

Fiscal Year Ended

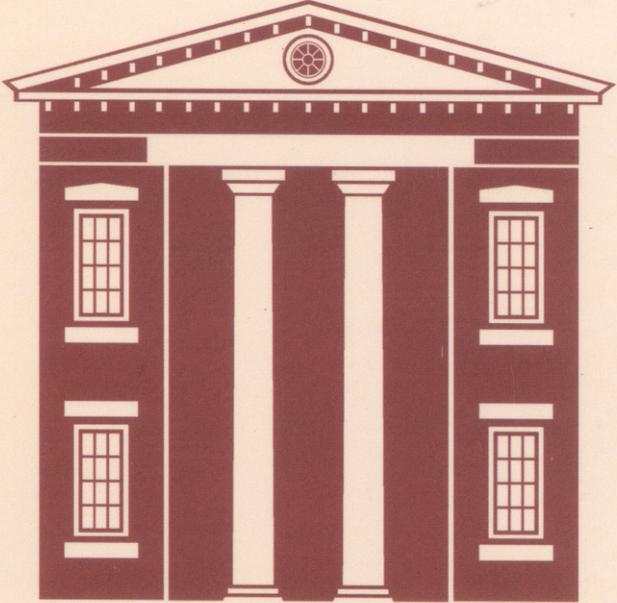
June 30, 2018

CITY OF BENICIA, CALIFORNIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



CITY OF BENICIA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Prepared by
FINANCE DEPARTMENT



THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

INTRODUCTORY SECTION:

Table of Contents	i
Letter of Transmittal.....	v
Municipal Officers	x
Mission, Vision and Values	xi
Organizational Chart	xii
Location Map.....	xiii
GFOA Certificate of Achievement	xiv

FINANCIAL SECTION:

<i>Independent Auditor’s Report</i>	1
---	---

<i>Management’s Discussion and Analysis</i>	3
---	---

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	16
Statement of Activities.....	17

Fund Financial Statements:

Governmental Funds:

Balance Sheet	20
Reconciliation of the Governmental Funds - Balance Sheet with the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Reconciliation of the Net Change in Fund Balances - Total Governmental Funds with the Statement of Activities	23
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	24

CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

FINANCIAL SECTION (Continued):

Proprietary Funds:

Statement of Net Position	26
Statement of Revenues, Expenses and Changes in Fund Net Position.....	27
Statement of Cash Flows.....	28

Fiduciary Funds:

Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31

Notes to Basic Financial Statements	33
---	----

Required Supplemental Information:

Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan	78
Schedule of Contributions – Miscellaneous Plan	79
Schedule of the City’s Proportionate Share of the Net Pension Liability – Safety (Police & Fire) Plans of the Net Pension Liability	80
Schedule of Contributions – Safety (Police & Fire) Plans	81
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	82
Schedule of Contributions – Other Post-employment Benefits Plan.....	83

Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Obligation Debt Service Fund.....	86
---	----

Non-major Governmental Funds:

Combining Balance Sheet.....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	96
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual.....	102

Internal Service Fund:

Combining Statement of Net Position	114
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	116
Combining Statement of Cash Flows.....	117

Fiduciary Funds:

Combining Statement of Changes in Assets and Liabilities – All Agency Funds	122
---	-----

CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

STATISTICAL SECTION:

Net Position by Component - Last Ten Fiscal Years124

Changes in Net Position - Last Ten Fiscal Years126

Governmental Activities of Tax Revenues by Source – Last Ten Fiscal Years131

Fund Balances of Governmental Funds - Last Ten Fiscal Years132

Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years134

Assessed and Estimated Actual Value of Taxable Property
- Last Ten Fiscal Years136

Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years137

Principal Property Taxpayers – Current Year and Ten Years Ago138

Property Tax Levies and Collections – Last Ten Fiscal Years139

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years140

Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years141

Computation of Direct and Overlapping Debt142

Computation of Legal Bonded Debt Margin143

Pledged Revenue Coverage, Water and Wastewater Revenue Bonds
- Last Ten Fiscal Years144

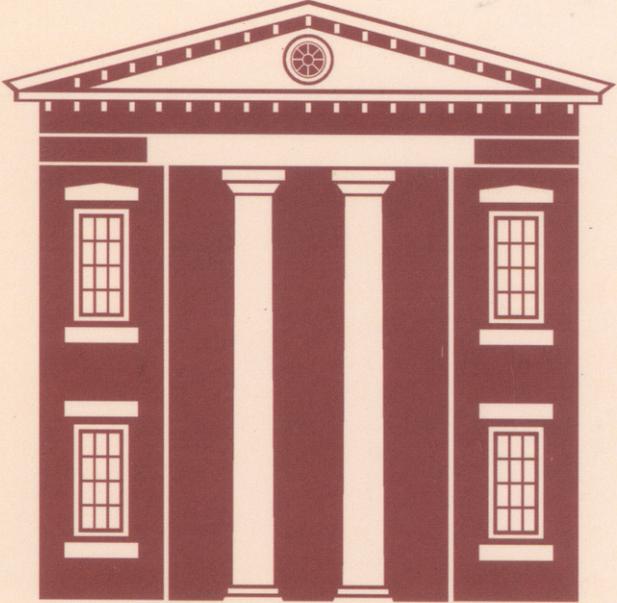
Demographic and Economic Statistics - Last Ten Fiscal Years145

Principal Employers – Current Year and Nine Years Ago146

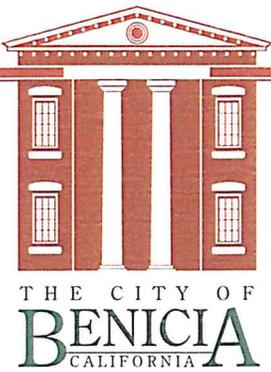
Full-Time Equivalent City Government Employees
by Function – Last Ten Fiscal Years147

Operating Indicators by Function/Program – Last Ten Fiscal Years148

Capital Asset Statistics by Function/Program – Last Ten Fiscal Years150



THE CITY OF
BENICIA
CALIFORNIA



October 27, 2019

**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, 2018, 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, 2018. 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 27,641.

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

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

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

THE BENICIA ECONOMY AND FISCAL CONDITIONS

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 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 48% of the local tax revenue collected (including property and sales). 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.

Property tax: Property tax revenue remains the largest General Fund revenue source for the City, providing approximately 45 percent of total General Fund revenues. Benicia's property tax base is 61.5 percent residential, 29.1 percent industrial, and 3.5 percent commercial based on assessed values. Overall, the City's net taxable assessed value increased 4.52 percent during fiscal year 2017-18. During the same period, the average price of a home in Benicia was \$600,500, an increase of 9.09 percent over fiscal year 2016-17. Although the housing market in California remained strong, home sales in Benicia dropped primarily due to high demand coupled with a low stock of available homes.

Sales tax: Sales tax revenue provides approximately 27 percent of the General Fund's total revenues. Excluding Measure C funds, the City's sales tax increased \$0.8 million, or 14.0 percent, compared to fiscal year 2016-17. This increase was primarily due to increases in the City's business and industry groups, as well as growth in the County pool allocations which includes sales tax from online retailers. The City's sales tax is volatile year over year, primarily due to the high concentration of business-industrial taxpayers. After experiencing an extended period of growth after the Great Recession, Benicia's sales tax is expected to continue to experience moderate increases.

Measure C: Measure C continues to provide a valuable enhancement to the City of Benicia's sales tax. Voters approved Measure C in the November 2014 elections, which increased sales tax by one percent in order to maintain City services as well as fund desired infrastructure projects. The City collected approximately \$5.4 million in Measure C sales tax revenues. Of this total \$2.9 funded General Fund operations, and \$2.5 funded capital projects.

Benicia's population is well educated, with 96.3 percent of the population over the age of 25 having at least a high school degree, and 42.2 percent of the same population having at least a bachelor's degree. Unemployment in the City remains the lowest in Solano County. According to the California Employment Development Department, Benicia's unemployment rate was 3.0 percent during calendar year 2018, compared to an unemployment rate of 3.9 percent for the County.

The state and local economy is expected to continue to experience modest growth in future years. Despite Benicia's low unemployment, rising property and sales tax, the City continues to face rising costs of operations, health, and pension costs. To mitigate a potential budget deficit, the City continues to look for ways to support operations by increasing user fees and the portion of Measure C funds dedicated to supporting operations, rather than infrastructure projects.

FINANCIAL INFORMATION

Long-term Planning: Economic development remains a priority of the City Council. The City continues efforts toward increasing the economic vitality of the existing Benicia Industrial Park (BIP), and also is considering plans for a possible expansion of business activity through a General Plan Amendment with a developer with an option to purchase a 500-acre parcel of property adjacent to the BIP.

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, 2018, the General Fund reserve balance was at the required level of 20%, which is approximately \$8.8 million.

Long Range Planning: The City of Benicia will start the bi-annual budget process in December 2018. The budget process is an opportunity for departments to review their financial forecasts and compare expected results to actuals. Departments then analyze trends and analysis to create an updated forecast and budget that provides a thorough understanding of the impact of current decisions on long range fiscal stability. The City continues to project a budget shortfall in the General Fund in fiscal year 2018-19 and is researching strategies to bridge the gap. These strategies include increasing the portion of Measure C funds dedicated to supporting operations and the use of unassigned reserves.

