

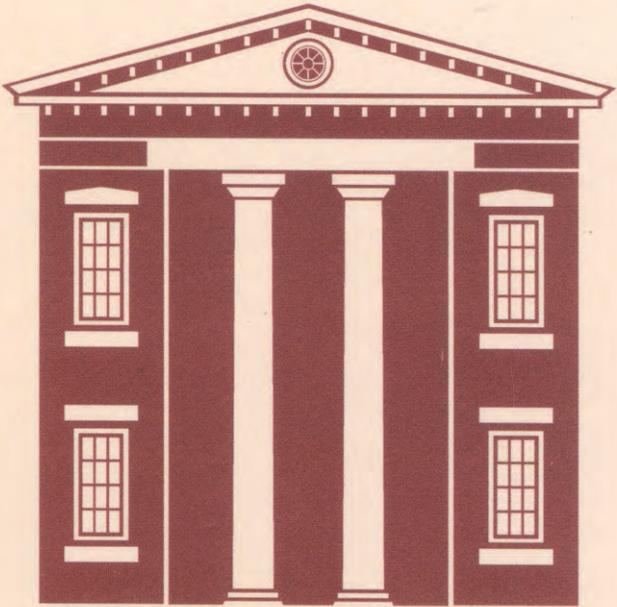
CITY OF BENICIA
Fiscal Year Ended June 30, 2015



Comprehensive Annual Financial Report

CITY OF BENICIA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

Prepared by
FINANCE DEPARTMENT



THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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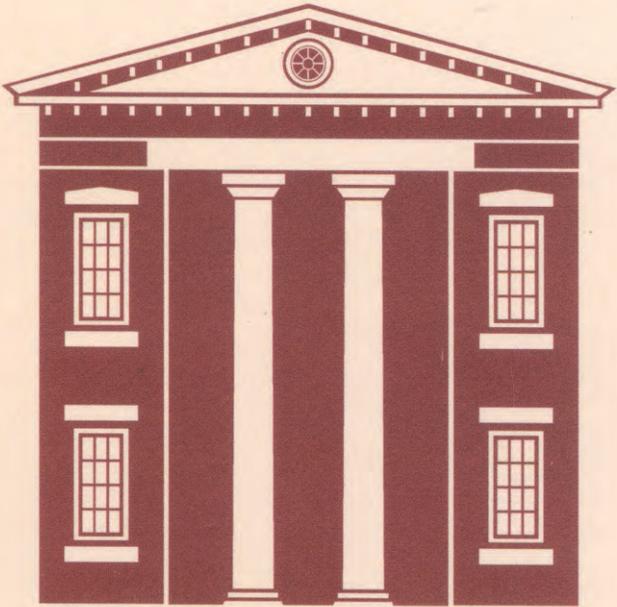
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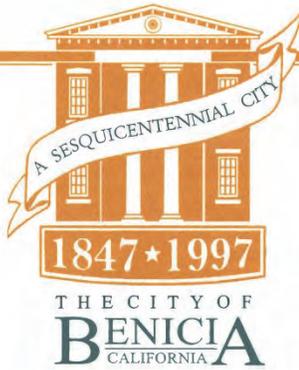
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THE CITY OF
BENICIA
CALIFORNIA



February 16, 2016

**Honorable Mayor Elizabeth Patterson,
Members of the City Council, and
Citizens of the City of Benicia
Benicia, California:**

The Comprehensive Annual Financial Report (CAFR) of the City of Benicia for the fiscal year ended June 30, 2015, is submitted for Council's review and is published as a matter of public record for interested citizens. Management takes responsibility for completeness and reliability of the information contained in this report based upon a framework of internal control that has been established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the CAFR information is accurate in all material respects.

The City of Benicia's financial statements have been audited by Maze and Associates, Certified Public Accountants. The goal of the independent audit is to obtain reasonable assurance that the basic financial statements are free of material misstatement and are fairly presented in conformity with generally accepted accounting principles (GAAP). Maze and Associates issued an unqualified opinion for the fiscal year ended June 30, 2015. Their report is presented as the first component of the financial section of this report.

Management's Discussion & Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

THE BENICIA GOVERNMENT

Benicia, California is located in southern Solano County adjacent to the Carquinez Strait, which is part of the San Francisco Bay. It is a waterfront city, known for its small-town charm, history, and high quality of life. Benicia has moderate Mediterranean weather with dry warm summers and moderate winters. It currently occupies 14 square miles and serves a population of 27,689.

The City was incorporated in April 24, 1851, under the laws of the State of California. The City is a general law city administered by a council-manager form of government. The City provides a wide range of municipal services to its citizens including public safety (fire and police), library, parks and recreation, public works, planning and zoning, water and wastewater utilities, economic development, and general administrative services.

City Council: The Council consists of a mayor and four council members elected to staggered four year terms through a general election process. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City; and, for appointing directors of the various City departments.

Finance Committee: While retaining authority to approve actions, the City Council has established a citizen committee (the Committee) to review certain financial matters. Two members of the Council also serve on the Committee. At the monthly meetings, staff presents selected fund activity, warrant registers, certain quarterly operating results, quarterly investment reports; and, also reports on other matters requested by the Committee in the evaluation of the City's financial position.

THE BENICIA ECONOMY

Benicia's strategic setting on the Carquinez Strait has made it an attractive location as both a place to live and a place for industrial activity. While largely built out, families continue to be attracted to the City of Benicia's quiet tree-lined neighborhoods, good schools, low crime rate and historic charm.

Benicia Industrial Park: The City's Industrial Park has been a model for other California cities on how to transform an abandoned military base into a viable industrial park and local economic catalyst. The Benicia Industrial Park (BIP) provides a strong tax base for the City, generating over 45% of the local tax revenue collected (including property, sales, and utility users). There is a mix of industrial and related uses including petro-chemical, manufacturing, wholesale trade, transportation, suppliers to major anchor businesses, and emerging new technology businesses.

These strengths are also leading to some challenges as the City's major business industries experience a protracted, modest recovery from the Great Recession; and the City's primary revenue sources are concentrated in the business-industrial economic sector. Adding to the challenge is increased competitive pressure from new business parks in surrounding cities. These challenges are reflected in the flat to low growth revenue trends in projected property and sales tax revenues.

Property Tax: Property tax revenues for FY14-15 increased by approximately 6%. The overall property tax assessment roll values growth was attributable to a 9% growth in residential properties and a 5% increase in commercial properties, offset by a decrease in assessment growth in the industrial and other property categories. Factors contributing to the robust residential growth relate primarily to increases in assessed values for residential

properties that had previously received a Proposition 8 temporary reduction in value. While significant potential for Proposition 8 value recovery still exists in the residential property category; flattening industrial valuations, continued low level of development activity, and significant property tax assessment appeals continue to dampen the City's projected property tax growth trends.

Sales Tax: Sales tax revenue accounts for approximately 18% of average General Fund revenues. Revenues increased approximately 2% from FY 2013-14 levels. This revenue source tends to be volatile year-over-year due to the high concentration of business-industrial taxpayers.

Measure C: The City, in the November 2014 elections took to the voters a ballot measure, Measure C, to increase sales tax by 1%, from 7.625% to 8.625% to help ensure the City's financial viability as a full-service city and at the same time protecting the small town quality of life. For FY14-15, the City collected approximately \$1.1 million Measure C sales tax revenues.

While the City continues to experience revenue challenges, a manageable demand for social services allows the City to continue to allocate resources for economic and marketing development programs, cooperative education programs, climate action initiatives, and support of public art and historic treasures.

FINANCIAL INFORMATION

Financial Goals and Strategies: The City's financial goals and strategies center on economic development in order to ensure stable revenue sources and provide a high level services to the community. These goals and strategies are:

1. Implement an Economic Development Strategy, including: continue tourism brand promotion and BIP marketing program; continue funding for non-profit arts and culture grants; and complete the Downtown Waterfront Park Master Plan.
2. Strengthen Benicia Industrial Park competitiveness, including; implementing road resurfacing projects; and pursuing and developing a BIP broadband project.
3. Retain and attract business, including: implementing a Business Development Action Plan; expanding business support tools and policies that balance sustainability with economic vitality; continuing to collaborate with the Benicia Unified School District to support quality education.
4. Manage City finances prudently, including; preparing and maintaining a balanced budget with strong emergency, contingency, and internal services fund reserves.
5. Increase economic vitality of BIP and other commercial areas, while preserving existing economic strengths and historic resources.

There is also a strong focus on sound management of the City's financial resources to allow for the stable delivery of public services and to preserve the City's reputation in financial markets.

Long-term Planning: Economic development remains a priority of the City Council. The City continues efforts toward increasing the economic vitality of the existing BIP, and also is considering plans for a possible expansion of business activity through a General Plan Amendment with a developer with an option to purchase a 500-acre parcel of property adjacent to the Benicia Industrial Park. Although no agreement exists at this time, a proposed development that includes light industrial uses and commercial space is consistent with the City's General Plan.

Strategic Planning: A citywide Strategic Plan has been developed through a series of public meetings, retreats and workshops with the City Council and City Management. The budget serves as the implementation measure for this plan and sets forth five major Strategic Issues as follows:

- Protecting Community Health and Safety
- Protecting and Enhancing the Environment
- Strengthening Economic and Fiscal Conditions
- Preserving and Enhancing Infrastructure
- Maintain and Enhance a High Quality of Life

As the City looks ahead, it is not anticipated that economic conditions will improve significantly during the next several years. The City continues to implement strategies to reduce costs and improve operational efficiencies while continuing to provide excellent citizen services. A cornerstone of this effort is titled "Strategic Path to Financial Resiliency and Organizational Sustainability" in which the City is embarking on targeted financial and organizational studies regarding the City's long-term financial and organizational capacity. Ultimately, the City intends to engage the community in the financial efforts and revenue strategies needed to maintain current service-delivery levels while, at the same time, managing the City's resources, infrastructure, and obligations in a financial prudent manner.

Capital Planning: The City updates a Capital Improvement Plan (CIP) on a biennial basis based upon the "Council Priority List." During the FY 2013-15 budget cycle, the City updated funded capital projects for a two-year period. As local, state, and Federal funding sources have become difficult to secure, the City has identified several studies required to assess the resources required to maintain adequate infrastructure assets. This item also has been identified as a strategic objective to accomplish under the "Strategic Path to Financial Resiliency and Organizational Sustainability."

Internal Controls: City management is responsible for establishing and maintaining an internal control structure designed to ensure government assets are protected from loss, theft or misuse and to ensure adequate accounting data are compiled for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not

exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls: The City maintains budgetary controls. The objective of these controls is to ensure compliance with the Council-approved, annual appropriated budget. Project-length financial plans are adopted for the Capital Improvement Project Funds. Budgetary control is maintained at the fund level for administrative and operating expenditures, while capital improvements are maintained at the project budget total. Department directors have control of their department budgets and if transfers between departments are needed, the City Manager has the authority to approve them. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

General Fund Reserves: The City has adopted a fund balance reserve policy establishing a minimum fund balance equal to 20% of the fund's annual operating revenue budget for the purpose of stabilizing the delivery of City services during periods of operational budget deficits. At a minimum, the reserves include the following: Contingency Reserve of 10% to mitigate the effects of economic uncertainties, local disasters, and/or severe financial hardships resulting from unforeseen changes in operating results; and, an Emergency Reserve of 10% to mitigate all unforeseen events not covered in the Contingency Reserve. As of June 30, 2015, the General Fund reserve balance was at the required level of 20%, which is \$6,604,104.

Long Range Financial Forecast: The City of Benicia produces a ten-year Long Range Financial Forecast, which is updated annually. This report analyzes local, state, and federal economic conditions, short and long-term revenue and expenditure trends; and includes defined assumptions regarding future events.

Gann Limit vs. Appropriations Subject to Limit: Proposition 4, the "Gann Initiative," was passed by California voters in 1978, and is intended to limit government appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which is modified by the composite consumer price index and population changes that have occurred in subsequent years. The City's appropriations limit and the estimated appropriations subject to the limit for the FY 2014-15 amounted to \$79,332,036 and \$27,197,358 respectively. City appropriations subject to the limit have consistently remained far below the appropriation limits and are not expected to deviate from this trend in the foreseeable future.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Benicia for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Finance Department Staff believes this report conforms to the Certificate of Achievement Program requirements and will submit the report to the GFOA to determine its eligibility. The City of Benicia has received this award for the past 23 years and it is our goal to be awarded this Certificate once again. The award demonstrates the City's conformance to the highest level of financial reporting standards.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my special appreciation to Assistant Finance Director Abigail M. Urrutia and Accounting Systems Supervisor Alyson Kauzer. I would also like to thank the Mayor, City Council Members and the City Manager for their support in planning and conducting City financial affairs in a responsible and efficient manner.

Respectfully submitted,



Karin Schnaider
Finance Director

MUNICIPAL OFFICERS

CITY COUNCIL (Elected)

Elizabeth Patterson, Mayor	November 2016
Mark Hughes, Vice Mayor	November 2018
Tom Campbell, Councilmember	November 2016
Christina Strawbridge, Councilmember	November 2016
Alan Schwartzman, Councilmember	November 2018

OTHER (Elected)

Lisa Wolfe, City Clerk	November 2016
Kenneth Paulk, City Treasurer	November 2016

FINANCE COMMITTEE (Appointed)

Michael Clarke	January 2017
Kathy Griffin	January 2017
Alan Nadritch	July 2019
John Potter	January 2019
Joshua Wilson	January 2019

APPOINTED OFFICIALS

Brad Kilger	City Manager
Heather McLaughlin	City Attorney

DEPARTMENT HEADS

Anne Cardwell	Administrative Services
Karin Schnaider	Finance
Jim Lydon	Fire
Diane Smikahl	Library
Mike Dotson	Parks & Community Services
Eric Upson	Police
Graham Wadsworth	Public Works

CITY OF BENICIA

Mission, Vision and Values

City Mission:

- Excellent Service

City Vision:

- To work together to build a sustainable community and enhance the City's overall quality of life.

City Values or Guiding Principles:

- Respect
- Responsiveness
- Integrity
- Inclusiveness & Collaboration
- Teamwork

CITY OF BENICIA
ORGANIZATIONAL CHART

CITIZENS OF BENICIA

CITY COUNCIL

Elizabeth Patterson, Mayor

CITY CLERK

Lisa Wolfe

Mark Hughes, Vice Mayor

Tom Campbell

CITY TREASURER

Kenneth Paulk

Alan Schwartzman

Christina Strawbridge

CITY MANAGER

Brad Kilger

CITY ATTORNEY

Heather McLaughlin

POLICE
CHIEF

Erik
Upson

FIRE
CHIEF

Jim
Lydon

FINANCE
DIRECTOR

Karin
Schneider

ASSISTANT CITY
MANAGER

Anne
Cardwell

PARKS &
COMMUNITY
SERVICES
DIRECTOR

Mike
Dotson

LIBRARY
DIRECTOR

Diane
Smikahl

PUBLIC WORKS
DIRECTOR

Graham
Wadsworth

Location Map

City of Benicia





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

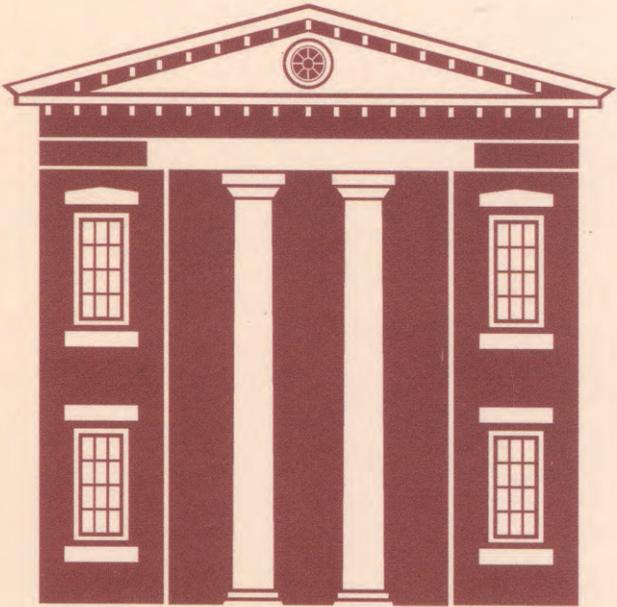
Presented to

**City of Benicia
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



THE CITY OF
BENICIA
CALIFORNIA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Benicia, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Benicia, California, as of and for the year ended June 30, 2015, 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 the 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 City'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 City'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.

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, each major fund, and the aggregate remaining fund information of the City of Benicia, California, as of June 30, 2015 and the respective changes in the financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

The City adjusted various beginning balances of net position in governmental activities as discussed in Note 1M to the financial statements

Management adopted the provisions of the following Governmental Accounting Standards Board Statements, which became effective during the year ended June 30, 2015 that had material effects on the financial statements, as discussed in Note 1L to the financial statements.

- *Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment for GASB Statement No. 27.*
- *Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No 68.*

The emphasis of these matters does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Other Required Supplementary Information 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, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

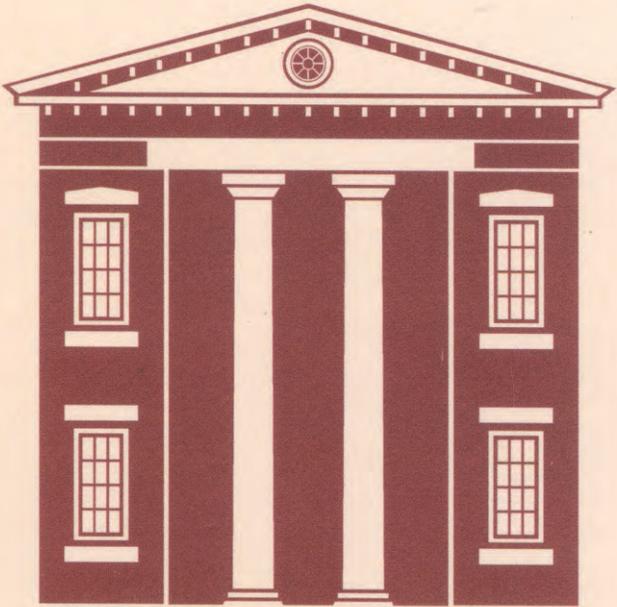
The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2016, 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 the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
January 28, 2016



THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA Management's Discussion and Analysis

This management's discussion and analysis provides readers an overview and analysis of financial activities of the City of Benicia (City) for the fiscal year ended June 30, 2015. Please read this discussion and analysis in conjunction with the accompanying Transmittal Letter, the Basic Financial Statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The voter-approved "Measure C", an additional 1% sales tax, approved by voters in the November 2014 elections provided \$1.1 million this fiscal year to help ensure Benicia's financial viability as a full-service city and protect the small town quality of life.
- During fiscal year 2014-15, the City implemented new pension accounting standards, following guidance from the Government Accounting Standards Board. A new Net Pension Liability of \$38.6 million has been recorded as of June 30, 2015. These new pension accounting standards respond to public interest about government pensions and provide new transparency about the City's considerable pension obligations and their funding progress.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$172.1 million.
- At the end of the current fiscal year, the General Fund's fund balance totaled \$12.0 million, an increase of 15.6%, due to increases in property taxes, franchise fees, other charges for services, salary savings and the reclassification of loans receivable offset as a component of fund balance.
- The City's total debt increased by \$34.3 million as a net result of debt maturities during the year and the recording of the net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consists of three parts: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The Government-wide Financial Statements provide readers with a broad view of the City's finances, in a manner similar to a private-sector business, using the economic resources measurement focus and accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which liability is incurred.

The Statement of Net Position reports information about the City as a whole. This statement includes all assets (including infrastructure) as well as all liabilities (including long-term debt) of the City. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating.

CITY OF BENICIA
Management's Discussion and Analysis

In the Government-wide statements, City activities are reported in two categories:

- **Governmental Activities** - Most of the City's basic services are reported in this category, including administration, community development, police, fire, parks and community services, public works, library services, and economic development. Property, sales and utility taxes, user fees, interest income, franchise fees, and state and federal grants are among the revenues that finance these activities.
- **Business-Type Activities** - The City charges a fee to customers to pay for the cost of certain services provided. The City's wastewater, water, marina, and transit operations are reported in this category.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law or by bond covenants. However, the City establishes many other funds to help control and manage money for a particular purpose or to show that the City is meeting legal responsibilities for using certain taxes, grants, or other funds restricted in its use. Fund Financial Statements provide detailed information about the most significant funds, not the City as a whole.

All of the funds of the City can be divided into three categories:

- **Governmental Funds** - Most of the City's basic services are reported in governmental funds, using the current financial resources measurement focus and modified accrual accounting method, where revenues are recognized when measurable and available. 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 determining the City's ability to finance its programs in the near future.

To better understand the City's long-term and short-term requirements, it is useful to compare the City's Governmental Fund Statements with the governmental activities in the Government-wide Financial Statements. To facilitate this comparison, a reconciliation of these statements is provided for both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balance.

- **Proprietary Funds** - When the City charges customers for services, either to outside customers or to other City departments, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in which all activities are reported in the Government-wide Financial Statements, using the accrual basis of accounting. The City's enterprise funds are the same as the "business-type activities" reported in the government-wide financial statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City uses internal service funds to report activities that provide supplies and services to the City's other programs and activities, such as insurance, general services, building and equipment management and the retirement stability funds. Internal Service Funds are reported with "governmental activities" in the Government-wide Financial Statements since services provided predominantly benefit governmental rather than business-type functions.

CITY OF BENICIA
Management's Discussion and Analysis

- **Fiduciary Funds** - The City is the trustee, or fiduciary, for certain funds held on behalf of third parties. The City's fiduciary activities are reported in a separate Statements of Fiduciary Net Assets. These activities are excluded from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that assets reported in these funds are used for their specified purposes.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in both the Government-wide Financial Statements and Fund Financial Statements. The notes to the financial statements can be found on pages 35-80 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

CITY OF BENICIA Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined Net Position for the year ended June 30, 2015 are summarized below.

Summary of Net Position

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 29.2	\$ 35.9	\$ 28.8	\$ 27.6	\$ 58.0	\$ 63.5
Capital assets	130.8	134.2	90.6	94.9	221.4	229.1
Total Assets	160.0	170.1	119.4	122.5	279.4	292.6
Deferred outflows of resources	3.6	-	0.4	-	4.0	-
Long-term liabilities outstanding	61.7	27.3	31.9	31.6	93.6	58.9
Other liabilities	7.3	7.9	1.5	1.4	8.8	9.3
Total Liabilities	69.0	35.2	33.4	33.0	102.4	68.2
Deferred inflows of resources	8.1	-	0.8	-	8.9	-
Net Position:						
Net investments in						
capital assets	117.9	120.4	62.5	63.3	180.4	183.7
Restricted	9.5	6.6	-	-	9.5	6.6
Unrestricted	(40.9)	7.9	23.1	26.2	(17.8)	34.1
Total Net Position	\$ 86.5	\$ 134.9	\$ 85.6	\$ 89.5	\$ 172.1	\$ 224.4

The largest portion of the City's net position (104.9%) reflects its net investments in capital assets. The City uses these capital assets to provide services to citizens and are not available for future spending.

Restricted net assets represent 5.5% of the total net assets and are subject to external restrictions. The balance of unrestricted net assets, represents negative 10.4% of the total assets, (due to the recognition and recording of the City's net pension liability as required by GASB 68 and 71).

CITY OF BENICIA Management's Discussion and Analysis

A Statement of Activities and Changes in Net Position, as of June 30, 2015, is presented below.

Statement of Activities and Changes in Net Position

	(in millions)					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 3.4	\$ 3.2	17.8	\$ 16.1	\$ 21.2	\$ 19.3
Operating grants and contributions	2.6	2.0	0.1	0.1	2.6	2.1
Capital grants and contributions	0.8	1.8	-	0.4	0.8	2.2
General Revenues:						
Property taxes	15.8	15.0	-	-	15.8	15.0
Sales taxes	7.8	7.1	-	-	7.8	7.1
Utility users' tax	4.3	4.7	-	-	4.3	4.7
Franchise	2.2	1.9	-	-	2.2	1.9
Other taxes	1.1	1.1	-	-	1.1	1.1
Motor vehicle license fees	-	-	-	-	-	-
Investment earnings	0.2	0.1	0.2	0.2	0.4	0.3
Miscellaneous	0.1	-	-	-	0.1	-
Total Revenues	<u>38.3</u>	<u>36.9</u>	<u>18.1</u>	<u>16.8</u>	<u>56.3</u>	<u>53.7</u>
Expenses:						
Administration	3.4	2.9	-	-	3.4	2.9
Public Safety - Police	7.6	8.1	-	-	7.6	8.1
Public Safety - Fire	6.2	6.1	-	-	6.2	6.1
Parks and Community Services	5.3	5.8	-	-	5.3	5.8
Public Works	5.0	1.6	-	-	5.0	1.6
Community Development	1.6	3.7	-	-	1.6	3.7
Library	1.8	2.0	-	-	1.8	2.0
Economic Development	0.5	0.5	-	-	0.5	0.5
General Government	0.9	2.9	-	-	0.9	2.9
Interest on long-term debt	1.4	1.4	-	-	1.4	1.4
Wastewater	-	-	6.9	7.0	6.9	7.0
Water	-	-	9.3	7.7	9.3	7.7
Benicia Marina	-	-	0.6	0.6	0.6	0.6
Total Expenses	<u>33.7</u>	<u>35.0</u>	<u>16.8</u>	<u>15.3</u>	<u>50.5</u>	<u>50.3</u>
Increase in net assets before transfers	4.6	1.9	1.3	1.5	5.9	3.4
Transfers	<u>(0.2)</u>	<u>(0.1)</u>	<u>0.2</u>	<u>0.1</u>	<u>-</u>	<u>-</u>
Increase in net position	4.4	1.8	1.5	1.6	5.9	3.4
Net position - 7/1/14 (Adjusted)	<u>82.0</u>	<u>133.3</u>	<u>84.2</u>	<u>87.8</u>	<u>166.2</u>	<u>221.1</u>
Net position - 6/30/15	<u>\$ 86.4</u>	<u>\$ 135.1</u>	<u>\$ 85.7</u>	<u>\$ 89.4</u>	<u>\$ 172.1</u>	<u>\$ 224.5</u>

CITY OF BENICIA Management's Discussion and Analysis

Governmental Activities

Total resources available during the year to finance governmental operations were \$120.1 million consisting of Adjusted Net Position at July 1, 2014, of \$82.0 million, program revenues of \$6.8 million and general revenues of \$31.3 million.

The cost of all governmental activities this year was \$33.7 million. The largest governmental programs include Public Safety - both Police and Fire, and Parks and Community Services. The amount that was paid by those who directly benefited from governmental programs was \$3.4 million, while operating and capital grants and contributions paid for \$3.4 million of total costs. The City paid for the remaining "public benefit" portion of governmental activities with taxes and investment earnings.

The following table shows the Net Cost of Governmental Activities, which totaled \$26.9 million.

Net Cost of Governmental Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	\$ 3,448,980	\$ 95,855	\$ (3,353,125)
Public Safety - Police	7,560,181	461,481	(7,098,700)
Public Safety - Fire	6,220,950	506,734	(5,714,216)
Parks and Community Services	5,325,886	1,686,288	(3,639,598)
Public Works	4,986,057	2,111,029	(2,875,028)
Community Development	1,649,255	740,965	(908,290)
Library	1,755,531	174,291	(1,581,240)
Economic Development	460,622	96,467	(364,155)
General Government	851,090	903,606	52,516
Interest expense	1,410,138	-	(1,410,138)
	\$ 33,668,690	\$ 6,776,716	\$ (26,891,974)
Total	\$ 33,668,690	\$ 6,776,716	\$ (26,891,974)

CITY OF BENICIA
Management's Discussion and Analysis

Business-type Activities

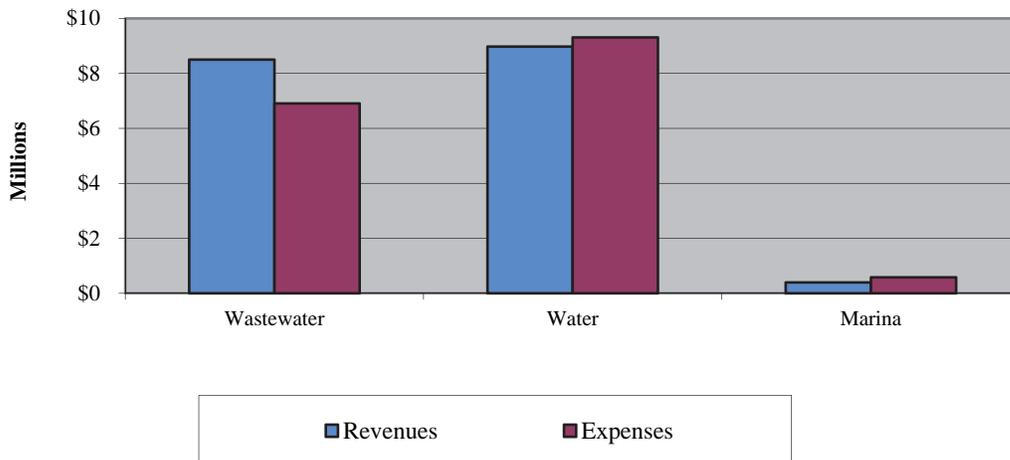
Total resources available during the year to finance Business-Type Activities were \$102.4 million consisting of Adjusted Net Position at July 1, 2014, of \$84.1 million, program revenues of \$17.9 million and general revenues of \$.4 million.

