

THE CITY OF
BENICIA
CALIFORNIA

**Comprehensive Annual
Financial Report**



**Fiscal Year Ended
June 30, 2009**

CITY OF BENICIA, CALIFORNIA
Comprehensive Annual Financial Report
Fiscal year ended June 30, 2009

Prepared by
Finance Department

CITY OF BENICIA
Comprehensive Annual Financial Report
Year ended June 30, 2009

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INTRODUCTORY SECTION



December 9, 2009

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

I am pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Benicia (the City) for the fiscal year ended June 30, 2009. This CAFR has been prepared by the Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data and fairness of the presentation, including all disclosures, rests with the City. To the best of my knowledge, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the City, as measured by the financial activity of its governmental activities, business-type activities, each major fund, and the aggregate remaining fund information. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's basic financial statements have been audited by Mayer Hoffman McCann, a public accounting firm fully licensed and qualified to perform audits of State and local governments within the State of California. The goal of the independent audit is to provide reasonable assurance that the basic financial statements of the City for the fiscal year ended June 30, 2009, are free of material misstatement. The independent auditor's report is presented at the front 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.

PROFILE OF THE 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 27,977.

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. It is classified as a general law city because of its reliance upon California state law to define procedural regulations utilized by the City Council. The mayor and four council members are elected to staggered four year terms through a general election process. The City Council, serving as the primary governing body, is responsible, among other things, for 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, for overseeing the day-to-day operations of the City, and for appointing directors of the various City departments.

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, transit, and general administrative services.

The financial reporting entity includes all funds and activities of the City of Benicia. Other governmental agencies that provide services within the City include Solano County, the Benicia Unified School District, the Benicia Housing Authority and the City of Vallejo Transit. Financial information for these agencies is not included in the accompanying financial statements because each is a legally separate entity with operations separate from the City, and the City has no financial interest in their activities.

Management Summary

Benicia benefits from the stability of its leadership and experience. Elizabeth Patterson was elected mayor in November 2007 and has been a Council Member since 2003. Jim Erickson, hired as City Manager since February 2003, after more than 20 years as the City Manager for the City of Millbrae, leads the executive management team, which includes eight Directors that bring substantial technical expertise and managerial experience to the City of Benicia. With this level of expertise, the City continues its reputation of progressive and business-like management. The City Council and the Executive Management Team stress long-term planning and the ability to turn fiscal challenges into opportunities.

The City has a ten-year General Fund budget forecasting model, which has become a guide and educational tool for the City's management staff, Council Members and citizens. The model is updated annually to reflect the ever-changing economic environment we live in. The City's Finance, Audit and Budget Committee also takes a very active role in monitoring the ten-year model and has recommended several enhancements to ensure the viability of the model in forecasting future operational outcomes that will support a high level of service required by a growing community.

In addition to the model, the City has also developed a strategic plan that directs the City's vision for success, which is updated every budget cycle. This plan identifies strategies and priorities that will best address issues raised by the City's stakeholders, and serves as a framework for the City to provide the community with integrity, excellence, service and inclusiveness of all.

By combining the business-like attitude with the ten-year model, taking into account the strategic issues that have been identified, the City has been able to preserve its targeted 20% Undesignated Reserve Level.

ECONOMIC OUTLOOK AND CONDITION

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 growth. 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 small-town, historic charm.

The table below illustrates the City's General Fund property, sales and utility tax collections for fiscal years 2004 through 2009:

Year	Property	Sales	Utility
2003-04	10,502,276	4,237,439	2,747,951
2004-05	10,774,630	4,567,137	2,826,370
2005-06	11,919,854	5,373,118	3,001,316
2006-07	12,881,657	6,285,439	5,056,904
2007-08	13,534,307	6,794,114	4,190,517
2008-09	13,053,648	6,958,722	4,413,428

As the table indicates, property taxes decreased \$480,659 (3.73%) in fiscal year 2008-09. The decrease is a result of the continued decline in assessed valuation of real estate properties throughout the country. The City is fortunate enough that the decrease is the lowest within the county. Sales tax increased \$164,608 (2.62%) in fiscal year 2008-09. This increase reflects strong performance by many of Benicia's industrial and retail businesses. The long-term economic outlook for the City continues to be strong given the diversity of the City's economic base and the low vacancy rate in the City's Industrial Park. Utility user tax collections increased \$222,911 (4.41%) due to higher revenues generated from Valero and the revamping of the utility users tax for communications.

The City's Industrial Park was 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 provides a strong sales tax base for the City, generating over 60% of the City's sales tax revenue. Valero's Northern California Petroleum Refinery is a major activity in the Park. Amports owns the deep-water Port of Benicia and maintains a large distribution center in Benicia, which processes over 150,000 passenger cars and light trucks annually. Other industrial sectors represented in the park include steel and metal fabrication, construction, wine warehousing and distribution and nutraceutical product research, general manufacturing and petro-chemical industry supplies and service.

Over the last decade, the total square footage of the Benicia Industrial Park has expanded to about 7,000,000 square feet, over 400 companies, and an estimated 6,500 jobs. The types of companies locating in the Industrial Park continue to diversify Benicia's economic base and reflect Benicia's prominence as an industrial center located midway between the Bay Area and Sacramento markets. Access to major Northern California freeways and railways contribute to the success and viability of the Benicia Industrial Park.

Discovery Builders, a major Northern California developer, owns approximately 500 acres adjacent to the Benicia Industrial Park. When approved and developed, the new Benicia Business Park will significantly increase property, sales and utility tax revenue for the City. Consistent with the City’s General Plan, the new business park will contain over 2 million square feet of light industrial uses and over 800,000 square feet of commercial space. The planning process has been stalled temporarily due to the regional economic slowdown but is expected to begin again as soon as the regional economy improves.

The following is a list of the top 15 employers in the Industrial Park:

Employer	Employees	Type of Business
Valero Refining Co	599	Petroleum Refining
Bio-Rad Laboratories, Inc.	252	Manufacture Hematology Products
Dunlop Manufacturing Inc	234	Manufacture/Distribute Musical Accessories
Bay Valve Service & Engineering Inc.	187	Valve Service Repair
Cytosport	160	Dietary Sport & Nutrition Products
American Civil Constructors West Coast Inc.	160	General Engineering Contractor
Coca-Cola Bottling Co.	157	Soft Drink Delivery
Radiator Express Warehouse, Inc.	133	Distribute Radiators
The Pepsi Bottling Group	119	Soft Drink Manufacturing
Benicia Fabrication & Machine	118	Metal Products Manufacturing
APS West Coast, Inc.	113	Operate Port of Benicia
PSC Industrial Outsourcing, Inc.	95	Industrial Waste Cleaning/Disposal
Veolia Industrial Outsourcing Inc	91	Industrial Services
Cycle Gear Inc.	89	Warehouse With Some Mail Order Sales
Dish Network California Serv Corp	89	Satellite TV Installation

FINANCIAL GOALS AND STRATEGIES

The City’s financial goals and strategies center on development of stable revenue sources to provide high level services to a growing community in an efficient cost-effective manner. These goals and strategies are:

1. Maintain balanced budgets that incorporate basic services and infrastructure expansion to meet community growth envisioned by the City Council, the City’s General Plan and the City’s Strategic Plan.
2. Promote development of job and sales tax creating businesses to reduce the standing of the City as a bedroom community by balancing housing with jobs.
3. Promote a balance of affordable housing opportunities.
4. Promote the preservation of open space, the development of cultural amenities, the encouragement of Historical Preservation and Historical Tourism, and adequate transportation.
5. Ensure growth pays its fair share.

6. Promote intergovernmental cooperation to reduce costs and better serve City residents.
7. Increase citizen involvement and City service responsiveness to residents.

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.

Balanced Budget

While the City has recovered from costly litigation concerning a storm drain improvement; the 2007 reduction in property valuation for Valero, one of the City's major property taxpayers, and continuous State takeaways, it continues to face the challenge of the greatest economic downturn since the Great Depression. With the State's \$26 billion deficit being funded by additional borrowings from local governments, the City adopted budgets that are ambitious and challenging given the great fiscal stress the rest of the state is in. Ambitious because substantial capital projects are included and challenging because service expectations remain unchanged in spite of a hiring freeze imposed to balance the budget. In so doing, the City's General Fund reserve has remained in a secure position to weather the fiscal challenges that are anticipated in the next five years.

Benicia Market Analysis

The Benicia industrial market is diverse, strong and reflects the petro-chemical, steel fabrication and machining, construction, environmental engineering and warehouse/distribution sectors. For the last decade, the Benicia Industrial Park has been an attractive alternative to the Contra Costa market due to more affordable rents, access to affordable housing and a skilled and semi-skilled labor pool. The Benicia Industrial Park currently includes approximately 7 million square feet of built space. While other communities are experiencing significant reductions in sales tax revenue, the Benicia Industrial Park remains a stable economic engine for the City. On the eastern part of town, a 50-bedroom hotel is near completion, which will be an added source of the City's transient occupancy tax in the near future.

Long-term Financial Planning

The City updates a Capital Improvement Program (CIP) on a biennial basis based upon the "Council Priority List" of future capital and infrastructure needs. The CIP projects for fiscal year 2008-09 totaled \$8.9 million. Funding comes from multiple sources, including existing funds, development taxes, and regional, state and federal funds over the next five-year period.

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 beyond its biennial budget, finances are not expected to be much better three years from now. Accordingly, maintenance of the hiring freeze throughout the budget period has been approved and further cutbacks on operating expenditures are being considered. Additionally, careful execution of capital spending will be necessary to assure that we do not spend monies that may not materialize.

Housing Opportunities

According to the American Community Survey of the US Census, Benicia has just over 11,000 housing units within its jurisdiction. With a population of 27,977 persons, Benicia is the fifth largest of the seven cities in Solano County. As it has always done in the past, Benicia is in the process of updating its Housing Element to cover the period between 2007-2014. Housing Element updates are required by the State Department of Housing and Community Development, which sets forth a process by which every region plans for future population growth to ensure that enough housing is available within each city. For Benicia, this means planning for an additional 532 new units through the year 2014. Units that have been built since January 1, 2007 count toward meeting the need. From January 1, 2007 through October 31, 2009, a total of 117 new homes were built within the city. Accordingly, the city needs to show that there is enough residentially zoned land that could accommodate 415 units. Currently, the City's Draft Housing Element shows all vacant and under-utilized land, and is under review by the State. The city expects to adopt the new Housing Element by Spring 2010.

Parks, Open Space, Library, Historical Preservation and Tourism, and Transportation

The City is extremely proud of its award winning, 50-acre community park and 570-acre open space area in the northern part of the City. The City is continuing with the tenant improvements to the Benicia Community Center. Phase I will include renovation of the southern portion of the building that includes four (4) classrooms and two (2) restrooms. The Girl and Boy Scouts and after-school recreation programs will occupy the classrooms.

The Commanding Officers Quarters rehabilitation project was completed in May 2009. This project consisted of complete seismic stabilization, ADA elevator and restrooms, new roof, sprinklers, exterior paint, HVAC system, electrical upgrades and partial interior restoration.

The City's \$6 million public library facility, opened in 1993, provides patrons with the utmost in modern technology available, including electronic access to the collection of other county and community college libraries. Users are able to borrow audiotapes of books, videotapes of movie classics and music compact discs in addition to having access to 107,756-volume collection of books. The library offers a number of special programs for children, teens and seniors. To further expand library services, the remodeling of the library basement is in progress with the design phase completed.

The City of Benicia has a rich historical background as one of the nation's foremost military compounds, multi-faceted seaports and site of the California State Capital in 1854. There are many wonderful buildings from these bygone eras that are full of cherished artifacts and architectural splendor. The City of Benicia has recognized the importance of maintaining these significant historical assets and has empowered both citizen committees and staff to protect these valuable treasures for residents, visitors and future generations.

The City's transit system "Benicia Breeze" was restructured on October 6, 2008, when Route 75 was taken over by the City of Vallejo Transit (Vallejo Transit) as the new Route 78. Benicia Breeze restructured routes, serviced by Vallejo Transit, to accommodate Route 78 that serves Vallejo, Benicia and the Pleasant Hill and Walnut Creek BART Stations. The new service in Benicia entails two flex-routes that operate in the morning and evening peak commute hours; dial-a-ride service open to all riders during non-peak commute hours; supplemental service to Benicia schools on two routes; various shuttle services to Kaiser/Sutter Hospitals; the Sun Valley Mall; Diablo Valley College in Contra Costa County; as well as ADA Para-transit Plus service. Benicia Breeze continues to maintain a taxi scrip program as well as looking to expand its services to qualified passengers. Benicia Breeze uses a fleet of two transit buses and six cutaway buses, all of which are accessible to bicycles and mobility devices. Benicia Breeze averages about 300 passengers per weekday and carries approximately 6,226 passengers per month. Currently, Benicia Breeze has been working with Vallejo Transit on a potential consolidation of both agencies. The South County Consolidation Committee was established to better facilitate the consolidation process, which is anticipated to take effect on July 1, 2010.

Growth Pays Its Own Way

Benicia's fees and taxes on new development are designed to ensure that growth pays its own way, while simultaneously ensuring that the City is not priced out of the development market. The total amount of fees paid for a "typical" new 2,758 square-foot single-family residence is approximately \$35,000. The fees vary based on square footage and pay for needed public facilities, such as streets, water and wastewater facilities, parks, library books and public safety needs.

Intergovernmental Cooperation

The City of Benicia works closely with the Benicia Unified School District (BUSD) in numerous ways, including:

- Providing two school resource officers at no cost to the school district
- Funding the school district's crossing guard program
- Funding for various counseling services for at-risk students and student reading programs
- High school baseball use of Fitzgerald Field
- Library assistance to schools ordinarily provided by credentialed school librarians
- Safety improvements, including the installation of a flashing crosswalk for Benicia High School and planning for a future traffic signal
- Maintenance of playing fields and turf areas at three school sites

Benicia and its neighboring city, Vallejo, continue to work together to protect open space adjacent to the Benicia Community Park, which borders both cities. Benicia and Vallejo also cooperate in other matters of mutual interest. For example, the two cities, along with Fairfield, cooperated in the acquisition and maintenance in perpetuity of large tracts of open space located between each of the cities. The cities also cooperate in the management, storage and purchase of water.

Citizen Involvement

Periodically, the City engages the public in key discussions on various citywide projects. In August of 2006, the City held a two-day workshop for gathering public input on a new Downtown Mixed Use

Master Plan and the Lower Arsenal Mixed Use Specific Plan. This public outreach program brought out many folks in the community that normally would not participate in such events, thus making the end product all the more successful.

In October 2008, city staff conducted a two-day Housing Expo that was designed to solicit public participation regarding an update of the City's Housing Element. This successful event serves as a basis for a draft Housing Element that will provide a blueprint for where future housing will be built in Benicia during the next 5 to 7 year period.

In summary, the City manages its ongoing operations and capital improvement programs in an efficient, business-like manner, with a focus on an entrepreneurial approach to problem solving and citizen involvement. Involving our citizens in shaping Benicia's future, preserving Benicia's charm and planning for its orderly progress into the twenty-first century, is of paramount importance.

FINANCIAL INFORMATION

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 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.

Budgeting Controls

The City maintains budgetary controls. The objective of these budget controls is to ensure compliance with the City Council approved, annual appropriated budget. Activities of the General Fund and Special Revenue Funds, if required, are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Improvement Projects 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 own 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.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Governmental and Business-Type Activities and Net Assets

For detailed information and analysis of the governmental and business-type activities and net assets, please see Management's Discussion and Analysis.

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 expenditures 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: Economic Uncertainty of 5%, Liability Exposures Reserve of 5%, Emergency Reserves of 10%. At the end of this fiscal year, the General Fund had accumulated a 23% undesignated fund balance but, after adjusting for the \$1,627,000 advance from the Wastewater Fund to repay the Valero Property Tax Loan, the reported ledger balance for the purposes of this report is 18%. The difference lies in the Governmental Accounting Standards Board (GASB) requirement that all internal fund advances be reported at their gross amount, even though the amortization period may be several years into the future. In this case, the remaining amortization period for the Valero loan served as the basis for the Wastewater Fund advance, which is six years. For budgeting purposes, the Undesignated Fund Balance will be reported as 23%.

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 are 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 fiscal year 2008-09 amounted to \$69,715,477 and \$30,430,845 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.

Cash Management

The City's cash and investments are managed on a pooled basis. The average investment portfolio was \$49,038,912. The average yield on investment in 2008-09 was 3.87%, average maturity at year-end was approximately a year and three quarters, and total interest earned was \$2,170,259. Investments consisted primarily of money market funds, U.S. government securities and Local Agency Investment Fund (LAIF) deposits managed by the Treasurer of the State of California. These investments are allowed under an investment policy adopted by the City Council that defines eligible investments and maturities of the City's investment portfolio and requires securities be held by the City or by a qualified safekeeping institution and be registered in the City's name.

Debt Administration

The City has utilized bond financing for many public improvement projects in the past. The City's reputation and creditworthiness has been enhanced by its reliance on the same bond counsel and underwriter for nearly all bond issues brought to market over the past eighteen years. These consultants are intimately familiar with City activities and policies and are an invaluable asset in marketing the City to investors.

Additional information on the City's long-term debt can be found in Note 6 to the Basic Financial Statements.

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, 2008. 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 17 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, which will likely have a positive influence on the City's financial rating. This will ensure cost savings in the future when the City of Benicia seeks financing for public improvements.

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,

A handwritten signature in black ink that reads "R. Sousa". The signature is written in a cursive, slightly slanted style.

Robert Sousa
Finance Director

MUNICIPAL OFFICERS

As of June 30, 2009

CITY COUNCIL (Elected)

Elizabeth Patterson, Mayor	November 2011
Tom Campbell, Vice Mayor	November 2011
Mark Hughes, Councilmember	November 2009
Mike Ioakimedes, Councilmember	November 2011
Alan Schwartzman, Councilmember	November 2009

OTHER (Elected)

Lisa Wolfe, City Clerk	November 2011
Teddie Bidou, City Treasurer	November 2011

PLANNING COMMISSION (Appointed)

Rick Ernst	September 2011
Brad Thomas	September 2011
Rod Sherry	September 2011
Daniel Healy	September 2010
Richard Bortolazzo	September 2010
Donald Dean	January 2013
Lee Syracuse	January 2013

PARKS, RECREATION AND CEMETARY COMMISSION (Appointed)

Sandy Moriarty	July 2009
John McGuire	June 2010
Rufus Bunch	January 2011
Annie Lloyd	September 2009
Nancy Cockerham	September 2010
Dan Moitoza	March 2010
Ernie Gutierrez	November 2010
Triya Leong	September 2008

APPOINTED OFFICIALS

Jim Erickson	City Manager
Heather McLaughlin	City Attorney

DEPARTMENT HEADS

Robert Sousa	Finance
Sandra Spagnoli	Police
Steve Vucurevich	Fire
Michael Alvarez	Parks and Community Services
Anne Cardwell	Administrative Services
Diane Smikahl	Library
Charles Knox	Public Works & Community Development

CITY OF BENICIA

MISSION STATEMENT

To serve and enhance our community with care, commitment and pride.

VISION STATEMENT

Building a great community together by preserving and strengthening:

- Our small town character
- A vibrant economy
- Our history
- A safe and healthy environment

CITY OF BENICIA
ORGANIZATIONAL CHART

JUNE 30, 2009

CITIZENS OF BENICIA

CITY COUNCIL

Elizabeth Patterson, Mayor

CITY CLERK

Lisa Wolfe

Tom Campbell, Vice Mayor

Mark Hughes

Mike Ioakimedes

Alan Schwartzman

CITY TREASURER

Teddie Bidou

CITY MANAGER

Jim Erickson

CITY ATTORNEY

Heather McLaughlin

POLICE
CHIEF

Sandra
Spagnoli

FIRE
CHIEF

Steve
Vucurevich

FINANCE
DIRECTOR

Robert
Sousa

PARKS &
COMMUNITY
SERVICES
DIRECTOR

Mike
Alvarez

ADMIN
SERVICES
DIRECTOR

Anne
Cardwell

LIBRARY
DIRECTOR

Diane
Smikahl

PUBLIC WORKS
& COMMUNITY
DEVELOPMENT
DIRECTOR

Charles
Knox

Location Map

City of Benicia



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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R. M.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emery", positioned above the title "Executive Director".

Executive Director

FINANCIAL SECTION



Mayer Hoffman McCann P.C.

An Independent CPA Firm

84 South First Street, Third Floor
San Jose, CA 95113
408-794-3545 ph
408-295-3818 fx
www.mhm-pc.com

City Council
City of Benicia, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, 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, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Benicia. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the City of Benicia for the year ended June 30, 2008 and, in the prior auditors' report dated November 6, 2008, an unqualified opinion was expressed on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Benicia, California as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, of the City of Benicia, California and the respective budgetary comparison information for the general fund of the City for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described further in note 11 to the financial statements, the City changed its method of accounting for postemployment benefits for fiscal years ending on or after June 30, 2009.

The information identified in the accompanying table of contents as *management's discussion and analysis* and *required supplementary information* are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

City Council
City of Benicia, California
Page Two

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Benicia's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2009 on our consideration of the City of Benicia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mayer Hoffman Mc Cann P.C.

San Jose, California
December 9, 2009

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, 2009. 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 assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$224.7 million. Of this amount, \$44.7 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1.0 million due to reduction of operating expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14.8 million, a decrease of \$3.9 million in comparison with the prior year. Approximately 45.7% of this total, \$6.8 million is available for spending at the City's discretion.
- At the end of the current fiscal year, the General Fund fund balance designations are as follows: \$.8 million for Economic Uncertainty, \$1.6 million for Exposures Reserve and \$3.2 million for Emergency Reserve.
- The City's total debt decreased by \$4.5 million as a net result of debt maturities during the year.

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 Assets 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 assets are 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 assets are one indicator of whether its financial health is improving or deteriorating.

CITY OF BENICIA Management's Discussion and Analysis

In these statements City activities are reported into 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. A reconciliation is provided for both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances to facilitate this comparison.

- **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.
- **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

CITY OF BENICIA Management's Discussion and Analysis

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 39-74 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined Net Assets for the year ended June 30, 2009 are summarized below.

Summary of Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 38.1	\$ 41.4	\$ 31.1	\$ 35.4	\$ 69.2	\$ 76.8
Capital assets	122.6	120.5	111.2	108.9	233.8	229.4
Total Assets	160.7	161.9	142.3	144.3	303.0	306.2
Long-term liabilities outstanding	24.4	23.3	47.8	47.6	72.2	70.9
Other liabilities	4.4	6.5	1.6	5.1	6.0	11.6
Total Liabilities	28.8	29.8	49.4	52.7	78.2	82.5
Net Assets:						
Invested in capital assets, net of related debt	113.2	110.6	63.5	58.7	176.7	169.3
Restricted	3.2	8.0	-	-	3.2	8.0
Unrestricted	15.5	13.5	29.2	32.9	44.7	46.4
Total Net Assets	\$ 131.9	\$ 132.1	\$ 92.7	\$ 91.6	\$ 224.6	\$ 223.7

CITY OF BENICIA Management's Discussion and Analysis

The largest portion of the City's net assets (78.7%) reflects its investments in capital assets, less any related debt used to acquire those assets still outstanding. The City uses these capital assets to provide services to citizens and are not available for future spending.

Restricted net assets represent 1.4% of the total net assets and are subject to external restrictions. The decrease of \$4.8 million in restricted net assets was due to completion of capital projects. These monies will be available for future spending but only for specific projects within the City and for debt payments. The balance of unrestricted net assets, which represents 19.9% of the total assets, may be used to meet the City's ongoing obligations to citizens and creditors.

A Statement of Activities and Changes in Net Assets, as of June 30, 2009, is presented below.

Statement of Activities and Changes in Net Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	\$ 3.9	\$ 3.9	\$ 14.1	\$ 15.0	\$ 18.0	\$ 18.9
Operating grants and contributions	2.9	1.9	0.6	1.7	3.5	3.6
Capital grants and contributions	-	0.3	2.0	-	2.0	0.3
General Revenues:						
Property taxes	13.8	14.3	-	-	13.8	14.3
Sales taxes	7.7	7.5	-	-	7.7	7.5
Utility users' tax	4.4	4.2	-	-	4.4	4.2
Franchise	1.8	1.6	-	-	1.8	1.6
Other taxes	0.7	1.6	-	-	0.7	1.6
Motor vehicle license fees	2.1	2.0	-	-	2.1	2.0
Investment earnings	0.9	0.9	1.2	1.6	2.1	2.5
Total Revenues	38.2	38.2	17.9	18.3	56.1	56.5
Expenses:						
Administration	3.1	3.2	-	-	3.1	3.2
Community Development	1.8	2.4	-	-	1.8	2.4
Public Safety - Police	9.2	8.8	-	-	9.2	8.8
Public Safety - Fire	7.2	7.2	-	-	7.2	7.2
Parks and Community Services	6.0	6.4	-	-	6.0	6.4
Public Works	4.2	4.3	-	-	4.2	4.3
Library	2.4	2.4	-	-	2.4	2.4
Economic Development	0.5	0.5	-	-	0.5	0.5
General Government	4.3	2.8	-	-	4.3	2.8
Interest on long-term debt	0.5	0.5	-	-	0.5	0.5
Wastewater	-	-	7.3	7.0	7.3	7.0
Water	-	-	7.3	7.6	7.3	7.6
Benicia Marina	-	-	0.6	0.6	0.6	0.6
Transit	-	-	1.4	1.8	1.4	1.8
Total Expenses	39.2	38.5	16.6	17.0	55.8	55.5
Increase in net assets before transfers	(1.0)	(0.3)	1.3	1.3	0.3	1.0
Transfers	-	0.1	-	(0.1)	-	-
Increase in net assets	(1.0)	(0.2)	1.3	1.2	0.3	1.0
Net assets - 7/1/08 (restated)	132.9	132.3	91.6	90.4	224.5	222.7
Net assets - 6/30/09	\$ 131.9	\$ 132.1	\$ 92.9	\$ 91.6	\$ 224.8	\$ 223.7

CITY OF BENICIA Management's Discussion and Analysis

Governmental Activities

Total resources available during the year to finance governmental operations were \$171.1 million consisting of Net Assets at July 1, 2008, of \$132.9 million, program revenues of \$6.8 million and general revenues of \$31.4 million.

The cost of all governmental activities this year was \$39.2 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 \$3.9 million, while operating and capital grants and contributions paid for \$2.9 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 \$32.4 million.

Net Cost of Governmental Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	\$ 3,114,153	\$ 41,724	\$ (3,072,429)
Community Development	1,821,213	799,379	(1,021,834)
Public Safety - Police	9,150,887	597,877	(8,553,010)
Public Safety - Fire	7,212,291	513,427	(6,698,864)
Parks and Community Services	5,999,749	2,539,234	(3,460,515)
Public Works	4,186,559	1,550,708	(2,635,851)
Library	2,403,239	313,904	(2,089,335)
Economic Development	536,124	30	(536,094)
General Government	4,283,723	448,429	(3,835,294)
Interest expense	525,341	-	(525,341)
	\$ 39,233,279	\$ 6,804,712	\$ (32,428,567)

CITY OF BENICIA
Management's Discussion and Analysis

Business-type Activities

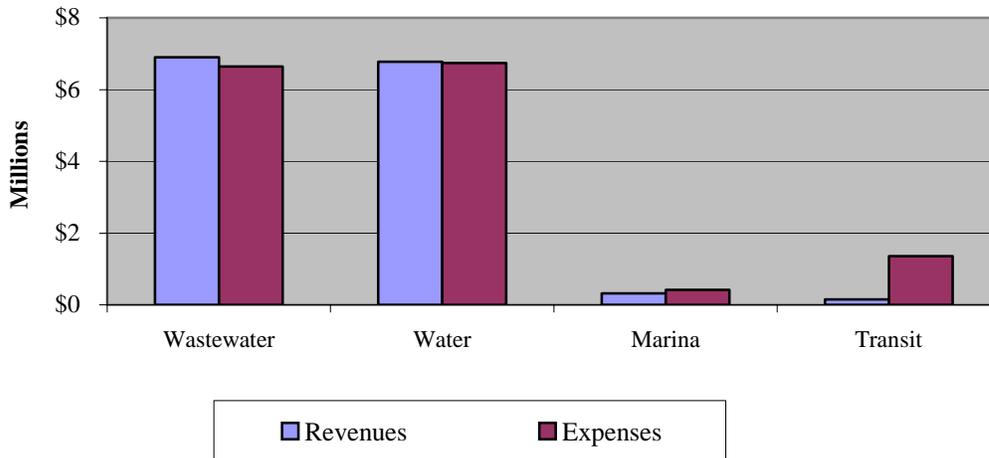
Total resources available during the year to finance Business-Type Activities were \$109.4 million consisting of Net Assets at July 1, 2008, of \$91.6 million, program revenues of \$16.7 million and general revenues of \$1.1 million.

The cost of all Business-Type activities this year was \$16.6 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems were \$14.1 million, while operating and capital grants and contributions were \$2.6 million.

Net Cost of Business-Type Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Wastewater	\$ 7,294,741	\$ 6,897,189	\$ (397,552)
Water	7,345,574	8,772,607	1,427,033
Benicia Marina	594,863	387,034	(207,829)
Transit	1,370,621	689,507	(681,114)
Total	\$ 16,605,799	\$ 16,746,337	\$ 140,538

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, 2009, of \$14.8 million, a decrease of \$3.9 million in comparison with the prior year.