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 fiscal year 2017-18 amounted to \$93,128,149 and \$33,809,620 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, 2017. 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, unfortunately due to the delay in completion, the report will not be submitted to the GFOA to determine its eligibility. The City of Benicia has received this award for the past 26 years. The award demonstrates the City's conformance to the highest level of financial reporting standards. I know that we will achieve this recognition in the future.

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 James Russell-Field, retired Accounting Systems Supervisor Alyson Kauzer, and Senior Account Technician Lindsay Sagastume. 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,



Cindy Mosser
Finance Director

MUNICIPAL OFFICERS

CITY COUNCIL (Elected)

Elizabeth Patterson, Mayor	2016-2020
Steve Young, Vice Mayor	2016-2020
Tom Campbell, Council Member	2016-2020
Mark Hughes, Council Member	2014-2018
Alan Schwartzman, Council Member	2014-2018

OTHER (Elected)

Lisa Wolfe, City Clerk	2016-2020
Kenneth Paulk, City Treasurer	2016-2020

FINANCE COMMITTEE (Appointed)

Paul Gigliotti	January 2021
Alan Nadritch	July 2019
John Potter	January 2019
Eric Sargeson	January 2021
Joshua Wilson	January 2019

APPOINTED OFFICIALS

Lorie Tinfow	City Manager
Heather McLaughlin	City Attorney

DEPARTMENT HEADS

Assistant City Manager	Alan Shear
Police Chief	Erik Upson
Finance Director	Cindy Mosser
Fire Chief	Joshua Chadwick
Parks & Community Services Director	Mike Dotson
Library & Cultural Services Director	David Dodd
Public Works Director	William Tarbox
Community Development Director	Shawna Brekke-Read

CITY OF BENICA

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 BENICA
ORGANIZATIONAL CHART

CITIZENS OF BENICIA

CITY COUNCIL

Elizabeth Patterson, Mayor

CITY CLERK

Lisa Wolfe

Steve Young, Vice Mayor

Tom Campbell

Mark Hughes

Alan Schwartzman

CITY TREASURER

Kenneth Paulk

CITY MANAGER

Lorie Tinfow

CITY ATTORNEY

Heather McLaughlin

Assistant City Manager

Alan Shear

Police Chief

Erik Upson

Fire Chief

Joshua Chadwick

Finance Director

Cindy Mosser

Parks & Community Services Director

Mike Dotson

Public Works Director

William Tarbox

Library & Cultural Services Director

David Dodd

Community Development Director

Shawna Brekke-Read

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, 2017

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

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

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, 2018, 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, 2018 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.

Change in Accounting Principles

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 1M.

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 as listed in the Table of Contents 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
October 27, 2019

CITY OF BENICIA Management's Discussion and Analysis

This management's discussion and analysis provides readers an overview and analysis of financial activities of the City of Benicia (City) for the fiscal year ended June 30, 2018. 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

- "Measure C", an additional 1% sales tax, approved by voters in the November 2014 elections provided \$5.4 million this fiscal year to help maintain City services as well as fund desired infrastructure projects such as street repairs. \$2.9 million paid for the City's operations and the remaining revenue of \$2.5 million 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 \$185.8 million.
- At the end of fiscal year 2017-18, the General Fund's fund balance totaled \$24.2 million, an increase of \$6.0 million (33.3 percent). This increase was primarily due to a \$4.6 million increase in Measure C sales tax as a result of an administrative change related to the accounting for Measure C receipts, and a \$3.3 million increase in property tax due to a non-recurring receipt of property tax funds from the County related to Valero's appeal for reduced assessment valuation.
- The City's total debt decreased by \$5.4 million due to the net result of debt maturities during fiscal year 2017-18.

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:

CITY OF BENICIA
Management's Discussion and Analysis

- **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.

CITY OF BENICIA Management's Discussion and Analysis

- Fiduciary Funds** - The City is the trustee, or fiduciary, for certain funds held on behalf of third parties. The City's fiduciary activities are reported in a separate Statements of Fiduciary Net Positions. 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 33-75 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, 2018 are summarized below.

Summary of Net Position

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 46.7	\$ 41.6	\$ 34.2	\$ 34.3	\$ 80.9	\$ 75.9
Capital assets	127.7	128.3	87.1	89.2	214.8	217.5
Total Assets	174.4	169.9	121.3	123.5	295.7	293.4
Deferred outflows of resources	17.9	17.3	1.6	1.9	19.5	19.2
Long-term liabilities outstanding	82.6	75.9	28.5	30.5	111.1	106.4
Other liabilities	8.4	10.2	5.0	6.0	13.4	16.2
Total Liabilities	91.0	86.1	33.5	36.5	124.5	122.6
Deferred inflows of resources	4.6	8.1	0.3	0.8	4.9	8.9
Net Position:						
Net investments in						
capital assets	114.0	114.7	61.9	60.0	175.9	174.7
Restricted	12.9	13.9	-	2.0	12.9	15.9
Unrestricted	(30.2)	(35.6)	27.2	26.1	(3.0)	(9.5)
Total Net Position	\$ 96.7	\$ 93.0	\$ 89.1	\$ 88.1	\$ 185.8	\$ 181.1

<p style="text-align: center;">CITY OF BENICIA Management's Discussion and Analysis</p>

The largest portion of the City's net position (94.7%) reflects its investment of \$175.9 million in capital assets. The City uses these capital assets to provide services to citizens and are not available for future spending.

Restricted net assets total \$12.9 million (6.9%) and represent total net position that are subject to external restrictions. The remaining balance of unrestricted net position totals -\$3.0 million (-1.6%). Unrestricted net position are negative due to the recognition and recording of the City's net pension and OPEB liabilities as required by GASB 68 and 75.

Statement of Activities and Changes in Net Position, as of June 30, 2018, is presented on the following page:

CITY OF BENICIA
Management's Discussion and Analysis

Statement of Activities and Changes in Net Position

(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$ 4.5	\$ 3.7	\$ 21.9	\$ 19.5	\$ 26.4	\$ 23.2
Operating grants and contributions	1.8	1.7	0.1	0.1	1.8	1.8
Capital grants and contributions	-	0.4	-	-	-	0.4
General Revenues:						
Property taxes	20.0	17	-	-	20.0	17.0
Sales taxes	12.6	11.4	-	-	12.6	11.4
Utility users' tax	4.6	4.5	-	-	4.6	4.5
Franchise Fees	2.2	2.1	-	-	2.2	2.1
Other taxes	1.2	1.2	-	-	1.2	1.2
Motor vehicle license fees	-	-	-	-	-	-
Investment earnings	0.5	0.2	0.2	0.1	0.7	0.3
Gain from sale	0.1	-	-	-	0.1	-
Miscellaneous	0.1	0.1	-	-	0.1	0.1
Total Revenues	<u>47.6</u>	<u>42.3</u>	<u>22.2</u>	<u>19.7</u>	<u>69.7</u>	<u>62.0</u>
Expenses:						
Administration	4.5	4.2	-	-	4.5	4.2
Public Safety - Police	11.1	9.3	-	-	11.1	9.3
Public Safety - Fire	8.2	7.7	-	-	8.2	7.7
Parks and Community Services	5.7	6.1	-	-	5.7	6.1
Public Works	6.2	6.6	-	-	6.2	6.6
Community Development	1.6	1.8	-	-	1.6	1.8
Library	2.2	2.1	-	-	2.2	2.1
Economic Development	0.5	0.7	-	-	0.5	0.7
General Government	0.2	0.2	-	-	0.2	0.2
Interest on long-term debt	0.9	2.3	-	-	0.9	2.3
Wastewater	-	-	9.4	9.1	9.4	9.1
Water	-	-	10.5	9.0	10.5	9.0
Benicia Marina	-	-	0.5	0.6	0.5	0.6
Total Expenses	<u>41.1</u>	<u>41.0</u>	<u>20.4</u>	<u>18.7</u>	<u>61.5</u>	<u>59.7</u>
Increase in net assets before transfers	6.5	1.3	1.8	1.0	8.3	2.3
Transfers	0.1	(0.2)	(0.1)	0.2	-	-
Increase in net position	6.6	1.1	1.7	1.2	8.3	2.3
Net position - beginning, as adjusted (Note 1M)	<u>90.1</u>	<u>91.9</u>	<u>87.4</u>	<u>86.9</u>	<u>177.5</u>	<u>178.8</u>
Net position - ending	<u>\$ 96.7</u>	<u>\$ 93.0</u>	<u>\$ 89.1</u>	<u>\$ 88.1</u>	<u>\$ 185.8</u>	<u>\$ 181.1</u>

CITY OF BENICIA Management's Discussion and Analysis

Governmental Activities

Total resources available during the year to finance governmental operations were \$137.9 million consisting of Net Position at July 1, 2017, of \$90.1 million, program revenues of \$6.3 million and general revenues of \$41.5 million.

The cost of all governmental activities for fiscal year 2017-18 was \$41.1 million. The largest governmental programs include Public Safety - both Police and Fire, and Public Works. The amount that was paid by those who directly benefited from governmental programs was \$3.5 million, while operating and capital grants and contributions paid for \$1.8 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 \$34.9 million.

