910)	-	4,594,185	817,527
<b>Fire Equipment Notes</b>						
2016 Fire Engine and Trucks	211,974	-	(211,974)	-	-	-
2020 Fire Engine and Tiller	3,246,842	-	(699,681)	-	2,547,161	711,979
Total Fire Equipment Notes	3,458,816	-	(911,655)	-	2,547,161	711,979
<b>Lease Payable</b>						
1521 & 1523 University Ave.	600,387	-	(149,898)	-	450,489	154,618
Total Lease Payable	600,387	-	(149,898)	-	450,489	154,618
<b>Subscription Payable</b>						
SBITA	848,416	-	(376,925)	-	471,491	382,261
Total Subscription Payable	848,416	-	(376,925)	-	471,491	382,261
<b>Other Long-Term Obligations</b>						
Accrued Vacation and Sick Leave	18,310,275	34,139,809	(32,606,138)	-	19,843,946	1,505,502
Accrued Workers' Compensation						
Claims and Judgements	37,111,000	7,543,007	(4,829,007)	-	39,825,000	6,821,000
Accrued Public Liability Claims and Judgements	6,084,219	2,742,464	(2,522,850)	-	6,303,833	6,303,833
Total Other Long-Term Obligations	61,505,494	44,425,280	(39,957,995)	-	65,972,779	14,630,335
<b>Net Pension Liability:</b>						
CalPERS Miscellaneous Plan	143,293,882	147,905,644	(43,776,537)	-	247,422,989	-
CalPERS Fire Plan	51,029,071	53,121,072	(16,038,036)	-	88,112,107	-
CalPERS Police Plan	131,002,601	82,979,279	(22,618,698)	-	191,363,182	-
Police Retirement Income Benefit	60,184,407	6,282,693	(7,796,807)	-	58,670,293	-
Safety Member Pension Fund	1,134,809	34,528	(323,721)	-	845,616	-
Total Net Pension Liability	386,644,770	290,323,216	(90,553,799)	-	586,414,187	-
<b>Net OPEB Liability:</b>						
Miscellaneous Employees Retiree Health Plan	23,219,112	5,842,794	(5,578,569)	-	23,483,337	-
Fire Retiree Premium Assistance Plan	18,507,610	5,877,707	(1,477,255)	-	22,908,062	-
Police Retiree Premium Assistance Plan	32,429,614	5,808,302	(2,814,508)	-	35,423,408	-
Total Net OPEB Liability	74,156,336	17,528,803	(9,870,332)	-	81,814,807	-
Total Governmental Activities	\$ 769,229,552	\$ 352,277,299	\$ (149,584,013)	\$ (632,896)	\$ 971,289,942	\$ 24,943,272

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
2024	\$ 385,000	\$ 507,125	\$ 892,125
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
2044-2045	865,000	19,463	884,463
Subtotal	12,325,000	\$ 6,390,358	\$ 18,715,358
Bond Premium	294,036		
Total	\$ 12,619,036		

**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
2024	\$ 335,000	\$ 403,738	\$ 738,738
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
2044-2048	3,120,000	191,700	3,311,700
Subtotal	13,330,000	\$ 5,340,059	\$ 18,670,059
Bond Premium	453,095		
Total	\$ 13,783,095		

**Measure T1 – Infrastructure and Facilities, Series 2017**

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 765,000	\$ 963,181	\$ 1,728,181
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	7,930,000	677,547	8,607,547
Subtotal	29,750,000	\$ 13,454,221	\$ 43,204,221
Bond Premium	681,150		
Total	\$ 30,431,150		

**Measure T1 – Infrastructure and Facilities, Series 2021**

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,750,000	\$ 1,177,075	\$ 2,927,075
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	43,500,000	\$ 16,298,263	\$ 59,798,263
Bond Premium	2,596,138		
Total	\$ 46,096,138		



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
2024	\$ 770,000	\$ 1,237,265	\$ 2,007,265
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
2049-2052	5,675,000	293,675	5,968,675
Subtotal	35,700,000	\$ 20,296,352	\$ 55,996,352
Bond Premium	1,022,224		
Total	\$ 36,722,224		

**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
2024	\$ 805,000	\$ 2,056,920	\$ 2,861,920
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	40,000,000	\$ 37,567,753	\$ 77,567,753
Bond Premium	1,224,303		
Total	\$ 41,224,303		

### 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
2024	\$ 2,380,000	\$ 663,588	\$ 3,043,588
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	18,680,000	\$ 2,811,428	\$ 21,491,428
Bond Premium	2,675,504		
Total	\$ 21,355,504		

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
2024	\$ 275,000	\$ 258,575	\$ 533,575
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
2039-2041	1,065,000	32,175	1,097,175
Subtotal	6,930,000	\$ 2,240,625	\$ 9,170,625
Bond Premium	627,113		
Total	\$ 7,557,113		

**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
2024	\$ 415,000	\$ 389,063	\$ 804,063
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
2039-2041	1,565,000	47,325	1,612,325
Subtotal	10,335,000	\$ 3,333,722	\$ 13,668,722
Bond Premium	1,291,363		
Total	\$ 11,626,363		

### 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
2024	\$ 366,552	\$ 130,668	\$ 497,220
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
2029-2031	779,948	56,556	836,504
Subtotal	2,808,281	516,260	3,324,541
Bond Premium	225,825		
Total	\$ 3,034,106		

**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
2024	\$ -	\$ 138,200	\$ 138,200
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	\$ 1,429,600	\$ 5,404,600
Bond Premium	600,811		
Total	\$ 4,575,811		

## 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
2024	\$ 2,000	\$ 17,197	\$ 19,197
2025	580,000	8,584	588,584
Total	<u>\$ 582,000</u>	<u>\$ 25,781</u>	<u>\$ 607,781</u>

### 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
2024	\$ 450,000	\$ 98,950	\$ 548,950
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	<u>\$ 3,430,000</u>	<u>\$ 385,713</u>	<u>\$ 3,815,713</u>



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
2024	\$ 365,527	\$ 4,924	\$ 370,451
2025	216,658	1,248	217,906
Total	<u>\$ 582,185</u>	<u>\$ 6,172</u>	<u>\$ 588,357</u>

**Fire Equipment Notes**

The City entered into a finance purchase agreement in FY 2015-16 for financing the acquisition of fire equipment. The assets acquired through this include three engines and one hazmat response vehicle which are allocated among four fire stations. The acquisition amount for the equipment described in this schedule to be paid to the vendor is \$2,789,241 (excluding sales tax of \$135,829 to be payable to the State Board of Equalization) and the contract rate is 1.94 percent.

The assets acquired through the agreement were as follows on the following page:

Year Ended June 30, 2023	Governmental Activities
Assets:	
Fire Engine	\$ 756,628
Fire Engine	756,628
Fire Engine	756,628
Hazardous Material Arrow XT	784,334
Less: Accumulated Depreciation	(2,799,700)
Total	<u>\$ 254,518</u>

There are no remaining payments as of June 30, 2023.

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 on the following page:

Year Ended June 30, 2023	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	(1,746,264)
Total	<u>\$ 3,654,639</u>

The remaining payments as of June 30, 2023, were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 711,979	\$ 41,474	\$ 753,453
2025	724,493	28,960	753,453
2026	737,227	16,226	753,453
2027	373,462	3,268	376,730
Total	<u>\$ 2,547,161</u>	<u>\$ 89,928</u>	<u>\$ 2,637,089</u>

### Lease Payable

#### 1521 and 1523 University Avenue

As of 07/01/2021, the city has 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 06/30/2023, the value of the lease liability is \$450,489. City of Berkeley is required to make monthly fixed payments of \$12,664. The lease has an interest rate of 1.0586%. The Buildings estimated useful life was 360 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$746,332 with accumulated amortization of \$154,414 is included with Buildings on the Lease Class activities table found below. City of Berkeley has 2 extension option(s), each for 60 months.

The annual lease payable requirements on 1521 and 1523 University Avenue are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	154,618	4,022	158,640
2025	159,451	2,362	161,813
2026	136,421	663	137,084
Subtotal	<u>\$ 450,489</u>	<u>\$ 7,048</u>	<u>\$ 457,537</u>

### Subscription-Based Information Technology Arrangements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 6/30/2023, the 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.

Principal and Interest Requirements to Maturity

Year Ending June 30,	Principal	Interest	Total
2024	\$ 382,261	\$ 9,556	\$ 391,817
2025	59,273	1,949	61,222
2026	29,957	654	30,611
Subtotal	<u>\$ 471,491</u>	<u>\$ 12,159</u>	<u>\$ 483,650</u>

## Business-Type Activities

The following is a summary of long-term liabilities including premiums for the fiscal year ended June 30, 2023:

	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	\$ 14,406,565	\$ -	\$ (1,152,501)	\$ (128,268)	\$ 13,125,796	\$ 1,198,448
Parking Revenue Bonds, Series 2016	33,129,347	-	(840,000)	(62,900)	32,226,447	870,000
Total Bonds Payable	47,535,912	-	(1,992,501)	(191,168)	45,352,243	2,068,449
Notes Payable						
Harbor Construction 5	6,063,283	-	(206,636)		5,856,644	216,150
Total Loans Payable	6,063,283	-	(206,636)		5,856,644	216,150
Other Long-Term Obligations						
Accrued Vacation and Sick Leave	4,455,238	6,589,081	(6,632,052)		4,412,267	706,324
Landfill Liabilities	587,409	50,569	-		637,978	310,880
Total Other Long-Term Obligations	5,042,647	6,639,650	(6,632,052)		5,050,245	1,017,204
Net Pension Liability - CalPERS						
Miscellaneous Plan	55,825,691	51,394,212	(15,209,956)		92,009,947	-
Net OPEB Liability - Miscellaneous						
Employees Retiree Health Plan	6,087,674	2,248,038	(2,146,377)		6,189,332	-
Total Business-Type Activities	\$ 120,555,207	\$ 60,281,900	\$ (26,187,522)	\$ (191,168)	\$ 154,458,411	\$ 3,301,803

## 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
2024	\$ 1,198,448	\$ 427,220	\$ 1,625,668
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	5,500,052	333,287	5,833,339
Subtotal	12,131,719	\$ 1,836,296	\$ 13,968,015
Bond Premium	994,077		
Total	\$ 13,125,796		

**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
2024	870,000	1,041,050	\$ 1,911,050
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
2039-2042	8,015,000	1,547,100	9,562,100
2043-2046	5,410,000	327,750	5,737,750
Subtotal	30,785,000	\$ 13,198,050	\$ 43,983,050
Bond Premium	1,441,447		
Total	\$ 32,226,447		

**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
2024	\$ 216,150	\$ 269,569	\$ 485,719
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	1,332,543	124,563	1,457,106
Total	<u>\$ 5,856,644</u>	<u>\$ 2,886,247</u>	<u>\$ 8,742,891</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, 2023, the estimated annual landfill closure cost are as follows:

Total Estimated Closure and Post-Closure Costs	\$ 637,978
Percentage of Used Capacity to Total Capacity	100%
Revised Estimated Total Closure and Post-Closure Costs Liability	637,978
Previous Closure Costs Accrued	587,409
FY 2023 Adjustment made on the liability	<u>\$ 50,569</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			Ending Balance	Due Within One Year
	Balance	Additions	Deletions		
Lease Payable - 2001 Center Street	\$ 578,625	\$ -	\$ (343,650)	\$ 234,975	\$ 234,975
Accrued Vacation and Sick Leave	\$ 416,755	\$ 647,439	\$ (626,274)	\$ 437,920	\$ 33,224
Net Pension Liability - CalPERS Miscellaneous Plan	4,957,072	4,967,637	(1,470,156)	8,454,553	-
Net OPEB Liability - Miscellaneous Employees Retiree Health Plan	163,961	201,433	(192,323)	173,071	-
<b>Total Discretely Presented Component Unit</b>	<b>\$ 6,116,413</b>	<b>\$ 5,816,509</b>	<b>\$ (2,632,403)</b>	<b>\$ 9,300,519</b>	<b>\$ 268,199</b>

**Leases Payable**

For 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 has a 32 month lease as Lessee for the use of 2001 Center Street. As of 06/30/2023, there are 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 2001 Center Street are as follows:

Year Ending	Principal	Interest	Total
June 30, 2024	234,975	641	235,616
Subtotal	\$ 234,975	\$ 641	\$ 235,616

**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, 2023, \$1,200,302 in compensated absences, \$46,128,833 in claims and judgments payables, \$2,558,635 in Net OPEB Liability, and \$31,447,095 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, 2023 was \$860,000.

**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 -\$11,403 at June 30, 2023, so for FY 2023, the pledged revenues (FY 2023 budgeted transfers in) were \$499,802 compared with debt service of \$501,079. Transfers are made from the City's General Fund that had \$229,664,884 in unrestricted revenues in FY2023.

**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. The City has pledged and assigned to Berkeley Joint Powers Financing Authority 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 2023, the Off-street Parking and Parking Meter Funds generate revenues of \$548,385 and \$1,526,918, respectively, totalling \$2,075,303 compared to debt service of \$1,914,650. The combined revenues provided coverage of 1.08 times.

**The City does not project to meet the 1.25 debt covenant ratio until FY 2025 or FY 2026.** The City received a total of \$2.9 million in American Rescue Plan Act stimulus funds in FY2023 that are excluded in this coverage calculation.

## 9. FUND BALANCES FOR GOVERNMENTAL FUNDS

Fund balances as of June 30, 2023, for the governmental funds were categorized as nonspendable, restricted, committed, assigned, or unassigned for the following purposes:

	Major Funds						Total Governmental Funds
	General	Grants	Library	Capital	Measure O Housing Bond	Other Governmental	
	Fund			Improvement		Funds	
<b>Fund balances:</b>							
<b>Nonspendable for:</b>							
Prepaid items	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal nonspendable for:</b>	-	-	-	-	-	-	-
<b>Restricted for:</b>							
Other purposes	-	-	-	-	-	1,115,054	1,115,054
Operating reserves <sup>(1)</sup>	-	-	-	-	-	14,395,717	14,395,717
Public safety	-	-	-	-	-	14,602,678	14,602,678
Street maintenance	-	-	-	-	-	60,030,476	60,030,476
Health and welfare	-	26,764,926	-	-	-	12,433,878	39,198,804
Park and recreation	-	-	22,845,766	-	-	7,563,117	30,408,883
Community development and housing loan	31,121,862	34,886,848	-	7,771,575	78,298,477	13,350,089	165,428,851
Economic development	-	-	-	-	-	5,369,144	5,369,144
Debt service reserve	-	-	-	-	-	21,784,012	21,784,012
<b>Subtotal restricted for:</b>	<u>31,121,862</u>	<u>61,651,772</u>	<u>22,845,766</u>	<u>7,771,575</u>	<u>78,298,477</u>	<u>150,644,165</u>	<u>352,333,619</u>
<b>Committed for:</b>							
Operating reserves <sup>(1)(2)</sup>	40,677,503	-	-	-	-	4,734,894	45,412,397
Capital projects	-	-	-	-	-	4,025,670	4,025,670
Street maintenance	-	-	-	-	-	9,298,525	9,298,525
Health and welfare	-	-	-	-	-	322,555	322,555
Park and recreation	-	-	-	-	-	2,100,786	2,100,786
Community development and housing loan	-	-	-	-	-	55,638,514	55,638,514
Economic development	-	-	-	-	-	4,301,079	4,301,079
Debt service reserve	-	-	-	-	-	-	-
<b>Subtotal committed for:</b>	<u>40,677,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,422,023</u>	<u>121,099,526</u>
<b>Assigned to:</b>							
Operating reserves	4,186,736	-	-	-	-	-	4,186,736
Capital projects	-	-	-	458,186	-	-	458,186
Public safety	5,343,804	-	-	91,313	-	-	5,435,117
Street maintenance	115,749	-	-	12,558,874	-	-	12,674,623
Health and welfare	2,999,280	-	-	-	-	-	2,999,280
Park and recreation	962,990	-	-	919,591	-	-	1,882,581
Community development and housing loan	3,003,773	-	-	3,039,235	-	-	6,043,009
Economic development	140,619	-	-	91,370	-	-	231,988
<b>Subtotal assigned for:</b>	<u>16,752,951</u>	<u>-</u>	<u>-</u>	<u>17,158,568</u>	<u>-</u>	<u>-</u>	<u>33,911,519</u>
<b>Unassigned:</b>							
Operating reserves	69,914,828	-	-	-	-	-	69,914,828
Capital projects	-	-	-	-	-	(354,899)	(354,899)
Public safety	-	(181,967)	-	-	-	(5,998)	(187,965)
Street maintenance	-	(1,167,431)	-	-	-	(87)	(1,167,518)
Health and welfare	-	-	-	-	-	-	-
Park and recreation	-	(289,223)	-	-	-	-	(289,223)
Economic development	-	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	(11,403)	(11,403)
<b>Subtotal unassigned for:</b>	<u>69,914,828</u>	<u>(1,638,621)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(372,387)</u>	<u>67,903,820</u>
<b>Total fund balance</b>	<u>158,467,144</u>	<u>\$60,013,153</u>	<u>\$ 22,845,766</u>	<u>\$ 24,930,143</u>	<u>\$ 78,298,477</u>	<u>\$230,693,801</u>	<u>\$575,248,484</u>

(1) include PERS Savings

(2) Include Stabilization, Catastrophic Reserves

**10. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Excess of Expenditures / Over Appropriations**

The following non-major governmental funds expenditures exceeded appropriations at the legal level of budgetary control (the fund level):

	<u>Amount</u>
Measure B: Paratransit Fund	\$ (44,537) <sup>(1)</sup>
PERS Savings Fund	(42,085) <sup>(1)</sup>
Park Acquisition Development Fund	(167) <sup>(1)</sup>
09 Measure FF Library Fund	(125) <sup>(1)</sup>

(1) The fund balance was used to cover the excess or General Fund transfer to write off deficits.

**B. Deficit Fund Balances/Net Position**

The following nonmajor funds had deficit fund balances / net position as of June 30, 2023:

	<u>Amount</u>
<b>Special revenue funds</b>	
California Energy Commission	\$ (87) <sup>(1)</sup>
1st Response Advanced Life Support	(5,998) <sup>(1)</sup>
Total special revenue funds	<u>(6,085)</u>
<b>Capital project funds</b>	
Fund\$ Replacemnt	(354,899) <sup>(1)</sup>
<b>Total capital project funds</b>	<u>(354,899)</u>
<b>Debt service funds</b>	
Berkeley Repertory Theatre	(11,403) <sup>(2)</sup>
Total debt service funds	<u>(11,403)</u>
<b>Internal service funds</b>	
Building Maintenance	(3,042,547) <sup>(3)</sup>
Central Services	(2,318) <sup>(3)</sup>
Public Liability	(5,651,307) <sup>(3)</sup>
Catatrophic Loss	(466,322) <sup>(3)</sup>
IT Cost Allocation Plan	(3,909,279) <sup>(4)</sup>
Total internal service funds	<u>(13,071,773)</u>
<b>Total</b>	<u>\$ (13,444,160)</u>

(1) Deficit partially due to timing of receivables and billing of project costs. The City plans to transfer General Fund monies to cover the unbillable amount after the project is complete.

(2) Capital Improvement Fund will transfer money in FY 2024 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, 2023 is as follows:

Total assets	\$	68,630,639
Total liabilities		35,465,577
Net position	\$	<u>33,165,062</u>
Total revenues	\$	35,397,562
Total expenses		26,321,377
Net income/(loss)	\$	<u>9,076,185</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, 2023, \$6,303,833 and \$39,825,000 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, 2023 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:

	<b>Public Liability</b>	<b>Workers' Compensation</b>	<b>Total</b>
Balance, July 1, 2022	\$ 6,084,219	\$ 37,111,000	\$ 43,195,219
Incurred claims and changes in estimates	2,742,464	7,543,007	10,285,471
Claims and fee paid	(2,522,850)	(4,829,007)	(7,351,857)
Balance, June 30, 2023	<u>\$ 6,303,833</u>	<u>\$ 39,825,000</u>	<u>\$ 46,128,833</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, 2023, construction commitments totaled approximately \$65.0 million. The major projects comprising the bulk of the commitments are the FY 23 Sanitary Sewer Rehabilitation Projects, the FY 23/ FY 24 Street Rehabilitation Projects, FY 23 Sidewalk Repair and Replacement Project, FY 23 Storm Drain Repair, and Transportation traffic improvement and safety projects including: Southside Complete Streets, Shattuck & MLK Jr. Way Bus Stops, University West Bus Stops, MLK Jr. Way Vision Zero Quick Build, and Ohlone Green Modernization & Safety Project.

**D. Encumbrances**

The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations, which have not yet been fulfilled, cancelled or discharged, at June 30, 2023, 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, 2023 are described in the following table:

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expenses
<b>By Individual Plan</b>				
CalPERS Miscellaneous Plan	\$ 97,761,994	\$ 9,672,731	\$ 347,887,489	\$ 31,245,076
CalPERS Public Safety - Fire Plan	28,493,832	3,861,954	88,112,107	9,472,638
CalPERS Public Safety - Police Plan	46,828,832	1,575,769	191,363,182	23,798,867
Berkeley Retirement Income Benefit Plan	186,135	-	58,670,293	837,143
Safety Members Pension Plan	-	-	845,616	29,981
Total	<u>\$ 173,270,793</u>	<u>\$ 15,110,454</u>	<u>\$ 686,878,687</u>	<u>\$ 65,383,705</u>
<b>By Individual Fund</b>				
Governmental Activities				
Governmental Funds	\$ 136,941,919	\$ 11,630,313	\$ 554,967,092	\$ 54,257,315
Internal Service Funds	8,615,244	811,143	31,447,095	2,635,267
Subtotal Governmental Activities	<u>145,557,163</u>	<u>12,441,456</u>	<u>586,414,187</u>	<u>56,892,582</u>
Enterprise Funds	25,337,190	2,433,757	92,009,947	7,906,866
Discretely Presented Component Unit				
Rent Stabilization Board Fund	2,376,439	235,241	8,454,553	764,258
Total	<u>\$ 173,270,793</u>	<u>\$ 15,110,454</u>	<u>\$ 686,878,687</u>	<u>\$ 65,563,705</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, 2023, are summarized as follows:

	Miscellaneous	Public Safety	
		Fire	Police
CLASSIC:			
Vesting Period	5 Years Service	5 Years Service	5 Years Service
Benefit Payment	Monthly for Life	Monthly for Life	Monthly for Life
Earliest Retirement Age	55	50	50
Benefit Factor for Each Year of Service as a % of Annual Salary	2.7% at Age 55	3% at Age 55	3% at Age 55
Required Employee Contribution Rates	8%	9%	9%
Required Employer Contribution Rates (normal cost)	12.01%	19.48%	21.86%
Required Unfunded Liability Payment	\$27,187,474	\$6,583,684	\$13,720,471
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, 2023, the following employees were covered by the benefit terms for each plan:

	Miscellaneous	Public Safety	
		Fire	Police
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	1,729	131	350
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,143	58	81
Active Employees	1,088	208	150
Total	3,960	397	581

**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, 2022 (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 32.479 percent of annual payroll for the Miscellaneous Plan, 48.235 percent of annual payroll for the Public Safety Fire Plan, and 66.606 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 actuarial valuations were determined using the following assumptions:

	Miscellaneous	Public Safety	
		Fire	Police
Valuation Date	June 30, 2021	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method		
Actuarial Assumptions:			
Discount Rate	6.90%	6.90%	6.90%
Inflation	2.500%	2.500%	2.500%
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, 2021 valuation were based on the 2017 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>	\$ 1,150,466,172	\$ 946,389,527	\$ 204,076,645
<b>Changes in the Measurement Period</b>			
Service Cost	22,096,104	-	22,096,104
Interest on the Total Pension Liability	79,182,682	-	79,182,682
Changes of Assumptions	30,901,992	-	30,901,992
Difference Between Expected and Actual Experience	(13,633,275)	-	(13,633,275)
Plan to Plan Resource Movement	-	36,141	(36,141)
Contribution - Employer	-	29,982,031	(29,982,031)
Contribution - Employees	-	16,799,060	(16,799,060)
Net Investment Income	-	(71,491,029)	71,491,029
Benefit Payable, Including Refunds of Employee Contributions	(62,415,684)	(62,415,684)	-
Administrative Expense	-	(589,544)	589,544
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	56,131,819	(87,679,025)	143,810,844
<b>Balance at June 30, 2023</b>	\$ 1,206,597,991	\$ 858,710,502	\$ 347,887,489

	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>	\$ 299,157,455	\$ 248,128,384	\$ 51,029,071
<b>Changes in the Measurement Period</b>			
Service Cost	5,653,134	-	5,653,134
Interest on the Total Pension Liability	20,519,654	-	20,519,654
Changes of Assumptions	8,033,823	-	8,033,823
Difference Between Expected and Actual Experience	(4,050,012)	-	(4,050,012)
Plan to Plan Resource Movement		(36,141)	36,141
Contribution - Employer	-	9,967,551	(9,967,551)
Contribution - Employees	-	2,020,473	(2,020,473)
Net Investment Income	-	(18,723,751)	18,723,751
Benefit Payable, Including Refunds of Employee Contributions	(17,163,074)	(17,163,074)	-
Administrative Expense	-	(154,569)	154,569
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	12,993,525	(24,089,511)	37,083,036
<b>Balance at June 30, 2023</b>	\$ 312,150,980	\$ 224,038,873	\$ 88,112,107

	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>	\$ 463,555,530	\$ 332,552,929	\$ 131,002,601
<b>Changes in the Measurement Period</b>			
Service Cost	8,246,309	-	8,246,309
Interest on the Total Pension Liability	32,368,940	-	32,368,940
Changes in Benefit Terms	-	-	-
Changes of Assumptions	16,809,437	-	16,809,437
Difference Between Expected and Actual Experience	(2,363,653)	-	(2,363,653)
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	17,791,362	(17,791,362)
Contribution - Employees	-	2,463,683	(2,463,683)
Net Investment Income	-	(25,347,432)	25,347,432
Benefit Payable, Including Refunds of Employee Contributions	(26,018,808)	(26,018,808)	-
Administrative Expense	-	(207,161)	207,161
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	29,042,225	(31,318,356)	60,360,581
<b>Balance at June 30, 2023</b>	\$ 492,597,755	\$ 301,234,573	\$ 191,363,182

### 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:

Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
	5.90%	6.90%	7.90%
Miscellaneous Plan	\$ 498,964,723	\$ 347,887,489	\$ 222,424,406
Public Safety - Fire Plan	127,927,408	88,112,107	55,212,289
Public Safety - Police Plan	256,358,424	191,363,182	137,981,951



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, 2023, the City recognized pension expense of \$31,245,076.

At June 30, 2023, 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	\$ 34,543,436	\$ -
Changes in assumptions	19,865,566	-
Differences between expected and actual experiences	-	(9,672,731)
Net differences between projected and actual earnings on pension plan investments	43,352,992	-
	<u>\$ 97,761,994</u>	<u>\$ (9,672,731)</u>

\$34,543,436 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, 2024. 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>
2024	\$ 12,224,729
2025	11,121,588
2026	2,960,775
2027	27,238,735
Thereafter	-

As of June 30, 2023, the City had no reported payables to the plan.

**Public Safety - Fire Plan**

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$9,472,638.

At June 30, 2023, 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	\$ 10,869,629	\$ -
Changes in assumptions	6,074,354	-
Differences between expected and actual experiences	206,344	(3,861,954)
Net differences between projected and actual earnings on pension plan investments	11,343,505	-
	<u>\$ 28,493,832</u>	<u>\$ (3,861,954)</u>

\$10,869,629 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, 2024 . Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 2,478,969
2025	2,330,273
2026	1,726,698
2027	7,226,309
Thereafter	-

As of June 30, 2023, the City had no reported payables to the plan.

### Public Safety – Police Plan

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$23,798,867.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 19,066,807	\$ -
Changes in assumptions	11,206,291	(1,575,769)
Differences between expected and actual experiences	1,489,644	-
Net differences between projected and actual earnings on pension plan investments	15,066,090	-
	<u>\$ 46,828,832</u>	<u>\$ (1,575,769)</u>

\$19,066,807 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 8,425,153
2025	7,165,415
2026	980,014
2027	9,615,674
Thereafter	-

As of June 30, 2023, 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, 2023, the following employees were covered by the Berkeley Police Employee Retirement Income Plan:

	<b>PERIP</b>
Retirees	143
Active employees	-
<b>Total</b>	<b>143</b>

**Contribution Description**

The City (employer) contributed \$2,220,179 in FY 2023 and paid \$2,766,667 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, 2023, using an annual actuarial valuation as of June 30, 2022. 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**

	<b>PERIP</b>	
Valuation date	June 30, 2022	
Measurement date	June 30, 2023	
Actuarial assumptions:		
Discount rate	3.65%	
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	<b>Based on Medical Trend:</b>	
	<b>Year</b>	<b>Increase</b>
	2024	8.50%
	2025 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, 2023, the discount rate was changed from 3.54% to 3.65%. 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, 2022</b>	\$ 64,814,093	\$ 4,629,686	\$ 60,184,407
<b>Changes in the measurement period</b>			
Service cost			
Interest on the total pension liability	2,245,449	-	2,245,449
Changes in Assumptions <sup>(1)</sup>	4,037,244	-	4,037,244
Changes in Benefit Terms			-
Difference between expected and actual experience	(5,386,410)	-	(5,386,410)
Plan to plan resource movement			-
Contribution - employer	-	2,220,179	(2,220,179)
Contribution - employees	-	-	-
Net investment income	-	190,218	(190,218)
Changes of assumptions	-	-	-
Benefit payable, including refunds	(2,766,666)	(2,766,666)	-
Administrative expense	-	-	-
<b>Net change</b>	<b>(1,870,383)</b>	<b>(356,269)</b>	<b>(1,514,114)</b>
<b>Balance at June 30, 2023</b>	<b>\$ 62,943,710</b>	<b>\$ 4,273,417</b>	<b>\$ 58,670,293</b>

The Plan Fiduciary Net Position was 6.79% of the total pension liability at June 30, 2023.

(1)The assumption gain is primarily due to the change in the discount rate from 3.54% to 3.65%, a 3.1% increase.

**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 2.65%	Current Discount Rate 3.65%	1% Increase 3.65%
Net pension liability	\$66,806,284	\$58,670,293	\$51,887,012

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

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$837,143.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ -
Differences between expected and actual experiences	-	-
Net differences between projected and actual earnings on pension plan investments	186,135	-
	<u>\$ 186,135</u>	<u>\$ -</u>

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
2024	\$ 9,988
2025	99,236
2026	90,996
2027	(14,085)

As of June 30, 2023, 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:

- o Current active salary increases (based on the same rank at retirement) or
- o The increase in the California Consumer Price Index (with a 1 percent minimum and a 3 percent cap).

**Employees Covered**

At June 30, 2023, the following employees were covered by SMPF:

	SMPF
Retirees	4
Active employees	-
Total	4

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 202319 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 2022, 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, 2023, 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

	<b>SMPF</b>
Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial assumptions:	
Discount rate	3.65%
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 2.16 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, 2022</b>	\$ 1,134,809	\$ -	\$ 1,134,809
<b>Changes in the measurement period</b>			
Service cost	-	-	-
Interest on the total pension liability	34,528	-	34,528
Difference between expected and actual experience	(2,515)	-	(2,515)
Assumption changes	(2,329)	-	(2,329)
Contribution - employer	-	318,877	(318,877)
Contribution - employees	-	-	-
Net investment income	-	-	-
Changes of assumptions	-	(318,877)	318,877
Benefit payable, including refunds	(318,877)	-	(318,877)
Administrative expense	-	-	-
<b>Net change</b>	(289,193)	-	(289,193)
<b>Balance at June 30, 2023</b>	<u>\$ 845,616</u>	<u>\$ -</u>	<u>\$ 845,616</u>

The Plan Fiduciary Net Position was 0% at the total pension liability at June 30, 2023.

#### 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
Net pension liability	\$867,336	\$845,616	\$825,100

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

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$29,981.



NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2023, the city reported no deferred outflows and deferred inflows of resources.

**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, 2023, using the accrual basis of accounting are as follows:

	<b>Statement of Net Position for City Sponsored Pension Funds June 30, 2023</b>	
	<b>Safety Members Pension</b>	<b>Police Retirement Income</b>
	<b>Annuity Fund</b>	<b>Benefit Plan</b>
<b>Assets</b>		
Restricted cash and cash equivalents	\$ -	\$ 169,914
Investments at fair value:		
Medium term notes	-	491,535
US agency securities	-	2,757,143
Preferred Securities	-	840,513
Interest receivable	-	14,312
Total assets	<u>-</u>	<u>4,273,417</u>
<b>Liabilities</b>		
Accounts payable	-	-
Total liabilities	<u>-</u>	<u>-</u>
<b>Net position restricted for:</b>		
Employee pension benefits held in trust	-	4,273,417
Total net position	<u>\$ -</u>	<u>\$ 4,273,417</u>

	<b>Statement of Change in Net Position for City Sponsored Pension Funds For the year ended June 30, 2023</b>	
	<b>Safety Members Pension</b>	<b>Police Retirement Income</b>
	<b>Annuity Fund</b>	<b>Benefi Plan</b>
<b>Additions:</b>		
Tax increment income	\$ -	\$ -
Contributions: employer	318,876	2,220,179
Investment income	-	190,218
Total additions	<u>318,876</u>	<u>2,410,397</u>
<b>Deductions:</b>		
Benefits payment for service	318,876	2,766,666
Total deductions	<u>318,876</u>	<u>2,766,666</u>
Change in net position		(356,269)
Total net position - beginning	<u>-</u>	<u>4,629,686</u>
Total net position - ending	<u>\$ -</u>	<u>\$ 4,273,417</u>

### 13. OTHER POST-EMPLOYMENT BENEFITS

Other Post-Employment Benefits (OPEB) related balances presented on the Statement of Net Position as of June 30, 2023 are described in the following tables:

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	Actuarial OPEB Expenses (Income)
By Individual Plan				
Fire Retiree Healthcare Plan	\$ 7,577,960	\$ 9,673,224	\$ 22,908,062	\$ 2,090,468
Miscellaneous Employees Retiree Health Premium Assistance Plan	13,887,825	31,819,281	29,845,739	1,469,378
Police retiree Healthcare Plan	12,454,373	37,014,058	35,423,408	(393,622)
<b>Total</b>	<b>\$ 33,920,158</b>	<b>\$ 78,506,563</b>	<b>\$ 88,177,209</b>	<b>\$ 3,166,224</b>
By Individual Fund				
Governmental Activities				
Governmental Funds	\$ 28,468,958	\$ 66,010,848	\$ 79,256,172	\$ 2,589,534
Internal Service Funds	1,346,892	3,072,664	2,558,635	142,647
<b>Subtotal Governmental Activities</b>	<b>29,815,850</b>	<b>69,083,512</b>	<b>81,814,807</b>	<b>2,732,181</b>
Enterprise Funds	3,767,254	8,653,826	6,189,331	398,349
Discretely Presented Component Unit				
Rent Stabilization Board Fund	337,054	769,225	173,071	35,693
<b>Total</b>	<b>\$ 33,920,158</b>	<b>\$ 78,506,563</b>	<b>\$ 88,177,209</b>	<b>\$ 3,166,224</b>

The Statement of OPEB Net Position and Statement of Changes in OPEB Net Position as of and for the year ended June 30, 2023, using the accrual basis of accounting are as follows:

#### Statement of OPEB Net Position June 30, 2023

	Miscellaneous Retiree Health Premium Assistance Plan	Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan
<b>Assets</b>			
Restricted cash and cash equivalents	\$ 9,366,065	\$ 212,004	\$ -
Investments, at fair value:			
Medium term notes	-	-	1,966,140
US agency securities	14,810,830	1,641,727	9,151,267
Municipal bonds	5,137,600	-	-
Preferred Securities	4,918,702	564,806	2,107,979
Savo Island loan	150,000	-	-
Guaranteed investment contracts	-	-	-
Interest receivable	340,128	7,969	38,753
<b>Total assets</b>	<b>34,723,325</b>	<b>2,426,506</b>	<b>13,264,139</b>
<b>Liabilities</b>			
Accounts payable	1,356,318	244,315	598,758
<b>Total liabilities</b>	<b>1,356,318</b>	<b>244,315</b>	<b>598,758</b>
<b>Net position restricted for:</b>			
Employee OPEB benefits held in trust	33,367,007	2,182,191	12,665,381
<b>Total net position</b>	<b>\$ 33,367,007</b>	<b>\$ 2,182,191</b>	<b>\$ 12,665,381</b>

**Statement of Changes in OPEB Net Position  
For the year ended June 30, 2023**

	<b>Miscellaneous Retiree Health Premium Assistance Plan</b>	<b>Police Retiree Premium Assistance Plan</b>	<b>Fire Employees Retiree Health Plan</b>
<b>Additions:</b>			
Contributions: employer	\$ 2,658,428	\$ 400,136	\$ 911,240
Investment income	1,863,182	98,273	566,016
Total additions	<u>4,521,610</u>	<u>498,409</u>	<u>1,477,256</u>
<b>Deductions:</b>			
Benefits payment for service	1,417,464	465,182	580,817
Administrative expenses		-	-
Total deductions	<u>1,417,464</u>	<u>465,182</u>	<u>580,817</u>
Change in net position	3,104,146	33,227	896,439
Total net position - beginning	<u>30,262,860</u>	<u>2,148,963</u>	<u>11,768,942</u>
Total net position - ending	<u>\$ 33,367,006</u>	<u>\$ 2,182,190</u>	<u>\$ 12,665,381</u>

**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:

<u>Years of Service</u>	<u>City Percentage</u>
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, 2023, the following current and former employees were covered by the benefit terms for FRHF

	<u>FRHF</u>
Inactive employees or beneficiaries currently receiving benefits	85
Inactive employees entitled to but not yet receiving benefits	26
Active employees	131
Total	<u>242</u>

**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 2023 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	\$ 512	\$ 1,020	\$ 512	\$ 1,020
Retired after 7/1/06	693	1,382	412	830

During FY 2023, the City contributed \$911,240 to the trust and made benefit payments of \$\$580,817.

