COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2016

THE CITY OF
BENICIA
CALIFORNIA

THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

Prepared by

FINANCE DEPARTMENT

THE CITY OF

BENICIA

CALIFORNIA

INTRODUCTORY SECTION

THE CITY OF

BENICIA

CALIFORNIA

CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

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THE CITY OF

BENICIA

CALIFORNIA

THE CITY OF
BENICIA
CALIFORNIA

CITY HALL • 250 EAST L STREET • BENICIA, CA 94510 • (707) 746-4200 • FAX (707) 747-8120

December 21, 2016

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

The Comprehensive Annual Financial Report (CAFR) of the City of Benicia for the fiscal year ended June 30, 2016, is submitted for Council's review and is published as a matter of public record for interested citizens. Management takes responsibility for completeness and reliability of the information contained in this report based upon a framework of internal control that has been established for this purpose. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the CAFR information is accurate in all material respects.

The City of Benicia's financial statements have been audited by Maze and Associates, Certified Public Accountants. The goal of the independent audit is to obtain reasonable assurance that the basic financial statements are free of material misstatement and are fairly presented in conformity with generally accepted accounting principles (GAAP). Maze and Associates issued an unqualified opinion for the fiscal year ended June 30, 2016. Their report is presented as the first component of the financial section of this report.

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

THE BENICIA GOVERNMENT

Benicia, California is located in southern Solano County adjacent to the Carquinez Strait, which is part of the San Francisco Bay. It is a waterfront city, known for its small-town charm, history, and high quality of life. Benicia has moderate Mediterranean weather with dry warm summers and moderate winters. It currently occupies 14 square miles and serves a population of 27,501.

The City was incorporated in April 24, 1851, under the laws of the State of California. The City is a general law city administered by a council-manager form of government. The City

ELIZABETH PATTERSON, *Mayor*
Members of the City Council
STEVE YOUNG, *Vice Mayor* . MARK C. HUGHES . ALAN M. SCHWARTZMAN . TOM CAMPBELL

KENNETH C. PAULK, *City Treasurer*
LISA WOLFE, *City Clerk*

Recycled Paper

provides a wide range of municipal services to its citizens including public safety (fire and police), library, parks and recreation, public works, planning and zoning, water and wastewater utilities, economic development, and general administrative services.

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

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

THE BENICIA ECONOMY

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

Benicia Industrial Park: The City's Industrial Park has been a model for other California cities on how to transform an abandoned military base into a viable industrial park and local economic catalyst. The Benicia Industrial Park (BIP) located near the junction of I-680 and I-780 provides easy access to most of the San Francisco Bay Area. Benicia Industrial Park is home to over 450 businesses and 6,500 employees. The BIP provides a strong tax base for the City, generating over 40% of the local tax revenue collected (including property, sales, and utility users). There is a mix of industrial and related uses including petro-chemical, manufacturing, wholesale trade, transportation, suppliers to major anchor businesses, and emerging new technology businesses.

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

Property Tax: Property tax revenues for FY15-16 increased by approximately 3% due to increases in assessed values for residential properties from increased home sales and improved values over prior years. In addition, the County's Assessors Office continues to revalue many of the properties that experienced a reduction in assessed value known as a Proposition 8 reduction resulting from housing recession. At one point during the housing recession, the City had nearly 44% of the residential properties reassessed at a value lower

than the Proposition 13 assessed value under Proposition 8. This number has reduced to 16% in FY 15-16 and is expected to reduce further in future years as home values continue to rise.

Sales Tax: Sales tax revenue accounts for approximately 25% of General Fund revenues. Total Sales Tax revenues increased approximately 53% from FY 2014-15 levels due to the first full year collection of Measure C, a local sales tax, which combined with Bradley-Burns sales tax make up the total Sales Tax revenues.

- **Bradley Burns-State Sales Tax:** Bradley Burns, the State's pooled Sales and Use Tax, is the made up of the 1% local revenues and some pooled revenues. In FY 15-16, this revenue had a one-time increase resulting from a prior period true-up from the State, also known as the Triple Flip. Under a complicated series of State, Schools and Local tax revenue swaps by the State of California, the City's sales tax revenues were impacted by a final payment of one quarter of Property In-Lieu Sales Tax. This true-up resulted in a one-time increase of $700,000. However, this gain was offset by continued negative total Sales Tax collection. Despite the slow economic recovery from the Great Recession, the City's total sales tax net of one-time increases, has continued to decline or remain flat year-over-year and remains under the 2007 sales tax collections. The decline in FY 15-16 was less than 1%. This trend appears to be continuing into FY 16-17.

- **Measure C-Local Sales Tax:** In the November 2014 elections, the City passed a ballot measure, Measure C, to increase sales tax by 1%, from 7.625% to 8.625% to help ensure the City's financial viability as a full-service city and at the same time protecting the small town quality of life. For FY15-16, the City collected approximately $4.8 million Measure C sales tax revenues. The City Council designated $1.7 million to maintain current service and operation levels in the General Fund. The Council earmarked the remaining $3.1 million into City capital projects including parks, streets, and public safety.

FINANCIAL INFORMATION

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

1. Implement an Economic Development Strategy, including: continue tourism brand promotion and BIP marketing program; continue funding for non-profit arts and culture grants; and implement the Downtown Waterfront Park Master Plan.

2. Strengthen Benicia Industrial Park competitiveness, including; implementing road resurfacing projects; and pursuing and developing a BIP broadband project.

3. Retain and attract business, including: implementing a Business Development Action Plan; expanding business support tools and policies that balance sustainability with economic vitality; continuing to collaborate with the Benicia Unified School District to support quality education.

4. Manage City finances prudently, including; preparing and maintaining a balanced budget with strong emergency, contingency, and internal services fund reserves.

5. Increase economic vitality of BIP and other commercial areas, while preserving existing economic strengths and historic resources.

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

Long-term Planning: Staff presents a ten-year financial forecast annually at a Joint City Council and Finance Committee meeting. The Council has prioritized fiscal sustainability as its cornerstone of long-term planning with salaries and wages as a primary discussion item as well as need to fund needed capital and maintenance of City infrastructure, such as roads, sidewalks, parks, and facilities. To fund these growing costs, the City Council continues to focus efforts toward increasing the economic vitality of the existing BIP and the City's downtown shops and restaurants. In addition, the Council initiated a rate study in both utilities with attention on funding capital replacement and repairs.

Strategic Planning: 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

A cornerstone of this effort is titled "Strategic Path to Financial Resiliency and Organizational Sustainability" in which the City is embarking on targeted financial and organizational studies regarding the City's long-term financial and organizational capacity. Ultimately, the City intends to engage the community in the financial efforts and revenue strategies needed to maintain current service-delivery levels while, at the same time, managing the City's resources, infrastructure, and obligations in a financial prudent manner.

Budget Implementation Plan: As part of the 2015-2017 budget process, the Council approved a Budget Implementation Plan (BIP) for FY 2015-2017. The intent of the plan is to establish a work plan that articulates the City Council's top priorities for the current budget period.

In determining what items constituted priorities, the City Council utilized the following set of Priority Project Selection Criteria (not listed in a particular order).

- The work implements the City Council's Strategic Plan
- The work would assist the City in achieving fiscal sustainability
- The work is mandated by the State (or other agency); the City could be fined or face similar consequences if the work is not done

- The work would generate revenue, grants or other funding
- The work would prevent higher costs from deferred maintenance
- The work would protect public health or safety
- The City is significantly committed financially to the project
- The work would promote job creation or investment in the community

The Plan is divided into five sections:

- Proposed Projects: Items that are recommended for addition to the Plan for FY 2015-17. This area is used to address items that are new and need to be added to the "Funded" section of the report.
- Funded: Currently included in the FY 2015-2017 Budget Implementation Plan and Budget. Items that have been Council approved/funded during the first quarter of FY 2016-2017 are included in the "Funded" section of the report.
- Unfunded: Not currently recommended for funding due to insufficient funding resources, but next in priority order for any additional funds that become available.
- Deferred: Not currently recommended for funding due to insufficient resources (funding, time and/or staff).
- Completed: Projects that have been completed.

At quarterly updates to the City Council and the Finance Committee, the report identifies the lead department and a brief project description is provided, along with a status update and expected completion date, and whether that date is "on target" or if the target date has been "revised" since the last update. This is done for each project. Other information provided for each item includes the relevant selection criteria and whether it is mandated.

Internal Controls: City management is responsible for establishing and maintaining an internal control structure designed to ensure government assets are protected from loss, theft or misuse and to ensure adequate accounting data are compiled for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

General Fund Reserves: The City has adopted a fund balance reserve policy establishing a minimum fund balance equal to 20% of the fund's annual operating revenue budget for the

purpose of stabilizing the delivery of City services during periods of operational budget deficits. At a minimum, the reserves include the following: Contingency Reserve of 10% to mitigate the effects of economic uncertainties, local disasters, and/or severe financial hardships resulting from unforeseen changes in operating results; and, an Emergency Reserve of 10% to mitigate all unforeseen events not covered in the Contingency Reserve. As of June 30, 2016, the General Fund reserve balance was at the required level of 20%, which is $7,261,436.

Gann Limit vs. Appropriations Subject to Limit: Proposition 4, the "Gann Initiative," was passed by California voters in 1978, and is intended to limit government appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which is modified by the composite consumer price index and population changes that have occurred in subsequent years. The City's appropriations limit and the estimated appropriations subject to the limit for the FY 2015-16 amounted to $83,326,161 and $32,110,770 respectively. City appropriations subject to the limit have consistently remained far below the appropriation limits and are not expected to deviate from this trend in the foreseeable future.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Benicia for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. 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 24 years and it is our goal to be awarded this Certificate once again. The award demonstrates the City's conformance to the highest level of financial reporting standards.

ACKNOWLEDGEMENTS

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

Respectfully submitted,

Karin Schnaider
Finance Director

MUNICIPAL OFFICERS

CITY COUNCIL (Elected)

Elizabeth Patterson, Mayor	November 2020
Steve Young, Vice Mayor	November 2020
Tom Campbell, Councilmember	November 2020
Mark Hughes, Councilmember	November 2018
Alan Schwartzman, Councilmember	November 2018

OTHER (Elected)

Lisa Wolfe, City Clerk	November 2020
Kenneth Paulk, City Treasurer	November 2020

FINANCE COMMITTEE (Appointed)

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

APPOINTED OFFICIALS

Steve Salomon	Interim City Manager
Heather McLaughlin	City Attorney

DEPARTMENT HEADS

Jim Lydon	Interim Assistant City Manager
Karin Schnaider	Finance
Jim Lydon	Fire
Diane Smikahl	Library
Mike Dotson	Parks & Community Services
Eric Upson	Police
Graham Wadsworth	Public Works

CITY OF BENICIA

Mission, Vision and Values

City Mission:

- Excellent Service

City Vision:

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

City Values or Guiding Principles:

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

CITY OF BENICIA

ORGANIZATIONAL CHART

CITIZENS OF BENICIA

CITY COUNCIL

Elizabeth Patterson, Mayor

Steve Young, Vice Mayor

Tom Campbell

Mark Hughes

Alan Schwartzman

CITY CLERK

Lisa Wolfe

CITY TREASURER

Kenneth Paulk

INTERIM CITY MANAGER

Steve Salomon

CITY ATTORNEY

Heather McLaughlin

POLICE CHIEF	FIRE CHIEF	FINANCE DIRECTOR	INTERIM ASSISTANT CITY MANAGER
Erik Upson	Jim Lydon	Karin Schnaider	Jim Lydon

PARKS & COMMUNITY SERVICES DIRECTOR	LIBRARY DIRECTOR	PUBLIC WORKS DIRECTOR
Mike Dotson	Diane Smikahl	Graham Wadsworth

Location Map

City of Benicia

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Benicia

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Benicia, California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Benicia, California, as of June 30, 2016 and the respective changes in the financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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E maze@mazeassociates.com
W **mazeassociates.com**

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Maze & Associates

Pleasant Hill, California
December 20, 2016

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, 2016. Please read this discussion and analysis in conjunction with the accompanying Transmittal Letter, the Basic Financial Statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The voter-approved "Measure C", an additional 1% sales tax, approved by voters in the November 2014 elections provided $4.8 million this fiscal year to help ensure Benicia's financial viability as a full-service city and protect the small town quality of life. Approximately half of Measure C Sales Tax went to pay for the City's operations (or $1.7 million) and the remaining revenue of $3.1 was earmarked for City Council approved capital projects.

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $178.9 million.

- At the end of the current fiscal year, the General Fund's fund balance totaled $15.1 million, an increase of 26.4%, due to modest increases in one-time revenues as well as salary savings resulting from vacancies and delays in capital projects. The majority of the department vacancies were filled by the end of FY 15-16.

- The City's total debt decreased by $6.1 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 Position reports information about the City as a whole. This statement includes all assets (including infrastructure) as well as all liabilities (including long-term debt) of the City. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating.

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

- **Governmental Activities -** Most of the City's basic services are reported in this category, including administration, community development, police, fire, parks and community services, public works, library services, and economic development. Property, sales and utility taxes, user fees, interest income, franchise fees, and state and federal grants are among the revenues that finance these activities.

- **Business-Type Activities -** The City charges a fee to customers to pay for the cost of certain services provided. The City's wastewater, water, and marina operations are reported in this category.

Fund Financial Statements

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

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

- **Governmental Funds -** Most of the City's basic services are reported in governmental funds, using the current financial resources measurement focus and modified accrual accounting method, where revenues are recognized when measurable and available. Governmental funds are used to account for essentially the same functions reported as "governmental activities" in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Funds Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining the City's ability to finance its programs in the near future.

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

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

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

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in both the Government-wide Financial Statements and Fund Financial Statements. The notes to the financial statements can be found on pages 33-78 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 Position for the year ended June 30, 2016 are summarized below.

Summary of Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 36.4	$ 29.2	$ 30.0	$ 28.8	$ 66.4	$ 58.0
Capital assets	128.7	130.8	87.0	90.6	215.7	221.4
Total Assets	165.1	160.0	117.0	119.4	282.1	279.4
Deferred outflows of resources	5.2	3.6	1.1	0.4	6.3	4.0
Long-term liabilities outstanding	61.9	61.7	20.9	31.9	82.8	93.6
Other liabilities	6.8	7.3	9.2	1.5	16.0	8.8
Total Liabilities	68.7	69.0	30.1	33.4	98.8	102.4
Deferred inflows of resources	9.7	8.1	1.1	0.8	10.8	8.9
Net Position:						
Net investments in capital assets	116.7	117.9	81.3	62.5	198.0	180.4
Restricted	13.0	9.5	-	-	13.0	9.5
Unrestricted	(37.8)	(40.9)	5.6	23.1	(32.2)	(17.8)
Total Net Position	$ 91.9	$ 86.5	$ 86.9	$ 85.6	$ 178.8	$ 172.1

The largest portion of the City's net position (110.7%) reflects its net investments in capital assets. The City uses these capital assets to provide services to citizens and are not available for future spending.

Restricted net assets represent 7.3% of the total net assets and are subject to external restrictions. The balance of unrestricted net assets, represents negative 18.0% of the total assets, (due to the recognition and recording of the City's net pension liability as required by GASB 68 and 71).

Statement of Activities and Changes in Net Position, as of June 30, 2016, is presented below.

Statement of Activities and Changes in Net Position

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	$ 3.8	$ 3.4	$ 17.8	$ 17.8	$ 21.6	$ 21.2
Operating grants and contributions	2.0	2.6	-	0.1	2.0	2.7
Capital grants and contributions	1.20	0.8	-	-	1.2	0.8
General Revenues:						
Property taxes	16.3	15.8	-	-	16.3	15.8
Sales taxes	12	7.8	-	-	12.0	7.8
Utility users' tax	4.6	4.3	-	-	4.6	4.3
Franchise	2.1	2.2	-	-	2.1	2.2
Other taxes	1.1	1.1	-	-	1.1	1.1
Motor vehicle license fees	-	-	-	-	-	-
Investment earnings	0.4	0.2	0.3	0.2	0.7	0.4
Gain from disposal of capital assets	-	-	-	-	-	
Miscellaneous	0.7	0.1	-	-	0.7	
Total Revenues	44.2	38.3	18.1	18.1	62.3	56.3
Expenses:						
Administration	5.0	3.4	-	-	5.0	3.4
Public Safety - Police	7.8	7.6	-	-	7.8	7.6
Public Safety - Fire	8.2	6.2	-	-	8.2	6.2
Parks and Community Services	5.5	5.3	-	-	5.5	5.3
Public Works	4.8	5.0	-	-	4.8	5.0
Community Development	2.1	1.6	-	-	2.1	1.6
Library	2.3	1.8	-	-	2.3	1.8
Economic Development	0.9	0.5	-	-	0.9	0.5
General Government	0.8	0.9	-	-	0.8	0.9
Interest on long-term debt	1.3	1.4	-	-	1.3	1.4
Wastewater		-	8.2	6.9	8.2	6.9
Water	-	-	8.1	9.3	8.1	9.3
Benicia Marina	-	-	0.6	0.6	0.6	0.6
Gain from disposal of capital assets	-	-	-	-	-	-
Total Expenses	38.7	33.7	16.9	16.8	55.6	50.5
Increase in net assets before transfers	5.5	4.6	1.2	1.3	6.7	5.9
Transfers	-	(0.2)	-	0.2	-	-
Increase in net position	5.5	4.4	1.2	1.5	6.7	5.9
Net position - 7/1/15	86.4	82.0	85.7	84.2	172.1	166.2
Net position - 6/30/16	$ 91.9	$ 86.4	$ 86.9	$ 85.7	$ 178.8	$ 172.1

Governmental Activities

Total resources available during the year to finance governmental operations were $130.6 million consisting of Adjusted Net Position at July 1, 2015, of $86.5 million, program revenues of $7.0 million and general revenues of $37.1 million.

The cost of all governmental activities this year was $38.7 million. The largest governmental programs include Public Safety - both Police and Fire, and Parks and Community Services. The amount that was paid by those who directly benefited from governmental programs was $3.8 million, while operating and capital grants and contributions paid for $3.2 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 $31.7 million.

Net Cost of Governmental Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	$ 4,959,201	$ 107,995	$ (4,851,206)
Public Safety - Police	7,817,517	801,924	(7,015,593)
Public Safety - Fire	8,154,710	647,250	(7,507,460)
Parks and Community Services	5,498,189	1,654,462	(3,843,727)
Public Works	4,771,504	1,570,834	(3,200,670)
Community Development	2,130,335	991,178	(1,139,157)
Library	2,326,530	174,091	(2,152,439)
Economic Development	899,096	37,142	(861,954)
General Government	798,993	1,006,547	207,554
Interest expense	1,336,569	-	(1,336,569)
Total	$ 38,692,644	$ 6,991,423	$ (31,701,221)

Business-type Activities

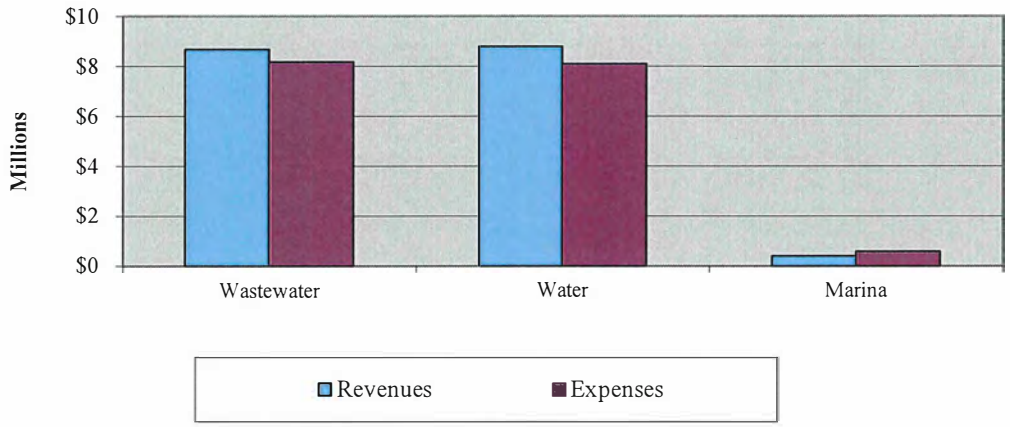
Total resources available during the year to finance Business-Type Activities were $103.8 million consisting of Adjusted Net Position at July 1, 2015, of $85.6 million, program revenues of $17.9 million and general revenues of $.3 million.

The cost of all Business-Type activities this year was $16.9 million. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems were $17.8 million, while operating and capital grants and contributions were $.08 million.

Net Cost of Business-Type Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Wastewater	$ 8,172,784	$ 8,674,971	$ 502,187
Water	8,097,701	8,786,778	689,077
Benicia Marina	582,394	397,001	(185,393)
Total	$ 16,852,879	$ 17,858,750	$ 1,005,871

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



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, 2016, of $28.1 million, an increase of $6.6 million in comparison with the prior year, due to a combination of increases in sales tax, utility tax and the full year collection of Measure C sales tax that was passed by voters in the November 2014 elections and salary savings.

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

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

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

At the end of the fiscal year, total fund balance of the General Fund was $15.1 million. The reserve requirement adopted by the Council falls under Committed Fund Balance of $7.3 million (20% of operating revenues) for Emergency Reserve, and Contingency Reserve.

The General Fund realized general tax and other revenues of $36.4 million during the year to pay for $32.1 million operating expenditures, realizing an excess of revenues over expenditures of $4.3 million. Cost cutting measures, such as delaying major expenditures, and continued employee concessions were implemented to prepare for future years deficiencies.

Proprietary Funds

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

Wastewater Fund – The City's wastewater utility fund collected $8.7 million in user fees to maintain the system. The fund has $51.2 million in capital assets, net of accumulated depreciation, financed with $13.0 million of long-term debt. The fund made debt service payments of $2.1 million during the year. The net position increased by $.4 million due to higher charges for services and lower interest expense.