Net Cost of Governmental Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	\$ 4,560,565	\$ 217,725	\$ (4,342,840)
Public Safety - Police	11,096,614	773,456	(10,323,158)
Public Safety - Fire	8,241,007	646,765	(7,594,242)
Parks and Community Services	5,733,687	1,685,586	(4,048,101)
Public Works	6,179,886	1,848,418	(4,331,468)
Community Development	1,563,805	863,228	(700,577)
Library	2,172,746	208,154	(1,964,592)
Economic Development	497,125	-	(497,125)
General Government	180,571	-	(180,571)
Interest on long-term debt	897,815	-	(897,815)
	<u>\$ 41,123,821</u>	<u>\$ 6,243,332</u>	<u>\$ (34,880,489)</u>
Total	\$ 41,123,821	\$ 6,243,332	\$ (34,880,489)

CITY OF BENICIA
Management's Discussion and Analysis

Business-type Activities

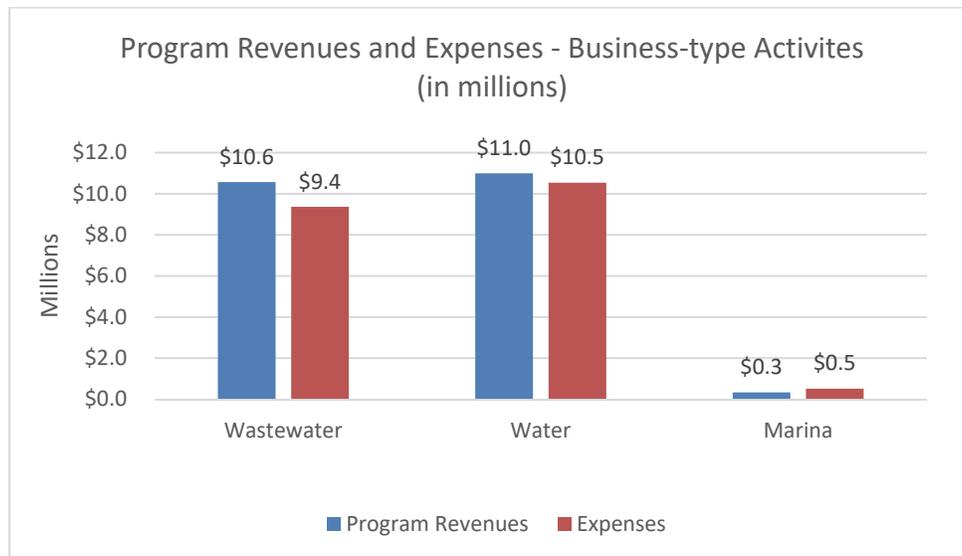
Total resources available during the year to finance Business-Type Activities were \$109.5 million consisting of Net Position at July 1, 2017, of \$87.4 million, program revenues of \$22.0 million and general revenues of \$0.1 million.

The cost of all Business-Type activities for fiscal year 2017-18 was \$20.4 million. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems totaled \$21.9 million, while operating and capital grants and contributions totaled \$0.1 million.

Net Cost of Business-Type Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Wastewater	\$ 9,362,519	\$ 10,567,478	\$ 1,204,959
Water	10,536,424	10,993,586	457,162
Benicia Marina	513,443	411,513	(101,930)
Total	\$ 20,412,386	\$ 21,972,577	\$ 1,560,191

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



CITY OF BENICIA
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

- The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2018, of \$37.0 million, an increase of \$5.0 million in comparison with the prior year, primarily due to a \$3.0 million increase in property tax due to a non-recurring receipt of property tax funds from the County related to Valero's appeal for reduced assessment valuation, a \$1.2 million increase in sales tax receipts, and a \$0.4 million increase in current service charges.

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 cannot 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 effects 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 fiscal year 2017-18 the total fund balance of the General Fund increased \$6.0 million, to \$24.2 million. The reserve requirement adopted by the Council falls under Committed Fund Balance of \$8.7 million (20% of operating revenues) for Emergency Reserve, and Contingency Reserve.

CITY OF BENICIA
Management's Discussion and Analysis

The General Fund realized general tax and other revenues of \$43.9 million during the year to pay for \$34.7 million operating expenditures, realizing an excess of revenues over expenditures of \$9.3 million. This increase was primarily due to a \$4.6 million increase in Measure C sales tax as a result of an administrative change related to the accounting for Measure C receipts, and a \$3.3 million increase in property tax due to a non-recurring receipt of property tax funds from the County related to Valero's appeal for reduced assessment valuation.

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 \$10.6 million in user fees to maintain the system. The fund has \$47.2 million in capital assets, net of accumulated depreciation, financed with \$7.0 million of long-term debt. The fund made debt service payments of \$2.4 million during the year. The net position increased by \$1.4 million due to higher charges for services. Increases in fund balance are set aside for future capital project needs.

Water Fund – The City's water utility fund collected \$11.0 million in user fees to sustain the system. The system has \$38.2 million in capital assets, net of accumulated depreciation, financed with \$12.6 million of long-term debt. The fund made \$2.3 million in debt service payments for the year. The net position increased by \$0.4 million due to higher charges for services.

Benicia Marina – The City's Marina collected \$0.3 million in user fees to support its operating and debt service costs. The Marina has \$1.8 million in capital assets, net of accumulated depreciation, financed with \$2.1 million of long-term debt. Debt service payments for the year were \$0.3 million. The fund continues to have a deficit and receives support from the General Fund. General Fund support to the Marina totaled \$0.2 million for fiscal year 2017-18. The City continues to evaluate options for a long-term operating solution.

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 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 2017-18 was the first year of a two-year budget. The original budget for 2017-18 was developed in early 2017. The original budget for the General Fund revenues was \$38.0 million, while expenditures were estimated at \$36.7 million. Final budgeted revenues totaled \$40.8 million, an increase of \$2.8 million, and final budgeted expenditures totaled \$37.4 million, an increase of \$0.7 million. The main components of the increases are as follows:

- \$1.5 million increase in property tax revenue due to increase in property valuations.
- \$0.5 million increase in Measure C sales tax revenue.
- \$0.1 million increase in licenses and permits.
- \$0.3 million increase in other taxes for business license tax and transient occupancy tax.
- \$0.2 million increase in City Attorney costs for associated with litigation and cannabis.
- \$0.3 million increase in reimbursable overtime for Fire.

CITY OF BENICIA Management's Discussion and Analysis

During the year, revenues surpassed the budget by \$3.1 million. The largest revenue variance was for property tax which is attributable to the one-time payment for the Valero tax appeal that was settled in December 2017. Actual expenditures were \$2.7 million less than the final budget due to salary savings from attrition and contractual services not utilized.

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, 2018, net capital assets of the governmental activities totaled \$127.7 million and the net capital assets of the business-type activities totaled \$87.1 million. Depreciation on Governmental Capital Assets is recognized in the Government-wide Financial Statements, while depreciation on Proprietary Fund Capital Assets is recognized in both the Government-wide and Fund Financial Statements.

The following table provides a breakdown of the City's capital assets at June 30, 2018:

	Capital Assets					
	(in millions)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 18.5	\$ 18.5	\$ 2.6	\$ 2.6	\$ 21.1	\$ 21.1
Buildings & Improvements	28.4	27.2	91.5	91.5	119.9	118.7
Machinery & Equipment	11.8	9.9	9.8	9.6	21.6	19.5
Infrastructure	159.7	159.8	86.6	78.7	246.3	238.5
Construction in Progress	1.6	1.6	0.1	6.0	1.7	7.6
Water Rights	-	-	5.0	5.0	5.0	5.0
Total Capital Assets	220.0	217.0	195.6	193.4	415.6	410.4
Accumulated Depreciation	(92.3)	(88.7)	(108.5)	(104.2)	(200.8)	(192.9)
Net Assets	\$ 127.7	\$ 128.3	\$ 87.1	\$ 89.2	\$ 214.8	\$ 217.5

Major capital assets added during fiscal year 2017-18 included the purchase of radio equipment for police and fire, purchase of a fire engine pumper, the clocktower re-roof, and the James Lemos Swim Center office and deck upgrades.

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, 2018, the City's long-term debt outstanding was \$47.2 million. Of this amount, \$22.1 million was in governmental activities and \$25.1 was in business-type activities. The City's governmental activities decreased by \$1.3 million, and business-type activities decreased by \$4.1 million.

CITY OF BENICIA Management's Discussion and Analysis

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 \$26 per capita from \$317 to \$291 from the previous fiscal year.