**Net OPEB Liability of the City**

The Total OPEB Liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2022, using the following actuarial assumptions, applied to all prior periods including the measurement:

**Actuarial Assumptions**

Discount rate	3.65%
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	3.65% (Bond Buyer 20 Index)
Non-medicare trend	8.5% for 2024, decreasing to an ultimate rate of 3.45% for 2076
Medicare trend Non Kaiser/Medicare Kaiser	Non-Kaiser 6.25% for 2024, decreasing to an ultimate rate of 3.45% for 2076; Kaiser 6.25% for 2024, 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, 2023 and June 30, 2022, were as follows:

	FY Ending	
	6/30/2023	6/30/2022
Total OPEB liability	\$ 35,573,442	\$ 30,276,552
Fiduciary net position	12,665,380	11,768,942
Net OPEB Liability	\$ 22,908,062	\$ 18,507,610
Funded Status	35.6%	38.9%

**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, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Policy Target Allocation</b>	<b>Expected Real Rate of Return</b>
Medium Term Notes	32.00%	0.78%
US Agency Securities	24.00%	-0.35%
Cash and other	25.00%	-0.51%
Preferred Stock	19.00%	1.32%
Total	<u>100.00%</u>	
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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 4.79 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 3.65 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, 2023 (see the discussion of the Plan’s investment policy) are as follows:

### 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, 2022</b>	\$ 30,276,552	\$ 11,768,942	\$ 18,507,610
<b>Changes in the measurement period</b>			
Service cost	1,392,578	-	1,392,578
Interest	1,110,807	-	1,110,807
Difference between expected and actual experience	1,862,075	-	1,862,075
Changes of assumptions	1,512,247	-	1,512,247
Contribution - employer	-	911,240	(911,240)
Contribution - employees	-	-	-
Net investment income	-	566,015	(566,015)
Benefit payments	(580,817)	(580,817)	-
Administrative expense	-	-	-
<b>Net change</b>	<u>5,296,890</u>	<u>896,438</u>	<u>4,400,452</u>
<b>Balance at June 30, 2023</b>	<u>\$ 35,573,442</u>	<u>\$ 12,665,380</u>	<u>\$ 22,908,062</u>

### 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 3.65 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
	2.65%	3.65%	4.65%
Net OPEB liability	\$ 29,386,967	\$ 22,908,062	\$ 17,809,661

### 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	\$ 19,504,128	\$ 22,908,062

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$2,090,468. As of fiscal year ended June 30, 2023, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

#### Deferred Outflows/Inflows Balances at June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
	Differences between expected and actual experiences	\$ 2,079,610
Changes in assumptions	4,924,374	5,239,475
Net differences between projected and actual earnings on plan investments	573,976	-
	<u>\$ 7,577,960</u>	<u>\$ 9,673,224</u>



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

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ (30,380)
2025	107,965
2026	164,001
2027	(238,580)
2028	(268,535)
Thereafter	(1,829,735)

**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, 2023 measurement date.

## Employees Covered

At June 30, 2023, the following current and former employees were covered by the benefit terms for RHPAP

	<u>RHPAP</u>
Inactive employees or beneficiaries currently receiving benefits	348
Inactive employees entitled to but not yet receiving benefits	247
Active employees	<u>1,097</u>
Total	<u><u>1,692</u></u>

## Contributions

The City's maximum contribution for Miscellaneous retirees for FY 2023 is shown in the following table:

	<u>City's Contribution for Non-Medicare Eligible</u>		<u>City's Contribution for Medicare Eligible Retirees</u>	
	<u>Single-Party</u>	<u>Two-Party</u>	<u>Single-Party</u>	<u>Two-Party</u>
SEIU Local 1021 C&M - retired prior to July 1, 2022	\$ 411	\$ 823	\$ 34	\$ 68
SEIU Local 1021 C&M - retired on or after July 1, 2022	611	1,023	34	68
SEIU Local 1021 CSU - retired prior to June 29, 2008	411	823	136	272
SEIU Local 1021 CSU - retired after June 29, 2008	571	983	136	272
IBEW Local 1245 - retired prior to June 28, 2009	411	823	50	100
IBEW Local 1245 - retired after June 28, 2009	571	1,141	50	100
IBEW Local 1245 - retired on or after June 27, 2010	647	1,294	50	100
IBEW Local 1245 - retired on or after June 26, 2011	683	1,367	50	100
IBEW Local 1245 - retired on or after June 24, 2012	823	1,646	50	100
IBEW Local 1245 - retired on or after June 23, 2013	890	1,780	50	100
IBEW Local 1245 - retired on or after June 22, 2014	922	1,844	50	100
PEU Local One - retired prior to July 1, 2008	411	823	34	68
PEU Local One - retired after July 1, 2008	671	1,343	479	957
Unrepresented (Z-1, Z-5, Z-7) - retired prior to July 1, 2008	411	823	188	376
Unrepresented (Z-1, Z-5, Z-7) - retired after July 1, 2008	493	986	260	521
Unrepresented (all others) - retired prior to June 29, 2008	394	787	188	376
Unrepresented (all others) - retired after June 29, 2008	546	940	188	376

During FY 2023, the City contributed \$2,614,996 to the trust and made benefit payments of \$1,408,065.

## 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, 2023.

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	13.00%	0.78%
US Agency Securities	13.00%	-0.35%
Municipal Bonds	26.00%	0.79
Cash and other	30.00%	-0.50%
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, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 5.25 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 3.65 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, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2022, using the following actuarial assumptions, applied to all prior periods including the measurement:

**Actuarial Assumptions**

Discount rate	3.65%*
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	3.65% (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 2024, decreasing to an ultimate rate of 3.45% in 2076
Medicare trend(non-Kaiser)Medicare(Kaiser)	Non-Kaiser 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 6.25% for 2024, 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, 2023 and June 30, 2022 were as follows:

	FY Ending	
	6/30/2023	6/30/2022
Total OPEB liability	\$ 62,589,364	\$ 59,184,799
Fiduciary net position	32,743,625	29,714,055
Net OPEB Liability	<u>\$ 29,845,739</u>	<u>\$ 29,470,744</u>
Funded Status	52.30%	50.20%

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, 2022</b>	\$ 59,184,799	\$ 29,714,055	\$ 29,470,744
<b>Changes in the measurement period</b>			
Service cost	2,660,490	-	2,660,490
Interest	2,164,400	-	2,164,400
Change of benefit terms	46,750	-	46,750
Difference between expected and actual experience	(3,479,634)	-	(3,479,634)
Changes of assumptions	3,420,624	-	3,420,624
Contribution - employer	-	2,614,996	(2,614,996)
Contribution - employees	-	-	-
Net investment income	-	1,822,639	(1,822,639)
Benefit payments	(1,408,065)	(1,408,065)	0
Administrative expense	-	0	-
<b>Net change</b>	<u>3,404,565</u>	<u>3,029,570</u>	<u>374,995</u>
<b>Balance at June 30, 2023</b>	<u>\$ 62,589,364</u>	<u>\$ 32,743,625</u>	<u>\$ 29,845,739</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 3.65 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 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Net OPEB liability	\$40,357,996	\$29,845,739	\$21,438,611

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	\$ 22,088,309	\$ 29,845,739	\$ 34,777,344

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$1,469,378. As of fiscal year ended June 30, 2023, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

**Deferred Outflows/Inflows Balances at June 30, 2023**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 12,367,577
Changes in assumptions	12,673,288	19,451,704
Net differences between projected and actual earnings on plan investments *	1,214,537	-
	<u>\$ 13,887,825</u>	<u>\$ 31,819,281</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
2024	\$ (2,238,466)
2025	(2,411,001)
2026	(2,904,581)
2027	(5,196,133)
2028	(2,070,496)
Thereafter	(3,110,779)

**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, 2023, the following current and former employees were covered by the benefit terms for PRPAP:

	PRPAP
Inactive employees or beneficiaries currently receiving benefits	28
Inactive employees entitled to but not yet receiving benefits	20
Active employees	150
<b>Total</b>	<b>198</b>

**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, 2023, there were 150 active employees and 48 retirees. The base monthly dollar amount paid by the City for FY 2023 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	\$873	\$1,747	\$ 436	\$ 872

During FY 2023, the City contributed \$400,136 to the trust and made benefit payments of \$465,182.



**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, 2023 are summarized in the following table:

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Medium Term Notes	11.00%	0.78%
US Agency Securities	45.00%	-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, 2023, 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.

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 3.65 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, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021, using the following actuarial assumptions, applied to all prior periods including the measurement:

**Actuarial Assumptions**

Discount rate	3.65%*
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	3.65% (Bond Buyer 20 Index)
Non-medicare trend	8.5% for 2024, decreasing to an ultimate rate of 3.45% for 2076
Medicare trend (Non-Kaiser/Kaiser)	Non-Kaiser 7.50% for 2024, decreasing to an ultimate rate of 3.45% for 2076; Kaiser 6.25% for 2024, 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, 2023 and June 30, 2022, were as follows:

	<b>FY Ended</b>	
	<b>6/30/2023</b>	<b>6/30/2022</b>
Total OPEB liability	\$ 37,605,598	\$ 34,578,577
Fiduciary net position	2,182,190	2,148,963
Net OPEB Liability	<u>\$ 35,423,408</u>	<u>\$ 32,429,614</u>
Funded Status	5.80%	6.20%

NOTES TO THE FINANCIAL STATEMENTS

**Change in Net OPEB Liability**

The changes in the Net OPEB Liability for the Berkeley 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, 2022</b>	\$ 34,578,577	\$ 2,148,963	\$ 32,429,614
<b>Changes in the measurement period</b>			
Service cost	1,897,103	-	1,897,103
Interest	1,283,005	-	1,283,005
Difference between expected and actual experience	(2,316,099)	-	(2,316,099)
Changes of assumptions	2,628,194	-	2,628,194
Contribution - employer	-	400,136	(400,136)
Contribution - employees	-	-	-
Net investment income	-	98,273	(98,273)
Benefit payments	(465,182)	(465,182)	-
Administrative expense	-	-	-
<b>Net change</b>	<u>3,027,021</u>	<u>33,227</u>	<u>2,993,794</u>
<b>Balance at June 30, 2023</b>	<u>\$ 37,605,598</u>	<u>\$ 2,182,190</u>	<u>\$ 35,423,408</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 3.54 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
	2.65%	3.65%	4.65%
Net OPEB liability	\$ 43,195,948	\$ 35,423,408	\$ 29,403,223

**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	\$ 29,156,548	\$ 35,423,408

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of -\$393,622. As of fiscal year ended June 30, 2023, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

**Deferred Outflows/Inflows Balances at June 30, 2023**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ -	\$ 16,060,125
Changes in assumptions	12,241,741	20,953,933
Net differences between projected and actual earnings on plan investments	212,632	-
	<u>\$ 12,454,373</u>	<u>\$ 37,014,058</u>

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

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ (3,435,934)
2025	(3,507,789)
2026	(3,505,289)
2027	(3,564,568)
2028	(2,898,169)
Thereafter	(7,647,936)

#### 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, 2023, was \$5,618,871 which comprised of 93 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, 2023, the date of the last actuarial study, was \$11,545,000. For FY 2023, the City paid total SRIP 1 disability payments of \$1,185,842.

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

NOTES TO THE FINANCIAL STATEMENTS

plan provided by Standard Insurance Company of Oregon and purchased a Long Term Disability plan from Hartford Life Insurance Company. Later, the City dropped the Long Term Disability plan provided by Hartford Life and purchased a Long Term Disability Plan from UNUM Provident. Ultimately, the City chose to delete the Long Term Disability plan and self-fund the benefit. The disability benefits of all those in SRIP I disabled prior to July 22, 1988, as well as the self-insured portion of SRIP I disability benefits arising on or after July 22, 1988, applicable to SRIP I coverage, are paid from City contributions.

**SRIP II**

On July 22, 1988, Ordinance No. 5900-N.S., which was codified in the Berkeley Municipal Code under Chapter 4.38.101 et seq., established SRIP II, a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a defined contribution money purchase pension plan, whereby the City contributes 6.7 percent of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account for each eligible employee. Enrollment in the plan is mandatory for all eligible persons hired on or after July 22, 1988, and elective for those eligible and hired prior to July 22, 1988.

**SRIP III**

Effective January 1, 1989, the City established SRIP III, which was codified in the Berkeley Municipal Code under Chapter 4.39.101 et seq., a defined contribution money purchase pension plan adopted in accordance with Sections 401(a) and 501(a) of the Internal Revenue Code. The plan is a defined contribution plan, whereby the City contributes 2 percent of salary up to a salary of \$32,400 into a tax deferred and self-directed investment account for all sworn police officers except the Police Chief.

The total assets of SRIP II and SRIP III available for benefits at June 30, 2023 were \$74,159,823 and there were 2,671 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, 2023 were as follows:

Plan	Contributions	Covered Payroll	% of Covered Payroll
SRIP I	\$ 9,234	\$ 162,000	5.70%
SRIP II	2,997,493	44,738,700	6.70%
SRIP III	96,401	4,820,055	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 1,768 active and 316 inactive participants in this plan as of June 30, 2023.

The total asset of PARS available for benefits at June 30, 2023 was \$3,254,199, 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, 2023 were as follows:

Contributions	Covered Payroll	% of Covered Payroll
\$ 218,988	\$ 5,840,290	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.

## 15. RESTATEMENT OF GOVERNMENT WIDE STATEMENT OF ACTIVITIES AND ENTERPRISE FUND BALANCES

As of June 30, 2023, the City has restated the beginning balance of the Government-wide Statement of Activities and Enterprise fund balance. This restatement is due to an oversight related to the capitalization of two infrastructure-related expenditures. These expenditures were unaccounted for, resulting in the need for this prior period adjustment. The impact of the adjustments to \$1.9 million.

Government-wide: Business-type Activities	Total
Net position - beginning	\$ 239,869,921
Restatement:	
Adjustment to beginning Sanitary Sewer fund	
Sanitary Sewer Rehab	1,885,146
Net position - beginning, as restated	\$ 241,755,066
Proprietary Funds: Enterprise Funds	Total
Fund balance - beginning	\$ 220,305,409
Restatement:	
Adjustment to beginning Sanitary Sewer fund	
Sanitary Sewer Rehab	1,885,146
Net position - beginning, as restated	\$ 222,190,554

## 16. SUBSEQUENT EVENTS

### FY 2023 Tax and Revenue Anticipation Notes

On July 26, 2023, the City issued \$23,600,000 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 3.00% and are recorded in the General Fund. Interest and principal on these notes are payable on July 24, 2024 by the General Fund. The notes were assigned a short-term rating of "SP-1+" by S&P Global Ratings.

## 17. SUCCESSOR AGENCY

### Description of the Entity

The Redevelopment Agency of the City of Berkeley was established to eliminate blight and provide construction financing for affordable housing. There were two Redevelopment Project Areas: 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



NOTES TO THE FINANCIAL STATEMENTS

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, 2023.

**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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

The following is a summary of Long-term obligations of the Successor Agency as of June 30, 2023:

Successor Agency	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Savo Island	\$ 193,000	\$ -	\$ (43,000)	\$ 150,000	\$ 46,000
Total Successor Agency	\$ 193,000	\$ -	\$ (43,000)	\$ 150,000	\$ 46,000

**18. TAX ABATEMENT-ECONOMIC DEVELOPMENT INCENTIVES**

GASB Statement No.77, *Tax Abatement Disclosures* defines tax abatements as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. According to GASB 77, the substance of this agreement meets the definition of “tax abatements” if the revenues received were not available for general municipal purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the provisions of an agreement. The taxes paid to the City are included in the revenue reported in these financial statements and the payments made to the businesses based upon the taxes paid are also included as expenditures in these financial statements.

On November 7, 2016, the City of Berkeley entered into a Hotel Incentive Agreement (CMS NO. H3WSR) agreement with Center Street Partners, LLC, in the form of a rebate of future Transient Occupancy Tax revenue generated by the project, thereby increasing the economic feasibility of the project, facilitating the development of the hotel and commercial project and increasing the likelihood of future General Fund revenues, without assuming any risk. This financial assistance agreement involves making certain periodic payments in the form of a rebate of new transient occupancy tax revenue generated by the Project in an amount not to exceed \$13, 125, 267 cumulatively, which amount represents the projected total amount of permit and impact fees to be charged by the City to the Project, with adjustments for inflation.

In authorizing the City Manager to execute this agreement, the City Council made the following determinations: (1) the Project will provide significant economic development benefits to the City in terms of both job creation and new tax revenue, including new property tax revenue, transient occupancy tax revenue, sales tax revenue, and other new revenue; (2) the Downtown Area Plan identifies a hotel and conference center as a highly desired use that warrants consideration of incentives; (3) the Owner requested financial assistance from the City equivalent to the total value of permit and impact fees charged by the City to the Project (maximum total rebate projected at \$13,125,267), in order to increase the Owner’s rate of return, economic feasibility of the Project, and ability to attract financing; (4) the City engaged third party consultants to confirm that without financial assistance from the City, the Project would likely be economically infeasible; and, (5) the City is able to provide assistance in the form of a rebate of up to 50 percent of future transient occupancy tax revenues generated by the Project, thereby increasing the economic feasibility of the Project and facilitating the development of the Project.

Construction of the Residence Inn was completed during FY 2022 and operations were started on December 21, 2021. During FY 2023, \$2,387,555 in TOT was generated by Residence Inn. The details of the transient occupancy taxes rebated during FY 2023 are as follows:

<b>PURPOSE</b>	<b>Percentage of Taxes Abated During FY 2023</b>	<b>Amount of Taxes Abated During FY 2023</b>
Construction of 16 story Residence Inn and commercial development on the site	50	\$1,193,778



THIS PAGE INTENTIONALLY BLANK



THIS PAGE INTENTIONALLY BLANK

# Required Supplementary Information



## 19. 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 Measure E: Special Tax for Disabled, Community Workforce Fund, California Housing Finance Agency, California Energy Commission, Tieback Mitigation R-O-W, Parking in-Lieu Fee, One time Funding, Street and Open Space Improvement, Legacy Fund, Other Special Deposit Fund, 1st Response Advance Life Support, Citywise Relief, Lillie B. Wall Memorial, East Bay Public Utilities Comm, Impounded and Unneutered, Shelter Operations, Traffic Congestion Relief, 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 \$624,477,177 for FY 2023 and made supplementary budget appropriations totaling \$196,318,648 (for a total of revised budget of \$820,795,825) during the year. The supplementary budget appropriations consisted of the following: (1) FY 2022 outstanding encumbered rollovers of \$104,311,483; (2) FY 2022 unencumbered carryovers of \$41,210,547; (3) reappropriations of \$203,685; and, (4) other budget adjustments of \$50,592,933. 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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 213,381,207	\$ 214,450,236	\$ 217,385,131	\$ 2,934,895
Licenses and permits	1,548,145	2,113,292	1,471,063	(642,229)
Intergovernmental	803,232	803,232	1,588,585	785,353
Charges for service	7,740,099	9,190,099	9,499,279	309,180
Fines and penalties	4,480,508	5,954,058	6,038,245	84,187
Rents and royalties	149,210	149,210	232,740	83,530
Franchise	1,613,283	1,720,056	1,822,528	102,472
Private contributions and donations	174,769	174,769	134,229	(40,540)
Investment income	6,000,000	7,618,485	12,117,025	4,498,540
Miscellaneous	173,843	84,174	560,513	476,339
Total revenues	<u>236,064,296</u>	<u>242,257,611</u>	<u>250,849,338</u>	<u>8,591,727</u>
<b>Expenditures:</b>				
Current:				
General government	64,901,403	45,908,161	32,284,520	13,623,641
Public safety	123,746,013	124,294,712	128,394,573	(4,099,861)
Highway and streets	3,269,215	4,685,022	3,168,334	1,516,688
Health and welfare	12,708,700	17,064,220	15,683,043	1,381,177
Culture-recreation	8,879,747	9,473,987	9,292,584	181,403
Community development and housing	20,943,223	34,630,393	18,686,973	15,943,420
Economic development	3,236,267	3,811,441	3,542,606	268,835
Debt service:				
Interest and fiscal charges	200,000	200,000	429,209	(229,209)
TRAN issuance costs	-	-	67,265	67,265
Capital outlay:	199,936	6,097,867	1,493,877	4,603,990
Total expenditures	<u>238,084,504</u>	<u>246,165,803</u>	<u>213,042,984</u>	<u>33,257,349</u>
Revenues over/(under) expenditures	<u>(2,020,208)</u>	<u>(3,908,192)</u>	<u>37,806,354</u>	<u>41,714,546</u>
Other financing sources/(uses)				
Transfers in	17,096,148	17,096,148	18,041,730	945,582
Transfers out	(33,357,479)	(35,334,076)	(36,795,995)	(1,461,919)
Total other financing sources/(uses)	<u>(16,261,331)</u>	<u>(18,237,928)</u>	<u>(18,754,265)</u>	<u>(516,337)</u>
Net change in fund balance	(18,281,539)	(22,146,120)	19,052,089	41,198,209
Fund balance, July 1, 2022	118,457,038	118,457,038	118,457,038	-
Fund balance, June 30, 2023	<u>\$ 100,175,499</u>	<u>\$ 96,310,918</u>	<u>\$ 137,509,127</u>	<u>\$ 41,198,209</u>

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

Net change in fund balances - budgetary basis	\$ 19,052,089
Receivable accrual	(9,601,829)
Due from other fund - repayment	(1,195,145)
Due from other fund - advance	(172,184)
Payable accrual	2,340,734
Net change in fund balances - GAAP basis	<u>\$ 10,423,666</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Grants Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 25,415,248	\$ 27,059,248	\$ 42,493,589	\$ 15,434,341
Charges for service	174,059	174,059	1,163,631	989,572
Investment income	61,632	61,632	557,950	496,318
Total revenues	<u>25,650,939</u>	<u>27,294,939</u>	<u>44,215,170</u>	<u>16,920,231</u>
<b>Expenditures:</b>				
General government	1,000,000	3,050,336	2,126,315	924,021
Public safety	305,297	1,904,765	994,069	910,696
Highway and streets	1,608,460	5,327,971	2,423,261	2,904,710
Health and welfare	26,746,818	33,357,696	20,516,495	12,841,201
Culture-recreation	194,034	566,673	414,487	152,186
Community development and housing	10,369,473	25,202,090	23,860,940	1,341,150
Economic development	1,795,980	2,219,783	920,958	1,298,825
Capital outlay:	11,995,757	12,433,935	477,094	11,956,841
Total expenditures	<u>54,015,819</u>	<u>84,063,249</u>	<u>51,733,619</u>	<u>32,329,630</u>
Revenues over/(under) expenditures	<u>(28,364,880)</u>	<u>(56,768,310)</u>	<u>(7,518,449)</u>	<u>49,249,861</u>
Other financing sources/(uses)				
Transfers out	(18,935,943)	(18,935,943)	(18,686,381)	249,562
Total other financing sources/(uses)	<u>(18,935,943)</u>	<u>(18,935,943)</u>	<u>(18,686,381)</u>	<u>249,562</u>
Net change in fund balance	(47,300,823)	(75,704,253)	(26,204,830)	49,499,423
Fund balance, July 1, 2022	45,785,902	45,785,902	45,785,902	-
Fund balance, June 30, 2023	<u>\$ (1,514,921)</u>	<u>\$ (29,918,351)</u>	<u>\$ 19,581,072</u>	<u>\$ 49,499,423</u>

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

Net change in fund balances - budgetary basis	\$ (26,204,830)
Receivable accrual	30,301,728
Notes receivable accrual	(142,920)
Payable accrual	6,312,450
Net change in fund balances - GAAP basis	<u>\$ 10,266,428</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Library Fund - Budgetary basis**  
**For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 23,837,768	\$ 23,837,768	\$ 24,069,854	\$ 232,086
Intergovernmental	68,420	68,420	81,952	13,532
Fines and penalties	40,000	40,000	17,689	(22,311)
Private contributions and donations	205,000	205,000	167,364	(37,636)
Investment Income	-	-	14,201	14,201
Miscellaneous	32,000	32,000	6,024	(25,976)
Total revenues	<u>24,183,188</u>	<u>24,183,188</u>	<u>24,357,084</u>	<u>173,896</u>
<b>Expenditures:</b>				
Culture-recreation	24,005,575	23,504,384	19,892,554	3,611,830
Capital Outlay:	949,000	745,399	88,949	656,450
Total expenditures	<u>24,954,575</u>	<u>24,249,783</u>	<u>19,981,503</u>	<u>4,268,280</u>
Revenues over/(under) expenditures	<u>(771,387)</u>	<u>(66,595)</u>	<u>4,375,581</u>	<u>4,442,176</u>
Net change in fund balance	(771,387)	(66,595)	4,375,581	4,442,176
Fund balance, July 1, 2022	18,602,021	18,602,021	18,602,021	-
Fund balance, June 30, 2023	<u>\$ 17,830,634</u>	<u>\$ 18,535,426</u>	<u>\$ 22,977,602</u>	<u>\$ 4,442,176</u>

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

Net change in fund balances - budgetary basis	\$ 4,375,581
Receivable accrual	(11,925)
Grant receivable accrual	(16,621)
Payable accrual	(212,305)
Net change in fund balances - GAAP basis	<u>\$ 4,134,731</u>



THIS PAGE INTENTIONALLY BLANK

## 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>(3)</sup>

Measurement period	2014 <sup>(1)</sup>	2015	2016	2017
Total pension liability				
Service cost	\$ 17,671,892	\$ 16,872,463	\$ 16,093,496	\$ 18,319,450
Interest	60,962,710	62,911,744	65,105,036	66,532,424
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(15,778,151)	(9,281,443)	(10,781,092)
Change of assumptions	-	(14,788,782)	-	52,798,032
Benefit payments, including refunds of employee contributions	(37,309,302)	(38,947,389)	(43,938,243)	(45,764,257)
Net change in total pension liability	41,325,300	10,269,885	27,978,846	81,104,557
Total pension liability - beginning	822,654,845	863,980,146	874,250,030	902,228,876
Total pension liability - ending (a)	\$ 863,980,146	\$ 874,250,030	\$ 902,228,876	\$ 983,333,433
Plan fiduciary net position				
Contributions - employer	\$ 17,742,374	\$ 18,303,639	\$ 20,032,929	\$ 21,214,582
Contributions - employee	9,202,333	6,752,797	6,904,128	9,301,166
Net investment income	98,032,089	14,859,667	3,476,221	70,963,526
Benefit payments, including refunds of employee contributions	(37,309,302)	(38,947,389)	(43,938,243)	(45,764,257)
Administrative expense	-	(737,906)	(399,523)	(946,894)
Plan to plan resource movement	-	248,821	(284,978)	(3,491)
Other Miscellaneous Income/Expense	-	-	-	-
Net change in fiduciary net position	87,667,494	515,629	(14,209,466)	54,764,632
Plan fiduciary net position - beginning	655,032,952	641,339,412	655,548,878	696,104,044
Plan fiduciary net position - ending (b)	\$ 655,032,952	\$ 641,855,041	\$ 641,339,412	\$ 696,104,044
Plan net position liability/(asset) - ending (a) - (b)	\$ 208,947,194	\$ 218,701,152	\$ 260,889,464	\$ 287,229,389
Plan fiduciary net position as a % of the total pension liability	75.82%	73.42%	71.08%	70.79%
Covered payroll	\$ 87,614,737	\$ 87,918,618	\$ 85,480,937	\$ 88,645,362
Plan net pension liability/(asset) as a % of covered payroll	238.48%	248.75%	305.20%	324.02%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) 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.

(3) Includes one year's payroll growth assumption using 2.75% payroll growth assumption for fiscal years ended June 30, 2018-19; 3% payroll growth assumption for fiscal years ended June 30, 2014-17.

	2018	2019	2020	2021	2022 <sup>(2)</sup>
\$	18,834,712	\$ 19,887,312	\$ 20,079,663	\$ 20,548,191	\$ 22,096,104
	68,846,245	72,675,697	75,652,840	78,084,124	79,182,682
	-	-	-	-	-
	3,269,467	16,884,427	4,241,153	(3,504,149)	(13,633,275)
	(8,383,824)	-	-	-	30,901,992
	(49,503,784)	(53,562,035)	(56,961,902)	(59,955,398)	(62,415,684)
	33,062,816	55,885,401	43,011,754	35,172,768	56,131,819
	983,333,433	1,016,396,249	1,072,281,650	1,115,293,404	1,150,466,172
\$	<u>1,016,396,249</u>	<u>\$ 1,072,281,650</u>	<u>\$ 1,115,293,404</u>	<u>\$ 1,150,466,172</u>	<u>\$ 1,206,597,991</u>
\$	20,393,310	\$ 20,886,356	\$ 24,065,716	\$ 26,643,623	\$ 29,982,031
	13,747,826	15,885,527	16,545,469	16,374,227	16,799,060
	58,233,830	48,037,150	37,989,064	176,980,962	(71,491,029)
	(49,503,784)	(53,562,035)	(56,961,902)	(59,955,398)	(62,415,684)
	(1,084,722)	(525,103)	(1,080,642)	(786,269)	(589,544)
	(1,705)	(6,474)	-	28,657	36,141
	(2,059,905)	1,705	-	-	-
	39,724,850	30,717,126	20,557,705	159,285,802	(87,679,025)
	735,828,894	766,546,020	787,103,725	787,103,725	946,389,527
\$	<u>735,828,894</u>	<u>\$ 766,546,020</u>	<u>\$ 787,103,725</u>	<u>\$ 946,389,527</u>	<u>\$ 858,710,502</u>
\$	280,567,355	\$ 305,735,630	\$ 328,189,679	\$ 204,076,645	\$ 347,887,489
	72.40%	71.49%	70.57%	82.26%	71.17%
\$	94,371,740	\$ 100,559,700	\$ 100,639,199	\$ 106,633,060	\$ 106,589,987
	297.30%	304.03%	326.11%	191.38%	326.38%



**Public Safety - Fire Plan**

Measurement period	2014 <sup>(1)</sup>	2015	2016	2017
Total pension liability				
Service cost	\$ 4,183,753	\$ 4,154,748	\$ 4,316,812	\$ 4,976,440
Interest	17,150,102	17,400,087	17,876,017	18,140,550
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	(4,736,917)	(1,327,136)	(2,451,159)
Change of assumptions	-	(3,990,299)	-	14,328,945
Benefit payments, including refunds of employee contributions	(13,447,853)	(14,168,237)	(14,006,618)	(14,713,157)
Net change in total pension liability	7,886,002	(1,340,618)	6,859,075	20,281,619
Total pension liability - beginning	233,300,081	241,186,083	239,845,465	266,986,159
Total pension liability - ending (a)	\$ 241,186,083	\$ 239,845,465	\$ 246,704,540	\$ 266,986,159
Plan fiduciary net position				
Contributions - employer	\$ 4,754,912	\$ 5,237,775	\$ 5,967,197	\$ 6,328,886
Contributions - employee	1,410,383	1,489,005	1,523,845	1,575,673
Net investment income	28,071,245	4,117,374	939,196	19,375,895
Benefit payments, including refunds of employee contributions	(13,447,853)	(14,168,237)	(14,006,618)	(14,713,157)
Administrative expense	-	(205,370)	(111,091)	(260,728)
Plan to plan resource movement	-	(70)	-	-
Other Miscellaneous Income/Expense	-	-	-	-
Net change in fiduciary net position	20,788,687	(3,529,523)	(5,687,471)	12,306,569
Plan fiduciary net position - beginning	165,021,539	185,810,226	182,280,703	170,905,761
Plan fiduciary net position - ending (b)	\$ 185,810,226	\$ 182,280,703	\$ 176,593,232	\$ 183,212,330
Plan net position liability/(asset) - ending (a) - (b)	\$ 55,375,857	\$ 57,564,762	\$ 70,111,308	\$ 78,086,358
Plan fiduciary net position as a percentage of the total pension liability	77.04%	76.00%	71.58%	68.62%
Covered payroll	\$ 14,907,370	\$ 15,467,011	\$ 16,185,414	\$ 16,684,346
Plan net pension liability/(asset) as a percentage of covered payroll	371.47%	372.18%	433.18%	468.02%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) 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.

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022<sup>(2)</sup></b>
\$	5,050,545	\$ 5,094,809	\$ 5,376,207	\$ 5,149,025	\$ 5,653,134
	18,548,037	19,278,306	19,748,456	20,346,616	20,519,654
	-	-	-	-	-
	(1,273,144)	2,269,776	(2,098,331)	(257,904)	(4,050,012)
	(932,620)	-	-	-	8,033,823
	(15,785,115)	(15,568,769)	(16,111,142)	(16,663,456)	(17,163,074)
	5,607,703	11,074,122	6,915,190	8,574,281	12,993,525
	272,593,862	283,667,984	290,583,174	290,583,174	299,157,455
\$	<u>272,593,862</u>	<u>\$ 283,667,984</u>	<u>\$ 290,583,174</u>	<u>\$ 299,157,455</u>	<u>\$ 312,150,980</u>
\$	6,983,081	\$ 7,762,455	\$ 8,703,901	\$ 9,176,919	\$ 9,967,551
	1,801,681	1,800,299	1,781,366	1,759,155	2,020,473
	15,877,869	12,686,105	10,057,956	46,454,379	(18,723,751)
	(15,785,115)	(15,568,769)	(16,111,142)	(16,663,456)	(17,163,074)
	(294,358)	(140,529)	(286,834)	(207,389)	(154,569)
	(457)	(457)	(457)	(457)	(36,141)
	(558,991)	457	-	-	-
	8,023,710	6,540,018	4,145,247	40,519,608	(24,089,511)
	188,899,801	196,923,511	203,463,529	207,608,776	248,128,384
\$	<u>196,923,511</u>	<u>\$ 203,463,529</u>	<u>\$ 207,608,776</u>	<u>\$ 248,128,384</u>	<u>\$ 224,038,873</u>
\$	75,670,351	\$ 80,204,455	\$ 82,974,398	\$ 51,029,071	\$ 88,112,107
	72.24%	71.73%	71.45%	82.94%	71.77%
\$	17,219,137	\$ 18,392,338	\$ 17,619,953	\$ 18,330,455	\$ 18,875,240
	439.45%	436.08%	470.91%	278.38%	466.81%

**Public Safety - Police Plan**

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

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) 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.

2018	2019	2020	2021	2022 <sup>(2)</sup>
\$ 7,206,671	\$ 6,572,589	\$ 6,906,033	\$ 7,797,251	\$ 8,246,309
28,303,833	29,224,684	30,242,268	31,496,075	32,368,940
-	-	-	-	-
607,197	(261,541)	1,239,143	3,972,386	(2,363,653)
(2,169,378)	-	-	-	16,809,437
(21,537,031)	(22,568,755)	(23,373,646)	(24,687,419)	(26,018,808)
12,411,292	12,966,977	15,013,798	18,578,293	29,042,225
416,996,462	429,963,439	444,977,237	444,977,237	463,555,530
<u>\$ 416,996,462</u>	<u>\$ 429,963,439</u>	<u>\$ 444,977,237</u>	<u>\$ 463,555,530</u>	<u>\$ 492,597,755</u>
\$ 13,095,114	\$ 13,926,791	\$ 15,737,103	\$ 16,765,193	\$ 17,791,362
2,103,617	2,005,991	2,375,802	2,458,960	2,463,683
20,550,338	16,847,851	13,335,816	62,670,340	(25,347,432)
(21,537,031)	(22,568,755)	(23,373,646)	(24,687,419)	(26,018,808)
(381,485)	(184,056)	(377,747)	(275,357)	(207,161)
(598)	6,474	-	(28,657)	-
(724,446)	598	-	-	-
13,105,509	10,034,894	7,697,328	56,903,060	(31,318,356)
244,812,138	257,917,647	267,952,541	275,649,869	332,552,929
<u>\$ 257,917,647</u>	<u>\$ 267,952,541</u>	<u>\$ 275,649,869</u>	<u>\$ 332,552,929</u>	<u>\$ 301,234,573</u>
\$ 159,078,815	\$ 162,010,898	\$ 169,327,368	\$ 131,002,601	\$ 191,363,182
61.85%	62.32%	61.95%	71.74%	61.15%
\$ 22,701,037	\$ 21,803,626	\$ 21,101,838	\$ 25,356,914	\$ 24,332,573
700.76%	743.05%	802.43%	516.63%	786.45%

## Schedule of Plan Contributions for CalPERS Pension Plans

### Miscellaneous Plans

	FY 2015	FY 2016	FY 2017	FY 2018
Actuarially determined contribution	\$ 18,303,639	\$ 20,032,929	\$ 21,214,582	\$ 20,393,310
Contribution in relation to the actuarially determined contributions	(18,303,639)	(20,032,929)	(21,214,582)	(20,393,310)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 87,918,618	\$ 85,480,937	\$ 88,645,362	\$ 94,371,740
Contributions as a percentage of covered payroll	20.82%	23.44%	23.93%	21.61%

\* 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
Actuarially determined contribution	\$ 5,237,775	\$ 5,967,197	\$ 6,328,886	\$ 6,983,081
Contribution in relation to the actuarially determined contributions	(5,237,775)	(5,967,197)	(6,328,886)	(6,983,081)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 15,467,011	\$ 16,185,414	\$ 16,684,346	\$ 17,219,137
Contributions as a percentage of covered payroll	33.86%	36.87%	37.93%	40.55%

\* 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
Actuarially determined contribution	\$ 10,108,019	\$ 10,777,599	\$ 11,858,699	\$ 13,095,114
Contribution in relation to the actuarially determined contributions	(10,108,019)	(10,777,599)	(11,858,699)	(13,095,114)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 22,490,875	\$ 22,289,585	\$ 22,933,002	\$ 22,701,037
Contributions as a percentage of covered payroll	44.94%	48.35%	51.71%	57.69%

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

FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$ 20,894,560 (20,894,560)	\$ 24,065,716 (24,065,716)	\$ 26,643,623 (26,643,623)	\$ 29,261,593 (29,261,593)	\$ 34,543,436 (34,543,436)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 100,559,700 20.78%	\$ 102,290,694 23.53%	\$ 106,633,060 24.99%	\$ 108,591,330 26.95%	\$ 117,847,774 29.31%

FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$ 7,762,455 (7,762,455)	\$ 8,703,901 (8,703,901)	\$ 9,176,919 (9,176,919)	\$ 9,467,357 (9,467,357)	\$ 10,869,629 (10,869,629)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,392,338 42.20%	\$ 18,877,133 46.11%	\$ 18,330,455 50.06%	\$ 21,028,000 45.02%	\$ 22,427,668 48.47%

FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$ 13,918,569 (13,918,569)	\$ 15,737,103 (15,737,103)	\$ 16,765,193 (16,765,193)	\$ 17,147,766 (17,147,766)	\$ 19,066,807 (19,066,807)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 21,803,626 63.84%	\$ 22,263,161 70.69%	\$ 25,356,914 66.12%	\$ 24,514,659 69.95%	\$ 24,471,086 77.92%



**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 2023 were derived from the June 30, 2020 funding valuation report.

