

# Annual Comprehensive Financial Report

FOR THE YEAR ENDED  
**JUNE 30, 2021**



**City  
of Berkeley  
California**

# City of Berkeley California

ANNUAL COMPREHENSIVE FINANCIAL REPORT / FISCAL YEAR ENDED JUNE 30, 2021

PREPARED BY THE FINANCE DEPARTMENT

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# INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA



Department of Finance  
Office of the Director

December 30, 2021

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**

First and foremost, I sincerely hope that you and your families remain safe and healthy as our City continues to persevere through the COVID-19 pandemic. Despite this unprecedented pandemic climate, it is my privilege to submit the Annual Comprehensive Financial Report (ACFR) for the City of Berkeley (the City) for the fiscal year ended June 30, 2021.

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 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 2021, 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, 2021 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, 2021 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 116,761, 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 2021 adopted budget included \$447,702,457 of expenditures and reserves, of which \$194,718,710 was allocated to the General Fund of the City and \$252,983,747 to all other funds. There were subsequent budget modifications to appropriate \$121,995,950 in encumbrance rollovers/reappropriations and \$115,542,100 in other Council approved adjustments. The City employs approximately 1,579 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 42,327 students and approximately 13,778 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 4,200 employees, and the Alta Bates Medical Center has approximately 3,100 employees. Despite the large student population, the City has a mean household income of \$130,006, 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 12,100 active licensed businesses operating in the City. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, cannabis clubs, consulting, arts and entertainment, hospitality services, along with several state, federal, and non-profit institutions. The City's revenue base generated approximately \$1.58 billion in taxable sales taxes during FY 2021, more than the \$1.43 billion in FY 2020, as a result of COVID-19. In addition, the City's unemployment rate (as reported by the State of California Employment Development Department) increased from 3.1 percent in June 2020 to 5.5 percent in June 2021 compared to 6.5 percent for the County, 7.7 percent for the state and 5.9 percent for the U.S. as a result of the

impact of the coronavirus pandemic.

Growth in assessed valuation on secured property increased to \$21.3 billion (after exemptions and other deductions) in FY 2021 or 7.7 percent from \$19.8 billion in FY 2019, for a strong level of \$182,424 per capita. The tax base is diverse, with the top ten property taxpayers accounting for 5.45 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 2021 and FY 2022 Biennial Budget (Biennial Budget) on June 18, 2020 and June 29, 2021, respectively. The FY 2022 Budget Process began in December 2020, almost nine months after the COVID-19 pandemic began and the shelter-in-place orders were implemented. The process also came six months after the FY 2021 Budget Process was completed on June 18, 2020. To recap the FY 2021 Budget Process, the FY 2021 budget was balanced before the onset of the COVID-19 pandemic. Due to the pandemic and shelter-in-place orders that severely curtailed economic activity, the City faced a \$40 million General Fund deficit, along with deficits in the Marina and Parking Funds.

The FY 2021 deficit was resolved through the following actions:

- Implementing a hiring freeze and maintaining vacant positions;
- Delaying capital expenditures;
- Reducing non-personnel expenditures;
- Drawing on reserve funds;
- Reducing transfers to Internal Service Funds; and
- One-time suspension of Council policy regarding Property Transfer Taxes that resulted in increasing the General Fund allocation from \$12.5 million to \$16.5 million.

It is important to note that the FY 2021 budget was balanced with no layoffs.

When the FY 2022 Budget Process began, in consultation with the Budget and Finance Policy Committee, it was decided to shift from a regular 2-year budget to a 1-year budget process for FY 2022. This decision was made to provide time to evaluate the impacts of COVID-19 on the local economy and to develop an understanding of the impacts of vaccines. Also, to help provide a framework and context for the development of the Proposed Budget and future City obligations, staff presented the FY 2021 Unfunded Liability Obligations and Unfunded Infrastructure Needs report to the City Council on March 16, 2021.

In developing the Proposed Budget, staff used the same budget strategies that helped guide the FY 2021 Mid-Biennial Budget Update. The strategies are:

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, social, and just equity, serving those who are most in need, and environmental sustainability.
3. **Identify expenditures that can be deferred.** Take a deferment first approach by thoroughly assessing expenditures with a special emphasis on large capital projects, equipment purchases, and new projects.
4. **Pursue other revenue and assistance.** Vigorously pursue cost recovery efforts, secure alternative sources of revenue, and be positioned to capitalize on federal and state assistance.
5. **Manage use of, and replenish, reserves.** In drawing on reserves, the City will adopt a long-term orientation to ensure that funds are available for the duration of the economic downturn. The City will look to its existing policies to ensure that any reserves that are utilized are restored when the economy improves.
6. **Be data-driven and transparent.** Budget decisions will be informed by data and be transparent. Staff will work collaboratively with the Budget and Finance Committee with on-going communication and updates provided to the entire City Council.

Controlling expenditures has been and will continue to be a necessity in managing the City's budget, and labor costs are a critical factor in that approach. Achieving a sustainable balance of both personnel and non-personnel expenditures against reasonable revenue projections will continue to require close attention, especially as we move into new labor negotiations. Over the next fiscal year, staff will continue to work with Council, labor, and the community to address the ongoing structural deficits and bring projected expenditures in line with projected revenues. This may involve a combination of expenditure reductions, identification of new revenues, or realignment of current services or programs.

A variety of assumptions and factors drive the forecast, such as labor costs, inflation, federal and state initiatives, and unforeseen events and emergencies. These assumptions impact revenue and expenditure projections and variations can cause unanticipated swings in budget balancing strategies.

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;
3. Developing long-term strategies to reduce unfunded liabilities;
4. Controlling labor costs while minimizing layoffs;
5. Allocating one-time revenue for one-time expenses;
6. Requiring enterprise and grant funds to be in balance and new programs

to pay for themselves; and

7. Any new expenditure requires revenue or expenditure reductions.
8. Property Transfer Tax in excess of \$12.5 million dollars will be treated as one-time revenue to be allocated to the City's capital infrastructure needs (suspended in FY 2021).
9. As the General Fund subsidy to the Safety Members Pension Fund declines over the next several years, the amount of the annual decrease will be used to help fund the new Police Employee Retiree Health Plan.

### **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 revenue do not impede the City's ability to meet expenditure obligations. When revenues fail to meet the City's normal operating requirements, or the need for disbursements temporarily exceeds receipts, 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, 2021 was \$15.6 million.
- **A Catastrophic Reserve** will be maintained for the purpose of sustaining General Fund operations in the case of a public emergency such as a natural disaster or other catastrophic event. The Catastrophic Reserve will be used to respond to extreme, onetime events, such as earthquakes, fires, floods, civil unrest, and terrorist attacks. The Catastrophic Reserve will not be accessed to meet operational shortfalls or to fund new programs or projects. The balance in this reserve fund at June 30, 2021, was \$14.1 million.

The economic and financial impacts of the COVID-19 pandemic on Berkeley's finances has been significant and resulted in a projected \$39 million General Fund deficit in FY 2021. Included in the FY 2021 balancing measures was an \$11.4 million allocation of the General Fund Reserves (Catastrophic - \$4.5 million; Stability - \$6.9 million).

Another significant impact of the COVID-19 pandemic on the City was the lowering of the Parking Revenue Bond for the Center Street Parking Structure from 'A' to 'BBB' by S&P Global. This was mainly due to the material decline in parking revenues due to the consequences of the Shelter in Place order.

The FY 2022 Adopted Budget includes a \$3,940,000 transfer from the American Rescue Plan Fund to the Off Street Parking Fund to alleviate the negative impact of the COVID-19 pandemic and help enable the Center Street Parking Structure to start performing at pre-pandemic levels and regain that pre-pandemic bond rating.

## **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 2021, the Fund's balance increased by approximately \$2.3 million, from \$10.5 million in FY 2020 to \$12.8 million at June 30, 2021, primarily as a result of (1) \$1.32 million realized from the discount on the City's prepayment of the required CalPERS unfunded liability payment for FY 2021; (2) \$797,287 in dividends and interest on investments; and a \$151,632 Transfer from the Capital Projects Fund.

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

The City's budget is a reflection of 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, 2021, the Gann

Appropriations Limit was \$284,280,447, and the City proposed spending amount subject to that limit was \$197,943,790 or \$86.3 million or 30.4.9 percent under the total Article XIII B (Gann) spending limitation. The City was not impacted by the spending limitation in FY 2021.

### **LONG-TERM DEBT RATINGS**

Despite the COVID-19 pandemic, the City of Berkeley's financial position improved in FY 2021 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 its rating of Aa1 at Moody's, both are one notch lower than the debt rating agencies' highest rating. The City was able to maintain and increase these ratings in spite of all the challenges to the local economy due to a proven record of sound fiscal management by the City Manager, Mayor, City Council and City staff.

### **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).<sup>1</sup> The 335-room hotel project at the corner of Center Street and Shattuck Avenue is currently under construction and anticipates a grand opening in late 2021.

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 is currently in construction on a pathbreaking adjacent workforce housing project at 2009 Addison Street. The Office of Economic Development worked closely with this organization to proceed with its ambitious project despite the impacts of COVID-19 on the organization in the 20-21 season.<sup>2</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

<sup>1</sup> KQED, [Berkeley Renames Downtown Street](#), September 15, 2020.

<sup>2</sup> *Referral Response: Deferral of Remaining Permit, Inspection, Connection, and Impact Fees for 2009 Addison Street and Referral to the City Manager to Develop a Limited-Term Citywide Fee Deferral Program*, Berkeley City Council [Agenda Item 5](#), March 9, 2021.

designed Berkeley Art Museum/Pacific Film Archive opened at the corner of Oxford and Center Street. The museum has become a transformative cultural anchor, the largest single private investment to date in Downtown Berkeley's arts cluster.

With the completion of the Center Street Garage in 2019, the City's Civic Arts Program launched 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>3</sup> Advancing the implementation action items called for in the Civic Center Vision plan, will be important to continue to 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 the 12-story apartments at 1951 Shattuck Avenue with 156 units, the Logan Park Apartments at 2352 Shattuck Avenue (204 units), the Aquatic Shattuck at 2628 Shattuck Avenue with 78 units and 2,000 square feet of retail. Once completed, 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. As of mid-2020 (the early part of FY21), 72 distinct housing developments were proposed, entitled for development, or under construction. The buildings currently under construction will contain 1,351 net new units, a small increase from the number of units under construction in 2019 (1,141) of FY20. Overall, in the last two years, Berkeley has seen increasing numbers in the development pipeline: 1,790 dwelling units received entitlements in 2020 (the first part of FY21), up from 1,573 in 2019 (FY20).

The University of California (UC) at Berkeley has also been active in Downtown area development. UC is currently undertaking planning design work on a new building which includes 244 apartments with individual bedrooms for 772 transfer students at 1990 Oxford Street (Anchor House), and a conversion of the former UC Berkeley Art Museum (Woo Hon Fai Hall) into the Bakar BioEngenuity Hub. The Hub will bring together a number of campus programs focused on entrepreneurship and will host a well-equipped incubator with capacity to support up to 80 startup companies, primarily in the life sciences. The incubator will be operated by QB3 and is anticipated to open in late summer 2022, providing 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 at least 600 companies, of which several hundred temporarily relocated their teams to Berkeley, and a dozen have made Berkeley their long-term home. Other incubators that lead to startup and high-tech industry activity in Downtown Berkeley include the CITRIS Foundry, the QB3 Garage on UC Berkeley's campus, the Energy Biosciences Institute Entrepreneurial Business Incubator (EBI2), and the Berkeley Lab's entrepreneurial fellowship program, and Cyclotron Road, which offers office space, lab

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<sup>3</sup> Berkeley City Council, *Adoption – Berkeley Civic Center Vision and Implementation Plan*, [Item 14](#), September 22, 2020, online: <https://neighborland.com/berkeleycc>.



facilities and coaching to aspiring founders just up the hill at the Berkeley Lab.

(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 FY21, staff continued its marketing initiatives to highlight businesses and enable economic recovery from COVID in several districts, and for the first time assigned individual staffers to attend to each district including the small “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 “Food Forward,” “The Upcycle,” and “Dare to Share” and a new theme in FY21 entitled, “Local Love.”

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 FY22, OED will explore in collaboration with other city staff sections the establishment of the two additional parking benefit districts in the Lorin and Gilman commercial districts and will support the Elmwood BID in a possible boundary expansion as well as collaboration with the adjacent Rockridge BID in Oakland.

In FY 21, the Office of Economic Development (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 & 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. OED will continue its support of these and other initiatives in FY 22 and beyond.

COVID-19 (Coronavirus) Pandemic - Response and Recovery

During the full year of FY 21, staff was fully engrossed in providing support for local businesses impacted by the COVID-19 pandemic. Activities included:

- Emergency Operations: The COVID-19 pandemic immediately and dramatically impacted businesses and arts organizations throughout our community. Many businesses and arts organizations have closed; businesses that have been able to operate during the pandemic are working to adapt to current conditions and comply with new regulations to keep customers and employees safe. As part of the City’s Emergency Response, a business liaison has been embedded in the Emergency Operations Center (EOC) since March 2020. This role has provided educational outreach and assistance to help businesses comply with different iterations of the shelter in place order, mask mandates, vaccine rollout and requirements, and guide safe business re-openings and ongoing operations. This has included:

- Providing responsive information and proactive outreach to businesses about available resources, including: signs on social distancing, mask compliance, proof of vaccination, and associated ADA issues.
- Reaching out directly to 5,000+ holders of Berkeley Businesses Licenses in order to help Berkeley businesses comply with iterative health officer orders and to offer OED resources to the business owners. Outreach in April of 2020 included direct phone calls to 804 individual Berkeley companies without email addresses. Multiple sector-based roundtables and discussion forums were held with leaders of impacted sectors (i.e., fitness, personal services, food and beverage, large performance events) throughout FY21. This level of engaged response positioned our City as a leader in the field for providing technical assistance to businesses and will continue to help Berkeley effectively advocate for regional and State business recovery resources.
- Partnering with local employers and the City’s mass vaccination operations to develop group appointments for Berkeley businesses and their employees in essential services (January-April 2021).
- Providing free onsite group testing for employees in high-exposure sectors (e.g., grocery store employees, and daycare/camp staff) (ongoing FY21).
- Developed and updated a Worksite Exposure Toolkit with the EOC’s Communicable Disease Unit. The toolkit helps employers prevent and prepare for a worksite COVID-19 exposure by providing tools to create a site-specific protection plan to protect staff and customers from COVID-19, as well as education on the employer’s role in the vaccination verification, contact tracing investigation and case reporting process.
- ***Direct Financial Assistance:*** The City implemented the “Business & Arts Continuity Grants” program, an emergency relief grant program to help mitigate COVID-19 related financial losses.<sup>4</sup> OED was the lead department on the creation and administration of the Continuity Grant Program as well as the distribution of funds from the Berkeley Relief Fund. Within six weeks, over 1,000 applications were processed and distributed. These funds were made available from the City Council and private donations as emergency relief funding to businesses hit hardest by the COVID-19 pandemic and helped mitigate financial losses and hardships suffered by Berkeley’s most vulnerable businesses. Through this program, the City awarded 763 grants totaling \$2,624,541 to help stabilize the local economy at the onset of the pandemic-induced financial crisis. Other grant programs developed and implemented in FY21 include the business damage mitigation fund, and the outdoor commerce grant support program, which provided direct financial assistance ranging from \$800 to \$2,000 individual grants. In the adopted budget for FY 2022, the city has accepted funds from the American Rescue Plan Act of 2021, a large portion of which (\$2M+) will go towards supporting the sustainable recovery of Berkeley’s deeply impacted sectors including the arts, tourism, and small businesses.
- ***Citywide & Sector-Specific COVID-19 business communications:*** OED increased the frequency of citywide business communications via its OED Newsletter<sup>5</sup> to make sure businesses were aware of the latest COVID-19 response and recovery information and resources (e.g. health orders, educational workshops, relief programs, marketing opportunities, legal support clinics, etc.) In addition to working with Emergency Operations Center communications staff to share relevant information and resources through the City of Berkeley’s website, OED also worked with

<sup>4</sup> City of Berkeley, [Business and Arts Organization Continuity Grant Awards](#), April 27, 2020.

<sup>5</sup> City of Berkeley Office of Economic Development, [OED Updates newsletter archives](#), Accessed October 2021.

the Berkeley Chamber to hold regular “Business Forums on Outbreak Responses” (open to all), and to develop an online [COVID-19 Resource Hub](#) with information on a variety of topics (e.g. Financial Resources, Working from Home, Reopening Your Business, Labor & Employment, etc.) and the Civic Arts Program held regular digital convenings with Berkeley arts organizations to share information and resources on topics like Federal aid and health orders. Additionally, OED increased our sector-specific outreach and communications, hosting virtual forums or “Listening Sessions” with business leaders to inform city staff’s development of plans and protocols for partial and full reopening protocols for all of the following industries: food and beverage, retail, arts and culture, personal services (e.g. hair salons, tattoo artists, and massage therapists), fitness, sustainability (e.g. solar power installers, recyclers), office-based businesses, tech startups, manufacturers, and real estate brokers and developers.<sup>6</sup> In addition to facilitating peer-to-peer sharing, OED now shares relevant information and resources through tailored communications with these industry-specific groups.

- **Economic Impact Assessments:** In response to the pandemic, the City of Berkeley’s Emergency Operations Center (EOC) utilized staff from other city departments to collect data on the economic impact to businesses. Working out of the EOC, the City of Berkeley’s Emergency Business Outreach Team (EBOT), led by OED staff, conducted a ground survey of business closures and business operation pivots in Berkeley’s commercial districts in April of 2020. In the summer of 2020, these data were analyzed by graduate students in the Department of City and Regional Planning at UC Berkeley. Since the initial emergency response work, OED has issued multiple industry-specific surveys to better understand how these businesses are coping with the ongoing challenges of COVID-19 and its variants, and what kinds of support these businesses need from the City and its business partners, and what kinds of trends to anticipate in the future. Findings were [presented](#) to Berkeley’s City Council in March of 2021, at the one year anniversary of the onset of the pandemic in Berkeley.<sup>7</sup>
- **Marketing & Promotion:** OED adapted its #DiscoveredinBerkeley<sup>8</sup> business marketing campaign to include a “Local Love” theme to encourage the community to support local businesses and recognize local entrepreneur’s pandemic-inspired pivots, innovation and resilience. OED also deployed a #Berkeleyholidays campaign in December of 2020 to promote citywide holiday-themed (safe) events and (local) online shopping opportunities year-round.
- **Regulatory Relief - Outdoor Commerce Program:** 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>9</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. Staff worked closely with the City’s communication team to prepare educational materials<sup>10</sup> and a webpage to assist businesses with obtaining outdoor commerce permits in a seamless manner.<sup>11</sup>

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<sup>6</sup> City of Berkeley, [Summaries of Business Recovery Listening Sessions](#), June 2020-September 2021 (ongoing).

<sup>7</sup> Berkeley City Council, *Berkeley Economic Dashboards Update*, March 9, 2021, [Item 26](#). Information [Report](#), [City Council Presentation March 9, 2021](#), [Commercial Districts Dashboards](#) and [COVID-19 Response and Recovery Summary](#), December 2020.

<sup>8</sup> #Discovered in Berkeley [website](#), developed in 2018-19, accessed October 2021.

<sup>9</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>10</sup> City of Berkeley, [Outdoor Commerce Guide](#), updated August 2020.

<sup>11</sup> City of Berkeley, *Outdoor Commerce Permit Information*, June 2021, online: <https://www.cityofberkeley.info/covid19-outdoor-commerce/#permanence>.

OED also commissioned a *Parklet Guide* that included five pre-approved parklet designs for streamlined City approval.<sup>12</sup> Since the launch of the outdoor commerce program in June of 2020, about 40 outdoor commerce permits have been issued to Berkeley businesses and organizations.

Staff anticipates that the balance of FY22 will be taken up with these efforts; as OED moves from a stance of emergency economic crisis response to supporting sustainable business recovery efforts as the crisis (hopefully) continues to become less acute, with the widespread deployment of vaccines and adoption of non-pharmaceutical interventions (i.e. masking, handwashing, and testing) in FY21.

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

Berkeley's annual average unemployment rate in FY 2021 was 5.9%, up from 2.4% the previous year. In comparison, Alameda County's average unemployment rate during the same period was 7.6%, while California's was 8.8%. As the countywide unemployment rate nearly tripled (from 2.6% in Dec. 2019 to 7.6% in Dec. 2020) job losses were most significant in Berkeley sectors like tourism & hospitality (especially lodging, food & beverage, and arts & cultural industries); retail (especially clothing & accessories); durable manufacturing; education and childcare providers; and personal & professional service industries (e.g. gyms and fitness studios, salons, employment services). Prior to the economic crisis brought on by the COVID-19 emergency, the unemployment rate in Berkeley was steady, along with a very slight increase in the overall participation in the labor force.

As of Q4 2020, approximately 33% of the jobs in Berkeley are in the public sector, including those employed by UC Berkeley, Lawrence Berkeley Laboratory, Berkeley Unified School District, Berkeley City College (Peralta College) and the City of Berkeley. Berkeley's largest private sector employers include Sutter Bay Hospitals, Medical Foundation, and Health Support Services (including the Alta Bates and Herrick campuses), Bayer Corporation (pharmaceuticals manufacturing), Kaiser Permanente, the grocery retailer Berkeley Bowl, and Siemens Corporation. About 93% (5,176) of Berkeley's 5,579 employers have fewer than 20 employees (Source: EDD, 2020 Q4). Traditionally, Berkeley's strong employment sectors include food services, biomedical/biopharmaceutical, computer systems design services, environmental consulting services, and arts and entertainment. The sectors that showed the greatest job growth in Berkeley in FY21 include biomedical and life sciences sectors.

(d). Increase technology transfer from UC Berkeley and Lawrence Berkeley National Laboratory and encourage startups in Downtown and West Berkeley:

The Lawrence Berkeley National Laboratory (LBNL) and the neighboring University of California – Berkeley (UCB) continue to serve as terrific catalysts for startup growth and entrepreneurship in the City of Berkeley. Notably, the Lawrence Berkeley National Laboratory funding increased \$105M to \$1.193B in FY2020, enabling researchers at LBNL to continue to seek science solutions to solve some of the greatest problems facing the world including significant new investments in Basic Energy Sciences, Advanced Scientific Computing Research, and Biological and Environmental Research. The Lab's Office of Science funding increased by \$63M in FY2020. The increase in funding in recent years is reflective of the trust that Congress and the Department of Energy place in the employees of the Laboratory as stewards of national resources, committed to the Department of Energy (DOE)'s critical scientific mission.<sup>13</sup> These additional federal funds

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<sup>12</sup> Berkeley Chamber of Commerce, *Parklet Guide*, June 2020.

<sup>13</sup> Lawrence Berkeley National Laboratory, Office of the Chief Financial Officer, *2020 Annual Financial Report*, online: <https://cfo.lbl.gov/annual-financial-report/>.

complement other federal and 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. Across all areas, the Lab made 159 invention and software disclosures in FY20 alone.<sup>14</sup>

Berkeley's existing life sciences (biotech and healthcare) industry base includes approximately 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 2020, ten Berkeley companies were granted nearly \$6 million in federal Research & Development (R&D) awards,<sup>15</sup> and over \$700 million was raised in capital by Berkeley startups.

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>16</sup>, a partnership between the City, UC Berkeley, Berkeley Lab, Berkeley Chamber and Downtown Berkeley Association. With a mission to make Berkeley a more vibrant, accessible, and equitable place to grow, the Berkeley Startup Cluster enables the City of Berkeley to work closely with both UC Berkeley and Berkeley Lab staff to retain local startups that are commercializing new technology, as well as attract national companies with an interest in intellectual property developed in Berkeley. This collaboration is productive; the companies benefit from the City's interest in nurturing innovative startups and overall responsiveness to business needs and the City receives high quality jobs and investment in return.

For this and other reasons—including the overall quality of life in Berkeley, access to a highly educated workforce, the central and accessible location within the Bay Area, and access to investment opportunities—Berkeley's innovation sector has continued to thrive, even during the pandemic. The City maintains a list of over 350 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 programs and buildings that support the local bioscience and plant-based foods industries. For example, the QB3 East Bay Innovation Center (EBIC), a unique public-private partnership between UC Berkeley, UCSF, the Berkeley Lab, the cities of Berkeley and Emeryville and private developer, Wareham Development, offers top-quality wet-laboratories, along with office space for support functions. Nearby, Bonneville Labs offers co-working facilities for life sciences entrepreneurs and others who require lab space for both research and development (R&D), and several other similar innovation hubs/R&D spaces are either leasing now—or set to break ground in the next year (i.e., 600 Addison Street, and the former Peerless site at 2246 5th Street). The demand for these types of facilities with combined office & lab facilities is strong, and rarely is space available.

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

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<sup>14</sup> Lawrence Berkeley National Laboratory, Intellectual Property Office, 2020.

<sup>15</sup> Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are highly competitive programs that encourage US small businesses to engage in Federal Research and Development with the potential for commercialization.

<sup>16</sup> Online: [www.berkeleystartupcluster.com](http://www.berkeleystartupcluster.com).

in Berkeley, encourage high tech industries to build diverse teams and workplace practices that lead to shared prosperity for the community<sup>17</sup>, and shed light on the City’s “Deep Tech” resources through newsletters, social media, and the Discovered in Berkeley<sup>18</sup> business marketing campaign. The City of Berkeley is in the process of updating the definition of “Research & Development (R&D)” in its zoning code to be 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.

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

Economic Development staff updates its inventory of ground floor space in the City’s commercial districts annually, and tracks commercial vacancy rates closely. This effort has proven valuable as an analytic tool, and staff has been able to generate reports that outline and assess sectoral and sub-sectoral trends within specific commercial neighborhoods. In addition, staff produces annual reports entitled, the *Berkeley Economic Dashboard* and *Commercial District Dashboard*, and is routinely publishing the information online in an accessible format for clients and researchers to use.<sup>19</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 2021, based on data gathered in Q3 and Q4 of 2020) shows that citywide, the vacancy rate jumped from 5.4% in Q3 2019 to 6.9% in Q4 2020, the increase due mostly to the impact of the COVID19 pandemic. Field work is currently underway for a comprehensive update, that is to be published in March of 2022.

(f). 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. In FY 2017, the City Council authorized a ten-year extension of the “Tourism Business Improvement District (BID)” that assesses all of the City’s hotel and motel properties for the purposes of promoting increased tourism to Berkeley. This BID effectively doubled the budget of Visit Berkeley and had a very positive impact on the local visitor and tourism industry until the advent of the COVID-19 pandemic and corresponding Shelter-in-Place orders, during which hotel occupancies dropped 70% (and revenues 80%). The crippled hospitality industry has decreased Visit Berkeley’s annual budget by 75%, though, prior to the pandemic, hotel revenues had risen consistently year over year since the Tourism BID’s establishment in late 2012. The City also provided substantial financial support for a recently constructed hotel (*The Aiden* a Best Western Hotel at 1499 University Avenue) with a \$75,000 business loan through the Revolving Loan Fund program.

The City has also allocated approximately \$500,000 in American Rescue Plan Act funds to create a relief program for Berkeley’s Convention and Visitors Bureau (aka “Visit Berkeley”) to mitigate lost revenue caused by the pandemic and to support the recovery and reopening efforts of Berkeley’s tourism sector. These funds are anticipated to be disbursed in the second half of FY22, to provide funding to bolster Visit Berkeley’s efforts to market Berkeley to visitors as a safe post-pandemic destination for travel and leisure.

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<sup>17</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>18</sup> Online: <https://www.discoveredinberkeley.com/>.

<sup>19</sup> City of Berkeley, Office of Economic Development, *Berkeley Economic Dashboard and Commercial District Dashboards*, online: <https://www.cityofberkeley.info/oed/reports>.

In August of 2018, construction began on the largest hotel project in Berkeley to date: a 16-story, 335 room hotel constructed by the Pyramid Hotel group at 2129 Shattuck Ave (at the corner of Center Street). The project is slated to open in late fall of 2021. When completed, the hotel will generate an estimated \$2.7 million per year in tax revenue to the city's general fund over its initial eight years. After year eight, this figure will substantially increase because of the expiration of a rebate designed to assist project feasibility.

*(g). 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 2018 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 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>20</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 of 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. The City expects this program to generate ongoing and significant new resources for the arts and strengthen the community's arts and cultural fabric. Since the inception of the Public Art in Private Development program, three on-site art projects have been completed, ten are in progress, and seventeen projects have generated a total of \$1,125,521 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 is providing 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>21</sup> The City has also allocated \$2M in American Rescue Plan Act funds to create a grant program to support the recovery and reopening efforts of Berkeley's art sector. The first part of this program will launch in FY22 to provide funding to arts organizations to mitigate lost revenue caused by the pandemic and make investments in disease-mitigation and prevention tactics, as well as business consulting to support financial recovery.

In addition, in FY2019, 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 FY2020, substantial progress was made on 16 of 57 action items identified in the plan, in FY 21 three additional action items (independent of COVID-19 recovery action items), including, the Berkeley

<sup>20</sup> City of Berkeley, [Economic Impact Report of the Arts in Berkeley](#), MIG, September 2017.

<sup>21</sup> City of Berkeley, [Berkeley Art Works Projects](#), Accessed September 2021.

Unified School District's summer grant program in elementary schools, Measure T1 Funded public art projects, and a detailed study and survey for affordable arts and cultural spaces for local artists have seen progress.

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

### ***a. Measure T1 – Infrastructure and Facilities Improvements General Obligation Bonds***

In November 2016, Berkeley residents voted for and approved Ballot Measure T1, authorizing \$100,000,000 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 begun. 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 \$35,000,000 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 \$45,000,000 has been issued, with project planning and design underway for those projects.

Public Works-managed T1 Bond construction projects in Phase 1 have focused on Facilities, Streets and Green Infrastructure. The renovation of the Berkeley Adult Mental Health Center facility was completed in FY 2021, and major facilities completing construction in FY 2022 include the seismic upgrade and renovation of the North Berkeley Senior Center, and critical electrical improvements to the Public Works and Marina Corporation Yards. Major T1 Bond streets projects completed in FY 2021 were paving, pedestrian and bicycle improvements to Adeline Street and Hearst Avenue, and paving, green infrastructure, pedestrian and bicycle improvements on Monterey Avenue and Ward Street. Parks, Recreation and Waterfront is managing a major T1 street project that will complete major construction in FY 2022 at University Avenue, Marina Blvd, and Spinnaker Way.

### ***b. Streets and Roads Capital***

The City maintains 216 centerline miles of improved streets. An annual amount of \$7.0 million per year in recurring funding for street paving from state and local sources is supplemented whenever possible by grants or one-time bond funding. In FY 2021, Public Works managed several streets paving construction projects in addition to completing construction of T1 funded Adeline & Hearst, and Monterey Avenue & Ward Streets projects. Major streets and roads projects include the construction of the FY 2020 Street Rehabilitation and Surface Seals Project, which treated 1.4 miles of streets, and the University Avenue, Marina Blvd & Spinnaker Way road paving project which will reconstruct 0.7 miles of deteriorated roadway. Additionally, staff designed and bid for construction of the FY 2021 Street Rehabilitation project (2.8 miles), and began design on the FY 2022 Street Rehabilitation project.

The City Auditor published an updated audit on the Street Rehabilitation Program focused on program funding resource sufficiency as well as paving policy and guidelines that drive deciding which streets gets 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, annual proactive and responsive repair programs, and the City's 50/50 replacement cost share program in which the City shares the liability and costs for broken sidewalks with property owners. Additionally, sidewalk improvements and curb repairs get incorporated into major street repair projects as part of the Complete Streets approach to paving.

The 50/50 sidewalk replacement program has been very popular with Berkeley citizens. Over time, the backlog of sidewalk repairs identified to be addressed through the 50/50 program grew well 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. Staff hired a contractor to review all 3500 addresses on the 50/50 list and, through FY 2021, they have been able to make 3600 repairs at 725 addresses on the 50/50 list through a shaving treatment of the sidewalk sites to level the surface for safer travel. Locations that need major repairs and replacement have been identified and will be part of a major Sidewalk Repair project that goes into construction in FY 2022.

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 the creeks and storm drains in Berkeley 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. In order to meet these unfunded needs, the City conducted rate studies and balloting processes in compliance with Proposition 218 for the Clean Stormwater Fees. A new Clean Stormwater Fee initiative passed by balloted vote in May 2018, adding an additional \$2,500,000 per year to improve the City's ability to address water quality, green infrastructure, storm emergency response and storm drain infrastructure.

In FY 2021, Public Works completed Green Infrastructure improvements to Ward Street, Woolsey, and Piedmont Avenue Traffic Circle. FY 2022- 2023 planned projects include completion of a master plan for stormwater infrastructure, which will update the 2012 Watershed Plan, installation of bioswales along Codornices Creek at 9<sup>th</sup> and 10<sup>th</sup> Streets, along with feasibility studies of future Green Infrastructure improvements.

e. Sewer Capital Projects

Sewer projects involve operations, maintenance, and capital improvements 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. To comply with the CD, the City is required to rehabilitate an average of 4.2 miles of sewer pipeline annually based on a three-year rolling average. Rate hikes were implemented to support the added financial load of the CD requirements.

Major sanitary sewer CIP projects under construction in FY 2021 include West Frontage, Parker Street, MLK Jr. Way and Walnut Street. Also in FY 2021, staff completed the design for FY 2022 sewer rehabilitation improvement projects at Shattuck Ave, Cragmont, and Euclid/Grizzly Peak. The estimated construction cost of the FY 2022 CIP projects is \$21.8M. Construction is scheduled to start in fall of 2021 and projected to be completed by June 30, 2022. 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.

### **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 emissions (GHG) and set a goal of reducing GHG emissions by 80% by 2050. Amplifying the urgency for climate action, Berkeley has now also pledged 100% renewable electricity by 2035, resolved to become a “Fossil Fuel Free City” and reach zero net emissions by 2045, and declared a Climate Emergency. Berkeley plans to meet CAP goals for a clean energy future by 1) reducing energy use 2) promoting cleaner electricity 3) electrifying buildings and transportation. The City of Berkeley centers equity within its sustainability efforts with the understanding that any GHG reductions goals must be centered on climate justice to ensure those who are most impacted by climate impacts benefit from climate action.

#### **a. Tracking CAP Community Greenhouse Gas Emission Reductions**

Based on the available data from 2019, the community has reduced overall GHG emissions by 26% since 2000 and decreased 4.6% from 2018, despite a population increase and an expanding economy. This achievement is largely due to reduced energy use in buildings and the transition to cleaner electricity provided by East Bay Community Energy (EBCE). Transportation accounts for 60% of emissions, another 36% comes from building energy use, and 3% comes from landfill waste. A new data source and methodology to calculate transportation emissions was used in the 2019 GHG emissions inventory. The new data is based on continuous observation which is a more accurate indicator of year-to-year changes in on-road transportation activity and allows the city to track additional methods of transportation that were previously not tracked, including annual miles traveled on foot and by bike.

#### **b. East Bay Community Energy**

East Bay Community Energy (EBCE), the locally governed electricity supplier for Alameda County, purchases clean electricity from renewable sources such as solar and wind. Berkeley’s decrease in community-wide greenhouse gas emission can largely be attributed to Berkeley joining EBCE in 2018. EBCE offers product options to purchase electricity that are either emissions-free (Brilliant 100 or Renewable 100). In March 2021 the City switched all of its municipal accounts to Renewable 100, sourced from emissions-free solar and wind and defaulted all community accounts to Renewable 100 effective 2021 for residential accounts and 2022 for commercial accounts.

### 1. **Berkeley Existing Buildings Electrification Strategy**

The City is working with a team of experts (including the Rocky Mountain Institute, Rincon Consultants, Inc., and the Ecology Center) and community stakeholders to identify long and short-term strategies to make existing buildings in Berkeley free of fossil fuels and ensure equitable access to opportunities. A final report on policy options, including costs and timelines, will be submitted for City Council consideration in FY2022.

### 2. **Natural Gas Prohibition**

In July 2019, the City Council adopted the first ordinance in the nation to prohibit the use of natural gas in new construction. The Natural Gas Prohibition became effective on January 1, 2020, for new building applications for land use permits or zoning certificates. Instead of installing natural gas appliances, new buildings subject to the prohibition will use highly efficient electric heat pumps, for water heating and for heat and air conditioning, and electrically powered appliances. Since Berkeley's innovative action, a total of 50 California communities have followed with natural gas prohibitions or all-electric reach codes.

### 3. **Electric-Favored Energy Reach Code**

In December 2019, Berkeley City Council adopted local amendments to the California Energy Code. This reach code, which favors all-electric buildings, was approved by the California Energy Commission in February 2020. It requires newly constructed buildings to either be all-electric or mixed-fuel construction that exceeds the efficiency requirements of the Energy Code and includes electric-readiness. The new energy code also requires solar PV systems and EV charging infrastructure. The reach code and natural gas prohibition work in tandem to support building electrification and its health, safety, and climate benefits.

### 4. **Building Energy Saving Ordinance (BESO)**

Berkeley's Building Energy Saving Ordinance (BESO) became effective December 1, 2015 as Berkeley Municipal Code 19.81. BESO requires building owners to complete and publicly report building-specific energy efficiency and electrification assessments and energy scores so that building owners and potential buyers can make informed decisions about a building's energy system. In FY 2021, BESO was amended by City Council to include: requiring the BESO time of sale assessment to be completed prior to listing a building for sale, the inclusion of a Fuel Source Disclosure at time of listing, lowering the building size threshold for the energy benchmarking requirement, and directing staff to create energy upgrade requirements for council consideration. In addition, during FY2021 an online application and payment system was launched to improve the implementation process.

### 5. **Municipal Facilities and Leadership**

GHG emissions from municipal facilities account for 0.3% of overall community emissions, but 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 to EBCE's 100% renewable product for its municipal accounts.

The City has also shown leadership in energy efficiency and building electrification. Energy efficiency projects have been successfully completed at James Kenney Recreation Center and the Public Safety Building, and electrification measures have been included in upgrades to the North Berkeley Senior Center and Live Oak Recreation Center. The upgrade to the Adult Mental Health Services Clinic has resulted in an all-electric building that is zero emissions.

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

Building on the microgrid feasibility analysis that Berkeley completed in FY2018, the City is now

working with East Bay Community Energy (EBCE) to assess the potential for resilient solar + storage systems at critical municipal facilities that could provide clean back-up power in the case of a power outage. The City of Berkeley submitted a list of potential critical facilities to the EBCE project portfolio, which totals 300 buildings across Alameda County. EBCE plans to release a Request for Proposals for vendors to bid on the various projects in 2021 and Berkeley will have the opportunity to participate in the procurement.

#### **7. Electric Mobility Roadmap**

The Electric Mobility Roadmap was completed in FY2020 and identifies goals, strategies, and actions 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. Implementation to date has included the adoption of local amendments to the California Green Building Code to require stronger electric vehicle (EV) charging requirements in new construction projects, implementing an award-winning, fast, inexpensive permitting process for EV charging installations, and completing a City of Berkeley fleet assessment for transitioning light-duty fleet vehicles to electric by 2030. In addition, community outreach about electric mobility remained strong in FY 2021, primarily through virtual events, including Spanish language workshops.

#### **8. Electric Vehicles & Charging Infrastructure**

The City continues to install electric vehicle (EV) charging stations for public use, and promote the use of electric vehicles. As of January 2020, EVs were 5% of registered personal vehicles in Berkeley. There were 146 total publicly-available EV charging ports listed on PlugShare and the Department of Energy's Alternative Fuels Data Center in Berkeley as of October 2020. The City of Berkeley currently provides a total of 73 Level 2 EV charging ports for public and fleet charging, including 37 new EV charging ports that were installed in Center Street Garage at the end of 2019.

#### **9. Berkeley Climate Community Engagement**

Since 2012, the Berkeley Climate Action Coalition (BCAC), co-convened by the Ecology Center and the City, has been a vehicle for climate engagement. BCAC continues to engage Berkeley and East Bay residents on issues of climate justice. In FY2021 public engagement and education activities moved online due to social distancing requirements during the Covid-19 pandemic. The City and BCAC collaborated with governmental and community organizations, houses of worship and municipalities in both Alameda and Contra Costa counties to host webinars on a variety of topics such as building electrification, waste and recycling, climate and health, electric cars, residential energy efficiency, and solar and storage. Additionally, the City hosted a multi-day East Bay Green Home Tour showcasing various efforts of local residents to save water and energy, increase resilience to drought and heat, and reduce the carbon footprint of their homes.

#### **10. 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 in both buildings and transportation. The City is developing a Request for Proposal, with the goal of implementing programs to increase weatherization and electrification in homes, enhance access to electric mobility and provide resilience resources and engagement to frontline communities.

**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, 2020. 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) beginning July 1, 2020 and staff plans to pursue that award for the current budget.

**ACKNOWLEDGEMENTS**

The preparation of this report could not be accomplished without the efforts of the following individuals: Alyssa Loo, Sandy Barger and the entire Accounting Division of the Finance Department, as well as the City's Acting Budget Manager, Rama Murty, 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**

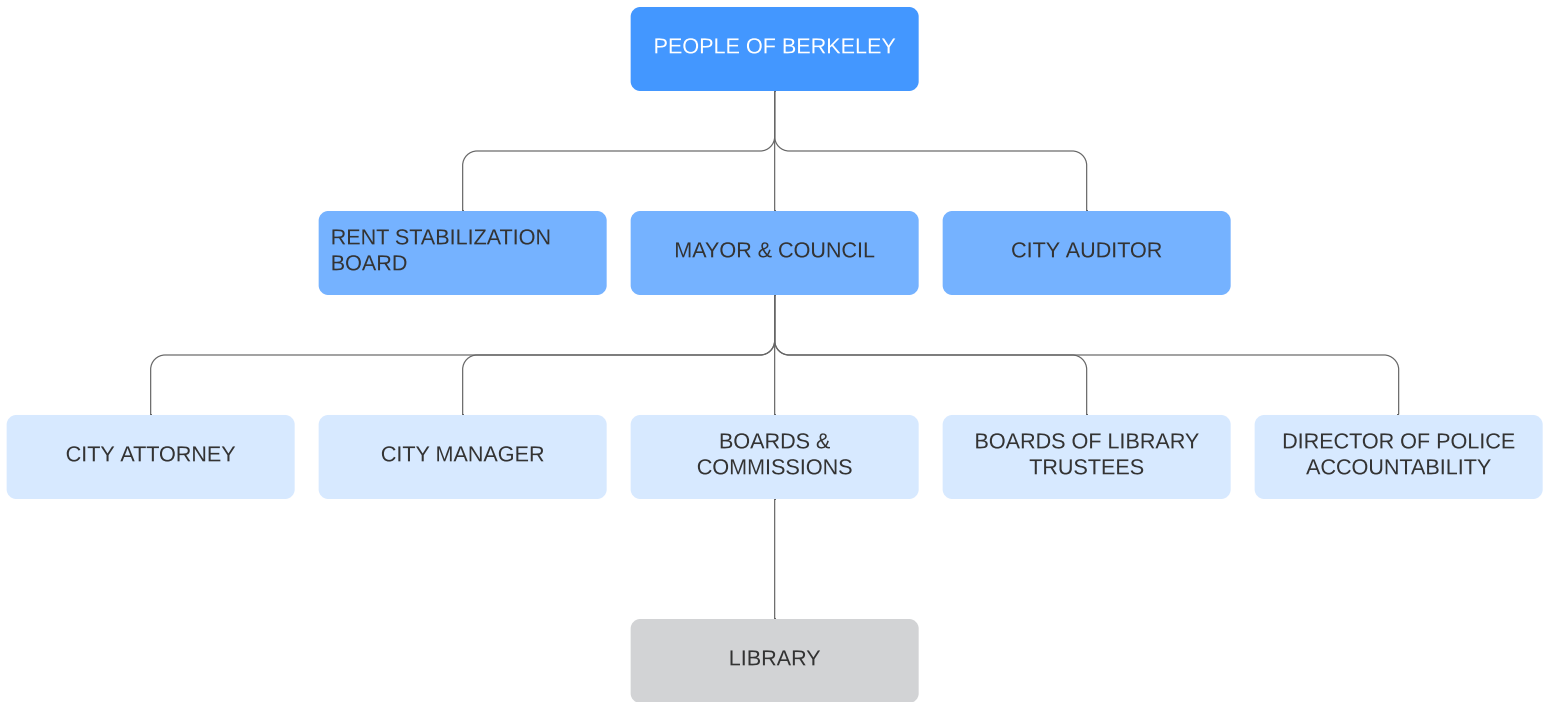
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

CITY OF BERKELEY GOVERNMENT STRUCTURE  
2021



**CITY OF BERKELEY**  
**FY 2021 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)

Lori Droste (District 8)

**City Auditor**

Jenny Wong

**APPOINTED OFFICIALS**

**City Manager**

Dee Williams-Ridley

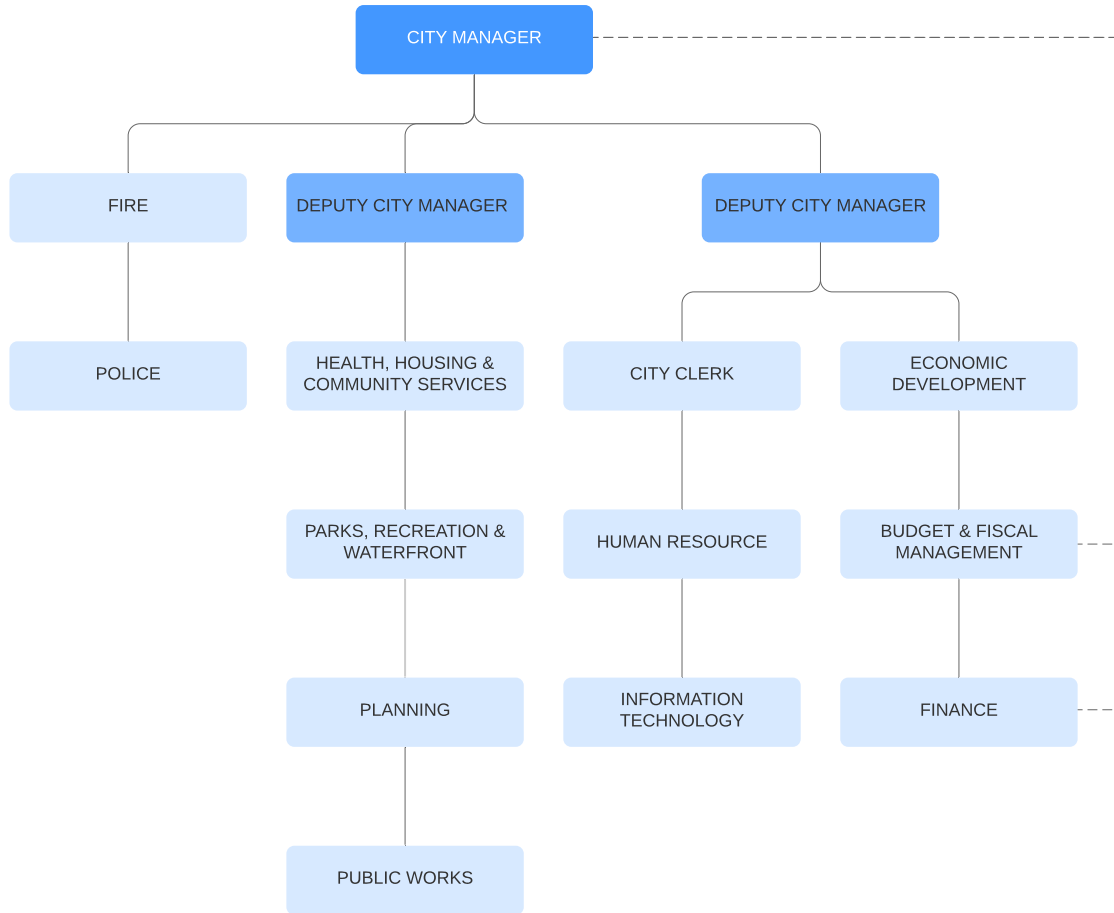
**Deputy City Managers**

Paul Buddenhagen

David White



### CITY OF BERKELEY ORGANIZATION CHART 2021





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# FINANCIAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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 City of Berkeley, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8-29, budgetary comparison information, and pension information, and other post-employment benefit plan information on pages 137-159 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 162-287, statistical section, and continuing annual disclosure information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules on 162-287 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31 2021, 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 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 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.

The image shows 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 31, 2021



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# Management's Discussion and Analysis

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Berkeley (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. 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, 2021, City assets and deferred outflows exceeded liabilities and deferred inflows by \$108.7 million (net position). Included in this amount was a balance of \$(508.4) million in unrestricted net position. Unrestricted net position is net position that may be used to meet the City's ongoing obligations to citizens and creditors. The negative unrestricted net position is primarily due to the recognition of pension and OPEB liabilities.
- City total net position increased \$29.9 million during the fiscal year. Governmental activities net position increased \$15.3 million compared to prior year's decrease of \$13.8 million. Business-type activities net position increased \$14.6 million compared to prior year's increase of \$13.9 million (Pages 11-17).
- During FY 2021, net pension liability increased by \$33.6 million or 5.5% during FY 2021 to \$650.0 million from \$616.4 million; it increased \$27.7 million or 5.2% to \$562.9 million from \$535.2 million for governmental activities, while net pension liability also increased by \$5.9 million or 7.3% to \$87.1 million from \$81.2 million for business-type activities.
- During FY 2021, net OPEB liability decreased by \$-18.6 million or -15.0% during FY 2021 to \$105.2 million from \$123.8 million for governmental activities while net OPEB liability decreased by \$-5.0 million or -34.5% to \$9.5 million from \$14.5 million for business-type activities.

#### Fund based

- At the close of fiscal year 2021, governmental funds reported combined ending fund balance of \$406.5 million, an increase of \$45.3 million, primarily due to (1) an increase of \$13.8 million in General Fund revenues and transfers in over expenditures and transfers out; (2) an increase of \$5.4 million in Grants Fund revenues and transfers in over expenditures and transfers out; (3) a decrease of \$3.3 million in Capital Improvement Fund revenues and transfers in over expenditures and transfers out; and (4) an increase of \$28.4 million in Other Governmental Funds revenues and transfers in over expenditures and transfers out. The ending fund balance is identified as: \$1.1 million or 0.3 percent was non-spendable, \$249.2 million or 61.3 percent was restricted fund balance, \$77.3 million or 19.0 percent was in committed funds, \$29.1 million or 7.2 percent was in assigned funds, and \$49.8 million or 12.2 percent was in unassigned fund balance (Page 19).
- At the close of fiscal year 2021, fund balance for the General Fund was \$111.9 million consisting primarily of \$19.6 million in assigned funds and \$56.4 million in unassigned funds (Page 19).
- At the close of fiscal year 2021, General Fund revenues, including transfers in and proceeds from sale of assets, were \$219.8 million. Total revenues and transfers were \$3.5 million higher than the prior fiscal year's revenues and transfers of \$216.3 million (Pages 19-22).
- At the close of fiscal year 2021, General Fund expenditures, including transfers out, were \$206.0 million. Total expenditures were -\$5.5 million lower than the prior fiscal year's expenditures of \$211.5 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 34-37 of this report.

### **Fund financial statements**

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

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

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

The City maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Grants, Library, and Capital Improvements funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements shown on pages 163-287.

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 138-162.

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

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

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

- **Internal service funds** are used to report activities that provide internal services for the City. The City uses internal service funds to account for its equipment maintenance replacement, building maintenance, central services, computer replacement, workers' compensation, sick leave and vacation payout, public liability, and catastrophic loss. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements found on pages 271-274.

The basic proprietary funds financial statements can be found on pages 46-51 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 54-55 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 58-133 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 137-159 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 163-287 of this report.

Statistical tables regarding: fiscal trends, revenue capacity, debt capacity, demographic and economic information, and operating information can be found on pages 292-318 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 \$108.7 million at the close of fiscal year 2021 as summarized below:

**Statement of Net Position**  
**June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Totals	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
<b>Assets:</b>						
Current and Other Assets	\$ 616,420,120	\$ 523,927,654	\$ 126,586,959	\$ 112,945,346	\$ 743,007,079	\$ 636,873,000
Capital Assets	306,656,354	267,628,229	241,437,311	243,010,716	548,093,665	510,638,945
Total Assets	<u>923,076,474</u>	<u>791,555,883</u>	<u>368,024,270</u>	<u>355,956,062</u>	<u>1,291,100,744</u>	<u>1,147,511,945</u>
<b>Deferred Outflows of Resources:</b>						
Deferred Outflows of Resources Related to Pensions	60,884,880	57,949,556	10,891,003	9,675,547	71,775,883	67,625,103
Deferred Outflows of Resources Related to Other Postemployment Benefits	31,702,320	35,937,851	4,660,707	5,661,712	36,363,027	41,599,563
Total Deferred Outflows of Resources	<u>92,587,200</u>	<u>93,887,407</u>	<u>15,551,710</u>	<u>15,337,259</u>	<u>108,138,910</u>	<u>109,224,666</u>
<b>Liabilities:</b>						
Current and Other Liabilities	150,005,735	102,832,446	12,609,080	16,966,333	162,614,815	119,798,779
Long-term Liabilities	249,385,138	206,327,559	57,440,734	59,624,174	306,825,872	265,951,733
Net Pension Liability	562,907,904	535,198,961	87,053,778	81,210,896	649,961,682	616,409,857
Net OPEB Liability	105,202,419	123,844,827	9,456,022	14,542,961	114,658,441	138,387,788
Total Liabilities	<u>1,067,501,196</u>	<u>968,203,793</u>	<u>166,559,614</u>	<u>172,344,364</u>	<u>1,234,060,810</u>	<u>1,140,548,157</u>
<b>Deferred Inflows of Resources:</b>						
Deferred Inflows of Resources Related to Pensions	2,807,679	9,229,442	-	2,013,855	2,807,679	11,243,297
Deferred Inflows of Resources Related to Other Postemployment Benefits	45,898,496	24,267,080	6,593,386	1,678,357	52,491,882	25,945,437
Deferred Gain On Refunding	1,130,278	936,304	-	-	1,130,278	936,304
Total Deferred Inflows of Resources	<u>49,836,454</u>	<u>34,432,826</u>	<u>6,593,386</u>	<u>3,692,212</u>	<u>56,429,840</u>	<u>38,125,038</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	182,328,842	161,393,048	185,554,832	189,800,731	367,883,674	351,193,779
Restricted	249,223,746	203,871,553	-	-	249,223,746	203,871,553
Unrestricted	(533,226,565)	(482,457,930)	24,868,148	5,456,014	(508,358,418)	(477,001,916)
Total Net Position	<u>\$ (101,673,976)</u>	<u>\$ (117,193,330)</u>	<u>\$ 210,422,980</u>	<u>\$ 195,256,745</u>	<u>\$ 108,749,004</u>	<u>\$ 78,063,416</u>

**Statement of Activities**

The statement of activities shows how the City's net position changed during fiscal year 2021. The City's net position increased overall by \$29.9 million 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, 2021**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 25,690,419	\$ 24,363,224	\$ 117,452,011	\$ 118,115,431	\$ 143,142,430	\$ 142,478,655
Operating grants and contributions	37,789,826	30,366,687	-	-	37,789,826	30,366,687
Capital grants and contributions	17,948,256	7,037,595	-	-	17,948,256	7,037,595
General revenues:						
Property taxes, levied for general purposes	126,973,349	114,315,762	-	-	126,973,349	114,315,762
Property taxes, levied for debt services	12,183,689	9,462,115	-	-	12,183,689	9,462,115
Property taxes for special purposes:						
Library	20,710,050	20,375,089	-	-	20,710,050	20,375,089
Parks	14,582,521	13,865,074	-	-	14,582,521	13,865,074
Paramedic	3,237,447	3,156,883	-	-	3,237,447	3,156,883
Fire	5,298,142	5,218,308	-	-	5,298,142	5,218,308
Sales taxes	17,619,492	18,253,632	-	-	17,619,492	18,253,632
Utility user taxes	13,876,525	13,557,384	-	-	13,876,525	13,557,384
Transient occupancy taxes	3,114,546	7,040,883	-	-	3,114,546	7,040,883
Business license tax	25,363,297	28,763,018	-	-	25,363,297	28,763,018
Other taxes	23,384,480	22,962,304	-	-	23,384,480	22,962,304
Other unrestricted state subventions	385,644	388,062	-	-	385,644	388,062
Contributions not restricted to specific programs	653,399	443,939	-	-	653,399	443,939
Investment earnings	7,887,837	13,099,214	47,274	3,592,813	7,935,111	16,692,027
Insurance claims reimbursement	-	3,597,947	-	-	-	3,597,947
Miscellaneous	890,427	1,564,914	-	-	890,427	1,564,914
Gain/(loss) on sale of capital assets	447,058	17,825	(10)	11,434	447,048	29,259
<b>Total revenues</b>	<b>358,036,404</b>	<b>337,849,859</b>	<b>117,499,275</b>	<b>121,719,678</b>	<b>475,535,679</b>	<b>459,569,537</b>
<b>Expenses:</b>						
General government	37,969,856	36,361,812	-	-	37,969,856	36,361,812
Public safety	149,237,352	157,090,127	-	-	149,237,352	157,090,127
Highways and streets	16,721,534	24,788,042	-	-	16,721,534	24,788,042
Health and welfare	41,577,559	40,673,233	-	-	41,577,559	40,673,233
Culture and recreation	51,985,738	45,695,251	-	-	51,985,738	45,695,251
Community development and housing	32,758,249	34,523,756	-	-	32,758,249	34,523,756
Economic development	5,627,518	6,704,853	-	-	5,627,518	6,704,853
Interest on long-term debt	5,527,301	5,336,107	-	-	5,527,301	5,336,107
Refuse services	-	-	44,269,653	44,402,312	44,269,653	44,402,312
Marina operations and maintenance	-	-	7,234,475	6,822,452	7,234,475	6,822,452
Sewer services	-	-	17,247,422	16,210,405	17,247,422	16,210,405
Clean storm water	-	-	2,631,714	2,290,427	2,631,714	2,290,427
Permit service center	-	-	19,589,787	20,565,515	19,589,787	20,565,515
Parking related	-	-	10,744,575	15,216,074	10,744,575	15,216,074
Building purchase and management	-	-	2,468,796	2,819,469	2,468,796	2,819,469
<b>Total expenses</b>	<b>341,405,107</b>	<b>351,173,181</b>	<b>104,186,422</b>	<b>108,326,654</b>	<b>445,591,529</b>	<b>459,499,835</b>
Excess in net position before other items	16,631,297	(13,323,322)	13,312,853	13,393,024	29,944,150	69,702
Transfers	(1,296,542)	(526,148)	1,296,542	526,148	-	-
<b>Change in net position</b>	<b>15,334,755</b>	<b>(13,849,470)</b>	<b>14,609,395</b>	<b>13,919,172</b>	<b>29,944,151</b>	<b>69,702</b>
Net position - beginning, as restated (note 15)	(117,008,732)	(103,343,860)	195,813,585	181,337,573	78,804,853	77,993,713
<b>Net position - ending</b>	<b>\$ (101,673,976)</b>	<b>\$ (117,193,330)</b>	<b>\$210,422,980</b>	<b>\$ 195,256,745</b>	<b>\$ 108,749,004</b>	<b>\$ 78,063,416</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 \$367.9 million in capital assets (land, buildings and improvements, equipment, intangibles, infrastructure, and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, \$249.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$(508.4) million may be used to meet the government's ongoing obligations to citizens and creditors, as well as to meet City imposed designations (e.g., reserves, endowments, pending litigations, contingencies, and capital projects).

**Governmental activities** increased the City's net position \$15.3 million compared to the prior fiscal year's increase of \$-13.8 million. Key elements of the decrease in net position were as follows:

**Program revenues increased \$19.7 million** due to an increase in charges for services of \$1.3 million, an increase in operating grants and contributions of \$7.4 million, and an increase in capital grants and contributions of \$10.9 million. The major changes are highlighted below:

- Charges for services increased \$1.3 million primarily due to a \$1.52 million increase in parking citation revenue. Parking citation revenue increased due to an increase of 13,429 in citations issued, from 100,219 in FY2020 to 113,648 in FY2021.
- Operating grants and contributions increased \$7.4 million primarily due to (1) An Emergency Solutions Grant related to CARES Act in Housing & Community Services for \$1.5 million; (2) HOME Investment Partnership Act grant for \$2 million; (3) COVID-19 ELC Enhancing Detection Funding for \$2 million; (3) Mental Health Services receiving approximately \$2.8 million more in FY2021 than FY2020.
- Capital funding and contributions increased \$10.9 million primarily due to \$13.6 million insurance reimbursement received for the Playground Camp Fund which was allocated to program revenue.