Water Fund – The City's water utility fund collected $8.8 million in user fees to sustain the system. The system has $33.6 million in capital assets, net of accumulated depreciation, financed with $8.9 million of long-term debt. The fund made $1.7 million in debt service payments for the year. The net position increased by $.6 million due to higher charges for services, and lower operating costs.

Benicia Marina – The City's Marina collected $.3 million in user fees to support its operating and debt service costs. The Marina has $2.1 million in capital assets, net of accumulated depreciation, financed with $2.7 million of long-term debt. Debt service payments for the year were $.3 million. The fund continues to have a deficit. The City continues to evaluate options for a long-term operating solution. In the meantime, General Fund transfers support the operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Fiscal year 2015-16 was the first year of a two-year budget. The original budget for 2015-16 was developed in early 2015. The original budget for the General Fund revenues was $33.8 million, while expenditures were at $36.1 million. The final budget estimates for revenues was $34.1 million, an increase of $.3 million, and $36.3 million for expenditures, an increase of $.2 million. The main components of the increases are as follows:

- $.5 million increase in use of money and property due to higher interest rates in the market
- $.2 million increase in revenues from other agencies for grants
- $.3 million decrease in current service charges
- $.7 million decrease in capital outlay due to delays in capital projects
- $.3 million increase in general expenditures for claims settlement
- $.6 million increase for various departments operating costs

During the year, revenues surpassed the budget by $2.4 million. The largest revenue variance was for the sales tax which is attributable to the first full year collection of Measure C. Actual expenditures were $4.3 million less than the final budget due to salary savings from attrition, and continuing concessions from employee bargaining groups and delays in capital projects.

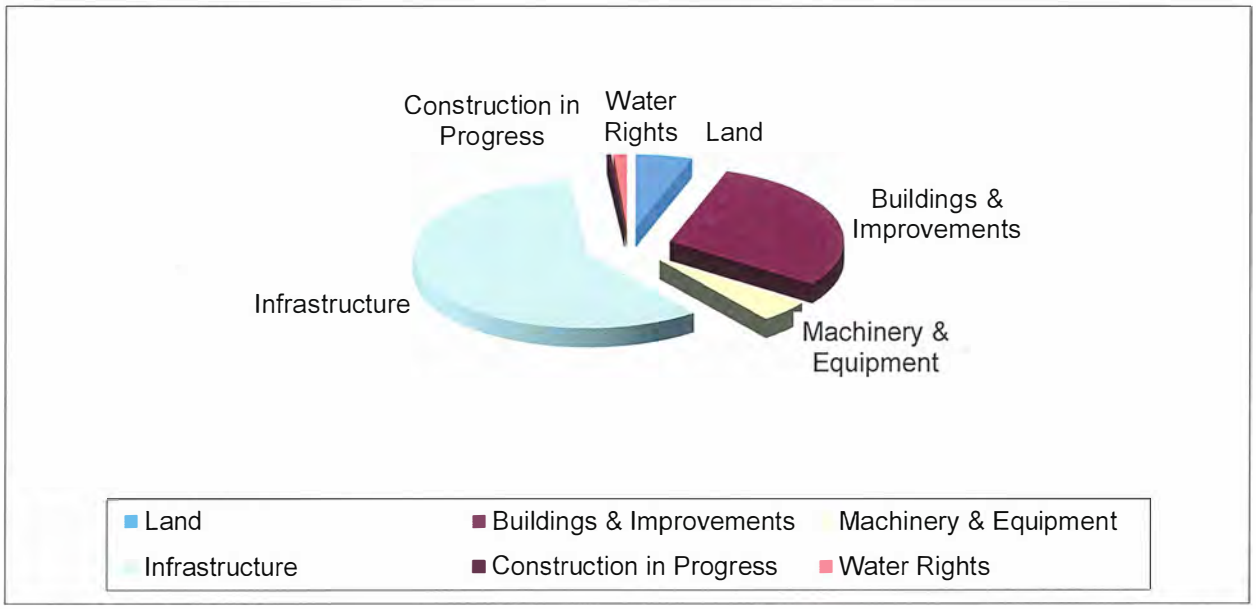
CAPITAL ASSETS

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, 2016, net capital assets of the governmental activities totaled $128.6 million and the net capital assets of the business-type activities totaled $87.0 million. Depreciation on capital assets is recognized in the Government-wide Financial Statements.

The following table provides a breakdown of the City's capital assets at June 30, 2016:

Capital Assets
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	$ 18.5	$ 18.5	$ 2.6	$ 2.6	$ 21.1	$ 21.1
Buildings & Improvements	26.8	26.5	91.5	91.5	118.3	118.0
Machinery & Equipment	10.0	9.4	9.3	9.3	19.3	18.7
Infrastructure	157.3	157.2	78.0	78.0	235.3	235.2
Construction in Progress	1.1	0.4	0.5	-	1.6	0.4
Water Rights	-	-	5.0	5.0	5.0	5.0
Total Capital Assets	213.7	212.0	186.9	186.4	400.6	398.4
Accumulated Depreciation	(85.0)	(81.3)	(99.9)	(87.1)	(184.9)	(168.4)
Net Assets	$ 128.7	$ 130.7	$ 87.0	$ 99.3	$ 215.7	$ 230.0



This year's major capital asset additions were the purchase of vehicles, the Bus Hub project, park playground equipment and the Clocktower elevator replacement.

Additional information on the City's capital assets can be found in Note 6 on pages 50-52 of this report.

DEBT ADMINISTRATION

The City uses a variety of indebtedness to finance various capital acquisitions. At June 30, 2016, the City's long-term debt outstanding was $47.1 million. Of this total, $22.5 million was in governmental activities and $24.6 was in business-type activities. The City's governmental activities decreased by $2.3 million, and business-type activities decreased by $6.0 million as a result of debt maturities during the year.

The percentage of net bonded debt to taxable property valuation, and the amount of bonded debt per capita are useful indicators of the City's debt position. Per capita debt outstanding decreased by $208 per capita from $1,918 to $1,710 from the previous fiscal year.

The following is a summary of the City's long-term debt obligations at June 30, 2016:

Long-term Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	$ 1.7	$ 2.3	$ -	$ -	$ 1.7	$ 2.3
Pension Obligation Bonds	8.8	9.8	-	-	8.8	9.8
Certificates of Participatio	11.1	11.6	-	-	11.1	11.6
Capital Lease	0.9	1.3	-	-	0.9	1.3
Utility Revenue Bonds	-	-	3.2	4.4	3.2	4.4
Loans Payable	-	-	21.4	23.7	21.4	23.7
Total Indebtedness	$ 22.5	$ 25.0	$ 24.6	$ 28.1	$ 47.1	$ 53.1

Additional information on the City's long-term debt can be found in Note 7 on pages 53-58 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The City continues to actively manage on-going budget challenges, and has been working diligently to provide a sustainable future for City operations and ensure continued service delivery to the community.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

THE CITY OF

BENICIA

CALIFORNIA

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
AND STATEMENT OF ACTIVITIES

CITY OF BENICIA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments available for City operations (Note 3)	$27,553,074	$24,085,906	$51,638,980
Restricted cash and investments held by fiscal agents (Note 3)	655,613		655,613
Accounts receivable	5,392,097	3,776,376	9,168,473
Interest receivable	12,805	10,243	23,048
Materials, parts and supplies (Note 1H)	8,086	799,045	807,131
Prepaid items (Note 1H)	50,958	75,000	125,958
Other assets	165,057	81,532	246,589
Lease receivable		334,626	334,626
Loans receivable (Note 5)	2,597,604	845,000	3,442,604
Capital assets (Note 6):			
Non-depreciable	19,688,908	3,125,623	22,814,531
Depreciable, net of accumulated depreciation	109,032,019	83,824,816	192,856,835
Total Assets	165,156,221	116,958,167	282,114,388
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 10)	5,166,359	1,149,352	6,315,711
Total Deferred Outflows of Resources	5,166,359	1,149,352	6,315,711
LIABILITIES			
Accounts payable	2,360,299	393,016	2,753,315
Accrued payroll	134,685		134,685
Customer and performance deposits	444,661	161,895	606,556
Interest payable	153,233	179,988	333,221
Unearned revenue		129,908	129,908
General liability claims (Note 12):			
Due within one year	94,101		94,101
Workers compensation claims (Note 12):			
Due within one year	678,937		678,937
Due in more than one year	2,266,063		2,266,063
Accrued compensated absences (Note 1G):			
Due within one year	701,581	275,898	977,479
Due in more than one year	412,402		412,402
Net Pension Liability, due in more than one year (Note 10)	36,894,515	4,420,439	41,314,954
Net OPEB Obligation, due in more than one year (Note 11)	2,091,360		2,091,360
Long-term debt (Note 7):			
Due within one year	2,203,637	3,655,615	5,859,252
Due in more than one year	20,275,893	20,894,250	41,170,143
Total Liabilities	68,711,367	30,111,009	98,822,376
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 10)	9,679,840	1,065,165	10,745,005
Total Deferred Inflows of Resources	9,679,840	1,065,165	10,745,005
NET POSITION (Note 8)			
Net investments in capital assets	116,727,502	81,305,746	198,033,248
Restricted for:			
Capital projects	3,351,668		3,351,668
Debt service	735,532		735,532
Special revenue projects	6,001,115		6,001,115
Landscaping and lighting	442,198		442,198
Library	869,973		869,973
Open space	475,224		475,224
Community services	1,087,955		1,087,955
Total Restricted Net Position	12,963,665		12,963,665
Unrestricted	(37,759,794)	5,625,599	(32,134,195)
Total Net Position	$91,931,373	$86,931,345	$178,862,718

See accompanying notes to financial statements

CITY OF BENICIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Administration	$4,959,201	$5,935	$102,060		($4,851,206)		($4,851,206)
Public safety - police	7,817,517	499,701	302,223		(7,015,593)		(7,015,593)
Public safety - fire	8,154,710	456,057	191,193		(7,507,460)		(7,507,460)
Parks and community services	5,498,189	1,654,462			(3,843,727)		(3,843,727)
Public works	4,771,504	141,411	797,978	$631,445	(3,200,670)		(3,200,670)
Community development	2,130,335	610,671	380,507		(1,139,157)		(1,139,157)
Library	2,326,530	71,019	103,072		(2,152,439)		(2,152,439)
Economic development	899,096		37,142		(861,954)		(861,954)
General government	798,993	353,818	55,616	597,113	207,554		207,554
Interest on long-term debt	1,336,569				(1,336,569)		(1,336,569)
Total Governmental Activities	38,692,644	3,793,074	1,969,791	1,228,558	(31,701,221)		(31,701,221)
Business-type Activities:							
Wastewater	8,172,784	8,674,971				$502,187	502,187
Water	8,097,701	8,786,778				689,077	689,077
Benicia Marina	582,394	318,837	78,164			(185,393)	(185,393)
Total Business-type Activities	16,852,879	17,780,586	78,164			1,005,871	1,005,871
Total	$55,545,523	$21,573,660	$2,047,955	$1,228,558	(31,701,221)	1,005,871	(30,695,350)
General revenues:							
Taxes:							
Property taxes					16,254,148		16,254,148
Sales taxes					12,040,536		12,040,536
Utility users' tax					4,594,385		4,594,385
Franchise tax					2,079,543		2,079,543
Other taxes					1,106,213		1,106,213
Motor vehicle in-lieu, unrestricted					11,172		11,172
Investment earnings					380,381	313,557	693,938
Miscellaneous					662,398		662,398
Transfers, net (Note 4)					15,725	(15,725)	
Total general revenues and transfers					37,144,501	297,832	37,442,333
Change in Net Position					5,443,280	1,303,703	6,746,983
Net Position-Beginning					86,488,093	85,627,642	172,115,735
Net Position-Ending					$91,931,373	$86,931,345	$178,862,718

See accompanying notes to financial statements

THE CITY OF

BENICIA

CALIFORNIA

FUND FINANCIAL STATEMENTS

The funds described below were determined to be Major Funds by the City in fiscal 2016. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

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

GENERAL OBLIGATION BONDS DEBT SERVICE FUND

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

CITY OF BENICIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments available for City operations (Note 3)	$12,324,517	$80,124	$9,884,598	$22,289,239
Restricted cash (Note 3)		655,375		655,375
Accounts receivable	3,357,238		1,921,036	5,278,274
Interest receivable	7,531	33	2,872	10,436
Due from other funds (Note 4B)	175,807			175,807
Prepaid items (Note 1H)	35,435			35,435
Loans receivable (Note 5)	723,394		1,874,210	2,597,604
Total Assets	$16,623,922	$735,532	$13,682,716	$31,042,170
LIABILITIES				
Accounts payable	$1,344,769		$873,842	$2,218,611
Accrued payroll	134,685			134,685
Customer deposits	22,427		417,234	439,661
Due to other funds (Note 4B)			163,507	163,507
Total Liabilities	1,501,881		1,454,583	2,956,464
FUND BALANCES				
Fund balance (Note 8):				
Nonspendable	650,604			650,604
Restricted	157,593	$735,532	8,883,834	9,776,959
Committed	8,701,436		3,351,668	12,053,104
Assigned	1,702,927			1,702,927
Unassigned	3,909,481		(7,369)	3,902,112
Total Fund Balances	15,122,041	735,532	12,228,133	28,085,706
Total Liabilities and Fund Balances	$16,623,922	$735,532	$13,682,716	$31,042,170

See accompanying notes to financial statements

CITY OF BENICIA
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances reported on the Governmental Funds Balance Sheet	$28,085,706
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	109,922,167
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION	
Internal Service Funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services and maintenance to individual Governmental Funds. The net current position of the Internal Service Funds are therefore included in Governmental Activities in the following line item in the Statement of Net Position.	
Cash and investments, available for City Operations	5,263,835
Restricted cash and investments	238
Accounts receivable	113,823
Interest receivable	2,369
Materials, parts and supplies	8,086
Prepaid items	15,523
Other assets	165,057
Capital assets, net of accumulated depreciation	18,798,760
Accounts payable	(141,688)
Deposits payable	(5,000)
Internal balances	(12,300)
Workers' compensation claims	(2,945,000)
Interest payable	(132,012)
Long-term debt	(19,981,392)
LONG-TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Long-term debt	(2,498,138)
Interest payable	(21,221)
Non-current portion of compensated absences	(1,113,983)
Net pension liability and related deferred inflows and outflows of resources	(41,407,996)
Net OPEB obligation	(2,091,360)
General liability claims payable	(94,101)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$91,931,373

See accompanying notes to financial statements

CITY OF BENICIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$15,580,028	$674,120		$16,254,148
Sales taxes	8,992,100		$3,048,436	12,040,536
Utility users' taxes	4,594,385			4,594,385
Franchise tax	2,079,543			2,079,543
Other taxes	1,106,213			1,106,213
Assessments			427,664	427,664
Licenses and permits	480,554			480,554
Fines and forfeitures	102,280			102,280
Use of money and property	800,582	6,697	99,738	907,017
Revenue from other agencies	258,355		1,940,944	2,199,299
Current service charges	2,196,057		86,310	2,282,367
Community donations	44,736		86,218	130,954
Other	142,157		1,307,620	1,449,777
Total Revenues	36,376,990	680,817	6,996,930	44,054,737
EXPENDITURES				
Current:				
Administration	4,212,651		278,118	4,490,769
Public safety - police	8,545,508		317,370	8,862,878
Public safety - fire	7,482,750			7,482,750
Parks and community services	5,005,498		514,907	5,520,405
Public works	2,133,664		496,733	2,630,397
Community development	1,342,025		166,826	1,508,851
Library	1,264,163		910,845	2,175,008
Economic development	744,460			744,460
General	528,144			528,144
Capital outlay	415,396		1,651,693	2,067,089
Debt service:				
Principal	341,759	650,000		991,759
Interest and fiscal charges	49,230	24,813		74,043
Total Expenditures	32,065,248	674,813	4,336,492	37,076,553
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,311,742	6,004	2,660,438	6,978,184
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)			620,645	620,645
Transfers (out) (Note 4A)	(1,001,012)			(1,001,012)
Total Other Financing Sources (Uses)	(1,001,012)		620,645	(380,367)
NET CHANGE IN FUND BALANCES	3,310,730	6,004	3,281,083	6,597,817
BEGINNING FUND BALANCES	11,811,311	729,528	8,947,050	21,487,889
ENDING FUND BALANCES	$15,122,041	$735,532	$12,228,133	$28,085,706

See accompanying notes to financial statements

CITY OF BENICIA
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$6,597,817
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay expenditures are therefore added back to fund balance	2,067,089
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(1,131,082)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of $893,900 which has already been allocated to serviced funds)	(2,815,770)
LONG-TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Repayment of debt principal is added back to fund balance	991,759
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Interest payable	4,151
Compensated absences	(80,488)
Net pension liability and related deferred inflows and outflows of resources	(2,122,227)
Net OPEB obligation	(207,493)
Claims payable	72,074
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities because they service those activities.	
Change in Net Position - Internal Service Fund	2,067,450
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$5,443,280

See accompanying notes to financial statements

CITY OF BENICIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Taxes:				
Property	$15,678,000	$15,663,700	$15,580,028	($83,672)
Sales	7,932,600	7,932,600	8,992,100	1,059,500
Utility users'	4,308,850	4,308,850	4,594,385	285,535
Franchise tax	2,233,600	2,233,600	2,079,543	(154,057)
Other	905,000	905,000	1,106,213	201,213
Licenses and permits	370,500	305,000	480,554	175,554
Fines and forfeitures	79,500	45,000	102,280	57,280
Use of money and property	34,745	539,245	800,582	261,337
Revenue from other agencies	30,000	217,640	258,355	40,715
Current service charges	2,132,000	1,841,795	2,196,057	354,262
Community donations		26,635	44,736	18,101
Other	103,435	46,600	142,157	95,557
Total Revenues	33,808,230	34,065,665	36,376,990	2,311,325
EXPENDITURES:				
Current:				
Administration	4,557,665	4,525,965	4,212,651	313,314
Public safety - police	8,952,310	8,788,860	8,545,508	243,352
Public safety - fire	7,344,790	7,669,815	7,482,750	187,065
Parks and community services	5,282,390	5,282,390	5,005,498	276,892
Public works	1,394,355	1,508,340	2,133,664	(625,324)
Community development	2,298,975	2,400,520	1,342,025	1,058,495
Library	1,361,905	1,361,165	1,264,163	97,002
Economic development	741,990	741,990	744,460	(2,470)
General	1,010,205	1,589,365	528,144	1,061,221
Capital outlay	2,760,000	2,073,750	415,396	1,658,354
Debt service:				
Principal retirement	341,535	341,535	341,759	(224)
Interest and fiscal charges	49,455	49,455	49,230	225
Total Expenditures	36,095,575	36,333,150	32,065,248	4,267,902
EXCESS OF REVENUES OVER EXPENDITURES	(2,287,345)	(2,267,485)	4,311,742	6,579,227
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)				
Transfers (out) (Note 4A)	(689,505)	(862,870)	(1,001,012)	(138,142)
Total other financing sources (uses)	(689,505)	(862,870)	(1,001,012)	(138,142)
NET CHANGE IN FUND BALANCE	($2,976,850)	($3,130,355)	3,310,730	$6,441,085
Beginning fund balance			11,811,311	
Ending fund balance			$15,122,041	

See accompanying notes to financial statements

MAJOR PROPRIETARY FUNDS

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

The City reported all of its Enterprise Funds as major funds in fiscal 2016.

WASTEWATER

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

WATER

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

BENICIA MARINA

Accounts for the operation and management of the City Marina.