	Miscellaneous	Public Safety	
		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		



THIS PAGE INTENTIONALLY BLANK

**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	2014 <sup>(1)</sup>	2015	2016	2017
<b>Total pension liability</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	2,399,970	2,503,642	2,441,727	2,222,569
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	1,501,596	7,453,545	-
Change of assumptions	7,559,895	4,403,685	6,961,164	(7,646,392)
Benefit payments, including refunds of employee contributions	(1,684,552)	(1,678,949)	(2,044,596)	(2,112,022)
Net change in total pension liability	8,275,313	6,729,974	14,811,840	(7,535,845)
Total pension liability - beginning	46,605,771	54,881,084	61,611,058	76,422,898
Total pension liability - ending (a)	<u>\$ 54,881,084</u>	<u>\$ 61,611,058</u>	<u>\$ 76,422,898</u>	<u>\$ 68,887,053</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 1,489,304	\$ 1,467,997	\$ 1,943,978	\$ 2,132,901
Contributions - employee	-	-	-	-
Net investment income	410,656	164,247	284,425	922
Benefit payments, including refunds of employee contributions	(1,684,552)	(1,678,949)	(2,044,596)	(2,112,022)
Administrative expenses	(30,891)	(41,778)	(42,154)	(42,204)
Net change in fiduciary net position	184,517	(88,483)	141,653	(20,403)
Plan fiduciary net position - beginning	6,403,422	6,587,939	6,499,461	6,641,114
Plan fiduciary net position - ending (b)	<u>\$ 6,587,939</u>	<u>\$ 6,499,456</u>	<u>\$ 6,641,114</u>	<u>\$ 6,620,711</u>
Plan net position liability/(asset) - ending (a) - (b)	\$ 48,293,145	\$ 55,111,597	\$ 69,781,784	\$ 62,266,342
Plan fiduciary net position as a percentage of the total pension liability	12.00%	10.55%	8.69%	9.61%
Covered payroll	\$ 19,920,000	\$ 20,002,000	\$ 20,002,000	\$ 20,002,000
Plan net pension liability/(asset) as a percentage of covered payroll	242.44%	242.44%	275.53%	275.53%

(1) Historical information is required only for measurement periods for which GASB 67 is applicable.

(2) Estimated

	2018	2019	2020	2021	2022	2023
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	2,456,058	2,774,656	2,549,534	1,927,908	1,779,108	2,245,449
	-	-	-	-	-	-
	(2,399,531)	(2,744,787)	(3,119,941)	(1,862,018)	(4,052,001)	(5,386,410)
	6,217,552	3,226,771	9,305,578	4,026,371	(11,671,743)	4,037,244
	(2,155,214)	(2,618,766)	(2,427,646)	(2,522,372)	(2,762,477)	(2,766,666)
	4,118,865	637,874	6,307,525	1,569,889	(16,707,113)	(1,870,383)
	68,887,053	73,005,918	73,643,792	79,951,317	81,521,206	64,814,093
\$	73,005,918	\$ 73,643,792	\$ 79,951,317	\$ 81,521,206	\$ 64,814,093	\$ 62,943,710
\$	1,857,970	\$ 1,854,528	\$ 2,048,826	\$ 2,150,175	\$ 2,147,614	\$ 2,220,179
	-	-	-	-	-	-
	44,462	(29,544)	647,532	170,290	(379,204)	190,218
	(2,155,214)	(2,618,766)	(2,427,646)	(2,522,372)	(2,762,477)	(2,766,666)
	(17,199)	-	-	-	-	-
	(269,981)	(793,782)	268,712	(201,907)	(994,067)	(356,269)
	6,620,711	6,350,730	5,556,948	5,825,660	5,623,753	4,629,686
\$	6,350,730	\$ 5,556,948	\$ 5,825,660	\$ 5,623,753	\$ 4,629,686	\$ 4,273,417
\$	66,655,188	\$ 68,086,844	\$ 74,125,657	\$ 75,897,453	\$ 60,184,407	\$ 58,670,293
	8.70%	7.55%	7.29%	6.90%	7.14%	6.79%
\$	20,002,000	\$ (2)\$ 20,002,000	\$(2)\$ 20,002,000	\$(2)\$ 20,002,000	\$(2)\$ 21,718,842	\$(2)\$ 21,578,636 <sup>(2)</sup>
	311.30%	333.24%	370.59%	379.40%	277.11%	271.89%

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

There was no required contribution calculation for FY 2023.

### Schedule of Investment Returns

Year ending June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return on investments	6.53%	2.55%	3.9%	3.7%	3.3%	3.3%	3.3%	3.3%	3.8%	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	2014 <sup>(1)</sup>	2015	2016	2017
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	218,441	205,818	185,544	110,849
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	518,607	-	450,045	418,546
Change of assumptions	-	38,147	114,194	(225,811)
Benefit payments, including refunds of employee contributions	(1,003,620)	(1,001,957)	(1,843,952)	(832,203)
Net change in total pension liability	(266,572)	(757,992)	(1,064,169)	(528,619)
Total pension liability - beginning	5,094,747	4,828,175	4,070,183	3,764,006
Total pension liability - ending (a)	\$ 4,828,175	\$ 4,070,183	\$ 3,764,006	\$ 3,235,387
Plan fiduciary net position				
Contributions - employer	\$ 568,620	\$ 604,755	\$ 1,101,309	\$ 513,316
Contributions - employee	-	-	-	-
Net investment income	124,010	96,509	166,222	43,310
Benefit payments, including refunds of employee contributions	(1,003,620)	(1,001,957)	(1,543,259)	(832,203)
Administrative expenses	-	-	(17,650)	(10,113)
Net change in fiduciary net position	(310,990)	(300,693)	(290,378)	(285,690)
Plan fiduciary net position - beginning	1,564,995	1,254,005	953,312	662,934
Plan fiduciary net position - ending (b)	\$ 1,254,005	\$ 953,312	\$ 662,934	\$ 377,244
Plan net position liability/(asset) - ending (a) - (b)	\$ 3,574,170	\$ 3,116,871	\$ 3,101,072	\$ 2,858,143
Plan fiduciary net position as a percentage of the total pension liability	25.97%	23.42%	17.61%	11.66%
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

(1) Historical information is required only for measurement periods for which GASB 67 is applicable.

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.

	2018	2019	2020	2021	2022	2023
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	106,968	84,747	55,273	33,643	28,108	34,528
	-	-	-	-	-	-
	(112,533)	(100,070)	365,385	253,939	111,397	(2,515)
	7,477	18,332	46,258	(21,303)	(59,043)	(2,329)
	(752,108)	(625,486)	(566,995)	(480,630)	(493,937)	(318,877)
	(750,196)	(622,477)	(100,079)	(214,351)	(413,475)	(289,193)
	3,235,387	2,485,191	1,862,714	1,762,635	1,548,284	1,134,809
\$	<u>2,485,191</u>	<u>\$ 1,862,714</u>	<u>\$ 1,762,635</u>	<u>\$ 1,548,284</u>	<u>\$ 1,134,809</u>	<u>\$ 845,616</u>
\$	454,108	\$ 525,486	\$ 566,995	\$ 480,630	\$ 493,937	\$ 318,877
	-	-	-	-	-	-
	17,690	3,066	-	-	-	-
	(752,108)	(625,486)	(566,995)	(480,630)	(493,937)	(318,877)
	(10,113)	-	-	-	-	-
	(290,423)	(96,934)	-	-	-	-
	377,244	96,934	-	-	-	-
\$	<u>96,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	2,388,257	\$ 1,862,714	\$ 1,762,635	\$ 1,548,284	\$ 1,134,809	\$ 845,616
	3.90%	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,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual money-weighted rate of return on investments	6.53%	2.55%	3.9%	3.7%	3.3%	3.3%	3.3%	3.3%	3.8%	N/A

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.



**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
<b>Total OPEB liability</b>							
Service cost	\$ 1,139,553	\$ 1,096,067	\$ 1,168,001	\$ 1,342,365	\$ 1,766,598	\$ 1,911,547	\$ 1,392,578
Interest cost	1,016,737	1,102,679	1,101,475	1,156,748	952,902	917,203	1,110,807
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
Changes of assumptions	(1,120,587)	(1,018,507)	1,769,199	5,330,768	418,168	(6,264,012)	1,512,247
Benefit payments	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)	(769,042)	(580,817)
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
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
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
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 862,969	\$ 737,933	\$ 759,000	\$ 742,397	\$ 741,212	\$ 817,508	\$ 911,240
Contributions - employee	-	-	-	-	-	-	-
Net investment income	52,551	38,661	662,448	545,553	459,011	(937,465)	566,015
Benefit payments and refunds	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)	(769,042)	(580,817)
Administrative expenses	(25,329)	(14,233)	(4,945)	(3,979)	(10,823)	-	-
Other changes	-	-	-	-	-	-	-
Net changes	454,455	353,300	1,090,642	649,210	712,678	(888,999)	896,438
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
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
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
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%
Covered payroll	\$15,139,847	\$15,614,466	\$15,667,851	\$15,307,269	\$15,282,868	\$16,924,571	\$18,118,697
Net OPEB liability as a percentage of covered payroll	115.79%	110.50%	125.31%	138.35%	156.21%	109.35%	126.43%

<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	2017 <sup>(1)</sup>	2018	2019	2020	2021	2022	2023
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
Contributions in relations to the actuarially determined contribution	862,969	737,933	759,000	742,397	741,212	817,508	911,240
Contribution deficiency/(excess)	\$ 1,128,956	\$ 1,425,095	\$ 1,567,493	\$ 1,362,225	\$ 1,834,758	\$ 537,111	\$ 2,748,527
	\$	\$	\$	\$	\$	\$	\$
Covered payroll	15,139,847	15,614,466	15,667,851	15,307,269	15,282,868	16,924,571	18,118,697
Contributions as a percentage of covered payroll	5.7%	4.7%	4.8%	4.8%	4.8%	4.8%	5.0%

<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, 2022
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 2024, decreasing to an ultimate rate of 3.45% in 2076 and later years Medicare-Non-Kaiser 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 6.25% for 2023, 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

## 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
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
Interest cost	2,037,274	2,347,169	2,384,553	2,431,913	2,350,294	1,807,863	2,164,400
Changes of benefit terms	-	-	-	-	174,029	-	46,750
Difference between expected and actual experience	-	(1,080,363)	(632,496)		(7,240,048)	(5,248,182)	(3,479,634)
Changes of assumptions	(6,804,556)	(5,371,861)	2,729,815	22,060,044		(12,289,862)	3,420,624
Benefit payments	(736,196)	(927,645)	(984,708)	(1,328,358)	(1,174,959)	(2,091,325)	(1,408,065)
Net change in total OPEB liability	(2,344,787)	(2,273,785)	6,219,189	24,491,597		(14,200,674)	3,404,565
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
	\$	\$	\$	\$	\$	\$	\$
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
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
Contributions - employee	-	-	-	-	-	-	-
Net investment income	212,183	393,160	2,233,680	217,442	1,091,946	(1,986,312)	1,822,639
Benefit payments and refunds	(735,196)	(927,645)	(984,708)	(1,328,358)	(1,174,959)	(2,091,325)	(1,408,065)
Administrative expenses	(64,386)	(69,263)	(37,536)	(30,346)	(84,248)	(757)	-
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
Plan fiduciary net position - beginning	20,995,355	23,774,427	25,171,076	28,386,133	29,437,984	31,490,003	29,714,055
Plan fiduciary net position - ending	\$23,759,897	\$25,759,897	\$28,386,133	\$29,437,984	\$31,490,003	\$29,714,055	\$32,743,625
	\$	\$	\$	\$	\$	\$	\$
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
Fiduciary net position as a percentage of the total OPEB liability	38.50%	43.38%	43.27%	32.67%	42.91%	50.21%	52.31%
	\$	\$	\$	\$	\$	\$	\$
Covered payroll	84,216,839	90,333,251	91,491,386	94,774,757	99,542,579	102,205,676	110,614,150
Net OPEB liability as a percentage of covered payroll	45.00%	37.88%	40.68%	64.00%	42.09%	28.83%	26.98%

<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
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
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
Contribution deficiency/ (excess)	\$ 7,963,769	\$ 6,729,845	\$ 3,048,034	\$ 3,341,459	\$ 2,652,715	\$ (231,157)	\$ 3,402,371
Covered payroll	\$ 84,216,839	\$ 90,333,251	\$ 91,491,386	\$ 96,774,757	\$ 99,542,525	\$ 102,205,676	\$ 110,614,150
Contributions as a percentage of covered payroll	4.0%	2.2%	2.2%	2.3%	2.2%	2.3%	2.4%

<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, 2022
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 2024, decreasing to an ultimate rate of 3.45% in 2076. Medicare-Non-Kaiser 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076; Kaiser 6.25% for 2024, 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

**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
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
Interest cost	1,556,852	1,800,859	1,779,243	1,803,350	1,415,045	1,200,184	1,283,005
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(8,663,806)	(2,849,858)	(3,609,918)				(2,316,099)
Changes of assumptions	-	(5,544,476)	4,668,732	12,709,723			2,628,194
Benefit payments	(150,908)	(226,007)	(221,190)	(203,998)	(279,563)	(604,145)	(465,182)
Net change in total OPEB liability	(3,547,364)	(3,796,240)	5,245,988	11,143,459			3,027,021
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
	\$	\$	\$	\$	\$	\$	\$
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
Plan fiduciary net position							
Contributions - employee	\$ 562,995	\$ 295,743	\$ 400,137	\$ 400,136	\$ 400,136	\$ 400,136	\$ 400,136
Net investment income	-	-	-	-	99,904	(228,216)	98,273
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)
Administrative expenses	(12,167)	(4,209)	(1,886)	(4,871)	(13,074)	-	-
Other changes	-	-	-	-	-	-	-
Net changes	390,222	60,019	646,011	(76,370)	207,403	(432,225)	33,227
Plan fiduciary net position - beginning	1,353,903	1,744,125	1,744,125	2,450,155	2,373,785	2,581,188	2,148,963
	\$	\$	\$	\$	\$	\$	\$
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
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
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%
	\$	\$	\$	\$	\$	\$	\$
Covered payroll	20,303,490	19,473,765	18,760,962	20,695,223	21,718,889	21,681,336	21,578,636
Net OPEB liability as a percentage of covered payroll	224.1%	213.9%	246.5%	277.7%	227.2%	149.6%	164.2%

<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
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
Contributions in relations to the actuarially determined contribution	562,995	295,743	400,137	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
	\$	\$	\$	\$	\$	\$	\$
Covered payroll	20,303,490	19,473,765	18,760,962	20,695,223	21,718,887	21,681,336	21,578,636
Contributions as a percentage of covered payroll	2.77%	1.52%	2.13%	1.93%	1.84%	1.85%	1.85%

<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, 2022
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	3.65%
Inflation	2.50%
Medical trend	Non-Medicare-8.50% for 2024, decreasing to an ultimate rate of 3.45 in 2076 Medicare-Non-Kaiser 7.50 for 2024, decreasing to an ultimate rate of 3.45 in 2076; Medicare-Kaiser 6.25% for 2024, decreasing to an ultimate rate of 3.45%
Mortality	CalPERS 2000-2019 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021



THIS PAGE INTENTIONALLY BLANK





# 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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 9,518	9,518
Total revenues	-	-	9,518	9,518
<b>Expenditures:</b>				
Current:				
General government	1,616,537	1,224,700	209,527	1,015,173
Public safety	1,500,000	87,115	41,757	45,358
Highway and streets	3,120,533	4,362,671	2,366,642	1,996,029
Culture-recreation	350,000	811,772	430,643	381,129
Community development and housing	704,067	3,232,405	1,576,406	1,655,999
Economic development	-	41,486	41,783	(297)
Capital outlay:	15,584,775	15,020,648	3,565,592	11,455,056
Total expenditures	22,875,912	24,780,797	8,232,350	16,548,447
Revenues over/(under) expenditures	(22,875,912)	(24,780,797)	(8,222,832)	16,557,965
Other financing sources/(uses)				
Transfers in	19,000,905	19,000,905	19,000,905	-
Transfers out	(1,136,390)	(1,136,390)	(1,136,391)	(1)
Total other financing sources/(uses)	17,864,515	17,864,515	17,864,514	(1)
Net change in fund balance	(5,011,397)	(6,916,282)	9,641,682	16,557,964
Fund balance, July 1, 2022	8,315,915	8,315,915	8,315,915	-
Fund balance, June 30, 2023	3,304,518	1,399,633	17,957,597	16,557,964

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

Net change in fund balances - budgetary basis	\$ 9,641,682
Payable accrual	385,789
Net change in fund balances - GAAP basis	<u>\$ 10,027,471</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 1,074,667	\$ 1,074,667
Total revenues	-	-	1,074,667	1,074,667
<b>Expenditures:</b>				
Current				
Community development and housing	6,445,567	18,972,005	14,459,381	4,512,624
Total expenditures	6,445,567	18,972,005	14,459,381	4,512,624
Net change in fund balance	(6,445,567)	(18,972,005)	(13,384,714)	5,587,291
Fund balance, July 1, 2022	51,752,603	51,752,603	51,752,603	-
Fund balance, June 30, 2023	<u>\$ 45,307,036</u>	<u>\$ 32,780,598</u>	<u>\$ 38,367,889</u>	<u>\$ 5,587,291</u>

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

Net change in fund balances - budgetary basis	\$ (13,384,714)
Payable accrual	14,442,924
Net change in fund balances - GAAP basis	<u>\$ 1,058,210</u>



THIS PAGE INTENTIONALLY BLANK

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

---

The **Asset Forfeiture Fund** accounts for monies received from the seizure and forfeiture of assets acquired by the City as a result of narcotics related law enforcement.

The **Special Tax for Disabled Fund** accounts for special tax, which is solely for providing emergency services and incidental case management for severely physically disabled persons.

The **Workforce Investment Act Fund** accounts for funds provided by allocation of Workforce Investment Act grant funds.

The **Community Workforce Fund** accounts for funds provided by allocation of adult employment workforce.

The **Sec 108 HUD Loan Grant Assistant** accounts for funds for Sec 108 HUD loan and its disbursement.

The **Fund Raising Activities Fund** accounts for funds donated for providing food meal program.

The **California Housing Finance Agency Fund** accounts for funds for operating a local housing program.

The **Gilman Sports Field Fund** accounts for funds for Gilman sports field.

The **Gilman Fields Reserve Fund** is used to reserve for funds for Gilman fields.

The **Animal Shelter Fund** accounts for funds donated for providing animal shelter and related services.

The **Paramedic Assessment District Fund** is used to account for special tax assessed for paramedic service.

The **California Energy Commission Fund** accounts for street light maintenance and conversion to LED for energy savings.

The **Tieback Mitigation R-O-W Fund** accounts for the collection of mitigation fees from developers for the future potential cost associated in removing tiebacks or any other cost associated in the Public right of way.

The **Domestic Violence Prevention Vital Statistics Fund** accounts for the surcharge for birth and death certificates that are issued by the Berkeley Public Health Vital Statistics unit to be used in the administration and coordination of domestic violence and family violence prevention activities.

The **Affordable Housing Mitigation Fee Fund** accounts for funds received from mitigation fee assessed on the construction of new rental units.

The **Affordable Child Care Fund** accounts for funds received from fees collected from developers of large scale commercial development to assist low-income families with monthly child care payments.

The **Inclusionary Housing Program Fund** accounts for the administration of the Inclusionary Housing Program, whereby 20% of new units in apartment projects in the City of Berkeley must be offered at a rent or sale price that is affordable to low income households. The City charges fees for the administration and monitoring of this program.

The **Condo Conversion Program Fund** accounts for the administration of the affordable housing. Housing department can charge 10% of the revenue for program delivery costs.

The **Parking In-Lieu Fee Fund** accounts for monies received to use for a variety of enhanced transit and transportation demand management programs based on Downtown Area Plan Policy AC 1.3. Fees collected are to be used for capital projects in the Downtown Area.

The **Playground Camp Fund** accounts for registration and miscellaneous fees for the purpose of operating the City's vacation camp and day camps. Fund established to account for the money received under the state's SB300 program.

The **State Proposition 172 Fund** is used to receive monies from sales tax to be used for public safety.

The **Traffic Congestion Relief Fund** established to use for project roadway thermoplastic markings.

The **State Transportation Tax Fund** is used to consolidate Special Gas Tax Fund – Disc; State 2106; State 2107; and State Prop 111, which to receive monies from City's gasoline tax apportionment revenue per code sections, for the highway traffic congestion relief and spending.

The **CDBG Fund** is used pursuant to Housing & Community Development Act of 1974 to consolidate monies for several Federal programs (Model Cities, Urban Renewal, Open Space & Water and Sewer) under a single



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds, continued

block grant designed to allow the City to finance developmental activities (especially housing) on a minimally restricted basis.

The **Rental Housing Safety Program Fund** is used established to receive monies by charging an annual per unit fee to the rental housing property owner, imposing fines to all related violations. The purpose of this fund is to provide and streamline the Rental Housing Safety Program (RHSP) while maintaining the overall goal of having owners, tenants, and the City work together to increase the safety of all residential rental units.

The **Measure B: Local Streets and Roads Fund** accounts for the tax assessed for local streets and roads.

The **Measure B: Bike and Pedestrians Fund** is used to receive monies for the maintenance of bike and pedestrian lanes.

The **Measure B: Paratransit Fund** accounts for the revenue assessed from property tax to be used for expenses related for paratransit services.

The **Measure F Alameda County VRF Street and Road Fund** accounts for the revenue assessed from vehicle registration fee to be used for expenses related for road and street services

The **Measure BB: Local Streets and Roads Fund** established to account for the tax assessed for local streets and roads, which has to separate from any other funds it receives from Alameda CTC per funding agreement article II.B.2.

The **Measure BB: Bike and Pedestrians Fund** is used to receive monies for the maintenance of bike and pedestrian lanes, which has to separate from any other funds it receives from Alameda CTC per funding agreement article II.B.2.

The **Measure BB: Paratransit Fund** accounts for the revenue assessed from property tax to be used for expenses related for paratransit services, , which has to separate from any other funds it receives from Alameda CTC per funding agreement article II.B.2.

The **Shelter Operations Fund** accounts used to provide shelter needs to homeless people.

The **One Time Funding Fund** accounts for the revenue relating to Ed Roberts Campus.

The **Park Tax Fund** accounts for the receipt and expenditure of the special tax approved by two thirds of the voters on May 6, 1997 and re-authorized in November 2000 and November 2008. It is used for the direct cost of acquisition and maintenance of improvements related to parks and landscape in the city.

The **Street and Open Space Improvement Fund** accounts for the SOSIP impact fee assessed to be used for the comprehensive design of significant positive alternations and additions to Downtown's parks, plazas, and streetscape.

The **Measure GG Fire Preparation Tax Fund** accounts for fire and disaster tax passed in Bond Measure GG in 2009. The monies collected are for emergency responses.

The **1st Response Advanced Life Support (ALSFR) Fund** accounts for funds to set up a minimum requirements, conduct and competency in the operation of ALSFR services.

The **Street Lighting Fund** is established to receive special assessment district monies used for maintenance and or servicing of existing and future public lighting facilities, and the installation or construction of public lighting for the maintenance of servicing thereof, including grading, clearing, removal of debris, the installation of curbs and gutters, walls, sidewalks or paving or water, irrigation, drainage or electrical facilities.

The **Business Economic Development Fund** is used to receive monies from a federal grant (Economic Development Administration) for the purpose of providing loans to eligible South Berkeley establishments under a program approved by the City Council.

The **Citywide RLF (Revolving Loan Fund) Fund** established to account for Citywide Commercial revolving loan fund for revitalization of business enterprises and job stimulation.

The **Legacy fund** accounts for balances in inactive funds.

The **Miles Lab Fund** is used to provide job training for Berkeley residents.

The **Employee Training Fund** is used to provide training to city employees.

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds, continued

---

The **UC Settlement Fund** established to account for agreed upon expenses to be shared between City of Berkeley and University of California, Berkeley.

The **Private Percent Art Fund** established for the purpose of implementing the Arts and Cultural Plan.

The **Private Party Sidewalks Fund** accounts for reimbursements from private parties, which were previously passed through Landscape Assessment District Fund, now a parks tax, and all sidewalk funding is to be removed from this fund.

The **Public Art Fund** is used to set aside funds for the development of visual art in public places, including art developed in conjunction with city construction projects.

The **Lillie B. Wall Memorial Fund** established to provide day nursing care to needy children in the City of Berkeley

The **Vital and Health Statistics Fund** established to account for monies held in trust for vital and health statistic program.

The **East Bay Public Utilities Commission Fund** is used to oversee expenses involved in the construction of certain public improvements in Assessment District No. 1960-1 in the City of Berkeley.

The **PERS Savings Fund** accounts for monies accumulated to assist City pay for its pension and OPEB liabilities.

The **Other Special Deposits Fund** is used to receive monies left in trust with the City of Berkeley for specific purposes from various sources.

The **Health State Aid Realignment Fund** is used to receive monies (Assembly Bill 1491) from vehicle license fees and state sales tax to support public health activities within the City's health jurisdiction. This fund provides for the ongoing fiscal relief measure in response to the local funding dilemma created by Proposition 13. These funds replace the Assembly Bill 8 allocations normally received by the city for providing Public Health Services.

The **Tobacco Control Fund** is used to receive State monies from special tax on cigarettes to provide public health education and outreach on tobacco use prevention and cessation.

The **Mental Health State Aid Realignment Fund** accounts for receive monies from State sales tax for the purpose of providing mental health services to the citizens of Berkeley and Albany.

The **City Opt. Public Safety Trust Fund** is used to receive monies from State as a result of Assembly Bill 3229 for the purpose of purchasing radio equipment for the Communications Center of the new public safety building.

The **Fund for Impounded and Unneutered Fund** accounts for monies held in trust for impounded and unneutered animals.

The **Alameda County Abandoned Vehicle Abatement Authority Fund** was established to provide an interest bearing abandoned and inoperative vehicle fund in accordance with requirements mandated by the California Vehicle Code, section 22710.

The **Measure FF - Public Safety** is established for the purpose of funding firefighter and emergency medical response including, but not limited to, training, hiring, maintaining and upgrading facilities and equipment, upgrades to the 9-1-1 communication system and wildfire prevention and preparedness activities.

The **Fair Elections Fund** is established for the purpose of providing public financing for the election campaigns of certified participating candidates; and paying for the administrative and enforcement costs of the Berkeley Fair Campaign Practices Commission ("Commission") and City staff related to the Fair Elections Fund public campaign financing program.



## NONMAJOR GOVERNMENTAL FUNDS

### Capital Project Funds

---

The **Infrastructure Facilities Measure T1 Fund** accounts for the receipt and expenditure of the proceeds from the General Obligation bonds approved by over two third of the voters on November 8, 2016, to finance renovations, replacement, or reconstruction of the City's aging infrastructure and facilities.

The **Phone System Replacement Fund** accounts for monies received from other funds to build a reserve for the future replacement of the phone system.

The **Fund\$ Replacement Fund** accounts for monies received from other funds to build a reserve for the future replacement of the Fund\$ enterprise wide software system.

The **Public, Education & Government Access Facilities Fund** accounts for monies received from the Cable Television Franchise. These monies are to be used for capital expenditure for PEG studios, video production equipment, mobile production van(s), internal wiring connections, and related capital items.

The **Measure G: Fire Seismic Projects Fund** accounts for fire seismic projects.

The **Measure M: Street and Watershed Improvements Fund** accounts for street and watershed improvements.

The **Measure G: Public Safety Building Fund** accounts for the retrofit of the public safety building.

The **Street Improvement Fund** established by Resolution 26,971 to receive shared County Gas Tax revenues from the City of Berkeley and County of Alameda for use on specific street improvement projects. Contract is for five years, fiscal year 1988-89 through fiscal year 1992-93.

The **Park Acquisition Development Fund** accounts for monies provided by an annual tax levy of \$.20 for each \$100 of assessed valuation. This levy ended after FY 1979-80. A minimum of 75% of the revenues are used for the acquisition and development of real property which are used for recreation and open space purposes determined by the Recreation and Parks Commission and Planning Commission. The balance of the Fund (up to 25%) may be used for the renovation of existing City park properties and for associated administrative expenses.

The **Income Housing Fund – West Berkeley Improvement Project Fund** accounts for noncash portion transferred from former West Berkeley Low and Moderate Housing Fund due to AB 1X 26.

The **Income Housing Fund – Savo Island Project Fund** accounts for noncash portion transferred from former Savo Island Low and Moderate Housing Fund due to AB 1X 26.

## NONMAJOR GOVERNMENTAL FUNDS

### Debt Service Funds

---

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, 2023**

	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	\$ -	\$ -	\$ -	\$ 10,074
Restricted cash and investments	326,282	216,463	104,362	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	505	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	9,295	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>326,282</u>	<u>226,263</u>	<u>104,362</u>	<u>10,074</u>
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued salaries and wages	-	450	-	-
Advances from other funds	-	-	-	-
Due to other funds	38,467	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<u>38,467</u>	<u>450</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	505	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>505</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	287,815	225,308	104,362	-
Committed	-	-	-	10,074
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>287,815</u>	<u>225,308</u>	<u>104,362</u>	<u>10,074</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 326,282</u>	<u>\$ 226,263</u>	<u>\$ 104,362</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
\$ -	\$ 658,190	\$ -	\$ 111,104	\$ 967,277	\$ 116,793
1,411,932	-	111,418	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,340,174	-	82,401	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,752,106</u>	<u>658,190</u>	<u>193,819</u>	<u>111,104</u>	<u>967,277</u>	<u>116,793</u>
-	209	-	8,674	-	2,267
-	233	-	3,672	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	904	-	-
<u>60,000</u>	<u>442</u>	<u>-</u>	<u>13,250</u>	<u>-</u>	<u>2,267</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,692,106	-	193,819	-	-	-
-	657,748	-	97,854	967,277	114,526
-	-	-	-	-	-
<u>4,692,106</u>	<u>657,748</u>	<u>193,819</u>	<u>97,854</u>	<u>967,277</u>	<u>114,526</u>
\$ 4,752,106	\$ 658,190	\$ 193,819	\$ 111,104	\$ 967,277	\$ 116,793

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Paramedic Assessment District</b>	<b>California Energy Commission</b>	<b>Tieback Mitigation R-O-W</b>	<b>Domestic Violence Prevention Vital Statistics</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ 1,318,729	\$ 32,593
Restricted cash and investments	422,222	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	1,186	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	21,062	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>444,470</b>	<b>-</b>	<b>1,318,729</b>	<b>32,593</b>
<b>Liabilities</b>				
Accounts payable	7,656	-	-	-
Accrued salaries and wages	74,627	-	-	-
Advances from other funds	-	-	-	-
Due to other funds	282,789	87	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>365,072</b>	<b>87</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	1,186	-	-	-
<b>Total deferred inflows of resources</b>	<b>1,186</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	78,212	-	-	-
Committed	-	-	1,318,729	32,593
Assigned	-	-	-	-
Unassigned	-	(87)	-	-
<b>Total fund balances</b>	<b>78,212</b>	<b>(87)</b>	<b>1,318,729</b>	<b>32,593</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 444,470</b>	<b>\$ -</b>	<b>\$ 1,318,729</b>	<b>\$ 32,593</b>

Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ 39,439,792	\$ 484,958	\$ 716,091	\$ 1,430,974	\$ 1,290,000	\$ 1,112,278
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,855,982	-	1,326,345	2,421,103	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>45,295,774</u>	<u>484,958</u>	<u>2,042,436</u>	<u>3,852,077</u>	<u>1,290,000</u>	<u>1,112,278</u>
-	-	-	-	-	393,620
5,313	-	3,755	1,133	-	90,167
-	-	-	-	-	-
-	-	-	-	-	5,915
-	-	-	-	-	77,949
-	-	-	-	-	-
-	-	-	-	-	4,361
<u>5,313</u>	<u>-</u>	<u>3,755</u>	<u>1,133</u>	<u>-</u>	<u>572,012</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
45,290,461	484,958	2,038,681	3,850,944	1,290,000	540,266
-	-	-	-	-	-
-	-	-	-	-	-
<u>45,290,461</u>	<u>484,958</u>	<u>2,038,681</u>	<u>3,850,944</u>	<u>1,290,000</u>	<u>540,266</u>
\$ <u>45,295,774</u>	\$ <u>484,958</u>	\$ <u>2,042,436</u>	\$ <u>3,852,077</u>	\$ <u>1,290,000</u>	\$ <u>1,112,278</u>

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	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	1,614,837	-	6,259,615	33,522
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	654,087	2,500
Interest receivable	-	-	-	51,953
Taxes receivable	95,494	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	2,437,742
Due from other funds	-	-	-	-
Notes receivable	-	-	-	7,300,632
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>1,710,331</u>	<u>12</u>	<u>6,913,702</u>	<u>9,826,349</u>
<b>Liabilities</b>				
Accounts payable	125,836	-	91,330	137,308
Accrued salaries and wages	-	-	40,807	36,852
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	2,373,085
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<u>125,836</u>	<u>-</u>	<u>132,137</u>	<u>2,547,245</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	123,096	2,579,362
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>123,096</u>	<u>2,579,362</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	1,584,495	12	6,658,469	4,699,742
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>1,584,495</u>	<u>12</u>	<u>6,658,469</u>	<u>4,699,742</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,710,331</u>	<u>\$ 12</u>	<u>\$ 6,913,702</u>	<u>\$ 9,826,349</u>



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
\$ 3,334,300	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,353,891	874,761	1,664	1,187,371	9,339,630
706,833	14,864	-	-	-	3,328
-	-	-	-	-	-
10,805	-	-	-	92,796	1,328,104
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,051,938</u>	<u>4,368,755</u>	<u>874,761</u>	<u>1,664</u>	<u>1,280,167</u>	<u>10,671,062</u>
2,544	17,319	-	509	121,163	102,922
36,913	2,427	-	-	3,405	30,245
-	-	-	-	-	-
-	-	-	1,155	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>39,457</u>	<u>19,746</u>	<u>-</u>	<u>1,664</u>	<u>124,568</u>	<u>133,167</u>
706,833	14,864	-	-	-	3,328
<u>706,833</u>	<u>14,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,328</u>
-	-	-	-	-	-
-	4,334,145	874,761	-	1,155,599	10,534,567
3,305,648	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,305,648</u>	<u>4,334,145</u>	<u>874,761</u>	<u>-</u>	<u>1,155,599</u>	<u>10,534,567</u>
\$ 4,051,938	\$ 4,368,755	\$ 874,761	\$ 1,664	\$ 1,280,167	\$ 10,671,062

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	<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	\$ -	\$ 7,781	\$ -	\$ -
Restricted cash and investments	434,266	680,734	81,351	1,165,835
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	152,277	141,654	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>586,543</b>	<b>830,169</b>	<b>81,351</b>	<b>1,165,835</b>
<b>Liabilities</b>				
Accounts payable	154,456	366	-	-
Accrued salaries and wages	3,486	3,730	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>157,942</b>	<b>4,096</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	428,601	826,073	81,351	1,165,835
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>428,601</b>	<b>826,073</b>	<b>81,351</b>	<b>1,165,835</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 586,543</b>	<b>\$ 830,169</b>	<b>\$ 81,351</b>	<b>\$ 1,165,835</b>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,332,009	2,441,792	1,959,418	-	2,722,916	279,924
22,685	88,165	2,597	-	19,789	-
-	-	-	-	-	-
98,044	-	32,785	-	14,641	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,179,445
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,452,738</u>	<u>2,529,957</u>	<u>1,994,800</u>	<u>-</u>	<u>2,757,346</u>	<u>1,459,369</u>
654,233	-	47,503	-	7,141	-
200,318	-	24,049	-	7,407	-
-	-	-	-	-	-
-	-	-	5,998	-	-
90	-	-	-	-	-
-	-	-	-	-	40,530
-	-	-	-	-	-
9,665	-	-	-	-	-
<u>864,306</u>	<u>-</u>	<u>71,552</u>	<u>5,998</u>	<u>14,548</u>	<u>40,530</u>
<u>25,315</u>	<u>88,165</u>	<u>2,597</u>	<u>-</u>	<u>21,907</u>	<u>-</u>
<u>25,315</u>	<u>88,165</u>	<u>2,597</u>	<u>-</u>	<u>21,907</u>	<u>-</u>
-	-	-	-	-	-
7,563,117	2,441,792	1,920,651	-	2,720,891	1,418,839
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(5,998)	-	-
<u>7,563,117</u>	<u>2,441,792</u>	<u>1,920,651</u>	<u>(5,998)</u>	<u>2,720,891</u>	<u>1,418,839</u>
\$ <u>8,452,738</u>	\$ <u>2,529,957</u>	\$ <u>1,994,800</u>	\$ <u>-</u>	\$ <u>2,757,346</u>	\$ <u>1,459,369</u>