The cost of all Business-Type activities this year was \$16.8 million. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems were \$17.8 million, while operating and capital grants and contributions were \$.1 million.

Net Cost of Business-Type Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Wastewater	\$ 6,905,007	\$ 8,499,089	\$ 1,594,082
Water	9,308,351	8,973,777	(334,574)
Benicia Marina	580,231	394,009	(186,222)
Total	\$ 16,793,589	\$ 17,866,875	\$ 1,073,286

The following chart illustrates the comparison of operating revenues and expenses by business-type activity:



CITY OF BENICIA
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

In addition to the accrual-basis government-wide statements described above, the City maintains financial records at the fund level for compliance with finance-related legal requirements and for budgetary control. The Fund Financial Statements focus on individual funds of the City, reporting operations in more detail than the Government-wide Financial Statements.

Governmental Funds

- The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2015, of \$21.5 million, an increase of \$2.6 million in comparison with the prior year, due to a combination of increases in property taxes, franchise fees, the collection of the new Measure C sales tax that was passed by voters in the November 2014 elections and the reclassification of the loans receivable offset as a component of fund balance.

As a result of the Fiscal Year 2010-2011 implementation of the Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the focus and terminology used for reporting fund balance has substantially been altered. The following are the components of fund balance:

- (1) Nonspendable Fund Balance – portion of net resources that can not be spent because of their form (will never convert to cash) or must be maintained intact pursuant to legal or contractual requirements.
- (2) Restricted Fund Balance – portion of fund balance that are subject to externally enforceable legal restrictions such as creditors, grantors, contributors or other governments.
- (3) Committed Fund Balance – portion of fund balance whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making (City Council) and remains binding unless removed in the same manner.
- (4) Assigned Fund Balance – portion of fund balance that reflects a government's intended use of resources.
- (5) Unassigned Fund Balance – net resources in excess of what can properly be classified in one of the four categories described above.

General Fund - The General Fund is the chief operating fund of the City. As a measure of the General Fund's ability to deliver City services during periods of operational budget deficits, the City has adopted a fund balance reserve policy that establishes a minimum fund balance equal to 20% of the fund's annual operating revenue budget or actual amounts for the fiscal year. At a minimum, the reserves include: Contingency Reserve of 10% to mitigate the affects of major economic uncertainties, local disasters and or severe financial hardships resulting from unforeseen changes in revenues and/or expenditures; and an Emergency Reserve of 10% to mitigate all unforeseen events not covered in the Contingency Reserve.

At the end of the fiscal year, total fund balance of the General Fund was \$12.0 million. The reserve requirement adopted by the Council falls under Committed Fund Balance of \$6.6 million (20% of operating revenues) for Emergency Reserve, and Contingency Reserve.

The General Fund realized general tax and other revenues of \$32.0 million during the year to pay for \$30.1 million operating expenditures, realizing an excess of revenues over expenditures of \$2.0 million. Cost cutting measures, such as delaying major expenditures, and continued employee concessions were implemented to prepare for future years deficiencies.

CITY OF BENICIA
Management's Discussion and Analysis

Proprietary Funds

The City's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

Wastewater Fund – The City's wastewater utility fund collected \$8.5 million in user fees to maintain the system. The fund has \$53.4 million in capital assets, net of accumulated depreciation, financed with \$14.7 million of long-term debt. The fund made debt service payments of \$2.2 million during the year. The net position increased by \$1.2 million due to higher charges for services and lower interest expense.

Water Fund – The City's water utility fund collected \$9.0 million in user fees to sustain the system. The system has \$34.9 million in capital assets, net of accumulated depreciation, financed with \$11.0 million of long-term debt. The fund made \$1.7 million in debt service payments for the year. The net position decreased by \$.3 million due to increased operating costs and the added costs of purchasing additional water as a result of the drought experienced throughout the state.

Benicia Marina – The City's Marina collected \$.3 million in user fees to support its operating and debt service costs. The Marina has \$2.3 million in capital assets, net of accumulated depreciation, financed with \$2.7 million of long-term debt. Debt service payments for the year were \$.3 million. The fund continues to have a deficit. The City continues to evaluate options for a long-term operating solution. In the meantime, General Fund transfers support the operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council may revise the City budget on more than one occasion. The Approved Budget is adopted by the City Council prior to the July 1 start of the fiscal year ("Original Budget"). The City Council may add appropriations or change revenue estimates during the course of the fiscal year, primarily at midyear budget review. Finally, the revenue and expenditure estimates for the current fiscal year are revised as part of the Approved Budget ("Final Budget").

Fiscal year 2014-15 was the second year of a two-year budget. The original budget for 2014-15 was developed in early 2013. The original budget for the General Fund revenues was \$30.3 million, while expenditures were at \$31.4 million. The final budget estimates for revenues was \$31.8 million, an increase of \$1.5 million, and \$33.9 million for expenditures, an increase of \$2.5 million. The main components of the increases are as follows:

- \$.6 million increase in property taxes due to the higher assessed valuation for residential properties
- \$.4 million increase in sales taxes as a result of one-time events and re-allocation of taxes from prior periods by the State
- \$.2 million increase in use of money and property due to higher interest rates in the market
- \$.2 million increase in charges for services
- \$.1 million increase for utility users and franchise taxes due to higher revenues recognized by utility carriers
- \$1.1 million increase in capital expenditures
- \$1.4 million increase for various departments for contracted services, health benefits and pension costs

CITY OF BENICIA Management's Discussion and Analysis

During the year, revenues surpassed the budget by \$.2 million. The largest revenue variance was for the franchise taxes received from PG&E that was higher than expected. Actual expenditures were \$3.9 million less than the final budget due lower utility bills, salary savings from attrition and continuing concessions from employee bargaining groups.

CAPITAL ASSETS

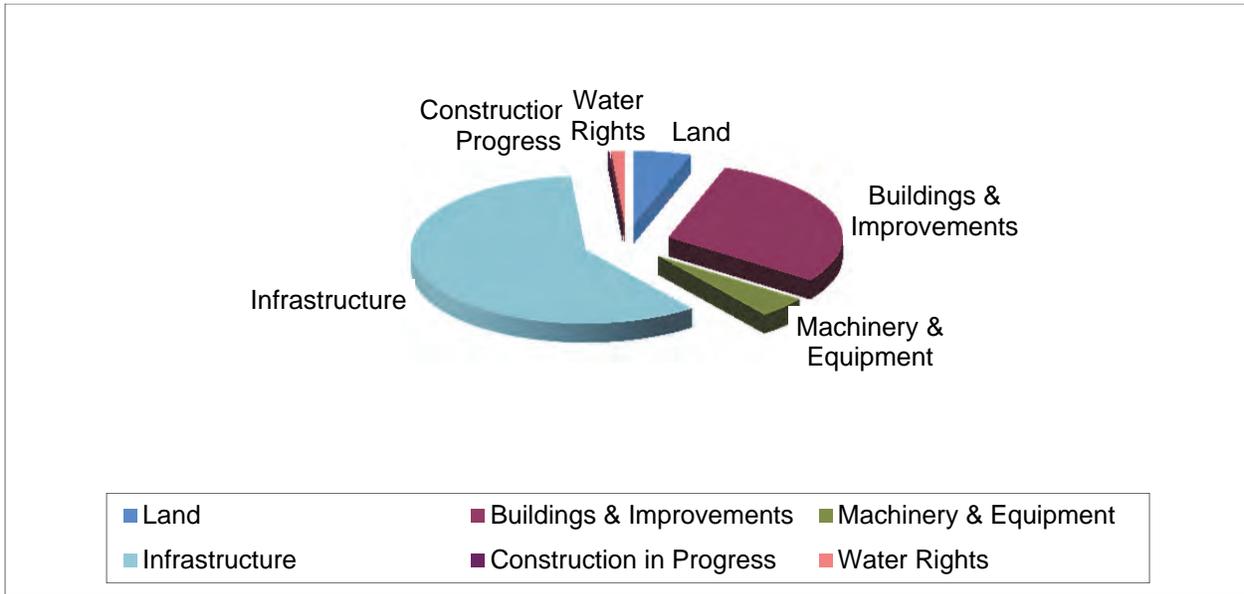
The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. This investment in capital assets includes land and easements, infrastructure, buildings and improvements, equipment and construction in progress. At June 30, 2015, net capital assets of the governmental activities totaled \$130.8 million and the net capital assets of the business-type activities totaled \$90.7 million. Depreciation on capital assets is recognized in the Government-wide Financial Statements.

The following table provides a breakdown of the City's capital assets at June 30, 2015:

Capital Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 18.5	\$ 18.5	\$ 2.6	\$ 2.6	\$ 21.1	\$ 21.1
Buildings & Improvements	26.5	26.5	91.5	91.5	118.0	118.0
Machinery & Equipment	9.4	9.3	9.3	9.3	18.7	18.6
Infrastructure	157.2	156.2	78.0	77.3	235.2	233.5
Construction in Progress	0.4	1.3	-	0.6	0.4	1.9
Water Rights	-	-	5.0	5.0	5.0	5.0
Total Capital Assets	212.0	211.8	186.4	186.3	398.4	398.1
Accumulated Depreciation	(81.3)	(77.7)	(95.7)	(91.4)	(177.0)	(169.1)
Net Assets	\$ 130.7	\$ 134.1	\$ 90.7	\$ 94.9	\$ 221.4	\$ 229.0

CITY OF BENICIA
Management's Discussion and Analysis



This year's major capital asset additions were the purchase of vehicles, the Western Gateway project and the Bus Hub project.

Additional information on the City's capital assets can be found in Note 6 on pages 51-53 of this report.

DEBT ADMINISTRATION

The City uses a variety of indebtedness to finance various capital acquisitions. At June 30, 2015, the City's long-term debt outstanding was \$53.1 million. Of this total, \$25.0 million was in governmental activities and \$28.1 was in business-type activities. The City's governmental activities decreased by \$2.3 million, and business-type activities decreased by \$3.5 million as a result of debt maturities during the year.

The percentage of net bonded debt to taxable property valuation, and the amount of bonded debt per capita are useful indicators of the City's debt position. Per capita debt outstanding decreased by \$228 per capita from \$2,146 to \$1,918 from the previous fiscal year.

CITY OF BENICIA Management's Discussion and Analysis

The following is a summary of the City's long-term debt obligations at June 30, 2015:

Long-term Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 2.3	\$ 3.0	\$ -	\$ -	\$ 2.3	\$ 3.0
Pension Obligation Bonds	9.8	10.7	-	-	9.8	10.7
Certificates of Participation	11.6	12.0	-	-	11.6	12.0
Capital Lease Obligations	1.3	1.6		-	1.3	1.6
Utility Revenue Bonds	-	-	4.4	5.5	4.4	5.5
Loans Payable	-	-	23.7	26.1	23.7	26.1
Total Indebtedness	\$ 25.0	\$ 27.3	\$ 28.1	\$ 31.6	\$ 53.1	\$ 58.9

Additional information on the City's long-term debt can be found in Note 7 on pages 54-60 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City prepares a biennial budget which focuses on long-term financial viability and allows decision-makers to better understand the on-going impact of current policy decisions. Through the budget, the Council sets the direction of the City, including allocating resources and establishing priorities. For fiscal year 2015-16, the General Fund budget included a slight increase in projected revenues and a continued containment of budgeted expenditures despite inflationary cost increases. The budget also includes increased revenues in the Wastewater Fund attributable to Council-approved rate increases and a reduction in Water revenues primarily as a result of customer water conservation efforts. Water expenditures decreased, delaying deferred maintenance projects until revenues are increased to sustain fund reserves.

The City continues to manage on-going budget challenges, and has been working diligently to structurally reset the City's operating budgets in order to provide a sustainable future for City operations and ensure continued service delivery to the community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Finance Department at 250 East "L" Street, Benicia, CA 94510, phone (707) 746-4225.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATEMENT OF NET POSITION
AND STATEMENT OF ACTIVITIES**

CITY OF BENICIA
STATEMENT OF NET POSITION
JUNE 30, 2015

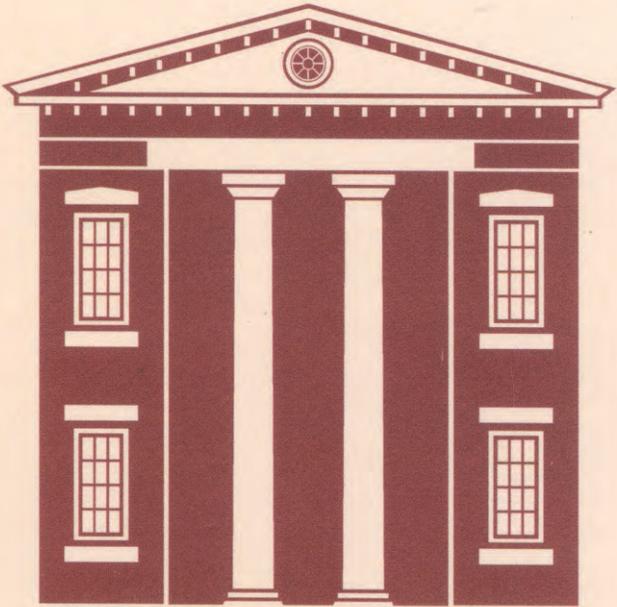
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments available for City operations (Note 3)	\$23,093,432	\$23,021,108	\$46,114,540
Restricted cash and investments held by fiscal agents (Note 3)	115		115
Accounts receivable	3,191,285	3,674,294	6,865,579
Interest receivable	5,406	4,499	9,905
Materials, parts and supplies (Note 1H)	17,423	670,209	687,632
Prepaid items (Note 1H)	58,594	75,000	133,594
Other assets	173,392	122,587	295,979
Lease receivable		355,127	355,127
Loans receivable (Note 5)	2,623,702	845,000	3,468,702
Capital assets (Note 6):			
Non-depreciable	18,994,319	2,584,081	21,578,400
Depreciable, net of accumulated depreciation	111,803,727	88,091,686	199,895,413
Total Assets	<u>159,961,395</u>	<u>119,443,591</u>	<u>279,404,986</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 10)	3,593,258	396,092	3,989,350
Total Deferred Outflows of Resources	<u>3,593,258</u>	<u>396,092</u>	<u>3,989,350</u>
LIABILITIES			
Accounts payable	1,999,435	711,514	2,710,949
Accrued payroll	110,595		110,595
Customer and performance deposits	982,284	154,135	1,136,419
Interest payable	165,822	204,155	369,977
Unearned revenue		129,908	129,908
General liability claims (Note 12):			
Due within one year	166,175		166,175
Workers compensation claims (Note 12):			
Due within one year	974,600		974,600
Due in more than one year	1,874,400		1,874,400
Accrued compensated absences (Note 1G):			
Due within one year	849,481	270,352	1,119,833
Due in more than one year	184,014		184,014
Net Pension Liability, due in more than one year (Note 10)	34,826,610	3,806,302	38,632,912
Net OPEB Obligation, due in more than one year (Note 11)	1,883,867		1,883,867
Long-term debt (Note 7):			
Due within one year	2,775,701	3,564,638	6,340,339
Due in more than one year	22,221,159	24,544,448	46,765,607
Total Liabilities	<u>69,014,143</u>	<u>33,385,452</u>	<u>102,399,595</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 10)	8,052,417	826,589	8,879,006
Total Deferred Inflows of Resources	<u>8,052,417</u>	<u>826,589</u>	<u>8,879,006</u>
NET POSITION (Note 8)			
Net investments in capital assets	117,899,038	62,566,681	180,465,719
Restricted for:			
Capital projects	3,211,578		3,211,578
Debt service	729,528		729,528
Special revenue projects	2,717,565		2,717,565
Landscaping and lighting	361,605		361,605
Library	1,019,181		1,019,181
Open space	480,435		480,435
Community services	1,006,686		1,006,686
Total Restricted Net Position	<u>9,526,578</u>		<u>9,526,578</u>
Unrestricted	(40,937,523)	23,060,961	(17,876,562)
Total Net Position	<u>\$86,488,093</u>	<u>\$85,627,642</u>	<u>\$172,115,735</u>

See accompanying notes to financial statements

CITY OF BENICIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
Administration	\$3,448,980	\$22,690	\$73,165		(\$3,353,125)		(\$3,353,125)
Public safety - police	7,560,181	175,251	286,230		(7,098,700)		(7,098,700)
Public safety - fire	6,220,950	291,107	208,142	\$7,485	(5,714,216)		(5,714,216)
Parks and community services	5,325,886	1,623,642	5,609	57,037	(3,639,598)		(3,639,598)
Public works	4,986,057	170,062	1,672,560	268,407	(2,875,028)		(2,875,028)
Community development	1,649,255	683,873	57,092		(908,290)		(908,290)
Library	1,755,531	72,842	101,449		(1,581,240)		(1,581,240)
Economic development	460,622		96,467		(364,155)		(364,155)
General government	851,090	335,528	124,446	443,632	52,516		52,516
Interest on long-term debt	1,410,138				(1,410,138)		(1,410,138)
Total Governmental Activities	33,668,690	3,374,995	2,625,160	776,561	(26,891,974)		(26,891,974)
Business-type Activities:							
Wastewater	6,905,007	8,499,089				\$1,594,082	1,594,082
Water	9,308,351	8,973,777				(334,574)	(334,574)
Benicia Marina	580,231	326,109	67,900			(186,222)	(186,222)
Total Business-type Activities	16,793,589	17,798,975	67,900			1,073,286	1,073,286
Total	\$50,462,279	\$21,173,970	\$2,693,060	\$776,561	(26,891,974)	1,073,286	(25,818,688)
General revenues:							
Taxes:							
Property taxes					15,843,353		15,843,353
Sales taxes					7,789,308		7,789,308
Utility users' tax					4,318,066		4,318,066
Franchise tax					2,200,664		2,200,664
Other taxes					1,070,045		1,070,045
Motor vehicle in-lieu, unrestricted					11,510		11,510
Investment earnings					216,322	194,435	410,757
Gain from disposal of capital assets					187		187
Miscellaneous					99,463		99,463
Transfers, net					(209,275)	209,275	
Total general revenues and transfers					31,339,643	403,710	31,743,353
Change in Net Position					4,447,669	1,476,996	5,924,665
Net Position-Beginning, as Adjusted (Note 1M)					82,040,424	84,150,646	166,191,070
Net Position-Ending					\$86,488,093	\$85,627,642	\$172,115,735

See accompanying notes to financial statements



THE CITY OF
BENICIA
CALIFORNIA

FUND FINANCIAL STATEMENTS

The funds described below were determined to be Major Funds by the City in fiscal 2015. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

The General Fund is used for all of the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

GENERAL OBLIGATION BONDS DEBT SERVICE FUND

Accounts for property tax levies for the payment of voter-approved debt principal and interest of the General Obligation Bonds. On June 7, 2012, the City issued General Obligation Refunding Bonds, Series 2012, in the amount of \$4,270,000, bearing interest of 1.25%. The proceeds were used to refund the City's outstanding 1997 General Obligation Wastewater Bonds, Series A and B.

CITY OF BENICIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments available for City operations (Note 3)	\$10,397,567	\$729,380	\$7,552,151	\$18,679,098
Accounts receivable	1,982,700		1,092,526	3,075,226
Interest receivable	2,885	148	1,352	4,385
Due from other funds (Note 4B)	126,677			126,677
Prepaid items (Note 1H)	30,750			30,750
Loans receivable (Note 5)	737,110		1,886,592	2,623,702
	<u>13,277,689</u>	<u>729,528</u>	<u>10,532,621</u>	<u>24,539,838</u>
Total Assets				
LIABILITIES				
Accounts payable	\$1,049,899		\$796,812	\$1,846,711
Accrued payroll	110,595			110,595
Customer deposits	155,884		821,400	977,284
Due to other funds (Note 4B)			117,359	117,359
	<u>1,316,378</u>		<u>1,735,571</u>	<u>3,051,949</u>
Total Liabilities				
FUND BALANCES				
Fund balance (Note 8):				
Nonspendable	767,860			767,860
Restricted	176,891	\$729,528	5,837,045	6,743,464
Committed	6,604,104		3,211,578	9,815,682
Assigned	1,208,003			1,208,003
Unassigned	3,204,453		(251,573)	2,952,880
	<u>11,961,311</u>	<u>729,528</u>	<u>8,797,050</u>	<u>21,487,889</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>13,277,689</u>	<u>729,528</u>	<u>10,532,621</u>	<u>24,539,838</u>

See accompanying notes to financial statements

CITY OF BENICIA
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances reported on the Governmental Funds Balance Sheet \$21,487,889

Amounts reported for Governmental Activities in the Statement of Net Position
are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and
therefore are not reported in the Governmental Funds. 111,801,929

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal Service Funds are not Governmental Funds. However, they are used by management to
charge the costs of certain activities, such as insurance, central services and maintenance
to individual Governmental Funds. The net current position of the Internal Service Funds are therefore
included in Governmental Activities in the following line item in the Statement of Net Position.

Cash and investments, available for City Operations	4,414,334
Restricted cash and investments	115
Accounts receivable	116,059
Interest receivable	1,021
Materials, parts and supplies	17,423
Prepaid items	27,844
Other assets	173,392
Capital assets, net of accumulated depreciation	18,996,117
Accounts payable	(152,724)
Deposits payable	(5,000)
Internal balances	(9,318)
Workers' compensation claims	(2,849,000)
Interest payable	(140,110)
Long-term debt	(21,507,304)

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not
reported in the Funds:

Long-term debt	(3,489,556)
Interest payable	(25,712)
Non-current portion of compensated absences	(1,033,495)
Net pension liability and related deferred inflows and outflows of resources	(39,285,769)
Net OPEB obligation	(1,883,867)
General liability claims payable	(166,175)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$86,488,093

See accompanying notes to financial statements

CITY OF BENICIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$15,152,388	\$690,965		\$15,843,353
Sales taxes	5,892,568		\$1,896,740	7,789,308
Utility users' taxes	4,318,066			4,318,066
Franchise tax	2,200,664			2,200,664
Other taxes	1,070,045			1,070,045
Assessments			427,664	427,664
Licenses and permits	539,451			539,451
Fines and forfeitures	82,198			82,198
Use of money and property	490,006	3,003	60,504	553,513
Revenue from other agencies	382,439		2,465,193	2,847,632
Current service charges	1,761,507		120,212	1,881,719
Community donations	37,721		91,006	128,727
Other	86,189		528,668	614,857
Total Revenues	32,013,242	693,968	5,589,987	38,297,197
EXPENDITURES				
Current:				
Administration	3,930,343		497,297	4,427,640
Public safety - police	8,257,338		152,747	8,410,085
Public safety - fire	6,870,350			6,870,350
Parks and community services	4,985,127		594,495	5,579,622
Public works	1,786,668		516,322	2,302,990
Community development	1,079,054		208,059	1,287,113
Library	1,238,938		854,573	2,093,511
Economic development	572,719			572,719
General	722,030			722,030
Capital outlay	214,588		1,842,766	2,057,354
Debt service:				
Principal	326,668	640,000		966,668
Interest and fiscal charges	69,736	32,875		102,611
Total Expenditures	30,053,559	672,875	4,666,259	35,392,693
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,959,683	21,093	923,728	2,904,504
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	187			187
Transfers in (Note 4A)			134,750	134,750
Transfers (out) (Note 4A)	(344,025)		(46,512)	(390,537)
Total Other Financing Sources (Uses)	(343,838)		88,238	(255,600)
NET CHANGE IN FUND BALANCES	1,615,845	21,093	1,011,966	2,648,904
BEGINNING FUND BALANCES, AS ADJUSTED (NOTE 1M)	10,345,466	708,435	7,785,084	18,838,985
ENDING FUND BALANCES	\$11,961,311	\$729,528	\$8,797,050	\$21,487,889

See accompanying notes to financial statements

CITY OF BENICIA
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$2,648,904

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to fund balance	2,057,354
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(1,738,261)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$919,456 which has already been allocated to serviced funds)	(2,832,151)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance	966,668
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Interest payable	4,401
Compensated absences	119,993
Net pension liability and related deferred inflows and outflows of resources	3,659,016
Net OPEB obligation	(230,302)
Claims payable	45,473

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities because they service those activities.

Change in Net Position - Internal Service Fund	(253,426)
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$4,447,669
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See accompanying notes to financial statements

CITY OF BENICIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Property	\$14,196,200	\$14,839,620	\$15,152,388	\$312,768
Sales	6,495,000	6,942,435	5,892,568	(1,049,867)
Utility users'	4,290,000	4,330,000	4,318,066	(11,934)
Franchise tax	1,735,600	1,815,000	2,200,664	385,664
Other	925,000	905,000	1,070,045	165,045
Licenses and permits	353,340	334,770	539,451	204,681
Fines and forfeitures	98,300	88,300	82,198	(6,102)
Use of money and property	366,100	562,245	490,006	(72,239)
Revenue from other agencies	210,000	200,000	382,439	182,439
Current service charges	1,540,900	1,730,550	1,761,507	30,957
Community donations	28,835	31,595	37,721	6,126
Other	59,360	53,100	86,189	33,089
	<u>30,298,635</u>	<u>31,832,615</u>	<u>32,013,242</u>	<u>180,627</u>
EXPENDITURES:				
Current:				
Administration	3,261,165	4,227,160	3,930,343	296,817
Public safety - police	8,347,905	8,746,205	8,257,338	488,867
Public safety - fire	6,644,710	7,215,800	6,870,350	345,450
Parks and community services	5,001,475	5,266,680	4,985,127	281,553
Public works	863,995	1,276,870	1,786,668	(509,798)
Community development	1,397,240	2,210,815	1,079,054	1,131,761
Library	1,208,255	1,267,120	1,238,938	28,182
Economic development	490,500	548,890	572,719	(23,829)
General	3,240,345	1,324,265	722,030	602,235
Capital outlay	281,400	1,429,545	214,588	1,214,957
Debt service:				
Principal retirement	573,270	320,465	326,668	(6,203)
Interest and fiscal charges	77,720	77,720	69,736	7,984
	<u>31,387,980</u>	<u>33,911,535</u>	<u>30,053,559</u>	<u>3,857,976</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(1,089,345)</u>	<u>(2,078,920)</u>	<u>1,959,683</u>	<u>4,038,603</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			187	187
Transfers in (Note 4A)	94,500	306,040		(306,040)
Transfers (out) (Note 4A)	(302,200)	(344,025)	(344,025)	
	<u>(207,700)</u>	<u>(37,985)</u>	<u>(343,838)</u>	<u>(305,853)</u>
NET CHANGE IN FUND BALANCE	<u>(\$1,297,045)</u>	<u>(\$2,116,905)</u>	<u>1,615,845</u>	<u>\$3,732,750</u>
Beginning fund balance, as adjusted (Note 1M)			<u>10,345,466</u>	
Ending fund balance			<u>\$11,961,311</u>	

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City reported all of its Enterprise Funds as major funds in fiscal 2015.

WASTEWATER

Accounts for the transport, treatment and disposal of wastewater for residents and businesses located within the City.

WATER

Accounts for the purchase, treatment and distribution of water to residents and businesses located within the City.

BENICIA MARINA

Accounts for the operation and management of the City Marina.