**General revenues increased \$0.5 million** primarily due to a \$16.6 million increase in property taxes, which was offset by decreases in the following: a \$3.4 million decrease in Business License Taxes, \$3.9 million decrease in Transient Occupancy Taxes (TOT) and a \$0.4 million increase in other taxes, \$0.6 million decrease in sales tax, \$5.2 million decrease in investment earnings, \$3.6 million decrease in Insurance Claims Reimbursement and \$0.7 million decrease in Miscellaneous Income as highlighted below:

- Property tax revenue increased \$16.6 million, or 10.0% percent, over last year which was due to the following:
  - **Property Taxes for General Purposes** increased \$12.6 million or 11.0%, from \$114.3 million in FY 2020 to \$126.9 million in FY 2021, as a result of an increase of \$4.8 million in Secured Property Taxes due to a 7.7% increase in City assessed values; an increase of \$4.9 million in Property Transfer Taxes, as a result of an increase in the dollar value of property sales in FY 2021; increase of \$1.8 million from Property Transfer Taxes-Measure P; and, Vehicle In-Lieu Taxes increased by \$0.9 million due to a 7.7% increase in assessed values.
  - **Property Taxes for Debt Service** increased \$2.7 million or 28.8%, from \$9.5 million in FY 2020 to \$12.2 million in FY 2021 primarily as a result of (1) the payment of two interest payments on the \$38 million in Measure O affordable Housing General Obligation bonds during FY 2021 versus one interest payment due and paid in FY 2020. This resulted in an increase of \$852,165 in FY 2021; and, (2) additional debt service needed for the \$45 million second series of the Measure T1 bonds issued in FY 2021. This resulted in an increase of \$1,867,733 in FY 2021.
  - **Property Taxes for Special Purposes** increased \$1.2 million or 2.8% from \$42.6 million in FY 2020 to \$43.8 million in FY 2021, primarily as a result of higher FY 2021 assessed values, a 1.10% increase in the Consumer Price Index in the immediate San Francisco Bay Area for FY 2021 for the Paramedic special taxes; and an increase of 3.73% in Personal Income Growth for Parks special taxes. The increases allowed for Library services and Fire services special taxes in FY 2021 were not levied because management decided to forgo a tax rate increase, and keep the same tax rate as FY 2020, due to the unprecedented levels of community hardship experienced across the City stemming from the COVID-19 pandemic.
- Business License Taxes decreased \$3.4 million or -11.8% primarily due to the impact the COVID-19 pandemic had on retail activities.

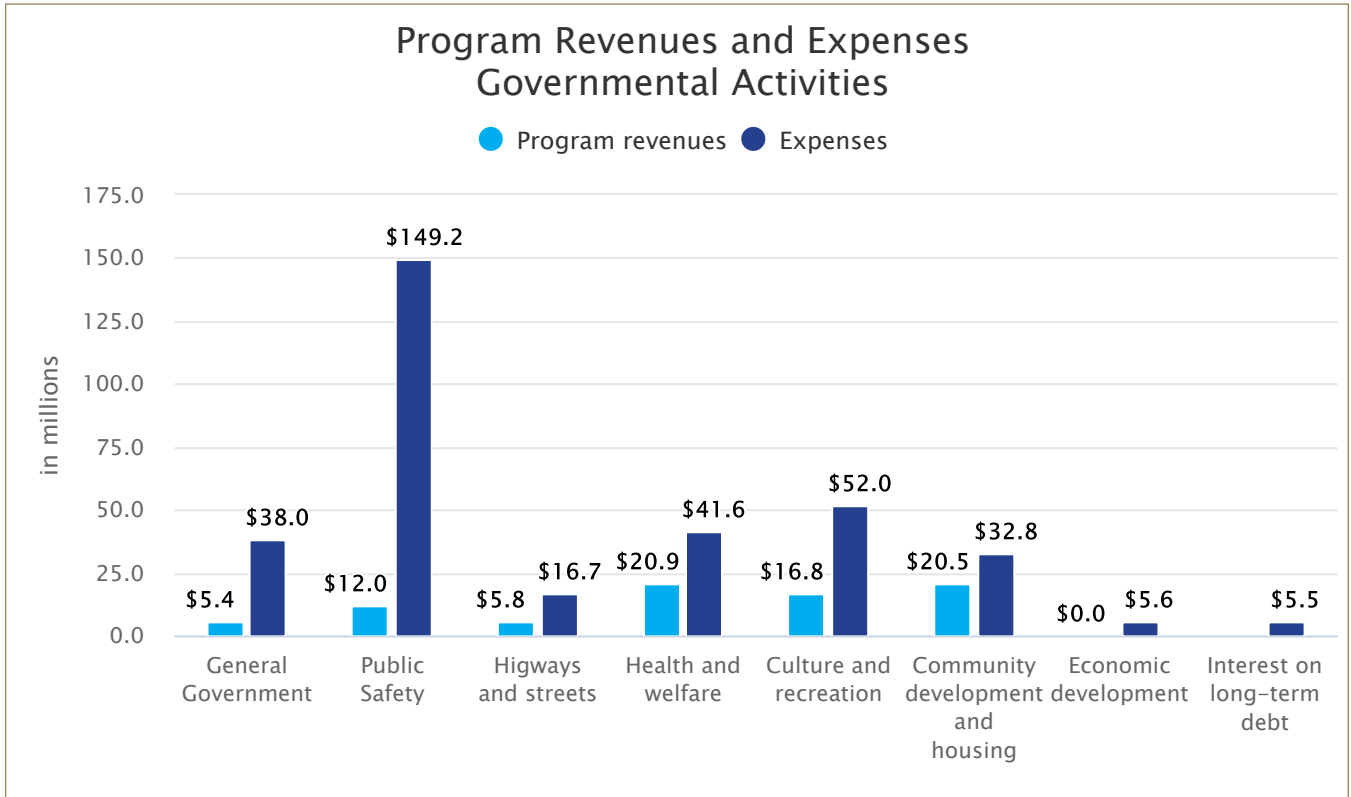
- Sales tax revenue (including sugar tax) decreased \$0.6 million or -3.5% to \$17.6 million in FY 2021 from \$18.3 million in FY 2020 primarily as a result of the COVID-19 pandemic and the Governor's shelter in place orders beginning in March 2020, which caused almost all business-related activity to come to a halt. Sales tax revenue declined \$.3 million and sugar tax declined \$.4 million.
- Transient Occupancy taxes (TOT) decreased -\$3.9 million or -55.8% to \$3.1 million in FY 2021 from \$7.0 million in FY 2020. TOT was hit very hard by the Governor's shelter in place orders issued in March 2020, as almost all travel and business-related activity came to a halt. Hotel occupancy and revenues since then have declined approximately 70% and 80%, respectively.
- Investment income totaled \$7.9 million which is -\$5.2 million or -39.8% less than the total of \$13.1 million received in FY 2020. This decrease is primarily attributable to the average book value of long-term investments being lower in FY 2021 than in FY2020; (2) the average balance of investments in lower-yielding short-term investments were higher in FY 2021; and (3) the weighted-average interest rates were lower in FY 2021.

**Expenses decreased \$13.9 million** primarily due to the following: \$1.6 million increase in general government, \$7.9 million decrease in public safety, \$8.1 million decrease in highway and streets, \$0.9 million increase in health and welfare, \$6.3 million increase in culture and recreation, \$1.8 million decrease in community development and housing, \$1.1 million decrease in economic development and \$0.2 million increase in interest expense. These changes are highlighted below:

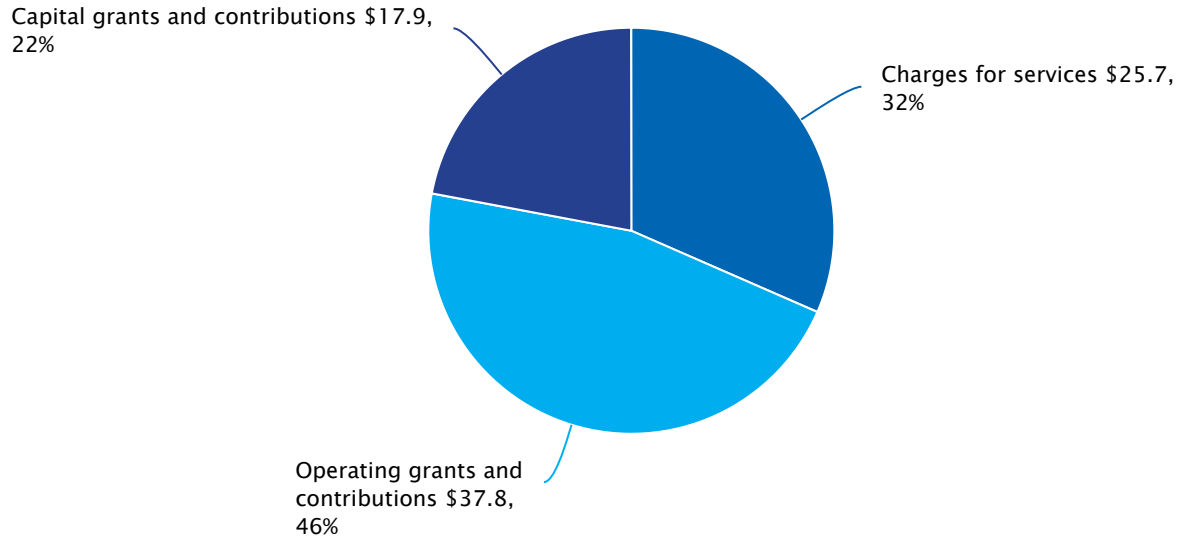
- General government expenses increased \$1.6 million. This was primarily due to (1) \$0.82 million increase in election costs since it was an election year; (2) increase of \$0.4 million in compensated absence expenses since employees took less vacation time off due to pandemic; (3) spending \$0.5 million more in the Neighborhood program.
- Public safety expenses decreased \$7.9 million primarily due to a \$11.5 million decrease in actuarial pension/OPEB expenses, while all other expenses had a net increase of \$3.6 million in spending.
- Highway and streets expenses decreased \$8.1 million due to a decrease in repair and maintenance expenses for infrastructures and other expenses. In the beginning of the pandemic, the City decided to defer non-essential, big budget spending items. As a result, money was spent less as compared with last year.
- Health and welfare expenses increased \$0.9 million. The increase was mainly due to grant spending: (1) The City had two new grants: COVID-19 ELC Enhancing Detection Funding and COVID-19 Crisis Response Funding. The total spending for these two grants was \$0.7 million; (2) Expenses in grant – Public Health Emergency Preparedness-PHEP was increased by \$0.14 million.
- Culture and recreation expenses increased \$6.3 million, due partially to a formula error in last year report that understated the expense by \$3.44 million. The actual increase for FY 2021 was \$2.9 million. The \$2.9 million increase primarily was due to (1) an increase of \$1.14 million in expenses in the library fund and (2) an increase of \$1.89 million in spending in Infrastructure & Facilities Measure T1 fund for non-capital related works.
- Community development and housing expenses decreased \$1.8 million, due to a formula error last year, the expense was overstated by \$3.44 million. The actual change for FY 2021 was an increase of \$1.7 million. The \$1.7 million increase was due to (1) an increase of \$1.35 million in expenses in the Emergency Solution Grant that helps homeless during the pandemic and (2) an increase of \$0.64 million in spending in the Shelter Plus Care grant, to provide housing service to the vulnerable community.
- Economic development expenses decreased \$1.1 million primarily due to less spending in grant payments. In FY 2020, the beginning of the COVID 19, the City spent \$1 million to support small businesses for Business Continuity grants, and \$0.7 million in Berkeley Relief grants. Not as much of this grant money was spent in FY 2021.

As shown on the charts on the following page, public safety is the largest program (\$149.2 million), followed by culture and recreation (\$52.0 million), health and welfare (\$41.6 million), community development and housing (\$39.6 million) general government (\$38.0 million), highways and streets (\$16.7 million), and economic development (\$5.6 million). General revenues, such as property and sales tax, are not shown by program, but are effectively used to support program activities citywide.

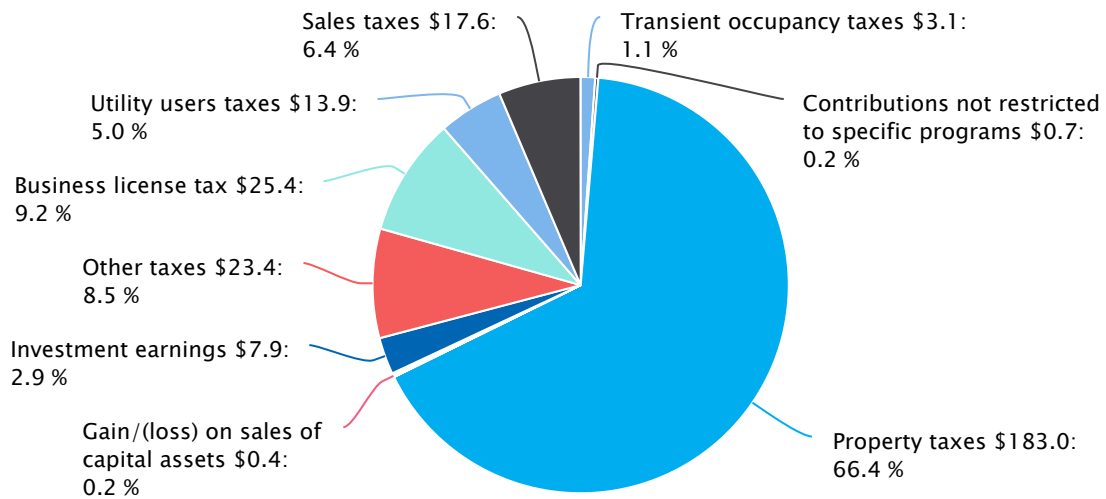




### Revenue by Source Governmental Activities Program Revenues (in millions)



### Revenue by Source Governmental Activities General Revenues (in millions)

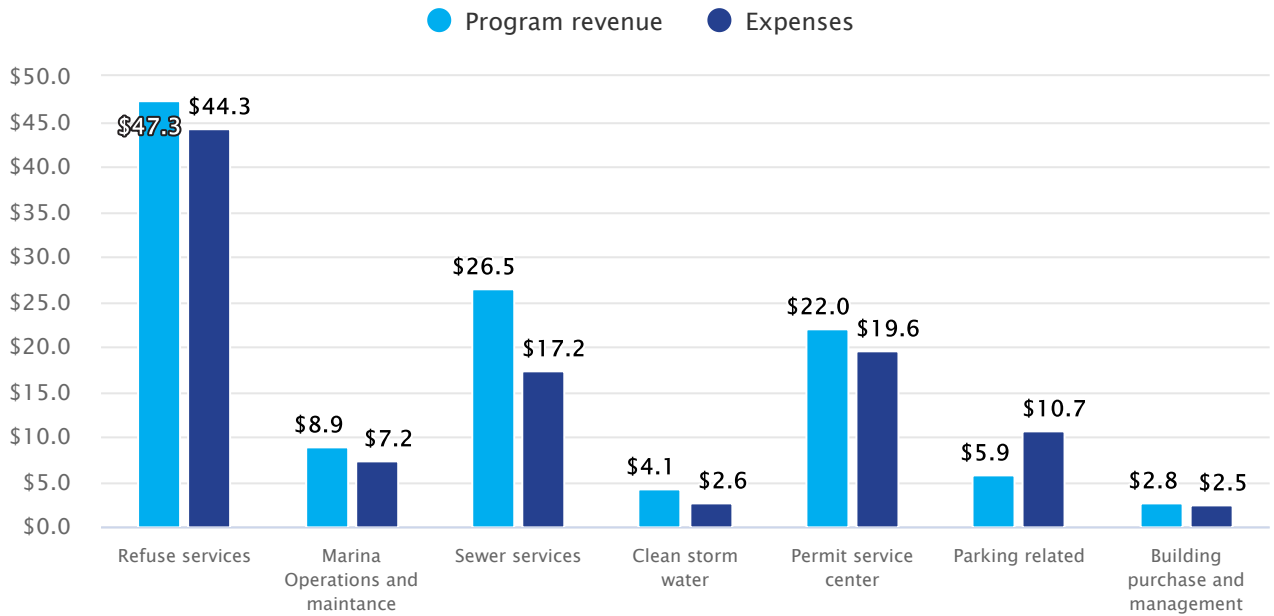


**Business-type activities** increased the City's net position by \$14.6 million, compared to FY 2020's increase of \$13.9 million. This increase was primarily the result of \$117.5 million in program and general revenues exceeding \$104.2 million in expenses. Key elements of net position changes from the prior fiscal year were as follows:

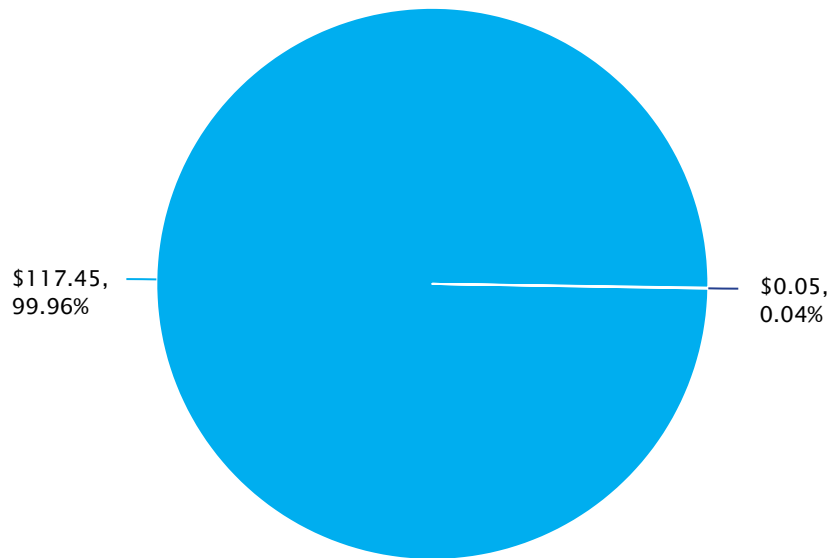
- Parking- Related activities' net position decreased \$4.9 million, compared to the FY 2020 decrease of \$3.9 million. This \$4.9 million decrease was primarily due to the shelter in place orders issued by the Governor and the City's Health Officer, which halted practically all business-related and parking enforcement-related activities starting in March 2020. The Off- Street Parking Fund had revenues of \$1.6 million versus expenses of \$5.0 million; The Parking Meter Fund had revenues of \$4.3 million versus expenses of \$4.6 million and Transfers Out of \$1.7 million..
- Marina Operations and Maintenance activities' net position increased \$1.6 million, compared to the FY 2020 decrease of \$0.5 million. The Marina was negatively impacted by the COVID-19 pandemic, and the resulting shelter in place orders from the Governor and the City's Health Officer. This \$1.6 million increase was primarily due to revenues of \$8.9 million and total expenses of \$7.2 million.
- Refuse Services activities' net position increased by \$1.9 million, compared to the FY 2020 decrease of \$4.3 million. This \$1.9 million increase was primarily due to operating revenues of \$48.7 million, expenses of \$46.8 million, and investment income of \$1.2 million.
- Clean Storm Water activities' net position increased by \$2.8 million, compared to the FY 2020 increase of \$1.8 million. This \$2.8 million increase was primarily due to Clean Storm Water Fees of \$4.1 million, and operating expenses of \$2.5 million.
- Sewer Services activities' net position increased by \$9.0 million, compared to the FY 2020 increase of \$7.3 million. This \$9.0 million increase was primarily due to operating revenues of \$23.5 million and operating expenses of \$16.5 million.
- Permit Service Center activities' net position increased by \$2.3 million, compared to the FY 2020 increase of \$0.8 million. This \$2.3 million increase was primarily due to operating revenues of \$22.0 million, operating expenses of \$19.2 million, and investment income of \$(.4) million, due to the change in the value of investments.
- Building Purchases and Management activities' net position increased \$.4 million, compared to unchanged in FY 2020. This \$.4 million increase was primarily due to operating revenues of \$2.8 million, and total expenses of \$2.4 million.
- Internal Service Funds (ISF) allocation of operating profit increased net position of business-type activities by \$1.4 million which was \$2.3 million lower when 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 \$44.3 million, \$19.6 million and \$17.2 million, respectively, out of approximately \$104.2 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 2021, City governmental funds reported a combined ending fund balance of \$406.5 million, an increase of \$45.5 million in comparison with FY 2020 combined ending fund balance of \$361.1 million. The increase in fund balance was primarily due to the following: General Fund had an increased of \$13.8 million, Grants Fund had a increased of 5.4 million, Library Fund had an increased of 0.9 million, Capital Improvements Fund had a decreased of 3.3 million, and other Non-Major Governmental Funds had an increased of 28.6 million. Of the \$406.5 million fund balance, approximately \$1.1 million or 0.3 percent was non-spendable, \$249.2 million or 61.3 percent was restricted fund balance, \$77.3 million or 19.0 percent was in committed funds, \$29.1 million or 7.2 percent was in assigned funds, and \$49.8 million or 12.2 percent was in unassigned fund balance. Refer to pages 40-43 for more detail of governmental funds.

### ***General Fund – Fund Balance Analysis***

The General Fund is the chief operating fund of the City. As of June 30, 2021, ending fund balance had an increased of \$13.8 million, to \$111.9 million, compared to the FY 2020 increase of \$4.8 million.

The Fund balance of the General Fund consists of \$6.2 million in restricted fund balance, and \$19.6 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. The remaining \$56.4 million was unassigned. Refer to page 40 for more detail of fund balance.

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

### **Changes to General Fund - Fund Balance by Fiscal Year**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>	\$ 213,739,932	\$ 210,940,719	\$ 201,089,822	\$ 185,351,536	\$ 170,392,751
Expenditures	(189,313,176)	(188,605,343)	(164,040,069)	(152,728,506)	(158,338,160)
Other financing sources (uses)	(10,613,695)	(17,501,973)	(27,699,229)	(12,396,323)	(13,420,661)
Operating surplus/(deficit)	13,813,061	4,833,403	9,350,524	20,226,707	(1,366,070)
Beginning fund balance	98,069,069	93,235,667	83,885,143	63,658,436	65,024,506
Ending fund balance	<u>\$ 111,882,130</u>	<u>\$ 98,069,069</u>	<u>\$ 93,235,667</u>	<u>\$ 83,885,143</u>	<u>\$ 63,658,436</u>
<b>Fund balance categories:</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ 142,342	\$ 75,000
Restricted	6,196,569	4,820,212	3,696,971	3,755,304	4,255,304
Committed	29,744,146	-	-	-	-
Assigned	19,577,650	44,704,796	42,666,449	33,373,367	3,015,329
Unassigned	56,363,765	48,544,061	46,872,247	46,614,130	56,387,803
Fund balance	<u>\$ 111,882,130</u>	<u>\$ 98,069,069</u>	<u>\$ 93,235,667</u>	<u>\$ 83,885,143</u>	<u>\$ 63,733,436</u>

**General Fund – Revenue and Expenditure Analysis**

General Fund Revenues for fiscal year 2021, including transfers in and proceeds from sale of property, were \$213.7 million, an increase of \$3.8 million, or 1.8%, compared to FY 2020. 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
	2021	2020	Over/(Under) LastYear	Over Prior Year	
Property taxes	\$ 112,592,896	\$ 100,862,317	\$ 11,730,579	11.6%	51.2%
Sales taxes	17,619,492	16,922,114	697,378	4.1%	8.0%
Utility users taxes	13,876,525	13,557,384	319,141	2.4%	6.3%
Transient occupancy taxes	2,420,349	5,760,616	(3,340,267)	-58.0%	1.1%
Business license taxes	20,544,557	21,009,453	(464,896)	-2.2%	9.3%
U1 revenues	4,818,740	5,597,359	(778,619)	-13.9%	2.2%
Short-term Rentals	694,197	1,280,267	(586,070)	-45.8%	0.3%
Vehicle In-Lieu taxes	14,380,453	13,356,044	1,024,409	7.7%	6.5%
Other taxes	447,356	4,124,237	(3,676,881)	-89.2%	0.2%
Other licenses & permits	1,804,867	2,098,678	(293,811)	-14.0%	0.8%
Intergovernmental	3,699,830	1,770,912	1,928,918	108.9%	1.7%
Charges for services	6,989,548	7,584,958	(595,410)	-7.8%	3.2%
Fines and penalties	3,579,345	4,166,280	(586,935)	-14.1%	1.6%
Rents and royalties	189,355	203,169	(13,814)	-6.8%	0.1%
Franchise	1,713,732	1,812,128	(98,396)	-5.4%	0.8%
Investment income	8,109,544	9,287,397	(1,177,853)	-12.7%	3.7%
Other revenue	259,147	535,794	(276,647)	-51.6%	0.1%

- Property taxes increased \$11.7 million or 11.6% to \$112.6 million in FY 2021 from \$100.9 million in FY 2020, primarily as a result of increases in the following revenue sources:
  - i. Real Property Taxes increased \$4.2 million or 7.1% to \$63.3 million in FY 2021 from \$59.1 million in FY 2020. This increase was consistent with the FY 2021 increase in assessed valuation of 7.7%.
  - ii. Property Transfer Taxes increased \$4.9 million or 22.8% to \$26.4 million in FY 2021 from \$21.5 million in FY 2020. This resulted primarily from a significant increase in the dollar value of property sales during FY 2021.
  - iii. Property Transfer Tax-Measure P increased \$1.8 million or 18.2% to \$11.7 million in FY 2021 from \$9.9 million in FY 2020. This increase resulted from a significant increase in the number of properties selling for more than \$1.5 million in FY 2021.
  - iv. Vehicle In-Lieu Taxes increased \$1.0 million or 7.7% in FY 2021 to \$14.4 million from \$13.4 million in FY 2020. This was consistent with the 7.7% increase in FY 2021 assessed values reported by the County.
- Sales taxes including Sugar Tax of \$1.0 million increased \$0.7 million or 4.1% to \$17.6 million in FY 2021 from \$16.9 million in FY 2020. Sugar tax of \$1.4 million was included as Other Taxes in FY2020. The increase in FY2021 was due to a slight rebound from the negative impact the COVID-19 pandemic had on retail businesses in the city.
- Business License Taxes (BLT) revenue decreased \$0.5 million to \$20.5 million or -2.2% in FY 2021 from \$21.0 million in FY 2020. The decline in FY 2021 was due primarily to the impact of COVID-19. Specifically, FY 2020 BLT is based on businesses' 2019 gross receipts, and FY 2021 BLT is based on their 2020 gross receipts. In March 2020, the COVID-19 pandemic required many businesses to temporarily close for safety reasons. The unexpected temporary closures created a very negative impact on many businesses (especially retail and hotels) and forced some to permanently close.

- U1 revenue was a new revenue source starting in FY 2018. Per the passage of enhanced Business License Tax (BLT) on November 8, 2016, the owners of five or more residential rental units must pay an increase in BLT from 1.081% to 2.880%. That increase in the tax is U1 revenue, which will be used to create roughly 400 affordable homes in Berkeley and also will be used to fund emergency rental assistance. U1 revenue decreased \$0.8 million to \$4.8 million or 13.9% in FY 2021 to \$5.6 million in FY 2020, consistent with the decline in BLT revenues.
- Transient Occupancy taxes (TOT) decreased \$3.3 million or 58.0% to \$2.4 million in FY 2021 from \$5.8 million in FY 2020. The FY 2021 decline in revenue was attributable to a substantial decline in room occupancy, due to the impact of the COVID-9 pandemic. More specifically, the pandemic resulted in a decline of \$3,296,482 or over 50% in TOT revenue at the City's five largest hotels during FY 2021, with a range of 34.5% to 83.5%.
- Short-term Rentals revenue decreased \$0.6 million or 45.8% to \$0.7 million in FY 2021 from \$1.3 million in FY 2020. Like TOT, Short-term Rentals was hit very hard by the COVID-19 pandemic, which caused almost all travel and business-related activity came to a halt.
- Other Taxes decreased \$3.7 million or 89.2% in FY 2021 to \$0.4 million from \$4.1 million in FY 2020. This decrease is primarily attributable to a decrease in Parking Lot Taxes and Soda Taxes.
- Fines and penalties decreased \$0.6 million or 14.1% to \$3.6 million in FY 2021 from \$4.2 million in FY 2020. The number of tickets written (and their collectability) were negatively impacted by the Governor's shelter in place orders related to the COVID-19 pandemic, primarily due to Parking enforcement stopping ticket writing as a result of the Governor's shelter in place orders starting in March 2020.
- Investment income totaled \$8.1 million which is \$-1.2 million or 31.7% less than the total of \$9.3 million received in FY 2020. The decline in interest income in FY 2021 primarily resulted from the following, which was triggered by the Federal Reserve Board voting on March 15, 2020 to cut short-term interest rates back to zero, in order to mitigate the negative impact of the COVID-19 pandemic on the US economy: (1) The average book value of long-term investments were lower in FY 2021; (2) the average balance of investments in lower-yielding short-term investments were higher in FY 2021; and (3) the weighted-average interest rates were lower in FY 2021.
- Transfers from other funds and internal amounts set aside from the General Fund's reserves (Stabilization Reserve and Catastrophic Reserve) totaled \$21,180,762, which was \$13,616,589 or 180.0% more than the \$7,564,173 received in FY 2020. The increase was primarily due to the set aside of General Fund reserve balances to General Fund operations: \$6.9 million from the Stabilization Reserves and \$4.5 million from the Catastrophic Reserves, in order to mitigate the negative impacts of the COVID-19 pandemic.

General Fund Expenditures for fiscal year 2021, including transfers out, decreased \$5.5 million, or -2.6 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/ (Decrease)	
	2021	2020	Over/(Under)	Over Prior	% of Total
			Prior Fiscal	Year	
General government	\$ 27,357,145	\$ 24,693,087	\$ 2,664,058	10.8%	13.3%
Public safety	120,179,383	118,792,927	1,386,456	1.2%	58.3%
Highway and streets	3,163,011	2,289,459	873,552	38.2%	1.5%
Health and welfare	19,320,286	20,423,061	(1,102,775)	-5.4%	9.4%
Culture-recreation	7,361,990	7,013,665	348,325	5.0%	3.6%
Community development and housing	9,257,638	9,040,990	216,648	2.4%	4.5%
Economic development	2,534,451	5,878,762	(3,344,311)	-56.9%	1.2%
Debt service	139,272	473,393	(334,121)	-70.6%	0.1%
Other financing uses	16,700,977	22,888,365	(6,187,388)	-27.0%	8.1%
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 206,014,153</b>	<b>\$ 211,493,709</b>	<b>\$ (5,479,556)</b>	<b>-2.6%</b>	<b>100.0%</b>

- General government expenditures increased \$2.7 million or 10.8% in FY 2021, compared to the prior fiscal year. The reasons for the increase are the following: (1) FY2021 being an election year, and the City spent \$0.82 million more for election costs; (2) The City spent \$0.49 million for Neighborhood programs due to the pandemic; (3) The demand for IT service and better and faster computer programs increased. The City spent \$0.5 million more in software maintenance costs; (4) The City sent \$0.2 million to finance grant payments for eligible Berkeley businesses through the Alameda County CARES grant program for Berkeley Relief Fund.
- Public safety expenditures increased \$1.4 million or 1.2% in FY 2021, compared to the prior fiscal year. It was primarily due to shifting Police traffic enforcement related expenses in Off Street Parking Fund to meet the parking revenue bonds coverage ratio.
- Highways and streets expenditures increased \$0.9 million or 38.2% in FY 2021, compared to the prior fiscal year. It is largely attributed to the following: (1) Design and engineering services in support of quick build traffic safety projects; (2) Addition of GIS specialist position in Engineering; (3) Staffing non-personnel budget adjustments in the Clean Cities group which directly supports the Homelessness Response.
- Health and welfare expenditures decreased \$1.1 million or -5.4% in FY 2021, compared to the prior fiscal year. The decrease is primarily due to (1) hiring freeze. (2) Department's expenditures in operating were focused on COVID-grants and prioritizing spending down grant funds over General Fund wherever appropriate.
- Culture-Recreation expenditures increased \$0.3 million or 5.0% in FY 2021, compared to the prior fiscal year. The increase is due to increased capital improvement costs.
- Community Development and Housing expenditures increased \$0.2 million or 2.4% in FY 2021, compared to the prior fiscal year. The increase is due to grant payments to community agencies.
- Economic development decreased \$3.3 million or 56.9%. The decrease in spending is due to the following: (1) In the beginning of the pandemic, the City spent \$1.0 million for Business Continuity Grants and \$0.7 million on Berkeley Relief grant to support various small businesses, and disbursed a \$1.0 million Civic Art Award grant to various individuals. These grants were not renewed in this fiscal year. (2) last year, the City made a one-time payment of \$0.5 million to Berkeley Convention and Visitor Center to develop a sales and marketing program.
- Other Financing Uses decreased \$6.2 million or -27.0% to \$16.7 million in FY 2021 from \$22.9 million in FY 2020. This decrease resulted primarily in reduction of the transfer out to Capital Project Fund \$6.3 million. Due to the pandemic and the uncertainty of the economic sensitive revenues, the management decided to defer non-emergency capital improvement projects. As a result, the transfer out to the Capital Project Fund was less.



**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 City's Grant Fund fund balance increased \$5.4 million compared to prior fiscal year's decrease of \$7.4 million. Much of the FY 2021's increase resulted from \$32.8 million in grants expenditures versus \$38.5 million grants revenues.

**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 decreased \$0.9 million which is comparable to prior fiscal year's increase of \$1.6 million. The Library's FY 2021 increase was lower than in FY 2020 because management decided to forgo a tax rate increase, and keep the same tax rate as FY 2020, due to the unprecedented levels of community hardship experienced across the City stemming from the COVID-19 pandemic.

**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 decreased \$3.3 million, compared to the prior fiscal year's decrease of \$1.4 million. The net decrease of \$3.3 million was primarily due to (1) Revenues of \$.6 million; (2) Expenditures of \$5.5 million; (3) Transfers In from the General Fund of \$3.3 million; and, (4) total Transfers Out of \$1.7 million.

**Proprietary funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements in greater detail.

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, 2021**

Fund	Unrestricted Net Position	Change in	Total Net Position	Change in
		Unrestricted Net Position		Total Net Position
Zero Waste	\$ (1,574,641)	\$ 1,499,192	\$ 3,214,688	\$ 1,855,822
Marina Operations	(241,343)	(2,139,409)	2,686,590	1,606,477
Sanitary Sewer	17,379,582	1,208,973	158,370,183	9,006,147
Clean Storm Water	4,498,337	(435,220)	25,401,954	2,828,348
Permit Service Center	(817,980)	(571,302)	2,919,856	2,300,294
Off-Street Parking	(1,620,021)	4,185,049	12,551,414	(2,568,952)
Parking Meters	(7,002,502)	(3,249,467)	(6,565,370)	(2,246,709)
Building Purchases and Management	(1,513,056)	(167,183)	(3,916,107)	395,141
Total	\$ 9,108,376	\$ 330,633	\$ 194,663,208	\$ 13,176,568

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 138. \$21.6 million increase between the original and final budget (expenditures plus transfer out) is the result of \$7.2 million of encumbered rollovers, \$4.7 million in unencumbered rollovers, \$.1 million in reappropriations and \$30.5 million of other City Council approved budget 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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	152,038,471	161,685,594	180,793,320	19,107,726
Licenses and permits	1,529,019	1,529,019	1,804,867	275,848
Intergovernmental	822,869	822,869	4,218,064	3,395,195
Charges for service	8,538,213	6,777,164	6,888,400	111,236
Fines and penalties	5,260,458	5,260,458	3,710,081	(1,550,377)
Rents and royalties	149,210	149,210	189,355	40,145
Franchise	1,551,696	1,521,742	1,726,470	204,728
Private contributions and donations	114,944	114,944	184,393	69,449
Investment income	2,851,200	4,051,200	5,917,722	1,866,522
Miscellaneous	173,843	173,843	69,754	(104,089)
<b>Total revenues</b>	<b>173,029,923</b>	<b>182,086,043</b>	<b>205,502,426</b>	<b>23,416,383</b>
Expenditures:				
Current:				
General government	44,953,248	33,507,495	27,261,882	6,245,613
Public safety	101,005,298	110,447,099	120,020,003	(9,572,904)
Highway and streets	2,212,185	3,821,544	3,105,921	715,623
Health and welfare	9,572,792	18,016,304	19,134,939	(1,118,635)
Culture-recreation	7,954,974	10,358,001	7,304,226	3,053,775
Community development and housing	7,255,438	13,839,868	10,565,245	3,274,623
Economic development	2,541,292	3,198,078	2,487,997	710,081
Debt service:				
Principal repayment	780,000	1,353,115	1,353,115	-
Interest and fiscal charges	1,330,250	200,000	68,755	131,245
Bond issuance cost	-	-	-	-
TRAN issuance costs	-	-	70,517	70,517
<b>Total expenditures</b>	<b>177,605,477</b>	<b>194,741,504</b>	<b>191,372,600</b>	<b>3,509,938</b>
Revenues over/(under) expenditures	(4,575,554)	(12,655,461)	14,129,826	26,785,287
Other financing sources/(uses)				
Transfers in	5,874,293	5,874,293	6,087,282	212,989
Transfers out	(13,591,883)	(18,064,477)	(15,347,862)	2,716,615
Interfund repayments	-	-	3,693,480	3,693,480
Interfund advances	-	-	(10,236,653)	(10,236,653)
Sale of capital assets	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>(7,717,590)</b>	<b>(12,190,184)</b>	<b>(15,803,753)</b>	<b>(3,613,569)</b>
Net change in fund balance	(12,293,144)	(24,845,645)	(1,673,927)	23,171,718

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

Net change in fund balances - budgetary basis	\$ (1,673,927)
Receivable accrual	8,237,507
Due from other fund -Repayment	(3,693,480)
Due from other fund - advance	10,236,653
Payable accrual	706,308
Net change in fund balances - GAAP basis	<u>\$ 13,813,061</u>

Revenues, excluding other financing sources, were \$23.4 million, or 12.9%, higher than budgetary estimates as a result of receiving higher than anticipated revenue as follows:

- Taxes were \$19.1 million over budget due to: Property transfer tax exceeding the final budget by \$5.0 million; Supplemental Taxes exceeding the final budget by \$.2 million; Unsecured Property Taxes exceeding the final budget by \$.4 million; Business License Tax exceeding the final budget by \$4.8; million Sales Taxes under the final budget by \$.9 million; Transient Occupancy Taxes (TOT) under the final budget by \$.8 million; Short-term rentals under the final budget by \$.2 million. Measure P Property Transfer tax revenue exceeding the final budget by \$4.7 million.
- Investment income was over budget by \$1.9 million due to a higher proportion of the portfolio being invested in longer-term securities (i.e., more than one year maturity) in FY 2021 than in FY 2020. In both fiscal years, short-term investment interest rates were close to zero.
- Fines and penalties income were under budget by 1.5 million due partly to a decline in parking fines. Parking Fines income was under the budget by \$.5 million due to the number of tickets written (and their collectability) being negatively impacted by the Governor’s shelter in place orders related to the COVID-19 pandemic.
- Business license taxes exceeded the budget by \$4.8 million due to a significant portion of revenues (i.e., rental properties) not being impacted as much by the COVID-19 pandemic as other business-related revenues.
- TOT revenue in FY 2021 was under the budget by \$.8 million due to a substantial decline in room occupancy, due to the impact of the COVID-19 pandemic.
- Intergovernmental revenues were \$3.4 million over budget due to two grants for COVID 19 Relief program not budgeted: \$.94 million received as one-time grant from the East Bay Community Foundation and \$1.5 million from State of California. \$.86 million for mutual aid reimbursement was also not budgeted.

Expenditures, excluding other financing uses, were less than budgetary estimates by \$12.1 million, or 6.0 percent, primarily due to the following:

- General government was under budget by \$6.2 million due to salary savings and underspending of non-personnel funds.
- Public Safety was over budget by \$9.5 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 \$0.7 million due to salary savings and underspending of non-personnel funds.
- Economic Development Health and welfare was under budget by \$0.7 million due to underspending in non-personnel funds.
- Community Development and Housing expenditures were under budget by \$3.3 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, 2021, totaled \$548.1 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 2021 was \$37.5 million, which represents a total increase of 7.34 percent, 14.58 percent increase for governmental activities and a 0.65 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, 2021**

Fund	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 25,142,014	\$ 25,142,014	\$ 2,979,050	\$ 2,979,050	\$ 28,121,064	\$ 28,121,064
Buildings	87,906,431	83,155,873	64,884,025	67,763,091	152,790,456	150,918,964
Improvements Other than Buildings	23,965,779	17,155,700	10,214,347	10,695,751	34,180,126	27,851,451
Machinery and Equipment	23,459,917	17,470,287	3,245,197	3,211,384	26,705,114	20,681,671
Infrastructure	114,978,977	108,830,749	160,114,693	158,361,440	275,093,670	267,192,189
Construction in Progress	31,203,236	15,873,606	-	-	31,203,236	15,873,606
Total Capital Assets, Net	<u>\$ 306,656,354</u>	<u>\$ 267,628,229</u>	<u>\$ 241,437,310</u>	<u>\$ 243,010,716</u>	<u>\$ 548,093,665</u>	<u>\$ 510,638,945</u>

Major capital asset events during fiscal year 2021 included the following: Governmental activities' Buildings increased by \$4.8 million or 5.71 percent from the prior fiscal year primarily due to FY 2021 additions of \$10.1 million and depreciation expense of \$5.4 million.

- Governmental activities Infrastructure increased by \$6.1 million or 5.65% over the prior fiscal year primarily due to FY 2021 additions of \$12.6 million and depreciation expense of \$6.4 million.
- Governmental activities Construction in Progress increased by \$15.3 million or 96.6% over the prior fiscal year primarily due to additions of \$19.2 million for reconstruction of the Berkeley Tuolumne Park that burned down, and \$5.4 million in deletions for the completion of four fire engines and one tiller.

### Long-term debt

At the end of fiscal year 2021, the City had total long-term debt outstanding of \$267.8 million (Excluding pension liabilities, OPEB liabilities and compensated absences). Of this amount, \$192.7 million, or 72.0 percent, of total long-term debt consisted of the City's general obligation bonds, and a total of \$74.9 million, or 28.0 percent, consisted of revenue bonds, certificates of participation, notes/loans payable and capital leases payable. Long-term debt increased overall by \$36.6 million, primarily due to the issuance of \$45.8 million (including premium of \$2.8 million) in general obligation bonds to fund Measure T1 Infrastructure and Facilities within the City, and principal payments made during FY 2021. 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	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 192,672	\$ 151,181	\$ -	\$ -	\$ 192,672	\$ 151,181
Revenue Bonds	8,446	4,153	49,622	51,629	58,068	55,782
Capital Leases	4,564	5,650	-	-	4,564	5,650
Certificate of Participations	-	5,202	-	-	-	5,202
Notes/Loans Payable	6,201	6,951	6,261	6,449	12,462	13,400
Total Long-Term Debt	<u>\$ 211,883</u>	<u>\$ 173,137</u>	<u>\$ 55,883</u>	<u>\$ 58,078</u>	<u>\$ 267,766</u>	<u>\$ 231,215</u>

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

During the fiscal year, the local economy was negatively impacted by the COVID-19 pandemic, and was in the process of slowly recovering. Berkeley's current economic base consists of approximately 12,100 active licensed businesses operating in the City. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, consulting, arts and entertainment, hospitality services, along with several state, federal, and non-profit institutions. The City's revenue base generated approximately \$1.58 billion in taxable sales taxes during FY 2021, less than the \$1.69 billion generated in FY 2020,

due to 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 5.5 percent in June 2021 compared to 10.0 percent in June 2020, compared to 6.5 percent for the County, 7.7 percent for the state, and 5.9 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 7.7 percent to \$21.3 billion in FY 2021 (net of exemptions and other deductions) from \$19.8 billion in FY 2020, for a strong level of \$150,665 per capita. The tax base is diverse, with the top ten property taxpayers accounting for 5.23 percent of total assessed valuation.

Next Year's Budget

The City Council adopted the FY 2021 and FY 2022 Biennial Budget (Biennial Budget) on June 18, 2020 and June 29, 2021, respectively. The FY 2022 Budget Process began in December 2020, almost nine months after the COVID-19 pandemic began and the shelter-in-place orders were implemented. The process also came six months after the FY 2021 Budget Process was completed on June 18, 2020. To recap the FY 2021 Budget Process, the FY 2021 budget was balanced before the onset of the COVID-19 pandemic. Due to the pandemic and shelter-in-place orders that severely curtailed economic activity, the City faced a \$40 million General Fund deficit, along with deficits in the Marina and Parking Funds.

The FY 2021 deficit was resolved through the following actions:

- Implementing a hiring freeze and maintaining vacant positions;
- Delaying capital expenditures;
- Reducing non-personnel expenditures;
- Drawing on reserve funds;
- Reducing transfers to Internal Service Funds; and
- One-time suspension of Council policy regarding Property Transfer Taxes that resulted in increasing the General Fund allocation from \$12.5 million to \$16.5 million.

It is important to note that the FY 2021 budget was balanced with no layoffs.

When the FY 2022 Budget Process began, in consultation with the Budget and Finance Policy Committee, it was decided to shift from a regular 2-year budget to a 1-year budget process for FY 2022. This decision was made to provide time to evaluate the impacts of COVID-19 on the local economy and to develop an understanding of the impacts of vaccines. Also, to help provide a framework and context for the development of the Proposed Budget and future City obligations, staff presented the FY 2021 Unfunded Liability Obligations and Unfunded Infrastructure Needs report to the City Council on March 16, 2021.

In developing the Proposed Budget, staff used the same budget strategies that helped guide the FY 2021 Mid-Biennial Budget Update. The strategies are:

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, social, and just equity, serving those who are most in need, and environmental sustainability.
3. Identify expenditures that can be deferred. Take a deferment first approach by thoroughly assessing expenditures with a special emphasis on large capital projects, equipment purchases, and new projects.
4. Pursue other revenue and assistance. Vigorously pursue cost recovery efforts, secure alternative sources of revenue, and be positioned to capitalize on federal and state assistance.
5. Manage use of, and replenish, reserves. In drawing on reserves, the City will adopt a long-term orientation to ensure that funds are available for the duration of the economic downturn. The City will look to its existing policies to ensure that any reserves that are utilized are restored when the economy improves.
6. Be data-driven and transparent. Budget decisions will be informed by data and be transparent. Staff will work collaboratively with the Budget and Finance Committee with on-going communication and updates provided to the entire City Council.

## REQUESTS FOR INFORMATION

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



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ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

# Basic Financial Statements





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# Government-Wide Financial Statement

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

**Statement of Net Position  
June 30, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Rent Stabilization Board
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 225,184,146	\$ 100,563,817	\$ 325,747,963	\$ 5,815,658
Restricted cash and investments	279,926,015	-	279,926,015	-
Receivables (net of allowance for uncollectible)	40,459,045	10,738,581	51,197,626	-
Prepaid items	1,842,444	-	1,842,444	-
Inventories	14,538	-	14,538	-
Internal balances	(15,284,561)	15,284,561	-	-
Property held for resale	713,313	-	713,313	-
<b>Total current assets</b>	<b>532,854,940</b>	<b>126,586,959</b>	<b>659,441,899</b>	<b>5,815,658</b>
Noncurrent assets:				
Notes Receivable	83,565,180	-	83,565,180	-
Capital assets:				
Land	25,142,014	2,979,050	28,121,064	-
Building	194,896,680	93,102,067	287,998,747	-
Improvements other than buildings	30,892,879	17,286,338	48,179,217	-
Machinery and equipment	81,601,972	9,953,363	91,555,335	595,666
Infrastructure	258,655,498	238,492,065	497,147,563	-
Construction in progress	31,203,236	-	31,203,236	-
Less accumulated depreciation	(315,735,925)	(120,375,572)	(436,111,497)	(594,125)
<b>Total capital assets</b>	<b>306,656,354</b>	<b>241,437,311</b>	<b>548,093,665</b>	<b>1,541</b>
<b>Total noncurrent assets</b>	<b>390,221,534</b>	<b>241,437,311</b>	<b>631,658,845</b>	<b>1,541</b>
<b>Total assets</b>	<b>923,076,474</b>	<b>368,024,270</b>	<b>1,291,100,744</b>	<b>5,817,199</b>
<b>Deferred outflows of resources</b>				
Deferred pension items	60,884,880	10,891,003	71,775,883	980,107
Deferred OPEB items	31,702,320	4,660,707	36,363,027	417,110
<b>Total deferred outflows of resources</b>	<b>92,587,200</b>	<b>15,551,710</b>	<b>108,138,910</b>	<b>1,397,217</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	29,748,540	5,497,944	35,246,484	42,088
Accrued salaries and wages	12,096,177	2,794,217	14,890,394	247,844
Accrued interest payable	2,783,150	582,655	3,365,805	-
Deposits held	1,076,634	528,607	1,605,241	15,075
Other liabilities	4,976,791	311,872	5,288,663	61,764
Unearned revenues	36,324,632	12,848	36,337,480	-
Advances - rent registration	-	-	-	4,041,637
Tax and revenue anticipation notes	42,405,000	-	42,405,000	-
Current portion of LT liability due within one year	20,594,811	2,880,937	23,475,748	21,899
<b>Total current liabilities</b>	<b>150,005,735</b>	<b>12,609,080</b>	<b>162,614,815</b>	<b>4,430,307</b>
Noncurrent liabilities due in more than one year:				
Net pension liabilities	562,907,904	87,053,778	649,961,682	7,975,505
Net OPEB liabilities	105,202,419	9,456,022	114,658,441	465,778
Others due in more than one year	249,385,138	57,440,734	306,825,872	266,745
<b>Total noncurrent liabilities</b>	<b>917,495,461</b>	<b>153,950,534</b>	<b>1,071,445,995</b>	<b>8,708,028</b>
<b>Total liabilities</b>	<b>1,067,501,196</b>	<b>166,559,614</b>	<b>1,234,060,810</b>	<b>13,138,334</b>
<b>Deferred inflows of resources</b>				
Deferred pension items	2,807,679	-	2,807,679	-
Deferred OPEB items	45,898,496	6,593,386	52,491,882	584,603
Deferred gain on refunding	1,130,278	-	1,130,278	-
<b>Total deferred inflows of resources</b>	<b>49,836,454</b>	<b>6,593,386</b>	<b>56,429,840</b>	<b>584,603</b>
<b>Net position</b>				
Net investment in capital assets	182,328,842	185,554,832	367,883,674	1,541
Restricted for:				
Other purposes	11,976,336	-	11,976,336	-
Law enforcement	4,878,317	-	4,878,317	-
Highway and streets	69,174,562	-	69,174,562	-
Health and welfare	33,453,987	-	33,453,987	-
Park, recreation, and education	17,903,285	-	17,903,285	-
Urban redevelopment and housing	84,714,391	-	84,714,391	-
Economic development	3,120,913	-	3,120,913	-
Debt service	15,901,481	-	15,901,481	-
Capital projects	8,100,475	-	8,100,475	-
Unrestricted	(533,226,565)	24,868,148	(508,358,418)	(6,510,061)
<b>Total net position</b>	<b>\$ (101,673,976)</b>	<b>\$ 210,422,980</b>	<b>\$ 108,749,004</b>	<b>\$ (6,508,520)</b>

The accompanying notes are an integral part of these financial statements



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**Statement of Activities**  
**For the year ended June 30, 2021**

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	\$ 43,314,870	\$ (5,345,014)	\$ 4,397,955	\$ 1,039,844	\$ -
Public safety	149,192,459	44,893	10,187,676	1,794,972	-
Highways and streets	16,721,534	-	1,400,964	444,980	3,918,057
Health and welfare	41,577,559	-	1,087,713	19,851,787	-
Culture and recreation	51,985,738	-	2,317,382	423,928	14,030,199
Community development and housing	32,614,876	143,373	6,298,729	14,218,677	-
Economic development	5,627,518	-	-	15,638	-
Interest on long-term debt	5,527,301	-	-	-	-
Total governmental activities	<u>346,561,854</u>	<u>(5,156,748)</u>	<u>25,690,419</u>	<u>37,789,826</u>	<u>17,948,256</u>
Business-type activities:					
Refuse services	42,077,325	2,192,328	47,254,269	-	-
Marina operations and maintenance	6,861,816	372,659	8,933,581	-	-
Sewer services	16,378,969	868,453	26,495,328	-	-
Clean storm water	2,513,095	118,619	4,135,134	-	-
Permit service center	17,985,099	1,604,688	21,999,153	-	-
Parking related	10,744,575	-	5,866,541	-	-
Building purchase and management	2,468,796	-	2,768,005	-	-
Total business-type activities	<u>99,029,674</u>	<u>5,156,748</u>	<u>117,452,011</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 445,591,529</u>	<u>\$ -</u>	<u>\$ 143,142,430</u>	<u>\$ 37,789,826</u>	<u>\$ 17,948,256</u>
Component unit:					
Rent stabilization board	\$ 5,484,968	\$ -	\$ 4,658,580	\$ -	\$ -
Total component unit	<u>\$ 5,484,968</u>	<u>\$ -</u>	<u>\$ 4,658,580</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 (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
\$ (32,532,057)	\$ -	\$ (32,532,057)	
(137,254,705)	-	(137,254,705)	
(10,957,533)	-	(10,957,533)	
(20,638,059)	-	(20,638,059)	
(35,214,229)	-	(35,214,229)	
(12,240,843)	-	(12,240,843)	
(5,611,880)	-	(5,611,880)	
(5,527,301)	-	(5,527,301)	
(259,976,606)	-	(259,976,606)	
-	2,984,616	2,984,616	
-	1,699,106	1,699,106	
-	9,247,906	9,247,906	
-	1,503,420	1,503,420	
-	2,409,366	2,409,366	
-	(4,878,034)	(4,878,034)	
-	299,209	299,209	
-	13,265,589	13,265,589	
\$ (259,976,606)	\$ 13,265,589	\$ (246,711,017)	
			\$ (826,388)
			\$ (826,388)
126,973,349	-	126,973,349	-
12,183,689	-	12,183,689	-
20,710,050	-	20,710,050	-
14,582,521	-	14,582,521	-
3,237,447	-	3,237,447	-
5,298,142	-	5,298,142	-
17,619,492	-	17,619,492	-
13,876,525	-	13,876,525	-
3,114,546	-	3,114,546	-
25,363,297	-	25,363,297	-
23,384,480	-	23,384,480	-
266,343,538	-	266,343,538	-
385,644	-	385,644	-
653,399	-	653,399	-
7,887,837	47,274	7,935,111	-
-	-	-	-
890,427	-	890,427	-
447,058	(10)	447,048	-
(1,296,542)	1,296,542	-	-
275,311,361	1,343,806	276,655,167	-
15,334,756	14,609,395	29,944,151	(826,388)
(117,008,732)	195,813,585	78,804,853	(5,682,132)
\$ (101,673,976)	\$ 210,422,980	\$ 108,749,004	\$ (6,508,520)





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# Governmental Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<b>Major Funds</b>					
	<b>General Fund</b>	<b>Grants</b>	<b>Library</b>	<b>Capital Improvement</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>						
Cash and investments in treasury	\$ 92,144,827	\$ -	\$ -	\$ 5,779,222	\$ 45,728,978	\$ 143,653,027
Restricted cash and investments	54,704,061	58,465,668	15,174,716	-	151,581,570	279,926,015
Receivables (net of allowance where applicable):						
Accounts	4,781,592	62,816	32,481	28,900	1,122,726	6,028,515
Interest	834,058	-	-	-	604,401	1,438,459
Taxes	13,092,157	-	208,864	-	2,257,226	15,558,247
Subventions/grants	1,050	16,118,548	-	-	848,399	16,967,997
Due from other funds	12,814,452	-	-	4,582,597	45,207	17,442,256
Notes receivable	6,196,569	33,866,226	-	8,071,575	35,430,810	83,565,180
Other	4,812	156,082	-	-	1,166	162,060
Property held for resale	-	-	-	-	713,313	713,313
Prepaid items	-	1,127,417	-	-	715,027	1,842,444
<b>Total assets</b>	<b>\$ 184,573,578</b>	<b>\$ 109,796,757</b>	<b>\$ 15,416,061</b>	<b>\$ 18,462,294</b>	<b>\$ 239,048,823</b>	<b>\$ 567,297,513</b>
<b>Liabilities</b>						
Accounts payable	\$ 10,444,478	\$ 1,357,624	\$ 302,889	\$ 108,527	\$ 14,804,613	\$ 27,018,131
Accrued salaries and wages	8,080,691	794,278	686,147	112,837	1,762,573	11,436,526
Accrued interest payable	740,025	-	-	-	-	740,025
Advances from other funds	1,759,942	-	-	-	-	1,759,942
Due to other funds	-	13,936,444	-	-	3,030,602	16,967,046
Deposits held	921,454	-	-	12,933	142,247	1,076,634
Unearned revenues	-	35,452,439	58,192	-	814,000	36,324,631
Taxes and revenue anticipation note	42,405,000	-	-	-	-	42,405,000
Other liabilities	4,954,932	-	14,644	-	7,215	4,976,791
<b>Total liabilities</b>	<b>69,306,522</b>	<b>51,540,785</b>	<b>1,061,872</b>	<b>234,297</b>	<b>20,561,250</b>	<b>142,704,726</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	3,384,926	12,591,948	32,481	583,185	1,491,056	18,083,596
<b>Total deferred inflows of resources</b>	<b>3,384,926</b>	<b>12,591,948</b>	<b>32,481</b>	<b>583,185</b>	<b>1,491,056</b>	<b>18,083,596</b>
<b>Fund Balances</b>						
Nonspendable	-	1,127,417	-	-	-	1,127,417
Restricted	6,196,569	49,573,620	14,321,708	8,100,475	171,031,375	249,223,747
Committed	29,744,146	-	-	-	47,508,039	77,252,185
Assigned	19,577,650	-	-	9,544,337	-	29,121,987
Unassigned	56,363,765	(5,037,013)	-	-	(1,542,897)	49,783,855
<b>Total fund balances</b>	<b>111,882,130</b>	<b>45,664,024</b>	<b>14,321,708</b>	<b>17,644,812</b>	<b>216,996,517</b>	<b>406,509,191</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 184,573,578</b>	<b>\$ 109,796,757</b>	<b>\$ 15,416,061</b>	<b>\$ 18,462,294</b>	<b>\$ 239,048,823</b>	<b>\$ 567,297,513</b>

The accompanying notes are an integral part of these financial statements

## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2021

Fund balances - total governmental funds (Page 40)	\$ 406,509,191
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	194,896,680
Improvements other than buildings	30,892,879
Machinery and equipment	81,601,972
Infrastructure	258,655,498
Construction in progress	31,203,236
Less accumulated depreciation	<u>(315,735,925)</u>
Governmental activities capital assets, net	306,656,354
Less: capital assets for Internal Service Funds	<u>(21,014,265)</u>
Net capital assets	285,642,089
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	(203,365,137)
Net pension liability - CalPERS Police Plan	(169,327,368)
Net pension liability - CalPERS Fire Plan	(82,974,398)
Net pension liability - Berkeley Police Retirement Income Benefit	(75,897,453)
Net pension liability - Safety Member Pension Plan	(1,548,284)
Net OPEB liability - Miscellaneous Retiree	(28,245,252)
Net OPEB liability - Police Retiree Premium Assistance Plan	(49,355,501)
Net OPEB liability - Fire Retiree Healthcare Plan	(23,873,248)
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	18,083,592
Deferred outflow on pension - CalPERS Miscellaneous Plan	24,675,408
Deferred outflow on pension - CalPERS Police Plan	19,537,275
Deferred outflow on pension - CalPERS Fire Plan	12,870,225
Deferred outflow on Safety Member Pension Plan	1,472
Deferred outflow on OPEB - Miscellaneous Retiree Healthcare Plan	10,438,826
Deferred outflow on OPEB - Police Retiree Healthcare Plan	13,471,904
Deferred outflow on OPEB - Fire Retiree Healthcare Plan	6,124,758
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	7,790,200
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	(2,006,676)
Bonds, certificates of participation, notes and loans	(207,318,567)
Compensated absences	(15,405,410)
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 Police Plan	(222,766)
Deferred inflow on pension - CalPERS Fire Plan	(2,494,283)
Deferred inflow on pension - Berkeley Police Retirement Income Benefit Plan	(90,630)
Deferred inflow on OPEB - Miscellaneous Retiree Healthcare Plan	(14,706,187)
Deferred inflow on OPEB - Police Retiree Healthcare Plan	(24,015,225)
Deferred inflow on OPEB - Fire Retiree Healthcare Plan	(4,842,253)
Deferred inflows due to the advance refunding resulting in defeasance of debt	<u>(1,130,278)</u>
Net position of governmental activities (Page 34)	<u>\$ (101,673,976)</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, 2021**

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Grants	Library	Capital Improvement		
<b>Revenues:</b>						
Taxes	\$187,394,564	\$ -	\$ 20,683,664	\$ -	\$ 58,124,476	\$ 266,202,704
Licenses and permits	1,804,867	-	-	-	120,736	1,925,603
Intergovernmental	3,699,830	38,022,332	81,787	395,000	4,171,403	46,370,352
Charges for service	6,989,548	228,485	-	138,557	8,924,303	16,280,893
Fines and penalties	3,579,345	-	17,688	-	163,998	3,761,031
Rents and royalties	189,355	-	-	-	449,273	638,628
Franchise	1,713,732	-	-	-	141,262	1,854,994
Private contribution and donations	184,393	-	241,824	-	227,182	653,399
Investment income	8,109,544	237,208	113	81,329	1,099,303	9,527,497
Miscellaneous	74,754	-	-	9,870	167,175	251,799
Total revenues	213,739,932	38,488,025	21,025,076	624,756	73,589,111	347,466,900
<b>Expenditures:</b>						
Current:						
General government	27,357,145	252,703	-	109,728	4,766,097	32,485,673
Public safety	120,179,383	332,851	-	-	11,953,550	132,465,784
Highway and streets	3,163,011	800,632	-	-	6,507,792	10,471,435
Health and welfare	19,320,286	16,280,923	-	-	3,419,175	39,020,384
Culture-recreation	7,361,990	467,798	20,144,965	-	19,788,855	47,763,608
Community development and housing	9,257,638	10,149,874	-	1,219,568	12,821,315	33,448,395
Economic development	2,534,451	2,481,579	-	4,959	427,704	5,448,693
Debt service:						
Principal repayment	-	-	-	-	7,113,637	7,113,637
Interest and fiscal charges	68,755	-	-	-	5,568,267	5,637,022
Bonds issuance costs	-	-	-	-	750,846	750,846
TRAN issuance costs	70,517	-	-	-	-	70,517
Capital outlay:						
Highway and streets	-	1,382,526	-	2,691,061	7,192,176	11,265,763
Culture-recreation	-	700,436	-	1,463,965	28,876,568	31,040,969
Total expenditures	189,313,176	32,849,322	20,144,965	5,489,281	109,185,982	356,982,726
Excess/(deficiency) of revenues over/ (under) expenditures	24,426,756	5,638,703	880,111	(4,864,525)	(35,596,871)	(9,515,826)
Other financing sources/(uses)						
Transfers in	6,087,282	-	17,150	3,255,167	9,219,737	18,579,336
Transfers out	(16,700,977)	(212,500)	-	(1,655,600)	(6,524,753)	(25,093,830)
Debt issuance	-	-	-	-	45,000,000	45,000,000
Face value of refunding bonds issued	-	-	-	-	3,975,000	3,975,000
Payment to refunded bond escrow agent	-	-	-	-	(4,765,000)	(4,765,000)
Premium on debt issuance	-	-	-	-	3,485,747	3,485,747
Insurance recoveries	-	-	-	-	13,601,625	13,601,625
Sale of capital assets	-	-	-	-	-	-
Total other financing sources/(uses)	(10,613,695)	(212,500)	17,150	1,599,567	63,992,356	54,782,878
Net change in fund balance	13,813,061	5,426,203	897,261	(3,264,958)	28,395,485	45,267,052
Fund balance, July 1, 2020 as restated	98,069,069	40,237,821	13,424,447	20,909,770	188,601,032	361,242,139
Fund balance, June 30, 2021	\$ 111,882,130	\$ 45,664,024	\$ 14,321,708	\$ 17,644,812	\$ 216,996,517	\$ 406,509,191

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, 2021**

Net change in fund balances - total governmental funds (Page 42 ) \$ 45,267,052

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)	51,100,170
Depreciation expense is therefore deducted from fund balance (net of ISF's amount)	(14,174,301)

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

Tax receivable	50,929
Grant receivable	(3,758,347)
Accounts receivable	1,831,693

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.