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Citywide RLF</b>	<b>Legacy Fund</b>	<b>Miles Lab</b>	<b>Employee Training</b>
<b>Assets</b>				
Cash and investments in treasury	\$ 640,752	\$ 79,549	\$ 458,229	\$ 210,326
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	-	-	-	-
<b>Total assets</b>	<b>794,483</b>	<b>79,549</b>	<b>458,229</b>	<b>210,326</b>
<b>Liabilities</b>				
Accounts payable	-	255	-	-
Accrued salaries and wages	-	-	-	8,959
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>255</b>	<b>-</b>	<b>8,959</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	794,483	79,294	458,229	201,367
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>794,483</b>	<b>79,294</b>	<b>458,229</b>	<b>201,367</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 794,483</b>	<b>\$ 79,549</b>	<b>\$ 458,229</b>	<b>\$ 210,326</b>

Special Revenue Funds

UC Settlement	Private Percent-Art Fund	Private Party Sidewalks	Public Art	Lillie B. Wall Memorial	Vital and Health Statistic
\$ 6,350,776	\$ 3,509,135	\$ 1,533,814	\$ -	\$ -	\$ 282,684
-	-	-	157,277	14,612	-
-	-	276,485	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,350,776</u>	<u>3,509,135</u>	<u>1,810,299</u>	<u>157,277</u>	<u>14,612</u>	<u>282,684</u>
1,267,061	1,916	-	8,250	-	-
17,048	623	-	168	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,284,109</u>	<u>2,539</u>	<u>-</u>	<u>8,418</u>	<u>-</u>	<u>-</u>
-	-	276,485	-	-	-
-	-	276,485	-	-	-
-	-	-	-	-	-
-	-	-	148,859	14,612	-
5,066,667	3,506,596	1,533,814	-	-	282,684
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,066,667</u>	<u>3,506,596</u>	<u>1,533,814</u>	<u>148,859</u>	<u>14,612</u>	<u>282,684</u>
\$ 6,350,776	\$ 3,509,135	\$ 1,810,299	\$ 157,277	\$ 14,612	\$ 282,684

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>East Bay Public Utilities Commission</b>	<b>PERS Savings</b>	<b>Other Special Deposits</b>	<b>Health State Aid Realignment</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ 4,687,819	\$ 76,242	\$ -
Restricted cash and investments	3,875	14,395,717	-	5,394,551
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	47,075	-	-
Taxes receivable	-	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	37,569
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>3,875</u>	<u>19,130,611</u>	<u>76,242</u>	<u>5,432,120</u>
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued salaries and wages	-	-	-	17,697
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	76,242	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>76,242</u>	<u>17,697</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	3,875	14,395,717	-	5,414,423
Committed	-	4,734,894	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>3,875</u>	<u>19,130,611</u>	<u>-</u>	<u>5,414,423</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 3,875</u>	<u>\$ 19,130,611</u>	<u>\$ 76,242</u>	<u>\$ 5,432,120</u>

Special Revenue Funds

Tobacco Control	Mental Health State Aid Realignment	City Opt. Public Safety	Fund for Impounded and Unneutered	Alameda County		Measure FF- Public Safety	Fair Elections	Total Special Revenue Funds
				Fund for Impounded and Unneutered	Abandoned Vehicle Abatement Authority			
\$ -	\$ -	\$ -	7,278	\$ -	\$ 9,855,991	\$ -	\$ -	\$ 78,723,541
125,544	6,632,794	1,054,014	-	291,230	-	1,096,567	-	73,522,396
-	-	-	-	-	1,489	-	-	1,794,513
-	-	-	-	-	-	-	-	99,028
-	-	-	-	-	48,474	-	-	2,045,431
-	100,212	-	-	-	-	-	-	2,575,523
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	21,659,813
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
125,544	6,733,006	1,054,014	7,278	291,230	9,905,954	1,096,567	-	180,420,245
-	61,971	2,057	-	2	114,546	-	-	3,331,114
5,349	62,210	-	-	793	110,371	-	-	792,207
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2,701,581
-	-	-	-	-	-	-	-	142,247
-	-	-	-	-	-	-	-	118,479
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	14,930
5,349	124,181	2,057	-	795	224,917	-	-	7,100,558
-	-	-	-	-	1,489	-	-	3,845,132
-	-	-	-	-	1,489	-	-	3,845,132
-	-	-	-	-	-	-	-	-
120,195	6,608,825	1,051,957	-	290,435	9,679,548	1,096,567	-	92,815,575
-	-	-	7,278	-	-	-	-	76,665,065
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(6,085)
120,195	6,608,825	1,051,957	7,278	290,435	9,679,548	1,096,567	-	169,474,555
\$ 125,544	\$ 6,733,006	\$ 1,054,014	\$ 7,278	\$ 291,230	\$ 9,905,954	\$ 1,096,567	\$ -	\$ 180,420,245



**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	<b>Capital Project Funds</b>			
	<b>Infrastructure &amp; Facilities Measure T1</b>	<b>Phone System Replacement</b>	<b>Fund\$ Replacement</b>	<b>Public, Education and Government Access Facilities</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ 1,175,215	\$ 25,965	\$ 2,427,503
Restricted cash and investments	32,429,233	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	-	-	31,890
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>32,429,233</u>	<u>1,175,215</u>	<u>25,965</u>	<u>2,459,393</u>
<b>Liabilities</b>				
Accounts payable	865,760	4,125	31,500	-
Accrued salaries and wages	10,991	-	24,029	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	325,335	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<u>876,751</u>	<u>4,125</u>	<u>380,864</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	31,552,482	-	-	-
Committed	-	1,171,090	-	2,459,393
Assigned	-	-	-	-
Unassigned	-	-	(354,899)	-
<b>Total fund balances</b>	<u>31,552,482</u>	<u>1,171,090</u>	<u>(354,899)</u>	<u>2,459,393</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 32,429,233</u>	<u>\$ 1,175,215</u>	<u>\$ 25,965</u>	<u>\$ 2,459,393</u>

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
\$ -	\$ -	\$ -	\$ 89,315	\$ 37,160	\$ -
58	944,818	6,268	-	-	53,126
-	-	-	-	2,250	-
-	-	-	-	-	485,920
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,266,263
-	-	-	-	-	-
-	-	-	-	-	713,313
-	-	-	-	-	-
<u>58</u>	<u>944,818</u>	<u>6,268</u>	<u>89,315</u>	<u>39,410</u>	<u>3,518,622</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	51,953
-	-	-	-	-	51,953
-	-	-	-	2,250	366,857
-	-	-	-	2,250	366,857
-	-	-	-	-	-
58	944,818	6,268	-	-	3,099,812
-	-	-	89,315	37,160	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>58</u>	<u>944,818</u>	<u>6,268</u>	<u>89,315</u>	<u>37,160</u>	<u>3,099,812</u>
\$ 58	\$ 944,818	\$ 6,268	\$ 89,315	\$ 39,410	\$ 3,518,622

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	Income Housing Fund: Savo Island Project	Total Capital Project Funds	Pension Refunding Bonds
<b>Assets</b>			
Cash and investments in treasury	\$ -	\$ 3,755,158	\$ -
Restricted cash and investments	-	33,433,503	128,660
Receivables (net of allowance where applicable):			
Accounts receivable	-	2,250	-
Interest receivable	-	485,920	-
Taxes receivable	-	31,890	-
Special assessments	-	-	-
Subventions/grants	-	-	-
Due from other funds	-	-	-
Notes receivable	441,140	2,707,403	-
Other	-	-	-
Property held for resale	-	713,313	-
Prepaid items	-	-	-
<b>Total assets</b>	<b>441,140</b>	<b>41,129,437</b>	<b>128,660</b>
<b>Liabilities</b>			
Accounts payable	-	901,385	-
Accrued salaries and wages	-	35,020	-
Advances from other funds	-	-	-
Due to other funds	-	325,335	-
Deposits held	-	-	-
Unearned revenues	-	-	-
Taxes and revenue anticipation note	-	-	-
Other liabilities	-	51,953	-
<b>Total liabilities</b>	<b>-</b>	<b>1,313,693</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	-	369,107	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>369,107</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	441,140	36,044,578	128,660
Committed	-	3,756,958	-
Assigned	-	-	-
Unassigned	-	(354,899)	-
<b>Total fund balances</b>	<b>441,140</b>	<b>39,446,637</b>	<b>128,660</b>
Total liabilities, deferred inflows of resources, and fund balances	<b>\$ 441,140</b>	<b>\$ 41,129,437</b>	<b>\$ 128,660</b>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,662,541	2,417,412	56	1,313,627	462,839	479,304
-	-	-	-	-	-
-	-	-	-	-	-
16,124	24,186	-	4,448	1,668	5,560
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,678,665</u>	<u>2,441,598</u>	<u>56</u>	<u>1,318,075</u>	<u>464,507</u>	<u>484,864</u>
-	-	-	750	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,459	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,459	750	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,678,665	2,441,598	-	1,317,325	464,507	484,864
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(11,403)	-	-	-
<u>1,678,665</u>	<u>2,441,598</u>	<u>(11,403)</u>	<u>1,317,325</u>	<u>464,507</u>	<u>484,864</u>
\$ 1,678,665	\$ 2,441,598	\$ 56	\$ 1,318,075	\$ 464,507	\$ 484,864

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	<b>Debt Service Funds</b>			
	<b>2010 COP Animal Shelter</b>	<b>GO 2014 Measure M Street and Watershed Improvement</b>	<b>Infrastructure &amp; Facilities Measure T1</b>	<b>Measure O Housing Bond</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	56,540	2,819,186	7,150,406	5,121,331
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	20,850	44,480	55,600
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>56,540</u>	<u>2,840,036</u>	<u>7,194,886</u>	<u>5,176,931</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	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	56,540	2,840,036	7,194,886	5,176,931
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>56,540</u>	<u>2,840,036</u>	<u>7,194,886</u>	<u>5,176,931</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 56,540</u>	<u>\$ 2,840,036</u>	<u>\$ 7,194,886</u>	<u>\$ 5,176,931</u>

<b>Total Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 82,478,699
21,611,902	128,567,801
-	1,796,763
-	584,948
172,916	2,250,237
-	-
-	2,575,523
-	-
-	24,367,216
-	-
-	713,313
-	-
<u>21,784,818</u>	<u>243,334,500</u>
750	4,233,249
-	827,227
-	-
11,459	3,038,375
-	142,247
-	118,479
-	-
-	66,883
<u>12,209</u>	<u>8,426,460</u>
-	4,214,239
-	4,214,239
-	-
21,784,012	150,644,165
-	80,422,023
-	-
(11,403)	(372,387)
<u>21,772,609</u>	<u>230,693,801</u>
<u>\$ 21,784,818</u>	<u>\$ 243,334,500</u>

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	Asset Forfeiture	Measure E: Special Tax for Disabled	Workforce Investment Act	Community Workforce
<b>Revenues:</b>				
Taxes	\$ -	\$ 1,608,772	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	10,191	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>10,191</b>	<b>1,608,772</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	20,221	-	-
Public safety	1,029	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	1,569,911	3,321	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:				
<b>Total expenditures</b>	<b>1,029</b>	<b>1,590,132</b>	<b>3,321</b>	<b>-</b>
<b>Revenues over/(under) expenditures</b>	<b>9,162</b>	<b>18,640</b>	<b>(3,321)</b>	<b>-</b>
<b>Other financing sources/(uses)</b>				
Transfers in	-	-	39,243	-
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	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>39,243</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>9,162</b>	<b>18,640</b>	<b>35,922</b>	<b>-</b>
Fund balance, July 1, 2022	278,653	206,668	68,440	10,074
<b>Fund balance, June 30, 2023</b>	<b>\$ 287,815</b>	<b>\$ 225,308</b>	<b>\$ 104,362</b>	<b>\$ 10,074</b>



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	-
-	-	-	295,844	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	161,069	-	-	-	38,955
130,805	-	-	-	-	-
-	-	-	-	-	-
130,805	161,069	-	295,844	75,000	38,955
-	-	-	-	-	-
-	-	-	-	-	30,073
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	288,303	-	-
-	18,597	-	-	-	-
-	-	-	-	-	-
459,000	-	-	-	-	-
128,612	-	-	-	-	-
-	-	-	-	-	-
-	32,271	-	-	-	-
587,612	50,868	-	288,303	-	30,073
(456,807)	110,201	-	7,541	75,000	8,882
-	-	-	-	75,000	-
-	-	-	(75,000)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(75,000)	75,000	-
(456,807)	110,201	-	(67,459)	150,000	8,882
5,148,913	547,547	193,819	165,313	817,277	105,644
\$ 4,692,106	\$ 657,748	\$ 193,819	\$ 97,854	\$ 967,277	\$ 114,526

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	Paramedic Assessment District	California Energy Commission	Tieback Mitigation R-O-W	Domestic Violence Prevention Vital Statistics
<b>Revenues:</b>				
Taxes	\$ 3,607,795	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	61,425	20,170
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>3,607,795</b>	<b>-</b>	<b>61,425</b>	<b>20,170</b>
<b>Expenditures:</b>				
Current:				
General government	20,222	-	-	-
Public safety	4,167,639	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	16,269
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:				
-	-	-	-	-
<b>Total expenditures</b>	<b>4,187,861</b>	<b>-</b>	<b>-</b>	<b>16,269</b>
<b>Revenues over/(under) expenditures</b>	<b>(580,066)</b>	<b>-</b>	<b>61,425</b>	<b>3,901</b>
<b>Other financing sources/(uses)</b>				
Transfers in	3,372,256	-	-	-
Transfers out	(10,716)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>3,361,540</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>2,781,474</b>	<b>-</b>	<b>61,425</b>	<b>3,901</b>
Fund balance, July 1, 2022	(2,703,262)	(87)	1,257,304	28,692
<b>Fund balance, June 30, 2023</b>	<b>\$ 78,212</b>	<b>\$ (87)</b>	<b>\$ 1,318,729</b>	<b>\$ 32,593</b>

Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
14,223,521	62,519	237,596	128,211	-	2,575,801
-	-	-	-	-	-
-	-	-	-	-	149,786
-	-	-	-	-	-
-	-	-	-	-	15,371
-	-	-	-	-	-
-	-	-	-	-	30,796
<u>14,223,521</u>	<u>62,519</u>	<u>237,596</u>	<u>128,211</u>	<u>-</u>	<u>2,771,754</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,319	-	-	-	-
-	-	-	-	-	548,701
542,437	-	181,503	35,086	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,168,038
<u>542,437</u>	<u>3,319</u>	<u>181,503</u>	<u>35,086</u>	<u>-</u>	<u>3,716,739</u>
<u>13,681,084</u>	<u>59,200</u>	<u>56,093</u>	<u>93,125</u>	<u>-</u>	<u>(944,985)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	676,479
-	-	-	-	-	-
-	-	-	-	-	673,479
<u>13,681,084</u>	<u>59,200</u>	<u>56,093</u>	<u>93,125</u>	<u>-</u>	<u>(271,506)</u>
<u>31,609,377</u>	<u>425,758</u>	<u>1,982,588</u>	<u>3,757,819</u>	<u>1,290,000</u>	<u>811,772</u>
<u>\$ 45,290,461</u>	<u>\$ 484,958</u>	<u>\$ 2,038,681</u>	<u>\$ 3,850,944</u>	<u>\$ 1,290,000</u>	<u>\$ 540,266</u>

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	State Proposition 172	Traffic Congestion Relief	State Transportation Tax	CDBG
<b>Revenues:</b>				
Taxes	\$ 1,207,848	\$ -	\$ 5,957,946	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	2,056,992
Charges for service	-	-	1,500	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	135,356	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,207,848</u>	<u>-</u>	<u>6,094,802</u>	<u>2,056,992</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	557,032	-
Public safety	985,269	-	-	-
Highway and streets	-	-	2,801,691	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	2,324,348
Economic development	-	-	-	504,808
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	1,487,033	-
Total expenditures	<u>985,269</u>	<u>-</u>	<u>4,845,756</u>	<u>2,829,156</u>
Revenues over/(under) expenditures	<u>222,579</u>	<u>-</u>	<u>1,249,046</u>	<u>(772,164)</u>
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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	222,579	-	1,249,046	(772,164)
Fund balance, July 1, 2022	1,361,916	12	5,409,423	5,471,906
Fund balance, June 30, 2023	<u>\$ 1,584,495</u>	<u>\$ 12</u>	<u>\$ 6,658,469</u>	<u>\$ 4,699,742</u>

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
\$ -	\$ -	\$ -	\$ -	\$ 505,898	\$ 6,239,858
-	-	-	-	-	-
-	-	-	-	-	-
2,196,479	6,194	-	-	-	9,806
135,750	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	112,559	21,374	-	27,330	194,744
-	-	-	-	-	-
<u>2,332,229</u>	<u>118,753</u>	<u>21,374</u>	<u>-</u>	<u>533,228</u>	<u>6,444,408</u>
-	5,706	80	-	2,500	188,646
-	-	-	-	-	-
-	296,432	15,364	-	444,002	2,517,012
-	-	-	-	-	-
-	-	-	-	-	-
1,836,571	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
116,023	228,327	-	-	5,079	2,878,945
<u>1,952,594</u>	<u>530,465</u>	<u>15,444</u>	<u>-</u>	<u>451,581</u>	<u>5,584,603</u>
<u>379,635</u>	<u>(411,712)</u>	<u>5,930</u>	<u>-</u>	<u>81,647</u>	<u>859,805</u>
-	-	-	84,569	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	84,569	-	-
<u>379,635</u>	<u>(411,712)</u>	<u>5,930</u>	<u>84,569</u>	<u>81,647</u>	<u>859,805</u>
<u>2,926,013</u>	<u>4,745,857</u>	<u>868,831</u>	<u>(84,569)</u>	<u>1,073,952</u>	<u>9,674,762</u>
<u>\$ 3,305,648</u>	<u>\$ 4,334,145</u>	<u>\$ 874,761</u>	<u>\$ -</u>	<u>\$ 1,155,599</u>	<u>\$ 10,534,567</u>

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	Measure BB: Bike and Pedestrian	Measure BB: Paratransit	Shelter Operations	One Time Funding
<b>Revenues:</b>				
Taxes	\$ 858,766	\$ 798,857	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	5,805
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	4,132	15,943	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>862,898</b>	<b>814,800</b>	<b>-</b>	<b>5,805</b>
<b>Expenditures:</b>				
Current:				
General government	45,484	-	-	-
Public safety	-	-	-	-
Highway and streets	539,776	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	858,536	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	15,794	-	-	-
<b>Total expenditures</b>	<b>601,054</b>	<b>858,536</b>	<b>-</b>	<b>-</b>
Revenues over/(under) expenditures	261,844	(43,736)	-	5,805
Other financing sources/(uses)				
Transfers in	-	-	-	-
Transfers out	-	(84,569)	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>(84,569)</b>	<b>-</b>	<b>-</b>
Net change in fund balance	261,844	(128,305)	-	5,805
Fund balance, July 1, 2022	166,757	954,378	81,351	1,160,030
Fund balance, June 30, 2023	<b>\$ 428,601</b>	<b>\$ 826,073</b>	<b>\$ 81,351</b>	<b>\$ 1,165,835</b>

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
\$ 16,942,876	\$ -	\$ 5,428,505	\$ -	\$ 2,089,268	\$ -
197,322	138,572	-	-	-	-
-	-	-	-	-	222,302
2,490	827,167	24,078	-	306	-
-	-	-	-	-	-
24,749	-	-	-	-	-
-	-	-	-	-	-
16,405	-	-	-	-	-
123,673	-	-	-	57,010	16,295
142,679	-	-	-	-	-
<u>17,450,194</u>	<u>965,739</u>	<u>5,452,583</u>	<u>-</u>	<u>2,146,584</u>	<u>238,597</u>
-	-	339,362	-	94,414	-
-	-	5,995,714	-	-	-
-	-	-	-	1,139,561	-
-	-	238,567	-	-	-
13,591,780	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	169,094
-	-	-	-	361,910	-
-	-	-	-	8,541	-
-	-	-	-	-	-
1,067,208	-	-	-	28,270	-
<u>14,658,988</u>	<u>-</u>	<u>6,573,643</u>	<u>-</u>	<u>1,632,696</u>	<u>169,094</u>
<u>2,791,206</u>	<u>965,739</u>	<u>(1,121,060)</u>	<u>-</u>	<u>513,888</u>	<u>69,503</u>
-	-	-	-	-	-
(61,796)	-	-	-	(12,120)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,523	-
-	-	-	-	-	-
<u>(61,796)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,597)</u>	<u>-</u>
2,729,410	965,739	(1,121,060)	-	511,291	69,503
4,833,707	1,476,053	3,041,711	(5,998)	2,209,600	1,349,336
<u>\$ 7,563,117</u>	<u>\$ 2,441,792</u>	<u>\$ 1,920,651</u>	<u>\$ (5,998)</u>	<u>\$ 2,720,891</u>	<u>\$ 1,418,839</u>



**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	Citywide RLF	Legacy Fund	Miles Lab	Employee Training
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	385,000	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	347	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>347</b>	<b>-</b>	<b>385,000</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	741,531
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>741,531</b>
<b>Revenues over/(under) expenditures</b>	<b>347</b>	<b>-</b>	<b>385,000</b>	<b>(741,531)</b>
<b>Other financing sources/(uses)</b>				
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	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>750,000</b>
<b>Net change in fund balance</b>	<b>347</b>	<b>-</b>	<b>385,000</b>	<b>8,469</b>
Fund balance, July 1, 2022	794,136	79,294	73,229	192,898
<b>Fund balance, June 30, 2023</b>	<b>\$ 794,483</b>	<b>\$ 79,294</b>	<b>\$ 458,229</b>	<b>\$ 201,367</b>

Special Revenue Funds

UC Settlement	Private Percent-Art Fund	Private Party Sidewalks	Public Art	Lillie B. Wall Memorial	Vital and Health Statistic
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	835,612	-	-	-	-
-	-	-	-	-	-
4,343,786	60,000	732,028	-	-	22,520
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	591	-
-	-	-	-	-	-
-	-	-	-	-	-
4,343,786	895,612	732,028	-	591	22,520
40,560	-	-	-	-	-
2,000,006	-	-	-	-	-
130,254	1	2,154	-	-	-
-	-	-	-	-	1,933
-	-	-	-	-	-
250,000	-	-	-	-	-
-	360,496	-	52,177	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,028,863	-	-	-	-	-
3,449,683	360,497	2,154	52,177	-	1,933
894,103	535,115	729,874	(52,177)	591	20,587
-	-	-	68,675	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	68,675	-	-
894,103	535,115	729,874	16,498	591	20,587
4,172,564	2,971,481	803,940	132,361	14,021	262,097
\$ 5,066,667	\$ 3,506,596	\$ 1,533,814	\$ 148,859	\$ 14,612	\$ 282,684

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	Special Revenue Funds			
	East Bay Public Utilities Commission	PERS Savings	Other Special Deposits	Health State Aid Realignment
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,175,825
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	94	467,870	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>94</b>	<b>467,870</b>	<b>-</b>	<b>2,175,825</b>
<b>Expenditures:</b>				
Current:				
General government	-	42,085	-	-
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	668,264
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>42,085</b>	<b>-</b>	<b>668,264</b>
Revenues over/(under) expenditures	94	425,785	-	1,507,561
Other financing sources/(uses)				
Transfers in	-	4,280,071	-	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	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>4,280,071</b>	<b>-</b>	<b>(690,262)</b>
Net change in fund balance	94	4,705,856	-	817,299
Fund balance, July 1, 2022	3,781	14,424,755	-	4,597,124
Fund balance, June 30, 2023	<b>\$ 3,875</b>	<b>\$ 19,130,611</b>	<b>\$ -</b>	<b>\$ 5,414,423</b>

Special Revenue Funds

Tobacco Control	Mental Health State Aid Realignment	City Opt. Public Safety	Fund for Impounded and Unneutered	Alameda County		Measure FF- Public Safety	Fair Elections	Total Special Revenue Funds
				Abandoned Vehicle Abatement Authority				
\$ 304,667	\$ 3,356,546	\$ -	\$ -	\$ -	\$ -	\$ 9,333,612	\$ -	\$ 60,417,039
-	-	-	-	-	-	-	-	1,171,506
-	-	309,139	-	-	-	-	-	3,048,433
-	-	-	788	92,951	-	-	-	25,925,180
-	130,015	-	-	-	-	-	-	281,761
-	-	-	-	-	-	-	-	174,535
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	232,391
1,581	-	23,534	-	-	-	-	-	1,332,647
-	-	-	-	-	-	-	-	173,475
<u>306,248</u>	<u>3,486,561</u>	<u>332,673</u>	<u>788</u>	<u>92,951</u>	<u>9,333,612</u>	<u>-</u>	<u>-</u>	<u>92,756,967</u>
-	-	-	-	-	-	-	325,533	2,423,376
-	-	40,991	-	-	6,421,279	-	-	19,642,000
-	-	1	-	-	-	-	-	7,886,248
238,693	2,879,912	-	-	76,076	-	-	-	4,123,033
-	-	-	-	-	-	-	-	14,428,784
-	-	-	-	-	-	-	-	7,620,310
-	-	-	-	-	-	-	-	1,086,575
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	820,910
-	-	-	-	-	-	-	-	137,153
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,252,988	-	-	11,308,839
<u>238,693</u>	<u>2,879,912</u>	<u>40,992</u>	<u>-</u>	<u>76,076</u>	<u>7,674,267</u>	<u>325,533</u>	<u>-</u>	<u>69,477,228</u>
<u>67,555</u>	<u>606,649</u>	<u>291,681</u>	<u>788</u>	<u>16,875</u>	<u>1,659,345</u>	<u>(325,533)</u>	<u>-</u>	<u>23,279,739</u>
-	-	-	-	-	-	-	505,002	11,127,834
-	-	-	-	-	(757,925)	-	-	(3,648,406)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	686,002
-	-	-	-	-	-	-	-	-
-	-	-	-	-	(757,925)	505,002	-	8,165,430
67,555	606,649	291,681	788	16,875	901,420	179,469	-	31,445,169
52,640	6,002,176	760,276	6,490	273,560	8,778,128	917,098	-	138,029,386
<u>\$ 120,195</u>	<u>\$ 6,608,825</u>	<u>\$ 1,051,957</u>	<u>\$ 7,278</u>	<u>\$ 290,435</u>	<u>\$ 9,679,548</u>	<u>\$ 1,096,567</u>	<u>\$ -</u>	<u>\$ 169,474,555</u>

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	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	-	-	-	251,038
Private contributions and donations	-	-	-	-
Investment income	813,932	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>813,932</b>	<b>-</b>	<b>-</b>	<b>251,038</b>
<b>Expenditures:</b>				
Current:				
General government	-	145,687	2,293,529	60,215
Public safety	1,876	-	-	-
Highway and streets	231,685	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	2,216,929	-	-	-
Community development and housing	1,413,238	-	-	-
Economic development	358	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:	1,917,785	-	-	-
<b>Total expenditures</b>	<b>5,781,871</b>	<b>145,687</b>	<b>2,293,529</b>	<b>60,215</b>
Revenues over/(under) expenditures	(4,967,939)	(145,687)	(2,293,529)	190,823
Other financing sources/(uses)				
Transfers in	-	449,408	-	-
Transfers out	(423,291)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of capital assets	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>(423,291)</b>	<b>449,408</b>	<b>-</b>	<b>-</b>
Net change in fund balance	(5,391,230)	303,721	(2,293,529)	190,823
Fund balance, July 1, 2022	36,943,712	867,369	1,938,630	2,268,570
Fund balance, June 30, 2023	\$ 31,552,482	\$ 1,171,090	\$ (354,899)	\$ 2,459,393

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	-
-	-	-	-	-	-
-	23,062	153	2,175	894	12,559
-	-	-	-	-	-
-	23,062	153	2,175	2,095	12,559
-	-	-	-	-	-
-	-	-	-	167	-
-	-	-	-	-	-
-	3,878	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,878	-	-	167	-
-	19,184	153	2,175	1,928	12,559
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	19,184	153	2,175	1,928	12,559
58	925,634	6,115	87,140	35,232	3,087,253
\$ 58	\$ 944,818	\$ 6,268	\$ 89,315	\$ 37,160	\$ 3,099,812

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	<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	-	251,038	-
Private contributions and donations	-	-	-
Investment income	-	852,775	-
Miscellaneous	-	-	-
Total revenues	-	1,105,014	-
<b>Expenditures:</b>			
Current:			
General government	-	2,499,598	-
Public safety	-	1,876	-
Highway and streets	-	235,563	-
Health and welfare	-	-	-
Culture-recreation	-	2,216,929	-
Community development and housing	-	1,413,238	-
Economic development	-	358	-
Debt service:			
Principal repayment	-	-	-
Interest and fiscal charges	-	-	-
Debt issuance costs	-	-	-
Capital outlay:	-	1,917,785	-
Total expenditures	-	8,285,347	-
Revenues over/(under) expenditures	-	(7,180,333)	-
Other financing sources/(uses)			
Transfers in	-	449,408	-
Transfers out	-	(423,291)	-
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)	-	26,117	-
Net change in fund balance	-	(7,154,216)	-
Fund balance, July 1, 2022	441,140	46,600,853	128,660
Fund balance, June 30, 2023	\$ 441,140	\$ 39,446,637	\$ 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
\$ 1,593,046	\$ 2,389,569	\$ -	\$ 445,336	\$ 164,798	\$ 549,326
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	252	-	-	-
1,593,046	2,389,569	252	445,336	164,798	549,326
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
660,000	1,526,275	352,499	280,579	105,678	357,468
683,763	524,338	148,580	97,141	36,305	122,805
-	-	-	-	-	-
-	-	-	-	-	-
1,343,763	2,050,613	501,079	377,720	141,983	480,273
249,283	338,956	(500,827)	67,616	22,815	69,053
-	-	499,803	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	499,803	-	-	-
249,283	338,956	(1,024)	67,616	22,815	69,053
1,429,382	2,102,642	(10,379)	1,249,709	441,692	415,811
\$ 1,678,665	\$ 2,441,598	\$ (11,403)	\$ 1,317,325	\$ 464,507	\$ 484,864

**City of Berkeley**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2023**

	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	\$ -	\$ 2,059,973	\$ 4,394,609	\$ 5,457,645
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	35,616
Total revenues	-	2,059,973	4,394,609	5,493,261
<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	-	690,000	2,230,000	740,000
Interest and fiscal charges	140,145	947,613	2,260,381	2,868,309
Debt issuance costs	-	-	-	-
Capital outlay:	-	-	-	-
Total expenditures	140,145	1,637,613	4,490,381	3,608,309
Revenues over/(under) expenditures	(140,145)	422,360	(95,772)	1,884,952
Other financing sources/(uses)				
Transfers in	402,613	-	-	-
Transfers out	(494,336)	-	-	-
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)	(91,723)	-	-	-
Net change in fund balance	(231,868)	422,360	(95,772)	1,884,952
Fund balance, July 1, 2022	288,408	2,417,676	7,290,658	3,291,979
Fund balance, June 30, 2023	\$ 56,540	\$ 2,840,036	\$ 7,194,886	\$ 5,176,931

<b>Total Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 17,054,302	\$ 77,471,341
-	1,171,506
-	3,048,433
-	25,925,180
-	281,761
-	175,736
-	251,038
-	232,391
-	2,185,422
35,868	209,343
17,090,170	110,952,151
-	4,922,974
-	19,643,876
-	8,121,811
-	4,123,033
-	16,645,713
-	9,033,548
-	1,086,933
6,942,499	7,763,409
7,829,380	7,966,533
-	-
-	13,226,624
14,771,879	92,534,454
2,318,291	18,417,697
902,416	12,479,658
(494,336)	(4,566,033)
-	-
-	-
-	-
-	-
-	686,002
-	-
408,080	8,599,627
2,726,371	27,017,324
19,046,238	203,676,477
\$ 21,772,609	\$ 230,693,801

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and penalties	\$ 55,000	\$ 55,000	\$ 10,191	\$ (44,809)
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>10,191</u>	<u>(44,809)</u>
<b>Expenditures:</b>				
Current:				
Public safety	118,500	118,500	1,029	117,471
Capital outlay:	82,500	82,500	-	
Total expenditures	<u>201,000</u>	<u>201,000</u>	<u>1,029</u>	<u>117,471</u>
Revenues over/(under) expenditures	<u>(146,000)</u>	<u>(146,000)</u>	<u>9,162</u>	<u>72,662</u>
Net change in fund balance	(146,000)	(146,000)	9,162	72,662
Fund balance, July 1, 2022	278,653	278,653	278,653	-
Fund balance, June 30, 2023	<u>\$ 132,653</u>	<u>\$ 132,653</u>	<u>\$ 287,815</u>	<u>\$ 72,662</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,590,735	\$ 1,590,735	\$ 1,609,609	\$ (18,874)
Total revenues	<u>1,590,735</u>	<u>1,590,735</u>	<u>1,609,609</u>	<u>(18,874)</u>
<b>Expenditures:</b>				
General government	20,824	20,824	20,222	602
Community development and housing	1,569,911	1,569,911	1,569,911	-
Total expenditures	<u>1,590,735</u>	<u>1,590,735</u>	<u>1,590,133</u>	<u>602</u>
Net change in fund balance	-	-	19,476	(18,272)
Fund balance, July 1, 2022	206,668	206,668	206,668	-
Fund balance, June 30, 2023	<u>\$ 206,668</u>	<u>\$ 206,668</u>	<u>\$ 226,144</u>	<u>\$ (18,272)</u>

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

Net change in fund balances - budgetary basis	\$ 19,476
Receivable accrual	(836)
Net change in fund balances - GAAP basis	<u>\$ 18,640</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
Community development and housing	48,500	48,500	3,321	45,179
Total expenditures	48,500	48,500	3,321	45,179
Revenues over/(under) expenditures	(48,500)	(48,500)	(3,321)	45,179
Other financing sources/(uses)				
Transfers in	39,243	39,243	39,243	-
Total other financing sources/(uses)	39,243	39,243	39,243	-
Net change in fund balance	(9,257)	(9,257)	35,922	45,179
Fund balance, July 1, 2022	68,440	68,440	68,440	-
Fund balance, June 30, 2023	<u>\$ 59,183</u>	<u>\$ 59,183</u>	<u>\$ 104,362</u>	<u>\$ 45,179</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Sec 108 Hud Loan Grant Assistance Fund - Budgetary Basis  
 For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ 626,723	\$ 626,723	\$ 623,397	\$ (3,326)
Total revenues	<u>626,723</u>	<u>626,723</u>	<u>623,397</u>	<u>(3,326)</u>
<b>Expenditures:</b>				
Current:				
Debt service:				
Principal repayment	459,000	459,000	459,000	-
Interest and fiscal charges	<u>128,612</u>	<u>128,612</u>	<u>128,612</u>	<u>-</u>
Total expenditures	<u>587,612</u>	<u>587,612</u>	<u>587,612</u>	<u>-</u>
Net change in fund balance	39,111	39,111	35,785	(3,326)
Fund balance, July 1, 2022	5,148,913	5,148,913	5,148,913	-
Fund balance, June 30, 2023	<u>\$ 5,188,024</u>	<u>\$ 5,188,024</u>	<u>\$ 5,184,698</u>	<u>\$ (3,326)</u>

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

Net change in fund balances - budgetary basis	\$ 35,785
Notes accrual	<u>(492,592)</u>
Net change in fund balances - GAAP basis	<u>\$ (456,807)</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Private contribution and donations	\$ 43,000	\$ 43,000	\$ 161,069	\$ 118,069
Total revenues	<u>43,000</u>	<u>43,000</u>	<u>161,069</u>	<u>118,069</u>
<b>Expenditures:</b>				
Current:				
Health and welfare	9,600	9,600	-	9,600
Community development and housing	45,515	100,674	18,597	82,077
Capital outlay:	-	-	32,271	(32,271)
Total expenditures	<u>55,115</u>	<u>110,274</u>	<u>50,868</u>	<u>59,406</u>
Net change in fund balance	(12,115)	(67,274)	110,201	177,475
Fund balance, July 1, 2022	547,547	547,547	547,547	-
Fund balance, June 30, 2023	<u>\$ 535,432</u>	<u>\$ 480,273</u>	<u>\$ 657,748</u>	<u>\$ 177,475</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 320,000	\$ 320,000	\$ 295,844	\$ (24,156)
Total revenues	<u>320,000</u>	<u>320,000</u>	<u>295,844</u>	<u>(24,156)</u>
<b>Expenditures:</b>				
Culture-recreation	280,063	303,458	288,303	15,155
Total expenditures	<u>280,063</u>	<u>303,458</u>	<u>288,303</u>	<u>15,155</u>
<b>Other financing sources/(uses)</b>				
Transfers in	196,000	196,000	-	(196,000)
Transfers out	-	(100,000)	(75,000)	25,000
Total other financing sources/(uses)	<u>196,000</u>	<u>96,000</u>	<u>(75,000)</u>	<u>(196,000)</u>
Net change in fund balance	39,937	16,542	(67,459)	(9,001)
Fund balance, July 1, 2022	165,313	165,313	165,313	-
Fund balance, June 30, 2023	<u>\$ 205,250</u>	<u>\$ 181,855</u>	<u>\$ 97,854</u>	<u>\$ (9,001)</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, 2023**