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
ASSETS					
Current Assets:					
Cash and investments (Note 3):					
Available for City operations	\$13,924,532	\$8,445,828	\$42,383	\$22,412,743	\$5,022,699
Restricted cash and investments held by fiscal agents					115
Accounts receivable	1,762,414	1,793,941	117,939	3,674,294	116,059
Interest receivable	2,736	1,763		4,499	1,021
Materials, parts and supplies (Note 1H)	29,963	640,246		670,209	17,423
Prepaid items (Note 1H)			75,000	75,000	27,844
Advances to other funds (Note 4C)					
Total Current Assets	<u>15,719,645</u>	<u>10,881,778</u>	<u>235,322</u>	<u>26,836,745</u>	<u>5,185,161</u>
Non-Current Assets:					
Long-Term Assets:					
Other assets	81,796	40,791		122,587	173,392
Loans receivable (Note 5)	425,000	420,000		845,000	
Lease receivable			355,127	355,127	
Total Long-Term Assets	<u>506,796</u>	<u>460,791</u>	<u>355,127</u>	<u>1,322,714</u>	<u>173,392</u>
Property, Plant and Equipment (Note 6):					
Land and improvements	669,709	1,850,389	63,983	2,584,081	556,909
Buildings and improvements	51,036,558	32,556,273	7,933,206	91,526,037	24,986,539
Machinery and equipment	6,150,646	3,114,210		9,264,856	4,350,471
Infrastructure and water rights	43,030,083	39,928,025		82,958,108	
Less: accumulated depreciation	<u>(47,463,049)</u>	<u>(42,529,452)</u>	<u>(5,664,814)</u>	<u>(95,657,315)</u>	<u>(10,897,802)</u>
Net Property, Plant and Equipment	<u>53,423,947</u>	<u>34,919,445</u>	<u>2,332,375</u>	<u>90,675,767</u>	<u>18,996,117</u>
Total Non-Current Assets	<u>53,930,743</u>	<u>35,380,236</u>	<u>2,687,502</u>	<u>91,998,481</u>	<u>19,169,509</u>
Total Assets	<u>69,650,388</u>	<u>46,262,014</u>	<u>2,922,824</u>	<u>118,835,226</u>	<u>24,354,670</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension (Note 10)	175,622	220,470		396,092	
Total Deferred Outflows of Resources	<u>175,622</u>	<u>220,470</u>		<u>396,092</u>	
LIABILITIES					
Current Liabilities:					
Accounts payable	229,219	472,525	9,770	711,514	152,724
Customer and performance deposits		79,135	75,000	154,135	5,000
Interest payable	67,253	18,498	118,404	204,155	140,110
Due to other funds (Note 4B)					9,318
Unearned revenue	129,908			129,908	
Workers' compensation claims (Note 12)					974,600
Compensated absences (Note 1G)	120,385	149,967		270,352	
Current portion long-term liabilities (Note 7)	<u>1,977,449</u>	<u>1,405,057</u>	<u>182,132</u>	<u>3,564,638</u>	<u>1,784,460</u>
Total Current Liabilities	<u>2,524,214</u>	<u>2,125,182</u>	<u>385,306</u>	<u>5,034,702</u>	<u>3,066,212</u>
Long-Term Liabilities					
Workers' compensation claims (Note 12)					1,874,400
Net pension liability (Note 10)	1,687,666	2,118,636		3,806,302	
Utility revenue bonds (Note 7)	1,434,785	1,753,875		3,188,660	
Loans payable (Note 7)	11,544,804	7,124,567	2,686,417	21,355,788	
Lease obligation (Note 7)					84,186
General obligation bonds (Note 7)					11,060,806
Pension obligation bonds (Note 7)					<u>8,577,852</u>
Total Long-Term Liabilities	<u>14,667,255</u>	<u>10,997,078</u>	<u>2,686,417</u>	<u>28,350,750</u>	<u>21,597,244</u>
Total Liabilities	<u>17,191,469</u>	<u>13,122,260</u>	<u>3,071,723</u>	<u>33,385,452</u>	<u>24,663,456</u>
DEFERRED INFLOWS OF RESOURCES					
Related to pension (Note 10)	366,499	460,090		826,589	
Total Deferred Inflows of Resources	<u>366,499</u>	<u>460,090</u>		<u>826,589</u>	
NET POSITION (Note 8)					
Net investment in capital assets	38,466,909	24,635,946	(536,174)	62,566,681	7,276,665
Restricted for debt service					115
Restricted for capital projects					
Unrestricted	<u>13,801,133</u>	<u>8,264,188</u>	<u>387,275</u>	<u>22,452,596</u>	<u>(7,585,566)</u>
Total Net Position	<u>\$52,268,042</u>	<u>\$32,900,134</u>	<u>(\$148,899)</u>	<u>85,019,277</u>	<u>(\$308,786)</u>

Some amounts reported for *business-type activities* in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.

608,365

Change in Net Position of Business-type Activities

\$85,627,642

See accompanying notes to financial statements

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
OPERATING REVENUES					
Charges for services	\$8,417,561	\$8,948,302		\$17,365,863	\$5,186,232
Connection fees	78,510	15,515		94,025	
Rentals			\$326,109	326,109	
Refunds and rebates	3,018	9,960		12,978	464,556
Total Operating Revenues	8,499,089	8,973,777	326,109	17,798,975	5,650,788
OPERATING EXPENSES					
Wages and benefits	1,984,993	2,037,306		4,022,299	526,542
Materials and supplies	444,735			444,735	319,677
Operations and maintenance	2,424,888	3,776,798	260,797	6,462,483	559,042
Purchased water		1,309,924		1,309,924	
Depreciation	2,204,036	1,902,263	189,612	4,295,911	919,456
Claims and Insurance					1,745,191
Total Cost of Sales and Operating Expenses	7,058,652	9,026,291	450,409	16,535,352	4,069,908
Operating Income (Loss)	1,440,437	(52,514)	(124,300)	1,263,623	1,580,880
NONOPERATING REVENUES (EXPENSES)					
Interest income	105,024	71,991	17,420	194,435	28,330
Interest (expense)	(367,022)	(319,135)	(129,822)	(815,979)	(1,293,297)
Amortization of issuance/discount	(23,541)	(27,082)		(50,623)	(18,632)
Intergovernmental revenue			67,900	67,900	
Gain from sale of capital assets					11,146
Total Nonoperating Revenues (Expenses)	(285,539)	(274,226)	(44,502)	(604,267)	(1,272,453)
Income (Loss) Before Capital Contributions and Transfers	1,154,898	(326,740)	(168,802)	659,356	308,427
Transfers in (Note 4A)			209,275	209,275	46,512
Change in Net Position	1,154,898	(326,740)	40,473	868,631	354,939
BEGINNING NET POSITION (DEFICIT)	51,113,144	33,226,874	(189,372)		(663,725)
ENDING NET POSITION (DEFICIT)	\$52,268,042	\$32,900,134	(\$148,899)		(\$308,786)

Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds serviced.

608,365

Change in Net Position of Business-type Activities

\$1,476,996

See accompanying notes to financial statements

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$8,472,834	\$8,755,971	\$380,888	\$17,609,693	\$5,176,959
Payments to suppliers	(2,839,786)	(5,040,827)	(267,027)	(8,147,640)	(868,043)
Payments to employees	(2,137,865)	(2,246,069)		(4,383,934)	(546,260)
Refunds and rebates					475,822
Claims paid					(1,117,473)
Cash Flows from (used for) Operating Activities	3,495,183	1,469,075	113,861	5,078,119	3,121,005
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts	470,854			470,854	46,512
Interfund payments			(54,773)	(54,773)	(32,987)
Operating grant and contributions			67,900	67,900	
Transfers in			209,275	209,275	
Principal paid on non-capital debt					(880,667)
Interest paid on non-capital debt					(608,492)
Cash Flows from (used for) Noncapital Financing Activities	470,854		222,402	693,256	(1,475,634)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets		(91,786)		(91,786)	(78,214)
Proceeds from sale of capital assets					11,146
Principal payments on capital debt	(1,929,188)	(1,355,748)	(174,289)	(3,459,225)	(492,508)
Interest paid	(461,261)	(351,617)	(137,011)	(949,889)	(697,543)
Cash Flows (used for) Capital and Related Financing Activities	(2,390,449)	(1,799,151)	(311,300)	(4,500,900)	(1,257,119)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	104,304	71,640	17,420	193,364	28,054
Cash Flows from Investing Activities	104,304	71,640	17,420	193,364	28,054
Net Cash Flows	1,679,892	(258,436)	42,383	1,463,839	416,306
Cash and investments at beginning of period	12,244,640	8,704,264		20,948,904	4,606,508
Cash and investments at end of period	<u>\$13,924,532</u>	<u>\$8,445,828</u>	<u>\$42,383</u>	<u>\$22,412,743</u>	<u>\$5,022,814</u>
Reconciliation of Operating Income (Loss) to Cash Flows					
from Operating Activities:					
Operating income (loss)	\$1,440,437	(\$52,514)	(\$124,300)	\$1,263,623	\$1,580,880
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	2,204,036	1,902,263	189,612	4,295,911	919,456
Change in assets and liabilities:					
Receivables, net	(6,806)	(229,726)	54,779	(181,753)	1,993
Materials, parts and supplies	1,782	(78,751)		(76,969)	(2,007)
Other assets	18,877	25,923		44,800	1,854
Accounts payable and other accrued expenses	9,178	98,723	(6,230)	101,671	10,829
Accrued compensated absences	8,557	(6,111)		2,446	
Refundable deposits		11,920		11,920	
Unearned revenue	(19,449)			(19,449)	
Due to retirement system	(161,429)	(202,652)		(364,081)	
Workers' compensation claims					608,000
Cash Flows from (used for) Operating Activities	<u>\$3,495,183</u>	<u>\$1,469,075</u>	<u>\$113,861</u>	<u>\$5,078,119</u>	<u>\$3,121,005</u>

See accompanying notes to financial statements

FIDUCIARY FUNDS

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The City maintains a Trust Fund for the Affordable Housing Private Purpose Trust.

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The City maintains its Agency Funds for its assessment districts.

CITY OF BENICIA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

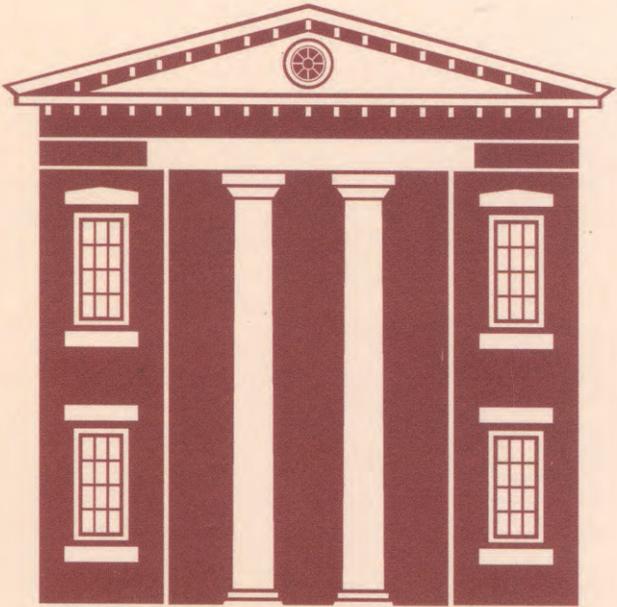
	<u>Affordable Housing Private Purpose Trust Fund</u>	<u>Agency Funds</u>
ASSETS		
Restricted cash and investments (Note 3)	\$20,460	\$1,683,572
Interest receivable	<u>4</u>	<u>254</u>
Total Assets	<u><u>\$20,464</u></u>	<u><u>\$1,683,826</u></u>
LIABILITIES		
Accounts payable		\$7,082
Due to bondholders	<u> </u>	<u>1,676,744</u>
Total Liabilities	<u><u> </u></u>	<u><u>\$1,683,826</u></u>
NET POSITION		
Held in trust for:		
Other governments	<u>\$20,464</u>	
Total Net Position	<u><u>\$20,464</u></u>	

See accompanying notes to financial statements

CITY OF BENICIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2015

	Affordable Housing Private Purpose Trust Fund
ADDITIONS	
Use of money and property	\$163
Total Additions	163
CHANGE IN NET POSITION	163
NET POSITION, BEGINNING OF YEAR	20,301
NET POSITION, END OF YEAR	\$20,464

See accompanying notes to financial statements



THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Background

The City of Benicia was incorporated as a general law city on April 24, 1851. The City operates under the Council Manager form of government and provides the following services: public safety (police and fire), highways and streets, storm drains, water, wastewater, culture recreation, public improvements, planning and zoning, and general administration.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

Reporting Entity

The accompanying financial statements present the activities of the City of Benicia (the primary government).

Joint Ventures

In addition, the City participates in joint ventures with the Solano Water Authority and the Solano Transportation Authority. The Solano Water Authority was formed to coordinate water procurement and use among the Solano cities and county. The Solano Transportation Authority was established to develop regional strategies and to cooperatively address Solano County transportation issues. See Note 13 for more detailed information regarding these relationships.

Other Related Organization

The City Council is responsible for other related organization board appointments to the Benicia Housing Authority. See Note 18 for more detailed information regarding this relationship.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City). These statements include the financial activities of the overall City government, except for fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category — *governmental*, *proprietary*, and *fiduciary* — are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit, which are not accounted for in another fund.

General Obligation Bonds Debt Service Fund – Accounts for property tax levies for the payment of voter-approved debt principal and interest of the General Obligation Bonds. On June 7, 2012, the City issued General Obligation Refunding Bonds, Series 2012, in the amount of \$4,270,000, bearing interest of 1.25%. The proceeds were used to refund the City's outstanding 1997 General Obligation Wastewater Bonds, Series A and B.

The City reported all of its enterprise funds as major funds in the accompanying financial statements:

Wastewater Fund – Accounts for the transport, treatment and disposal of wastewater for residents and businesses located within the City.

Water Fund – Accounts for the distribution of water to residents and businesses located within the City.

Benicia Marina Fund – Accounts for activities of the City's Marina.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Fiduciary Funds – The City maintains two types of Fiduciary Funds - Trust Fund and Agency Funds. The Trust Fund accounts for activities of an individual private trust fund for the benefit of the Affordable Housing. Agency Funds are used to account for assets held by the City as an agent for the Fleetside Industrial Assessment District, East 2nd Street Assessment District, Combined Drake/Gateway Assessment District and McAllister Assessment District. The financial activities of these funds are excluded from the Government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual at both the City-wide and Fund level are property, sales and franchise taxes, current service charges, and interest revenue. Fines and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Property Tax Revenues

Solano County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

F. Revenue Recognition For Water and Sewer

Revenues are recognized based on cycle billings rendered to customers. Revenues for services provided but not billed at the end of a fiscal period are accrued at the end of the fiscal year.

G. Compensated Absences

Compensated absences are comprised of unpaid vacation and certain compensated time off, which are accrued as earned. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City's liability for compensated absences is recorded in the Water and Wastewater funds as appropriate. The liability for compensated absences is determined annually. However, such compensated absences payments are not distinguished from regular payroll paid during the fiscal year. Amounts expected to be paid out of current financial resources are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

Compensated absences activities were as follows for the year ended June 30, 2015:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$1,153,488	\$267,906	\$1,421,394
Additions	729,488	127,773	857,261
Payments	(849,481)	(125,327)	(974,808)
Ending Balance	<u>\$1,033,495</u>	<u>\$270,352</u>	<u>\$1,303,847</u>
Current Portion	<u>\$849,481</u>	<u>\$270,352</u>	<u>\$1,119,833</u>

H. *Materials, parts and Supplies and Prepaid Items*

Materials, parts and supplies, and prepaid items are held for consumption and are valued at cost using the first-in-first-out (FIFO) basis. The cost is recorded as an expenditure at the time individual items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. *New Funds, Closed Funds and Fund Recategorization*

In fiscal year 2014-2015, Measure C Capital Projects Fund was created to account for the capital improvements approved under the sales tax ballot measure that was passed by voters in November 2014. The FEMA Special Revenue Fund was also created due to the South Napa Earthquake to account for federal grant reimbursements from the earthquake damage.

The Community Center Capital Projects Fund was closed in fiscal year 2014-2015.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Deferred Outflows/Inflows of Resources*

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

L. *Implementation of Governmental Accounting Standards Board (GASB) Pronouncements*

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2015.

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This Statement had a material impact on the City's financial statements. See Note 1M below.

GASB Statement No. 69 – In 2014, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operation*. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. This Statement did not have a material impact on the financial statements for the fiscal year 2015.

GASB Statement No. 71 – In 2014, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement had a material impact on the City's financial statements. See Note 1M below.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Prior Period Adjustment

As a result of the implementation of GASB Statements 68 and 71, the City reduced the beginning balances of the net position of the following:

	Amount
<u>Entity-Wide:</u>	
Governmental activities	\$42,944,785
Business-type activities	4,600,880
<u>Fund Level:</u>	
Wastewater Enterprise Fund	2,039,972
Water Fund Enterprise Fund	2,560,908
Retirement Stability Internal Service Fund	10,810,341

In addition, the City changed its accounting policy related to loans receivable in fiscal year 2015. Rather than offsetting long-term loans receivable with unavailable revenue (deferred inflow of resources), loans receivable are now a component of fund balance. As a result, beginning fund balances in the following funds have been restated:

Fund	Increase in Fund Balance
General Fund	\$719,503
Special Revenue Fund:	
Community Development Block Grant	266,058
Capital Projects Funds:	
Traffic Mitigation	57,099
Park Dedication	196,950
Casa De Vilarresa	1,400,000

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed bi-annual operating budget for the next two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The biennial budget is adopted by City Council resolution prior to July 1.
4. Expenditures may not legally exceed budgeted appropriations at the fund level.
5. All budget adjustments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager and Finance Director are authorized to transfer unencumbered appropriations within a department and between departments.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING (Continued)

6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.
7. Remaining appropriations lapse at year-end and must be reappropriated in the following year.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except for the Developer Deposits Special Revenue Fund, which is not budgeted. The City adopts project budgets for the Capital Project funds except for the Library Basement, Casa de Vilarrasa Fund and McAllister Assessment District Fund.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations. Budget and actual comparison for the General Fund are presented at the department level except for Administration which is composed of City Council, City Manager, Treasurer, Finance, City Attorney, Human Resources and City Clerk.

NOTE 3 – CASH AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except cash and investments held by trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *security instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

Statement of Net Position:	
Cash and investments available for City operations	\$46,114,540
Restricted cash and investments	115
City cash and investments of primary government	46,114,655
Restricted Cash and investments	
in Fiduciary Funds (separate statement)	
Private Purpose Trust Fund	20,460
Agency Funds	1,683,572
Total cash and investments	\$47,818,687

Cash and investments as of June 30, 2015, consist of the following:

Cash on hand	\$4,767
Deposits with financial institutions	5,498,469
Investments	42,315,451
Total cash and investments	\$47,818,687

Cash and investments available for City operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's investment policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality *	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Non-Negotiable Certificates of Deposit	5 years	N/A	25%	No Limit
Bankers' Acceptances	180 days	A-1	20%	No Limit
U.S. Treasury Bills and Notes	5 years	N/A	No Limit	No Limit
U.S. Government-Sponsored Enterprise Agencies	5 years	N/A	No Limit	No Limit
Repurchase Agreements	30 days	A-1	N/A	\$1 Million
Medium-Term Corporate Notes	5 years	A	30%	No Limit
Commercial Paper	270 days	A-1	25%	Lesser of 10% per account
State Local Agency Investment Fund	N/A	N/A	N/A	\$50 Million per account
Money Market Funds	N/A	AAA	20%	Lesser of 10% or \$5 Million
Negotiable Certificates of Deposit	N/A	N/A	30%	No Limit

* At date of purchase

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Bankers' Acceptances	360 days	A-1
U.S. Treasury Bills and Notes	None	N/A
State General Obligations	None	A
Municipal Obligations	None	Aaa/AAA
U.S. Government Agency Securities	None to 3 years	AAA
U.S. Government Sponsored Securities	None to 3 years	AAA
Federal Housing Administration Debentures	None	N/A
Repurchase Agreements	None to 1 year	A
Commercial Paper	270 days	A-1+
State Local Agency Investment Fund	N/A	N/A
Money Market Fund	N/A	AAm
Defeasance Securities	N/A	N/A
Pre-refunded Municipal Obligations	None	AAA
Investment Agreements	N/A	AA
Unsecured Certificates of Deposit	30 days	A-1
CalTrust	None	N/A

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	36 to 60 Months	Total
<i>Held by the City:</i>					
U.S. Treasury Bills and Notes		\$75,449		\$6,428,337	\$6,503,786
State Local Agency Investment Fund	14,509,058				14,509,058
Medium-Term Corporate Notes	1,193,341	2,555,629	3,544,376	396,767	7,690,113
Negotiable Certificates of Deposit	1,125,261	1,221,434	549,693	550,336	3,446,724
U.S. Government-Sponsored Enterprise Agencies	2,354,621	3,912,301	3,132,028	354,235	9,753,185
Money Market Fund (PFM Prime Institutional)	410,019				410,019
<i>Held by Trustees:</i>					
Money Market Mutual (U.S. Securities)	2,566				2,566
Total Investments	<u>\$19,594,866</u>	<u>\$7,764,813</u>	<u>\$7,226,097</u>	<u>\$7,729,675</u>	<u>\$42,315,451</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2015, these investments matured in an average of 239 days.

Money market funds are available for withdrawal on demand and at June 30, 2015, matured in an average of 36 days.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. 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. The actual ratings as of June 30, 2015, for all investments are as provided by Standard and Poor's investment rating system except as noted. The Local Agency Investment Fund was not rated as of June 30, 2015.

Investment Type	Total
<i>Rated AAA:</i>	
Medium-Term Corporate Note-	\$883,643
<i>Rated AA+:</i>	
U.S. Government-Sponsored Enterprise Agencies	
Non-callable	9,352,441
Callable	400,744
Medium-Term Corporate Notes	1,521,155
<i>Rated AA:</i>	
Medium-Term Corporate Notes	
Non-callable	1,311,193
Callable	229,015
<i>Rated AA-:</i>	
Non-Negotiable Certificates of Deposit	
Non-callable	1,123,766
Callable	549,693
Medium-Term Corporate Notes	2,283,596
<i>Rated A+:</i>	
Non-Negotiable Certificates of Deposit	549,913
Medium-Term Corporate Notes	1,461,511
<i>Rated A-1+:</i>	
Non-Negotiable Certificates of Deposit	550,336
<i>Rated A-1:</i>	
Non-Negotiable Certificates of Deposit	673,016
<i>Rated AAAm:</i>	
Money Market Funds	412,585
<i>Not rated:</i>	
State Local Agency Investment Fund	14,509,058
<i>Exempt from credit rating disclosure:</i>	
U.S. Treasury Bill and Notes	6,503,786
Total Investments	\$42,315,451

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. Concentration of Credit Risk

Included in the table at Note E above are the following significant investments in any one issuer other than U.S. Treasury securities, mutual funds, and external investment pools.

Reporting Unit	Issuer	Investment Type	Reported Amount
<i>Entity-wide:</i>			
	Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Agencies	\$3,402,161
	Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Agencies	5,650,958

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2015 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Transferred
General Fund	Non-Major Governmental Funds	\$134,750 (A)
	Benicia Marina Fund	209,275 (A)
Capital Projects Fund:		
Non-Major Governmental Funds	Internal Service Funds	46,512 (B)
		<u>\$390,537</u>

(A) Transfer to fund City operations.

(B) Transfer to close out fund.

B. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2015, the following funds have balances due to the General Fund:

Special Revenue Funds:	
Miscellaneous Grants	\$22,549
Valero GNCS	39,912
Capital Projects Fund:	
Streets and Transportation (Intermodal Transportation)	54,898
Internal Service Fund:	
General Services	9,318
Total	<u>\$126,677</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. Advances Between Funds

During fiscal year 2009, an advance in the amount of \$1,627,009 was made from the Wastewater Enterprise Fund to the General Fund to finance property tax settlement payments to Valero Energy Corporation. The advance was paid off during fiscal year 2015.

D. Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities

NOTE 5 – LOANS RECEIVABLE

At June 30, 2015, the City had the following loans receivable:

	Balance at June 30, 2015		
	Governmental Activities	Business-Type Activities	Total
Housing Rehabilitation Loan Program	\$254,162		\$254,162
Burgess Point,			
Benicia Housing Partners	550,000		550,000
Benicia Housing Authority	340,000	\$845,000	1,185,000
Hearthstone Village,			
Affordable Housing Affiliation	192,514	191,572	384,086
Bay Ridge Affordable Housing		756,750	756,750
Casa De Vilarrasa,			
Benicia Housing Authority	1,400,000		1,400,000
Benicia Resource Incentive Program			
RB Squared, LLC	32,040		32,040
Ponder Commercial Properties, LLC	47,500		47,500
Total Loans Receivable	<u>2,816,216</u>	<u>1,793,322</u>	<u>4,609,538</u>
Less: Forgivable Amounts	<u>(192,514)</u>	<u>(948,322)</u>	<u>(1,140,836)</u>
Total	<u>\$2,623,702</u>	<u>\$845,000</u>	<u>\$3,468,702</u>

A. Housing Rehabilitation Loan Program

The City administers a Housing Rehabilitation Loan Program using the Housing and Community Development Act funds. Under this program, residents with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Federal grants are used to fund these loans. Upon approval of loans, the City disburses the funds, and arranges for and collects repayments. As of June 30, 2015, residents owed the City \$254,162 in loans offered by this program.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 5 – LOANS RECEIVABLE (Continued)

B. *Burgess Point, Benicia Housing Partners*

On July 1, 2003, the City authorized a loan to Benicia Housing Partners for an amount of \$550,000. The loan bears simple interest at eight percent annually and is secured by a deed of trust. The purpose of the loan was to provide funding for the construction of 56 units of tax credit rental housing. Annual payments are made from residual receipts collected by the developer to the extent such funds are available. Such payments continue until the loan and interest are paid in full or the remaining principal and interest is due in full on the earliest of: 1) the date of any transfer not authorized by the City, 2) the date of any default, or 3) December 31, 2035.

C. *Burgess Point, Benicia Housing Authority*

On July 23, 2003, the City authorized a loan to Benicia Housing Authority for an amount of \$1,185,000. The loan bears simple interest at six percent annually and is unsecured. The loan was to provide funding for the purchase of building permits by Benicia Housing Partners. Benicia Housing Authority makes annual payments from funds received from Benicia Housing Partners based upon a loan agreement. Such payments continue until the loan and interest is paid in full or the remaining principal and interest is due in full on the earliest of: 1) the date of any transfer not authorized by the City, 2) the date of any default, or 3) December 31, 2035.

D. *Hearthstone Village, Affordable Housing Affiliation*

On May 21, 2003, the City authorized loans to the Affordable Housing Affiliation in the amount of \$96,000 and \$288,086 in deferred fees, totaling \$384,086. The loans were later assumed by individual low income and very low-income home buyers (collectively “Hearthstone Village”) within the twelve-unit development. The loans are secured by deeds of trust creating a valid lien, not lower than third priority, upon the related property. The loans were assumed under a ten-year regulatory agreement requiring continued use of the properties for low and very low-income households. This requirement is no longer mandated by the City’s regulatory agreement which expired in May 2013; however, it is the City’s intent that the loans will continue to be deferred while the units are occupied by the low and very low-income owners.

E. *Bay Ridge Affordable Housing*

On November 12, 2002, developer fees were deferred in the form of a loan receivable for fifty affordable low-income household units in the Bay Ridge Affordable Housing Project. The Water and Wastewater Connection fees were deferred by a promissory note for \$381,750 and \$375,000, respectively, for a total deferred amount of \$756,750. The note bears simple interest at 5.5% annually. The loans will not be repaid unless there is a failure to comply with the eligibility terms in the loan agreement. The City waived other fees in the amount of \$253,250 to assist the low-income housing project. This waiver was a one-time waiver of fees that occurred in 2003.

F. *Casa de Vilarrasa, Benicia Housing Authority*

On January 6, 2005, the City authorized a loan to Benicia Housing Authority in an amount up to \$1.4 million. The loan bears simple interest not to exceed 10% a year and is unsecured. The loan was used to fund the improvements of the Casa de Vilarrasa housing project. The loan will be paid in full on or before April 1, 2016. As of June 30, 2015, the outstanding amount of this loan was \$1,400,000.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 5 – LOANS RECEIVABLE (Continued)

G. Fee Deferrals

On September 19, 2006, the City authorized a fee deferral payment agreement, secured by a deed of trust, with Suraj Investment Group, LLC to defer developer fees in the amount of \$213,328. The fees were deferred in the form of a loan receivable for water, sewer, capital license, and traffic impact fees associated with the commercial project located at 1375 East 5th Street. On March 6, 2012, the City Council approved a new payment plan for the remaining balance owed by Suraj Investment Group. The new terms of the agreement called for monthly payments for seven years with an interest rate of 5.125%. On June 19, 2015 the loan was repaid.

H. Benicia Resource Incentive Program – RB Squared

On August 6, 2013, the City authorized loans to RB Squared LLC for the Benicia Resource Incentive Program in the amounts of \$25,000 at 0% and \$13,459 at 3.5% for a total amount of \$38,459. The principal and interest are to be amortized over 120 months and monthly payments are to be made starting November 1, 2013. Final payments for these loans will be on October 1, 2023. As of June 30, 2015, the outstanding amount was \$32,040.

I. Benicia Resource Incentive Program - Ponder Commercial Properties, LLC

On December 10, 2014, the City authorized a Benicia Resource Incentive Program loan to Ponder Commercial Properties, LLC in the amount of \$50,000 at 0%. The principal amount is to be amortized over 60 months and payments shall commence on March 1, 2015 in monthly installments of \$833.33. Final payments of this loan will be on March 1, 2020. As of June 30, 2015, the outstanding amount was \$47,500.