CITY OF BENICIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
ASSETS					
Current Assets:					
Cash and investments (Note 3):					
Available for City operations	$14,578,780	$8,538,594	$180,083	$23,297,457	$6,052,284
Restricted cash and investments held by fiscal agents					238
Accounts receivable	1,803,948	1,866,101	106,327	3,776,376	113,823
Interest receivable	6,447	3,796		10,243	2,369
Materials, parts and supplies (Note 1H)	27,635	771,410		799,045	8,086
Prepaid items (Note 1H)			75,000	75,000	15,523
Total Current Assets	16,416,810	11,179,901	361,410	27,958,121	6,192,323
Non-Current Assets:					
Long-Term Assets:					
Other assets	62,922	18,610		81,532	165,057
Loans receivable (Note 5)	425,000	420,000		845,000	
Lease receivable			334,626	334,626	
Total Long-Term Assets	487,922	438,610	334,626	1,261,158	165,057
Property, Plant and Equipment (Note 6):					
Land and improvements	669,710	1,850,389	63,983	2,584,082	556,909
Buildings and improvements	51,036,559	32,556,273	7,933,206	91,526,038	25,336,117
Machinery and equipment	6,150,646	3,114,210		9,264,856	4,697,436
Infrastructure and water rights	43,030,083	39,928,025		82,958,108	
Construction in progress		541,541		541,541	
Less: accumulated depreciation	(49,661,512)	(44,408,248)	(5,854,426)	(99,924,186)	(11,791,702)
Net Property, Plant and Equipment	51,225,486	33,582,190	2,142,763	86,950,439	18,798,760
Total Non-Current Assets	51,713,408	34,020,800	2,477,389	88,211,597	18,963,817
Total Assets	68,130,218	45,200,701	2,838,799	116,169,718	25,156,140
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension (Note 10)	509,608	639,744		1,149,352	
Total Deferred Outflows of Resources	509,608	639,744		1,149,352	
LIABILITIES					
Current Liabilities:					
Accounts payable	178,726	214,290		393,016	141,688
Customer and performance deposits		86,895	75,000	161,895	5,000
Interest payable	56,443	12,654	110,891	179,988	132,012
Due to other funds (Note 4B)					12,300
Unearned revenue	129,908			129,908	
Workers' compensation claims (Note 12)					678,937
Compensated absences (Note 1G)	143,166	132,732		275,898	
Current portion long-term liabilities (Note 7)	2,026,765	1,438,522	190,328	3,655,615	1,471,190
Total Current Liabilities	2,535,008	1,885,093	376,219	4,796,320	2,441,127
Long-Term Liabilities					
Workers' compensation claims (Note 12)					2,266,063
Net pension liability (Note 10)	1,959,966	2,460,473		4,420,439	
Utility revenue bonds (Note 7)	1,099,449	889,629		1,989,078	
Loans payable (Note 7)	9,858,039	6,551,044	2,496,089	18,905,172	
Lease obligation (Note 7)					42,994
General obligation bonds (Note 7)					10,951,103
Pension obligation bonds (Note 7)					7,516,105
Total Long-Term Liabilities	12,917,454	9,901,146	2,496,089	25,314,689	20,776,265
Total Liabilities	15,452,462	11,786,239	2,872,308	30,111,009	23,217,392
DEFERRED INFLOWS OF RESOURCES					
Related to pension (Note 10)	472,280	592,885		1,065,165	
Total Deferred Inflows of Resources	472,280	592,885		1,065,165	
NET POSITION (Note 8)					
Net investment in capital assets	48,099,272	31,254,039	1,952,435	81,305,746	7,643,473
Restricted for debt service					238
Unrestricted	4,615,812	2,207,282	(1,985,944)	4,837,150	(5,704,963)
Total Net Position	$52,715,084	$33,461,321	($33,509)	86,142,896	$1,938,748
Some amounts reported for *business-type activities* in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.				788,449	
Change in Net Position of Business-type Activities				$86,931,345	

See accompanying notes to financial statements

CITY OF BENICIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
OPERATING REVENUES					
Charges for services	$8,621,332	$8,712,476		$17,333,808	$5,693,174
Connection fees	52,904	31,029		83,933	
Rentals			$318,837	318,837	
Refunds and rebates	735	43,273		44,008	467,258
Total Operating Revenues	8,674,971	8,786,778	318,837	17,780,586	6,160,432
OPERATING EXPENSES					
Wages and benefits	2,399,383	2,393,035		4,792,418	526,859
Materials and supplies	307,459			307,459	315,273
Operations and maintenance	3,002,069	3,220,208	271,127	6,493,404	601,477
Purchased water		400,230		400,230	
Depreciation	2,198,461	1,878,798	189,612	4,266,871	893,900
Claims and Insurance	24,003			24,003	770,329
Total Cost of Sales and Operating Expenses	7,931,375	7,892,271	460,739	16,284,385	3,107,838
Operating Income (Loss)	743,596	894,507	(141,902)	1,496,201	3,052,594
NONOPERATING REVENUES (EXPENSES)					
Interest income	184,986	112,063	16,508	313,557	65,526
Interest (expense)	(307,999)	(272,448)	(121,655)	(702,102)	(1,248,046)
Amortization of issuance/discount	(23,541)	(22,935)		(46,476)	(18,632)
Intergovernmental revenue			78,164	78,164	
Total Nonoperating Revenues (Expenses)	(146,554)	(183,320)	(26,983)	(356,857)	(1,201,152)
'Income (Loss) Before Capital Contributions and Transfers	597,042	711,187	(168,885)	1,139,344	1,851,442
Transfers in (Note 4A)			284,275	284,275	396,092
Transfers (out) (Note 4A)	(150,000)	(150,000)		(300,000)	
Change in Net Position	447,042	561,187	115,390	1,123,619	2,247,534
BEGINNING NET POSITION (DEFICIT)	52,268,042	32,900,134	(148,899)		(308,786)
ENDING NET POSITION (DEFICIT)	$52,715,084	$33,461,321	($33,509)		$1,938,748
Some amounts reported for *business-type activities* in the Statement of Activities are different because the portion of the net income of certain internal service funds is reported with the business-type activities which those funds serviced.				180,084	
Change in Net Position of Business-type Activities				$1,303,703	

See accompanying notes to financial statements

CITY OF BENICIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$8,633,437	$8,722,378	$350,950	$17,706,765	$5,709,629
Payments to suppliers	(3,338,819)	(3,987,658)	(280,897)	(7,607,374)	(906,556)
Payments to employees	(2,332,507)	(2,354,912)		(4,687,419)	(543,451)
Refunds and rebates					453,039
Claims paid	(24,003)			(24,003)	(657,737)
Cash Flows from (used for) Operating Activities	2,938,108	2,379,808	70,053	5,387,969	4,054,924
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts			284,275	284,275	399,074
Interfund payments	(150,000)	(150,000)		(300,000)	
Operating grant and contributions			78,164	78,164	
Principal paid on non-capital debt					(961,747)
Interest paid on non-capital debt					(584,791)
Cash Flows from (used for) Noncapital Financing Activities	(150,000)	(150,000)	362,439	62,439	(1,147,464)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets		(541,541)		(541,541)	(696,542)
Principal payments on capital debt	(1,972,785)	(1,404,304)	(182,132)	(3,559,221)	(564,165)
Interest paid	(342,350)	(301,227)	(129,168)	(772,745)	(681,223)
Cash Flows (used for) Capital and Related Financing Activities	(2,315,135)	(2,247,072)	(311,300)	(4,873,507)	(1,941,930)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	181,275	110,030	16,508	307,813	64,178
Cash Flows from Investing Activities	181,275	110,030	16,508	307,813	64,178
Net Cash Flows	654,248	92,766	137,700	884,714	1,029,708
Cash and investments at beginning of period	13,924,532	8,445,828	42,383	22,412,743	5,022,814
Cash and investments at end of period	$14,578,780	$8,538,594	$180,083	$23,297,457	$6,052,522
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	$743,596	$894,507	($141,902)	$1,496,201	$3,052,594
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	2,198,461	1,878,798	189,612	4,266,871	893,900
Change in assets and liabilities:					
Receivables, net	(41,534)	(72,160)	32,113	(81,581)	2,236
Materials, parts and supplies	2,328	(131,164)		(128,836)	9,337
Other assets	18,874	22,179		41,053	12,321
Accounts payable and other accrued expenses	(50,493)	(258,235)	(9,770)	(318,498)	(11,464)
Accrued compensated absences	22,781	(17,235)		5,546	
Refundable deposits		7,760		7,760	
Due to retirement system	44,095	55,358		99,453	
Workers' compensation claims					96,000
Cash Flows from (used for) Operating Activities	$2,938,108	$2,379,808	$70,053	$5,387,969	$4,054,924

See accompanying notes to financial statements

FIDUCIARY FUNDS

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

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

CITY OF BENICIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

	Affordable Housing Private Purpose Trust Fund	Agency Funds
ASSETS		
Restricted cash and investments (Note 3)	$20,718	$1,275,523
Interest receivable	9	545
Total Assets	$20,727	$1,276,068
LIABILITIES		
Accounts payable		$2,500
Due to bondholders		1,273,568
Total Liabilities		$1,276,068
NET POSITION		
Held in trust for: Other governments	$20,727	
Total Net Position	$20,727	

See accompanying notes to financial statements

CITY OF BENICIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

	Affordable Housing Private Purpose Trust Fund
ADDITIONS	
Use of money and property	$263
Total Additions	263
CHANGE IN NET POSITION	263
NET POSITION, BEGINNING OF YEAR	20,464
NET POSITION, END OF YEAR	$20,727

See accompanying notes to financial statements

THE CITY OF

BENICIA

CALIFORNIA

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Background

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

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

Reporting Entity

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

Joint Ventures

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

Other Related Organization

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

B. Basis of Presentation

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

C. Major Funds

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

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

D. Basis of Accounting

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Property Tax Revenues

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

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

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

F. Revenue Recognition For Water and Sewer

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

G. Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated absences activities were as follows for the year ended June 30, 2016:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	$1,033,495	$270,352	$1,303,847
Additions	782,069	127,714	909,783
Payments	(701,581)	(122,168)	(823,749)
Ending Balance	$1,113,983	$275,898	$1,389,881
Current Portion	$701,581	$275,898	$977,479

H. Materials, parts and Supplies, and Prepaid Items

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

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

I. Use of Estimates

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

J. New Funds, Closed Funds and Fund Recategorization

Arsenal Fund – In fiscal year 2014-15, the Arsenal Fund was created to account for moneys set aside for future Arsenal-related expenditures. The funds set aside came from the General Fund and as such, was included in the General Fund. In fiscal year 2015-16, the Arsenal Fund was separated from the General Fund since funding is equally divided between the General Fund, Wastewater and Water Funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows/Inflows of Resources

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

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

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

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2016.

GASB Statement No. 72 – *Fair Value Measurement and Application.* The intention of this Statement is to enhance the comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. It also enhances fair value application guidance and related disclosures.

GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55. This Statement did not have a material impact on the financial statements for the fiscal year 2016.

GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants.* This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement did not have a material impact on the financial statements for the fiscal year 2016.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

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

1. The City Manager submits to the City Council a proposed bi-annual operating budget for the next two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The biennial budget is adopted by City Council resolution prior to July 1.

4. Expenditures may not legally exceed budgeted appropriations at the fund level.

5. All budget adjustments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager and Finance Director are authorized to transfer unencumbered appropriations within a department and between departments.

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING (Continued)

6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation.

7. Remaining appropriations lapse at year-end and must be reappropriated in the following year.

8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except for the Developer Deposits Special Revenue Fund, which is not budgeted. The City adopts project budgets for the Capital Project funds except for the Library Basement, Casa de Vilarrasa Fund and McAllister Assessment District Fund.

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

NOTE 3 – CASH AND INVESTMENTS

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

A. Policies

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

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

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

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

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Classification

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

Statement of Net Position:	
Cash and investments available for City operations	$51,639,013
Restricted cash and investments	655,613
City cash and investments of primary government	52,294,626
Restricted Cash and investments in Fiduciary Funds (separate statement)	
Private Purpose Trust Fund	20,718
Agency Funds	1,275,528
Total cash and investments	$53,590,872

Cash and investments as of June 30, 2016, consist of the following:

Cash on hand	$4,917
Deposits with financial institutions	6,481,872
Investments	47,104,083
Total cash and investments	$53,590,872

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

NOTE 3 - CASH AND INVESTMENTS (Continued)

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

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

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

* At date of purchase

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

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

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

NOTE 3 - CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

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

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

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	36 to 60 Months	Total
Held by the City:					
U.S. Treasury Bills and Notes			$3,020,835	$8,176,385	$11,197,220
State Local Agency Investment Fund	$18,066,009				18,066,009
Medium-Term Corporate Notes	1,889,052	$3,719,649	135,785	400,057	6,144,543
Negotiable Certificates of Deposit	1,225,194	2,781,680			4,006,874
U.S. Government-Sponsored Enterprise Agencies	953,865	2,540,117	1,211,632	760,226	5,465,840
Money Market Fund (PFM Prime Institutional)	172,992				172,992
Commercial Paper	1,392,541				1,392,541
Held by Trustees:					
Money Market Mutual (U.S. Securities)	658,064				658,064
Total Investments	$24,357,717	$9,041,446	$4,368,252	$9,336,668	$47,104,083

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 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, 2016, these investments matured in an average of 167 days.

Money market funds are available for withdrawal on demand and at June 30, 2016, matured in an average of 36 days.

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2016, for all investments are as provided by Standard and Poor's investment rating system except as noted. The Local Agency Investment Fund was not rated as of June 30, 2016.

Investment Type	Total
Rated AAA:	
Medium-Term Corporate Notes	$472,367
Rated AA+:	
U.S. Government-Sponsored Enterprise Agencies	
Non-callable	5,465,840
Medium-Term Corporate Notes	1,806,383
Rated AA:	
Medium-Term Corporate Notes	
Non-callable	631,344
Rated AA-:	
Non-Negotiable Certificates of Deposit	
Non-callable	1,654,529
Callable	551,841
Medium-Term Corporate Notes	
Non-callable	2,089,001
Callable	230,380
Rated A:	
Medium-Term Corporate Note- Non Callable	410,093
Medium-Term Corporate Note- Callable	504,975
Rated A-1+:	
Non-Negotiable Certificates of Deposit	1,125,585
Rated A-1:	
Non-Negotiable Certificates of Deposit	674,919
Commercial Paper	1,392,541
Rated AAAm:	
Money Market Funds	831,056
Not rated:	
State Local Agency Investment Fund	18,066,009
Exempt from credit rating disclosure:	
U.S. Treasury Bill and Notes	11,197,220
Total Investments	$47,104,083

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. *Concentration of Credit Risk*

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

Reporting Unit	Issuer	Investment Type	Reported Amount
Entity-wide:			
	Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Agencies	$3,251,228

H. *Fair Value Hierarchy*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2016:

	Level 1	Level 2	Amortized Cost	Total
Investments By Fair Value Level:				
U.S. Treasury Bills and Notes	$11,197,220			$11,197,220
State Local Agency Investment Fund		$18,066,009		18,066,009
Medium-Term Corporate Notes		6,144,543		6,144,543
Negotiable Certificates of Deposit		4,006,874		4,006,874
U.S. Government-Sponsored Enterprise Agencies		5,465,840		5,465,840
Money Market Fund (PFM Prime Institutional)		172,992		172,992
Commercial Paper		1,392,541		1,392,541
Held by Trustees:				
Money Market Mutual (U.S. Securities)			$658,064	658,064
Total	$11,197,220	$35,248,799	$658,064	$47,104,083

U.S. Treasury bills and notes classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. U.S. government-sponsored enterprise agency securities, medium-term corporate notes money market fund, negotiable certificates of deposit and commercial paper, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 3 - CASH AND INVESTMENTS (Continued)

The California Local Agency Investment Fund classified in Level 2, is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool. Money market mutual funds, totaling $658 thousand, are reported at amortized cost and not subject to the fair value hierarchy. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2016 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred	
General Fund	Benicia Marina Enterprise Fund	$284,275	**(A)**
	Public Safety Grants Special Revenue Fund	74,000	**(A)**
	Residential Landscaping and Lighting Special Revenue Fund	96,645	**(A)**
	Internal Service Funds	396,092	**(B)**
	Arsenal Special Revenue Fund	150,000	**(A)**
Water Enterprise Fund	Arsenal Special Revenue Fund	150,000	**(A)**
Wastewater Enterprise Fund	Arsenal Special Revenue Fund	150,000	**(A)**
		$1,301,012	

(A) Transfer to fund City operations.
(B) Transfer to fund capital projects.

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, 2016, the following funds have balances due to the General Fund:

Special Revenue Funds:	
Miscellaneous Grants	$36,429
Valero GNSC	127,078
Internal Service Fund:	
General Services	12,300
Total	$175,807

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

C. *Internal Balances*

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

NOTE 5 – LOANS RECEIVABLE

At June 30, 2016, the City had the following loans receivable:

	Balance at June 30, 2016		
	Governmental Activities	Business-Type Activities	Total
Housing Rehabilitation Loan Program	$241,780		$241,780
Burgess Point,			
Benicia Housing Partners	550,000		550,000
Benicia Housing Authority	340,000	$845,000	1,185,000
Hearthstone Village,			
Affordable Housing Affiliation	76,514	191,572	268,086
Bay Ridge Affordable Housing		756,750	756,750
Casa De Vilarrasa,			
Benicia Housing Authority	1,400,000		1,400,000
Benicia Resource Incentive Program			
RB Squared, LLC	28,324		28,324
Ponder Commercial Properties, LLC	37,500		37,500
Total Loans Receivable	2,674,118	1,793,322	4,467,440
Less: Forgivable Amounts	(76,514)	(948,322)	(1,024,836)
Total	$2,597,604	$845,000	$3,442,604

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, 2016, residents owed the City $241,780 in loans offered by this program.

NOTE 5 – LOANS RECEIVABLE (Continued)

B. Burgess Point, Benicia Housing Partners

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

C. Burgess Point, Benicia Housing Authority

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

D. Hearthstone Village, Affordable Housing Affiliation

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

E. Bay Ridge Affordable Housing

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

F. Casa de Vilarrasa, Benicia Housing Authority

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

NOTE 5 – LOANS RECEIVABLE (Continued)

G. Benicia Resource Incentive Program – RB Squared

On August 6, 2013, the City authorized loans to RB Squared LLC for the Benicia Resource Incentive Program in the amounts of $25,000 at 0% and $13,459 at 3.5% for a total amount of $38,459. The principal and interest are to be amortized over 120 months and monthly payments are to be made starting November 1, 2013. Final payments for these loans will be on October 1, 2023. As of June 30, 2016, the outstanding amount was $28,324.

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

On December 10, 2014, the City authorized a Benicia Resource Incentive Program loan to Ponder Commercial Properties, LLC in the amount of $50,000 at 0%. The principal amount is to be amortized over 60 months and payments shall commence on March 1, 2015 in monthly installments of $833.33. Final payments of this loan will be on March 1, 2020. As of June 30, 2016, the outstanding amount was $37,500.

NOTE 6 – CAPITAL ASSETS

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

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

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

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

NOTE 6 – CAPITAL ASSETS (Continued)

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

	Balance June 30, 2015	Additions	Balance June 30, 2016
Governmental Activities:			
Capital assets, not depreciated:			
Land	$18,545,953		$18,545,953
Construction in Progress	448,366	$694,589	1,142,955
Total capital assets, not depreciated	18,994,319	694,589	19,688,908
Buildings and Improvements	26,451,836	349,577	26,801,413
Machinery and Equipment	9,341,559	594,273	9,935,832
Computer Software	92,391		92,391
Infrastructure	157,241,712		157,241,712
Total cost of depreciable assets	193,127,498	943,850	194,071,348
Less accumulated depreciation:			
Buildings and Improvements	(10,605,989)	(733,243)	(11,339,232)
Machinery and Equipment	(7,158,900)	(454,381)	(7,613,281)
Computer Software	(78,735)	(13,655)	(92,390)
Infrastructure	(63,480,147)	(2,514,279)	(65,994,426)
Total accumulated depreciation	(81,323,771)	(3,715,558)	(85,039,329)
Net depreciable assets	111,803,727	(2,771,708)	109,032,019
Governmental Activity Capital Assets, Net	$130,798,046	($2,077,119)	$128,720,927
Business-Type Activities:			
Capital assets, not depreciated:			
Land and Improvements	$2,584,082		$2,584,082
Construction in Progress		$541,541	541,541
Total capital assets, not depreciated:	2,584,082	541,541	3,125,623
Capital assets, being depreciated:			
Buildings and Improvements	91,526,037		91,526,037
Machinery and Equipment	9,264,856		9,264,856
Infrastructure	77,958,108		77,958,108
Water Rights	5,000,000		5,000,000
Total cost of depreciable assets	183,749,001		183,749,001
Less accumulated depreciation:			
Buildings and Improvements	(45,853,763)	(2,252,743)	(48,106,506)
Machinery and Equipment	(5,192,237)	(370,144)	(5,562,381)
Infrastructure	(43,411,315)	(1,443,983)	(44,855,298)
Water Rights	(1,200,000)	(200,000)	(1,400,000)
Total accumulated depreciation	(95,657,315)	(4,266,870)	(99,924,185)
Net depreciable assets	88,091,686	(4,266,870)	83,824,816
Business-type Activity Capital Assets, Net	$90,675,768	($3,725,329)	$86,950,439

NOTE 6 – CAPITAL ASSETS (Continued)

B. Capital Asset Contributions

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

C. Depreciation Allocation

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

Governmental Activities:	
Administration	$28,008
Public safety - police	96,902
Public safety - fire	24,127
Parks and community services	500,813
Public works	2,110,580
Library	399
General government	60,829
Internal Service Fund	893,900
Total Governmental Activities	$3,715,558
Business-type Activities:	
Wastewater	$2,198,461
Water	1,878,798
Benicia Marina	189,611
Total Business-Type Activities	$4,266,870

NOTE 7 – LONG -TERM DEBT

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

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

A. Current Year Transactions and Balances

Governmental Activity Debt	Balance at July 1, 2015	Additions/ Accretion	Deletions	Balance at June 30, 2016	Due Within One Year
2006 Pension Obligation Bonds					
Series A-1 (Current Interest Bonds)	$5,625,000		$935,000	$4,690,000	$1,020,000
Series A-2 (Capital Appreciation Bonds)	4,162,852	$248,253	275,000	4,136,105	290,000
2011 Certificates of Participation Energy Conservation Projects	11,810,000		535,000	11,275,000	120,000
Less unamortized original issue discount	(214,194)		(10,297)	(203,897)	
2012 General Obligation Refunding Bonds	2,310,000		650,000	1,660,000	655,000
Casa de Vilarrasa- Capital Lease	912,287		74,149	838,138	77,447
Fire Engine Capital Lease	123,646		39,462	84,184	41,190
Police and Marina Area Storm Drain Improvements Capital Lease	267,269		267,269		
Total Governmental Activity Debt	$24,996,860	$248,253	$2,765,583	$22,479,530	$2,203,637

Business-Type Activity Debt	Balance July 1, 2015	Deletions	Balance June 30, 2016	Due Within One Year
2002 Water Revenue Refunding Bonds	$2,600,000	$845,000	$1,755,000	$865,000
2005 Wastewater Refunding Revenue Bonds	1,780,000	325,000	1,455,000	340,000
Less unamortized original issue discount	(21,340)	(5,418)	(15,922)	
Total utility bonds payable net of discount	4,358,660	1,164,582	3,194,078	1,205,000
State of California Marina Loans	2,868,549	182,132	2,686,417	190,328
State Revolving Loan Fund- WWTP	6,810,501	1,084,986	5,725,515	1,104,548
State Revolving Loan Fund- I & I WW	6,386,752	567,463	5,819,289	582,217
State Revolving Loan Fund- Water Treatment Plant	7,684,624	560,058	7,124,566	573,522
Total Business-type Activity Debt	$28,109,086	$3,559,221	$24,549,865	$3,655,615

NOTE 7 - LONG - TERM DEBT (Continued)

B. 2006 Pension Obligation Bonds

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

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

The Series A-2 Capital Appreciation Bonds unaccreted discount totaled $2,588,896 at June 30, 2016. The capital appreciation bonds will accrete interest from the date of issuance and will be payable only upon maturity or redemption. The bonds are payable in any form of taxation. Interest on the Bonds accretes in value at the rates of 5.67% to 6.12%. Repayments of the accreted principal commenced on June 1, 2008.