Debt issuance	
Face value of bonds issued	(45,000,000)
Face value of refunding bonds issued	(3,975,000)
Principal payment on bonds, certificates of participation, notes and loans	7,113,637
Payment to refunded bonds escrow agent	4,765,000
Issuance of premium on debt	(3,485,747)

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	(1,119,232)
Amortization of original issuance premium on debt	462,096
Amortization of deferred gain on refunding of general obligation refunding bonds	102,424
Pension expense - CalPERS Miscellaneous Plan	(33,148,215)
Pension expense - CalPERS Police Plan	(19,775,335)
Pension expense - CalPERS Fire Plan	(13,175,715)
Pension expense - Berkeley Police Retirement Income Benefit	(1,795,940)
Pension expense - Safety Member Pension Plan	212,189
Net OPEB expense - Miscellaneous Retiree	(1,857,974)
Net OPEB expense - Police Retiree Healthcare Plan	(3,379,141)
Net OPEB expense - Fire Retiree Healthcare Plan	(1,690,531)
Accrued interest payable	(363,390)

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	24,664,751
CalPERS Police Plan	16,556,777
CalPERS Fire Plan	9,022,923

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)	910,284
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Changes in net position of governmental activities (page 35)	<u>\$ 15,334,756</u>
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The accompanying notes are an integral part of these financial statements



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# Proprietary Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA



**Statement of Net Position  
Proprietary Funds  
June 30, 2021**

	<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	\$ 28,381,113	\$ 6,730,108	\$ 33,868,271	\$ 7,726,176	\$ 21,504,374
Accounts receivable	6,119,862	840,619	2,390,670	44,661	709,760
Accrued interest	79,989	15,539	94,636	21,301	59,507
Inventory	-	-	-	-	-
<b>Total current assets</b>	<b>34,580,964</b>	<b>7,586,266</b>	<b>36,353,577</b>	<b>7,792,138</b>	<b>22,273,641</b>
Noncurrent assets:					
Restricted cash and cash equivalents	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Capital assets:					
Land	1,089,529	557,386	40,426	-	-
Building	1,948,070	3,930,260	2,006,786	37,373	4,373,637
Improvements other than buildings	1,974,908	13,410,683	126,696	-	-
Machinery and equipment	3,837,673	257,439	986,044	50,772	207,359
Infrastructure	-	-	198,583,688	39,908,377	-
Construction in progress	-	-	-	-	-
Less accumulated depreciation	(4,060,851)	(8,967,003)	(60,753,039)	(19,092,905)	(843,160)
<b>Total noncurrent assets</b>	<b>4,789,329</b>	<b>9,188,765</b>	<b>140,990,601</b>	<b>20,903,617</b>	<b>3,737,836</b>
<b>Total assets</b>	<b>39,370,293</b>	<b>16,775,031</b>	<b>177,344,178</b>	<b>28,695,755</b>	<b>26,011,477</b>
<b>Deferred outflows of resources:</b>					
Deferred pension items	3,902,402	720,307	2,226,063	520,876	2,219,357
Deferred OPEB items	1,672,953	353,437	777,622	120,431	1,362,468
<b>Total deferred outflows of resources</b>	<b>5,575,355</b>	<b>1,073,744</b>	<b>3,003,685</b>	<b>641,307</b>	<b>3,581,825</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,683,044	842,368	2,058,138	16,776	258,227
Accrued salaries and wages	1,117,400	182,733	424,344	47,442	709,763
Accrued interest payable	3,368	262,908	-	-	-
Due to other funds	-	-	-	-	-
Compensated absences - due within one year	290,662	51,088	96,802	17,930	113,754
Other liabilities	311,872	-	-	-	-
Deposits held	215	308,784	-	-	107,764
Landfill liabilities - due within one year	262,250	-	-	-	-
Unearned revenues	-	12,848	-	-	-
Claims and judgements payable	-	-	-	-	-
Notes payable - due within one year	-	180,579	-	-	-
Capital lease payable - due within one year	-	-	-	-	-
Revenue bonds payable - due within one year	-	-	-	-	-
<b>Total current liabilities</b>	<b>3,668,811</b>	<b>1,841,308</b>	<b>2,579,284</b>	<b>82,148</b>	<b>1,189,508</b>
Noncurrent liabilities:					
Compensated absences - due in more than one year	1,525,042	268,047	507,900	94,073	596,839
Landfill liabilities - due in more than one year	247,800	-	-	-	-
Claims and judgments payable - due in more than one year	-	-	-	-	-
Notes payable - due in more than one year	-	6,080,253	-	-	-
Capital lease payable - due in more than one year	-	-	-	-	-
Revenue bonds payable - due in more than one year	-	-	-	-	-
Net pension liabilities	30,525,908	5,784,946	16,057,039	3,239,715	20,724,927
Net OPEB liabilities	3,433,961	695,714	1,733,609	341,343	2,253,118
<b>Total noncurrent liabilities</b>	<b>35,732,711</b>	<b>12,828,960</b>	<b>18,298,548</b>	<b>3,675,131</b>	<b>23,574,884</b>
<b>Total liabilities</b>	<b>39,401,522</b>	<b>14,670,268</b>	<b>20,877,832</b>	<b>3,757,279</b>	<b>24,764,392</b>
<b>Deferred inflows of resources:</b>					
Deferred pension items	-	-	-	-	-
Deferred OPEB items	2,329,438	491,917	1,099,848	177,829	1,909,054
<b>Total deferred inflows of resources</b>	<b>2,329,438</b>	<b>491,917</b>	<b>1,099,848</b>	<b>177,829</b>	<b>1,909,054</b>
<b>Net position</b>					
Net investment in capital assets	4,789,329	2,927,933	140,990,601	20,903,617	3,737,836
Unrestricted	(1,574,641)	(241,343)	17,379,582	4,498,337	(817,980)
<b>Total net position</b>	<b>\$ 3,214,688</b>	<b>\$ 2,686,590</b>	<b>\$ 158,370,183</b>	<b>\$ 25,401,954</b>	<b>\$ 2,919,856</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
\$ 34,277	\$ 2,311,101	\$ 8,398	\$ 100,563,818	\$ 81,531,119
342,364	4,409	-	10,452,345	77,370
6,198	7,548	1,518	286,236	226,397
-	-	-	-	14,538
<u>382,839</u>	<u>2,323,058</u>	<u>9,916</u>	<u>111,302,399</u>	<u>81,849,424</u>
-	-	-	-	-
-	-	-	-	1,759,942
1,291,709	-	-	2,979,050	-
56,310,371	3,421	24,492,149	93,102,067	1,174,730
-	-	1,774,051	17,286,338	171,524
1,646,563	2,750,682	216,831	9,953,363	52,137,755
-	-	-	238,492,065	-
-	-	-	-	865,227
<u>(11,079,962)</u>	<u>(2,316,971)</u>	<u>(13,261,681)</u>	<u>(120,375,572)</u>	<u>(33,334,972)</u>
48,168,681	437,132	13,221,350	241,437,311	22,774,206
<u>48,551,520</u>	<u>2,760,190</u>	<u>13,231,266</u>	<u>352,739,710</u>	<u>104,623,630</u>
124,183	1,025,939	151,876	10,891,003	3,800,500
64,734	257,643	51,419	4,660,707	1,666,832
<u>188,917</u>	<u>1,283,582</u>	<u>203,295</u>	<u>15,551,710</u>	<u>5,467,332</u>
221,479	288,625	129,289	5,497,946	2,730,407
21,004	274,396	17,135	2,794,217	659,651
179,063	-	137,316	582,655	36,449
474,894	-	316	475,210	-
3,709	47,838	7,204	628,987	93,329
-	-	-	311,872	-
5,566	-	106,278	528,607	-
-	-	-	262,250	-
-	-	-	12,848	-
-	-	-	-	12,268,541
-	-	-	180,579	-
-	-	-	-	1,085,585
760,000	-	1,049,121	1,809,121	-
<u>1,665,715</u>	<u>610,859</u>	<u>1,446,659</u>	<u>13,084,292</u>	<u>16,873,962</u>
19,459	250,996	37,799	3,300,155	1,136,836
-	-	-	247,800	-
-	-	-	-	29,192,999
-	-	-	6,080,253	-
-	-	-	-	3,478,682
33,237,246	-	14,575,280	47,812,526	-
1,073,567	8,559,686	1,087,990	87,053,778	29,795,264
100,075	769,375	128,827	9,456,022	3,728,418
<u>34,430,347</u>	<u>9,580,057</u>	<u>15,829,896</u>	<u>153,950,534</u>	<u>67,332,199</u>
<u>36,096,062</u>	<u>10,190,916</u>	<u>17,276,555</u>	<u>167,034,826</u>	<u>84,206,161</u>
-	-	-	-	-
92,961	418,226	74,113	6,593,386	2,334,831
<u>92,961</u>	<u>418,226</u>	<u>74,113</u>	<u>6,593,386</u>	<u>2,334,831</u>
14,171,435	437,132	(2,403,051)	185,554,832	16,449,997
<u>(1,620,021)</u>	<u>(7,002,502)</u>	<u>(1,513,056)</u>	<u>9,108,376</u>	<u>7,099,973</u>
<u>\$ 12,551,414</u>	<u>\$ (6,565,370)</u>	<u>\$ (3,916,107)</u>	<u>\$ 194,663,208</u>	<u>\$ 23,549,970</u>
			15,759,772	
			<u>\$ 210,422,980</u>	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds  
 Net position of business-type activities

**Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the year ended June 30, 2021**

	<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	-	8,734,501	-	-
Sewer service fees	-	-	26,495,328	-
Clean storm water fees	-	-	-	4,135,134
Refuse service fees	47,254,179	-	-	-
Building permits	-	-	-	-
Other permits	-	-	-	-
Plan checking fees	-	-	-	-
Other fees	-	-	-	-
Contract	-	-	-	-
Equipment rentals service charge	-	-	-	-
Building maintenance	-	-	-	-
Central store service charge	-	-	-	-
Workers' compensation fees	-	-	-	-
Other revenues	90	199,080	-	-
<b>Total operating revenues</b>	<b>47,254,269</b>	<b>8,933,581</b>	<b>26,495,328</b>	<b>4,135,134</b>
<b>Operating expenses:</b>				
Personnel services	11,232,742	2,116,038	4,446,121	643,628
Employee benefits	9,386,063	1,515,451	3,688,288	468,261
Transportation	6,361,136	198,389	626,524	106,104
Repairs and maintenance	1,342,884	221,346	914,448	271,250
Materials and supplies	147,426	232,882	1,172,797	40,151
Utilities	440,323	623,562	24,685	5,463
Insurance	-	51,614	-	-
Specialized and professional services	12,005,247	490,050	1,408,788	22,900
Depreciation	404,594	503,690	3,306,356	693,924
Judgments and claims	-	-	-	-
Communication	15,514	21,475	26,087	1,159
General administration	3,247,419	643,664	1,013,145	295,350
<b>Total operating expenses</b>	<b>44,583,348</b>	<b>6,618,161</b>	<b>16,627,239</b>	<b>2,548,190</b>
Operating income (loss)	2,670,921	2,315,420	9,868,089	1,586,944
<b>Nonoperating revenues (expenses):</b>				
Investment earnings	6,019	803	29,095	1,436
Interest expense	(710,248)	(688,168)	(788,515)	(95,077)
Gain (loss) on disposal of capital assets	-	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(704,229)</b>	<b>(687,365)</b>	<b>(759,420)</b>	<b>(93,641)</b>
Income (loss) before transfers	1,966,692	1,628,055	9,108,669	1,493,303
Transfers in	-	-	90,501	1,360,130
Transfers out	(110,870)	(21,578)	(193,023)	(25,085)
Change in net position	1,855,822	1,606,477	9,006,147	2,828,348
Total net position - beginning as restated	1,358,866	1,080,113	149,364,036	22,573,606
<b>Total net position - ending</b>	<b>\$ 3,214,688</b>	<b>\$ 2,686,590</b>	<b>\$ 158,370,183</b>	<b>\$ 25,401,954</b>

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
\$ -	\$ 1,397,157	\$ 4,248,976	\$ -	\$ 5,646,133	\$ -
-	-	-	-	8,734,501	-
-	-	-	-	26,495,328	-
-	-	-	-	4,135,134	-
-	-	-	-	47,254,179	-
8,151,094	-	-	-	8,151,094	-
2,245,266	-	-	-	2,245,266	-
7,713,310	-	-	-	7,713,310	-
3,882,839	-	-	-	3,882,839	-
-	-	-	-	-	13,177,763
-	-	-	-	-	3,908,137
-	-	-	2,768,005	2,768,005	303,016
-	-	-	-	-	10,636,758
-	-	-	-	-	12,536,075
-	-	-	-	-	3,331,578
6,644	214,427	5,981	-	426,222	-
<u>21,999,153</u>	<u>1,611,584</u>	<u>4,254,957</u>	<u>2,768,005</u>	<u>117,452,011</u>	<u>43,893,327</u>
7,875,312	272,937	1,459,398	240,955	28,287,131	11,419,250
6,133,719	206,868	1,463,511	196,859	23,059,020	7,048,130
154,125	3,282	135,409	-	7,584,969	403,327
1,173,770	551,965	65,420	64,372	4,605,455	307,590
175,009	4,533	119,754	39,972	1,932,524	4,038,732
-	232,946	10,630	324,473	1,662,082	54,359
-	-	-	-	51,614	7,722
1,848,646	1,704,273	809,583	359,907	18,649,394	4,924,047
166,435	1,931,983	394,025	892,255	8,293,262	3,683,133
-	-	-	-	-	12,554,207
31,998	50,787	14,103	10,492	171,615	126,152
1,671,420	1,557	137,984	4,040	7,014,579	917,509
<u>19,230,434</u>	<u>4,961,131</u>	<u>4,609,817</u>	<u>2,133,325</u>	<u>101,311,645</u>	<u>45,484,158</u>
2,768,719	(3,349,547)	(354,860)	634,680	16,140,366	(1,590,831)
-	-	-	9,921	47,274	-
(412,788)	(1,121,735)	(149,551)	(341,522)	(4,307,604)	(1,731,069)
-	-	(10)	-	(10)	447,057
<u>(412,788)</u>	<u>(1,121,735)</u>	<u>(149,561)</u>	<u>(331,601)</u>	<u>(4,260,340)</u>	<u>(1,284,012)</u>
2,355,931	(4,471,282)	(504,421)	303,079	11,880,026	(2,874,843)
-	1,910,250	-	92,062	3,452,943	6,012,112
(55,637)	(7,920)	(1,742,288)	-	(2,156,401)	(794,160)
2,300,294	(2,568,952)	(2,246,709)	395,141	13,176,568	2,343,109
619,562	15,120,366	(4,318,661)	(4,311,248)	-	21,206,861
<u>\$ 2,919,856</u>	<u>\$ 12,551,414</u>	<u>\$ (6,565,370)</u>	<u>\$ (3,916,107)</u>		<u>\$ 23,549,970</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,432,827	
Change in net position of business-type activities				<u>\$ 14,609,395</u>	

**City of Berkeley**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

	<b>Business-type Activities</b>			
	<b>Zero Waste</b>	<b>Marina Operations</b>	<b>Sanitary Sewer</b>	<b>Clean Storm Water</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 44,898,299	\$ 8,509,963	\$ 24,122,693	\$ 4,175,384
Cash paid for goods and services	(23,926,995)	(1,917,446)	(9,039,199)	(733,798)
Cash paid for employee services	(19,281,571)	(3,162,549)	(7,734,246)	(1,046,145)
Claims and judgments paid	-	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>1,689,733</b>	<b>3,429,968</b>	<b>7,349,248</b>	<b>2,395,441</b>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in	-	-	90,501	1,360,130
Transfers out	(110,870)	(21,578)	(193,023)	(25,085)
Advances repayment from other funds	-	-	-	-
Interfund repayment	-	-	-	-
Due to other funds	-	-	-	-
<b>Net cash provided (used) from noncapital financing activities</b>	<b>(110,870)</b>	<b>(21,578)</b>	<b>(102,522)</b>	<b>1,335,045</b>
<b>Cash flows from capital and related financing activities:</b>				
Interest paid	(710,248)	(696,895)	(788,515)	(95,077)
Purchases of capital assets	(714,245)	(155,730)	(3,958,671)	(1,795,610)
Loan proceeds for equipment purchase	-	-	-	-
Debt issuance	14,750	-	-	-
Debt (repayment)	-	(188,058)	-	-
Proceeds from disposal of capital assets	-	-	-	-
<b>Net cash provided (used) from capital and related financing activities</b>	<b>(1,409,743)</b>	<b>(1,040,683)</b>	<b>(4,747,186)</b>	<b>(1,890,687)</b>
<b>Cash flows from investing activities:</b>				
Interest received	92,749	11,777	121,969	15,092
<b>Net cash provided (used) from investing activities</b>	<b>92,749</b>	<b>11,777</b>	<b>121,969</b>	<b>15,092</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>261,869</b>	<b>2,379,484</b>	<b>2,621,509</b>	<b>1,854,891</b>
Cash and cash equivalents, July 1, 2020	28,119,244	4,350,624	31,246,762	5,871,285
Fund balance restatement	-	-	-	-
<b>Cash and cash equivalents, June 30, 2021</b>	<b>\$ 28,381,113</b>	<b>\$ 6,730,108</b>	<b>\$ 33,868,271</b>	<b>\$ 7,726,176</b>
<b>Financial statement presentation:</b>				
Cash and investments	\$ 28,381,113	\$ 6,730,108	\$ 33,868,271	\$ 7,726,176
Restricted cash and investments with fiscal agent	-	-	-	-
<b>Total</b>	<b>\$ 28,381,113</b>	<b>\$ 6,730,108</b>	<b>\$ 33,868,271</b>	<b>\$ 7,726,176</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Income (loss) from operations	\$ 2,670,921	\$ 2,315,420	\$ 9,868,089	\$ 1,586,944
<b>Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:</b>				
Depreciation	404,594	503,690	3,306,356	693,924
<b>Change in:</b>				
Accounts receivable	(2,355,970)	(311,066)	(2,372,635)	40,250
Deferred outflow	(53,206)	(5,272)	(23,655)	(1,459)
Inventory	-	-	-	-
Accounts payable	(404,449)	555,767	(3,852,725)	8,579
Deposits held	-	9,769	-	-
Accrued salaries and wages	136,119	58,140	24,150	593
Unearned revenues	-	(112,552)	-	-
Compensated absences	48,134	173,076	(70,269)	38,425
Claims and judgments payable	-	-	-	-
Net pension liabilities	1,986,575	391,024	916,597	130,642
Net OPEB liability	(1,829,706)	(386,575)	(848,761)	(130,692)
Other liabilities	37,403	-	-	-
Deferred inflows	1,049,318	238,547	402,101	28,235
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,689,733</b>	<b>\$ 3,429,968</b>	<b>\$ 7,349,248</b>	<b>\$ 2,395,441</b>

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
\$ 21,453,869	\$ 1,615,744	\$ 4,254,749	\$ 2,768,005	\$ 111,798,706	\$ 43,985,148
(5,022,925)	(3,527,002)	(1,308,637)	(806,928)	(46,282,930)	(10,366,872)
(12,774,874)	(432,149)	(2,584,672)	(414,145)	(47,430,351)	(16,743,919)
-	-	-	-	-	(10,499,244)
<u>3,656,070</u>	<u>(2,343,407)</u>	<u>361,440</u>	<u>1,546,932</u>	<u>18,085,425</u>	<u>6,375,113</u>
-	1,910,250	-	92,062	3,452,943	6,012,112
(55,637)	(7,920)	(1,742,288)	-	(2,156,401)	(794,160)
-	-	-	-	-	1,353,115
-	-	-	(6,376)	(6,376)	-
-	474,893	-	-	474,893	-
<u>(55,637)</u>	<u>2,377,223</u>	<u>(1,742,288)</u>	<u>85,686</u>	<u>1,765,059</u>	<u>6,571,067</u>
(412,788)	(1,158,027)	(149,551)	(584,644)	(4,595,745)	(1,735,587)
-	(37,794)	(57,810)	-	(6,719,860)	(5,812,478)
-	-	-	-	-	-
-	(780,000)	-	(1,049,121)	14,750	(1,085,583)
-	-	(10)	-	(2,017,179)	447,846
-	-	(10)	-	(10)	-
<u>(412,788)</u>	<u>(1,975,821)</u>	<u>(207,371)</u>	<u>(1,633,765)</u>	<u>(13,318,044)</u>	<u>(8,185,802)</u>
48,805	23,525	15,305	8,403	337,625	191,097
<u>48,805</u>	<u>23,525</u>	<u>15,305</u>	<u>8,403</u>	<u>337,625</u>	<u>191,097</u>
3,236,450	(1,918,480)	(1,572,914)	7,256	6,870,065	4,951,475
18,267,924	1,395,917	3,884,015	1,142	93,136,913	76,579,643
-	556,840	-	-	556,840	-
<u>\$ 21,504,374</u>	<u>\$ 34,277</u>	<u>\$ 2,311,101</u>	<u>\$ 8,398</u>	<u>\$ 100,563,818</u>	<u>\$ 81,531,118</u>
\$ 21,504,374	\$ 34,277	\$ 2,311,101	\$ 8,398	\$ 100,563,818	81,531,118
-	-	-	-	-	-
<u>\$ 21,504,374</u>	<u>\$ 34,277</u>	<u>\$ 2,311,101</u>	<u>\$ 8,398</u>	<u>\$ 100,563,818</u>	<u>\$ 81,531,118</u>
\$ 2,768,719	\$ (3,349,547)	\$ (354,860)	\$ 634,680	\$ 16,140,366	\$ (1,590,831)
166,435	1,931,983	394,025	892,255	8,293,262	3,683,133
(545,284)	4,160	(208)	-	(5,540,753)	91,821
(54,254)	(2,463)	(72,302)	(1,842)	(214,453)	(45,308)
-	-	-	-	-	61,475
22,785	(977,659)	(15,754)	(25,434)	(4,688,890)	351,091
9,258	-	-	21,762	40,789	-
48,727	707	24,252	(7,631)	285,057	240,389
-	-	-	-	(112,552)	-
24,583	(3,741)	(23,383)	1,249	188,074	272,884
-	-	-	-	-	2,054,963
1,669,252	78,543	608,439	61,813	5,842,885	1,940,950
(1,488,925)	(70,515)	(275,782)	(55,983)	(5,086,939)	(1,821,607)
-	-	-	-	37,403	-
1,034,774	45,125	77,013	26,063	2,901,176	1,136,153
<u>\$ 3,656,070</u>	<u>\$ (2,343,407)</u>	<u>\$ 361,440</u>	<u>\$ 1,546,932</u>	<u>\$ 18,085,425</u>	<u>\$ 6,375,113</u>



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# Fiduciary Fund Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA





**Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2021**

	<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	\$ 22,291,072	\$ 3,779,126	\$ 5,006,202
Investments, at fair value:			
Medium term notes	2,882,200	-	-
US agency securities	7,798,392	-	-
Municipal bonds	8,862,565	-	-
Preferred Stock	10,636,000	-	-
Savo Island loan	233,000	-	-
Interest receivable	-	20	-
Taxes receivable	241,663	-	48,365
Other accounts receivable	-	-	66,621
Total current assets	<u>52,944,892</u>	<u>3,779,146</u>	<u>5,121,188</u>
Total assets	<u>52,944,892</u>	<u>3,779,146</u>	<u>5,121,188</u>
<b>Liabilities</b>			
Accounts payable	35,187	-	1,097,115
Accrued interest payable	-	6,213	-
Accrued salaries and wages	-	-	1,068
Bonds payable - noncurrent	-	233,000	-
Other agency obligations	-	-	-
Deposits held	-	-	14,490
Other liabilities	-	-	186,535
Total liabilities	<u>35,187</u>	<u>239,213</u>	<u>1,299,208</u>
<b>Net position restricted for:</b>			
Employee pension benefits held in trust	5,623,753	-	-
Employee OPEB benefits held in trust	47,285,952	-	-
City of Berkeley Successor Agency assets held in trust	-	3,539,933	-
Individuals, organizations, and other governments	-	-	3,821,980
Total net position	<u>\$ 52,909,705</u>	<u>\$ 3,539,933</u>	<u>\$ 3,821,980</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, 2021**

	<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	\$ -	\$ 1,032,212	\$ -
Contributions: employer	6,060,305	-	-
Property tax collections for other entities	-	-	3,730,335
Investment income	1,902,708	-	181
Total additions	<u>7,963,013</u>	<u>1,032,212</u>	<u>3,730,516</u>
<b>Deductions:</b>			
Community development	-	3,389	-
Benefits payment for service	4,934,245	-	-
Administrative expenses	108,145	-	-
Personnel services	-	-	257,316
Employee benefits	-	-	203,391
Payments of property tax to other entities	-	-	3,334,680
Payments to others	-	-	1,342,318
Total deductions	<u>5,042,390</u>	<u>3,389</u>	<u>5,137,705</u>
Change in net position	2,920,623	1,028,823	(1,407,189)
Total net position - beginning, as restated for Custodial Funds	<u>49,989,082</u>	<u>2,511,110</u>	<u>5,229,169</u>
Total net position - ending	<u>\$ 52,909,705</u>	<u>\$ 3,539,933</u>	<u>\$ 3,821,980</u>

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



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# Notes to Basic 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.

**Successor Agency Trust for Assets of Former Redevelopment Agency**

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

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected the City to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 65.574-N.S. The City also established an Oversight Board to monitor the business and fiscal activities of the Successor Agency. As a result, BRA is included as a private purpose trust fund. Please refer to more details under the "Notes to the Successor Agency" section.

**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 2021, the City implemented the following Governmental Accounting Standards Board (the GASB) Statement:

**Statement No. 84, Fiduciary Activities:** In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The Statement establishes specific criteria for identifying fiduciary activities and the requirements for financial statements reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employer benefits) trust funds; (2) investment trust funds; (3) private-purpose trust funds; and, (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources, should also be reported. Application of Statement No. 84 is effective for fiscal year June 30, 2021 due to the implementation of GASB Statement No. 95.

**GASB Statement No. 90, Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61,** to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Application of Statement No. 90 is effective for the City's fiscal year ended June 30, 2021. The application of Statement No. 90 did not have any effect on the City's financial statements.

**GASB Statement No. 93, Replacement of Interbank Offered Rates.** This statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). This statement achieves that objective by: providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; removing London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; clarifying the definition of reference rate, as it is used in Statement No. 53, as amended; and providing an exception to the lease modifications guidance in Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. The application of Statement No. 93 did not have any effect on the City's financial statements.

**GASB 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 Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 –** The 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 governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated

## NOTES TO THE FINANCIAL STATEMENTS

with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB 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 that meet the definition of a pension plan and for benefits provided through those plans. There was no impact on net position as a result of implementation of this statement.

GASB Statement No. 98, The Annual Comprehensive Financial Report – The objective of this statement is to address references in authoritative literature to the term *comprehensive annual financial report*. There was no impact on net position as a result of implementation of this statement.

The City continues to meet the fiduciary criteria classifying activities related to pension, other post-employment benefits, and private-purpose trust funds as fiduciary. Items previously reported as part of the Agency fund classification of the Fiduciary Funds statements were reviewed to evaluate if they met the new custodial funds criteria. All 12 of the City funds formerly reported as Agency funds met the criteria for classification as custodial funds.

### C. Financial Statement Presentation

#### Government-Wide Financial Statements

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

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

#### Fund Financial Statements

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The government reports the following major enterprise funds:

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

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

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

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS

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

The **Custodial Funds** account for the District 47 Underground/Miller, Sustainable Energy, Thousand Oaks Heights Applicant Funded Utility Undergrounding special assessment tax monies, Measure H School Tax, Community Facilities District No. 1 Disaster Fire Protection special assessment tax monies, Sick Leave Entitlement, Berkeley Tourism BID, Elmwood Business Improvement District, Solano Avenue Business Improvement District, and Telegraph Business Improvement District.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary fund financial statements, except for Custodial Funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

#### E. Cash, Cash Equivalents, and Investments

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

State of California statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, State and Local agencies, certificates of deposits, commercial paper rated A-1/P-1, medium term corporate notes rated A or its equivalent or better by Moody's or Standard & Poor's, asset backed corporate notes, negotiable certificates of deposits, bankers' acceptances, mutual funds, guaranteed investment contracts, repurchase agreements, reverse repurchase agreements when authorized by the City Council, and the State Treasurer's investment pool (Local Agency Investment Fund).

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

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

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

#### F. Restricted Cash and Investments

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

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

The balance of the restricted cash as of June 30, 2021 are as follows:

	<u>Restricted Cash</u>
<b>Government activities:</b>	
Tax revenue anticipation notes	\$ 43,145,026
U1 housing	11,559,036
Grants	58,465,668
Library	15,174,716
Non-major fund - Special revenue fund	61,816,026
Non-major fund - Capital project fund	74,008,428
Non-major fund - Debt service fund	15,757,116
Total government activities	<u>\$ 279,926,015</u>
<b>Pension and other post-employment benefit trust funds:</b>	
Safety members pension annuity fund	\$ 35,187
Police retirement income benefit plant	2,529,772
Miscellaneous retiree health premium assistance plan	13,730,295
Police retiree premium assistance plan	819,801
Fire employees retiree health plan	5,176,017
Total pension and other post-employment benefit trust funds	<u>\$ 22,291,072</u>
<b>Private purpose trust fund - Successor agency of former RDA</b>	
Successor Agency - WBIP	\$ 3,494,156
Successor Agency - Savo DSF	284,970
Total private purpose trust fund	<u>\$ 3,779,126</u>
<b>Custodial funds:</b>	
District 47 underground/Miller	\$ 124,312
Sustainable energy	23,248
Solano avenue business improvement district	7,805
Telegraph business improvement district	238,438
Thousand oaks undergrounding	289,185
CFD No. 1 disaster fire protection Mello-Roos	3,996,235
Berkeley tourism business improvement district	99,554
Elmwood business improvement district	32,388
CFD No. 1 Disaster Fire Protection Mello-Roos	195,037
Total custodial funds	<u>\$ 5,006,202</u>

NOTES TO THE FINANCIAL STATEMENTS

**G. Receivables and Payables**

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

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

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

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

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

**H. Inventories**

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).

**I. Land Held for Resale**

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

**J. Capital Assets**

Capital assets, which include land, buildings, machinery, construction in progress and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) 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:

Building and Improvements	15 to 30 years
Equipment	4 to 10 years
Infrastructure	10 to 50 years

## K. Compensated Absences

### Compensated Absences - Other

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

The personnel policies of the City do not allow employees to accrue vacation in excess of eight weeks (320 hours). For example, when a miscellaneous employee (Police and Fire sworn employees have different formulas) is terminated or retires, with a vested pension with twenty years of service, an employee is entitled to be paid 38 percent of the accrued sick leave balance and 62 percent of the balance can be used for CALPERS credit. Employees with at least twenty-eight (28) years of benefited City service or an employee retiring on permanent disability arising out of, and incurred in, the course and scope of their employment with the City with at least twenty-eight (28) years of benefited service shall be entitled to receive payment in an amount equal to 50 percent of their accrued sick leave days up to a maximum of (200) unused sick leave days. The employee has the option of using the payout entitlement for retiree medical insurance premium payments.

### Compensated Absences-New Sick Leave Program for Police (PORAC)

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

#### Initial Implementation with Existing Sick Leave Balances

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

#### After initial implementation and Going Forward

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

## L. Long-term Obligations

## NOTES TO THE FINANCIAL STATEMENTS

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

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

The Tax Reform Act of 1986 instituted arbitrage restrictions related to the issuance of tax-exempt bonds issued after August 31, 1986. Those regulations relate to the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. An independent firm performs arbitrage rebate calculations to determine the applicability of federal arbitrage regulations. As of June 30, 2021, the City did not have a liability due.

#### M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

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

#### N. 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 Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's 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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

### R. Pensions

NOTES TO THE FINANCIAL STATEMENTS

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

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financials statements at fair value as follows:

	Unrestricted	Restricted	Total
Primary government except for fiduciary fund	\$ 325,747,963	\$ 279,926,015	\$ 605,673,978
Fiduciary fund	-	61,488,558	61,488,558
Component unit: Rent Stabilization Board	5,815,658	-	5,815,658
Total cash and investments	<u>\$ 331,563,621</u>	<u>\$ 341,414,573</u>	<u>\$ 672,978,194</u>

Cash and investments as of June 30, 2021 consist of the following:

Cash and deposits:		
Cash on hand		\$ 24,355
Deposits with financial institutions in pooled cash account		
Primary government		7,323,349
Fiduciary funds		30,675,956
Rent Stabilization Board		5,815,658
Total deposits with financial institutions		<u>43,814,963</u>
Deposits with fiscal agents		8
Deposits with fiscal agents for Fiduciary fund		400,436
Total cash and deposits		<u>44,239,762</u>
Investments:		
Investments for City government, excluding trust funds		598,326,275
Investments held in trust		30,412,157
Total investments		<u>628,738,432</u>
Total cash, deposits and investments		<u>\$ 672,978,194</u>
Equity in pooled cash and investment held by treasury		\$ 611,489,626
Cash and investments held by fiscal agent		8
Cash and investments of retirement plans		52,703,231
Cash and investments of other trust funds		3,779,126
Cash and investments of custodial funds		5,006,203
Total cash, deposits and investments		<u>\$ 672,978,194</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

### 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

## B. 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



NOTES TO THE FINANCIAL STATEMENTS

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, 2021.

*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	No Maturity
U.S. Agency securities	\$ 218,682,438	\$ -	\$ -	\$ -	\$ -	\$ 143,866,670	\$ 74,815,768	\$ -
Municipal bond	5,474,400	-	-	-	5,474,400	-	-	-
Medium term notes	133,106,748	18,831,166	25,789,300	27,831,440	16,791,540	22,097,250	21,766,052	-
Commercial paper	69,942,700	69,942,700	-	-	-	-	-	-
Certificates of deposit	530,825	-	-	530,825	-	-	-	-
Mutual Funds	11,379,924	-	-	-	-	-	-	11,379,924
Money Market	159,209,240	159,209,240	-	-	-	-	-	-
<b>Total Investments</b>	<b>\$ 598,326,275</b>	<b>\$ 247,983,106</b>	<b>\$ 25,789,300</b>	<b>\$ 28,362,265</b>	<b>\$ 22,265,940</b>	<b>\$ 165,963,920</b>	<b>\$ 96,581,820</b>	<b>\$ 11,379,924</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)							
	Total	Less than 1	1 - 2	2 - 3	3 - 4	4 - 5	More than 5	No Maturity
U.S. Agency securities	\$ 7,798,392	\$ -	\$ -	\$ -	\$ -	\$ 7,798,392	\$ -	\$ -
Municipal bond	8,862,565	2,791,965	-	-	-	6,070,600	-	-
Medium term notes	2,882,200	-	-	-	-	2,882,200	-	-
Preferred stock	10,636,000	-	-	-	-	-	-	10,636,000
Savo Island loan	233,000	-	-	-	-	233,000	-	-
<b>Total Investments</b>	<b>\$ 30,412,157</b>	<b>\$ 2,791,965</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,984,192</b>	<b>\$ -</b>	<b>\$ 10,636,000</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

Investment Type	Amount Held	Minimum Legal Rating	S & P Rating June 30, 2021
U.S. Agency Securities	\$ 218,682,438	AA+	AA+
Municipal bond	5,474,400	A	AA+
Medium Term Notes	133,106,748	A	A+
Commercial Paper	69,942,700	A	A
Certificates of Deposit	530,825	N/A	N/A
Mutual Funds	11,379,924	N/A	N/A
Money Market	159,209,240	N/A	N/A
<b>Total</b>	<b>\$ 598,326,275</b>		

### Trust Fund Investments

Investment Type	Amount Held	Minimum Legal Rating	S & P Rating June 30, 2021
U.S. agency securities	\$ 7,798,392	AA+	AA+
Municipal bonds	8,862,565	A	A+
Medium term notes	2,882,200	A	A
Preferred stock	10,636,000	N/A	N/A
Savo Island loan	233,000	N/A	Not rated
<b>Total</b>	<b>\$ 30,412,157</b>		

## iii. Concentration of Credit Risk

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

### City's Investments

Investment Type	Reported Amount	Percentage of Holdings
Federal Home Loan Banks	218,682,438	49.8%
<b>Total</b>	<b>\$ 218,682,438</b>	<b>49.8%</b>

NOTES TO THE FINANCIAL STATEMENTS

Trust Fund Investments

Issuer	Investment Type	Reported Amount	Percentage of Holdings
AT&T Inc.	Preferred securities	\$ 10,636,000	35.0%
Federal Farm Credit Banks	Federal agency securities	7,798,392	25.6%
Sacramento County CA PO Bond	Municipal bond	6,070,600	20.0%
Morgan Stanley DW DTC#0015	Medium-term notes	2,882,200	9.5%
Oakland CA Pension Obligation Bond	Municipal bond	2,791,965	9.2%
<b>Total</b>		<b>\$ 30,179,157</b>	<b>99.3%</b>

iv. Custodial Credit Risk

For an investment, custodial credit risk is the risk that 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 if the counter-party fails. All of the City’s investments except money market mutual funds and guaranteed investment contracts are subject to custodial risk. However, the California Government Code and the City’s investment policies do not contain legal or policy requirements that would limit the exposure to custodial risk for investments. The City’s investments, OPEB trust fund investments and pension fund investments are held by Wells Fargo, in the Trust and Custody Department, which is separate from the operations of the bank. In addition, Wells Fargo maintains a Financial Institution Bond of at least \$100 million which provides protection from losses sustained by employee dishonesty, burglary, robbery, check forgery, securities forgery, computer crime, safe deposit, etc.

C. 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:

- o Level 1: Investments reflect prices quoted for identical assets in active markets
- o 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.
- o Level 3: Investments reflect prices based upon unobservable sources.

The City has the following recurring fair value measurements as of June 30, 2021:

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	218,682,438	\$ -	\$ 218,682,438	\$ -
Municipal bond	5,474,400	-	5,474,400	-
Medium term notes	133,106,748	-	133,106,748	-
Commercial paper	69,942,700	-	69,942,700	-
Certificates of deposit	530,825	-	530,825	-
Mutual Funds	11,379,924	-	11,379,924	-
	439,117,035		439,117,035	
Investment not subject to levelling:				
Money Market	159,209,240			
<b>Total</b>	<b>\$ 598,326,275</b>	<b>\$ -</b>	<b>\$ 439,117,035</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	\$ 7,798,392	\$ -	\$ 7,798,392	\$ -
Municipal bonds	8,862,565	-	8,862,565	-
Medium term notes	2,882,200	-	2,882,200	-
Preferred securities	10,636,000	-	10,636,000	-
Others	233,000	-	-	233,000
<b>Total</b>	<b>\$ 30,412,157</b>	<b>\$ -</b>	<b>\$ 30,179,157</b>	<b>\$ 233,000</b>

## D. 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, 2021. 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	\$ 473,601	\$ 4,815	\$ 16,332	\$ 5,252	\$ 500,000
Uninsured and collateralized with securities held by pledging institution's trust department or agent, but not in City's name	39,832,694	404,965	1,373,600	441,761	42,053,020
Total bank balance - all deposits	<u>\$ 40,306,295</u>	<u>\$ 409,780</u>	<u>\$ 1,389,932</u>	<u>\$ 447,013</u>	<u>\$ 42,553,020</u>

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, 2021, 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	\$ 3,950,207
Net increase/(decrease) in the fair value of investments	4,159,337
Total investment income	<u>\$ 8,109,544</u>

NOTES TO THE FINANCIAL STATEMENTS

3. NOTES AND LOANS RECEIVABLE

Details of Notes Receivable as of June 30, 2021 are as follows:

Notes/Loans Receivable	June 30, 2021
General Fund:	
Development Loans	\$ 3,380,767
Housing Assistance Loans	660,000
S.B. Rental Rehabilitation	2,391,678
Allowance for uncollectible	(235,876)
Total General Fund	<u>6,196,569</u>
Grant Fund:	
Development Loans	32,421,252
CalHome Senior Home Repair	1,259,741
Rehabilitation - Emergency Repair	5,233
1st Time Homebuyer Home Loans	180,000
Total Grant Fund	<u>33,866,226</u>
Capital Improvement Fund:	
Development Loans	7,575,114
Security deposit	375,000
CalHome Senior Home Repair	121,461
Total Capital Improvement Fund	<u>8,071,575</u>
Nonmajor Governmental Funds:	
Development Loans	33,157,244
S.B. Rental Rehabilitation	27,253
CalHome Senior Home Repair	299,395
Rehabilitation - Emergency Repair	980,758
Rehabilitation - Senior Disabled	409,208
OED - Citywide Loans	105,583
OED - Mortgage Loan	77,000
OED - Revolving Loan	608,197
Allowance for uncollectible	(233,828)
Total Nonmajor Governmental Funds	<u>35,430,810</u>
Total Notes/Loans Receivable	<u>\$ 83,565,180</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. The loans may be forgiven after 55 years from the loan date, if the terms of the agreement are satisfied.

**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.

### 4. INTERFUND TRANSACTIONS

#### A. Due To/From Other Funds

At June 30, 2021, the City had the following due to/from other funds:

Due To / From Other Funds		
Fund	Due To	Due From
General Fund	\$ -	\$ 12,814,452
Grant Funds	13,936,444	-
Capital Projects Funds	-	4,582,597
Nonmajor Governmental Funds	3,030,602	45,207
Enterprise Fund - Off Street Parking Fund	474,894	
Enterprise Fund - Building Purchase & Management	316	-
	<u>\$ 17,442,256</u>	<u>\$ 17,442,256</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.

NOTES TO THE FINANCIAL STATEMENTS

**B. Transfers**

At June 30, 2021, the City had the following transfers in/out which arise in the normal course of operations.

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	Capital project support	\$ 3,255,167
		Library	17,150
	Enterprise Fund	Off Street Parking Fund	1,910,250
		Building Purchases & Management	92,062
	Internal Service Funds	Public Liability	3,131,417
		Catastrophic Insurance	2,303,986
		Information Technology Support	188,523
		Non-Major Funds	Paramedic Fund Support
	Non-Major Funds	PERS Savings Fund	1,318,502
		Employee Training Fund	750,000
		Health State Aid	1,953,018
		Fair Elections Fund	917,799
		VOIP Replacement Fund	160,000
			<u>16,700,977</u>
Grant Fund	Enterprise Fund	Clean Storm Water Fund	212,500
Capital Improvement Fund	Non-Major Funds	First Source Fund	26,943
		Public Art Fund	40,414
		PERS Savings Fund	151,632
		Berkeley Repertory Theatre Fund	499,802
	Debt Service Payments	402,613	
	Enterprise Fund	Clean Storm Water Fund	534,196
		<u>1,655,600</u>	
Zero Waste Fund	Internal Service Funds	Catastrophic Insurance	110,870
Marina Operations Fund	Non-Major Funds	First Source Fund	1,875
		Public Art Fund	2,813
	Internal Service Funds	Catastrophic Insurance	16,890
	<u>21,578</u>		
Sanitary Sewer Operation Fund	Enterprise Fund	Private Sewer Lateral	90,501
	Internal Service Funds	Catastrophic Insurance	102,522
		<u>193,023</u>	
Clean Storm Water Fund	Internal Service Funds	Catastrophic Insurance	25,085
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
Non-major Funds	General Fund	UC Settlement	907,554
		Health State Aid	2,643,280
	Non-major Funds	First Source Fund	14,093
		Public Art Fund	21,140
		Measure T1 Infrastructure & Facilities Fund	2,255,990
	Clean Storm Water	613,434	
	Catastrophic Insurance	69,262	
	<u>6,524,753</u>		
Internal Service Fund	General Fund	Information Technology Support	794,160
		<u>\$ 28,044,391</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. A principal repayment of \$1,353,115 on the loan balance of \$3,113,057 was made during FY2021, leaving a principal balance outstanding of \$1,759,942 as of June 30, 2021.

**5. CAPITAL ASSETS**

At June 30, 2021, the City's capital assets consisted of the following:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
<b>Non-Depreciable Assets</b>				
Land	\$ 25,142,014	\$ 2,979,050	\$ 28,121,064	\$ -
Construction in Progress	31,203,236	-	31,203,236	-
Total Non-Depreciable Assets	<u>56,345,250</u>	<u>2,979,050</u>	<u>59,324,300</u>	<u>-</u>
<b>Depreciable Assets</b>				
Buildings	194,896,680	93,102,067	287,998,747	-
Improvements Other than Buildings	30,892,879	17,286,338	48,179,217	-
Machinery and Equipment	81,601,972	9,953,363	91,555,335	595,664
Infrastructure	258,655,498	238,492,065	497,147,563	-
Total Depreciable Assets	<u>566,047,029</u>	<u>358,833,833</u>	<u>924,880,862</u>	<u>595,664</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	106,990,249	28,218,042	135,208,291	-
Improvements Other than Buildings	6,927,100	7,071,991	13,999,091	-
Machinery and Equipment	58,142,055	6,708,166	64,850,221	594,124
Infrastructure	143,676,521	78,377,372	222,053,893	-
Total Accumulated Depreciation	<u>315,735,925</u>	<u>120,375,571</u>	<u>436,111,496</u>	<u>594,124</u>
Total Depreciable Assets, net	<u>250,311,104</u>	<u>238,458,262</u>	<u>488,769,366</u>	<u>1,541</u>
Total Capital Assets	<u>\$ 306,656,354</u>	<u>\$ 241,437,311</u>	<u>\$ 548,093,665</u>	<u>\$ 1,541</u>



NOTES TO THE FINANCIAL STATEMENTS

**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	Ending Balance
<b>Non-Depreciable Assets</b>				
Land	\$ 25,142,014	\$ -	\$ -	\$ 25,142,014
Construction in Progress	15,873,606	20,730,478	(5,400,848)	31,203,236
Total Non-Depreciable Assets	<u>41,015,620</u>	<u>20,730,478</u>	<u>(5,400,848)</u>	<u>56,345,250</u>
<b>Depreciable Assets</b>				
Buildings	184,762,537	10,134,143		194,896,680
Improvements Other than Buildings	23,267,289	7,625,590		30,892,879
Machinery and Equipment	75,179,434	11,360,322	(4,937,784)	81,601,972
Infrastructure	246,078,556	12,576,942	-	258,655,498
Total Depreciable Assets	<u>529,287,816</u>	<u>41,696,997</u>	<u>(4,937,784)</u>	<u>566,047,029</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings	101,606,664	5,383,585		106,990,249
Improvements Other than Buildings	6,111,589	815,511		6,927,100
Machinery and Equipment	57,709,147	5,229,951	(4,797,043)	58,142,055
Infrastructure	137,247,807	6,428,714		143,676,521
Total Accumulated Depreciation	<u>302,675,207</u>	<u>17,857,761</u>	<u>(4,797,043)</u>	<u>315,735,925</u>
Total Depreciable Assets, net	<u>226,612,609</u>	<u>23,839,234</u>	<u>(140,741)</u>	<u>250,311,104</u>
Total Capital Assets	<u>\$ 267,628,229</u>	<u>\$ 44,569,712</u>	<u>\$ (5,541,589)</u>	<u>\$ 306,656,354</u>

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2021 was as follows:

General Government	\$ 1,164,336
Public Safety	1,136,211
Highways and Streets	6,527,832
Health and Welfare	115,881
Culture and Recreation	3,120,259
Community Development and Housing	2,110,109
Internal Service Funds	3,683,133
Total Depreciation Expense	<u>\$ 17,857,761</u>

**B. Business-Type Activities**

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-Depreciable Assets				
Land	\$ 2,979,050	\$ -	\$ -	\$ 2,979,050
Total Non-Depreciable Assets	2,979,050	-	-	2,979,050
Depreciable Assets				
Buildings	93,081,468	20,597	-	93,102,065
Improvements Other than Buildings	17,170,157	116,180	-	17,286,337
Machinery and Equipment	11,470,973	943,843	(2,461,452)	9,953,364
Infrastructure	232,852,819	5,639,247	-	238,492,066
Total Depreciable Assets	354,575,416	6,719,867	(2,461,452)	358,833,833
Less Accumulated Depreciation for:				
Buildings	25,318,378	2,899,664	-	28,218,042
Improvements Other than Buildings	6,474,407	597,584	-	7,071,991
Machinery and Equipment	8,259,587	910,020	(2,461,442)	6,708,166
Infrastructure	74,491,378	3,885,994	-	78,377,372
Total Accumulated Depreciation	114,543,750	8,293,263	(2,461,442)	120,375,571
Total Depreciable Assets, net	240,031,666	(1,573,396)	(10)	238,458,262
Total Capital Assets	\$ 243,010,716	\$ (1,573,396)	\$ (10)	\$ 241,437,311

Depreciation expense by program for capital assets for the fiscal year ended June 30, 2021 was as follows:

Parking-Related	\$ 2,326,008
Marina Operations and Maintenance	503,690
Sewer Services	3,306,356
Clean Storm Water	693,924
Refuse Services	404,594
Permit Service Center	166,435
Building Purchases	892,256
Total Depreciation Expense	\$ 8,293,263

**C. Discretely Presented Component Unit**

Capital asset activity for the Rent Stabilization Board for the fiscal year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Depreciable Assets				
Machinery and Equipment	\$ 595,666	\$ -	\$ -	\$ 595,666
Total Depreciable Assets	595,666	-	-	595,666
Less Accumulated Depreciation for:				
Machinery and Equipment	592,929	1,196	-	594,125
Total Accumulated Depreciation	592,929	1,196	-	594,125
Total Capital Assets	\$ 2,737	\$ (1,196)	\$ -	\$ 1,541

NOTES TO THE FINANCIAL STATEMENTS

**6. OPERATING LEASES**

The government leases building and office facilities and other equipment under non-cancelable operating leases. Total costs for such leases were \$496,888 for the fiscal year ended June 30, 2021. The future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2022	\$ 446,804
2023	289,735
2024	296,870
2025	304,188
2026	270,569
2027-2031	817,676
2032-2036	915,424
Total	<u>\$ 3,341,266</u>

**7. TAX REVENUE ANTICIPATION NOTES PAYABLE**

On July 14, 2020, the City issued \$42,405,000 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 1.75 percent and a yield of 1.60 percent and are recorded in the General Fund. Interest and principal on these Notes are payable on July 27, 2021 by the General Fund. The City has maintained a MIG-1 rating on this short-term issue.

	Beginning Balance	Additions	Deletions	Ending Balance
Tax Revenue Anticipation Notes Payable	<u>\$ 34,780,000</u>	<u>\$ 42,405,000</u>	<u>\$ (34,780,000)</u>	<u>\$ 42,405,000</u>

**A. Pledged Revenues**

Tax Revenue Anticipation Notes are secured by the City's General Fund tax revenues received in FY 2021. The City pledges to reserve an amount equal to:

- i. 50 percent of the principal amount of the Notes in January 2021;
- ii. an amount equal to 50 percent of the principal amount of the Notes in the month of May 2021; and
- iii. an amount sufficient to pay interest as due on the Notes at their maturity, in the month of June 2021

The City had pledged and assigned approximately \$42,405,000 plus interest of \$740,026 or 18.9 percent of the City's rights to the General Fund FY 2021 annual revenues.