NOTE 6 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City defines capital assets as assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of three years with the exception of federally funded acquisitions, which are \$5,000 or more. Land and infrastructure are capitalized at an initial individual cost of more than \$150,000.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Buildings and Improvements	15-50 years
Machinery and Equipment	5-30 years
Computer Software	5 years
Treatment Plant, Water and Sewer Pipes	40-60 years
Other Infrastructure	10-85 years
Water Rights	25 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital asset activity during the fiscal year was as follows:

	Balance June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
Governmental Activities:					
Capital assets, not depreciated:					
Land	\$18,545,953				\$18,545,953
Construction in Progress	1,311,847	\$311,607		(\$1,175,088)	448,366
Total capital assets, not depreciated	19,857,800	311,607		(1,175,088)	18,994,319
Buildings and Improvements	26,451,836				26,451,836
Machinery and Equipment	9,262,292	192,262	(\$235,395)	122,400	9,341,559
Computer Software	92,391				92,391
Infrastructure	156,189,024			1,052,688	157,241,712
Total cost of depreciable assets	191,995,543	192,262	(235,395)	1,175,088	193,127,498
Less accumulated depreciation:					
Buildings and Improvements	(9,867,796)	(738,193)			(10,605,989)
Machinery and Equipment	(6,816,608)	(471,124)	128,832		(7,158,900)
Computer Software	(54,795)	(23,940)			(78,735)
Infrastructure	(60,961,797)	(2,518,350)			(63,480,147)
Total accumulated depreciation	(77,700,996)	(3,751,607)	128,832		(81,323,771)
Net depreciable assets	114,294,547	(3,559,345)	(106,563)	1,175,088	111,803,727
Governmental Activity Capital Assets, Net	\$134,152,347	(\$3,247,738)	(\$106,563)		\$130,798,046
Business-Type Activities:					
Capital assets, not depreciated:					
Land and Improvements	\$2,584,081				\$2,584,081
Construction in Progress	560,284	\$113,437	(\$21,651)	(\$652,070)	
Total capital assets, not depreciated:	3,144,365	113,437	(21,651)	(652,070)	2,584,081
Capital assets, being depreciated:					
Buildings and Improvements	91,526,037				91,526,037
Machinery and Equipment	9,264,856				9,264,856
Infrastructure	77,306,038			652,070	77,958,108
Water Rights	5,000,000				5,000,000
Total cost of depreciable assets	183,096,931			652,070	183,749,001
Less accumulated depreciation:					
Buildings and Improvements	(43,601,019)	(2,252,744)			(45,853,763)
Machinery and Equipment	(4,791,302)	(400,935)			(5,192,237)
Infrastructure	(41,969,083)	(1,442,232)			(43,411,315)
Water Rights	(1,000,000)	(200,000)			(1,200,000)
Total accumulated depreciation	(91,361,404)	(4,295,911)			(95,657,315)
Net depreciable assets	91,735,527	(4,295,911)		652,070	88,091,686
Business-type Activity Capital Assets, Net	\$94,879,892	(\$4,182,474)	(\$21,651)		\$90,675,767

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 6 – CAPITAL ASSETS (Continued)

B. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GASB Statement 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

Governmental Activities:	
Administration	\$28,007
Public safety - police	96,902
Public safety - fire	23,601
Parks and community services	501,035
Public works	2,117,983
Library	400
General government	64,223
Internal Service Fund	919,456
Total Governmental Activities	\$3,751,607
Business-type Activities:	
Wastewater	\$2,204,036
Water	1,902,263
Benicia Marina	189,612
Total Business-Type Activities	\$4,295,911

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 7 – LONG -TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

A. Current Year Transactions and Balances

	Balance at July 1, 2014	Additions/ Accretion	Deletions	Balance at June 30, 2015	Due Within One Year
GOVERNMENTAL ACTIVITY DEBT					
2006 Pension Obligation Bonds					
Series A-1 (Current Interest Bonds)	\$5,625,000			\$5,625,000	\$935,000
Series A-2 (Capital Appreciation Bonds)	5,043,519	\$274,333	\$1,155,000	4,162,852	275,000
2011 Certificates of Participation Energy Conservation Projects	12,275,000		465,000	11,810,000	535,000
Less unamortized original issue discount	(224,491)		(10,297)	(214,194)	
2012 General Obligation Refunding Bonds	2,950,000		640,000	2,310,000	650,000
Casa de Vilarrasa- Capital Lease	983,151		70,864	912,287	74,075
Fire Engine Capital Lease	161,451		37,805	123,646	39,460
Police and Marina Area Storm Drain Improvements Capital Lease	523,073		255,804	267,269	267,166
Total Governmental Activity Debt	<u>\$27,336,703</u>	<u>\$274,333</u>	<u>\$2,614,176</u>	<u>\$24,996,860</u>	<u>\$2,775,701</u>
	Balance July 1, 2014	Deletions	Balance June 30, 2015	Due Within One Year	
BUSINESS-TYPE ACTIVITY DEBT					
2002 Water Revenue Refunding Bonds	\$3,410,000	\$810,000	\$2,600,000	\$845,000	
2005 Wastewater Refunding Revenue Bonds	2,095,000	315,000	1,780,000	325,000	
Less unamortized original issue discount	(27,163)	(5,823)	(21,340)		
Total utility bonds payable net of discount	<u>5,477,837</u>	<u>1,119,177</u>	<u>4,358,660</u>	<u>1,170,000</u>	
State of California Marina Loans	3,042,838	174,289	2,868,549	182,132	
State Revolving Loan Fund- WWTP	7,876,271	1,065,770	6,810,501	1,084,986	
State Revolving Loan Fund- I & I WW	6,939,834	553,082	6,386,752	567,463	
State Revolving Loan Fund- Water Treatment Plant	8,231,531	546,907	7,684,624	560,057	
Total Business-type Activity Debt	<u>\$31,568,311</u>	<u>\$3,459,225</u>	<u>\$28,109,086</u>	<u>\$3,564,638</u>	

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 7 - LONG - TERM DEBT (Continued)

B. 2006 Pension Obligation Bonds

On June 15, 2006, the California Statewide Communities Development Authority issued the 2006 Series A-1 Current Interest Bonds and Series A-2 Capital Appreciation Bonds in the amounts of \$27,985,000 and \$34,828,647, of which \$7,430,000 and \$6,542,596 were the City's portion. The bond proceeds were used to partially fund the unfunded actuarial accrued liability of the Miscellaneous and Safety pension plans through the California Public Employees' Retirement System.

The Series A-1 Current Interest Bonds bear interest rates of 5.69%-5.93%. Principal payments are due annually through 2036. Interest payments are payable semi-annually on June 1 and December 1.

The Series A-2 Capital Appreciation Bonds unaccrued discount totaled \$2,837,149 at June 30, 2015. The capital appreciation bonds will accrete interest from the date of issuance and will be payable only upon maturity or redemption. The bonds are payable in any form of taxation. Interest on the Bonds accretes in value at the rates of 5.67% to 6.12%. Repayments of the accreted principal commenced on June 1, 2008.

C. 2011 Certificates of Participation Energy Conservation Projects

On April 7, 2011, the Public Property Financing Corporation of California (Corporation) issued Certificates of Participation (COPs) – 2011 Energy Conservation Projects in the amount of \$13,195,000. The proceeds of the Certificates were used to finance various energy conservation projects throughout the vicinity of City of Benicia, purchase a reserve fund surety bond in lieu of cash funding a reserve fund for the Certificates, fund capitalized interest with respect to the Certificates through October 15, 2011 and pay delivery costs incurred in conjunction with the execution, delivery and sale of the Certificates.

On April 1, 2011, the City entered into a site and facility lease with the Corporation for real property and site improvements commonly known as City Hall and the Clocktower Fortress. These properties have been pledged as collateral under a separate lease agreement, between the City and the Corporation, which provides lease payments to be used to pay debt service on the 2011 COPs. Upon retirement of the 2011 COPs and related interest, the lease agreement terminates and title to properties reverts to the City.

The Certificates bear interest at 1.6% - 6.0% and are due semi-annually on April 15 and October 15. Principal payments are due annually on April 15 through 2036.

D. General Obligation Refunding Bonds Series 2012

On June 7, 2012, the City issued General Obligation Refunding Bonds, Series 2012, in the amount of \$4,270,000, bearing interest of 1.25%. The proceeds were used to refund the City's outstanding 1997 General Obligation Wastewater Bonds, Series A and B. Principal payments are due annually on August 1 through 2018.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 7 - LONG - TERM DEBT (Continued)

E. Casa de Vilarrasa - Capital Lease

In March 2005, the City entered into a Capital Lease for \$1.4 million, at 4.5% interest, to finance the purchase and rehabilitation of the Casa de Vilarrasa forty-unit senior housing complex. Semi-annual payments are due on September 1 and March 1 each year. The first four payments are interest only and are financed from the lease proceeds. The loan principal is to be amortized over 20 years. Ownership of the housing complex will be reverted to the City at the end of the lease. Since the lease is in essence a financing arrangement, the cost of the above project and the amount of the lease have been included in the City's financial statements.

F. Fire Engine – Capital Lease

In April 2008, the City entered into a Capital Lease for \$365,000, at 3.92% interest, to finance the purchase of a fire engine. Semi-annual payments are due on September 30 and March 31 each year through 2018. Ownership of the vehicle will be reverted to the City at the end of the lease.

G. Police Building and Marina Area Storm Drain Improvements - Capital Lease

In May 2006, the City entered into a Capital Lease for \$2.2 million, at 4.58% interest, to finance the improvements to the Police Building and the portion of the storm drain system located in the Marina Area. Semi-annual payments are due on December 22 and June 22 each year until 2016. Ownership of the improvements will be reverted to the City at the end of the lease. Since the lease is in essence a financing arrangement, the cost of the improvements and the amount of the lease have been included in the City's financial statements.

H. 2002 Water Revenue Refunding Bonds

In September 2002, the City issued Water Revenue Refunding Bonds in the amount of \$10,805,000. The proceeds were used to defease the 1991 Water System Refunding Project Certificates of Participation, prepay the City's 1997 Community Drought Relief Promissory Note, purchase a reserve fund surety bond and pay the costs of issuing the bonds. The Water Revenue Refunding Bonds are secured by a pledge of the available net revenues of the City's Water System and are subject to the prior lien of the 1967 Bonds. Interest rates range from 1.25% to 4.40%. Principal payments are payable annually on November 1 and interest payments semi-annually on May 1 and November 1.

I. 2005 Wastewater Refunding Revenue Bonds

In September 2005, the City issued the 2005 Wastewater Refunding Revenue Bonds in the amount of \$4,260,000. The proceeds were used to partially finance the refunding of the 1993 Refunding Wastewater Revenue Bonds in the outstanding principal amount of \$4,435,000. The 2005 Revenue Bonds are payable solely from and secured by a pledge of the net revenues derived from the sewer operation. Principal payments are payable annually on December 1 and interest payments semi-annually on May 1 and November 1.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 7 – LONG - TERM DEBT (Continued)

J. State of California Marina Loans

From 1976 through 1984, the State of California loaned the City a total of \$6,046,730 for various construction projects for the City's marina. Interest and principal are payable annually on August 1 through 2027. Debt service is payable from marina revenues and general fund transfers.

K. State Revolving Loan Fund - Wastewater Treatment Plant (WWTP)

In 1998, the City negotiated a State Revolving Fund Loan with the State Water Resources Control Board to finance the remainder of the wastewater treatment plant improvements. The loan is a long-term liability of the Wastewater Enterprise Fund, which borrowed the maximum available of \$20,129,576. While the loan bears no stated interest, the City is required to pay an amount termed Local/State Match in addition to the principal amount of the loan. The City has imputed an interest rate of 1.8% to provide for the payment of this match. Payments are due annually in December through 2020.

L. State Revolving Loan Fund - Inflow & Infiltration (I & I)

In 2003, the City entered into a State Revolving Loan Fund loan agreement with the State Water Resources Control Board to finance the \$12 million inflow and infiltration project with a grant charge of 1.6% and service charge of 1.0%. The loan is a long-term liability of the Wastewater Enterprise Fund, which borrowed the maximum available of \$11,296,658. Payments are due annually on April 10 through 2025.

M. State Revolving Loan Fund - Water Treatment Plant

In 2004, the City entered into a State Revolving Fund loan agreement with the State Department of Water Resources to assist financing the Water Treatment Plant Improvement Project, which will enable the City to meet safe drinking water standards set by the State. The loan is a long-term liability of the Water Enterprise Fund, bearing interest of 2.39%. Principal and interest are payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2008 through 2027. The maximum amount the City can borrow is \$13,600,000; however, the City only borrowed \$11,716,747. As of June 30, 2015, the outstanding principal amount was \$7,684,624.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 7 – LONG - TERM DEBT (Continued)

N. Pledged Revenue

The City has pledged future wastewater revenues, net of specified operating expenses, to repay the 2005 Wastewater Refunding Revenue Bonds, the State Revolving Loan Fund – Wastewater Treatment Plant and the State Revolving Loan Fund – Inflow & Infiltration. Projected net customer revenues are expected to provide coverage over debt service of at least 1.20 over the life of the bonds. The Wastewater Fund’s total principal and interest remaining to be paid on the bonds is \$1,965,057, which is scheduled to occur in fiscal year 2020. For fiscal year 2015, Wastewater Fund Revenues including operating revenues and non-operating investment income totaled \$8,434,075 and operating costs, not including depreciation or amortization totaled \$4,957,666. Net Revenues available for debt service totaled 3,476,409, which represented coverage of 1.49% of debt service payment of \$2,332,237.

The City has pledged future water revenues, net of specified operating expenses, to repay the 2002 Water Revenue Refunding Bonds and the State Revolving Loan Fund – Water Treatment Plant. Projected net customer revenues are expected to provide coverage over debt service of at least 1.20 over the life of the bonds. The Water Fund’s total principal and interest remaining to be paid on the bonds is \$2,770,577, which is scheduled to occur in fiscal year 2018. For fiscal year 2015, gross Water Fund Revenues including operating revenues and non-operating interest earnings totaled \$7,455,068 and operating costs, not including depreciation or amortization, totaled \$6,731,861. Net Revenues available for debt service totaled \$723,207 which represented coverage of .43% of debt service payment of \$1,667,582.

O. Debt Service Requirements

Annual debt service requirements are shown below for all long-term debt:

<i>Governmental Activities: Pension Obligation Bonds</i>		
Year ending June 30	Principal (A)	Interest
2016	\$1,210,000	\$332,415
2017	1,310,000	277,811
2018	305,000	217,631
2019	325,000	217,631
2020	345,000	217,631
2021-2025	2,045,000	1,088,155
2026-2030	2,630,001	1,088,155
2031-2035	3,535,000	880,013
2036	920,000	54,556
Total	\$12,625,001	\$4,373,998

(A) Includes unaccreted discount totaling \$2,837,149

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 7 – LONG - TERM DEBT (Continued)

Governmental Activities: Certificates of Participation

Year ending June 30	Principal	Interest
2016	\$535,000	\$666,418
2017	120,000	647,693
2018	155,000	643,073
2019	195,000	636,563
2020	240,000	627,788
2021-2025	1,725,000	2,928,545
2026-2030	2,260,000	2,384,198
2031-2035	5,130,000	1,456,800
2036	1,450,000	87,000
Total	<u>\$11,810,000</u>	<u>\$10,078,078</u>

Governmental Activities: General Obligation Bonds

Year ending June 30	Principal	Interest
2016	\$650,000	\$24,813
2017	655,000	16,656
2018	670,000	8,375
2019	335,000	2,094
Total	<u>\$2,310,000</u>	<u>\$51,938</u>

Governmental Activities: Capital Leases

Year ending June 30	Principal	Interest
2016	\$380,701	\$54,390
2017	118,637	40,071
2018	123,957	34,742
2019	84,656	29,654
2020	88,509	25,802
2021-2025	506,742	64,803
Total	<u>\$1,303,202</u>	<u>\$249,462</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 7 – LONG - TERM DEBT (Continued)

Enterprise Activities: Revenue Bonds

Year ending June 30	Principal	Interest
2016	\$1,170,000	\$157,551
2017	1,205,000	108,916
2018	1,245,000	57,488
2019	370,000	23,586
2020	390,000	8,093
Total	<u>\$4,380,000</u>	<u>\$355,634</u>

Enterprise Activities: Revolving Loans

Year ending June 30	Principal	Interest
2016	\$2,394,638	\$598,352
2017	2,450,615	542,375
2018	2,508,021	484,970
2019	2,566,897	426,094
2020	2,627,285	365,705
2021-2025	9,134,910	998,923
2026-2029	2,068,060	48,096
Total	<u>\$23,750,426</u>	<u>\$3,464,515</u>

P. Special Assessment Debt Without City Commitment

At June 30, 2015, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

McAllister	\$8,348,667
East Second Street	400,000

The City has no legal or moral responsibility with respect to the payment of this debt and has therefore not recorded it as a liability. However, the City is responsible for the construction of the improvements financed by the Districts; therefore, the related Capital Projects Funds are reflected in the City's financial statements. The City is also responsible, as the Districts' agent, for recording the Districts' cash receipts, disbursements and balances, which are reported as Agency Fund transactions in the financial statements.

NOTE 8 – NET POSITION AND FUND BALANCES

A. Net Position

Net position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflow, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined at the Government-wide level and proprietary funds and are described on the next page:

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Net Investment in Capital Assets, describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements and funds restricted to low and moderate income purposes.

Unrestricted describes the portion of net position which is not restricted as to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council's highest level of decision-making authority. The City Council can, by adoption of resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the City Council remains in place until a similar action is taken (the adoption of another resolution to remove or revise the limitation).

Assigned fund balances are comprised of 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 its designee and may be changed at the discretion of the City Council or its designee. The City has, by resolution, authorized the City Manager to assign fund balance.

Unassigned fund balance represents the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report negative unassigned fund balance, which occurs when a fund has a residual deficit after allocation of fund balance to the non-spendable, restricted or committed categories.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2015, are stated below:

Fund Balance Classifications	General Fund	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total
Nonspendables:				
Items not in spendable form:				
Loans receivable	\$737,110			\$737,110
Prepaid Expenses	30,750			30,750
Total Nonspendable Fund Balances	767,860			767,860
Restricted for:				
Debt Service		\$729,528		729,528
St. Catherine's Wood Open Space	93,155			93,155
Cable	83,736			83,736
Streets and Road			\$1,290,732	1,290,732
Landscaping and Lighting			361,605	361,605
Housing			713,374	713,374
City Cemetery and Tree Maintenance			293,312	293,312
Library Programs			1,019,181	1,019,181
South Pacific Depot			130,548	130,548
Public Safety Programs			265,582	265,582
Measure C Projects			1,122,432	1,122,432
Resident Assistance Programs			159,844	159,844
Open Space			480,435	480,435
Total Restricted Fund Balances	176,891	729,528	5,837,045	6,743,464
Committed to:				
Capital Projects			3,211,578	3,211,578
Future Projects	228,000			228,000
Emergency Reserves	3,188,052			3,188,052
Contingency Reserves	3,188,052			3,188,052
Total Committed Fund Balances	6,604,104		3,211,578	9,815,682
Assigned to:				
Human Services	17,832			17,832
Arts and Cultural	1,403			1,403
Economic Development	832,730			832,730
Capital License	128,742			128,742
Library Books	1,191			1,191
City Operations	226,105			226,105
Total Assigned Fund Balances	1,208,003			1,208,003
Unassigned:				
General Fund	3,204,453			3,204,453
Fund Deficits			(251,573)	(251,573)
Total Unassigned Fund Balances	3,204,453		(251,573)	2,952,880
Total Fund Balances	11,961,311	\$729,528	\$8,797,050	\$21,487,889

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

C. *Minimum Fund Balance Policies*

The City's Budget and Fiscal Policy requires the City to strive to maintain a goal of 20% of annual adopted operating budget revenues in the General Fund's and Enterprise Fund's cash reserves. If the City falls below 20% thresholds in the General Fund and Enterprise Funds, the City is required to present a plan for replenishing reserves in a reasonable time to Council. The ability of the City to maintain 20% cash reserves in the General Fund and Enterprise funds depends upon the timing of infrastructure projects.

An Emergency Reserve is maintained in the General Fund to mitigate all unforeseen events not covered in the Contingency Reserves. The Emergency Reserves shall be appropriated by the City Council to provide for Natural Disaster expenditures of epic proportion, such as an 8.0 Earthquake or 200-Year Flood Event. These funds will only be used by Council formal action and for the purposes stated.

D. *Fund Equity Deficits*

The Miscellaneous Grants Fund had a deficit fund balance of \$23,061 at June 30, 2015. Grant funds are expected to offset the deficit in fiscal year 2015-16.

The Valero GNSC Fund had a deficit fund balance of \$228,512 at June 30, 2015. Valero settlement funds are expected to offset the deficit in fiscal year 2015-16.

The Benicia Marina Enterprise Fund had a deficit net position of \$148,889 at June 30, 2015. Management is currently reviewing options to reduce deficit over time with Council approval.

The Insurance Internal Service Fund had deficit net position of \$1,960,272 at June 30, 2015. Management is looking for options to increase service rates and reduce the deficit over time.

The Retirement Stability Internal Service Fund had deficit net position of \$8,192,570 at June 30, 2015. Management is looking for options to reduce deficit over time.

NOTE 9 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLAN

A. Miscellaneous Plan

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous, agent multiple-employer defined benefit pension plan, administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Plan’s provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire date	Prior to October 1, 2012	October 1, 2012 - January 1, 2013	After January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.250%
Required employer contribution rates	18.825%	18.825%	18.825%

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	157
Inactive employees entitled to but not yet receiving benefits	158
Active employees	142
Total	<u>457</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLAN (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous (1)
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3% - 14.2% (2)
Investment Rate of Return	7.5% (3)
Mortality	Derived using CalPers Membership Data for all Funds (4)

(1) Actuarial assumptions are the same for all benefit tiers (Classic, Tier II, and PEPR)

(2) Depending on age, service and type of employment

(3) Net of pension plan investment expenses, including inflation

(4) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 - PENSION PLAN (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. 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 7.50% for each Plan. 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 run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$89,629,645	\$66,215,829	\$23,413,816
Changes in the year:			
Service cost	1,908,663		1,908,663
Interest on the total pension liability	6,645,981		6,645,981
Differences between actual and expected experience			
Changes in assumptions			
Changes in benefit terms			
Contribution - employer		1,554,005	(1,554,005)
Contribution - employee (paid by employer)			
Contribution - employee		859,183	(859,183)
Net investment income		11,447,269	(11,447,269)
Administrative expenses			
Benefit payments, including refunds of employee contributions	(3,941,793)	(3,941,793)	
Net changes	<u>4,612,851</u>	<u>9,918,664</u>	<u>(5,305,813)</u>
Balance at June 30, 2015	<u>\$94,242,496</u>	<u>\$76,134,493</u>	<u>\$18,108,003</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the 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:

	<u>Miscellaneous</u>
1% Decrease	6.50%
Net Pension Liability	\$30,713,933
Current Discount Rate	7.50%
Net Pension Liability	\$18,108,003
1% Increase	8.50%
Net Pension Liability	\$7,666,610

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the year ended June 30, 2015, the City recognized pension expense of \$1,491,386. At June 30, 2015, 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	\$1,884,361	
Differences between actual and expected experience		
Changes in assumptions		
Net differences between projected and actual earnings on plan investments		(\$3,932,395)
Total	\$1,884,361	(\$3,932,395)

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

\$1,310,799 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Increase (Decrease) in Pension Expense
2016	(\$1,310,799)
2017	(1,310,799)
2018	(1,310,797)

B. Safety Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety (police and fire), cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Plans’ provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire date	Prior to 10/1/12	10/1/12 - 1/1/13	After 1/1/13
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	1.426% to 2.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	9%	12.25%
Required employer contribution rates	29.556%	18.825%	12.25%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Amount
Contributions - employer	\$1,434,239
Contributions - employee (paid by employer)	919,849

C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Tier I	\$20,478,525
Tier II	46,279
PEPRA	105
Total Net Pension Liability	\$20,524,909

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	Tier I	Tier II	PEPRA
Proportion - June 30, 2013	0.5668%	0.0013%	0.0000%
Proportion - June 30, 2014	0.5460%	0.1230%	0.0000%
Change - Increase (Decrease)	-0.0208%	0.1217%	0.0000%

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

For the year ended June 30, 2015, the City recognized pension expense of \$1,511,176. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Tier I		Tier II	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$1,430,998		\$3,234	
Differences between actual and expected experience				
Changes in assumptions				
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		(\$4,876,910)		(\$13,974)
Net differences between projected and actual earnings on plan investments	670,750			(46,765)
Total	\$2,101,748	(\$4,876,910)	\$3,234	(\$60,739)

	PEPRA		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$7		\$1,434,239	
Differences between actual and expected experience				
Changes in assumptions				
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		(\$31)		(\$4,890,915)
Net differences between projected and actual earnings on plan investments		(8,931)	670,750	(55,696)
Total	\$7	(\$8,962)	\$2,104,989	(\$4,946,611)

\$1,342,623 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Increase (Decrease) In Pension Expense		
	Tier I	Tier II	PEPRA
2016	(\$1,306,233)	(\$31,415)	(\$4,975)
2017	(1,354,142)	(25,829)	(3,980)
2018	(1,545,785)	(3,495)	(7)

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

	All Safety Plans
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Projected Salary Increase	Depending on age, service and type of employment
Investment Rate of Return	7.5% (1)
Mortality	Derived using CalPers Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. 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 7.50% for each Plan. 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 run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 10 – PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the 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:

	Tier I	Tier II	PEPRA
1% Decrease	6.50%	6.50%	6.50%
Net Pension Liability	\$35,240,890	\$79,640	\$180
Current Discount Rate	7.50%	7.50%	7.50%
Net Pension Liability	\$20,478,525	\$46,279	\$105
1% Increase	8.50%	8.50%	8.50%
Net Pension Liability	\$8,314,974	\$18,791	\$43

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City of Benicia contracts with Kaiser, Ameritas Dental & Vision and United Healthcare to provide medical, dental, and vision benefits to both active and retired employees. The City pays no direct financial contribution towards retiree health benefits; however, due to the fact that retirees and active employees are insured in the same pool it indirectly subsidizes their premiums through payments for current employees.

B. Eligibility

Employees (and their spouses) are eligible for retiree health benefits if they retire from the City on or after age 50 with at least 5 years of service and are eligible for a PERS pension. Retirees younger than age 65 are required to contribute the full amount of the monthly medical insurance premiums that are in effect for active employees. Retirees who are age 65 or older are required to contribute the full amount of the monthly premium rates in effect for Medicare Supplement insurance.

C. City’s Funding Policy

The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). The City has not established a trust that is administered by the City for the purpose of holding assets accumulated for plan benefits.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

D. Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$451,191
Interest on net OPEB obligation	74,410
Adjustment to annual required contribution	<u>(82,398)</u>
Annual OPEB cost (expense)	443,203
Implicit subsidy	<u>(212,901)</u>
Increase in net OPEB obligation	230,302
Net OPEB obligation - beginning of year	<u>1,653,565</u>
Net OPEB obligation - end of year	<u><u>\$1,883,867</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$472,588	47%	\$1,431,012
6/30/2014	418,280	44%	1,653,565
6/30/2015	443,203	48%	1,883,867

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 trend. 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 the benefits.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. The actuarial assumptions included a 4.50 percent investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.7 percent initially, reduced by decrements of 0.3% per year to an ultimate rate of 5.0 percent after the year 2020. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years. The valuation is based on a closed 30 year amortization period. It is assumed the City's payroll will increase 3.25% per year.

Funded Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date, the plan was 0% funded. The Actuarial Accrued Liability (AAL) for benefits was \$4,481,535 and the Actuarial Value of the Plan Net Asset was \$0 resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$4,481,535. The covered payroll (annual payroll of active employees covered by the plan) was \$17,354,119 and the ratio of UAAL to covered payroll was 26 percent.

The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 12 - HEALTH, GENERAL LIABILITY AND WORKERS' COMPENSATION COVERAGE

A. Coverages

City employees are covered under a medical and prescriptions policy with Kaiser and Healthnet. The City provides group dental and vision coverage to employees through programs that are administered by a service agent. The City pays all dental and vision claims.

The City is a member of the Association of Bay Area Governments (ABAG), which provides general liability coverage of \$5,000,000 above the City's deductible of \$25,000 per occurrence, and property damage insurance up to \$1,000,000,000. ABAG is governed by a board consisting of representatives from member municipalities. The board controls the operations of ABAG, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the fiscal year ended June 30, 2015, the City contributed \$871,437 for current year coverage.

Audited financial statements may be obtained from ABAG Services, P.O. Box 2050, Oakland, CA 94604-2050.

The Local Agency Workers' Compensation Excess Insurance Joint Powers Authority (LAWCX) covers workers' compensation up to statutory limits. The City has a deductible or uninsured liability of up to \$350,000 per claim. During the fiscal year ended June 30, 2015, the City contributed \$135,798 for current year coverage.

LAWCX's financial statements may be obtained from Bickmore & Associates, 6371 Auburn Boulevard, Citrus Heights, CA 95621.

B. Liability for Uninsured Claims

The City's liability for uninsured claims, including estimated claims incurred but not reported, was estimated by management based on prior years claims experience and was computed as follows as of June 30:

	2015			2014
	Workers' Compensation	General Liability	Total	
Beginning balance	\$2,241,000	\$211,648	\$2,452,648	\$2,319,300
Liability for current year claims and change in prior year claims estimate	1,815,447	356,245	2,171,692	760,600
Claims paid in fiscal year	<u>(1,207,447)</u>	<u>(401,718)</u>	<u>(1,609,165)</u>	<u>(627,252)</u>
Ending balance	<u>\$2,849,000</u>	<u>\$166,175</u>	<u>\$3,015,175</u>	<u>\$2,452,648</u>
Claim liabilities due within a year	<u>\$974,600</u>	<u>\$166,175</u>	<u>\$1,140,775</u>	<u>\$992,955</u>

For the years ended June 30, 2015, 2014, and 2013, the amount of settlements did not exceed insurance coverage.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 13 – JOINT POWERS AUTHORITIES

The City participates in joint ventures discussed below through separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each joint venture is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective joint venture, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these joint ventures are not the City's responsibility and the City does not have an equity interest in the assets of each joint venture except upon dissolution of the joint venture.