	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	<u>60,000</u>	<u>60,000</u>	<u>75,000</u>	<u>15,000</u>
<b>Other financing sources/(uses)</b>				
Transfers in	115,000	115,000	75,000	(40,000)
Total other financing sources/(uses)	<u>115,000</u>	<u>115,000</u>	<u>75,000</u>	<u>(40,000)</u>
Net change in fund balance	60,000	175,000	150,000	15,000
Fund balance, July 1, 2022	817,277	817,277	817,277	-
Fund balance, June 30, 2023	<u>\$ 877,277</u>	<u>\$ 992,277</u>	<u>\$ 967,277</u>	<u>\$ 15,000</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Animal Shelter Fund - Budgetary Basis**  
**For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Private contributions and donations	\$ 45,000	\$ 45,000	\$ 38,955	\$ (6,045)
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>38,955</u>	<u>(6,045)</u>
<b>Expenditures:</b>				
Public safety	52,480	53,547	30,073	23,474
Total expenditures	<u>52,480</u>	<u>53,547</u>	<u>30,073</u>	<u>23,474</u>
Net change in fund balance	(7,480)	(8,547)	8,882	17,429
Fund balance, July 1, 2022	105,644	105,644	105,644	-
Fund balance, June 30, 2023	<u>\$ 98,164</u>	<u>\$ 97,097</u>	<u>\$ 114,526</u>	<u>\$ 17,429</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,562,620	\$ 3,562,620	\$ 3,610,283	\$ 47,663
Total revenues	<u>3,562,620</u>	<u>3,562,620</u>	<u>3,610,283</u>	<u>47,663</u>
<b>Expenditures:</b>				
Current:				
General government	20,824	20,824	20,222	602
Public safety	5,181,659	5,184,051	4,167,639	1,016,412
Capital Outlay:				
Capital Outlay	5,000	5,000	-	5,000
Total expenditures	<u>5,207,483</u>	<u>5,209,875</u>	<u>4,187,861</u>	<u>1,022,014</u>
<b>Revenues over/(under) expenditures</b>	<u>(1,644,863)</u>	<u>(1,647,255)</u>	<u>(577,578)</u>	<u>1,069,677</u>
<b>Other financing sources/(uses)</b>				
Transfers in	3,372,256	3,372,256	3,372,256	-
Transfers out	(10,712)	(10,712)	(10,716)	(4)
Total other financing sources/(uses)	<u>3,361,544</u>	<u>3,361,544</u>	<u>3,361,540</u>	<u>(4)</u>
Net change in fund balance	1,716,681	1,714,289	2,783,962	1,069,673
Fund balance, July 1, 2022	(2,703,262)	(2,703,262)	(2,703,262)	-
Fund balance, June 30, 2023	<u>\$ (986,581)</u>	<u>\$ (988,973)</u>	<u>\$ 80,700</u>	<u>\$ 1,069,673</u>

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

Net change in fund balances - budgetary basis	\$ 2,783,962
Receivable accrual	(2,488)
Net change in fund balances - GAAP basis	<u>\$ 2,781,474</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 25,000	\$ 25,000	\$ 20,170	\$ (4,830)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>20,170</u>	<u>(4,830)</u>
<b>Expenditures:</b>				
Health and welfare	26,102	26,102	16,269	9,833
Total expenditures	<u>26,102</u>	<u>26,102</u>	<u>16,269</u>	<u>9,833</u>
Net change in fund balance	(1,102)	(1,102)	3,901	5,003
Fund balance, July 1, 2022	28,692	28,692	28,692	-
Fund balance, June 30, 2023	<u>\$ 27,590</u>	<u>\$ 27,590</u>	<u>\$ 32,593</u>	<u>\$ 5,003</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 14,223,521	\$ 14,223,521
Total revenues	<u>-</u>	<u>-</u>	<u>14,223,521</u>	<u>14,223,521</u>
<b>Expenditures:</b>				
Community development and housing	129,647	420,439	542,437	(121,998)
Economic development	2,676,249	5,263,626	1,183,386	4,080,240
Total expenditures	<u>2,805,896</u>	<u>5,684,065</u>	<u>1,725,823</u>	<u>3,958,242</u>
Net change in fund balance	(2,805,896)	(5,684,065)	12,497,698	18,181,763
Fund balance, July 1, 2022	31,609,377	31,609,377	31,609,377	-
Fund balance, June 30, 2023	<u>\$ 28,803,481</u>	<u>\$ 25,925,312</u>	<u>\$ 44,107,075</u>	<u>\$ 18,181,763</u>

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

Net change in fund balances - budgetary basis	\$ 12,497,698
Notes receivable accrual	(1,183,386)
Net change in fund balances - GAAP basis	<u>\$ 13,681,084</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 11,851	\$ 11,851	\$ 62,519	\$ 50,668
Total revenues	<u>11,851</u>	<u>11,851</u>	<u>62,519</u>	<u>50,668</u>
<b>Expenditures:</b>				
Current:				
Health and welfare	13,275	3,319	3,319	-
Total expenditures	<u>13,275</u>	<u>3,319</u>	<u>3,319</u>	<u>-</u>
Net change in fund balance	(1,424)	8,532	59,200	50,668
Fund balance, July 1, 2022	425,758	425,758	425,758	-
Fund balance, June 30, 2023	<u>\$ 424,334</u>	<u>\$ 434,290</u>	<u>\$ 484,958</u>	<u>\$ 50,668</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 237,596	\$ 237,596
Total revenues	<u>-</u>	<u>-</u>	<u>237,596</u>	<u>237,596</u>
<b>Expenditures:</b>				
Community development and housing	192,481	193,101	181,503	11,598
Economic development	394,666	394,046	-	394,046
Total expenditures	<u>587,147</u>	<u>587,147</u>	<u>181,503</u>	<u>405,644</u>
Net change in fund balance	(587,147)	(587,147)	56,093	643,240
Fund balance, July 1, 2022	1,982,588	1,982,588	1,982,588	-
Fund balance, June 30, 2023	<u>\$ 1,395,441</u>	<u>\$ 1,395,441</u>	<u>\$ 2,038,681</u>	<u>\$ 643,240</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 196,000	\$ 196,000	\$ 128,211	\$ (67,789)
Total revenues	<u>196,000</u>	<u>196,000</u>	<u>128,211</u>	<u>(67,789)</u>
<b>Expenditures:</b>				
Economic development	71,642	678,048	-	678,048
Community development and housing	49,697	49,697	35,086	14,611
Total expenditures	<u>121,339</u>	<u>727,745</u>	<u>35,086</u>	<u>692,659</u>
Net change in fund balance	74,661	(531,745)	93,125	624,870
Fund balance, July 1, 2022	3,757,819	3,757,819	3,757,819	-
Fund balance, June 30, 2023	<u>\$ 3,832,480</u>	<u>\$ 3,226,074</u>	<u>\$ 3,850,944</u>	<u>\$ 624,870</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Playground Camp Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	2,975,404	2,975,404	2,575,801	(399,603)
Rents and royalties	45,900	45,900	149,786	103,886
Private contributions and donations	-	-	15,371	15,371
Miscellaneous	37,500	37,500	30,796	(6,704)
Total revenues	<u>3,058,804</u>	<u>3,058,804</u>	<u>2,771,754</u>	<u>(287,050)</u>
<b>Expenditures:</b>				
Current:				
Culture-recreation	3,575,705	5,051,243	3,623,120	1,428,123
Capital outlay:	18,245	4,024,355	3,168,038	856,317
Total expenditures	<u>3,593,950</u>	<u>9,075,598</u>	<u>6,791,158</u>	<u>2,284,440</u>
Revenues over/(under) expenditures	<u>(535,146)</u>	<u>(6,016,794)</u>	<u>(4,019,404)</u>	<u>1,997,390</u>
Other financing sources/(uses)				
Transfer out	(3,000)	(3,000)	(3,000)	-
Insurance recoveries	282,621	282,621	676,479	959,100
Total other financing sources/(uses)	<u>279,621</u>	<u>279,621</u>	<u>673,479</u>	<u>959,100</u>
Net change in fund balance	(255,525)	(5,737,173)	(3,345,925)	2,956,490
Fund balance, July 1, 2022	811,772	811,772	811,772	-
Fund balance, June 30, 2023	<u>\$ 556,247</u>	<u>\$ (4,925,401)</u>	<u>\$ (2,534,153)</u>	<u>\$ 2,956,490</u>

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

Net change in fund balances - budgetary basis	\$ (3,345,925)
Payable accrual	(3,074,420)
Net change in fund balances - GAAP basis	<u>\$ (271,505)</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 931,227	\$ 931,227	\$ 1,206,018	\$ 274,791
Total revenues	<u>931,227</u>	<u>931,227</u>	<u>1,206,018</u>	<u>274,791</u>
<b>Expenditures:</b>				
General government	66,850	66,850	-	66,850
Public safety	352,923	1,063,219	974,520	88,699
Total expenditures	<u>419,773</u>	<u>1,130,069</u>	<u>974,520</u>	<u>155,549</u>
Net change in fund balance	511,454	(198,842)	231,498	430,340
Fund balance, July 1, 2022	1,361,916	1,361,916	1,361,916	-
Fund balance, June 30, 2023	<u>\$ 1,873,370</u>	<u>\$ 1,163,074</u>	<u>\$ 1,593,414</u>	<u>\$ 430,340</u>

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

Net change in fund balances - budgetary basis	\$ 231,498
Receivable accrual	1,830
Payable accrual	<u>(10,750)</u>
Net change in fund balances - GAAP basis	<u>\$ 222,579</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 6,025,895	\$ 6,025,895	\$ 5,890,065	\$ (135,830)
Charges for service	-	-	1,500	1,500
Investment income	-	-	135,356	135,356
Total revenues	<u>6,025,895</u>	<u>6,025,895</u>	<u>6,026,921</u>	<u>1,026</u>
<b>Expenditures:</b>				
Current:				
General government	595,055	616,874	557,032	59,842
Highway and streets	2,806,348	3,920,890	2,734,639	1,186,251
Capital outlay:	3,161,294	3,529,348	1,487,033	2,042,315
Total expenditures	<u>6,562,697</u>	<u>8,067,112</u>	<u>4,778,704</u>	<u>3,288,408</u>
Net change in fund balance	(536,802)	(2,041,217)	1,248,217	3,289,434
Fund balance, July 1, 2022	5,409,423	5,409,423	5,409,423	-
Fund balance, June 30, 2023	<u>\$ 4,872,621</u>	<u>\$ 3,368,206</u>	<u>\$ 6,657,640</u>	<u>\$ 3,289,434</u>

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

Net change in fund balances - budgetary basis	\$ 1,248,217
Receivable accrual	67,882
Payable accrual	(67,053)
Net change in fund balances - GAAP basis	<u>\$ 1,249,046</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
CDBG Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 3,595,558	\$ 3,595,558	\$ 3,756,573	\$ 161,015
Investment Income	441,667	441,667	68,518	(373,149)
Miscellaneous	400,518	400,518	-	(400,518)
Total revenues	<u>4,437,743</u>	<u>4,437,743</u>	<u>3,825,091</u>	<u>(612,652)</u>
<b>Expenditures:</b>				
Current:				
Community development and housing	4,882,923	3,420,047	3,003,086	416,961
Economic Development	-	504,808	504,808	-
Capital outlay:	-	936,360	-	936,360
Total expenditures	<u>4,882,923</u>	<u>4,861,215</u>	<u>3,507,894</u>	<u>1,353,321</u>
Net change in fund balance	(445,180)	(423,472)	317,197	740,669
Fund balance, July 1, 2022	5,471,906	5,471,906	5,471,906	-
Fund balance, June 30, 2023	<u>\$ 5,026,726</u>	<u>\$ 5,048,434</u>	<u>\$ 5,789,103</u>	<u>\$ 740,669</u>

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

Net change in fund balances - budgetary basis	\$ 317,197
Payable accrual	678,739
Notes Receivable accrual	(1,768,100)
Net change in fund balances - GAAP basis	<u>\$ (772,164)</u>



**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Rental Housing Safety Program Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 1,697,000	\$ 1,697,000	\$ 2,199,493	\$ 502,493
Fines and penalties	86,780	86,780	135,750	48,970
Total revenues	<u>1,783,780</u>	<u>1,783,780</u>	<u>2,335,243</u>	<u>551,463</u>
<b>Expenditures:</b>				
Current:				
Community development and housing	1,868,171	1,863,014	1,836,571	26,443
Capital outlay:	34,500	119,819	116,023	3,796
Total expenditures	<u>1,902,671</u>	<u>1,982,833</u>	<u>1,952,594</u>	<u>30,239</u>
Net change in fund balance	(118,891)	(199,053)	382,649	581,702
Fund balance, July 1, 2022	2,926,013	2,926,013	2,926,013	-
Fund balance, June 30, 2023	<u>\$ 2,807,122</u>	<u>\$ 2,726,960</u>	<u>\$ 3,308,662</u>	<u>\$ 581,702</u>

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

Net change in fund balances - budgetary basis	\$ 382,649
Receivable accrual	<u>(3,014)</u>
Net change in fund balances - GAAP basis	<u>\$ 379,635</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,047,450	\$ 3,047,450	\$ 42,699	\$ (3,004,751)
Charges for service	-	-	6,194	6,194
Investment income	-	-	112,559	112,559
Total revenues	<u>3,047,450</u>	<u>3,047,450</u>	<u>161,452</u>	<u>(2,885,998)</u>
<b>Expenditures:</b>				
Current:				
General government	7,177	9,525	5,706	3,819
Highway and streets	79,972	375,444	317,894	57,550
Capital Outlay:	682,100	1,001,781	228,327	773,454
Total expenditures	<u>769,249</u>	<u>1,386,750</u>	<u>551,927</u>	<u>834,823</u>
Net change in fund balance	2,278,201	1,660,700	(390,475)	(2,051,175)
Fund balance, July 1, 2022	4,745,857	4,745,857	4,745,857	-
Fund balance, June 30, 2023	<u>\$ 7,024,058</u>	<u>\$ 6,406,557</u>	<u>\$ 4,355,382</u>	<u>\$ (2,051,175)</u>

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

Net change in fund balances - budgetary basis	\$ (390,475)
Receivable accrual	(42,699)
Payable accrual	21,463
Net change in fund balances - GAAP basis	<u>\$ (411,712)</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 5,057	\$ 5,057
Investment income	-	-	21,374	21,374
Total revenues	<u>-</u>	<u>-</u>	<u>26,431</u>	<u>26,431</u>
<b>Expenditures:</b>				
Current:				
General government	38,634	38,634	80	38,554
Highway and streets	90,837	144,741	15,364	129,377
Total expenditures	<u>129,471</u>	<u>183,375</u>	<u>15,444</u>	<u>167,931</u>
Net change in fund balance	(129,471)	(183,375)	10,987	194,362
Fund balance, July 1, 2022	868,831	868,831	868,831	-
Fund balance, June 30, 2023	<u>\$ 739,360</u>	<u>\$ 685,456</u>	<u>\$ 879,818</u>	<u>\$ 194,362</u>

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

Net change in fund balances - budgetary basis	\$ 10,987
Receivable accrual	(5,057)
Net change in fund balances - GAAP basis	<u>\$ 5,930</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 313,555	\$ 313,555	\$ 4,021	\$ (309,534)
Total revenues	<u>313,555</u>	<u>313,555</u>	<u>4,021</u>	<u>(309,534)</u>
<b>Expenditures:</b>				
Community development and housing	36,797	40,032	84,569	(44,537)
Total expenditures	<u>36,797</u>	<u>40,032</u>	<u>84,569</u>	<u>(44,537)</u>
Net change in fund balance	276,758	273,523	(80,548)	(354,071)
Fund balance, July 1, 2022	(84,569)	(84,569)	(84,569)	-
Fund balance, June 30, 2023	<u>\$ 192,189</u>	<u>\$ 188,954</u>	<u>\$ (165,117)</u>	<u>\$ (354,071)</u>

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

Net change in fund balances - budgetary basis	\$ (80,548)
Receivable accrual	80,548
Payable accrual	84,568
Net change in fund balances - GAAP basis	<u>\$ 84,569</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 427,699	\$ 427,699	\$ 490,740	\$ 63,041
Investment income	-	-	27,330	27,330
Total revenues	<u>427,699</u>	<u>427,699</u>	<u>518,070</u>	<u>90,371</u>
<b>Expenditures:</b>				
Current:				
General government	2,500	5,000	2,500	2,500
Highway and streets	320,567	636,739	325,451	311,288
Capital Outlay:				
Highway and streets (CO)	1,030,000	821,145	5,079	816,066
Total expenditures	<u>1,353,067</u>	<u>1,462,884</u>	<u>333,030</u>	<u>1,129,854</u>
Net change in fund balance	(925,368)	(1,035,185)	185,040	(1,039,483)
Fund balance, July 1, 2022	1,073,952	1,073,952	1,073,952	-
Fund balance, June 30, 2023	<u>\$ 148,584</u>	<u>\$ 38,767</u>	<u>\$ 1,258,992</u>	<u>\$ (1,039,483)</u>

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

Net change in fund balances - budgetary basis	\$ 185,040
Receivable accrual	15,158
Payable accrual	(118,551)
Net change in fund balances - GAAP basis	<u>\$ 81,647</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 7,627,974	\$ 7,627,974	\$ 6,853,095	\$ (774,879)
Charges for Service	-	-	9,806	9,806
Investment income	-	-	194,744	194,744
Total revenues	<u>7,627,974</u>	<u>7,627,974</u>	<u>7,057,645</u>	<u>(570,329)</u>
<b>Expenditures:</b>				
Current:				
Highway and streets	3,655,410	5,499,976	2,507,011	2,992,965
General Government	145,031	252,442	188,646	63,796
Culture-recreation	-	-	-	-
Capital Outlay:	<u>8,937,332</u>	<u>9,210,534</u>	<u>2,946,803</u>	<u>6,263,731</u>
Total expenditures	<u>12,737,773</u>	<u>14,962,952</u>	<u>5,642,460</u>	<u>9,320,492</u>
Net change in fund balance	(5,109,799)	(7,334,978)	1,415,185	8,750,163
Fund balance, July 1, 2022	9,674,762	9,674,762	9,674,762	-
Fund balance, June 30, 2023	<u>\$ 4,564,963</u>	<u>\$ 2,339,784</u>	<u>\$ 11,089,947</u>	<u>\$ 8,750,163</u>

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

Net change in fund balances - budgetary basis	\$ 1,415,185
Receivable accrual	(613,237)
Payable accrual	<u>57,857</u>
Net change in fund balances - GAAP basis	<u>\$ 859,805</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 905,955	\$ 905,955
Investment income	-	-	4,132	4,132
Total revenues	<u>-</u>	<u>-</u>	<u>910,087</u>	<u>910,087</u>
<b>Expenditures:</b>				
Current:				
General Government	72,516	85,806	45,484	40,322
Highway and streets	250,661	650,403	429,056	221,347
Capital Outlay:				
Highway and streets (CO)	435,016	1,042,227	15,794	1,026,433
Total expenditures	<u>758,193</u>	<u>1,778,436</u>	<u>490,334</u>	<u>1,288,102</u>
Net change in fund balance	(758,193)	(1,778,436)	419,753	2,198,189
Fund balance, July 1, 2022	166,757	166,757	166,757	-
Fund balance, June 30, 2023	<u>\$ (591,436)</u>	<u>\$ (1,611,679)</u>	<u>\$ 586,510</u>	<u>\$ 2,198,189</u>

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

Net change in fund balances - budgetary basis	\$ 419,753
Receivable accrual	(47,188)
Payable accrual	(110,721)
Net change in fund balances - GAAP basis	<u>\$ 261,844</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 319,014	\$ 319,014	\$ 852,575	\$ 533,561
Investment income	-	-	15,943	15,943
Total revenues	<u>319,014</u>	<u>319,014</u>	<u>868,518</u>	<u>549,504</u>
<b>Expenditures:</b>				
Community development and housing	934,032	1,000,927	943,105	57,822
Total expenditures	<u>934,032</u>	<u>1,000,927</u>	<u>943,105</u>	<u>57,822</u>
Net change in fund balance	(615,018)	(681,913)	(74,587)	607,326
Fund balance, July 1, 2022	954,378	954,378	954,378	-
Fund balance, June 30, 2023	<u>\$ 339,360</u>	<u>\$ 272,465</u>	<u>\$ 879,791</u>	<u>\$ 607,326</u>

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

Net change in fund balances - budgetary basis	\$ (74,587)
Receivable accrual	(53,718)
Net change in fund balances - GAAP basis	<u>\$ (128,305)</u>



**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Park Tax Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 16,791,663	\$ 16,791,663	\$ 16,951,654	\$ 159,991
Licenses and permits	50,000	50,000	197,322	147,322
Charges for service	-	-	2,490	2,490
Rents and royalties	20,000	20,000	24,749	4,749
Private contribution and donations	-	-	16,405	16,405
Investment income	2,000	2,000	123,673	121,673
Miscellaneous	-	-	142,679	142,679
Total revenues	<u>16,863,663</u>	<u>16,863,663</u>	<u>17,458,972</u>	<u>595,309</u>
<b>Expenditures:</b>				
Current:				
Culture-recreation	14,857,334	15,827,510	13,651,770	2,175,740
Capital Outlay:	1,330,200	1,708,280	1,067,208	641,072
Total expenditures	<u>16,187,534</u>	<u>17,535,790</u>	<u>14,718,978</u>	<u>2,816,812</u>
Revenues over/(under) expenditures	<u>676,129</u>	<u>(672,127)</u>	<u>2,739,994</u>	<u>3,412,121</u>
Other financing sources/(uses)				
Transfers out	(59,976)	(61,786)	(61,796)	(10)
Sale of Capital Assets	-	-	922	922
Total other financing sources/(uses)	<u>(59,976)</u>	<u>(61,786)</u>	<u>(60,874)</u>	<u>912</u>
Net change in fund balance	616,153	(733,913)	2,679,120	3,413,033
Fund balance, July 1, 2022	4,833,707	4,833,707	4,833,707	-
Fund balance, June 30, 2023	<u>\$ 5,449,860</u>	<u>\$ 4,099,794</u>	<u>\$ 7,512,827</u>	<u>\$ 3,413,033</u>

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

Net change in fund balances - budgetary basis	\$ 2,679,120
Tax receivable accrual	(9,701)
Payable accrual	59,991
Net change in fund balances - GAAP basis	<u>\$ 2,729,410</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 5,777,036	\$ 5,777,036	\$ 5,433,571	\$ (343,465)
Charges for service	46,000	46,000	24,078	(21,922)
Total revenues	<u>5,823,036</u>	<u>5,823,036</u>	<u>5,457,649</u>	<u>(365,387)</u>
<b>Expenditures:</b>				
Current:				
General government	350,824	350,824	339,362	11,462
Public safety	4,654,123	6,290,862	5,995,714	295,148
Health and welfare	256,287	257,905	238,567	19,338
Capital Outlay:				
Capital Outlay (CO)	15,000	15,000	-	15,000
Total expenditures	<u>5,276,234</u>	<u>6,914,591</u>	<u>6,573,643</u>	<u>340,948</u>
Net change in fund balance	546,802	(1,091,555)	(1,115,994)	(24,439)
Fund balance, July 1, 2022	3,041,711	3,041,711	3,041,711	-
Fund balance, June 30, 2023	<u>\$ 3,588,513</u>	<u>\$ 1,950,156</u>	<u>\$ 1,925,717</u>	<u>\$ (24,439)</u>

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

Net change in fund balances - budgetary basis	\$ (1,115,994)
Receivable accrual	(5,066)
Net change in fund balances - GAAP basis	<u>\$ (1,121,060)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Street Lighting Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,240,939	\$ 2,240,939	\$ 2,089,628	\$ (151,311)
Charges for service	-	-	306	306
Investment income	-	-	57,010	57,010
Total revenues	<u>2,240,939</u>	<u>2,240,939</u>	<u>2,146,944</u>	<u>(93,995)</u>
<b>Expenditures:</b>				
Current:				
General government	48,558	117,915	100,334	17,581
Highway and streets	2,045,777	2,406,561	1,318,867	1,087,694
Capital Outlay:				
Capital Outlay	835,824	429,787	28,270	401,517
Debt service:				
Principal repayment	354,761	534,066	361,910	172,156
Interest and fiscal charges	15,690	21,610	8,541	13,069
Total expenditures	<u>3,300,610</u>	<u>3,509,939</u>	<u>1,817,922</u>	<u>1,692,017</u>
Revenues over/(under) expenditures	<u>(1,059,671)</u>	<u>(1,269,000)</u>	<u>329,022</u>	<u>1,598,022</u>
Other financing sources/(uses)				
Transfers out	(12,120)	(12,120)	(12,120)	-
Insurance Recoveries	-	-	9,523	(9,523)
Total other financing sources/(uses)	<u>(12,120)</u>	<u>(12,120)</u>	<u>(2,597)</u>	<u>(9,523)</u>
Net change in fund balance	(1,071,791)	(1,281,120)	326,425	1,588,499
Fund balance, July 1, 2022	2,209,600	2,209,600	2,209,600	-
Fund balance, June 30, 2023	<u>\$ 1,137,809</u>	<u>\$ 928,480</u>	<u>\$ 2,536,025</u>	<u>\$ 1,588,499</u>

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

Net change in fund balances - budgetary basis	\$ 326,425
Receivable accrual	(360)
Payable accrual	185,225
Net change in fund balances - GAAP basis	<u>\$ 511,291</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Business Economic Development Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	150,000	150,000	45,822	(104,178)
Total revenues	150,000	150,000	45,822	(104,178)
<b>Expenditures:</b>				
Economic development	156,387	563,487	371,594	191,893
Total expenditures	156,387	563,487	371,594	191,893
Net change in fund balance	(6,387)	(413,487)	(325,772)	87,715
Fund balance, July 1, 2022	1,349,336	1,349,336	1,349,336	-
Fund balance, June 30, 2023	<u>\$ 1,342,949</u>	<u>\$ 935,849</u>	<u>\$ 1,023,564</u>	<u>\$ 87,715</u>

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

Net change in fund balances - budgetary basis	\$ (325,772)
Notes receivable accrual	192,775
Notes payable accrual	202,500
Net change in fund balances - GAAP basis	<u>\$ 69,503</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Miles Lab Fund - Budgetary Basis**  
**For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 385,000	\$ 376,000
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>385,000</u>	<u>376,000</u>
<b>Expenditures:</b>				
Culture-recreation	-	9	-	9
Total expenditures	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Net change in fund balance	9,000	8,991	385,000	376,009
Fund balance, July 1, 2022	73,229	73,229	73,229	-
Fund balance, June 30, 2023	<u>\$ 82,229</u>	<u>\$ 82,220</u>	<u>\$ 458,229</u>	<u>\$ 376,009</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Employee Training Fund - Budgetary Basis  
For the year ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>				
General government	\$ 834,947	\$ 855,116	\$ 741,531	\$ 113,585
Total expenditures	<u>834,947</u>	<u>855,116</u>	<u>741,531</u>	<u>113,585</u>
Revenues over/(under) expenditures	<u>(834,947)</u>	<u>(855,116)</u>	<u>(741,531)</u>	<u>113,585</u>
Other financing sources/(uses)				
Transfers in	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Total other financing sources/(uses)	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net change in fund balance	(84,947)	(105,116)	8,469	113,585
Fund balance, July 1, 2022	192,898	192,898	192,898	-
Fund balance, June 30, 2023	<u>\$ 107,951</u>	<u>\$ 87,782</u>	<u>\$ 201,367</u>	<u>\$ 113,585</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
UC Settlement Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 4,343,786	\$ 4,343,786
Total revenues	-	-	4,343,786	4,343,786
<b>Expenditures:</b>				
Current:				
Public Safety	1,973,405	2,557,044	1,988,833	568,211
Highway and streets	-	176,854	130,254	46,600
Community development and housing	-	250,000	250,000	-
Capital Outlay:	2,590,259	2,928,086	1,028,863	1,899,223
Total expenditures	4,563,664	5,911,984	3,397,950	2,514,034
Revenues over/(under) expenditures	(4,563,664)	(5,911,984)	945,836	6,857,820
Other financing sources/(uses)				
Net change in fund balance	(4,563,664)	(5,911,984)	945,836	6,857,820
Fund balance, July 1, 2022	4,172,564	4,172,564	4,172,564	-
Fund balance, June 30, 2023	\$ (391,100)	\$ (1,739,420)	\$ 5,118,400	\$ 6,857,820

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

Net change in fund balances - budgetary basis	\$ 945,836
Payable accrual	(51,733)
Net change in fund balances - GAAP basis	\$ 894,103

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Private Percent Art Fund - Budgetary Basis**  
**For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ -	\$ 835,612	\$ 835,612
Charges for service	-	-	60,000	(60,000)
Total revenues	-	-	895,612	775,612
<b>Expenditures:</b>				
Economic development	92,663	963,419	360,497	602,922
Total expenditures	92,663	963,419	360,497	602,922
Net change in fund balance	(92,663)	(963,419)	535,115	1,378,534
Fund balance, July 1, 2022	2,971,481	2,971,481	2,971,481	-
Fund balance, June 30, 2023	<u>\$ 2,878,818</u>	<u>\$ 2,008,062</u>	<u>\$ 3,506,596</u>	<u>\$ 1,378,534</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 100,000	\$ 100,000	\$ 732,028	\$ 632,028
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>732,028</u>	<u>632,028</u>
<b>Expenditures:</b>				
Current				
Highway and streets	50,000	525,000	2,154	522,846
Capital outlay:	50,000	300,000	-	300,000
Total expenditures	<u>100,000</u>	<u>825,000</u>	<u>2,154</u>	<u>822,846</u>
Net change in fund balance	-	(725,000)	729,874	1,454,874
Fund balance, July 1, 2022	803,940	803,940	803,940	-
Fund balance, June 30, 2023	<u>\$ 803,940</u>	<u>\$ 78,940</u>	<u>\$ 1,533,814</u>	<u>\$ 1,454,874</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Public Art Fund - Budgetary Basis  
For the year ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>				
Economic development	\$ 104,775	\$ 204,642	\$ 52,177	\$ 152,465
Total expenditures	<u>104,775</u>	<u>204,642</u>	<u>52,177</u>	<u>152,465</u>
Revenues over/(under) expenditures	<u>(104,775)</u>	<u>(204,642)</u>	<u>(52,177)</u>	<u>152,465</u>
Other financing sources/(uses)				
Transfers in	<u>68,675</u>	<u>68,675</u>	<u>68,675</u>	<u>-</u>
Total other financing sources/(uses)	<u>68,675</u>	<u>68,675</u>	<u>68,675</u>	<u>-</u>
Net change in fund balance	(36,100)	(135,967)	16,498	152,465
Fund balance, July 1, 2022	132,361	132,361	132,361	-
Fund balance, June 30, 2023	<u>\$ 96,261</u>	<u>\$ (3,606)</u>	<u>\$ 148,859</u>	<u>\$ 152,465</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 30,000	\$ 30,000	\$ 22,520	\$ (7,480)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>22,520</u>	<u>(7,480)</u>
<b>Expenditures:</b>				
Current:				
Health and welfare	72,903	47,275	1,933	45,342
Capital Outlay:				
Capital Outlay	2,000	2,000	-	2,000
Total expenditures	<u>74,903</u>	<u>49,275</u>	<u>1,933</u>	<u>47,342</u>
Net change in fund balance	(44,903)	(19,275)	20,587	39,862
Fund balance, July 1, 2022	262,097	262,097	262,097	-
Fund balance, June 30, 2023	<u>\$ 217,194</u>	<u>\$ 242,822</u>	<u>\$ 282,684</u>	<u>\$ 39,862</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
 PERS Savings Fund - Budgetary Basis  
 For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 538,896	\$ 538,896
Total revenues	-	-	538,896	538,896
<b>Expenditures:</b>				
Current				
General Government	\$ -	\$ -	\$ 42,085	\$ (42,085)
Revenues over/(under) expenditures	-	-	(42,085)	(42,085)
<b>Other financing sources/(uses)</b>				
Transfers in	\$ 2,151,632	\$ 2,151,632	\$ 4,280,071	\$ 2,128,439
Total other financing sources/(uses)	2,151,632	2,151,632	4,280,071	2,128,439
Net change in fund balance	2,151,632	2,151,632	4,776,882	2,709,420
Fund balance, July 1, 2022	14,424,755	14,424,755	14,424,755	-
Fund balance, June 30, 2023	<u>\$ 16,576,387</u>	<u>\$ 16,576,387</u>	<u>\$ 19,201,637</u>	<u>\$ 2,709,420</u>

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

Net change in fund balances - budgetary basis	\$ 4,776,882
Receivable accrual	(71,026)
Net change in fund balances - GAAP basis	<u>\$ 4,705,856</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,750,000	\$ 1,750,000	\$ 2,155,943	\$ 405,943
Intergovernmental	-	-	-	-
Total revenues	<u>1,750,000</u>	<u>1,750,000</u>	<u>2,155,943</u>	<u>405,943</u>
<b>Expenditures:</b>				
Health and welfare	1,317,765	1,317,765	668,264	649,501
Total expenditures	<u>1,317,765</u>	<u>1,317,765</u>	<u>668,264</u>	<u>649,501</u>
Revenues over/(under) expenditures	<u>432,235</u>	<u>432,235</u>	<u>1,487,679</u>	<u>1,055,444</u>
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)	-
Sale of capital assets	-	-	-	-
Total other financing sources/(uses)	<u>(690,262)</u>	<u>(690,262)</u>	<u>(690,262)</u>	<u>-</u>
Net change in fund balance	(258,027)	(258,027)	797,417	1,055,444
Fund balance, July 1, 2022	4,597,124	4,597,124	4,597,124	-
Fund balance, June 30, 2023	<u>\$ 4,339,097</u>	<u>\$ 4,339,097</u>	<u>\$ 5,394,541</u>	<u>\$ 1,055,444</u>

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

Net change in fund balances - budgetary basis	\$ 797,417
Receivable accrual	19,882
Net change in fund balances - GAAP basis	<u>\$ 817,299</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Tobacco Control Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 300,000	\$ 300,000	\$ 304,667	\$ 4,667
Investment income	-	-	1,581	1,581
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>306,248</u>	<u>6,248</u>
<b>Expenditures:</b>				
Health and welfare	<u>379,256</u>	<u>386,104</u>	<u>238,693</u>	<u>147,411</u>
Total expenditures	<u>379,256</u>	<u>386,104</u>	<u>238,693</u>	<u>147,411</u>
Net change in fund balance	(79,256)	(86,104)	67,555	153,659
Fund balance, July 1, 2022	52,640	52,640	52,640	-
Fund balance, June 30, 2023	<u>\$ (26,616)</u>	<u>\$ (33,464)</u>	<u>\$ 120,195</u>	<u>\$ 153,659</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,710,000	\$ 2,710,000	\$ 3,356,546	\$ 646,546
Fines and penalties	-	-	130,015	(130,015)
Total revenues	<u>2,710,000</u>	<u>2,710,000</u>	<u>3,486,561</u>	<u>516,531</u>
<b>Expenditures:</b>				
Current:				
Health and welfare	4,061,702	3,975,730	2,903,331	1,072,399
Capital Outlay:	-	100,000	-	100,000
Total expenditures	<u>4,061,702</u>	<u>4,075,730</u>	<u>2,903,331</u>	<u>1,172,399</u>
Net change in fund balance	(1,351,702)	(1,365,730)	583,230	1,688,930
Fund balance, July 1, 2022	6,002,176	6,002,176	6,002,176	-
Fund balance, June 30, 2023	<u>\$ 4,650,474</u>	<u>\$ 4,636,446</u>	<u>\$ 6,585,406</u>	<u>\$ 1,688,930</u>

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

Net change in fund balances - budgetary basis	\$ 583,230
Payable accrual	23,419
Net change in fund balances - GAAP basis	<u>\$ 606,649</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 309,139	\$ 59,139
Investment income	-	-	23,534	23,534
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>332,673</u>	<u>82,673</u>
<b>Expenditures:</b>				
Public safety	<u>262,092</u>	<u>525,192</u>	<u>40,992</u>	<u>484,200</u>
Total expenditures	<u>262,092</u>	<u>525,192</u>	<u>40,992</u>	<u>484,200</u>
Net change in fund balance	(12,092)	(275,192)	291,681	566,873
Fund balance, July 1, 2022	760,276	760,276	760,276	-
Fund balance, June 30, 2023	<u>\$ 748,184</u>	<u>\$ 485,084</u>	<u>\$ 1,051,957</u>	<u>\$ 566,873</u>



**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Alameda County Abandoned Vehicle Abatement Authority Fund - Budgetary Basis  
For the year ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for service	\$ 98,000	\$ 98,000	\$ 92,951	\$ (5,049)
Total revenues	<u>98,000</u>	<u>98,000</u>	<u>92,951</u>	<u>(5,049)</u>
<b>Expenditures:</b>				
Health and welfare	<u>133,993</u>	<u>133,858</u>	<u>76,076</u>	<u>57,782</u>
Total expenditures	<u>133,993</u>	<u>133,858</u>	<u>76,076</u>	<u>57,782</u>
Net change in fund balance	(35,993)	(35,858)	16,875	52,733
Fund balance, July 1, 2022	273,560	273,560	273,560	-
Fund balance, June 30, 2023	<u>\$ 237,567</u>	<u>\$ 237,702</u>	<u>\$ 290,435</u>	<u>\$ 52,733</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 8,604,000	\$ 8,604,000	\$ 9,351,421	\$ 747,421
Total revenues	<u>8,604,000</u>	<u>8,604,000</u>	<u>9,351,421</u>	<u>747,421</u>
<b>Expenditures:</b>				
Current:				
Public safety	6,939,991	7,989,593	6,421,279	1,568,314
Capital Outlay:	462,084	1,647,703	1,252,988	394,715
Total expenditures	<u>7,402,075</u>	<u>9,637,296</u>	<u>7,674,267</u>	<u>1,963,029</u>
Revenues over/(under) expenditures	<u>1,201,925</u>	<u>(1,033,296)</u>	<u>1,677,154</u>	
<b>Other financing sources/(uses)</b>				
Transfers out	(757,925)	(757,925)	(757,925)	-
Total other financing sources/(uses)	<u>(757,925)</u>	<u>(757,925)</u>	<u>(757,925)</u>	<u>-</u>
Net change in fund balance	444,000	(1,791,221)	919,229	2,710,450
Fund balance, July 1, 2022	8,778,128	8,778,128	8,778,128	-
Fund balance, June 30, 2023	<u>\$ 9,222,128</u>	<u>\$ 6,986,907</u>	<u>\$ 9,697,357</u>	<u>\$ 2,710,450</u>