## 8. LONG-TERM LIABILITIES

### A. Governmental Activities

The following is a summary of long-term liabilities including amortization for the fiscal year ended June 30, 2021

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	13,717,776	-	(335,000)	(14,580)	13,368,196	350,000
Series 2016	14,770,498	-	(295,000)	(22,468)	14,453,030	305,000
Measure T1 - Infrastructure and Facilities						
Series 2017	32,600,706	-	(660,000)	(28,185)	31,912,521	695,000
Series 2021	-	47,810,990	-	-	47,810,990	-
Measure O Affordable Housing						
Series 2020	39,135,147	-	(845,000)	(37,671)	38,252,480	715,000
2015 General Obligation Refunding Bonds	29,202,081	-	(2,850,000)	(188,859)	26,163,222	2,160,000
2020 General Obligation Refunding Bonds						
Series A 2020	8,533,486	-	(345,000)	(38,791)	8,149,695	250,000
Series B 2020	13,220,997	-	(580,000)	(79,878)	12,561,119	380,000
Revenue Bonds:						
2012 Lease Revenue Bonds	4,153,154	-	(320,879)	(36,132)	3,796,143	337,275
2021 Lease Revenue Refunding Bonds	-	4,649,757	-	-	4,649,757	-
Total Bonds Payable	155,333,845	52,460,747	(6,230,879)	(446,564)	201,117,153	5,192,275
<b>Certificates of Participation:</b>						
2010 - Animal Shelter	5,201,930	-	(4,890,000)	(311,930)	-	-
Total Certification of Participation	5,201,930	-	(4,890,000)	(311,930)	-	-
<b>Loans Payable:</b>						
HUD 108 - Adeline	84,000	-	(26,000)	-	58,000	26,000
HUD 108 - UNA	588,000	-	(2,000)	-	586,000	2,000
HUD 108 - Ed Roberts Campus	4,630,000	-	(375,000)	-	4,255,000	400,000
California Energy Resources Conservation	1,657,175	-	(354,762)	-	1,302,413	358,318
Total Loans Payable	6,959,175	-	(757,762)	-	6,201,413	786,318
<b>Capital Lease Payable:</b>						
2016 Fire Engine and Trucks	1,039,693	-	(409,864)	-	629,829	417,855
2020 Fire Engine and Tiller	4,610,154	-	(675,716)	-	3,934,438	667,730
Total Capital Lease Payable	5,649,848	-	(1,085,580)	-	4,564,267	1,085,585
<b>Other Long-Term Obligations</b>						
Accrued Vacation and Sick Leave	15,243,464	7,735,289	(6,343,177)	-	16,635,575	1,262,093
Accrued Workers' Compensation Claims and Judgements	34,640,000	6,580,483	(4,682,483)	-	36,538,000	7,345,000
Accrued Public Liability Claims and Judgements	4,766,578	1,294,875	(1,137,912)	-	4,923,541	4,923,541
Total Other Long-Term Obligations	54,650,041	15,610,647	(12,163,572)	-	58,097,116	13,530,634
<b>Net Pension Liability:</b>						
CalPERS Miscellaneous Plan	217,095,316	72,301,032	(56,235,949)	-	233,160,399	-
CalPERS Fire Plan	80,204,455	25,411,497	(22,641,554)	-	82,974,398	-
CalPERS Police Plan	162,010,898	38,765,191	(31,448,721)	-	169,327,368	-
Police Retirement Income Benefit	74,125,657	5,954,279	(4,182,483)	-	75,897,453	-
Safety Member Pension Fund	1,762,635	287,582	(501,933)	-	1,548,284	-
Total Net Pension Liability	535,198,961	142,719,581	(115,010,640)	-	562,907,904	-
<b>Net OPEB Liability:</b>						
Miscellaneous Employees Retiree Health Plan	45,194,946	5,009,997	(18,231,272)	-	31,973,670	-
Fire Retiree Premium Assistance Plan	21,177,486	3,895,985	(1,200,223)	-	23,873,248	-
Police Retiree Premium Assistance Plan	57,472,394	5,176,625	(13,293,518)	-	49,355,501	-
Total Net OPEB Liability	123,844,826	14,082,607	(32,725,013)	-	105,202,419	-
<b>Total Governmental Activities</b>	<b>\$886,838,626</b>	<b>\$ 224,873,582</b>	<b>\$ (172,863,446)</b>	<b>\$ (758,494)</b>	<b>\$ 938,090,272</b>	<b>\$ 20,594,811</b>

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
2022	\$ 250,000	\$ 284,950	\$ 534,950
2023	265,000	272,075	537,075
2024	275,000	258,575	533,575
2025	285,000	244,575	529,575
2026	300,000	229,950	529,950
2027-2031	1,770,000	900,750	2,670,750
2032-2036	2,230,000	480,325	2,710,325
2037-2040	2,070,000	126,450	2,196,450
Subtotal	7,445,000	<u>\$ 2,797,650</u>	<u>\$ 10,242,650</u>
Bond Premium	704,695		
Total	<u>\$ 8,149,695</u>		

### 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
2022	\$ 380,000	\$ 428,688	\$ 808,688
2023	395,000	409,313	804,313
2024	415,000	389,063	804,063
2025	435,000	367,813	802,813
2026	455,000	345,563	800,563
2027-2031	2,660,000	1,350,938	4,010,938
2032-2036	3,325,000	700,044	4,025,044
2037-2040	3,045,000	180,300	3,225,300
Subtotal	11,110,000	\$ 4,171,722	\$ 15,281,722
Bond Premium	1,451,119		
Total	\$ 12,561,119		

### 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.

NOTES TO THE FINANCIAL STATEMENTS

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
2022	\$ 350,000	\$ 544,000	\$ 894,000
2023	370,000	526,000	896,000
2024	385,000	507,125	892,125
2025	405,000	491,425	896,425
2026	420,000	478,788	898,788
2027-2031	2,320,000	2,150,638	4,470,638
2032-2036	2,825,000	1,633,572	4,458,572
2037-2041	3,485,000	957,697	4,442,697
2042-2044	2,485,000	171,113	2,656,113
Subtotal	13,045,000	\$ 7,460,358	\$ 20,505,358
Bond Premium	323,196		
Total	\$ 13,368,196		

**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
2022	\$ 305,000	\$ 435,738	\$ 740,738
2023	320,000	420,113	740,113
2024	335,000	403,738	738,738
2025	350,000	386,613	736,613
2026	370,000	370,463	740,463
2027-2031	2,135,000	1,619,513	3,754,513
2032-2036	2,580,000	1,257,056	3,837,056
2037-2041	3,055,000	882,700	3,937,700
2042-2046	3,680,000	407,600	4,087,600
2047	825,000	12,375	837,375
Subtotal	13,955,000	\$ 6,195,909	\$ 20,150,909
Bond Premium	498,030		
Total	\$ 14,453,030		

### 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
2022	\$ 2,160,000	\$ 890,588	\$ 3,050,588
2023	2,270,000	779,838	3,049,838
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
2027-2031	8,745,000	878,081	9,623,081
2032-2036	1,680,000	286,691	1,966,691
2037-2038	755,000	27,641	782,641
Subtotal	23,110,000	\$ 4,481,853	\$ 27,591,853
Bond Premium	3,053,222		
Total	\$ 26,163,222		



NOTES TO THE FINANCIAL STATEMENTS

**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
2022	\$ 695,000	\$ 1,036,181	\$ 1,731,181
2023	730,000	1,000,556	1,730,556
2024	765,000	963,181	1,728,181
2025	805,000	923,931	1,728,931
2026	845,000	882,681	1,727,681
2027-2031	4,745,000	3,920,606	8,665,606
2032-2036	5,470,000	3,184,031	8,654,031
2037-2041	6,355,000	2,285,613	8,640,613
2042-2046	7,440,000	1,181,031	8,621,031
2047-2048	3,325,000	113,147	3,438,147
Subtotal	31,175,000	\$ 15,490,958	\$ 46,665,958
Bond Premium	737,521		
Total	\$ 31,912,521		

**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
2022	\$ -	\$ 993,466	\$ 993,466
2023	1,500,000	1,258,325	2,758,325
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
2027-2031	5,590,000	4,530,025	10,120,025
2032-2036	6,795,000	3,368,950	10,163,950
2037-2041	7,650,000	2,535,625	10,185,625
2042-2046	8,440,000	1,727,700	10,167,700
2047-2051	9,385,000	740,250	10,125,250
2052	2,005,000	45,113	2,050,113
Subtotal	45,000,000	\$ 18,550,054	\$ 63,550,054
Bond Premium	2,810,990		
Total	\$ 47,810,990		

**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
2022	\$ 715,000	\$ 1,294,640	\$ 2,009,640
2023	740,000	1,265,540	2,005,540
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
2027-2031	4,585,000	5,444,413	10,029,413
2032-2036	5,425,000	4,602,794	10,027,794
2037-2041	6,420,000	3,566,575	9,986,575
2042-2046	7,720,000	2,255,246	9,975,246
2047-2051	9,155,000	798,915	9,953,915
Subtotal	37,155,000	\$ 22,856,531	\$ 60,011,531
Bond Premium	1,097,480		
Total	\$ 38,252,480		

**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 theatre 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.

The annual debt service requirements on the 2012 Lease Revenue Bonds are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 337,275	\$ 162,363	\$ 499,638
2023	352,499	146,881	499,380
2024	366,552	130,668	497,220
2025	386,461	111,842	498,303
2026	405,198	92,051	497,249
2027-2030	1,650,069	181,699	1,831,768
Subtotal	<u>3,498,054</u>	<u>\$ 825,504</u>	<u>\$ 4,323,558</u>
Bond Premium	298,090		
Total	<u>\$ 3,796,143</u>		

**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:

<b>Year Ending</b>				
<b>June 30,</b>	<b>Principal</b>		<b>Interest</b>	<b>Total</b>
2022	\$ -	-	\$ 114,783	\$ 114,783
2023		-	138,200	138,200
2024		-	138,200	138,200
2025		-	138,200	138,200
2026		-	138,200	138,200
2027-2031	760,000		639,000	1,399,000
2032-2036	1,670,000		313,350	1,983,350
2037-2040	1,545,000		62,650	1,607,650
Subtotal	\$ 3,975,000		\$ 1,682,583	\$ 5,657,583
Bond Premium		674,757		
Total	\$ 4,649,757			

NOTES TO THE FINANCIAL STATEMENTS

**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 will mature on August 1, 2022.

Year Ending June 30,	Principal	Interest	Total
2022	\$ 26,000	\$ 2,532	\$ 28,532
2023	32,000	902	32,902
Total	<u>\$ 58,000</u>	<u>\$ 3,434</u>	<u>\$ 61,434</u>

**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
2022	\$ 2,000	\$ 17,306	\$ 19,306
2023	2,000	17,253	19,253
2024	2,000	17,197	19,197
2025	580,000	8,584	588,584
Total	<u>\$ 586,000</u>	<u>\$ 60,340</u>	<u>\$ 646,340</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
2022	\$ 400,000	\$ 120,363	\$ 520,363
2023	425,000	110,456	535,456
2024	450,000	98,950	548,950
2025	475,000	85,881	560,881
2026	500,000	71,738	571,738
2027-2030	2,005,000	129,144	2,134,144
Total	<u>\$ 4,255,000</u>	<u>\$ 616,532</u>	<u>\$ 4,871,532</u>

### 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
2022	\$ 358,318	\$ 12,133	\$ 370,451
2023	361,910	8,541	370,451
2024	365,527	4,924	370,451
2025	216,658	1,248	217,906
Total	\$ 1,302,413	\$ 26,846	\$ 1,329,259

### Capital Lease Payable

The City entered into a lease in FY 2015-16 for financing the acquisition of fire equipment. This lease agreement qualifies as a capital lease for accounting purposes and therefore, have been recorded at the present value of its future minimum lease payments as of the inception date. The assets acquired through this capital lease 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 capital lease were as follows on the following page:

Year Ended June 30, 2021	Governmental Activities
Assets:	
Fire Engine	\$ 756,628
Fire Engine	756,628
Fire Engine	756,628
Hazardous Material Arrow XT	784,334
Less: Accumulated Depreciation	(1,927,066)
Total	\$ 1,127,152

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 417,855	\$ 10,202	\$ 428,057
2023	211,974	2,056	214,030
Total	\$ 629,829	\$ 12,258	\$ 642,087

The City entered into a lease in FY 2019-20 for financing the acquisition of fire equipment. This lease agreement qualifies as a capital lease for accounting purposes and therefore, have been recorded at the present value of its future minimum lease payments as of the inception date. The assets acquired through this capital lease 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 capital lease were as follows on the following page:

Year Ended June 30, 2021	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	(247,522)
Total	<u>\$ 5,153,381</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 667,730	\$ 65,857	\$ 733,587
2023	699,681	53,772	753,453
2024	711,979	41,474	753,453
2025	724,493	28,960	753,453
2026	737,227	16,226	753,453
2027	393,325	3,268	396,593
Total	<u>\$ 3,934,438</u>	<u>\$ 209,557</u>	<u>\$ 4,143,992</u>

**Business-Type Activities**

The following is a summary of long-term liabilities including amortization for the fiscal year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Bond Discount/ (Premium)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities</b>						
Bonds Payable:						
2012 Refunding Lease Revenue Bond	\$ 16,903,747	\$ -	\$ (1,049,121)	\$ (230,224)	\$ 15,624,402	\$ 1,049,120
Parking Revenue Bonds, Series 2016	34,840,146	-	(780,000)	(62,900)	33,997,246	760,000
Total Bonds Payable	<u>51,743,893</u>	<u>-</u>	<u>(1,829,121)</u>	<u>(293,124)</u>	<u>49,621,648</u>	<u>1,809,121</u>
Notes Payable						
Harbor Construction 5	6,448,894	-	(188,059)	-	6,260,832	180,579
Total Loans Payable	<u>6,448,894</u>	<u>-</u>	<u>(188,059)</u>	<u>-</u>	<u>6,260,832</u>	<u>180,579</u>
Other Long-Term Obligations						
Accrued Vacation and Sick Leave	3,646,102	1,703,851	(1,420,811)	-	3,929,142	628,987
Landfill Liabilities	495,300	14,750	-	-	510,050	262,250
Total Other Long-Term Obligations	<u>4,141,402</u>	<u>1,718,601</u>	<u>(1,420,811)</u>	<u>-</u>	<u>4,439,192</u>	<u>891,237</u>
Net Pension Liability - CalPERS						
Miscellaneous Plan	81,210,896	26,295,862	(20,452,977)	-	87,053,778	-
Net OPEB Liability - Miscellaneous						
Employees Retiree Health Plan	14,542,944	1,927,616	(7,014,556)	-	9,456,022	-
Total Business-Type Activities	<u>\$ 158,088,029</u>	<u>\$ 29,942,079</u>	<u>\$ (30,905,524)</u>	<u>\$ (293,124)</u>	<u>\$ 156,831,471</u>	<u>\$ 2,880,937</u>

**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.

The annual debt service requirements on the 2012 Lease Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,049,120	\$ 530,849	\$ 1,579,969
2023	1,152,501	480,231	1,632,732
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
2027-2031	6,898,536	717,132	7,615,668
2032	1,500,000	25,313	1,525,313
Subtotal	14,386,946	\$ 2,847,377	\$ 17,234,323
Bond Premium	1,237,455		
Total	\$ 15,624,402		

**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
2022	\$ 760,000	\$ 1,106,850	\$ 1,866,850
2023	840,000	1,074,650	1,914,650
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
2026-2030	5,310,000	4,253,050	9,563,050
2031-2035	6,440,000	3,116,650	9,556,650
2036-2040	7,555,000	2,007,150	9,562,150
2041-2046	8,805,000	803,850	9,608,850
Subtotal	32,430,000	\$ 15,379,550	\$ 47,809,550
Bond Premium	1,567,246		
Total	\$ 33,997,246		

## 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
2022	\$ 180,579	\$ 288,173	\$ 468,752
2023	206,639	279,080	485,719
2024	216,150	269,569	485,719
2025	225,371	260,348	485,719
2026	236,472	249,247	485,719
2027-2031	1,355,339	1,073,256	2,428,595
2032-2036	1,697,462	731,133	2,428,595
2037-2041	2,142,823	302,694	2,445,517
Total	\$ 6,260,834	\$ 3,453,500	\$ 9,714,335

**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, 2021, the estimated annual landfill closure cost are as follows:

Total Estimated Closure and Post-Closure Costs	\$ 510,050
Percentage of Used Capacity to Total Capacity	100%
Revised Estimated Total Closure and Post-Closure Costs Liability	<u>510,050</u>
Previous Closure Costs Accrued	<u>495,300</u>
FY 2021 Adjustment made on the liability	<u>\$ 14,750</u>

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

Other long-term obligation payments (including Net pension and OPEB liabilities) are primarily made from general revenues recorded in the General Fund, except for workers compensation claims which are paid from the Workers Compensation Fund, and public liability claim which are paid from the Public Liability Fund.

### Compensated Absences

It is the policy of the City to record the cost of vested vacation and sick leave as earned. Earned vacation and sick leave that is taken during the year is payable from the fund(s) the employee's salary or wage is chargeable to. The vested compensated absences balances for employees who retire or otherwise leave the City are paid from the Sick Leave and Vacation Payouts Internal Service Fund at the time of departure.

#### B. Discretely Presented Component Unit

Discretely Presented Component Unit	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Accrued Vacation and Sick Leave	\$ 269,628	\$ 139,726	\$ (120,710)	\$ 288,644	\$ 21,899
Net Pension Liability - CalPERS Miscellaneous Plan	7,429,422	2,456,069	(1,909,986)	7,975,505	-
Net OPEB Liability - Miscellaneous Employees Retiree Health Plan	921,585	172,721	(628,528)	465,778	-
Total Discretely Presented Component Unit	\$ 8,620,635	\$ 2,768,516	\$ (2,659,224)	\$ 8,729,927	\$ 21,899

#### C. 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, 2021, \$1,230,165 in compensated absences, \$41,461,541 in claims and judgments payables, \$3,728,418 in Net OPEB Liability, and \$29,795,264 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.

#### D. 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, 2021 was \$1,050,000.

##### Community Facilities District No. 1

On June 1, 2002, the City issued \$9,750,000 in Community Facilities District No. 1 bonds (for disaster fire protection), pursuant to the Mello-Roos Community Facilities Act of 1982 (being section 53311 et seq. of the California Government Code and City Council Resolution #66,615-N.S). The bonds were issued to finance a mobile disaster fire protection system for the delivery of auxiliary firefighting water, including: transportation pumping units, ultra large diameter hose, transport and support vehicles, portable hydrants, accessory fittings, hose bridges, and a storage site or sites, together with incidental expenses related thereto. These bonds will be repaid from amounts levied against property owners benefited by the disaster fire protection system. The amounts levied against property owners to repay the bonds are accounted for in a custodial fund. The faith and credit or taxing power of the City is not pledged to the payment of the bonds. Accordingly, the debt has

## NOTES TO THE FINANCIAL STATEMENTS

not been included in the basic financial statements. The bonds are due in annual installments ranging from \$270,000 to \$760,000, and have an interest rate ranging between 3.00 and 4.75 percent. The City is not obligated in any way to repay the debt in the event of a default. The total principal outstanding as of June 30, 2021 was \$2,105,000. This bond has had a rating of Aa3 from Moody's since April 16, 2010 and A (Stable) from S&P since March 8, 2011.

**E. 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. On 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 -\$8,845 at June 30, 2021, so for FY 2021, the pledged revenues (FY 2021 budgeted transfers in) were \$499,696 compared with debt service of \$499,696. Transfers are made from the City's General Fund that had \$213,739,932 in unrestricted revenues in FY2021.

**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 2021, the pledged revenues totaled \$2,387,813 compared to debt service of \$1,910,250. Due to the COVID-19 pandemic, this requirement was not met, as net revenues of the Off-Street Parking Fund and Parking Meter Fund were -\$3,257,946 and -\$354,869, respectively. The General Fund transferred \$1,910,230 to the Off-Street Parking Fund to cover the FY 2021 debt service. In addition, about \$3.3 million of police costs in the Parking Meter Fund was transferred to the General Fund.

The City does not project to meet the 1.25 debt covenant ratio in FY2022 but the ratio is expected to be positive, and by FY 2023 and FY 2024 to reach a coverage of 1.22 and 1.4, respectively. The City has allocated American Rescue Plan Act (ARPA) funds to be transferred to both Parking Funds in FY2022 and FY 2023. The City has appropriated in FY 2022, \$3,940,000 and \$4,340,000 to the Off-street Parking Funds and Parking Meter Fund, respectively, help meet the coverage ratio.

## 9. FUND BALANCES FOR GOVERNMENTAL FUNDS

Fund balances as of June 30, 2021, for the governmental funds were categorized as nonspendable, restricted, committed, assigned, or unassigned for the following purposes:

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Grants	Library	Capital Improvement		
<b>Fund balances:</b>						
<b>Nonspendable for:</b>						
Prepaid items	\$ -	\$ 1,127,417	\$ -	\$ -	\$ -	\$ 1,127,417
<b>Subtotal nonspendable for:</b>	-	1,127,417	-	-	-	1,127,417
<b>Restricted for:</b>						
Other purposes	-	-	-	-	596,412	596,412
Operating reserves <sup>(1)</sup>	-	-	-	-	11,379,924	11,379,924
Public safety	-	-	-	-	4,878,317	4,878,317
Street maintenance	-	-	-	-	69,174,562	69,174,562
Health and welfare	6,196,569	17,423,260	-	-	9,834,159	33,453,987
Park and recreation	-	-	14,321,708	-	3,581,577	17,903,285
Community development and housing loan	-	32,150,360	-	8,100,475	52,564,031	92,814,866
Economic development	-	-	-	-	3,120,913	3,120,913
Debt service reserve	-	-	-	-	15,901,481	15,901,481
<b>Subtotal restricted for:</b>	6,196,569	49,573,620	14,321,708	8,100,475	171,031,375	249,223,747
<b>Committed for:</b>						
Operating reserves <sup>(1) (2)</sup>	29,744,146	-	-	-	1,452,929	31,197,075
Capital projects	-	-	-	-	6,669,311	6,669,311
Street maintenance	-	-	-	-	2,939,966	2,939,966
Health and welfare	-	-	-	-	286,831	286,831
Park and recreation	-	-	-	-	10,901,323	10,901,323
Community development and housing loan	-	-	-	-	23,652,527	23,652,527
Economic development	-	-	-	-	1,605,152	1,605,152
Debt service reserve	-	-	-	-	-	-
<b>Subtotal committed for:</b>	29,744,146	-	-	-	47,508,039	77,252,185
<b>Assigned to:</b>						
Operating reserves	13,814,543	-	-	-	-	13,814,543
Capital projects	-	-	-	190,787	-	190,787
Public safety	2,675,738	-	-	-	-	2,675,738
Street maintenance	375,969	-	-	4,679,007	-	5,054,976
Health and welfare	1,722,072	-	-	-	-	1,722,072
Park and recreation	593,718	-	-	2,545,429	-	3,139,147
Community development and housing loan	232,413	-	-	2,120,492	-	2,352,905
Economic development	163,196	-	-	8,622	-	171,819
<b>Subtotal assigned for:</b>	19,577,650	-	-	9,544,337	-	29,121,987
<b>Unassigned:</b>						
Operating reserves	56,363,765	-	-	-	-	56,363,765
Public safety	-	(109,267)	-	-	(1,486,526)	(1,595,793)
Street maintenance	-	(859,343)	-	-	(87)	(859,430)
Health and welfare	-	-	-	-	(38,462)	(38,462)
Park and recreation	-	(3,747,532)	-	-	-	(3,747,532)
Economic development	-	(320,871)	-	-	-	(320,871)
Debt service reserve	-	-	-	-	(17,822)	(17,822)
<b>Subtotal unassigned for:</b>	56,363,765	(5,037,013)	-	-	(1,542,897)	49,783,855
<b>Total fund balance</b>	\$ 111,882,130	\$ 45,664,024	\$ 14,321,708	\$ 17,644,812	\$ 216,996,517	\$ 406,509,191

(1) include PERS Savings

(2) Include Stabilization, Catastrophic Reserves



NOTES TO THE FINANCIAL STATEMENTS

10. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures / Over Appropriations

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

	<u>Amount</u>
Special Tax for Disabled	(61) <sup>1</sup>
Paramedic Assessment District Fund	(814,448) <sup>1</sup>
Measure BB: Bike and Pedestrian Fund	(42,500) <sup>1</sup>
Measure GG: Fire Preparation Tax Fund	(441,451) <sup>1</sup>
Miles Lab Fund	(1,166) <sup>1</sup>
Park Acquisition Development Fund	(157) <sup>1</sup>
2010 COP Animal Shelter Fund	(297,461) <sup>1</sup>
GO 2014 Measure M Street and Watershed Improvement	(750) <sup>1</sup>
Measure T1 - Infrastructure & Facilities Fund	(749) <sup>1</sup>
PERS Savings Fund	(24,785) <sup>1</sup>
Measure O Housing Bond Debt Service Fund	(2,003,748) <sup>1</sup>

<sup>1</sup> An amendment to the appropriations ordinance was not prepared. The fund balance was used to cover the excess.

B. Deficit Fund Balances/Net Position

The following nonmajor funds had deficit fund balances / net position as of June 30, 2021:

	<u>Amount</u>
<b>Special revenue funds</b>	
California Energy Commission	\$ (87) <sup>1</sup>
Paramedic Assessment District	(1,480,529) <sup>2</sup>
1st Response Advanced Life Support	(5,998) <sup>1</sup>
Tobacco Control	(38,462) <sup>1</sup>
Total special revenue funds	<u>(1,525,076)</u>
<b>Debt service funds</b>	
Berkeley Repertory Theatre	(8,845) <sup>3</sup>
2010 COP Animal Shelter	(8,977) <sup>3</sup>
Total debt service funds	<u>(17,822)</u>
<b>Internal service funds</b>	
Building Maintenance	(2,065,567) <sup>4</sup>
Public Liability	(5,654,397) <sup>4</sup>
IT Cost Allocation Plan	(9,454,142) <sup>5</sup>
Total internal service funds	<u>(17,174,106)</u>
Total	<u>\$ (18,717,004)</u>

<sup>1</sup> 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.

<sup>2</sup> FY 2022 expenditures will be reduced to eliminate deficit or an increase in the General Fund transfer will have to be approved.

<sup>3</sup> Capital Improvement Fund will transfer money in FY 2022 to cover deficit.

<sup>4</sup> Ongoing deficit that the City is aware of. Internal charges to funds have been increased to gradually decrease the deficit.

<sup>5</sup> 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, 2021 is as follows:

Total assets	\$	61,222,714
Total liabilities		37,358,965
Net position	\$	23,863,749
Total revenues	\$	22,660,870
Total expenses		18,375,604
Net income/(loss)	\$	4,285,266

### 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, 2021, \$4,923,541 and \$36,538,000 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, 2021 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.

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, 2020	\$ 4,766,578	\$ 34,640,000	\$ 39,406,578
Incurring claims and changes in estimates	1,294,876	6,580,483	7,875,359
Claims paid	(1,137,913)	(4,682,483)	(5,820,396)
Balance, June 30, 2021	<u>\$ 4,923,541</u>	<u>\$ 36,538,000</u>	<u>\$ 41,461,541</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, 2021, construction commitments totaled approximately \$40.9 million. The major projects comprising the bulk of the commitments are the FY 21 Sanitary Sewer Rehabilitation, the FY 21 Street Rehabilitation and Surface Seals Project, FY 21 Sidewalk Repair and Replacement Project, FY 21 Storm Drain Repair, Undergrounding Utility District #48, and Affordable Housing and Sustainable Communities (AHSC) grant funded Transportation projects including Milvia Bikeway, University Avenue Bus Stop and Addison Street Bike Boulevard.

**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, 2021, 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, 2021 are described in the following table:

	Deferred Outflows	Deferred Inflows	Net Pension Liability	Pension Expenses
<b>By Individual Plan</b>				
CalPERS Miscellaneous Plan	\$ 40,347,016	\$ -	\$ 328,189,679	\$ 38,755,002
CalPERS Public Safety - Fire Plan	12,870,225	2,494,283	82,974,398	13,175,715
CalPERS Public Safety - Police Plan	19,537,276	222,766	169,327,368	19,776,896
Berkeley Retirement Income Benefit Plan	-	90,630	75,897,454	3,946,115
Safety Members Pension Plan	1,474	-	1,548,284	268,441
<b>Total</b>	<b>\$ 72,755,990</b>	<b>\$ 2,807,679</b>	<b>\$ 657,937,187</b>	<b>\$ 75,922,169</b>
<b>By Individual Fund</b>				
Governmental Activities				
Governmental Funds	\$ 57,084,380	\$ 2,807,679	\$ 533,112,639	\$ 61,544,988
Internal Service Funds	3,800,497	-	29,795,262	3,350,020
Subtotal Governmental Activities	60,884,880	2,807,679	562,907,904	64,895,008
Enterprise Funds	10,891,003	-	87,053,778	10,084,640
Discretely Presented Component Unit				
Rent Stabilization Board Fund	980,107	-	7,975,505	942,522
<b>Total</b>	<b>\$ 72,755,990</b>	<b>\$ 2,807,679</b>	<b>\$ 657,937,187</b>	<b>\$ 75,922,169</b>

### 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, 2021, are summarized as follows:

	Miscellaneous	Public Safety	
		Fire	Police
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	32.500%	48.200%	66.600%
Required Unfunded Liability Payment	\$21,688,196	\$5,445,501	\$11,185,889

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, 2021, the following employees were covered by the benefit terms for each plan:

	Miscellaneous	Public Safety	
		Fire	Police
Inactive Employees or Beneficiaries			
Currently Receiving Benefits	1,679	154	334
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,065	49	74
Active Employees	1,076	215	166
Total	3,820	418	574

**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, 2020 (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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2020 actuarial valuations were determined using the following assumptions:

	Miscellaneous	Public Safety	
		Fire	Police
Valuation Date	June 30, 2019	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method		
Actuarial Assumptions:			
Discount Rate	7.15%	7.15%	7.15%
Inflation	2.625%	2.625%	2.625%
Salary Increases	Varies by Entry Age and Services		
Investment Rate of Return <sup>(1)</sup>	7.25%	7.25%	7.25%
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, 2019 valuation were based on the 2015 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 7.15 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11- 60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

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Asset Class	Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	-	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
Total	100.00%		
(a) Expected inflation for this period (6/30/2020)		2.00%	
(b) Expected inflation for this period (6/30/2020)		2.92%	

**Changes in the Net Pension Liability**

The changes in the Net Pension Liability for each Plan were as follows:

Miscellaneous Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Balance at June 30, 2019</b>	\$ 1,072,281,650	\$ 766,546,020	\$ 305,735,630
<b>Changes in the Measurement Period</b>			
Service Cost	20,079,663	-	20,079,663
Interest on the Total Pension Liability	75,652,840	-	75,652,840
Changes of Assumptions	-	-	-
Difference Between Expected and Actual Experience	4,241,153	-	4,241,153
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	24,065,716	(24,065,716)
Contribution - Employees	-	16,545,469	(16,545,469)
Net Investment Income	-	37,989,064	(37,989,064)
Benefit Payable, Including Refunds of Employee Contributions	(56,961,902)	(56,961,902)	-
Administrative Expense	-	(1,080,642)	1,080,642
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	43,011,754	20,557,705	22,454,049
<b>Balance at June 30, 2020</b>	\$ 1,115,293,404	\$ 787,103,725	\$ 328,189,679

Public Safety - Fire Plan	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Balance at June 30, 2019</b>	\$ 283,667,984	\$ 203,463,529	\$ 80,204,455
<b>Changes in the Measurement Period</b>			
Service Cost	5,376,207	-	5,376,207
Interest on the Total Pension Liability	19,748,456	-	19,748,456
Changes of Assumptions	-	-	-
Difference Between Expected and Actual Experience	(2,098,331)	-	(2,098,331)
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	8,703,901	(8,703,901)
Contribution - Employees	-	1,781,366	(1,781,366)
Net Investment Income	-	10,057,956	(10,057,956)
Benefit Payable, Including Refunds of Employee Contributions	(16,111,142)	(16,111,142)	-
Administrative Expense	-	(286,834)	286,834
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	6,915,190	4,145,247	2,769,943
<b>Balance at June 30, 2020</b>	\$ 290,583,174	\$ 207,608,776	\$ 82,974,398

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
<b>Public Safety - Police Plan</b>			
<b>Balance at June 30, 2019</b>	\$ 429,963,439	\$ 267,952,541	\$ 162,010,898
<b>Changes in the Measurement Period</b>			
Service Cost	6,906,033	-	6,906,033
Interest on the Total Pension Liability	30,242,268	-	30,242,268
Changes in Assumptions	-	-	-
Changes in Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	1,239,143	-	1,239,143
Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	15,737,103	(15,737,103)
Contribution - Employees	-	2,375,802	(2,375,802)
Net Investment Income	-	13,335,816	(13,335,816)
Benefit Payable, Including Refunds of Employee Contributions	(23,373,646)	(23,373,646)	-
Administrative Expense	-	(377,747)	377,747
Other Miscellaneous Income/Expense	-	-	-
<b>Net Change</b>	<u>15,013,798</u>	<u>7,697,328</u>	<u>7,316,470</u>
<b>Balance at June 30, 2020</b>	<u>\$ 444,977,237</u>	<u>\$ 275,649,869</u>	<u>\$ 169,327,368</u>

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.15%	7.15%	8.15%
<b>Net Pension Liability</b>			
Miscellaneous Plan	\$ 466,376,216	\$ 328,189,679	\$ 213,126,433
Public Safety - Fire Plan	119,480,499	82,974,398	52,692,495
Public Safety - Police Plan	227,336,770	169,327,368	121,508,507

### 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, 2021, the City recognized pension expense of \$38,755,002.

At June 30, 2021, 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	\$ 26,446,751	\$ -
Changes in assumptions	-	-
Differences between expected and actual experiences	7,494,477	-
Net differences between projected and actual earnings on pension plan investments	6,405,788	-
	<u>\$ 40,347,016</u>	<u>\$ -</u>



NOTES TO THE FINANCIAL STATEMENTS

\$26,446,751 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, 2022. 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
2022	\$ 3,404,080
2023	3,264,255
2024	4,005,037
2025	3,226,893
Thereafter	-

As of June 30, 2021, the City had no reported payables to the plan.

**Public Safety - Fire Plan**

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$13,175,715.

At June 30, 2021, 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	\$ 9,022,923	\$ -
Changes in assumptions	999,693	(296,743)
Differences between expected and actual experiences	1,238,060	(2,197,540)
Net differences between projected and actual earnings on pension plan investments	1,609,549	-
	<u>\$ 12,870,225</u>	<u>\$ (2,494,283)</u>

\$9,022,923 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, 2022. 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
2022	\$ (497,531)
2023	381,484
2024	808,881
2025	660,185
Thereafter	-

As of June 30, 2021, the City had no reported payables to the plan.

### Public Safety – Police Plan

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$19,776,896.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 16,556,777	\$ -
Changes in assumptions	-	(135,585)
Differences between expected and actual experiences	864,045	(87,181)
Net differences between projected and actual earnings on pension plan investments	2,116,453	-
	<u>\$ 19,537,276</u>	<u>\$ (222,766)</u>

\$16,556,777 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (887,067)
2023	1,134,429
2024	1,388,504
2025	1,121,866
Thereafter	-

As of June 30, 2021, the City had no reported payables to the plan.

## 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, 2021, the following employees were covered by the Berkeley Police Employee Retirement Income Plan:

	<u>PERIP</u>
Retirees	147
Active employees	-
Total	<u>147</u>

**Contribution Description**

The City (employer) contributed \$2,150,175 in FY 2021 and paid \$2,522,372 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, 2021, using an annual actuarial valuation as of June 30, 2020. 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, 2020	
Measurement date	June 30, 2021	
Actuarial assumptions:		
Discount rate	2.22% - Based on Crossover test results using assumptions below	
Inflation	2.50%	
Investment rate of return <sup>(1)</sup>	2.75%	
Mortality	CalPERS 2017 experience Study Fully generational with Scale MP-2020	
Future benefit increase	<b>Based on Medical Trend:</b>	
	<b>Year</b>	<b>Increase</b>
	2022	6.75%
	2023	6.50%
	2024 and beyond	3.75% - 6.25%
Crossover test assumptions		
Active police payroll increases	2.75%	
AA municipal bond rate	2.16%	
Administrative expenses	Assumes City will pay from City assets, and not the trust	
Future employer contributions	Average of past 3 fiscal years contributions as a percent of total police active employee payroll	
	2020	9.494%
	2019	9.856%
	2018	9.041%

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

**Change of Assumption:**

For measurement date June 30, 2021, the discount rate was changed from 2.45% to 2.22%.

**Discount Rate**

The discount rate used to measure the total pension liability was 2.22 percent for the Plan. This rate includes investment expenses and inflation. A Crossover test was performed to determine the discount rate. Based on the testing, the Plan will run out of assets in FY 2029.

### 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, 2020</b>	\$ 79,951,317	\$ 5,825,660	\$ 74,125,657
<b>Changes in the measurement period</b>			
Service cost			
Interest on the total pension liability	1,927,908	-	1,927,908
Changes in Assumptions	(1,862,018)	-	(1,862,018)
Changes in Benefit Terms	-	-	-
Difference between expected and actual experience	4,026,371	-	4,026,371
Plan to plan resource movement			
Contribution - employer	-	2,150,175	(2,150,175)
Contribution - employees	-	-	-
Net investment income	-	170,290	(170,290)
Changes of assumptions	-	-	-
Benefit payable, including refunds	(2,522,372)	(2,522,372)	-
Administrative expense	-	-	-
<b>Net change</b>	1,569,889	(201,907)	1,771,796
<b>Balance at June 30, 2021</b>	\$ 81,521,206	\$ 5,623,753	\$ 75,897,454

### 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 1.22%	Current Discount Rate 2.22%	1% Increase 3.22%
Net pension liability	\$88,471,797	\$75,897,453	\$65,665,429

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

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$3,946,115.

At June 30, 2021, 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	-	90,630
	\$ -	\$ 90,630

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
2022	\$ 12,479
2023	(30,337)
2024	(81,010)
2025	8,238

As of June 30, 2021, the City had no reported payables to the plan.

**Safety Members Pension Fund**

**Plan Description**

The City maintains the Safety Members Pension Fund (SMPF). This plan is a single-employer defined benefit pension plan for fire and police officers that retired before March 1973. In March 1973, all active fire and police officers were transferred from SMPF to CalPERS. The Safety Members Pension Board administers the plan. The authority under which benefit provisions are established or may be amended is the Berkeley Municipal Code chapters 4.20, 4.24, 4.28 and 4.32.

**Benefits Provided**

Service and disability retirement benefits are based on a percentage of salary at retirement, multiplied by years of service. Benefits are adjusted annually by either:

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

**Employees Covered**

At June 30, 2021, the following employees were covered by SMPF:

	SMPF
Retirees	7
Active employees	-
Total	7

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 provides annual payments through 2021 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 2020, 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, 2021, using an annual actuarial valuation as of June 30, 2021. 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, 2021
Measurement date	June 30, 2021
Actuarial assumptions:	
Discount rate	2.16% - Bond Buyer-20 rate as of 6/30/20
Inflation	2.50%
Investment rate of return <sup>(1)</sup>	N/A
Mortality	CalPERS 1997-2015 experience Study Mortality projected fully generational with Scale MP-20
Future benefit increase	2.75%
Crossover test assumptions	
AA municipal bond rate	N/A
Administrative expenses	N/A
Future employer contributions	N/A

(1) Based on return from MassMutual GIC

#### 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, 2020</b>	\$ 1,762,635	\$ -	\$ 1,762,635
<b>Changes in the measurement period</b>			
Service cost	-	-	-
Interest on the total pension liability	33,643	-	33,643
Difference between expected and actual experience	253,939	-	253,939
Assumption changes	(21,303)	-	(21,303)
Contribution - employer	-	480,630	(480,630)
Contribution - employees	-	-	-
Net investment income	-	-	-
Changes of assumptions	(480,630)	(480,630)	-
Benefit payable, including refunds	-	-	-
Administrative expense	-	-	-
<b>Net change</b>	(214,351)	-	(214,351)
<b>Balance at June 30, 2021</b>	\$ 1,548,284	\$ -	\$ 1,548,284

NOTES TO THE FINANCIAL STATEMENTS

**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	Current Discount Rate	1% Increase
	<b>1.16%</b>	<b>2.16%</b>	<b>3.16%</b>
Net pension liability	\$1,592,328	\$1,548,284	\$1,506,902

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

For the fiscal year ended June 30, 2021, the City recognized pension expense of \$268,441.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Changes in assumptions	\$ -	\$ -
Differences between expected and actual experiences	-	-
Net differences between projected and actual earnings on pension plan investments	1,472	-
	<u>\$ 1,472</u>	<u>\$ -</u>

Fiscal Year Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2022	\$ 1,175
2023	297

As of June 30, 2021, the City had no reported payables to the plan.

### 13. OTHER POST-EMPLOYMENT BENEFITS

Other Post-Employment Benefits (OPEB) related balances presented on the Statement of Net Position as of June 30, 2021 are described in the following table:

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	Actuarial OPEB Expenses
By Individual Plan				
Fire Retiree Healthcare Plan	\$ 6,124,758	\$ 4,842,253	\$ 23,873,248	\$ 2,431,743
Miscellaneous Employees Retiree Health Premium Assistance Plan	17,183,476	24,219,007	41,895,470	5,277,533
Police retiree Healthcare Plan	13,471,903	24,015,225	49,355,501	3,779,277
<b>Total</b>	<b>\$ 36,780,137</b>	<b>\$ 53,076,485</b>	<b>\$ 115,124,219</b>	<b>\$ 11,488,553</b>
By Individual Fund				
Governmental Activities				
Governmental Funds	\$ 30,035,487	\$ 43,563,665	\$ 101,474,000	\$ 9,417,269
Internal Service Funds	1,666,832	2,334,831	3,728,420	512,342
<b>Subtotal Governmental Activities</b>	<b>31,702,319</b>	<b>45,898,496</b>	<b>105,202,419</b>	<b>9,929,611</b>
Enterprise Funds	4,660,707	6,593,386	9,456,022	1,430,743
Discretely Presented Component Unit				
Rent Stabilization Board Fund	417,110	584,603	465,778	128,199
<b>Total</b>	<b>\$ 36,780,137</b>	<b>\$ 53,076,485</b>	<b>\$ 115,124,219</b>	<b>\$ 11,488,553</b>

#### A. Berkeley Fire Employees Retiree Health Plan

##### Plan Description and Benefits Provided

The City of Berkeley Fire Employees Retiree Health Plan (FRHF) is a single-employer defined benefit medical trust plan administered by The Lipman Company (TLC). It is reported in an Other Employee Benefit Trust Fund of the City. To be eligible for benefits, sworn Fire employees must retire from the City on or after July 1, 1997, be vested in a CalPERS pension, and retire from the City on or after age 50. Benefits commence immediately upon retirement. Benefits are payable for the retiree's lifetime and continue for his or her covered spouse's/domestic partner's lifetime.

The amount the City contributes toward the FRHF increases 4.5 percent annually regardless of the amount of increase in the underlying premium rate. The establishment and amendments of benefit provisions are negotiated between the employee bargaining units and the City Labor Negotiating Team, then approved by the City Manager and City Council. The FRHF does not issue a publicly available financial report that includes financial statements and required supplementary information. The City's portion of the benefit is based on the following years of service of the retiree:

Years of Service	City Percentage
Less than 10	0%
10 to 14	25%
15 to 19	50%
20 to 24	75%
More than 25	100%



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**Employees Covered**

At June 30, 2021, the following current and former employees were covered by the benefit terms for FRHF

	<u>FRHF</u>
Inactive employees or beneficiaries currently receiving benefits	30
Inactive employees entitled to but not yet receiving benefits	65
Active employees	<u>124</u>
Total	<u>219</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 2021 is shown in the following table:

	<u>City's Contribution for Non-Medicare Eligible Retirees</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>
Retired before 7/1/06	\$ 468	\$ 934	\$ 380	\$ 761
Retired after 7/1/06	634	1,265	380	761

During FY 2021, the City contributed \$741,212 to the trust and made benefit payments of \$476,722.

**Net OPEB Liability of the City**

The Total OPEB Liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2020, using the following actuarial assumptions, applied to all prior periods including the measurement:

**Actuarial Assumptions**

Discount rate	2.41%*
Expected long-term rate of return	3.00%
General inflation	2.5%*
Aggregate payroll increases	2.75%
Merit payroll increases	CalPERS 1997-2015 Experience Study
Mortality, retirement, disability, termination	CalPERS 1997-2015 Experience Study
Mortality improvement	Mortality projected fully generational* with Scale MP-20
AA municipal bond rate	2.16% (Bond Buyer 20 Index)
Non-medicare trend	6.75% for 2022, decreasing to an ultimate rate of 3.75% for 2076
Medicare trend Non Kaiser/Medicare Kaiser	Non-Kaiser 5.85% for 2022, decreasing to an ultimate rate of 3.75% for 2076; Kaiser 4.75% for 2022, decreasing to an ultimate rate of 3.75% for 2076.*
Healthcare participation for future retirees	100.00%
Current retirees	100.00% if currently participating, 80% of waived retirees re-elect immediately
Cap increases	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, 2021 and June 30, 2020, were as follows:

	FY Ending	
	6/30/2021	6/30/2020
Total OPEB liability	\$ 36,531,189	\$ 33,122,749
Fiduciary net position	12,657,941	11,945,263
Net OPEB Liability	\$ 23,873,248	\$ 21,177,486
Funded Status	34.6%	36.1%

## 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, 2021 are summarized in the following table:

Asset Class	Policy Target Allocation	Expected Real Rate of Return
Medium Term Notes	18.00%	0.78%
US Agency Securities	20.00%	-0.35%
Cash and other	41.00%	-0.51%
Preferred Stock	21.00%	1.32%
Total	100.00%	
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		3.00%

### Rate of Return

For the fiscal year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 3.28 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 2.41 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, 2021 (see the discussion of the Plan's investment policy) are as follows:

NOTES TO THE FINANCIAL STATEMENTS

**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, 2020</b>	\$ 33,122,749	\$ 11,945,263	\$ 21,177,486
<b>Changes in the measurement period</b>			
Service cost	1,766,598	-	1,766,598
Interest	952,902	-	952,902
Difference between expected and actual experience	747,494	-	747,494
Changes of assumptions	418,168	-	418,168
Contribution - employer	-	741,212	(741,212)
Contribution - employees	-	-	-
Net investment income	-	459,011	(459,011)
Benefit payments	(476,722)	(476,722)	-
Administrative expense	-	(10,823)	10,823
<b>Net change</b>	<u>3,408,440</u>	<u>712,678</u>	<u>2,695,762</u>
<b>Balance at June 30, 2021</b>	<u>\$ 36,531,189</u>	<u>\$ 12,657,941</u>	<u>\$ 23,873,248</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 2.41 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
Net OPEB liability	\$ 31,559,364	\$ 23,873,248	\$ 17,949,064

**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	\$ 19,447,351	\$ 23,873,248	\$ 24,658,066

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$2,431,743. As of fiscal year ended June 30, 2021, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

**Deferred Outflows/Inflows Balances at June 30, 2021**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experiences	\$ 650,417	\$ (4,253,556)
Changes in assumptions	5,474,341	(475,303)
Net differences between projected and actual earnings on plan investments	-	(113,394)
	<u>\$ 6,124,758</u>	<u>\$ (4,842,253)</u>

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

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2022	\$ 154,124
2023	81,778
2024	136,125
2025	274,470
2026	330,506
Thereafter	305,502

**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:

<b>Years of Service</b>	<b>City Percentage</b>
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, 2021 measurement date.

NOTES TO THE FINANCIAL STATEMENTS

**Employees Covered**

At June 30, 2021, the following current and former employees were covered by the benefit terms for RHPAP

	<b>RHPAP</b>
Inactive employees or beneficiaries currently receiving benefits	273
Inactive employees entitled to but not yet receiving benefits	310
Active employees	1,086
<b>Total</b>	<b>1,669</b>

**Contributions**

The City's maximum contribution for Miscellaneous retirees for FY 2021 is shown in the following table:

	<b>City's Contribution for Non-Medicare Eligible</b>		<b>City's Contribution for Medicare Eligible Retirees</b>	
	<b>Single-Party</b>	<b>Two-Party</b>	<b>Single-Party</b>	<b>Two-Party</b>
SEIU Local 1021 C&M	\$ 386	\$ 773	\$ 34	\$ 68
SEIU Local 1021 CSU - retired prior to June 29, 2008	386	773	136	272
SEIU Local 1021 CSU - retired after June 29, 2008	536	923	136	272
IBEW Local 1245 - retired prior to June 28, 2009	386	773	34	68
IBEW Local 1245 - retired after June 28, 2009	536	1,072	34	68
IBEW Local 1245 - retired on or after June 27, 2010	608	1,215	34	68
IBEW Local 1245 - retired on or after June 26, 2011	642	1,284	34	68
IBEW Local 1245 - retired on or after June 24, 2012	733	1,546	34	68
IBEW Local 1245 - retired on or after June 23, 2013	836	1,672	34	68
IBEW Local 1245 - retired on or after June 22, 2014	866	1,732	34	68
PEU Local One - retired prior to July 1, 2008	386	773	34	68
PEU Local One - retired after July 1, 2008	630	1,261	479	957
Unrepresented (Z-1, Z-5, Z-7) - retired prior to July 1, 2008	386	773	188	376
Unrepresented (Z-1, Z-5, Z-7) - retired after July 1, 2008	463	926	260	521
Unrepresented (all others) - retired prior to June 29, 2008	386	773	188	376
Unrepresented (all others) - retired after June 29, 2008	536	923	188	376

During FY 2021, the City contributed \$2,219,280 to the trust and made benefit payments of \$1,174,959.

**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, 2021.

<b>Asset Class</b>	<b>Policy Target Allocation</b>	<b>Expected Real Rate of Return</b>
Savo Island Loan	1.00%	N/A
US Agency Securities	9.00%	-0.35%
Municipal Bonds	28.00%	0.79
Cash and other	43.00%	-0.50%
Preferred Stock	19.00%	1.32%
<b>Total</b>	<b>100.00%</b>	
Assumed long-term rate of inflation		2.50%
Expected long-term net rate of return, rounded		3.00%

### Rate of Return

For the fiscal year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 4.54 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 2.38 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, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2020, using the following actuarial assumptions, applied to all prior periods including the measurement:

### Actuarial Assumptions

Discount rate	2.38%*
Expected long-term rate of return	2.50%
General inflation	2.75%*
Aggregate payroll increases	2.75%
Merit payroll increases	CalPERS 1997-2015 Experience Study
Mortality, retirement, disability, termination	CalPERS 1997-2015 Experience Study
Mortality improvement	Mortality improvement projected fully generational with Scale MP-2020*
AA municipal bond rate	2.16% (Bond Buyer 20 Index)
Crossover test	Employer contributions after 2021 equal to City funding % per MOU. Administrative expenses equal to 0.03% of pay. Crossover occurs in 2044.
Non-medicare trend	6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Medicare trend(non-Kaiser)Medicare(Kaiser)	Non-Kaiser 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076; Kaiser 4.75% for 2022, decreasing to an ultimate rate of 3.75% 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, 2021 and June 30, 2020 were as follows:

	FY Ending	
	6/30/2021	6/30/2020
Total OPEB liability	\$ 73,385,473	\$ 90,097,476
Fiduciary net position	31,490,003	29,437,984
Net OPEB Liability	<u>\$ 41,895,470</u>	<u>\$ 60,659,492</u>
Funded Status	42.90%	32.70%

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.

NOTES TO THE FINANCIAL STATEMENTS

**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, 2020</b>	\$ 90,097,476	\$ 29,437,984	\$ 60,659,492
<b>Changes in the measurement period</b>			
Service cost	4,501,763	-	4,501,763
Interest	2,350,294	-	2,350,294
Change of benefit terms	174,029		174,029
Difference between expected and actual experience	(7,240,048)	-	(7,240,048)
Changes of assumptions	(15,323,082)		(15,323,082)
Contribution - employer	-	2,219,280	(2,219,280)
Contribution - employees	-	-	-
Net investment income	-	1,091,946	(1,091,946)
Benefit payments	(1,174,959)	(1,174,959)	-
Administrative expense		(84,248)	82,248
<b>Net change</b>	<u>(16,712,003)</u>	<u>2,052,019</u>	<u>(18,764,022)</u>
<b>Balance at June 30, 2021</b>	<u>\$ 73,385,473</u>	<u>\$ 31,490,003</u>	<u>\$ 41,895,470</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 2.38 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 1.38%	Current Discount Rate 2.38%	1% Increase 3.38%
Net OPEB liability	\$55,165,954	\$41,895,470	\$31,348,119

**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 6.75 percent decreasing to 3.75 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	\$ 30,618,812	\$ 41,895,470	\$ 50,470,044

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$5,277,533. As of fiscal year ended June 30, 2021, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

**Deferred Outflows/Inflows Balances at June 30, 2021**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experiences	\$ -	\$ 8,397,573
Changes in assumptions	17,034,849	15,821,434
Net differences between projected and actual earnings on plan investments *	148,627	-
	<u>\$ 17,183,476</u>	<u>\$ 24,219,007</u>

\*Deferred Inflows and Outflows combined for footnote disclosure

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

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2022	\$ (710,873)
2023	(826,451)
2024	(572,181)
2025	(744,716)
2026	(1,238,294)
Thereafter	(2,943,016)

**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.

<b>Years of Service</b>	<b>City Percentage</b>
10-14	25%
15-19	50%
20+	100%



NOTES TO THE FINANCIAL STATEMENTS

**Employees Covered**

At June 30, 2021, the following current and former employees were covered by the benefit terms for PRPAP:

	<b>PRPAP</b>
Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	17
Active employees	169
Total	202

**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, 2020, there were 158 active employees and 22 retirees. The base monthly dollar amount paid by the City for FY 2020 was as follows

	<b>City's Contribution for Non-Medicare Eligible Retirees</b>		<b>City's Contribution for Medicare Eligible Retirees</b>	
	<b>Single-Party</b>	<b>Two-Party</b>	<b>Single-Party</b>	<b>Two-Party</b>
PRPAP	\$809	\$1,617	\$ 436	\$ 872

During FY 2021, the City contributed \$400,136 to the trust and made benefit payments of \$279,563.

**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, 2021 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	28.00%	1.32%
US Agency Securities	40.00%	-0.35%
Cash and other	32.00%	-0.50%
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, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 2.93 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 2.17 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, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020, using the following actuarial assumptions, applied to all prior periods including the measurement:

### Actuarial Assumptions

Discount rate	2.17%*
Expected long-term rate of return	2.75%
General inflation	2.5%*
Aggregate payroll increases	2.75%
Merit payroll increases	CalPERS 1997-2015 Experience Study
Mortality, retirement, disability, termination	CalPERS 1997-2015 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2020*
AA municipal bond rate	2.16% (Bond Buyer 20 Index)
Non-medicare trend	6.75% for 2022, decreasing to an ultimate rate of 3.75% for 2076
Medicare trend (Non-Kaiser/Kaiser)	Non-Kaiser 5.85% for 2022, decreasing to an ultimate rate of 3.75% for 2076; Kaiser 4.75% for 2022, decreasing to an ultimate rate of 3.75% 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, 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, 2021 and June 30, 2020, were as follows:

	FY Ended	
	6/30/2021	6/30/2020
Total OPEB liability	\$ 51,936,689	\$ 59,846,179
Fiduciary net position	2,581,188	2,373,785
Net OPEB Liability	<u>\$ 49,355,501</u>	<u>\$ 57,472,394</u>
Funded Status	4.00%	4.00%

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, 2020</b>	\$ 59,846,179	\$ 2,373,785	\$ 57,472,394
<b>Changes in the measurement period</b>			
Service cost	3,748,506	-	3,748,506
Interest	1,415,045	-	1,415,045
Difference between expected and actual experience	(5,459,588)	-	(5,459,588)
Changes of assumptions	(7,333,890)		(7,333,890)
Contribution - employer	-	400,136	(400,136)
Contribution - employees	-	-	-
Net investment income	-	99,904	(99,904)
Benefit payments	(279,563)	(279,563)	-
Administrative expense		(13,074)	13,074
<b>Net change</b>	<u>(7,909,490)</u>	<u>207,403</u>	<u>(8,116,893)</u>
<b>Balance at June 30, 2021</b>	<u>\$ 51,936,689</u>	<u>\$ 2,581,188</u>	<u>\$ 49,355,501</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 2.17 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
	1.17%	2.17%	3.17%
Net OPEB liability	\$ 61,786,999	\$ 49,355,501	\$ 39,952,238

**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	\$ 38,559,001	\$ 49,355,501

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$3,779,277. As of fiscal year ended June 30, 2021, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

**Deferred Outflows/Inflows Balances at June 30, 2021**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experiences	\$ -	\$ 14,037,291
Changes in assumptions	13,410,216	9,977,934
Net differences between projected and actual earnings on plan investments	61,688	-
	<u>\$ 13,471,904</u>	<u>\$ 24,015,225</u>

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

<b>Fiscal Year Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2021	\$ (1,309,958)
2022	(1,325,273)
2023	(1,245,679)
2024	(1,317,534)
2025	(1,315,033)
Thereafter	(4,029,844)

**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, 2021, was \$6,933,728 which was comprised 111 of 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.

NOTES TO THE FINANCIAL STATEMENTS

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 62 closed groups of participants, 8 active employees and 54 disabled participants receiving benefits. The unfunded liability for SRIP I at July 1, 2021, the date of the last actuarial study, was \$12,977,000. For FY 2021, the City paid total SRIP 1 disability payments of \$1,216,806.

With the inception of SRIP II, the City contracted with Standard Insurance Company of Oregon to provide a portion of disability benefits through a Long Term Disability plan for those active employees remaining in SRIP I on or after July 22, 1988. Subsequently, the City prospectively dropped the Long Term Disability plan provided by Standard Insurance Company of Oregon and purchased a Long Term Disability plan from Hartford Life Insurance Company. Later, the City dropped the Long Term Disability plan provided by Hartford Life and purchased a Long Term Disability Plan from UNUM Provident. Ultimately, the City chose 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, 2021 were \$70,635,095 and there were 2,388 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, 2021 were as follows:

Plan	Contributions	Covered Payroll	% of Covered Payroll
SRIP I	\$ 11,490	\$ 268,322	4.28%
SRIP II	2,427,231	55,570,203	4.37%
SRIP III	105,007	7,870,567	1.33%

**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 1,242 active and 681 inactive participants in this plan as of June 30, 2021.

The total asset of PARS available for benefits at June 30, 2021 was \$3,024,154, 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, 2021 were as follows:

Contributions	Covered Payroll	% of Covered Payroll
\$ 142,925	\$ 3,851,157	3.71%

#### 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, GOVERNMENTAL AND ENTERPRISE FUND BALANCES, STATEMENT OF CHANGES IN FIDUCIARY NET POSITION, AND COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS

The Statement of Activities on pages 36-37 show a net \$184,599 increase to the Governmental Activities' beginning net position. This restatement was due to incorrect estimate of ending retainage payable for Measure M: Street and Watershed Improvements Fund, a capital project fund in fiscal 2020. This same \$184,599 adjustment affected the beginning governmental fund balance as well.

The Statement of Activities on page 36-37 show a net \$556,840 increase to the Business Type Activities' beginning net position. This restatement was to correct overstating the ending balance of accounts payable and at the same time overstating the expenses in Off-Street Parking fund for fiscal year 2020. This same correction affected the beginning enterprise fund balance as well.

Due to implementation of GASB Statement No. 84, the beginning balance of custodial funds in statement of changes in fiduciary net position is restated as \$5,229,169, the same for the combining statement of changes in fiduciary net position - custodial funds

<b>Governmental Activities</b>	<b>Total</b>
Net position - beginning	\$ (117,193,327)
Restatement:	
Adjustment to beginning esimated retainage payable	184,595
Net position - beginning, as restated	<u>\$ (117,008,732)</u>
<b>Govenmental Funds</b>	<b>Total</b>
Fund balance - beginiing	\$ 361,057,544
Restatement:	
Adjustment to beginning esimated retainage payable:	
Capital project fund - Measure M : Street and Watershed Improvements	184,595
Fund balance - beginning, as restated	<u>\$ 361,242,139</u>
<b>Business-type Activities</b>	<b>Total</b>
Net position - beginning	\$ 195,256,745
Restatement:	
Adjustment to beginning accounts payable	556,840
Net position - beginning, as restated	<u>\$ 195,813,585</u>

NOTES TO THE FINANCIAL STATEMENTS

<b>Proprietary Fund</b>	<b>Total</b>
Net position - beginning	\$ 180,929,800
Adjustment to beginning accounts payable:	
Off-Street Parking fund	556,840
Net position - beginning, as restated	<u>\$ 181,486,640</u>
<b>Statement of Changes in Fiduciary Net Position -Custodial Funds</b>	<b>Total</b>
Net position - beginning	\$ -
Restatement:	
Due to implemetnation of GASB Statement No. 84	5,229,169
Net position - beginning, as restated	<u>\$ 5,229,169</u>
<b>Combining Statement of Changes in Fiduciary Net Position -Custodial Funds</b>	<b>Total</b>
Net position - beginning	\$ -
Restatement:	
Due to implemetnation of GASB Statement No. 84	5,229,169
Net position - beginning, as restated	<u>\$ 5,229,169</u>

## 16. SUBSEQUENT EVENTS

### FY 2022 Tax and Revenue Anticipation Notes

On July 26, 2021, the City issued \$44,660,000 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 1.00% and a yield of 0.065% and are recorded in the General Fund. Interest and principal on these notes are payable on July 25, 2022 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 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 Housing Special Revenue Funds of the City and therefore no more outstanding items as of June 30, 2021.

### 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, 2021:

Successor Agency	Beginning Balance	Additions	Deletions	Ending Balance
Savo Island	\$ 270,000	\$ -	\$ (37,000)	\$ 233,000
Total Successor Agency	\$ 270,000	\$ -	\$ (37,000)	\$ 233,000





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# Required Supplementary Information



## 1. BUDGETS AND BUDGETARY ACCOUNTING

### A. Budgetary Information

Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the upcoming fiscal year. The proposed budget includes a summary of the proposed expenditures and forecasted revenues, and available cash balances (i.e. budget basis fund balance/net position for the City's General Fund, Special Revenue Funds; Capital Project Funds; all Enterprise Funds, and all Internal Service Funds. The City of Berkeley adopts an annual appropriated budget for its General fund, capital project funds, debt service funds, and special revenue funds except for Community Workforce, California Housing Finance Agency, Tieback Mitigation R-O-W, Parking In-Lieu Fee, Traffic Congestion Relief, Legacy Fund, Citywide RLF, Lillie B. Wall Memorial, California Energy Commission, Shelter Operations, One Time Funding, Other Special Deposits, Measure G: Fire Seismic Project, Pension Refunding, East Bay Public Utilities Commission, Fund for Impounded and Unneutered and Income Housing Funds: Savo Island Project and West Berkeley Improvement Project.