A. *Solano Water Authority*

Solano Water Authority was established to coordinate water procurement and use among the Cities and County of Solano.

Members share the Water Authority's expenses equally and each member has one representative on the commission that governs the Water Authority.

Audited financial statements may be obtained from the Solano Water Authority at 508 Elmira Road, Vacaville, California, 95687.

B. *Solano Transportation Authority*

Solano Transportation Authority (STA) was established to develop regional strategies and meet regional transit and paratransit needs and to cooperatively address Solano County transportation issues.

The City's payments to STA are in accordance with a formula under which each member entity pays a proportionate share of expenditures based on the entity's population.

Audited financial statements may be obtained from STA at One Harbor Center, Suite 130, Suisun City, California, 94585.

NOTE 14 – OPERATING LEASE

The City has signed a lease agreement with the Benicia Unified School District (BUSD), commencing April 1, 2007 and ending on March 31, 2047, to lease the Mills School building and grounds located at 380 L Street, Benicia, for City use as a Community Center. This agreement can be renewed for two (2) additional ten (10) year terms.

The annual rent for said property shall be One Hundred Twenty Thousand Dollars (\$120,000), payable in equal monthly payments of Ten Thousand Dollars (\$10,000). According to the lease agreement, beginning in 2011, the monthly rent is adjusted annually for each succeeding years using the Consumer Price Index for all Urban Consumers (CPI-U). However, BUSD has been billing the City without any CPI adjustments.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 14 – OPERATING LEASE (Continued)

Under the agreement, the City will pay for all water, gas, light, heat, power, telephone, security service, garbage pick-up, sewage fees and all other services supplied on the premises. The City may, at its sole cost and expense, construct any improvements including buildings, roadways, sidewalks, fences, playgrounds, parking areas, utilities, signs, monuments and landscaping which City deems necessary to the operations of its business. In addition, the City will maintain the existing premises and BUSD, shall have no maintenance or repair obligations with respect to the premises being leased.

NOTE 15 – OTHER COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is a defendant in a number of lawsuits that have arisen in the normal course of business, the outcome of which cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City.

NOTE 16 – VALERO REFINING COMPANY SETTLEMENT AGREEMENT COMMITMENT

In April 2003, the City approved the Use Permit for the Valero Improvement Project (VIP). This was amended in June 2003 by Valero Refining Company (Valero) Settlement Agreement. In July 2008, the Good Neighbor Steering Committee and Valero entered into an agreement and the Planning Commission then incorporated the terms of the agreement into the conditions of approval for the Amended Valero Improvement Projects Agreement. Valero has committed \$14 million to fund various City-wide projects. At the June 17, 2014 Council meeting, Valero withdrew their Condensate Recovery Phase II Project and instead requested for a lower allocation for their Boiler Project. As a result of the re-allocation of settlement funds, the City's direct share increased to \$7,494,000. The commitment does not meet the criteria to be recorded as revenue until eligible project expenditures are incurred. As of June 30, 2015, Valero has paid the City \$5,809,377 of this commitment.

NOTE 17 - MARINA

The City of Benicia contracts with the Benicia Harbor Corporation (BHC) to conduct annual dredging in the Benicia Marina common areas. In fiscal 2009-10, they failed to initiate and complete their dredging commitment and have claimed that it was due, in part, to the City's inability to acquire a California Dredging Permit in a timely manner. In fiscal year 2014-15, the amount under review was \$105,948. During fiscal year 2014-15, the City did not receive any rents or percentage of rent from BHC.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2015

NOTE 18 – OTHER RELATED ORGANIZATIONS

The City Council of the City of Benicia appoints board members of the Benicia Housing Authority (the Authority). The Authority sets policy for, and administers, affordable housing programs within the City of Benicia. The City has related financial transactions with the Authority represented by loans receivable from the Authority in a total amount of \$2,585,000 as of June 30, 2015. See further discussion in Notes 5C and F.

REQUIRED SUPPLEMENTARY INFORMATION

City of Benicia - Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
As of June 30, 2015
Last 10 Years*
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2015
Total Pension Liability	
Service Cost	\$1,908,663
Interest	6,645,981
Differences between expected and actual experience	
Changes in assumptions	
Changes in benefits	
Benefit payments, including refunds of employee contributions	(3,941,793)
Net change in total pension liability	4,612,851
Total pension liability - beginning	89,629,645
Total pension liability - ending (a)	\$94,242,496
 Plan fiduciary net position	
Contributions - employer	\$1,554,005
Contributions - employee	859,183
Net investment income	11,447,269
Benefit payments, including refunds of employee contributions	(3,941,793)
Net change in plan fiduciary net position	9,918,664
Plan fiduciary net position - beginning	66,215,829
Plan fiduciary net position - ending (b)	\$76,134,493
 Net pension liability - ending (a)-(b)	\$18,108,003
 Plan fiduciary net position as a percentage of the total pension liability	80.79%
 Covered - employee payroll	\$10,020,807
 Net pension liability as percentage of covered-employee payroll	180.70%

Notes to Schedule:

Benefit changes. In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Benicia - Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
 For the year ended June 30, 2015
 Last 10 Years*
 SCHEDULE OF CONTRIBUTIONS

	2015
Actuarially determined contribution	\$1,884,361
Contributions in relation to the actuarially determined contributions	1,884,361
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$10,020,807
Contributions as a percentage of covered-employee payroll	18.80%

Notes to Schedule:

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50 Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

City of Benicia - Safety Plans, Cost-Sharing Defined Pension Plans
As of June 30, 2015
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	Tier I	Tier II	PEPRA
	6/30/2014	6/30/2014	6/30/2014
Plan's Proportion of the Net Pension Liability/Asset	32.91100%	0.00074%	0.00000%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$20,478,525	\$46,279	\$105
Plan's Covered-Employee Payroll	\$5,773,717	\$827,782	\$139,001
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	354.69%	5.59%	0.08%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	81.42%	81.42%	81.35%
Plan's Proportionate Share of Aggregate Employer Contributions	\$240,405	\$5,741	\$13

* - Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

City of Benicia - Safety Plans, Cost-Sharing Defined Pension Plans
For the year ended June 30, 2015
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

	Tier I	Tier II	PEPRA
	2015	2015	2015
Actuarially determined contribution	\$ 1,339,257	\$ 156,299	\$ 17,368
Contributions in relation to the actuarially determined contributions	(1,339,257)	(156,299)	(17,368)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 5,773,717	\$ 827,782	\$ 139,001
Contributions as a percentage of covered-employee payroll	23.20%	18.88%	12.49%

Notes to Schedule:

Valuation date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5%, net of pension plan investment and administrative expenses, including inflation
Retirement age	55 yrs. Tier I, 55 yrs. Tier II, 62 yrs. Tier III
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.

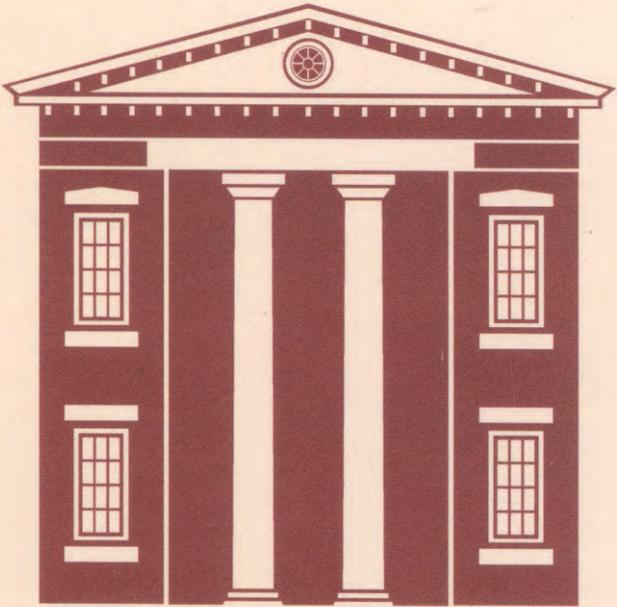
City of Benicia
Other Post-Employment Retirement Benefits
For the Fiscal Year Ended June 30, 2015
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b)- (a)/(c)
6/30/2009	\$0	\$4,401,160	\$4,401,160	0.00%	\$19,529,818	23%
4/1/2012	0	4,716,121	4,716,121	0.00%	16,847,112	28%
7/1/2013	0	4,481,535	4,481,535	0.00%	17,354,119	26%

CITY OF BENICIA
GENERAL OBLIGATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

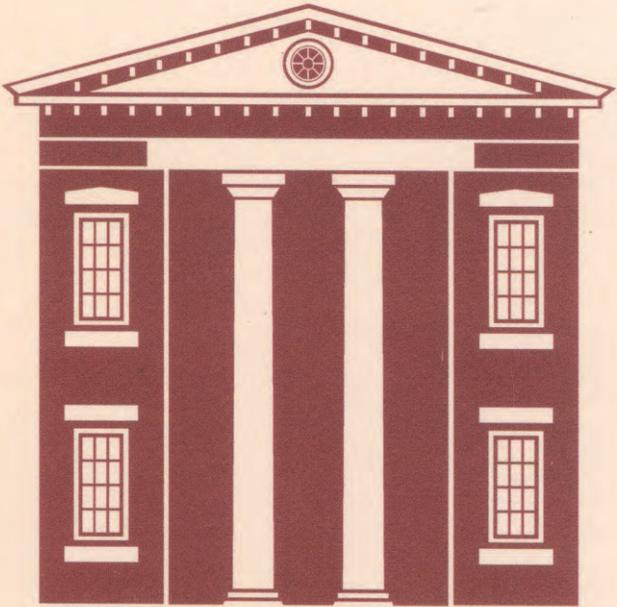
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$677,710	\$677,710	\$690,965	13,255
Use of money and property	500	500	3,003	2,503
Total Revenues	<u>678,210</u>	<u>678,210</u>	<u>693,968</u>	<u>15,758</u>
EXPENDITURES:				
Debt service:				
Principal retirement	640,000	640,000	640,000	
Interest and fiscal charges	33,625	33,625	32,875	750
Total Expenditures	<u>673,625</u>	<u>673,625</u>	<u>672,875</u>	<u>750</u>
NET CHANGE IN FUND BALANCE	<u>\$4,585</u>	<u>\$4,585</u>	\$21,093	<u>\$15,008</u>
Beginning fund balance			<u>708,435</u>	
Ending fund balance			<u>\$729,528</u>	

See accompanying notes to financial statements



THE CITY OF
BENICIA
CALIFORNIA

SUPPLEMENTARY INFORMATION



THE CITY OF
BENICIA
CALIFORNIA

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS**GAS TAX**

Accounts for monies received and expended from state gas tax allocation to cities.

LANDSCAPING AND LIGHTING DISTRICTS: RESIDENTIAL, FLEETSIDE, COLUMBUS PARKWAY, EAST 2ND STREET, AND GOODYEAR ROAD

Accounts for monies received from property owners and allocated for the maintenance of landscaping of paths in walkways and lighting of streetlights within the bounds of the specified districts.

COMMUNITY DEVELOPMENT BLOCK GRANT

Accounts for moneys received and expended by the City as a participant in the Federal Community Development Block Grant program.

COMMUNITY SERVICES PROGRAM

Accounts for moneys received from developers, grants, and cemetery fees for expenditures to maintain the City Cemetery, and also local grant money for a citywide tree maintenance program.

LIBRARY PROGRAMS

Accounts for donations and grant funds intended to promote literacy in the City.

COUNTY SALES TAX MEASURE

Accounts for funds from Solano County Measure B sales tax to be used for enhancement of library services.

SOUTHERN PACIFIC DEPOT

Accounts for community donations and rent receipts expended for the Southern Pacific Depot.

PUBLIC SAFETY GRANTS

Accounts for various public safety grant revenues and their expenditures.

HUMAN SERVICES

Accounts for endowment and restricted donations to support resident assistance programs within the City.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

DEVELOPER DEPOSITS

Accounts for developer deposits, fees and related expenditures incurred for specific projects.

TOURTELOT MITIGATION

Accounts for the cost of maintaining open space in the project area. Sources of revenue include fees paid by the developer and investment earnings.

MISCELLANEOUS GRANTS

Accounts for miscellaneous recycling and ABAG workplace safety grants.

VALERO GNSC

Accounts for the Valero settlement monies to be used for various water and energy conservation projects.

FEMA

Accounts for federal grant reimbursements from damages due to the South Napa Earthquake.

CAPITAL PROJECTS FUNDS**MEASURE C**

Accounts for the capital improvements approved under the sales tax ballot measure that was passed by voters in November 2014.

TRAFFIC MITIGATION

Accounts for installation of new traffic signals and modification of streets for standardization of intersections. Sources of revenue include investment earnings, State grants, development fees and interfund transfers.

PARK DEDICATION

Accounts for construction and capital improvements of the City's parks, trails and open space lands. Sources of revenue include investment earnings, Parkland dedication fees, local and state grants.

LIBRARY BASEMENT PROJECT

Accounts for costs of remodeling the basement of the Library and to provide expanded services for customers and staff.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

COMMUNITY CENTER

Accounts for expenditures for the construction of the Benicia Community Center. Sources of funding include proceeds from the sale of City owned land, donations, and Valero settlement monies.

McALLISTER ASSESSMENT DISTRICT

The McAllister Assessment District Capital Projects Fund accounts for the construction of public improvements benefiting the property within the bounds of the Assessment District, which is located north of Rose Drive and to the west of East Second Street. Source revenues include investment earnings and proceeds from bonds.

STREETS AND TRANSPORTATION FUND (INTERMODAL TRANSPORTATION FUND)

Accounts for funding and construction of various intermodal transportation projects. Sources of revenue include transfers provided by the General Fund, debt proceeds, investment earnings and grant funding.

CASA DE VILARRASA

Accounts for the capital improvements and rehabilitation of the project. Sources of revenue include investment earnings and proceeds from bonds.

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
ASSETS				
Cash and investments available for City operations	\$1,335,674	\$68,456	\$108,287	\$112,456
Accounts receivable	447			
Interest receivable	260	19	24	24
Loans receivable				
Total Assets	<u>\$1,336,381</u>	<u>\$68,475</u>	<u>\$108,311</u>	<u>\$112,480</u>
LIABILITIES				
Accounts payable	\$45,649	\$11,575	\$1,817	\$265
Customer deposits				
Due to other funds				
Total Liabilities	<u>45,649</u>	<u>11,575</u>	<u>1,817</u>	<u>265</u>
FUND BALANCES				
Restricted	1,290,732	56,900	106,494	112,215
Committed				
Unassigned				
Total Fund Balances (Deficits)	<u>1,290,732</u>	<u>56,900</u>	<u>106,494</u>	<u>112,215</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$1,336,381</u>	<u>\$68,475</u>	<u>\$108,311</u>	<u>\$112,480</u>

SPECIAL REVENUE FUNDS

East 2nd Street Landscaping and Lighting	Goodyear Road Landscaping and Lighting	Community Development Block Grant	Community Services Program	Library Programs	County Sales Tax Measure	Southern Pacific Depot	Public Safety Grants
\$47,697	\$39,150	\$458,905	\$293,251	\$310,471	\$566,499	\$130,521	\$370,761
10	8	212	61	6	161,789	27	51,513
		95		68	124		60
		254,162					
<u>\$47,707</u>	<u>\$39,158</u>	<u>\$713,374</u>	<u>\$293,312</u>	<u>\$310,545</u>	<u>\$728,412</u>	<u>\$130,548</u>	<u>\$422,334</u>
\$790	\$79			\$19,776			\$107,948
							48,804
<u>790</u>	<u>79</u>			<u>19,776</u>			<u>156,752</u>
46,917	39,079	\$713,374	\$293,312	290,769	\$728,412	\$130,548	265,582
<u>46,917</u>	<u>39,079</u>	<u>713,374</u>	<u>293,312</u>	<u>290,769</u>	<u>728,412</u>	<u>130,548</u>	<u>265,582</u>
<u>\$47,707</u>	<u>\$39,158</u>	<u>\$713,374</u>	<u>\$293,312</u>	<u>\$310,545</u>	<u>\$728,412</u>	<u>\$130,548</u>	<u>\$422,334</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	Miscellaneous Grants
ASSETS				
Cash and investments available for City operations	\$159,803	\$1,044,320	\$480,334	
Accounts receivable		2,939		52,465
Interest receivable	41	30	101	
Loans receivable				
	<u>\$159,844</u>	<u>\$1,047,289</u>	<u>\$480,435</u>	<u>\$52,465</u>
Total Assets	<u>\$159,844</u>	<u>\$1,047,289</u>	<u>\$480,435</u>	<u>\$52,465</u>
LIABILITIES				
Accounts payable		\$274,693		\$52,977
Customer deposits		772,596		
Due to other funds				22,549
		<u>1,047,289</u>		<u>75,526</u>
Total Liabilities		<u>1,047,289</u>		<u>75,526</u>
FUND BALANCES				
Restricted	\$159,844		\$480,435	
Committed				
Unassigned				(23,061)
	<u>159,844</u>		<u>480,435</u>	<u>(23,061)</u>
Total Fund Balances (Deficit)	<u>159,844</u>		<u>480,435</u>	<u>(23,061)</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$159,844</u>	<u>\$1,047,289</u>	<u>\$480,435</u>	<u>\$52,465</u>

SPECIAL REVENUE FUNDS

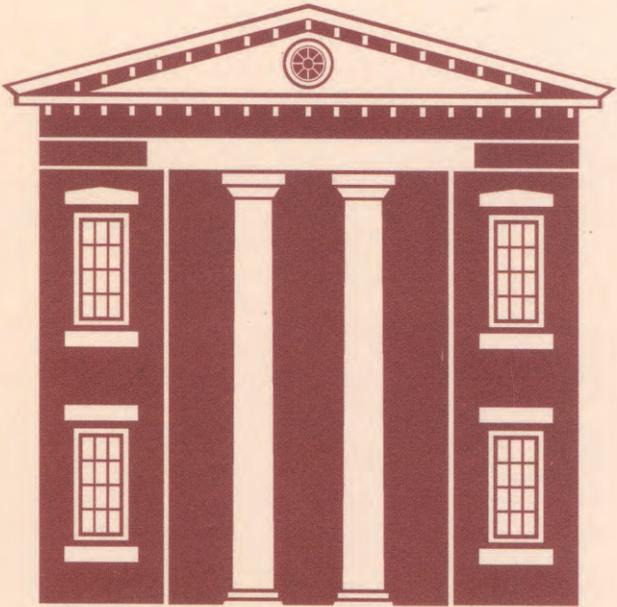
CAPITAL PROJECTS FUNDS

Valero GNSC	FEMA	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	Community Center	McAllister Assessment District
		\$731,131	\$981,081	\$17,991	\$294,389		\$974
\$43		391,300		22,550			
		1	194	47	61		
			35,480	196,950			
\$43		\$1,122,432	\$1,016,755	\$237,538	\$294,450		\$974
\$188,643			\$8,846				
39,912							
228,555			8,846				
		\$1,122,432					
(228,512)			1,007,909	\$237,538	\$294,450		\$974
(228,512)		1,122,432	1,007,909	237,538	294,450		974
\$43		\$1,122,432	\$1,016,755	\$237,538	\$294,450		\$974

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	CAPITAL PROJECTS FUNDS		
	Streets and Transportation (Intermodal Transportation)	Casa De Vilarrasa	Total Non-major Governmental Funds
ASSETS			
Cash and investments available for City operations			\$7,552,151
Accounts receivable	\$409,305		1,092,526
Interest receivable	54		1,352
Loans receivable		\$1,400,000	1,886,592
Total Assets	\$409,359	\$1,400,000	\$10,532,621
LIABILITIES			
Accounts payable	\$83,754		\$796,812
Customer deposits			821,400
Due to other funds	54,898		117,359
Total Liabilities	138,652		1,735,571
FUND BALANCES			
Restricted			5,837,045
Committed	270,707	\$1,400,000	3,211,578
Unassigned			(251,573)
Total Fund Balances	270,707	1,400,000	8,797,050
Total Liabilities and Fund Balances (Deficits)	\$409,359	\$1,400,000	\$10,532,621



THE CITY OF
BENICIA
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CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS			
	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
REVENUES				
Property tax				
Sales tax				
Assessments		\$299,886	\$79,977	\$15,800
Use of money and property	\$7,760	432	1,103	862
Revenue from other agencies	803,713			
Current service charges				
Community donations				
Other	8,613			
Total Revenues	820,086	300,318	81,080	16,662
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services		377,631	111,348	15,726
Public works	409,137			
Community development				
Library				
Capital outlay	49,229			
Total Expenditures	458,366	377,631	111,348	15,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	361,720	(77,313)	(30,268)	936
OTHER FINANCING SOURCES (USES)				
Transfers in		86,645		
Transfers (out)				
Total Other Financing Sources (Uses)		86,645		
NET CHANGE IN FUND BALANCES	361,720	9,332	(30,268)	936
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED	929,012	47,568	136,762	111,279
ENDING FUND BALANCES (DEFICITS)	\$1,290,732	\$56,900	\$106,494	\$112,215

SPECIAL REVENUE FUNDS

East 2nd Street Landscaping and Lighting	Goodyear Road Landscaping and Lighting	Community Development Block Grant	Community Services Program	Library Programs	County Sales Tax Measure	Southern Pacific Depot	Public Safety Grants
					\$774,308		
\$28,001 306	\$4,000 332	6,451	\$2,511	\$2,648	4,107	\$3,002	\$1,890
			46,271	28,268			271,851
				4,833			
				90,326			680
			350				
<u>28,307</u>	<u>4,332</u>	<u>6,451</u>	<u>49,132</u>	<u>126,075</u>	<u>778,415</u>	<u>3,002</u>	<u>274,421</u>
							152,747
27,452	6,234		17,110				
				152,139	702,434		
			7,469	9,833			130,299
<u>27,452</u>	<u>6,234</u>		<u>24,579</u>	<u>161,972</u>	<u>702,434</u>		<u>283,046</u>
855	(1,902)	6,451	24,553	(35,897)	75,981	3,002	(8,625)
							48,105
							48,105
855	(1,902)	6,451	24,553	(35,897)	75,981	3,002	39,480
46,062	40,981	706,923	268,759	326,666	652,431	127,546	226,102
<u>\$46,917</u>	<u>\$39,079</u>	<u>\$713,374</u>	<u>\$293,312</u>	<u>\$290,769</u>	<u>\$728,412</u>	<u>\$130,548</u>	<u>\$265,582</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

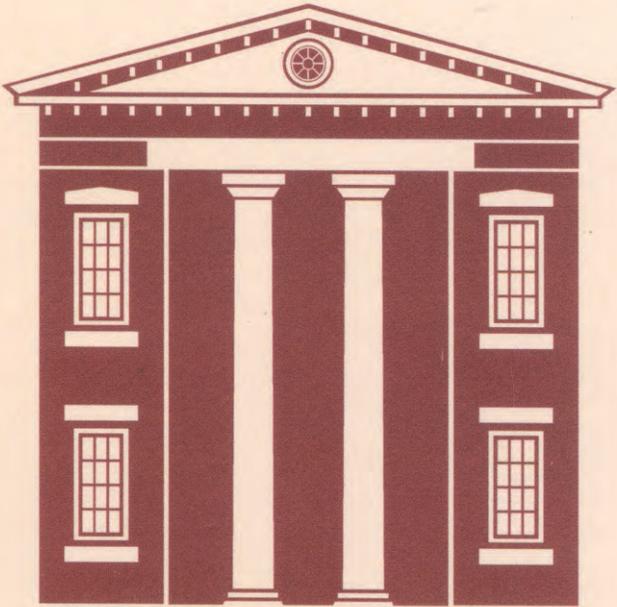
	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	Miscellaneous Grants
REVENUES				
Property tax				
Sales tax				
Assessments				
Use of money and property	\$1,604		\$3,982	
Revenue from other agencies				\$167,070
Current service charges				
Community donations				
Other				
Total Revenues	<u>1,604</u>		<u>3,982</u>	<u>167,070</u>
EXPENDITURES				
Current:				
Administration				20,168
Public safety - police				
Parks and community services				
Public works			387	
Community development				122,346
Library				
Capital outlay				48,182
Total Expenditures			<u>387</u>	<u>190,696</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,604</u>		<u>3,595</u>	<u>(23,626)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	1,604		3,595	(23,626)
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED	<u>158,240</u>		<u>476,840</u>	<u>565</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$159,844</u>		<u>\$480,435</u>	<u>(\$23,061)</u>

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS					
Valero GNSC	FEMA	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	Community Center	McAllister Assessment District
		\$1,122,432					
\$4,206	\$94,185		\$9,606 23,263 52,361	\$1,517 57,037 16,747	\$2,355		\$974
507,092	12,613						
511,298	106,798	1,122,432	85,230	75,301	2,355		974
477,129							
38,994	106,798						
85,713							
458,462			133,496	33,908		\$3,825	
1,060,298	106,798		133,496	33,908		3,825	
(549,000)		1,122,432	(48,266)	41,393	2,355	(3,825)	974
						(46,512)	
						(46,512)	
(549,000)		1,122,432	(48,266)	41,393	2,355	(50,337)	974
320,488			1,056,175	196,145	292,095	50,337	
(\$228,512)		\$1,122,432	\$1,007,909	\$237,538	\$294,450		\$974

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	CAPITAL PROJECTS FUND		
	Streets and Transportation (Intermodal Transportation)	Casa Villarasa	Total Non-major Governmental Funds
REVENUES			
Property tax			1,896,740
Sales tax			427,664
Assessments			60,504
Use of money and property	\$4,856		2,465,193
Revenue from other agencies	1,019,806		120,212
Current service charges			91,006
Community donations			528,668
Other			
Total Revenues	1,024,662		5,589,987
EXPENDITURES			
Current:			
Administration			497,297
Public safety - police			152,747
Parks and community services			594,495
Public works			516,322
Community development			208,059
Library			854,573
Capital outlay	968,063		1,842,766
Total Expenditures	968,063		4,666,259
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	56,599		923,728
OTHER FINANCING SOURCES (USES)			
Transfers in			134,750
Transfers (out)			(46,512)
Total Other Financing Sources (Uses)			88,238
NET CHANGE IN FUND BALANCES			
	56,599		1,011,966
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED			
	214,108	\$1,400,000	7,785,084
ENDING FUND BALANCES (DEFICITS)			
	\$270,707	\$1,400,000	\$8,797,050



THE CITY OF
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CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	GAS TAX			RESIDENTIAL LANDSCAPING AND LIGHTING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments				\$299,885	\$299,886	\$1
Use of money and property	\$3,670	\$7,760	\$4,090		432	432
Revenue from other agencies	809,295	803,713	(5,582)			
Current service charges						
Community donations						
Other		8,613	8,613			
Total Revenues	<u>812,965</u>	<u>820,086</u>	<u>7,121</u>	<u>299,885</u>	<u>300,318</u>	<u>433</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Parks and community services				427,665	377,631	50,034
Public works	527,585	409,137	118,448			
Community development						
Library						
Capital outlay	388,000	49,229	338,771	1,000		1,000
Total Expenditures	<u>915,585</u>	<u>458,366</u>	<u>457,219</u>	<u>428,665</u>	<u>377,631</u>	<u>51,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(102,620)</u>	<u>361,720</u>	<u>464,340</u>	<u>(128,780)</u>	<u>(77,313)</u>	<u>51,467</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				86,645	86,645	
Transfers out						
Total Other Financing Sources (Uses)				<u>86,645</u>	<u>86,645</u>	
NET CHANGE IN FUND BALANCES	<u>(\$102,620)</u>	<u>361,720</u>	<u>\$464,340</u>	<u>(\$42,135)</u>	<u>9,332</u>	<u>\$51,467</u>
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED		<u>929,012</u>			<u>47,568</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$1,290,732</u>			<u>\$56,900</u>	

FLEETSIDE LANDSCAPING AND LIGHTING			COLUMBUS PARKWAY LANDSCAPING AND LIGHTING			EAST 2ND STREET LANDSCAPING AND LIGHTING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$79,975	\$79,977	\$2	\$15,800	\$15,800		\$28,000	\$28,001	\$1
475	1,103	628	510	862	\$352	40	306	266
<u>80,450</u>	<u>81,080</u>	<u>630</u>	<u>16,310</u>	<u>16,662</u>	<u>352</u>	<u>28,040</u>	<u>28,307</u>	<u>267</u>
131,095	111,348	19,747	28,275	15,726	12,549	39,715	27,452	12,263
<u>4,000</u>	<u>4,000</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>			
<u>135,095</u>	<u>111,348</u>	<u>23,747</u>	<u>28,775</u>	<u>15,726</u>	<u>13,049</u>	<u>39,715</u>	<u>27,452</u>	<u>12,263</u>
<u>(54,645)</u>	<u>(30,268)</u>	<u>24,377</u>	<u>(12,465)</u>	<u>936</u>	<u>13,401</u>	<u>(11,675)</u>	<u>855</u>	<u>12,530</u>
<u>(\$54,645)</u>	<u>(30,268)</u>	<u>\$24,377</u>	<u>(\$12,465)</u>	<u>936</u>	<u>\$13,401</u>	<u>(\$11,675)</u>	<u>855</u>	<u>\$12,530</u>
	<u>136,762</u>			<u>111,279</u>			<u>46,062</u>	
	<u>\$106,494</u>			<u>\$112,215</u>			<u>\$46,917</u>	