The following is a summary of the City's long-term debt obligations at June 30, 2018:

Long-term Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 0.3	\$ 1.0	\$ -	\$ -	\$ 0.3	\$ 1.0
Pension Obligation Bonds	7.7	7.8	-	-	7.7	7.8
Certificates of Participatio	11.8	12.0	-	-	11.8	12.0
Capital Lease	2.3	2.6	8.0	8.4	10.3	11.0
Utility Revenue Bonds	-	-	0.8	2.0	0.8	2.0
Loans Payable	-	-	16.3	18.9	16.3	18.9
Total Indebtedness	\$ 22.1	\$ 23.4	\$ 25.1	\$ 29.3	\$ 47.2	\$ 52.7

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

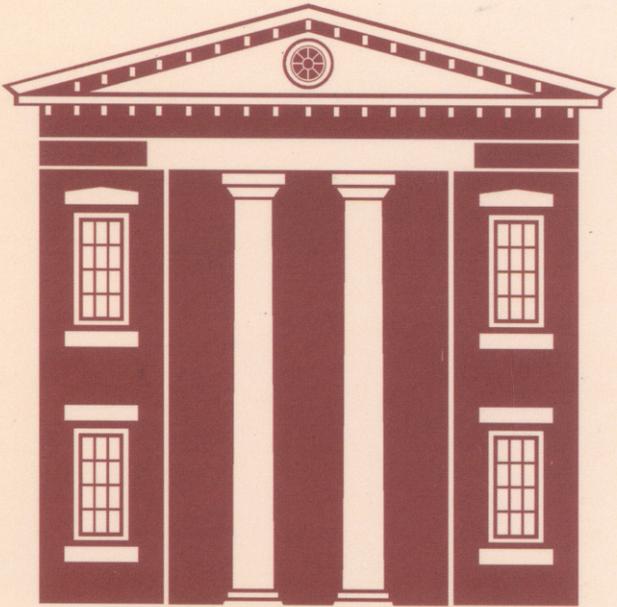
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 2017-18, the General Fund budget included a slight increase in projected revenues and an increase in expenditures due to rising health and pension costs. The budget also includes increased revenues in the Wastewater and Water Funds attributable to Council-approved rate increases. Wastewater and Water expenditures increased with the rising costs of doing business.

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, 2018

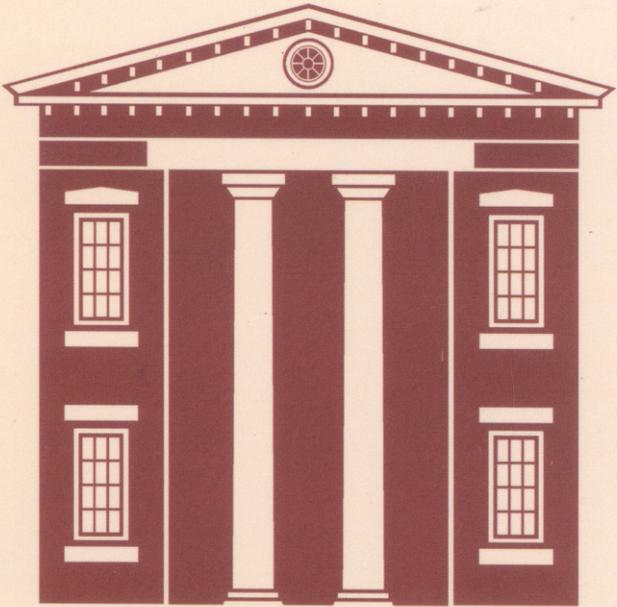
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments available for City operations (Note 3)	\$39,123,619	\$27,166,893	\$66,290,512
Restricted cash and investments held by fiscal agents (Note 3)	1,921,028	70	1,921,098
Accounts receivable	2,982,351	4,851,540	7,833,891
Interest receivable			
Materials, parts and supplies (Note 1H)	9,480	962,371	971,851
Prepaid items (Note 1H)	78,434	75,000	153,434
Lease receivable		290,721	290,721
Loans receivable (Note 5)	2,562,379	845,000	3,407,379
Capital assets (Note 6):			
Non-depreciable	20,117,267	2,635,760	22,753,027
Depreciable, net of accumulated depreciation	107,597,594	84,435,117	192,032,711
Total Assets	<u>174,392,152</u>	<u>121,262,472</u>	<u>295,654,624</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 10)	17,879,734	1,633,281	19,513,015
Total Deferred Outflows of Resources	<u>17,879,734</u>	<u>1,633,281</u>	<u>19,513,015</u>
LIABILITIES			
Accounts payable	1,373,539	787,251	2,160,790
Accrued payroll	100,931		100,931
Customer and performance deposits	1,055,673	189,495	1,245,168
Interest payable	94,944	195,055	289,999
Unearned revenue		129,908	129,908
General liability claims (Note 12):			
Due within one year	102,644		102,644
Workers compensation claims (Note 12):			
Due within one year	237,051		237,051
Due in more than one year	3,107,839		3,107,839
Accrued compensated absences (Note 1G):			
Due within one year	973,027	285,795	1,258,822
Due in more than one year	185,620		185,620
Long-term debt (Note 7):			
Due within one year	1,189,642	3,434,623	4,624,265
Due in more than one year	20,924,766	21,709,617	42,634,383
Net pension liability, due in more than one year (Note 10)	58,690,162	6,043,859	64,734,021
Total OPEB liability, due in more than one year (Note 11)	2,976,614	734,412	3,711,026
Total Liabilities	<u>91,012,452</u>	<u>33,510,015</u>	<u>124,522,467</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 10)	4,500,582	261,080	4,761,662
Related to OPEB (Note 11)	72,873	17,980	90,853
Total Deferred Inflows of Resources	<u>4,573,455</u>	<u>279,060</u>	<u>4,852,515</u>
NET POSITION (Note 8)			
Net investments in capital assets	113,971,990	61,926,677	175,898,667
Restricted for:			
Capital projects	2,915,119		2,915,119
Debt service	506,525	70	506,595
Special revenue projects	6,740,923		6,740,923
Landscaping and lighting	521,256		521,256
Library	583,445		583,445
Open space	466,125		466,125
Community services	1,129,710		1,129,710
Total Restricted Net Position	<u>12,863,103</u>	<u>70</u>	<u>12,863,173</u>
Unrestricted	(30,149,114)	27,179,931	(2,969,183)
Total Net Position	<u>\$96,685,979</u>	<u>\$89,106,678</u>	<u>\$185,792,657</u>

See accompanying notes to financial statements

CITY OF BENICIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:						
Administration	\$4,560,565	\$120,593	\$97,132	(\$4,342,840)		(\$4,342,840)
Public safety - police	11,096,614	426,313	347,143	(10,323,158)		(10,323,158)
Public safety - fire	8,241,007	518,703	128,062	(7,594,242)		(7,594,242)
Parks and community services	5,733,687	1,685,586		(4,048,101)		(4,048,101)
Public works	6,179,886	658,717	1,189,701	(4,331,468)		(4,331,468)
Community development	1,563,805	863,228		(700,577)		(700,577)
Library	2,172,746	179,159	28,995	(1,964,592)		(1,964,592)
Economic development	497,125			(497,125)		(497,125)
General government	180,571			(180,571)		(180,571)
Interest on long-term debt	897,815			(897,815)		(897,815)
Total Governmental Activities	41,123,821	4,452,299	1,791,033	(34,880,489)		
Business-type Activities:						
Wastewater	9,362,519	10,567,478			\$1,204,959	1,204,959
Water	10,536,424	10,993,586			457,162	457,162
Benicia Marina	513,443	334,033	77,480		(101,930)	(101,930)
Total Business-type Activities	20,412,386	21,895,097	77,480		1,560,191	1,560,191
Total	\$61,536,207	\$26,347,396	\$1,868,513	(34,880,489)	1,560,191	(33,320,298)
General revenues:						
Taxes:						
Property taxes				20,040,594		20,040,594
Sales taxes				12,604,790		12,604,790
Utility users' tax				4,642,195		4,642,195
Franchise tax				2,173,140		2,173,140
Other taxes				1,238,623		1,238,623
Motor vehicle in-lieu, unrestricted				14,580		14,580
Investment earnings				493,564	190,670	684,234
Miscellaneous				136,593		136,593
Gain from sale of capital assets				76,795		76,795
Transfers, net (Note 4)				66,974	(66,974)	
Total general revenues and transfers				41,487,848	123,696	41,611,544
Change in Net Position				6,607,359	1,683,887	8,291,246
Net Position-Beginning, as adjusted (Note 1M)				90,078,620	87,422,791	177,501,411
Net Position-Ending				\$96,685,979	\$89,106,678	\$185,792,657

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 2018. 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, 2018

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments available for				
City operations (Note 3)	\$19,741,155	\$506,525	\$11,733,196	\$31,980,876
Restricted cash (Note 3)	1,916,065			1,916,065
Accounts receivable	2,788,906		193,445	2,982,351
Interest receivable				
Due from other funds (Note 4B)	3,003			3,003
Prepaid items (Note 1H)	30,750			30,750
Loans receivable (Note 5)	744,362		1,818,017	2,562,379
Total Assets	<u>\$25,224,241</u>	<u>\$506,525</u>	<u>\$13,744,658</u>	<u>\$39,475,424</u>
LIABILITIES				
Accounts payable	\$706,244		\$596,189	\$1,302,433
Accrued payroll	100,931			100,931
Customer deposits	258,782		791,891	1,050,673
Total Liabilities	<u>1,065,957</u>		<u>1,388,080</u>	<u>2,454,037</u>
FUND BALANCES				
Fund balance (Note 8):				
Nonspendable	775,112			775,112
Restricted	121,284	\$506,525	9,161,596	9,789,405
Committed	10,373,948		3,194,982	13,568,930
Assigned	1,968,851			1,968,851
Unassigned	10,919,089			10,919,089
Total Fund Balances	<u>24,158,284</u>	<u>506,525</u>	<u>12,356,578</u>	<u>37,021,387</u>
Total Liabilities and Fund Balances	<u>\$25,224,241</u>	<u>\$506,525</u>	<u>\$13,744,658</u>	<u>\$39,475,424</u>