General Fund - The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved and total fund balance to total funding requirements. At the end of the fiscal year, total fund balance of the General Fund was \$6.3 million. The City's unreserved designated fund balance consisted of the following: \$.8 million for Economic Uncertainty, \$1.6 million for Exposures Reserve and \$3.2 million for Emergency Reserve. Total fund balance represents 19.0% of total general fund expenditures.

The General Fund realized general tax and other revenues of \$32.4 million during the year to pay for \$33.1 million operating expenditures, realizing a deficiency of revenues over expenditures of \$.7 million. Lower property taxes, licenses and permits, and investment income fell short of the anticipated budget.

The General Fund continues to have healthy reserves for future emergencies.

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 \$6.9 million in user fees to maintain the system. The fund has \$65.7 million in capital assets, net of accumulated depreciation, financed with \$24.2 million of long-term debt. The fund made debt service payments of \$2.3 million during the year.

Water Fund – The City's water utility fund collected \$6.8 million in user fees to sustain the system. The system has \$41.4 million in capital assets, net of accumulated depreciation, financed with \$16.6 million of long-term debt. The fund made \$1.7 million in debt service payments for the year.

Benicia Marina – The City's Marina collected \$.3 million in user fees to support its operating and debt service costs. The Marina has \$3.5 million in capital assets, net of accumulated depreciation, financed with \$3.9 million of long-term debt. Debt service payments for the year were \$.3 million. The fund continues to have deficit net assets. The City continues to evaluate options for a long-term operating solution.

Transit – The City's Transit system operates bus, para-transit, taxi service for the citizens of Benicia. The City collected user fees of \$.2 million, which was supplemented by an additional \$.5 million in federal, state and local grants to support operations. The fund has \$0.6 million in capital assets, net of accumulated depreciation, financed by intergovernmental revenues.

CITY OF BENICIA
Management's Discussion and Analysis

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 2008-09 was the second year of a two-year budget. The original budget for 2007-09 was developed in early 2007. The original budget for the General Fund revenues was \$33.0 million, while expenditures were at \$32.9 million. The final budget estimates for revenues was \$33.8 million, an increase of \$.8 million, and \$36.4 million for expenditures, an increase of \$3.4 million. The main components of the increases are as follows:

- \$.4 million additional revenues for utility users tax in anticipation of higher revenues from various utility providers
- \$.2 million additional revenues for other taxes in anticipation of higher franchise fees and transient occupancy taxes due to a stronger local economy
- \$.2 million additional investment income from long-term investments
- \$.4 million additional appropriations for salary and benefit adjustments for all departments as a result of the negotiated labor agreements
- \$1.5 million additional transfers out for project completions
- \$1.4 million additional expenditures for pre-paying the Valero property tax loan

During the year, revenues fell short of the anticipated budget by \$1.3 million. The largest revenue variance was the reclassification of proceeds from the loan from the Water Fund to the General Fund as an advance for prepayment of the Valero property tax loan. Actual expenditures were .5 million less than the final budget due to cutbacks on operating expenditures and the hiring freeze throughout the City.

CAPITAL ASSETS

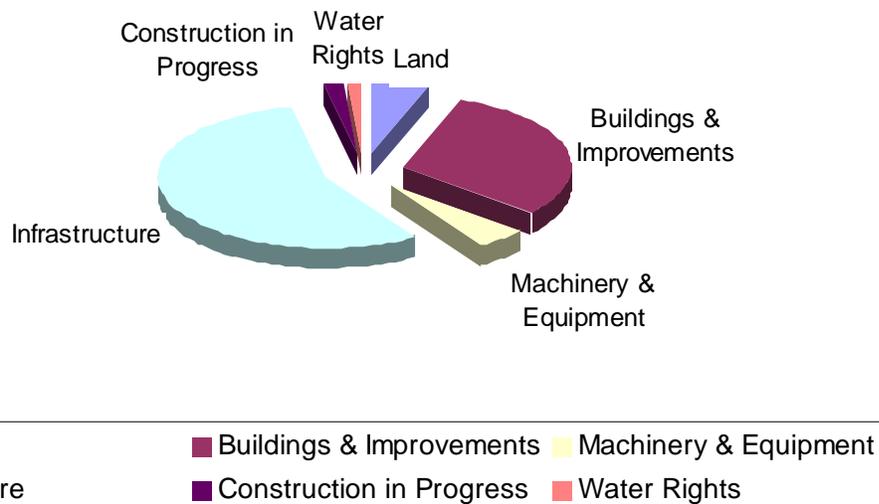
The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. This investment in capital assets includes land and easements, infrastructure, buildings and improvements, equipment and construction in progress. At June 30, 2009, net capital assets of the governmental activities totaled \$122.6 million and the net capital assets of the business-type activities totaled \$111.2 million. Depreciation on capital assets is recognized in the Government-wide Financial Statements.

CITY OF BENICIA
Management's Discussion and Analysis

The following table provides a breakdown of the City's capital assets at June 30, 2009:

Capital Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 18.0	\$ 18.0	\$ 2.6	\$ 2.6	\$ 20.6	\$ 20.6
Buildings & Improvements	21.4	17.9	90.6	90.6	112.0	108.5
Machinery & Equipment	8.1	8.1	9.8	9.3	17.9	17.4
Infrastructure	132.2	130.3	72.0	71.4	204.2	201.7
Construction in Progress	5.0	4.8	2.6	2.3	7.6	7.1
Water Rights	-	-	5.0	-	5.0	-
Total Capital Assets	184.7	179.1	182.6	176.2	367.3	355.3
Accumulated Depreciation	(62.1)	(58.6)	(71.4)	(67.3)	(133.5)	(125.9)
Net Assets	\$ 122.6	\$ 120.5	\$ 111.2	\$ 108.9	\$ 233.8	\$ 229.4



This year's major capital asset additions were machinery and equipment – a Fire engine, a dump truck, backhoe and turbo blowers; and water rights.

Additional information on the City's capital assets can be found in Note 5 on pages 55-57 of this report.

CITY OF BENICIA Management's Discussion and Analysis

DEBT ADMINISTRATION

The City uses a variety of indebtedness to finance various capital acquisitions. At June 30, 2009, the City's long-term debt outstanding was \$72.2 million. Of this total, \$24.4 million was in governmental activities and \$47.8 was in business-type activities. The City's governmental activities increased by \$1.1 million as a result of the General Fund advance from the Wastewater Fund, and business-type activities increased by \$.2 million as a net result of a new lease obligation for the fire engine and debt maturities.

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 \$143 per capita from \$2,669 to \$2,526 from the previous fiscal year.

The following is a summary of the City's long-term debt obligations at June 30, 2009:

Long-term Debt
(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 6.1	\$ 6.6	\$ -	\$ -	\$ 6.1	\$ 6.6
Pension Obligation Bonds	13.7	14.3	-	-	13.7	14.3
Capital Lease	3.3	3.2	-	-	3.3	3.2
Utility Revenue Bonds	-	-	10.5	11.4	10.5	11.4
Loans Payable	-	-	37.1	39.1	37.1	39.1
Total Indebtedness	\$ 23.1	\$ 24.1	\$ 47.6	\$ 50.5	\$ 70.7	\$ 74.6

Additional information on the City's long-term debt can be found in Note 6 on pages 58-64 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City prepares 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, allocates its resources and establishes its priorities. Due to current economic climate, maintenance of the hiring freeze throughout the budget period and further cutbacks on operating expenditures have been implemented in developing the budget for fiscal year 2009-10. Furthermore, careful execution of capital spending will be necessary to assure that we do not spend money that may not materialize.

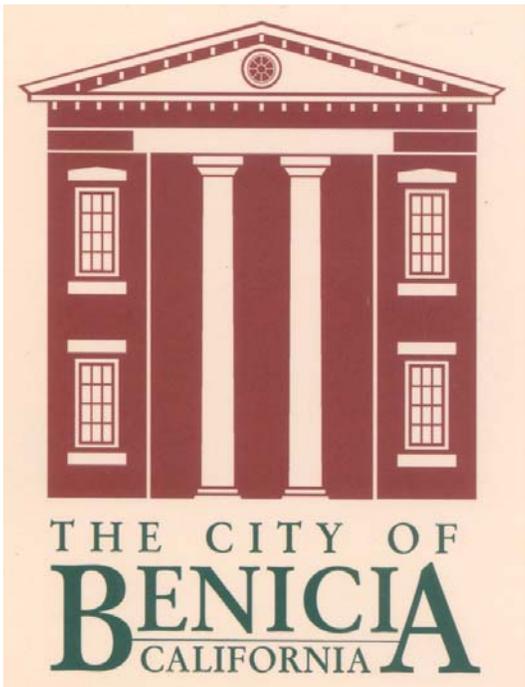
CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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.

CITY OF BENICIA

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATEMENT OF NET ASSETS
AND STATEMENT OF ACTIVITIES**



CITY OF BENICIA
Statement of Net Assets
June 30, 2009
(with comparative information for the prior year)

	Governmental	Business-Type	Totals	
	Activities	Activities	2009	2008
Assets:				
Cash and investments (Note 2)	\$ 20,044,175	25,477,883	45,522,058	53,752,448
Receivables:				
Accounts	2,602,404	1,861,293	4,463,697	3,825,398
Interest	25,772	22,700	48,472	167,900
Lease	-	460,364	460,364	475,280
Notes and loans (Note 4)	3,317,090	1,889,587	5,206,677	4,772,149
Inventory	15,170	267,594	282,764	174,399
Prepaid items	76,427	81,524	157,951	175,759
Deferred charges	-	455,624	455,624	528,941
Interfund balances	(587,679)	587,679	-	-
Prepaid PERS contribution (Note 6)	12,601,889	-	12,601,889	12,938,284
Capital assets, not depreciated (Note 5)	22,955,551	5,196,958	28,152,509	27,664,198
Capital assets, depreciated, net (Note 5)	99,671,810	105,994,234	205,666,044	201,784,792
Total assets	<u>160,722,609</u>	<u>142,295,440</u>	<u>303,018,049</u>	<u>306,259,548</u>
Liabilities:				
Accounts payable and accrued expenses	3,248,453	747,469	3,995,922	3,596,531
Interest payable	176,786	413,945	590,731	622,661
Deposits payable	1,192	99,941	101,133	993,194
Claims and judgments payable (Note 12)	651,912	-	651,912	169,038
Unearned revenue	-	365,028	365,028	379,694
Other postemployment benefits (Note 11)	297,978	-	297,978	-
Noncurrent liabilities (Note 6):				
Due within one year	2,759,425	3,293,738	6,053,163	5,865,118
Due in more than one year	21,661,976	44,519,778	66,181,754	70,894,096
Total liabilities	<u>28,797,722</u>	<u>49,439,899</u>	<u>78,237,621</u>	<u>82,520,332</u>
Net Assets:				
Invested in capital assets, net of related debt	113,264,434	63,624,158	176,888,592	170,461,576
Restricted for:				
Capital projects	2,201,796	-	2,201,796	4,674,297
Special revenue projects	993,543	-	993,543	2,250,748
Unrestricted	15,465,114	29,231,383	44,696,497	46,352,595
Total net assets	<u>\$ 131,924,887</u>	<u>92,855,541</u>	<u>224,780,428</u>	<u>223,739,216</u>

CITY OF BENICIA
Statement of Activities
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
Administration	\$ 3,114,153	41,724	-	-
Public safety - police	9,150,887	200,824	397,053	-
Public safety - fire	7,212,291	425,753	87,674	-
Parks and community services	5,999,749	1,687,534	851,700	-
Public works	4,186,559	265,001	1,285,707	-
Library	2,403,239	186,595	127,309	-
Community development	1,821,213	771,524	27,855	-
Economic development	536,124	30	-	-
General government	4,283,723	316,230	132,199	-
Interest expense	525,341	-	-	-
Total governmental activities	<u>39,233,279</u>	<u>3,895,215</u>	<u>2,909,497</u>	<u>-</u>
Business-type activities:				
Wastewater	7,294,741	6,897,189	-	-
Water	7,345,574	6,772,607	-	2,000,000
Benicia Marina	594,863	323,034	64,000	-
Transit	1,370,621	153,573	535,934	-
Total business-type activities	<u>16,605,799</u>	<u>14,146,403</u>	<u>599,934</u>	<u>2,000,000</u>
Total	<u>\$ 55,839,078</u>	<u>18,041,618</u>	<u>3,509,431</u>	<u>2,000,000</u>

General revenues:
Taxes:
Property
Sales and use
Utilities users' tax
Franchise
Other
Motor vehicle in lieu, unrestricted
Investment income
Gain from disposal of capital assets
Transfers, net

Total general revenues

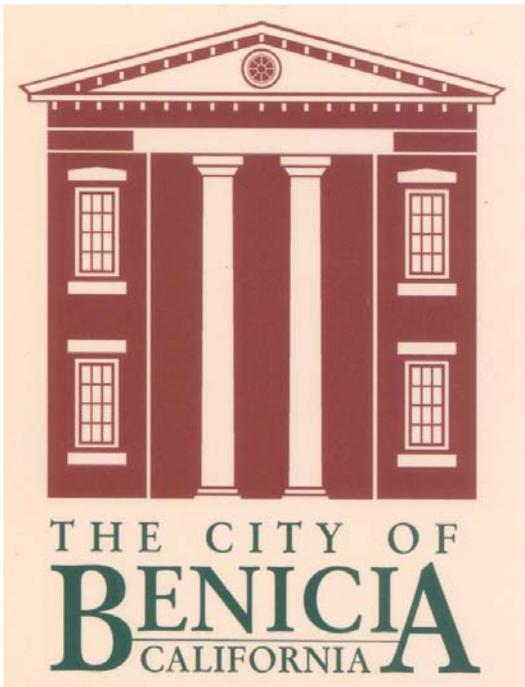
Change in net assets

Net assets at beginning of year, as restated (Note 15)

Net assets at end of year

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Totals	
		2009	2008
(3,072,429)	-	(3,072,429)	(2,767,732)
(8,553,010)	-	(8,553,010)	(8,222,774)
(6,698,864)	-	(6,698,864)	(6,719,959)
(3,460,515)	-	(3,460,515)	(5,318,199)
(2,635,851)	-	(2,635,851)	(2,728,212)
(2,089,335)	-	(2,089,335)	(2,020,473)
(1,021,834)	-	(1,021,834)	(1,263,276)
(536,094)	-	(536,094)	(472,311)
(3,835,294)	-	(3,835,294)	(2,368,323)
(525,341)	-	(525,341)	(472,189)
<u>(32,428,567)</u>	<u>-</u>	<u>(32,428,567)</u>	<u>(32,353,448)</u>
-	(397,552)	(397,552)	(68,455)
-	1,427,033	1,427,033	(430,716)
-	(207,829)	(207,829)	(13,189)
-	(681,114)	(681,114)	186,934
<u>-</u>	<u>140,538</u>	<u>140,538</u>	<u>(325,426)</u>
<u>(32,428,567)</u>	<u>140,538</u>	<u>(32,288,029)</u>	<u>(32,678,874)</u>
13,812,912	-	13,812,912	14,275,802
7,688,775	-	7,688,775	7,514,259
4,413,428	-	4,413,428	4,190,516
1,851,511	-	1,851,511	1,589,752
747,468	-	747,468	1,644,732
2,059,561	-	2,059,561	1,992,604
851,097	1,151,428	2,002,525	2,507,248
-	5,598	5,598	27,900
30,415	(30,415)	-	-
<u>31,455,167</u>	<u>1,126,611</u>	<u>32,581,778</u>	<u>33,742,812</u>
(973,400)	1,267,149	293,749	1,063,938
<u>132,898,287</u>	<u>91,588,392</u>	<u>224,486,679</u>	<u>222,675,278</u>
<u>\$ 131,924,887</u>	<u>92,855,541</u>	<u>224,780,428</u>	<u>223,739,216</u>



CITY OF BENICIA

Fund Financial Statements

The fund described below was determined to be a Major Fund by the City in fiscal year 2009. 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.

CITY OF BENICIA
Governmental Funds
Balance Sheet
June 30, 2009
(with comparative information for the prior year)

	General	Nonmajor	Total Governmental Funds	
	Fund	Governmental Funds	2009	2008
<u>Assets</u>				
Cash and investments	\$ 6,743,672	9,919,074	16,662,746	19,918,345
Receivables:				
Accounts	1,058,223	1,544,181	2,602,404	1,443,469
Interest	14,888	8,004	22,892	71,297
Notes and loans (Note 4)	1,192,578	2,124,512	3,317,090	3,075,076
Due from other funds (Note 3)	966,714	575,687	1,542,401	912,154
Prepaid items	37,000	16,479	53,479	48,903
Advances to other funds (Note 3)	364,164	-	364,164	250,000
	<u>10,377,239</u>	<u>14,187,937</u>	<u>24,565,176</u>	<u>25,719,244</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 1,149,862	983,147	2,133,009	2,357,179
Accrued payroll	116,614	899,868	1,016,482	199,662
Deposits payable	1,192	-	1,192	894,585
Due to other funds (Note 3)	-	858,909	858,909	277,430
Deferred revenue	1,192,578	2,900,199	4,092,777	3,233,497
Advances from other funds (Note 3)	1,627,009	-	1,627,009	-
	<u>4,087,255</u>	<u>5,642,123</u>	<u>9,729,378</u>	<u>6,962,353</u>
Fund balances:				
Reserved:				
Encumbrances	226,523	509,613	736,136	3,614,679
Debt service	-	1,123,535	1,123,535	1,126,958
Prepaid items	37,000	16,479	53,479	48,903
Open space	-	110,000	110,000	110,000
Advances to other funds	364,164	-	364,164	250,000
Unreserved:				
Designated for:				
Future projects	45,574	-	45,574	2,209,014
Cable grant	35,489	-	35,489	94,894
Economic uncertainty	807,458	-	807,458	1,592,669
Exposures reserve	1,591,259	-	1,591,259	1,592,669
Emergency reserve	3,182,517	-	3,182,517	3,185,339
Undesignated, reported in:				
General fund	-	-	-	621,895
Special revenue	-	3,406,367	3,406,367	3,169,621
Debt service	-	-	-	-
Capital projects	-	3,379,820	3,379,820	1,140,250
	<u>6,289,984</u>	<u>8,545,814</u>	<u>14,835,798</u>	<u>18,756,891</u>
Total fund balances	<u>6,289,984</u>	<u>8,545,814</u>	<u>14,835,798</u>	<u>18,756,891</u>
Total liabilities and fund balances	<u>\$ 10,377,239</u>	<u>14,187,937</u>	<u>24,565,176</u>	<u>25,719,244</u>

CITY OF BENICIA
Governmental Funds
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Fund balances of governmental funds \$ 14,835,798

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets have not been included as financial resources in governmental fund activity:

Capital assets	168,771,108
Accumulated depreciation	(55,044,728)

Long term debt and compensated absences that have not been included in governmental fund activity:

Bonds payable	(9,034,954)
Compensated absences	(1,382,097)
Claims payable	(101,742)
Other post employment benefits	(297,978)

Accrued interest payable for the current portion of interest due on bonds payable has not been reported in the governmental funds. (142,047)

Deferred revenue balances relating to certain receivables are not reported as liabilities in the Statement of Net Assets since revenue recognition is not based upon measurable and available criteria. 4,092,777

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets. 10,228,750

Net assets of governmental activities \$ 131,924,887

CITY OF BENICIA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	General Fund	Non-major Governmental Funds	Total Governmental Funds	
			2009	2008
Revenues:				
Property taxes	\$ 13,053,648	759,264	13,812,912	14,275,801
Sales and use taxes	6,958,722	730,053	7,688,775	7,514,258
Utility users' taxes	4,413,428	-	4,413,428	4,190,517
Other taxes	2,598,979	-	2,598,979	2,390,562
Special assessments	-	565,996	565,996	442,713
License and permits	323,241	-	323,241	349,130
Fines and forfeitures	115,596	-	115,596	128,770
Investment income	588,099	287,370	875,469	1,494,578
Rents and leases	124,174	3,810	127,984	134,074
Intergovernmental	2,205,716	2,245,522	4,451,238	4,599,537
Charges for services	1,714,122	630,695	2,344,817	2,475,882
Donations	1,996	117,690	119,686	135,786
Miscellaneous revenues	296,167	76,988	373,155	255,517
Total revenues	32,393,888	5,417,388	37,811,276	38,387,125
Expenditures				
Current:				
Administration	2,975,571	-	2,975,571	2,729,399
Public safety - police	8,228,318	316,372	8,544,690	8,292,356
Public safety - fire	6,974,688	-	6,974,688	6,782,268
Parks and community services	5,172,847	499,323	5,672,170	5,764,217
Public works	1,908,541	312,215	2,220,756	1,912,747
Library	1,285,346	1,036,913	2,322,259	2,262,383
Community development	1,392,965	875,438	2,268,403	2,263,730
Economic development	485,904	31,364	517,268	466,322
General government	4,187,891	-	4,187,891	3,025,451
Capital outlay	476,422	4,407,554	4,883,976	4,227,287
Debt service:				
Principal	-	734,049	734,049	698,064
Interest	-	451,063	451,063	481,502
Total expenditures	33,088,493	8,664,291	41,752,784	38,905,726
Excess (deficiency) of revenues over (under) expenditures	(694,605)	(3,246,903)	(3,941,508)	(518,601)
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	21,980
Transfers in (Note 3)	99,826	3,349,092	3,448,918	2,653,351
Transfers out (Note 3)	(2,822,795)	(605,708)	(3,428,503)	(2,662,273)
Total other financing sources (uses)	(2,722,969)	2,743,384	20,415	13,058
Net change in fund balances	(3,417,574)	(503,519)	(3,921,093)	(505,543)
Fund balances at beginning of year	9,707,558	9,049,333	18,756,891	19,262,434
Fund balances at end of year	\$ 6,289,984	8,545,814	14,835,798	18,756,891

CITY OF BENICIA
 Governmental Funds
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to Statement of Activities
 Year ended June 30, 2009

Changes in fund balances of governmental funds \$ (3,921,093)

Amounts reported for governmental activities in the statement of activities are different because:

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expenses, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	3,942,207
Depreciation expense	(2,221,619)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	734,049
--	---------

Accrued interest expense related to the long-term liabilities. This amount is the difference between the amount of interest paid and the amount of interest incurred on long-term liabilities.	10,071
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To record as an expense the net change in claims payable in the Statement of Activities.	(101,742)
--	-----------

To record as an expense the net change in other post employment benefits.	(297,978)
---	-----------

To record as an expense the net change in compensated absences in the Statement of Activities.	(80,778)
--	----------

To record the forgivable portion of the loans receivable.	192,514
---	---------

Revenues that are measurable but not available are recorded as deferred revenue under the modified accrual basis of accounting.	859,280
---	---------

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal services funds is reported with governmental activities.	(88,311)
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Changes in net assets of governmental activities	\$ (973,400)
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CITY OF BENICIA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Fiscal year ended June 30, 2009
(With comparative information for the prior year)

	Budget		Actual	Variance with	Prior Year Actual
	Original	Final		Final Budget Positive (Negative)	
Revenues:					
Property taxes	\$ 14,530,620	13,250,795	13,053,648	(197,147)	13,534,307
Sales and use tax	6,563,420	6,442,435	6,958,722	516,287	6,794,113
Utility users' taxes	4,042,940	4,403,510	4,413,428	9,918	4,190,517
Other taxes	2,407,970	2,634,880	2,598,979	(35,901)	2,390,562
Licenses and permits	350,000	295,130	323,241	28,111	349,130
Fines and forfeitures	130,000	115,500	115,596	96	128,770
Investment income	717,130	974,105	588,099	(386,006)	1,021,289
Rents and leases	135,410	136,830	124,174	(12,656)	119,674
Intergovernmental	2,453,930	2,460,065	2,205,716	(254,349)	2,176,590
Charges for services	1,421,450	1,185,950	1,714,122	528,172	1,598,978
Donations	-	1,300	1,996	696	-
Miscellaneous revenues	124,470	1,776,450	296,167	(1,480,283)	244,177
Total revenues	32,877,340	33,676,950	32,393,888	(1,283,062)	32,548,108
Expenditures:					
Current:					
Administration	2,766,115	3,026,895	2,975,571	51,324	2,729,399
Public safety - police	8,182,155	8,084,480	8,228,318	(143,838)	7,980,703
Public safety - fire	6,920,275	7,143,200	6,974,688	168,512	6,782,268
Parks and community services	5,518,490	5,573,110	5,172,847	400,263	5,234,434
Public works	2,011,000	2,049,560	1,908,541	141,019	1,892,290
Library	1,241,465	1,276,140	1,285,346	(9,206)	1,209,775
Community development	1,457,370	513,805	1,392,965	(879,160)	1,426,218
Economic development	482,720	4,056,100	485,904	3,570,196	464,110
General	2,690,065	330,370	4,187,891	(3,857,521)	3,025,451
Capital outlay	321,455	1,486,165	476,422	1,009,743	394,489
Total expenditures	31,591,110	33,539,825	33,088,493	451,332	31,139,137
Excess (deficiency) of revenues over expenditures	1,286,230	137,125	(694,605)	(831,730)	1,408,971
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	-	21,980
Transfers in	80,415	80,415	99,826	19,411	94,813
Transfers out	(1,353,380)	(2,837,250)	(2,822,795)	14,455	(2,087,234)
Total other financing sources (uses):	(1,272,965)	(2,756,835)	(2,722,969)	33,866	(1,970,441)
Net change in fund balance	13,265	(2,619,710)	(3,417,574)	(797,864)	(561,470)
Fund balance at beginning of year	9,707,558	9,707,558	9,707,558	-	10,287,098
Fund balance at end of year	\$ 9,720,823	7,087,848	6,289,984	(797,864)	9,725,628

CITY OF BENICIA

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 2009.

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.

TRANSIT

Accounts for the operation and management of the City transit operations.