(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>GOODYEAR ROAD LANDSCAPING AND LIGHTING</u>			<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Property tax						
Sales tax						
Assessments	\$4,000	\$4,000				
Use of money and property	25	332	\$307	\$18,035	\$6,451	(\$11,584)
Revenue from other agencies						
Current service charges						
Community donations						
Other						
Total Revenues	<u>4,025</u>	<u>4,332</u>	<u>307</u>	<u>18,035</u>	<u>6,451</u>	<u>(11,584)</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Parks and community services	8,410	6,234	2,176			
Public works						
Community development						
Library						
Capital outlay	<u>500</u>		<u>500</u>			
Total Expenditures	<u>8,910</u>	<u>6,234</u>	<u>2,676</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,885)</u>	<u>(1,902)</u>	<u>2,983</u>	<u>18,035</u>	<u>6,451</u>	<u>(11,584)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	<u>(\$4,885)</u>	<u>(1,902)</u>	<u>\$2,983</u>	<u>\$18,035</u>	<u>6,451</u>	<u>(\$11,584)</u>
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED		<u>40,981</u>			<u>706,923</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$39,079</u>			<u>\$713,374</u>	

COMMUNITY SERVICES PROGRAM			LIBRARY PROGRAMS			COUNTY SALES TAX MEASURE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$670,000	\$774,308	\$104,308
\$1,200	\$2,511	\$1,311	\$1,660	\$2,648	\$988	2,460	4,107	1,647
45,100	46,271	1,171	15,735	28,268	12,533			
			85,500	90,326	4,833			
1,500	350	(1,150)			4,826			
47,800	49,132	1,332	102,895	126,075	23,180	672,460	778,415	105,955
17,000	17,110	(110)						
83,640	7,469	76,171	218,765	152,139	66,626	890,055	702,434	187,621
			24,520	9,833	14,687	11,185		11,185
100,640	24,579	76,061	243,285	161,972	81,313	901,240	702,434	198,806
(52,840)	24,553	77,393	(140,390)	(35,897)	104,493	(228,780)	75,981	304,761
			35,000		(35,000)			
			35,000		(35,000)			
<u>(\$52,840)</u>	24,553	<u>\$77,393</u>	<u>(\$105,390)</u>	(35,897)	<u>\$69,493</u>	<u>(\$228,780)</u>	75,981	<u>\$304,761</u>
	268,759			326,666			652,431	
	<u>\$293,312</u>			<u>\$290,769</u>			<u>\$728,412</u>	

(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>SOUTHERN PACIFIC DEPOT</u>			<u>PUBLIC SAFETY GRANTS</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	\$2,500	\$3,002	\$502	\$250	\$1,890	\$1,640
Revenue from other agencies				279,085	271,851	(7,234)
Current service charges					680	680
Community donations						
Other						
Total Revenues	<u>2,500</u>	<u>3,002</u>	<u>502</u>	<u>279,335</u>	<u>274,421</u>	<u>(4,914)</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police				255,440	152,747	102,693
Parks and community services	25,000		25,000			
Public works						
Community development						
Library						
Capital outlay				<u>151,945</u>	<u>130,299</u>	<u>21,646</u>
Total Expenditures	<u>25,000</u>		<u>25,000</u>	<u>407,385</u>	<u>283,046</u>	<u>124,339</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(22,500)</u>	<u>3,002</u>	<u>25,502</u>	<u>(128,050)</u>	<u>(8,625)</u>	<u>119,425</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				48,105	48,105	
Transfers out						
Total Other Financing Sources (Uses)				<u>48,105</u>	<u>48,105</u>	
NET CHANGE IN FUND BALANCES	<u>(\$22,500)</u>	<u>3,002</u>	<u>\$25,502</u>	<u>(\$79,945)</u>	<u>39,480</u>	<u>\$119,425</u>
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED		<u>127,546</u>			<u>226,102</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$130,548</u>			<u>\$265,582</u>	

HUMAN SERVICES			TOURTELOT MITIGATION			MISCELLANEOUS GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$800	\$1,604	\$804	\$2,240	\$3,982	\$1,742	\$176,310	\$167,070	(\$9,240)
<u>800</u>	<u>1,604</u>	<u>804</u>	<u>2,240</u>	<u>3,982</u>	<u>1,742</u>	<u>176,310</u>	<u>167,070</u>	<u>(9,240)</u>
							20,168	(20,168)
			20,000	387	19,613	149,875	122,346	27,529
						26,435	48,182	(21,747)
			20,000	387	19,613	176,310	190,696	(14,386)
<u>800</u>	<u>1,604</u>	<u>804</u>	<u>(17,760)</u>	<u>3,595</u>	<u>21,355</u>		<u>(23,626)</u>	<u>(23,626)</u>
<u>\$800</u>	<u>1,604</u>	<u>\$804</u>	<u>(\$17,760)</u>	<u>3,595</u>	<u>\$21,355</u>		<u>(23,626)</u>	<u>(\$23,626)</u>
	<u>158,240</u>			<u>476,840</u>			<u>565</u>	
	<u>\$159,844</u>			<u>\$480,435</u>			<u>(\$23,061)</u>	

(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	VALERO GNSC			FEMA		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	\$5,600	\$4,206	(\$1,394)			
Revenue from other agencies				\$91,780	\$94,185	\$2,405
Current service charges						
Community donations						
Other	1,138,390	507,092	(631,298)		12,613	12,613
Total Revenues	1,143,990	511,298	(632,692)	91,780	106,798	15,018
EXPENDITURES						
Current:						
Administration	503,840	477,129	26,711			
Public safety - police						
Parks and community services	29,300	38,994	(9,694)			
Public works				91,780	106,798	(15,018)
Community development	85,720	85,713	7			
Library						
Capital outlay	1,274,975	458,462	816,513			
Total Expenditures	1,893,835	1,060,298	833,537	91,780	106,798	(15,018)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(749,845)	(549,000)	200,845			
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	(\$749,845)	(549,000)	\$200,845			
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED		320,488				
ENDING FUND BALANCES (DEFICITS)		(\$228,512)				

Measure C			TRAFFIC MITIGATION			PARK DEDICATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,122,435	\$1,122,432	(\$3)						
			\$8,000	\$9,606	\$1,606		\$1,517	\$1,517
				23,263	23,263		57,037	57,037
			2,000	52,361	50,361	\$5,000	16,747	11,747
<u>1,122,435</u>	<u>1,122,432</u>	<u>(3)</u>	<u>10,000</u>	<u>85,230</u>	<u>75,230</u>	<u>5,000</u>	<u>75,301</u>	<u>70,301</u>
			<u>973,670</u>	<u>133,496</u>	<u>840,174</u>	<u>38,745</u>	<u>33,908</u>	<u>4,837</u>
			<u>973,670</u>	<u>133,496</u>	<u>840,174</u>	<u>38,745</u>	<u>33,908</u>	<u>4,837</u>
<u>1,122,435</u>	<u>1,122,432</u>	<u>(3)</u>	<u>(963,670)</u>	<u>(48,266)</u>	<u>915,404</u>	<u>(33,745)</u>	<u>41,393</u>	<u>75,138</u>
<u>\$1,122,435</u>	<u>1,122,432</u>	<u>(\$3)</u>	<u>(\$963,670)</u>	<u>(48,266)</u>	<u>\$915,404</u>	<u>(\$33,745)</u>	<u>41,393</u>	<u>\$75,138</u>
				<u>1,056,175</u>			<u>196,145</u>	
	<u>\$1,122,432</u>			<u>\$1,007,909</u>			<u>\$237,538</u>	

(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>COMMUNITY CENTER</u>			<u>STREETS AND TRANSPORTATION (INTERMODAL TRANSPORTATION)</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property						
Revenue from other agencies					\$4,856	\$4,856
Current service charges				\$861,700	1,019,806	158,106
Community donations						
Other						
Total Revenues				861,700	1,024,662	162,962
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Parks and community services						
Public works						
Community development						
Library						
Capital outlay	3,825	3,825				
Total Expenditures	3,825	3,825		2,148,245	968,063	1,180,182
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,825)	(3,825)		(1,286,545)	56,599	1,343,144
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out	(46,515)	(46,512)	3			
Total Other Financing Sources (Uses)	(46,515)	(46,512)	3			
NET CHANGE IN FUND BALANCES	(\$50,340)	(50,337)	\$3	(\$1,286,545)	56,599	\$1,343,144
BEGINNING FUND BALANCES (DEFICITS), AS ADJUSTED		50,337			214,108	
ENDING FUND BALANCES (DEFICITS)					\$270,707	

INTERNAL SERVICE FUNDS

INSURANCE FUND

Accounts for the accumulation and allocation of costs associated with the administration of medical coverage, temporary disability payments, safety training to all employees and maintaining excess insurance coverage for Workers' Compensation.

GENERAL SERVICES

Accounts for the accumulation and allocation of costs pertaining to utility billing, liability insurance and property insurance of the Water and Wastewater Funds. The Fund also accounts for the preparation, maintenance and repair of mechanical equipment and vehicles for other departments.

BUILDING AND EQUIPMENT MANAGEMENT

Accounts for the maintenance and remodeling of City owned buildings and facilities and acquisition of replacement vehicles and equipment.

RETIREMENT STABILITY FUND

Provides for equalization of retirement costs. Sources of revenue include investment earnings, and service charges to departments.

ENERGY FUND

Accounts for the accumulation and allocation of costs for certain energy conservation projects throughout the City; primarily solar panels. The fund operates as an internal electricity-provider to various sites within the City where solar arrays were constructed. Sources of the revenue include service charges to departments and energy rebates.

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Insurance</u>	<u>General Services</u>	<u>Building and Equipment Management</u>
ASSETS			
Current Assets:			
Cash and investments			
Available for City operations	\$975,481	\$2,640	\$2,306,494
Restricted cash and investments held by fiscal agents			
Accounts receivable		734	8,556
Interest receivable	207		483
Materials, parts and supplies		17,423	
Prepaid items		27,844	
	<u>975,688</u>	<u>48,641</u>	<u>2,315,533</u>
Total Current Assets			
Non-Current Assets:			
Other assets			
Property, plant and equipment:			
Land			
Buildings and improvements			12,343,352
Machinery and equipment			4,350,471
Less: accumulated depreciation			<u>(9,866,173)</u>
			<u>6,827,650</u>
Total Non-Current Assets			
	<u>975,688</u>	<u>48,641</u>	<u>9,143,183</u>
Total Assets			
LIABILITIES			
Current Liabilities:			
Accounts payable	86,960	39,323	18,892
Customer and performance deposits			
Interest payable			1,339
Workers' compensation claims	974,600		
Current portion long-term liabilities			39,460
Due to other funds		9,318	
	<u>1,061,560</u>	<u>48,641</u>	<u>59,691</u>
Total Current Liabilities			
Long-Term Liabilities:			
Workers' compensation claims	1,874,400		
Lease obligation			84,186
Certificates of participation			
Pension obligation bonds			
	<u>1,874,400</u>		<u>84,186</u>
Total Long-Term Liabilities			
	<u>2,935,960</u>	<u>48,641</u>	<u>143,877</u>
Total Liabilities			
NET POSITION			
Net investment in capital assets			6,704,004
Restricted for debt service			
Unrestricted	(1,960,272)		2,295,302
	<u>(\$1,960,272)</u>		<u>2,295,302</u>
Total Net Position			
	<u>(\$1,960,272)</u>		<u>\$8,999,306</u>

Retirement Stability	Energy	Total
\$1,622,557	\$115,527	\$5,022,699
115		115
311	106,769	116,059
	20	1,021
		17,423
		27,844
<u>1,622,983</u>	<u>222,316</u>	<u>5,185,161</u>
	173,392	173,392
	556,909	556,909
	12,643,187	24,986,539
		4,350,471
	<u>(1,031,629)</u>	<u>(10,897,802)</u>
	<u>12,341,859</u>	<u>19,169,509</u>
<u>1,622,983</u>	<u>12,564,175</u>	<u>24,354,670</u>
	7,549	152,724
	5,000	5,000
27,701	111,070	140,110
		974,600
1,210,000	535,000	1,784,460
		9,318
<u>1,237,701</u>	<u>658,619</u>	<u>3,066,212</u>
		1,874,400
		84,186
	11,060,806	11,060,806
<u>8,577,852</u>		<u>8,577,852</u>
<u>8,577,852</u>	<u>11,060,806</u>	<u>21,597,244</u>
<u>9,815,553</u>	<u>11,719,425</u>	<u>24,663,456</u>
	572,661	7,276,665
115		115
<u>(8,192,685)</u>	<u>272,089</u>	<u>(7,585,566)</u>
<u><u>(\$8,192,570)</u></u>	<u><u>\$844,750</u></u>	<u><u>(\$308,786)</u></u>

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

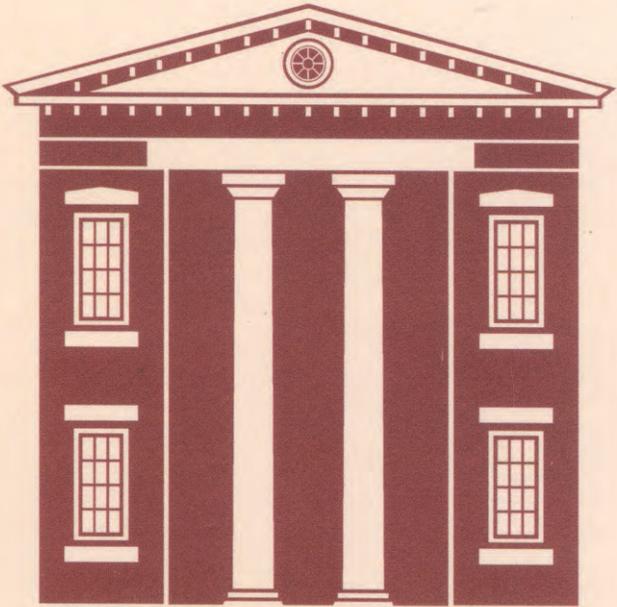
	Insurance	General Services	Building and Equipment Management
OPERATING REVENUES			
Charges for services	\$999,995	\$872,587	\$856,285
Refunds and rebates			
Total Operating Revenues	<u>999,995</u>	<u>872,587</u>	<u>856,285</u>
OPERATING EXPENSES			
Wages and benefits	82,979	443,563	
Materials and supplies		14,187	305,490
Operations and maintenance	96,180	395,159	3,372
Claims and Insurance	1,725,473	19,718	
Depreciation			569,709
Total Operating Expenses	<u>1,904,632</u>	<u>872,627</u>	<u>878,571</u>
Operating Income (Loss)	<u>(904,637)</u>	<u>(40)</u>	<u>(22,286)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	4,348	40	15,521
Interest expense			(6,181)
Amortization of bond issue/discount			
Gain on sale of capital assets			11,146
Total Nonoperating Revenues (Expenses)	<u>4,348</u>	<u>40</u>	<u>20,486</u>
Income (Loss) Before Transfers	(900,289)		(1,800)
OTHER FINANCING SOURCES (USES)			
Transfers In			46,512
Total Other Financing Sources (Uses)			<u>46,512</u>
Change in Net Position	(900,289)		44,712
BEGINNING NET POSITION (DEFICITS)	<u>(1,059,983)</u>		<u>8,954,594</u>
ENDING NET POSITION (DEFICITS)	<u><u>(\$1,960,272)</u></u>		<u><u>\$8,999,306</u></u>

<u>Retirement Stability</u>	<u>Energy</u>	<u>Total</u>
\$1,614,210	\$843,155	\$5,186,232
	464,556	464,556
<u>1,614,210</u>	<u>1,307,711</u>	<u>5,650,788</u>
		526,542
		319,677
	64,331	559,042
		1,745,191
	<u>349,747</u>	<u>919,456</u>
	<u>414,078</u>	<u>4,069,908</u>
<u>1,614,210</u>	<u>893,633</u>	<u>1,580,880</u>
5,685	2,736	28,330
(608,492)	(678,624)	(1,293,297)
	(18,632)	(18,632)
		11,146
<u>(602,807)</u>	<u>(694,520)</u>	<u>(1,272,453)</u>
1,011,403	199,113	308,427
		46,512
		46,512
1,011,403	199,113	354,939
<u>(9,203,973)</u>	<u>645,637</u>	<u>(663,725)</u>
<u>(\$8,192,570)</u>	<u>\$844,750</u>	<u>(\$308,786)</u>

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Insurance	General Services	Building and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$1,000,012	\$871,853	\$847,729
Payments to suppliers	(109,779)	(388,914)	(308,032)
Payments to employees	(82,979)	(463,281)	
Refunds and rebates			
Claims paid	(1,117,473)		
Cash Flows from Operating Activities	(310,219)	19,658	539,697
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from interfund loans			46,512
Payments from interfund loans		(32,987)	
Principal paid on non-capital debt			
Interest paid on non-capital debt			
Cash Flows from Noncapital Financing Activities		(32,987)	46,512
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on debt			(37,805)
Interest paid on debt			(6,181)
Acquisition of capital assets			(78,214)
Proceeds from sale of capital assets			11,146
Cash Flows from Capital and Related Financing Activities			(111,054)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	4,348	40	15,334
Cash Flows from Investing Activities	4,348	40	15,334
Net Cash Flows	(305,871)	(13,289)	490,489
Cash and investments at beginning of period	1,281,352	15,929	1,816,005
Cash and investments at end of period	\$975,481	\$2,640	\$2,306,494
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	(\$904,637)	(\$40)	(\$22,286)
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation			569,709
Pension obligation amortization			
Change in assets and liabilities:			
Materials, parts and supplies		(\$2,007)	
Prepaid items		1,854	
Accounts receivable	17	(734)	(8,556)
Accounts payable	(13,599)	20,585	830
Workers' compensation claims	608,000		
Cash Flows from Operating Activities	(\$310,219)	\$19,658	\$539,697

Retirement Stability	Energy	Total
\$1,614,210	\$843,155 (61,318)	\$5,176,959 (868,043) (546,260)
	475,822	475,822 (1,117,473)
<u>1,614,210</u>	<u>1,257,659</u>	<u>3,121,005</u>
		46,512 (32,987)
(880,667)		(880,667)
<u>(608,492)</u>		<u>(608,492)</u>
<u>(1,489,159)</u>		<u>(1,475,634)</u>
	(454,703) (691,362)	(492,508) (697,543) (78,214)
		<u>11,146</u>
	<u>(1,146,065)</u>	<u>(1,257,119)</u>
<u>5,616</u>	<u>2,716</u>	<u>28,054</u>
<u>5,616</u>	<u>2,716</u>	<u>28,054</u>
130,667	114,310	416,306
<u>1,492,005</u>	<u>1,217</u>	<u>4,606,508</u>
<u>\$1,622,672</u>	<u>\$115,527</u>	<u>\$5,022,814</u>
\$1,614,210	\$893,633	\$1,580,880
	349,747	919,456
		(2,007) 1,854
	11,266	1,993
	3,013	10,829
		<u>608,000</u>
<u>\$1,614,210</u>	<u>\$1,257,659</u>	<u>\$3,121,005</u>



THE CITY OF
BENICIA
CALIFORNIA

AGENCY FUNDS

ASSESSMENT DISTRICTS

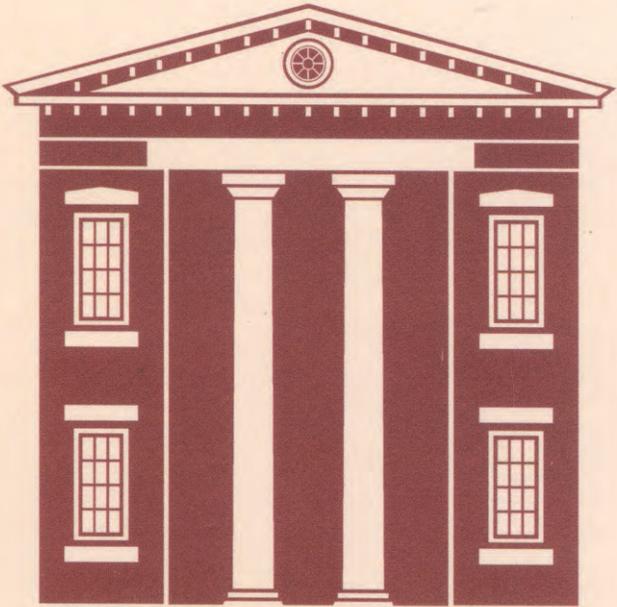
Accounts for the collection of assessments and disbursements to District bondholders for Assessment Districts debt without City commitment.

CITY OF BENICIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>Fleetside Industrial Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$445,036	\$3,867	\$423,052	\$25,851
Interest receivable	72		72	
Total assets	<u>\$445,108</u>	<u>\$3,867</u>	<u>\$423,124</u>	<u>\$25,851</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$445,108</u>	<u>\$3,867</u>	<u>\$423,124</u>	<u>\$25,851</u>
Total liabilities	<u>\$445,108</u>	<u>\$3,867</u>	<u>\$423,124</u>	<u>\$25,851</u>
<u>East 2nd Street Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$577,389	\$272,323	\$431,116	\$418,596
Interest receivable	94		94	
Total assets	<u>\$577,483</u>	<u>\$272,323</u>	<u>\$431,210</u>	<u>\$418,596</u>
<u>Liabilities</u>				
Accounts payable		\$432,540	\$428,788	\$3,752
Due to bondholders	<u>\$577,483</u>	<u>272,323</u>	<u>434,962</u>	<u>414,844</u>
Total liabilities	<u>\$577,483</u>	<u>\$704,863</u>	<u>\$863,750</u>	<u>\$418,596</u>
<u>Combined Drake/Gateway Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$28,204	\$976	\$28,283	\$897
Interest receivable	5		5	
Total assets	<u>\$28,209</u>	<u>\$976</u>	<u>\$28,288</u>	<u>\$897</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$28,209</u>	<u>\$976</u>	<u>\$28,288</u>	<u>\$897</u>
Total liabilities	<u>\$28,209</u>	<u>\$976</u>	<u>\$28,288</u>	<u>\$897</u>

CITY OF BENICIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>McAllister Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$1,563,946	\$694,216	\$1,019,934	\$1,238,228
Interest receivable		254		254
Total assets	<u>\$1,563,946</u>	<u>\$694,470</u>	<u>\$1,019,934</u>	<u>\$1,238,482</u>
<u>Liabilities</u>				
Accounts payable		\$151,180	\$147,850	\$3,330
Due to bondholders	<u>\$1,563,946</u>	<u>694,470</u>	<u>1,023,264</u>	<u>1,235,152</u>
Total liabilities	<u>\$1,563,946</u>	<u>\$845,650</u>	<u>\$1,171,114</u>	<u>\$1,238,482</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$2,614,575	\$971,382	\$1,902,385	\$1,683,572
Interest receivable	171	254	171	254
Total assets	<u>\$2,614,746</u>	<u>\$971,636</u>	<u>\$1,902,556</u>	<u>\$1,683,826</u>
<u>Liabilities</u>				
Accounts payable		\$583,720	\$576,638	\$7,082
Due to bondholders	<u>\$2,614,746</u>	<u>971,636</u>	<u>1,909,638</u>	<u>1,676,744</u>
Total liabilities	<u>\$2,614,746</u>	<u>\$1,555,356</u>	<u>\$2,486,276</u>	<u>\$1,683,826</u>



THE CITY OF
BENICIA
CALIFORNIA

STATISTICAL SECTION

This part of the City's Comprehensive Annual 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. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Government Activities of Tax Revenue By Source
4. Fund Balances of Governmental Funds
5. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Direct and Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

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:

1. Ratio of Outstanding Debt by Type
2. Ratio of General Bonded Debt Outstanding
3. Computation of Direct and Overlapping Debt
4. Computation of Legal Bonded Debt Margin
5. Pledged Revenue Coverage, Water and Wastewater Revenue Bonds

Demographic and Economic Information

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

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

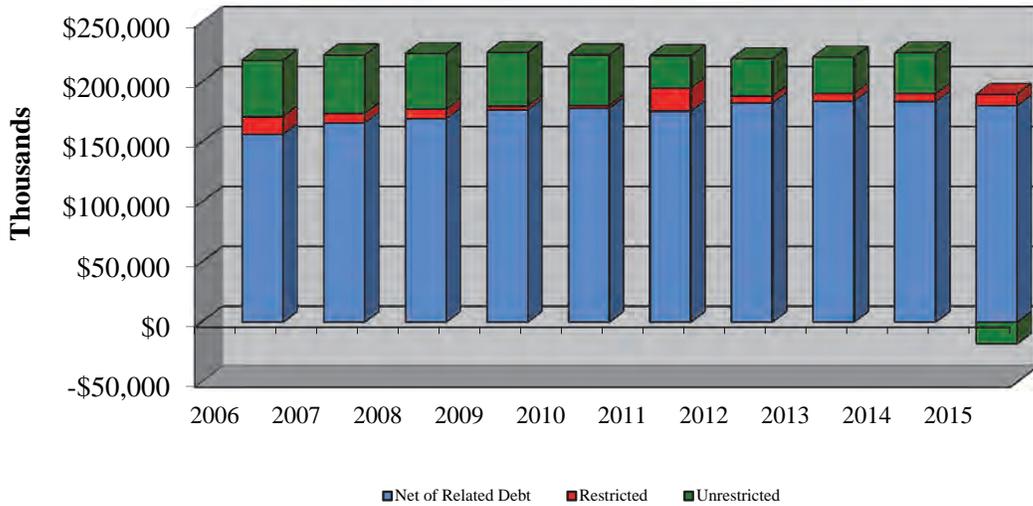
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CITY OF BENICIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	At June 30				
	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	\$106,154,667	\$109,082,400	\$110,609,618	\$113,264,434	\$115,359,499
Restricted	14,218,067	7,848,173	8,052,003	3,195,339	2,507,802
Unrestricted	10,153,833	15,361,828	13,489,203	15,465,114	14,171,681
Total governmental activities net position	\$130,526,567	\$132,292,401	\$132,150,824	\$131,924,887	\$132,038,982
Business-type activities					
Net investment in capital assets	\$50,368,665	\$56,818,976	\$58,724,744	\$63,624,158	\$62,819,454
Restricted	648,123	360	256	-	-
Unrestricted	36,731,790	33,563,541	32,863,392	29,231,383	27,932,802
Total business-type activities net position	\$87,748,578	\$90,382,877	\$91,588,392	\$92,855,541	\$90,752,256
Primary government					
Net investment in capital assets	\$156,523,332	\$165,901,376	\$169,334,362	\$176,888,592	\$178,178,953
Restricted	14,866,190	7,848,533	8,052,259	3,195,339	2,507,802
Unrestricted	46,885,623	48,925,369	46,352,595	44,696,497	42,104,483
Total primary government net position	\$218,275,145	\$222,675,278	\$223,739,216	\$224,780,428	\$222,791,238

(a) The City adjusted certain beginning balance during fiscal year 2014-2015. Financial data shown for proceeding years were not adjusted for the presentation.