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

Net change in fund balances - budgetary basis	\$ 919,229
Receivable accrual	(17,809)
Net change in fund balances - GAAP basis	<u>\$ 901,420</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Fair Elections Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
Current:				
General government	510,868	510,868	325,533	185,335
Total expenditures	<u>510,868</u>	<u>510,868</u>	<u>325,533</u>	<u>185,335</u>
Revenues over/(under) expenditures	<u>(510,868)</u>	<u>(510,868)</u>	<u>(325,533)</u>	<u>185,335</u>
Other financing sources/(uses)				
Transfers in	505,002	505,002	505,002	-
Total other financing sources/(uses)	<u>505,002</u>	<u>505,002</u>	<u>505,002</u>	<u>-</u>
Net change in fund balance	(5,866)	(5,866)	179,469	185,335
Fund balance, July 1, 2022	917,098	917,098	917,098	-
Fund balance, June 30, 2023	<u>\$ 911,232</u>	<u>\$ 911,232</u>	<u>\$ 1,096,567</u>	<u>\$ 185,335</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 813,465	\$ 813,465
Total revenues	<u>-</u>	<u>-</u>	<u>813,465</u>	<u>813,465</u>
<b>Expenditures:</b>				
Current:				
Public Safety	5,691	508,912	1,876	5,691
Highway and streets	149,698	236,438	231,685	4,753
Culture-recreation	821,076	4,358,153	2,270,842	2,087,311
Community development and housing	1,261,573	2,727,166	1,465,078	1,262,088
Economic development	-	15,940	358	15,582
Debt service:				
Capital outlay:	15,620,277	13,811,636	2,027,420	11,784,216
Total expenditures	<u>17,858,315</u>	<u>21,658,245</u>	<u>5,997,259</u>	<u>15,159,641</u>
Revenues over/(under) expenditures	<u>(17,858,315)</u>	<u>(21,658,245)</u>	<u>(5,183,794)</u>	<u>15,973,106</u>
Net change in fund balance	(17,858,315)	(21,658,245)	(5,183,794)	15,973,106
Fund balance, July 1, 2022	36,943,712	36,943,712	36,943,712	-
Fund balance, June 30, 2023	<u>\$ 19,085,397</u>	<u>\$ 15,285,467</u>	<u>\$ 31,759,918</u>	<u>\$ 15,973,106</u>

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

Net change in fund balances - budgetary basis	\$ (5,183,794)
Receivable accrual	467
Payable accrual	(207,903)
Net change in fund balances - GAAP basis	<u>\$ (5,391,230)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Phone System Replacement Fund - Budgetary Basis  
For the year ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
<b>Expenditures:</b>				
General government	\$ 449,408	\$ 453,930	\$ 145,687	\$ 308,243
Total expenditures	<u>449,408</u>	<u>453,930</u>	<u>145,687</u>	<u>308,243</u>
Revenue over/(under) expenditures	<u>(449,408)</u>	<u>(453,930)</u>	<u>(145,687)</u>	<u>308,243</u>
Other financing sources/(uses)				
Transfers in	<u>449,408</u>	<u>449,408</u>	<u>449,408</u>	<u>-</u>
Total other financing sources/(uses)	<u>449,408</u>	<u>449,408</u>	<u>449,408</u>	<u>-</u>
Net change in fund balance	-	(4,522)	303,721	308,243
Fund balance, July 1, 2022	867,369	867,369	867,369	-
Fund balance, June 30, 2023	<u>\$ 867,369</u>	<u>\$ 862,847</u>	<u>\$ 1,171,090</u>	<u>\$ 308,243</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fund\$ Replacement Fund - Budgetary Basis**  
**For the year ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures:</b>				
General government	\$ 3,221,742	\$ 3,908,095	\$ 2,273,375	\$ 1,634,720
Total expenditures	<u>3,221,742</u>	<u>3,908,095</u>	<u>2,273,375</u>	<u>1,634,720</u>
Revenues over/(under) expenditures	(3,221,742)	(3,908,095)	(2,273,375)	(1,634,720)
Net change in fund balance	(3,221,742)	(3,908,095)	(2,273,375)	1,634,720
Fund balance, July 1, 2022	1,938,630	1,938,630	1,938,630	-
Fund balance, June 30, 2023	<u>\$ (1,283,112)</u>	<u>\$ (1,969,465)</u>	<u>\$ (334,745)</u>	<u>\$ 1,634,720</u>

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

Net change in fund balances - budgetary basis	\$ (2,273,375)
Payable accrual	<u>(20,154)</u>
Net change in fund balances - GAAP basis	<u>\$ (2,293,529)</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Franchise	\$ -	\$ -	\$ 251,331	\$ 251,331
Total revenues	<u>-</u>	<u>-</u>	<u>251,331</u>	<u>251,331</u>
<b>Expenditures:</b>				
General government	100,000	100,000	60,215	39,785
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>60,215</u>	<u>(39,785)</u>
Net change in fund balance	(100,000)	(100,000)	191,116	291,116
Fund balance, July 1, 2022	2,268,570	2,268,570	2,268,570	-
Fund balance, June 30, 2023	<u>\$ 2,168,570</u>	<u>\$ 2,168,570</u>	<u>\$ 2,459,686</u>	<u>\$ 291,116</u>

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

Net change in fund balances - budgetary basis	\$ 191,116
Receivable accrual	(293)
Net change in fund balances - GAAP basis	<u>\$ 190,823</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 23,062	\$ 23,062
Total revenues	-	-	23,062	23,062
<b>Expenditures:</b>				
Current:				
Highway and streets	-	-	3,878	(3,878)
Capital outlay:	-	926,720	-	926,720
Total expenditures	-	926,720	3,878	922,842
Revenues over/(under) expenditures	-	(926,720)	19,184	(899,780)
Net change in fund balance	-	(926,720)	19,184	945,904
Fund balance, July 1, 2022	925,634	925,634	925,634	-
Fund balance, June 30, 2023	<u>\$ 925,634</u>	<u>\$ (1,086)</u>	<u>\$ 944,818</u>	<u>\$ 945,904</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, 2023**

	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	-	-	894	894
Total revenues	<u>192</u>	<u>192</u>	<u>2,095</u>	<u>1,903</u>
<b>Expenditures:</b>				
General government	-	-	167	(167)
Total expenditures	<u>-</u>	<u>-</u>	<u>167</u>	<u>(167)</u>
Net change in fund balance	192	192	1,928	1,736
Fund balance, July 1, 2022	35,232	35,232	35,232	-
Fund balance, June 30, 2023	<u>\$ 35,424</u>	<u>\$ 35,424</u>	<u>\$ 37,160</u>	<u>\$ 1,736</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1,590,320	\$ 1,590,320
Total revenues	<u>-</u>	<u>-</u>	<u>1,590,320</u>	<u>1,590,320</u>
<b>Expenditures:</b>				
Debt Service:				
Principal repayment	630,000	630,000	660,000	(30,000)
Interest and fiscal charges	713,638	713,638	683,763	29,875
Total expenditures	<u>1,343,638</u>	<u>1,343,638</u>	<u>1,343,763</u>	<u>(125)</u>
Net change in fund balance	(1,343,638)	(1,343,638)	246,557	1,590,195
Fund balance, July 1, 2022	1,429,382	1,429,382	1,429,382	-
Fund balance, June 30, 2023	<u>\$ 85,744</u>	<u>\$ 85,744</u>	<u>\$ 1,675,939</u>	<u>\$ 1,590,195</u>

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

Net change in fund balances - budgetary basis	\$ 246,557
Receivable accrual	2,726
Net change in fund balances - GAAP basis	<u>\$ 249,283</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,309,864	\$ 3,309,864	\$ 2,386,048	\$ (923,816)
Total revenues	<u>3,309,864</u>	<u>3,309,864</u>	<u>2,386,048</u>	<u>(923,816)</u>
<b>Expenditures:</b>				
Principal repayment	1,452,315	1,452,315	1,526,275	(73,960)
Interest and fiscal charges	599,651	599,651	524,338	75,313
Total expenditures	<u>2,051,966</u>	<u>2,051,966</u>	<u>2,050,613</u>	<u>1,353</u>
Net change in fund balance	1,257,898	1,257,898	335,435	(922,463)
Fund balance, July 1, 2022	2,102,642	2,102,642	2,102,642	-
Fund balance, June 30, 2023	<u>\$ 3,360,540</u>	<u>\$ 3,360,540</u>	<u>\$ 2,438,077</u>	<u>\$ (922,463)</u>

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

Net change in fund balances - budgetary basis	\$ 335,435
Receivable accrual	<u>3,521</u>
Net change in fund balances - GAAP basis	<u>\$ 338,956</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Berkeley Repertory Theatre Fund - Budgetary Basis  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Miscellaneous	\$ -	\$ -	\$ 252	\$ 252
Total revenues	<u>-</u>	<u>-</u>	<u>252</u>	<u>252</u>
<b>Expenditures:</b>				
Principal repayment	337,275	337,275	352,499	(15,224)
Interest and fiscal charges	164,963	164,963	148,580	16,383
Total expenditures	<u>502,238</u>	<u>502,238</u>	<u>501,079</u>	<u>1,159</u>
Revenues over/(under) expenditures	<u>(502,238)</u>	<u>(502,238)</u>	<u>(500,827)</u>	<u>1,411</u>
Other financing sources/(uses)				
Transfers in	499,802	499,802	499,803	-
Total other financing sources/(uses)	<u>499,802</u>	<u>499,802</u>	<u>499,803</u>	<u>-</u>
Net change in fund balance	(2,436)	(2,436)	(1,024)	1,411
Fund balance, July 1, 2022	(10,379)	(10,379)	(10,379)	-
Fund balance, June 30, 2023	<u>\$ (12,815)</u>	<u>\$ (12,815)</u>	<u>\$ (11,403)</u>	<u>\$ 1,411</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,463,321	\$ 1,463,321	\$ 444,748	\$ (1,018,573)
Total revenues	<u>1,463,321</u>	<u>1,463,321</u>	<u>444,748</u>	<u>(1,018,573)</u>
<b>Expenditures:</b>				
Principal repayment	266,982	266,982	280,579	(13,597)
Interest and fiscal charges	112,579	112,579	97,140	15,439
Debt issuance costs	-	-	-	-
Total expenditures	<u>379,561</u>	<u>379,561</u>	<u>377,719</u>	<u>1,842</u>
Revenues over/(under) expenditures	<u>1,083,760</u>	<u>1,083,760</u>	<u>67,029</u>	<u>(1,016,731)</u>
Net change in fund balance	1,083,760	1,083,760	67,029	(1,016,731)
Fund balance, July 1, 2022	1,249,709	1,249,709	1,249,709	-
Fund balance, June 30, 2023	<u>\$ 2,333,469</u>	<u>\$ 2,333,469</u>	<u>\$ 1,316,738</u>	<u>\$ (1,016,731)</u>

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

Net change in fund balances - budgetary basis	\$ 67,029
Receivable accrual	587
Net change in fund balances - GAAP basis	<u>\$ 67,616</u>

**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 256,987	\$ 256,987	\$ 164,492	\$ (92,495)
Total revenues	<u>256,987</u>	<u>256,987</u>	<u>164,492</u>	<u>(92,495)</u>
<b>Expenditures:</b>				
Principal repayment	100,557	100,557	105,677	(5,120)
Interest and fiscal charges	42,308	42,308	36,305	6,003
Total expenditures	<u>142,865</u>	<u>142,865</u>	<u>141,982</u>	<u>883</u>
Net change in fund balance	114,122	114,122	22,510	(91,612)
Fund balance, July 1, 2022	441,692	441,692	441,692	-
Fund balance, June 30, 2023	<u>\$ 555,814</u>	<u>\$ 555,814</u>	<u>\$ 464,202</u>	<u>\$ (91,612)</u>

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

Net change in fund balances - budgetary basis	\$ 22,510
Receivable accrual	305
Net change in fund balances - GAAP basis	<u>\$ 22,815</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 548,535	\$ 548,535
Total revenues	<u>-</u>	<u>-</u>	<u>548,535</u>	<u>548,535</u>
<b>Expenditures:</b>				
Principal repayment	340,146	340,146	357,468	(17,322)
Interest and fiscal charges	141,140	141,140	122,805	18,335
Total expenditures	<u>481,286</u>	<u>481,286</u>	<u>480,273</u>	<u>1,013</u>
Net change in fund balance	(481,286)	(481,286)	68,262	549,548
Fund balance, July 1, 2022	415,811	415,811	415,811	-
Fund balance, June 30, 2023	<u>\$ (65,475)</u>	<u>\$ (65,475)</u>	<u>\$ 484,073</u>	<u>\$ 549,548</u>

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

Net change in fund balances - budgetary basis	\$ 68,262
Receivable accrual	791
Net change in fund balances - GAAP basis	<u>\$ 69,053</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
<b>Expenditures:</b>				
Principal repayment	\$ 135,000	\$ 135,000	\$ -	\$ 135,000
Interest and fiscal charges	271,991	271,991	140,145	131,846
Total expenditures	<u>406,991</u>	<u>406,991</u>	<u>140,145</u>	<u>266,846</u>
Revenues over/(under) expenditures	<u>(406,991)</u>	<u>(406,991)</u>	<u>(140,145)</u>	<u>266,846</u>
Other financing sources/(uses)				
Transfers in	402,613	402,613	402,613	-
Transfers out	-	-	(494,336)	494,336
Total other financing sources/(uses)	<u>402,613</u>	<u>402,613</u>	<u>(91,723)</u>	<u>494,336</u>
Net change in fund balance	(4,378)	(4,378)	(231,868)	761,182
Fund balance, July 1, 2022	288,408	288,408	288,408	-
Fund balance, June 30, 2023	<u>\$ 284,030</u>	<u>\$ 284,030</u>	<u>\$ 56,540</u>	<u>\$ 761,182</u>



**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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 2,056,609	\$ 2,056,609
Total revenues	-	-	2,056,609	2,056,609
<b>Expenditures:</b>				
Principal repayment	305,000	690,000	690,000	-
Interest and fiscal charges	435,738	947,613	947,613	-
Total expenditures	740,738	1,637,613	1,637,613	-
Revenues over/(under) expenditures	(740,738)	(1,637,613)	418,996	2,056,609
Net change in fund balance	(740,738)	(1,637,613)	418,996	2,056,609
Fund balance, July 1, 2022	2,417,676	2,417,676	2,417,676	-
Fund balance, June 30, 2023	<u>\$ 1,676,938</u>	<u>\$ 780,063</u>	<u>\$ 2,836,672</u>	<u>\$ 2,056,609</u>

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

Net change in fund balances - budgetary basis	\$ 418,996
Receivable accrual	3,364
Net change in fund balances - GAAP basis	<u>\$ 422,360</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 4,388,734	\$ 4,388,734
Total revenues	-	-	4,388,734	4,388,734
<b>Expenditures:</b>				
Principal repayment	695,000	2,230,000	2,230,000	-
Interest and fiscal charges	1,036,181	2,260,381	2,260,381	-
Total expenditures	1,731,181	4,490,381	4,490,381	-
Revenues over/(under) expenditures	(1,731,181)	(4,490,381)	(101,647)	4,388,734
Other financing sources/(uses)				
Net change in fund balance	(1,731,181)	(4,490,381)	(101,647)	4,388,734
Fund balance, July 1, 2022	7,290,658	7,290,658	7,290,658	-
Fund balance, June 30, 2023	<u>\$ 5,559,477</u>	<u>\$ 2,800,277</u>	<u>\$ 7,189,011</u>	<u>\$ 4,388,734</u>

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

Net change in fund balances - budgetary basis	\$ (101,647)
Receivable accrual	5,875
Net change in fund balances - GAAP basis	<u>\$ (95,772)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Measure O Housing Bond Debt Service  
For the year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 5,457,645	\$ 5,457,645
Total revenues	-	-	5,457,645	5,457,645
<b>Expenditures:</b>				
Principal repayment	715,000	740,000	740,000	-
Debt issuance costs	1,308,940	2,868,308	2,868,308	-
Total expenditures	2,023,940	3,608,308	3,608,308	-
Other financing sources/(uses)				
Net change in fund balance	(2,023,940)	(3,608,308)	1,849,337	5,457,645
Fund balance, July 1, 2022	3,291,979	3,291,979	3,291,979	-
Fund balance, June 30, 2023	\$ 1,268,039	\$ (316,329)	\$ 5,141,316	\$ 5,457,645

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

Net change in fund balances - budgetary basis	\$ 1,849,337
Receivable accrual	35,615
Net change in fund balances - GAAP basis	\$ 1,884,952



THIS PAGE INTENTIONALLY BLANK



THIS PAGE INTENTIONALLY BLANK

---

## INTERNAL SERVICE FUNDS

---

The **Equipment Maintenance and Replacement Fund** accounts for rental fees that are used to maintain and replace equipment in the Corporation yard.

The **Building Maintenance Fund** accounts for charges for services by the Public Works Building Maintenance Division for the maintenance of City buildings.

The **Supply Warehouse Fund** was established for maintaining an inventory of office materials and supplies in the City's warehouse facility. Departmental budgets are charged for this service.

The **Computer Replacement Fund** accounts for the charges to departments to systematically modernize the Citywide PC infrastructure and safeguard the efficiency of the Citywide network operations.

The **Workers' Compensation Self-Insurance Fund** accounts for the cost of providing workers' compensation coverage on a Citywide basis.

The **Sick Leave & Vacation Payouts Fund** accounts for unused sick and vacation benefits.

The **Public Liability Fund** was established to pay any expenditures related to public liability claims. This fund is reimbursed by the General Fund.

The **Catastrophic Loss Fund** was established to fund any public liability judgement against the City in excess of \$250,000.

The **IT Cost Allocation Fund** was established to replace the existing financial system of the City.

**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2023**

	<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	\$ 19,613,491	\$ 2,596,509	\$ 110,475	\$ 607
Accounts receivable	13,805	6,985	-	-
Accrued interest	87,660	15,709	-	3
Inventory	-	-	59,453	-
<b>Total current assets</b>	<b>19,714,956</b>	<b>2,619,203</b>	<b>169,928</b>	<b>610</b>
Noncurrent assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Building	1,162,882	11,848	-	-
Improvements other than buildings	171,524	-	-	-
Machinery and equipment	53,852,278	128,999	-	1,137,034
Construction in progress	-	-	-	-
Less accumulated depreciation	(33,476,832)	(126,696)	-	(1,137,034)
<b>Total noncurrent assets</b>	<b>21,709,852</b>	<b>14,151</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>41,424,808</b>	<b>2,633,354</b>	<b>169,928</b>	<b>610</b>
<b>Deferred outflows of resources:</b>				
Deferred pension items	2,354,583	1,375,770	48,095	-
Deferred OPEB items	361,881	210,714	9,806	-
<b>Total deferred outflows of resources</b>	<b>2,716,464</b>	<b>1,586,484</b>	<b>57,901</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	2,937,889	856,042	9,741	-
Accrued salaries and wages	79,147	56,332	2,211	-
Accrued interest payable	9,987	-	-	-
Due to other funds	-	-	-	-
Compensated absences	24,960	2,351	166	-
Claims and judgments payable	-	-	-	-
Capital lease payable	711,979	-	-	-
<b>Total current liabilities</b>	<b>3,763,962</b>	<b>914,725</b>	<b>12,118</b>	<b>-</b>
Noncurrent liabilities				
Compensated absences	304,032	28,631	2,021	-
Claims and judgments payable	-	-	-	-
Capital lease payable	1,835,182	-	-	-
Net pension liabilities	8,709,685	5,300,299	171,466	-
Net OPEB liabilities	573,187	423,843	17,795	-
<b>Total noncurrent liabilities</b>	<b>11,422,086</b>	<b>5,752,773</b>	<b>191,282</b>	<b>-</b>
<b>Total liabilities</b>	<b>15,186,048</b>	<b>6,667,498</b>	<b>203,400</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Deferred OPEB items	817,102	481,768	22,035	-
<b>Total deferred inflows of resources</b>	<b>1,028,559</b>	<b>594,887</b>	<b>26,747</b>	<b>-</b>
<b>Net position</b>				
Net investment in capital assets	19,162,691	14,151	-	-
Unrestricted	8,763,974	(3,056,698)	(2,318)	610
<b>Total net position</b>	<b>\$ 27,926,665</b>	<b>\$ (3,042,547)</b>	<b>\$ (2,318)</b>	<b>\$ 610</b>

Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ 53,264,517	\$ 7,885,042	\$ 2,192,192	\$ -	\$ 11,113,422	\$ 96,776,255
49,191	-	-	-	-	69,981
282,961	41,119	7,210	-	-	434,662
-	-	-	-	-	59,453
<u>53,596,669</u>	<u>7,926,161</u>	<u>2,199,402</u>	<u>-</u>	<u>11,113,422</u>	<u>97,340,351</u>
813,779	-	-	-	-	813,779
-	-	-	-	-	1,174,730
-	-	-	-	-	171,524
2,642	-	-	-	79,122	55,200,075
-	-	-	-	-	-
(2,642)	-	-	-	(63,602)	(34,806,806)
<u>813,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,520</u>	<u>22,553,302</u>
<u>54,410,448</u>	<u>7,926,161</u>	<u>2,199,402</u>	<u>-</u>	<u>11,128,942</u>	<u>119,893,653</u>
520,904	-	148,456	-	4,167,437	8,615,245
106,178	-	40,169	-	618,143	1,346,891
<u>627,082</u>	<u>-</u>	<u>188,625</u>	<u>-</u>	<u>4,785,580</u>	<u>9,962,136</u>
1,035	-	710,748	-	1,498,141	6,013,596
24,920	118,216	5,166	-	-	285,992
-	-	-	-	-	9,987
-	-	-	466,322	-	466,322
4,560	-	-	-	59,028	91,065
6,821,000	-	6,303,833	-	-	13,124,833
-	-	-	-	-	711,979
<u>6,851,515</u>	<u>118,216</u>	<u>7,019,747</u>	<u>466,322</u>	<u>1,557,169</u>	<u>20,703,774</u>
55,540	-	-	-	719,013	1,109,237
33,004,000	-	-	-	-	33,004,000
-	-	-	-	-	1,835,182
2,043,638	-	840,769	-	14,381,238	31,447,095
142,529	-	73,189	-	1,328,092	2,558,635
<u>35,245,707</u>	<u>-</u>	<u>913,958</u>	<u>-</u>	<u>16,428,343</u>	<u>69,954,149</u>
<u>42,097,222</u>	<u>118,216</u>	<u>7,933,705</u>	<u>466,322</u>	<u>17,985,512</u>	<u>90,657,923</u>
240,022	-	95,516	-	1,416,220	3,072,663
<u>289,695</u>	<u>-</u>	<u>105,629</u>	<u>-</u>	<u>1,838,289</u>	<u>3,883,806</u>
-	-	-	-	15,520	19,192,362
12,650,613	7,807,945	(5,651,307)	(466,322)	(3,924,799)	16,121,698
<u>\$ 12,650,613</u>	<u>\$ 7,807,945</u>	<u>\$ (5,651,307)</u>	<u>\$ (466,322)</u>	<u>\$ (3,909,279)</u>	<u>\$ 35,314,060</u>



**Combining Statement of Revenues, Expenses, and Changes in Net Position  
All Internal Service Funds  
For the year ended June 30, 2023**

	<b>Equipment Maintenance Replacement</b>	<b>Building Maintenance</b>	<b>Central Services</b>	<b>Computer Replacement</b>
<b>Operating revenues:</b>				
Equipment rentals service charge	\$ 18,165,571	\$ -	\$ -	\$ -
Building maintenance	-	3,349,285	-	-
Central store service charge	-	-	317,827	-
Workers' compensation fees	-	-	-	-
IT service fee	-	-	-	-
Other revenues	30,837	3,452	-	-
Total operating revenues	<u>18,196,408</u>	<u>3,352,737</u>	<u>317,827</u>	<u>-</u>
<b>Operating expenses:</b>				
Personnel services	2,154,148	1,467,195	66,289	-
Employee benefits	1,312,575	1,034,451	35,871	-
Transportation	304,258	205,899	16,514	-
Repairs and maintenance	138,596	335,187	-	-
Materials and supplies	6,565,653	525,672	142,981	-
Utilities	54,557	5,581	-	-
Insurance	8,914	-	-	-
Specialized and professional services	648,914	138,336	62,570	-
Depreciation	5,023,139	8,833	-	22,797
Judgments and claims	-	836,178	-	-
Communication	5,206	60,640	70	-
General administration	71,880	64,381	7,053	6
Total operating expenses	<u>16,287,840</u>	<u>4,682,353</u>	<u>331,348</u>	<u>22,803</u>
Operating income (loss)	1,908,568	(1,329,616)	(13,521)	(22,803)
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	(371,054)	(39,425)	-	(4)
Interest expense	(52,119)	-	-	-
Gain (loss) on disposal of capital assets	109,382	-	-	-
Total nonoperating revenues (expenses)	<u>(313,791)</u>	<u>(39,425)</u>	<u>-</u>	<u>(4)</u>
Income (loss) before transfers	1,594,777	(1,369,041)	(13,521)	(22,807)
Transfers in	1,081,699	-	-	-
Transfers out	-	-	-	-
Change in net position	2,676,476	(1,369,041)	(13,521)	(22,807)
Total net position - beginning balance	<u>25,250,189</u>	<u>(1,673,506)</u>	<u>11,203</u>	<u>23,417</u>
Total net position - ending	<u>\$ 27,926,665</u>	<u>\$ (3,042,547)</u>	<u>\$ (2,318)</u>	<u>\$ 610</u>

Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,165,571
-	-	-	-	-	3,349,285
-	-	-	-	-	317,827
11,340,652	-	-	-	-	11,340,652
-	-	-	-	14,589,211	14,589,211
-	3,764,944	1,654,217	-	-	5,453,450
11,340,652	3,764,944	1,654,217	-	14,589,211	53,215,996
584,892	2,929,560	191,853	-	4,817,205	12,211,142
329,054	55,323	78,515	-	2,510,103	5,355,892
-	-	-	-	-	526,671
-	-	-	-	-	473,783
-	-	-	-	136,795	7,371,101
-	-	-	-	-	60,138
-	-	-	-	-	8,914
578,800	-	(0)	-	3,334,193	4,762,813
-	-	-	-	15,824	5,070,593
7,543,007	-	4,599,033	5,423,620	-	18,401,838
904	-	-	-	87,989	154,809
-	-	-	-	821,694	965,014
9,036,657	2,984,883	4,869,401	5,423,620	11,723,803	55,362,708
2,303,995	780,061	(3,215,184)	(5,423,620)	2,865,408	(2,146,712)
(1,037,820)	(155,104)	(57,213)	-	-	(1,660,620)
-	-	-	-	-	(52,119)
-	-	-	-	-	109,382
(1,037,820)	(155,104)	(57,213)	-	-	(1,603,357)
1,266,175	624,957	(3,272,397)	(5,423,620)	2,865,408	(3,750,069)
-	-	3,895,888	5,422,053	71,336	10,470,976
-	-	-	-	(438,968)	(438,968)
1,266,175	624,957	623,491	(1,567)	2,497,776	6,281,939
11,384,438	7,182,988	(6,274,798)	(464,755)	(6,407,055)	29,032,121
\$ 12,650,613	\$ 7,807,945	\$ (5,651,307)	\$ (466,322)	\$ (3,909,279)	\$ 35,314,060

**Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2023**

	<u>Equipment Maintenance Replacement</u>	<u>Building Maintenance</u>	<u>Central Services</u>	<u>Computer Replacement</u>
Cash flows from operating activities:				
Cash received from customers	\$ 18,205,344	\$ 3,352,841	\$ 317,827	\$ -
Cash paid for goods and services	(5,672,709)	(495,776)	(264,888)	(6)
Cash paid for employee services	(3,735,816)	(2,753,724)	(108,864)	-
Claims and judgments paid	-	(836,178)	-	-
Net cash provided (used) by operating activities	<u>8,796,819</u>	<u>(732,837)</u>	<u>(55,925)</u>	<u>(6)</u>
Cash flows from noncapital financing activities:				
Transfers in	1,081,699	-	-	-
Transfers out	-	-	-	-
Advances repayment from other funds	-	-	-	-
Due to other funds	-	-	-	-
Net cash provided (used) from noncapital financing activities	<u>1,081,699</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Interest paid	(55,828)	-	-	-
Purchases of capital assets	(2,001,685)	-	-	-
Loan proceeds for equipment purchase	-	-	-	-
Lease payments	(911,654)	-	-	-
Proceeds from disposal of capital assets	109,382	-	-	-
Net cash provided (used) from capital and related financing activities	<u>(2,859,785)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Loss on investments	(410,069)	(44,190)	-	(5)
Net cash provided (used) from investing activities	<u>(410,069)</u>	<u>(44,190)</u>	<u>-</u>	<u>(5)</u>
Net increase (decrease) in cash and cash equivalents	6,608,664	(777,027)	(55,925)	(11)
Cash and cash equivalents, July 1, 2022	13,004,827	3,373,536	166,400	618
Cash and cash equivalents, June 30, 2023	<u>\$ 19,613,491</u>	<u>\$ 2,596,509</u>	<u>\$ 110,475</u>	<u>\$ 607</u>
Financial statement presentation:				
Cash and investments	19,613,491	2,596,509	110,475	607
Total	<u>\$ 19,613,491</u>	<u>\$ 2,596,509</u>	<u>\$ 110,475</u>	<u>\$ 607</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Income (loss) from operations	\$ 1,908,568	\$ (1,329,616)	\$ (13,521)	\$ (22,803)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	5,023,139	8,833	-	22,797
Change in:				
Accounts receivable	8,936	104	-	-
Deferred outflow	(1,423,244)	(759,071)	(31,472)	-
Inventory	-	-	(45,441)	-
Accounts payable	2,125,269	839,920	9,741	-
Accrued salaries and wages	(114,517)	(96,955)	(3,806)	-
Compensated absences	(40,703)	(92,840)	(214)	-
Other liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Claims and judgments payable	-	-	-	-
Net pension liabilities	3,143,865	1,681,811	70,056	-
Net OPEB liability	9,804	5,693	266	-
Deferred inflows	(1,844,298)	(990,716)	(41,534)	-
Net cash provided (used) by operating activities	<u>\$ 8,796,819</u>	<u>\$ (732,837)</u>	<u>\$ (55,925)</u>	<u>\$ (6)</u>

Workers' Compensation	Sick Leave & Vacation Payouts	Public Liability	Catastrophic Loss	IT Cost Allocation Plan	Total
\$ 11,340,652	\$ 3,764,944	\$ 1,654,217	\$ -	\$ 14,589,212	\$ 53,225,037
(9,034,333)	-	(5,453,489)	-	(4,300,322)	(25,221,523)
(983,093)	(3,064,393)	(319,732)	-	(7,439,780)	(18,405,402)
3,576,993	-	1,704,800	(5,423,620)	-	(978,005)
<u>4,900,219</u>	<u>700,551</u>	<u>(2,414,204)</u>	<u>(5,423,620)</u>	<u>2,849,110</u>	<u>8,620,107</u>
-	-	3,895,888	5,422,053	71,336	10,470,976
-	-	-	-	(438,968)	(438,968)
-	-	-	-	-	-
-	-	-	1,567	-	1,567
-	-	3,895,888	5,423,620	(367,632)	10,033,575
-	-	-	-	-	(55,828)
-	-	-	-	-	(2,001,685)
-	-	-	-	-	-
-	-	-	-	-	(911,654)
-	-	-	-	-	109,382
-	-	-	-	-	(2,859,785)
(1,150,598)	(171,846)	(62,618)	-	-	(1,839,326)
<u>(1,150,598)</u>	<u>(171,846)</u>	<u>(62,618)</u>	<u>-</u>	<u>-</u>	<u>(1,839,326)</u>
3,749,621	528,705	1,419,066	-	2,481,478	13,954,571
49,514,896	7,356,337	773,126	-	8,631,944	82,821,684
<u>\$ 53,264,517</u>	<u>\$ 7,885,042</u>	<u>\$ 2,192,192</u>	<u>\$ -</u>	<u>\$ 11,113,422</u>	<u>\$ 96,776,255</u>
53,264,517	7,885,042	2,192,192	-	11,113,422	96,776,255
<u>\$ 53,264,517</u>	<u>\$ 7,885,042</u>	<u>\$ 2,192,192</u>	<u>\$ -</u>	<u>\$ 11,113,422</u>	<u>\$ 96,776,255</u>
\$ 2,303,995	\$ 780,061	\$ (3,215,184)	\$ (5,423,620)	\$ 2,865,408	\$ (2,146,712)
-	-	-	-	15,824	5,070,593
-	-	-	-	-	9,040
(331,398)	-	(64,964)	-	(2,855,546)	(5,465,695)
-	-	-	-	-	(45,441)
(48,629)	-	630,730	-	80,349	3,637,380
(31,726)	(79,510)	(24,466)	-	-	(350,980)
(8,922)	-	(17,599)	-	106,027	(54,251)
(8,406,000)	-	(6,084,219)	-	-	(14,490,219)
-	-	-	-	-	-
11,120,000	-	6,303,833	-	-	17,423,833
738,521	-	150,360	-	6,275,181	12,059,794
2,876	-	1,075	-	16,691	36,405
(438,498)	-	(93,770)	-	(3,654,824)	(7,063,640)
<u>\$ 4,900,219</u>	<u>\$ 700,551</u>	<u>\$ (2,414,204)</u>	<u>\$ (5,423,620)</u>	<u>\$ 2,849,110</u>	<u>\$ 8,620,107</u>



THIS PAGE INTENTIONALLY BLANK

---

**FIDUCIARY FUNDS**

---

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, 2023**

	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	\$ -	\$ 169,914	\$ 9,366,065
Investments, at fair value:			
Medium term notes	-	491,535	-
US agency securities	-	2,757,143	14,810,830
Municipal bonds	-	-	5,137,600
Preferred Securities	-	840,513	4,918,702
Savo Island loan	-	-	150,000
Guaranteed investment contracts	-	-	-
Interest receivable	-	14,312	340,127
<b>Total assets</b>	<b>-</b>	<b>4,273,417</b>	<b>34,723,324</b>
<b>Liabilities</b>			
Accounts payable	-	-	1,356,318
Accrued interest payable	-	-	-
Accrued salaries and wages	-	-	-
Bonds payable - noncurrent	-	-	-
Net pension liabilities	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,356,318</b>
<b>Net position restricted for:</b>			
Employee pension benefits held in trust	-	4,273,417	-
Employee OPEB benefits held in trust	-	-	33,367,006
Held in trust City of Berkeley Successor Agency assets	-	-	-
<b>Total net position</b>	<b>\$ -</b>	<b>\$ 4,273,417</b>	<b>\$ 33,367,006</b>

**Other Post-Employment Benefits  
Trust Funds**

<b>Police Retiree Premium Assistance Plan</b>	<b>Fire Employees Retiree Health Plan</b>	<b>Total</b>
\$ 212,004	\$ -	\$ 9,747,983
-	1,966,140	2,457,675
1,641,727	9,151,267	28,360,967
-	-	5,137,600
564,806	2,107,979	8,432,000
-	-	150,000
-	-	-
7,968	38,751	401,158
<u>2,426,505</u>	<u>13,264,137</u>	<u>54,687,383</u>
244,315	598,757	2,199,390
-	-	-
-	-	-
-	-	-
<u>244,315</u>	<u>598,757</u>	<u>2,199,390</u>
-	-	4,273,417
2,182,190	12,665,380	48,214,576
-	-	-
<u>\$ 2,182,190</u>	<u>\$ 12,665,380</u>	<u>\$ 52,487,993</u>



**Statement of Changes in Fiduciary Net Position  
Pension and OPEB Trust Funds  
For the year ended June 30, 2023**

	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>			
Tax increment income	\$ -	\$ -	\$ -
Contributions: employer	318,876	2,220,179	2,658,428
Investment income	-	-	-
Interest income		184,261	1,279,103
Increase (Decrease) in FMV of investments		5,957	584,079
Total Investment income	-	190,218	1,863,182
Total additions	318,876	2,410,397	4,521,610
<b>Deductions:</b>			
Community development	-	-	-
Benefits payment for service	318,876	2,766,667	1,417,464
Administrative expenses	-	-	-
Investment expense	-	-	-
Total deductions	318,876	2,766,667	1,417,464
Change in net position	-	(356,270)	3,104,146
Total net position - beginning	-	4,629,686	30,262,860
Total net position - ending	\$ -	\$ 4,273,416	\$ 33,367,006

**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	911,240	6,508,859
-	-	-
84,929	543,186	2,091,479
13,344	22,830	626,210
98,273	566,016	2,717,689
498,409	1,477,256	9,226,548
-	-	-
465,182	580,817	5,549,006
-	-	-
-	-	-
465,182	580,817	5,549,006
33,227	896,439	3,677,542
2,148,963	11,768,941	48,810,451
\$ 2,182,190	\$ 12,665,380	\$ 52,487,993



THIS PAGE INTENTIONALLY BLANK

---

## CUSTODIAL FUNDS

---

The **District 47 Underground/Miller Fund** accounts for property tax collected, and bond proceeds, for the District 47 residents for the underground utility.

The **Sustainable Energy Fund** accounts for property tax collected, and bond proceeds, for the renewable solar system for Berkeley citizens.