CITY OF BENICIA
Proprietary Funds
Statement of Net Assets
June 30, 2009
(with comparative information for the prior year)

	Business-Type Activities - Enterprise Funds				
	Wastewater	Water	Marina	Transit	Totals
Assets:					
Current assets:					
Cash and investments	\$ 11,608,289	13,869,594	-	-	25,477,883
Accounts receivable	642,334	668,771	70,685	479,503	1,861,293
Interest receivable	11,010	11,690	-	-	22,700
Inventory	28,595	238,999	-	-	267,594
Prepaid items	-	6,524	75,000	-	81,524
Total current assets	12,290,228	14,795,578	145,685	479,503	27,710,994
Non-current assets:					
Prepaid PERS contribution	-	-	-	-	-
Deferred charges	195,058	260,566	-	-	455,624
Loans receivable	986,865	902,722	-	-	1,889,587
Lease receivable	-	-	460,364	-	460,364
Advances to other funds (Note 3)	1,627,009	-	-	-	1,627,009
Capital assets, net of accumulated depreciation	65,724,546	41,380,685	3,470,047	615,914	111,191,192
Total non-current assets	68,533,478	42,543,973	3,930,411	615,914	115,623,776
Total assets	\$ 80,823,706	57,339,551	4,076,096	1,095,417	143,334,770
Liabilities:					
Current liabilities:					
Accounts payable	\$ 183,368	306,780	-	257,321	747,469
Interest payable	209,566	45,353	159,026	-	413,945
Deposits payable	-	24,015	75,000	926	99,941
Due to other funds (Note 3)	-	-	79,590	595,576	675,166
Unearned revenue	329,028	36,000	-	-	365,028
Workers' compensation claims	-	-	-	-	-
Compensated absences	119,731	126,751	-	-	246,482
Current portion of long-term debt	1,726,144	1,170,650	150,462	-	3,047,256
Total current liabilities	2,567,837	1,709,549	464,078	853,823	5,595,287
Long-term liabilities:					
Workers' compensation claims	-	-	-	-	-
Utility revenue bonds	3,196,801	6,355,101	-	-	9,551,902
Loans payable	20,969,424	10,293,736	3,704,716	-	34,967,876
Lease obligation	-	-	-	-	-
Pension obligation bonds	-	-	-	-	-
Advances from other funds (Note 3)	-	-	160,321	203,843	364,164
Total long-term liabilities	24,166,225	16,648,837	3,865,037	203,843	44,883,942
Total liabilities	26,734,062	18,358,386	4,329,115	1,057,666	50,479,229
Net assets:					
Invested in capital assets, net of related debt	39,832,177	23,561,198	(385,131)	615,914	63,624,158
Unrestricted	14,257,467	15,419,967	132,112	(578,163)	29,231,383
Total net assets (deficit)	\$ 54,089,644	38,981,165	(253,019)	37,751	92,855,541

Governmental Activities Internal Service Funds	Total Proprietary Funds	
	2009	2008
3,381,430	28,859,313	33,834,103
-	1,861,293	2,381,929
2,880	25,580	96,603
15,170	282,764	174,399
22,948	104,472	126,856
<u>3,422,428</u>	<u>31,133,422</u>	<u>36,613,890</u>
12,601,889	12,601,889	12,938,284
-	455,624	528,941
-	1,889,587	1,889,587
-	460,364	475,280
314,853	1,941,862	343,460
8,900,981	120,092,173	118,190,661
<u>21,817,723</u>	<u>137,441,499</u>	<u>134,366,213</u>
<u>25,240,151</u>	<u>168,574,921</u>	<u>170,980,103</u>
98,963	846,432	1,208,728
34,739	448,684	470,543
-	99,941	98,609
8,326	683,492	634,724
-	365,028	379,694
200,200	200,200	200,200
-	246,482	241,400
885,000	3,932,256	3,684,785
<u>1,227,228</u>	<u>6,822,515</u>	<u>6,918,683</u>
349,970	349,970	411,691
-	9,551,902	10,493,092
-	34,967,876	37,065,131
327,973	327,973	-
12,791,377	12,791,377	13,592,593
314,853	679,017	593,460
<u>13,784,173</u>	<u>58,668,115</u>	<u>62,155,967</u>
<u>15,011,401</u>	<u>65,490,630</u>	<u>69,074,650</u>
8,573,008	72,197,166	67,997,829
1,655,742	30,887,125	33,907,624
<u>\$ 10,228,750</u>	<u>103,084,291</u>	<u>101,905,453</u>

CITY OF BENICIA
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Business-Type Activities - Enterprise Funds				
	Wastewater	Water	Marina	Transit	Totals
Operating revenues:					
Charges for services	\$ 6,627,115	6,644,772	-	146,836	13,418,723
Connection fees	178,341	109,704	-	-	288,045
Rentals	-	-	323,034	-	323,034
Other	91,733	18,131	-	6,737	116,601
Total operating revenues	6,897,189	6,772,607	323,034	153,573	14,146,403
Operating expenses:					
Wages and benefits	2,249,417	2,425,030	-	27,713	4,702,160
Materials and supplies	649,260	672,715	-	-	1,321,975
Operations and maintenance	1,548,655	1,624,872	231,228	1,160,884	4,565,639
Purchased water	-	366,306	-	-	366,306
Claims	-	-	-	-	-
Depreciation	2,192,791	1,648,734	189,612	172,024	4,203,161
Total operating expenses	6,640,123	6,737,657	420,840	1,360,621	15,159,241
Operating income	257,066	34,950	(97,806)	(1,207,048)	(1,012,838)
Nonoperating revenues (expenses):					
Interest income	505,384	623,951	22,093	-	1,151,428
Interest (expense)	(631,077)	(549,331)	(174,023)	(10,000)	(1,364,431)
Amortization of issuance cost of debt	(23,541)	(58,586)	-	-	(82,127)
Intergovernmental revenue	-	-	64,000	535,934	599,934
Pension obligation amortization	-	-	-	-	-
Gain from sale of capital assets	1,503	4,095	-	-	5,598
Total nonoperating revenues (expenses)	(147,731)	20,129	(87,930)	525,934	310,402
Income (loss) before transfers and contributions	109,335	55,079	(185,736)	(681,114)	(702,436)
Transfers and capital contributions:					
Capital contributions	-	2,000,000	-	-	2,000,000
Transfers in (note 3)	-	-	-	50,000	50,000
Transfers out (note 3)	(32,165)	(48,250)	-	-	(80,415)
Total transfers and capital contributions	(32,165)	1,951,750	-	50,000	1,969,585
Change in net assets	77,170	2,006,829	(185,736)	(631,114)	1,267,149
Net assets (deficits) at beginning of year	54,012,474	36,974,336	(67,283)	668,865	91,588,392
Net assets (deficits) at end of year	\$ 54,089,644	38,981,165	(253,019)	37,751	92,855,541

Governmental Activities	Total Proprietary Funds	
	2009	2008
Internal Service Funds		
3,145,661	16,564,384	17,800,639
-	288,045	343,607
-	323,034	546,878
204,567	321,168	133,069
<u>3,350,228</u>	<u>17,496,631</u>	<u>18,824,193</u>
807,517	5,509,677	5,276,373
362,251	1,684,226	1,975,350
280,138	4,845,777	5,261,838
-	366,306	745,866
669,710	669,710	507,877
570,370	4,773,531	4,443,360
<u>2,689,986</u>	<u>17,849,227</u>	<u>18,210,664</u>
<u>660,242</u>	<u>(352,596)</u>	<u>613,529</u>
93,726	1,245,154	1,745,085
(520,185)	(1,884,616)	(2,726,406)
-	(82,127)	(89,702)
-	599,934	1,683,891
(336,394)	(336,394)	(345,375)
4,300	9,898	818
<u>(758,553)</u>	<u>(448,151)</u>	<u>268,311</u>
<u>(98,311)</u>	<u>(800,747)</u>	<u>881,840</u>
-	2,000,000	-
10,000	60,000	112,087
-	(80,415)	(103,165)
<u>10,000</u>	<u>1,979,585</u>	<u>8,922</u>
(88,311)	1,178,838	890,762
<u>10,317,061</u>	<u>101,905,453</u>	<u>101,014,691</u>
<u>10,228,750</u>	<u>103,084,291</u>	<u>101,905,453</u>

CITY OF BENICIA
Proprietary Funds
Statement of Cash Flows
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Wastewater</u>	<u>Water</u>	<u>Marina</u>	<u>Transit</u>	<u>Totals</u>
Cash flows from operating activities:					
Receipts from customers	\$ 6,933,837	6,885,561	267,265	581,958	14,668,621
Payments to suppliers for goods and services	(2,195,532)	(3,163,545)	(240,134)	(1,090,383)	(6,689,594)
Payments to employees for services	<u>(2,251,002)</u>	<u>(2,418,363)</u>	<u>-</u>	<u>(27,713)</u>	<u>(4,697,078)</u>
Net cash provided by (used for) operating activities	<u>2,487,303</u>	<u>1,303,653</u>	<u>27,131</u>	<u>(536,138)</u>	<u>3,281,949</u>
Cash flows from non-capital and related financing activities:					
Operating grants and contributions	-	-	64,000	535,934	599,934
Principal paid in non-capital debt	-	-	-	-	-
Interest paid in non-capital debt	-	-	-	-	-
Transfers in	-	-	-	50,000	50,000
Transfers (out)	(32,165)	(48,250)	-	-	(80,415)
Advances to other funds	(1,627,009)	-	-	-	(1,627,009)
Advances from other funds	<u>-</u>	<u>-</u>	<u>210,721</u>	<u>6,361</u>	<u>217,082</u>
Net cash provided by (used for) non-capital and related financing activities	<u>(1,659,174)</u>	<u>(48,250)</u>	<u>274,721</u>	<u>592,295</u>	<u>(840,408)</u>
Cash flows from capital and related financing activities:					
Principal paid on debt	(1,691,554)	(1,139,248)	(143,982)	(46,157)	(3,020,941)
Proceeds from capital lease	-	-	-	-	-
Capital contributions	-	2,000,000	-	-	2,000,000
Interest paid on debt	(644,457)	(552,435)	(179,963)	(10,000)	(1,386,855)
Acquisition of capital assets	(352,280)	(6,123,822)	-	-	(6,476,102)
Proceeds from sale of capital assets	<u>1,503</u>	<u>4,095</u>	<u>-</u>	<u>-</u>	<u>5,598</u>
Net cash provided by (used for) capital and related financing activities	<u>(2,686,788)</u>	<u>(5,811,410)</u>	<u>(323,945)</u>	<u>(56,157)</u>	<u>(8,878,300)</u>
Cash flows from investing activities:					
Interest received	<u>532,888</u>	<u>660,648</u>	<u>22,093</u>	<u>-</u>	<u>1,215,629</u>
Net cash provided by (used for) investing activities	<u>532,888</u>	<u>660,648</u>	<u>22,093</u>	<u>-</u>	<u>1,215,629</u>
Net increase (decrease) in cash and cash equivalents	(1,325,771)	(3,895,359)	-	-	(5,221,130)
Cash and cash equivalents at beginning of year	<u>12,934,060</u>	<u>17,764,953</u>	<u>-</u>	<u>-</u>	<u>30,699,013</u>
Cash and cash equivalents at end of year	<u>\$ 11,608,289</u>	<u>13,869,594</u>	<u>-</u>	<u>-</u>	<u>25,477,883</u>

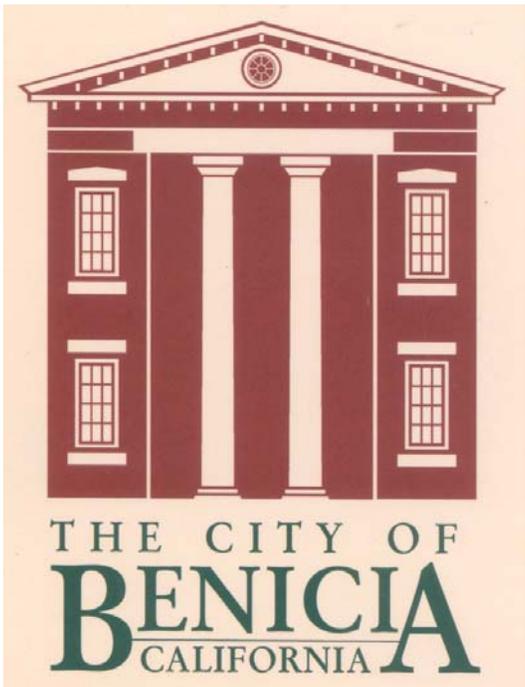
Governmental Activities Internal Service	Totals		
	Funds	2009	2008
	3,350,228	18,018,849	18,565,629
	(1,382,870)	(8,072,464)	(8,520,081)
	<u>(807,517)</u>	<u>(5,504,595)</u>	<u>(5,564,581)</u>
	<u>1,159,841</u>	<u>4,441,790</u>	<u>4,480,967</u>
	-	599,934	-
	(710,000)	(710,000)	(470,000)
	(414,729)	(414,729)	(414,667)
	10,000	60,000	-
	-	(80,415)	2,061,191
	28,607	(1,598,402)	(103,165)
	<u>(36,600)</u>	<u>180,482</u>	<u>-</u>
	<u>(1,122,722)</u>	<u>(1,963,130)</u>	<u>1,073,359</u>
	(37,027)	(3,057,968)	(3,168,978)
	365,000	365,000	-
	-	2,000,000	-
	(24,660)	(1,411,515)	(1,546,755)
	(198,941)	(6,675,043)	(3,661,566)
	<u>4,300</u>	<u>9,898</u>	<u>11,485</u>
	<u>108,672</u>	<u>(8,769,628)</u>	<u>(8,365,814)</u>
	<u>100,549</u>	<u>1,316,178</u>	<u>1,840,737</u>
	<u>100,549</u>	<u>1,316,178</u>	<u>1,840,737</u>
	246,340	(4,974,790)	(970,751)
	<u>3,135,090</u>	<u>33,834,103</u>	<u>34,804,854</u>
	<u><u>3,381,430</u></u>	<u><u>28,859,313</u></u>	<u><u>33,834,103</u></u>

CITY OF BENICIA
Proprietary Funds
Statement of Cash Flows
(Continued)

	<u>Wastewater</u>	<u>Water</u>	<u>Marina</u>	<u>Transit</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 257,066	34,950	(97,806)	(1,207,048)	(1,012,838)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	2,192,791	1,648,734	189,612	172,024	4,203,161
(Increase) decrease in accounts receivable	51,314	111,894	(55,769)	428,113	535,552
(Increase) decrease in prepaid items	-	(6,524)	-	-	(6,524)
(Increase) decrease in inventory	1,751	(117,616)	-	-	(115,865)
(Increase) decrease in other assets	-	-	-	-	-
Increase (decrease) in accounts payable	632	(375,512)	(8,906)	70,501	(313,285)
Increase (decrease) in deferred revenue	(14,666)	-	-	-	(14,666)
Increase (decrease) in deposits payable	-	1,060	-	272	1,332
Increase (decrease) in compensated absences	(1,585)	6,667	-	-	5,082
Increase (decrease) in workers' compensation claims	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 2,487,303</u>	<u>1,303,653</u>	<u>27,131</u>	<u>(536,138)</u>	<u>3,281,949</u>

There were no significant noncash investing or financing activities for the year ended June 30, 2009.

Governmental Activities Internal Service Funds	Totals	
	2009	2008
660,242	(352,596)	613,529
570,370	4,773,531	4,443,360
-	535,552	140,683
28,908	22,384	-
7,500	(108,365)	(3,663)
-	-	81,880
(45,458)	(358,743)	(318,428)
-	(14,666)	(370,926)
-	1,332	(28,395)
-	5,082	1,149
<u>(61,721)</u>	<u>(61,721)</u>	<u>(78,222)</u>
<u>1,159,841</u>	<u>4,441,790</u>	<u>4,480,967</u>



CITY OF BENICIA

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.

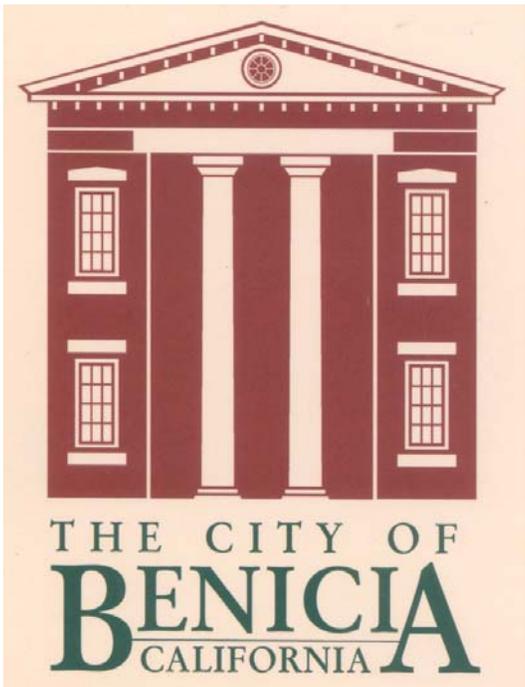
Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements. The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

CITY OF BENICIA
Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2009
(with comparative information for the prior year)

	Affordable Housing Private Purpose Trust	Agency Funds	<u>Totals</u>	
			2009	2008
<u>Assets</u>				
Cash and investments (Note 2)	\$ 19,160	3,217,885	3,237,045	3,187,507
Interest receivable	<u>17</u>	<u>2,701</u>	<u>2,718</u>	<u>8,645</u>
 Total assets	 <u>\$ 19,177</u>	 <u>3,220,586</u>	 <u>3,239,763</u>	 <u>3,196,152</u>
<u>Liabilities</u>				
Due to bondholders	\$ -	<u>3,220,586</u>	<u>3,220,586</u>	<u>3,177,570</u>
 Total liabilities	 <u>-</u>	 <u>3,220,586</u>	 <u>3,220,586</u>	 <u>3,177,570</u>
<u>Net Assets</u>				
Held in trust for:				
Other governments	<u>19,177</u>		<u>19,177</u>	<u>18,582</u>
 Total Net Assets	 <u>\$ 19,177</u>		 <u>19,177</u>	 <u>18,582</u>

CITY OF BENICIA
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Assets
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	Affordable Housing Private Purpose Trust	
	2009	2008
<u>Additions</u>		
Investment income	\$ 595	755
Total additions	595	755
Change in net assets	595	755
Net assets, beginning of year	18,582	17,827
Net assets, end of year	\$ 19,177	18,582



CITY OF BENICIA
Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies

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, water, wastewater, culture-recreation, public improvements, planning and zoning, transit 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:

A. Reporting Entity

The financial statements of the City of Benicia include the financial activities of the City.

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 Assets 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.

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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies, (Continued)

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 fund 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.

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.

Transit Fund – Accounts for the operation and management of the City transit operations.

The City also reports the following fund types:

Fiduciary Funds - The City maintains two types of Fiduciary Funds - Trust Funds 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.

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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies, (Continued)

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 assets 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.

The City follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies, (Continued)

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. Cash and Investments

Investments are reported in the accompanying balance sheet at fair value.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share of this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies, (Continued)

H. 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 & Improvements	15-50 years
Machinery & Equipment	5-30 years
Treatment Plant, Water & Sewer Pipes	40-60 years
Other Infrastructures	10-85 years
Water Rights	20 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.

I. Inventory and Prepaid Items

Inventory and prepaid items are held for consumption and are valued at cost using the first-in-first-out 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.

J. 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 General, 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 Assets.

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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies, (Continued)

K. 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 bi-annual 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.
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. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities at that date.
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.

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.

L. Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year financial statements, from which this selected data was derived. Certain minor reclassifications of prior year data may have been made in order to enhance their comparability with current year figures.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 2 - Cash and Investments

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 invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain 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.

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 Assets:

Cash and investments available for City operations	\$ 45,446,723
Cash with fiscal agent	<u>75,335</u>
Total City cash and investments	45,522,058
Fiduciary Funds	<u>3,237,045</u>
Total cash and investments	<u>\$ 48,759,103</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 4,731
Deposits with financial institutions	896,061
Investments	<u>47,858,311</u>
Total cash and investments	<u>\$ 48,759,103</u>

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 2 - 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 allows 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Federal Instrumentality (government sponsored enterprise)	5 years	AAA	None	None
Repurchase Agreements	30 days	A-1	None	\$1 million
Commercial Paper	270 days	A-1	25%	Lesser of 10% or \$1 million
Bankers' Acceptances	180 days	A-1	20%	Lesser of 5% or \$3 million
Non-negotiable Certificates of Deposits	5 years	None	25%	None
California Local Agency Investment Fund	N/A	None	None	\$40 million per account
Money Market Funds	N/A	AAA	20%	Lesser of 10% or \$5 million

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 2 - 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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>
U.S. Treasury Bonds, Notes and Bills	None	No Limit
Bankers' Acceptances	360 days	A-1
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
Commercial Paper	270 days	A-1+
Repurchase Agreements	None to 1 year	A
State of California Local Agency Investment Fund (LAIF)	N/A	N/A
Money Market Funds	None	Aam
Defeased 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 the Basic Financial Statements

Note 2 - 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	Remaining Maturity (in Months)				Total
	12 Months or less	13 to 24 Months	25 to 36 Months	More than 36 Months	
U.S. Treasury Notes	\$ 1,524,315	-	-	-	1,524,315
California Local Agency Investment Fund	12,151,431	-	-	-	12,151,431
Money Market Mutual Funds	1,122,718	-	-	-	1,122,718
U.S. Government Agencies	6,162,830	12,826,432	13,023,142	1,047,435	33,059,839
<i>Held by Trustees:</i>					
Money Market Mutual Funds	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8</u>
Total Investments	<u>\$ 20,961,302</u>	<u>12,826,432</u>	<u>13,023,142</u>	<u>1,047,435</u>	47,858,311
<i>Demand Deposits and Cash on Hand</i>					<u>900,792</u>
				<i>Total Cash and Investments</i>	<u>\$ 48,759,103</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, 2009, these investments matured in an average of 528 days.

Money market mutual funds are available for withdrawal on demand and at June 30, 2009, matured in an average of 49 days.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 2 - 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.

Investment Type	Amount
<i>AAA Rated:</i>	
<i>Held by City:</i>	
U.S. Government-Sponsored Enterprise Agencies	
Non-callable	\$23,701,539
Callable	9,358,300
Money Market Mutual Funds	1,122,718
<i>Held by Trustees:</i>	
Money Market Mutual Funds	8
<i>Not rated:</i>	
California Local Agency Investment Fund	12,151,431
<i>Exempt from credit rating disclosure:</i>	
U.S. Treasury Notes	1,524,315
Demand Deposits and Cash on Hand	900,792
Total Cash and Investments	\$48,759,103

Concentration of Credit Risk - The following significant investments in any one issuer other than U.S. Treasury securities, mutual funds, and external investment pools are as follows:

Issuer	Reporting Unit	Reported Amount
Federal Farm Credit Bank	Government Activities	\$ 4,114,216
Federal Home Loan Bank		3,834,577
Federal Home Loan Mortgage Corporation		5,680,445

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 3 - 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, 2009 were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 2,762,795 (a)(b)
	Transit	50,000 (a)(b)(c)
	Internal Service Fund	<u>10,000 (b)</u>
		<u>2,822,795</u>
Nonmajor Governmental Funds	General Fund	19,411 (a)
	Nonmajor Governmental Funds	<u>586,297 (a)(b)</u>
		<u>605,708</u>
Wastewater	General Fund	<u>32,165 (d)</u>
Water	General Fund	<u>48,250 (d)</u>
		<u>\$ 3,508,918</u>

Interfund transfers were principally used for the following purposes:

- (a) Transfer to fund City operations
- (b) Transfer to fund capital improvements
- (c) Transfer to fund debt service payments
- (d) Transfer to fund administrative expenses

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, 2009, the following funds have balances due to the General Fund:

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Nonmajor Governmental funds	\$ 283,222
	Benicia Marina fund	79,590
	Transit fund	595,576
	Internal Service funds	<u>8,326</u>
		<u>966,714</u>
Nonmajor Governmental funds	Nonmajor Governmental funds	<u>575,687</u>
Total		<u>\$ 1,542,401</u>

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 3 - Interfund Transactions (Continued)

C. Advances Between Funds

During fiscal year 2009, an advance in the amount of \$160,321 was made from the General Fund to the Benicia Marina Enterprise Fund to finance expenses related to modifications to the City's storm water system that impacted the Benicia Marina Basin. The advance will accrue interest at the current portfolio earnings rate and is expected to be fully repaid by 2028. The Benicia Marina Enterprise Fund will begin repaying the loan to the General Fund when the outstanding loans due to the Department of Boating and Waterways are paid off. The outstanding balance was \$160,321 as of June 30, 2009.

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 is to be repaid with interest of 4% over seven years starting June 30, 2009. The outstanding balance at June 30, 2009 was \$1,627,009.

During fiscal year 2008, an advance in the amount of \$250,000 was made from the General Fund to the Transit Enterprise Fund to finance the purchase of emissions devices for Benicia Breeze buses. The advance is being repaid with interest of 4% over five years. The outstanding balance was \$203,843 as of June 30, 2009.

During fiscal year 2008, an advance in the amount of \$343,460 was made from the Insurance Internal Service Fund to the Building and Equipment Management Internal Service Fund to finance the purchase of a fire engine. The advance is being repaid with interest of 4% over ten years. The outstanding balance at June 30, 2009 was \$314,853.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 4 - Loans Receivable

At June 30, 2009, the City had the following housing related loans receivable:

	Balance at June 30, 2009		
	Governmental Activities	Business-type Activities	Total
Housing Rehabilitation Loan Program	\$ 396,112	-	396,112
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	1,630,332	-	1,630,332
Fee Deferrals			
Suraj Investments, LLC	58,254	96,265	154,519
Bruce Blankenhorn	149,878	-	149,878
Total Loans Receivable	3,317,090	1,889,587	5,206,677
Less: Forgivable Amounts	(192,514)	(948,322)	(1,140,836)
Total	\$ 3,124,576	941,265	4,065,841

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, 2009, residents owed the City \$396,112 in loans offered by this Program.

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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 4 - Loans Receivable (Continued)

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 purpose of the loan was to assist with the construction of a twelve unit project, Hearthstone Village, which consists of seven single-family houses, one duplex, one triplex and three parking structures. All twelve of these units are to be occupied by low- and very low-income persons or families. The loan payments are deferred and the loan receivable will not be recognized unless, within ten years from date of occupancy, the property ceases to be used in accordance with the terms and conditions set forth in the regulatory agreement. However, the loan is secured by a deed of trust creating a valid lien, not lower than third priority, upon the property.

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 recognized 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. The City loaned the Benicia Housing Authority an additional \$113,812 in fiscal year 2009. As of June 30, 2009, the outstanding amount of this loan was \$1,630,332.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 4 - 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 are 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. As of June 30, 2009, the developer had incurred deferred permit fees of \$154,519. Repayment of the loan is due in eight annual installments of \$26,666 plus interest of 5.125% beginning at the issuance of the building permit.

On September 5, 2006, the City authorized a special fee deferral payment agreement, secured by a deed of trust, with Bruce Blankenhorn, to defer developer fees in the amount of \$149,878. The fees are deferred in the form of a loan receivable for development impact fees and pro-rata improvement costs of the East N Street residential project located at 660/670 East N Street. Repayment of the loan is due in five equal annual installments of \$23,980 subsequent to the issuance of the building permit. Additionally, a down payment of \$29,975 is due to the City as a condition preceding the issuance of a certificate of occupancy on the first unit of the East N Street project.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 5 - Capital Assets

A. *Capital additions and retirements* – Capital assets at June 30 comprise:

	Balances at July 1, 2008*	Additions	Deletions	Transfers	Balances at June 30, 2009
Governmental activities					
Capital assets, not depreciated:					
Land	\$ 17,989,044	-	-	-	17,989,044
Construction in progress	<u>4,781,346</u>	<u>3,956,027</u>	<u>-</u>	<u>(3,770,866)</u>	<u>4,966,507</u>
Total capital assets, not depreciated	<u>22,770,390</u>	<u>3,956,027</u>	<u>-</u>	<u>(3,770,866)</u>	<u>22,955,551</u>
Capital assets, being depreciated					
Buildings and improvements	17,918,231	-	-	3,561,245	21,479,476
Machinery and equipment	8,129,358	198,941	(225,197)	-	8,103,102
Infrastructure	<u>132,010,509</u>	<u>-</u>	<u>-</u>	<u>209,621</u>	<u>132,220,130</u>
Total cost of depreciable assets	<u>158,058,098</u>	<u>198,941</u>	<u>(225,197)</u>	<u>3,770,866</u>	<u>161,802,708</u>
Less accumulated depreciation:					
Buildings and improvements	(5,940,433)	(500,086)	-	-	(6,440,519)
Machinery and equipment	(5,310,072)	(390,068)	211,377	-	(5,488,763)
Infrastructure	<u>(48,299,781)</u>	<u>(1,901,835)</u>	<u>-</u>	<u>-</u>	<u>(50,201,616)</u>
Total accumulated depreciation	<u>(59,550,286)</u>	<u>(2,791,989)</u>	<u>211,377</u>	<u>-</u>	<u>(62,130,898)</u>
Net depreciable assets	<u>98,507,812</u>	<u>(2,593,048)</u>	<u>(13,820)</u>	<u>3,770,866</u>	<u>99,671,810</u>
Governmental activity capital assets, net	<u>\$ 121,278,202</u>	<u>1,362,979</u>	<u>(13,820)</u>	<u>-</u>	<u>122,627,361</u>

* Beginning balances have been adjusted to include traffic signals that were not previously recorded
See Note 17.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 5 - Capital Assets (Continued)

	Balances at July 1, 2008	Additions	Deletions	Transfers	Balances at June 30, 2009
Business-type activities:					
Capital assets, not depreciated:					
Land and improvements	\$ 2,584,081	-	-	-	2,584,081
Construction in progress	<u>2,309,727</u>	<u>303,150</u>	<u>-</u>	<u>-</u>	<u>2,612,877</u>
Total capital assets, not depreciated	<u>4,893,808</u>	<u>303,150</u>	<u>-</u>	<u>-</u>	<u>5,196,958</u>
Capital assets, being depreciated					
Buildings and improvements	90,572,331	-	-	-	90,572,331
Machinery and equipment	9,332,906	590,404	(80,367)	-	9,842,943
Infrastructure	71,390,616	582,548	-	-	71,973,164
Water rights	<u>-</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
Total cost of depreciable assets	<u>171,295,853</u>	<u>6,172,952</u>	<u>(80,367)</u>	<u>-</u>	<u>177,388,438</u>
Less accumulated depreciation:					
Buildings and improvements	(30,128,977)	(2,253,018)	-	-	(32,381,995)
Machinery and equipment	(3,376,702)	(619,533)	80,367	-	(3,915,868)
Infrastructure	<u>(33,765,731)</u>	<u>(1,330,610)</u>	<u>-</u>	<u>-</u>	<u>(35,096,341)</u>
Total accumulated depreciation	<u>(67,271,410)</u>	<u>(4,203,161)</u>	<u>80,367</u>	<u>-</u>	<u>(71,394,204)</u>
Net depreciable assets	<u>104,024,443</u>	<u>1,969,791</u>	<u>-</u>	<u>-</u>	<u>105,994,234</u>
Business-type activity capital assets, net	<u><u>\$ 108,918,251</u></u>	<u><u>2,272,941</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>111,191,192</u></u>

B. Project Commitment

At June 30, 2009, the City had outstanding commitments with contractors for the following projects:

<u>Project</u>	<u>Commitment</u>
Rose Drive Overcrossing	\$ 26,553
Commanding Officers Quarters	51,457
Community Center	308,073
Jack London Park Restroom	150,797

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 5 - Capital Assets (Continued)

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	\$ 5,194
Community development	8,487
Public safety-police	103,627
Public safety-fire	172,236
Parks and community services	554,760
Public works	1,906,979
Library	8,232
General government	<u>32,474</u>
Total Governemental activities	<u>\$ 2,791,989</u>

Business-type activities:

Wastewater	\$ 2,192,791
Water	1,648,734
Benicia Marina	189,612
Transit	<u>172,024</u>
Total Business-type acvtivities	<u>\$ 4,203,161</u>

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 6 - Long-Term Liabilities

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

Governmental:

	<u>Balance at</u> <u>July 1, 2008</u>	<u>Additions/</u> <u>Accretion</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
1997 General Obligation Wastewater Bonds, Series A	\$ 3,175,000	-	(250,000)	2,925,000	260,000
1997 General Obligation Wastewater Bonds, Series B	3,410,000	-	(235,000)	3,175,000	250,000
2006 Pension Obligation Bonds Series A-1 (Current Interest Bonds)	6,990,000	-	(630,000)	6,360,000	-
Series A-2 (Capital Appreciation Bonds)	7,312,593	83,784	(80,000)	7,316,377	885,000
Casa de Vilarrasa - Capital Lease	1,348,112	-	(54,249)	1,293,863	56,718
Fire Truck Capital Lease	-	365,000	(37,027)	327,973	30,512
Police and Marina Storm Drain Improvements Capital Lease	1,835,891	-	(194,800)	1,641,091	203,824
Compensated Absences	<u>1,301,319</u>	<u>1,154,149</u>	<u>(1,073,371)</u>	<u>1,382,097</u>	<u>1,073,371</u>
Total Governmental activity debt	<u>\$25,372,915</u>	<u>1,602,933</u>	<u>(2,554,447)</u>	<u>24,421,401</u>	<u>2,759,425</u>

CITY OF BENICIA
Notes to the Basic Financial Statements

(6) Long-Term Liabilities (Continued)

Business-type:

	Balance at July 1, 2008	Additions/ Accretion	Deletions	Balance at June 30, 2009	Due Within One Year
2002 Water Revenue Refunding Bonds	\$ 7,720,000	-	(665,000)	7,055,000	685,000
2005 Wastewater Refunding Revenue Bonds	3,770,000	-	(260,000)	3,510,000	265,000
Less unamortized original issue discount	(71,908)	-	8,810	(63,098)	-
Total utility bonds, net of discount	<u>11,418,092</u>	-	<u>(916,190)</u>	<u>10,501,902</u>	<u>950,000</u>
State of California Marina Loans	3,999,160	-	(143,983)	3,855,177	150,462
State Revolving Loan Fund-WWTP	13,886,003	-	(957,415)	12,928,588	974,677
State Revolving Loan Fund -I&I	9,976,119	-	(474,139)	9,501,980	486,467
State Revolving Loan Fund - Water Treatment Plant	11,253,634	-	(474,248)	10,779,386	485,650
Compensated Absences	<u>241,400</u>	<u>219,732</u>	<u>(214,650)</u>	<u>246,482</u>	<u>246,482</u>
Total Business-type activity debt	<u>\$5,774,408</u>	<u>219,732</u>	<u>(3,180,624)</u>	<u>47,813,516</u>	<u>3,293,738</u>

B. 1997 General Obligation Wastewater Bonds, Series A and B

In 1997, the City's voters approved issuance of up to \$30 million in general obligation debt to improve the City's wastewater treatment plant. The 1997 General Obligation Wastewater Bonds totaling \$10 million were issued in August 1997 (Series A) and May 1998 (Series B). Principal payments are payable annually on August 1 and interest payments are paid semi-annually on February 1 and August 1.