C. 2011 Certificates of Participation Energy Conservation Projects

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

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

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

D. General Obligation Refunding Bonds Series 2012

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

NOTE 7 - LONG - TERM DEBT (Continued)

E. Casa de Vilarrasa - Capital Lease

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

F. Fire Engine – Capital Lease

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

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

In May 2006, the City entered into a Capital Lease for $2.2 million, at 4.58% interest, to finance the improvements to the Police Building and the portion of the storm drain system located in the Marina Area. Semi-annual payments are due on December 22 and June 22 each year until 2016. Ownership of the improvements will be reverted to the City at the end of the lease. Since the lease is in essence a financing arrangement, the cost of the improvements and the amount of the lease have been included in the City's financial statements. The capital lease is fully paid as of June 30, 2016.

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

I. 2005 Wastewater Refunding Revenue Bonds

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

J. State of California Marina Loans

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

NOTE 7 – LONG - TERM DEBT (Continued)

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

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

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

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

M. State Revolving Loan Fund - Water Treatment Plant

In 2004, the City entered into a State Revolving Fund loan agreement with the State Department of Water Resources to assist financing the Water Treatment Plant Improvement Project, which will enable the City to meet safe drinking water standards set by the State. The loan is a long-term liability of the Water Enterprise Fund, bearing interest of 2.39%. Principal and interest are payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2008 through 2027. The maximum amount the City can borrow is $13,600,000; however, the City only borrowed $11,716,747. As of June 30, 2016, the outstanding principal amount was $7,124,566.

N. Pledged Revenue

The City has pledged future wastewater revenues, net of specified operating expenses, to repay the 2005 Wastewater Refunding Revenue Bonds, the State Revolving Loan Fund – Wastewater Treatment Plant and the State Revolving Loan Fund – Inflow & Infiltration. Projected net customer revenues are expected to provide coverage over debt service of at least 1.20 over the life of the bonds. The Wastewater Fund's total principal and interest remaining to be paid on the bonds is $1,575,962, which is scheduled to occur in fiscal year 2020. For fiscal year 2016, Wastewater Fund Revenues including operating revenues and non-operating investment income totaled $8,859,957 and operating costs, not including depreciation or amortization totaled $5,732,914. Net Revenues available for debt service totaled $3,127,043, which represented coverage of 1.34 of debt service payment of $2,330,393.

The City has pledged future water revenues, net of specified operating expenses, to repay the 2002 Water Revenue Refunding Bonds and the State Revolving Loan Fund – Water Treatment Plant. Projected net customer revenues are expected to provide coverage over debt service of at least 1.20 over the life of the bonds. The Water Fund's total principal and interest remaining to be paid on the bonds is $1,832,121, which is scheduled to occur in fiscal year 2018. For fiscal year 2016, gross Water Fund Revenues including operating revenues and non-operating interest earnings totaled $8,898,841 and operating costs, not including depreciation or amortization, totaled $6,013,473. Net Revenues available for debt service totaled $2,885,368 which represented coverage of 1.72 of debt service payment of $1,678,849.

NOTE 7 – LONG - TERM DEBT (Continued)

O. Debt Service Requirements

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

Governmental Activities: Pension Obligation Bonds

Year ending June 30	Principal (A)	Interest
2017	$1,310,000	$277,811
2018	305,000	217,631
2019	325,000	217,631
2020	345,000	217,631
2021	365,000	217,631
2022-2026	2,155,001	1,088,155
2027-2031	2,760,000	1,088,155
2032-2036	3,850,000	716,938
Total	$11,415,001	$4,041,583

(A) Includes unaccreted discount totaling $2,588,896

Governmental Activities: Certificates of Participation

Year ending June 30	Principal	Interest
2017	$120,000	$647,693
2018	155,000	643,073
2019	195,000	636,563
2020	240,000	627,788
2021	285,000	616,388
2022-2026	1,950,000	2,838,642
2027-2031	2,360,000	2,252,513
2032-2036	5,970,000	1,149,000
Total	$11,275,000	$9,411,660

Governmental Activities: General Obligation Bonds

Year ending June 30	Principal	Interest
2017	$655,000	$16,656
2018	670,000	8,375
2019	335,000	2,094
Total	$1,660,000	$27,125

Governmental Activities: Capital Leases

Year ending June 30	Principal	Interest
2017	$118,637	$40,071
2018	123,957	34,742
2019	84,656	29,654
2020	88,509	25,802
2021	92,536	21,774
2022-2026	414,027	43,029
Total	$922,322	$195,072

NOTE 7 – LONG - TERM DEBT (Continued)

Enterprise Activities: Revenue Bonds

Year ending June 30	Principal	Interest
2017	$1,205,000	$108,916
2018	1,245,000	57,488
2019	370,000	23,586
2020	390,000	8,093
Total	$3,210,000	$198,083

Enterprise Activities: Revolving Loans

Year ending June 30	Principal	Interest
2017	$2,450,615	$542,375
2018	2,508,021	484,970
2019	2,566,897	426,094
2020	2,627,285	365,705
2021	2,689,228	303,763
2022-2026	7,438,762	723,615
2027-2030	1,074,979	19,641
Total	$21,355,787	$2,866,163

P. Special Assessment Debt Without City Commitment

At June 30, 2016, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

McAllister	$7,938,948

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

NOTE 8 – NET POSITION AND FUND BALANCES

A. Net Position

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

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

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

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

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

B. Fund Balances

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

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

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

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

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

Assigned fund balances are comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. The City has, by resolution, authorized the City Manager to assign fund balance.

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

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2016, are stated below:

Fund Balance Classifications	General Fund	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total
Nonspendables:				
Items not in spendable form:				
Loans Receivable	$619,854			$619,854
Prepaid Items	30,750			30,750
Total Nonspendable Fund Balances	650,604			650,604
Restricted for:				
Debt Service		$735,532		735,532
St. Catherine's Wood Open Space	87,615			87,615
Cable	69,978			69,978
Streets and Road			$1,413,620	1,413,620
Landscaping and Lighting			442,198	442,198
Housing			721,936	721,936
City Cemetery and Tree Maintenance			366,019	366,019
Library Programs			869,973	869,973
South Pacific Depot			134,013	134,013
Public Safety Programs			283,485	283,485
Arsenal			585,047	585,047
Measure C Projects			3,016,350	3,016,350
Resident Assistance Programs			162,177	162,177
Open Space			475,224	475,224
Valero - GNSC			413,792	413,792
Total Restricted Fund Balances	157,593	735,532	8,883,834	9,776,959
Committed to:				
Capital Projects			3,351,668	3,351,668
Future Projects	1,440,000			1,440,000
Emergency Reserves	3,630,718			
Contingency Reserves	3,630,718			
Total Committed Fund Balances	8,701,436		3,351,668	12,053,104
Assigned to:				
Human Services	15,408			15,408
Arts and Cultural	7,728			7,728
Economic Development	893,273			893,273
Capital License	161,729			161,729
Library Books	13,994			13,994
City Operations	610,795			610,795
Total Assigned Fund Balances	1,702,927			1,702,927
Unassigned:				
General Fund	3,909,481			3,909,481
Fund Deficits			(7,369)	(7,369)
Total Unassigned Fund Balances	3,909,481		(7,369)	3,902,112
Total Fund Balances	$15,122,041	$735,532	$12,228,133	$28,085,706

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

C. *Minimum Fund Balance Policies*

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

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

D. *Fund Equity Deficits*

The Miscellaneous Grants Fund had a deficit fund balance of $7,369 at June 30, 2016. Grant funds are expected to offset the deficit in fiscal year 2016-17.

The Benicia Marina Enterprise Fund had a deficit net position of $33,509 at June 30, 2016. Management is currently reviewing options to reduce deficit over time with Council approval.

The Insurance Internal Service Fund had deficit net position of $1,854,036 at June 30, 2016. Management is looking for options to increase service rates and reduce the deficit over time.

The Retirement Stability Internal Service Fund had deficit net position of $7,027,014 at June 30, 2016. Management is looking for options to reduce deficit over time.

NOTE 9 – DEFERRED COMPENSATION PLAN

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

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

NOTE 10 - PENSION PLAN

A. Plan Descriptions and Summary of Balances by Plan

The City has two defined benefit pension plans, one Miscellaneous Plan and one Safety Plan (Police and Fire). The Miscellaneous Plan is an Agent-Multiple Employer Plan and the Safety Plan is a Cost Sharing Multiple Employer Plan. Benefit provisions under the Plans are established by State statute and City Ordinance. All qualified permanent and probationary employees are eligible to participate in the Plan for which they are an eligible member based on their employment position with the City.

All the Plans are administered by the California Public Employees' Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous and Safety Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by Plan:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	$5,467,895	$21,029,679	$5,067,387
Safety (Police & Fire)	847,816	20,285,275	5,677,618
Total	$6,315,711	$41,314,954	$10,745,005

NOTE 10 - PENSION PLAN (Continued)

B. *Miscellaneous Plan*

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

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire date	Prior to October 1, 2012	October 1, 2012 - January 1, 2013	After January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	20.890%	20.890%	20.890%

Employees Covered – As of the June 30, 2014 actuarial valuation date and the June 30, 2015 measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	172
Inactive employees entitled to but not yet receiving benefits	154
Active employees	146
Total	472

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

NOTE 10 - PENSION PLAN (Continued)

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below in Note 9D.

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	$94,242,496	$76,134,493	$18,108,003
Changes in the year:			
Service cost	1,796,349		1,796,349
Interest on the total pension liability	6,996,796		6,996,796
Differences between actual and expected experience	134,316		134,316
Changes in assumptions	(1,732,356)		(1,732,356)
Changes in benefit terms			
Plan to Plan Resource Movement		160	(160)
Contribution - employer		1,878,933	(1,878,933)
Contribution - employee (paid by employer)			
Contribution - employee		787,294	(787,294)
Net investment income		1,692,887	(1,692,887)
Administrative expenses		(85,845)	85,845
Benefit payments, including refunds of employee contributions	(4,162,502)	(4,162,502)	
Net changes	3,032,603	110,927	2,921,676
Balance at June 30, 2015	$97,275,099	$76,245,420	$21,029,679

NOTE 10 – PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	$34,229,799
Current Discount Rate	7.65%
Net Pension Liability	$21,029,679
1% Increase	8.65%
Net Pension Liability	$10,141,156

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

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

For the year ended June 30, 2016, the City recognized pension expense of $1,292,342. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$2,135,435	
Differences between actual and expected experience	88,000	
Changes in assumptions		($1,134,992)
Net differences between projected and actual earnings on plan investments	3,244,460	(3,932,395)
Total	$5,467,895	($5,067,387)

NOTE 10 – PENSION PLAN (Continued)

$2,135,435 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2017	($1,050,732)
2018	(995,628)
2019	(499,682)
2020	811,115
2021	-
Thereafter	-

Actuarial assumptions and information regarding the discount rate are discussed in Note 9D below.

C. *Safety Plan*

The City's Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans within the safety risk pool.

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

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire date	Prior to 10/1/12	10/1/12 - 1/1/13	After 1/1/13
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of eligible compensation	1.426% to 2.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	8.986%	8.980%	12.25%
Required employer contribution rates	20.230%	17.295%	11.923%

NOTE 10 – PENSION PLAN (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability and side fund was $1,071,172 in fiscal year 2016.

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

For the year ended June 30, 2016, the contributions recognized as part of pension expense for the Plan were as follows:

	Amount
Contributions - employer	$847,816
Contributions - employee (paid by employer)	853,653
Total	$1,701,469

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2016, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan, was $20,285,275.

NOTE 10 – PENSION PLAN (Continued)

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2015, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

	Safety
Proportion - June 30, 2014	0.6690%
Proportion - June 30, 2015	0.4923%
Change - Increase (Decrease)	-0.1767%

For the year ended June 30, 2016, the City recognized pension expense of $3,200,593 for the Safety Plan. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Safety plan from the following sources:

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$847,816	
Differences between actual and expected experience		($188,721)
Changes in assumptions		(867,991)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions		(4,181,002)
Net differences between projected and actual earnings on plan investments		(439,904)
Total	$847,816	($5,677,618)

$847,816 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

NOTE 10 – PENSION PLAN (Continued)

Year Ended June 30	Annual Amortization
2017	($2,204,354)
2018	(2,200,376)
2019	(1,812,898)
2020	540,010
2021	-
Thereafter	-

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Safety
1% Decrease	6.65%
Net Pension Liability	$35,665,454
Current Discount Rate	7.65%
Net Pension Liability	$20,285,275
1% Increase	8.65%
Net Pension Liability	$7,673,811

Actuarial assumptions and information regarding the discount rate are discussed in Note 9D below.

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2015, the total pension liabilities were determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

NOTE 10 – PENSION PLAN (Continued)

	Miscellaneous and Safety (Police and Fire)
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on the CalPERS website under Forms and Publications.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions – GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 measurement date.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 10 – PENSION PLAN (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.
(b) An expected inflation of 3.0% used for this period.

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

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

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

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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	$486,547
Interest on net OPEB obligation	75,355
Adjustment to annual required contribution	(94,541)
Annual OPEB cost (expense)	467,361
Implicit subsidy	(259,868)
Increase in net OPEB obligation	207,493
Net OPEB obligation - beginning of year	1,883,867
Net OPEB obligation - end of year	$2,091,360

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	$418,280	44%	$1,653,565
6/30/2015	443,203	48%	1,883,867
6/30/2016	467,361	56%	2,091,360

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

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 4.0 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 8.5 percent initially, reduced by decrements of 0.5% per year to an ultimate rate of 4.5 percent after the year 2024. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 30 years. The valuation is based on a closed 30 year amortization period. It is assumed the City's payroll will increase 3.25% per year.

Funded Status and Funding Progress - As of July 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The Actuarial Accrued Liability (AAL) for benefits was $5,429,726 and the Actuarial Value of the Plan Net Asset was $0 resulting in an Unfunded Actuarial Accrued Liability (UAAL) of $5,429,726. The covered payroll (annual payroll of active employees covered by the plan) was $13,994,763 and the ratio of UAAL to covered payroll was 39 percent.

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

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

A. *Coverages*

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

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

Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the fiscal year ended June 30, 2016, the City contributed $759,660 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, 2016, the City contributed $151,185 for current year coverage.

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

B. *Liability for Uninsured Claims*

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

	2016			
	Workers' Compensation	General Liability	Total	2015
Beginning balance	$2,849,000	$166,175	$3,015,175	$2,452,648
Liability for current year claims and change in prior year claims estimate	404,081	451,017	855,098	2,171,692
Claims paid in fiscal year	(308,081)	(523,091)	(831,172)	(1,609,165)
Ending balance	$2,945,000	$94,101	$3,039,101	$3,015,175
Claim liabilities due within a year	$678,937	$94,101	$773,038	$1,140,775

For the years ended June 30, 2016, 2015, and 2014, 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.

A. Solano Water Authority

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

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

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

B. Solano Transportation Authority

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

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

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

NOTE 14 – OPERATING LEASE

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

The annual rent for said property shall be One Hundred Twenty Thousand Dollars ($120,000), payable in equal monthly payments of Ten Thousand Dollars ($10,000). According to the lease agreement, beginning in 2011, the monthly rent is adjusted annually for each succeeding years using the Consumer Price Index for all Urban Consumers (CPI-U).

NOTE 14 – OPERATING LEASE (Continued)

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

NOTE 15 – OTHER COMMITMENTS AND CONTINGENT LIABILITIES

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

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

NOTE 16 – VALERO REFINING COMPANY SETTLEMENT AGREEMENT COMMITMENT

In April 2003, the City approved the Use Permit for the Valero Improvement Project (VIP). This was amended in June 2003 by Valero Refining Company (Valero) Settlement Agreement. In July 2008, the Good Neighbor Steering Committee and Valero entered into an agreement and the Planning Commission then incorporated the terms of the agreement into the conditions of approval for the Amended Valero Improvement Projects Agreement. Valero has committed $14 million to fund various City-wide projects. At the June 17, 2014 Council meeting, Valero withdrew their Condensate Recovery Phase II Project and instead requested for a lower allocation for their Boiler Project. As a result of the re-allocation of settlement funds, the City's direct share increased to $7,494,000. The commitment does not meet the criteria to be recorded as revenue until eligible project expenditures are incurred. As of June 30, 2016, Valero has paid the City $7,106,997 of this commitment.

NOTE 17 - MARINA

The City of Benicia contracts with the Benicia Harbor Corporation (BHC) to conduct annual dredging in the Benicia Marina common areas. In fiscal 2009-10, they failed to initiate and complete their dredging commitment and have claimed that it was due, in part, to the City's inability to acquire a California Dredging Permit in a timely manner. In fiscal year 2015-16, the amount under review was $97,421. During fiscal year 2015-16, the City did not receive any rents or percentage of rent from BHC.

NOTE 18 – OTHER RELATED ORGANIZATIONS

The City Council of the City of Benicia appoints board members of the Benicia Housing Authority (the Authority). The Authority sets policy for, and administers, affordable housing programs within the City of Benicia. The City has related financial transactions with the Authority represented by loans receivable from the Authority in a total amount of $2,585,000 as of June 30, 2016. See further discussion in Notes 5C and F.

NOTE 19 – SUBSEQUENT EVENT

On October 4, 2016 the City Council authorized the issuance of Refunding Certificates of Participation in the amount of $11,745,000 to refund the 2011 Certificates of Participation, Energy Conservation Projects, refinance the costs of energy conservation projects, and to pay the costs of issuance for Refunding Certificates of Participation.

THE CITY OF

BENICIA

CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BENICIA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Years*

	Miscellaneous Plan	
Measurement Date	**6/30/2014**	**6/30/2015**
Total Pension Liability		
Service Cost	$1,908,663	$1,796,349
Interest	6,645,981	6,996,796
Changes in benefits		
Changes in assumptions		(1,732,356)
Differences between expected and actual experience		134,316
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)
Net change in total pension liability	4,612,851	3,032,603
Total pension liability - beginning	89,629,645	94,242,496
Total pension liability - ending (a)	$94,242,496	$97,275,099
Plan fiduciary net position		
Contributions - employer	$1,554,005	$1,878,933
Contributions - employee	859,183	787,294
Net investment income	11,447,269	1,692,887
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)
Plan to plan resource movement		160
Administrative expense		(85,845)
Net change in plan fiduciary net position	9,918,664	110,927
Plan fiduciary net position - beginning	66,215,829.00	76,134,493
Plan fiduciary net position - ending (b)	$76,134,493	$76,245,420
Net pension liability - ending (a)-(b)	$18,108,003	$21,029,679
Plan fiduciary net position as a percentage of the total pension liability	80.79%	78.38%
Covered - employee payroll	$10,020,807	$10,160,916
Net pension liability as percentage of covered-employee payroll	180.70%	206.97%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes occurred after the actuarial valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional ServiceCredit (a.k.a Golden Handshakes.)

Changes in assumptions. GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2014 measurement date were the same as those used for the June 30, 2015 measurement date.

* - Fiscal year 2015 was the 1st year of implementation.

CITY OF BENICIA
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*

Fiscal Year Ended June 30	Miscellaneous Plan 2015	Miscellaneous Plan 2016
Actuarially determined contribution	$1,884,361	$2,135,435
Contributions in relation to the actuarially determined contributions	1,884,361	2,135,435
Contribution deficiency (excess)	$0	$0
Covered-employee payroll	$10,020,807	$10,331,281
Contributions as a percentage of covered-employee payroll	18.80%	20.67%
Notes to Schedule:		
Valuation date:	6/30/2012	6/30/2013

Methods and assumptions used to determine contribution rates:

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

* - Fiscal year 2015 was the 1st year of implementation.

CITY OF BENICIA

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE

OF THE NET PENSION LIABILITY

Last 10 Years*

	Safety Plan	
Measurement Date	**6/30/2014**	**6/30/2015**
Plan's Proportion of the Net Pension Liability/Asset	0.329%	0.492%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	$20,524,909	$20,285,275
Plan's Covered-Employee Payroll	6,740,500	6,095,403
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	305%	333%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	0.116%	0.112%
Plan's Proportionate Share of Aggregate Employer Contributions	$246,159	$3,126,216

* - Fiscal year 2015 was the 1st year of implementation.

CITY OF BENICIA

SCHEDULE OF CONTRIBUTIONS

Last 10 Years*

	Safety Plan	
Fiscal Year Ended June 30	**6/30/2014**	**6/30/2015**
Actuarially determined contribution	$1,512,924	$3,126,216
Contributions in relation to the actuarially determined contributions	(1,434,929)	(847,816)
Contribution deficiency (excess)	$77,995	$2,278,400
Covered-employee payroll	$6,740,500	$6,095,403
Contributions as a percentage of covered-employee payroll	21.29%	13.91%

* - Fiscal year 2015 was the 1st year of implementation.

City of Benicia
Other Post-Employment Retirement Benefits
For the Fiscal Year Ended June 30, 2016
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)
4/1/2012	$0	$4,716,121	$4,716,121	0.00%	$16,847,112	28%
7/1/2013	0	4,481,535	4,481,535	0.00%	17,354,119	26%
7/1/2015	0	5,429,726	5,429,726	0.00%	13,994,763	39%

SUPPLEMENTARY INFORMATION

CITY OF BENICIA
GENERAL OBLIGATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Property taxes	$677,710	$677,710	$674,120	($3,590)
Use of money and property	500	2,660	6,697	4,037
Total Revenues	678,210	680,370	680,817	447
EXPENDITURES:				
Debt service:				
Principal retirement	640,000	650,000	650,000	
Interest and fiscal charges	33,625	25,665	24,813	852
Total Expenditures	673,625	675,665	674,813	852
NET CHANGE IN FUND BALANCE	$4,585	$4,705	6,004	($405)
Beginning fund balance			729,528	
Ending fund balance			$735,532	

SPECIAL REVENUE FUNDS

GAS TAX

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

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

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

COMMUNITY DEVELOPMENT BLOCK GRANT

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

COMMUNITY SERVICES PROGRAM

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

LIBRARY PROGRAMS

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

COUNTY SALES TAX MEASURE

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

SOUTHERN PACIFIC DEPOT

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

PUBLIC SAFETY GRANTS

Accounts for various public safety grant revenues and their expenditures.