The **Solano Avenue Bid Fund** accounts for the revenue assessed from the Solano Avenue's business district to be used for expenses related for cleaning, repairing and advertising improvement for the district in order to general aggressive sales benefit as a long term goal.

The **Telegraph Business Improvement District Fund** is used to receive special real property assessments monies, which is used to improve the commercial business district of Telegraph area. The management district provides maintenance, revitalization and marketing services above and beyond those provided by the City of Berkeley.

The **Thousand Oaks Undergrounding Fund** accounts for property tax collected, and bond proceeds, for the Thousand Oaks District residents for the underground utility.

The **Measure H School Tax Fund** accounts for property tax collected under Measure H for the Berkeley Unified School District.

The **CFD No. 1 Disaster Fire Protection Mello-Roos Fund** accounts for property tax collected, and bond proceeds, for the Community Fire District Mello-Roos.

The **Sick Leave Entitlement Fund** accounts for unused sick leave balances for retirees.

The **Berkeley Tourism BID Fund** accounts for Business Improvement District Taxes collect for the purpose of business and economic development in the city.

The **Elmwood Business Improvement District Fund** accounts for assessment fee collected for the Elmwood Business District for improvement purposes.

The **North Shattuck Business Improvement District Fund** established for the purpose of collecting and accounting for bid revenues.

The **Downtown Berkeley Property and Improvement District Fund** accounts for the revenue assessed from the Downtown Berkeley's business district to be used for expenses related for cleaning, repairing and advertising improvement for the district in order to general aggressive sales benefit as a long term goal.

**Combining Statement of Net Position  
Custodial Funds  
June 30, 2023**

	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	\$ 38,118	\$ 14,716	\$ 170,557	\$ 313,895
Taxes receivable	-	-	-	3,427	445
Other accounts receivable	-	-	1,000	-	-
Total assets	<u>124,312</u>	<u>38,118</u>	<u>15,716</u>	<u>173,984</u>	<u>314,340</u>
<b>Liabilities</b>					
Accounts payable	-	-	-	-	-
Accrued salaries and wages	-	-	-	-	-
Deposits held	-	14,490	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>14,490</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	-	-	7,000	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>-</u>
<b>Net position restricted for:</b>					
Individuals, organizations, and other governments	124,312	23,628	8,716	173,984	314,340
Total net position	<u>\$ 124,312</u>	<u>\$ 23,628</u>	<u>\$ 8,716</u>	<u>\$ 173,984</u>	<u>\$ 314,340</u>

Measure H School Tax	CFD No. 1 Disaster Fire Protection Mello-Roos	Sick Leave Entitlement	Berkeley Tourism BID	Elmwood Business Improvement District	North Shattuck Business Improvement District	DT Berkeley Property and Improvement District	Total
\$ 153,569	\$ 1,767,257	\$ -	\$ 116,097	\$ 28,918	\$ 97,459	\$ 19,101	\$ 2,843,999
-	1,282	-	-	-	2,167	3,591	10,912
17,200	-	-	-	-	-	-	18,200
<u>170,769</u>	<u>1,768,539</u>	<u>-</u>	<u>116,097</u>	<u>28,918</u>	<u>99,626</u>	<u>22,692</u>	<u>2,873,111</u>
-	8,071	212,933	196,096	-	-	19,851	436,951
-	11,223	-	-	-	-	-	11,223
-	-	-	-	-	-	-	14,490
-	1,090	230,184	-	-	-	-	231,274
-	<u>20,384</u>	<u>443,117</u>	<u>196,096</u>	<u>-</u>	<u>-</u>	<u>19,851</u>	<u>693,938</u>
32,981	397	-	-	-	-	-	40,378
<u>32,981</u>	<u>397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,378</u>
137,788	1,747,758	(443,117)	(79,999)	28,918	99,626	2,841	2,138,795
<u>\$ 137,788</u>	<u>\$ 1,747,758</u>	<u>\$ (443,117)</u>	<u>\$ (79,999)</u>	<u>\$ 28,918</u>	<u>\$ 99,626</u>	<u>\$ 2,841</u>	<u>\$ 2,138,795</u>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the year ended June 30, 2023**

	District 47 Underground/ Miller	Sustainable Energy	Solano Avenue Bid	Telegraph Business Improvement District	Thousand Oaks Undergrounding
<b>Additions:</b>					
Property tax collections for other entities	\$ -	\$ 37,464	\$ 25,174	\$ 539,643	\$ 114,893
Investment income	-	-	-	-	35
Total additions	<u>-</u>	<u>37,464</u>	<u>25,174</u>	<u>539,643</u>	<u>114,928</u>
<b>Deductions:</b>					
Personnel services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Payments of property tax to other entities	-	-	25,039	370,065	-
Payments to others	-	21,509	-	-	98,581
Total deductions	<u>-</u>	<u>21,509</u>	<u>25,039</u>	<u>370,065</u>	<u>98,581</u>
Change in net position	-	15,955	135	169,578	16,347
Total net position	<u>124,312</u>	<u>7,673</u>	<u>8,581</u>	<u>4,406</u>	<u>297,993</u>
Total net position	<u>\$ 124,312</u>	<u>\$ 23,628</u>	<u>\$ 8,716</u>	<u>\$ 173,984</u>	<u>\$ 314,340</u>

Measure H School Tax	CFD No. 1 Disaster Fire Protection Mello-Roos	Sick Leave Entitlement	Berkeley Tourism BID	Elmwood Business Improvement District	North Shattuck Business Improvement District	DT Berkeley Property and Improvement District	Total
\$ 291,220	\$ 7,462	\$ 201,501	\$ 747,830	\$ 28,918	\$ 204,512	\$ 1,380,398	\$ 3,579,015
-	-	-	-	-	-	-	35
291,220	7,462	201,501	747,830	28,918	204,512	1,380,398	3,579,050
-	290,086	-	-	-	-	-	290,086
-	188,702	-	-	-	-	-	188,702
211,835	-	-	947,961	33,518	102,539	1,620,317	3,311,274
-	584,233	276,373	-	-	-	-	980,696
211,835	1,063,021	276,373	947,961	33,518	102,539	1,620,317	4,770,758
79,385	(1,055,559)	(74,872)	(200,131)	(4,600)	101,973	(239,919)	\$ (1,191,708)
58,403	2,803,317	(368,245)	120,132	33,518	(2,347)	242,760	3,330,503
\$ 137,788	\$ 1,747,758	\$ (443,117)	\$ (79,999)	\$ 28,918	\$ 99,626	\$ 2,841	\$ 2,138,795





THIS PAGE INTENTIONALLY BLANK



ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

# STATISTICAL SECTION





THIS PAGE INTENTIONALLY BLANK

# 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>303</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>313</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>317</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>323</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>327</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 153,321,028	\$ 144,121,755	\$ 141,589,468	\$ 141,589,468
Restricted for debt services	9,879,916	10,252,532	14,108,873	14,108,873
Restricted for special purpose	98,125,716	103,118,112	115,277,370	115,277,370
Restricted for capital project	14,927,978	11,955,810	13,173,675	13,173,675
Unrestricted	(391,884,379)	(387,079,250)	(383,255,676) <sup>(2)</sup>	(383,255,676) <sup>(2)</sup>
<b>Total governmental activities net position (as restated)</b>	<u>\$ (115,629,741)</u>	<u>\$ (117,631,041)</u>	<u>\$ (99,106,290)</u>	<u>\$ (99,106,290)</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 141,101,726	\$ 148,835,892	\$ 159,340,573	\$ 159,340,573
Restricted for debt services	3,564,661	-	-	-
Unrestricted	(37,326,378) <sup>(1)</sup>	(25,344,187)	(16,664,516)	(16,664,516)
<b>Total business-type activities net position (as restated)</b>	<u>\$ 107,340,009</u>	<u>\$ 123,491,705</u>	<u>\$ 142,676,057</u>	<u>\$ 142,676,057</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 294,422,754	\$ 292,957,647	\$ 300,930,041	\$ 300,930,041
Restricted	126,498,271	125,326,454	142,559,917	142,559,917
Unrestricted	(429,210,756)	(412,423,438)	(399,920,192) <sup>(2)</sup>	(399,920,192) <sup>(2)</sup>
<b>Total primary government net position (as restated)</b>	<u>\$ (8,289,731)</u>	<u>\$ 5,860,663</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

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$ 163,655,234	\$ 148,963,344	\$ 161,393,048	\$ 182,328,842	\$ 217,483,591	\$ 221,025,803
11,633,006	11,493,670	12,604,209	15,901,481	19,056,617	21,784,012
196,956,720	157,015,284	183,188,081	225,221,791	299,306,026	330,549,607
7,986,845	7,929,263	8,079,264	8,100,475	-	-
(502,673,152) <sup>(3)</sup>	(428,454,001)	(484,103,854)	(533,226,565)	(486,958,799)	(438,408,208)
<u>\$ (122,441,347)</u>	<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>
\$ 171,499,174	\$ 178,421,303	\$ 189,800,731	\$ 185,554,832	\$ 193,099,462	\$ 194,599,398
-	-	-	-	-	-
(4,300,338) <sup>(3)</sup>	(1,651,335)	5,456,014	24,868,148	46,770,459	64,601,241
<u>\$ 167,198,836</u>	<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>
\$ 335,154,408	\$ 327,384,647	\$ 351,193,779	\$ 367,883,674	\$ 410,583,053	\$ 415,625,201
216,576,571	176,438,217	203,871,554	249,223,747	318,362,643	352,333,619
(506,973,490) <sup>(3)(4)</sup>	(430,105,336)	(478,647,840)	(508,358,418)	(440,188,340)	(373,806,967)
<u>\$ 44,757,489</u>	<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>



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

	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities:					
General government	\$ 30,139,123	\$ 31,486,649	\$ 31,344,033	\$ 36,177,528	\$ 47,539,559
Public safety	95,581,595	106,809,311	114,150,343	101,655,408	123,171,811
Highways and streets	14,732,355	19,738,696	17,611,249	16,051,208	18,628,805
Health and welfare	20,035,232	19,422,959	19,734,011	23,806,106	28,183,652
Culture and recreation	36,753,573	35,475,983	34,749,031	37,190,348	42,996,852
Community development/housing	17,793,785	17,752,712	17,593,646	20,571,263	25,125,419
Economic development	3,112,661	3,850,278	4,183,775	2,311,510	2,719,990
Interest on long-term debt	5,458,242	3,886,382	4,778,074	4,595,099	5,287,052
Total governmental activities	<u>223,606,566</u>	<u>238,422,970</u>	<u>244,144,162</u>	<u>242,358,470</u>	<u>293,653,140</u>
Business-type activities:					
Parking related	8,420,892	8,915,668	8,482,161	10,701,956	10,736,569
Marina operations and maintenance	5,648,254	5,067,986	5,075,974	6,027,251	7,046,873
Sewer services	13,223,132	13,545,934	12,061,833	13,143,481	13,018,315
Clean storm water	3,081,135	2,902,288	2,857,423	2,975,238	2,938,401
Refuse services	31,936,126	32,611,968	30,939,532	36,964,948	40,242,431
Permit service center	10,247,574	12,069,245	14,887,645	14,667,858	16,915,058
Building purchase and management	2,932,886	2,749,275	2,440,891	2,814,061	2,666,087
Total business-type activities	<u>75,489,999</u>	<u>77,862,364</u>	<u>76,745,459</u>	<u>87,294,793</u>	<u>93,563,734</u>
Total primary government expenses	<u>\$ 299,096,565</u>	<u>\$ 316,285,334</u>	<u>\$ 320,889,621</u>	<u>\$ 329,653,263</u>	<u>\$ 387,216,874</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 3,794,993	\$ 3,584,077	\$ 3,915,028	\$ 5,236,680	\$ 5,720,397
Public safety	14,294,277	7,440,233	14,535,669	14,387,253	11,168,764
Highways and streets	2,507,375	2,320,608	1,666,472	1,355,297	1,909,139
Health and welfare	1,612,417	1,582,411	1,633,130	1,958,225	1,494,988
Culture and recreation	2,268,394	2,182,771	2,298,241	2,154,058	2,628,060
Community development/housing	3,049,266	2,319,125	5,226,574	5,267,951	3,451,491
Economic development	639,700	691,350	629,397	43,321	186,584
Operating grants and contributions	33,064,026	33,379,186	35,167,186	42,894,135	25,099,244
Capital grants and contributions	2,421,781	2,000,063	2,194,454	2,609,542	4,806,465
Total governmental activities program revenues	<u>63,652,229</u>	<u>55,499,824</u>	<u>67,266,151</u>	<u>75,906,462</u>	<u>56,465,132</u>
Business-type activities:					
Charges for services:					
Refuse services	34,246,485	38,923,942	40,529,067	41,846,007	45,004,548
Marina operations and maintenance	5,477,565	6,242,357	6,709,274	6,435,644	5,793,447
Sewer services	13,394,617	13,090,534	14,880,418	19,868,359	23,979,787
Clean storm water	2,067,572	2,068,847	2,087,827	2,064,770	2,061,279
Permit service center	14,848,940	17,911,716	15,774,949	18,579,481	17,803,610
Parking related	11,717,962	13,062,773	13,349,457	12,396,672	12,332,740
Building purchase and management	2,212,217	2,216,349	2,256,349	1,978,447	2,841,172
Operating and capital grants and contributions	41,575	383,930	99,845	5,250	535,569
Total business-type activities program revenues	<u>84,006,933</u>	<u>93,900,448</u>	<u>95,687,186</u>	<u>103,174,630</u>	<u>110,352,152</u>
Total primary government revenues	<u>\$ 147,659,162</u>	<u>\$ 149,400,272</u>	<u>\$ 162,953,337</u>	<u>\$ 179,081,092</u>	<u>\$ 166,817,284</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (159,954,337)	\$ (182,923,146)	\$ (176,878,011)	\$ (166,452,008)	\$ (237,188,008)
Business-type activities	786,268	16,038,085	18,941,727	15,879,837	16,788,418
Total primary government net (expense)/revenue	<u>\$ (159,168,069)</u>	<u>\$ (166,885,061)</u>	<u>\$ (157,936,284)</u>	<u>\$ (150,572,171)</u>	<u>\$ (220,399,590)</u>

2019	2020	2021	2022	2023
\$ 39,612,843	\$ 36,361,812	\$ 37,969,856	\$ 32,819,873	\$ 41,379,815
133,992,694	157,090,127	149,237,352	111,224,119	152,870,594
22,246,641	24,788,042	16,721,534	20,097,032	22,670,725
35,370,732	40,673,233	41,577,559	37,029,496	40,215,932
52,589,537	45,695,251	51,985,738	42,017,875	50,969,408
27,346,388	34,523,756	32,758,249	37,658,556	47,547,871
5,459,483	6,704,853	5,627,518	6,376,040	5,740,020
4,970,955	5,336,107	5,527,301	6,196,846	7,856,844
<u>321,589,272</u>	<u>351,173,181</u>	<u>341,405,107</u>	<u>293,419,837</u>	<u>369,251,209</u>
15,166,461	15,216,074	10,744,575	14,285,865	13,858,277
6,893,836	6,822,452	7,234,475	6,102,667	7,319,483
17,774,981	16,210,405	17,247,422	16,748,645	15,051,171
2,318,716	2,290,427	2,631,714	2,750,543	3,806,181
43,117,310	44,402,312	44,269,653	43,158,125	49,800,325
17,491,552	20,565,515	19,589,787	17,184,988	19,014,775
2,629,827	2,819,469	2,468,796	2,491,713	2,798,937
<u>105,392,683</u>	<u>108,326,654</u>	<u>104,186,422</u>	<u>102,722,546</u>	<u>111,649,149</u>
<u>\$ 426,981,955</u>	<u>\$ 459,499,835</u>	<u>\$ 445,591,529</u>	<u>\$ 396,142,383</u>	<u>\$ 480,900,358</u>
\$ 4,313,273	\$ 3,131,573	\$ 4,397,955	\$ 8,330,119	\$ 6,898,201
11,145,339	9,067,824	10,187,676	10,912,787	15,915,575
1,413,973	2,722,787	1,400,964	3,699,746	3,593,027
1,479,103	1,163,819	1,087,713	2,713,528	2,122,437
2,291,989	1,202,687	2,317,382	4,087,107	4,406,883
5,165,907	7,074,535	6,298,729	20,312,417	17,574,961
463,045	-	-	-	895,612
27,032,700	30,366,687	37,789,826	78,791,428	74,869,544
3,363,352	7,037,595	17,948,256	11,585,728	3,533,695
<u>56,668,681</u>	<u>61,767,507</u>	<u>81,428,501</u>	<u>140,432,860</u>	<u>129,809,935</u>
48,524,914	21,413,637	47,254,269	49,557,551	50,887,731
6,934,118	6,304,333	8,933,581	6,113,093	6,561,217
24,344,044	23,533,991	26,495,328	25,558,093	24,385,878
3,949,602	4,062,103	4,135,134	4,328,800	4,421,484
16,685,852	11,268,937	21,999,153	30,544,861	27,856,023
14,215,039	48,721,810	5,866,541	11,034,615	13,183,193
2,734,674	2,810,620	2,768,005	2,860,859	2,559,540
-	-	-	-	-
<u>117,388,243</u>	<u>118,115,431</u>	<u>117,452,011</u>	<u>129,997,872</u>	<u>129,855,066</u>
<u>\$ 174,056,924</u>	<u>\$ 179,882,938</u>	<u>\$ 198,880,512</u>	<u>\$ 270,430,732</u>	<u>\$ 259,665,001</u>
\$ (264,920,595)	\$ (289,405,674)	\$ (259,976,606)	\$ (152,986,977)	\$ (239,441,274)
<u>11,995,560</u>	<u>9,788,777</u>	<u>13,265,589</u>	<u>27,275,326</u>	<u>18,205,917</u>
<u>\$ (252,925,035)</u>	<u>\$ (279,616,897)</u>	<u>\$ (246,711,017)</u>	<u>\$ (125,711,651)</u>	<u>\$ (221,235,357)</u>

Continued



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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes, levied for general purposes	\$ 65,118,610	\$ 70,348,949	\$ 73,726,035	\$ 80,791,426	\$ 85,758,114
Property taxes, levied for debt service	6,479,721	7,684,617	7,822,325	7,231,134	7,803,416
Property taxes for special purposes:					
Library	15,273,714	15,971,859	16,454,651	17,316,575	18,125,394
Parks	9,483,390	9,652,446	9,951,462	11,704,798	12,307,839
Paramedic	2,537,917	2,586,719	2,665,478	2,759,600	2,822,459
Fire	3,926,460	4,119,965	4,201,668	4,431,198	4,643,707
Sales taxes	15,925,900	16,583,124	17,111,938	20,577,996	17,944,285
Utility users taxes	14,363,898	14,387,874	14,337,343	14,186,649	15,199,534
Transient occupancy taxes	555,601	6,245,833	7,131,568	7,879,633	7,753,933
Business license tax	15,266,649	15,370,377	16,102,328	18,773,158	19,500,558
Other taxes	3,995,492	3,135,412	3,860,198	3,582,337	7,617,254
Unrestricted motor vehicle fees	-	-	-	-	-
Other unrestricted state subventions	397,143	400,987	389,343	389,424	387,332
Contributions not restricted to specific programs	751,041	1,226,855	221,637	195,733	362,374
Interest and investment earnings	2,273,001	4,125,873	2,506,398	3,415,952	1,821,527
Insurance reimbursement	-	-	-	-	-
Miscellaneous	1,448,935	6,924,698	3,445,882	2,169,816	4,671,918
Gain/loss on sale of capital assets	74,922	1,156,367	90,971	71,608	-
Extraordinary gain/(loss)	-	-	988,313	-	-
Transfers	1,484,222	1,249,232	(85,691)	(74,271)	92,978
Total governmental activities	<u>159,356,616</u>	<u>181,171,187</u>	<u>180,921,847</u>	<u>195,402,766</u>	<u>206,812,622</u>
Business-type activities					
Interest and investment earnings	126,400	387,021	27,918	168,021	123,865
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	2,006	3,293	-	332	-
Transfers	(1,484,222)	(1,249,232)	85,691	74,271	(92,978)
Total business-type activities	<u>(1,355,816)</u>	<u>(858,918)</u>	<u>113,609</u>	<u>242,624</u>	<u>30,887</u>
Total primary government	<u>\$ 158,000,800</u>	<u>\$ 180,312,269</u>	<u>\$ 181,035,456</u>	<u>\$ 195,645,390</u>	<u>\$ 206,843,509</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 10,926,558	\$ 21,216,848	\$ (2,001,301)	\$ 18,524,751	\$ 40,360,614
Business-type activities	505,863	7,658,016	16,151,695	19,184,352	15,910,724
Total primary government	<u>\$ 11,432,421</u>	<u>\$ 28,874,864</u>	<u>\$ 14,150,394</u>	<u>\$ 37,709,103</u>	<u>\$ 56,271,338</u>

Continued

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	92,655,664	\$ 114,315,762	\$ 126,973,349	\$ 153,440,402	\$ 135,683,027
	9,334,683	9,462,115	12,183,689	12,790,133	17,054,302
	19,086,897	20,375,089	20,710,050	22,351,009	24,057,930
	12,960,911	13,865,074	14,582,521	15,737,217	16,942,876
	2,964,822	3,156,883	3,237,447	3,426,681	3,607,795
	4,889,292	5,218,308	5,298,142	18,224,563	14,762,117
	18,857,882	18,253,632	17,619,492	19,976,288	19,922,287
	14,688,225	13,557,384	13,876,525	15,001,999	17,606,482
	8,754,269	7,040,883	3,114,546	6,976,513	9,284,123
	25,805,130	28,763,018	25,363,297	28,322,034	30,483,345
	22,144,726	22,962,304	23,384,480	27,160,604	28,327,153
	-	-	-	-	-
	390,434	388,062	385,644	384,008	392,433
	265,286	443,939	653,399	1,031,485	533,982
	3,282,904	13,099,214	7,887,837	(15,823,184)	5,449,667
	-	3,597,947	-	-	-
	2,871,625	1,564,914	890,427	1,975,103	1,167,004
	-	17,825	447,058	263,857	109,382
	-	-	-	-	-
	1,030,495	(526,148)	(1,296,542)	(7,690,324)	121,148
	<u>239,983,245</u>	<u>275,556,205</u>	<u>275,311,361</u>	<u>303,548,388</u>	<u>325,505,053</u>
	280,816	3,592,813	47,274	(5,518,709)	(641,043)
	323,866	-	-	-	-
	-	11,434	(10)	-	1,847
	(1,030,495)	526,148	1,296,542	7,690,324	(121,148)
	(425,813)	4,130,395	1,343,806	2,171,615	(760,344)
\$	<u>239,557,432</u>	<u>279,686,599</u>	<u>276,655,167</u>	<u>305,720,003</u>	<u>324,744,709</u>
\$	2,795,237	\$ (13,849,470)	\$ 15,334,756	\$ 150,561,411	\$ 86,063,779
	16,362,605	13,919,172	14,609,395	29,446,941	17,445,573
\$	<u>19,157,842</u>	<u>69,702</u>	<u>29,944,151</u>	<u>180,008,352</u>	<u>103,509,352</u>
					Concluded

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ 75,000	\$ 142,342
Restricted	3,648,330	3,648,330	3,595,304	4,255,304	3,755,304
Committed	-	-	-	-	-
Assigned	2,829,511	3,830,670	3,686,427	3,015,329	33,373,367
Unassigned	39,213,698	45,810,050	57,742,775	56,312,803	46,614,130
Total general fund	<u>\$ 45,691,539</u> <sup>(3)</sup>	<u>\$ 53,289,050</u>	<u>\$ 65,024,506</u>	<u>\$ 63,658,436</u> <sup>(4)</sup>	<u>\$ 83,885,143</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 1,991,263	\$ 3,024,783	\$ -	\$ 894,467	\$ -
Restricted	137,830,132	135,592,436	146,652,555	171,561,176	213,078,230
Committed	-	-	-	-	-
Assigned	10,524,900	12,140,810	13,741,138	9,654,440	9,098,207
Unassigned	(7,689,049)	(5,111,970)	(4,055,850)	(6,003,579)	(5,458,232)
Total all other governmental funds	<u>\$ 142,657,246</u> <sup>(3)</sup>	<u>\$ 145,646,063</u>	<u>\$ 156,337,845</u>	<u>\$ 176,106,504</u> <sup>(4)</sup>	<u>\$ 216,718,205</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.

2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ -	\$ -
3,696,971	4,820,212	6,196,569	13,817,991	31,121,862
-	-	29,744,146	46,879,379	40,677,503
42,666,449	44,704,796	19,577,650	12,162,510	16,752,951
46,872,247	48,544,061	56,363,765	75,183,598	69,914,828
<u>\$ 93,235,667</u>	<u>\$ 98,069,069</u>	<u>\$ 111,882,130</u>	<u>\$ 148,043,478</u>	<u>\$ 158,467,144</u>
\$ 485,140	\$ 485,140	\$ 1,127,417	\$ 485,140	\$ -
172,741,247	199,051,339	243,027,178	304,059,510	321,211,757
56,528,083	51,007,441	47,508,039	60,737,146	80,422,023
14,406,925	12,830,506	9,544,337	7,131,097	17,158,568
(144,666)	(385,951)	(6,579,910)	(8,135,717)	(2,011,008)
<u>\$ 244,016,729</u>	<u>\$ 262,988,475</u>	<u>\$ 294,627,061</u>	<u>\$ 364,277,176</u>	<u>\$ 416,781,340</u>

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

	2014	2015	2016	2017	2018
<b>Revenues:</b>					
Taxes	\$ 160,511,002	\$ 167,926,924	\$ 182,816,853	\$ 202,424,662	\$ 232,141,241
Licenses and permits	815,336	747,408	322,629	556,331	1,112,474
Intergovernmental	45,047,739	43,545,804	49,367,193	38,700,204	32,196,279
Charges for service	12,920,362	13,462,066	15,763,295	18,690,214	17,369,445
Fines and penalties	8,946,415	6,458,690	6,761,750	6,664,490	7,250,933
Rents and royalties	318,261	790,282	1,024,276	575,071	1,167,208
Franchise	1,833,646	1,820,785	1,880,847	2,458,817	2,188,386
Private contribution and donations	1,226,855	221,637	195,733	362,374	265,287
Investment income/ (loss)	3,638,309	2,546,848	3,329,771	1,821,528	3,282,923
Miscellaneous	6,606,437	2,655,600	1,445,540	4,144,140	1,591,740
<b>Total revenues</b>	<b>241,864,362</b>	<b>240,176,044</b>	<b>262,907,887</b>	<b>276,397,831</b>	<b>298,565,916</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	28,157,099	29,951,904	29,742,445	42,974,661	35,642,792
Public safety	90,210,207	92,726,601	98,101,003	104,685,885	104,307,579
Highway and streets	9,460,612	14,417,722	12,762,905	13,933,075	12,214,301
Health and welfare	19,727,071	19,390,326	21,140,809	24,536,400	26,518,050
Culture-recreation	34,221,596	32,825,401	34,226,586	39,520,665	38,347,719
Community development and housing	16,151,191	16,204,711	16,626,123	19,820,452	22,547,249
Economic development	3,125,734	3,845,172	4,252,971	2,341,947	2,633,706
Capital outlay	10,740,356	7,027,752	14,020,367	7,660,615	17,383,694
<b>Debt service:</b>					
Principal repayment	4,204,770	8,370,956	2,160,325	10,964,272	5,295,707
Interest and fiscal charges	4,294,180	4,461,272	4,893,120	4,761,036	5,181,299
Debt issuance costs	-	-	-	-	-
Bonds issuance costs	55,750	57,500	428,417	214,700	243,954
TRAN issuance costs	-	-	-	-	-
<b>Capital outlay:</b>					
Highway and streets	-	-	-	-	-
Culture-recreation	-	-	-	-	-
<b>Total expenditures</b>	<b>220,348,566</b>	<b>229,279,317</b>	<b>238,355,071</b>	<b>271,413,708</b>	<b>270,316,050</b>
<b>Excess (deficiency) of revenues over/(under) expenditures</b>	<b>21,515,796</b>	<b>10,896,727</b>	<b>24,552,816</b>	<b>4,984,123</b>	<b>28,249,866</b>
<b>Other financing sources(uses):</b>					
Transfers in	20,541,117	18,483,505	20,583,750	22,965,817	61,850,103
Transfers out	(23,213,656)	(22,527,217)	(24,464,333)	(25,159,093)	(65,103,257)
Bonds issued	15,000,000	2,700,000	-	15,000,000	35,000,000
Premium on notes and loans issued	445,272	-	-	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)	-	-
Insurance recoveries	-	-	-	-	-
Sale of capital assets	1,149,000	45,000	15,574	3,679	7,145
<b>Total other financing sources(uses)</b>	<b>13,921,733</b>	<b>(1,298,712)</b>	<b>(2,125,580)</b>	<b>13,418,462</b>	<b>32,595,297</b>
<b>Extraordinary gain/ (loss)</b>	<b>-</b>	<b>988,313</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 35,437,529</b>	<b>\$ 9,598,015</b>	<b>\$ 22,427,236</b>	<b>\$ 18,402,585</b>	<b>\$ 60,845,163</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.06%</b>	<b>5.78%</b>	<b>3.15%</b>	<b>5.97%</b>	<b>4.15%</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

	2019	2020	2021	2022	2023
\$	248,703,772	\$ 256,872,153	\$ 266,202,704	\$ 323,260,132	\$ 317,788,378
	1,901,597	2,456,015	1,925,603	4,237,356	2,642,569
	28,956,505	31,476,921	46,370,352	81,435,381	77,531,261
	16,925,097	19,070,459	16,280,893	38,087,197	36,867,454
	5,722,785	4,381,944	3,761,031	5,219,760	6,416,780
	1,149,890	799,983	638,628	1,031,485	408,476
	1,980,538	1,972,164	1,854,994	1,843,962	2,061,619
	462,613	443,939	653,399	1,308,004	533,984
	8,973,164	10,891,239	9,527,497	(11,233,433)	6,959,960
	1,768,486	763,226	251,799	667,099	775,880
	334,471,702	332,725,990	347,466,900	445,856,943	451,986,361
	33,491,216	29,437,616	32,485,673	34,440,650	39,990,723
	113,030,306	128,803,063	132,465,784	140,823,054	148,985,465
	19,110,976	14,087,561	10,471,435	11,940,764	15,518,110
	30,807,652	36,690,027	39,020,384	40,166,088	40,344,774
	43,279,764	47,141,184	47,763,608	51,189,624	46,976,302
	23,682,683	39,276,468	33,448,395	38,154,847	44,729,924
	5,022,535	6,444,578	5,448,693	6,331,876	5,692,489
	-	-	-	-	18,852,131 <sup>(1)</sup>
	6,734,693	6,476,012	7,113,637	5,978,593	7,763,409
	5,477,207	5,704,625	5,637,022	6,353,083	8,395,742
	-	-	-	432,800	-
	-	1,029,749	750,846	-	-
	64,800	71,181	70,517	68,576	67,265
	4,460,002	17,900,178	11,265,763	16,477,971	-
	2,295,544	7,269,574	31,040,969	19,606,683	-
	287,457,378	340,331,816	356,982,726	371,964,609	377,316,334
	47,014,324	(7,605,826)	(9,515,826)	73,892,334	74,670,027
	28,993,415	23,073,587	18,579,336	45,575,565	48,327,148
	(39,358,689)	(31,089,237)	(25,093,830)	(61,840,769)	(60,755,347)
	-	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	-
	17,927,255	3,597,947	13,601,625	6,904,976	686,002
	-	204	-	13,077	-
	(10,365,274)	31,702,392	54,782,878	31,919,128	(11,742,197)
	-	-	-	-	-
\$	36,649,050	\$ 24,096,566	\$ 45,267,052	\$ 105,811,463	\$ 62,927,831
	4.35%	3.88%	4.06%	3.68%	4.51%

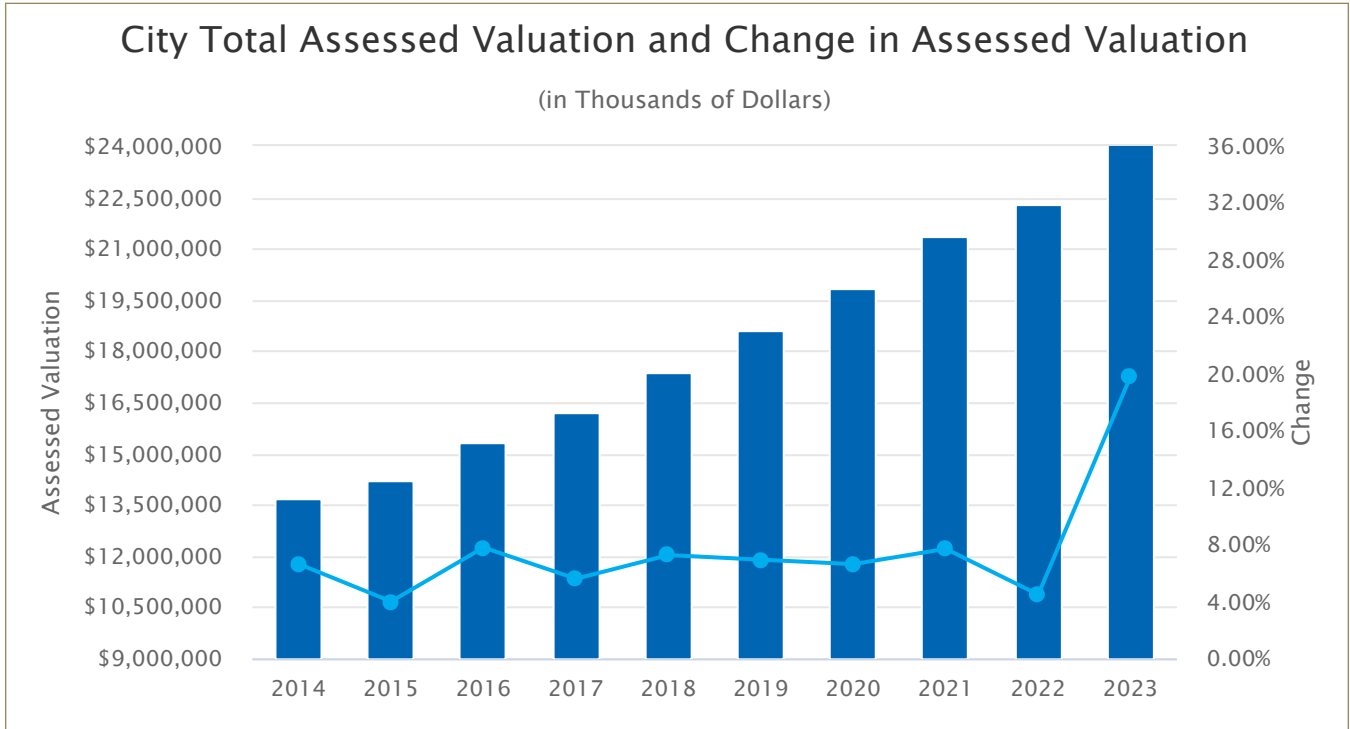
**Schedule V**  
**Assessed Value and Estimated Actual Values of Taxable Property**  
**Last Ten Fiscal Years**  
**(In Thousands of Dollars)**

Fiscal Year	Residential Property	Utility Property	Commercial and Industrial Property			Less Exemptions:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
			Industrial Property	Institutional Property					
2014	\$ 11,213,456	\$ 556	\$ 2,969,778	\$ 297,649	\$ (794,624)	\$ 13,686,815	10.54	\$ 13,686,815	
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	

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		
2014	10.00	0.54	10.54	1.54	0.42	0.07	0.08	0.08	12.72	
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	

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	273,709	2.13%	397,205	1.49%
Ca Ag Logan Park Property Owner Llc			163,855	0.61%
Mark At Berkeley Llc			148,731	0.56%
Foundry31 Owner De Llc			144,538	0.54%
Mcref Acheson Llc			144,422	0.54%
Kaiser Foundation Health Plan Inc			139,265	0.52%
Sutter Bay Hospitals			134,895	0.50%
Berkeley Downtown Hotel Owner Llc			133,741	0.50%
Berkeley Multifamily I Property Owner Llc			106,670	0.40%
1500 San Pablo Llc			97,182	0.36%
Granite Library Gardens LP	60,306	0.47%		
SC Hillside Berkeley, INC	45,663	0.36%		
EQR Action Berkeley LP	118,330	0.92%		
Reddy Hanumandla R & Hanumandla J TRS	34,820	0.27%		
SNK Captec Arpeggio LLC LLC	85,395	0.67%		
Essex Berkeley 4th Street LP	46,255	0.36%		
920 Heinz LP	36,541	0.28%		
1950 MLK LLC	36,275	0.28%		
Ed Roberts Campus	35,206	0.27%		
Total - Principal taxpayers	<u>\$ 772,500</u>	<u>6.01%</u>	<u>\$ 1,610,504</u>	<u>6.02%</u>
Total - All real properties assessed by the City <sup>(1)</sup>	<u>\$ 12,835,482</u>		<u>\$ 26,712,286</u>	

Note:

<sup>(1)</sup> 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
2014	\$ 46,122	\$ 45,464	98.57%	\$ 491	\$ 166	\$ 658
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

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
2014 <sup>(2)</sup>	\$ 87,565	\$ 771	\$ 88,336	\$ 6,625	\$ 530	\$ 7,155
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

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
2014 <sup>(2)</sup>	23,925	2,006	25,931	9,200	-	35,131
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

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)**

<b>Tax Allocation Bonds <sup>(1)</sup></b>	<b>Other</b>	<b>Certificates of Participation (Net of premiums)</b>	<b>Certificates of Participation (premiums)</b>	<b>Total Certificates of Participation</b>	<b>Notes/Loans Payable</b>	<b>Total Governmental Activities</b>
\$ -	\$ 2,460	\$ 5,550	\$ 390	\$ 5,940	\$ 11,340	\$ 115,230
-	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