C. 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 prepay the unfunded liability of the Miscellaneous and Safety pension plans through the California Public Employees' Retirement System. As of June 30, 2009, the City's prepaid pension obligation amounted to \$12,601,889.

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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 6 - Long-Term Liabilities (Continued)

The Series A-2 Capital Appreciation Bonds unaccrued discount totaled \$5,088,625 at June 30, 2009. The Bonds do not pay periodic interest. Interest on the Bonds will accrete in value at the rates of 5.67% to 6.12%. Repayments of the accreted principal commenced on June 1, 2008.

D. 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. However, it is anticipated the loan will be repaid in 2014. 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.

E. 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. Ownership of the vehicle will be reverted to the City at the end of the lease.

F. 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. 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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 6 - Long-Term Liabilities (Continued)

G. Debt Service Requirements

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

Government Obligation Bonds

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 510,000	252,202
2011	535,000	233,428
2012	565,000	213,238
2013	595,000	191,903
2014	630,000	169,428
2015-2020	<u>3,265,000</u>	<u>481,188</u>
Total	<u>\$ 6,100,000</u>	<u>1,541,387</u>

Pension Obligation Bonds

<u>Year ending June 30</u>	<u>Principal (A)</u>	<u>Interest</u>
2010	\$ 885,000	374,237
2011	925,000	374,237
2012	1,010,000	332,415
2013	1,060,000	332,415
2014	1,105,000	332,415
2015-2020	4,650,000	1,595,534
2021-2025	2,045,000	1,088,155
2026-2030	2,630,000	1,088,155
2031-2036	<u>4,455,000</u>	<u>934,568</u>
Total	<u>\$ 18,765,000</u>	<u>6,452,130</u>

(A) Includes unaccreted discount totaling \$5,088,623

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 6 - Long-Term Liabilities (Continued)

Capital Leases

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 291,054	144,332
2011	304,413	130,973
2012	318,386	117,000
2013	333,001	102,385
2014	348,286	87,100
2015-2020	1,161,036	255,771
2021-2025	<u>506,751</u>	<u>64,802</u>
Total	<u>\$ 3,262,927</u>	<u>902,363</u>

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 semiannually on May 1 and November 1.

The pledge of future available net revenues of the Water Fund ends upon repayment of the \$8,413,082 in remaining debt service on the bonds which is scheduled to occur in fiscal year 2018. As disclosed in the official statement, available net revenues are expected to provide coverage over debt service of 1.20 over the life of the bonds. For fiscal year 2009, gross Water Fund Revenues including operating revenues and non-operating interest earnings totaled \$7,396,558 and operating costs, not including depreciation or amortization, totaled \$5,088,923. Net Revenues available for debt service totaled \$2,307,635 which represented coverage of 2.44 of debt service payment of \$946,430.

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 wastewater 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 the Basic Financial Statements

Note 6 - Long-Term Liabilities (Continued)

The pledge of future net revenues of the Wastewater Fund ends upon repayment of the \$4,301,000 in remaining debt service on the bonds which is scheduled to occur in fiscal year 2020. As disclosed in the official statement, available net revenues are expected to provide coverage over debt service of 1.20 over the life of the bonds. For fiscal year 2009, Wastewater Fund Revenues including operating revenues and non-operating investment income totaled \$7,402,573 and operating costs, not including depreciation or amortization totaled \$4,447,332. Net Revenues available for debt service totaled to \$2,955,241 which represented coverage of 7.54 of debt service payment of \$391,813.

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.

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 Fund Loan agreement with the State Water Resources Control Board to finance the \$12 million inflow and infiltration project at a rate of 2.6%. 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. The maximum amount the City can borrow is \$13,600,000; however, the City only borrowed \$11,716,747. As of June 30, 2009, the outstanding principal amount was \$10,779,386.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 6 - Long-Term Liabilities (Continued)

N. Debt Service Requirements

Annual debt service requirements are shown below for business-type activities long-term debt:

Revenue Bonds

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 950,000	400,098
2011	975,000	370,780
2012	1,015,000	338,318
2013	1,040,000	303,140
2014	1,080,000	265,530
2015-2020	<u>5,505,000</u>	<u>671,263</u>
	10,565,000	<u>2,349,128</u>
Less unamortized discount:	<u>(63,098)</u>	
Total	<u>\$ 10,501,902</u>	

Revolving Loans

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 2,097,256	908,380
2011	2,145,924	859,711
2012	2,195,824	809,811
2013	2,246,990	758,645
2014	2,286,812	706,178
2015-2020	15,856,699	2,997,722
2021-2025	8,165,715	1,071,637
2026-2030	<u>2,069,912</u>	<u>91,298</u>
Total	<u>\$ 37,065,131</u>	<u>8,203,381</u>

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 7 - Special Assessment Debt With No Government Commitment

At June 30, 2009, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

McAllister	\$ 10,585,000
East Second Street	2,790,000
Combined Drake/Gateway	356,000
Fleetside Industrial Refunding	2,185,000

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 - Fund Balances

A. Fund Balance Reserves

Reserves are placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity that provided the funds. The City cannot modify or remove these reserves. At June 30, 2009 reserves included the following:

Debt Service reserve are the balance of debt service funds legally restricted for the payment of principal and interest on long-term debt, or the portion of proprietary funds retained earnings reserved to retire bond principal.

Prepaid Items reserve is the portion of fund balance set aside to indicate these items do not represent available, spendable resources even though they are a component of assets.

Encumbrances reserve represents the portion of fund balance set aside for open purchase orders.

Open Space reserve is the portion of fund balance set aside for open space improvement.

Advances to Other Funds reserve indicates that the portion of fund balance is set aside and does not represent available, spendable resources even though they are a component of assets.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 8 - Fund Balances (Continued)

B. Fund Balance Designations

Designations are imposed by City Council to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Council action. At June 30, 2009, designations included the following:

Designated for *future projects* includes \$45,574 for economic and community development projects.

Designated for the *cable grant* is the portion of fund balance to be used for communication equipment purchases.

Designated for *economic uncertainty* is to mitigate the affects of major economic uncertainties, local disasters, and other severe financial hardships resulting from unforeseen changes in revenues and or expenditures.

Designated for *exposures reserve* is a set aside of resources for potential costs not covered by the City's insurance programs.

Designated for *emergency reserve* is to mitigate all unforeseen events not covered in Economic Uncertainty and Exposures Reserve.

C. Fund Equity Deficits

The Developer Deposits Special Revenue Fund had a deficit fund balance of \$24 at June 30, 2009. This will be offset by developer reimbursements in fiscal year 2010.

The Library Book Fund had a deficit fund balance of \$3,364 at June 30, 2009. Future service charges are expected to offset the deficit in fiscal year 2010.

The Miscellaneous Grants Fund had a deficit fund balance of \$3,576 at June 30, 2009. Future grant revenues are expected to offset the deficit in fiscal year 2010.

The Street Projects Capital Projects Fund had a deficit fund balance of \$120,292 at June 30, 2009. Future grant revenues are expected to offset the deficit in fiscal year 2010.

The Community Center Capital Projects Fund had a deficit fund balance of \$151,428 at June 30, 2009. Community donations are expected to offset the deficit in fiscal year 2010.

The Benicia Marina Enterprise Fund had a deficit fund balance of \$253,019 at June 30, 2009. Future rental revenues are expected to offset this deficit in fiscal year 2010.

The Insurance Fund has deficit net assets of \$42,136. Future service charges are expected to offset this deficit in fiscal year 2010.

The Retirement Stability Internal Service Fund has deficit net assets of \$167,149. Future service charges are expected to offset this deficit in fiscal year 2010.

CITY OF BENICIA
Notes to the Basic Financial Statements

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.

Note 10 - Defined Benefit Pension Plan (PERS)

The City of Benicia contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan for miscellaneous employees and a cost-sharing multiple-employer public employee defined benefit plan for safety employees. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial reports may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

Miscellaneous and safety participants are required to contribute 8% to 9%, respectively, of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and City contract with employee bargaining groups.

For each of the fiscal years shown below, the City has contributed at the actuarially determined rate provided by PERS' actuaries. Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2008 to June 30, 2009 has been determined by an actuarial valuation of the plan as of June 30, 2006. The contribution rate indicated for the period is 20.158% of payroll for the safety plan and 12.179% of payroll for the miscellaneous plan. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2009, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2008 to June 30, 2009.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 10 - Defined Benefit Pension Plan (PERS) (Continued)

A summary of principle assumptions and methods used to determine the ARC is shown below.

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Valuation Date	June 30, 2006	June 30, 2006
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Average Remaining Period	24 Years as of the Valuation Date	17 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market	15 Year Smoothed Market
Actuarial Assumptions		
Investment Rate of Return	7.75% (net of administrative expenses)	7.75% (net of administrative expenses)
Projected Salary Increases	3.25% to 14.45% depending on Age, Service, and type of employment	3.25% to 14.45% depending on Age, Service, and type of employment
Inflation	3.00%	3.00%
Payroll Growth	3.25%	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.0% and an annual production growth of 0.25%	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.0% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a rolling 30 year period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30 year amortization period.

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Safety</u>	<u>Miscellaneous</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	\$1,292,242	1,077,392	100%	-
6/30/08	1,370,958	1,246,392	100%	-
6/30/09	1,483,256	1,482,387	100%	-

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 11 - Other Post Employment Benefits

A. Plan Description

The City of Benicia contracts with Kaiser, Health Net, 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.

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	\$ 448,137
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	448,137
Contributions made (including premiums paid)	<u>(150,159)</u>
Increase in net OPEB obligation	297,978
Net OPEB obligation—beginning of year	-
Net OPEB obligation—end of year	<u><u>\$ 297,978</u></u>

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 11 - Other Post Employment Benefits (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years were as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/07	N/A	N/A	N/A
6/30/08	N/A	N/A	N/A
6/30/09	\$448,137	34%	297,978

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.

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 10 percent initially, reduced by decrements of 1% per year to an ultimate rate of 5 percent after the sixth year. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years. It is assumed the City's payroll will increase 3.25% per year.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 11 - Other Post Employment Benefits (Continued)

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)
6/30/07	N/A	N/A	N/A	N/A	N/A	N/A
6/30/08	N/A	N/A	N/A	N/A	N/A	N/A
6/30/09	\$ -	4,401,160	4,401,160	0.00%	19,529,818	23%

Note 12 - Risk Management

A. Coverages

City employees are covered under a medical and prescriptions policy with coverage limited to \$2,000,000 in the aggregate. 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 above the City's deductible of \$1,000 to \$250,000, for property damage. 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, 2009, the City contributed \$620,359 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, 2009, the City contributed \$112,807 for current year coverage. The City has purchased an additional of \$20 million in excess coverage in current fiscal year.

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

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 12 - Risk Management (Continued)

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:

	2009			2008
	Workers' Compensation	General Liability	Total	
Beginning claims payable	\$ 611,891	169,038	780,929	786,147
Liability for current year claims and change in prior year claims estimate	135,434	48,371	183,805	439,304
Claims paid	<u>(197,155)</u>	<u>(115,667)</u>	<u>(312,822)</u>	<u>(444,522)</u>
Ending claims payable balance	<u>\$ 550,170</u>	<u>101,742</u>	<u>651,912</u>	<u>780,929</u>
 Claims liabilities due within one year	 <u>\$ 188,608</u>	 <u>162,490</u>	 <u>351,098</u>	 <u>369,238</u>

For the years ended June 30, 2009, 2008, and 2007, the amount of settlements did not exceed insurance coverage.

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.

CITY OF BENICIA
Notes to the Basic Financial Statements

Note 13 - Joint Powers Authorities (Continued)

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 term.

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). Beginning in 2011, the monthly rent will be adjusted annually for each succeeding years using the Consumer Price Index for all Urban Consumers (CPI-U) San Francisco — Oakland — San Jose Metropolitan Area as published for June 2011 (or the nearest preceding month if not published for that month). The first such adjustment shall occur on July 1, 2011. Subsequent yearly adjustment calculation shall be determined by the April index and become effective on July 1 for each succeeding year of the lease.

City shall 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 shall maintain the existing premises and BUSD shall have no maintenance or repair obligations with respect to the premises being leased.

CITY OF BENICIA
Notes to the Basic Financial Statements

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 of 1984 as amended in 1996, 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 - Excess of Expenditures over Appropriations

Expenditures exceeded budgeted appropriations in the following funds:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
East 2nd Street Landscaping and Lighting	\$ 20,135	36,710	(16,575)
Human Services	158,625	271,322	(112,697)
Developer Deposits	-	364,403	(364,403)
Miscellaneous Grants	-	308,032	(129,272)
Capital License	10,000	33,532	(23,532)

Note 17 - Prior Period Adjustment

During fiscal year 2008-09, net assets were adjusted to add infrastructure assets and accumulated depreciation that were acquired in a prior year. The following schedule summarizes the effect of the prior period adjustment to the Government Wide Statements:

Government Wide Statement:

Governmental Activities

Net assets at beginning of year as previously reported	\$ 132,150,824
Addition of infrastructure	<u>747,463</u>
Net assets balance at beginning of year, as restated	<u>\$ 132,898,287</u>

SUPPLEMENTARY SCHEDULES

CITY OF BENICIA

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 childcare facilities in the City and the City Cemetery.

Library Book - Accounts for fees collected from developers for the purchase of books for the main library.

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

Library Measure B - 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.

Police and Fire Safety Grants - Accounts for various public safety grant revenues and their expenditures.

Human Services - Accounts for citizen donations and General Fund allocations to assist residents within the City.

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 the BCDC grant used for the removal of four derelict barges from the Bay, and the BAAQMD grant used for a climate action plan to reduce greenhouse gas emissions within the City.

VIP (Valero Improvement Project) Conservation Fund - Accounts for the Valero settlement monies required for environmental impact to be used for water conservation.

DEBT SERVICE FUNDS

1997 Wastewater General Obligation Bond - Accounts for property tax levies for the payment of voter-approved debt principal and interest of the 1997 Wastewater General Obligation Bonds.

CITY OF BENICIA

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS, Continued

Casa De Vilarrasa - Accounts for the payment of debt principal and interest of the Casa De Vilarrasa Capital Lease. Sources of revenue include debt proceeds, investments earnings, and residual receipts from the project and General Fund advances.

CAPITAL PROJECTS FUNDS

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.

Street Projects – Accounts for the construction of public improvements. Sources of revenue include local, state and federal funds.

Capital License – Accounts for the construction of various capital projects throughout the City. Sources of revenue include investment earnings and capital license fees.

Park Dedication – Accounts for construction and capital improvements of the City’s parks, trails and open 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.

Storm Drain Improvements – Accounts for costs of replacing storm drains throughout the City.

Community Center – Accounts for expenditures for the proposed Community Center. Sources of funding include proceeds from the sale of City owned land and investment earnings.

Community Donations – Accounts for community donations for specific capital projects and the use of these revenues.

Police Public Safety Building – Accounts for funding and renovation of the Police Department Building. Primary sources of revenue are fund transfers provided by the General Fund, debt proceeds and investment earnings.

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.

Intermodal Transportation Center – Accounts for funding and construction of a proposed intermodal transportation center. Sources of revenue will come from 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
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(with comparative information for the prior year)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals	
				2009	2008
<u>Assets</u>					
Cash and investments	\$ 4,422,178	1,122,854	4,374,042	9,919,074	10,941,175
Accounts receivable	238,494	-	1,305,687	1,544,181	523,502
Interest receivable	3,295	931	3,778	8,004	27,304
Notes and loans receivable	407,477	-	1,717,035	2,124,512	1,996,310
Due from other funds	-	-	575,687	575,687	-
Prepaid items	16,479	-	-	16,479	18,163
	<u>16,479</u>	<u>-</u>	<u>-</u>	<u>16,479</u>	<u>18,163</u>
 Total assets	 <u>\$ 5,087,923</u>	 <u>1,123,785</u>	 <u>7,976,229</u>	 <u>14,187,937</u>	 <u>13,506,454</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 264,391	250	718,506	983,147	1,131,047
Deposits payable	899,868	-	-	899,868	893,913
Due to other funds	11,500	-	847,409	858,909	277,430
Deferred revenue	407,477	-	2,492,722	2,900,199	2,154,731
	<u>407,477</u>	<u>-</u>	<u>2,492,722</u>	<u>2,900,199</u>	<u>2,154,731</u>
 Total liabilities	 <u>1,583,236</u>	 <u>250</u>	 <u>4,058,637</u>	 <u>5,642,123</u>	 <u>4,457,121</u>
 Fund balances:					
Reserved:					
Encumbrances	81,841	-	427,772	509,613	3,484,341
Debt service	-	1,123,535	-	1,123,535	1,126,958
Open space	-	-	110,000	110,000	110,000
Prepaid items	16,479	-	-	16,479	18,163
Unreserved:					
Undesignated, reported in:					
Undesignated	3,406,367	-	3,379,820	6,786,187	4,309,871
	<u>3,406,367</u>	<u>-</u>	<u>3,379,820</u>	<u>6,786,187</u>	<u>4,309,871</u>
 Total fund balances	 <u>3,504,687</u>	 <u>1,123,535</u>	 <u>3,917,592</u>	 <u>8,545,814</u>	 <u>9,049,333</u>
 Total liabilities and fund balances	 <u>\$ 5,087,923</u>	 <u>1,123,785</u>	 <u>7,976,229</u>	 <u>14,187,937</u>	 <u>13,506,454</u>

CITY OF BENICIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Special	Debt	Capital	Total	
	Revenue Funds	Service Funds	Projects Funds	2009	2008
Revenues:					
Property taxes	\$ -	759,264	-	759,264	741,494
Sales and use taxes	730,053	-	-	730,053	720,144
Special assessments	565,996	-	-	565,996	442,713
Investment income	121,024	31,934	134,412	287,370	487,689
Rents and leases	110	-	3,700	3,810	-
Intergovernmental	1,270,522	-	975,000	2,245,522	2,422,947
Charges for services	478,513	-	152,182	630,695	843,818
Donations	114,990	-	2,700	117,690	135,786
Miscellaneous revenues	57,453	-	19,535	76,988	44,426
Total revenues	3,338,661	791,198	1,287,529	5,417,388	5,839,017
Expenditures					
Current:					
Public safety - police	316,372	-	-	316,372	311,653
Parks and community services	499,323	-	-	499,323	511,713
Public works	312,215	-	-	312,215	20,457
Library	1,036,913	-	-	1,036,913	1,052,608
Community development	875,438	-	-	875,438	837,512
Economic development	31,364	-	-	31,364	2,212
Capital outlay	55,648	-	4,351,906	4,407,554	3,832,798
Debt service:					
Principal	-	734,049	-	734,049	698,064
Interest and fiscal charges	-	451,063	-	451,063	481,502
Total expenditures	3,127,273	1,185,112	4,351,906	8,664,291	7,748,519
Excess (deficiency) of revenues over (under) expenditures	211,388	(393,914)	(3,064,377)	(3,246,903)	(1,909,502)
Other financing sources (uses):					
Transfers in	408,406	390,491	2,550,195	3,349,092	2,558,538
Transfers out	(450,884)	-	(154,824)	(605,708)	(575,039)
Total other financing sources (uses)	(42,478)	390,491	2,395,371	2,743,384	1,983,499
Net change in fund balances	168,910	(3,423)	(669,006)	(503,519)	73,997
Fund balances at beginning of year	3,335,777	1,126,958	4,586,598	9,049,333	8,975,336
Fund balances at end of year	\$ 3,504,687	1,123,535	3,917,592	8,545,814	9,049,333

CITY OF BENICIA
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2009
(with comparative information for the prior year)

	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
<u>Assets</u>				
Cash and investments	\$ 543,578	170,236	147,295	90,319
Accounts receivable	56,379	-	-	-
Interest receivable	442	162	147	78
Notes and loans receivable	-	-	-	-
Prepaid items	16,479	-	-	-
	<u>16,479</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 616,878</u>	 <u>170,398</u>	 <u>147,442</u>	 <u>90,397</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 32,792	2,078	391	112
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>32,792</u>	 <u>2,078</u>	 <u>391</u>	 <u>112</u>
Fund balances:				
Reserved for:				
Encumbrances	7,422	-	-	-
Prepaid items	16,479	-	-	-
Unreserved:				
Undesignated	560,185	168,320	147,051	90,285
	<u>560,185</u>	<u>168,320</u>	<u>147,051</u>	<u>90,285</u>
 Total fund balances (deficits)	 <u>584,086</u>	 <u>168,320</u>	 <u>147,051</u>	 <u>90,285</u>
 Total liabilities and fund balances (deficits)	 <u>\$ 616,878</u>	 <u>170,398</u>	 <u>147,442</u>	 <u>90,397</u>

East 2nd Street Landscaping and Lighting	Goodyear Road Landscaping and Lighting	Community Development Block Grant	Community Services Program	Library Book	Library Programs
31,387	40,842	329,101	200,293	-	275,796
-	-	-	-	-	-
28	35	218	171	-	242
-	-	396,112	-	11,365	-
-	-	-	-	-	-
<u>31,415</u>	<u>40,877</u>	<u>725,431</u>	<u>200,464</u>	<u>11,365</u>	<u>276,038</u>
862	75	-	-	79	18,649
-	-	-	-	-	-
-	-	-	-	3,285	-
-	-	396,112	-	11,365	-
<u>862</u>	<u>75</u>	<u>396,112</u>	<u>-</u>	<u>14,729</u>	<u>18,649</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,553</u>	<u>40,802</u>	<u>329,319</u>	<u>200,464</u>	<u>(3,364)</u>	<u>257,389</u>
<u>30,553</u>	<u>40,802</u>	<u>329,319</u>	<u>200,464</u>	<u>(3,364)</u>	<u>257,389</u>
<u>31,415</u>	<u>40,877</u>	<u>725,431</u>	<u>200,464</u>	<u>11,365</u>	<u>276,038</u>

CITY OF BENICIA
 Nonmajor Special Revenue Funds
 Combining Balance Sheet
 June 30, 2009
 (with comparative information for the prior year)

	<u>Library</u> <u>Measure B</u>	<u>Southern</u> <u>Pacific Depot</u>	<u>Police and Fire</u> <u>Safety Grants</u>	<u>Human</u> <u>Services</u>
<u>Assets</u>				
Cash and investments	\$ 221,153	130,248	402,900	141,058
Accounts receivable	86,840	-	77,474	3,921
Interest receivable	236	112	330	131
Notes and loans receivable	-	-	-	-
Prepaid items	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 308,229</u>	<u>130,360</u>	<u>480,704</u>	<u>145,110</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	578	63,148	5,084
Deposits payable	-	-	40,611	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>578</u>	<u>103,759</u>	<u>5,084</u>
Fund balances:				
Reserved for:				
Encumbrances	-	-	69,945	-
Prepaid items	-	-	-	-
Unreserved:				
Undesignated	<u>308,229</u>	<u>129,782</u>	<u>307,000</u>	<u>140,026</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>308,229</u>	<u>129,782</u>	<u>376,945</u>	<u>140,026</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances (deficits)	<u>\$ 308,229</u>	<u>130,360</u>	<u>480,704</u>	<u>145,110</u>

Developer Deposits	Tourtelot Mitigation	Miscellaneous Grants	VIP Conservation	Totals	
				2009	2008
990,179	707,793	-	-	4,422,178	4,149,009
-	-	10,000	3,880	238,494	359,080
356	607	-	-	3,295	10,167
-	-	-	-	407,477	279,275
-	-	-	-	16,479	18,163
<u>990,535</u>	<u>708,400</u>	<u>10,000</u>	<u>3,880</u>	<u>5,087,923</u>	<u>4,875,902</u>
131,302	-	5,361	3,880	264,391	368,025
859,257	-	-	-	899,868	890,613
-	-	8,215	-	11,500	2,212
-	-	-	-	407,477	279,275
<u>990,559</u>	<u>-</u>	<u>13,576</u>	<u>3,880</u>	<u>1,583,236</u>	<u>1,540,125</u>
-	-	4,474	-	81,841	147,993
-	-	-	-	16,479	18,163
<u>(24)</u>	<u>708,400</u>	<u>(8,050)</u>	<u>-</u>	<u>3,406,367</u>	<u>3,169,621</u>
<u>(24)</u>	<u>708,400</u>	<u>(3,576)</u>	<u>-</u>	<u>3,504,687</u>	<u>3,335,777</u>
<u>990,535</u>	<u>708,400</u>	<u>10,000</u>	<u>3,880</u>	<u>5,087,923</u>	<u>4,875,902</u>

CITY OF BENICIA
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
Revenues:				
Sales and use taxes	\$ -	-	-	-
Special assessments	-	299,886	218,309	15,800
Investment income	20,697	3,944	2,588	2,569
Rents and leases	-	-	-	-
Intergovernmental	702,855	-	-	-
Charges for services	-	-	-	-
Donations	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>723,552</u>	<u>303,830</u>	<u>220,897</u>	<u>18,369</u>
Expenditures:				
Current:				
Public safety - police	-	-	-	-
Parks and community services	-	322,433	128,355	6,626
Public works	307,359	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>307,359</u>	<u>322,433</u>	<u>128,355</u>	<u>6,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>416,193</u>	<u>(18,603)</u>	<u>92,542</u>	<u>11,743</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(449,010)	-	-	-
Total other financing sources (uses)	<u>(449,010)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(32,817)	(18,603)	92,542	11,743
Fund balances (deficits) at beginning of year	<u>616,903</u>	<u>186,923</u>	<u>54,509</u>	<u>78,542</u>
Fund balances (deficits) at end of year	<u>\$ 584,086</u>	<u>168,320</u>	<u>147,051</u>	<u>90,285</u>

<u>East 2nd Street Landscaping and Lighting</u>	<u>Goodyear Road Landscaping and Lighting</u>	<u>Community Development Block Grant</u>	<u>Community Services Program</u>	<u>Library Book</u>	<u>Library Programs</u>
-	-	-	-	-	-
28,001	4,000	-	-	-	-
957	1,194	25,293	5,311	224	8,175
-	-	-	-	-	-
-	-	-	-	-	53,961
-	-	-	41,075	2,474	106,118
-	-	-	-	-	84,135
-	-	-	100	-	-
<u>28,958</u>	<u>5,194</u>	<u>25,293</u>	<u>46,486</u>	<u>2,698</u>	<u>252,389</u>
-	-	-	-	-	-
36,710	921	-	4,278	-	-
-	-	-	-	-	-
-	-	-	-	16,423	279,306
-	-	137,718	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>36,710</u>	<u>921</u>	<u>137,718</u>	<u>4,278</u>	<u>16,423</u>	<u>279,306</u>
<u>(7,752)</u>	<u>4,273</u>	<u>(112,425)</u>	<u>42,208</u>	<u>(13,725)</u>	<u>(26,917)</u>
-	-	-	10,000	-	72,750
-	-	-	-	-	-
-	-	-	10,000	-	72,750
(7,752)	4,273	(112,425)	52,208	(13,725)	45,833
<u>38,305</u>	<u>36,529</u>	<u>441,744</u>	<u>148,256</u>	<u>10,361</u>	<u>211,556</u>
<u>30,553</u>	<u>40,802</u>	<u>329,319</u>	<u>200,464</u>	<u>(3,364)</u>	<u>257,389</u>