HUMAN SERVICES

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

DEVELOPER DEPOSITS

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

TOURTELOT MITIGATION

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

MISCELLANEOUS GRANTS

Accounts for miscellaneous recycling and ABAG workplace safety grants.

VALERO GNSC

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

ARSENAL

Accounts for moneys set aside for future Arsenal-related expenditures.

CAPITAL PROJECTS FUNDS

MEASURE C

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

TRAFFIC MITIGATION

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

PARK DEDICATION

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

LIBRARY BASEMENT PROJECT

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

McALLISTER ASSESSMENT DISTRICT

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

STREETS AND TRANSPORTATION FUND (INTERMODAL TRANSPORTATION FUND)

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

CASA DE VILARRASA

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

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	SPECIAL REVENUE FUNDS			
	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
ASSETS				
Cash and investments available for City operations	$1,404,999	$143,563	$96,503	$119,518
Accounts receivable	49,977			
Interest receivable	623	62	43	53
Loans receivable				
Total Assets	$1,455,599	$143,625	$96,546	$119,571
LIABILITIES				
Accounts payable	$41,979	$11,220	$1,720	$209
Customer deposits				
Due to other funds				
Total Liabilities	41,979	11,220	1,720	209
FUND BALANCES				
Restricted	1,413,620	132,405	94,826	119,362
Committed				
Unassigned				
Total Fund Balances (Deficits)	1,413,620	132,405	94,826	119,362
Total Liabilities and Fund Balances (Deficits)	$1,455,599	$143,625	$96,546	$119,571

SPECIAL REVENUE FUNDS

East 2nd Street Landscaping and Lighting	Goodyear Road Landscaping and Lighting	Community Development Block Grant	Community Services Program	Library Programs	County Sales Tax Measure	Southern Pacific Depot	Public Safety Grants
$58,594	$37,651	$479,734	$365,858	$245,016	$452,029	$133,954	$281,855
		212			175,658		68,207
26	16	210	161	118	210	59	98
		241,780					
$58,620	$37,667	$721,936	$366,019	$245,134	$627,897	$134,013	$350,160
$638	$44			$527	$2,531		$16,521
							50,154
638	44			527	2,531		66,675
57,982	37,623	$721,936	$366,019	244,607	625,366	$134,013	283,485
57,982	37,623	721,936	366,019	244,607	625,366	134,013	283,485
$58,620	$37,667	$721,936	$366,019	$245,134	$627,897	$134,013	$350,160

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	Miscellaneous Grants
ASSETS				
Cash and investments available for City operations	$162,092	$619,050	$475,015	
Accounts receivable		25,115		$69,276
Interest receivable	85	32	209	
Loans receivable				
Total Assets	$162,177	$644,197	$475,224	$69,276
LIABILITIES				
Accounts payable		$277,117		$40,216
Customer deposits		367,080		
Due to other funds				36,429
Total Liabilities		644,197		76,645
FUND BALANCES				
Restricted	$162,177		$475,224	
Committed				
Unassigned				(7,369)
Total Fund Balances (Deficit)	162,177		475,224	(7,369)
Total Liabilities and Fund Balances (Deficits)	$162,177	$644,197	$475,224	$69,276

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS				
Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	McAllister Assessment District
	$586,532	$2,612,244	$923,240	$42,345	$298,106	$980
$562,113		445,651	56,130			
66			407	105	130	
			35,480	196,950		
$562,179	$586,532	$3,057,895	$1,015,257	$239,400	$298,236	$980
$21,309	$1,485	$41,545	$7,496			
127,078						
148,387	1,485	41,545	7,496			
413,792	585,047	3,016,350				
			1,007,761	$239,400	$298,236	$980
413,792	585,047	3,016,350	1,007,761	239,400	298,236	980
$562,179	$586,532	$3,057,895	$1,015,257	$239,400	$298,236	$980

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	CAPITAL PROJECTS FUNDS		
	Streets and Transportation (Intermodal Transportation)	Casa De Vilarrasa	Total Non-major Governmental Funds
ASSETS			
Cash and investments available for City operations	$345,720		$9,884,598
Accounts receivable	468,697		1,921,036
Interest receivable	159		2,872
Loans receivable		$1,400,000	1,874,210
Total Assets	$814,576	$1,400,000	$13,682,716
LIABILITIES			
Accounts payable	$409,285		$873,842
Customer deposits			417,234
Due to other funds			163,507
Total Liabilities	409,285		1,454,583
FUND BALANCES			
Restricted			8,883,834
Committed	405,291	$1,400,000	3,351,668
Unassigned			(7,369)
Total Fund Balances	405,291	1,400,000	12,228,133
Total Liabilities and Fund Balances (Deficits)	$814,576	$1,400,000	$13,682,716

THE CITY OF

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CALIFORNIA

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS			
	Gas Tax	Residential Landscaping and Lighting	Fleetside Landscaping and Lighting	Columbus Parkway Landscaping and Lighting
REVENUES				
Property tax				
Sales tax				
Assessments		$299,886	$79,977	$15,800
Use of money and property	$17,834	1,277	1,214	1,482
Revenue from other agencies	610,788			
Current service charges				
Community donations				
Other	5,350			
Total Revenues	633,972	301,163	81,191	17,282
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services		322,303	92,859	10,135
Public works	485,446			
Community development				
Library				
Capital outlay	25,638			
Total Expenditures	511,084	322,303	92,859	10,135
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	122,888	(21,140)	(11,668)	7,147
OTHER FINANCING SOURCES (USES)				
Transfers in		96,645		
Transfers (out)				
Total Other Financing Sources (Uses)		96,645		
NET CHANGE IN FUND BALANCES	122,888	75,505	(11,668)	7,147
BEGINNING FUND BALANCES (DEFICITS)	1,290,732	56,900	106,494	112,215
ENDING FUND BALANCES (DEFICITS)	$1,413,620	$132,405	$94,826	$119,362

SPECIAL REVENUE FUNDS

East 2nd Street Landscaping and Lighting	Goodyear Road Landscaping and Lighting	Community Development Block Grant	Community Services Program	Library Programs	County Sales Tax Measure	Southern Pacific Depot	Public Safety Grants
					$630,793		
$28,001	$4,000						
676	485	$8,562	$4,362	$3,592	6,574	$3,465	$3,447
				30,660			300,174
			75,171	103			
				84,543			1,675
			4,276				
28,677	4,485	8,562	83,809	118,898	637,367	3,465	305,296
							213,759
17,612	5,941		10,422				
				161,403	740,413		
			680	3,657			147,634
17,612	5,941		11,102	165,060	740,413		361,393
11,065	(1,456)	8,562	72,707	(46,162)	(103,046)	3,465	(56,097)
							74,000
							74,000
11,065	(1,456)	8,562	72,707	(46,162)	(103,046)	3,465	17,903
46,917	39,079	713,374	293,312	290,769	728,412	130,548	265,582
$57,982	$37,623	$721,936	$366,019	$244,607	$625,366	$134,013	$283,485

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	Miscellaneous Grants
REVENUES				
Property tax				
Sales tax				
Assessments				
Use of money and property	$2,525		$6,076	
Revenue from other agencies				$124,557
Current service charges				
Community donations				
Other				
Total Revenues	2,525		6,076	124,557
EXPENDITURES				
Current:				
Administration	192			69,829
Public safety - police				
Parks and community services				
Public works			11,287	
Community development				16,846
Library				9,029
Capital outlay				13,161
Total Expenditures	192		11,287	108,865
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,333		(5,211)	15,692
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	2,333		(5,211)	15,692
BEGINNING FUND BALANCES (DEFICITS)	159,844		480,435	(23,061)
ENDING FUND BALANCES (DEFICITS)	$162,177		$475,224	($7,369)

SPECIAL REVENUE FUNDS		CAPITAL PROJECTS FUNDS				
Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	McAllister Assessment District
		$2,417,643				
$1,011	$2,870	12,780	$11,982 56,130 11,036	$1,862	$3,786	$6
1,297,620						
1,298,631	2,870	2,430,423	79,148	1,862	3,786	6
190,274	17,823					
		103,611				
55,635						
149,980						
260,438		432,894	79,296			
656,327	17,823	536,505	79,296			
642,304	(14,953)	1,893,918	(148)	1,862	3,786	6
	450,000					
	450,000					
642,304	435,047	1,893,918	(148)	1,862	3,786	6
(228,512)	150,000	1,122,432	1,007,909	237,538	294,450	974
$413,792	$585,047	$3,016,350	$1,007,761	$239,400	$298,236	$980

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	CAPITAL PROJECTS FUND		
	Streets and Transportation (Intermodal Transportation)	Casa Villarasa	Total Non-major Governmental Funds
REVENUES			
Property tax			
Sales tax			3,048,436
Assessments			427,664
Use of money and property	$3,870		99,738
Revenue from other agencies	818,635		1,940,944
Current service charges			86,310
Community donations			86,218
Other	374		1,307,620
Total Revenues	822,879		6,996,930
EXPENDITURES			
Current:			
Administration			278,118
Public safety - police			317,370
Parks and community services			514,907
Public works			496,733
Community development			166,826
Library			910,845
Capital outlay	688,295		1,651,693
Total Expenditures	688,295		4,336,492
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	134,584		2,660,438
OTHER FINANCING SOURCES (USES)			
Transfers in			620,645
Transfers (out)			
Total Other Financing Sources (Uses)			620,645
NET CHANGE IN FUND BALANCES	134,584		3,281,083
BEGINNING FUND BALANCES (DEFICITS)	270,707	$1,400,000	8,947,050
ENDING FUND BALANCES (DEFICITS)	$405,291	$1,400,000	$12,228,133

THE CITY OF

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CITY OF BENICIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	GAS TAX			RESIDENTIAL LANDSCAPING AND LIGHTING		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments				$309,885	$299,886	($9,999)
Use of money and property	$3,670	$17,834	$14,164		1,277	1,277
Revenue from other agencies	809,295	610,788	(198,507)			
Current service charges						
Community donations						
Other		5,350	5,350			
Total Revenues	812,965	633,972	(178,993)	309,885	301,163	(8,722)
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Parks and community services				409,995	322,303	87,692
Public works	600,095	485,446	114,649			
Community development						
Library						
Capital outlay	373,950	25,638	348,312			
Total Expenditures	974,045	511,084	462,961	409,995	322,303	87,692
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(161,080)	122,888	283,968	(100,110)	(21,140)	78,970
OTHER FINANCING SOURCES (USES)						
Transfers in				96,645	96,645	
Transfers out						
Total Other Financing Sources (Uses)				96,645	96,645	
NET CHANGE IN FUND BALANCES	($161,080)	122,888	$283,968	($3,465)	75,505	$78,970
BEGINNING FUND BALANCES (DEFICITS)		1,290,732			56,900	
ENDING FUND BALANCES (DEFICITS)		$1,413,620			$132,405	

FLEETSIDE LANDSCAPING AND LIGHTING			COLUMBUS PARKWAY LANDSCAPING AND LIGHTING			EAST 2ND STREET LANDSCAPING AND LIGHTING		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$83,475	$79,977	($3,498)	$15,800	$15,800		$28,000	$28,001	$1
475	1,214	739	510	1,482	$972	40	676	636
83,950	81,191	(2,759)	16,310	17,282	972	28,040	28,677	637
125,490	92,859	32,631	23,900	10,135	13,765	39,645	17,612	22,033
2,000		2,000						
127,490	92,859	34,631	23,900	10,135	13,765	39,645	17,612	22,033
(43,540)	(11,668)	31,872	(7,590)	7,147	14,737	(11,605)	11,065	22,670
($43,540)	(11,668)	$31,872	($7,590)	7,147	$14,737	($11,605)	11,065	$22,670
	106,494			112,215			46,917	
	$94,826			$119,362			$57,982	

(Continued)

CITY OF BENICIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	GOODYEAR ROAD LANDSCAPING AND LIGHTING			COMMUNITY DEVELOPMENT BLOCK GRANT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments	$4,000	$4,000				
Use of money and property	25	485	$460	$18,035	$8,562	($9,473)
Revenue from other agencies						
Current service charges						
Community donations						
Other						
Total Revenues	4,025	4,485	460	18,035	8,562	(9,473)
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Parks and community services	7,395	5,941	1,454			
Public works						
Community development						
Library						
Capital outlay						
Total Expenditures	7,395	5,941	1,454			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,370)	(1,456)	1,914	18,035	8,562	(9,473)
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	($3,370)	(1,456)	$1,914	$18,035	8,562	($9,473)
BEGINNING FUND BALANCES (DEFICITS)		39,079			713,374	
ENDING FUND BALANCES (DEFICITS)		$37,623			$721,936	

COMMUNITY SERVICES PROGRAM			LIBRARY PROGRAMS			COUNTY SALES TAX MEASURE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						$745,000	$630,793	($114,207)
$1,200	$4,362	$3,162	$1,660	$3,592	$1,932	2,460	6,574	4,114
			15,735	30,660	14,925			
43,000	75,171	32,171		103	103			
			85,500	84,543	(957)			
500	4,276	3,776						
44,700	83,809	39,109	102,895	118,898	16,003	747,460	637,367	(110,093)
10,000	9,805	195						
			211,830	161,403	50,427	918,295	740,413	177,882
1,500	1,297	203	19,000	3,657	15,343	1,000		1,000
11,500	11,102	398	230,830	165,060	65,770	919,295	740,413	178,882
33,200	72,707	39,507	(127,935)	(46,162)	81,773	(171,835)	(103,046)	68,789
$33,200	72,707	$39,507	($127,935)	(46,162)	$81,773	($171,835)	(103,046)	$68,789
	293,312			290,769			728,412	
	$366,019			$244,607			$625,366	

(Continued)

CITY OF BENICIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	SOUTHERN PACIFIC DEPOT			PUBLIC SAFETY GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	$2,500	$3,465	$965	$250	$3,447	$3,197
Revenue from other agencies				347,400	300,174	(47,226)
Current service charges						
Community donations					1,675	1,675
Other						
Total Revenues	2,500	3,465	965	347,650	305,296	(42,354)
EXPENDITURES						
Current:						
Administration						
Public safety - police				333,270	213,759	119,511
Parks and community services	25,000		25,000			
Public works						
Community development						
Library						
Capital outlay				157,195	147,634	9,561
Total Expenditures	25,000		25,000	490,465	361,393	129,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,500)	3,465	25,965	(142,815)	(56,097)	86,718
OTHER FINANCING SOURCES (USES)						
Transfers in				74,000	74,000	
Transfers out						
Total Other Financing Sources (Uses)				74,000	74,000	
NET CHANGE IN FUND BALANCES	($22,500)	3,465	$25,965	($68,815)	17,903	$86,718
BEGINNING FUND BALANCES (DEFICITS)		130,548			265,582	
ENDING FUND BALANCES (DEFICITS)		$134,013			$283,485	

HUMAN SERVICES			TOURTELOT MITIGATION			MISCELLANEOUS GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$800	$2,525	$1,725	$2,240	$6,076	$3,836			
						$58,615	$124,557	$65,942
800	2,525	1,725	2,240	6,076	3,836	58,615	124,557	65,942
	192					12,615	69,829	(57,214)
			20,000	11,287	8,713			
						16,845	16,846	(1)
						29,250	9,029	20,221
						16,750	13,161	3,589
	192		20,000	11,287	8,713	75,460	108,865	(33,405)
800	2,333	1,533	(17,760)	(5,211)	12,549	(16,845)	15,692	32,537
$800	2,333	$1,533	($17,760)	(5,211)	$12,549	($16,845)	15,692	$32,537
	159,844			480,435			(23,061)	
	$162,177			$475,224			($7,369)	

(Continued)

CITY OF BENICIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	VALERO GNSC			ARSENAL		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	$2,300	$1,011	($1,289)		$2,870	$2,870
Revenue from other agencies						
Current service charges						
Community donations						
Other	1,279,390	1,297,620	18,230			
Total Revenues	1,281,690	1,298,631	16,941		2,870	2,870
EXPENDITURES						
Current:						
Administration	244,400	190,274	54,126	$150,000	17,823	132,177
Public safety - police						
Parks and community services	102,790	55,635	47,155			
Public works						
Community development	150,000	149,980	20			
Library						
Capital outlay	429,050	260,438	168,612			
Total Expenditures	926,240	656,327	269,913	150,000	17,823	132,177
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	355,450	642,304	286,854	(150,000)	(14,953)	135,047
OTHER FINANCING SOURCES (USES)						
Transfers in					450,000	450,000
Transfers out						
Total Other Financing Sources (Uses)					450,000	450,000
NET CHANGE IN FUND BALANCES	$355,450	642,304	$286,854	($150,000)	435,047	$585,047
BEGINNING FUND BALANCES (DEFICITS)		(228,512)			150,000	
ENDING FUND BALANCES (DEFICITS)		$413,792			$585,047	

MEASURE C			TRAFFIC MITIGATION			PARK DEDICATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$2,000,000	$2,417,643	$417,643						
	$12,780	$12,780	$8,000	$11,982	$3,982		$1,862	$1,862
				56,130	56,130			
			12,000	11,036	(964)	$5,000		(5,000)
2,000,000	2,430,423	430,423	20,000	79,148	59,148	5,000	1,862	(3,138)
103,610	103,611	(1)						
2,130,000	432,894	1,697,106	404,375	79,296	325,079	4,835		4,835
2,233,610	536,505	1,697,105	404,375	79,296	325,079	4,835		4,835
(233,610)	1,893,918	2,127,528	(384,375)	(148)	384,227	165	1,862	1,697
($233,610)	1,893,918	$2,127,528	($384,375)	(148)	$384,227	$165	1,862	$1,697
	1,122,432			1,007,909			237,538	
	$3,016,350			$1,007,761			$239,400	

(Continued)

CITY OF BENICIA
BUDGETED NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	STREETS AND TRANSPORTATION (INTERMODAL TRANSPORTATION)		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property tax			
Sales tax			
Assessments			
Use of money and property		$3,870	$3,870
Revenue from other agencies	$1,617,700	818,635	(799,065)
Current service charges			818,635
Community donations			
Other			
		374	
Total Revenues	1,617,700	822,879	23,440
EXPENDITURES			
Current:			
Administration			
Public safety - police			
Parks and community services			
Public works			
Community development			
Library			
Capital outlay			
#REF!	1,461,750	688,295	773,455
Total Expenditures	1,461,750	688,295	773,455
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	155,950	134,584	(21,366)
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	$155,950	134,584	($21,366)
BEGINNING FUND BALANCES (DEFICITS)		270,707	
ENDING FUND BALANCES (DEFICITS)		$405,291	

INSURANCE FUND

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

GENERAL SERVICES

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

BUILDING AND EQUIPMENT MANAGEMENT

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

RETIREMENT STABILITY FUND

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

ENERGY FUND

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

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

	Insurance	General Services	Building and Equipment Management
ASSETS			
Current Assets:			
Cash and investments			
Available for City operations	$1,163,047	$6,098	$2,659,984
Restricted cash and investments held by fiscal agents			
Accounts receivable			
Interest receivable	483		1,279
Materials, parts and supplies		8,086	
Prepaid items		13,023	
Total Current Assets	1,163,530	27,207	2,661,263
Non-Current Assets:			
Other assets			
Property, plant and equipment:			
Land			
Buildings and improvements			12,692,930
Machinery and equipment			4,697,436
Less: accumulated depreciation			(10,410,327)
Total Non-Current Assets			6,980,039
Total Assets	1,163,530	27,207	9,641,302
LIABILITIES			
Current Liabilities:			
Accounts payable	72,566	14,910	53,390
Customer and performance deposits			
Interest payable			912
Workers' compensation claims	678,937		
Current portion long-term liabilities			41,190
Due to other funds		12,300	
Total Current Liabilities	751,503	27,210	95,492
Long-Term Liabilities:			
Workers' compensation claims	2,266,063		
Lease obligation			42,994
Certificates of participation			
Pension obligation bonds			
Total Long-Term Liabilities	2,266,063		42,994
Total Liabilities	3,017,566	27,210	138,486
NET POSITION			
Net investment in capital assets			6,895,855
Restricted for debt service			
Unrestricted	(1,854,036)	(3)	2,606,961
Total Net Position	($1,854,036)	($3)	$9,502,816

Retirement Stability	Energy	Total
$2,067,242	$155,913	$6,052,284
238		238
	113,823	113,823
515	92	2,369
		8,086
2,500		15,523
2,070,495	269,828	6,192,323
	165,057	165,057
	556,909	556,909
	12,643,187	25,336,117
		4,697,436
	(1,381,375)	(11,791,702)
	11,983,778	18,963,817
2,070,495	12,253,606	25,156,140
	822	141,688
	5,000	5,000
23,151	107,949	132,012
		678,937
1,310,000	120,000	1,471,190
		12,300
1,333,151	233,771	2,441,127
		2,266,063
		42,994
	10,951,103	10,951,103
7,516,105		7,516,105
7,516,105	10,951,103	20,776,265
8,849,256	11,184,874	23,217,392
	747,618	7,643,473
238		238
(6,778,999)	321,114	(5,704,963)
($6,778,761)	$1,068,732	$1,938,748