<b>Total Primary Government</b>	<b>Percentage of Personal Income <sup>(3)</sup></b>	<b>Per Capita <sup>(3)</sup></b>
144,443	3.16%	1,281
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

**Schedule X**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita)**

Fiscal Year Ended June 30,	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>
	General Obligation Bonds <sup>(1), (4)</sup>	Pension Refunding Bonds	Tax Allocation Bonds <sup>(2)</sup>	Certificates of Participation	Total		
2014	\$ 88,336	\$ 1,135	\$ -	\$ 5,940	\$ 95,411	0.70%	\$ 813
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

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, 2023**  
**(In Thousands of Dollars, except assessed valuation)**

2022-2023 Assessed Valuation: \$ 26,712,286

	Debt Outstanding 6/30/2023	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt 6/30/2023
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Alameda County	\$ 515,737	6.92%	\$ 35,689
Bay Area Rapid Transit District	2,486,103	2.72%	67,622
Peralta Community College District	478,541	18.64%	89,200
Berkeley Unified School District	306,848	100.00%	306,839
City of Berkeley (GO bonds net of premium)	210,550	100.00%	210,550
City of Berkeley (GO bonds premium)	10,865	100.00%	10,865
City of Berkeley Community Facilities District No. 1	-	100.00%	0
East Bay Regional Park District	175,963	4.31%	7,584
City of Berkeley Thousand Oaks Heights AFUU Assessment District	860	100.00%	860
Subtotal overlapping tax and assessment debt			<u>729,209</u>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Alameda County and Coliseum Obligations	\$ 706,705	6.92%	\$ 48,904
Alameda-Contra Costa Transit District Certificates of Participation	11,212	8.17%	916
Peralta Community College District Pension Obligations	121,937	18.64%	22,729
City of Berkeley Revenue bonds (Governmental activities)	6,783	100.00%	6,783 <sup>(1)</sup>
City of Berkeley Revenue bonds premium (Governmental activities)	827	100.00%	827 <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 (Governmental activities)	1,835	100.00%	1,835 <sup>(1)</sup>
City of Berkeley Notes and Loans Payable (Governmental activities)	4,594	100.00%	4,594 <sup>(1)</sup>
Subtotal overlapping General Fund debt			<u>\$ 86,588</u>
Overlapping tax increment debt:	-	100.00%	-
<b>TOTAL DIRECT DEBT</b>			<u>235,454</u>
<b>TOTAL OVERLAPPING DEBT</b>			<u>580,343</u>
<b>COMBINED TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u><u>\$ 815,797<sup>(2)</sup></u></u>

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)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 2,053,022	\$ 2,135,095	\$ 2,301,379	\$ 2,430,131	\$ 2,606,477
Debt applicable to limit	88,336	84,608	85,761	91,495	117,520
Legal debt margin	<u>\$ 1,964,686</u>	<u>\$ 2,050,487</u>	<u>\$ 2,215,618</u>	<u>\$ 2,338,636</u>	<u>\$ 2,696,853</u>
Total net debt applicable to the limit as a percentage of debt limit	4.50%	4.13%	3.87%	3.91%	4.36%

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 2023

Assessed Value	\$ 26,712,286
Debt limit	4,006,843
Debt applicable to limit:	<u>210,550</u>
Legal Debt Margin	<u>\$ 3,796,293</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 2,787,173	\$ 2,971,679	\$ 3,200,342	\$ 3,343,715	\$ 4,006,843
<u>111,920</u>	<u>142,905</u>	<u>181,995</u>	<u>181,995</u>	<u>210,550</u>
<u>\$ 2,675,253</u>	<u>\$ 2,828,774</u>	<u>\$ 3,018,347</u>	<u>\$ 3,343,715</u>	<u>\$ 3,796,293</u>
4.18%	5.05%	6.03%	10.92%	5.55%



**Schedule XIII**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (3)	Median Age (4)	Public School Enrollment (5)	University of California Enrollment (6)	City Unemployment Rate (7)
2014	117,372	4,758,965	40,546 <sup>(8)</sup>	32 <sup>(8)</sup>	9,410	36,204	5.8%
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	4.20%

## Source:

- (1) California State Dept. of Finance - Population Research Unit (as of January 1)  
(2) Association of Bay Area Governments, U.S. Census  
(3) From [www.bayareacensus.ca.gov/cities/Berkeley.htm](http://www.bayareacensus.ca.gov/cities/Berkeley.htm)  
(4) Association of Bay Area Governments, Bay Area Census  
(5) Berkeley Unified School District from California Department of Education  
(6) University of California  
(7) From State of California Employment Development Department - Labor market Information Division  
(8) From U.S. Census Bureau

**Schedule XIV  
Principal Employers  
Current Year and Ten Years Ago**

Employer	2013			2023		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
University of California Berkeley	14,245	1	21.20%	13,213	1	20.07%
Lawrence Berkeley National Laboratory	4,200	2	6.25%	3,470	2	5.27%
Sutter East Bay Medical Foundation/Hospitals			0.00%	1,773	3	2.69%
Berkeley Unified School District	1,166	5	1.74%	1,710	4	2.60%
City of Berkeley	1,451	4	2.16%	1,602	5	2.43%
Bayer Coporation	1,132	6	1.68%	1,043	6	1.58%
Kaiser Permanente Medical Group	557	7	0.83%	944	7	1.43%
Siemens Corporation/Healthcare Diagnostics, Inc.			0.00%	679	8	1.03%
Lifelong Medical Care			0.00%	533	9	0.81%
Berkley Bowl Produce	471	9	0.70%	523	10	0.79%
Alta Bates Medical Center	2,517	3	3.75%			0.00%
Pacific Steel Casting Company	533	8	0.79%			0.00%
Berkeley City College	260	10	0.39%			0.00%
<b>Total</b>	<b>26,532</b>		<b>39.49%</b>	<b>25,490</b>		<b>38.70%</b>

Source: City of Berkeley, Office of Economic Development

**Schedule XV**  
**Full-time-Equivalent City Governmental Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2014<sup>(2)</sup></u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government	175.00	172.00	175.78	172.28	186.72
Police	275.00	273.00	273.00	272.00	272.00
Fire	139.75	139.00	140.00	140.00	148.00
Health Services <sup>(3)</sup>	123.95	122.95	121.05	130.25	145.85
Culture and Recreation	101.73	98.88	98.88	96.50	101.50
Community Development/Housing <sup>(1)(3)</sup>	48.45	41.05	41.05	43.55	38.05
Economic Development	5.85	5.85	5.85	5.85	3.00
Library	97.66	101.33	105.95	107.95	110.15
Planning	53.05	61.30	65.00	71.50	82.08
Public Works/Transportation	287.60	285.60	289.60	292.60	295.60
Rent Board	19.45	21.95	19.75	20.60	22.75
<b>Total</b>	<u><u>1,327.49</u></u>	<u><u>1,322.91</u></u>	<u><u>1,335.91</u></u>	<u><u>1,353.08</u></u>	<u><u>1,405.70</u></u>

**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 FY2010 & 2011, some divisions in Health services, Planning were moved to Community development/housing

<sup>(2)</sup> Information is based on FY2012 and 2013 adopted biennial budget from Budget Office

<sup>(3)</sup> During FY12, Housing Department and Health Services Department were consolidated into one department: "Health, Housing & Community Services"

Source: City Manager - Budget Office

2019	2020	2021	2022	2023
197.25	205.75	207.00	214.00	236.25
283.20	288.20	288.20	292.20	318.20
149.00	153.00	153.00	153.00	203.00
145.85	145.85	145.85	145.85	145.85
156.12	155.37	155.37	159.87	165.62
87.33	100.33	100.33	114.73	119.73
7.00	7.00	7.00	7.00	8.00
116.10	116.05	116.05	115.60	115.60
94.80	103.40	103.40	110.33	116.04
300.60	320.50	320.50	323.00	340.00
22.55	22.35	22.35	24.55	23.55
<u>1,559.80</u>	<u>1,617.80</u>	<u>1,619.05</u>	<u>1,660.13</u>	<u>1,791.84</u>

**Schedule XVI  
Operating Indicators  
Last three fiscal years**

FUNCTION/PROGRAM	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
General government			
Building Permits Issued			
Residential Permits Issued	2,832	3,310	3,051
Residential Permits Value	\$ 110,395,311	\$ 139,594,705	\$ 165,941,720
Mixed Use Issued	38 <sup>(1)</sup>	27 <sup>(1)</sup>	21 <sup>(1)</sup>
Mixed Use Value	\$ 128,851,722 <sup>(1)</sup>	\$ 78,653,762 <sup>(1)</sup>	\$ 79,161,268 <sup>(1)</sup>
Commercial Permits Issued	199	267	268
Commercial Permits Value	\$ 82,680,149	\$ 205,439,402	\$ 196,764,392
Residential Parking Permits			
Number of Daily Permits Issued	1,770	12,118	16,299
Number of 14 Day Permits Issued	94	1,109	1,247
Number of Annual Permits Issued	12,277	13,076	12,562
City Clerk			
Number of Council Resolutions Passed	465	482	491
Number of Ordinances Passed	57	50	50
Number of Contracts Passed	471	511	459
General Services			
Number of Purchase Orders Issued	4,142	4,534	5,000
Police			
Physical Arrests	2,248	2,144	2,469
Parking Violations	85,259	128,271	146,919
Traffic (moving) Violations	1,838	1,351	2,034
DUI Arrests	87	111	137
Fire			
Structure Fires	58	73	88
Vehicle Fire	44	29	31
Other Fires	301	238	308
Medical Calls	7,843	9,562	10,437
Haz-mat Calls	569	663	723
Other Calls	4,259	4,622	5,590
Out of City	51	38	40
Department of Health Services			
Health Inspections and Permits	1,528	1,811	2,300
Public Health Services Encounters	73,891	128,812	84,652
Mobile Crisis Visits	1,304	1,184	977
Housing and Community Services Department			
Home Delivered Meal	86,670	81,520	85,716
Summer and year-round jobs provided for youth	113	137	244
Library			
Number of visits made to Library Branches	20,471	564,021	618,074
Number of people that are registered library card holders	144,041	143,372	143,840
Number of times materials from the library circulated (items checked out)	1,646,675	1,397,939	1,436,269

(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

FUNCTION/PROGRAM	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Solid Waste Management			
Transfer Station Customers	132,397 <sup>(2)</sup>	132,296 <sup>(2)</sup>	125,141 <sup>(2)</sup>
Total incoming tons at transfer station			
Refuse and C&D	85,848	90,217	85,494
Organics	28,667 <sup>(3)</sup>	29,336 <sup>(3)</sup>	30,505 <sup>(3)</sup>
Total incoming tons	114,515 <sup>(3)</sup>	119,553 <sup>(3)</sup>	115,999 <sup>(3)</sup>
Landfilled Tons	67,651	74,833	71,400
Recycled /Composted Tons	44,294	43,742	47,506
Total tons exiting transfer station	113,945	118,575	118,906
Recycling Method			
Recycled/Composted tons:			
Organics collection to compost facility	19,834	20,102	20,253
Organics - public to compost facility	8,833	9,234	10,252
Transfer Station Salvage	797	780	785
C&D Diverted at sorting facility	14,118	12,831	15,482
Add'l TS Diversion Programs	712	795	735
TOTAL TRANSFER STATION DIVERSION	44,294	43,742	47,507
Buyback drop-off	2,382	2,607	2,794
Residential Curbside	8,939	7,996	7,506
Commercial recycling	4,085	4,849	5,251
TOTAL RECYLING COLLECTION at CCC (Not at transfer station)	15,406	15,452	15,551
TOTAL CITY CONTROLLED DIVERSION	59,700	59,194	63,058
Other Public Works			
Street Resurfacing/Overlay/Reconstruction (miles)	5	3	3
ADA Compliance: New Curb Ramps	107	42	46
Traffic Circles - Cumulative	57	57	57
Street Poles with Lights - Cumulative	8,036	7,960	8,036
Marina			
Number of Berths	1,032	1,032	1,032
Number of Occupied Berths	838	850	886
Number of new berthers	207	172	178
Number of paid launchers	7,319	5,927	6,076
Launch Ramp Total Revenue	\$ 120,436	\$ 94,832	\$ 97,216
Parking			
Number of Pay and Display Meters Operating	218	230	241
Number of Single Space Meters Operating	2,057	2,017	2,031
Planning and Development Department			
Customers Served	27,087	31,427	28,117
Building & Safety Inspections Performed	28,697	25,339	28,600
Toxics: CUPA Inspections	474	495	316
Sanitary Sewer			
Number of Customer Accounts Billed	33,243	33,548	32,951 (Concluded)

**Schedule XVII**  
**Capital Asset Statistics by Function/Program**  
**Last three fiscal years**

Function/Program	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Police			
Number of Stations	2	2	2
Parking Enforcement Vehicles	48	48	48
Fire			
Number of Stations	7	7	7
Number of Fire Trucks	7*	14*	14
Library			
Central Library	1	1	1
Branch Libraries	4	4	4
Solid Waste Management			
Collection Vehicles	37	37	35
Support Vehicles	20	20	24
Transfer Tractors	8	8	8
Transfer Trailers	8	8	8
Other Public Works			
Streets (miles)	215	215	215
Streetlights	8,036	7,960	8,036
Traffic Signals	142	143	145
Sidewalks (miles)	300	400	375
Parks and Recreation			
Number of Parks	54	54	54
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	6
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	580	1,249	1,249

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.



- 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, 2023**

<u>Security Type</u>	<u>Market Value</u>	<u>Book Value</u>
U.S. agency securities	\$ 402,491,253	432,813,782
Money market	164,531,385	164,531,385
Medium term notes	117,964,504	122,615,746
Corporate bond	989,070	1,000,000
Municipal bond	4,837,200	5,025,690
Certificates of deposit	499,888	500,000
<b>Total</b>	<b>691,313,300</b>	<b>726,486,603</b>

All of the City’s investments comply with its investment policies.

- 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.
- General fund balance sheet for the most recently-completed fiscal year:  
Please see information in the audited financial statements.
- General fund summary of revenues and expenditures for the most recently-completed fiscal year:  
Please see information in the audited financial statements.
- General fund tax revenues by source for the most recently-completed fiscal year:  
Please see information in the audited financial statements.
- 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.
- Top ten property tax assessees for current fiscal year, taxable value and percentage of total assessed value:  
Please see information in the audited financial statements.
- Property tax collection delinquencies for the City:

<b>City of Berkeley Property Tax Collections and Delinquencies (Fiscal Year Ended June 30, 2023) (In Thousands of Dollars)</b>		
Total Property Tax Levied	Delinquent Property Taxes	Percent Delinquent
\$83,845	\$1,136	1.36%

- 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.
- 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 6/30/2023)</b>	<b>Bond Issue</b>	<b>Outstanding (as of 6/30/2023)</b>
1992	\$55,000,000	\$0*	2015 Bonds (Refunded 2002 Bonds, 2007 A Bonds, 2007 B Bonds, 2008 Bonds)	\$18,680,000
1996	\$49,000,000	\$0		
2002	\$7,200,000	\$0		
2008	\$26,000,000	\$0	2020A Bonds (Refunded 2009 Bonds)	\$6,930,000
			2020B Bonds (Refunded 2010 Bonds)	\$10,335,000
2012	\$30,000,000	\$0	2014 Bonds	\$12,325,000
			2016 Bonds	\$13,330,000
2016	\$100,000,000	\$20,000,000	2017 Bonds	\$29,750,000
			2021 Bonds	\$43,500,000
2018	\$135,000,000	\$57,000,000	2020 Bonds	\$35,700,000
			2022 Bonds	\$40,000,000
<b>Total</b>	<b>\$402,200,000</b>	<b>\$77,000,000</b>		<b>\$210,550,000</b>

\* \$32,500,000 of this authorization was unissued but canceled

REPORT INFORMATION

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, 2023).

Fiscal Year	2014	2015	2016	2017	2020	2020	2020	2021	2022	Total
	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds (Measure O)	G.O.Bonds (Series A)	G.O.Bonds (Series B)	G.O. Bonds	G.O. Bonds	
2023-24	892,125.00	3,043,587.50	738,737.50	1,728,181.26	2,007,265.00	533,575.00	804,062.50	2,927,075.00	2,861,920.00	15,536,528.76
2024-25	896,425.00	3,036,712.50	736,612.50	1,728,931.26	2,009,790.00	529,575.00	802,812.50	2,030,325.00	2,595,370.00	14,366,553.76
2025-26	898,787.50	3,038,712.50	740,462.50	1,727,681.26	2,006,352.50	529,950.00	800,562.50	2,028,200.00	2,594,520.00	14,365,228.76
2026-27	895,237.50	3,066,687.50	740,362.50	1,728,856.26	2,006,952.50	529,575.00	807,062.50	2,023,825.00	2,591,570.00	14,390,128.76
2027-28	894,350.00	3,062,687.50	744,562.50	1,727,756.26	2,006,502.50	533,325.00	802,312.50	2,026,950.00	2,591,370.00	14,389,816.26
2028-29	896,150.00	2,110,687.50	747,962.50	1,739,156.26	2,005,002.50	536,075.00	801,437.50	2,022,450.00	2,588,770.00	13,447,691.26
2029-30	892,250.00	988,087.50	757,712.50	1,737,931.26	2,007,365.00	532,950.00	799,312.50	2,020,325.00	2,588,620.00	12,324,553.76
2030-31	892,650.00	394,931.25	763,912.50	1,731,906.26	2,003,590.00	538,825.00	800,812.50	2,026,475.00	2,589,870.00	11,742,972.51
2031-32	892,250.00	394,856.25	764,587.50	1,731,456.26	2,004,946.25	535,750.00	803,887.50	2,032,675.00	2,583,570.00	11,743,978.76
2032-33	890,712.50	394,253.13	764,812.50	1,730,106.26	2,006,390.00	538,950.00	803,787.50	2,033,675.00	2,585,320.00	11,748,006.89
2033-34	892,921.88	392,906.26	765,875.00	1,732,781.26	2,006,696.25	544,725.00	802,687.50	2,028,550.00	2,578,920.00	11,746,063.15
2034-35	894,100.01	391,006.26	767,812.50	1,729,481.26	2,005,865.00	542,200.00	804,037.50	2,032,225.00	2,579,220.00	11,745,947.53
2035-36	888,587.51	393,668.76	773,968.75	1,730,206.26	2,003,896.25	548,700.00	810,643.75	2,036,825.00	2,578,633.00	11,765,129.28
2036-37	891,243.76	390,662.51	779,268.75	1,729,881.26	1,997,815.00	549,675.00	806,650.00	2,037,725.00	2,580,170.00	11,763,091.28
2037-38	887,696.88	391,978.13	783,675.00	1,727,737.51	1,997,346.25	549,600.00	806,325.00	2,038,025.00	2,581,420.00	11,763,803.77
2038-39	887,946.88		787,175.00	1,728,675.01	2,000,096.25	549,075.00	805,400.00	2,037,725.00	2,580,619.00	11,376,712.14
2039-40	886,884.38		790,125.00	1,728,362.51	1,996,065.00	548,100.00	806,925.00	2,036,825.00	2,577,811.00	11,371,097.89
2040-41	888,925.00		797,456.25	1,725,956.26	1,995,252.50			2,035,325.00	2,576,973.00	10,019,888.01
2041-42	884,050.00		804,100.00	1,726,350.01	1,997,471.25			2,033,225.00	2,577,860.00	10,023,056.26
2042-43	887,600.00		809,175.00	1,725,281.26	1,992,721.25			2,035,475.00	2,575,353.00	10,025,605.51
2043-44	884,462.50		817,575.00	1,722,750.01	1,995,908.75			2,032,075.00	2,573,125.00	10,025,896.26
2044-45			825,075.00	1,723,675.01	1,994,740.00			2,031,950.00	2,570,875.00	9,146,315.01
2045-46			831,675.00	1,722,975.01	1,994,405.00			2,034,975.00	2,564,625.00	9,148,655.01
2046-47			837,375.00	1,719,628.13	1,992,200.00			2,031,081.25	2,564,125.00	9,144,409.38
2047-48				1,718,518.75	1,993,040.00			2,030,243.75	2,564,000.00	8,305,802.50
2048-49					1,991,840.00			2,028,506.25	2,559,125.00	6,579,471.25
2049-50					1,988,600.00			2,030,812.50	2,559,250.00	6,578,662.50
2050-51					1,988,235.00			2,027,162.50	2,554,125.00	6,569,522.50
2051-52								2,027,556.25	2,553,500.00	4,581,056.25
									2,547,125.00	2,547,125.00
<b>Total</b>	<b>\$ 18,715,356</b>	<b>\$ 21,491,425</b>	<b>\$ 18,670,056</b>	<b>\$ 43,204,222</b>	<b>\$ 55,996,350</b>	<b>\$ 9,170,625</b>	<b>\$ 13,668,719</b>	<b>\$ 59,798,263</b>	<b>\$ 77,567,754</b>	<b>\$ 318,282,770</b>

Below are the amounts total outstanding principal and remaining interest of each above general obligation debt (as of June 30, 2023).

	2014	2015	2016	2017	2020	2020	2020	2021	2022	Total
	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds	G.O.Bonds (Measure O)	G.O.Bonds (Series A)	G.O.Bonds (Series B)	G.O. Bonds	G.O. Bonds	
Remaining Principal	12,325,000.00	18,680,000.00	13,330,000.00	29,750,000.00	35,700,000.00	6,930,000.00	10,335,000.00	43,500,000.00	40,000,000.00	210,550,000.00
Remaining Interest	6,390,356.00	2,811,426.00	5,340,056.00	13,454,223.00	20,296,351.00	2,240,625.00	3,333,722.00	16,298,263.00	37,567,753.00	107,732,775.00
<b>Total</b>	<b>\$ 18,715,356</b>	<b>\$ 21,491,426</b>	<b>\$ 18,670,056</b>	<b>\$ 43,204,223</b>	<b>\$ 55,996,351</b>	<b>\$ 9,170,625</b>	<b>\$ 13,668,722</b>	<b>\$ 59,798,263</b>	<b>\$ 77,567,753</b>	<b>\$ 318,282,770</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, 2023): \$860,000

**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 2022-2023**

<b>Total Levy</b>	<b>Amount Delinquent</b>	<b>Number of Delinquent Parcels</b>	<b>Delinquency Rate</b>
\$114,839	\$-	0	0%

**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: \$30,785,000**

**B. Balance in funds and accounts held by the Authority, the City or the Trustee relating to the Bonds as of June 30, 2023**

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 <sup>(4)</sup>	35%	44%	77%	80%	90%	93%
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%

<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>September 2019 data.

<sup>(5)</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>(6)</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>(7)</sup>April 2022 data. All garages open at full capacity.

<sup>(8)</sup>April 2023 data.

Source: City's Garage Parking Access and Control System (PARCS) SKIDATA.

**F. Revenues, expenses and changes in net position and statement of net position for each of the Off Street Parking Enterprise and the Parking Meter Enterprise, in substantially the form provided in Tables 2 through 5, respectively, of the Official Statement. (The City does not need to provide projected results for future years.):**

**Table 2**  
**CITY OF BERKELEY**  
**Off Street Parking Fund**  
**Statement of Net Position**

Fiscal Year Ended June 30:	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Assets</b>					
Current Assets:					
Cash and investments in treasury	\$ 4,819,762	\$ 1,395,917	\$ 34,277	\$ 1,145,652	\$ 0
Accounts receivables, net	197,933	376,247	348,562	379,048	221,540
Current portion of lease receivable				228,741	218,824
<b>Total current assets</b>	<u>5,017,695</u>	<u>1,772,164</u>	<u>382,839</u>	<u>1,753,442</u>	<u>440,365</u>
Noncurrent Assets:					
Lease receivable				1,032,739	813,915
Restricted cash and cash equivalents	175,269	-	-	-	-
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	49,444,647	48,771,160	46,876,972	44,941,841	43,006,708
<b>Total capital assets, net</b>	<u>50,736,356</u>	<u>50,062,869</u>	<u>48,168,681</u>	<u>46,233,550</u>	<u>44,298,417</u>
<b>Total noncurrent assets</b>	<u>50,911,625</u>	<u>50,062,869</u>	<u>48,168,681</u>	<u>47,266,289</u>	<u>45,112,332</u>
<b>Total assets</b>	<u>55,929,320</u>	<u>51,835,033</u>	<u>48,551,520</u>	<u>49,019,730</u>	<u>45,552,697</u>
<b>Deferred outflows of resources</b>					
Deferred pension items	117,644	186,454	188,917	97,302	278,739
Deferred OPEB items	-	-	-	59,567	52,349
<b>Total Deferred outflows of resources</b>	<u>117,644</u>	<u>186,454</u>	<u>188,917</u>	<u>156,868</u>	<u>331,088</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,900,761	1,199,138	221,479	40,208	(0)
Accrued salaries and wages	19,334	20,297	21,004	33,404	8,479
Accrued interest payable	91,362	89,555	179,063	85,150	82,488
Due to other funds	-	-	474,894	474,893	474,893
Compensated absences	3,532	4,308	3,709	-	3,825
Deposits held	5,566	5,566	5,566	5,559	5,566
Unearned revenues	-	-	-	-	-
Revenue bonds payable	760,000	760,000	760,000	840,000	870,000
<b>Total current liabilities</b>	<u>2,780,555</u>	<u>2,078,864</u>	<u>1,665,715</u>	<u>1,479,214</u>	<u>1,445,250</u>
Noncurrent liabilities:					
Compensated absences	18,534	22,601	19,459	-	20,069
Revenue bonds payable	34,903,047	34,143,046	33,237,246	32,289,347	31,356,447
Net pension liability	906,988	995,024	1,073,567	739,465	1,126,592
Net OPEB liabilities	82,503	170,590	100,075	53,383	54,792
<b>Total noncurrent liabilities:</b>	<u>35,911,072</u>	<u>35,331,261</u>	<u>34,430,347</u>	<u>33,082,195</u>	<u>32,557,900</u>
<b>Total liabilities</b>	<u>38,691,627</u>	<u>37,410,125</u>	<u>35,621,168</u>	<u>34,561,409</u>	<u>34,003,151</u>
<b>Deferred inflows of resources</b>					
Deferred pension items	54,214	47,836	92,961	242,061	26,038
Deferred OPEB items	-	-	-	134,455	121,523
Deferred lease revenue	-	-	-	1,246,876	1,007,154
<b>Total Deferred inflows of resources</b>	<u>54,214</u>	<u>47,836</u>	<u>92,961</u>	<u>1,623,392</u>	<u>1,154,715</u>
<b>Net Position</b>					
Net investment in capital assets	15,073,309	15,159,823	15,738,682	13,104,202	12,071,970
Unrestricted (deficit)	2,227,814	(596,297)	(3,187,268)	(112,405)	(1,346,050)
<b>Total Net Position</b>	<u>\$ 17,301,123</u>	<u>\$ 14,563,526</u>	<u>\$ 12,551,414</u>	<u>\$ 12,991,797</u>	<u>\$ 10,725,920</u>

**Table 3**  
**CITY OF BERKELEY**  
**Off Street Parking Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

Fiscal Year Ended June 30:	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Revenues:</b>					
Center Street Garage	\$ 1,651,401	\$ 2,273,066	\$ 1,043,093	\$ 2,089,031	\$ 2,877,128
Oxford Garage	666,667	444,237	870	203,835	422,132
Telegraph Garage	1,093,389	884,430	344,194	1,184,198	1,313,252
Others	422,197	315,028	223,427	37,960	66,717
<b>Total revenues <sup>(1)</sup></b>	<b>3,833,654</b>	<b>3,916,761</b>	<b>1,611,584</b>	<b>3,515,024</b>	<b>4,679,229</b>
<b>Operating Expenses:</b>					
Personnel services	336,859	286,275	272,937	292,772	333,059
Employee benefits	257,438	256,254	206,868	72,190	169,117
Transportation	3,728	4,792	3,282	305	416
Repairs and maintenance	635,281	622,118	551,965	530,661	589,405
Materials and supplies	285,262	34,557	4,533	648	672
Utilities	240,831	265,501	232,946	247,044	271,964
Specialized and professional services	3,032,607	2,402,218	1,704,273	2,606,407	2,713,173
Depreciation	1,634,582	1,926,168	1,931,983	1,935,132	1,935,132
Communication	59,940	36,999	50,787	67,416	79,413
General administration	10,171	9,485	1,557	183,598	4,708
<b>Total operating expenses</b>	<b>6,496,699</b>	<b>5,844,367</b>	<b>4,961,131</b>	<b>5,936,173</b>	<b>6,097,059</b>
<b>Operating Income (Loss)</b>	<b>(2,663,045)</b>	<b>(1,927,599)</b>	<b>(3,349,547)</b>	<b>(2,421,149)</b>	<b>(1,417,830)</b>
<b>Non-operating revenues (expenses):</b>					
Other Financing Sources (uses):					
Investment earnings <sup>(2)</sup>	81,889	-	-	(120,510)	(31,039)
Interest expense	(1,090,150)	(1,157,646)	(1,121,735)	(950,038)	(1,009,088)
Gain (loss) on disposal of capital assets	-	-	-	-	-
<b>Total non-operating revenue (expenses)</b>	<b>(1,008,261)</b>	<b>(1,157,646)</b>	<b>(1,121,735)</b>	<b>(1,070,548)</b>	<b>(1,040,127)</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(3,671,306)</b>	<b>(3,085,245)</b>	<b>(4,471,282)</b>	<b>(3,491,697)</b>	<b>(2,457,957)</b>
Transfer in	-	-	1,910,250	3,940,000	200,000
Transfer out	(21,395)	(7,920)	(7,920)	(7,920)	(7,920)
<b>Change in net position</b>	<b>(3,692,701)</b>	<b>(3,093,165)</b>	<b>(2,568,952)</b>	<b>440,383</b>	<b>(2,265,877)</b>
Total Net Position - Beginning	20,993,824	17,656,691	15,120,366	12,551,414	12,991,797
Total Net Position - Ending	<u>\$ 17,301,123</u>	<u>\$ 14,563,526</u>	<u>\$ 12,551,414</u>	<u>\$ 12,991,797</u>	<u>\$ 10,725,920</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**

Fiscal Year Ended June 30:	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 5,343,662	\$ 3,884,015	\$ 2,311,101	\$ 3,947,180	\$ 6,054,781
Accounts receivables, net	13,844	27,054	11,957	15,523	28,809
Total current assets	<u>5,357,506</u>	<u>3,911,069</u>	<u>2,323,058</u>	<u>3,962,703</u>	<u>6,083,589</u>
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	-	-
Construction in Progress	-	-	-	-	-
Buildings, property, equip. & infrastructure, net	1,094,602	773,347	437,132	563,544	473,910
Improvements other than buildings				215,701	220,933
Total capital assets, net	<u>1,094,602</u>	<u>773,347</u>	<u>437,132</u>	<u>779,245</u>	<u>694,843</u>
Total noncurrent assets	<u>1,094,602</u>	<u>773,347</u>	<u>437,132</u>	<u>779,245</u>	<u>694,843</u>
<b>Total assets</b>	<u>6,452,108</u>	<u>4,684,416</u>	<u>2,760,190</u>	<u>4,741,948</u>	<u>6,778,432</u>
<b>Deferred outflows of resources</b>					
Deferred pension items	945,420	1,211,280	1,283,582	864,262	1,955,525
Deferred OPEB items	-	-	-	237,433	209,205
<b>Total Deferred outflows of resources</b>	<u>945,420</u>	<u>1,211,280</u>	<u>1,283,582</u>	<u>1,101,695</u>	<u>2,164,730</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	95,498	304,379	288,625	199,771	11,750
Accrued salaries and wages	200,051	250,144	274,396	270,762	102,370
Accrued interest payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Compensated absences - due within one year	43,929	51,581	47,838	75,096	60,307
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	<u>339,478</u>	<u>606,104</u>	<u>610,859</u>	<u>545,629</u>	<u>174,427</u>
Noncurrent liabilities:					
Compensated absences - due in more than one year	-	-	-	394,015	316,417
Revenue bonds payable - due in more than one year	230,488	270,636	-	-	-
Net pension liability	7,269,261	7,269,261	9,580,057	6,550,216	8,878,607
Net OPEB liabilities	700,654	8,996,404	8,559,686	586,764	592,275
Total noncurrent liabilities:	<u>8,200,403</u>	<u>9,267,040</u>	<u>18,139,743</u>	<u>7,530,995</u>	<u>9,787,299</u>
<b>Total liabilities</b>	<u>8,539,881</u>	<u>9,873,144</u>	<u>18,750,602</u>	<u>8,076,624</u>	<u>9,961,726</u>
<b>Deferred inflows of resources</b>					
Deferred pension items	-	-	-	1,455,888	156,608
Deferred OPEB items	390,874	341,213	418,226	580,507	529,930
Deferred lease revenue				-	-
<b>Total Deferred inflows of resources</b>	<u>390,874</u>	<u>341,213</u>	<u>418,226</u>	<u>2,036,395</u>	<u>686,538</u>
<b>Net Position</b>					
Net investment in capital assets	1,094,602	773,347	437,132	779,245	694,843
Unrestricted (deficit)	<u>(2,627,829)</u>	<u>(5,092,008)</u>	<u>(7,002,502)</u>	<u>(5,058,621)</u>	<u>(2,399,944)</u>
<b>Total Net Position</b>	<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>

Source: City of Berkeley, Department of Finance.

**Table 5**  
**CITY OF BERKELEY**  
**Parking Meter Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

Fiscal Year Ended June 30:	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Operating Revenues:</b>					
Parking meter revenues	\$ 10,381,385	\$ 7,352,176	\$ 4,254,957	\$ 7,519,591	\$ 8,503,964
<b>Total Revenues</b>	10,381,385	7,352,176	4,254,957	7,519,591	8,503,964
<b>Operating Expenses:</b>					
Personnel services	2,746,985	2,979,846	1,459,398	3,317,793	2,838,929
Employee benefits	2,419,282	2,798,124	1,463,511	1,914,678	1,894,233
Transportation	408,485	495,479	135,409	521,459	568,967
Repairs and maintenance	95,061	131,280	65,420	141,470	110,028
Materials and supplies	238,090	205,923	119,754	161,932	125,713
Utilities	12,370	12,195	10,630	9,259	13,500
Specialized and professional services	1,379,317	1,253,135	809,583	1,357,172	873,492
Depreciation	436,448	438,305	394,025	185,037	181,324
Communication	77,106	188,559	152,087	20,624	21,640
General administration	-	-	-	16,334	93,201
<b>Total Operating Expenses</b>	7,813,144	8,502,846	4,609,817	7,645,758	6,721,027
<b>Operating Income (Loss)</b>	2,568,241	(1,150,670)	(354,860)	(126,167)	1,782,937
<b>Non-operating Revenues (Expenses):</b>					
Investment earnings <sup>(1)</sup>	96,473	116,174	-	(166,901)	(167,723)
Interest expense	-	-	(149,551)	-	-
Gain(loss) of dispos. capital assets	-	-	(10)	-	-
<b>Total non-operating revenue (expenses)</b>	96,473	116,174	(149,561)	(166,901)	(167,723)
Net income (loss) before contributions and transfers	2,664,714	(1,034,496)	(504,421)	(293,068)	1,615,214
Transfers in <sup>(2)</sup>	-	-	-	4,340,000	2,700,000
Transfers out	(1,790,299)	(1,750,938)	(1,742,288)	(1,750,938)	(1,750,940)
<b>Change in net position</b>	874,415	(2,785,434)	(2,246,709)	2,295,994	2,564,274
Total Net Position - Beginning	(2,407,642)	(1,533,227)	(4,318,661)	(6,565,370)	(4,269,376)
Total Net Position - Ending	\$ (1,533,227)	\$ (4,318,661)	\$ (6,565,370)	\$ (4,269,376)	\$ (1,705,102)

<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**

<b>Fiscal year ended June 30:</b>	<b>2022-2023</b>
<b>Off street parking enterprise operating revenues</b>	
Center street garage	\$ 2,877,128
Oxford garage	422,132
Telegraph/Channing garage	1,005,850
Telegraph/Channing mall rents	307,402
Other	66,717
<b>Total off street parking enterprise revenues</b>	<b>4,679,229</b>
<b>Off street parking enterprise operating expenses</b>	
Personnel	492,920
Non-personnel	3,637,924
Property and business interruption insurance for Center street garage	-
Parking management services	-
<b>Total off street parking enterprise expenses</b>	<b>4,130,844</b>
<b>NET OFF STREET PARKING REVENUES FOR COVERAGE</b>	<b>\$ 548,385</b>
<b>Parking meter enterprise operating revenues</b>	
Various lots	\$ 8,506,993
PSC transfer	-
<b>Total parking meter enterprise revenues</b>	<b>8,506,993</b>
<b>Parking Meter Enterprise Operating Expenses</b>	
Personnel	4,904,540
Non-personnel	2,075,535
<b>Total Parking Meter Enterprise Expenses</b>	<b>6,980,075</b>
<b>NET PARKING METER REVENUES FOR COVERAGE</b>	<b>1,526,918</b>
2016 Revenue bonds debt service	1,914,650
Coverage ratio (Off street parking fund only)	0.29
Coverage ratio (Off street parking fund and parking meter fund)	1.08

<sup>(1)</sup> Excludes non-cash items and capital expenses

<sup>(2)</sup> The Parking enterprises received \$2.9 million American Rescue Plan Act stimulus funds in fiscal year 2022-2023 that are excluded in this coverage calculation.

Source: City of Berkeley



THIS PAGE INTENTIONALLY BLANK

**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, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 15, 2023.

**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.

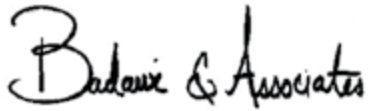
**Report on Compliance and Other Matters**

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  
Page 2

**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  
December 15, 2023