See accompanying notes to financial statements

CITY OF BENICIA
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balances reported on the Governmental Funds Balance Sheet \$37,021,387

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. 109,961,478

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	7,142,743
Restricted cash and investments	4,963
Materials, parts and supplies	9,480
Prepaid items	47,684
Capital assets, net of accumulated depreciation	17,753,383
Accounts payable	(71,106)
Deposits payable	(5,000)
Internal balances	(3,003)
Workers' compensation claims	(3,344,890)
Interest payable	(80,410)
Long-term debt	(19,455,371)

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	(2,659,037)
Interest payable	(14,534)
Non-current portion of compensated absences	(1,158,647)
Net pension liability and related deferred inflows and outflows of resources	(45,311,010)
Total OPEB liability and related deferred inflows of resources	(3,049,487)
General liability claims payable	(102,644)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$96,685,979

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, 2018

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$19,595,383	\$445,211		\$20,040,594
Sales taxes	11,895,722		\$709,068	12,604,790
Utility users' taxes	4,642,195			4,642,195
Franchise tax	2,173,140			2,173,140
Other taxes	1,238,623			1,238,623
Assessments			427,664	427,664
Licenses and permits	796,643			796,643
Fines and forfeitures	202,246			202,246
Use of money and property	620,368	1,434	92,596	714,398
Revenue from other agencies	181,117		1,530,119	1,711,236
Current service charges	2,419,330		153,183	2,572,513
Community donations	40,069		224,877	264,946
Other	125,319		28,909	154,228
Total Revenues	43,930,155	446,645	3,166,416	47,543,216
EXPENDITURES				
Current:				
Administration	5,067,088		118,082	5,185,170
Public safety - police	9,199,299		1,387,163	10,586,462
Public safety - fire	7,696,924			7,696,924
Parks and community services	5,155,178		573,248	5,728,426
Public works	2,917,171		662,694	3,579,865
Community development	1,488,574		67,479	1,556,053
Library	1,339,001		1,062,566	2,401,567
Economic development	624,625			624,625
General	42,926			42,926
Capital outlay	801,676		3,236,497	4,038,173
Debt service:				
Principal	257,689	670,000		927,689
Interest and fiscal charges	67,027	8,375		75,402
Total Expenditures	34,657,178	678,375	7,107,729	42,443,282
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,272,977	(231,730)	(3,941,313)	5,099,934
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)			3,148,633	3,148,633
Transfers (out) (Note 4A)	(3,241,659)			(3,241,659)
Proceeds from sale of capital assets	242			242
Total Other Financing Sources (Uses)	(3,241,417)		3,148,633	(92,784)
NET CHANGE IN FUND BALANCES	6,031,560	(231,730)	(792,680)	5,007,150
BEGINNING FUND BALANCES	18,126,724	738,255	13,149,258	32,014,237
ENDING FUND BALANCES	\$24,158,284	\$506,525	\$12,356,578	\$37,021,387

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, 2018

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	\$5,007,150
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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	4,038,173
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(1,089,428)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$982,105 which has already been allocated to serviced funds)	(2,902,884)

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	927,689
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ACCRUAL OF NON-CURRENT ITEMS

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

Interest payable	9,328
Compensated absences	5,451
Net pension liability and related deferred inflows and outflows of resources	(2,730,349)
Total OPEB liability and related deferred inflows of resources	2,134,966
Claims payable	(62,682)

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	<u>1,270,331</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$6,607,359</u></u>
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See accompanying notes to financial statements

CITY OF BENICIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$16,215,000	\$17,742,000	\$19,595,383	\$1,853,383
Sales	11,005,000	11,505,000	11,895,722	390,722
Utility users'	4,598,000	4,598,000	4,642,195	44,195
Franchise tax	2,134,000	2,134,000	2,173,140	39,140
Other	1,053,000	1,288,000	1,238,623	(49,377)
Licenses and permits	355,000	493,000	796,643	303,643
Fines and forfeitures	79,500	79,500	202,246	122,746
Use of money and property	511,035	511,035	620,368	109,333
Revenue from other agencies	227,480	232,480	181,117	(51,363)
Current service charges	1,676,620	2,081,520	2,419,330	337,810
Community donations	33,200	33,200	40,069	6,869
Other	79,500	117,500	125,319	7,819
	37,967,335	40,815,235	43,930,155	3,114,920
EXPENDITURES:				
Current:				
Administration	5,480,748	5,715,748	5,067,088	648,660
Public safety - police	9,546,676	9,588,416	9,199,299	389,117
Public safety - fire	7,765,399	8,095,624	7,696,924	398,700
Parks and community services	5,274,727	5,438,727	5,155,178	283,549
Public works	3,314,891	3,337,811	2,917,171	420,640
Community development	1,855,950	1,887,200	1,488,574	398,626
Library	1,472,870	1,486,870	1,339,001	147,869
Economic development	626,920	626,920	624,625	2,295
General	987,676	929,756	42,926	886,830
Capital outlay	214,300	202,300	801,676	(599,376)
Debt service:				
Principal retirement	80,971	80,971	257,689	(176,718)
Interest and fiscal charges	33,339	33,339	67,027	(33,688)
	36,654,467	37,423,682	34,657,178	2,766,504
EXCESS OF REVENUES OVER EXPENDITURES	1,312,868	3,391,553	9,272,977	5,881,424
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)	773,617	774,917		(774,917)
Transfers (out) (Note 4A)	(3,913,158)	(4,074,458)	(3,241,659)	832,799
Proceeds from sale of capital assets			242	242
	(3,139,541)	(3,299,541)	(3,241,417)	58,124
NET CHANGE IN FUND BALANCE	(\$1,826,673)	\$92,012	6,031,560	\$5,939,548
Beginning fund balance			18,126,724	
Ending fund balance			\$24,158,284	

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 2018.

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, 2018

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	
ASSETS				
Current Assets:				
Cash and investments (Note 3):				
Available for City operations	\$16,296,467	\$10,208,167	\$299,140	\$26,803,774
Restricted cash and investments held by fiscal agents	40	30		70
Accounts receivable	2,302,934	2,391,434	157,172	4,851,540
Materials, parts and supplies (Note 1H)	20,810	941,561		962,371
Prepaid items (Note 1H)			75,000	75,000
Total Current Assets	<u>18,620,251</u>	<u>13,541,192</u>	<u>531,312</u>	<u>32,692,755</u>
Non-Current Assets:				
Loans receivable (Note 5)	425,000	420,000		845,000
Lease receivable			290,721	290,721
Total Long-Term Assets	<u>425,000</u>	<u>420,000</u>	<u>290,721</u>	<u>1,135,721</u>
Property, Plant and Equipment (Note 6):				
Land and improvements	669,710	1,850,389	63,983	2,584,082
Buildings and improvements	51,036,558	32,556,273	7,933,206	91,526,037
Machinery and equipment	6,510,824	3,311,113		9,821,937
Infrastructure and water rights	43,030,083	48,614,370		91,644,453
Construction in progress		51,678		51,678
Less: accumulated depreciation	<u>(54,090,827)</u>	<u>(48,232,832)</u>	<u>(6,233,651)</u>	<u>(108,557,310)</u>
Net Property, Plant and Equipment	<u>47,156,348</u>	<u>38,150,991</u>	<u>1,763,538</u>	<u>87,070,877</u>
Total Non-Current Assets	<u>47,581,348</u>	<u>38,570,991</u>	<u>2,054,259</u>	<u>88,206,598</u>
Total Assets	<u>66,201,599</u>	<u>52,112,183</u>	<u>2,585,571</u>	<u>120,899,353</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension (Note 10)	724,198	909,083		1,633,281
Total Deferred Outflows of Resources	<u>724,198</u>	<u>909,083</u>		<u>1,633,281</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	400,411	381,020	5,820	787,251
Customer and performance deposits		114,495	75,000	189,495
Interest payable	34,525	65,694	94,836	195,055
Due to other funds (Note 4B)				3,003
Unearned revenue	129,908			129,908
Workers' compensation claims (Note 12)				237,051
Compensated absences (Note 1G)	157,174	128,621		285,795
Current portion long-term liabilities (Note 7)	<u>2,156,774</u>	<u>1,070,007</u>	<u>207,842</u>	<u>3,434,623</u>
Total Current Liabilities	<u>2,878,792</u>	<u>1,759,837</u>	<u>383,498</u>	<u>5,022,127</u>
Long-Term Liabilities				
Workers' compensation claims (Note 12)				3,107,839
Net pension liability (Note 10)	2,679,847	3,364,012		6,043,859
Total OPEB liability (Note 11)	403,760	330,652		734,412
Utility revenue bonds (Note 7)	383,777			383,777
Loans payable (Note 7)	6,378,598	5,362,302	2,089,355	13,830,255
Lease obligation (Note 7)	237,079	7,258,506		7,495,585
Certificates of Participation (Note 7)				11,488,834
Pension obligation bonds (Note 7)				7,376,537
Total Long-Term Liabilities	<u>10,083,061</u>	<u>16,315,472</u>	<u>2,089,355</u>	<u>28,487,888</u>
Total Liabilities	<u>12,961,853</u>	<u>18,075,309</u>	<u>2,472,853</u>	<u>33,510,015</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pension (Note 10)	115,763	145,317		261,080
Related to OPEB (Note 11)	9,885	8,095		17,980
Total Deferred Inflows of Resources	<u>125,648</u>	<u>153,412</u>		<u>279,060</u>
NET POSITION (Note 8)				
Net investment in capital assets	38,000,160	24,460,176	(533,659)	61,926,677
Restricted for debt service	40	30		70
Unrestricted	<u>15,838,096</u>	<u>10,332,339</u>	<u>646,377</u>	<u>26,816,812</u>
Total Net Position	<u>\$53,838,296</u>	<u>\$34,792,545</u>	<u>\$112,718</u>	<u>88,743,559</u>
Some amounts reported for <i>business-type activities</i> in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with <i>business-type activities</i> .			<u>363,119</u>	
Net Position of Business-type Activities			<u>\$89,106,678</u>	