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

	Insurance	General Services	Building and Equipment Management
OPERATING REVENUES			
Charges for services	$1,000,035	$951,858	$922,505
Refunds and rebates	5,495	269	1,401
Total Operating Revenues	1,005,530	952,127	923,906
OPERATING EXPENSES			
Wages and benefits	64,841	462,018	
Materials and supplies		15,827	299,446
Operations and maintenance	93,845	457,725	
Claims and Insurance	753,737	16,592	
Depreciation			544,153
Total Operating Expenses	912,423	952,162	843,599
Operating Income (Loss)	93,107	(35)	80,307
NONOPERATING REVENUES (EXPENSES)			
Interest income	13,129	32	31,619
Interest expense			(4,508)
Amortization of bond issue/discount			
Total Nonoperating Revenues (Expenses)	13,129	32	27,111
Income (Loss) Before Transfers	106,236	(3)	107,418
OTHER FINANCING SOURCES (USES)			
Transfers In			396,092
Total Other Financing Sources (Uses)			396,092
Change in Net Position	106,236	(3)	503,510
BEGINNING NET POSITION (DEFICITS)	(1,960,272)		8,999,306
ENDING NET POSITION (DEFICITS)	($1,854,036)	($3)	$9,502,816

Retirement Stability	Energy	Total
$1,975,621	$843,155	$5,693,174
	460,093	467,258
1,975,621	1,303,248	6,160,432
		526,859
		315,273
	49,907	601,477
		770,329
	349,747	893,900
	399,654	3,107,838
1,975,621	903,594	3,052,594
18,429	2,317	65,526
(580,241)	(663,297)	(1,248,046)
	(18,632)	(18,632)
(561,812)	(679,612)	(1,201,152)
1,413,809	223,982	1,851,442
		396,092
		396,092
1,413,809	223,982	2,247,534
(8,192,570)	844,750	(308,786)
($6,778,761)	$1,068,732	$1,938,748

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

	Insurance	General Services	Building and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$1,005,530	$952,861	$932,462
Payments to suppliers	(108,239)	(473,807)	(265,375)
Payments to employees	(64,841)	(478,610)	
Refunds and rebates			
Claims paid	(657,737)		
Cash Flows from Operating Activities	174,713	444	667,087
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from interfund loans		2,982	396,092
Principal paid on non-capital debt			
Interest paid on non-capital debt			
Cash Flows from Noncapital Financing Activities		2,982	396,092
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on debt			(39,462)
Interest paid on debt			(4,508)
Acquisition of capital assets			(696,542)
Cash Flows from Capital and Related Financing Activities			(740,512)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	12,853	32	30,823
Cash Flows from Investing Activities	12,853	32	30,823
Net Cash Flows	187,566	3,458	353,490
Cash and investments at beginning of period	975,481	2,640	2,306,494
Cash and investments at end of period	$1,163,047	$6,098	$2,659,984
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	$93,107	($35)	$80,307
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation			544,153
Pension obligation amortization			
Change in assets and liabilities:			
Materials, parts and supplies		9,337	
Prepaid items		14,821	
Accounts receivable		734	8,556
Accounts payable	(14,394)	(24,413)	34,071
Workers' compensation claims	96,000		
Cash Flows from Operating Activities	$174,713	$444	$667,087

Retirement Stability	Energy	Total
$1,975,621	$843,155	$5,709,629
(2,500)	(56,635)	(906,556)
		(543,451)
	453,039	453,039
		(657,737)
1,973,121	1,239,559	4,054,924
		399,074
(961,747)		(961,747)
(584,791)		(584,791)
(1,546,538)		(1,147,464)
	(524,703)	(564,165)
	(676,715)	(681,223)
		(696,542)
	(1,201,418)	(1,941,930)
18,225	2,245	64,178
18,225	2,245	64,178
444,808	40,386	1,029,708
1,622,672	115,527	5,022,814
$2,067,480	$155,913	$6,052,522
$1,975,621	$903,594	$3,052,594
	349,747	893,900
		9,337
(2,500)		12,321
	(7,054)	2,236
	(6,728)	(11,464)
		96,000
$1,973,121	$1,239,559	$4,054,924

THE CITY OF

BENICIA

CALIFORNIA

ASSESSMENT DISTRICTS

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

CITY OF BENICIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Fleetside Industrial Assessment District				
Assets				
Restricted cash and investments	$25,851			$25,851
Total assets	$25,851			$25,851
Liabilities				
Due to bondholders	$25,851			$25,851
Total liabilities	$25,851			$25,851
East 2nd Street Assessment District				
Assets				
Restricted cash and investments	$418,596		$418,596	
Total assets	$418,596		$418,596	
Liabilities				
Accounts payable	$3,752		$3,752	
Due to bondholders	414,844		414,844	
Total liabilities	$418,596		$418,596	
Combined Drake/Gateway Assessment District				
Assets				
Restricted cash and investments	$897		$897	
Total assets	$897		$897	
Liabilities				
Due to bondholders	$897		$897	
Total liabilities	$897		$897	

(Continued)

CITY OF BENICIA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

McAllister Assessment District	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Assets				
Restricted cash and investments	$1,238,228	$698,127	$686,683	$1,249,672
Interest receivable	254	545	254	545
Total assets	$1,238,482	$698,672	$686,937	$1,250,217
Liabilities				
Accounts payable	$3,330	$256,530	$257,360	$2,500
Due to bondholders	1,235,152	442,142	429,577	1,247,717
Total liabilities	$1,238,482	$698,672	$686,937	$1,250,217
Totals - All Agency Funds				
Assets				
Restricted cash and investments	$1,683,572	$698,127	$1,106,176	$1,275,523
Interest receivable	254	545	254	545
Total assets	$1,683,826	$698,672	$1,106,430	$1,276,068
Liabilities				
Accounts payable	$7,082	$256,530	$261,112	$2,500
Due to bondholders	1,676,744	442,142	845,318	1,273,568
Total liabilities	$1,683,826	$698,672	$1,106,430	$1,276,068

THE CITY OF

BENICIA

CALIFORNIA

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

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

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

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

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

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

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

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

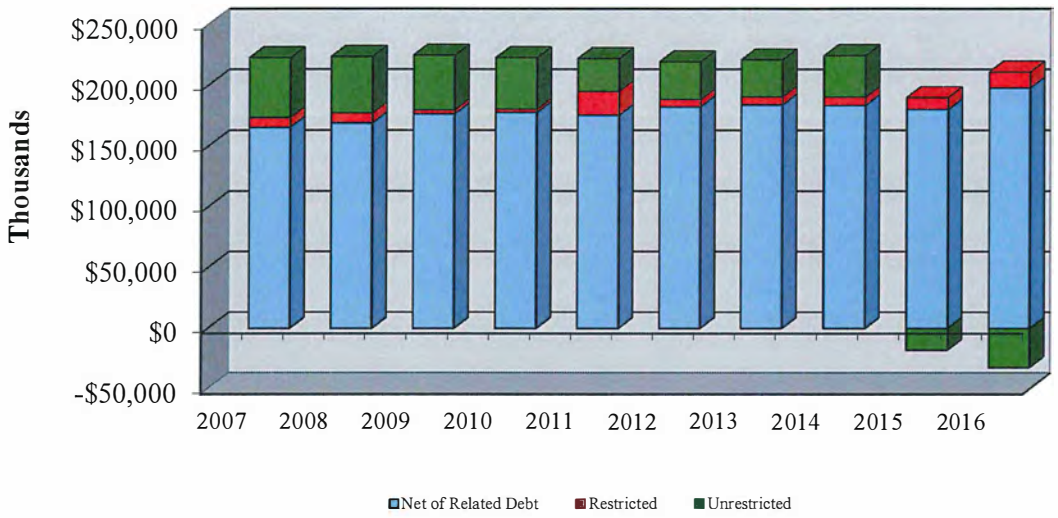
1. Demographic and Economic Statistics
2. Principal Employers

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

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

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

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



	At June 30				
	2007	2008	2009	2010	2011
Governmental activities					
Net investment in capital assets	$109,082,400	$110,609,618	$113,264,434	$115,359,499	$112,701,775
Restricted	7,848,173	8,052,003	3,195,339	2,507,802	19,174,006
Unrestricted	15,361,828	13,489,203	15,465,114	14,171,681	1,081,215
Total governmental activities net position	$132,292,401	$132,150,824	$131,924,887	$132,038,982	$132,956,996
Business-type activities					
Net investment in capital assets	$56,818,976	$58,724,744	$63,624,158	$62,819,454	$63,064,298
Restricted	360	256			-
Unrestricted	33,563,541	32,863,392	29,231,383	27,932,802	26,022,756
Total business-type activities net position	$90,382,877	$91,588,392	$92,855,541	$90,752,256	$89,087,054
Primary government					
Net investment in capital assets	$165,901,376	$169,334,362	$176,888,592	$178,178,953	$175,766,073
Restricted	7,848,533	8,052,259	3,195,339	2,507,802	19,174,006
Unrestricted	48,925,369	46,352,595	44,696,497	42,104,483	27,103,971
Total primary government net position	$222,675,278	$223,739,216	$224,780,428	$222,791,238	$222,044,050

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

2012	2013	2014	2015	2016
$120,052,758	$121,948,249	$120,434,163	$117,899,038	$116,727,502
5,641,592	6,316,224	6,573,412	9,526,578	12,963,665
6,767,569	5,038,875	8,093,156	(40,937,523)	(37,759,794)
$132,461,919	$133,303,348	$135,100,731	$86,488,093	$91,931,373
$62,660,031	$62,321,179	$63,311,581	$62,566,681	$81,305,746
-	-			-
24,419,432	25,465,370	26,084,805	23,060,961	5,625,599
$87,079,463	$87,786,549	$89,396,386	$85,627,642	$86,931,345
$182,712,789	$184,269,428	$183,745,744	$180,465,719	$198,033,248
5,641,592	6,316,224	6,573,412	9,526,578	12,963,665
31,187,001	30,504,245	34,177,961	(17,876,562)	(32,134,195)
$219,541,382	$221,089,897	$224,497,117	$172,115,735	$178,862,718

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

	2007	2008	2009	2010
Expenses				
Governmental Activities:				
Administration	$3,300,970	$2,824,341	$3,114,153	$3,404,371
Community Development	2,095,746	2,384,853	1,821,213	-
Public Safety - Police	10,439,354	8,774,285	9,150,887	8,898,817
Public Safety - Fire	6,335,969	7,089,431	7,212,291	6,744,682
Parks and Community Services	5,966,185	6,650,653	5,999,749	5,867,659
Public Works	5,605,290	4,273,248	4,186,559	6,017,134
Library	2,153,638	2,349,721	2,403,239	2,117,872
Economic Development	385,726	473,311	536,124	485,052
General Government	2,864,213	3,182,776	4,283,723	2,339,200
Interest on Long-Term Debt	503,819	472,189	525,341	1,658,589
Total Governmental Activities Expenses	39,650,910	38,474,808	39,233,279	37,533,376
Business-Type Activities:				
Wastewater	6,853,399	7,023,768	7,294,741	7,422,265
Water	6,614,679	7,572,285	7,345,574	7,780,492
Benicia Marina	579,184	624,611	594,863	479,098
Transit	1,847,674	1,765,644	1,370,621	1,165,705
Total Business-Type Activities Expenses	15,894,936	16,986,308	16,605,799	16,847,560
Total Primary Government Expenses	$55,545,846	$55,461,116	$55,839,078	$54,380,936
Program Revenues				
Governmental Activities:				
Charges for Services:				
Administration	$32,950	$56,609	$41,724	$16,863
Community Development	1,284,313	1,092,871	771,524	-
Public Safety - Police	199,039	190,136	200,824	202,345
Public Safety - Fire	196,361	223,919	425,753	171,946
Parks and Community Services	1,768,794	1,226,842	1,687,534	1,707,119
Public Works	444,159	146,363	265,001	1,123,401
Library	246,302	205,981	186,595	158,938
Economic Development	-	1,000	30	52
General Government	557,754	712,131	316,230	422,926
Operating Grants and Contributions	1,827,358	1,898,958	2,909,497	2,751,185
Capital Grants and Contributions	-	366,550	-	868,271
Total Government Activities Program Revenues	6,557,030	6,121,360	6,804,712	7,423,046
Business-Type Activities:				
Charges for Services:				
Wastewater	7,223,062	6,955,313	6,897,189	6,522,329
Water	7,465,686	7,141,569	6,772,607	6,610,587
Benicia Marina	284,187	547,422	323,034	318,767
Transit	290,474	332,687	153,573	84,520
Operating Grants and Contributions	1,383,596	1,683,891	599,934	809,348
Capital Grants and Contributions	395,571	-	2,000,000	-
Total Business-Type Activities Program Revenue	17,042,576	16,660,882	16,746,337	14,345,551
Total Primary Government Program Revenues	$23,599,606	$22,782,242	$23,551,049	$21,768,597
Net (Expense)/Revenue				
Governmental Activities	($33,093,880)	($32,353,448)	($32,428,567)	($30,110,330)
Business-Type Activities	1,147,640	(325,426)	140,538	(2,502,009)
Total Primary Government Net Expense	($31,946,240)	($32,678,874)	($32,288,029)	($32,612,339)

2011	2012	2013	2014	2015	2016
$3,202,068	$3,046,735	$3,118,013	$2,924,434	$3,448,980	$4,959,201
-	-	1,935,323	3,747,043	1,649,255	2,130,335
8,896,808	8,812,511	8,229,298	8,077,408	7,560,181	7,817,517
6,925,232	6,503,886	6,362,097	6,115,013	6,220,950	8,154,710
5,714,379	5,744,533	5,631,017	5,767,977	5,325,886	5,498,189
6,113,748	7,621,379	3,076,360	1,556,413	4,986,057	4,771,504
2,600,356	2,081,313	1,927,951	1,976,200	1,755,531	2,326,530
609,814	474,430	647,573	488,870	460,622	899,096
2,942,788	3,163,220	3,077,915	2,948,133	851,090	798,993
1,265,618	1,160,564	1,588,003	1,387,936	1,410,138	1,336,569
38,270,811	38,608,571	35,593,550	34,989,427	33,668,690	38,692,644
7,082,311	7,030,478	7,181,756	7,012,560	6,905,007	8,172,784
7,753,095	7,843,223	7,289,049	7,746,457	9,308,351	8,097,701
564,182	419,517	600,429	572,931	580,231	582,394
1,005,375	72,047	-	-	-	-
16,404,963	15,365,265	15,071,234	15,331,948	16,793,589	16,852,879
$54,675,774	$53,973,836	$50,664,784	$50,321,375	$50,462,279	$55,545,523
$50,305	$17,817	$15,908	$26,391	$22,690	$5,935
-	-	-	437,529	683,873	610,671
155,331	236,101	177,489	392,556	175,251	499,701
44,626	44,897	85,498	189,670	291,107	456,057
1,181,041	1,106,889	1,104,054	1,591,878	1,623,642	1,654,462
577,489	774,391	727,631	121,677	170,062	141,411
144,819	101,045	48,360	71,080	72,842	71,019
320	-	-	-	-	-
667,848	284,818	300,401	407,560	335,528	353,818
2,299,326	3,322,456	3,239,730	1,959,337	2,625,160	1,969,791
4,350,257	1,714,778	500,000	1,820,481	776,561	1,228,558
9,471,362	7,603,192	6,199,071	7,018,159	6,776,716	6,991,423
6,620,605	6,543,982	7,186,846	8,030,511	8,499,089	8,674,971
6,379,255	6,569,607	7,358,983	7,760,079	8,973,777	8,786,778
307,916	141,842	320,803	315,602	326,109	318,837
88,486	-	-	-	-	-
782,879	70,128	190,231	72,160	67,900	78,164
-	-	-	435,409	-	-
14,179,141	13,325,559	15,056,863	16,613,761	17,866,875	17,858,750
$23,650,503	$20,928,751	$21,255,934	$23,631,920	$24,643,591	$24,850,173
($28,799,449)	($31,005,379)	($29,394,479)	($27,971,268)	($26,891,974)	($31,701,221)
(2,225,822)	(2,039,706)	(14,371)	1,281,813	1,073,286	1,005,871
($31,025,271)	($33,045,085)	($29,408,850)	($26,689,455)	($25,818,688)	($30,695,350)

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

	2007	2008	2009	2010
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	$13,942,074	$14,275,801	$13,812,912	$13,266,103
Sales Tax	6,986,922	7,514,258	7,688,775	7,196,964
Utility Users Tax	5,056,904	4,190,517	4,413,428	4,938,585
Franchise Fees		1,589,752	1,851,511	1,292,872
Other Taxes	2,131,710	1,644,732	747,468	1,189,561
Motor Vehicle in Lieu	2,015,234	1,992,604	2,059,561	1,951,715
Investment Earnings	3,390,122	913,825	851,097	358,210
Gain from Disposal of Capital Assets	2,000	21,980	-	-
Miscellaneous	-	-	-	-
Transfers	77,993	68,402	30,415	30,415
Total Government Activities	33,602,959	32,211,871	31,455,167	30,224,425
Business-Type Activities:				
Interest Earnings	1,559,891	1,593,423	1,151,428	429,139
Gain (Loss) from Disposal of Capital Assets	4,761	5,920	5,598	-
Transfers	(77,993)	(68,402)	(30,415)	(30,415)
Total Business-Type Activities	1,486,659	1,530,941	1,126,611	398,724
Total Primary Government	$35,089,618	$33,742,812	$32,581,778	$30,623,149
Change in Net Position				
Governmental Activities	$509,079	($141,577)	($973,400)	$114,095
Business-Type Activities	2,634,299	1,205,515	1,267,149	(2,103,285)
Total Primary Government	$3,143,378	$1,063,938	$293,749	($1,989,190)

2011	2012	2013	2014	2015	2016
$12,974,217	$13,447,764	$11,835,074	$14,960,814	$15,843,353	$16,254,148
6,854,911	6,888,750	7,873,396	7,100,073	7,789,308	12,040,536
5,027,163	5,087,381	4,825,055	4,739,792	4,318,066	4,594,385
1,570,184	1,598,206	1,637,825	1,859,241	2,200,664	2,079,543
1,362,982	1,435,854	2,913,592	1,087,893	1,070,045	1,106,213
1,942,991	1,908,529	1,822,267	11,915	11,510	11,172
269,344	195,064	(92)	98,392	216,322	380,381
156	20,734	-	10,631	187	-
-	-	-	-	99,463	662,398
(284,486)	(71,980)	(671,209)	(100,100)	(209,275)	15,725
29,717,462	30,510,302	30,235,908	29,768,651	31,339,643	37,144,501
273,576	196,287	48,860	227,924	194,435	313,557
2,558	(236,152)	1,388	-	-	-
284,486	71,980	671,209	100,100	209,275	(15,725)
560,620	32,115	721,457	328,024	403,710	297,832
$30,278,082	$30,542,417	$30,957,365	$30,096,675	$31,743,353	$37,442,333
$918,013	($495,077)	$841,429	$1,797,383	$4,447,669	$5,443,280
(1,665,202)	(2,007,591)	707,086	1,609,837	1,476,996	1,303,703
($747,189)	($2,502,668)	$1,548,515	$3,407,220	$5,924,665	$6,746,983

THE CITY OF

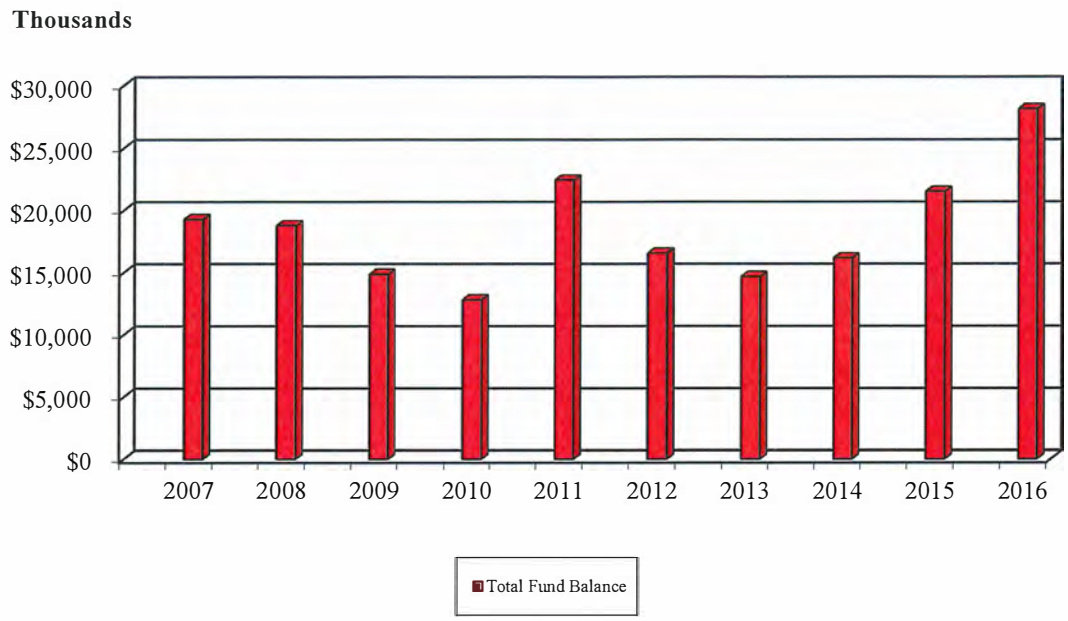
BENICIA

CALIFORNIA

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

Fiscal Year	Property Tax	Sales Tax	Utility Users Tax	Other Taxes	Total
2007	$13,633,623	$6,986,922	$5,056,904	$1,032,343	$26,709,792
2008	14,275,801	7,514,258	4,190,517	2,390,562	28,371,138
2009	13,812,912	7,688,775	4,413,428	2,598,979	28,514,094
2010	13,266,103	7,196,964	4,938,585	2,067,433	27,469,085
2011	12,974,217	6,854,911	5,027,163	2,933,166	27,789,457
2012	13,447,764	6,888,750	5,087,381	3,034,060	28,457,955
2013	11,835,074	7,873,396	4,825,055	4,551,417	29,084,942
2014	14,960,814	7,100,073	4,739,792	2,947,134	29,747,813
2015	15,843,353	7,789,308	4,318,066	3,270,709	31,221,436
2016	16,254,148	12,040,536	4,594,385	3,185,756	36,074,825