2011	2012	2013	2014	2015
\$112,701,775	\$120,052,758	\$121,948,249	\$120,434,163	\$117,899,038
19,174,006	5,641,592	6,316,224	6,573,412	9,526,578
1,081,215	6,767,569	5,038,875	8,093,156	(40,937,523)
<u>\$132,956,996</u>	<u>\$132,461,919</u>	<u>\$133,303,348</u>	<u>\$135,100,731</u>	<u>\$86,488,093</u>
\$63,064,298	\$62,660,031	\$62,321,179	\$63,311,581	\$62,566,681
-	-	-	-	-
26,022,756	24,419,432	25,465,370	26,084,805	23,060,961
<u>\$89,087,054</u>	<u>\$87,079,463</u>	<u>\$87,786,549</u>	<u>\$89,396,386</u>	<u>\$85,627,642</u>
\$175,766,073	\$182,712,789	\$184,269,428	\$183,745,744	\$180,465,719
19,174,006	5,641,592	6,316,224	6,573,412	9,526,578
27,103,971	31,187,001	30,504,245	34,177,961	(17,876,562)
<u>\$222,044,050</u>	<u>\$219,541,382</u>	<u>\$221,089,897</u>	<u>\$224,497,117</u>	<u>\$172,115,735</u>

CITY OF BENICIA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

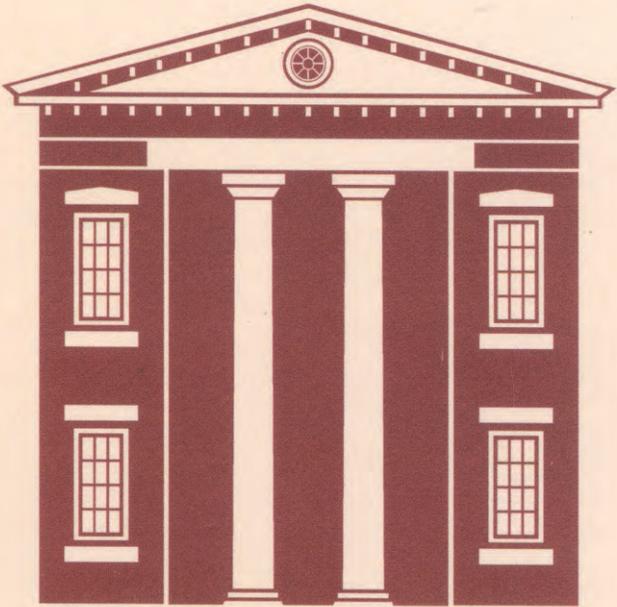
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses				
Governmental Activities:				
Administration	\$3,544,980	\$3,300,970	\$2,824,341	\$3,114,153
Community Development	1,394,644	2,095,746	2,384,853	1,821,213
Public Safety - Police	7,132,974	10,439,354	8,774,285	9,150,887
Public Safety - Fire	6,082,806	6,335,969	7,089,431	7,212,291
Parks and Community Services	5,357,910	5,966,185	6,650,653	5,999,749
Public Works	4,572,017	5,605,290	4,273,248	4,186,559
Library	1,882,507	2,153,638	2,349,721	2,403,239
Economic Development	746,765	385,726	473,311	536,124
General Government	2,571,342	2,864,213	3,182,776	4,283,723
Interest on Long-Term Debt	421,796	503,819	472,189	525,341
Total Governmental Activities Expenses	<u>33,707,741</u>	<u>39,650,910</u>	<u>38,474,808</u>	<u>39,233,279</u>
Business-Type Activities:				
Wastewater	6,199,104	6,853,399	7,023,768	7,294,741
Water	5,940,193	6,614,679	7,572,285	7,345,574
Benicia Marina	564,438	579,184	624,611	594,863
Transit	1,450,093	1,847,674	1,765,644	1,370,621
Total Business-Type Activities Expenses	<u>14,153,828</u>	<u>15,894,936</u>	<u>16,986,308</u>	<u>16,605,799</u>
Total Primary Government Expenses	<u>\$47,861,569</u>	<u>\$55,545,846</u>	<u>\$55,461,116</u>	<u>\$55,839,078</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Administration	\$16,191	\$32,950	\$56,609	\$41,724
Community Development	1,471,896	1,284,313	1,092,871	771,524
Public Safety - Police	248,691	199,039	190,136	200,824
Public Safety - Fire	83,945	196,361	223,919	425,753
Parks and Community Services	2,583,196	1,768,794	1,226,842	1,687,534
Public Works	384,481	444,159	146,363	265,001
Library	234,124	246,302	205,981	186,595
Economic Development	40		1,000	30
General Government	531,642	557,754	712,131	316,230
Operating Grants and Contributions	1,427,752	1,827,358	1,898,958	2,909,497
Capital Grants and Contributions	206,918		366,550	
Total Government Activities Program Revenues	<u>7,188,876</u>	<u>6,557,030</u>	<u>6,121,360</u>	<u>6,804,712</u>
Business-Type Activities:				
Charges for Services:				
Wastewater	8,078,749	7,223,062	6,955,313	6,897,189
Water	8,343,298	7,465,686	7,141,569	6,772,607
Benicia Marina	325,172	284,187	547,422	323,034
Transit	218,998	290,474	332,687	153,573
Operating Grants and Contributions	1,114,734	1,383,596	1,683,891	599,934
Capital Grants and Contributions	337,829	395,571		2,000,000
Total Business-Type Activities Program Revenue	<u>18,418,780</u>	<u>17,042,576</u>	<u>16,660,882</u>	<u>16,746,337</u>
Total Primary Government Program Revenues	<u>\$25,607,656</u>	<u>\$23,599,606</u>	<u>\$22,782,242</u>	<u>\$23,551,049</u>
Net (Expense)/Revenue				
Governmental Activities	(\$26,518,865)	(\$33,093,880)	(\$32,353,448)	(\$32,428,567)
Business-Type Activities	4,264,952	1,147,640	(325,426)	140,538
Total Primary Government Net Expense	<u>(\$22,253,913)</u>	<u>(\$31,946,240)</u>	<u>(\$32,678,874)</u>	<u>(\$32,288,029)</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$3,404,371	\$3,202,068	\$3,046,735	\$3,118,013	\$2,924,434	\$3,448,980
8,898,817	8,896,808	8,812,511	1,935,323	3,747,043	1,649,255
6,744,682	6,925,232	6,503,886	8,229,298	8,077,408	7,560,181
5,867,659	5,714,379	5,744,533	6,362,097	6,115,013	6,220,950
6,017,134	6,113,748	7,621,379	5,631,017	5,767,977	5,325,886
2,117,872	2,600,356	2,081,313	3,076,360	1,556,413	4,986,057
485,052	609,814	474,430	1,927,951	1,976,200	1,755,531
2,339,200	2,942,788	3,163,220	647,573	488,870	460,622
1,658,589	1,265,618	1,160,564	3,077,915	2,948,133	851,090
<u>37,533,376</u>	<u>38,270,811</u>	<u>38,608,571</u>	<u>35,593,550</u>	<u>34,989,427</u>	<u>33,668,690</u>
7,422,265	7,082,311	7,030,478	7,181,756	7,012,560	6,905,007
7,780,492	7,753,095	7,843,223	7,289,049	7,746,457	9,308,351
479,098	564,182	419,517	600,429	572,931	580,231
1,165,705	1,005,375	72,047			
<u>16,847,560</u>	<u>16,404,963</u>	<u>15,365,265</u>	<u>15,071,234</u>	<u>15,331,948</u>	<u>16,793,589</u>
<u>\$54,380,936</u>	<u>\$54,675,774</u>	<u>\$53,973,836</u>	<u>\$50,664,784</u>	<u>\$50,321,375</u>	<u>\$50,462,279</u>
\$16,863	\$50,305	\$17,817	\$15,908	\$26,391	\$22,690
202,345	155,331	236,101	177,489	437,529	683,873
171,946	44,626	44,897	85,498	392,556	175,251
1,707,119	1,181,041	1,106,889	1,104,054	189,670	291,107
1,123,401	577,489	774,391	1,591,878	1,591,878	1,623,642
158,938	144,819	774,391	727,631	121,677	170,062
52	320	101,045	48,360	71,080	72,842
422,926	667,848	284,818	300,401	407,560	335,528
2,751,185	2,299,326	3,322,456	3,239,730	1,959,337	2,625,160
868,271	4,350,257	1,714,778	500,000	1,820,481	776,561
<u>7,423,046</u>	<u>9,471,362</u>	<u>7,603,192</u>	<u>6,199,071</u>	<u>7,018,159</u>	<u>6,776,716</u>
6,522,329	6,620,605	6,543,982	7,186,846	8,030,511	8,499,089
6,610,587	6,379,255	6,569,607	7,358,983	7,760,079	8,973,777
318,767	307,916	141,842	320,803	315,602	326,109
84,520	88,486				
809,348	782,879	70,128	190,231	72,160	67,900
				435,409	
<u>14,345,551</u>	<u>14,179,141</u>	<u>13,325,559</u>	<u>15,056,863</u>	<u>16,613,761</u>	<u>17,866,875</u>
<u>\$21,768,597</u>	<u>\$23,650,503</u>	<u>\$20,928,751</u>	<u>\$21,255,934</u>	<u>\$23,631,920</u>	<u>\$24,643,591</u>
(\$30,110,330)	(\$28,799,449)	(\$31,005,379)	(\$29,394,479)	(\$27,971,268)	(\$26,891,974)
(2,502,009)	(2,225,822)	(2,039,706)	(14,371)	1,281,813	1,073,286
<u>(\$32,612,339)</u>	<u>(\$31,025,271)</u>	<u>(\$33,045,085)</u>	<u>(\$29,408,850)</u>	<u>(\$26,689,455)</u>	<u>(\$25,818,688)</u>

CITY OF BENICIA
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	\$13,095,234	\$13,942,074	\$14,275,801	\$13,812,912
Sales Tax	5,974,307	6,986,922	7,514,258	7,688,775
Utility Users Tax	3,001,316	5,056,904	4,190,517	4,413,428
Franchise Fees			1,589,752	1,851,511
Other Taxes	2,070,425	2,131,710	1,644,732	747,468
Motor Vehicle in Lieu	1,958,532	2,015,234	1,992,604	2,059,561
Investment Earnings	749,606	3,390,122	913,825	851,097
Gain from Disposal of Capital Assets	5,850	2,000	21,980	
Miscellaneous				
Transfers	<u>140,910</u>	<u>77,993</u>	<u>68,402</u>	<u>30,415</u>
Total Government Activities	<u>26,996,180</u>	<u>33,602,959</u>	<u>32,211,871</u>	<u>31,455,167</u>
Business-Type Activities:				
Interest Earnings	773,496	1,559,891	1,593,423	1,151,428
Gain (Loss) from Disposal of Capital Assets	225	4,761	5,920	5,598
Transfers	<u>(140,910)</u>	<u>(77,993)</u>	<u>(68,402)</u>	<u>(30,415)</u>
Total Business-Type Activities	<u>632,811</u>	<u>1,486,659</u>	<u>1,530,941</u>	<u>1,126,611</u>
Total Primary Government	<u>\$27,628,991</u>	<u>\$35,089,618</u>	<u>\$33,742,812</u>	<u>\$32,581,778</u>
Change in Net Position				
Governmental Activities	\$477,315	\$509,079	(\$141,577)	(\$973,400)
Business-Type Activities	<u>4,897,763</u>	<u>2,634,299</u>	<u>1,205,515</u>	<u>1,267,149</u>
Total Primary Government	<u>\$5,375,078</u>	<u>\$3,143,378</u>	<u>\$1,063,938</u>	<u>\$293,749</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$13,266,103	\$12,974,217	\$13,447,764	\$11,835,074	\$14,960,814	\$15,843,353
7,196,964	6,854,911	6,888,750	7,873,396	7,100,073	7,789,308
4,938,585	5,027,163	5,087,381	4,825,055	4,739,792	4,318,066
1,292,872	1,570,184	1,598,206	1,637,825	1,859,241	2,200,664
1,189,561	1,362,982	1,435,854	2,913,592	1,087,893	1,070,045
1,951,715	1,942,991	1,908,529	1,822,267	11,915	11,510
358,210	269,344	195,064	(92)	98,392	216,322
	156	20,734		10,631	187
					99,463
<u>30,415</u>	<u>(284,486)</u>	<u>(71,980)</u>	<u>(671,209)</u>	<u>(100,100)</u>	<u>(209,275)</u>
<u>30,224,425</u>	<u>29,717,462</u>	<u>30,510,302</u>	<u>30,235,908</u>	<u>29,768,651</u>	<u>31,339,643</u>
429,139	273,576	196,287	48,860	227,924	194,435
	2,558	(236,152)	1,388		
<u>(30,415)</u>	<u>284,486</u>	<u>71,980</u>	<u>671,209</u>	<u>100,100</u>	<u>209,275</u>
<u>398,724</u>	<u>560,620</u>	<u>32,115</u>	<u>721,457</u>	<u>328,024</u>	<u>403,710</u>
<u>\$30,623,149</u>	<u>\$30,278,082</u>	<u>\$30,542,417</u>	<u>\$30,957,365</u>	<u>\$30,096,675</u>	<u>\$31,743,353</u>
\$114,095	\$918,013	(\$495,077)	\$841,429	\$1,797,383	\$4,447,669
<u>(2,103,285)</u>	<u>(1,665,202)</u>	<u>(2,007,591)</u>	<u>707,086</u>	<u>1,609,837</u>	<u>1,476,996</u>
<u>(\$1,989,190)</u>	<u>(\$747,189)</u>	<u>(\$2,502,668)</u>	<u>\$1,548,515</u>	<u>\$3,407,220</u>	<u>\$5,924,665</u>



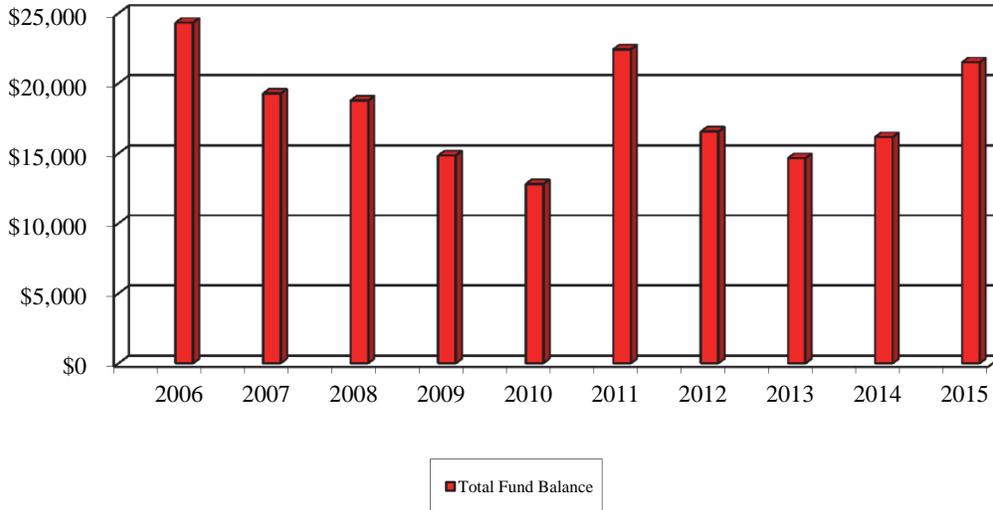
THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA
Governmental Activities of Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Utility Users Tax	Other Taxes	Total
2006	\$12,780,912	\$5,974,307	\$3,001,316	\$985,088	\$22,741,623
2007	13,633,623	6,986,922	5,056,904	1,032,343	26,709,792
2008	14,275,801	7,514,258	4,190,517	2,390,562	28,371,138
2009	13,812,912	7,688,775	4,413,428	2,598,979	28,514,094
2010	13,266,103	7,196,964	4,938,585	2,067,433	27,469,085
2011	12,974,217	6,854,911	5,027,163	2,933,166	27,789,457
2012	13,447,764	6,888,750	5,087,381	3,034,060	28,457,955
2013	11,835,074	7,873,396	4,825,055	4,551,417	29,084,942
2014	14,960,814	7,100,073	4,739,792	2,947,134	29,747,813
2015	15,843,353	7,789,308	4,318,066	3,270,709	31,221,436

CITY OF BENICIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Thousands



	At June 30				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$240,831	\$359,361	\$411,078	\$627,687	\$560,871
Unreserved	7,736,096	9,927,737	9,296,480	5,662,297	5,384,445
Nondisposable					
Restricted					
Committed					
Assigned					
Unassigned					
Total General Fund	<u>\$7,976,927</u>	<u>\$10,287,098</u>	<u>\$9,707,558</u>	<u>\$6,289,984</u>	<u>\$5,945,316</u>
All Other Governmental Funds					
Reserved	\$6,026,937	\$2,756,636	\$4,739,462	\$1,759,627	\$2,414,901
Unreserved, reported in:					
Special revenue funds	2,877,038	2,532,927	3,169,621	3,406,367	3,639,961
Capital project funds	7,436,806	3,685,773	1,140,250	3,379,820	800,599
Nondisposable					
Restricted					
Committed					
Unassigned					
Total all other governmental funds	<u>\$16,340,781</u>	<u>\$8,975,336</u>	<u>\$9,049,333</u>	<u>\$8,545,814</u>	<u>\$6,855,461</u>

- (a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.
- (b) The City adjusted certain beginning balances during fiscal year 2014-2015. Financial data shown for proceeding years were not adjusted for presentation.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$2,143,040	\$636,667	\$30,750	\$30,750	\$767,860
128,430	162,961	203,047	189,581	176,891
2,999,973	3,106,627	3,097,360	3,146,027	6,604,104
200,471	358,928	1,054,192	5,976,428	1,208,003
(72,371)	2,792,694	3,943,937	233,218	3,204,453
<u>\$5,399,543</u> (a)	<u>\$7,057,877</u>	<u>\$8,329,286</u>	<u>\$9,576,004</u>	<u>\$11,961,311</u>

\$1,475				
5,429,411	\$4,984,800	\$5,107,617	\$5,018,601	\$6,566,573
2,612,563	2,618,151	1,480,824	1,555,616	3,211,578
(1,713,546)	(355,839)	(272,217)	(805)	(251,573)
<u>\$6,329,903</u>	<u>\$7,247,112</u>	<u>\$6,316,224</u>	<u>\$6,573,412</u>	<u>\$9,526,578</u>

CITY OF BENICIA
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Revenues				
Taxes and assessments	\$23,184,336	\$27,152,426	\$28,813,851	\$29,080,090
Licenses, permits and fees	2,111,252	1,829,485	349,130	323,241
Fines and forfeitures	124,583	109,744	128,770	115,596
Use of money and property	770,987	1,768,089	1,628,652	1,003,453
Intergovernmental revenues	3,279,587	3,278,054	4,576,701	4,451,238
Charges for services	4,146,512	2,856,369	2,310,008	2,344,817
Other	385,325	749,500	580,013	492,841
Total Revenues	34,002,582	37,743,667	38,387,125	37,811,276
Expenditures				
Current:				
Administration	3,440,007	3,256,967	2,729,399	2,975,571
Community Development	1,336,391	1,765,245	2,263,730	2,268,403
Public Safety - Police	6,908,386	7,531,759	8,292,356	8,544,690
Public Safety - Fire	5,772,527	6,110,150	6,782,268	6,974,688
Parks and Community Services	4,772,498	5,286,401	5,764,217	5,672,170
Public Works	1,707,728	1,750,115	1,912,747	2,220,756
Library	1,837,995	2,073,228	2,262,383	2,322,259
Economic Development	693,089	333,337	466,322	517,268
General Government	2,324,258	2,554,884	3,025,451	4,187,891
Capital outlay	3,702,523	11,123,214	4,227,287	4,883,976
Debt service:				
Principal repayment	420,000	617,933	698,064	734,049
Interest and fiscal charges	426,508	511,846	481,502	451,063
Refunding bonds issuance costs				
Total Expenditures	33,341,910	42,915,079	38,905,726	41,752,784
Excess (deficiency) of revenues over (under) expenditures	660,672	(5,171,412)	(518,601)	(3,941,508)
Other Financing Sources (Uses)				
Transfers in	1,743,366	4,382,451	2,653,351	3,448,918
Transfers (out)	(3,584,771)	(4,268,313)	(2,662,273)	(3,428,503)
Capital lease issued	2,200,000			
Proceeds from bonds issuance				
Bond issue costs				
Refunding bonds issued				
Discount on bond				
Discount on refunding bonds issued				
Sale of capital assets	5,850	2,000	21,980	
Total other financing sources (uses)	364,445	116,138	13,058	20,415
Net Change in fund balances	\$1,025,117	(\$5,055,274)	(\$505,543)	(\$3,921,093)
Debt service as a percentage of noncapital expenditures	2.9%	3.6%	3.4%	3.2%

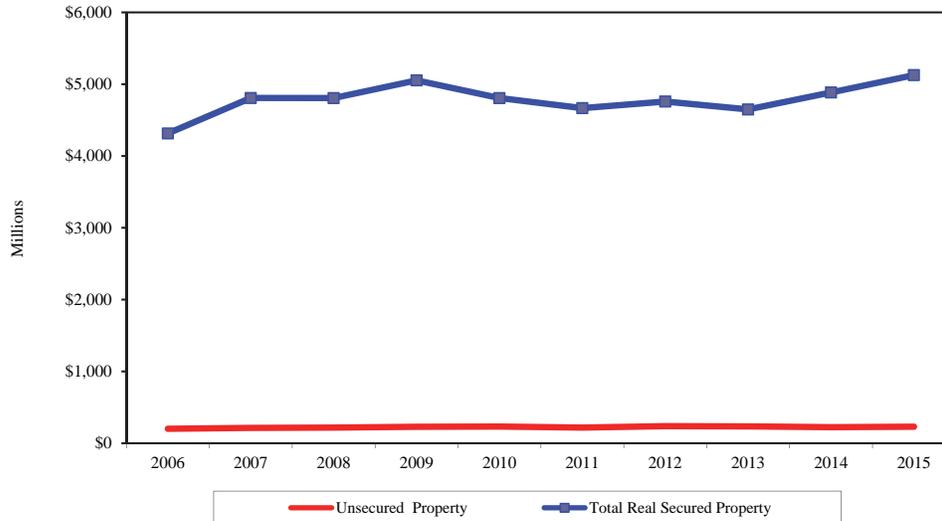
NOTE:

(a) The City implemented GASB Statement 34 in fiscal year 2003. Therefore this calculation is included only for fiscal years subsequent to that date.

Fiscal Year Ended June 30,

2010	2011	2012	2013	2014	2015
\$27,896,749	\$27,698,473	\$28,289,246	\$28,246,659	\$30,053,333	\$31,649,100
320,466	315,208	277,267	331,830	391,987	539,451
105,391	99,898	184,084	125,016	92,633	82,198
587,040	701,264	514,674	347,451	562,568	553,513
4,855,610	5,200,591	4,931,453	4,853,473	3,366,221	2,847,632
2,234,871	1,485,991	1,507,509	1,620,508	1,792,391	1,881,719
1,651,482	1,933,329	2,446,893	1,587,488	627,336	743,584
<u>37,651,609</u>	<u>37,434,754</u>	<u>38,151,126</u>	<u>37,112,425</u>	<u>36,886,469</u>	<u>38,297,197</u>
3,365,557	3,101,146	2,978,057	2,989,783	3,288,675	4,427,640
8,970,286	8,568,999	8,425,574	8,381,295	8,495,411	8,410,085
6,779,441	6,555,355	6,193,806	6,490,519	6,449,095	6,870,350
5,482,353	5,371,171	5,097,677	5,160,108	5,407,167	5,579,622
4,615,700	2,825,598	2,412,189	1,486,669	1,484,907	2,302,990
2,134,589	2,158,850	2,019,269	1,961,284	2,027,067	2,093,511
493,857	458,470	443,384	653,720	537,493	572,719
2,418,903	2,641,205	2,863,369	2,821,213	2,899,981	722,030
4,356,489	7,080,488	9,872,108	3,434,964	2,604,625	2,057,354
770,542	807,565	5,435,150	993,334	937,139	966,668
429,328	471,211	1,138,271	135,505	129,355	102,611
		98,550			
<u>39,817,045</u>	<u>40,040,058</u>	<u>46,977,404</u>	<u>35,860,388</u>	<u>35,293,094</u>	<u>35,392,693</u>
<u>(2,165,436)</u>	<u>(2,605,304)</u>	<u>(8,826,278)</u>	<u>1,252,037</u>	<u>1,593,375</u>	<u>2,904,504</u>
1,926,107	2,521,117	3,331,208	2,285,097	498,129	134,750
(1,795,692)	(2,805,603)	(3,933,188)	(3,196,613)	(598,229)	(390,537)
	13,195,000				
	(235,368)				
	(12,328)	4,270,000			
		(21,350)			
	156	20,734		10,631	187
<u>130,415</u>	<u>12,662,974</u>	<u>3,667,404</u>	<u>(911,516)</u>	<u>(89,469)</u>	<u>(255,600)</u>
<u>(\$2,035,021)</u>	<u>\$10,057,670</u>	<u>(\$5,158,874)</u>	<u>\$340,521</u>	<u>\$1,503,906</u>	<u>\$2,648,904</u>
3.4%	3.9%	17.7%	3.5%	3.5%	3.2%

CITY OF BENICIA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS



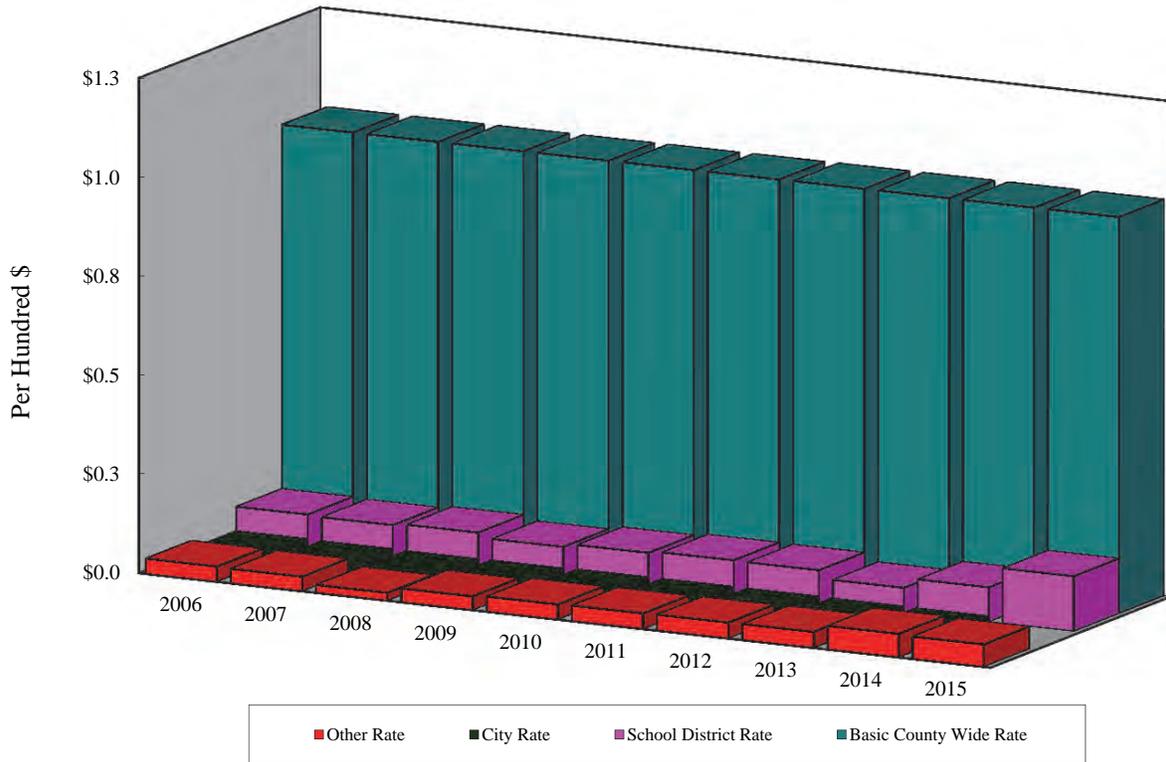
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2006	2,426,738,885	131,146,054	1,438,207,502	116,638,859	4,112,731,300	201,105,380	4,313,836,680	4,313,836,680	0.26313%
2007	2,823,114,166	142,156,389	1,546,655,534	83,018,745	4,594,944,834	212,949,929	4,807,894,763	4,807,894,763	0.26560%
2008	3,082,710,837	149,511,998	1,278,262,415	78,174,389	4,588,659,639	218,303,830	4,806,963,469	4,806,963,469	0.26295%
2009	3,068,156,685	176,210,305	1,509,076,085	70,419,724	4,823,862,799	229,137,903	5,053,000,702	5,053,000,702	0.26382%
2010	2,828,918,727	175,489,888	1,502,183,217	67,625,542	4,574,217,374	232,563,062	4,806,780,436	4,806,780,436	0.26547%
2011	2,740,155,696	176,848,852	1,463,741,183	67,837,288	4,448,583,019	218,306,994	4,666,890,013	4,666,890,013	0.26506%
2012	2,671,810,615	173,679,880	1,608,049,893	66,734,598	4,520,274,986	238,247,984	4,758,522,970	4,758,522,970	0.26145%
2013	2,585,442,237	172,176,509	1,589,839,265	66,361,809	4,413,819,820	234,346,390	4,648,166,210	4,648,166,210	0.26282%
2014	2,818,861,818	184,614,253	1,596,452,011	61,269,569	4,661,197,651	223,586,294	4,884,783,945	4,884,783,945	0.26290%
2015	3,081,003,497	193,975,573	1,559,702,541	61,556,385	4,896,237,996	230,216,645	5,126,454,641	5,126,454,641	0.24913%

Source: Solano County Assessor 2005/06 - 2014/15 Combined Tax Rolls

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

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

**CITY OF BENICIA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**



Fiscal Year	City Direct Rate	Overlapping Rates:			Other Rate	Total Direct Rate
		Basic County Wide Rate	School District Rate	City Rate		
2006	0.26313	1.0000	0.0803	0.0187	0.0387	1.1377
2007	0.2656	1.0000	0.0774	0.0170	0.0370	1.1314
2008	0.26295	1.0000	0.0823	0.0157	0.0200	1.1180
2009	0.26382	1.0000	0.0701	0.0159	0.0350	1.1210
2010	0.26547	1.0000	0.0788	0.0173	0.0385	1.1345
2011	0.26506	1.0000	0.0839	0.0171	0.0395	1.1405
2012	0.26145	1.0000	0.0827	0.0165	0.0402	1.1394
2013	0.26282	1.0000	0.0621	0.0154	0.0406	1.1181
2014	0.26290	1.0000	0.0871	0.0143	0.0596	1.1610
2015	0.31932	1.0000	0.1389	0.0137	0.0567	1.2093