CITY OF BENICIA
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Library</u> <u>Measure B</u>	<u>Southern</u> <u>Pacific Depot</u>	<u>Police and Fire</u> <u>Safety Grants</u>	<u>Human</u> <u>Services</u>
Revenues:				
Sales and use taxes	\$ 730,053	-	-	-
Special assessments	-	-	-	-
Investment income	8,666	4,208	10,462	4,636
Rents and leases	-	110	-	-
Intergovernmental	-	-	387,803	-
Charges for services	-	-	-	-
Donations	-	-	3,000	27,855
Miscellaneous revenues	-	-	17,916	-
	<u>738,719</u>	<u>4,318</u>	<u>419,181</u>	<u>32,491</u>
Total revenues				
Expenditures:				
Current:				
Public safety - police	-	-	316,372	-
Parks and community services	-	-	-	-
Public works	-	-	-	-
Library	741,184	-	-	-
Community development	-	-	-	271,322
Economic development	-	-	-	-
Capital outlay	-	7,122	48,526	-
	<u>741,184</u>	<u>7,122</u>	<u>364,898</u>	<u>271,322</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(2,465)</u>	<u>(2,804)</u>	<u>54,283</u>	<u>(238,831)</u>
Other financing sources (uses):				
Transfers in	-	-	59,830	265,826
Transfers out	-	-	(1,874)	-
	<u>-</u>	<u>-</u>	<u>57,956</u>	<u>265,826</u>
Total other financing sources (uses)				
Net change in fund balances	(2,465)	(2,804)	112,239	26,995
Fund balances (deficits) at beginning of year	<u>310,694</u>	<u>132,586</u>	<u>264,706</u>	<u>113,031</u>
Fund balances (deficits) at end of year	<u>\$ 308,229</u>	<u>129,782</u>	<u>376,945</u>	<u>140,026</u>

Developer Deposits	Tourtelot Mitigation	Miscellaneous Grants	VIP Conservation	Totals	
				2009	2008
-	-	-	-	730,053	720,144
-	-	-	-	565,996	442,713
-	22,100	-	-	121,024	187,029
-	-	-	-	110	-
-	-	125,903	-	1,270,522	1,451,949
328,846	-	-	-	478,513	692,931
-	-	-	-	114,990	110,786
<u>35,557</u>	<u>-</u>	<u>-</u>	<u>3,880</u>	<u>57,453</u>	<u>19</u>
<u>364,403</u>	<u>22,100</u>	<u>125,903</u>	<u>3,880</u>	<u>3,338,661</u>	<u>3,605,571</u>
-	-	-	-	316,372	311,653
-	-	-	-	499,323	511,713
-	4,856	-	-	312,215	20,457
-	-	-	-	1,036,913	1,052,608
364,403	-	98,115	3,880	875,438	837,512
-	-	31,364	-	31,364	2,212
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,648</u>	<u>450,275</u>
<u>364,403</u>	<u>4,856</u>	<u>129,479</u>	<u>3,880</u>	<u>3,127,273</u>	<u>3,186,430</u>
<u>-</u>	<u>17,244</u>	<u>(3,576)</u>	<u>-</u>	<u>211,388</u>	<u>419,141</u>
-	-	-	-	408,406	387,855
-	-	-	-	(450,884)	(67,878)
-	-	-	-	(42,478)	319,977
-	17,244	(3,576)	-	168,910	739,118
<u>(24)</u>	<u>691,156</u>	<u>-</u>	<u>-</u>	<u>3,335,777</u>	<u>2,596,659</u>
<u>(24)</u>	<u>708,400</u>	<u>(3,576)</u>	<u>-</u>	<u>3,504,687</u>	<u>3,335,777</u>

CITY OF BENICIA
 Nonmajor Debt Service Funds
 Combining Balance Sheet
 June 30, 2009
 (with comparative information for the prior year)

	1997 Wastewater General <u>Obligation Bond</u>	Casa de Vilarrasa	<u>Totals</u>	
			2009	2008
<u>Assets</u>				
Cash and investments	\$ 1,122,854	-	1,122,854	1,123,940
Interest receivable	<u>931</u>	<u>-</u>	<u>931</u>	<u>3,018</u>
 Total assets	 <u>\$ 1,123,785</u>	 <u>-</u>	 <u>1,123,785</u>	 <u>1,126,958</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ <u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>
 Total liabilities	 <u>250</u>	 <u>-</u>	 <u>250</u>	 <u>-</u>
Fund balances:				
Reserved:				
Debt service	<u>1,123,535</u>	<u>-</u>	<u>1,123,535</u>	<u>1,126,958</u>
 Total fund balances	 <u>1,123,535</u>	 <u>-</u>	 <u>1,123,535</u>	 <u>1,126,958</u>
 Total liabilities and fund balances	 <u>\$ 1,123,785</u>	 <u>-</u>	 <u>1,123,785</u>	 <u>1,126,958</u>

CITY OF BENICIA
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	1997 Wastewater General Obligation Bond	Casa de Vilarrasa	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
Revenues:				
Property taxes	\$ 759,264	-	759,264	741,494
Investment income	31,934	-	31,934	42,327
Miscellaneous revenues	-	-	-	2,689
	<u>791,198</u>	<u>-</u>	<u>791,198</u>	<u>786,510</u>
Total revenues				
Expenditures:				
Debt service:				
Principal	485,000	249,049	734,049	698,064
Interest and fiscal charges	309,124	141,939	451,063	481,502
	<u>794,124</u>	<u>390,988</u>	<u>1,185,112</u>	<u>1,179,566</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(2,926)</u>	<u>(390,988)</u>	<u>(393,914)</u>	<u>(393,056)</u>
Other financing sources (uses):				
Transfers in	-	390,491	390,491	388,294
Transfers out	-	-	-	(277,827)
	<u>-</u>	<u>390,491</u>	<u>390,491</u>	<u>110,467</u>
Total other financing sources (uses)				
Net change in fund balance	(2,926)	(497)	(3,423)	(282,589)
Fund balances at beginning of year	<u>1,126,461</u>	<u>497</u>	<u>1,126,958</u>	<u>1,409,547</u>
Fund balances at end of year	<u>\$ 1,123,535</u>	<u>-</u>	<u>1,123,535</u>	<u>1,126,958</u>

CITY OF BENICIA
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 June 30, 2009
 (with comparative information for the prior year)

	<u>Traffic Mitigation</u>	<u>Street Projects</u>	<u>Capital License</u>	<u>Park Dedication</u>	<u>Library Basement Project</u>	<u>Storm Drain Improvements</u>
<u>Assets</u>						
Cash and investments	\$ 1,896,159	490,542	227,585	-	324,695	52,279
Accounts receivable	-	575,687	-	530,000	-	-
Interest receivable	2,146	387	193	444	279	-
Notes and loans receivable	61,860	-	58,225	196,950	-	-
Due from other funds	<u>575,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 2,535,852</u>	 <u>1,066,616</u>	 <u>286,003</u>	 <u>727,394</u>	 <u>324,974</u>	 <u>52,279</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 146	35,534	-	319,703	-	52,279
Deposits payable	-	-	-	-	-	-
Due to other funds	-	575,687	-	120,644	-	-
Deferred revenue	<u>61,860</u>	<u>575,687</u>	<u>58,225</u>	<u>196,950</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>62,006</u>	 <u>1,186,908</u>	 <u>58,225</u>	 <u>637,297</u>	 <u>-</u>	 <u>52,279</u>
Fund balances:						
Reserved:						
Encumbrances	1,646	26,553	-	51,457	2,479	9,500
Open space	-	-	-	110,000	-	-
Unreserved:						
Undesignated	<u>2,472,200</u>	<u>(146,845)</u>	<u>227,778</u>	<u>(71,360)</u>	<u>322,495</u>	<u>(9,500)</u>
 Total fund balances	 <u>2,473,846</u>	 <u>(120,292)</u>	 <u>227,778</u>	 <u>90,097</u>	 <u>324,974</u>	 <u>-</u>
 Total liabilities and fund balances	 <u>\$ 2,535,852</u>	 <u>1,066,616</u>	 <u>286,003</u>	 <u>727,394</u>	 <u>324,974</u>	 <u>52,279</u>

Community Center	Community Donations	Police Public Safety Building	McAllister Assessment District	Intermodal Transportation Center	Casa de Vilarrosa	Totals	
						2009	2008
-	20,764	28,073	333,945	1,000,000	-	4,374,042	5,608,018
200,000	-	-	-	-	-	1,305,687	164,422
-	18	24	287	-	-	3,778	14,119
-	-	-	-	-	1,400,000	1,717,035	1,717,035
-	-	-	-	-	-	575,687	-
<u>200,000</u>	<u>20,782</u>	<u>28,097</u>	<u>334,232</u>	<u>1,000,000</u>	<u>1,400,000</u>	<u>7,976,229</u>	<u>7,503,594</u>
350	-	-	310,494	-	-	718,506	763,022
-	-	-	-	-	-	-	3,300
151,078	-	-	-	-	-	847,409	275,218
<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400,000</u>	<u>2,492,722</u>	<u>1,875,456</u>
<u>351,428</u>	<u>-</u>	<u>-</u>	<u>310,494</u>	<u>-</u>	<u>1,400,000</u>	<u>4,058,637</u>	<u>2,916,996</u>
308,073	-	28,064	-	-	-	427,772	3,336,348
-	-	-	-	-	-	110,000	110,000
<u>(459,501)</u>	<u>20,782</u>	<u>33</u>	<u>23,738</u>	<u>1,000,000</u>	<u>-</u>	<u>3,379,820</u>	<u>1,140,250</u>
<u>(151,428)</u>	<u>20,782</u>	<u>28,097</u>	<u>23,738</u>	<u>1,000,000</u>	<u>-</u>	<u>3,917,592</u>	<u>4,586,598</u>
<u>200,000</u>	<u>20,782</u>	<u>28,097</u>	<u>334,232</u>	<u>1,000,000</u>	<u>1,400,000</u>	<u>7,976,229</u>	<u>7,503,594</u>

CITY OF BENICIA
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Fiscal year ended June 30, 2009

	Traffic Mitigation	Street Projects	Capital License	Park Dedication	Library Basement Project	Storm Drain Improvements
Revenues:						
Investment income	\$ 92,373	2,673	7,796	18,037	9,990	-
Rents and leases	-	-	-	-	-	-
Intergovernmental	-	125,000	-	850,000	-	-
Charges for services	66,061	-	21,475	64,546	-	100
Donations	-	-	-	-	2,700	-
Miscellaneous revenues	-	-	-	14,963	-	3,949
Total revenues	<u>158,434</u>	<u>127,673</u>	<u>29,271</u>	<u>947,546</u>	<u>12,690</u>	<u>4,049</u>
Expenditures:						
Capital outlay	<u>265,154</u>	<u>542,267</u>	<u>33,532</u>	<u>3,142,637</u>	<u>2,407</u>	<u>242,790</u>
Total expenditures	<u>265,154</u>	<u>542,267</u>	<u>33,532</u>	<u>3,142,637</u>	<u>2,407</u>	<u>242,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(106,720)</u>	<u>(414,594)</u>	<u>(4,261)</u>	<u>(2,195,091)</u>	<u>10,283</u>	<u>(238,741)</u>
Other financing sources (uses):						
Transfers in	-	449,010	-	1,853,145	2,407	148,753
Transfers out	<u>-</u>	<u>-</u>	<u>(33,777)</u>	<u>(103,510)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>449,010</u>	<u>(33,777)</u>	<u>1,749,635</u>	<u>2,407</u>	<u>148,753</u>
Net change in fund balance	(106,720)	34,416	(38,038)	(445,456)	12,690	(89,988)
Fund balances at beginning of year	<u>2,580,566</u>	<u>(154,708)</u>	<u>265,816</u>	<u>535,553</u>	<u>312,284</u>	<u>89,988</u>
Fund balances at end of year	<u>\$ 2,473,846</u>	<u>(120,292)</u>	<u>227,778</u>	<u>90,097</u>	<u>324,974</u>	<u>-</u>

Community Center	Community Donations	Police Public Safety Building	McAllister Assessment District	Intermodal Transportation Center	Casa de Vilarrasa	Totals	
						2009	2008
-	644	921	1,978	-	-	134,412	258,333
3,700	-	-	-	-	-	3,700	-
-	-	-	-	-	-	975,000	970,998
-	-	-	-	-	-	152,182	150,887
-	-	-	-	-	-	2,700	25,000
-	-	623	-	-	-	19,535	41,718
<u>3,700</u>	<u>644</u>	<u>1,544</u>	<u>1,978</u>	<u>-</u>	<u>-</u>	<u>1,287,529</u>	<u>1,446,936</u>
<u>70,951</u>	<u>-</u>	<u>31,074</u>	<u>-</u>	<u>21,094</u>	<u>-</u>	<u>4,351,906</u>	<u>3,382,523</u>
<u>70,951</u>	<u>-</u>	<u>31,074</u>	<u>-</u>	<u>21,094</u>	<u>-</u>	<u>4,351,906</u>	<u>3,382,523</u>
<u>(67,251)</u>	<u>644</u>	<u>(29,530)</u>	<u>1,978</u>	<u>(21,094)</u>	<u>-</u>	<u>(3,064,377)</u>	<u>(1,935,587)</u>
93,510	-	3,370	-	-	-	2,550,195	1,782,389
-	-	-	-	(17,537)	-	(154,824)	(229,334)
<u>93,510</u>	<u>-</u>	<u>3,370</u>	<u>-</u>	<u>(17,537)</u>	<u>-</u>	<u>2,395,371</u>	<u>1,553,055</u>
26,259	644	(26,160)	1,978	(38,631)	-	(669,006)	(382,532)
<u>(177,687)</u>	<u>20,138</u>	<u>54,257</u>	<u>21,760</u>	<u>1,038,631</u>	<u>-</u>	<u>4,586,598</u>	<u>4,969,130</u>
<u>(151,428)</u>	<u>20,782</u>	<u>28,097</u>	<u>23,738</u>	<u>1,000,000</u>	<u>-</u>	<u>3,917,592</u>	<u>4,586,598</u>

CITY OF BENICIA
Gas Tax
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 2,120	20,697	18,577	8,670
Intergovernmental	<u>827,115</u>	<u>702,855</u>	<u>(124,260)</u>	<u>957,297</u>
Total revenues	<u>829,235</u>	<u>723,552</u>	<u>(105,683)</u>	<u>965,967</u>
Expenditures:				
Current:				
Public works	238,220	-	238,220	-
Capital outlay	<u>610,570</u>	<u>307,359</u>	<u>303,211</u>	<u>373,918</u>
Total expenditures	<u>848,790</u>	<u>307,359</u>	<u>541,431</u>	<u>373,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,555)</u>	<u>416,193</u>	<u>435,748</u>	<u>592,049</u>
Other financing sources (uses):				
Transfers out	<u>(449,010)</u>	<u>(449,010)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(449,010)</u>	<u>(449,010)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(468,565)	(32,817)	435,748	592,049
Fund balance at beginning of year	<u>616,903</u>	<u>616,903</u>	<u>-</u>	<u>24,854</u>
Fund balance at end of year	<u>\$ 148,338</u>	<u>584,086</u>	<u>435,748</u>	<u>616,903</u>

CITY OF BENICIA
Residential Landscaping and Lighting
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ 300,000	299,886	(114)	299,886
Investment income	<u>2,500</u>	<u>3,944</u>	<u>1,444</u>	<u>6,656</u>
 Total revenues	 <u>302,500</u>	 <u>303,830</u>	 <u>1,330</u>	 <u>306,542</u>
Expenditures:				
Current:				
Parks and community services	366,890	322,433	44,457	321,551
Capital outlay	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
 Total expenditures	 <u>368,890</u>	 <u>322,433</u>	 <u>46,457</u>	 <u>321,551</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(66,390)</u>	 <u>(18,603)</u>	 <u>47,787</u>	 <u>(15,009)</u>
 Net change in fund balance	 (66,390)	 (18,603)	 47,787	 (15,009)
 Fund balance at beginning of year	 <u>186,923</u>	 <u>186,923</u>	 <u>-</u>	 <u>201,932</u>
 Fund balance at end of year	 <u>\$ 120,533</u>	 <u>168,320</u>	 <u>47,787</u>	 <u>186,923</u>

CITY OF BENICIA
 Fleetside Landscaping and Lighting
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ 95,025	218,309	123,284	95,026
Investment income	<u>1,200</u>	<u>2,588</u>	<u>1,388</u>	<u>1,834</u>
Total revenues	<u>96,225</u>	<u>220,897</u>	<u>124,672</u>	<u>96,860</u>
Expenditures:				
Current:				
Parks and community services	129,035	128,355	680	113,884
Capital outlay	<u>16,530</u>	<u>-</u>	<u>16,530</u>	<u>-</u>
Total expenditures	<u>145,565</u>	<u>128,355</u>	<u>17,210</u>	<u>113,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,340)</u>	<u>92,542</u>	<u>141,882</u>	<u>(17,024)</u>
Net change in fund balance	(49,340)	92,542	141,882	(17,024)
Fund balance at beginning of year	<u>54,509</u>	<u>54,509</u>	<u>-</u>	<u>71,533</u>
Fund balance at end of year	<u>\$ 5,169</u>	<u>147,051</u>	<u>141,882</u>	<u>54,509</u>

CITY OF BENICIA
Columbus Parkway Landscaping and Lighting
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ 15,800	15,800	-	15,800
Investment income	<u>700</u>	<u>2,569</u>	<u>1,869</u>	<u>2,952</u>
 Total revenues	 <u>16,500</u>	 <u>18,369</u>	 <u>1,869</u>	 <u>18,752</u>
Expenditures:				
Current:				
Parks and community services	19,145	6,626	12,519	8,337
Capital outlay	<u>13,400</u>	<u>-</u>	<u>13,400</u>	<u>-</u>
 Total expenditures	 <u>32,545</u>	 <u>6,626</u>	 <u>25,919</u>	 <u>8,337</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(16,045)</u>	 <u>11,743</u>	 <u>27,788</u>	 <u>10,415</u>
 Net change in fund balance	 (16,045)	 11,743	 27,788	 10,415
 Fund balance at beginning of year	 <u>78,542</u>	 <u>78,542</u>	 <u>-</u>	 <u>68,127</u>
 Fund balance at end of year	 <u>\$ 62,497</u>	 <u>90,285</u>	 <u>27,788</u>	 <u>78,542</u>

CITY OF BENICIA
 East 2nd Street Landscaping and Lighting
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ 28,000	28,001	1	28,001
Investment income	<u>500</u>	<u>957</u>	<u>457</u>	<u>1,452</u>
 Total revenues	 <u>28,500</u>	 <u>28,958</u>	 <u>458</u>	 <u>29,453</u>
Expenditures:				
Current:				
Parks and community services	35,275	36,710	(1,435)	26,657
Capital outlay	<u>3,315</u>	<u>-</u>	<u>3,315.00</u>	<u>-</u>
 Total expenditures	 <u>38,590</u>	 <u>36,710</u>	 <u>(1,435)</u>	 <u>26,657</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(10,090)</u>	 <u>(7,752)</u>	 <u>(977)</u>	 <u>2,796</u>
 Net change in fund balance	 (10,090)	 (7,752)	 (977)	 2,796
 Fund balance at beginning of year	 <u>38,305</u>	 <u>38,305</u>	 <u>-</u>	 <u>35,509</u>
 Fund balance (deficit) at end of year	 <u>\$ 28,215</u>	 <u>30,553</u>	 <u>2,338</u>	 <u>38,305</u>

CITY OF BENICIA
 Goodyear Road Landscaping and Lighting
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ 4,000	4,000	-	4,000
Investment income	<u>500</u>	<u>1,194</u>	<u>694</u>	<u>1,441</u>
 Total revenues	 <u>4,500</u>	 <u>5,194</u>	 <u>694</u>	 <u>5,441</u>
Expenditures:				
Current:				
Parks and community services	6,930	921	-	2,914
Capital outlay	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>2,913.84</u>
 Total expenditures	 <u>14,430</u>	 <u>921</u>	 <u>7,500</u>	 <u>5,828</u>
 Excess (deficiency) of revenues revenues over (under) expenditures	 <u>(9,930)</u>	 <u>4,273</u>	 <u>8,194</u>	 <u>(387)</u>
 Net change in fund balance	 (9,930)	 4,273	 8,194	 (387)
 Fund balance at beginning of year	 <u>36,529</u>	 <u>36,529</u>	 <u>-</u>	 <u>34,002</u>
 Fund balance at end of year	 <u>\$ 26,599</u>	 <u>40,802</u>	 <u>14,203</u>	 <u>33,616</u>

CITY OF BENICIA
Community Development Block Grant
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 26,000	25,293	(707)	68,435
Total revenues	<u>26,000</u>	<u>25,293</u>	<u>(707)</u>	<u>68,435</u>
Expenditures:				
Current:				
Community development	<u>167,500</u>	<u>137,718</u>	<u>29,782</u>	<u>-</u>
Total expenditures	<u>167,500</u>	<u>137,718</u>	<u>29,782</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,500)</u>	<u>(112,425)</u>	<u>29,075</u>	<u>68,435</u>
Net change in fund balance	(141,500)	(112,425)	29,075	68,435
Fund balance at beginning of year	<u>441,744</u>	<u>441,744</u>	<u>-</u>	<u>373,309</u>
Fund balance at end of year	<u>\$ 300,244</u>	<u>329,319</u>	<u>29,075</u>	<u>441,744</u>

CITY OF BENICIA
Community Services Program
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 3,810	5,311	1,501	5,025
Charges for services	30,000	41,075	11,075	53,277
Miscellaneous revenues	<u>-</u>	<u>100</u>	<u>100</u>	<u>-</u>
 Total revenues	 <u>33,810</u>	 <u>46,486</u>	 <u>12,676</u>	 <u>58,302</u>
 Expenditures:				
Current:				
Parks and community services	-	4,278	(4,278)	38,370
Capital outlay	<u>80,515</u>	<u>-</u>	<u>80,515</u>	<u>-</u>
 Total expenditures	 <u>-</u>	 <u>4,278</u>	 <u>(4,278)</u>	 <u>38,370</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>33,810</u>	 <u>42,208</u>	 <u>8,398</u>	 <u>19,932</u>
 Other financing sources (uses):				
Transfers in	10,000	10,000	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,829)</u>
 Total other financing sources (uses)	 <u>10,000</u>	 <u>10,000</u>	 <u>-</u>	 <u>(4,829)</u>
 Net change in fund balance	 43,810	 52,208	 8,398	 15,103
 Fund balance at beginning of year	 <u>148,256</u>	 <u>148,256</u>	 <u>-</u>	 <u>133,153</u>
 Fund balance at end of year	 <u><u>\$ 192,066</u></u>	 <u><u>200,464</u></u>	 <u><u>8,398</u></u>	 <u><u>148,256</u></u>

CITY OF BENICIA
Library Book
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 1,410	224	(1,186)	870
Charges for services	<u>10,000</u>	<u>2,474</u>	<u>(7,526)</u>	<u>3,261</u>
 Total revenues	 <u>11,410</u>	 <u>2,698</u>	 <u>(8,712)</u>	 <u>4,131</u>
Expenditures:				
Current:				
Library	<u>25,000</u>	<u>16,423</u>	<u>8,577</u>	<u>24,428</u>
 Total expenditures	 <u>25,000</u>	 <u>16,423</u>	 <u>8,577</u>	 <u>24,428</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(13,590)</u>	 <u>(13,725)</u>	 <u>(135)</u>	 <u>(20,297)</u>
 Net change in fund balance	 (13,590)	 (13,725)	 (135)	 (20,297)
 Fund balance at beginning of year	 <u>10,361</u>	 <u>10,361</u>	 <u>-</u>	 <u>30,658</u>
 Fund balance (deficit) at end of year	 <u>\$ (3,229)</u>	 <u>(3,364)</u>	 <u>(135)</u>	 <u>10,361</u>

CITY OF BENICIA
 Library Programs
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 1,750	8,175	6,425	10,447
Intergovernmental	56,755	53,961	(2,794)	61,553
Charges for services	120,000	106,118	(13,882)	127,868
Donations	75,275	84,135	8,860	69,181
Miscellaneous revenues	200	-	(200)	19
Total revenues	<u>253,980</u>	<u>252,389</u>	<u>(1,591)</u>	<u>269,068</u>
Expenditures:				
Current:				
Library	360,760	279,306	81,454	296,515
Capital outlay	102,300	-	102,300	-
Total expenditures	<u>463,060</u>	<u>279,306</u>	<u>81,454</u>	<u>296,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(209,080)</u>	<u>(26,917)</u>	<u>79,863</u>	<u>(27,446)</u>
Other financing sources (uses):				
Transfers in	122,750	72,750	(50,000)	116,580
Transfers out	(50,000)	-	50,000	(50,000)
Total other financing sources (uses)	<u>72,750</u>	<u>72,750</u>	<u>50,000</u>	<u>66,580</u>
Net change in fund balance	(136,330)	45,833	129,863	39,133
Fund balance at beginning of year	<u>211,556</u>	<u>211,556</u>	<u>-</u>	<u>172,423</u>
Fund balance at end of year	<u>\$ 75,226</u>	<u>257,389</u>	<u>182,163</u>	<u>211,556</u>

CITY OF BENICIA
Library Measure B
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Sales and use taxes	\$ 735,420	730,053	(5,367)	720,144
Investment income	<u>4,000</u>	<u>8,666</u>	<u>4,666</u>	<u>13,205</u>
Total revenues	<u>739,420</u>	<u>738,719</u>	<u>(701)</u>	<u>733,349</u>
Expenditures:				
Current:				
Library	885,710	741,184	144,526	731,665
Capital outlay	<u>7,140</u>	<u>-</u>	<u>7,140</u>	<u>-</u>
Total expenditures	<u>892,850</u>	<u>741,184</u>	<u>151,666</u>	<u>731,665</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,430)</u>	<u>(2,465)</u>	<u>150,965</u>	<u>1,684</u>
Net change in fund balance	(153,430)	(2,465)	150,965	1,684
Fund balance at beginning of year	<u>310,694</u>	<u>310,694</u>	<u>-</u>	<u>309,010</u>
Fund balance at end of year	<u><u>\$ 157,264</u></u>	<u><u>308,229</u></u>	<u><u>150,965</u></u>	<u><u>310,694</u></u>

CITY OF BENICIA
Southern Pacific Depot
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 5,380	4,208	(1,172)	5,655
Rental income	<u>500</u>	<u>110</u>	<u>(390)</u>	<u>14,400</u>
Total revenues	<u>5,880</u>	<u>4,318</u>	<u>(1,562)</u>	<u>20,055</u>
Expenditures:				
Current:				
Parks and community services	7,500	-	7,500	-
Capital outlay	<u>9,040</u>	<u>7,122</u>	<u>1,918</u>	<u>15,065</u>
Total expenditures	<u>16,540</u>	<u>7,122</u>	<u>9,418</u>	<u>15,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,660)</u>	<u>(2,804)</u>	<u>7,856</u>	<u>4,990</u>
Net change in fund balance	(10,660)	(2,804)	7,856	4,990
Fund balance at beginning of year	<u>132,586</u>	<u>132,586</u>	<u>-</u>	<u>127,596</u>
Fund balance at end of year	<u>\$ 121,926</u>	<u>129,782</u>	<u>7,856</u>	<u>132,586</u>

CITY OF BENICIA
Police and Fire Safety Grants
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ 2,570	10,462	7,892	11,263
Intergovernmental	522,595	387,803	(134,792)	356,502
Donations	-	3,000	3,000	13,399
Miscellaneous revenues	<u>12,935</u>	<u>17,916</u>	<u>4,981</u>	<u>-</u>
Total revenues	<u>\$ 538,100</u>	<u>419,181</u>	<u>(118,919)</u>	<u>381,164</u>
Expenditures:				
Current:				
Public safety - police	428,105	316,372	111,733	311,653
Capital outlay	<u>295,005</u>	<u>48,526</u>	<u>246,479</u>	<u>61,292</u>
Total expenditures	<u>723,110</u>	<u>364,898</u>	<u>358,212</u>	<u>372,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,010)</u>	<u>54,283</u>	<u>239,293</u>	<u>8,219</u>
Other financing sources (uses):				
Transfers in	59,830	59,830	-	56,575
Transfers out	<u>-</u>	<u>(1,874)</u>	<u>(1,874)</u>	<u>(1,470)</u>
Total other financing sources (uses)	<u>59,830</u>	<u>57,956</u>	<u>(1,874)</u>	<u>55,105</u>
Net change in fund balance	<u>(125,180)</u>	<u>112,239</u>	<u>237,419</u>	<u>63,324</u>
Fund balance at beginning of year	<u>264,706</u>	<u>264,706</u>	<u>-</u>	<u>201,382</u>
Fund balance at end of year	<u>\$ 139,526</u>	<u>376,945</u>	<u>237,419</u>	<u>264,706</u>