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



	At June 30					
	2007	2008	2009	2010	2011	
General Fund						
Reserved	$359,361	$411,078	$627,687	$560,871		
Unreserved	9,927,737	9,296,480	5,662,297	5,384,445		
Nonspendable					$2,143,040	
Restricted					128,430	
Committed					2,999,973	
Assigned					200,471	
Unassigned					(72,371)	
Total General Fund	$10,287,098	$9,707,558	$6,289,984	$5,945,316	$5,399,543	(a)
All Other Governmental Funds						
Reserved	$2,756,636	$4,739,462	$1,759,627	$2,414,901		
Unreserved, reported in:						
Special revenue funds	2,532,927	3,169,621	3,406,367	3,639,961		
Capital project funds	3,685,773	1,140,250	3,379,820	800,599		
Nonspendable					$1,475	
Restricted					5,429,411	
Committed					2,612,563	
Unassigned					(1,713,546)	
Total all other governmental funds	$8,975,336	$9,049,333	$8,545,814	$6,855,461	$6,329,903	

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

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

2012	2013	2014	2015	2016
$636,667	$30,750	$30,750	$767,860	$650,604
162,961	203,047	189,581	176,891	157,593
3,106,627	3,097,360	3,146,027	6,604,104	8,701,436
358,928	1,054,192	5,976,428	1,208,003	1,702,927
2,792,694	3,943,937	233,218	3,204,453	3,909,481
$7,057,877	$8,329,286	$9,576,004	$11,961,311	$15,122,041
$4,984,800	$5,107,617	$5,018,601	$6,566,573	$9,619,366
2,618,151	1,480,824	1,555,616	3,211,578	3,351,668
(355,839)	(272,217)	(805)	(251,573)	(7,369)
$7,247,112	$6,316,224	$6,573,412	$9,526,578	$12,963,665

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

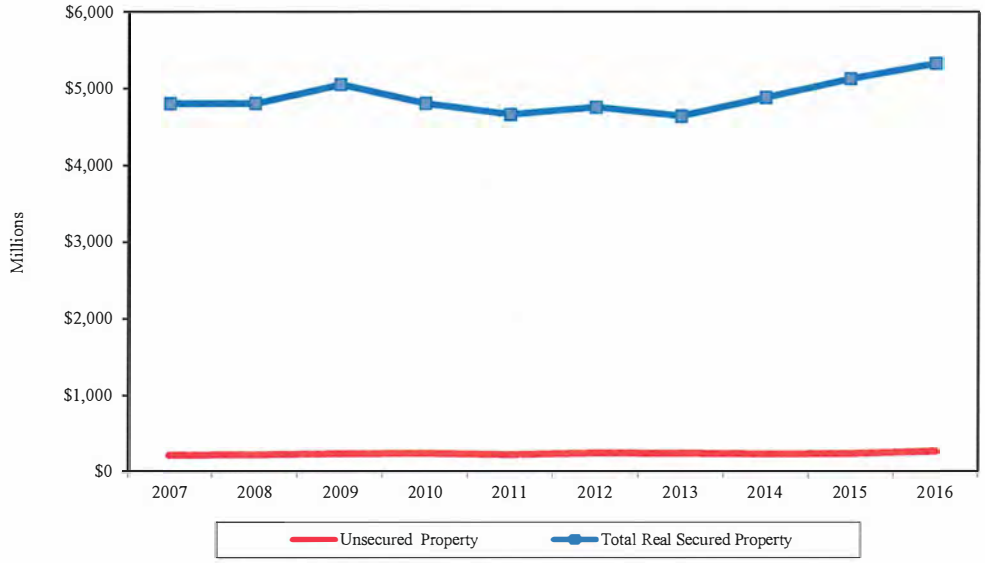
	Fiscal Year Ended June 30,			
	2007	2008	2009	2010
Revenues				
Taxes and assessments	$27,152,426	$28,813,851	$29,080,090	$27,896,749
Licenses, permits and fees	1,829,485	349,130	323,241	320,466
Fines and forfeitures	109,744	128,770	115,596	105,391
Use of money and property	1,768,089	1,628,652	1,003,453	587,040
Intergovernmental revenues	3,278,054	4,576,701	4,451,238	4,855,610
Charges for services	2,856,369	2,310,008	2,344,817	2,234,871
Other	749,500	580,013	492,841	1,651,482
Total Revenues	37,743,667	38,387,125	37,811,276	37,651,609
Expenditures				
Current:				
Administration	3,256,967	2,729,399	2,975,571	3,365,557
Community Development	1,765,245	2,263,730	2,268,403	
Public Safety - Police	7,531,759	8,292,356	8,544,690	8,970,286
Public Safety - Fire	6,110,150	6,782,268	6,974,688	6,779,441
Parks and Community Services	5,286,401	5,764,217	5,672,170	5,482,353
Public Works	1,750,115	1,912,747	2,220,756	4,615,700
Library	2,073,228	2,262,383	2,322,259	2,134,589
Economic Development	333,337	466,322	517,268	493,857
General Government	2,554,884	3,025,451	4,187,891	2,418,903
Capital outlay	11,123,214	4,227,287	4,883,976	4,356,489
Debt service:				
Principal repayment	617,933	698,064	734,049	770,542
Interest and fiscal charges	511,846	481,502	451,063	429,328
Refunding bonds issuance costs				
Total Expenditures	42,915,079	38,905,726	41,752,784	39,817,045
Excess (deficiency) of revenues over (under) expenditures	(5,171,412)	(518,601)	(3,941,508)	(2,165,436)
Other Financing Sources (Uses)				
Transfers in	4,382,451	2,653,351	3,448,918	1,926,107
Transfers (out)	(4,268,313)	(2,662,273)	(3,428,503)	(1,795,692)
Capital lease issued				
Proceeds from bonds issuance				
Bond issue costs				
Refunding bonds issued				
Discount on bond				
Discount on refunding bonds issued				
Sale of capital assets	2,000	21,980		
Total other financing sources (uses)	116,138	13,058	20,415	130,415
Net Change in fund balances	($5,055,274)	($505,543)	($3,921,093)	($2,035,021)
Debt service as a percentage of noncapital expenditures	3.6%	3.4%	3.2%	3.4%

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,					
2011	2012	2013	2014	2015	2016
$27,698,473	$28,289,246	$28,246,659	$30,053,333	$31,649,100	$36,502,489
315,208	277,267	331,830	391,987	539,451	480,554
99,898	184,084	125,016	92,633	82,198	102,280
701,264	514,674	347,451	562,568	553,513	907,017
5,200,591	4,931,453	4,853,473	3,366,221	2,847,632	2,199,299
1,485,991	1,507,509	1,620,508	1,792,391	1,881,719	2,282,367
1,933,329	2,446,893	1,587,488	627,336	743,584	1,580,731
37,434,754	38,151,126	37,112,425	36,886,469	38,297,197	44,054,737
3,101,146	2,978,057	2,989,783	3,288,675	4,427,640	4,490,769
		1,351,994	1,032,179	1,287,113	1,508,851
8,568,999	8,425,574	8,381,295	8,495,411	8,410,085	8,862,878
6,555,355	6,193,806	6,490,519	6,449,095	6,870,350	7,482,750
5,371,171	5,097,677	5,160,108	5,407,167	5,579,622	5,520,405
2,825,598	2,412,189	1,486,669	1,484,907	2,302,990	2,630,397
2,158,850	2,019,269	1,961,284	2,027,067	2,093,511	2,175,008
458,470	443,384	653,720	537,493	572,719	744,460
2,641,205	2,863,369	2,821,213	2,899,981	722,030	528,144
7,080,488	9,872,108	3,434,964	2,604,625	2,057,354	2,067,089
807,565	5,435,150	993,334	937,139	966,668	991,759
471,211	1,138,271	135,505	129,355	102,611	74,043
	98,550				
40,040,058	46,977,404	35,860,388	35,293,094	35,392,693	37,076,553
(2,605,304)	(8,826,278)	1,252,037	1,593,375	2,904,504	6,978,184
2,521,117	3,331,208	2,285,097	498,129	134,750	620,645
(2,805,603)	(3,933,188)	(3,196,613)	(598,229)	(390,537)	(1,001,012)
13,195,000					
(235,368)					
	4,270,000				
(12,328)					
	(21,350)				
156	20,734		10,631	187	
12,662,974	3,667,404	(911,516)	(89,469)	(255,600)	(380,367)
$10,057,670	($5,158,874)	$340,521	$1,503,906	$2,648,904	$6,597,817
3.9%	17.7%	3.5%	3.5%	3.2%	3.0%

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



Fiscal Year	Real Property: Residential Property	Real Property: Commercial Property	Real Property: Industrial Property	Real Property: Other	Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
2007	$2,823,114,166	$142,156,389	$1,546,655,534	$83,018,745	$4,594,944,834	$212,949,929	$4,807,894,763	$4,807,894,763	0.26560%
2008	3,082,710,837	149,511,998	1,278,262,415	78,174,389	4,588,659,639	218,303,830	4,806,963,469	4,806,963,469	0.26295%
2009	3,068,156,685	176,210,305	1,509,076,085	70,419,724	4,823,862,799	229,137,903	5,053,000,702	5,053,000,702	0.26382%
2010	2,828,918,727	175,489,888	1,502,183,217	67,625,542	4,574,217,374	232,563,062	4,806,780,436	4,806,780,436	0.26547%
2011	2,740,155,696	176,848,852	1,463,741,183	67,837,288	4,448,583,019	218,306,994	4,666,890,013	4,666,890,013	0.26506%
2012	2,671,810,615	173,679,880	1,608,049,893	66,734,598	4,520,274,986	238,247,984	4,758,522,970	4,758,522,970	0.26145%
2013	2,585,442,237	172,176,509	1,589,839,265	66,361,809	4,413,819,820	234,346,390	4,648,166,210	4,648,166,210	0.26282%
2014	2,818,861,818	184,614,253	1,596,452,011	61,269,569	4,661,197,651	223,586,294	4,884,783,945	4,884,783,945	0.26290%
2015	3,081,003,497	193,975,573	1,559,702,541	61,556,385	4,896,237,996	230,216,645	5,126,454,641	5,126,454,641	0.24913%
2016	3,225,335,174	201,238,626	1,573,661,075	63,718,495	5,063,953,370	256,737,838	5,320,691,208	5,320,691,208	0.24918%

Source: Solano County Assessor 2006/07 - 2015/16 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.

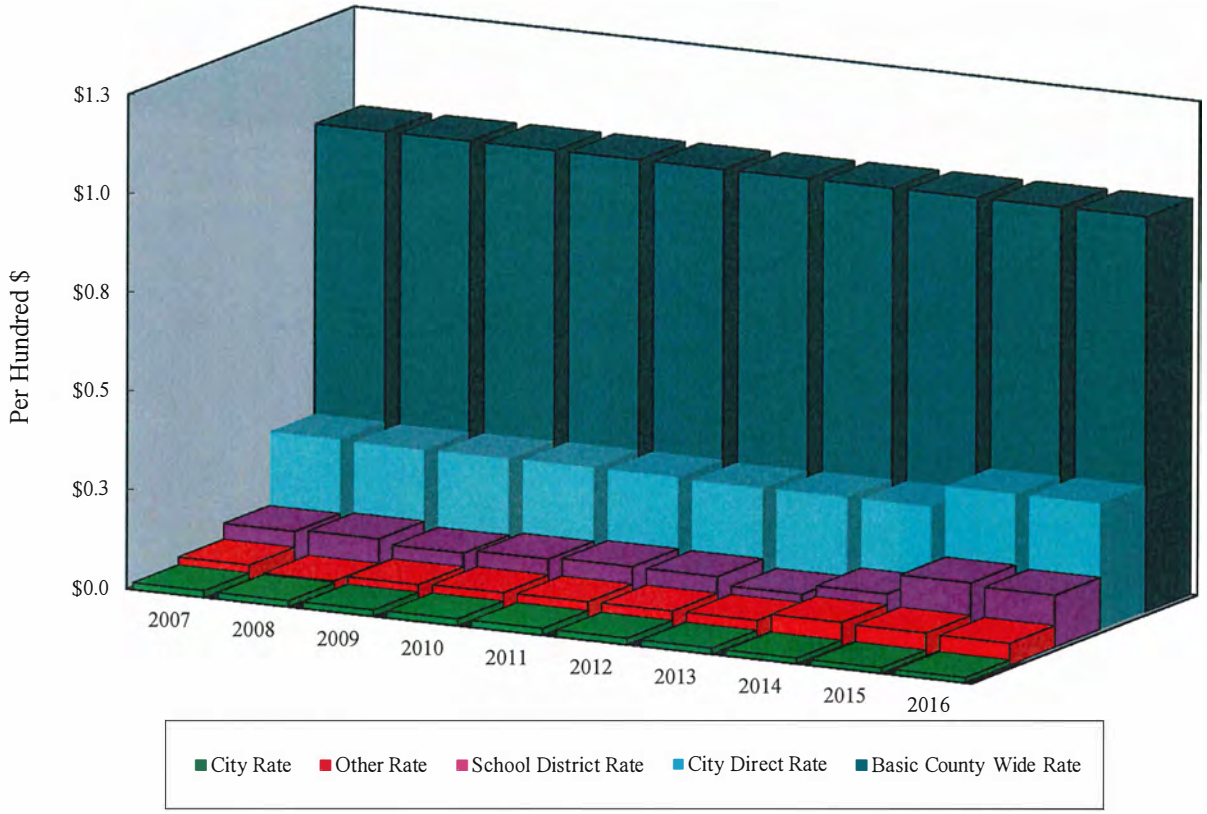
CITY OF BENICIA

PROPERTY TAX RATES

ALL DIRECT AND OVERLAPPING GOVERNMENTS

(PER $100 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS



		Overlapping Rates:				
Fiscal Year	City Direct Rate	Basic County Wide Rate	School District Rate	City Rate	Other Rate	Total Direct Rate
2007	0.26560	1.0000	0.0774	0.0170	0.0370	1.1314
2008	0.26295	1.0000	0.0823	0.0157	0.0200	1.1180
2009	0.26382	1.0000	0.0701	0.0159	0.0350	1.1210
2010	0.26547	1.0000	0.0788	0.0173	0.0385	1.1345
2011	0.26506	1.0000	0.0839	0.0171	0.0395	1.1405
2012	0.26145	1.0000	0.0827	0.0165	0.0402	1.1394
2013	0.26282	1.0000	0.0621	0.0154	0.0406	1.1181
2014	0.26290	1.0000	0.0871	0.0143	0.0596	1.1610
2015	0.31932	1.0000	0.1389	0.0137	0.0567	1.2093
2016	0.31932	1.0000	0.1318	0.0130	0.0549	1.1997

Source: Solano County Auditor-Controller's Office

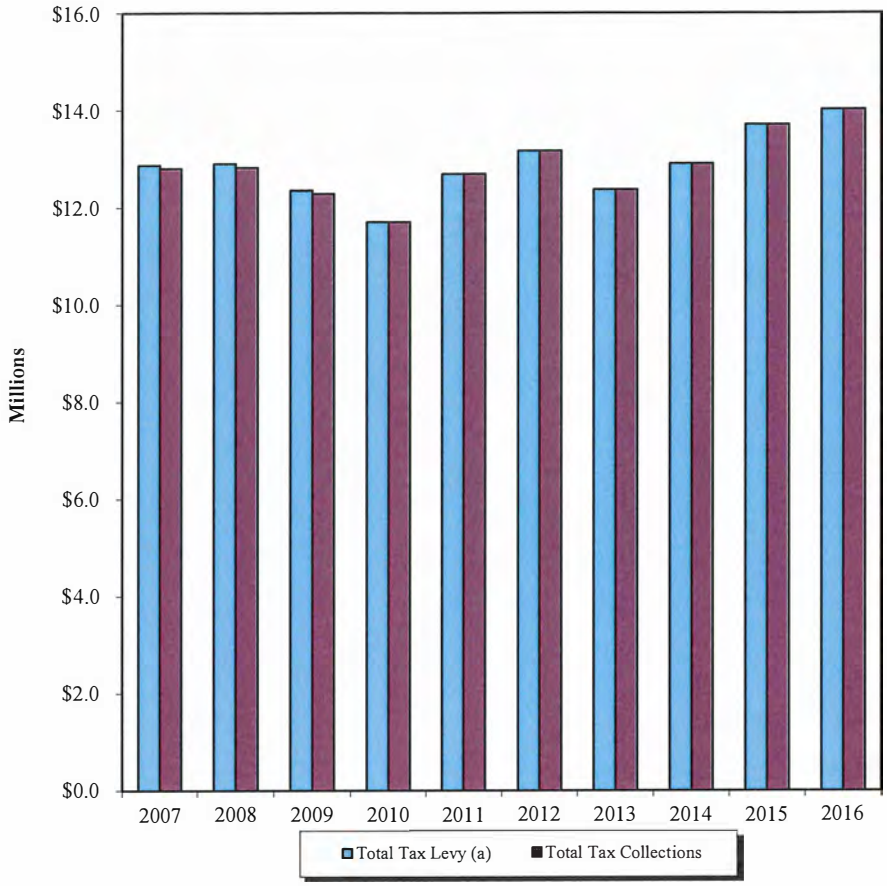
CITY OF BENICIA
Principal Property Taxpayers
Current Year and Ten Years Ago

	2015-2016			2006-07		
Taxpayer	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	$ 996,092,520	1	18.72%	$ 1,092,346,961	1	22.7%
Icon Owner 1 SF Non Business	87,741,621	2	1.65%			
Benicia Industries	72,764,455	3	1.37%	52,291,599	3	1.09%
Icon Owner Pool 1 SF N-B P LLC	35,517,859	4	0.67%			
Tulloch Construction Inc.	30,379,497	5	0.57%	27,543,853	5	0.57%
WRI West Gate South LP	27,128,671	6	0.51%			
Gonsalves and Santucci Inc.	24,765,204	7	0.47%			
Club Pacifica LLC	23,739,587	8	0.45%	20,779,068	8	0.43%
Bebe Studio Realty LLC	21,060,168	9	0.40%			
Valley Fine Foods Company Inc.	17,199,199	10	0.32%			
Calwest Industrial Holdings				82,528,752	2	1.72%
Lennar Emerald Cambridge LLC				29,672,000	4	0.62%
Benicia CS Developers LLC				21,246,111	7	0.44%
Shea Homes LP				19,897,056	9	0.41%
WRI Golden State LLC				23,858,398	6	0.50%
SPK Industrial Portfolio LLC				18,114,116	10	0.38%
Total	$ 1,336,388,781		25.12%	$ 1,388,277,914		28.87%

Total Net Assessed Valuation:
Fiscal Year 2015-2016 $5,320,691,208
Fiscal Year 2006-2007 $4,807,894,763

Source: HdL, Coren & Cone Report

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



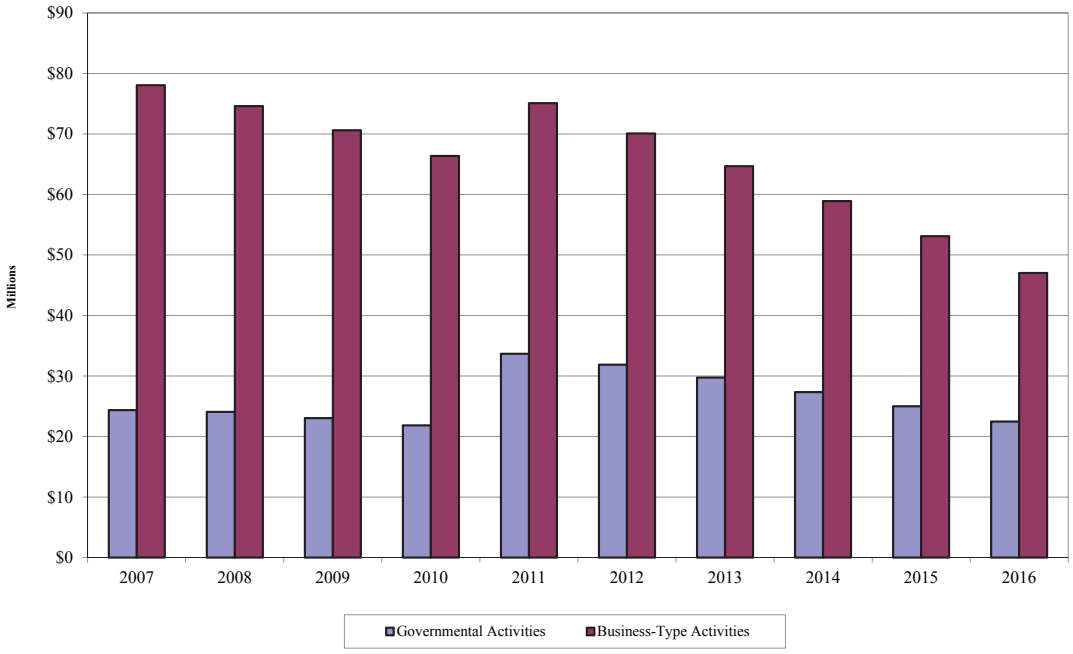
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2007	$12,863,706	$12,796,607	99.4784%	$12,796,607	99.4784%
2008	12,898,327	12,814,858	99.3529%	12,814,858	99.3529%
2009	12,346,920	12,280,522	99.4622%	12,280,522	99.4622%
2010 *	11,701,913	11,701,913	100.0000%	11,701,913	100.0000%
2011 *	12,689,250	12,689,250	100.0000%	12,689,250	100.0000%
2012 *	13,162,059	13,162,059	100.0000%	13,162,059	100.0000%
2013 *	12,360,087	12,360,087	100.0000%	12,360,087	100.0000%
2014 *	12,899,586	12,899,586	100.0000%	12,899,586	100.0000%
2015 *	13,702,925	13,702,925	100.0000%	13,702,925	100.0000%
2016 *	14,014,604	14,014,604	100.0000%	14,014,604	100.0000%

Source: Solano County Auditor-Controller's Office

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

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

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



	Governmental Activities				
Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Lease Obligation	Certificates of Participation	Total
2007	$7,045,000	$13,891,327	$3,422,067		$24,358,394
2008	6,585,000	14,302,593	3,184,003		24,071,596
2009	6,100,000	13,676,377	3,262,926		23,039,303
2010	5,590,000	13,273,493	2,971,873		21,835,366
2011	5,055,000	12,758,370	2,667,460	$13,195,000	33,675,830
2012	4,270,000	12,148,201	2,349,067	13,100,000	31,867,268
2013	3,575,000	11,451,726	2,016,035	12,700,000	29,742,761
2014	2,950,000	10,668,519	1,667,675	12,050,509	27,336,703
2015	2,310,000	9,787,852	1,303,202	11,595,804	24,996,858
2016	1,660,000	8,826,105	922,322	11,071,101	22,479,528

	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)
2007	$8,626,119	$3,957,473	$41,118,395	$53,701,987	$78,060,381	6.50%	2,796.26
2008	7,700,955	3,717,137	39,114,917	50,533,009	74,604,605	5.95%	2,666.55
2009	7,040,101	3,461,801	37,065,133	47,567,035	70,606,338	5.59%	2,523.73
2010	6,358,639	3,201,466	34,967,876	44,527,981	66,363,347	5.20%	2,362.86
2011	5,661,631	2,931,130	32,820,100	41,412,861	75,088,691	6.26%	2,768.96
2012	4,934,118	2,650,795	30,624,276	38,209,189	70,076,457	5.74%	2,603.23
2013	4,186,139	2,365,459	28,377,285	34,928,883	64,671,644	5.06%	2,380.87
2014	3,407,718	2,070,123	26,090,472	31,568,313	58,905,016	4.34%	2,145.59
2015	2,598,877	1,759,788	23,750,423	28,109,088	53,105,946	3.73%	1,917.94
2016	1,754,631	1,439,452	21,355,786	24,549,869	47,029,397	3.16%	1,710.10

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

(a) See page 145 (Demographic Statistics) for personal income and population data.