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 \$447,702,457 for FY 2021 and made supplementary budget appropriations totaling \$237,538,050 (for a total of revised budget of \$685,240,507) during the year. The supplementary budget appropriations consisted of the following: (1) FY 2020 outstanding encumbered rollovers of \$92,504,772; (2) FY 2020 unencumbered carryovers of \$28,138,094; (3) reappropriations of \$1,353,084; and, (4) other budget adjustments of \$115,542,100. 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**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	152,038,471	161,685,594	\$ 180,793,320	\$ 19,107,726
Licenses and permits	1,529,019	1,529,019	1,804,867	275,848
Intergovernmental	822,869	822,869	4,218,064	3,395,195
Charges for service	8,538,213	6,777,164	6,888,400	111,236
Fines and penalties	5,260,458	5,260,458	3,710,081	(1,550,377)
Rents and royalties	149,210	149,210	189,355	40,145
Franchise	1,551,696	1,521,742	1,726,470	204,728
Private contributions and donations	114,944	114,944	184,393	69,449
Investment income	2,851,200	4,051,200	5,917,722	1,866,522
Miscellaneous	173,843	173,843	69,754	(104,089)
<b>Total revenues</b>	<b>173,029,923</b>	<b>182,086,043</b>	<b>205,502,426</b>	<b>23,416,383</b>
<b>Expenditures:</b>				
Current:				
General government	44,953,248	33,507,495	27,261,882	6,245,613
Public safety	101,005,298	110,447,099	120,020,003	(9,572,904)
Highway and streets	2,212,185	3,821,544	3,105,921	715,623
Health and welfare	9,572,792	18,016,304	19,134,939	(1,118,635)
Culture-recreation	7,954,974	10,358,001	7,304,226	3,053,775
Community development and housing	7,255,438	13,839,868	10,565,245	3,274,623
Economic development	2,541,292	3,198,078	2,487,997	710,081
Debt service:				
Principal repayment	780,000	1,353,115	1,353,115	-
Interest and fiscal charges	1,330,250	200,000	68,755	131,245
Bond issuance cost	-	-	-	-
TRAN issuance costs	-	-	70,517	70,517
<b>Total expenditures</b>	<b>177,605,477</b>	<b>194,741,504</b>	<b>191,372,600</b>	<b>3,509,938</b>
Revenues over/(under) expenditures	(4,575,554)	(12,655,461)	14,129,826	26,785,287
Other financing sources/(uses)				
Transfers in	5,874,293	5,874,293	6,087,282	212,989
Transfers out	(13,591,883)	(18,064,477)	(15,347,862)	2,716,615
Interfund repayments	-	-	3,693,480	3,693,480
Interfund advances	-	-	(10,236,653)	(10,236,653)
Sale of capital assets	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>(7,717,590)</b>	<b>(12,190,184)</b>	<b>(15,803,753)</b>	<b>(3,613,569)</b>
Net change in fund balance	(12,293,144)	(24,845,645)	(1,673,927)	23,171,718
Fund balance, July 1, 2020	77,908,608	77,908,608	77,908,608	-
Fund balance, June 30, 2021	<u>\$ 65,615,464</u>	<u>\$ 53,062,963</u>	<u>\$ 76,234,681</u>	<u>\$ 23,171,718</u>

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

Net change in fund balances - budgetary basis	\$ (1,673,927)
Receivable accrual	8,237,507
Due from other fund -Repayment	(3,693,480)
Due from other fund - advance	10,236,653
Payable accrual	706,308
Net change in fund balances - GAAP basis	<u>\$ 13,813,061</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Grants Fund - Budgetary Basis**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 23,910,989	\$ 24,410,989	\$ 38,119,530	\$ 13,708,541
Charges for service	36,050	36,050	228,485	192,435
Investment income	61,632	61,632	371,686	310,054
Miscellaneous	3,000	3,000	-	(3,000)
Total revenues	<u>24,011,671</u>	<u>24,511,671</u>	<u>38,719,701</u>	<u>14,208,030</u>
<b>Expenditures:</b>				
General government	3,106	298,833	252,702	46,131
Public safety	234,804	914,394	306,341	608,053
Highway and streets	318,244	4,527,029	604,649	3,922,380
Health and welfare	17,928,480	24,766,775	16,127,080	8,639,695
Culture-recreation	107,673	765,117	410,025	355,092
Community development and housing	10,684,196	21,496,370	13,819,277	7,677,093
Economic development	515,359	3,411,662	2,481,579	930,083
Capital outlay:				
Highway and streets (CO)	185,000	2,688,667	2,045,974	642,693
Culture-recreation (CO)	1,249,797	2,950,710	779,989	2,170,721
Total expenditures	<u>31,226,659</u>	<u>61,819,557</u>	<u>36,827,616</u>	<u>24,991,941</u>
Revenues over/(under) expenditures	<u>(7,214,988)</u>	<u>(37,307,886)</u>	<u>1,892,085</u>	<u>39,199,971</u>
Net change in fund balance	(7,214,988)	(37,307,886)	1,892,085	(39,199,971)
Fund balance, July 1, 2020	7,949,141	7,949,141	7,949,141	(42,106,453)
Fund balance, June 30, 2021	<u>\$ 734,153</u>	<u>\$ (29,358,745)</u>	<u>\$ 9,841,226</u>	<u>\$ (81,306,424)</u>

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

Net change in fund balances - budgetary basis	\$ 1,892,085
Receivable accrual	(97,200)
Notes receivable accrual	(134,478)
Payable accrual	3,765,796
Net change in fund balances - GAAP basis	<u>\$ 5,426,203</u>



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**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Library Fund - Budgetary basis**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 20,342,539	\$ 20,342,539	\$ 20,596,294	\$ 253,755
Intergovernmental	60,000	60,000	56,568	(3,432)
Fines and penalties	40,000	40,000	17,688	(22,312)
Rents and royalties	-	-	-	-
Private contributions and donations	205,000	205,000	241,824	36,824
Investment Income	-	-	113	113
Miscellaneous	32,000	32,000	-	(32,000)
Total revenues	<u>20,679,539</u>	<u>20,679,539</u>	<u>20,912,487</u>	<u>232,948</u>
<b>Expenditures:</b>				
Culture-recreation	21,881,348	24,982,369	20,286,128	4,696,241
Total expenditures	<u>21,881,348</u>	<u>24,982,369</u>	<u>20,286,128</u>	<u>4,696,241</u>
Revenues over/(under) expenditures	<u>(1,201,809)</u>	<u>(4,302,830)</u>	<u>626,359</u>	<u>4,929,189</u>
Other financing sources/(uses)				
Transfers in	\$ -	\$ 101,396	\$ 101,396	\$ -
Transfers out	-	(84,246)	(84,246)	-
Total other financing sources/(uses)	<u>-</u>	<u>17,150</u>	<u>17,150</u>	<u>-</u>
Net change in fund balance	(1,201,809)	(4,285,680)	643,509	4,929,189
Fund balance, July 1, 2020	13,527,526	13,527,526	13,527,526	-
Fund balance, June 30, 2021	<u>\$ 12,325,717</u>	<u>\$ 9,241,846</u>	<u>\$ 14,171,035</u>	<u>\$ 4,929,189</u>

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

Net change in fund balances - budgetary basis	\$ 643,509
Receivable accrual	87,370
Grant receivable accrual	25,219
Payable accrual	141,163
Net change in fund balances - GAAP basis	<u>\$ 897,261</u>



## 2. DEFINED BENEFIT PENSION PLANS

### A. CalPERS Plans

#### Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period Miscellaneous Plans<sup>(3)</sup>

Measurement period	2014 <sup>(1)</sup>	2015	2016
Total pension liability			
Service cost	\$ 17,671,892	\$ 16,872,462	\$ 16,093,496
Interest	60,962,710	62,911,744	65,105,036
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	(15,778,151)	(9,281,443)
Change of assumptions	-	(14,788,782)	-
Benefit payments, including refunds of employee contributions	(37,309,302)	(38,947,389)	(43,938,243)
Net change in total pension liability	41,325,300	10,269,884	27,978,846
Total pension liability - beginning	822,654,845	863,980,146	874,250,030
Total pension liability - ending (a)	\$ 863,980,146	\$ 874,250,030	\$ 902,228,876
Plan fiduciary net position			
Contributions - employer	\$ 17,742,374	\$ 18,303,639	\$ 20,032,929
Contributions - employee	9,202,333	6,752,797	6,904,128
Net investment income	98,032,089	14,859,667	3,476,221
Benefit payments, including refunds of employee contributions	(37,309,302)	(38,947,389)	(43,938,243)
Administrative expense	-	(737,906)	(399,523)
Plan to plan resource movement	-	284,821	(284,978)
Other Miscellaneous Income/Expense	-	-	-
Net change in fiduciary net position	87,667,494	515,629	(14,209,466)
Plan fiduciary net position - beginning	655,032,952	665,032,952	655,548,878
Plan fiduciary net position - ending (b)	\$ 655,032,952	\$ 655,548,878	\$ 641,339,412
Plan net position liability/(asset) - ending (a) - (b)	\$ 208,947,194	\$ 218,701,152	\$ 260,889,464
Plan fiduciary net position as a % of the total pension liability	75.82%	74.98%	71.08%
Covered payroll	\$ 87,614,737	\$ 87,918,618	\$ 85,480,937
Plan net pension liability/(asset) as a % of covered payroll	238.48%	248.75%	305.20%

(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.

	2017	2018	2019	2020 <sup>(2)</sup>
\$	18,319,450	\$ 18,834,712	\$ 19,887,312	\$ 20,079,663
	66,532,424	68,846,245	72,675,697	75,652,840
	-	-	-	-
	(10,781,092)	3,269,467	16,884,427	4,241,153
	52,798,032	(8,383,824)	-	-
	(45,764,257)	(49,503,784)	(53,562,035)	(56,961,902)
	81,104,557	33,062,816	55,885,401	43,011,754
	902,228,876	983,333,433	1,016,396,249	1,072,281,650
\$	<u>983,333,433</u>	<u>\$ 1,016,396,249</u>	<u>\$ 1,072,281,650</u>	<u>\$ 1,115,293,404</u>
\$	21,214,582	\$ 20,393,310	\$ 20,886,356	\$ 24,065,716
	9,301,166	13,747,826	15,885,527	16,545,469
	70,963,526	58,233,830	48,037,150	37,989,064
	(45,764,257)	(49,503,784)	(53,562,035)	(56,961,902)
	(946,894)	(1,084,722)	(525,103)	(1,080,642)
	(3,491)	(1,705)	(6,474)	-
	-	(2,059,905)	1,705	-
	54,764,632	39,724,850	30,717,126	20,557,705
	641,339,412	696,104,044	735,828,894	766,546,020
\$	<u>696,104,044</u>	<u>\$ 735,828,894</u>	<u>\$ 766,546,020</u>	<u>\$ 787,103,725</u>
\$	287,229,389	\$ 280,567,355	\$ 305,735,630	\$ 328,189,679
	70.79%	72.40%	71.49%	70.57%
\$	88,645,362	\$ 94,371,740	\$ 100,559,700	\$ 100,639,199
	324.02%	297.30%	304.03%	326.11%

**Public Safety - Fire Plan**

Measurement period	<u>2014<sup>(1)</sup></u>	<u>2015</u>	<u>2016</u>
Total pension liability			
Service cost	\$ 4,183,753	\$ 4,154,748	\$ 4,316,812
Interest	17,150,102	17,400,087	17,876,017
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	(4,736,917)	(1,327,136)
Change of assumptions	-	(3,990,299)	-
Benefit payments, including refunds of employee contributions	(13,447,853)	(14,168,237)	(14,006,618)
Net change in total pension liability	7,886,002	(1,340,618)	6,859,075
Total pension liability - beginning	233,300,081	241,186,083	239,845,465
Total pension liability - ending (a)	<u>\$ 241,186,083</u>	<u>\$ 239,845,465</u>	<u>\$ 246,704,540</u>
Plan fiduciary net position			
Contributions - employer	\$ 4,754,912	\$ 5,237,775	\$ 5,967,197
Contributions - employee	1,410,383	1,489,005	1,523,845
Net investment income	28,071,245	4,117,374	939,196
Benefit payments, including refunds of employee contributions	(13,447,853)	(14,168,237)	(14,006,618)
Administrative expense	-	(205,370)	(111,091)
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)
Plan fiduciary net position - beginning	165,021,539	185,810,226	182,280,703
Plan fiduciary net position - ending (b)	<u>\$ 185,810,226</u>	<u>\$ 182,280,703</u>	<u>\$ 176,593,232</u>
Plan net position liability/(asset) - ending (a) - (b)	\$ 55,375,857	\$ 57,564,762	\$ 70,111,308
Plan fiduciary net position as a percentage of the total pension liability	77.04%	76.00%	71.58%
Covered payroll	\$ 14,907,370	\$ 15,467,011	\$ 16,185,414
Plan net pension liability/(asset) as a percentage of covered payroll	371.47%	372.18%	433.18%

(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.

	2017	2018	2019	2020 <sup>(2)</sup>
\$	4,976,440	\$ 5,050,545	\$ 5,094,809	\$ 5,376,207
	18,140,550	18,548,037	19,278,306	19,748,456
	-	-	-	-
	(2,451,159)	(1,273,144)	2,269,776	(2,098,331)
	14,328,945	(932,620)	-	-
	(14,713,157)	(15,785,115)	(15,568,769)	(16,111,142)
	20,281,619	5,607,703	11,074,122	6,915,190
	246,704,540	266,986,159	272,593,862	283,667,984
\$	266,986,159	\$ 272,593,862	\$ 283,667,984	\$ 290,583,174
\$	6,328,886	\$ 6,983,081	\$ 7,762,455	\$ 8,703,901
	1,575,673	1,801,681	1,800,299	1,781,366
	19,375,895	15,877,869	12,686,105	10,057,956
	(14,713,157)	(15,785,115)	(15,568,769)	(16,111,142)
	(260,728)	(294,358)	(140,529)	(286,834)
	-	(457)	(457)	-
	-	(558,991)	457	-
	12,306,569	8,023,710	6,540,018	4,145,247
	170,905,761	188,899,801	196,923,511	203,463,529
\$	183,212,330	\$ 196,923,511	\$ 203,463,529	\$ 207,608,776
\$	78,086,358	\$ 75,670,351	\$ 80,204,455	\$ 82,974,398
	68.62%	72.24%	71.73%	71.45%
\$	16,684,346	\$ 17,219,137	\$ 18,392,338	\$ 17,619,953
	468.02%	439.45%	436.08%	470.91%

**Public Safety - Police Plan**

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

(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.

	2017	2018	2019	2020 <sup>(2)</sup>
\$	7,540,371	\$ 7,206,671	\$ 6,572,589	\$ 6,906,033
	27,414,758	28,303,833	29,224,684	30,242,268
	-	-	-	-
	(5,198,038)	607,197	(261,541)	1,239,143
	22,647,547	(2,169,378)	-	-
	(20,045,912)	(21,537,031)	(22,568,755)	(23,373,646)
	32,358,726	12,411,292	12,966,977	15,013,798
	372,226,444	404,585,170	416,996,462	429,963,439
\$	404,585,170	\$ 416,996,462	\$ 429,963,439	\$ 444,977,237
\$	11,858,699	\$ 13,095,114	\$ 13,926,791	\$ 15,737,103
	2,098,584	2,103,617	2,005,991	2,375,802
	25,095,844	20,550,338	16,847,851	13,335,816
	(20,045,912)	(21,537,031)	(22,568,755)	(23,373,646)
	(333,874)	(381,485)	(184,056)	(377,747)
	3,491	(598)	6,474	-
	-	(724,446)	598	-
	18,676,832	13,105,509	10,034,894	7,697,328
	226,135,306	244,812,138	257,917,647	267,952,541
\$	244,812,138	\$ 257,917,647	\$ 267,952,541	\$ 275,649,869
\$	159,773,032	\$ 159,078,815	\$ 162,010,898	\$ 169,327,368
	60.51%	61.85%	62.32%	61.95%
\$	22,933,002	\$ 22,701,037	\$ 21,803,626	\$ 21,101,838
	696.69%	700.76%	743.05%	802.43%

## Schedule of Plan Contributions for CalPERS Pension Plans

### Miscellaneous Plans

	FY 2015	FY 2016
Actuarially determined contribution	\$ 18,303,639	\$ 20,032,929
Contribution in relation to the actuarially determined contributions	(18,303,639)	(20,032,929)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 87,918,618	\$ 85,480,937
Contributions as a percentage of covered payroll	20.82%	23.44%

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

### Public Safety – Fire Plan

	FY 2015	FY 2016
Actuarially determined contribution	\$ 5,237,775	\$ 5,967,197
Contribution in relation to the actuarially determined contributions	(5,237,775)	(5,967,197)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 15,467,011	\$ 16,185,414
Contributions as a percentage of covered payroll	33.86%	36.87%

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

### Public Safety – Police Plan

	FY 2015	FY 2016
Actuarially determined contribution	\$ 10,108,019	\$ 10,777,599
Contribution in relation to the actuarially determined contributions	(10,108,019)	(10,777,599)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 22,490,875	\$ 22,289,585
Contributions as a percentage of covered payroll	44.94%	48.35%

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

FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
\$ 21,214,582 (21,214,582)	\$ 20,393,310 (20,393,310)	\$ 20,894,560 (20,894,560)	\$ 24,067,276 (24,067,276)	\$ 26,446,751 (26,446,751)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 88,645,362 23.93%	\$ 94,371,740 21.61%	\$ 100,559,700 20.78%	\$ 100,639,199 23.91%	\$ 102,290,694 25.85%

FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
\$ 6,328,886 (6,328,886)	\$ 6,983,081 (6,983,081)	\$ 7,762,455 (7,762,455)	\$ 8,703,901 (8,703,901)	\$ 9,022,923 (9,022,923)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 16,684,346 37.93%	\$ 17,219,137 40.55%	\$ 18,392,338 42.20%	\$ 17,619,953 49.40%	\$ 18,877,133 47.80%

FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
\$ 11,858,699 (11,858,699)	\$ 13,095,114 (13,095,114)	\$ 13,918,569 (13,918,569)	\$ 15,735,542 (15,735,542)	\$ 16,556,777 (16,556,777)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 22,933,002 51.71%	\$ 22,701,037 57.69%	\$ 21,803,626 63.84%	\$ 21,101,838 74.57%	\$ 22,263,161 74.37%



**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 2021 were derived from the June 30, 2018 funding valuation report.

	Miscellaneous	Public Safety	
		Fire	Police
Actuarial cost method		Entry-age normal	
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report		
Asset valuation method	Fair value of assets		
Inflation	2.625%	2.625%	2.625%
Salary increases	Varies by entry age and services		
Payroll growth	2.875%	2.875%	2.875%
Investment rate of return	7.25% net of pension plan investment and administrative expenses; includes inflation		
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.		
Mortality	Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries		



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**B. Berkeley Retirement Income Benefit Plan**

**Schedule of Changes in Net Pension Liability and Related Ratios for Berkeley Public Retirement Income Benefit Plan**

Measurement period	2014 <sup>(1)</sup>	2015	2016
Total pension liability			
Service cost	\$ -	\$ -	\$ -
Interest	2,399,970	2,503,642	2,441,727
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
Benefit payments, including refunds of employee contributions	(1,684,552)	(1,678,949)	(2,044,596)
Net change in total pension liability	8,275,313	6,729,974	14,811,840
Total pension liability - beginning	46,605,771	54,881,084	61,611,058
Total pension liability - ending (a)	\$ 54,881,084	\$ 61,611,058	\$ 76,422,898
Plan fiduciary net position			
Contributions - employer	\$ 1,489,304	\$ 1,467,997	\$ 1,943,978
Contributions - employee	-	-	-
Net investment income	410,656	164,247	284,425
Benefit payments, including refunds of employee contributions	(1,684,552)	(1,678,949)	(2,044,596)
Administrative expenses	(30,891)	(41,773)	(42,154)
Net change in fiduciary net position	184,517	(88,478)	141,653
Plan fiduciary net position - beginning	6,403,422	6,587,939	6,499,461
Plan fiduciary net position - ending (b)	\$ 6,587,939	\$ 6,499,461	\$ 6,641,114
Plan net position liability/(asset) - ending (a) - (b)	\$ 48,293,145	\$ 55,111,597	\$ 69,781,784
Plan fiduciary net position as a percentage of the total pension liability	12.00%	10.55%	8.69%
Covered payroll	\$ 19,920,000	\$ 20,002,000	\$ 20,002,000
Plan net pension liability/(asset) as a percentage of covered payroll	242.44%	242.44%	275.53%

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

(2) Estimated

2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -
2,222,569	2,456,058	2,774,656	2,549,534	1,927,908
-	-	-	-	-
-	(2,399,531)	(2,744,787)	(3,119,941)	(1,862,018)
(7,646,392)	6,217,552	3,226,771	9,305,578	4,026,371
(2,112,022)	(2,155,214)	(2,618,766)	(2,427,646)	(2,522,372)
(7,535,845)	4,118,865	637,874	6,307,525	1,569,889
76,422,898	68,887,053	73,005,918	73,643,792	79,951,317
\$ 68,887,053	\$ 73,005,918	\$ 73,643,792	\$ 79,951,317	\$ 81,521,206
\$ 2,132,901	\$ 1,857,970	\$ 1,854,528	\$ 2,048,826	\$ 2,150,175
-	-	-	-	-
922	44,462	(29,544)	647,532	170,290
(2,112,022)	(2,155,214)	(2,618,766)	(2,427,646)	(2,522,372)
(42,204)	(17,199)	-	-	-
(20,403)	(269,981)	(793,782)	268,712	(201,907)
6,641,114	6,620,711	6,350,730	5,556,948	5,825,660
\$ 6,620,711	\$ 6,350,730	\$ 5,556,948	\$ 5,825,660	\$ 5,623,753
\$ 62,266,342	\$ 66,655,188	\$ 68,086,844	\$ 74,125,657	\$ 75,897,453
9.61%	8.70%	7.55%	7.29%	6.90%
\$ 20,002,000 <sup>(2)</sup>	\$ 20,002,000 <sup>(2)</sup>	\$ 20,002,000 <sup>(2)</sup>	\$ 20,002,000 <sup>(2)</sup>	\$ 21,718,842 <sup>(2)</sup>
275.53%	311.30%	333.24%	370.59%	379.40%

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

There was no required contribution calculation for FY 2021.

### Schedule of Investment Returns

Year ending June 30	2014	2015	2016	2017	2020	2021
Annual money-weighted rate of return on investments	6.53%	2.55%	3.94%	3.71%	3.33%	.84%

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10- year trend is compiled, pension plans should present information for those years which information is available.

**C. Safety Members Pension Fund**

**Schedule of Changes in Net Pension Liability and Related Ratios for Safety Members Pension Fund**

Measurement period	2015 <sup>(1)</sup>	2016
Total pension liability		
Service cost	\$ -	\$ -
Interest	218,441	205,818
Changes of benefit terms	-	-
Difference between expected and actual experience	518,607	-
Change of assumptions	-	38,147
Benefit payments, including refunds of employee contributions	(1,003,620)	(1,001,957)
Net change in total pension liability	(266,572)	(757,992)
Total pension liability - beginning	5,094,747	4,828,175
Total pension liability - ending (a)	<u>\$ 4,828,175</u>	<u>\$ 4,070,183</u>
Plan fiduciary net position		
Contributions - employer	\$ 568,620	\$ 604,755
Contributions - employee	-	-
Net investment income	124,010	96,509
Benefit payments, including refunds of employee contributions	(1,003,620)	(1,001,957)
Administrative expenses	-	-
Net change in fiduciary net position	(310,990)	(300,693)
Plan fiduciary net position - beginning	1,564,995	1,254,005
Plan fiduciary net position - ending (b)	<u>\$ 1,254,005</u>	<u>\$ 953,312</u>
Plan net position liability/(asset) - ending (a) - (b)	\$ 3,574,170	\$ 3,116,871
Plan fiduciary net position as a percentage of the total pension liability	25.97%	23.42%
Covered-employee payroll	N/A	N/A
Plan net pension liability/(asset) as a percentage of covered payroll	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.

2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ -	\$ -
110,849	106,968	84,747	55,273	33,643
-	-	-	-	-
418,546	(112,533)	(100,070)	365,385	253,939
(225,811)	7,477	18,332	46,258	(21,303)
(832,203)	(752,108)	(625,486)	(566,995)	(480,630)
(528,619)	(750,196)	(622,477)	(100,079)	(214,351)
3,764,006	3,235,387	2,485,191	1,862,714	1,762,635
<u>\$ 3,235,387</u>	<u>\$ 2,485,191</u>	<u>\$ 1,862,714</u>	<u>\$ 1,762,635</u>	<u>\$ 1,548,284</u>
\$ 513,316	\$ 454,108	\$ 525,486	\$ 566,995	\$ 480,630
-	-	-	-	-
43,310	17,690	3,066	-	-
(832,203)	(752,108)	(625,486)	(566,995)	(480,630)
(10,113)	(10,113)	-	-	-
(285,690)	(290,423)	(96,934)	-	-
662,934	377,244	96,934	-	-
<u>\$ 377,244</u>	<u>\$ 96,934</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,858,143	\$ 2,388,257	\$ 1,862,714	\$ 1,762,635	\$ 1,548,284
11.66%	3.90%	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

#### 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	2021
Annual money-weighted rate of return on investments	6.53%	2.55%	3.94%	3.94%	3.71%	3.33%	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

#### Berkeley Fire Employees Retiree Health

##### A. Plan

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

Measurement Period	2017 <sup>(1)</sup>	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$1,139,553	\$1,096,067	\$1,168,001	\$1,342,365	\$1,766,598
Interest cost	1,016,737	1,102,679	1,101,475	1,156,748	952,902
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(696,670)	(240,242)	(5,001,736)	747,494
Changes of assumptions	(1,120,587)	(1,018,507)	1,769,199	5,330,768	418,168
Benefit payments	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)
Net change in total OPEB liability	599,967	74,508	3,472,572	2,193,384	3,408,440
Total OPEB liability - beginning	26,782,318	27,382,285	27,456,793	30,929,365	33,122,749
	\$	\$	\$	\$	\$
Total OPEB liability - ending	27,382,285	27,456,793	30,929,365	33,122,749	36,531,189
Plan fiduciary net position					
Contributions - employer	\$ 862,969	\$ 737,933	\$ 759,000	\$ 742,397	\$ 741,212
Contributions - employee	-	-	-	-	-
Net investment income	52,551	38,661	662,448	545,553	459,011
Benefit payments and refunds	(435,736)	(409,061)	(325,861)	(634,761)	(476,722)
Administrative expenses	(25,329)	(14,233)	(4,945)	(3,979)	(10,823)
Other changes	-	-	-	-	-
Net changes	454,455	353,300	1,090,642	649,210	712,678
Plan fiduciary net position - beginning	9,397,656	9,852,111	10,205,411	11,296,053	11,945,263
	\$	\$	\$	\$	\$
Plan fiduciary net position - ending	\$ 9,852,111	10,205,411	11,296,053	11,945,263	12,657,941
	\$	\$	\$	\$	\$
Plan net OPEB liability/(asset)	17,530,174	17,251,382	19,633,312	21,177,486	23,873,248
Fiduciary net position as a percentage of the total OPEB liability	36.0%	37.2%	36.5%	36.1%	34.6%
	\$	\$	\$	\$	\$
Covered payroll	15,139,847	15,614,466	15,667,851	15,307,269	15,282,868
Net OPEB liability as a percentage of covered payroll	115.80%	110.50%	125.31%	138.35%	156.21%

<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
Actuarially determined contribution (ADC)	\$ 1,991,925	\$ 2,163,028	\$ 2,326,493	\$ 2,104,622	\$ 2,575,970
Contributions in relations to the actuarially determined contribution	862,969	737,933	759,000	742,397	741,212
	\$	\$	\$	\$	\$
Contribution deficiency/(excess)	1,128,956	1,425,095	1,567,493	1,362,225	1,834,758
	\$	\$	\$	\$	\$
Covered payroll	15,139,847	15,614,466	15,667,851	15,307,269	15,282,868
Contributions as a percentage of covered payroll	5.7%	4.7%	4.8%	4.8%	4.8%

<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, 2020
Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method	Level dollar, over 30-year open period
Asset valuation method	Market value of assets
Inflation	2.50%
Discount rate	2.41%
Medical trend	Non-Medicare-6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 and later years Medicare-Non-Kaiser 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076; Kaiser 4.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076.
Mortality	CalPERS 1997-2015 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2020

**B. Berkeley Miscellaneous Employees Retiree Health Plan**

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

Measurement Period	2017 <sup>(1)</sup>	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 3,158,691	\$ 2,758,915	\$ 2,722,025	\$ 3,179,095	\$ 4,501,763
Interest cost	2,037,274	2,347,169	2,384,553	2,431,913	2,350,294
Changes of benefit terms	-	-	-	-	174,029
Difference between expected and actual experience	-	(1,080,363)	(632,496)	(1,851,097)	(7,240,048)
Changes of assumptions	(6,804,556)	(5,371,861)	2,729,815	22,060,044	
Benefit payments	(736,196)	(927,645)	(984,708)	(1,328,358)	(1,174,959)
Net change in total OPEB liability	(2,344,787)	(2,273,785)	6,219,189	24,491,597	
Total OPEB liability - beginning	64,005,272	61,660,475	59,386,690	65,605,879	90,097,476
	\$	\$	\$	\$	\$
Total OPEB liability - ending	61,660,475	59,386,690	65,605,879	90,097,476	73,385,473
Plan fiduciary net position					
Contributions - employer	\$ 3,352,941	\$ 2,000,393	\$ 2,003,621	\$ 2,193,113	\$ 2,219,280
Contributions - employee	-	-	-	-	-
Net investment income	212,183	393,160	2,233,680	217,442	1,091,946
Benefit payments and refunds	(735,196)	(927,645)	(984,708)	(1,328,358)	(1,174,959)
Administrative expenses	(64,386)	(69,263)	(37,536)	(30,346)	(84,248)
Other changes	-	-	-	-	-
Net changes	2,764,542	1,396,649	3,215,057	1,051,851	2,052,019
Plan fiduciary net position - beginning	20,995,355	23,774,427	25,171,076	28,386,133	29,437,984
	\$	\$	\$	\$	\$
Plan fiduciary net position - ending	23,759,897	25,171,076	28,386,133	29,437,984	31,490,003
	\$	\$	\$	\$	\$
Plan OPEB net liability/(asset)	37,900,578	34,215,614	37,219,746	60,659,492	41,895,470
Fiduciary net position as a percentage of the total OPEB liability	38.50%	42.40%	43.27%	32.67%	42.91%
	\$	\$	\$	\$	\$
Covered payroll	84,216,839	90,333,251	91,491,386	94,774,757	99,542,579
Net OPEB liability as a percentage of covered payroll	45.00%	37.90%	40.68%	64.00%	42.09%

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

### Schedule of Employer Contributions

Measurement Period	2017 <sup>(1)</sup>	2018	2019	2020	2021
Actuarially determined contribution (ADC)	\$4,610,828	\$4,729,448	\$5,051,655	\$5,534,572	\$4,871,995
Contributions in relations to the actuarially determined contribution	3,352,941	2,000,397	2,003,621	2,193,113	2,219,280
Contribution deficiency/(excess)	\$7,963,769	\$6,729,845	\$3,048,034	\$3,341,459	\$2,652,715
	\$	\$	\$	\$	\$
Covered payroll	84,216,839	90,333,251	91,491,386	96,774,757	99,542,525
Contributions as a percentage of covered payroll	4.0%	2.2%	2.2%	2.3%	2.2%

<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, 2020
Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method	Level dollar, over 30-year open period
Asset valuation method	Market value of assets
Discount rate	2.38%
Inflation	2.50%
Medical trend	Non-Medicare- Non-Kaiser 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076.  Medicare-Non-Kaiser 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076; Kaiser 4.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076.
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020

**C. POLICE RETIREE PREMIUM ASSISTANCE PLAN**

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

Measurement Period	2018 <sup>(1)</sup>	2019	2020	2021
<b>Total OPEB liability</b>				
Service cost Interest cost	\$ 3,710,498	\$ 2,629,121	\$ 2,923,570	\$ 3,748,506
Interest cost	1,556,852	1,779,243	1,803,350	1,415,045
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(8,663,806)	(3,609,918)	(6,089,186)	(5,459,588)
Changes of assumptions	-	4,668,732	12,709,723	(7,333,890)
Benefit payments	(150,908)	(221,190)	(203,998)	(279,563)
Net change in total OPEB liability	(3,547,364)	5,245,988	11,143,459	(7,909,490)
Total OPEB liability - beginning	50,800,336	43,456,732	48,702,720	59,846,179
Total OPEB liability - ending	\$ 47,252,972	\$ 48,702,720	\$ 59,846,179	\$ 51,936,689
<b>Plan fiduciary net position</b>				
Contributions - employee	\$ 562,995	\$ 400,137	\$ 400,136	\$ 400,136
Net investment income	-	-	-	99,904
Contributions - employer	(9,698)	468,950	(267,637)	-
Benefit payments and refunds	(150,908)	(221,190)	(203,998)	(279,563)
Administrative expenses	(12,167)	(1,886)	(4,871)	(13,074)
Other changes	-	-	-	-
Net changes	390,222	646,011	(76,370)	207,403
Plan fiduciary net position - beginning	1,353,903	1,804,144	2,450,155	2,373,785
Plan fiduciary net position - ending	\$ 1,744,125	\$ 2,450,155	\$ 2,373,785	\$ 2,581,188
Plan net OPEB liability/(asset)	\$ 45,508,847	\$ 46,252,565	\$ 57,472,394	\$ 49,355,501
Fiduciary net position as a percentage of the total OPEB liability	3.7%	5.0%	4.0%	5.0%
Covered payroll	\$ 20,303,490	\$ 18,760,962	\$ 20,695,223	\$ 21,718,889
Net OPEB liability as a percentage of covered payroll	224.1%	246.5%	277.7%	227.2%

<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	2018 <sup>(1)</sup>	2019	2020	2021
Actuarially determined contribution (ADC)	\$ 5,105,429	\$ 5,155,293	\$ 4,432,549	\$ 5,076,625
Contributions in relations to the actuarially determined contribution	562,995	400,137	400,136	400,136
Contribution deficiency/(excess)	\$ 4,542,434	\$ 4,755,156	\$ 4,032,413	\$ 4,676,489
Covered payroll	\$ 20,303,490	\$ 18,760,962	\$ 20,695,223	\$ 21,718,887
Contributions as a percentage of covered payroll	2.77%	2.13%	1.93%	1.84%

<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, 2020
Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method	Level dollar, over 30-year open period
Asset valuation method	Market value of assets
Discount rate	2.75%
Inflation	2.50%
Medical trend	Non-Medicare-6.75% for 2022, decreasing to an ultimate rate of 3.75 in 2076 and later years
	Medicare-Non-Kaiser 5.85 for 2022, decreasing to an ultimate rate of 3.75 in 2076; Medicare-Kaiser 4.75% for 2022, decreasing to an ultimate rate of 3.75%
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020



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# Combining Financial Statements and Schedules

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Capital Improvement Fund  
For the Fiscal Year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Charges for service	-	-	533,557	533,557
Rents and royalties	-	-	-	-
Investment income	-	-	81,329	81,329
Miscellaneous	-	-	26,870	26,870
Total revenues	<u>-</u>	<u>-</u>	<u>641,756</u>	<u>641,756</u>
<b>Expenditures:</b>				
Current:				
General government	128,335	219,972	109,728	110,244
Community development and housing	1,183,402	3,567,576	1,397,017	2,170,559
Economic development	-	5,584	4,959	625
Capital outlay:				
Highway and streets	5,231,553	8,566,914	3,696,246	4,870,668
Culture-recreation	550,000	2,007,117	1,463,965	543,152
Total expenditures	<u>7,093,290</u>	<u>14,367,163</u>	<u>6,671,915</u>	<u>7,695,248</u>
Revenues over/(under) expenditures	<u>(7,093,290)</u>	<u>(14,367,163)</u>	<u>(6,030,159)</u>	<u>8,337,004</u>
Other financing sources/(uses)				
Transfers in	5,100,905	3,255,167	3,255,167	-
Transfers out	(1,121,404)	(1,121,404)	(1,121,404)	-
Total other financing sources/(uses)	<u>3,979,501</u>	<u>2,133,763</u>	<u>2,133,763</u>	<u>-</u>
Net change in fund balance	(3,113,789)	(12,233,400)	(3,896,396)	8,337,004
Fund balance, July 1, 2020	14,240,916	14,240,916	14,240,916	-
Fund balance, June 30, 2021	<u>11,127,127</u>	<u>2,007,516</u>	<u>10,344,520</u>	<u>8,337,004</u>

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

Net change in fund balances - budgetary basis	\$ (3,896,396)
Notes receivable accrual	(17,000)
Payable accrual	648,438
Net change in fund balances - GAAP basis	<u>\$ (3,264,958)</u>

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds, continued

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds, continued

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The **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

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

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS

### Debt Service Funds

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The ***Pension Refunding Bonds Fund*** accounts for monies received and to make interest and debt service payments for the 96 Refunding Lease Revenue Bonds (BJPFA).

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, 2021**

	<b>Special Revenue Funds</b>			
	<b>Asset Forfeiture</b>	<b>Special Tax for Disabled</b>	<b>Workforce Investment Act</b>	<b>Community Workforce</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ -	\$ 10,074
Restricted cash and investments	680,725	203,380	28,850	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	2,093	-	-
Interest receivable	-	-	-	-
Taxes receivable	-	13,422	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>680,725</u>	<u>218,895</u>	<u>28,850</u>	<u>10,074</u>
<b>Liabilities</b>				
Accounts payable	458	623	-	-
Accrued salaries and wages	-	1,068	-	-
Advances from other funds	-	-	-	-
Due to other funds	349,454	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<u>349,912</u>	<u>1,691</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	2,093	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>2,093</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	330,813	215,111	28,850	-
Committed	-	-	-	10,074
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>330,813</u>	<u>215,111</u>	<u>28,850</u>	<u>10,074</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 680,725</u>	<u>\$ 218,895</u>	<u>\$ 28,850</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
\$ -	\$ 259,672	\$ -	\$ 139,520	\$ 567,277	\$ 94,975
1,313,778	-	111,418	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,300,975	-	82,401	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,614,753</u>	<u>259,672</u>	<u>193,819</u>	<u>139,520</u>	<u>567,277</u>	<u>94,975</u>
-	3,662	-	14,342	-	4,195
-	787	-	2,120	-	-
-	-	-	-	-	-
-	-	-	-	-	-
60,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	904	-	-
<u>60,000</u>	<u>4,449</u>	<u>-</u>	<u>17,366</u>	<u>-</u>	<u>4,195</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,554,753	-	193,819	-	-	-
-	255,223	-	122,154	567,277	90,780
-	-	-	-	-	-
<u>5,554,753</u>	<u>255,223</u>	<u>193,819</u>	<u>122,154</u>	<u>567,277</u>	<u>90,780</u>
\$ <u>5,614,753</u>	\$ <u>259,672</u>	\$ <u>193,819</u>	\$ <u>139,520</u>	\$ <u>567,277</u>	\$ <u>94,975</u>

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<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	\$ -	\$ -	\$ 822,079	\$ 30,101
Restricted cash and investments	-	-	-	-
Receivables (net of allowance where applicable):				
Accounts receivable	4,985	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	31,577	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>36,562</b>	<b>-</b>	<b>822,079</b>	<b>30,101</b>
<b>Liabilities</b>				
Accounts payable	8,096	-	-	-
Accrued salaries and wages	249,076	-	-	440
Advances from other funds	-	-	-	-
Due to other funds	1,254,933	87	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>1,512,105</b>	<b>87</b>	<b>-</b>	<b>440</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	4,985	-	-	-
<b>Total deferred inflows of resources</b>	<b>4,985</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	822,079	29,661
Assigned	-	-	-	-
Unassigned	(1,480,528)	(87)	-	-
<b>Total fund balances</b>	<b>(1,480,528)</b>	<b>(87)</b>	<b>822,079</b>	<b>29,661</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 36,562</b>	<b>\$ -</b>	<b>\$ 822,079</b>	<b>\$ 30,101</b>

Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ 11,876,141	\$ 247,140	\$ 1,041,695	\$ 2,071,897	\$ 727,010	\$ 13,969,869
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	57,038
3,707,321	-	935,329	1,351,481	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15,583,462</u>	<u>247,140</u>	<u>1,977,024</u>	<u>3,423,378</u>	<u>727,010</u>	<u>14,026,907</u>
-	-	141	180	-	3,738,030
-	-	8,349	1,536	-	121,607
-	-	-	-	-	-
-	-	-	-	-	5,915
-	-	-	-	-	-
-	-	-	-	-	320
-	-	<u>8,490</u>	<u>1,716</u>	-	<u>3,865,872</u>
-	-	-	-	-	57,038
-	-	-	-	-	57,038
-	-	-	-	-	-
15,583,462	247,140	1,968,534	3,421,662	727,010	10,103,997
-	-	-	-	-	-
<u>15,583,462</u>	<u>247,140</u>	<u>1,968,534</u>	<u>3,421,662</u>	<u>727,010</u>	<u>10,103,997</u>
\$ <u>15,583,462</u>	\$ <u>247,140</u>	\$ <u>1,977,024</u>	\$ <u>3,423,378</u>	\$ <u>727,010</u>	\$ <u>14,026,907</u>



**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<b>Special Revenue Funds</b>			
	<b>State Proposition 172</b>	<b>Traffic Congestion Relief</b>	<b>State Transportation Tax</b>	<b>CDBG</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	1,029,942	-	5,522,076	-
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	259,029	2,500
Interest receivable	-	-	-	119,063
Taxes receivable	86,985	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	665,441
Due from other funds	-	-	-	45,207
Notes receivable	-	-	-	7,052,811
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	715,027
<b>Total assets</b>	<b>1,116,927</b>	<b>-</b>	<b>5,781,105</b>	<b>8,600,049</b>
<b>Liabilities</b>				
Accounts payable	26,935	-	49,672	1,014,243
Accrued salaries and wages	-	-	103,898	61,213
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	1,300,970
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>26,935</b>	<b>-</b>	<b>153,570</b>	<b>2,376,426</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	37,510	265,845
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>37,510</b>	<b>265,845</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	1,089,992	-	5,590,025	5,957,778
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>1,089,992</b>	<b>-</b>	<b>5,590,025</b>	<b>5,957,778</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,116,927</b>	<b>\$ -</b>	<b>\$ 5,781,105</b>	<b>\$ 8,600,049</b>

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
\$ 2,228,808	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,055,700	619,197	-	1,126,076	9,545,929
564,504	-	-	-	-	26,250
-	-	-	-	-	-
6,761	729,922	88,968	68,495	83,749	686,444
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,800,073</u>	<u>4,785,622</u>	<u>708,165</u>	<u>68,495</u>	<u>1,209,825</u>	<u>10,258,623</u>
3,404	362,074	1,886	22,255	-	95,778
65,734	82,741	10,672	8,018	7,076	1,634
-	-	-	-	-	-
-	-	-	34,304	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>69,138</u>	<u>444,815</u>	<u>12,558</u>	<u>64,577</u>	<u>7,076</u>	<u>97,412</u>
564,503	-	-	-	-	26,250
<u>564,503</u>	-	-	-	-	<u>26,250</u>
-	-	-	-	-	-
-	4,340,807	695,607	3,918	1,202,749	10,134,961
2,166,432	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,166,432</u>	<u>4,340,807</u>	<u>695,607</u>	<u>3,918</u>	<u>1,202,749</u>	<u>10,134,961</u>
\$ <u>2,800,073</u>	\$ <u>4,785,622</u>	\$ <u>708,165</u>	\$ <u>68,495</u>	\$ <u>1,209,825</u>	\$ <u>10,258,623</u>

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<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	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	141,164	709,023	92,304	1,137,954
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	72,593	68,621	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>213,757</b>	<b>777,644</b>	<b>92,304</b>	<b>1,137,954</b>
<b>Liabilities</b>				
Accounts payable	46,999	3,915	-	-
Accrued salaries and wages	15,383	385	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	-
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>62,382</b>	<b>4,300</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	151,375	773,344	92,304	1,137,954
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>151,375</b>	<b>773,344</b>	<b>92,304</b>	<b>1,137,954</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 213,757</b>	<b>\$ 777,644</b>	<b>\$ 92,304</b>	<b>\$ 1,137,954</b>

Special Revenue Funds

Park Tax	Street and Open Space Improvement	Measure GG: Fire Preparation Tax	1st Response Advanced Life Support (ALSFR)	Street Lighting
\$ -	\$ -	\$ -	\$ -	\$ -
5,630,957	910,762	2,983,767	-	2,237,949
27,715	44,082	62,839	-	19,789
-	-	-	-	-
141,670	-	-	-	22,918
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,800,342	954,844	3,046,606	-	2,280,656
1,667,042	-	73,881	-	149,488
517,614	-	110,361	-	24,340
-	-	-	-	-
-	-	-	5,998	-
90	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,991	-	-	-	-
2,190,737	-	184,242	5,998	173,828
28,028	44,082	8,317	-	22,580
28,028	44,082	8,317	-	22,580
-	-	-	-	-
3,581,577	910,762	2,854,047	-	2,084,248
-	-	-	-	-
-	-	-	-	-
-	-	-	(5,998)	-
3,581,577	910,762	2,854,047	(5,998)	2,084,248
\$ 5,800,342	\$ 954,844	\$ 3,046,606	\$ -	\$ 2,280,656

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<b>Business Economic Development</b>	<b>Citywide RLF</b>	<b>Legacy Fund</b>
<b>Assets</b>			
Cash and investments in treasury	\$ -	\$ 610,302	\$ 76,591
Restricted cash and investments	1,002,392	-	-
Receivables (net of allowance where applicable):			
Accounts receivable	-	-	-
Interest receivable	-	-	-
Taxes receivable	-	-	-
Special assessments	-	-	-
Subventions/grants	-	-	-
Due from other funds	-	-	-
Notes receivable	608,197	182,583	-
Other	-	-	-
Property held for resale	-	-	-
Prepaid items	-	-	-
<b>Total assets</b>	<u>1,610,589</u>	<u>792,885</u>	<u>76,591</u>
<b>Liabilities</b>			
Accounts payable	1,005	-	254
Accrued salaries and wages	-	-	-
Advances from other funds	-	-	-
Due to other funds	-	-	-
Deposits held	-	-	-
Unearned revenues	814,000	-	-
Taxes and revenue anticipation note	-	-	-
Other liabilities	-	-	-
<b>Total liabilities</b>	<u>815,005</u>	<u>-</u>	<u>254</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	795,584	-	-
Committed	-	792,885	76,337
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<u>795,584</u>	<u>792,885</u>	<u>76,337</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,610,589</u>	<u>\$ 792,885</u>	<u>\$ 76,591</u>

Special Revenue Funds

Miles Lab	Employee Training	UC Settlement	Private Percent-Art Fund	Private Party Sidewalks	Public Art
\$ 73,742	\$ 127,574	\$ 454,078	\$ 822,480	\$ 849,871	\$ -
-	-	-	-	-	82,794
-	-	-	-	82,003	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
73,742	127,574	454,078	822,480	931,874	82,794
-	12,338	-	10,213	-	-
-	21,536	77	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	33,874	77	10,213	-	-
-	-	-	-	82,003	-
-	-	-	-	82,003	-
-	-	-	-	-	-
-	-	-	-	-	82,794
73,742	93,700	454,001	812,267	849,871	-
-	-	-	-	-	-
-	-	-	-	-	-
73,742	93,700	454,001	812,267	849,871	82,794
\$ 73,742	\$ 127,574	\$ 454,078	\$ 822,480	\$ 931,874	\$ 82,794

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<b>Special Revenue Funds</b>			
	<b>Lillie B. Wall Memorial</b>	<b>Vital and Health Statistic</b>	<b>East Bay Public Utilities Commission</b>	<b>PERS Savings</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ 251,267	\$ -	\$ 1,432,226
Restricted cash and investments	13,455	-	3,775	11,379,924
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	20,703
Taxes receivable	-	-	-	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<u>13,455</u>	<u>251,267</u>	<u>3,775</u>	<u>12,832,853</u>
<b>Liabilities</b>				
Accounts payable	-	82	-	-
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>82</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	13,455	-	3,775	11,379,924
Committed	-	251,185	-	1,452,929
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>13,455</u>	<u>251,185</u>	<u>3,775</u>	<u>12,832,853</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 13,455</u>	<u>\$ 251,267</u>	<u>\$ 3,775</u>	<u>\$ 12,832,853</u>

Special Revenue Funds

Other Special Deposits	Health State Aid Realignment	Tobacco Control	Mental Health State Aid Realignment	City Opt. Public Safety	Fund for Impounded and Unneutered
\$ 76,242	\$ -	\$ -	\$ -	\$ -	\$ 5,985
-	3,752,280	-	6,045,322	612,662	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	25,708	-	100,212	-	-
-	-	-	-	-	-
-	1,166	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>76,242</u>	<u>3,779,154</u>	<u>-</u>	<u>6,145,534</u>	<u>612,662</u>	<u>5,985</u>
-	-	-	160,708	6,520	-
-	43,357	16,642	143,324	2,677	-
-	-	-	-	-	-
-	-	21,820	-	-	-
76,242	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>76,242</u>	<u>43,357</u>	<u>38,462</u>	<u>304,032</u>	<u>9,197</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,735,797	-	5,841,502	603,465	-
-	-	-	-	-	5,985
-	-	-	-	-	-
-	-	(38,462)	-	-	-
-	<u>3,735,797</u>	<u>(38,462)</u>	<u>5,841,502</u>	<u>603,465</u>	<u>5,985</u>
\$ <u>76,242</u>	\$ <u>3,779,154</u>	\$ <u>-</u>	\$ <u>6,145,534</u>	\$ <u>612,662</u>	\$ <u>5,985</u>



**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	Special Revenue Funds			Capital Project Funds
	Alameda County Abandoned Vehicle Abatement Authority	Fair Elections	Total Special Revenue Funds	Infrastructure & Facilities Measure T1
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ 38,866,616	\$ -
Restricted cash and investments	258,536	583,935	61,816,026	44,471,009
Receivables (net of allowance where applicable):				
Accounts receivable	-	-	1,095,789	-
Interest receivable	-	-	139,766	-
Taxes receivable	-	-	2,102,125	-
Special assessments	-	-	-	-
Subventions/grants	-	-	848,399	-
Due from other funds	-	-	45,207	-
Notes receivable	-	-	18,221,098	-
Other	-	-	1,166	-
Property held for resale	-	-	-	-
Prepaid items	-	-	715,027	-
<b>Total assets</b>	<b>258,536</b>	<b>583,935</b>	<b>123,851,219</b>	<b>44,471,009</b>
<b>Liabilities</b>				
Accounts payable	8	-	7,478,427	1,042,798
Accrued salaries and wages	1,668	4,753	1,628,086	66,029
Advances from other funds	-	-	-	-
Due to other funds	-	-	2,967,566	-
Deposits held	-	-	142,247	-
Unearned revenues	-	-	814,000	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	7,215	-
<b>Total liabilities</b>	<b>1,676</b>	<b>4,753</b>	<b>13,037,541</b>	<b>1,108,827</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	1,143,234	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>1,143,234</b>	<b>-</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	256,860	579,182	70,217,132	43,362,182
Committed	-	-	40,978,387	-
Assigned	-	-	-	-
Unassigned	-	-	(1,525,075)	-
<b>Total fund balances</b>	<b>256,860</b>	<b>579,182</b>	<b>109,670,444</b>	<b>43,362,182</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 258,536</b>	<b>\$ 583,935</b>	<b>\$ 123,851,219</b>	<b>\$ 44,471,009</b>

Capital Project Funds

Phone System Replacement	Fund\$ Replacement	Public, Education and Government Access Facilities	Measure G: Fire Seismic Projects	Measure M: Street and Watershed Improvements	Measure G: Public Safety Building	Street Improvement
\$ 542,179	\$ 4,097,181	\$ 2,101,844	\$ -	\$ -	\$ -	\$ 87,005
-	-	-	58	839,206	6,105	-
-	-	-	-	-	-	-
-	-	35,416	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
542,179	4,097,181	2,137,260	58	839,206	6,105	87,005
-	299,668	-	-	-	-	-
-	68,458	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	368,126	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	58	839,206	6,105	-
542,179	3,729,055	2,137,260	-	-	-	87,005
-	-	-	-	-	-	-
-	-	-	-	-	-	-
542,179	3,729,055	2,137,260	58	839,206	6,105	87,005
\$ 542,179	\$ 4,097,181	\$ 2,137,260	\$ 58	\$ 839,206	\$ 6,105	\$ 87,005

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Park Acquisition Development</b>	<b>Income Housing Fund: West Berkeley Improvement Project</b>	<b>Income Housing Fund: Savo Island Project</b>
<b>Assets</b>			
Cash and investments in treasury	\$ 34,153	\$ -	\$ -
Restricted cash and investments	-	152,885	-
Receivables (net of allowance where applicable):			
Accounts receivable	2,250	-	-
Interest receivable	-	464,635	-
Taxes receivable	-	-	-
Special assessments	-	-	-
Subventions/grants	-	-	-
Due from other funds	-	-	-
Notes receivable	-	2,266,263	441,140
Other	-	-	-
Property held for resale	-	713,313	-
Prepaid items	-	-	-
<b>Total assets</b>	<b>36,403</b>	<b>3,597,096</b>	<b>441,140</b>
<b>Liabilities</b>			
Accounts payable	-	119,064	-
Accrued salaries and wages	-	-	-
Advances from other funds	-	-	-
Due to other funds	-	45,207	-
Deposits held	-	-	-
Unearned revenues	-	-	-
Taxes and revenue anticipation note	-	-	-
Other liabilities	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>164,271</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	2,250	345,572	-
<b>Total deferred inflows of resources</b>	<b>2,250</b>	<b>345,572</b>	<b>-</b>
<b>Fund Balances</b>			
Nonspendable	-	-	-
Restricted	-	3,087,253	441,140
Committed	34,153	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>34,153</b>	<b>3,087,253</b>	<b>441,140</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 36,403</b>	<b>\$ 3,597,096</b>	<b>\$ 441,140</b>

Capital Project Funds		Debt Service Funds				
Measure O Housing Bond	Total Capital Project Funds	Pension Refunding Bonds	09 Measure FF Library	GO 2015 Refunding Bonds for GO 2007 Refunding Bonds		Berkeley Repertory Theatre
\$ -	\$ 6,862,362	\$ -	\$ -	\$ -	\$ -	\$ -
28,539,165	74,008,428	128,660	1,323,593	1,928,566	-	-
-	2,250	-	-	-	-	-
-	464,635	-	-	-	-	-
-	35,416	-	18,618	25,001	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
14,502,309	17,209,712	-	-	-	-	-
-	-	-	-	-	-	-
-	713,313	-	-	-	-	-
-	-	-	-	-	-	-
<u>43,041,474</u>	<u>99,296,116</u>	<u>128,660</u>	<u>1,342,211</u>	<u>1,953,567</u>	<u>-</u>	<u>-</u>
5,864,656	7,326,186	-	-	-	-	-
-	134,487	-	-	-	-	-
-	-	-	-	-	-	-
-	45,207	-	-	-	-	8,845
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,864,656</u>	<u>7,505,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,845</u>
-	347,822	-	-	-	-	-
-	347,822	-	-	-	-	-
-	-	-	-	-	-	-
37,176,818	84,912,762	128,660	1,342,211	1,953,567	-	-
-	6,529,652	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(8,845)
<u>37,176,818</u>	<u>91,442,414</u>	<u>128,660</u>	<u>1,342,211</u>	<u>1,953,567</u>	<u>-</u>	<u>(8,845)</u>
\$ <u>43,041,474</u>	\$ <u>99,296,116</u>	\$ <u>128,660</u>	\$ <u>1,342,211</u>	\$ <u>1,953,567</u>	\$ <u>-</u>	\$ <u>-</u>

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2021**

	<b>Debt Service Funds</b>			
	<b>GO 2015 Refunding Bonds for GO 2002 Refunding Bonds</b>	<b>GO 2015 Refunding Bonds for GO 2007 Refunding Bonds Series A</b>	<b>GO 2015 Refunding Bonds for GO 2008 Animal Shelter Measure I</b>	<b>2010 COP Animal Shelter</b>
<b>Assets</b>				
Cash and investments in treasury	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	1,211,974	436,779	382,614	7
Receivables (net of allowance where applicable):				
Accounts receivable	750	-	-	-
Interest receivable	-	-	-	-
Taxes receivable	4,521	1,862	5,851	-
Special assessments	-	-	-	-
Subventions/grants	-	-	-	-
Due from other funds	-	-	-	-
Notes receivable	-	-	-	-
Other	-	-	-	-
Property held for resale	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>1,217,245</b>	<b>438,641</b>	<b>388,465</b>	<b>7</b>
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Accrued salaries and wages	-	-	-	-
Advances from other funds	-	-	-	-
Due to other funds	-	-	-	8,984
Deposits held	-	-	-	-
Unearned revenues	-	-	-	-
Taxes and revenue anticipation note	-	-	-	-
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,984</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	1,217,245	438,641	388,465	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(8,977)
<b>Total fund balances</b>	<b>1,217,245</b>	<b>438,641</b>	<b>388,465</b>	<b>(8,977)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,217,245</b>	<b>\$ 438,641</b>	<b>\$ 388,465</b>	<b>\$ 7</b>

Debt Service Funds

GO 2014				
Measure M Street and Watershed Improvement	Infrastructure & Facilities Measure T1	Measure O Housing Bond	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 45,728,978
2,170,935	5,856,694	2,317,294	15,757,116	151,581,570
-	-	23,937	24,687	1,122,726
-	-	-	-	604,401
21,277	42,555	-	119,685	2,257,226
-	-	-	-	-
-	-	-	-	848,399
-	-	-	-	45,207
-	-	-	-	35,430,810
-	-	-	-	1,166
-	-	-	-	713,313
-	-	-	-	715,027
<u>2,192,212</u>	<u>5,899,249</u>	<u>2,341,231</u>	<u>15,901,488</u>	<u>239,048,823</u>
-	-	-	-	14,804,613
-	-	-	-	1,762,573
-	-	-	-	-
-	-	-	17,829	3,030,602
-	-	-	-	142,247
-	-	-	-	814,000
-	-	-	-	-
-	-	-	-	7,215
-	-	-	17,829	20,561,250
-	-	-	-	1,491,056
-	-	-	-	1,491,056
2,192,212	5,899,249	2,341,231	15,901,481	171,031,375
-	-	-	-	47,508,039
-	-	-	-	-
-	-	-	(17,822)	(1,542,897)
<u>2,192,212</u>	<u>5,899,249</u>	<u>2,341,231</u>	<u>15,883,659</u>	<u>216,996,517</u>
\$ 2,192,212	\$ 5,899,249	\$ 2,341,231	\$ 15,901,488	\$ 239,048,823

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	Special Revenue Funds			
	Asset Forfeiture	Special Tax for Disabled	Workforce Investment Act	Community Workforce
<b>Revenues:</b>				
Taxes	\$ -	\$ 1,383,084	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	757	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>757</u>	<u>1,383,084</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
General government	-	19,502	-	-
Public safety	23,650	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	1,341,961	44,879	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:				
Highway and streets	-	-	-	-
<b>Culture-recreation</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>23,650</u>	<u>1,361,463</u>	<u>44,879</u>	<u>-</u>
<b>Revenues over/(under) expenditures</b>	<u>(22,893)</u>	<u>21,621</u>	<u>(44,879)</u>	<u>-</u>
<b>Other financing sources/(uses)</b>				
Transfers in	-	-	42,911	-
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
<b>Total other financing sources/(uses)</b>	<u>-</u>	<u>-</u>	<u>42,911</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(22,893)</u>	<u>21,621</u>	<u>(1,968)</u>	<u>-</u>
Fund balance, July 1, 2020	353,706	193,490	30,818	10,074
<b>Fund balance, June 30, 2021</b>	<u>\$ 330,813</u>	<u>\$ 215,111</u>	<u>\$ 28,850</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	75,000	2,573
-	-	-	179,045	26,581	-
-	-	-	-	-	-
-	-	-	-	-	-
-	73,626	-	-	-	55,718
188,505	-	-	-	-	-
188,505	73,626	-	179,045	101,581	58,291
-	-	-	-	-	20,682
-	-	-	-	-	-
-	6,395	-	-	-	-
-	-	-	115,353	-	-
-	52,647	-	-	-	-
-	-	-	-	-	-
403,000	-	-	-	-	-
150,108	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
553,108	59,042	-	115,353	-	20,682
(364,603)	14,584	-	63,692	101,581	37,609
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(364,603)	14,584	-	63,692	101,581	37,609
5,919,356	240,639	193,819	58,462	465,696	53,171
\$ 5,554,753	\$ 255,223	\$ 193,819	\$ 122,154	\$ 567,277	\$ 90,780



**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	Special Revenue Funds			
	Paramedic Assessment District	California Energy Commission	Tieback Mitigation R-O-W	Domestic Violence Prevention Vital Statistics
<b>Revenues:</b>				
Taxes	\$ 3,233,228	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	21,736
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>3,233,228</u>	<u>-</u>	<u>-</u>	<u>21,736</u>
<b>Expenditures:</b>				
Current:				
General government	19,502	-	-	-
Public safety	5,007,932	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	-	-	11,497
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:				
Highway and streets	-	-	-	-
Culture-recreation	-	-	-	-
<b>Total expenditures</b>	<u>5,027,434</u>	<u>-</u>	<u>-</u>	<u>11,497</u>
<b>Revenues over/(under) expenditures</b>	<u>(1,794,206)</u>	<u>-</u>	<u>-</u>	<u>10,239</u>
<b>Other financing sources/(uses)</b>				
Transfers in	703,103	-	-	-
Transfers out	(10,712)	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
<b>Total other financing sources/(uses)</b>	<u>692,391</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(1,101,815)</u>	<u>-</u>	<u>-</u>	<u>10,239</u>
Fund balance, July 1, 2020	(378,713)	(87)	822,079	19,422
<b>Fund balance, June 30, 2021</b>	<u>\$ (1,480,528)</u>	<u>\$ (87)</u>	<u>\$ 822,079</u>	<u>\$ 29,661</u>