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, 2018

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
OPERATING REVENUES					
Charges for services	\$10,438,445	\$10,801,460		\$21,239,905	\$4,764,267
Connection fees	86,950	62,552		149,502	
Rentals			\$334,033	334,033	
Refunds and rebates	35,978	123,469		159,447	241,174
	<u>10,561,373</u>	<u>10,987,481</u>	<u>334,033</u>	<u>21,882,887</u>	<u>5,005,441</u>
OPERATING EXPENSES					
Wages and benefits	2,676,329	2,623,945		5,300,274	511,349
Materials and supplies	973,834	24,066		997,900	303,065
Operations and maintenance	2,978,256	5,090,172	219,628	8,288,056	811,043
Purchased water		374,784		374,784	
Depreciation	2,226,008	1,961,772	189,612	4,377,392	982,105
Claims and Insurance					884,972
	<u>8,854,427</u>	<u>10,074,739</u>	<u>409,240</u>	<u>19,338,406</u>	<u>3,492,534</u>
Total Cost of Sales and Operating Expenses					
	<u>1,706,946</u>	<u>912,742</u>	<u>(75,207)</u>	<u>2,544,481</u>	<u>1,512,907</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	98,917	77,195	14,558	190,670	44,581
Interest (expense)	(259,389)	(411,574)	(104,203)	(775,166)	(831,741)
Intergovernmental revenue			77,480	77,480	
Gain from sales of capital assets					76,553
Community donations					9,217
Other	6,105	6,105		12,210	
	<u>(154,367)</u>	<u>(328,274)</u>	<u>(12,165)</u>	<u>(494,806)</u>	<u>(701,390)</u>
Total Nonoperating Revenues (Expenses)					
Income (Loss) Before Capital Contributions and Transfers	<u>1,552,579</u>	<u>584,468</u>	<u>(87,372)</u>	<u>2,049,675</u>	<u>811,517</u>
Transfers in (Note 4A)			233,026	233,026	160,000
Transfers (out) (Note 4A)	(150,000)	(150,000)		(300,000)	
	<u>1,402,579</u>	<u>434,468</u>	<u>145,654</u>	<u>1,982,701</u>	<u>971,517</u>
Change in Net Position					
BEGINNING NET POSITION (DEFICIT), AS ADJUSTED (NOTE 1M)	<u>52,435,717</u>	<u>34,358,077</u>	<u>(32,936)</u>	<u>1,390,075</u>	<u>1,390,075</u>
ENDING NET POSITION (DEFICIT)	<u>\$53,838,296</u>	<u>\$34,792,545</u>	<u>\$112,718</u>	<u>\$1,683,887</u>	<u>\$2,361,592</u>

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.

(298,814)

Change in Net Position of Business-type Activities

\$1,683,887

See accompanying notes to financial statements

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Business-type Activities-Enterprise Funds</u>				Governmental Activities- Internal Service Funds
	<u>Wastewater</u>	<u>Water</u>	<u>Benicia Marina</u>	<u>Totals</u>	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$10,232,208	\$10,712,420	\$300,162	\$21,244,790	\$4,939,288
Payments to suppliers	(4,087,122)	(5,479,692)	(228,859)	(9,795,673)	(1,188,003)
Payments to employees	(2,491,521)	(2,424,898)		(4,916,419)	(523,973)
Refunds and rebates					71,568
Claims paid					(599,458)
					<u>2,699,422</u>
Cash Flows from (used for) Operating Activities	<u>3,653,565</u>	<u>2,807,830</u>	<u>71,303</u>	<u>6,532,698</u>	<u>2,699,422</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts (payments)	(150,000)	(150,000)	233,026	(66,974)	147,666
Operating grant and contributions			77,480	77,480	
Principal paid on non-capital debt					(305,000)
Interest paid on non-capital debt					(221,321)
					<u>(378,655)</u>
Cash Flows from (used for) Noncapital Financing Activities	<u>(150,000)</u>	<u>(150,000)</u>	<u>310,506</u>	<u>10,506</u>	<u>(378,655)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(56,699)	(2,166,052)		(2,222,751)	(329,051)
Proceeds from sales of capital assets					76,553
Principal payments on capital debt	(2,100,758)	(1,821,468)	(198,892)	(4,121,118)	(262,994)
Interest paid on capital debt	(270,725)	(497,066)	(112,407)	(880,198)	(383,379)
Community donations					9,217
					<u>9,217</u>
Cash Flows (used for) Capital and Related Financing Activities	<u>(2,428,182)</u>	<u>(4,484,586)</u>	<u>(311,299)</u>	<u>(7,224,067)</u>	<u>(889,654)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	113,269	87,386	14,559	215,214	48,632
					<u>48,632</u>
Cash Flows from Investing Activities	<u>113,269</u>	<u>87,386</u>	<u>14,559</u>	<u>215,214</u>	<u>48,632</u>
Net Cash Flows	1,188,652	(1,739,370)	85,069	(465,649)	1,479,745
Cash and investments at beginning of period	<u>15,107,855</u>	<u>11,947,567</u>	<u>214,071</u>	<u>27,269,493</u>	<u>6,031,080</u>
Cash and investments at end of period	<u>\$16,296,507</u>	<u>\$10,208,197</u>	<u>\$299,140</u>	<u>\$26,803,844</u>	<u>\$7,510,825</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$1,706,946	\$912,742	(\$75,207)	\$2,544,481	\$1,512,907
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	2,226,008	1,961,772	189,612	4,377,392	982,105
Other non-operating revenue (expenses)	6,105	6,105		12,210	
Change in assets and liabilities:					
Receivables, net	(335,270)	(292,746)	(33,871)	(661,887)	5,415
Materials, parts and supplies	6,018	(104,701)		(98,683)	3,993
Other assets		118,774		118,774	(19,705)
Accounts payable and other accrued expenses	(141,050)	(4,743)	(9,231)	(155,024)	(58,183)
Accrued compensated absences	13,046	(8,873)		4,173	
Refundable deposits		11,580		11,580	
Due to retirement system	154,415	193,715		348,130	
Due to OPEB	17,347	14,205		31,552	
Workers' compensation claims					272,890
					<u>272,890</u>
Cash Flows from (used for) Operating Activities	<u>\$3,653,565</u>	<u>\$2,807,830</u>	<u>\$71,303</u>	<u>\$6,532,698</u>	<u>\$2,699,422</u>

See accompanying notes to financial statements

FIDUCIARY FUNDS

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

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

CITY OF BENICIA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2018

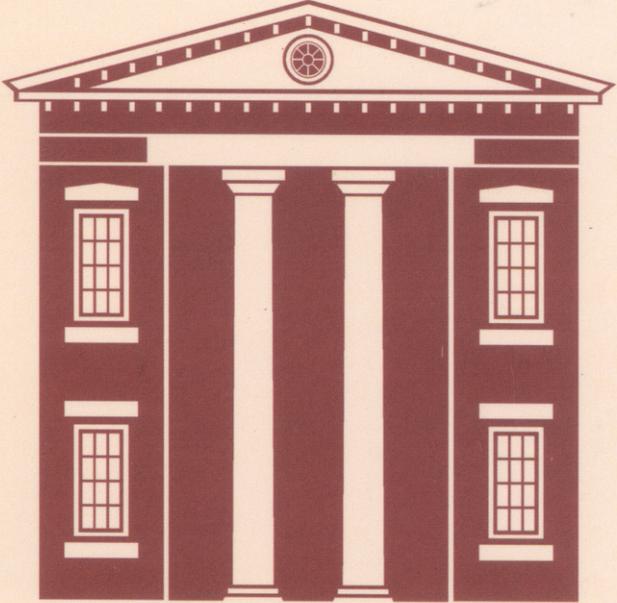
	Affordable Housing Private Purpose Trust Fund	Agency Funds
ASSETS		
Restricted cash and investments (Note 3)	\$20,921	\$1,337,158
Total Assets	\$20,921	\$1,337,158
LIABILITIES		
Due to bondholders		\$1,337,158
Total Liabilities		\$1,337,158
NET POSITION		
Held in trust for:		
Other governments	\$20,921	
Total Net Position	\$20,921	

See accompanying notes to financial statements

CITY OF BENICIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018

	Affordable Housing Private Purpose Trust Fund
ADDITIONS	
Use of money and property	\$147
Total Additions	147
CHANGE IN NET POSITION	147
NET POSITION, BEGINNING OF YEAR	20,774
NET POSITION, END OF YEAR	\$20,921

See accompanying notes to financial statements



THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Background

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

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

Reporting Entity

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

Joint Ventures

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

Other Related Organization

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

B. Basis of Presentation

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

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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

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

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

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Internal Service Funds – These funds account for insurance, general services, building and equipment management, retirement stability, and energy; all of which are provided to other departments on a cost-reimbursement basis.