CITY OF BENICIA
Human Services
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 4,600	4,636	36	5,834
Donations	<u>31,000</u>	<u>27,855</u>	<u>(3,145)</u>	<u>28,206</u>
 Total revenues	 <u>35,600</u>	 <u>32,491</u>	 <u>(3,109)</u>	 <u>34,040</u>
Expenditures:				
Current:				
Community development	<u>257,995</u>	<u>271,322</u>	<u>(13,327)</u>	<u>254,602</u>
 Total expenditures	 <u>257,995</u>	 <u>271,322</u>	 <u>(13,327)</u>	 <u>254,602</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(222,395)</u>	 <u>(238,831)</u>	 <u>(16,436)</u>	 <u>(220,562)</u>
Other financing sources (uses):				
Transfers in	<u>221,170</u>	<u>265,826</u>	<u>44,656</u>	<u>216,170</u>
 Total expenditures	 <u>221,170</u>	 <u>265,826</u>	 <u>44,656</u>	 <u>216,170</u>
 Net change in fund balance	 (1,225)	 26,995	 28,220	 (4,392)
 Fund balance at beginning of year	 <u>113,031</u>	 <u>113,031</u>	 <u>-</u>	 <u>117,423</u>
 Fund balance at end of year	 <u>\$ 111,806</u>	 <u>140,026</u>	 <u>28,220</u>	 <u>113,031</u>

CITY OF BENICIA
Developer Deposits
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Charges for services	\$ -	328,846	328,846	508,525
Miscellaneous revenues	<u>-</u>	<u>35,557</u>	<u>35,557</u>	<u>-</u>
 Total revenues	 <u>-</u>	 <u>364,403</u>	 <u>364,403</u>	 <u>508,525</u>
Expenditures:				
Current:				
Community development	<u>-</u>	<u>364,403</u>	<u>(364,403)</u>	<u>508,525</u>
 Total expenditures	 <u>-</u>	 <u>364,403</u>	 <u>(364,403)</u>	 <u>508,525</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net change in fund balance	 -	 -	 -	 -
 Fund balance (deficit) at beginning of year	 <u>(24)</u>	 <u>(24)</u>	 <u>-</u>	 <u>(24)</u>
 Fund balance (deficit) at end of year	 <u>\$ (24)</u>	 <u>(24)</u>	 <u>-</u>	 <u>(24)</u>

CITY OF BENICIA
 Tourtelot Mitigation
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 18,250	22,100	3,850	28,890
Total revenues	<u>18,250</u>	<u>22,100</u>	<u>3,850</u>	<u>28,890</u>
Expenditures:				
Current:				
Public works	43,000	4,856	38,144	20,457
Capital outlay	<u>69,975</u>	<u>-</u>	<u>69,975</u>	<u>-</u>
Total expenditures	<u>112,975</u>	<u>4,856</u>	<u>108,119</u>	<u>20,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,725)</u>	<u>17,244</u>	<u>111,969</u>	<u>8,433</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,049)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,049)</u>
Net change in fund balance	(94,725)	17,244	111,969	(4,616)
Fund balance at beginning of year	<u>691,156</u>	<u>691,156</u>	<u>-</u>	<u>695,772</u>
Fund balance at end of year	<u>\$ 596,431</u>	<u>708,400</u>	<u>111,969</u>	<u>691,156</u>

CITY OF BENICIA
Miscellaneous Grants
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental revenues	\$ 40,000	125,903	85,903	76,597
Total revenues	<u>40,000</u>	<u>125,903</u>	<u>85,903</u>	<u>76,597</u>
Expenditures:				
Current:				
Community development	-	98,115	(98,115)	74,385
Economic development	<u>37,790</u>	<u>31,364</u>	<u>6,426</u>	<u>2,212</u>
Total expenditures	<u>37,790</u>	<u>129,479</u>	<u>(91,689)</u>	<u>76,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,210</u>	<u>(3,576)</u>	<u>(5,786)</u>	<u>-</u>
Net change in fund balance	2,210	(3,576)	(5,786)	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 2,210</u></u>	<u><u>(3,576)</u></u>	<u><u>(5,786)</u></u>	<u><u>-</u></u>

CITY OF BENICIA
VIP Conservation
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Miscellaneous revenues	\$ -	3,880	3,880	-
Total revenues	<u>-</u>	<u>3,880</u>	<u>3,880</u>	<u>-</u>
Expenditures:				
Current:				
Community development	-	3,880	(3,880)	-
Total expenditures	<u>-</u>	<u>3,880</u>	<u>(3,880)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>3,880</u>	<u>-</u>
Net change in fund balance	-	-	3,880	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>-</u>	<u>3,880</u>	<u>-</u>

CITY OF BENICIA
1997 Wastewater General Obligation Bond
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Property taxes	\$ 864,360	759,264	(105,096)	741,494
Investment income	<u>11,330</u>	<u>31,934</u>	<u>20,604</u>	<u>41,525</u>
Total revenues	<u>875,690</u>	<u>791,198</u>	<u>(84,492)</u>	<u>783,019</u>
Expenditures:				
Debt Service				
Principal	460,000	485,000	(25,000)	460,000
Interest and fiscal charges	<u>329,755</u>	<u>309,124</u>	<u>20,631</u>	<u>328,226</u>
Total expenditures	<u>789,755</u>	<u>794,124</u>	<u>(4,369)</u>	<u>788,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>85,935</u>	<u>(2,926)</u>	<u>(88,861)</u>	<u>(5,207)</u>
Net change in fund balance	85,935	(2,926)	(88,861)	(5,207)
Fund balance at beginning of year	<u>1,126,461</u>	<u>1,126,461</u>	<u>-</u>	<u>1,131,668</u>
Fund balance at end of year	<u>\$ 1,212,396</u>	<u>1,123,535</u>	<u>(88,861)</u>	<u>1,126,461</u>

CITY OF BENICIA
 Casa de Vilarrasa
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	-	-	802
Miscellaneous revenues	5,000	-	(5,000)	2,689
Total revenues	5,000	-	(5,000)	3,491
Expenditures:				
Debt service:				
Principal	249,050	249,049	1	238,064
Interest and fiscal charges	141,945	141,939	6	153,276
Total expenditures	390,995	390,988	7	391,340
Excess (deficiency) of revenues over (under) expenditures	(385,995)	(390,988)	(4,993)	(387,849)
Other financing sources (uses):				
Transfers in	385,995	390,491	4,496	388,294
Transfers out	-	-	-	(277,827)
Total other financing sources (uses)	385,995	390,491	4,496	110,467
Net change in fund balance	-	(497)	(497)	(277,382)
Fund balance at beginning of year	497	497	-	277,879
Fund balance at end of year	\$ 497	-	(497)	497

CITY OF BENICIA
Traffic Mitigation
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 94,500	92,373	(2,127)	132,056
Charges for services	150,000	66,061	(83,939)	59,621
Miscellaneous revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Total revenues	<u>244,500</u>	<u>158,434</u>	<u>(86,066)</u>	<u>195,677</u>
Expenditures:				
Capital outlay	<u>1,395,650</u>	<u>265,154</u>	<u>1,130,496</u>	<u>260,370</u>
Total expenditures	<u>1,395,650</u>	<u>265,154</u>	<u>1,130,496</u>	<u>260,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,151,150)</u>	<u>(106,720)</u>	<u>1,044,430</u>	<u>(64,693)</u>
Other financing sources (uses):				
Transfers in	<u>47,000</u>	<u>-</u>	<u>(47,000)</u>	<u>69,579</u>
Total other financing sources (uses)	<u>47,000</u>	<u>-</u>	<u>(47,000)</u>	<u>69,579</u>
Net change in fund balance	(1,104,150)	(106,720)	997,430	4,886
Fund balance at beginning of year	<u>2,580,566</u>	<u>2,580,566</u>	<u>-</u>	<u>2,575,680</u>
Fund balance at end of year	<u>\$ 1,476,416</u>	<u>2,473,846</u>	<u>997,430</u>	<u>2,580,566</u>

CITY OF BENICIA
Street Projects
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	2,673	2,673	-
Intergovernmental	<u>3,688,000</u>	<u>125,000</u>	<u>(3,563,000)</u>	<u>890,386</u>
Total revenues	<u>3,688,000</u>	<u>127,673</u>	<u>(3,560,327)</u>	<u>890,386</u>
Expenditures:				
Capital outlay	<u>4,347,735</u>	<u>542,267</u>	<u>3,805,468</u>	<u>537,088</u>
Total expenditures	<u>4,347,735</u>	<u>542,267</u>	<u>3,805,468</u>	<u>537,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(659,735)</u>	<u>(414,594)</u>	<u>245,141</u>	<u>353,298</u>
Other financing sources (uses):				
Transfers in	<u>449,010</u>	<u>449,010</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>449,010</u>	<u>449,010</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(210,725)	34,416	245,141	353,298
Fund balance (deficit) at beginning of year	<u>(154,708)</u>	<u>(154,708)</u>	<u>-</u>	<u>(508,006)</u>
Fund balance (deficit) at end of year	<u>\$ (365,433)</u>	<u>(120,292)</u>	<u>245,141</u>	<u>(154,708)</u>

CITY OF BENICIA
 Capital License
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 560	7,796	7,236	19,352
Charges for services	<u>20,000</u>	<u>21,475</u>	<u>1,475</u>	<u>30,250</u>
Total revenues	<u>20,560</u>	<u>29,271</u>	<u>8,711</u>	<u>49,602</u>
Expenditures:				
Capital outlay	<u>189,360</u>	<u>33,532</u>	<u>155,828</u>	<u>214,673</u>
Total expenditures	<u>189,360</u>	<u>33,532</u>	<u>155,828</u>	<u>214,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,800)</u>	<u>(4,261)</u>	<u>164,539</u>	<u>(165,071)</u>
Other financing sources (uses):				
Transfers out	<u>(28,000)</u>	<u>(33,777)</u>	<u>(5,777)</u>	<u>(157,474)</u>
Total other financing sources (uses)	<u>(28,000)</u>	<u>(33,777)</u>	<u>(5,777)</u>	<u>(157,474)</u>
Net change in fund balance	(196,800)	(38,038)	158,762	(322,545)
Fund balance at beginning of year	<u>265,816</u>	<u>265,816</u>	<u>-</u>	<u>588,361</u>
Fund balance at end of year	<u>\$ 69,016</u>	<u>227,778</u>	<u>158,762</u>	<u>265,816</u>

CITY OF BENICIA
Park Dedication
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	18,037	18,037	39,010
Intergovernmental	900,000	850,000	(50,000)	80,612
Charges for services	95,000	64,546	(30,454)	60,916
Miscellaneous revenues	<u>-</u>	<u>14,963</u>	<u>14,963</u>	<u>-</u>
Total revenues	<u>995,000</u>	<u>947,546</u>	<u>(47,454)</u>	<u>180,538</u>
Expenditures:				
Capital outlay	<u>3,369,575</u>	<u>3,142,637</u>	<u>226,938</u>	<u>1,218,986</u>
Total expenditures	<u>3,369,575</u>	<u>3,142,637</u>	<u>226,938</u>	<u>1,218,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,374,575)</u>	<u>(2,195,091)</u>	<u>179,484</u>	<u>(1,038,448)</u>
Other financing sources (uses):				
Transfers in	1,853,145	1,853,145	-	724,918
Transfers out	<u>(103,510)</u>	<u>(103,510)</u>	<u>-</u>	<u>(21,155)</u>
Total other financing sources (uses)	<u>1,853,145</u>	<u>1,749,635</u>	<u>-</u>	<u>703,763</u>
Net change in fund balance	(521,430)	(445,456)	179,484	(334,685)
Fund balance at beginning of year	<u>535,553</u>	<u>535,553</u>	<u>-</u>	<u>870,238</u>
Fund balance at end of year	<u>\$ 14,123</u>	<u>90,097</u>	<u>75,974</u>	<u>535,553</u>

CITY OF BENICIA
Library Basement Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	9,990	9,990	12,284
Donations	<u>2,700</u>	<u>2,700</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,700</u>	<u>12,690</u>	<u>9,990</u>	<u>12,284</u>
Expenditures:				
Capital outlay	<u>375,270</u>	<u>2,407</u>	<u>372,863</u>	<u>36,729</u>
Total expenditures	<u>375,270</u>	<u>2,407</u>	<u>372,863</u>	<u>36,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(372,570)</u>	<u>10,283</u>	<u>382,853</u>	<u>(24,445)</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>2,407</u>	<u>2,407</u>	<u>36,729</u>
Total other financing sources (uses)	<u>-</u>	<u>2,407</u>	<u>2,407</u>	<u>36,729</u>
Net change in fund balance	(372,570)	12,690	385,260	12,284
Fund balance at beginning of year	<u>312,284</u>	<u>312,284</u>	<u>-</u>	<u>300,000</u>
Fund balance at end of year	<u><u>\$ (60,286)</u></u>	<u><u>324,974</u></u>	<u><u>385,260</u></u>	<u><u>312,284</u></u>

CITY OF BENICIA
Storm Drain Improvements
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Charges for services	\$ -	100	100	100
Miscellaneous revenues	-	3,949	3,949	36,949
	<u>-</u>	<u>4,049</u>	<u>4,049</u>	<u>37,049</u>
Total revenues				
	<u>-</u>	<u>4,049</u>	<u>4,049</u>	<u>37,049</u>
Expenditures:				
Capital outlay	290,290	242,790	47,500	502,592
	<u>290,290</u>	<u>242,790</u>	<u>47,500</u>	<u>502,592</u>
Total expenditures				
	<u>290,290</u>	<u>242,790</u>	<u>47,500</u>	<u>502,592</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>(290,290)</u>	<u>(238,741)</u>	<u>51,549</u>	<u>(465,543)</u>
Other financing sources (uses):				
Transfers in	290,290	148,753	(141,537)	646,090
	<u>290,290</u>	<u>148,753</u>	<u>(141,537)</u>	<u>646,090</u>
Total other financing sources (uses)				
	<u>290,290</u>	<u>148,753</u>	<u>(141,537)</u>	<u>646,090</u>
Net change in fund balance				
	-	(89,988)	(89,988)	180,547
Fund balance at beginning of year				
	<u>89,988</u>	<u>89,988</u>	<u>-</u>	<u>(90,559)</u>
Fund balance at end of year				
	<u>\$ 89,988</u>	<u>-</u>	<u>(89,988)</u>	<u>89,988</u>

CITY OF BENICIA
Community Center
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	-	-	333
Rental income	3,700	3,700	-	-
Donations	-	-	-	25,000
Valero improvement project settlement	<u>158,000</u>	<u>-</u>	<u>(158,000)</u>	<u>-</u>
Total revenues	<u>161,700</u>	<u>3,700</u>	<u>(158,000)</u>	<u>25,333</u>
Expenditures:				
Capital outlay	<u>1,773,995</u>	<u>70,951</u>	<u>1,703,044</u>	<u>438,278</u>
Total expenditures	<u>1,773,995</u>	<u>70,951</u>	<u>1,703,044</u>	<u>438,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,612,295)</u>	<u>(67,251)</u>	<u>1,545,044</u>	<u>(412,945)</u>
Other financing sources (uses):				
Transfers in	<u>93,510</u>	<u>93,510</u>	<u>-</u>	<u>91,480</u>
Total other financing sources (uses)	<u>93,510</u>	<u>93,510</u>	<u>-</u>	<u>91,480</u>
Net change in fund balance	(1,518,785)	26,259	1,545,044	(321,465)
Fund balance (deficit) at beginning of year	<u>(177,687)</u>	<u>(177,687)</u>	<u>-</u>	<u>143,778</u>
Fund balance (deficit) at end of year	<u>\$ (1,696,472)</u>	<u>(151,428)</u>	<u>1,545,044</u>	<u>(177,687)</u>

CITY OF BENICIA
Community Donations
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	644	644	809
Miscellaneous revenues	-	-	-	769
	<u>-</u>	<u>644</u>	<u>644</u>	<u>1,578</u>
Total revenues				
Expenditures:				
Capital outlay	<u>13,175</u>	<u>-</u>	<u>13,175</u>	<u>-</u>
Total expenditures	<u>13,175</u>	<u>-</u>	<u>13,175</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,175)</u>	<u>644</u>	<u>13,819</u>	<u>1,578</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,527)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,527)</u>
Net change in fund balance	(13,175)	644	13,819	(949)
Fund balance at beginning of year	<u>20,138</u>	<u>20,138</u>	<u>-</u>	<u>21,087</u>
Fund balance at end of year	<u>\$ 6,963</u>	<u>20,782</u>	<u>13,819</u>	<u>20,138</u>

CITY OF BENICIA
Police Public Safety Building
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	921	921	501
Miscellaneous revenues	-	623	623	-
 Total revenues	 -	 1,544	 1,544	 501
Expenditures:				
Capital outlay	78,375	31,074	47,301	173,807
 Total expenditures	 78,375	 31,074	 47,301	 173,807
 Excess (deficiency) of revenues over (under) expenditures	 (78,375)	 (29,530)	 48,845	 (173,306)
Other financing sources (uses):				
Transfers in	-	3,370	3,370	213,593
Transfers out	-	-	-	(16,648)
 Total other financing sources (uses)	 -	 3,370	 3,370	 196,945
 Net change in fund balance	 (78,375)	 (26,160)	 52,215	 23,639
 Fund balance at beginning of year	 54,257	 54,257	 -	 30,618
 Fund balance at end of year	 \$ (24,118)	 28,097	 52,215	 54,257

CITY OF BENICIA
 McAllister Assessment District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Fiscal year ended June 30, 2009
 (with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ -	1,978	1,978	1,161
Total revenues	<u>-</u>	<u>1,978</u>	<u>1,978</u>	<u>1,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,978</u>	<u>1,978</u>	<u>1,161</u>
Net change in fund balance	-	1,978	1,978	1,161
Fund balance at beginning of year	<u>21,760</u>	<u>21,760</u>	<u>-</u>	<u>20,599</u>
Fund balance at end of year	<u><u>\$ 21,760</u></u>	<u><u>23,738</u></u>	<u><u>1,978</u></u>	<u><u>21,760</u></u>

CITY OF BENICIA
Intermodal Transportation Center
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Prior Year Actual</u>
Revenues:				
Investment income	\$ 47,000	-	(47,000)	52,827
Total revenues	<u>47,000</u>	<u>-</u>	<u>(47,000)</u>	<u>52,827</u>
Expenditures:				
Capital outlay	<u>126,700</u>	<u>21,094</u>	<u>105,606</u>	<u>-</u>
Total expenditures	<u>126,700</u>	<u>21,094</u>	<u>105,606</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,700)</u>	<u>(21,094)</u>	<u>58,606</u>	<u>52,827</u>
Other financing sources (uses):				
Transfers out	<u>(47,000)</u>	<u>(17,537)</u>	<u>29,463</u>	<u>(31,530)</u>
Total other financing sources (uses)	<u>(47,000)</u>	<u>(17,537)</u>	<u>29,463</u>	<u>(31,530)</u>
Net change in fund balance	(126,700)	(38,631)	88,069	21,297
Fund balance at beginning of year	<u>1,038,631</u>	<u>1,038,631</u>	<u>-</u>	<u>1,017,334</u>
Fund balance at end of year	<u>\$ 911,931</u>	<u>1,000,000</u>	<u>88,069</u>	<u>1,038,631</u>

CITY OF BENICIA

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.

CITY OF BENICIA
Internal Service Funds
Combining Statement of Net Assets
June 30, 2009
(with comparative information for the prior year)

	<u>Insurance</u>	<u>General Services</u>	<u>Building and Equipment Maintenance</u>	<u>Retirement Stability</u>	<u>Totals</u>	
					2009	2008
Assets:						
Current assets:						
Cash and investments	\$ 226,402	5,360	2,214,370	935,298	3,381,430	3,135,090
Interest receivable	223	-	1,930	727	2,880	9,702
Inventory	-	15,170	-	-	15,170	22,670
Prepaid items	-	20,448	-	2,500	22,948	51,856
Total current assets	<u>226,625</u>	<u>40,978</u>	<u>2,216,300</u>	<u>938,525</u>	<u>3,422,428</u>	<u>3,219,318</u>
Noncurrent assets						
Prepaid PERS contribution	-	-	-	12,601,889	12,601,889	12,938,284
Advances to other funds	314,853	-	-	-	314,853	343,460
Capital assets, net of accumulated depreciation	-	-	8,900,981	-	8,900,981	9,272,410
Total assets	<u>541,478</u>	<u>40,978</u>	<u>11,117,281</u>	<u>13,540,414</u>	<u>25,240,151</u>	<u>25,773,472</u>
Liabilities:						
Current liabilities:						
Accounts payable	33,444	32,652	32,867	-	98,963	147,974
Interest payable	-	-	3,553	31,186	34,739	34,174
Due to other funds	-	8,326	-	-	8,326	16,319
Workers' compensation claims	200,200	-	-	-	200,200	200,200
Current portion of long-term liabilities	-	-	-	885,000	885,000	710,000
Total current liabilities	<u>233,644</u>	<u>40,978</u>	<u>36,420</u>	<u>916,186</u>	<u>1,227,228</u>	<u>1,108,667</u>
Noncurrent liabilities:						
Workers' compensation claims	349,970	-	-	-	349,970	411,691
Lease obligation	-	-	327,973	-	327,973	-
Pension obligation bonds	-	-	-	12,791,377	12,791,377	13,592,593
Advances from other funds	-	-	314,853	-	314,853	343,460
Total liabilities	<u>583,614</u>	<u>40,978</u>	<u>679,246</u>	<u>13,707,563</u>	<u>15,011,401</u>	<u>15,456,411</u>
Net assets:						
Invested in capital assets, net of related debt	-	-	8,573,008	-	8,573,008	9,272,410
Unrestricted	<u>(42,136)</u>	<u>-</u>	<u>1,865,027</u>	<u>(167,149)</u>	<u>1,655,742</u>	<u>1,044,651</u>
Total net assets	<u>\$ (42,136)</u>	<u>-</u>	<u>10,438,035</u>	<u>(167,149)</u>	<u>10,228,750</u>	<u>10,317,061</u>

CITY OF BENICIA
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	<u>Insurance</u>	<u>General Services</u>	<u>Building and Equipment Maintenance</u>	<u>Retirement Stability</u>	<u>Totals</u>	
					<u>2009</u>	<u>2008</u>
Operating revenues:						
Charges for services	\$ 308,959	1,195,767	531,505	1,109,430	3,145,661	3,754,311
Other	<u>27,500</u>	<u>62</u>	<u>177,005</u>	<u>-</u>	<u>204,567</u>	<u>92,891</u>
Total operating revenues	<u>336,459</u>	<u>1,195,829</u>	<u>708,510</u>	<u>1,109,430</u>	<u>3,350,228</u>	<u>3,847,202</u>
Operating expenses:						
Wages and benefits	55,125	752,392	-	-	807,517	745,310
Materials and supplies	-	36,574	325,677	-	362,251	656,914
Operations and maintenance	64,184	215,954	-	-	280,138	277,750
Claims and insurance	478,801	190,909	-	-	669,710	507,877
Depreciation	<u>-</u>	<u>-</u>	<u>570,370</u>	<u>-</u>	<u>570,370</u>	<u>556,680</u>
Total operating expenses	<u>598,110</u>	<u>1,195,829</u>	<u>896,047</u>	<u>-</u>	<u>2,689,986</u>	<u>2,744,531</u>
Operating income (loss)	<u>(261,651)</u>	<u>-</u>	<u>(187,537)</u>	<u>1,109,430</u>	<u>660,242</u>	<u>1,102,671</u>
Nonoperating revenues (expenses):						
Interest income	23,101	-	53,530	17,095	93,726	151,662
Interest expense	-	-	(24,660)	(495,525)	(520,185)	(1,295,933)
Pension obligation amortization	-	-	-	(336,394)	(336,394)	(345,375)
Gain (loss) on disposal of assets	<u>-</u>	<u>-</u>	<u>4,300</u>	<u>-</u>	<u>4,300</u>	<u>(5,102)</u>
Total nonoperating revenues	<u>23,101</u>	<u>-</u>	<u>33,170</u>	<u>(814,824)</u>	<u>(758,553)</u>	<u>(1,494,748)</u>
Income (loss) before transfers	<u>(238,550)</u>	<u>-</u>	<u>(154,367)</u>	<u>294,606</u>	<u>(98,311)</u>	<u>(392,077)</u>
Transfers:						
Transfers in	-	-	10,000	-	10,000	102,324
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Total transfers	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>77,324</u>
Change in net assets	<u>(238,550)</u>	<u>-</u>	<u>(144,367)</u>	<u>294,606</u>	<u>(88,311)</u>	<u>(314,753)</u>
Net assets (deficit) at beginning of year	<u>196,414</u>	<u>-</u>	<u>10,582,402</u>	<u>(461,755)</u>	<u>10,317,061</u>	<u>10,631,814</u>
Net assets (deficit) at end of year	<u>\$ (42,136)</u>	<u>-</u>	<u>10,438,035</u>	<u>(167,149)</u>	<u>10,228,750</u>	<u>10,317,061</u>

CITY OF BENICIA
Internal Service Funds
Combining Statement of Cash Flows
Fiscal year ended June 30, 2009
(with comparative information for the prior year)

	Insurance	General Services	Building and Equipment Management	Retirement Stability	Totals	
					2009	2008
Cash flows from operating activities:						
Receipts from customers	\$ 336,459	1,195,829	708,510	1,109,430	3,350,228	3,847,202
Payments to suppliers for goods and services	(582,712)	(443,236)	(356,922)	-	(1,382,870)	(1,227,322)
Payments to employees for services	(55,125)	(752,392)	-	-	(807,517)	(1,034,667)
Net cash provided by (used for) operating activities	<u>(301,378)</u>	<u>201</u>	<u>351,588</u>	<u>1,109,430</u>	<u>1,159,841</u>	<u>1,585,213</u>
Cash flows from non-capital financing activities:						
Principal paid in non-capital debt	-	-	-	(710,000)	(710,000)	(470,000)
Interest paid on non-capital debt	-	-	-	(414,729)	(414,729)	(414,667)
Transfers in	-	-	10,000	-	10,000	117,150
Transfers (out)	-	-	-	-	-	(25,000)
Advances to other funds	28,607	-	-	-	28,607	-
Advances from other funds	-	(7,993)	(28,607)	-	(36,600)	-
Net cash provided by (used for) non-capital and related activities	<u>28,607</u>	<u>(7,993)</u>	<u>(18,607)</u>	<u>(1,124,729)</u>	<u>(1,122,722)</u>	<u>(792,517)</u>
Cash flows from capital and related financing activities:						
Principal paid on debt	-	-	(37,027)	-	(37,027)	-
Interest paid on debt	-	-	(24,660)	-	(24,660)	-
Proceeds from capital lease	-	-	365,000	-	365,000	-
Acquisition of capital assets, net	-	-	(198,941)	-	(198,941)	(1,089,925)
Proceeds from sale of capital assets	-	-	4,300	-	4,300	5,565
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>108,672</u>	<u>-</u>	<u>108,672</u>	<u>(1,084,360)</u>
Cash flows from investing activities:						
Interest received on investments	<u>25,029</u>	<u>-</u>	<u>55,839</u>	<u>19,681</u>	<u>100,549</u>	<u>160,326</u>
Net cash provided by (used for) investing activities	<u>25,029</u>	<u>-</u>	<u>55,839</u>	<u>19,681</u>	<u>100,549</u>	<u>160,326</u>
Net increase (decrease) in cash and cash equivalents	(247,742)	(7,792)	497,492	4,382	246,340	(131,338)
Cash and cash equivalents at beginning of year	<u>474,144</u>	<u>13,152</u>	<u>1,716,878</u>	<u>930,916</u>	<u>3,135,090</u>	<u>3,266,428</u>
Cash and cash equivalents at end of year	<u>\$ 226,402</u>	<u>5,360</u>	<u>2,214,370</u>	<u>935,298</u>	<u>3,381,430</u>	<u>3,135,090</u>
Reconciliation of operating income to net cash provided by operating activities:						
Operating income (loss)	\$ (261,651)	-	(187,537)	1,109,430	660,242	1,102,671
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	-	-	570,370	-	570,370	556,680
(Increase) decrease in materials, parts and supplies	-	7,500	-	-	7,500	(13,105)
(Increase) decrease in prepaid items	-	28,908	-	-	28,908	(23,322)
Increase (decrease) in accounts payable	21,994	(36,207)	(31,245)	-	(45,458)	40,511
Increase (decrease) in deferred revenue	-	-	-	-	-	-
Increase (decrease) in claims and judgments payable	(61,721)	-	-	-	(61,721)	(78,222)
Net cash provided by (used for) operating activities	<u>\$ (301,378)</u>	<u>201</u>	<u>351,588</u>	<u>1,109,430</u>	<u>1,159,841</u>	<u>1,585,213</u>

CITY OF BENICIA

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 Balance Sheet
 June 30, 2009
 (with comparative information for the prior year)