## Special Revenue Funds

Affordable Housing Mitigation Fee	Affordable Child Care	Inclusionary Housing Program	Condo Conversion Program	Parking In-Lieu Fee	Playground Camp
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	567,858
3,112,188	54,681	181,901	595,284	-	893,920
-	-	-	-	-	-
-	-	-	-	-	37,500
-	-	-	-	-	-
-	-	-	-	-	74,266
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,112,188</u>	<u>54,681</u>	<u>181,901</u>	<u>595,284</u>	<u>-</u>	<u>1,573,544</u>
-	-	-	-	-	770
-	-	-	-	-	-
-	-	-	-	-	-
-	13,275	-	-	-	-
-	-	-	-	-	3,367,649
21,968	-	168,467	38,757	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	18,966,323
<u>21,968</u>	<u>13,275</u>	<u>168,467</u>	<u>38,757</u>	<u>-</u>	<u>22,334,742</u>
<u>3,090,220</u>	<u>41,406</u>	<u>13,434</u>	<u>556,527</u>	<u>-</u>	<u>(20,761,198)</u>
-	-	-	-	-	-
-	-	-	-	-	(3,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	13,601,625
-	-	-	-	-	13,598,625
<u>3,090,220</u>	<u>41,406</u>	<u>13,434</u>	<u>556,527</u>	<u>-</u>	<u>(7,162,573)</u>
<u>12,493,242</u>	<u>205,734</u>	<u>1,955,100</u>	<u>2,865,135</u>	<u>727,010</u>	<u>17,266,570</u>
<u>\$ 15,583,462</u>	<u>\$ 247,140</u>	<u>\$ 1,968,534</u>	<u>\$ 3,421,662</u>	<u>\$ 727,010</u>	<u>\$ 10,103,997</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	Special Revenue Funds			
	State Proposition 172	Traffic Congestion Relief	State Transportation Tax	CDBG
<b>Revenues:</b>				
Taxes	\$ 1,034,053	\$ -	\$ 4,735,549	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	3,075,771
Charges for service	-	-	75,683	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	385,655
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	-	-	1,265	-
Miscellaneous	-	-	-	100
<b>Total revenues</b>	<u>1,034,053</u>	<u>-</u>	<u>4,812,497</u>	<u>3,461,526</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	388,526	-
Public safety	1,231,209	-	-	-
Highway and streets	-	-	2,472,053	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	3,242,579
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:				
Highway and streets	-	-	1,529,763	-
Culture-recreation	-	-	-	-
<b>Total expenditures</b>	<u>1,231,209</u>	<u>-</u>	<u>4,390,342</u>	<u>3,242,579</u>
Revenues over/(under) expenditures	<u>(197,156)</u>	<u>-</u>	<u>422,155</u>	<u>218,947</u>
Other financing sources/(uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(22,500)	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
<b>Total other financing sources/(uses)</b>	<u>-</u>	<u>-</u>	<u>(22,500)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(197,156)</u>	<u>-</u>	<u>399,655</u>	<u>218,947</u>
Fund balance, July 1, 2020	1,287,148	-	5,190,370	5,738,831
<b>Fund balance, June 30, 2021</b>	<u>\$ 1,089,992</u>	<u>\$ -</u>	<u>\$ 5,590,025</u>	<u>\$ 5,957,778</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
\$ -	\$ 3,583,861	\$ 436,826	\$ 336,308	\$ 576,944	\$ 3,376,634
-	-	-	-	-	-
-	-	-	-	-	-
1,871,947	9,290	-	565	-	16,100
163,241	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	714	138	27	278	1,888
-	-	-	-	-	-
<u>2,035,188</u>	<u>3,593,865</u>	<u>436,964</u>	<u>336,900</u>	<u>577,222</u>	<u>3,394,622</u>
-	61,303	80,679	-	2,500	-
-	-	-	-	-	-
-	1,721,631	262,311	-	243,111	260,738
-	-	-	-	-	-
-	-	-	-	-	-
1,399,404	-	-	527,846	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	583,713	-	-	253,019	-
-	-	-	-	-	-
<u>1,399,404</u>	<u>2,366,647</u>	<u>342,990</u>	<u>527,846</u>	<u>498,630</u>	<u>260,738</u>
<u>635,784</u>	<u>1,227,218</u>	<u>93,974</u>	<u>(190,946)</u>	<u>78,592</u>	<u>3,133,884</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>635,784</u>	<u>1,227,218</u>	<u>93,974</u>	<u>(190,946)</u>	<u>78,592</u>	<u>3,133,884</u>
1,530,648	3,113,589	601,633	194,864	1,124,157	7,001,077
<u>\$ 2,166,432</u>	<u>\$ 4,340,807</u>	<u>\$ 695,607</u>	<u>\$ 3,918</u>	<u>\$ 1,202,749</u>	<u>\$ 10,134,961</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	<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>Revenues:</b>				
Taxes	\$ 357,084	\$ 337,548	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	-	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	10,078	-
Franchise	-	-	-	-
Private contributions and donations	-	-	-	-
Investment income	170	123	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>357,254</b>	<b>337,671</b>	<b>10,078</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highway and streets	338,967	-	-	-
Health and welfare	-	-	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	49,074	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:				
Highway and streets	703,974	-	-	-
Culture-recreation	-	-	-	-
<b>Total expenditures</b>	<b>1,042,941</b>	<b>49,074</b>	<b>-</b>	<b>-</b>
<b>Revenues over/(under) expenditures</b>	<b>(685,687)</b>	<b>288,597</b>	<b>10,078</b>	<b>-</b>
<b>Other financing sources/(uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(685,687)</b>	<b>288,597</b>	<b>10,078</b>	<b>-</b>
Fund balance, July 1, 2020	837,062	484,747	82,226	1,137,954
<b>Fund balance, June 30, 2021</b>	<b>\$ 151,375</b>	<b>\$ 773,344</b>	<b>\$ 92,304</b>	<b>\$ 1,137,954</b>

## Special Revenue Funds

Park Tax	Street and Open Space Improvement	Measure GG: Fire Preparation Tax	1st Response Advanced Life Support (ALSFR)	Street Lighting
\$ 14,565,777	\$ -	\$ 5,298,142	\$ -	\$ 1,965,539
55,376	-	-	-	-
-	-	18,873	-	-
3,200	-	-	-	-
-	-	-	-	-
14,562	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,254	-	-	-	444
152,005	-	-	-	-
14,792,174	-	5,317,015	-	1,965,983
-	-	59,193	-	27,109
41,039	-	4,949,072	-	-
-	-	-	-	1,158,803
-	-	204,136	-	-
14,249,419	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	354,762
-	-	-	-	15,689
-	-	-	-	-
-	184,312	-	-	-
3,096,960	-	-	-	-
17,387,418	184,312	5,212,401	-	1,556,363
(2,595,244)	(184,312)	104,614	-	409,620
-	-	-	-	-
(78,663)	-	-	-	(12,120)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(78,663)	-	-	-	(12,120)
(2,673,907)	(184,312)	104,614	-	397,500
6,255,484	1,095,074	2,749,433	(5,998)	1,686,748
\$ 3,581,577	\$ 910,762	\$ 2,854,047	\$ (5,998)	\$ 2,084,248

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	<b>Business Economic Development</b>	<b>Citywide RLF</b>	<b>Legacy Fund</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	6,188	-	-
Charges for service	-	-	-
Fines and penalties	-	-	-
Rents and royalties	-	-	-
Franchise	-	-	-
Private contributions and donations	-	-	-
Investment income	9,324	2,526	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>15,512</b>	<b>2,526</b>	<b>-</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Highway and streets	-	-	-
Health and welfare	-	-	-
Culture-recreation	-	-	-
Community development and housing	-	-	-
Economic development	23,122	-	-
Debt service:			
Principal repayment	-	-	-
Interest and fiscal charges	-	-	-
Debt issuance costs	-	-	-
Capital outlay:			
Highway and streets	-	-	-
Culture-recreation	-	-	-
<b>Total expenditures</b>	<b>23,122</b>	<b>-</b>	<b>-</b>
Revenues over/(under) expenditures	(7,610)	2,526	-
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	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	(7,610)	2,526	-
Fund balance, July 1, 2020	803,194	790,359	76,337
Fund balance, June 30, 2021	<u>\$ 795,584</u>	<u>\$ 792,885</u>	<u>\$ 76,337</u>

Special Revenue Funds

Miles Lab	Employee Training	UC Settlement	Private Percent-Art Fund	Private Party Sidewalks	Public Art
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	65,360	-	-
8,650	-	-	-	-	-
-	-	1,210,073	-	496,062	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,650	-	1,210,073	65,360	496,062	-
-	716,250	-	684	-	17,876
-	-	-	-	-	-
-	-	7,000	-	916	-
-	-	-	-	-	-
160,457	-	-	-	-	-
-	-	-	-	-	-
-	-	-	120,506	-	16,406
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
160,457	716,250	7,000	121,190	916	34,282
(151,807)	(716,250)	1,203,073	(55,830)	495,146	(34,282)
-	750,000	-	-	-	64,367
-	-	(1,210,073)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	750,000	(1,210,073)	-	-	64,367
(151,807)	33,750	(7,000)	(55,830)	495,146	30,085
225,549	59,950	461,001	868,097	354,725	52,709
\$ 73,742	\$ 93,700	\$ 454,001	\$ 812,267	\$ 849,871	\$ 82,794



**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	Special Revenue Funds			
	Lillie B. Wall Memorial	Vital and Health Statistic	East Bay Public Utilities Commission	PERS Savings
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for service	-	23,910	-	-
Fines and penalties	-	-	-	-
Rents and royalties	-	-	-	-
Franchise	-	-	-	-
Private contributions and donations	537	-	-	-
Investment income	-	-	1	797,287
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>537</b>	<b>23,910</b>	<b>1</b>	<b>797,287</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	24,785
Public safety	-	-	-	-
Highway and streets	-	-	-	-
Health and welfare	-	33,340	-	-
Culture-recreation	-	-	-	-
Community development and housing	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay:				
Highway and streets	-	-	-	-
Culture-recreation	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>33,340</b>	<b>-</b>	<b>24,785</b>
Revenues over/(under) expenditures	537	(9,430)	1	772,502
Other financing sources/(uses)				
Transfers in	-	-	-	1,470,134
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	-
Insurance Recoveries	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,470,134</b>
Net change in fund balance	537	(9,430)	1	2,242,636
Fund balance, July 1, 2020	12,918	260,615	3,774	10,590,217
Fund balance, June 30, 2021	<u>\$ 13,455</u>	<u>\$ 251,185</u>	<u>\$ 3,775</u>	<u>\$ 12,832,853</u>

## Special Revenue Funds

Other Special Deposits	Health State Aid Realignment	Tobacco Control	Mental Health State Aid Realignment	City Opt. Public Safety	Fund for Impounded and Unneutered
\$ -	\$ 1,875,785	\$ 150,000	\$ 2,694,425	\$ -	\$ -
-	-	-	-	-	-
-	124,255	-	-	292,235	-
-	-	-	-	-	400
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	39	-	251	-
-	1,166	-	-	-	-
-	2,001,206	150,039	2,694,425	292,486	400
-	-	-	-	-	-
-	-	-	-	700,648	-
-	-	-	-	-	-
-	391,850	383,226	2,300,439	-	-
-	-	-	-	-	-
-	-	-	232,142	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	391,850	383,226	2,532,581	700,648	-
-	1,609,356	(233,187)	161,844	(408,162)	400
-	1,953,018	-	-	-	-
-	(2,643,280)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(690,262)	-	-	-	-
-	919,094	(233,187)	161,844	(408,162)	400
-	2,816,703	194,725	5,679,658	1,011,627	5,585
\$ -	\$ 3,735,797	\$ (38,462)	\$ 5,841,502	\$ 603,465	\$ 5,985

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	Special Revenue Funds			Capital Project Funds
	Alameda County Abandoned Vehicle Abatement Authority	Fair Elections	Total Special Revenue Funds	Infrastructure & Facilities Measure T1
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 45,940,787	\$ -
Licenses and permits	-	-	120,736	-
Intergovernmental	-	-	4,171,403	-
Charges for service	151,737	-	8,924,303	-
Fines and penalties	-	-	163,998	-
Rents and royalties	-	-	447,795	-
Franchise	-	-	-	-
Private contributions and donations	-	23,035	227,182	-
Investment income	-	-	1,004,234	-
Miscellaneous	-	-	153,271	-
<b>Total revenues</b>	<b>151,737</b>	<b>23,035</b>	<b>61,153,709</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	361,652	1,801,013	-
Public safety	-	-	11,953,550	-
Highway and streets	-	-	6,465,530	-
Health and welfare	75,017	-	3,419,175	-
Culture-recreation	-	-	17,892,878	1,895,977
Community development and housing	-	-	7,119,724	5,701,591
Economic development	-	-	160,034	267,670
Debt service:				
Principal repayment	-	-	757,762	-
Interest and fiscal charges	-	-	165,797	-
Debt issuance costs	-	-	-	555,000
Capital outlay:				
Highway and streets	-	-	3,254,781	3,794,048
Culture-recreation	-	-	22,063,283	6,813,285
<b>Total expenditures</b>	<b>75,017</b>	<b>361,652</b>	<b>75,053,527</b>	<b>19,027,571</b>
<b>Revenues over/(under) expenditures</b>	<b>76,720</b>	<b>(338,617)</b>	<b>(13,899,818)</b>	<b>(19,027,571)</b>
<b>Other financing sources/(uses)</b>				
Transfers in	-	917,799	5,901,332	-
Transfers out	-	-	(3,980,348)	(2,255,990)
Debt proceeds	-	-	-	45,000,000
Face value of refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on bond issued	-	-	-	2,810,990
Insurance Recoveries	-	-	13,601,625	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>917,799</b>	<b>15,522,609</b>	<b>45,555,000</b>
<b>Net change in fund balance</b>	<b>76,720</b>	<b>579,182</b>	<b>1,622,791</b>	<b>26,527,429</b>
Fund balance, July 1, 2020 beginning as restated	180,140	-	108,047,653	16,834,753
<b>Fund balance, June 30, 2021</b>	<b>\$ 256,860</b>	<b>\$ 579,182</b>	<b>\$ 109,670,444</b>	<b>\$ 43,362,182</b>

Capital Project Funds

Phone System Replacement	Fund\$ Replacement	Public, Education and Government Access Facilities	Measure G: Fire Seismic Projects	Measure M: Street and Watershed Improvements	Measure G: Public Safety Building	Street Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	141,262	-	277	-	-
-	-	-	-	-	2	22
-	-	-	-	-	-	-
-	-	141,262	-	277	2	22
82,521	2,882,405	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	42,262	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
82,521	2,882,405	-	-	42,262	-	-
(82,521)	(2,882,405)	141,262	-	(41,985)	2	22
160,000	-	-	-	-	-	-
-	-	-	-	(288,415)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
160,000	-	-	-	(288,415)	-	-
77,479	(2,882,405)	141,262	-	(330,400)	2	22
464,700	6,611,460	1,995,998	58	1,169,606	6,103	86,983
\$ 542,179	\$ 3,729,055	\$ 2,137,260	\$ 58	\$ 839,206	\$ 6,105	\$ 87,005

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Government Fund**  
**For the year ended June 30, 2021**

	<b>Capital Project Funds</b>		
	<b>Park Acquisition Development</b>	<b>Income Housing Fund: West Berkeley Improvement Project</b>	<b>Income Housing Fund: Savo Island Project</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for service	-	-	-
Fines and penalties	-	-	-
Rents and royalties	1,201	-	-
Franchise	-	-	-
Private contributions and donations	-	-	-
Investment income	9	86,050	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>1,210</b>	<b>86,050</b>	<b>-</b>
<b>Expenditures:</b>			
Current:			
General government	157	-	-
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:			
Highway and streets	-	-	-
Culture-recreation	-	-	-
<b>Total expenditures</b>	<b>157</b>	<b>-</b>	<b>-</b>
<b>Revenues over/(under) expenditures</b>	<b>1,053</b>	<b>86,050</b>	<b>-</b>
<b>Other financing sources/(uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Debt proceeds	-	-	-
Face value of refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Premium on bond issued	-	-	-
Insurance Recoveries	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>1,053</b>	<b>86,050</b>	<b>-</b>
Fund balance, July 1, 2020	33,100	3,001,203	441,140
<b>Fund balance, June 30, 2021</b>	<b>\$ 34,153</b>	<b>\$ 3,087,253</b>	<b>\$ 441,140</b>

Capital Project Funds		Debt Service Funds				
Measure O Housing Bond	Total Capital Project Funds	Pension Refunding Bonds	09 Measure FF Library	GO 2015 Refunding Bonds for GO 2007 Refunding Bonds		Berkeley Repertory Theatre
\$ -	\$ -	\$ -	\$ 1,581,169	\$ 2,123,284	\$ -	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,478	-	-	-	-	-
-	141,262	-	-	-	-	-
-	-	-	-	-	-	-
8,945	95,028	-	-	-	-	-
-	-	-	-	-	-	2
8,945	237,768	-	1,581,169	2,123,284	-	2
-	2,965,083	-	-	-	-	-
-	-	-	-	-	-	-
-	42,262	-	-	-	-	-
-	-	-	-	-	-	-
-	1,895,977	-	-	-	-	-
-	5,701,591	-	-	-	-	-
-	267,670	-	-	-	-	-
-	-	-	924,999	1,916,249	-	320,879
-	-	-	575,665	687,807	-	180,619
-	555,000	-	-	-	-	-
143,347	3,937,395	-	-	-	-	-
-	6,813,285	-	-	-	-	-
143,347	22,178,263	-	1,500,664	2,604,056	-	501,498
(134,402)	(21,940,495)	-	80,505	(480,772)	-	(501,496)
-	160,000	-	-	-	-	499,802
-	(2,544,405)	-	-	-	-	-
-	45,000,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,810,990	-	-	-	-	-
-	-	-	-	-	-	-
-	45,426,585	-	-	-	-	499,802
(134,402)	23,486,090	-	80,505	(480,772)	-	(1,694)
37,311,220	67,956,324	128,660	1,261,706	2,434,339	-	(7,151)
\$ 37,176,818	\$ 91,442,414	\$ 128,660	\$ 1,342,211	\$ 1,953,567	\$ -	\$ (8,845)

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Government Fund  
For the year ended June 30, 2021**

	Debt Service Funds		
	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
<b>Revenues:</b>			
Taxes	\$ 383,998	\$ 158,117	\$ 496,939
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for service	-	-	-
Fines and penalties	-	-	-
Rents and royalties	-	-	-
Franchise	-	-	-
Private contributions and donations	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<b>Total revenues</b>	<b>383,998</b>	<b>158,117</b>	<b>496,939</b>
<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	352,269	132,679	448,804
Interest and fiscal charges	127,191	47,623	161,091
Debt issuance costs	-	-	-
Capital outlay:			
Highway and streets	-	-	-
Culture-recreation	-	-	-
<b>Total expenditures</b>	<b>479,460</b>	<b>180,302</b>	<b>609,895</b>
Revenues over/(under) expenditures	(95,462)	(22,185)	(112,956)
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	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(95,462)</b>	<b>(22,185)</b>	<b>(112,956)</b>
Fund balance, July 1, 2020	1,312,707	460,826	501,421
<b>Fund balance, June 30, 2021</b>	<b>\$ 1,217,245</b>	<b>\$ 438,641</b>	<b>\$ 388,465</b>

Debt Service Funds					
2010 COP Animal Shelter	GO 2014 Measure M Street and Watershed Improvement	Infrastructure & Facilities Measure T1	Measure O Housing Bond	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ -	\$ 1,807,051	\$ 3,614,101	\$ 2,019,030	\$ 12,183,689	\$ 58,124,476
-	-	-	-	-	120,736
-	-	-	-	-	4,171,403
-	-	-	-	-	8,924,303
-	-	-	-	-	163,998
-	-	-	-	-	449,273
-	-	-	-	-	141,262
-	-	-	-	-	227,182
41	-	-	-	41	1,099,303
-	-	-	13,902	13,904	167,175
41	1,807,051	3,614,101	2,032,932	12,197,634	73,589,111
-	-	-	-	-	4,766,097
-	-	-	-	-	11,953,550
-	-	-	-	-	6,507,792
-	-	-	-	-	3,419,175
-	-	-	-	-	19,788,855
-	-	-	-	-	12,821,315
-	-	-	-	-	427,704
125,000	630,000	660,000	845,000	6,355,879	7,113,637
380,307	1,012,613	1,070,806	1,158,748	5,402,470	5,568,267
195,846	-	-	-	195,846	750,846
-	-	-	-	-	7,192,176
-	-	-	-	-	28,876,568
701,153	1,642,613	1,730,806	2,003,748	11,954,195	109,185,982
(701,112)	164,438	1,883,295	29,184	243,439	(35,596,871)
402,613	-	2,255,990	-	3,158,405	9,219,737
-	-	-	-	-	(6,524,753)
-	-	-	-	-	45,000,000
3,975,000	-	-	-	3,975,000	3,975,000
(4,765,000)	-	-	-	(4,765,000)	(4,765,000)
674,757	-	-	-	674,757	3,485,747
-	-	-	-	-	13,601,625
287,370	-	2,255,990	-	3,043,162	63,992,356
(413,742)	164,438	4,139,285	29,184	3,286,601	28,395,485
404,765	2,027,774	1,759,964	2,312,047	12,597,058	188,601,032
\$ (8,977)	\$ 2,192,212	\$ 5,899,249	\$ 2,341,231	\$ 15,883,659	\$ 216,996,517



**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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and penalties	\$ 55,000	\$ 55,000	\$ 757	\$ (54,243)
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>757</u>	<u>(54,243)</u>
<b>Expenditures:</b>				
Public safety	201,000	187,835	23,650	164,185
Total expenditures	<u>201,000</u>	<u>187,835</u>	<u>23,650</u>	<u>164,185</u>
Revenues over/(under) expenditures	<u>(146,000)</u>	<u>(132,835)</u>	<u>(22,893)</u>	<u>109,942</u>
Net change in fund balance	(146,000)	(132,835)	(22,893)	109,942
Fund balance, July 1, 2020	353,706	353,706	353,706	-
Fund balance, June 30, 2021	<u>\$ 207,706</u>	<u>\$ 220,871</u>	<u>\$ 330,813</u>	<u>\$ 109,942</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Special Tax for Disabled - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,361,402	\$ 1,361,402	\$ 1,377,596	\$ 16,194
Total revenues	<u>1,361,402</u>	<u>1,361,402</u>	<u>1,377,596</u>	<u>16,194</u>
<b>Expenditures:</b>				
General government	19,441	19,441	19,502	(61)
Community development and housing	<u>1,341,961</u>	<u>1,341,961</u>	<u>1,341,961</u>	<u>-</u>
Total expenditures	<u>1,361,402</u>	<u>1,361,402</u>	<u>1,361,463</u>	<u>(61)</u>
Net change in fund balance	-	-	16,133	16,133
Fund balance, July 1, 2020	185,555	185,555	185,555	-
Fund balance, June 30, 2021	<u>\$ 185,555</u>	<u>\$ 185,555</u>	<u>\$ 201,688</u>	<u>\$ 16,133</u>

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

Net change in fund balances - budgetary basis	\$ 16,133
Receivable accrual	5,487
Net change in fund balances - GAAP basis	<u>\$ 21,621</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Community development and housing	48,083	48,083	44,879	3,204
Total expenditures	48,083	48,083	44,879	3,204
Revenues over/(under) expenditures	(48,083)	(48,083)	(44,879)	3,204
Other financing sources/(uses)				
Transfers in	42,911	42,911	42,911	-
Total other financing sources/(uses)	42,911	42,911	42,911	-
Net change in fund balance	(5,172)	(5,172)	(1,968)	3,204
Fund balance, July 1, 2020	30,818	30,818	30,818	-
Fund balance, June 30, 2021	\$ 25,646	\$ 25,646	\$ 28,850	\$ 3,204

**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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 407,443	\$ 407,443	\$ 453,133	\$ 45,690
Investment income	219,280	219,280	188,505	(30,775)
Miscellaneous	-	-	-	-
Total revenues	<u>626,723</u>	<u>626,723</u>	<u>641,638</u>	<u>14,915</u>
<b>Expenditures:</b>				
Current:				
Economic Development	300	300	-	300
Debt service:				
Principal repayment	403,000	403,000	403,000	-
Interest and fiscal charges	150,108	150,108	150,108	-
Total expenditures	<u>553,408</u>	<u>553,408</u>	<u>553,108</u>	<u>300</u>
Net change in fund balance	73,315	73,315	88,530	15,215
Fund balance, July 1, 2020	1,165,248	1,165,248	1,165,248	-
Fund balance, June 30, 2021	<u>\$ 1,238,563</u>	<u>\$ 1,238,563</u>	<u>\$ 1,253,778</u>	<u>\$ 15,215</u>

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

Net change in fund balances - budgetary basis	\$ 88,530
Notes accrual	<u>(453,133)</u>
Net change in fund balances - GAAP basis	<u>\$ (364,603)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Private contribution and donations	\$ 43,000	\$ 43,000	\$ 73,626	\$ 30,626
Total revenues	<u>43,000</u>	<u>43,000</u>	<u>73,626</u>	<u>30,626</u>
<b>Expenditures:</b>				
Health and welfare	9,600	46,600	6,395	40,205
Community development and housing	43,957	74,957	52,647	22,310
Total expenditures	<u>53,557</u>	<u>121,557</u>	<u>59,042</u>	<u>62,515</u>
Net change in fund balance	(10,557)	(78,557)	14,584	93,141
Fund balance, July 1, 2020	240,639	240,639	240,639	-
Fund balance, June 30, 2021	<u>\$ 230,082</u>	<u>\$ 162,082</u>	<u>\$ 255,223</u>	<u>\$ 93,141</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 295,166	\$ 295,166	\$ 179,044	\$ (116,122)
Miscellaneous	3,580	3,580	-	(3,580)
Total revenues	<u>298,746</u>	<u>298,746</u>	<u>179,044</u>	<u>(119,702)</u>
<b>Expenditures:</b>				
Culture-recreation	189,807	185,623	113,685	71,938
Total expenditures	<u>189,807</u>	<u>185,623</u>	<u>113,685</u>	<u>71,938</u>
Net change in fund balance	108,939	113,123	65,359	(47,764)
Fund balance, July 1, 2020	58,769	58,769	58,769	-
Fund balance, June 30, 2021	<u>\$ 167,708</u>	<u>\$ 171,892</u>	<u>\$ 124,128</u>	<u>\$ (47,764)</u>

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

Net change in fund balances - budgetary basis	\$ 65,359
Payable accrual	<u>(1,668)</u>
Net change in fund balances - GAAP basis	<u>\$ 63,692</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 101,581	\$ 101,581
Total revenues	-	-	101,581	101,581
<b>Expenditures:</b>				
Culture-recreation	-	56,506	-	56,506
Total expenditures	-	56,506	-	56,506
Net change in fund balance	-	(56,506)	101,581	158,087
Fund balance, July 1, 2020	465,696	465,696	465,696	-
Fund balance, June 30, 2021	<u>\$ 465,696</u>	<u>\$ 409,190</u>	<u>\$ 567,277</u>	<u>\$ 158,087</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Animal Shelter Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Private contributions and donations	\$ 45,000	\$ 45,000	\$ 55,718	\$ 10,718
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>55,718</u>	<u>10,718</u>
<b>Expenditures:</b>				
General government	51,480	53,805	20,682	33,123
Public safety	1,000	1,000	-	1,000
Total expenditures	<u>52,480</u>	<u>54,805</u>	<u>20,682</u>	<u>34,123</u>
Net change in fund balance	(7,480)	(9,805)	35,036	44,841
Fund balance, July 1, 2020	55,744	55,744	55,744	-
Fund balance, June 30, 2021	<u>\$ 48,264</u>	<u>\$ 45,939</u>	<u>\$ 90,780</u>	<u>\$ 44,841</u>

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

Net change in fund balances - budgetary basis	\$ 35,036
Receivable accrual	<u>2,573</u>
Net change in fund balances - GAAP basis	<u>\$ 37,609</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,183,676	\$ 3,183,676	\$ 3,220,712	\$ 37,036
Total revenues	<u>3,183,676</u>	<u>3,183,676</u>	<u>3,220,712</u>	<u>37,036</u>
<b>Expenditures:</b>				
Current:				
General government	19,441	19,441	19,503	(62)
Public safety	4,193,546	4,193,546	5,007,932	(814,386)
Total expenditures	<u>4,212,987</u>	<u>4,212,987</u>	<u>5,027,435</u>	<u>(814,448)</u>
<b>Revenues over/(under) expenditures</b>	<u>(1,029,311)</u>	<u>(1,029,311)</u>	<u>(1,806,723)</u>	<u>(777,412)</u>
<b>Other financing sources/(uses)</b>				
Transfers in	703,103	703,103	703,103	-
Transfers out	(10,712)	(10,712)	(10,712)	-
Total other financing sources/(uses)	<u>692,391</u>	<u>692,391</u>	<u>692,391</u>	<u>-</u>
Net change in fund balance	(1,721,702)	(336,920)	(1,114,332)	(777,412)
Fund balance, July 1, 2020	(397,774)	(397,774)	(397,774)	-
Fund balance, June 30, 2021	<u>\$ (2,119,476)</u>	<u>\$ (734,694)</u>	<u>\$ (1,512,106)</u>	<u>\$ (777,412)</u>

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

Net change in fund balances - budgetary basis	\$ (1,114,332)
Receivable accrual	12,517
Net change in fund balances - GAAP basis	<u>\$ (1,101,815)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 25,000	\$ 25,000	\$ 21,736	\$ (3,264)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>21,736</u>	<u>(3,264)</u>
<b>Expenditures:</b>				
Health and welfare	<u>26,462</u>	<u>26,462</u>	<u>11,497</u>	<u>14,965</u>
Total expenditures	<u>26,462</u>	<u>26,462</u>	<u>11,497</u>	<u>14,965</u>
Net change in fund balance	(1,462)	(1,462)	10,239	11,701
Fund balance, July 1, 2020	19,422	19,422	19,422	-
Fund balance, June 30, 2021	<u>\$ 17,960</u>	<u>\$ 17,960</u>	<u>\$ 29,661</u>	<u>\$ 11,701</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ -	\$ 3,112,188	\$ 3,112,188
Total revenues	-	-	3,112,188	3,112,188
<b>Expenditures:</b>				
Community development and housing	-	6,280,610	21,968	6,258,642
Economic development	-	5,256,241	100,166	5,156,075
Total expenditures	-	11,536,851	122,134	11,414,717
Net change in fund balance	-	(11,536,851)	2,990,054	14,526,905
Fund balance, July 1, 2020	8,886,087	8,886,087	8,886,087	-
Fund balance, June 30, 2021	<u>\$ 8,886,087</u>	<u>\$ (2,650,764)</u>	<u>\$ 11,876,141</u>	<u>\$ 14,526,905</u>

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

Net change in fund balances - budgetary basis	\$ 2,990,054
Notes receivable accrual	(100,166)
Net change in fund balances - GAAP basis	<u>\$ 3,090,220</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 11,851	\$ 11,851	\$ 54,681	\$ 42,830
Total revenues	<u>11,851</u>	<u>11,851</u>	<u>54,681</u>	<u>42,830</u>
<b>Expenditures:</b>				
Current:				
Health and welfare	13,275	13,275	13,275	-
Total expenditures	<u>13,275</u>	<u>13,275</u>	<u>13,275</u>	<u>-</u>
Net change in fund balance	(1,424)	(1,424)	41,406	42,830
Fund balance, July 1, 2020	205,734	205,734	205,734	-
Fund balance, June 30, 2021	<u>\$ 204,310</u>	<u>\$ 204,310</u>	<u>\$ 247,140</u>	<u>\$ 42,830</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, 2021**

	<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	\$ -	\$ -	\$ 180,401	\$ 180,401
Miscellaneous	-	-	1,500	1,500
Total revenues	<u>-</u>	<u>-</u>	<u>181,901</u>	<u>181,901</u>
<b>Expenditures:</b>				
Health and Welfare	-	90,050	-	90,050
Community development and housing	148,044	586,293	168,467	417,826
Economic development	-	381,318	21,119	360,199
Total expenditures	<u>148,044</u>	<u>1,057,661</u>	<u>189,586</u>	<u>868,075</u>
Net change in fund balance	(148,044)	(1,057,661)	(7,685)	1,049,976
Fund balance, July 1, 2020	1,040,889	1,040,889	1,040,889	-
Fund balance, June 30, 2021	<u>\$ 892,845</u>	<u>\$ (16,772)</u>	<u>\$ 1,033,204</u>	<u>\$ 1,049,976</u>

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

Net change in fund balances - budgetary basis	\$ (7,685)
Notes receivable accrual	21,119
Net change in fund balances - GAAP basis	<u>\$ 13,434</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 196,000	\$ 196,000	\$ 595,284	\$ 399,284
Total revenues	<u>196,000</u>	<u>196,000</u>	<u>595,284</u>	<u>399,284</u>
<b>Expenditures:</b>				
Community development and housing	37,520	259,963	38,757	221,206
Total expenditures	<u>37,520</u>	<u>259,963</u>	<u>38,757</u>	<u>221,206</u>
Net change in fund balance	158,480	(63,963)	556,527	620,490
Fund balance, July 1, 2020	1,513,654	1,513,654	1,513,654	-
Fund balance, June 30, 2021	<u>\$ 1,672,134</u>	<u>\$ 1,449,691</u>	<u>\$ 2,070,181</u>	<u>\$ 620,490</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Playground Camp Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 567,858	\$ 567,858
Charges for service	688,000	688,000	893,920	205,920
Rents and royalties	260,332	260,332	37,500	(222,832)
Private contributions and donations	-	-	74,266	74,266
Miscellaneous	290,000	290,000	-	(290,000)
Total revenues	<u>1,238,332</u>	<u>1,238,332</u>	<u>1,573,544</u>	<u>335,212</u>
<b>Expenditures:</b>				
General government	-	1,540	770	770
Culture-recreation	1,962,688	5,649,577	3,337,865	2,311,712
Culture-recreation (CO)	-	15,796,585	15,796,584	1
Total expenditures	<u>1,962,688</u>	<u>21,447,702</u>	<u>19,135,219</u>	<u>2,312,483</u>
Revenues over/(under) expenditures	<u>(724,356)</u>	<u>(20,209,370)</u>	<u>(17,561,675)</u>	<u>2,647,695</u>
Other financing sources/(uses)				
Transfer out	(3,000)	(3,000)	(3,000)	-
Insurance recoveries	-	-	13,601,625	13,601,625
Total other financing sources/(uses)	<u>(3,000)</u>	<u>(3,000)</u>	<u>13,598,625</u>	<u>13,601,625</u>
Net change in fund balance	(727,356)	(20,212,370)	(3,963,050)	16,249,320
Fund balance, July 1, 2020	17,611,433	17,611,433	17,611,433	-
Fund balance, June 30, 2021	<u>\$ 16,884,077</u>	<u>\$ (2,600,937)</u>	<u>\$ 13,648,383</u>	<u>\$ 16,249,320</u>

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

Net change in fund balances - budgetary basis	\$ (3,963,050)
Payable accrual	3,199,523
Net change in fund balances - GAAP basis	<u>\$ (7,162,573)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 931,227	\$ 931,227	\$ 1,009,837	\$ 78,610
Total revenues	<u>931,227</u>	<u>931,227</u>	<u>1,009,837</u>	<u>78,610</u>
<b>Expenditures:</b>				
General government	77,877	77,877	-	77,877
Public safety	851,300	1,735,895	1,244,423	491,472
Total expenditures	<u>929,177</u>	<u>1,813,772</u>	<u>1,244,423</u>	<u>569,349</u>
Net change in fund balance	2,050	(882,545)	(234,586)	647,959
Fund balance, July 1, 2020	1,237,593	1,237,593	1,237,593	-
Fund balance, June 30, 2021	<u>\$ 1,239,643</u>	<u>\$ 355,048</u>	<u>\$ 1,003,007</u>	<u>\$ 647,959</u>

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

Net change in fund balances - budgetary basis	\$ (234,586)
Receivable accrual	24,217
Payable accrual	13,214
Net change in fund balances - GAAP basis	<u>\$ (197,156)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 5,187,405	\$ 5,187,405	\$ 4,840,213	\$ (347,192)
Charges for service	34,544	34,544	75,683	41,139
Investment income	-	-	1,265	1,265
Total revenues	<u>5,221,949</u>	<u>5,221,949</u>	<u>4,917,161</u>	<u>(304,788)</u>
<b>Expenditures:</b>				
Current:				
General government	34,544	464,510	387,534	76,976
Highway and streets	5,243,475	7,033,601	2,471,782	4,561,819
Capital outlay:				
Highway and streets (CO)	332,281	3,176,831	1,678,293	1,498,538
Total expenditures	<u>5,610,300</u>	<u>10,674,942</u>	<u>4,537,609</u>	<u>6,137,333</u>
Net change in fund balance	(388,351)	(5,452,993)	379,552	5,832,545
Fund balance, July 1, 2020	4,990,217	4,990,217	4,990,217	-
Fund balance, June 30, 2021	<u>\$ 4,601,866</u>	<u>\$ (462,776)</u>	<u>\$ 5,369,769</u>	<u>\$ 5,832,545</u>

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

Net change in fund balances - budgetary basis	\$ 379,552
Receivable accrual	(104,664)
Payable accrual	124,767
Net change in fund balances - GAAP basis	<u>\$ 399,655</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**CDBG Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 2,585,914	\$ 2,585,914	\$ 2,467,444	\$ (118,470)
Rents and royalties	-	-	385,655	385,655
Investment Income	441,667	441,667	90,000	(351,667)
Miscellaneous	400,518	400,518	100	(400,418)
Total revenues	<u>3,428,099</u>	<u>3,428,099</u>	<u>2,943,199</u>	<u>(484,900)</u>
<b>Expenditures:</b>				
Community development and housing	2,580,144	3,933,948	3,196,835	737,113
Total expenditures	<u>2,580,144</u>	<u>3,933,948</u>	<u>3,196,835</u>	<u>737,113</u>
Net change in fund balance	847,955	(505,849)	(253,636)	252,213
Fund balance, July 1, 2020	(1,222,019)	(1,222,019)	(1,222,019)	-
Fund balance, June 30, 2021	<u>\$ (374,064)</u>	<u>\$ (1,727,868)</u>	<u>\$ (1,475,655)</u>	<u>\$ 252,213</u>

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

Net change in fund balances - budgetary basis	\$ (253,636)
Notes receivable accrual	(90,000)
Payable accrual	562,583
Net change in fund balances - GAAP basis	<u>\$ 218,947</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 1,635,969	\$ 1,635,969	\$ 1,866,447	\$ 230,478
Fines and penalties	86,780	86,780	163,241	76,461
Miscellaneous	1,088	1,088	-	(1,088)
Total revenues	<u>1,722,749</u>	<u>1,722,749</u>	<u>2,029,688</u>	<u>305,851</u>
<b>Expenditures:</b>				
Community development and housing	1,893,929	1,903,821	1,399,404	504,417
Total expenditures	<u>1,893,929</u>	<u>1,903,821</u>	<u>1,399,404</u>	<u>504,417</u>
Net change in fund balance	(171,180)	(181,072)	630,284	810,268
Fund balance, July 1, 2020	1,529,387	1,529,387	1,529,387	-
Fund balance, June 30, 2021	<u>\$ 1,358,207</u>	<u>\$ 1,348,315</u>	<u>\$ 2,159,671</u>	<u>\$ 810,268</u>

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

Net change in fund balances - budgetary basis	\$ 630,284
Receivable accrual	<u>5,500</u>
Net change in fund balances - GAAP basis	<u>\$ 635,784</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,270,830	\$ 3,270,830	\$ 3,405,322	\$ 134,492
Charges for service	-	-	9,290	9,290
Investment income	-	-	714	714
Total revenues	<u>3,270,830</u>	<u>3,270,830</u>	<u>3,415,326</u>	<u>144,496</u>
<b>Expenditures:</b>				
Current:				
General government	437,079	246,671	61,303	185,368
Highway and streets	2,654,917	2,453,000	1,721,631	731,369
Capital Outlay:				
Highway and streets (CO)	1,020,071	1,077,268	328,397	748,871
Total expenditures	<u>4,112,067</u>	<u>3,776,939</u>	<u>2,111,331</u>	<u>1,665,608</u>
Net change in fund balance	(841,237)	(506,109)	1,303,995	1,810,104
Fund balance, July 1, 2020	2,664,371	2,664,371	2,664,371	-
Fund balance, June 30, 2021	<u>\$ 1,823,134</u>	<u>\$ 2,158,262</u>	<u>\$ 3,968,366</u>	<u>\$ 1,810,104</u>

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

Net change in fund balances - budgetary basis	\$ 1,303,995
Receivable accrual	178,539
Payable accrual	(255,316)
Net change in fund balances - GAAP basis	<u>\$ 1,227,218</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 389,613	\$ 389,613	\$ 414,214	\$ 24,601
Investment income	-	-	138	138
Total revenues	<u>389,613</u>	<u>389,613</u>	<u>414,352</u>	<u>24,739</u>
<b>Expenditures:</b>				
Current:				
General government	79,940	79,940	80,679	(739)
Highway and streets	139,316	243,166	262,311	(19,145)
Capital Outlay:				
Highway and streets (CO)	359,023	315,763	-	315,763
Total expenditures	<u>578,279</u>	<u>638,869</u>	<u>342,990</u>	<u>295,879</u>
Net change in fund balance	(188,666)	(249,256)	71,362	320,618
Fund balance, July 1, 2020	535,277	535,277	535,277	-
Fund balance, June 30, 2021	<u>\$ 346,611</u>	<u>\$ 286,021</u>	<u>\$ 606,639</u>	<u>\$ 320,618</u>

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

Net change in fund balances - budgetary basis	\$ 71,362
Receivable accrual	22,612
Net change in fund balances - GAAP basis	<u>\$ 93,974</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 313,555	\$ 313,555	\$ 319,847	\$ 6,292
Investment income	-	-	27	27
Miscellaneous	-	-	565	27
Total revenues	<u>313,555</u>	<u>313,555</u>	<u>320,439</u>	<u>6,346</u>
<b>Expenditures:</b>				
Community development and housing	490,125	577,446	527,845	49,601
Total expenditures	<u>490,125</u>	<u>577,446</u>	<u>527,845</u>	<u>49,601</u>
Net change in fund balance	(176,570)	(263,891)	(207,406)	55,947
Fund balance, July 1, 2020	142,829	142,829	142,829	-
Fund balance, June 30, 2021	<u>\$ (33,741)</u>	<u>\$ (121,062)</u>	<u>\$ (64,577)</u>	<u>\$ 55,947</u>

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

Net change in fund balances - budgetary basis	\$ (207,406)
Receivable accrual	16,460
Net change in fund balances - GAAP basis	<u>\$ (190,946)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 446,509	\$ 446,509	\$ 493,195	\$ 46,686
Investment income	-	-	278	278
Total revenues	<u>446,509</u>	<u>446,509</u>	<u>493,473</u>	<u>46,964</u>
<b>Expenditures:</b>				
Current:				
General government	2,500	2,500	2,500	-
Highway and streets	262,117	291,520	243,111	48,409
Capital Outlay:				
Highway and streets (CO)	534,467	435,543	265,493	170,050
Total expenditures	<u>799,084</u>	<u>729,563</u>	<u>511,104</u>	<u>218,459</u>
Net change in fund balance	(352,575)	(283,054)	(17,631)	265,423
Fund balance, July 1, 2020	1,136,631	1,136,631	1,136,631	-
Fund balance, June 30, 2021	<u>\$ 784,056</u>	<u>\$ 853,577</u>	<u>\$ 1,119,000</u>	<u>\$ 265,423</u>

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

Net change in fund balances - budgetary basis	\$ (17,631)
Receivable accrual	83,749
Payable accrual	12,474
Net change in fund balances - GAAP basis	<u>\$ 78,592</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,078,338	\$ 3,078,338	\$ 3,207,990	\$ 129,652
Charges for Service	-	-	16,100	16,100
Investment income	-	-	1,888	1,888
Total revenues	<u>3,078,338</u>	<u>3,078,338</u>	<u>3,225,978</u>	<u>147,640</u>
<b>Expenditures:</b>				
Current:				
Highway and streets	1,231,274	56,826	330,935	(274,109)
Capital Outlay:				
Highway and streets (CO)	3,419,740	4,462,182	1,045,441	3,416,741
Total expenditures	<u>4,651,014</u>	<u>4,519,008</u>	<u>1,376,376</u>	<u>3,142,632</u>
Net change in fund balance	(1,572,676)	(1,440,670)	1,849,602	3,290,272
Fund balance, July 1, 2020	7,598,914	7,598,914	7,598,914	-
Fund balance, June 30, 2021	<u>\$ 6,026,238</u>	<u>\$ 6,158,244</u>	<u>\$ 9,448,516</u>	<u>\$ 3,290,272</u>

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

Net change in fund balances - budgetary basis	\$ 1,849,602
Receivable accrual	168,644
Payable accrual	1,115,638
Net change in fund balances - GAAP basis	<u>\$ 3,133,884</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 318,142	\$ 318,142	\$ 338,557	\$ 20,415
Investment income	-	-	170	170
Total revenues	<u>318,142</u>	<u>318,142</u>	<u>338,727</u>	<u>20,585</u>
<b>Expenditures:</b>				
Current:				
Highway and streets	2,000	316,755	338,967	(22,212)
Capital Outlay:				
Highway and streets (CO)	491,297	647,012	667,300	(20,288)
Total expenditures	<u>493,297</u>	<u>963,767</u>	<u>1,006,267</u>	<u>(42,500)</u>
Net change in fund balance	(175,155)	(645,625)	(667,540)	(21,915)
Fund balance, July 1, 2020	785,346	785,346	785,346	-
Fund balance, June 30, 2021	<u>\$ 610,191</u>	<u>\$ 139,721</u>	<u>\$ 117,806</u>	<u>\$ (21,915)</u>

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

Net change in fund balances - budgetary basis	\$ (667,540)
Receivable accrual	18,528
Payable accrual	(36,674)
Net change in fund balances - GAAP basis	<u>\$ (685,687)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 319,014	\$ 319,014	\$ 321,752	\$ 2,738
Investment income	-	-	123	123
Total revenues	<u>319,014</u>	<u>319,014</u>	<u>321,875</u>	<u>2,861</u>
<b>Expenditures:</b>				
Community development and housing	<u>387,847</u>	<u>429,791</u>	<u>49,074</u>	<u>380,717</u>
Total expenditures	<u>387,847</u>	<u>429,791</u>	<u>49,074</u>	<u>380,717</u>
Net change in fund balance	(68,833)	(110,777)	272,801	383,578
Fund balance, July 1, 2020	431,922	431,922	431,922	-
Fund balance, June 30, 2021	<u>\$ 363,089</u>	<u>\$ 321,145</u>	<u>\$ 704,723</u>	<u>\$ 383,578</u>

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

Net change in fund balances - budgetary basis	\$ 272,801
Receivable accrual	<u>15,796</u>
Net change in fund balances - GAAP basis	<u>\$ 288,597</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Park Tax Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 14,369,024	\$ 14,369,024	\$ 14,507,783	\$ 138,759
Licenses and permits	50,000	50,000	55,376	5,376
Charges for service	50,000	50,000	3,200	(46,800)
Rents and royalties	10,000	10,000	14,562	4,562
Investment income	3,000	3,000	1,254	(1,746)
Miscellaneous	-	-	152,005	152,005
Total revenues	<u>14,482,024</u>	<u>14,482,024</u>	<u>14,734,180</u>	<u>252,156</u>
<b>Expenditures:</b>				
Current:				
Public safety	40,357	64,656	41,038	23,618
Culture-recreation	14,113,286	18,022,753	16,439,861	1,582,892
Capital Outlay:				
Culture-recreation (CO)	502,890	89,070	76,127	12,943
Total expenditures	<u>14,656,533</u>	<u>18,176,479</u>	<u>16,557,026</u>	<u>1,619,453</u>
Revenues over/(under) expenditures	<u>(174,509)</u>	<u>(3,694,455)</u>	<u>(1,822,846)</u>	<u>1,871,609</u>
Other financing sources/(uses)				
Transfers out	(78,663)	(678,663)	(78,663)	600,000
Total other financing sources/(uses)	<u>(78,663)</u>	<u>(678,663)</u>	<u>(78,663)</u>	<u>600,000</u>
Net change in fund balance	(253,172)	(4,373,118)	(1,901,509)	2,471,609
Fund balance, July 1, 2020	6,295,912	6,295,912	6,295,912	-
Fund balance, June 30, 2021	<u>\$ 6,042,740</u>	<u>\$ 1,922,794</u>	<u>\$ 4,394,403</u>	<u>\$ 2,471,609</u>

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

Net change in fund balances - budgetary basis	\$ (1,901,509)
Tax receivable accrual	57,994
Payable accrual	(830,392)
Net change in fund balances - GAAP basis	<u>\$ (2,673,907)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Street and Open Space Improvement Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Capital Outlay:				
Highway and streets (CO)	-	654,599	654,599	-
Total expenditures	-	654,599	654,599	-
Net change in fund balance	-	(654,599)	(654,599)	-
Fund balance, July 1, 2020	1,565,361	1,565,361	1,565,361	-
Fund balance, June 30, 2021	<u>\$ 1,565,361</u>	<u>\$ 910,762</u>	<u>\$ 910,762</u>	<u>\$ -</u>

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

Net change in fund balances - budgetary basis	\$ (654,599)
Payable accrual	470,288
Net change in fund balances - GAAP basis	<u>\$ (184,312)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 5,314,954	\$ 5,314,954	\$ 5,275,758	\$ (39,196)
Charges for service	46,000	46,000	17,854	(28,146)
Total revenues	<u>5,360,954</u>	<u>5,360,954</u>	<u>5,293,612</u>	<u>(67,342)</u>
<b>Expenditures:</b>				
General government	349,441	349,441	59,193	290,248
Public safety	4,223,962	4,182,193	4,949,072	(766,879)
Health and welfare	236,621	239,316	204,136	35,180
Total expenditures	<u>4,810,024</u>	<u>4,770,950</u>	<u>5,212,401</u>	<u>(441,451)</u>
Net change in fund balance	550,930	590,004	81,211	(508,793)
Fund balance, July 1, 2020	2,718,314	2,718,314	2,718,314	-
Fund balance, June 30, 2021	<u>\$ 3,269,244</u>	<u>\$ 3,308,318</u>	<u>\$ 2,799,525</u>	<u>\$ (508,793)</u>

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

Net change in fund balances - budgetary basis	\$ 81,211
Receivable accrual	23,403
Net change in fund balances - GAAP basis	<u>\$ 104,614</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
1st Response Advanced Life Support (ALSFR) Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Public safety	-	2,000	-	2,000
Total expenditures	-	2,000	-	2,000
Net change in fund balance	-	(2,000)	-	2,000
Fund balance, July 1, 2020	(5,998)	(5,998)	(5,998)	-
Fund balance, June 30, 2021	<u>\$ (5,998)</u>	<u>\$ (7,998)</u>	<u>\$ (5,998)</u>	<u>\$ 2,000</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Street Lighting Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,240,939	\$ 2,240,939	\$ 1,955,910	\$ (285,029)
Investment income	-	-	444	444
Total revenues	<u>2,240,939</u>	<u>2,240,939</u>	<u>1,956,354</u>	<u>(284,585)</u>
<b>Expenditures:</b>				
Current:				
General government	41,717	41,717	36,300	5,417
Public safety	87,452	315,445	318,548	(3,103)
Highway and streets	2,172,893	1,971,752	1,013,865	957,887
Debt service:				
Principal repayment	354,761	352,614	352,614	-
Interest and fiscal charges	15,690	17,837	17,837	-
Total expenditures	<u>2,672,513</u>	<u>2,699,365</u>	<u>1,739,164</u>	<u>960,201</u>
Revenues over/(under) expenditures	<u>(431,574)</u>	<u>(458,426)</u>	<u>217,190</u>	<u>675,616</u>
Other financing sources/(uses)				
Transfers out	(12,120)	(12,120)	(12,120)	-
Total other financing sources/(uses)	<u>(12,120)</u>	<u>(12,120)</u>	<u>(12,120)</u>	<u>-</u>
Net change in fund balance	(443,694)	(470,546)	205,070	675,616
Fund balance, July 1, 2020	1,864,462	1,864,462	1,864,462	-
Fund balance, June 30, 2021	<u>\$ 1,420,768</u>	<u>\$ 1,393,916</u>	<u>\$ 2,069,532</u>	<u>\$ 675,616</u>

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

Net change in fund balances - budgetary basis	\$ 205,070
Receivable accrual	9,629
Payable accrual	<u>182,802</u>
Net change in fund balances - GAAP basis	<u>\$ 397,500</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 820,189	\$ 820,189
Investment income	-	-	9,323	9,323
Miscellaneous	150,000	150,000	46,540	(103,460)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>876,052</u>	<u>726,052</u>
<b>Expenditures:</b>				
Economic development	156,387	163,387	23,122	140,265
Total expenditures	<u>156,387</u>	<u>163,387</u>	<u>23,122</u>	<u>140,265</u>
Net change in fund balance	(6,387)	(13,387)	852,930	866,317
Fund balance, July 1, 2020	148,457	148,457	148,457	-
Fund balance, June 30, 2021	<u>\$ 142,070</u>	<u>\$ 135,070</u>	<u>\$ 1,001,387</u>	<u>\$ 866,317</u>

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

Net change in fund balances - budgetary basis	\$ 852,930
Notes receivable accrual	(814,000)
Loans payable accrual	(46,540)
Net change in fund balances - GAAP basis	<u>\$ (7,610)</u>



**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Miles Lab Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 8,500	\$ 8,500	\$ 8,650	\$ 150
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>8,650</u>	<u>150</u>
<b>Expenditures:</b>				
Public Safety	-	158,005	561	157,444
Culture-recreation	8,500	8,500	167,110	(158,610)
Total expenditures	<u>8,500</u>	<u>166,505</u>	<u>167,671</u>	<u>(1,166)</u>
Net change in fund balance	-	(158,005)	(159,021)	(1,016)
Fund balance, July 1, 2020	232,763	232,763	232,763	-
Fund balance, June 30, 2021	<u>\$ 232,763</u>	<u>\$ 74,758</u>	<u>\$ 73,742</u>	<u>\$ (1,016)</u>

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

Net change in fund balances - budgetary basis	\$ (159,021)
Payable accrual	<u>7,214</u>
Net change in fund balances - GAAP basis	<u>\$ (151,807)</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Employee Training Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>				
General government	\$ 774,643	\$ 747,662	\$ 716,250	\$ 31,412
Total expenditures	<u>774,643</u>	<u>747,662</u>	<u>716,250</u>	<u>31,412</u>
Revenues over/(under) expenditures	<u>(774,643)</u>	<u>(747,662)</u>	<u>(716,250)</u>	<u>31,412</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	(24,643)	2,338	33,750	31,412
Fund balance, July 1, 2020	59,950	59,950	59,950	-
Fund balance, June 30, 2021	<u>\$ 35,307</u>	<u>\$ 62,288</u>	<u>\$ 93,700</u>	<u>\$ 31,412</u>

**City of Berkeley**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**UC Settlement Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ -	\$ 1,210,073	\$ 1,210,073	\$ -
Total revenues	-	1,210,073	1,210,073	-
<b>Expenditures:</b>				
Highway and streets	-	149,384	7,000	142,384
Total expenditures	-	149,384	7,000	142,384
Revenues over/(under) expenditures	-	1,060,689	1,203,073	142,384
Other financing sources/(uses)				
Transfers out	-	(1,210,073)	(1,210,073)	-
Total other financing sources/(uses)	-	(1,210,073)	(1,210,073)	-
Net change in fund balance	-	(149,384)	(7,000)	142,384
Fund balance, July 1, 2020	461,002	461,002	461,002	-
Fund balance, June 30, 2021	<u>\$ 461,002</u>	<u>\$ 311,618</u>	<u>\$ 454,002</u>	<u>\$ 142,384</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Private Percent Art Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ -	\$ 65,360	\$ 65,360
Total revenues	<u>-</u>	<u>-</u>	<u>65,360</u>	<u>65,360</u>
<b>Expenditures:</b>				
General Government	-	15,587	685	14,902
Community development and housing	-	780	-	780
Economic development	22,380	866,617	110,293	756,324
Total expenditures	<u>22,380</u>	<u>882,984</u>	<u>110,978</u>	<u>772,006</u>
Net change in fund balance	(22,380)	(882,984)	(45,618)	837,366
Fund balance, July 1, 2020	868,098	868,098	868,098	-
Fund balance, June 30, 2021	<u>\$ 845,718</u>	<u>\$ (14,886)</u>	<u>\$ 822,480</u>	<u>\$ 837,366</u>

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

Net change in fund balances - budgetary basis	\$ (45,618)
Payable accrual	<u>(10,212)</u>
Net change in fund balances - GAAP basis	<u>\$ (55,830)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 100,000	\$ 100,000	\$ 492,247	\$ 392,247
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>492,247</u>	<u>392,247</u>
<b>Expenditures:</b>				
Current				
Highway and streets	100,000	150,000	916	149,084
Capital outlay				
Highway and streets	-	150,000	-	150,000
Total expenditures	<u>100,000</u>	<u>300,000</u>	<u>916</u>	<u>299,084</u>
Net change in fund balance	-	(200,000)	491,331	691,331
Fund balance, July 1, 2020	358,539	358,539	358,539	-
Fund balance, June 30, 2021	<u>\$ 358,539</u>	<u>\$ 158,539</u>	<u>\$ 849,870</u>	<u>\$ 691,331</u>

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

Net change in fund balances - budgetary basis	\$ 491,331
Payable accrual	<u>3,815</u>
Net change in fund balances - GAAP basis	<u>\$ 495,146</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Public Art Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Expenditures:</b>				
General Government	\$ -	\$ 18,000	\$ 17,876	\$ 124
Economic development	64,367	135,540	16,406	119,134
Total expenditures	<u>64,367</u>	<u>153,540</u>	<u>34,282</u>	<u>119,258</u>
Revenues over/(under) expenditures	<u>(64,367)</u>	<u>(153,540)</u>	<u>(34,282)</u>	<u>119,258</u>
Other financing sources/(uses)				
Transfers in	64,367	64,367	64,367	-
Total other financing sources/(uses)	<u>64,367</u>	<u>64,367</u>	<u>64,367</u>	<u>-</u>
Net change in fund balance	-	(89,173)	30,085	119,258
Fund balance, July 1, 2020	52,709	52,709	52,709	-
Fund balance, June 30, 2021	<u>\$ 52,709</u>	<u>\$ (36,464)</u>	<u>\$ 82,794</u>	<u>\$ 119,258</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 30,000	\$ 30,000	\$ 23,910	\$ (6,090)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>23,910</u>	<u>(6,090)</u>
<b>Expenditures:</b>				
Health and welfare	29,893	75,453	33,340	42,113
Total expenditures	<u>29,893</u>	<u>75,453</u>	<u>33,340</u>	<u>42,113</u>
Net change in fund balance	107	(45,453)	(9,430)	36,023
Fund balance, July 1, 2020	260,615	260,615	260,615	-
Fund balance, June 30, 2021	<u>\$ 260,722</u>	<u>\$ 215,162</u>	<u>\$ 251,185</u>	<u>\$ 36,023</u>

**City of Berkeley**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**PERS Savings Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 459,191	\$ 459,191
Total revenues	-	-	459,191	459,191
<b>Expenditures:</b>				
Current				
General Government	\$ -	\$ -	\$ 24,785	\$ (24,785)
Revenues over/(under) expenditures	-	-	(24,785)	(24,785)
<b>Other financing sources/(uses)</b>				
Transfers in	\$ 151,632	\$ 151,632	\$ 1,470,134	\$ 1,318,502
Total other financing sources/(uses)	151,632	151,632	1,470,134	1,318,502
Net change in fund balance	151,632	151,632	1,904,540	1,802,478
Fund balance, July 1, 2020	10,590,217	10,590,217	10,590,217	-
Fund balance, June 30, 2021	<u>\$ 10,741,849</u>	<u>\$ 10,741,849</u>	<u>\$ 12,494,757</u>	<u>\$ 1,802,478</u>

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

Net change in fund balances - budgetary basis	\$ 1,904,540
Receivable accrual	338,096
Net change in fund balances - GAAP basis	<u>\$ 2,242,636</u>



**City of Berkeley**  
**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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,750,000	\$ 1,750,000	\$ 1,891,364	\$ 141,364
Intergovernmental	-	-	124,255	124,255
Total revenues	<u>1,750,000</u>	<u>1,750,000</u>	<u>2,015,619</u>	<u>265,619</u>
<b>Expenditures:</b>				
Health and welfare	1,366,964	1,366,964	391,850	975,114
Total expenditures	<u>1,366,964</u>	<u>1,366,964</u>	<u>391,850</u>	<u>975,114</u>
Revenues over/(under) expenditures	<u>383,036</u>	<u>383,036</u>	<u>1,623,769</u>	<u>1,240,733</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)	-
Total other financing sources/(uses)	<u>(690,262)</u>	<u>(690,262)</u>	<u>(690,262)</u>	<u>-</u>
Net change in fund balance	(307,226)	(307,226)	933,507	1,240,733
Fund balance, July 1, 2020	2,775,415	2,775,415	2,775,415	-
Fund balance, June 30, 2021	<u>\$ 2,468,189</u>	<u>\$ 2,468,189</u>	<u>\$ 3,708,922</u>	<u>\$ 1,240,733</u>

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

Net change in fund balances - budgetary basis	\$ 933,507
Receivable accrual	(14,413)
Net change in fund balances - GAAP basis	<u>\$ 919,094</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Tobacco Control Fund - Budgetary Basis  
For the year ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 300,000	\$ 300,000	\$ 150,000	\$ (150,000)
Investment income	-	-	39	39
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>150,039</u>	<u>(149,961)</u>
<b>Expenditures:</b>				
Health and welfare	<u>334,284</u>	<u>435,660</u>	<u>383,226</u>	<u>52,434</u>
Total expenditures	<u>334,284</u>	<u>435,660</u>	<u>383,226</u>	<u>52,434</u>
Net change in fund balance	(34,284)	(135,660)	(233,187)	(97,527)
Fund balance, July 1, 2020	194,725	194,725	194,725	-
Fund balance, June 30, 2021	<u>\$ 160,441</u>	<u>\$ 59,065</u>	<u>\$ (38,462)</u>	<u>\$ (97,527)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 2,710,000	\$ 2,710,000	\$ 2,694,425	\$ (15,575)
Total revenues	<u>2,710,000</u>	<u>2,710,000</u>	<u>2,694,425</u>	<u>(15,575)</u>
<b>Expenditures:</b>				
Health and welfare	2,921,175	3,407,576	2,317,538	1,090,038
Community development and housing	-	269,785	248,235	21,550
Total expenditures	<u>2,921,175</u>	<u>3,677,361</u>	<u>2,565,773</u>	<u>1,111,588</u>
Net change in fund balance	(211,175)	(967,361)	128,652	1,096,013
Fund balance, July 1, 2020	5,612,638	5,612,638	5,612,638	-
Fund balance, June 30, 2021	<u>\$ 5,401,463</u>	<u>\$ 4,645,277</u>	<u>\$ 5,741,290</u>	<u>\$ 1,096,013</u>