Source: Solano County Auditor-Controller's Office

CITY OF BENICIA
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2014-2015			2005-06		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Valero Refining Company California	\$ 992,928,955	1	19.37%	\$ 1,011,960,473	1	23.4%
Icon Owner 1 SF Non Business	116,312,553	2	2.27%			
Benicia Industries	71,339,118	3	1.39%	51,266,272	3	1.19%
Tulloch Construction Inc.	29,784,410	4	0.58%	26,328,817	5	
WRI West Gate South LP	26,597,258	5	0.52%			0.0%
Gonsalves and Santucci Inc.	23,643,757	6	0.46%			
Club Pacifica LLC	23,293,789	7	0.45%			
Bebe Studio Realty LLC	21,324,479	8	0.42%			
SPK-Industrial Portfolio LLC	18,750,000	9	0.37%	17,767,240	9	0.4%
Valley Fine Foods Company Inc.	14,076,691	10	0.27%			
Calwest Industrial Properties LLC				80,734,856	2	1.87%
Benicia CS Developers LLC				45,307,910	4	1.05%
Shea Homes LP				25,458,667	6	0.59%
WRI Golden State LLC				23,390,586	7	0.54%
Cal-Midwest Properties Company				20,284,269	8	0.47%
Centex Homes				14,127,162	10	
Total	\$ 1,338,051,010		26.10%	\$ 1,316,626,252		30.46%

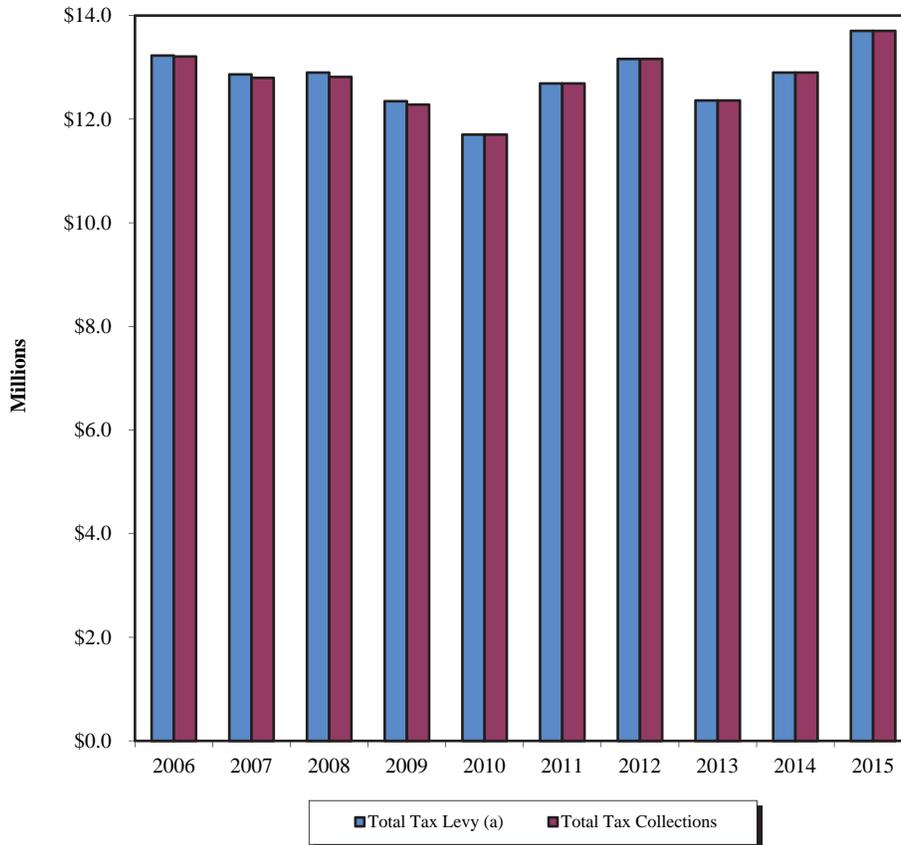
Total Net Assessed Valuation:

Fiscal Year 2014-2015 \$5,126,454,641

Fiscal Year 2005-2006 \$4,322,298,713

Source: HdL, Coren & Cone Report

**CITY OF BENICIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



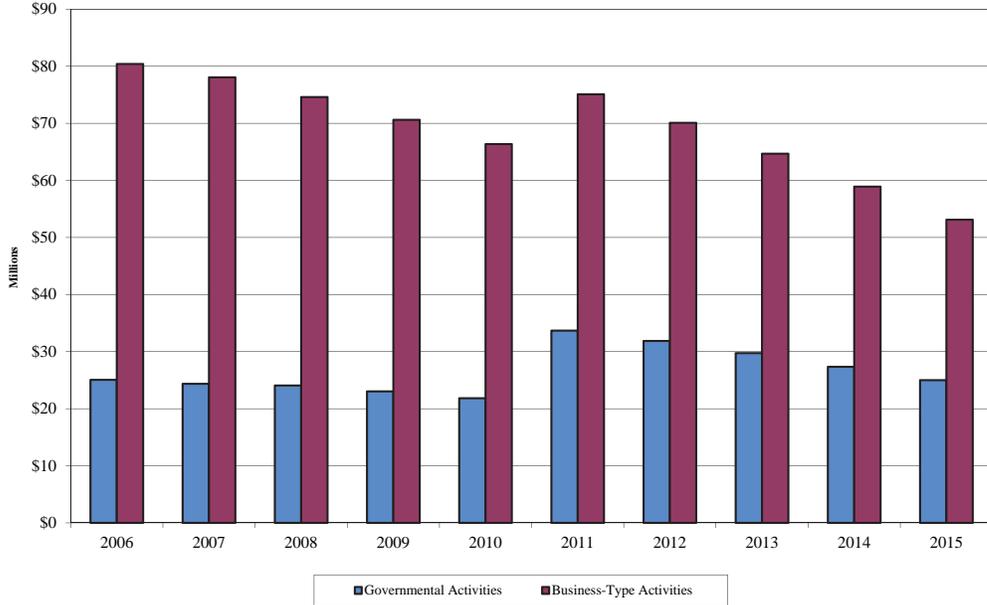
<u>Fiscal Year</u>	<u>Total Tax Levy (a)</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2006	13,227,173	13,209,063	99.8631%	13,209,063	99.8631%
2007	12,863,706	12,796,607	99.4784%	12,796,607	99.4784%
2008	12,898,327	12,814,858	99.3529%	12,814,858	99.3529%
2009	12,346,920	12,280,522	99.4622%	12,280,522	99.4622%
2010 *	11,701,913	11,701,913	100.0000%	11,701,913	100.0000%
2011 *	12,689,250	12,689,250	100.0000%	12,689,250	100.0000%
2012 *	13,162,059	13,162,059	100.0000%	13,162,059	100.0000%
2013 *	12,360,087	12,360,087	100.0000%	12,360,087	100.0000%
2014 *	12,899,586	12,899,586	100.0000%	12,899,586	100.0000%
2015 *	13,702,925	13,702,925	100.0000%	13,702,925	100.0000%

Source: Solano County Auditor-Controller's Office

Note: Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

* Information derived from City's collection from Solano County - under the Teeter Plan.

CITY OF BENICIA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Governmental Activities					
Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Lease Obligation	Certificates of Participation	Total
2006	7,485,000	13,972,596	3,600,000		25,057,596
2007	7,045,000	13,891,327	3,422,067		24,358,394
2008	6,585,000	14,302,593	3,184,003		24,071,596
2009	6,100,000	13,676,377	3,262,926		23,039,303
2010	5,590,000	13,273,493	2,971,873		21,835,366
2011	5,055,000	12,758,370	2,667,460	13,195,000	33,675,830
2012	4,270,000	12,148,201	2,349,067	13,100,000	31,867,268
2013	3,575,000	11,451,726	2,016,035	12,700,000	29,742,761
2014	2,950,000	10,668,519	1,667,675	12,050,509	27,336,703
2015	2,310,000	9,787,852	1,303,202	11,595,804	24,996,858

Business-Type Activities							
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Loans Payable	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2006	9,520,473	4,197,808	41,620,216	55,338,497	80,396,093	7.12%	2,942.86
2007	8,626,119	3,957,473	41,118,395	53,701,987	78,060,381	6.50%	2,796.26
2008	7,700,955	3,717,137	39,114,917	50,533,009	74,604,605	5.95%	2,666.55
2009	7,040,101	3,461,801	37,065,133	47,567,035	70,606,338	5.59%	2,523.73
2010	6,358,639	3,201,466	34,967,876	44,527,981	66,363,347	5.20%	2,362.86
2011	5,661,631	2,931,130	32,820,100	41,412,861	75,088,691	6.26%	2,768.96
2012	4,934,118	2,650,795	30,624,276	38,209,189	70,076,457	5.74%	2,603.23
2013	4,186,139	2,365,459	28,377,285	34,928,883	64,671,644	5.06%	2,380.87
2014	3,407,718	2,070,123	26,090,472	31,568,313	58,905,016	4.34%	2,145.59
2015	2,598,877	1,759,788	23,750,423	28,109,088	53,105,946	3.73%	1,917.94

Sources: City of Benicia
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)
(a) See page 149 (Demographic Statistics) for personal income and population data.

CITY OF BENICIA
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Certificates of Participation	Capital Leases	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2006	7,485,000	13,972,596	-	3,600,000	25,057,596	0.58%	273.99
2007	7,045,000	13,891,327	-	3,422,067	24,358,394	0.51%	252.36
2008	6,585,000	14,302,596	-	3,184,003	24,071,599	0.50%	235.36
2009	6,100,000	13,676,377	-	3,262,926	23,039,303	0.46%	218.04
2010	5,590,000	13,273,493	-	2,971,873	21,835,366	0.45%	199.03
2011	5,055,000	12,758,370	13,195,000	2,667,460	33,675,830	0.72%	186.41
2012	4,270,000	12,148,201	13,100,000	2,349,067	31,867,268	0.67%	158.62
2013	3,575,000	11,451,726	12,700,000	2,016,035	29,742,761	0.64%	131.61
2014	2,950,000	10,668,519	12,050,509	1,667,675	27,336,703	0.56%	107.45
2015	2,310,000	9,787,852	11,595,804	1,303,202	24,996,858	0.49%	83.43

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF BENICIA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2014**

2014-15 Assessed Valuation \$ 5,126,454,641

	Total Debt 6/30/2015	Percentage Applicable (1)	City's Share of Debt 6/30/2015
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			
Solano County Community College District	\$ 211,298,734	12.136%	\$ 25,643,214
Benicia Unified School District	43,764,974	99.267%	43,444,177
City of Benicia	2,310,000	100%	2,310,000
City of Benicia 1915 Act Bonds	8,748,667	100%	8,748,667
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			<u><u>80,146,058</u></u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Solano County Certificates of Participation	100,105,000	11.609%	11,621,189
Solano County Pension Obligation Bonds	62,810,000	11.609%	7,291,613
Solano County Board of Education Certificates of Participation	1,360,000	11.609%	157,882
Solano County Community College District Certificates of Participation	11,271,511	12.136%	1,391,581
City of Benicia Certificates of Participation	13,113,489	100%	13,113,489 (2)
City of Benicia Pension Obligations	7,995,781	100%	7,995,781 (3)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 41,571,535
TOTAL DIRECT DEBT			23,419,270
TOTAL OVERLAPPING DEBT			<u><u>98,298,323</u></u>
COMBINED TOTAL DEBT			<u><u>\$ 121,717,593</u></u> (4)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Includes capital leases in the amount of \$1,303,489.
- (3) Includes accreted value from series A-2 bonds.
- (4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

RATIOS TO 2014-15 ASSESSED VALUATION:	
Direct Debt (\$2,310,000)	0.05%
Total Direct and Overlapping Tax and Assessment Debt	1.56%
Total Direct Debt (\$23,419,270)	0.46%
Combined Total Debt	2.37%

Source: California Municipal Statistics, Inc.

**CITY OF BENICIA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2015**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$ 4,896,237,996</u>
---	-------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$ 183,608,925</u>
---	-----------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$ 28,052,321
Less Revenue Bonds, Certificate of Participation not subject to limit	<u>25,742,321</u>

Amount of debt subject to limit	<u>2,310,000</u>
---------------------------------	------------------

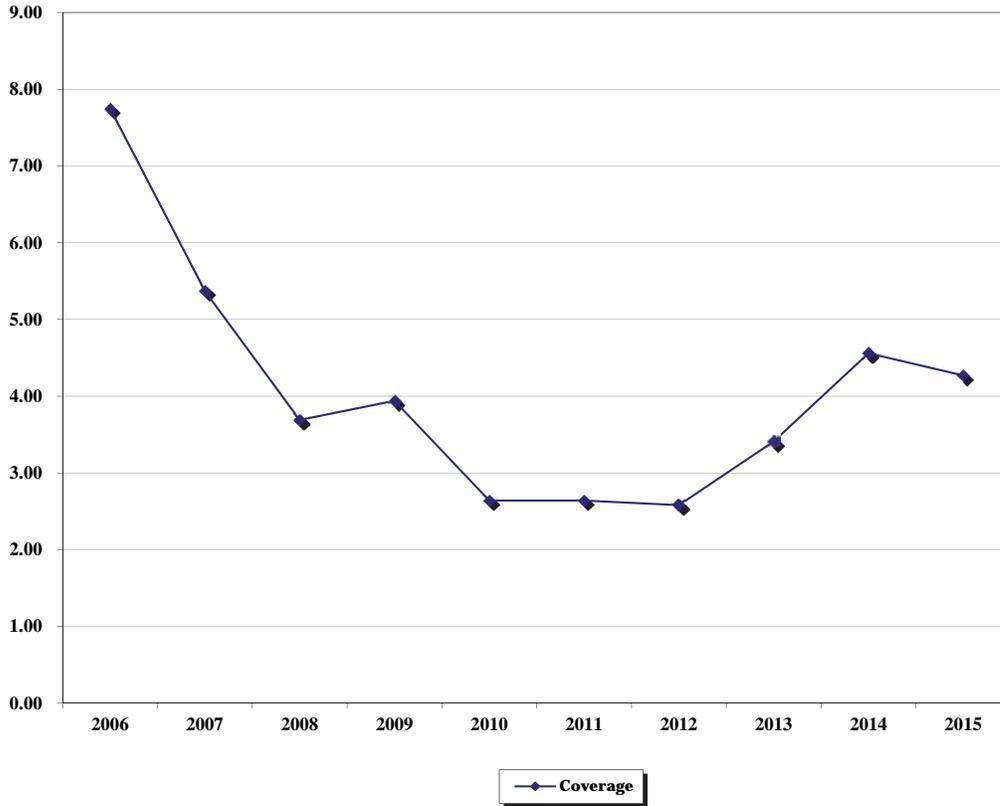
LEGAL BONDED DEBT MARGIN	<u><u>\$ 181,298,925</u></u>
--------------------------	------------------------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2006	154,227,424	7,485,000	146,742,424	5.10%
2007	172,310,431	7,045,000	165,265,431	4.26%
2008	172,074,736	6,585,000	165,489,736	3.98%
2009	180,894,855	6,100,000	174,794,855	3.49%
2010	171,533,152	5,590,000	165,943,152	3.37%
2011	166,821,863	5,055,000	161,766,863	3.12%
2012	169,510,312	4,270,000	165,240,312	2.58%
2013	165,518,243	3,575,000	161,943,243	2.21%
2014	174,794,912	2,950,000	171,844,912	1.72%
2015	181,298,925	2,310,000	178,988,925	1.29%

NOTE:

- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

**CITY OF BENICIA
 PLEDGED-REVENUE COVERAGE
 WATER AND WASTEWATER REVENUE BONDS
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)**

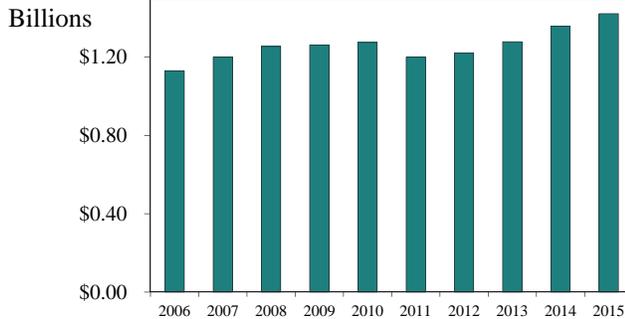
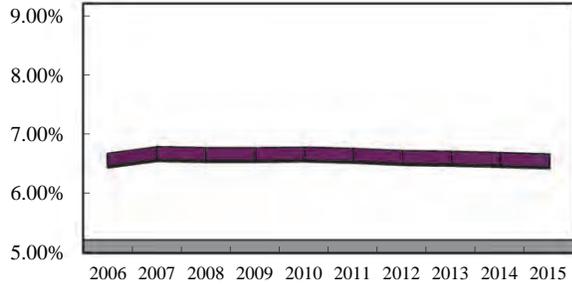


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	17,165	6,837	10,328	875	458	1,333	7.75
2007	16,222	7,477	8,745	1,145	482	1,627	5.37
2008	15,668	9,689	5,979	1,175	446	1,621	3.69
2009	14,804	9,536	5,268	925	413	1,338	3.94
2010	13,540	10,014	3,526	950	385	1,335	2.64
2011	13,253	9,736	3,517	975	356	1,331	2.64
2012	13,290	9,845	3,445	1,015	321	1,336	2.58
2013	14,577	10,059	4,518	1,040	284	1,324	3.41
2014	16,000	9,958	6,042	1,080	245	1,325	4.56
2015	17,650	11,979	5,671	1,125	203	1,328	4.27

Notes: (1) Includes all Water & Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
 (2) Includes all Water & Wastewater Operating Expenses less Depreciation and Interest

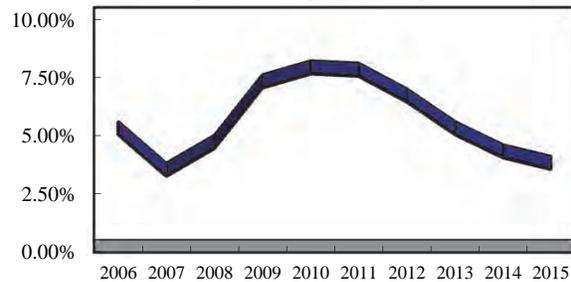
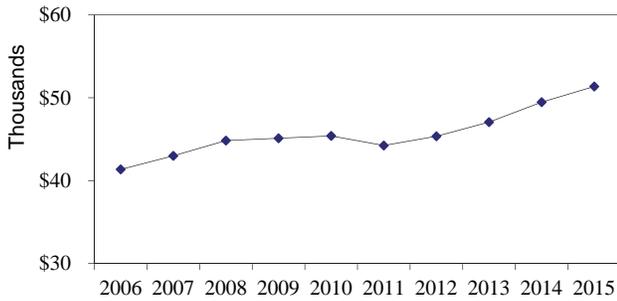
Source: City of Benicia

**CITY OF BENICIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



■ City Population as a % of County Population

■ Total Personal Income



◆ Per Capita Personal Income

■ Unemployment Rate

Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	County Population	City Population % of County
2006	27,319	1,129,806,279	41,356	5.1%	422,848	6.46%
2007	27,916	1,200,213,884	42,994	3.3%	424,823	6.57%
2008	27,978	1,254,489,947	44,838	4.5%	426,757	6.56%
2009	27,977	1,262,222,668	45,116	7.1%	426,729	6.56%
2010	28,086	1,274,996,631	45,396	7.7%	427,837	6.56%
2011	27,118	1,199,784,395	44,243	7.6%	414,509	6.54%
2012	26,919	1,220,873,617	45,354	6.5%	413,786	6.51%
2013	27,163	1,278,384,030	47,063	5.1%	418,387	6.49%
2014	27,454	1,358,233,958	49,473	4.1%	424,233	6.47%
2015	27,689	1,422,188,789	51,363	3.6%	429,552	6.45%

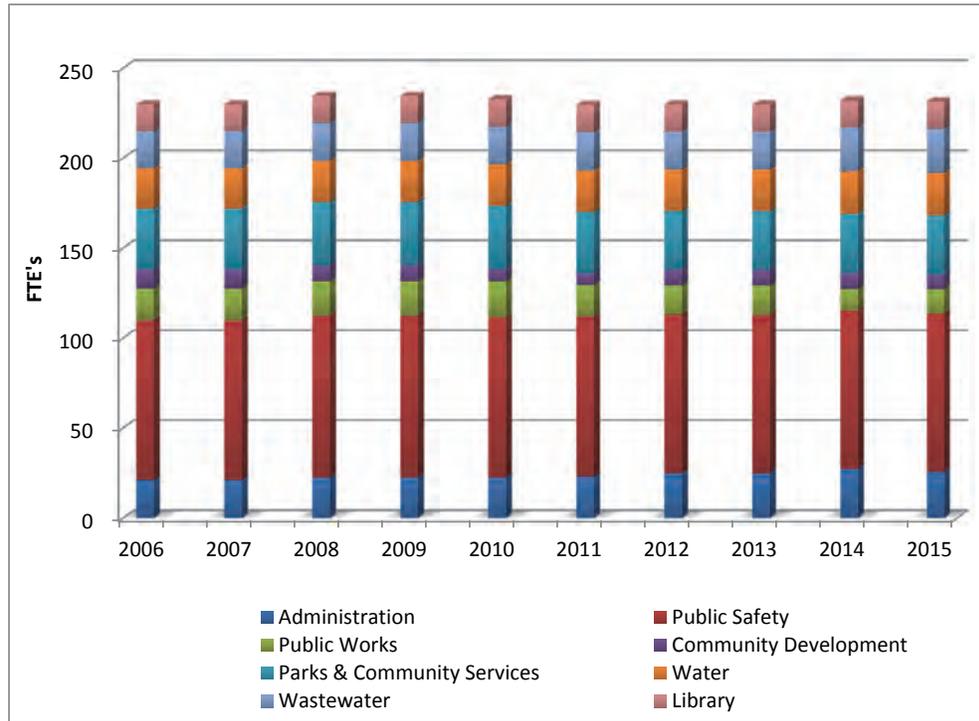
Sources: California State Department of Finance & EDD

CITY OF BENICIA
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2014-15</u>			<u>2005-06</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Valero	470	1	1.8%	538	1	2.0%
Benicia Unified School District	375	2	1.4%	464	2	1.7%
Cytosport	319	3	1.2%	119	9	0.4%
City of Benicia	232	4	0.9%	230	3	0.8%
Dunlop	229	5	0.9%			
Bio-Rad Laboratories Inc.	200	6	0.8%	181	4	0.7%
Valley Fine Foods Co. Inc.	178	7	0.7%			
Coca-Cola Bottling Co.	162	8	0.6%	145	5	0.5%
Benicia Fabrication & Machine	115	9	0.4%			
Cycle Gear Inc.	106	10	0.4%			
The Pepsi Bottling Company				138	6	0.5%
Radiator Express Warehouse Inc.				130	7	0.5%
Institutional Financing Service				126	8	0.5%
Henry Wine Group				104	10	0.4%
Subtotal	<u>2,386</u>		<u>9.0%</u>	<u>2,175</u>		<u>8.0%</u>
Total City Day Population	<u>26,600</u>			<u>27,319</u>		

Source: City of Benicia

CITY OF BENICIA
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
Administration	21.00	21.00	22.50	22.50	22.50	23.00	25.00	25.00	27.50	25.60
Public Safety	89.00	89.00	90.00	90.00	89.00	89.00	88.00	88.00	88.00	88.00
Public Works	17.45	17.45	18.95	18.95	19.95	17.35	16.03	16.03	11.65	13.55
Community Development	10.50	10.50	9.00	9.00	7.00	6.67	8.97	8.97	9.00	8.00
Parks & Community Services	34.00	34.00	35.00	35.00	35.00	34.00	32.50	32.50	33.00	33.00
Water	22.45	22.45	22.95	22.95	22.95	23.16	23.05	23.05	23.60	23.60
Wastewater	20.60	20.60	21.10	21.10	21.10	21.31	21.20	21.20	24.25	24.75
Library	14.75	14.75	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Total	<u>229.75</u>	<u>229.75</u>	<u>234.50</u>	<u>234.50</u>	<u>232.50</u>	<u>229.49</u>	<u>229.75</u>	<u>229.75</u>	<u>232.00</u>	<u>231.50</u>

Source: City of Benicia

CITY OF BENICIA
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Function/Program					
Public safety:					
Fire:					
Fire calls for service	1,703	1,915	2,040	2,243	2,122
Primary fire inspections conducted (estimate)	750	200	200	1,074	935
Police:					
Police calls for Service	14,981	14,374	15,934	17,302	27,029
Law violations:					
Physical arrests (adult and juvenile)	1,036	1,139	1,056	838	836
Traffic violations	2,027	2,649	2,208	3,671	2,546
Parking violations	759	665	646	434	237
Public Works					
Street resurfacing (miles)	1.5	1.0	0.3	-	5
Potholes repaired (cubic feet) *	1,000	1,200	1,200	1,200	1,764
Parks & Community Services:					
Community Services:					
Recreation class programs	834	978	824	773	800
Recreation class participants	11,610	10,482	10,622	8,291	8,560
Library:					
Volumes in Collection (thousands)	116,996	113,470	111,145	107,756	106,965
Total Volumes Borrowed (thousands)	47,295	320,873	346,106	371,581	384,056
Water					
Water service connections	9,380	9,576	9,370	9,506	9,557
Water main breaks	11	17	17	14	33
Average daily consumption (thousands of gallons)	4,170	4,437	4,610	4,209	3,540
Wastewater					
Storm drain inlets	2,000	2,010	2,040	2,040	2,040
Sewer service connections	9,380	9,310	9,109	9,243	9,261
Sewer main blockages	101	30	59	51	46
Average daily treatment (thousands of gallons)	2,860	2,200	2,600	2,195	2,280

Source: City of Benicia

* Potholes repaired were incorrectly stated in prior years as square miles. Amounts were based on average pothole size in cubic feet.

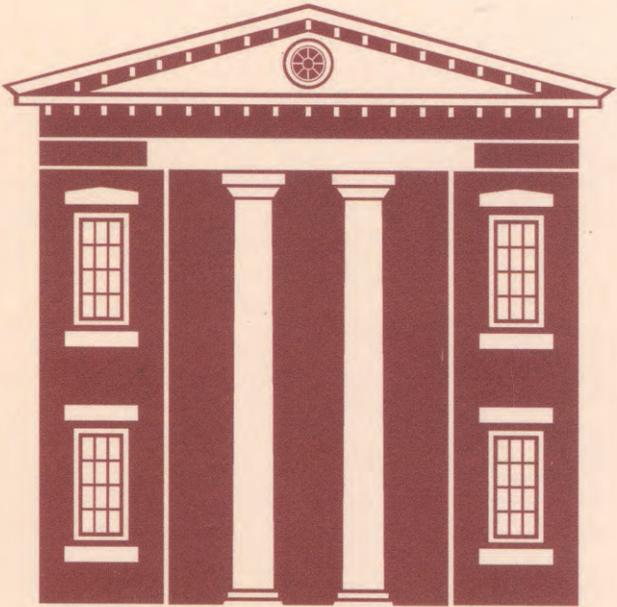
Fiscal Year				
2011	2012	2013	2014	2015
2,067	2,238	2,208	2,180	2,346
750	690	401	398	331
14,536	12,422	18,867	17,557	13,027
866	734	614	602	562
2,346	2,394	1,296	1,239	775
230	206	77	148	134
0.8	8.9	1.3	2.8	0.8
1,395	953	999	420	467
820	1,104	971	986	1,177
9,137	10,126	9,546	9,071	9,701
106,264	109,436	99,608	104,546	105,441
384,134	433,264	474,472	490,984	457,210
9,547	9,434	9,827	9,682	9,698
10	15	21	18	26
3,808	3,714	4,062	4,014	3,129
2,040	2,040	2,040	2,040	2,040
9,278	9,277	9,283	9,185	9,197
27	24	34	23	12
2,433	2,370	2,180	2,110	2,018

CITY OF BENICIA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
Public safety:					
Fire stations	2	2	2	2	2
Police stations	1	1	1	1	1
Police patrol units	13	13	13	13	12
Public works					
Miles of streets	95	95	97	97	97
Street lights	2,046	2,062	2,100	2,100	2,232
Traffic Signals	10	10	10	10	10
Parks and recreation:					
Community services:					
City parks	36	36	36	36	36
City parks acreage	214	214	214	214	214
Recreation centers	1	1	2	2	2
Senior citizen centers	1	1	1	1	1
Regional park acreage	577	577	577	577	577
Library:					
City libraries	1	1	1	1	1
Water					
Miles of water mains	158	158	160	160	160
Fire hydrants	1,194	1,203	1,259	1,427	1,430
Maximum daily capacity (millions of gallons)	12	12	12	12	12
Wastewater					
Miles of sanitary sewers	149	149	150	150	150
Miles of storm drains	77	77	78	78	78
Number of treatment plants	1	1	1	1	1

Source: City of Benicia

Fiscal Year				
2011	2012	2013	2014	2015
2	2	2	2	2
1	1	1	1	1
12	11	13	13	13
97	97	97	97	97
2,232	2,232	2,232	2,232	2,232
11	11	11	11	11
36	36	36	36	36
214	214	214	214	214
2	2	2	2	2
1	1	1	1	1
577	577	577	577	577
1	1	1	1	1
160	160	160	160	160
1,428	1,429	1,449	1,449	1,452
12	12	12	12	12
150	150	150	150	150
78	78	78	78	78
1	1	1	1	1



THE CITY OF
BENICIA
CALIFORNIA