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, and McAllister Assessment District. The financial activities of these funds are excluded from the Government-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

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

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

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

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

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. *Property Tax Revenues*

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

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

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

F. *Revenue Recognition For Water and Sewer*

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

G. *Compensated Absences*

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$1,164,098	\$281,622	\$1,445,720
Additions	967,576	186,271	1,346,314
Payments	(973,027)	(182,098)	(1,155,125)
Ending Balance	<u>\$1,158,647</u>	<u>\$285,795</u>	<u>\$1,636,909</u>
Current Portion	<u>\$973,027</u>	<u>\$285,795</u>	<u>\$1,258,822</u>

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

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

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

I. *Use of Estimates*

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

J. *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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *New Accounting Pronouncements*

Governmental Accounting Standards Board (GASB) Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This statement is effective for the 2017-2018 fiscal year. The City has implemented this statement. See Notes 1M and Note 11 for additional information.

Governmental Accounting Standards Board (GASB) Statement No. 81 – *Irrevocable Split-Interest Agreements*. This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement is effective for the 2017-2018 fiscal year and had no effect on the City’s financial statements.

Governmental Accounting Standards Board (GASB) Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This statement is effective for the 2017-2018 fiscal year. The City has implemented this statement. See Notes 10 and 11 for additional information.

Governmental Accounting Standards Board (GASB) Statement No. 86 – *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement is effective for the 2017-2018 fiscal year and had no effect on the City’s financial statements.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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.

M. Prior Period Adjustment

The implementation of GASB Statement No. 75 required the City to make prior period adjustments. As a result, the beginning net positions of the Governmental Activities, Business-Type Activities, Wastewater Enterprise Fund and Water Enterprise Fund were reduced by \$2,921,607, \$720,840, \$396,298 and \$324,542, respectively. See Note 11 for additional information.

NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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 Casa de Vilarrasa Fund and McAllister Assessment District Fund.

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

NOTE 3 – CASH AND INVESTMENTS

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

A. Policies

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

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

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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	\$66,290,512
Restricted cash and investments held by fiscal agent	<u>1,921,098</u>
City cash and investments of primary government	<u>68,211,610</u>
Restricted Cash and investments	
in Fiduciary Funds (separate statement)	
Trust Fund	20,921
Agency Funds	<u>1,337,158</u>
Total cash and investments	<u><u>\$69,569,689</u></u>

Cash and investments as of June 30, 2018, consist of the following:

Cash on hand	\$4,956
Deposits with financial institutions	7,118,004
Investments	<u>62,446,729</u>
Total cash and investments	<u><u>\$69,569,689</u></u>

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

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

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

* At date of purchase

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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
U.S. Treasury Notes		\$392,105	\$4,604,343	\$5,929,603	\$10,926,051
California Local Agency Investment Fund	\$32,056,521				32,056,521
Money Market Mutual Funds (Prime Institutional)	1,425,850				1,425,850
U.S. Government - Sponsored Enterprise Agencies		4,043,991	2,111,877	863,979	7,019,847
Corporate Notes	133,732	1,250,359	631,856	1,028,245	3,044,192
Commercial Paper	2,331,284				2,331,284
Certificates of Deposit	1,121,478	1,568,916	1,020,760		3,711,154
Held by Trustees:					
Money Market Mutual Funds (U.S. Securities)	1,931,830				1,931,830
Total Investments	<u>\$39,000,695</u>	<u>\$7,255,371</u>	<u>\$8,368,836</u>	<u>\$7,821,827</u>	<u>\$62,446,729</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The 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, 2018, these investments matured in an average of 193 days.

Money market funds are available for withdrawal on demand and at June 30, 2018, matured in an average of 20 to 26 days.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018, 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, 2018.

Investment Type	Total
<i>Rated AAA:</i>	
Medium-Term Corporate Notes	\$380,537
<i>Rated AA+:</i>	
U.S. Government-Sponsored Enterprise Agencies	7,019,847
Medium-Term Corporate Notes	270,340
<i>Rated AA:</i>	
Medium-Term Corporate Notes	548,652
<i>Rated AA-:</i>	
Non-Negotiable Certificates of Deposit	1,567,859
Medium-Term Corporate Notes	1,206,658
<i>Rated A+:</i>	
Non-Negotiable Certificates of Deposit	1,021,817
<i>Rated A:</i>	
Medium-Term Corporate Note	362,793
<i>Rated A-:</i>	
Medium-Term Corporate Note	275,212
<i>Rated A-1+:</i>	
Non-Negotiable Certificates of Deposit	572,503
Commercial Paper	687,090
<i>Rated A-1:</i>	
Commercial Paper	1,644,194
Non-Negotiable Certificates of Deposit	548,975
<i>Rated AAAm:</i>	
Money Market Funds	3,357,680
<i>Not rated:</i>	
State Local Agency Investment Fund	32,056,521
<i>Exempt from credit rating disclosure:</i>	
U.S. Treasury Notes	10,926,051
Total Investments	\$62,446,729

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. 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, 2018:

	Level 1	Level 2	Total
Investments By Fair Value Level:			
<i>Held by City:</i>			
U.S. Treasury Bills and Notes	\$10,926,051		\$10,926,051
Medium-Term Corporate Notes		\$3,044,192	3,044,192
Negotiable Certificates of Deposit		3,711,154	3,711,154
Commercial Paper		2,331,284	2,331,284
U.S. Government-Sponsored Enterprise Agencies		7,019,847	7,019,847
Subtotal	\$10,926,051	\$16,106,477	27,032,528
Investments Measured at Amortized Cost:			
<i>Held by City:</i>			
Money Market Mutual Funds (Prime Institutional)			1,425,850
<i>Held by Trustees:</i>			
Money Market Mutual (U.S. Securities)			1,931,830
Investments Exempt from Fair Value Hierarchy:			
State Local Agency Investment Fund			32,056,521
Total Investments			\$62,446,729

U.S. Treasury bills and notes classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Medium-term corporate notes, negotiable certificates of deposit and U.S. government-sponsored enterprise agency securities, 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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	Benicia Marina Enterprise Fund	\$233,026 (A)
	Public Safety Grants Special Revenue Fund	75,000 (A)
	Residential Landscaping and Lighting Special Revenue Fund	109,157 (A)
	Fleetside Landscaping and Lighting Special Revenue Fund	142 (A)
	Columbus Parkway Landscaping and Lighting Special Revenue Fund	10,854 (A)
	East 2nd Street Landscaping and Lighting Special Revenue Fund	513 (A)
	Goodyear Road Landscaping and Lighting Special Revenue Fund	2,967 (A)
	Building and Equipment Management Internal Service Fund	160,000 (B)
	Arsenal Special Revenue Fund	150,000 (A)
	Measure C Special Revenue Fund	2,500,000 (B)
	Water Enterprise Fund	Arsenal Special Revenue Fund
Wastewater Enterprise Fund	Arsenal Special Revenue Fund	150,000 (A)
		<u>\$3,541,659</u>

(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, 2018, the Internal Service Funds had a balance of \$3,003 due to the General Fund.

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 5 – LOANS RECEIVABLE

At June 30, 2018, the City had the following loans receivable:

	Balance at June 30, 2018		
	Governmental Activities	Business-Type Activities	Total
Housing Rehabilitation Loan Program	\$185,587		\$185,587
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	20,125		20,125
Dohman Investments	50,000		50,000
Ponder Commercial Properties, LLC	16,667		16,667
Total Loans Receivable	<u>2,638,893</u>	<u>1,793,322</u>	<u>4,432,215</u>
Less: Forgivable Amounts	<u>(76,514)</u>	<u>(948,322)</u>	<u>(1,024,836)</u>
Total	<u><u>\$2,562,379</u></u>	<u><u>\$845,000</u></u>	<u><u>\$3,407,379</u></u>

A. Housing Rehabilitation Loan Program

The City administers a Housing Rehabilitation Loan Program using the Housing and Community Development Act funds. Under this program, residents with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Federal grants are used to fund these loans. Upon approval of loans, the City disburses the funds, and arranges for and collects repayments. As of June 30, 2018, residents owed the City \$185,587 in loans offered by this program.

B. Burgess Point, Benicia Housing Partners

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 5 – LOANS RECEIVABLE (Continued)

C. *Burgess Point, Benicia Housing Authority*

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

D. *Hearthstone Village, Affordable Housing Affiliation*

On May 21, 2003, the City authorized loans to the Affordable Housing Affiliation in the amount of \$96,000 with deferred fees, totaling to \$268,086. 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 was expected to be paid in full on or before April 1, 2016. However, as of June 30, 2018, a loan amendment was still being negotiated.