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

Net change in fund balances - budgetary basis	\$ 128,652
Payable accrual	<u>33,192</u>
Net change in fund balances - GAAP basis	<u>\$ 161,844</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 292,235	\$ 42,235
Investment income	-	-	251	251
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>292,486</u>	<u>42,486</u>
<b>Expenditures:</b>				
Public safety	258,921	869,048	700,648	168,400
Total expenditures	<u>258,921</u>	<u>869,048</u>	<u>700,648</u>	<u>168,400</u>
Net change in fund balance	(8,921)	(619,048)	(408,162)	210,886
Fund balance, July 1, 2020	1,011,627	1,011,627	1,011,627	-
Fund balance, June 30, 2021	<u>\$ 1,002,706</u>	<u>\$ 392,579</u>	<u>\$ 603,465</u>	<u>\$ 210,886</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for service	\$ 98,000	\$ 98,000	\$ 150,081	\$ 52,081
Total revenues	<u>98,000</u>	<u>98,000</u>	<u>150,081</u>	<u>52,081</u>
<b>Expenditures:</b>				
Health and welfare	99,852	146,932	75,017	71,915
Total expenditures	<u>99,852</u>	<u>146,932</u>	<u>75,017</u>	<u>71,915</u>
Net change in fund balance	(1,852)	(48,932)	75,064	123,996
Fund balance, July 1, 2020	181,796	181,796	181,796	-
Fund balance, June 30, 2021	<u>\$ 179,944</u>	<u>\$ 132,864</u>	<u>\$ 256,860</u>	<u>\$ 123,996</u>

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

Net change in fund balances - budgetary basis	\$ 75,064
Receivable accrual	<u>1,656</u>
Net change in fund balances - GAAP basis	<u>\$ 76,720</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual  
Fair Elections Fund - Budgetary Basis  
For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Private contribution and donations	\$ -	\$ -	\$ 23,035	\$ 23,035
Total revenues	-	-	23,035	23,035
<b>Expenditures:</b>				
Current:				
General government	501,833	501,833	361,652	140,181
Total expenditures	501,833	501,833	361,652	140,181
Revenues over/(under) expenditures	(501,833)	(501,833)	(338,617)	163,216
Other financing sources/(uses)				
Transfers in	501,833	501,833	917,799	(415,966)
Total other financing sources/(uses)	501,833	501,833	917,799	(415,966)
Net change in fund balance	-	-	579,182	(252,750)
Fund balance, July 1, 2020	-	-	-	-
Fund balance, June 30, 2021	\$ -	\$ -	\$ 579,182	\$ (252,750)

**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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 3,680	\$ 3,680
Total revenues	-	-	3,680	3,680
<b>Expenditures:</b>				
Current:				
Highway and streets	106,621	702,694	268,828	433,866
Culture-recreation	1,683,327	6,683,108	1,990,202	4,692,906
Community development and housing	475,283	10,680,575	5,369,859	5,310,716
Economic development	-	283,285	267,670	15,615
Debt service:				
Debt issuance costs	-	-	555,000	(555,000)
Capital outlay:				
Highway and streets	-	3,766,582	4,850,637	(1,084,055)
Community development and housing	-	7,144,488	6,910,048	234,440
Total expenditures	2,265,231	29,260,732	20,212,244	9,048,488
Revenues over/(under) expenditures	(2,265,231)	(29,260,732)	(20,208,564)	9,052,168
Other financing sources/(uses)				
Transfers out	-	-	(2,255,990)	2,255,990
Debt proceeds	-	-	45,000,000	(45,000,000)
Premium on bond issued	-	-	2,810,990	(2,810,990)
Total other financing sources/(uses)	-	-	45,555,000	(45,555,000)
Net change in fund balance	(2,265,231)	(29,260,732)	25,346,436	(36,502,832)
Fund balance, July 1, 2020	18,859,322	18,859,322	18,859,322	-
Fund balance, June 30, 2021	\$ 16,594,091	\$ (10,401,410)	\$ 44,205,758	\$ (36,502,832)

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

Net change in fund balances - budgetary basis	\$ 25,346,436
Receivable accrual	(3,833)
Payable accrual	1,184,826
Net change in fund balances - GAAP basis	\$ 26,527,429

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Phone System Replacement Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures:</b>				
General government	160,000	160,000	82,521	77,479
Total expenditures	160,000	160,000	82,521	77,479
Revenue over/(under) expenditures	(160,000)	(160,000)	(82,521)	77,479
Other financing sources/(uses)				
Transfers in	160,000	160,000	160,000	-
Total other financing sources/(uses)	160,000	160,000	160,000	-
Net change in fund balance	(320,000)	-	77,479	77,479
Fund balance, July 1, 2020	464,700	464,700	464,700	-
Fund balance, June 30, 2021	<u>\$ 144,700</u>	<u>\$ 464,700</u>	<u>\$ 542,179</u>	<u>\$ 77,479</u>



**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Fund\$ Replacement Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Expenditures:</b>				
General government	\$ 6,481,658	\$ 6,222,437	\$ 2,929,811	\$ 3,292,626
Total expenditures	<u>6,481,658</u>	<u>6,222,437</u>	<u>2,929,811</u>	<u>3,292,626</u>
Net change in fund balance	(6,481,658)	(6,222,437)	(2,929,811)	3,292,626
Fund balance, July 1, 2020	6,958,329	6,958,329	6,958,329	-
Fund balance, June 30, 2021	<u>\$ 476,671</u>	<u>\$ 735,892</u>	<u>\$ 4,028,518</u>	<u>\$ 3,292,626</u>

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

Net change in fund balances - budgetary basis	\$ (2,929,811)
Payable accrual	47,406
Net change in fund balances - GAAP basis	<u>\$ (2,882,405)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Franchise	\$ -	\$ -	\$ 143,810	\$ 143,810
Total revenues	-	-	143,810	143,810
<b>Expenditures:</b>				
General government	100,000	100,000	-	100,000
Total expenditures	100,000	100,000	-	100,000
Net change in fund balance	(100,000)	(100,000)	143,810	243,810
Fund balance, July 1, 2020	1,958,034	1,958,034	1,958,034	-
Fund balance, June 30, 2021	<u>\$ 1,858,034</u>	<u>\$ 1,858,034</u>	<u>\$ 2,101,844</u>	<u>\$ 243,810</u>

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

Net change in fund balances - budgetary basis	\$ 143,810
Receivable accrual	(2,548)
Net change in fund balances - GAAP basis	<u>\$ 141,262</u>

**City of Berkeley**  
**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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Rents and royalties	\$ -	\$ -	\$ 277	\$ 277
Total revenues	<u>-</u>	<u>-</u>	<u>277</u>	<u>277</u>
<b>Expenditures:</b>				
Current:				
Highway and streets	-	310,290	42,261	268,029
Capital outlay:				
Highway and streets	302,627	302,627	288,415	14,212
Total expenditures	<u>302,627</u>	<u>612,917</u>	<u>330,677</u>	<u>282,240</u>
Other financing sources/(uses)				
Net change in fund balance	(302,627)	(612,917)	(330,400)	282,517
Fund balance, July 1, 2020	1,169,606	1,169,606	1,169,606	-
Fund balance, June 30, 2021	<u>\$ 866,979</u>	<u>\$ 556,689</u>	<u>\$ 839,206</u>	<u>\$ 282,517</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Measure G: Public Safety Building Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 2	\$ 2
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>Expenditures:</b>				
Community development and housing	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	2	2
Fund balance, July 1, 2020	6,103	6,103	6,103	-
Fund balance, June 30, 2021	<u>\$ 6,103</u>	<u>\$ 6,103</u>	<u>\$ 6,105</u>	<u>\$ 2</u>

**Schedule of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Street Improvement Fund - Budgetary Basis**  
**For the year ended June 30, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 22	\$ 22
Total revenues	<u>-</u>	<u>-</u>	<u>22</u>	<u>22</u>
Net change in fund balance	-	-	22	22
Fund balance, July 1, 2020	86,983	86,983	86,983	-
Fund balance, June 30, 2021	<u>\$ 86,983</u>	<u>\$ 86,983</u>	<u>\$ 87,005</u>	<u>\$ 22</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Rents and royalties	\$ -	\$ -	\$ 1,201	\$ 1,201
Investment income	-	-	9	9
Total revenues	-	-	1,210	1,210
<b>Expenditures:</b>				
General government	-	-	157	(157)
Total expenditures	-	-	157	(157)
Net change in fund balance	-	-	1,053	1,053
Fund balance, July 1, 2020	33,099	33,099	33,099	-
Fund balance, June 30, 2021	<u>\$ 33,099</u>	<u>\$ 33,099</u>	<u>\$ 34,152</u>	<u>\$ 1,053</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 8,945	\$ 8,945
Total revenues	-	-	8,945	8,945
<b>Expenditures:</b>				
Current				
Community development and housing	-	15,937,061	14,502,308	1,434,753
Capital Outlay				
Highway and streets	-	273,347	143,347	130,000
Total expenditures	-	16,210,408	14,645,655	1,564,753
Net change in fund balance	-	(16,210,408)	(14,636,710)	1,573,698
Fund balance, July 1, 2020	37,311,220	37,311,220	37,311,220	-
Fund balance, June 30, 2021	<u>\$ 37,311,220</u>	<u>\$ 21,100,812</u>	<u>\$ 22,674,510</u>	<u>\$ 1,573,698</u>

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

Net change in fund balances - budgetary basis	\$ (14,636,710)
Payable accrual	14,502,309
Net change in fund balances - GAAP basis	<u>\$ (134,402)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1,574,691	\$ 1,574,691
Total revenues	<u>-</u>	<u>-</u>	<u>1,574,691</u>	<u>1,574,691</u>
<b>Expenditures:</b>				
Debt Service:				
Principal repayment	675,000	675,000	924,999	(249,999)
Interest and fiscal charges	946,745	946,745	575,665	371,080
Total expenditures	<u>1,621,745</u>	<u>1,621,745</u>	<u>1,500,664</u>	<u>3,270,463</u>
Net change in fund balance	(1,621,745)	(1,621,745)	74,027	4,845,154
Fund balance, July 1, 2020	1,249,565	1,249,565	1,249,565	-
Fund balance, June 30, 2021	<u>\$ (372,180)</u>	<u>\$ (372,180)</u>	<u>\$ 1,323,592</u>	<u>\$ 4,845,154</u>

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

Net change in fund balances - budgetary basis	\$ 74,027
Receivable accrual	6,478
Net change in fund balances - GAAP basis	<u>\$ 80,505</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,309,864	\$ 3,309,864	\$ 2,120,620	\$ (1,189,244)
Total revenues	<u>3,309,864</u>	<u>3,309,864</u>	<u>2,120,620</u>	<u>(1,189,244)</u>
<b>Expenditures:</b>				
Principal repayment	1,916,249	1,916,249	1,916,249	-
Interest and fiscal charges	688,656	688,656	687,807	849
Total expenditures	<u>2,604,905</u>	<u>2,604,905</u>	<u>2,604,056</u>	<u>849</u>
Net change in fund balance	704,959	704,959	(483,436)	(1,188,395)
Fund balance, July 1, 2020	2,412,002	2,412,002	2,412,002	-
Fund balance, June 30, 2021	<u>\$ 3,116,961</u>	<u>\$ 3,116,961</u>	<u>\$ 1,928,566</u>	<u>\$ (1,188,395)</u>

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

Net change in fund balances - budgetary basis	\$ (483,436)
Receivable accrual	2,664
Net change in fund balances - GAAP basis	<u>\$ (480,772)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	2	2
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>Expenditures:</b>				
Principal repayment	320,880	320,880	320,878	2
Interest and fiscal charges	181,418	181,418	180,619	799
Total expenditures	<u>502,298</u>	<u>502,298</u>	<u>501,497</u>	<u>801</u>
Revenues over/(under) expenditures	<u>(502,298)</u>	<u>(502,298)</u>	<u>(501,495)</u>	<u>803</u>
<b>Other financing sources/(uses)</b>				
Transfers in	499,802	499,802	499,802	-
Total other financing sources/(uses)	<u>499,802</u>	<u>499,802</u>	<u>499,802</u>	<u>-</u>
Net change in fund balance	(2,496)	(2,496)	(1,694)	803
Fund balance, July 1, 2020	(7,151)	(7,151)	(7,151)	-
Fund balance, June 30, 2021	<u>\$ (9,647)</u>	<u>\$ (9,647)</u>	<u>\$ (8,845)</u>	<u>\$ 803</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,463,321	\$ 1,463,321	\$ 383,523	\$ (1,079,798)
Total revenues	<u>1,463,321</u>	<u>1,463,321</u>	<u>383,523</u>	<u>(1,079,798)</u>
<b>Expenditures:</b>				
Principal repayment	352,269	352,269	352,268	1
Interest and fiscal charges	128,942	128,942	126,441	2,501
Debt issuance costs	0	0	750	(750)
Total expenditures	<u>481,211</u>	<u>481,211</u>	<u>479,459</u>	<u>1,752</u>
Revenues over/(under) expenditures	<u>982,110</u>	<u>982,110</u>	<u>(95,936)</u>	<u>(1,078,046)</u>
Net change in fund balance	982,110	982,110	(95,936)	(1,078,046)
Fund balance, July 1, 2020	1,308,660	1,308,660	1,308,660	-
Fund balance, June 30, 2021	<u>\$ 2,290,770</u>	<u>\$ 2,290,770</u>	<u>\$ 1,212,724</u>	<u>\$ (1,078,046)</u>

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

Net change in fund balances - budgetary basis	\$ (95,936)
Receivable accrual	475
Net change in fund balances - GAAP basis	<u>\$ (95,462)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 256,987	\$ 256,987	\$ 157,874	\$ (99,113)
Total revenues	<u>256,987</u>	<u>256,987</u>	<u>157,874</u>	<u>(99,113)</u>
<b>Expenditures:</b>				
Principal repayment	132,679	132,679	132,678	1
Interest and fiscal charges	48,471	48,471	47,623	848
Total expenditures	<u>181,150</u>	<u>181,150</u>	<u>180,301</u>	<u>849</u>
Net change in fund balance	75,837	75,837	(22,427)	(98,264)
Fund balance, July 1, 2020	459,206	459,206	459,206	-
Fund balance, June 30, 2021	<u>\$ 535,043</u>	<u>\$ 535,043</u>	<u>\$ 436,779</u>	<u>\$ (98,264)</u>

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

Net change in fund balances - budgetary basis	\$ (22,427)
Receivable accrual	243
Net change in fund balances - GAAP basis	<u>\$ (22,185)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 305,652	\$ 305,652	\$ 496,267	\$ 190,615
Total revenues	<u>305,652</u>	<u>305,652</u>	<u>496,267</u>	<u>190,615</u>
<b>Expenditures:</b>				
Principal repayment	448,804	448,804	448,804	-
Interest and fiscal charges	161,987	161,987	161,091	896
Total expenditures	<u>610,791</u>	<u>610,791</u>	<u>609,895</u>	<u>896</u>
Net change in fund balance	(305,139)	(305,139)	(113,628)	191,511
Fund balance, July 1, 2020	496,242	496,242	496,242	-
Fund balance, June 30, 2021	<u>\$ 191,103</u>	<u>\$ 191,103</u>	<u>\$ 382,614</u>	<u>\$ 191,511</u>

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

Net change in fund balances - budgetary basis	\$ (113,628)
Receivable accrual	672
Net change in fund balances - GAAP basis	<u>\$ (112,956)</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 41	\$ 41
Total revenues	-	-	41	41
<b>Expenditures:</b>				
Principal repayment	125,000	125,000	125,000	-
Interest and fiscal charges	278,685	278,685	380,307	(101,622)
Debt issuance costs	-	-	195,846	(195,846)
Total expenditures	403,685	403,685	701,153	(297,468)
Revenues over/(under) expenditures	(403,685)	(403,685)	(701,112)	(297,427)
Other financing sources/(uses)				
Transfers in	402,613	402,613	402,613	-
Face value of refunding bonds issued	-	-	3,975,000	3,975,000
Payment to refunded bond escrow agent	-	-	(4,765,000)	(4,765,000)
Premium on bond issued	-	-	674,757	674,757
Total other financing sources/(uses)	402,613	402,613	287,370	(115,243)
Net change in fund balance	(1,072)	(1,072)	(413,742)	(412,670)
Fund balance, July 1, 2020	404,765	404,765	404,765	-
Fund balance, June 30, 2021	\$ 403,693	\$ 403,693	\$ (8,977)	\$ (412,670)

**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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 1,796,294	\$ 1,796,294
Total revenues	<u>-</u>	<u>-</u>	<u>1,796,294</u>	<u>1,796,294</u>
<b>Expenditures:</b>				
Principal repayment	630,000	630,000	630,000	-
Interest and fiscal charges	1,011,863	1,011,863	1,012,613	(750)
Total expenditures	<u>1,641,863</u>	<u>1,641,863</u>	<u>1,642,613</u>	<u>(750)</u>
Revenues over/(under) expenditures	<u>(1,641,863)</u>	<u>(1,641,863)</u>	<u>153,681</u>	<u>1,795,544</u>
Net change in fund balance	(1,641,863)	(1,641,863)	153,681	1,795,544
Fund balance, July 1, 2020	2,017,253	2,017,253	2,017,253	-
Fund balance, June 30, 2021	<u>\$ 375,390</u>	<u>\$ 375,390</u>	<u>\$ 2,170,934</u>	<u>\$ 1,795,544</u>

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

Net change in fund balances - budgetary basis	\$ 153,681
Receivable accrual	10,756
Net change in fund balances - GAAP basis	<u>\$ 164,438</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 3,586,437	\$ 3,586,437
Total revenues	<u>-</u>	<u>-</u>	<u>3,586,437</u>	<u>3,586,437</u>
<b>Expenditures:</b>				
Principal repayment	660,000	660,000	660,000	-
Interest and fiscal charges	1,070,057	1,070,057	1,070,806	(749)
Total expenditures	<u>1,730,057</u>	<u>1,730,057</u>	<u>1,730,806</u>	<u>(749)</u>
Revenues over/(under) expenditures	<u>(1,730,057)</u>	<u>(1,730,057)</u>	<u>1,855,631</u>	<u>3,585,688</u>
Other financing sources/(uses)				
Transfers in	-	-	2,255,990	2,255,990
Total Other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>2,255,990</u>	<u>2,255,990</u>
Net change in fund balance	(1,730,057)	(1,730,057)	4,111,621	5,841,678
Fund balance, July 1, 2020	1,745,072	1,745,072	1,745,072	-
Fund balance, June 30, 2021	<u>\$ 15,015</u>	<u>\$ 15,015</u>	<u>\$ 5,856,693</u>	<u>\$ 5,841,678</u>

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

Net change in fund balances - budgetary basis	\$ 4,111,621
Receivable accrual	27,663
Net change in fund balances - GAAP basis	<u>\$ 4,139,285</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, 2021**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 2,019,030	\$ 2,019,030
Total revenues	-	-	2,019,030	2,019,030
<b>Expenditures:</b>				
Principal repayment	-	-	845,000	(845,000)
Debt issuance costs	-	-	1,158,748	(1,158,748)
Total other financing sources (uses)	-	-	2,003,748	(2,003,748)
Net change in fund balance	-	-	15,282	15,282
Fund balance, July 1, 2020	2,302,012	2,302,012	2,302,012	-
Fund balance, June 30, 2021	<u>\$ 2,302,012</u>	<u>\$ 2,302,012</u>	<u>\$ 2,317,294</u>	<u>\$ 15,282</u>

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

Net change in fund balances - budgetary basis	\$ 15,282
Receivable accrual	13,902
Net change in fund balances - GAAP basis	<u>\$ 29,184</u>



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**INTERNAL SERVICE FUNDS**

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The **Equipment Maintenance and Replacement Fund** accounts for rental fees that are used to maintain and replace equipment in the Corporation yard.

The **Building Maintenance Fund** accounts for charges for services by the Public Works Building Maintenance Division for the maintenance of City buildings.

The **Supply Warehouse Fund** was established for maintaining an inventory of office materials and supplies in the City's warehouse facility. Departmental budgets are charged for this service.

The **Computer Replacement Fund** accounts for the charges to departments to systematically modernize the Citywide PC infrastructure and safeguard the efficiency of the Citywide network operations.

The **Workers' Compensation Self-Insurance Fund** accounts for the cost of providing workers' compensation coverage on a Citywide basis.

The **Sick Leave & Vacation Payouts Fund** accounts for unused sick and vacation benefits.

The **Public Liability Fund** was established to pay any expenditures related to public liability claims. This fund is reimbursed by the General Fund.

The **Catastrophic Loss Fund** was established to fund any public liability judgement against the City in excess of \$250,000.

The **IT Cost Allocation Fund** was established to replace the existing financial system of the City.

**Combining Statement of Net Position**  
**All Internal Service Funds**  
**June 30, 2021**

	<u>Equipment Maintenance Replacement</u>	<u>Building Maintenance</u>	<u>Central Services</u>	<u>Computer Replacement</u>
<b>Assets</b>				
Current assets:				
Cash and investments in treasury	\$ 15,632,529	\$ 3,250,823	\$ 178,627	\$ 653
Accounts receivable	22,282	5,897	-	-
Accrued interest	49,977	8,864	-	2
Inventory	-	-	14,538	-
Total current assets	<u>15,704,788</u>	<u>3,265,584</u>	<u>193,165</u>	<u>655</u>
Noncurrent assets:				
Advances to other funds	-	-	-	-
Capital assets:				
Building	1,162,882	11,848	-	-
Improvements other than buildings	171,524	-	-	-
Machinery and equipment	50,510,069	128,998	-	1,416,924
Construction in progress	865,227	-	-	-
Less accumulated depreciation	<u>(31,837,356)</u>	<u>(99,290)</u>	<u>-</u>	<u>(1,363,731)</u>
Total noncurrent assets	<u>20,872,346</u>	<u>41,556</u>	<u>-</u>	<u>53,193</u>
Total assets	<u>36,577,134</u>	<u>3,307,140</u>	<u>193,165</u>	<u>53,848</u>
<b>Deferred outflows of resources:</b>				
Deferred pension items	1,099,428	704,325	20,126	-
Deferred OPEB items	448,044	260,742	12,144	-
Total deferred outflows of resources	<u>1,547,472</u>	<u>965,067</u>	<u>32,270</u>	<u>-</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	970,910	60,190	2,949	-
Accrued salaries and wages	200,215	124,589	5,514	-
Accrued interest payable	36,449	-	-	-
Compensated absences	25,438	8,338	238	-
Claims and judgments payable	-	-	-	-
Capital lease payable	1,085,585	-	-	-
Total current liabilities	<u>2,318,597</u>	<u>193,117</u>	<u>8,701</u>	<u>-</u>
Noncurrent liabilities				
Compensated absences	309,855	101,562	2,900	-
Claims and judgments payable	-	-	-	-
Capital lease payable	3,478,682	-	-	-
Net pension liabilities	8,279,069	5,069,942	161,872	-
Net OPEB liabilities	888,221	606,757	26,341	-
Total noncurrent liabilities	<u>12,955,827</u>	<u>5,778,261</u>	<u>191,113</u>	<u>-</u>
Total liabilities	<u>15,274,424</u>	<u>5,971,378</u>	<u>199,814</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Deferred OPEB items	618,396	366,396	16,644	-
Total deferred inflows of resources	<u>618,396</u>	<u>366,396</u>	<u>16,644</u>	<u>-</u>
<b>Net position</b>				
Net investment in capital assets	16,308,079	41,556	-	53,193
Unrestricted	5,923,707	(2,107,123)	8,977	655
Total net position	<u>\$ 22,231,786</u>	<u>\$ (2,065,567)</u>	<u>\$ 8,977</u>	<u>\$ 53,848</u>

<u>Workers' Compensation</u>	<u>Sick Leave &amp; Vacation Payouts</u>	<u>Public Liability</u>	<u>Catastrophic Loss</u>	<u>IT Cost Allocation Plan</u>	<u>Total</u>
\$ 48,148,831	\$ 7,082,654	\$ 526,691	\$ 210,994	\$ 6,499,317	\$ 81,531,119
49,191	-	-	-	-	77,370
144,599	20,465	1,409	1,081	-	226,397
-	-	-	-	-	14,538
<u>48,342,621</u>	<u>7,103,119</u>	<u>528,100</u>	<u>212,075</u>	<u>6,499,317</u>	<u>81,849,424</u>
1,759,942	-	-	-	-	1,759,942
-	-	-	-	-	1,174,730
-	-	-	-	-	171,524
2,642	-	-	-	79,122	52,137,755
-	-	-	-	-	865,227
(2,642)	-	-	-	(31,953)	(33,334,972)
<u>1,759,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,169</u>	<u>22,774,206</u>
<u>50,102,563</u>	<u>7,103,119</u>	<u>528,100</u>	<u>212,075</u>	<u>6,546,486</u>	<u>104,623,630</u>
226,058	-	88,427	-	1,662,136	3,800,500
131,452	-	49,618	-	764,832	1,666,832
<u>357,510</u>	<u>-</u>	<u>138,045</u>	<u>-</u>	<u>2,426,968</u>	<u>5,467,332</u>
58,172	-	353,166	-	1,285,020	2,730,407
43,920	267,823	17,590	-	-	659,651
-	-	-	-	-	36,449
5,973	-	1,867	-	51,475	93,329
7,345,000	-	4,923,541	-	-	12,268,541
-	-	-	-	-	1,085,585
<u>7,453,065</u>	<u>267,823</u>	<u>5,296,164</u>	<u>-</u>	<u>1,336,495</u>	<u>16,873,962</u>
72,758	-	22,741	-	627,020	1,136,836
29,192,999	-	-	-	-	29,192,999
-	-	-	-	-	3,478,682
1,942,483	-	820,174	-	13,521,724	29,795,264
234,937	-	107,737	-	1,864,425	3,728,418
<u>31,443,177</u>	<u>-</u>	<u>950,652</u>	<u>-</u>	<u>16,013,169</u>	<u>67,332,199</u>
<u>38,896,242</u>	<u>267,823</u>	<u>6,246,816</u>	<u>-</u>	<u>17,349,664</u>	<u>84,206,161</u>
181,737	-	73,726	-	1,077,932	2,334,831
<u>181,737</u>	<u>-</u>	<u>73,726</u>	<u>-</u>	<u>1,077,932</u>	<u>2,334,831</u>
-	-	-	-	47,169	16,449,997
11,382,094	6,835,296	(5,654,397)	212,075	(9,501,311)	7,099,973
<u>\$ 11,382,094</u>	<u>\$ 6,835,296</u>	<u>\$ (5,654,397)</u>	<u>\$ 212,075</u>	<u>\$ (9,454,142)</u>	<u>\$ 23,549,970</u>

**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**All Internal Service Funds**  
**For the year ended June 30, 2021**

	Equipment Maintenance Replacement	Building Maintenance	Central Services	Computer Replacement
<b>Operating revenues:</b>				
Equipment rentals service charge	\$ 13,177,763	\$ -	\$ -	\$ -
Building maintenance	-	3,908,137	-	-
Central store service charge	-	-	303,016	-
Workers' compensation fees	-	-	-	-
IT service fee	-	-	-	-
Other revenues	23,261	12,943	-	-
Total operating revenues	<u>13,201,024</u>	<u>3,921,080</u>	<u>303,016</u>	<u>-</u>
<b>Operating expenses:</b>				
Personnel services	2,260,660	1,295,755	61,313	-
Employee benefits	1,940,985	1,170,282	43,998	-
Transportation	237,092	154,711	11,524	-
Repairs and maintenance	115,794	191,796	-	-
Materials and supplies	2,925,928	480,414	130,060	-
Utilities	48,416	5,943	-	-
Insurance	7,722	-	-	-
Specialized and professional services	662,036	117,486	9,516	-
Depreciation	3,611,475	20,347	-	35,487
Judgments and claims	-	-	-	-
Communication	4,558	25,379	71	-
General administration	51,557	49,737	31,926	-
Total operating expenses	<u>11,866,223</u>	<u>3,511,850</u>	<u>288,408</u>	<u>35,487</u>
Operating income (loss)	1,334,801	409,230	14,608	(35,487)
<b>Nonoperating revenues (expenses):</b>				
Interest expense	(519,117)	(62,080)	-	(8,542)
Gain (loss) on disposal of capital assets	447,846	-	(789)	-
Total nonoperating revenues (expenses)	<u>(71,271)</u>	<u>(62,080)</u>	<u>(789)</u>	<u>(8,542)</u>
Income (loss) before transfers	1,263,530	347,150	13,819	(44,029)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	1,263,530	347,150	13,819	(44,029)
Total net position - beginning balance	<u>20,968,256</u>	<u>(2,412,717)</u>	<u>(4,842)</u>	<u>97,877</u>
Total net position - ending	<u>\$ 22,231,786</u>	<u>\$ (2,065,567)</u>	<u>\$ 8,977</u>	<u>\$ 53,848</u>

<u>Workers' Compensation</u>	<u>Sick Leave &amp; Vacation Payouts</u>	<u>Public Liability</u>	<u>Catastrophic Loss</u>	<u>IT Cost Allocation Plan</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,177,763
-	-	-	-	-	3,908,137
-	-	-	-	-	303,016
10,636,758	-	-	-	-	10,636,758
-	-	-	-	12,536,075	12,536,075
-	3,295,374	-	-	-	3,331,578
<u>10,636,758</u>	<u>3,295,374</u>	<u>-</u>	<u>-</u>	<u>12,536,075</u>	<u>43,893,327</u>
563,705	2,369,798	154,570	-	4,713,449	11,419,250
411,526	-	122,129	-	3,359,210	7,048,130
-	-	-	-	-	403,327
-	-	-	-	-	307,590
-	-	-	-	502,330	4,038,732
-	-	-	-	-	54,359
-	-	-	-	-	7,722
695,254	-	270	-	3,439,485	4,924,047
-	-	-	-	15,824	3,683,133
6,580,370	-	3,023,504	2,950,333	-	12,554,207
1,237	-	-	-	94,907	126,152
-	-	-	-	784,289	917,509
<u>8,252,092</u>	<u>2,369,798</u>	<u>3,300,473</u>	<u>2,950,333</u>	<u>12,909,494</u>	<u>45,484,158</u>
2,384,666	925,576	(3,300,473)	(2,950,333)	(373,419)	(1,590,831)
(957,123)	(134,140)	(24,996)	(25,071)	-	(1,731,069)
-	-	-	-	-	447,057
<u>(957,123)</u>	<u>(134,140)</u>	<u>(24,996)</u>	<u>(25,071)</u>	<u>-</u>	<u>(1,284,012)</u>
1,427,543	791,436	(3,325,469)	(2,975,404)	(373,419)	(2,874,843)
-	-	3,131,417	2,692,172	188,523	6,012,112
-	-	-	-	(794,160)	(794,160)
1,427,543	791,436	(194,052)	(283,232)	(979,056)	2,343,109
<u>9,954,551</u>	<u>6,043,860</u>	<u>(5,460,345)</u>	<u>495,307</u>	<u>(8,475,086)</u>	<u>21,206,861</u>
<u>\$ 11,382,094</u>	<u>\$ 6,835,296</u>	<u>\$ (5,654,397)</u>	<u>\$ 212,075</u>	<u>\$ (9,454,142)</u>	<u>\$ 23,549,970</u>



**Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2021**

	<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	\$ 13,184,848	\$ 3,922,873	\$ 303,016	\$ -
Cash paid for goods and services	(3,864,777)	(1,012,209)	(179,712)	(114,000)
Cash paid for employee services	(3,913,123)	(2,319,946)	(99,244)	-
Claims and judgments paid	-	-	-	-
Net cash provided (used) by operating activities	<u>5,406,948</u>	<u>590,718</u>	<u>24,060</u>	<u>(114,000)</u>
Cash flows from noncapital financing activities:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Advances repayment from other funds	-	-	-	-
Net cash provided (used) from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Interest paid	(523,634)	(62,080)	-	(8,542)
Purchases of capital assets	(5,812,477)	-	-	(2)
Loan proceeds for equipment purchase	-	-	-	-
Debt repayment	(1,085,583)	-	-	-
Proceeds from disposal of capital assets	447,846	-	-	-
Net cash provided (used) from capital and related financing activities	<u>(6,973,848)</u>	<u>(62,080)</u>	<u>-</u>	<u>(8,544)</u>
Cash flows from investing activities:				
Interest received	51,682	7,228	-	705
Net cash provided (used) from investing activities	<u>51,682</u>	<u>7,228</u>	<u>-</u>	<u>705</u>
Net increase (decrease) in cash and cash equivalents	(1,515,218)	535,866	24,060	(121,839)
Cash and cash equivalents, July 1, 2020	17,147,747	2,714,957	154,567	122,492
Cash and cash equivalents, June 30, 2021	<u>\$ 15,632,529</u>	<u>\$ 3,250,823</u>	<u>\$ 178,627</u>	<u>\$ 653</u>
Financial statement presentation:				
Cash and investments	15,632,530	3,250,823	178,627	654
Total	<u>\$ 15,632,530</u>	<u>\$ 3,250,823</u>	<u>\$ 178,627</u>	<u>\$ 654</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Income (loss) from operations	\$ 1,334,801	\$ 409,230	\$ 14,608	\$ (35,487)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	3,611,475	20,347	-	35,487
Change in:				
Accounts receivable	(16,176)	1,793	-	-
Deferred outflow	(9,217)	(3,815)	418	-
Inventory	-	-	61,475	-
Accounts payable	188,326	13,257	(58,090)	(114,000)
Accrued salaries and wages	(7,048)	(1,747)	543	-
Compensated absences	20,849	5,103	(811)	-
Other liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Claims and judgments payable	-	-	-	-
Net pension liabilities	508,368	287,782	10,578	-
Net OPEB liability	(490,577)	(284,836)	(13,309)	-
Deferred inflows	266,147	143,604	8,648	-
Net cash provided (used) by operating activities	<u>\$ 5,406,948</u>	<u>\$ 590,718</u>	<u>\$ 24,060</u>	<u>\$ (114,000)</u>

<u>Workers' Compensation</u>	<u>Sick Leave &amp; Vacation Payouts</u>	<u>Public Liability</u>	<u>Catastrophic Loss</u>	<u>IT Cost Allocation Plan</u>	<u>Total</u>
\$ 10,636,758	\$ 3,295,374	\$ -	\$ -	\$ 12,642,279	\$ 43,985,148
(639,481)	-	(310,949)	-	(4,245,744)	(10,366,872)
(859,096)	(2,134,042)	(196,820)	-	(7,221,648)	(16,743,919)
(4,682,371)	-	(2,866,540)	(2,950,333)	-	(10,499,244)
<u>4,455,810</u>	<u>1,161,332</u>	<u>(3,374,309)</u>	<u>(2,950,333)</u>	<u>1,174,887</u>	<u>6,375,113</u>
-	-	3,131,417	2,692,172	188,523	6,012,112
-	-	-	-	(794,160)	(794,160)
<u>1,353,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,353,115</u>
<u>1,353,115</u>	<u>-</u>	<u>3,131,417</u>	<u>2,692,172</u>	<u>(605,637)</u>	<u>6,571,067</u>
(957,123)	(134,140)	(24,996)	(25,072)	-	(1,735,587)
-	-	-	-	1	(5,812,478)
-	-	-	-	-	-
-	-	-	-	-	(1,085,583)
-	-	-	-	-	447,846
<u>(957,123)</u>	<u>(134,140)</u>	<u>(24,996)</u>	<u>(25,072)</u>	<u>1</u>	<u>(8,185,802)</u>
111,091	15,330	3,286	1,775	-	191,097
<u>111,091</u>	<u>15,330</u>	<u>3,286</u>	<u>1,775</u>	<u>-</u>	<u>191,097</u>
4,962,893	1,042,522	(264,602)	(281,458)	569,251	4,951,475
43,185,938	6,040,132	791,293	492,452	5,930,066	76,579,644
<u>\$ 48,148,831</u>	<u>\$ 7,082,654</u>	<u>\$ 526,691</u>	<u>\$ 210,994</u>	<u>\$ 6,499,317</u>	<u>\$ 81,531,119</u>
48,148,831	7,082,654	526,691	210,994	6,499,317	81,531,121
<u>\$ 48,148,831</u>	<u>\$ 7,082,654</u>	<u>\$ 526,691</u>	<u>\$ 210,994</u>	<u>\$ 6,499,317</u>	<u>\$ 81,531,121</u>
\$ 2,384,666	\$ 925,576	\$ (3,300,473)	\$ (2,950,333)	\$ (373,419)	\$ (1,590,831)
-	-	-	-	15,824	3,683,133
-	-	-	-	106,204	91,821
(1,532)	-	(3,031)	-	(28,131)	(45,308)
-	-	-	-	-	61,475
57,010	-	(310,679)	-	575,267	351,091
823	235,756	12,062	-	-	240,389
18,055	-	22,120	-	207,568	272,884
-	-	-	-	-	-
-	-	-	-	-	-
1,897,999	-	156,964	-	-	2,054,963
143,486	-	65,460	-	925,276	1,940,950
(143,899)	-	(53,799)	-	(835,187)	(1,821,607)
99,202	-	37,067	-	581,485	1,136,153
<u>\$ 4,455,810</u>	<u>\$ 1,161,332</u>	<u>\$ (3,374,309)</u>	<u>\$ (2,950,333)</u>	<u>\$ 1,174,887</u>	<u>\$ 6,375,113</u>

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## FIDUCIARY FUNDS

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The ***Safety Member Pension Fund/Pension Annuity Fund*** accounts for the single-employer defined benefit pension plan for fire and police officers that retired before March 1973.

The ***Police Retirement Fund*** accounts for the single-employer income benefits pension plan for Berkeley police officers that retired on or after July 1, 1989, but before September 19, 2012.

The ***Miscellaneous Retiree Medical Fund*** accounts for the single-employer defined benefit medical plan for retirees and their spouse or domestic partner.

The ***Fire Medical Fund*** accounts for the single-employer defined benefit medical plan for sworn fire officers that retired on or after July 1, 1997.

The ***Police Medical Fund*** accounts for the single-employer defined benefit medical plan for sworn police officers that retired on or after September 19, 2012.



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**Statement of Fiduciary Net Position  
Pension and OPEB Trust Funds  
June 30, 2021**

	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	\$ 35,187	\$ 2,529,772	\$ 13,730,295
Investments, at fair value:			
Medium term notes	-	576,440	-
US agency securities	-	1,447,360	2,816,086
Municipal bonds	-	-	8,862,565
Preferred Securities	-	1,060,208	6,204,378
Savo Island loan	-	-	233,000
Guaranteed investment contracts	-	-	-
Interest receivable	-	9,973	200,499
<b>Total assets</b>	<b>35,187</b>	<b>5,623,753</b>	<b>32,046,822</b>
<b>Liabilities</b>			
Accounts payable	35,187	-	-
Accrued interest payable	-	-	-
Accrued salaries and wages	-	-	-
Bonds payable - noncurrent	-	-	-
Net pension liabilities	-	-	-
<b>Total liabilities</b>	<b>35,187</b>	<b>-</b>	<b>-</b>
<b>Net position restricted for:</b>			
Employee pension benefits held in trust	-	5,623,753	-
Employee OPEB benefits held in trust	-	-	32,046,822
Held in trust City of Berkeley Successor Agency assets	-	-	-
<b>Total net position</b>	<b>\$ -</b>	<b>\$ 5,623,753</b>	<b>\$ 32,046,822</b>

**Other Post-Employment Benefits  
Trust Funds**

Police Retiree Premium Assistance Plan	Fire Employees Retiree Health Plan	Total
\$ 819,801	\$ 5,176,017	\$ 22,291,072
-	2,305,760	2,882,200
1,043,793	2,491,153	7,798,392
-	-	8,862,565
712,441	2,658,973	10,636,000
-	-	233,000
-	-	-
5,153	26,038	241,663
<u>2,581,188</u>	<u>12,657,941</u>	<u>52,944,892</u>
-	-	35,187
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>35,187</u>
-	-	5,623,753
2,581,188	12,657,941	47,285,952
-	-	-
<u>\$ 2,581,188</u>	<u>\$ 12,657,941</u>	<u>\$ 52,909,705</u>

**Statement of Changes in Fiduciary Net Position  
Pension and OPEB Trust Funds  
For the year ended June 30, 2021**

	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	480,630	2,150,175	2,288,152
Investment income	-	172,515	1,170,799
Total additions	<u>480,630</u>	<u>2,322,690</u>	<u>3,458,951</u>
<b>Deductions:</b>			
Community development	-	-	-
Benefits payment for service	480,630	2,522,372	1,174,959
Administrative expenses	-	-	84,248
Investment expense	-	-	-
Total deductions	<u>480,630</u>	<u>2,522,372</u>	<u>1,259,207</u>
Change in net position	-	(199,682)	2,199,744
Total net position - beginning	-	5,823,435	29,847,078
Total net position - ending	<u>\$ -</u>	<u>\$ 5,623,753</u>	<u>\$ 32,046,822</u>

**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	741,212	6,060,305
100,383	459,010	1,902,708
<u>500,519</u>	<u>1,200,223</u>	<u>7,963,013</u>
-	-	-
279,563	476,722	4,934,245
13,074	10,823	108,145
-	-	-
<u>292,637</u>	<u>487,544</u>	<u>5,042,390</u>
207,883	712,678	2,920,623
<u>2,373,305</u>	<u>11,945,263</u>	<u>49,989,082</u>
<u>\$ 2,581,188</u>	<u>\$ 12,657,941</u>	<u>\$ 52,909,705</u>





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## CUSTODIAL FUNDS

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The ***District 47 Underground/Miller Fund*** accounts for property tax collected, and bond proceeds, for the District 47 residents for the underground utility.

The ***Sustainable Energy Fund*** accounts for property tax collected, and bond proceeds, for the renewable solar system for Berkeley citizens.

The ***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 ***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 ***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, 2021**

	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	\$ 23,248	\$ 7,805	\$ 238,438	\$ 289,185
Taxes receivable	-	-	-	11,513	-
Other accounts receivable	-	-	-	-	-
Total assets	<u>124,312</u>	<u>23,248</u>	<u>7,805</u>	<u>249,951</u>	<u>289,185</u>
<b>Liabilities</b>					
Accounts payable	-	-	-	199,679	-
Accrued salaries and wages	-	-	-	-	-
Deposits held	-	14,490	-	-	-
Other liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>14,490</u>	<u>-</u>	<u>199,679</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net position restricted for:</b>					
Individuals, organizations, and other governments	124,312	8,758	7,805	50,272	289,185
Total net position	<u>\$ 124,312</u>	<u>\$ 8,758</u>	<u>\$ 7,805</u>	<u>\$ 50,272</u>	<u>\$ 289,185</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
\$ -	\$ 3,996,235	\$ -	\$ 99,554	\$ 32,388	\$ -	\$ 195,037	\$ 5,006,202
-	11,721	-	-	-	-	25,131	48,365
66,621	-	-	-	-	-	-	66,621
66,621	4,007,956	-	99,554	32,388	-	220,168	5,121,188
-	2,087	267,096	35,954	-	-	592,299	1,097,115
-	1,068	-	-	-	-	-	1,068
-	-	-	-	-	-	-	14,490
66,621	780	13,125	-	-	106,009	-	186,535
66,621	3,935	280,221	35,954	-	106,009	592,299	1,299,208
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,004,021	(280,221)	63,600	32,388	(106,009)	(372,131)	3,821,980
\$ -	\$ 4,004,021	\$ (280,221)	\$ 63,600	\$ 32,388	\$ (106,009)	\$ (372,131)	\$ 3,821,980

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the year ended June 30, 2021**

	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	\$ -	\$ 23,293	\$ 23,269	\$ 501,652	\$ 114,244
Investment income	-	-	-	-	-
Total additions	<u>-</u>	<u>23,293</u>	<u>23,269</u>	<u>501,652</u>	<u>114,244</u>
<b>Deductions:</b>					
Personnel services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Payments of property tax to other entities	-	-	25,004	483,652	-
Payments to others	-	23,725	-	-	98,459
Total deductions	<u>-</u>	<u>23,725</u>	<u>25,004</u>	<u>483,652</u>	<u>98,459</u>
Change in net position	-	(432)	(1,735)	18,000	15,785
Total net position - beginning as restated	<u>124,312</u>	<u>9,190</u>	<u>9,540</u>	<u>32,272</u>	<u>273,400</u>
Total net position	<u>\$ 124,312</u>	<u>\$ 8,758</u>	<u>\$ 7,805</u>	<u>\$ 50,272</u>	<u>\$ 289,185</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
\$ 179,635	\$ 1,018,407	\$ 201,501	\$ 196,806	\$ 24,551	\$ 207,256	\$ 1,239,721	\$ 3,730,335
-	181	-	-	-	-	-	181
179,635	1,018,588	201,501	196,806	24,551	207,256	1,239,721	3,730,516
-	257,316	-	-	-	-	-	257,316
-	203,391	-	-	-	-	-	203,391
181,256	258,450	-	171,006	30,000	315,760	1,869,552	3,334,680
-	751,537	468,597	-	-	-	-	1,342,318
181,256	1,470,694	468,597	171,006	30,000	315,760	1,869,552	5,137,705
(1,621)	(452,106)	(267,096)	25,800	(5,449)	(108,504)	(629,831)	(1,407,189)
1,621	4,456,127	(13,125)	37,800	37,837	2,495	257,700	5,229,169
\$ -	\$ 4,004,021	\$ (280,221)	\$ 63,600	\$ 32,388	\$ (106,009)	\$ (372,131)	\$ 3,821,980



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# STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA







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# INDEX TO STATISTICAL SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT / CITY OF BERKELEY, CALIFORNIA

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends (Schedules I-IV)</b>	<b>292</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>302</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>306</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>312</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>316</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 140,218,431	\$ 152,332,997	\$ 153,321,028	\$ 144,121,755
Restricted for debt services	9,320,347	8,586,832	9,879,916	10,252,532
Restricted for special purpose	74,074,662 <sup>(1)</sup>	79,924,244 <sup>(4)</sup>	98,125,716 <sup>(4)</sup>	103,118,112
Restricted for capital project	27,810,334 <sup>(2)</sup>	19,015,248 <sup>(4)</sup>	14,927,978 <sup>(4)</sup>	11,955,810
Unrestricted	(10,330,463) <sup>(3)</sup>	(7,839,453) <sup>(4)(5)</sup>	(391,884,379) <sup>(4)</sup>	(387,079,250) <sup>(7)</sup>
<b>Total governmental activities net position (as restated)</b>	<u>\$ 241,093,311</u>	<u>\$ 252,019,869</u>	<u>\$ (115,629,741)</u>	<u>\$ (117,631,041)</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 138,673,632	\$ 144,532,319	\$ 141,101,726	\$ 148,835,892
Restricted for debt services	- <sup>(2)</sup>	-	3,564,661	-
Unrestricted	24,796,734	19,443,910 <sup>(6)</sup>	(37,326,378)	(25,344,187)
<b>Total business-type activities net position (as restated)</b>	<u>\$ 163,470,366</u>	<u>\$ 163,976,229</u>	<u>\$ 107,340,009</u>	<u>\$ 123,491,705</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 278,892,063	\$ 296,865,316	\$ 294,422,754	\$ 292,957,647
Restricted	111,205,343	107,526,325	126,498,271	125,326,454
Unrestricted	14,466,271	11,604,457	(429,210,756)	(412,423,438) <sup>(7)</sup>
<b>Total primary government net position (as restated)</b>	<u>\$ 404,563,677</u>	<u>\$ 415,996,098</u>	<u>\$ (8,289,731)</u>	<u>\$ 5,860,663</u>

Notes:

- Prior to GASB54, restricted net position is that portion of net position that has been restricted for general use by external parties or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consist of all net position do not meet the definition of either of the other two components.
- <sup>(1)</sup> components.
- <sup>(2)</sup> The city began to separate "Restricted assets" into different categories in FY2009 and FY2010
- <sup>(3)</sup> Restated 2009
- <sup>(4)</sup> The City implemented GASB 54 in FY2011 and restated FY2010. GASB54 requires fund balances to be broken down into 5 categories: (i). non-spendable; (ii).Restricted; (iii) Committed; (iv) Assigned; and (v) Unassigned
- <sup>(5)</sup> Restated 2010 due to look back adjustment
- <sup>(6)</sup> Restated 2010 due to landfill liabilities & look back adjustment
- <sup>(7)</sup> Restated due to implementation of GASB 63 and 65 in FY2013 and a prior period adjustment for fixed assets
- <sup>(8)</sup> Restated due to implementation of GASB 68 Accounting and Financial Reporting for Pension
- <sup>(9)</sup> 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>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 141,589,468	\$ 155,083,001	\$ 163,655,234	\$ 148,963,344	\$ 161,393,048	\$ 182,328,842
14,108,873	8,514,072	11,633,006	11,493,670	12,604,209	15,901,481
115,277,370	160,127,390	196,956,720	157,015,284	183,188,081	225,221,791
13,173,675	8,019,032	7,986,845	7,929,263	8,079,264	8,100,475
(383,255,676) <sup>(7)</sup>	(394,429,659) <sup>(8)</sup>	(502,673,152)	(428,454,001)	(484,103,854)	(533,226,565)
<u>\$ (99,106,290)</u>	<u>\$ (62,686,164)</u>	<u>\$ (122,441,347)</u>	<u>\$ (103,052,440)</u>	<u>\$ (118,839,252)</u>	<u>\$ (101,673,976)</u>
\$ 159,340,573	\$ 163,478,626	\$ 171,499,174	\$ 178,421,303	\$ 189,800,731	\$ 185,554,832
-	-	-	-	-	-
(16,664,516)	(6,500,826) <sup>(8)</sup>	(4,300,338)	(1,651,335)	5,456,014	24,868,148
<u>\$ 142,676,057</u>	<u>\$ 156,977,800</u>	<u>\$ 167,198,836</u>	<u>\$ 176,769,968</u>	<u>\$ 195,256,745</u>	<u>\$ 210,422,980</u>
\$ 300,930,041	\$ 318,561,627	\$ 335,154,408	\$ 327,384,647	\$ 351,193,779	\$ 367,883,674
142,559,917	176,660,494	216,576,571	176,438,217	203,871,554	249,223,747
(399,920,192) <sup>(7)</sup>	(400,930,485) <sup>(8)(9)</sup>	(506,973,490)	(430,105,336)	(478,647,840)	(508,358,418)
<u>\$ 43,569,766</u>	<u>\$ 94,291,636</u>	<u>\$ 44,757,489</u>	<u>\$ 73,717,528</u>	<u>\$ 76,417,492</u>	<u>\$ 108,749,004</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 29,929,909	\$ 30,692,445	\$ 30,139,123	\$ 31,486,649	\$ 31,344,033
Public safety	93,967,743	94,011,336	95,581,595	106,809,311 <sup>(2)</sup>	114,150,343
Highways and streets	13,890,897	13,460,624	14,732,355	19,738,696 <sup>(2)</sup>	17,611,249
Health and welfare	19,546,406	19,700,947	20,035,232	19,422,959	19,734,011
Culture and recreation	35,885,547	36,489,886	36,753,573	35,475,983 <sup>(2)</sup>	34,749,031
Community development/housing	19,665,018	16,040,026	17,793,785	17,752,712 <sup>(2)</sup>	17,593,646
Economic development	3,646,479	3,506,704	3,112,661	3,850,278	4,183,775
Interest on long-term debt	4,088,267	4,455,553	5,458,242	3,886,382	4,778,074
Total governmental activities	<u>220,620,266</u>	<u>218,357,521</u>	<u>223,606,566</u>	<u>238,422,970</u>	<u>244,144,162</u>
Business-type activities:					
Parking related	7,360,188	8,468,678	8,420,892	8,915,668	8,482,161
Marina operations and maintenance	5,854,093	5,648,421	5,648,254	5,067,986	5,075,974
Sewer services	12,813,186	12,400,758	13,223,132	13,545,934	12,061,833
Clean storm water	2,390,350	2,447,033	3,081,135	2,902,288	2,857,423
Refuse services	32,417,995	33,142,494	31,936,126	32,611,968	30,939,532
Permit service center	9,152,576	9,581,029	10,247,574	12,069,245	14,887,645
Building purchase and management	3,259,428	3,392,344	2,932,886	2,749,275	2,440,891
Total business-type activities	<u>73,247,816</u>	<u>75,080,757</u>	<u>75,489,999</u>	<u>77,862,364</u>	<u>76,745,459</u>
Total primary government expenses	<u>\$ 293,868,082</u>	<u>\$ 293,438,278</u>	<u>\$ 299,096,565</u>	<u>\$ 316,285,334</u>	<u>\$ 320,889,621</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 2,965,332	\$ 3,774,777	\$ 3,794,993	\$ 3,584,077	\$ 3,915,028
Public safety	16,271,404	18,684,450	14,294,277	7,440,233	14,535,669
Highways and streets	2,165,995	2,015,313	2,507,375	2,320,608	1,666,472
Health and welfare	1,472,907	1,471,882	1,612,417	1,582,411	1,633,130
Culture and recreation	3,122,421	3,319,845	2,268,394	2,182,771	2,298,241
Community development/housing	2,129,425	2,176,943	3,049,266	2,319,125	5,226,574
Economic development	1,505,706	518,561	639,700	691,350	629,397
Operating grants and contributions	31,483,965	29,551,902	33,064,026	33,379,186	35,167,186
Capital grants and contributions	4,191,566	3,413,791	2,421,781	2,000,063	2,194,454
Total governmental activities program revenues	<u>65,308,721</u>	<u>64,927,464</u>	<u>63,652,229</u>	<u>55,499,824</u>	<u>67,266,151</u>
Business-type activities:					
Charges for services:					
Parking related	9,817,873	10,274,629	11,717,962	13,062,773	13,349,457
Marina operations and maintenance	5,299,039	5,242,568	5,477,565	6,242,357	6,709,274
Sewer services	12,166,250	13,271,175	13,394,617	13,090,534	14,880,418
Clean storm water	2,065,087	2,070,413	2,067,572	2,068,847	2,087,827
Refuse services	32,702,914	33,346,812	34,246,485	38,923,942	40,529,067
Permit service center	8,968,166	9,995,079	14,848,940	17,911,716	15,774,949
Building purchase and management	2,984,924	2,632,538	2,212,217	2,216,349	2,256,349
Operating and capital grants and contributions	29,831	109,224	41,575	383,930	99,845
Total business-type activities program revenues	<u>74,034,084</u>	<u>76,942,438</u>	<u>84,006,933</u>	<u>93,900,448</u>	<u>95,687,186</u>
Total primary government revenues	<u>\$ 139,342,805</u>	<u>\$ 141,869,902</u>	<u>\$ 147,659,162</u>	<u>\$ 149,400,272</u>	<u>\$ 162,953,337</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (155,311,545)	\$ (153,430,057)	\$ (159,954,337)	\$ (182,923,146)	\$ (176,878,011)
Business-type activities	786,268	786,268	786,268	16,038,085	18,941,727
Total primary government net (expense)/revenue	<u>\$ (154,525,277)</u>	<u>\$ (152,643,789)</u>	<u>\$ (159,168,069)</u>	<u>\$ (166,885,061)</u>	<u>\$ (157,936,284)</u>

2017	2018	2019	2020	2021
\$ 36,177,528	\$ 47,539,559	\$ 39,612,843	\$ 36,361,812	\$ 37,969,856
101,655,408	123,171,811	133,992,694	157,090,127	149,237,352
16,051,208	18,628,805	22,246,641	24,788,042	16,721,534
23,806,106	28,183,652	35,370,732	40,673,233	41,577,559
37,190,348	42,996,852	52,589,537	45,695,251	51,985,738
20,571,263	25,125,419	27,346,388	34,523,756	32,758,249
2,311,510	2,719,990	5,459,483	6,704,853	5,627,518
4,595,099 <sup>(3)</sup>	5,287,052	4,970,955	5,336,107	5,527,301
<u>242,358,470</u>	<u>293,653,140</u>	<u>321,589,272</u>	<u>351,173,181</u>	<u>341,405,107</u>
10,701,956	10,736,569	15,166,461	15,216,074	10,744,575
6,027,251	7,046,873	6,893,836	6,822,452	7,234,475
13,143,481	13,018,315	17,774,981	16,210,405	17,247,422
2,975,238	2,938,401	2,318,716	2,290,427	2,631,714
36,964,948	40,242,431	43,117,310	44,402,312	44,269,653
14,667,858	16,915,058	17,491,552	20,565,515	19,589,787
2,814,061 <sup>(3)</sup>	2,666,087	2,629,827	2,819,469	2,468,796
<u>87,294,793</u>	<u>93,563,734</u>	<u>105,392,683</u>	<u>108,326,654</u>	<u>104,186,422</u>
<u>\$ 329,653,263</u>	<u>\$ 387,216,874</u>	<u>\$ 426,981,955</u>	<u>\$ 459,499,835</u>	<u>\$ 445,591,529</u>
\$ 5,236,680	\$ 5,720,397	\$ 4,313,273	\$ 3,131,573	\$ 4,397,955
14,387,253	11,168,764	11,145,339	9,067,824	10,187,676
1,355,297	1,909,139	1,413,973	2,722,787	1,400,964
1,958,225	1,494,988	1,479,103	1,163,819	1,087,713
2,154,058	2,628,060	2,291,989	1,202,687	2,317,382
5,267,951	3,451,491	5,165,907	7,074,535	6,298,729
43,321	186,584	463,045	-	-
42,894,135	25,099,244	27,032,700	30,366,687	37,789,826
<u>2,609,542</u>	<u>4,806,465</u>	<u>3,363,352</u>	<u>7,037,595</u>	<u>17,948,256</u>
<u>75,906,462</u>	<u>56,465,132</u>	<u>56,668,681</u>	<u>61,767,507</u>	<u>81,428,501</u>
12,396,672	12,332,740	14,215,039	48,721,810	5,866,541
6,435,644	5,793,447	6,934,118	6,304,333	8,933,581
19,868,359	23,979,787	24,344,044	23,533,991	26,495,328
2,064,770	2,061,279	3,949,602	4,062,103	4,135,134
41,846,007	45,004,548	48,524,914	21,413,637	47,254,269
18,579,481	17,803,610	16,685,852	11,268,937	21,999,153
1,978,447	2,841,172	2,734,674	2,810,620	2,768,005
5,250	535,569	-	-	-
<u>103,174,630</u>	<u>110,352,152</u>	<u>117,388,243</u>	<u>118,115,431</u>	<u>117,452,011</u>
<u>\$ 179,081,092</u>	<u>\$ 166,817,284</u>	<u>\$ 174,056,924</u>	<u>\$ 179,882,938</u>	<u>\$ 198,880,512</u>
\$ (166,452,008)	\$ (237,188,008)	\$ (264,920,595)	\$ (289,405,674)	\$ (259,976,606)
15,879,837	16,788,418	11,995,560	9,788,777	13,265,589
<u>\$ (150,572,171)</u>	<u>\$ (220,399,590)</u>	<u>\$ (252,925,035)</u>	<u>\$ (279,616,897)</u>	<u>\$ (246,711,017)</u>

Continued

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes, levied for general purposes	\$ 50,956,374	\$ 60,233,049	\$ 65,118,610	\$ 70,348,949	\$ 73,726,035
Property taxes, levied for debt service	8,049,862	7,115,652	6,479,721	7,684,617	7,822,325
Property taxes for special purposes:					
Library	14,159,245	14,581,791	15,273,714	15,971,859	16,454,651
Parks	8,915,445	9,186,260	9,483,390	9,652,446	9,951,462
Paramedic	2,377,898	2,454,762	2,537,917	2,586,719	2,665,478
Fire	3,629,617	3,741,157	3,926,460	4,119,965	4,201,668
Sales taxes	14,420,383	14,844,945	15,925,900	16,583,124	17,111,938
Utility users taxes	14,411,756	14,091,347	14,363,898	14,387,874	14,337,343
Transient occupancy taxes	4,698,045	4,609,048	555,601	6,245,833	7,131,568
Business license tax	13,954,587	15,645,975	15,266,649	15,370,377	16,102,328
Other taxes	3,180,380	2,853,421	3,995,492	3,135,412	3,860,198
Unrestricted motor vehicle fees	8,739,449	-	-	-	-
Other unrestricted state subventions	388,380	399,476	397,143	400,987	389,343
Contributions not restricted to specific programs	547,171	1,036,535	751,041	1,226,855	221,637
Interest and investment earnings	4,735,256	2,760,171	2,273,001	4,125,873	2,506,398
Insurance reimbursement	-	-	-	-	-
Miscellaneous	1,186,207	1,972,376	1,448,935	6,924,698	3,445,882
Gain/loss on sale of capital assets	21,820	464,093	74,922	1,156,367	90,971
Extraordinary gain/(loss)	-	(259,613)	-	-	988,313
Transfers	304,928	671,173	1,484,222	1,249,232	(85,691)
Total governmental activities	<u>154,676,803</u>	<u>156,401,618</u>	<u>159,356,616</u>	<u>181,171,187</u>	<u>180,921,847</u>
Business-type activities					
Interest and investment earnings	394,257	176,551	126,400	387,021	27,918
Miscellaneous	-	-	-	-	-
Gain on sale of capital assets	5,324	2,068	2,006	3,293	-
Transfers	(304,929)	(671,173)	(1,484,222)	(1,249,232)	85,691
Total business-type activities	<u>94,652</u>	<u>(492,554)</u>	<u>(1,355,816)</u>	<u>(858,918)</u>	<u>113,609</u>
Total primary government	<u>\$ 154,771,455</u>	<u>\$ 155,909,064</u>	<u>\$ 158,000,800</u>	<u>\$ 180,312,269</u>	<u>\$ 181,035,456</u>
<b>Change in Net Position</b>					
Governmental activities	\$ (44,966) <sup>(1)</sup>	\$ 1,090,074	\$ 10,926,558 <sup>(2)</sup>	\$ 21,216,848	\$ (2,001,301)
Business-type activities	383,675 <sup>(1)</sup>	293,715	505,863	7,658,016	16,151,695
Total primary government	<u>\$ 338,709</u>	<u>\$ 1,383,789</u>	<u>\$ 11,432,421</u>	<u>\$ 28,874,864</u>	<u>\$ 14,150,394</u>

Notes:

(1) Restated due to "look back adjustments" in FY2011

(2) Restated due to implementation of GASB 63 and 65 in FY2013

(3) Restated due to implementation GASB 62 changing the amortization of bond premium from straight line (SL) to interest method (IM).