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

Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Certificates of Participation	Capital Leases	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2007	$7,045,000	$13,891,327	$ -	$3,422,067	$24,358,394	0.51%	252.36
2008	6,585,000	14,302,596	-	3,184,003	24,071,599	0.50%	235.36
2009	6,100,000	13,676,377	-	3,262,926	23,039,303	0.46%	218.04
2010	5,590,000	13,273,493	-	2,971,873	21,835,366	0.45%	199.03
2011	5,055,000	12,758,370	13,195,000	2,667,460	33,675,830	0.72%	186.41
2012	4,270,000	12,148,201	13,100,000	2,349,067	31,867,268	0.67%	158.62
2013	3,575,000	11,451,726	12,700,000	2,016,035	29,742,761	0.64%	131.61
2014	2,950,000	10,668,519	12,050,509	1,667,675	27,336,703	0.56%	107.45
2015	2,310,000	9,787,852	11,595,804	1,303,202	24,996,858	0.49%	83.43
2016	1,660,000	8,826,105	11,071,101	922,322	22,479,528	0.42%	60.36

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, 2016

2015-16 Assessed Valuation $5,320,691,208

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt 6/30/2016	Percentage Applicable (1)	City's Share of Debt 6/30/2016	
Solano County Community College District	$216,406,333	11.934%	$ 25,825,932	
Benicia Unified School District	39,217,142	99.300%	38,942,622	
City of Benicia	**1,660,000**	**100%**	**1,660,000**	
City of Benicia 1915 Act Bonds	7,938,948	100%	7,938,948	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			$74,367,502	
DIRECT AND OVERLAPPING GENERAL FUND DEBT				
Solano County Certificates of Participation	94,655,000	11.453%	10,840,837	
Solano County Pension Obligation Bonds	55,810,000	11.453%	6,391,919	
Solano County Board of Education Certificates of Participation	1,045,000	11.453%	119,684	
Solano County Community College District Certificates of Participation	10,572,508	11.934%	1,261,723	
City of Benicia Certificates of Participation	**12,197,501**	**100%**	**12,197,501**	(2)
City of Benicia Pension Obligations	**6,905,893**	**100%**	**6,905,893**	(3)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 37,717,557	
TOTAL DIRECT DEBT			**20,763,394**	
TOTAL OVERLAPPING DEBT			91,321,665	
COMBINED TOTAL DEBT			$ 112,085,059	(4)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
(2) Includes capital leases in the amount of $922,501.
(3) Includes accreted value from series A-2 bonds.
(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

RATIOS TO 2015-16 ASSESSED VALUATION:	
Direct Debt ($1,660,000)	**0.03%**
Total Direct and Overlapping Tax and Assessment Debt	1.40%
Total Direct Debt ($20,763,394)	**0.39%**
Combined Total Debt	2.11%

Source: California Municipal Statistics, Inc.

CITY OF BENICIA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2016

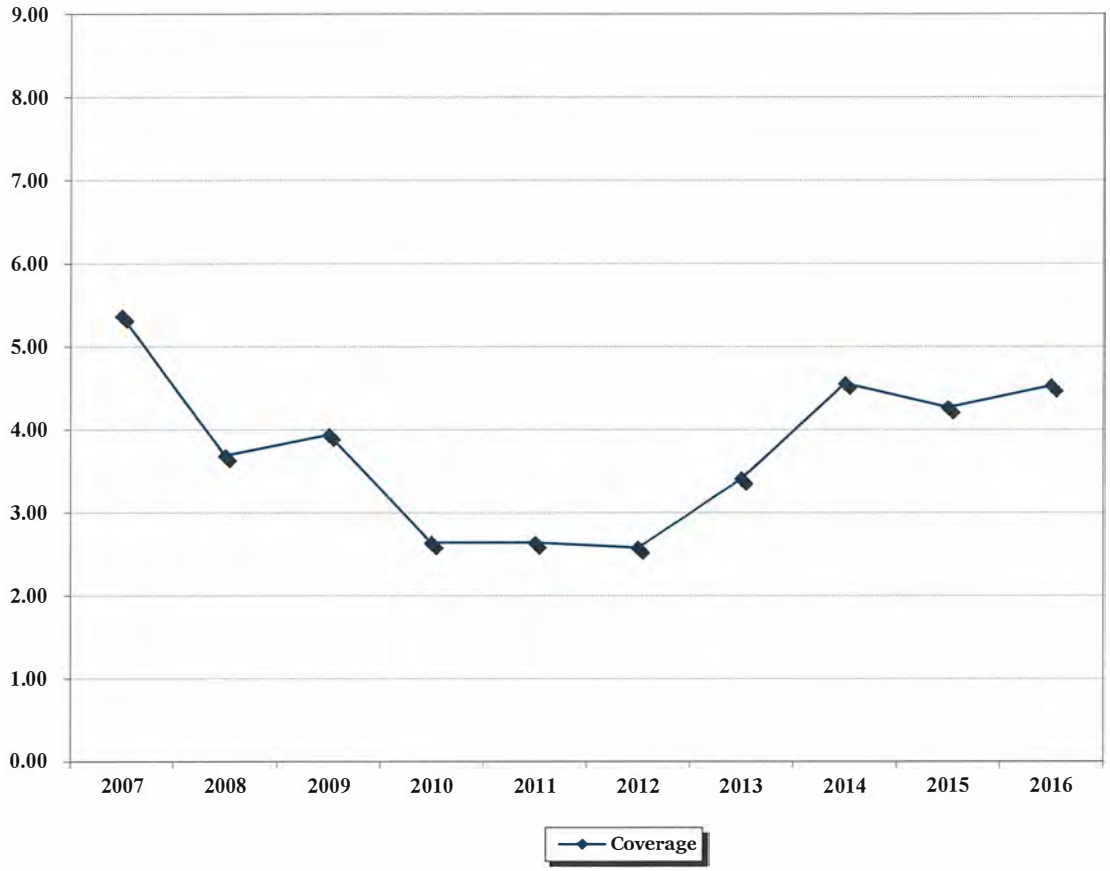
ASSESSED VALUATION:		
Secured property assessed value, net of exempt real property	$ 5,063,953,370	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)		$ 189,898,251
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	$ 24,751,289	
Less Revenue Bonds, Certificate of Participation not subject to limit	23,091,289	
Amount of debt subject to limit		1,660,000
LEGAL BONDED DEBT MARGIN		$ 188,238,251

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
2007	172,310,431	7,045,000	165,265,431	4.26%
2008	172,074,736	6,585,000	165,489,736	3.98%
2009	180,894,855	6,100,000	174,794,855	3.49%
2010	171,533,152	5,590,000	165,943,152	3.37%
2011	166,821,863	5,055,000	161,766,863	3.12%
2012	169,510,312	4,270,000	165,240,312	2.58%
2013	165,518,243	3,575,000	161,943,243	2.21%
2014	174,794,912	2,950,000	171,844,912	1.72%
2015	181,298,925	2,310,000	178,988,925	1.29%
2016	188,238,251	1,660,000	186,578,251	0.89%

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)

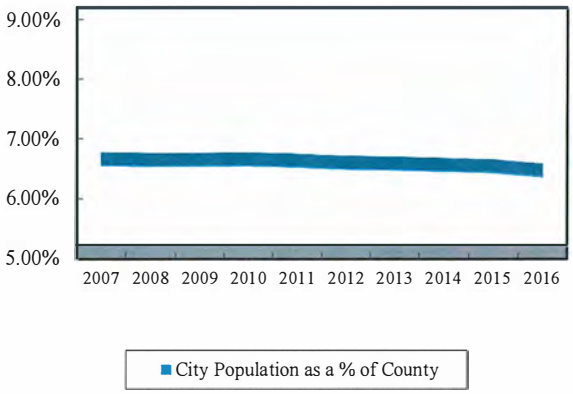


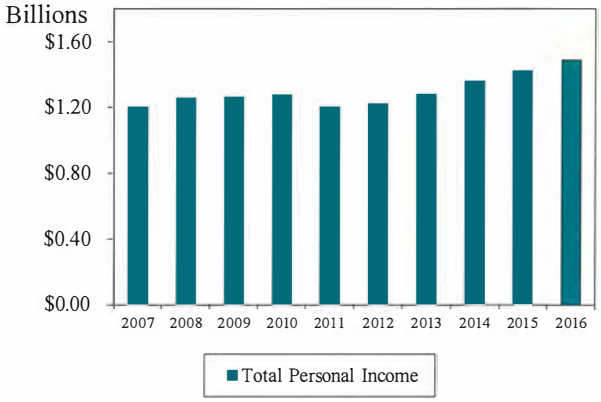
Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2007	$16,222	$7,477	$8,745	$1,145	$482	$1,627	5.37
2008	15,668	9,689	5,979	1,175	446	1,621	3.69
2009	14,804	9,536	5,268	925	413	1,338	3.94
2010	13,540	10,014	3,526	950	385	1,335	2.64
2011	13,253	9,736	3,517	975	356	1,331	2.64
2012	13,290	9,845	3,445	1,015	321	1,336	2.58
2013	14,577	10,059	4,518	1,040	284	1,324	3.41
2014	16,000	9,958	6,042	1,080	245	1,325	4.56
2015	17,650	11,979	5,671	1,125	203	1,328	4.27
2016	17,759	11,746	6,013	1,170	158	1,328	4.53

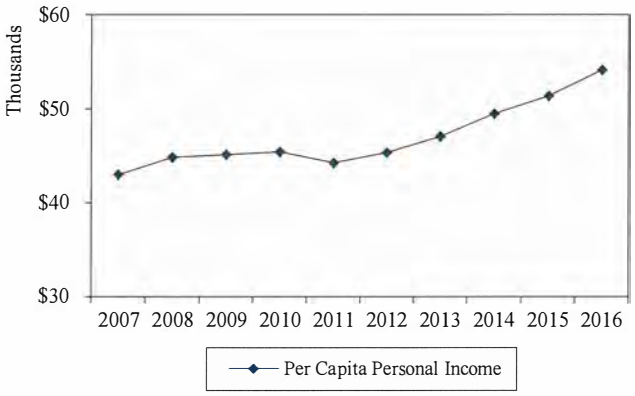
Notes: (1) Includes all Water & Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
(2) Includes all Water & Wastewater Operating Expenses less Depreciation and Interest

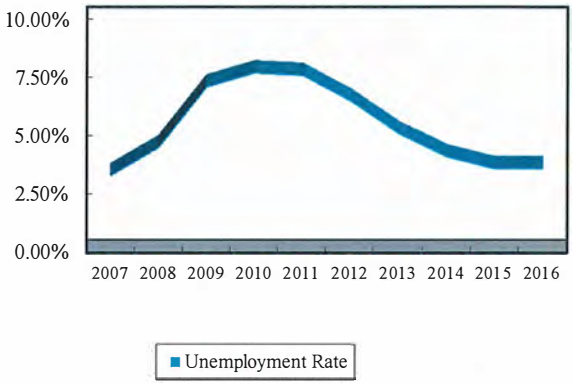
Source: City of Benicia

CITY OF BENICIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS









Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	County Population	City Population % of County
2007	27,916	$1,200,213,884	$42,994	3.3%	424,823	6.57%
2008	27,978	1,254,489,947	44,838	4.5%	426,757	6.56%
2009	27,977	1,262,222,668	45,116	7.1%	426,729	6.56%
2010	28,086	1,274,996,631	45,396	7.7%	427,837	6.56%
2011	27,118	1,199,784,395	44,243	7.6%	414,509	6.54%
2012	26,919	1,220,873,617	45,354	6.5%	413,786	6.51%
2013	27,163	1,278,384,030	47,063	5.1%	418,387	6.49%
2014	27,454	1,358,233,958	49,473	4.1%	424,233	6.47%
2015	27,689	1,422,188,789	51,363	3.6%	429,552	6.45%
2016	27,501	1,488,385,552	54,121	3.6%	431,498	6.37%

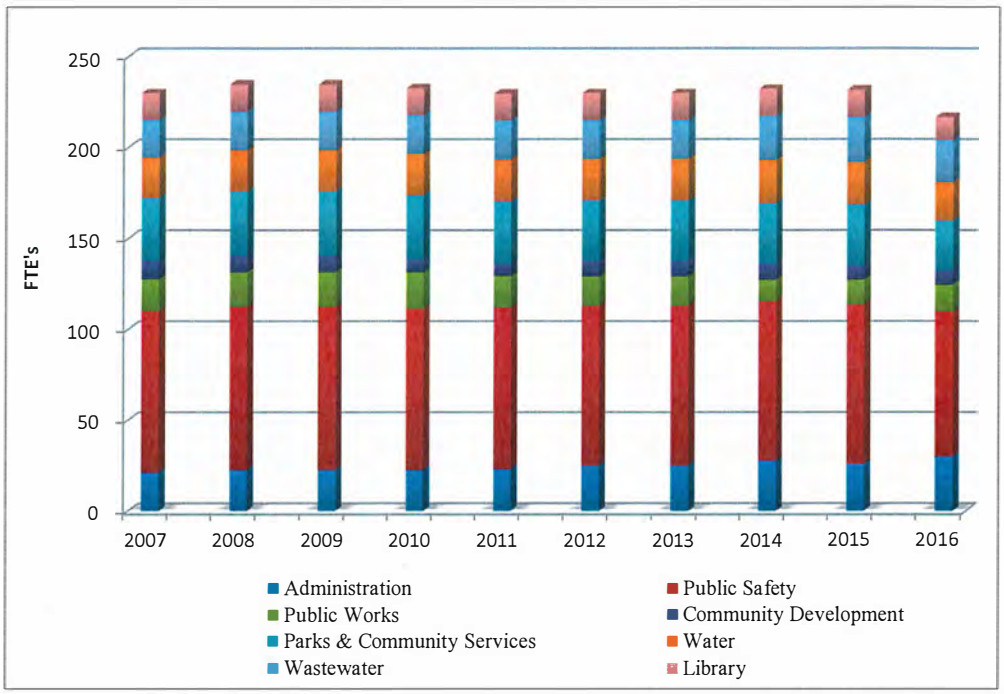
Sources: California State Department of Finance & EDD

CITY OF BENICIA
Principal Employers
Current Year and Nine Years Ago

	2015-16			2006-07		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Valero	470	1	1.7%	531	1	2.0%
Benicia Unified School District	375	2	1.4%	465	2	1.7%
Dunlop Manufacturing	229	3	0.8%	200	4	0.7%
City of Benicia	217	4	0.8%	230	3	0.9%
Bio-Rad Laboratories Inc.	200	5	0.7%	193	6	0.7%
Valley Fine Foods Co. Inc.	178	6	0.6%			
BCI Coca Cola Bottling Co.	162	7	0.6%	145	8	0.5%
Benicia Fabrication & Machine	115	8	0.4%			
Cycle Gear Inc.	106	9	0.4%			
Rix Industries	97	10	0.4%			
Radiator Express Warehouse Inc.				199	5	0.7%
APS West Coast, Inc.				150	7	0.6%
Cytosport				145	9	0.5%
The Pepsi Bottling Company				121	10	0.4%
Subtotal	2,149		7.8%	2,379		8.8%
Total City Day Population	27,450			27,000		

Source: City of Benicia

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



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function										
Administration	21.00	22.50	22.50	22.50	23.00	25.00	25.00	27.50	25.60	29.75
Public Safety	89.00	90.00	90.00	89.00	89.00	88.00	88.00	88.00	88.00	80.00
Public Works	17.45	18.95	18.95	19.95	17.35	16.03	16.03	11.65	13.55	14.75
Community Development	10.50	9.00	9.00	7.00	6.67	8.97	8.97	9.00	8.00	8.00
Parks & Community Services	34.00	35.00	35.00	35.00	34.00	32.50	32.50	33.00	33.00	27.00
Water	22.45	22.95	22.95	22.95	23.16	23.05	23.05	23.60	23.60	21.15
Wastewater	20.60	21.10	21.10	21.10	21.31	21.20	21.20	24.25	24.75	23.15
Library	14.75	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	12.75
Total	229.75	234.50	234.50	232.50	229.49	229.75	229.75	232.00	231.50	216.55

Source: City of Benicia

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

	Fiscal Year				
	2007	**2008**	**2009**	**2010**	**2011**
Function/Program					
Public safety:					
Fire:					
Fire calls for service	1,915	2,040	2,243	2,122	2,067
Primary fire inspections conducted (estimate)	200	200	1,074	935	750
Police:					
Police calls for Service	14,374	15,934	17,302	27,029	14,536
Law violations:					
Physical arrests (adult and juvenile)	1,139	1,056	838	836	866
Traffic violations	2,649	2,208	3,671	2,546	2,346
Parking violations	665	646	434	237	230
Public Works					
Street resurfacing (miles)	1.0	0.3	-	5	0.8
Potholes repaired (cubic feet) *	1,200	1,200	1,200	1,764	1,395
Parks & Community Services:					
Community Services:					
Recreation class programs	978	824	773	800	820
Recreation class participants	10,482	10,622	8,291	8,560	9,137
Library:					
Volumes in Collection (thousands)	113,470	111,145	107,756	106,965	106,264
Total Volumes Borrowed (thousands)	320,873	346,106	371,581	384,056	384,134
Water					
Water service connections	9,576	9,370	9,506	9,557	9,547
Water main breaks	17	17	14	33	10
Average daily consumption (thousands of gallons)	4,437	4,610	4,209	3,540	3,808
Wastewater					
Storm drain inlets	2,010	2,040	2,040	2,040	2,040
Sewer service connections	9,310	9,109	9,243	9,261	9,278
Sewer main blockages	30	59	51	46	27
Average daily treatment (thousands of gallons)	2,200	2,600	2,195	2,280	2,433

Source: City of Benicia

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

Fiscal Year				
2012	2013	2014	2015	2016
2,238	2,208	2,180	2,346	2,465
690	401	398	331	877
12,422	18,867	17,557	13,027	18,560
734	614	602	562	671
2,394	1,296	1,239	775	758
206	77	148	134	230
8.9	1.3	2.8	0.8	-
953	999	420	467	644
1,104	971	986	1,177	1,180
10,126	9,546	9,071	9,701	9,800
109,436	99,608	104,546	105,441	103,864
433,264	474,472	490,984	457,210	431,687
9,434	9,827	9,682	9,698	9,687
15	21	18	26	40
3,714	4,062	4,014	3,129	2,593
2,040	2,040	2,040	2,040	2,040
9,277	9,283	9,185	9,197	9,181
24	34	23	12	14
2,370	2,180	2,110	2,018	1,967

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

	Fiscal Year				
	2007	**2008**	**2009**	**2010**	**2011**
Function/Program					
Public safety:					
Fire stations	2	2	2	2	2
Police stations	1	1	1	1	1
Police patrol units	13	13	13	12	12
Public works					
Miles of streets	95	97	97	97	97
Street lights	2,062	2,100	2,100	2,232	2,232
Traffic Signals	10	10	10	10	11
Parks and recreation:					
Community services:					
City parks	36	36	36	36	36
City parks acreage	214	214	214	214	214
Recreation centers	1	2	2	2	2
Senior citizen centers	1	1	1	1	1
Regional park acreage	577	577	577	577	577
Library:					
City libraries	1	1	1	1	1
Water					
Miles of water mains	158	160	160	160	160
Fire hydrants	1,203	1,259	1,427	1,430	1,428
Maximum daily capacity (millions of gallons)	12	12	12	12	12
Wastewater					
Miles of sanitary sewers	149	150	150	150	150
Miles of storm drains	77	78	78	78	78
Number of treatment plants	1	1	1	1	1

Source: City of Benicia

Fiscal Year				
2012	2013	2014	2015	2016
2	2	2	2	2
1	1	1	1	1
11	13	13	13	13
97	97	97	97	97
2,232	2,232	2,232	2,232	2,232
11	11	11	11	11
36	36	36	36	36
214	214	214	214	214
2	2	2	2	2
1	1	1	1	1
577	577	577	577	577
1	1	1	1	1
160	160	160	160	160
1,429	1,449	1,449	1,452	1,452
12	12	12	12	12
150	150	150	150	150
78	78	78	78	78
1	1	1	1	1

THE CITY OF

BENICIA

CALIFORNIA