	Fleetside Industrial Assessment District	East 2nd Street Assessment District	Combined Drake/Gateway Assesment District	McAllister Assessment District	<u>Totals</u>	
					2009	2008
Assets:						
Cash and investments	\$ 628,443	687,368	154,202	1,747,872	3,217,885	3,168,976
Interest receivable	<u>532</u>	<u>582</u>	<u>131</u>	<u>1,456</u>	<u>2,701</u>	<u>8,594</u>
Total assets	<u>628,975</u>	<u>687,950</u>	<u>154,333</u>	<u>1,749,328</u>	<u>3,220,586</u>	<u>3,177,570</u>
Liabilities:						
Due to bondholders	<u>628,975</u>	<u>687,950</u>	<u>154,333</u>	<u>1,749,328</u>	<u>3,220,586</u>	<u>3,177,570</u>
Total liabilities	<u>\$ 628,975</u>	<u>687,950</u>	<u>154,333</u>	<u>1,749,328</u>	<u>3,220,586</u>	<u>3,177,570</u>

CITY OF BENICIA
Agency Fund
Statement of Changes in Assets and Liabilities
Fiscal year Ended June 30, 2009

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
<hr/> <u>Fleetside Industrial Assessment District</u> <hr/>				
<u>Assets</u>				
Restricted cash and investments	\$ 602,554	450,031	424,142	628,443
Interest receivable	<u>1,639</u>	<u>532</u>	<u>1,639</u>	<u>532</u>
Total Assets	<u>\$ 604,193</u>	<u>450,563</u>	<u>424,142</u>	<u>628,975</u>
 <u>Liabilities</u>				
Due to bondholders	<u>\$ 604,193</u>	<u>450,563</u>	<u>425,781</u>	<u>628,975</u>
Total liabilities	<u>\$ 604,193</u>	<u>450,563</u>	<u>425,781</u>	<u>628,975</u>
 <hr/> <u>East 2nd Street Assessment District</u> <hr/>				
<u>Assets</u>				
Restricted cash and investments	\$ 670,298	496,549	479,479	687,368
Interest receivable	<u>1,823</u>	<u>582</u>	<u>1,823</u>	<u>582</u>
Total Assets	<u>\$ 672,121</u>	<u>497,131</u>	<u>479,479</u>	<u>687,950</u>
 <u>Liabilities</u>				
Due to bondholders	<u>\$ 672,121</u>	<u>497,131</u>	<u>481,302</u>	<u>687,950</u>
Total liabilities	<u>\$ 672,121</u>	<u>497,131</u>	<u>481,302</u>	<u>687,950</u>
 <hr/> <u>Combined Drake/Gateway Assessment District</u> <hr/>				
<u>Assets</u>				
Restricted cash and investments	\$ 216,432	85,181	147,411	154,202
Interest receivable	<u>591</u>	<u>131</u>	<u>591</u>	<u>131</u>
Total Assets	<u>\$ 217,023</u>	<u>85,312</u>	<u>147,411</u>	<u>154,333</u>
 <u>Liabilities</u>				
Due to bondholders	<u>\$ 217,023</u>	<u>85,312</u>	<u>148,002</u>	<u>154,333</u>
Total liabilities	<u>\$ 217,023</u>	<u>85,312</u>	<u>148,002</u>	<u>154,333</u>

CITY OF BENICIA
Agency Funds
Statement of Changes in Assets and Liabilities
Fiscal year Ended June 30, 2009

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
<hr/> <u>McAllister Assessment District</u> <hr/>				
<u>Assets</u>				
Restricted cash and investments	\$ 1,679,692	932,715	864,535	1,747,872
Interest receivable	<u>4,541</u>	<u>1,456</u>	<u>4,541</u>	<u>1,456</u>
Total Assets	<u>\$ 1,684,233</u>	<u>934,171</u>	<u>864,535</u>	<u>1,749,328</u>
 <u>Liabilities</u>				
Due to bondholders	\$ 1,684,233	<u>934,171</u>	<u>869,076</u>	<u>1,749,328</u>
Total liabilities	<u>\$ 1,684,233</u>	<u>934,171</u>	<u>869,076</u>	<u>1,749,328</u>
 <hr/> <u>Total Agency Funds</u> <hr/>				
<u>Assets</u>				
Restricted cash and investments	\$ 3,168,976	1,964,476	1,915,567	3,217,885
Interest receivable	<u>8,594</u>	<u>2,701</u>	<u>8,594</u>	<u>2,701</u>
Total Assets	<u>\$ 3,177,570</u>	<u>450,563</u>	<u>424,142</u>	<u>3,220,586</u>
 <u>Liabilities</u>				
Due to bondholders	\$ 3,177,570	<u>1,967,177</u>	<u>1,924,161</u>	<u>3,220,586</u>
Total Liabilities	<u>\$ 3,177,570</u>	<u>1,967,177</u>	<u>1,924,161</u>	<u>3,220,586</u>

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding that 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 Assets by Component
2. Changes in Net Assets
3. Government Activities 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 abilities 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. Debt 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

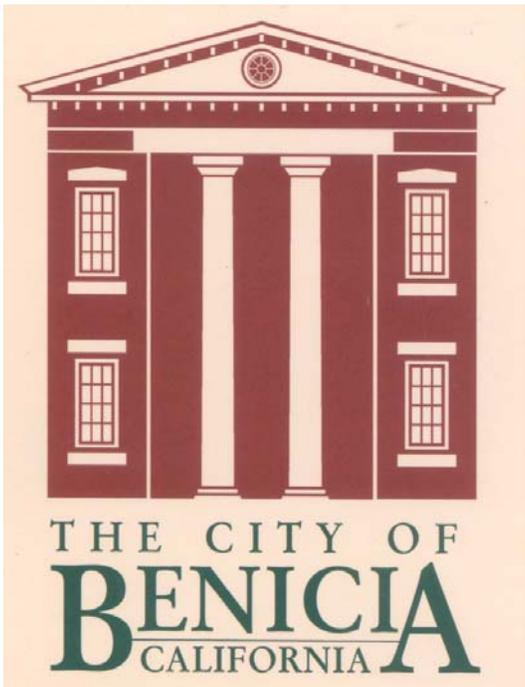
Operating Information

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:

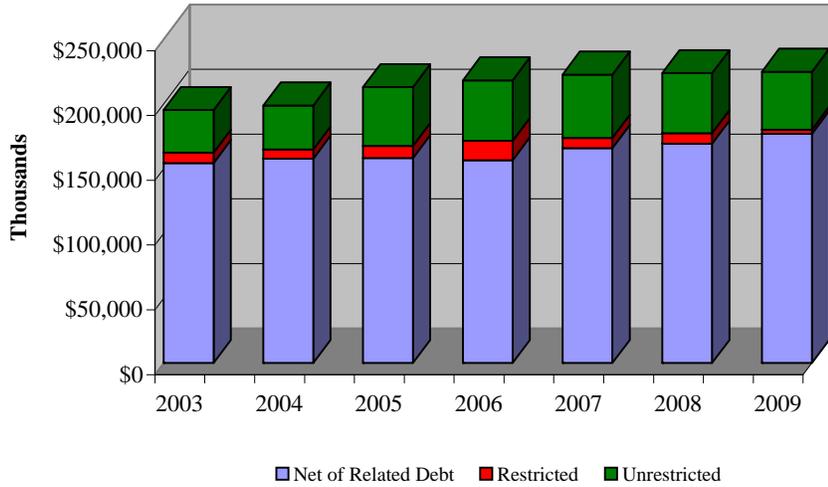
1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.



CITY OF BENICIA
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)



	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$104,537,453	\$103,928,682	\$106,131,111	\$106,154,667	\$109,082,400	\$110,609,618	\$113,264,434
Restricted	6,580,574	6,542,947	8,273,480	14,218,067	7,848,173	8,052,003	3,195,339
Unrestricted	9,138,044	10,649,209	15,644,661	10,153,833	15,361,828	13,489,203	15,465,114
Total governmental activities net assets	\$120,256,071	\$121,120,838	\$130,049,252	\$130,526,567	\$132,292,401	\$132,150,824	\$131,924,887
Business-type activities							
Invested in capital assets, net of related debt	\$49,773,778	\$53,923,197	\$52,003,981	\$50,368,665	\$56,818,976	\$58,724,744	\$63,624,158
Restricted	1,489,729	441,326	1,058,372	648,123	360	256	-
Unrestricted	23,693,578	23,316,541	29,788,462	36,731,790	33,563,541	32,863,392	29,231,383
Total business-type activities net assets	\$74,957,085	\$77,681,064	\$82,850,815	\$87,748,578	\$90,382,877	\$91,588,392	\$92,855,541
Primary government							
Invested in capital assets, net of related debt	\$154,311,231	\$157,851,879	\$158,135,092	\$156,523,332	\$165,901,376	\$169,334,362	\$176,888,592
Restricted	8,070,303	6,984,273	9,331,852	14,866,190	7,848,533	8,052,259	3,195,339
Unrestricted	32,831,622	33,965,750	45,433,123	46,885,623	48,925,369	46,352,595	44,696,497
Total primary government net assets	\$195,213,156	\$198,801,902	\$212,900,067	\$218,275,145	\$222,675,278	\$223,739,216	\$224,780,428

CITY OF BENICIA
Changes in Net Assets
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses							
Governmental Activities:							
Administration	\$3,394,829	\$3,262,692	\$3,563,133	\$3,544,980	\$3,300,970	\$2,824,341	\$3,114,153
Community Development	1,845,085	1,357,960	1,788,216	1,394,644	2,095,746	2,384,853	1,821,213
Public Safety - Police	5,319,673	6,138,029	7,531,528	7,132,974	10,439,354	8,774,285	9,150,887
Public Safety - Fire	3,793,711	4,578,727	4,955,345	6,082,806	6,335,969	7,089,431	7,212,291
Parks & Community Services	3,881,257	4,194,633	3,994,390	5,357,910	5,966,185	6,650,653	5,999,749
Public Works	3,996,472	4,740,810	6,432,754	4,572,017	5,605,290	4,273,248	4,186,559
Library	1,811,380	1,849,493	1,895,726	1,882,507	2,153,638	2,349,721	2,403,239
Economic Development	266,233	273,132	158,738	746,765	385,726	473,311	536,124
General	2,689,137	2,795,502	1,677,467	2,571,342	2,864,213	3,182,776	4,283,723
Interest on Long-Term Debt	437,013	399,337	447,403	421,796	503,819	472,189	525,341
Total Governmental Activities Expenses	<u>27,434,790</u>	<u>29,590,315</u>	<u>32,444,700</u>	<u>33,707,741</u>	<u>39,650,910</u>	<u>38,474,808</u>	<u>39,233,279</u>
Business-Type Activities:							
Wastewater	5,693,686	5,156,056	5,461,603	6,199,104	6,853,399	7,023,768	7,294,741
Water	5,049,775	5,280,652	5,394,061	5,940,193	6,614,679	7,572,285	7,345,574
Benicia Marina	818,109	760,507	564,568	564,438	579,184	624,611	594,863
Transit	1,156,656	1,123,274	1,203,930	1,450,093	1,847,674	1,765,644	1,370,621
Total Business-Type Activities Expenses	<u>12,718,226</u>	<u>12,320,489</u>	<u>12,624,162</u>	<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>\$40,153,016</u>	<u>\$41,910,804</u>	<u>\$45,068,862</u>	<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	\$21,665	\$50,879	\$195,782	\$16,191	\$32,950	\$56,609	\$41,724
Community Development	386,175	716,866	1,531,625	1,471,896	1,284,313	1,092,871	771,524
Public Safety - Police	302,992	117,414	206,046	248,691	199,039	190,136	200,824
Public Safety - Fire	120,366	25,444	145,959	83,945	196,361	223,919	425,753
Parks & Community Services	1,903,106	1,976,731	2,557,003	2,583,196	1,768,794	1,226,842	1,687,534
Public Works	57,156	399,918	368,068	384,481	444,159	146,363	265,001
Library	237,128	222,233	229,642	234,124	246,302	205,981	186,595
Economic Development	25,000	-	80	40	-	1,000	30
General	703,039	557,634	170,077	531,642	-	712,131	316,230
Operating Grants and Contributions	1,318,279	1,595,353	2,063,235	1,427,752	557,754	1,898,958	2,909,497
Capital Grants and Contributions	232,621	1,054,873	9,385,834	206,918	1,827,358	366,550	-
Total Government Activities Program Revenues	<u>5,307,527</u>	<u>6,717,345</u>	<u>16,853,351</u>	<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	5,302,028	6,528,485	7,409,921	8,078,749	7,223,062	6,955,313	6,897,189
Water	5,979,387	7,501,883	7,694,339	8,343,298	7,465,686	7,141,569	6,772,607
Benicia Marina	298,096	328,133	332,066	325,172	284,187	547,422	323,034
Transit	179,718	198,619	188,654	218,998	290,474	332,687	153,573
Operating Grants and Contributions	920,052	1,025,439	906,999	1,114,734	1,383,596	1,683,891	599,934
Capital Grants and Contributions	-	-	1,518,000	337,829	395,271	-	2,000,000
Total Business-Type Activities Program Revenues	<u>12,679,281</u>	<u>15,582,559</u>	<u>18,049,979</u>	<u>18,418,780</u>	<u>17,042,276</u>	<u>16,660,882</u>	<u>16,746,337</u>
Total Primary Government Program Revenues	<u>\$17,986,808</u>	<u>\$22,299,904</u>	<u>\$34,903,330</u>	<u>\$25,607,656</u>	<u>\$23,599,306</u>	<u>\$22,782,242</u>	<u>\$23,551,049</u>
Net (Expense)/Revenue							
Governmental Activities	(\$22,127,263)	(\$22,872,970)	(\$15,591,349)	(\$26,518,865)	(\$33,093,880)	(\$32,353,448)	(\$32,428,567)
Business-Type Activities	(38,945)	3,262,070	5,425,817	4,264,952	1,147,340	(325,426)	140,538
Total Primary Government Net Expense	<u>(\$22,166,208)</u>	<u>(\$19,610,900)</u>	<u>(\$10,165,532)</u>	<u>(\$22,253,913)</u>	<u>(\$31,946,540)</u>	<u>(\$32,678,874)</u>	<u>(\$32,288,029)</u>

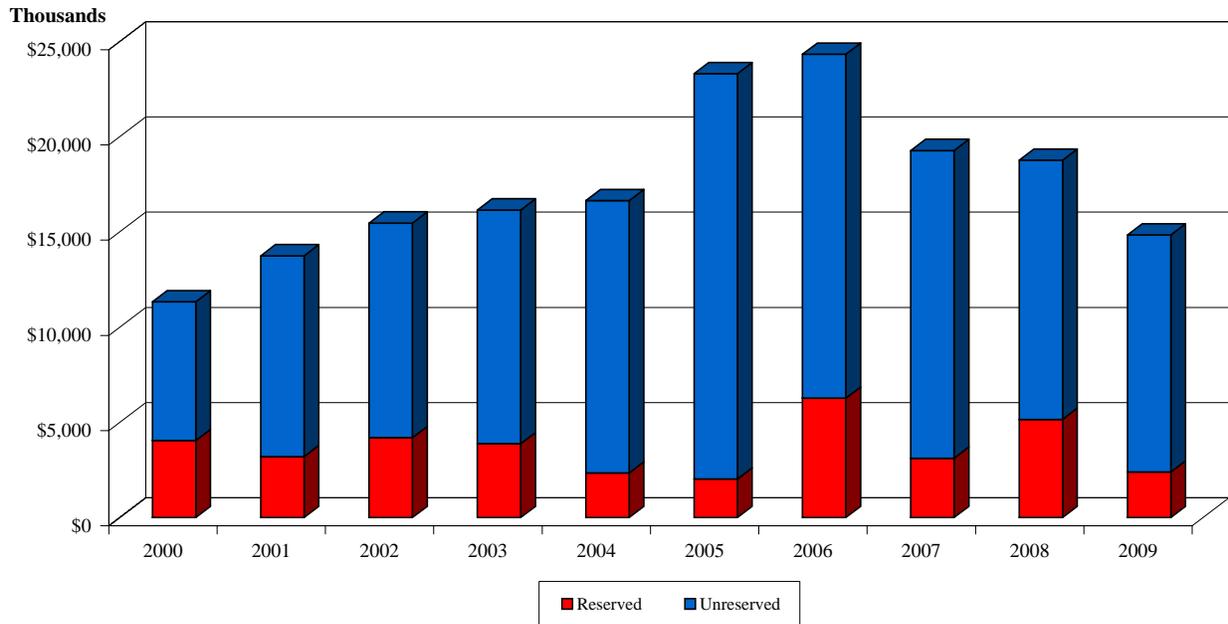
CITY OF BENICIA
Changes in Net Assets
(continued)
Last Seven Fiscal Years
(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Assets							
Governmental Activities:							
Taxes:							
Property Taxes	\$10,900,163	\$11,280,618	\$11,853,045	\$13,095,234	\$13,942,074	\$14,275,801	\$13,812,912
Sales Tax	4,180,368	4,758,335	4,890,592	5,974,307	6,986,922	7,514,258	7,688,775
Utility Users Tax	2,739,530	2,747,951	2,826,370	3,001,316	5,056,904	4,190,517	4,413,428
Franchise Fees	-	-	-	-	-	1,589,752	1,851,511
Other Taxes	1,358,955	1,934,761	1,702,584	2,070,425	2,131,710	1,644,732	747,468
Motor Vehicle in Lieu	1,614,474	1,241,512	2,071,395	1,958,532	2,015,234	1,992,604	2,059,561
Investment Earnings	310,508	1,020,649	540,441	749,606	3,390,122	913,825	851,097
Gain from Disposal of Capital Assets	732,124	39,446	26,851	5,850	2,000	21,980	-
Transfers	443,150	714,465	608,485	140,910	77,993	68,402	30,415
Total Government Activities	<u>22,279,272</u>	<u>23,737,737</u>	<u>24,519,763</u>	<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	485,257	331,809	349,704	773,496	1,559,891	1,593,423	1,151,428
Gain (Loss) from Disposal of Capital Assets	-	(155,435)	2,715	225	4,761	5,920	5,598
Transfers	(443,150)	(714,465)	(608,485)	(140,910)	(77,993)	(68,402)	(30,415)
Total Business-Type Activities	<u>42,107</u>	<u>(538,091)</u>	<u>(256,066)</u>	<u>632,811</u>	<u>1,486,659</u>	<u>1,530,941</u>	<u>1,126,611</u>
Total Primary Government	<u>\$22,321,379</u>	<u>\$23,199,646</u>	<u>\$24,263,697</u>	<u>\$27,628,991</u>	<u>\$35,089,618</u>	<u>\$33,742,812</u>	<u>\$32,581,778</u>
Change in Net Assets							
Governmental Activities	\$152,009	\$864,767	\$8,928,414	\$477,315	\$509,079	(\$141,577)	(973,400)
Business-Type Activities	3,162	2,723,979	5,169,751	4,897,763	2,633,999	1,205,515	1,267,149
Total Primary Government	<u>\$155,171</u>	<u>\$3,588,746</u>	<u>\$14,098,165</u>	<u>\$5,375,078</u>	<u>\$3,143,078</u>	<u>\$1,063,938</u>	<u>\$293,749</u>

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

Fiscal Year	Property Tax	Sales Tax	Utility Users Tax	Other Taxes	Total
2000	8,933,886	3,921,581	2,286,667	281,907	15,424,041
2001	9,158,717	4,060,367	2,546,594	315,762	16,081,440
2002	9,971,652	3,698,722	2,648,033	787,664	17,106,071
2003	10,900,163	4,180,368	2,739,530	1,358,955	19,179,016
2004	11,280,618	4,758,335	2,747,951	1,934,761	20,721,665
2005	11,853,045	4,890,592	2,826,370	1,702,584	21,272,591
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	7,514,259	4,190,516	2,390,562	28,371,138
2009	13,812,912	7,688,775	4,413,428	2,598,979	28,514,094

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$2,146,211	\$1,534,114	\$1,465,577	\$1,396,791	\$961,703	\$534,805	\$240,831	\$359,361	\$411,078	\$627,687
Unreserved	4,128,929	4,490,366	5,543,123	7,597,068	8,326,733	9,144,553	7,736,096	9,927,737	9,296,480	5,662,297
Total General Fund	<u>\$6,275,140</u>	<u>\$6,024,480</u>	<u>\$7,008,700</u>	<u>\$8,993,859</u>	<u>\$9,288,436</u>	<u>\$9,679,358</u>	<u>\$7,976,927</u>	<u>\$10,287,098</u>	<u>\$9,707,558</u>	<u>\$6,289,984</u>
All Other Governmental Funds										
Reserved	\$1,889,644	\$1,663,193	\$2,724,500	\$2,472,659	\$1,375,669	\$1,482,587	\$6,026,937	\$2,756,636	\$4,739,462	\$1,759,627
Unreserved, reported in:										
Special revenue funds	857,653	2,069,741	2,186,863	1,907,327	2,159,603	2,680,139	2,877,038	2,532,927	3,169,621	3,406,367
Capital project funds	2,302,479	3,978,197	3,536,102	2,766,542	3,806,758	9,450,507	7,436,806	3,685,773	1,140,250	3,379,820
Total all other governmental funds	<u>\$5,049,776</u>	<u>\$7,711,131</u>	<u>\$8,447,465</u>	<u>\$7,146,528</u>	<u>\$7,342,030</u>	#####	<u>\$16,340,781</u>	<u>\$8,975,336</u>	<u>\$9,049,333</u>	<u>\$8,545,814</u>

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis

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

	Fiscal Year Ended June 30,				
	2000	2001	2002	2003	2004
Revenues					
Taxes	\$15,852,071	\$16,538,846	\$17,106,071	\$18,184,822	\$19,275,764
Licenses, permits and fees	1,041,409	1,212,403	1,697,119	1,249,966	1,820,934
Fines and forfeitures	211,740	178,523	127,111	116,426	113,731
Use of money and property	597,490	929,551	405,560	310,508	201,991
Intergovernmental revenues	3,061,481	4,098,541	3,577,630	3,203,978	3,311,483
Charges for services	1,853,486	1,626,405	2,134,605	2,216,140	3,040,407
Other	572,262	613,451	678,989	1,137,193	888,187
Total Revenues	23,189,939	25,197,720	25,727,085	26,419,033	28,652,497
Expenditures					
Current:					
Administration	2,066,531	2,436,650	2,785,416	3,310,286	3,188,510
Community development	1,138,148	1,526,718	1,643,641	1,843,907	1,356,782
Public Safety - Police	3,763,626	4,040,185	4,676,638	5,090,826	5,816,993
Public Safety - Fire	2,903,315	3,094,305	3,395,140	3,686,728	4,457,242
Parks & Community Services	2,798,427	2,907,105	3,283,061	3,678,977	4,021,893
Public Works	1,745,750	1,794,595	1,748,891	1,907,666	1,983,554
Library	752,487	791,043	876,737	1,626,987	1,684,413
Economic Development	205,223	192,843	243,999	256,322	272,690
General	2,238,349	1,939,618	2,103,346	1,911,287	2,774,007
Capital outlay	1,992,737	3,020,766	3,128,837	2,564,166	2,804,971
Debt service:					
Principal repayment	410,000	460,000	490,000	545,000	370,000
Interest and fiscal charges	538,352	509,009	478,435	447,075	408,724
Total Expenditures	20,552,945	22,712,837	24,854,141	26,869,227	29,139,779
Excess (deficiency) of revenues over (under) expenditures	2,636,994	2,484,883	872,944	(450,194)	(487,282)
Other Financing Sources (Uses)					
Transfers in	1,931,415	3,447,330	1,822,615	1,386,935	1,303,265
Transfers (out)	(1,622,395)	(3,521,518)	(1,402,650)	(943,785)	(588,800)
State water resources loans	10,062,422				
General obligation bonds issued					
Capital lease issued					
Bond issue costs					
Contribution from other entity/land owners					
Sale of capital assets			427,645	766,274	262,896
Total other financing sources (uses)	10,371,442	(74,188)	847,610	1,209,424	977,361
Net Change in fund balances	\$13,008,436	\$2,410,695	\$1,720,554	\$759,230	\$490,079
Debt service as a percentage of noncapital expenditures					
	(a)	(a)	(a)	(a)	3.0%

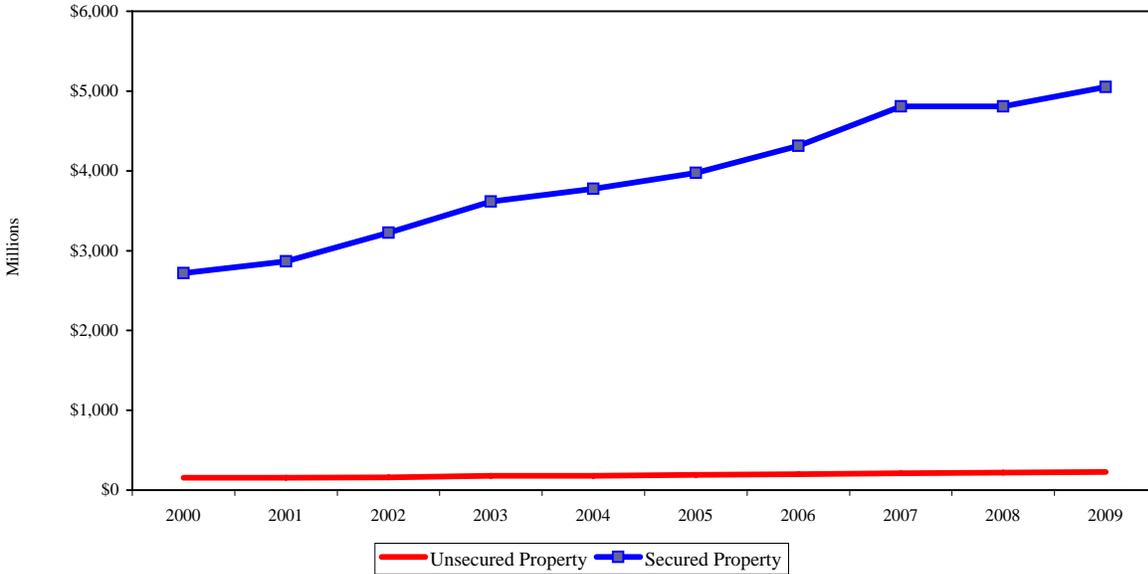
NOTE:

(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,

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$20,363,436	\$23,184,336	\$27,152,426	\$28,813,851	\$29,080,090
1,840,903	2,111,252	1,829,485	349,130	323,241
122,161	124,583	109,744	128,770	115,596
588,076	770,987	1,768,089	1,628,652	1,003,453
4,439,778	3,279,587	3,278,054	4,576,701	4,451,238
4,917,147	4,146,512	2,856,369	2,310,008	2,344,817
310,460	385,325	749,500	580,013	492,841
<u>32,581,961</u>	<u>34,002,582</u>	<u>37,743,667</u>	<u>38,387,125</u>	<u>37,811,276</u>
3,808,377	3,440,007	3,256,967	2,729,399	2,975,571
1,850,714	1,336,391	1,765,245	2,263,730	2,268,403
6,623,787	6,908,386	7,531,759	8,292,356	8,544,690
5,013,129	5,772,527	6,110,150	6,782,268	6,974,688
3,948,215	4,772,498	5,286,401	5,764,217	5,672,170
3,660,641	1,707,728	1,750,115	1,912,747	2,220,756
1,744,702	1,837,995	2,073,228	2,262,383	2,322,259
159,933	693,089	333,337	466,322	517,268
1,941,904	2,324,258	2,554,884	3,025,451	4,187,891
6,665,306	3,702,523	11,123,214	4,227,287	4,883,976
395,000	420,000	617,933	698,064	734,049
388,431	426,508	511,846	481,502	451,063
<u>36,200,139</u>	<u>33,341,910</u>	<u>42,915,079</u>	<u>38,905,726</u>	<u>41,752,784</u>
<u>(3,618,178)</u>	<u>660,672</u>	<u>(5,171,412)</u>	<u>(518,601)</u>	<u>(3,941,508)</u>
2,359,714	1,743,366	4,382,451	2,653,351	3,448,918
(1,751,229)	(3,584,771)	(4,268,313)	(2,662,273)	(3,428,503)
1,400,000	2,200,000			
(50,033)				
8,295,000				
26,851	5,850	2,000	21,980	-
<u>10,280,303</u>	<u>364,445</u>	<u>116,138</u>	<u>13,058</u>	<u>20,415</u>
<u>\$6,662,125</u>	<u>\$1,025,117</u>	<u>(\$5,055,274)</u>	<u>(\$505,543)</u>	<u>(\$3,921,093)</u>
2.7%	2.9%	3.6%	3.4%	2.9%