Source: City of Berkeley, Finance Department

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
				Continued
\$ 80,791,426	\$ 85,758,114	\$ 92,655,664	\$ 114,315,762	\$ 126,973,349
7,231,134	7,803,416	9,334,683	9,462,115	12,183,689
17,316,575	18,125,394	19,086,897	20,375,089	20,710,050
11,704,798	12,307,839	12,960,911	13,865,074	14,582,521
2,759,600	2,822,459	2,964,822	3,156,883	3,237,447
4,431,198	4,643,707	4,889,292	5,218,308	5,298,142
20,577,996	17,944,285	18,857,882	18,253,632	17,619,492
14,186,649	15,199,534	14,688,225	13,557,384	13,876,525
7,879,633	7,753,933	8,754,269	7,040,883	3,114,546
18,773,158	19,500,558	25,805,130	28,763,018	25,363,297
3,582,337	7,617,254	22,144,726	22,962,304	23,384,480
-	-	-	-	-
389,424	387,332	390,434	388,062	385,644
195,733	362,374	265,286	443,939	653,399
3,415,952	1,821,527	3,282,904	13,099,214	7,887,837
-	-	-	3,597,947	-
2,169,816	4,671,918	2,871,625	1,564,914	890,427
71,608	-	-	17,825	447,058
-	-	-	-	-
(74,271)	92,978	1,030,495	(526,148)	(1,296,542)
<u>195,402,766</u>	<u>206,812,622</u>	<u>239,983,245</u>	<u>275,556,205</u>	<u>275,311,361</u>
168,021	123,865	280,816	3,592,813	47,274
-	-	323,866	-	-
332	-	-	11,434	(10)
<u>74,271</u>	<u>(92,978)</u>	<u>(1,030,495)</u>	<u>526,148</u>	<u>1,296,542</u>
<u>242,624</u>	<u>30,887</u>	<u>(425,813)</u>	<u>4,130,395</u>	<u>1,343,806</u>
<u>\$ 195,645,390</u>	<u>\$ 206,843,509</u>	<u>\$ 239,557,432</u>	<u>\$ 279,686,599</u>	<u>\$ 276,655,167</u>
\$ 18,524,751	\$ 40,360,614	\$ 2,795,237	\$ (13,849,470)	\$ 15,334,756
19,184,352	15,910,724	16,362,605	13,919,172	14,609,395
<u>\$ 37,709,103</u>	<u>\$ 56,271,338</u>	<u>\$ 19,157,842</u>	<u>\$ 69,702</u>	<u>\$ 29,944,151</u>
				Concluded



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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund</b>					
Nonspendable	\$ 3,438,803	\$ -	\$ -	\$ -	\$ -
Restricted	-	3,648,330	3,648,330	3,648,330	3,595,304
Committed	-	-	-	-	-
Assigned	2,343,500	2,002,369	2,829,511	3,830,670	3,686,427
Unassigned	32,286,557	35,261,429	39,213,698	45,810,050	57,742,775
Total general fund	<u>\$ 38,068,860</u>	<u>\$ 40,912,129</u> <sup>(2)</sup>	<u>\$ 45,691,539</u> <sup>(3)</sup>	<u>\$ 53,289,050</u>	<u>\$ 65,024,506</u> <sup>(4)</sup>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 2,114,083	\$ 1,991,263	\$ 1,991,263	\$ 3,024,783	\$ -
Restricted	109,091,260	105,535,062	137,830,132	135,592,436	146,652,555
Committed	-	2,761,737	-	-	-
Assigned	11,431,620	8,449,018	10,524,900	12,140,810	13,741,138
Unassigned	(7,290,346)	(6,737,953)	(7,689,049)	(5,111,970)	(4,055,850)
Total all other governmental funds	<u>\$ 115,346,617</u>	<u>\$ 111,999,128</u> <sup>(2)</sup>	<u>\$ 142,657,246</u> <sup>(3)</sup>	<u>\$ 145,646,063</u>	<u>\$ 156,337,845</u> <sup>(4)</sup>

<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.

2017	2018	2019	2020	2021
\$ 75,000	\$ 142,342	\$ -	\$ -	\$ -
4,255,304	3,755,304	3,696,971	4,820,212	6,196,569
-	-	-	-	29,744,146
3,015,329	33,373,367	42,666,449	44,704,796	19,577,650
56,312,803	46,614,130	46,872,247	48,544,061	56,363,765
<u>\$ 63,658,436</u>	<u>\$ 83,885,143</u>	<u>\$ 93,235,667</u>	<u>\$ 98,069,069</u>	<u>\$ 111,882,130</u>
\$ 894,467	\$ -	\$ 485,140	\$ 485,140	\$ 1,127,417
171,561,176	213,078,230	172,741,247	199,051,339	243,027,178
-	-	56,528,083	51,007,441	47,508,039
9,654,440	9,098,207	14,406,925	12,830,506	9,544,337
(6,003,579)	(5,458,232)	(144,666)	(385,951)	(6,579,910)
<u>\$ 176,106,504</u>	<u>\$ 216,718,205</u>	<u>\$ 244,016,729</u>	<u>\$ 262,988,475</u>	<u>\$ 294,627,061</u>

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

	2012	2013	2014	2015	2016
<b>Revenues:</b>					
Taxes	\$ 144,860,044	\$ 152,544,937	\$ 160,511,002	\$ 167,926,924	\$ 182,816,853
Licenses and permits	881,108	647,812	815,336	747,408	322,629
Intergovernmental	45,798,782	43,322,094	45,047,739	43,545,804	49,367,193
Charges for service	11,929,921	12,979,187	12,920,362	13,462,066	15,763,295
Fines and penalties	9,851,317	8,614,439	8,946,415	6,458,690	6,761,750
Rents and royalties	358,434	362,188	318,261	790,282	1,024,276
Franchise	1,539,773	1,810,323	1,833,646	1,820,785	1,880,847
Private contribution and donations	1,036,535	751,041	1,226,855	221,637	195,733
Investment income	2,904,618	2,024,116	3,638,309	2,546,848	3,329,771
Miscellaneous	1,359,323	1,086,747	6,606,437	2,655,600	1,445,540
Total revenues	<u>220,519,855</u>	<u>224,142,884</u>	<u>241,864,362</u>	<u>240,176,044</u>	<u>262,907,887</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	28,623,928	28,716,311	28,157,099	29,951,904	29,742,445
Public safety	88,389,316	87,446,217	90,210,207	92,726,601	98,101,003
Highway and streets	9,755,984	8,212,026	9,460,612	14,417,722	12,762,905
Health and welfare	19,443,351	19,393,251	19,727,071	19,390,326	21,140,809
Culture-recreation	32,914,456	34,240,614	34,221,596	32,825,401	34,226,586
Community development and housing	18,099,040	14,461,464	16,151,191	16,204,711	16,626,123
Economic development	3,595,178	3,469,891	3,125,734	3,845,172	4,252,971
Capital outlay	23,678,415	19,047,781	10,740,356	7,027,752	14,020,367
<b>Debt service:</b>					
Principal repayment	3,780,000	4,090,000	4,204,770	8,370,956	2,160,325
Interest and fiscal charges	4,560,657	4,154,700	4,294,180	4,461,272	4,893,120
Bonds issuance costs	57,941	126,959	55,750	57,500	428,417
TRAN issuance costs					
<b>Capital outlay:</b>					
Highway and streets	-	-	-	-	-
Culture-recreation	-	-	-	-	-
Total expenditures	<u>232,898,266</u>	<u>223,359,214</u>	<u>220,348,566</u>	<u>229,279,317</u>	<u>238,355,071</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>(12,378,411)</u>	<u>783,670</u>	<u>21,515,796</u>	<u>10,896,727</u>	<u>24,552,816</u>
<b>Other financing sources(uses):</b>					
Transfers in	20,022,143	19,331,429	20,541,117	18,483,505	20,583,750
Transfers out	(21,253,445)	(20,093,967)	(23,213,656)	(22,527,217)	(24,464,333)
Bonds issued	140	5,693,852	15,000,000	2,700,000	-
Premium on notes and loans issued	-	542,791	445,272	-	-
Face value of refunding bonds issued	-	-	-	-	36,680,000
Call Premium on refunding bonds	-	-	-	-	4,144,029
Payment to refunded bond escrow agent	-	(6,770,000)	-	-	(38,480,000)
Premium on debt issuance	-	-	-	-	(604,600)
Insurance recoveries	-	-	-	-	-
Sale of capital assets	509,636	8,007	1,149,000	45,000	15,574
Total other financing sources(uses)	<u>(721,526)</u>	<u>(1,287,888)</u>	<u>13,921,733</u>	<u>(1,298,712)</u>	<u>(2,125,580)</u>
Extraordinary gain/ (loss)	(4,405,488)	-	-	988,313	-
Net change in fund balances	<u>\$ (13,099,937)</u>	<u>\$ (504,218)</u>	<u>\$ 35,437,529</u>	<u>\$ 9,598,015</u>	<u>\$ 22,427,236</u>
Debt service as a percentage of noncapital expenditures	3.99%	4.04%	4.06%	5.78%	3.15%

Source: City of Berkeley, Finance Department

	2017	2018	2019	2020	2021
\$	202,424,662	\$ 232,141,241	\$ 248,703,772	\$ 256,872,153	\$ 266,202,704
	556,331	1,112,474	1,901,597	2,456,015	1,925,603
	38,700,204	32,196,279	28,956,505	31,476,921	46,370,352
	18,690,214	17,369,445	16,925,097	19,070,459	16,280,893
	6,664,490	7,250,933	5,722,785	4,381,944	3,761,031
	575,071	1,167,208	1,149,890	799,983	638,628
	2,458,817	2,188,386	1,980,538	1,972,164	1,854,994
	362,374	265,287	462,613	443,939	653,399
	1,821,528	3,282,923	8,973,164	10,891,239	9,527,497
	4,144,140	1,591,740	1,768,486	763,226	251,799
	276,397,831	298,565,916	334,471,702	332,725,990	347,466,900
	42,974,661	35,642,792	33,491,216	29,437,616	32,485,673
	104,685,885	104,307,579	113,030,306	128,803,063	132,465,784
	13,933,075	12,214,301	19,110,976	14,087,561	10,471,435
	24,536,400	26,518,050	30,807,652	36,690,027	39,020,384
	39,520,665	38,347,719	43,279,764	47,141,184	47,763,608
	19,820,452	22,547,249	23,682,683	39,276,468	33,448,395
	2,341,947	2,633,706	5,022,535	6,444,578	5,448,693
	7,660,615	17,383,694	-	-	-
	10,964,272	5,295,707	6,734,693	6,476,012	7,113,637
	4,761,036	5,181,299	5,477,207	5,704,625	5,637,022
	214,700	243,954	-	1,029,749	750,846
	-	-	64,800	71,181	70,517
	-	-	4,460,002	17,900,178	11,265,763
	-	-	2,295,544	7,269,574	31,040,969
	271,413,708	270,316,050	287,457,378	340,331,816	356,982,726
	4,984,123	28,249,866	47,014,324	(7,605,826)	(9,515,826)
	22,965,817	61,850,103	28,993,415	23,073,587	18,579,336
	(25,159,093)	(65,103,257)	(39,358,689)	(31,089,237)	(25,093,830)
	15,000,000	35,000,000	-	38,000,000	45,000,000
	608,059	841,306	-	-	-
	-	-	-	19,480,000	3,975,000
	-	-	-	-	-
	-	-	-	(21,185,000)	(4,765,000)
	-	-	-	3,422,838	3,485,747
	-	-	17,927,255	3,597,947	13,601,625
	3,679	7,145	-	204	-
	13,418,462	32,595,297	(10,365,274)	31,702,392	54,782,878
	-	-	-	-	-
\$	18,402,585	\$ 60,845,163	\$ 36,649,050	\$ 24,096,566	\$ 45,267,052
	5.97%	4.15%	4.35%	3.88%	4.06%

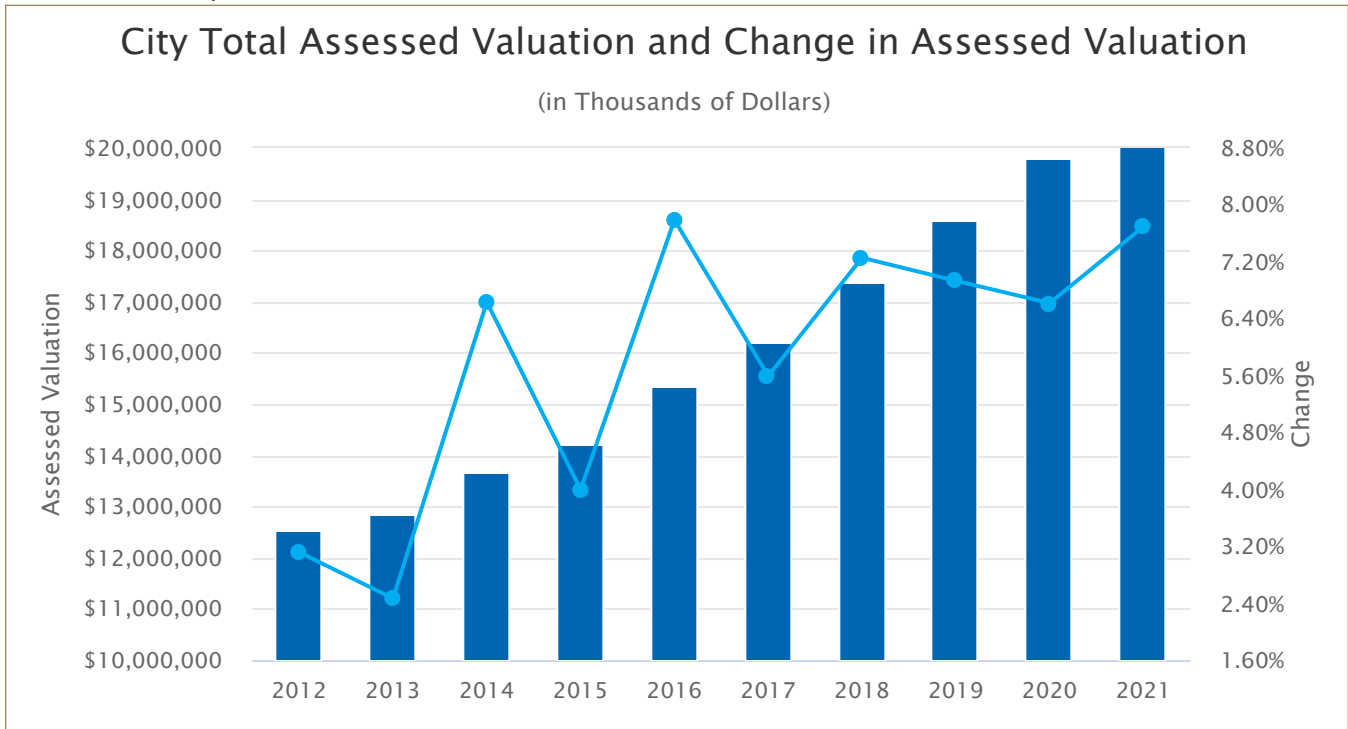
**Schedule V**  
**Assessed Value and Estimated Actual Values of Taxable Property**  
**Last Ten Fiscal Years**  
**(In Thousands of Dollars)**

Fiscal Year	Residential Property	Utility Property	Commercial and Industrial Institutional Property			Less Exemptions:	Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
			Commercial Property	Industrial Property	Institutional Property				
2012	\$ 10,320,198	\$ 556	\$ 2,600,510	\$ 275,155	\$ (669,934)	\$ 12,526,485	10.47	\$ 12,526,485	
2013	10,578,918	556	2,662,165	280,230	(686,387)	12,835,482	10.47	12,835,482	
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	

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	
2012	10.00	0.47	10.47	1.48	0.44	0.07	0.07	0.04	12.56
2013	10.00	0.47	10.47	1.41	0.43	0.07	0.05	0.04	12.47
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

## 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	2011		2021	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Bayer Healthcare LLC	\$ 276,795	2.29%	\$ 332,826	1.56%
1500 San Pablo LLC		0.00%	158,742	0.74%
Sutter Bay Hospitals		0.00%	131,697	0.62%
Berkeley Multifamily I Property Owner LLC		0.00%	101,471	0.48%
Granite Library Gardens LP	62,519	0.52%	93,002	0.44%
Kaiser Foundation Health Plan Inc		0.00%	81,786	0.38%
McRef Acheson LLC		0.00%	80,732	0.38%
CVBAF ACQ LLC		0.00%	77,591	0.36%
Essex Berkeley, Inc.		0.00%	53,546	0.25%
Berkeley Downtown Hotel Owner LLC		0.00%	50,953	0.24%
Fifth & Potter Street Associates LLC	22,279	0.18%		0.00%
Reddy Hanumandla R & Hanumandla J TRS	33,559	0.28%		0.00%
SC Hillside Berkeley Inc	45,325	0.38%		
First Shattuck LLC	22,414	0.19%		
GAIA Building LLC	30,043	0.25%		
Durant Investors LP	26,872	0.22%		
Seventh Street Properties II	22,542	0.19%		
2600 Tenth Street LLC	26,452	0.22%		
EQR Fine Arts Berkeley LP	90,302	0.75%		
<b>Total - Principal taxpayers</b>	<b>\$ 659,102</b>	<b>5.45%</b>	<b>\$ 1,162,346</b>	<b>5.45%</b>
<b>Total - All real properties assessed by the City <sup>(1)</sup></b>	<b>\$ 12,086,053</b>		<b>\$ 21,335,612</b>	

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
2012	\$ 42,783	\$ 41,699	97.47%	\$ 815	\$ 269	\$ 1,083
2013	43,522	42,724	98.16%	589	210	799
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

## 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)**

<b>Governmental Activities (long-term debt instruments only)</b>						
<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds (Net of premiums)</b>	<b>General Obligation Bonds (premiums)</b>	<b>Total G.O. Bonds</b>	<b>Lease Revenue Bonds (Net of premiums)</b>	<b>Lease Revenue Bonds (premiums)</b>	<b>Total Revenue Bonds</b>
2012	\$ 79,075	\$ 400	\$ 79,475	\$ 8,875	\$ -	\$ 8,875
2013	75,905	385	76,290	7,179	519	7,698
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

<b>Business-type Activities (long-term debt instruments only)</b>						
<b>Fiscal Year Ended June 30,</b>	<b>Lease Revenue Bonds (Net of premiums)</b>	<b>Lease Revenue Bonds (premiums)</b>	<b>Total Revenue Bonds</b>	<b>Notes/Loans Payable</b>	<b>Certificates of Participation (Net of premiums)</b>	<b>Total Business-Type Activities</b>
2012	3,650	-	3,650	10,428	24,665	38,743
2013	24,911	1,975	26,886	9,826	-	36,712
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

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

- <sup>(1)</sup> Tax allocation Bonds belong to Berkeley Redevelopment Agency, which was dissolved on January 31, 2012, due to AB 1X 26. All the outstanding amounts were transferred to the Successor Agency as Private Trust funds.
- <sup>(2)</sup> The City refunded over \$27 million to defease 1999 Lease Revenue Bonds and 2003 COP during the year, with the proceeds from a new Refunding Lease Revenue Bond.
- <sup>(3)</sup> See Schedule XIII for personal income and population data.

Source: City of Berkeley, Finance Department

## Governmental Activities (long-term debt instruments only)

Tax Allocation Bonds <sup>(1)</sup>	Capital Lease	Certificates of Participation (Net of premiums)	Certificates of Participation (premiums)	Total Certificates of Participation	Notes/Loans Payable	Total Governmental Activities
\$ -	\$ 3,304	\$ 5,750	\$ 376	\$ 6,126	\$ 11,751	\$ 109,531
-	2,891	5,650	362	6,012	11,551	104,442
-	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

Total Primary Government	Percentage of Personal Income <sup>(3)</sup>	Per Capita <sup>(3)</sup>
143,185	3.64%	1,291
151,942	3.14%	1,220
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

**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					Total	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)</sup>	Pension Refunding Bonds	Tax Allocation Bonds <sup>(2)</sup>	Certificates of Participation				
2012	\$ 79,475	\$ 1,865	\$ -	\$ 6,126	\$ 87,466	0.70%	\$ 762	
2013	76,290	1,485	-	6,012	83,787	0.65%	724	
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	

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.

Source: Finance Department, City of Berkeley

**Schedule XI**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**  
**(In Thousands of Dollars, except assessed valuation)**

2020-2021 Assessed Valuation: \$ 21,335,612

	Debt Outstanding 6/30/2021	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt 6/30/2021
<b>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
Alameda County	\$ 191,308	6.75%	\$ 12,919
Bay Area Rapid Transit District	1,871,871	2.61%	48,912
Peralta Community College District	437,205	18.50%	80,896
Berkeley Unified School District	338,375	100.00%	338,365
City of Berkeley (GO bonds net of premium)	181,995	100.00%	181,995
City of Berkeley (GO bonds premium)	10,677	100.00%	10,677
City of Berkeley Community Facilities District No. 1	735	100.00%	735
East Bay Regional Park District	133,174	4.18%	5,568
City of Berkeley Thousand Oaks Heights AFUU Assessment District	960	100.00%	960
Subtotal overlapping tax and assessment debt			681,027
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Alameda County and Coliseum Obligations	\$ 790,123	6.75%	\$ 53,357
Alameda-Contra Costa Transit District Certificates of Participation	11,656	8.00%	932
Peralta Community College District Pension Obligations	133,286	18.50%	24,662
City of Berkeley Revenue bonds (Governmental activities)	7,473	100.00%	7,473 <sup>(1)</sup>
City of Berkeley Revenue bonds premium (Governmental activities)	973	100.00%	973 <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)	4,564	100.00%	4,564 <sup>(1)</sup>
City of Berkeley Notes and Loans Payable (Governmental activities)	6,201	100.00%	6,201 <sup>(1)</sup>
Subtotal overlapping General Fund debt			\$ 98,162
Overlapping tax increment debt:	-	100.00%	-
<b>TOTAL DIRECT DEBT</b>			<b>211,883</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>567,306</b>
<b>COMBINED TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 779,189<sup>(2)</sup></b>

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

<sup>(1)</sup> Excludes issue to be sold.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, and business-type activities.

Source: California Municipal Statistics, Inc.

**Schedule XII  
Legal Debt Margin Information,  
Last Ten Fiscal Years  
(In Thousands of Dollars)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 1,878,973	\$ 1,925,322	\$ 2,053,022	\$ 2,135,095	\$ 2,301,379
Debt applicable to limit	68,700	76,290	88,336	84,608	85,761
Legal debt margin	<u>\$ 1,810,273</u>	<u>\$ 1,849,032</u>	<u>\$ 1,964,686</u>	<u>\$ 2,050,487</u>	<u>\$ 2,215,618</u>
Total net debt applicable to the limit as a percentage of debt limit	3.80%	4.13%	4.50%	4.13%	3.87%

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.

Source: City of Berkeley, Finance Department

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	\$ 21,335,612
Debt limit	3,200,342
Debt applicable to limit:	<u>181,995</u>
Legal Debt Margin	<u>\$ 3,018,347</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 2,430,131	\$ 2,606,477	\$ 2,787,173	\$ 2,971,679	\$ 3,200,342
<u>91,495</u>	<u>117,520</u>	<u>111,920</u>	<u>142,905</u>	<u>181,995</u>
<u>\$ 2,338,636</u>	<u>\$ 2,696,853</u>	<u>\$ 2,675,253</u>	<u>\$ 2,828,774</u>	<u>\$ 3,018,347</u>
3.91%	4.36%	4.18%	5.05%	6.03%

**Schedule XIII  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Public School Enrollment</b>	<b>University of California Enrollment</b>	<b>City Unemployment Rate</b>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2012	114,821	4,074,079	35,482	34	9,324	36,142	9.0%
2013	115,716	4,500,890	38,896 <sup>(8)</sup>	33 <sup>(8)</sup>	9,385	35,899	7.0%
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	6.70%

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	2011			2021		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
University of California Berkeley	13,778	1	18.13%	13,699	1	20.26%
Lawrence Berkeley National Laboratory	4,200	2	5.53%	3,836	2	5.67%
Sutter East Bay Medical Foundation/Hospitals			0.00%	2,040	3	3.02%
City of Berkeley	1,485	3	1.95%	1,480	4	2.19%
Bayer Coporation	1,476	4	1.94%	1,082	5	1.60%
Berkeley Unified School District	1,200	5	1.58%	865	6	1.28%
Kaiser Permanente Medical Group	700	6	0.92%	771	7	1.14%
Siemens Corporation/Healthcare Diagnostics, Inc.			0.00%	678	8	1.00%
Berkley Bowl Produce			0.00%	558	9	0.83%
Lifelong Medical Care			0.00%	441	10	0.65%
Alta Bates Medical Center	3,100	7	4.08%			0.00%
Pacific Steel Casting Company	350	8	0.46%			0.00%
Andronico's Market	291	9	0.38%			0.00%
Berkeley City College	290	10	0.38%			0.00%
<b>Total</b>	<b>26,870</b>		<b>35.35%</b>	<b>25,450</b>		<b>37.63%</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>2012</u>	<u>2013 <sup>(2)</sup></u>	<u>2014 <sup>(2)</sup></u>	<u>2015</u>	<u>2016</u>
General Government	191.30	182.30	175.00	172.00	175.78
Police	294.70	289.20	275.00	273.00	273.00
Fire	139.75	139.75	139.75	139.00	140.00
Health Services <sup>(3)</sup>	158.28	142.35	123.95	122.95	121.05
Culture and Recreation	161.33	157.33	101.73	98.88	98.88
Community Development/Housing <sup>(1)(3)</sup>	96.26	85.64	48.45	41.05	41.05
Economic Development	5.85	5.85	5.85	5.85	5.85
Library	113.78	109.70	97.66	101.33	105.95
Planning	59.05	58.55	53.05	61.30	65.00
Public Works/Transportation	301.00	296.25	287.60	285.60	289.60
Rent Board	19.85	19.45	19.45	21.95	19.75
<b>Total</b>	<u><u>1,541.15</u></u>	<u><u>1,486.37</u></u>	<u><u>1,327.49</u></u>	<u><u>1,322.91</u></u>	<u><u>1,335.91</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

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
172.28	186.72	197.25	205.75	207.00
272.00	272.00	283.20	288.20	288.20
140.00	148.00	149.00	153.00	153.00
130.25	145.85	145.85	145.85	145.85
96.50	101.50	156.12	155.37	155.37
43.55	38.05	87.33	100.33	100.33
5.85	3.00	7.00	7.00	7.00
107.95	110.15	116.10	116.05	116.05
71.50	82.08	94.80	103.40	103.40
292.60	295.60	300.60	320.50	320.50
20.60	22.75	22.55	22.35	22.35
<b>1,353.08</b>	<b>1,405.70</b>	<b>1,559.80</b>	<b>1,617.80</b>	<b>1,619.05</b>

**Schedule XVI  
Operating Indicators  
Last three fiscal years**

FUNCTION/PROGRAM	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>General government</b>			
<b>Building Permits Issued</b>			
Residential Permits Issued	3,354	2,800	2,832
Residential Permits Value	\$ 116,329,189	\$ 107,652,761	\$ 110,395,311
Mixed Use Issued	\$ 24	\$ 27	\$ 38 <sup>(1)</sup>
Mixed Use Value	\$ 11,155,858	\$ 99,332,466	\$ 128,851,722 <sup>(1)</sup>
Commercial Permits Issued	281	289	199
Commercial Permits Value	\$ 59,076,763	\$ 80,330,835	\$ 82,680,149
<b>Residential Parking Permits</b>			
Number of Daily Permits Issued	34,312	23,582	1,770
Number of 14 Day Permits Issued	1,456	734	94
Number of Annual Permits Issued	13,725	12,671	12,277
<b>City Clerk</b>			
Number of Council Resolutions Passed	415	389	465
Number of Ordinances Passed	47	42	57
Number of Contracts Passed	478	580	471
<b>General Services</b>			
Number of Purchase Orders Issued	4,609	4,977	4,142
<b>Police</b>			
Physical Arrests	2,523	2,855	2,248
Parking Violations	139,516	100,492	85,259
Traffic (moving) Violations	3,684	3,431	1,838
DUI Arrests	177	175	87
<b>Fire</b>			
Structure Fires	56	74	58
Vehicle Fire	33	34	44
Other Fires	169	228	301
Medical Calls	9,696	9,041	7,843
Haz-mat Calls	188	204	569
Other Calls	5,221	5,214	4,259
Out of City	79	59	51
<b>Department of Health Services</b>			
Health Inspections and Permits	4,482	3,007	1,528
Public Health Services Encounters	76,755	57,148	73,891
Mobile Crisis Visits	1,485	917	1,304
<b>Housing and Community Services Department</b>			
Home Delivered Meal	54,975	65,287	86,670
Summer and year-round jobs provided for youth	347	330	113
<b>Library</b>			
Number of visits made to Library Branches	1,083,038	794,696	20,471
Number of people that are registered library card holders	110,229	111,985	144,041
Number of times materials from the library circulated (items checked out)	2,420,839	2,107,269	1,646,675

(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 2019	Fiscal Year 2020	Fiscal Year 2021
			(2)
Solid Waste Management			
Transfer Station Customers	134,125	131,051	132,397
Total incoming tons at transfer station			
Refuse and C&D	95,524	89,248	85,848
Organics	33,000	32,382	28,667 <sup>(3)</sup>
Total incoming tons	128,523	121,630	114,515 <sup>(3)</sup>
Landfilled Tons	77,870	72,814	67,651
Recycled /Composted Tons	49,788	46,943	44,294
Total tons exiting transfer station	127,658	119,757	113,945
Recycling Method			
Recycled/Composted tons:			
Organics collection to compost facility	22,361	21,660	19,834
Organics - public to compost facility	10,638	9,779	8,833
Transfer Station Salvage	807	697	797
C&D Diverted at sorting facility	16,788	13,829	14,118
Add 'I' TS Diversion Programs	866	978	712
TOTAL TRANSFER STATION DIVERSION	51,460	46,943	44,294
Buyback drop-off	2,772	2,315	2,382
Residential Curbside	8,280	8,408	8,939
Commercial recycling	4,931	4,608	4,085
TOTAL RECYLING COLLECTION at CCC (Not at transfer station)	15,983	15,331	15,406
TOTAL CITY CONTROLLED DIVERSION	67,443	62,274	59,700
Other Public Works			
Street Resurfacing/Overlay/Reconstruction (miles)	2	5	5
ADA Compliance: New Curb Ramps	76	127	107
Traffic Circles - Cumulative	56	57	57
Street Poles with Lights - Cumulative	8,036	8,036	8,036
Marina			
Number of Berths	1,032	1,032	1,032
Number of Occupied Berths	831	836	838
Number of new berthers	174	145	207
Number of paid launchers	6,948	7,971	7,319
Launch Ramp Total Revenue	\$ 102,255	\$ 127,908	\$ 120,436
Parking			
Number of Pay and Display Meters Operating	233	225	218
Number of Single Space Meters Operating	2,145	2,106	2,057
Planning and Development Department			
Customers Served	31,600	28,200	27,087
Building & Safety Inspections Performed	34,366	27,675	28,697
Toxics: CUPA Inspections	297	249	474
Sanitary Sewer			
Number of Customer Accounts Billed	33,459	32,897	33,243

(Concluded)

**Schedule XVII**  
**Capital Asset Statistics by Function/Program**  
**Last three fiscal years**

Function/Program	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Police			
Number of Stations	2	2	2
Parking Enforcement Vehicles	48	48	48
Fire			
Number of Stations	7	7	7
Number of Fire Trucks	13	13*	7
Library			
Central Library	1	1	1
Branch Libraries	4	4	4
Solid Waste Management			
Collection Vehicles	36	38	37
Support Vehicles	21	20	20
Transfer Tractors	8	8	8
Transfer Trailers	9	9	8
Other Public Works			
Streets (miles)	216	216	215
Streetlights	8,036	8,036	8,036
Traffic Signals	142	142	142
Sidewalks (miles)	300	300	300
Parks and Recreation			
Number of Parks	52	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	3	2	2
Number of Off Street Parking Meter Spaces	142	35	35
Number of Off Street Parking Garage Spaces	1,249	1,249	580

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**

**\$36,680,000**

**City of Berkeley**

**City of Berkeley**

**2014 General Obligation Bonds**

**2015 General Obligation Refunding Bonds**

**(Street and Integrated Watershed Improvements)**

**\$15,000,000**

**\$35,000,000**

**City of Berkeley**

**City of Berkeley**

**2016 General Obligation Bonds**

**2017 General Obligation Bonds**

**(Street and Integrated Watershed  
Improvements)**

**(2016 Election: Infrastructure and Facilities  
Improvements)**

**\$38,000,000**

**City of Berkeley**

**2020 General Obligation Bonds**

**(2018 Election Measure O: Affordable Housing)**

**(Federally Taxable)**

**(Sustainability Bonds)**

**\$7,790,000**

**City of Berkeley**

**2020 Refunding General Obligation Bonds,**

**Series A**

**2008 Election Measure FF: Neighborhood Branch**

**Library Improvements Project)**

**(Green 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)**

**\$45,000,000**

**City of Berkeley**

**2021 General Obligation Bonds**

**(2016 Election: Infrastructure and Facilities Improvements)**

**\$27,260,000**

**\$3,975,000**

**Berkeley Joint Powers Financing Authority**

**Berkeley Joint Powers Financing Authority**

**2012 Refunding Lease Revenue Bonds**

**2021 Refunding Lease Revenue Bonds**

**(1999 and 2003 Refinancing)**

**(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

2. investment policies:

**City of Berkeley  
Investment Portfolio  
as of June 30, 2021**

<u>Security Type</u>	<u>Market Value</u>	<u>Book Value</u>
U.S. agency securities	\$ 218,682,438	218,850,000
Municipal bonds	5,474,400	5,055,051
Medium term notes	133,106,748	126,407,960
Commercial paper	69,942,700	69,926,392
Certificates of deposit	530,825	500,000
Mutual Funds	11,379,924	11,062,531
Money market	159,209,240	159,209,240
<b>Total</b>	<b><u>598,326,275</u></b>	<b><u>591,011,174</u></b>

All of the City's investments comply with its investment policies.

3. General fund budget for the fiscal year during which the annual report is filed (only required for the 2021 Refunding Lease Revenue Bonds and 2012 Refunding Lease Revenue Bonds):  
The City's current budget will be provided separately from this report.
4. General fund balance sheet for the most recently-completed fiscal year:  
Please see information in the audited financial statements.
5. General fund summary of revenues and expenditures for the most recently-completed fiscal year:  
Please see information in the audited financial statements.
6. General fund tax revenues by source for the most recently-completed fiscal year:  
Please see information in the audited financial statements.
7. Assessed valuation of property in the City for the most recently-completed fiscal year and, to the extent the City is no longer on the Teeter Plan (or its equivalent) and such information is available from the County, information about property tax levies and collections for the most recently completed fiscal year:  
Please see information in the audited financial statements.
8. 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.
9. 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.
10. Summary of property tax rates for all taxing entities within the City expressed as a percentage of assessed valuation:
11. Taxable transactions in the City for the most recently-completed fiscal year (only required for the 2021 Refunding Lease Revenue Bonds and 2012 Refunding Lease Revenue Bonds):  
The most currently available taxable transaction data for the City will be provided separately from this report.
12. Description of the City's outstanding general fund debt and lease obligations as of the end of the most recently-completed fiscal year, including long-term general fund obligations:  
Please see information in the audited financial statements.
13. A schedule of aggregate annual debt service on tax-supported indebtedness of the City:  
Please see information in the audited financial statements.
14. Summary of outstanding and authorized but unissued tax-supported indebtedness of the City:



<b>Election</b>	<b>Authorized Amount</b>	<b>Unissued (as of 6/30/2021)</b>	<b>Bond Issue</b>	<b>Outstanding (as of 6/30/2021)</b>
1992	\$55,000,000	\$0*	2015 Bonds (Refunded 2002 Bonds, 2007 A Bonds, 2007 B Bonds, 2008 Bonds)	\$23,110,000
1996	\$49,000,000	\$0		
2002	\$7,200,000	\$0		
2008	\$26,000,000	\$0	2020A Bonds (Refunded 2009 Bonds) 2020B Bonds (Refunded 2010 Bonds)	\$7,445,000  \$11,110,000
2012	\$30,000,000	\$0	2014 Bonds 2016 Bonds	\$13,045,000 \$13,955,000
2016	\$100,000,000	\$20,000,000	2017 Bonds 2021 Bonds	\$31,175,000 \$45,000,000
2018	\$135,000,000	\$97,000,000	2020 Bonds	\$37,155,000
<b>Total</b>	<b>\$402,200,000</b>	<b>\$117,000,000</b>		<b>\$181,995,000</b>

\* \$32,500,000 of this authorization was unissued but canceled

**13. Amount of all general obligation debt of the City outstanding, and total scheduled debt service on such general obligation debt (as of June 30, 2021).**

Fiscal Year	2014	2015	2016	2017	2020	2020	2020	2021	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	
2021-22	894,000.00	3,050,587.50	740,737.50	1,731,181.26	2,009,640.00	534,950.00	808,687.50	993,465.83	10,763,249.59
2022-23	896,000.00	3,049,837.50	740,112.50	1,730,556.26	2,005,540.00	537,075.00	804,312.50	2,758,325.00	12,521,758.76
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	12,674,608.76
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	11,771,183.76
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	11,770,708.76
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	11,798,558.76
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	11,798,446.26
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	10,858,921.26
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	9,735,933.76
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	9,153,102.51
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	9,160,408.76
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	9,162,686.89
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	9,167,143.15
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	9,166,727.53
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	9,186,496.28
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	9,182,921.28
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	9,182,383.77
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	8,796,093.14
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	8,793,286.89
2040-41	888,925.00		797,456.25	1,725,956.26	1,995,252.50			2,035,325.00	7,442,915.01
2041-42	884,050.00		804,100.00	1,726,350.01	1,997,471.25			2,033,225.00	7,445,196.26
2042-43	887,600.00		809,175.00	1,725,281.26	1,992,721.25			2,035,475.00	7,450,252.51
2043-44	884,462.50		817,575.00	1,722,750.01	1,995,908.75			2,032,075.00	7,452,771.26
2044-45			825,075.00	1,723,675.01	1,994,740.00			2,031,950.00	6,575,440.01
2045-46			831,675.00	1,722,975.01	1,994,405.00			2,034,975.00	6,584,030.01
2046-47			837,375.00	1,719,628.13	1,992,200.00			2,031,081.25	6,580,284.38
2047-48				1,718,518.75	1,993,040.00			2,030,243.75	5,741,802.50
2048-49					1,991,840.00			2,028,506.25	4,020,346.25
2049-50					1,988,600.00			2,030,812.50	4,019,412.50
2050-51					1,988,235.00			2,027,162.50	4,015,397.50
2051-52								2,027,556.25	2,027,556.25
<b>Total</b>	<b>\$ 20,505,356</b>	<b>\$ 27,591,850</b>	<b>\$ 20,150,906</b>	<b>\$ 46,665,960</b>	<b>\$ 60,011,530</b>	<b>\$ 10,242,650</b>	<b>\$ 15,281,719</b>	<b>\$ 63,550,053</b>	<b>\$ 264,000,024</b>

Below are the amounts total outstanding principal and remaining interest of each above general obligation debt (as of June 30, 2021).

	2014	2015	2016	2017	2020	2020	2020	2021	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	
Remaining Principal	13,045,000.00	23,110,000.00	13,955,000.00	31,175,000.00	37,155,000.00	7,445,000.00	11,110,000.00	45,000,000.00	181,995,000.00
Remaining Interest	7,460,356.30	4,481,850.05	6,195,906.25	15,490,959.63	22,856,530.00	2,797,650.00	4,171,718.75	18,550,053.33	82,005,024.31
<b>Total</b>	<b>\$ 20,505,356</b>	<b>\$ 27,591,850</b>	<b>\$ 20,150,906</b>	<b>\$ 46,665,960</b>	<b>\$ 60,011,530</b>	<b>\$ 10,242,650</b>	<b>\$ 15,281,719</b>	<b>\$ 63,550,053</b>	<b>\$ 264,000,024</b>

**14. Additional material information:**

The City is not aware of any additional material information.

**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, 2021): \$960,000

**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 2020-2021**

<b>Total Levy</b>	<b>Amount Delinquent</b>	<b>Number of Delinquent Parcels</b>	<b>Delinquency Rate</b>
\$114,789	\$810.00	1	0.71%

**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: \$32,430,000**

**B. Balance in funds and accounts held by the Authority, the City or the Trustee relating to the Bonds (as of June 30, 2021):**

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>
2017	0% <sup>(4)</sup>	0% <sup>(8)</sup>	49%	70%	60%	75%
2018	0% <sup>(4)</sup>	0% <sup>(8)</sup>	69%	74%	61%	77%
2019 <sup>(5)</sup>	30%	40%	61%	66%	84%	87%
2020 <sup>(6)</sup>	35%	44%	77%	80%	90%	93%
2020 - Pandemic <sup>(7)</sup>	5%	12%	5%	9%	0%	0%
2021 - Pandemic <sup>(8)</sup>	32%	39%	22%	29%	0%	0%

<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> Reflects demolition and reconstruction of a new Center Street Garage.

<sup>(5)</sup> May 2019 data.

<sup>(6)</sup> September 2019 data.

<sup>(7)</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>(8)</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.

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:	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<b>Assets</b>					
Current Assets:					
Cash and investments in treasury	\$ 10,115,453	\$ 11,587,202	\$ 4,819,762	\$ 1,395,917	\$ 34,277
Accounts receivables, net	210,219	217,851	197,933	376,247	348,562
Total current assets	<u>10,325,672</u>	<u>11,805,053</u>	<u>5,017,695</u>	<u>1,772,164</u>	<u>382,839</u>
Noncurrent Assets:					
Restricted cash and cash equivalents	25,602,288	2,371,256	175,269	-	-
Capital Assets:					
Land	1,291,709	1,291,709	1,291,709	1,291,709	1,291,709
Construction in Progress	16,363,701	41,880,706	-	-	-
Buildings, property, equip. and infrastructure	3,451,933	3,353,993	49,444,647	48,771,160	46,876,972
Total capital assets, net	<u>21,107,343</u>	<u>46,526,408</u>	<u>50,736,356</u>	<u>50,062,869</u>	<u>48,168,681</u>
Total noncurrent assets	<u>46,709,631</u>	<u>48,897,664</u>	<u>50,911,625</u>	<u>50,062,869</u>	<u>48,168,681</u>
<b>Total assets</b>	<u>57,035,303</u>	<u>60,702,717</u>	<u>55,929,320</u>	<u>51,835,033</u>	<u>48,551,520</u>
<b>Deferred outflows of resources</b>					
Deferred pension items <sup>(1)</sup>	187,312	198,645	117,644	186,454	188,917
<b>Total Deferred outflows of resources</b>	<u>187,312</u>	<u>198,645</u>	<u>117,644</u>	<u>186,454</u>	<u>188,917</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,620,988	2,977,538	1,900,761	1,199,138	221,479
Accrued salaries and wages	29,514	26,101	19,334	20,297	21,004
Accrued interest payable	-	91,362	91,362	89,555	179,063
Compensated absences	3,899	4,038	3,532	4,308	3,709
Other liabilities	1,886,418	-	-	-	-
Deposits held	5,566	5,566	5,566	5,566	5,566
Revenue bonds payable	-	-	760,000	760,000	760,000
Total current liabilities	<u>3,546,385</u>	<u>3,104,605</u>	<u>2,780,555</u>	<u>2,078,864</u>	<u>1,190,821</u>
Noncurrent liabilities:					
Compensated absences	20,455	21,189	18,534	22,601	19,459
Revenue bonds payable	33,970,000	35,725,946	34,903,047	34,143,046	33,237,246
Net pension liability <sup>(1)</sup>	874,653	930,291	906,988	995,024	1,073,567
Net OPEB liabilities	23,097	71,214	82,503	170,590	100,075
Total noncurrent liabilities:	<u>34,888,205</u>	<u>36,748,640</u>	<u>35,911,072</u>	<u>35,331,261</u>	<u>34,430,347</u>
<b>Total liabilities</b>	<u>38,434,590</u>	<u>39,853,245</u>	<u>38,691,627</u>	<u>37,410,125</u>	<u>35,621,168</u>
<b>Deferred inflows of resources</b>					
Deferred pension items <sup>(1)</sup>	40,074	32,982	54,214	47,836	92,961
<b>Total Deferred inflows of resources</b>	<u>40,074</u>	<u>32,982</u>	<u>54,214</u>	<u>47,836</u>	<u>92,961</u>
<b>Net Position</b>					
Net investment in capital assets	12,739,631	10,800,462	15,073,309	15,159,823	15,738,682
Unrestricted (deficit)	6,008,320	10,193,369	2,227,814	(596,297)	(3,187,268)
<b>Total Net Position</b>	<u>\$ 18,747,951</u>	<u>\$ 20,993,831</u>	<u>\$ 17,391,123</u>	<u>\$ 14,563,526</u>	<u>\$ 12,551,414</u>

<sup>(1)</sup> Reflects implementation of GASB 68 in FY2014-15.

Source: City of Berkeley, Department of Finance

**Table 3  
CITY OF BERKELEY  
Off Street Parking Fund  
Statement of Revenues, Expenses and Changes in Net Position**

<b>Fiscal Year Ended June 30:</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
<b>Revenues:</b>					
Center Street Garage	\$ 53,085	\$ 74,225	\$ 1,651,401	\$ 2,273,066	\$ 1,043,093
Oxford Garage	696,598	751,608	666,667	444,237	870
Telegraph Garage	1,245,278	1,324,060	1,093,389	884,430	344,194
Others	282,417	318,593	422,197	315,028	223,427
<b>Total revenues <sup>(1)</sup></b>	<b>2,277,378</b>	<b>2,468,486</b>	<b>3,833,654</b>	<b>3,916,761</b>	<b>1,611,584</b>
<b>Operating Expenses:</b>					
Personnel services	248,427	385,259	336,859	286,275	272,937
Employee benefits	119,197	269,545	257,438	256,254	206,868
Transportation	8,079	5,703	3,728	4,792	3,282
Repairs and maintenance	765,642	561,060	635,281	622,118	551,965
Materials and supplies	309,977	783	285,262	34,557	4,533
Utilities	209,280	174,679	240,831	265,501	232,946
Specialized and professional services	1,221,177	1,448,880	3,032,607	2,402,218	1,704,273
Depreciation	301,493	332,229	1,634,582	1,926,168	1,931,983
Communication	17,296	14,545	59,940	36,999	50,787
General administration	506,629	12,205	10,171	9,485	1,557
<b>Total operating expenses</b>	<b>3,707,197</b>	<b>3,204,888</b>	<b>6,496,699</b>	<b>5,844,367</b>	<b>4,961,131</b>
<b>Operating Income (Loss)</b>	<b>(1,429,819)</b>	<b>(736,402)</b>	<b>(2,663,045)</b>	<b>(1,927,599)</b>	<b>(3,349,547)</b>
<b>Non-operating revenues (expenses):</b>					
Other Financing Sources (uses):					
Investment earnings <sup>(2)</sup>	20,753	46,757	81,889	-	-
Interest expense	-	39,110	(1,090,150)	(1,157,646)	(1,121,735)
Gain (loss) on disposal of capital assets	-	-	-	-	-
<b>Total non-operating revenue (expenses)</b>	<b>20,753</b>	<b>85,867</b>	<b>(1,008,261)</b>	<b>(1,157,646)</b>	<b>(1,121,735)</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(1,409,066)</b>	<b>(650,535)</b>	<b>(3,671,306)</b>	<b>(3,085,245)</b>	<b>(4,471,282)</b>
Transfer in	2,000,000	2,967,509	-	-	1,910,250
Transfer out	(230,780)	(7,920)	(21,395)	(7,920)	(7,920)
<b>Change in net position</b>	<b>360,154</b>	<b>2,309,054</b>	<b>(3,692,701)</b>	<b>(3,093,165)</b>	<b>(2,568,952)</b>
Total Net Position - Beginning <sup>(3)</sup>	18,387,797	18,684,777	20,993,831	17,656,691	15,120,366
Total Net Position - Ending	<b>\$ 18,747,951</b>	<b>\$ 20,993,831</b>	<b>\$ 17,301,129</b>	<b>\$ 14,563,526</b>	<b>\$ 12,551,414</b>

<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.

<sup>(3)</sup>Prior period adjustment in FY 2017-18 due to implementation of GASB 72.

Source: City of Berkeley, Department of Finance

**Table 4**  
**CITY OF BERKELEY**  
**Parking Meter Fund**  
**Statement of Net Position**

<b>Fiscal Year Ended June 30:</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	\$ 6,133,740	\$ 3,614,954	\$ 5,343,662	\$ 3,884,015	\$ 2,311,101
Accounts receivables, net	14,455	41,168	13,844	27,054	11,957
<b>Total current assets</b>	<b>6,148,195</b>	<b>3,656,122</b>	<b>5,357,506</b>	<b>3,911,069</b>	<b>2,323,058</b>
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	-	-
Construction in Progress	3,421	3,421	-	-	-
Buildings, property, equip. & infrastructure, net	1,077,949	1,500,874	1,094,602	773,347	437,132
<b>Total capital assets, net</b>	<b>1,081,370</b>	<b>1,504,295</b>	<b>1,094,602</b>	<b>773,347</b>	<b>437,132</b>
<b>Total noncurrent assets</b>	<b>1,081,370</b>	<b>1,504,295</b>	<b>1,094,602</b>	<b>773,347</b>	<b>437,132</b>
<b>Total assets</b>	<b>7,229,565</b>	<b>5,160,417</b>	<b>6,452,108</b>	<b>4,684,416</b>	<b>2,760,190</b>
<b>Deferred outflows of resources</b>					
Deferred pension items <sup>(1)</sup>	1,524,175	1,602,768	945,420	1,211,280	1,283,582
<b>Total Deferred outflows of resources</b>	<b>1,524,175</b>	<b>1,602,768</b>	<b>945,420</b>	<b>1,211,280</b>	<b>1,283,582</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	301,746	205,165	95,498	304,379	288,625
Accrued salaries and wages	188,624	183,710	200,051	250,144	274,396
Compensated absences	42,201	44,093	43,929	51,581	47,838
<b>Total current liabilities</b>	<b>532,571</b>	<b>432,968</b>	<b>339,478</b>	<b>606,104</b>	<b>610,859</b>
Noncurrent liabilities:					
Compensated absences	221,421	231,345	230,488	270,636	
Net pension liability <sup>(1)</sup>	7,063,920	7,449,784	7,269,261	7,269,261	9,580,057
Net OPEB liabilities	201,024	656,501	700,654	8,996,404	8,559,686
<b>Total noncurrent liabilities:</b>	<b>7,486,365</b>	<b>8,337,630</b>	<b>8,200,403</b>	<b>9,267,040</b>	<b>18,139,743</b>
<b>Total liabilities</b>	<b>8,018,936</b>	<b>8,770,598</b>	<b>8,539,881</b>	<b>9,873,144</b>	<b>18,750,602</b>
<b>Deferred inflows of resources</b>					
Deferred pension items	315,903	266,721	390,874	341,213	418,226
<b>Total Deferred inflows of resources</b>	<b>315,903</b>	<b>266,721</b>	<b>390,874</b>	<b>341,213</b>	<b>418,226</b>
<b>Net Position</b>					
Net investment in capital assets	1,081,370	1,504,295	1,094,602	773,347	437,132
Unrestricted (deficit)	(662,469)	(3,911,936)	(2,627,829)	(5,092,008)	(7,002,502)
<b>Total Net Position</b>	<b>\$ 418,901</b>	<b>\$ (2,407,641)</b>	<b>\$ (1,533,227)</b>	<b>\$ (4,318,661)</b>	<b>\$ (6,565,370)</b>

<sup>(1)</sup> Reflects implementation of GASB 68 in FY 2014-15.

Source: City of Berkeley, Department of Finance.



**Table 5**  
**CITY OF BERKELEY**  
**Parking Meter Fund**  
**Statement of Revenues, Expenses and Changes in Net Position**

<b>Fiscal Year Ended June 30:</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
<b>Operating Revenues:</b>					
Parking meter revenues	\$ 10,119,294	\$ 10,170,358	\$ 10,381,385	\$ 7,352,176	\$ 4,254,957
<b>Total Revenues</b>	<u>10,119,294</u>	<u>10,170,358</u>	<u>10,381,385</u>	<u>7,352,176</u>	<u>4,254,957</u>
<b>Operating Expenses:</b>					
Personnel services	2,355,413	2,543,643	2,746,985	2,979,846	1,459,398
Employee benefits	1,763,648	2,189,173	2,419,282	2,798,124	1,463,511
Transportation	374,027	412,685	408,485	495,479	135,409
Repairs and maintenance	91,057	102,956	95,061	131,280	65,420
Materials and supplies	787,830	300,554	238,090	205,923	119,754
Utilities	13,005	16,234	12,370	12,195	10,630
Specialized and professional services	1,482,652	1,667,755	1,379,317	1,253,135	809,583
Depreciation	292,977	319,996	436,448	438,305	394,025
Communication	12,834	10,887	77,106	188,559	152,087
<b>Total Operating Expenses</b>	<u>7,173,443</u>	<u>7,563,883</u>	<u>7,813,144</u>	<u>8,502,846</u>	<u>4,609,817</u>
<b>Operating Income (Loss)</b>	<u>2,945,851</u>	<u>2,606,475</u>	<u>2,568,241</u>	<u>(1,150,670)</u>	<u>(354,860)</u>
<b>Non-operating Revenues (Expenses):</b>					
Investment earnings <sup>(1)</sup>	(19,665)	(17,178)	96,473	116,174	-
Interest expense					(149,551)
Gain(loss) of dispos. capital assets	(1,670)	(4)	-	-	(10)
<b>Total non-operating revenue (expenses)</b>	<u>(21,335)</u>	<u>(17,182)</u>	<u>96,473</u>	<u>116,174</u>	<u>(149,561)</u>
Net income (loss) before contributions and transfers	<u>2,924,516</u>	<u>2,589,293</u>	<u>2,664,714</u>	<u>(1,034,496)</u>	<u>(504,421)</u>
Transfers in <sup>(2)</sup>	223,965	223,965	-	-	-
Transfers out	(3,040,593)	(4,713,262)	(1,790,299)	(1,750,938)	(1,742,288)
<b>Change in net position</b>	<u>107,888</u>	<u>(2,123,969)</u>	<u>874,415</u>	<u>(2,785,434)</u>	<u>(2,246,709)</u>
Total Net Position - Beginning	311,013	(130,934)	(2,407,641)	(4,318,661)	(4,318,661)
Total Net Position - Ending	<u>\$ 418,901</u>	<u>\$ (2,254,903)</u>	<u>\$ (1,533,226)</u>	<u>\$ (7,104,095)</u>	<u>\$ (6,565,370)</u>

<sup>(1)</sup> GASB 31 requires the City to record the unrecognized loss of investments to reflect the fair market value.

<sup>(2)</sup> Transfers in reflect public works engineering fees collected in the Permit Service Center Fund transferred to Parking Meter Fund in lieu of lost parking meter revenues.

Source: City of Berkeley, Department of Finance.

- G. Coverage ratio calculation for the Bonds, in substantially the form provided in Table 6 of the Official Statement. (The City does not need to provide projected results for future years.):

**Table 6**  
**CITY OF BERKELEY**  
**Off Street Parking Fund and Parking Meter Fund**  
**Summary of Statement of Revenues, Expenses and Debt Service Coverage**

<b>Fiscal Year Ended June 30:</b>	<b>2020-2021</b>
<b>Off Street Parking Enterprise Operating Revenues</b>	
Center Street Garage	\$ 1,043,093
Oxford Garage	870
Telegraph/Channing Garage	344,194
Telegraph/Channing Mall Rents	208,046
Other	15,382
<b>Total Off Street Parking Enterprise Revenues</b>	<b>1,611,585</b>
<b>Off Street Parking Enterprise Operating Expenses</b>	
Personnel	432,856
Non-personnel	2,317,513
Property and business interruption insurance for Center Street Garage	-
Parking management services	-
<b>Total Off Street Parking Enterprise Expenses</b>	<b>2,750,369</b>
<b>NET OFF STREET PARKING REVENUES FOR COVERAGE</b>	<b>\$ (1,138,784)</b>
<b>Parking Meter Enterprise Operating Revenues</b>	
Various lots	\$ 4,254,749
PSC transfer	-
<b>Total Parking Meter Enterprise Revenues</b>	<b>4,254,749</b>
<b>Parking Meter Enterprise Operating Expenses</b>	
Personnel	2,608,923
Non-personnel	1,258,977
<b>Total Parking Meter Enterprise Expenses</b>	<b>3,867,900</b>
<b>NET PARKING METER REVENUES FOR COVERAGE</b>	<b>386,849</b>
Draws from Rate Stabilization fund	-
<b>TOTAL NET REVENUES FOR COVERAGE</b>	<b>(751,935)</b>
2016 Revenue bonds debt service	1,910,250
Coverage ratio (Off Street parking fund only) <sup>(1)</sup>	(0.60)
Coverage ratio (Off Street parking fund and Parking meter fund) <sup>(1)</sup>	(0.39)

(1) Net revenue divided by debt service  
Source: City of Berkeley



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
of the Berkeley, City of  
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 the City of Berkeley, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 31, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

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

### **Compliance and Other Matters**

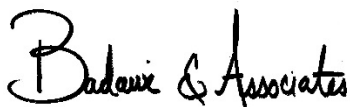
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.



Badawi & Associates, CPAs  
Berkeley, California  
December 31, 2021

**City of Berkeley**  
**Schedule of Findings and Responses**  
**For the year ended June 30, 2021**

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**2021-001 - Restatement of Previously Issued Financial Statements**

**Criteria:**

The City is responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

**Condition:**

The City recorded prior period adjustments to correct accounts payable and retention payable.

**Cause:**

The City's internal controls over financial reporting did not identify the misstatement in a timely manner resulting in the restatement.

**Context and Effect:**

The City's previously issued financial statements were not fairly stated in conformity with accounting principles generally accepted in the United States of America.

**Recommendation:**

We recommend that the City enhance its internal control over financial reporting to ensure complete and accurate financial reporting. The City can accomplish this by expanding its year-end closing procedures to ensure that all non-routine and nonsystematic transactions are accounted for, the appropriate accounting standards are applied, and transactions are accounted for in the proper period.

**Management Response:**

In FY 2021, the City added this additional task of reversing entries to the Project Schedule. These entries were reviewed and all the necessary approvals were made and signed off when the entries were completed. The City intends to enhance this process by including a formal checklist to the year-end process in Fiscal year 2022.