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



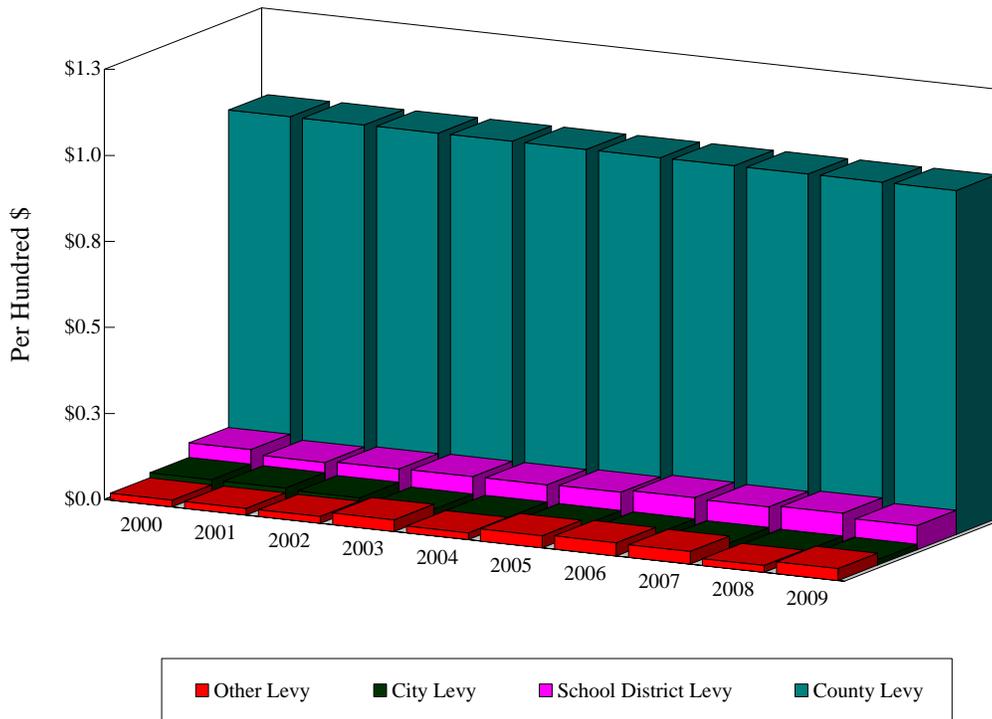
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2000	1,538,016,322	95,328,854	881,706,244	49,606,357	2,564,657,777	154,480,328	2,719,138,105	2,719,138,105	0.26980%
2001	1,638,678,509	98,389,465	904,588,050	70,409,318	2,712,065,342	156,242,220	2,868,307,562	2,868,307,562	0.27047%
2002	1,771,391,915	105,823,296	1,127,681,109	58,450,497	3,063,346,817	159,986,840	3,223,333,657	3,223,333,657	0.29260%
2003	1,877,242,130	115,871,808	1,395,918,255	48,987,127	3,438,019,320	178,013,190	3,616,032,510	3,616,032,510	0.29718%
2004	2,007,330,232	120,150,588	1,417,063,456	50,007,479	3,594,551,755	179,959,785	3,774,511,540	3,774,511,540	0.29257%
2005	2,165,141,847	124,906,264	1,426,651,050	69,656,432	3,786,355,593	190,108,523	3,976,464,116	3,976,464,116	0.26611%
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%

Source: Solano County Assessor 1997/98 - 2006/07 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	Basic County Wide Levy	School District Levy	City Levy	Other Levy	Total Levy
2000	1.0000	0.0773	0.0348	0.0200	1.1321
2001	1.0000	0.0638	0.0341	0.0200	1.1179
2002	1.0000	0.0682	0.0295	0.0200	1.1177
2003	1.0000	0.0701	0.0198	0.0343	1.1242
2004	1.0000	0.0701	0.0198	0.0200	1.1099
2005	1.0000	0.0723	0.0192	0.0353	1.1268
2006	1.0000	0.0803	0.0187	0.0387	1.1377
2007	1.0000	0.0774	0.0170	0.0370	1.1314
2008	1.0000	0.0823	0.0157	0.0200	1.1180
2009	1.0000	0.0701	0.0159	0.0350	1.1210

Source: Solano County Auditor-Controller's Office

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

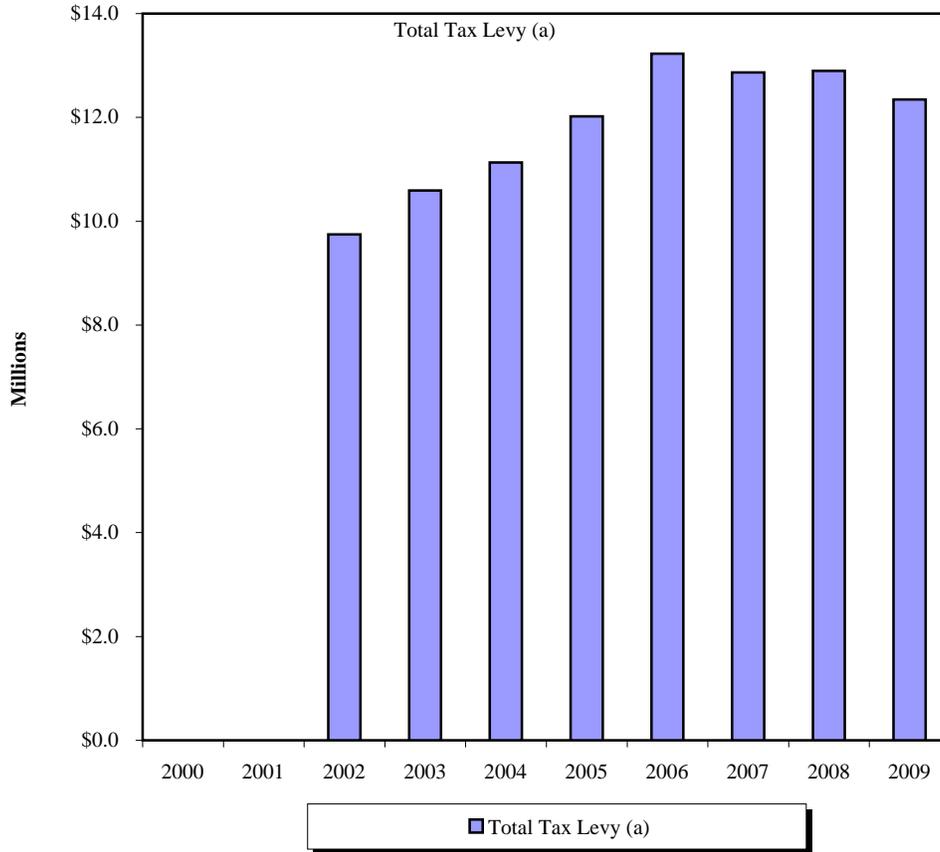
<u>Taxpayer</u>	<u>2008-09</u>			<u>1999-00</u>		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Valero Refining Company California	\$923,239,604	1	18.27%			
Walton CWCA	169,932,000	2	3.36%			
Benicia Industries	66,578,271	3	1.32%	55,057,271	3	2.02%
WRI Golden State LLC	24,822,277	4	0.49%			
SPK Industrial Portfolio LLC	22,414,500	5	0.44%			
Club Pacifica LLC	21,625,473	6	0.43%			
Tulloch Construction Inc.	21,618,899	7	0.43%	9,767,047	9	0.4%
PPF Ind 4701 4799 Industrial Way LP	15,130,038	8	0.30%			
MP Benicia Logistics LLC	13,563,452	9	0.27%			
5001 LLC	12,997,222	10	0.26%			
Exxon Corp				602,805,326	1	22.07%
Spieker Properties Limited Partnership				58,484,718	2	2.14%
BPP Golden State Acq. LLC				17,518,717	4	0.64%
Tri State Properties Company				14,200,000	5	0.52%
Western Container Corporation				11,403,031	6	0.42%
Cambridge Circle Investment Company				11,840,505	7	0.43%
West Coast Beauty Supply Company				10,174,851	8	0.37%
Sequoia Glen Partners				9,435,783	10	0.35%
Total	\$1,291,921,736		25.57%	\$800,687,249		29.32%

Total Net Assessed Valuation:

Fiscal Year 2008-2009	\$5,053,000,702
Fiscal Year 1999-2000	\$2,731,009,518

Source: HdL, Coren & Cone Report

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

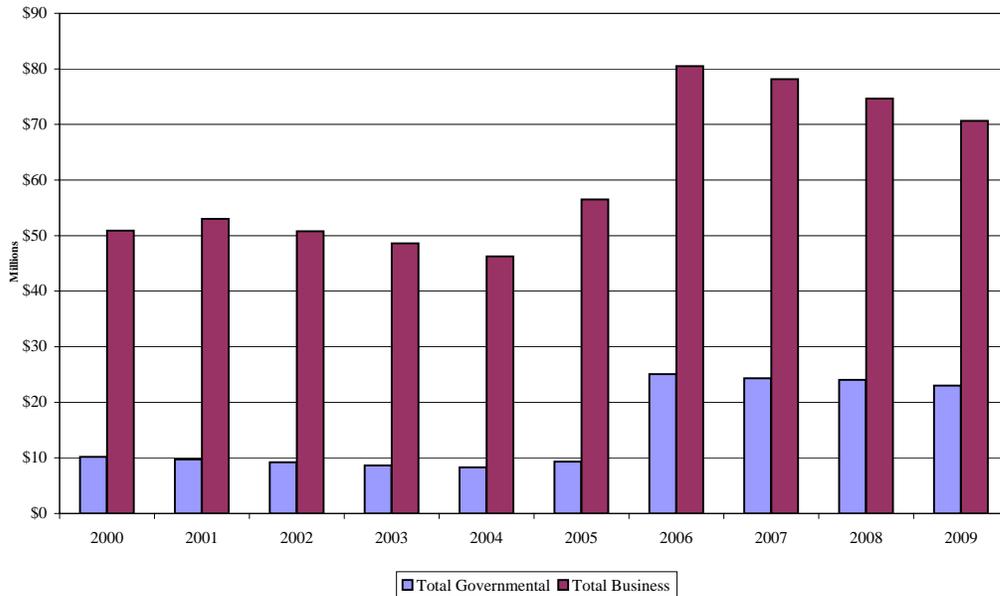


Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date
2000	n/a	n/a	n/a	n/a	n/a
2001	n/a	n/a	n/a	n/a	n/a
2002	\$9,745,064	\$9,729,153	99.8367%	n/a	n/a
2003	10,590,048	10,572,364	99.8330%	n/a	n/a
2004	11,129,665	11,114,556	99.8642%	n/a	n/a
2005	12,020,080	11,989,000	99.7414%	n/a	n/a
2006	13,227,173	13,209,063	99.8631%	n/a	n/a
2007	12,863,706	12,796,607	99.4784%	n/a	n/a
2008	12,898,327	12,814,858	99.3529%	n/a	n/a
2009	12,346,920	12,280,522	99.4622%	n/a	n/a

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

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	Total
2000	10,165,000			10,165,000
2001	9,705,000			9,705,000
2002	9,215,000			9,215,000
2003	8,670,000			8,670,000
2004	8,300,000			8,300,000
2005	7,905,000		\$1,400,000	9,305,000
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

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)
2000	13,450,000	5,325,000	21,956,391	40,731,391	50,896,391	5.16%	1,754.81
2001	12,890,000	5,160,000	25,257,395	43,307,395	53,012,395	5.50%	1,948.99
2002	12,295,000	4,990,000	24,293,039	41,578,039	50,793,039	5.19%	1,880.11
2003	12,065,000	4,815,000	23,055,898	39,935,898	48,605,898	4.82%	1,791.26
2004	11,285,000	4,630,000	22,064,776	37,979,776	46,279,776	4.51%	1,714.70
2005	10,425,000	4,435,000	32,349,308	47,209,308	56,514,308	5.26%	2,068.38
2006	9,550,000	4,260,000	41,620,216	55,430,216	80,487,812	7.12%	2,946.22
2007	8,650,000	4,015,000	41,118,395	53,783,395	78,141,789	6.51%	2,799.18
2008	7,720,000	3,770,000	39,114,917	50,604,917	74,676,513	5.95%	2,669.12
2009	7,055,000	3,510,000	37,065,133	47,630,133	70,669,436	5.60%	2,525.98

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts

Sources: City of Benicia
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

(a) See page 151 (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	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2000	10,165,000	10,165,000	0.37%	350.47
2001	9,705,000	9,705,000	0.34%	356.80
2002	9,215,000	9,215,000	0.29%	341.09
2003	8,670,000	8,670,000	0.24%	319.51
2004	8,300,000	8,300,000	0.22%	307.52
2005	7,905,000	7,905,000	0.20%	289.32
2006	7,485,000	7,485,000	0.17%	273.99
2007	7,045,000	7,045,000	0.15%	252.36
2008	6,585,000	6,585,000	0.14%	235.36
2009	6,100,000	6,100,000	0.12%	218.04

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, 2009**

2008-09 Assessed Valuation \$5,053,000,702

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt 6/30/2009	Percentage Applicable (1)	City's Share of Debt 6/30/2009
Solano County Community College District	\$115,945,000	13.997%	\$16,228,833
Benicia Unified School District	36,343,544	99.226%	36,062,245
City of Benicia	6,100,000	100.00%	6,100,000
City of Benicia 1915 Act Bonds	15,916,000	100.00%	15,916,000
 TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	 \$174,304,544		 74,307,079
 TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			 74,307,079
OVERLAPPING GENERAL FUND DEBT:			
Solano County Certificates of Participation	\$133,355,000	13.554%	18,074,937
Solano County Pension Obligation	118,830,000	13.554%	16,106,218
Solano County Board of Education Certificates of Participation	2,990,000	13.554%	405,265
City of Benicia Pension Obligations	12,412,626	100.00%	12,412,626
 TOTAL OVERLAPPING GENERAL FUND DEBT	 \$267,587,626		 \$46,999,047
 GROSS COMBINED TOTAL DEBT			 \$121,306,125 (2)
 NET COMBINED TOTAL DEBT			 \$121,306,125

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2008-09 ASSESSED VALUATION:

Direct Debt (\$6,100,000)	0.12%
Total Gross Direct and Overlapping Tax Assessment Debt	1.47%
Total Net Direct and Overlapping Tax Assessment Debt	1.47%
Gross Combined Total Debt	2.40%
Net Combined Total Debt	2.40%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: \$0

Source: California Municipal Statistics, Inc.

**CITY OF BENICIA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2009**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$4,823,862,799
---	-----------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$180,894,855
---	---------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$30,041,377
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Less Revenue Bonds, Certificate of Participation not subject to limit	23,941,377
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Amount of debt subject to limit	6,100,000
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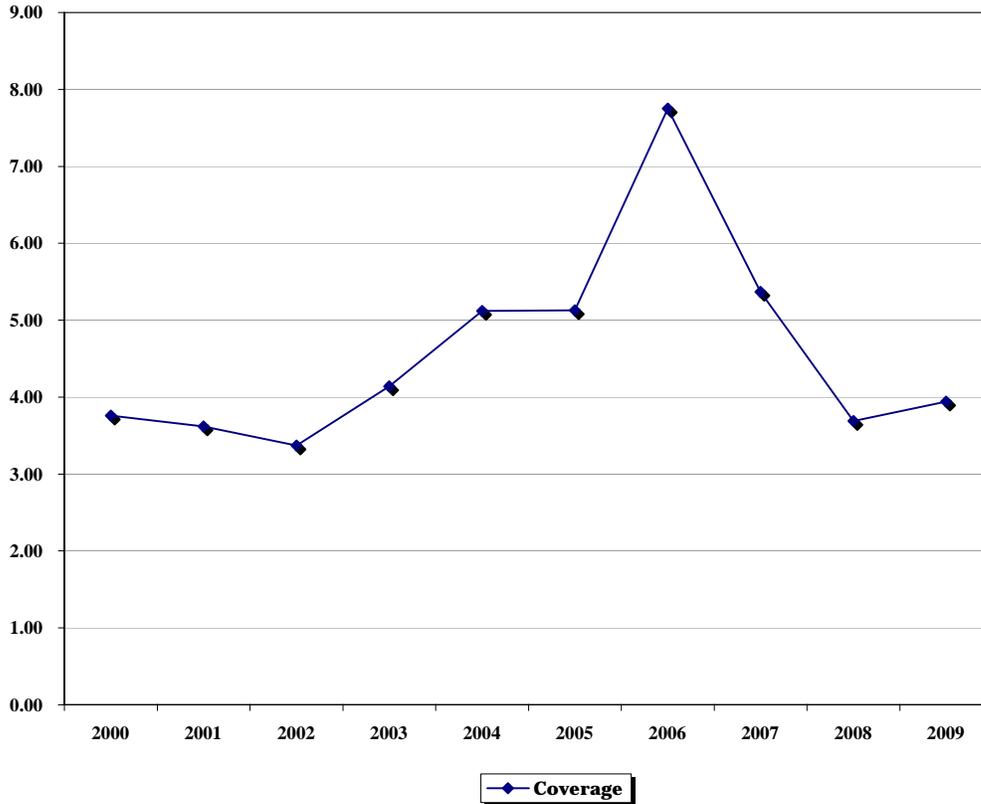
LEGAL BONDED DEBT MARGIN	\$174,794,855
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2000	96,174,667	10,165,000	86,009,667	11.82%
2001	101,702,450	9,705,000	91,997,450	10.55%
2002	114,875,506	9,215,000	105,660,506	8.72%
2003	128,925,725	8,670,000	120,255,725	7.21%
2004	134,795,691	8,300,000	126,495,691	6.56%
2005	141,988,335	7,905,000	134,083,335	5.90%
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%

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)**

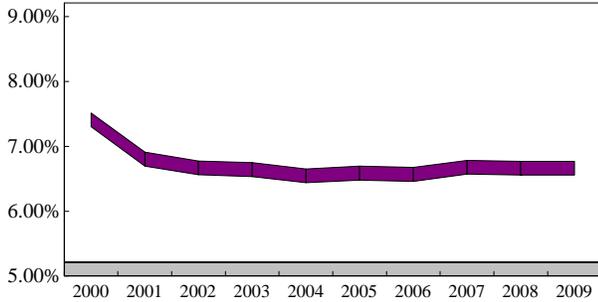


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	11,972	5,226	6,746	685	1,111	1,796	3.76
2001	11,645	5,133	6,512	725	1,072	1,797	3.62
2002	12,247	6,252	5,995	765	1,012	1,777	3.37
2003	11,723	6,153	5,570	805	540	1,345	4.14
2004	14,570	6,349	8,221	965	642	1,607	5.12
2005	15,426	6,837	8,589	1,055	620	1,675	5.13
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

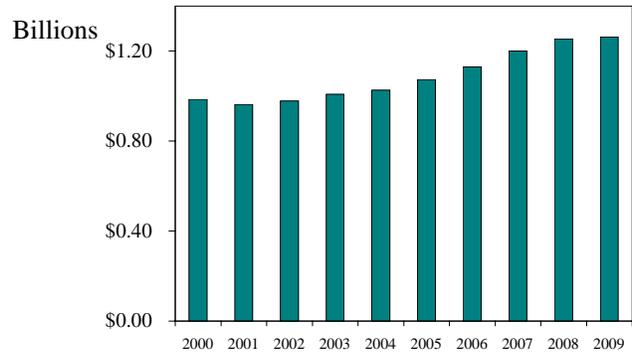
Notes: (1) Includes all Water & Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
 (2) Includes all Water & Wastewater Operating Expenses less Depreciation and Interest

Source: City of Benicia

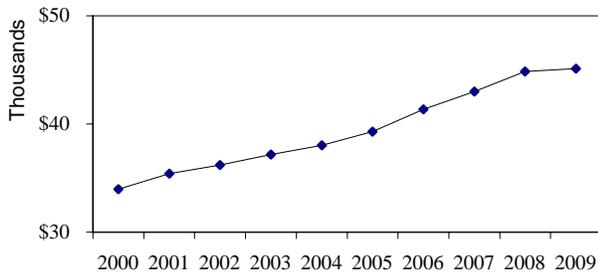
**CITY OF BENICIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



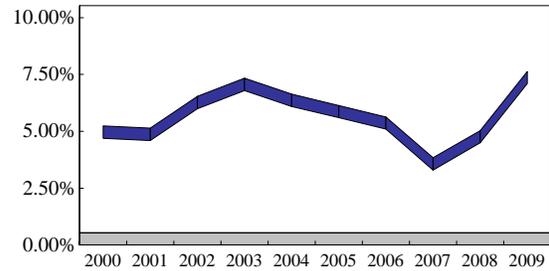
■ City Population as a % of County Population



■ 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
2000	29,004	985,559,783	33,980	4.7%	397,207	7.30%
2001	27,200	963,355,805	35,417	4.6%	406,212	6.70%
2002	27,016	978,310,453	36,212	6.0%	411,821	6.56%
2003	27,135	1,008,953,921	37,183	6.8%	415,405	6.53%
2004	26,990	1,026,744,714	38,042	6.1%	419,270	6.44%
2005	27,323	1,073,505,323	39,289	5.6%	421,657	6.48%
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%

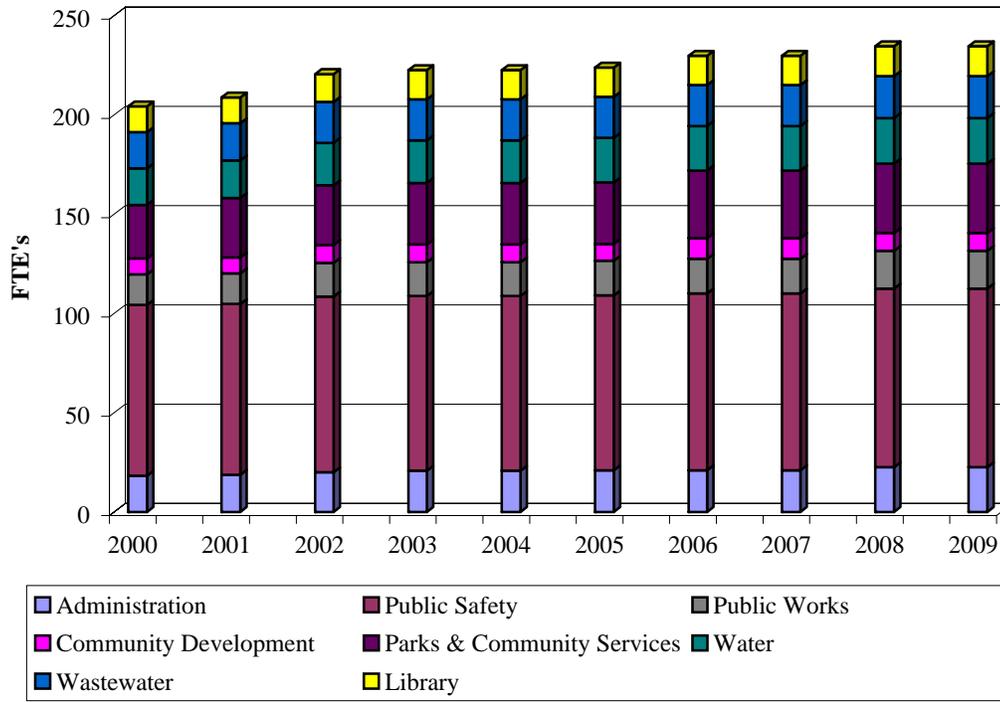
Sources: California State Department of Finance & EDD

CITY OF BENICIA
Principal Employers
Current Year and Five Years Ago

<u>Employer</u>	<u>2008-09</u>			<u>2003-04</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	599	1	2.3%	500	1	1.8%
Benicia Unified School District	465	2	1.8%	491	2	1.8%
City of Benicia	234	3	0.9%	196	6	0.7%
Bio-Rad Laboratories	252	4	1.0%			
Dunlop Manufacturing Inc.	234	5	0.9%	173	8	0.6%
Bay Valve Service & Engineering Inc.	187	6	0.7%			
Cytosport	160	7	0.6%			
American Civil Constructors West Coast	160	8	0.6%			
Coca-Cola Bottling Co.	157	9	0.6%			
Radiator Express Warehouse	133	10	0.5%			
Corey Delta, Inc.				350	3	1.3%
Alamillo Steel				220	4	0.8%
West Coast Beauty Supply				210	5	0.8%
The Customer Company				185	7	0.7%
Raley's				157	9	0.6%
C.E. Toland & Sons				150	10	0.6%
Subtotal	<u>2,581</u>		<u>9.7%</u>	<u>2,632</u>		<u>9.7%</u>
Total City Day Population	<u>26,500</u>			<u>27,135</u>		

Source: City of Benicia

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



Adopted for Fiscal Year Ended June 30,

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Function										
Administration	18.25	18.75	20.00	20.75	20.75	21.00	21.00	21.00	22.50	22.50
Public Safety	86.00	86.00	88.50	88.00	88.00	88.00	89.00	89.00	90.00	90.00
Public Works	15.40	15.40	16.95	16.95	16.95	17.55	17.45	17.45	18.95	18.95
Community Development	8.00	8.00	9.00	9.00	9.00	8.40	10.50	10.50	9.00	9.00
Parks & Community Services	27.00	30.00	30.00	31.00	31.00	31.00	34.00	34.00	35.00	35.00
Water	18.30	18.80	21.45	21.45	21.45	22.45	22.45	22.45	22.95	22.95
Wastewater	18.30	18.80	20.60	20.60	20.60	20.60	20.60	20.60	21.10	21.10
Library	13.00	13.00	14.00	14.75	14.75	14.75	14.75	14.75	15.00	15.00
Total	<u>204.25</u>	<u>208.75</u>	<u>220.50</u>	<u>222.50</u>	<u>222.50</u>	<u>223.75</u>	<u>229.75</u>	<u>229.75</u>	<u>234.50</u>	<u>234.50</u>

Source: City of Benicia

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

	Fiscal Year				
	2000	2001	2002	2003	2004
Function/Program					
Public safety:					
Fire:					
Fire calls for service	2,034	2,004	2,025	1,958	1,970
Primary fire inspections conducted (estimate)	750	750	750	750	750
Police:					
Police calls for Service	15,169	15,149	15,878	14,609	14,022
Law violations:					
Physical arrests (adult and juvenile)	1,238	998	930	1,026	1,077
Traffic violations	2,504	1,681	1,366	1,876	1,679
Parking violations	773	1,025	706	744	466
Public Works					
Street resurfacing (miles)	n/a	n/a	n/a	n/a	n/a
Potholes repaired (square miles)	n/a	n/a	n/a	n/a	n/a
Parks & Community Services:					
Community Services:					
Recreation class programs	n/a	n/a	640	706	822
Recreation class participants	n/a	n/a	8,723	10,394	11,375
Library:					
Volumes in Collection (thousands)	n/a	n/a	n/a	n/a	106,927
Total Volumes Borrowed (thousands)	n/a	n/a	n/a	n/a	34,302
Water					
Water service connections	n/a	n/a	n/a	n/a	n/a
Water main breaks	n/a	n/a	n/a	n/a	n/a
Average daily consumption (thousands of gallons)	n/a	n/a	n/a	n/a	n/a
Wastewater					
Storm drain inlets	n/a	n/a	n/a	n/a	n/a
Sewer service connections	n/a	n/a	n/a	n/a	n/a
Sewer main blockages	n/a	n/a	n/a	n/a	n/a
Average daily treatment (thousands of gallons)	n/a	n/a	n/a	n/a	n/a

Source: City of Benicia

Note: n/a denotes information not available.

Fiscal Year				
2005	2006	2007	2008	2009
1,984	1,703	1,915	2,040	2,243
750	750	200	200	1,074
14,410	14,981	14,374	15,934	17,302
1,099	1,036	1,139	1,056	838
1,873	2,027	2,649	2,208	3,671
794	759	665	646	434
n/a	1.5	1.0	0.3	0
n/a	1,000	1,200	1,200	1,200
880	834	978	824	773
12,393	11,610	10,482	10,622	8,291
110,214	116,996	113,470	111,145	107,756
34,164	47,295	320,873	346,106	371,581
n/a	9,380	9,576	9,370	9,506
n/a	11	17	17	14
n/a	4,170	4,437	4,610	4,209
n/a	2,000	2,010	2,040	2,040
n/a	9,380	9,310	9,109	9,243
n/a	101	30	59	51
n/a	2,860	2,200	2,600	2,195

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

Function/Program	Fiscal Year				
	2000	2001	2002	2003	2004
Public safety:					
Fire stations	2	2	2	2	2
Police stations	1	1	1	1	1
Police patrol units	11	11	11	11	11
Public works					
Miles of streets	95	95	95	95	95
Street lights	16	2,040	2,046	2,046	2,046
Traffic Signals	10	10	10	10	10
Parks and recreation:					
Community services:					
City parks	35	35	35	35	35
City parks acreage	156	166	166	166	211
Recreation centers	1	1	1	1	1
Senior citizen centers	1	1	1	1	1
Regional park acreage	300	300	577	577	577
Library:					
City libraries	1	1	1	1	1
Water					
Miles of water mains	158	158	158	158	158
Fire hydrants	1,229	1,240	1,245	1,245	1,245
Maximum daily capacity (millions of gallons)	12	12	12	12	12
Wastewater					
Miles of sanitary sewers	149	149	149	149	149
Miles of storm drains	77	77	77	77	77
Number of treatment plants	1	1	1	1	1
Maximum daily capacity (millions of gallons)	4.5	4.5	4.5	4.5	4.5

Source: City of Benicia

Note: n/a denotes information is not available.

2005	2006	Fiscal Year		
		2007	2008	2009
2	2	2	2	2
1	1	1	1	1
11	13	13	13	13
95	95	95	97	97
2,046	2,046	2,062	2,100	2,100
10	10	10	10	10
35	36	36	36	36
214	214	214	214	214
1	1	1	2	2
1	1	1	1	1
577	577	577	577	577
1	1	1	1	1
158	158	158	160	160
1,245	1,194	1,203	1,259	1,427
12	12	12	12	12
149	149	149	150	150
77	77	77	78	78
1	1	1	1	1
4.5	4.5	4.5	4.5	4.5