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, 2018, the outstanding amount was \$20,125.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 5 – LOANS RECEIVABLE (Continued)

H. Benicia Resource Incentive Program – Dohman Investment, LLC

On January 1, 2018, the City authorized a Benicia Resource Incentive Program loan to Dohman Investment, LLC in the amount of \$50,000 at 0%. Repayment of the loan has been delayed until November 2019. Arrangements are being made for payments. As of June 30, 2018, the outstanding amount was \$50,000.

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

On December 10, 2014, the City authorized a Benicia Resource Incentive Program loan to Ponder Commercial Properties, LLC in the amount of \$50,000 at 0%. The principal amount is to be amortized over 60 months and payments shall commence on March 1, 2015 in monthly installments of \$833.33. Final payments of this loan will be on March 1, 2020. As of June 30, 2018, the outstanding amount was \$16,667.

NOTE 6 – CAPITAL ASSETS

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

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

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 6 – CAPITAL ASSETS (Continued)

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

	Balance June 30, 2017	Additions	Retirements	Transfers	Balance June 30, 2018
Governmental Activities:					
Capital assets, not depreciated:					
Land	\$18,545,953				\$18,545,953
Construction in Progress	1,571,314				1,571,314
Total capital assets, not depreciated	<u>20,117,267</u>				<u>20,117,267</u>
Buildings and Improvements	27,216,789	\$1,178,031			28,394,820
Machinery and Equipment	9,924,149	2,099,765	(\$202,821)		11,821,093
Computer Software	92,391				92,391
Infrastructure	159,633,535				159,633,535
Total cost of depreciable assets	<u>196,866,864</u>	<u>3,277,796</u>	<u>(202,821)</u>		<u>199,941,839</u>
Less accumulated depreciation:					
Buildings and Improvements	(12,087,474)	(772,360)			(12,859,834)
Machinery and Equipment	(7,955,744)	(543,305)	202,821		(8,296,228)
Computer Software	(92,390)				(92,390)
Infrastructure	(68,526,469)	(2,569,324)			(71,095,793)
Total accumulated depreciation	<u>(88,662,077)</u>	<u>(3,884,989)</u>	<u>202,821</u>		<u>(92,344,245)</u>
Net depreciable assets	<u>108,204,787</u>	<u>(607,193)</u>			<u>107,597,594</u>
Governmental Activity Capital Assets, Net	<u>\$128,322,054</u>	<u>(\$607,193)</u>			<u>\$127,714,861</u>
Business-Type Activities:					
Capital assets, not depreciated:					
Land and Improvements	\$2,584,082				\$2,584,082
Construction in Progress	5,997,820	\$51,678		(\$5,997,820)	51,678
Total capital assets, not depreciated:	<u>8,581,902</u>	<u>51,678</u>		<u>(5,997,820)</u>	<u>2,635,760</u>
Capital assets, being depreciated:					
Buildings and Improvements	91,526,037				91,526,037
Machinery and Equipment	9,644,809	177,128			9,821,937
Infrastructure	78,652,688	1,993,945		5,997,820	86,644,453
Water Rights	5,000,000				5,000,000
Total cost of depreciable assets	<u>184,823,534</u>	<u>2,171,073</u>		<u>5,997,820</u>	<u>192,992,427</u>
Less accumulated depreciation:					
Buildings and Improvements	(50,359,250)	(2,227,633)			(52,586,883)
Machinery and Equipment	(5,921,411)	(386,084)			(6,307,495)
Infrastructure	(46,299,257)	(1,563,675)			(47,862,932)
Water Rights	(1,600,000)	(200,000)			(1,800,000)
Total accumulated depreciation	<u>(104,179,918)</u>	<u>(4,377,392)</u>			<u>(108,557,310)</u>
Net depreciable assets	<u>80,643,616</u>	<u>(2,206,319)</u>		<u>5,997,820</u>	<u>84,435,117</u>
Business-type Activity Capital Assets, Net	<u>\$89,225,518</u>	<u>(\$2,154,641)</u>			<u>\$87,070,877</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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	\$14,353
Public safety - police	110,263
Public safety - fire	60,954
Parks and community services	497,163
Public works	2,164,200
Library	400
General government	55,551
Internal Service Fund	982,105
Total Governmental Activities	\$3,884,989
Business-type Activities:	
Wastewater	\$2,226,008
Water	1,961,772
Benicia Marina	189,612
Total Business-Type Activities	\$4,377,392

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 7 – LONG -TERM DEBT

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

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

A. Current Year Transactions and Balances

	Balance at July 1, 2017	Additions/ Accretion	Deletions	Balance at June 30, 2018	Due Within One Year
Governmental Activity Debt					
2006 Pension Obligation Bonds					
Series A-1 (Current Interest Bonds)	\$3,670,000			\$3,670,000	
Series A-2 (Capital Appreciation Bonds)	4,092,706	\$243,831	\$305,000	4,031,537	\$325,000
2016 Certificates of Participation					
Energy Conservation Refinancing Project	11,535,000		220,000	11,315,000	265,000
Plus unamortized original issue premium	454,158		15,324	438,834	
2012 General Obligation Refunding Bonds	1,005,000		670,000	335,000	335,000
Casa de Vilarrasa	760,602	386	81,078	679,910	84,656
Fire Engine Capital Lease	42,994		42,994		
Wells Fargo Capital Equipment Lease	1,820,738		176,611	1,644,127	179,986
Total Governmental Activity Debt	<u>\$23,381,198</u>	<u>\$244,217</u>	<u>\$1,511,007</u>	<u>\$22,114,408</u>	<u>\$1,189,642</u>
Business-Type Activity Debt					
2002 Water Revenue Refunding Bonds	\$890,000	\$890,000			
2005 Wastewater Refunding Revenue Bonds	1,115,002	355,000	\$760,002	\$370,000	\$390,002
Less unamortized original issue discount	(10,889)	(4,664)	(6,225)		(6,225)
Total utility bonds payable net of discount	<u>1,994,113</u>	<u>1,240,336</u>	<u>753,777</u>	<u>370,000</u>	<u>383,777</u>
State of California Marina Loans	2,496,089	198,892	2,297,197	207,842	2,089,355
State Revolving Loan Fund- WWTP	4,620,966	1,124,464	3,496,502	1,144,736	2,351,766
State Revolving Loan Fund- I & I WW	5,237,072	597,354	4,639,718	612,885	4,026,833
State Revolving Loan Fund- Water Treatment Plant	6,551,044	587,311	5,963,733	601,431	5,362,302
Wells Fargo Equipment Lease	374,309	36,302	338,007	36,995	301,012
Siemens Lease Purchase Agreement	7,991,765	336,459	7,655,306	460,733	7,194,573
Total Business-type Activity Debt	<u>\$29,265,358</u>	<u>\$4,121,118</u>	<u>\$25,144,240</u>	<u>\$3,434,622</u>	<u>\$21,709,618</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 7 – LONG - TERM DEBT (Continued)

B. 2006 Pension Obligation Bonds

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

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

The Series A-2 Capital Appreciation Bonds unaccrued discount totaled \$2,342,295 at June 30, 2018. 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. 2016 Certificates of Participation Energy Conservation Refinancing Project

On April 7, 2011, the Public Property Financing Corporation of California (Corporation) issued Certificates of Participation (COPs) – 2011 Energy Conservation Projects (2011 Certificates) in the amount of \$13,195,000. The proceeds of the 2011 Certificates were used to finance various energy conservation projects throughout the vicinity of City of Benicia.

On October 4, 2016 the City Council authorized the issuance of the 2016 Refunding Certificates of Participation in the amount of \$11,745,000 to advance refund the 2011 Certificates, refinance the costs of energy conservation projects, and to pay the costs of issuance for Refunding Certificates of Participation. As of June 30, 2018, the outstanding defeased 2011 COPS amounted to \$11,155,000.

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.

E. Casa de Vilarrasa - Capital Lease

In March 2005, the City entered into a loan agreement for \$1.4 million, at 4.5% interest, to finance the loan receivable from the Benicia Housing Authority as disclosed in Note 5F. 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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 7 – LONG - TERM DEBT (Continued)

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. The gross amount of capital assets acquired under this capital lease was \$432,385. Semi-annual payments are due on September 30 and March 31 each year through 2018. As of March 31, 2018, ownership of the vehicle was reverted to the City at the end of the lease.

G. Wells Fargo – Capital Lease

In October 2016, the City entered into a Capital Lease for \$2,300,000, at 1.902% interest, to finance the purchase of seven large vehicle for the Fire Department and Public Works Department. The gross amount of capital assets acquired under this capital lease was \$2,618,456. Semi-annual payments are due on May and November each year through 2026.

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. These bonds were repaid during fiscal year 2017-2018.

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.

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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 7 – LONG - TERM DEBT (Continued)

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.

N. Siemens Lease Purchase Agreement

In October 2016, the City entered into a lease purchase agreement for \$7,991,765, at 2.57% interest, to lease energy savings equipment, installation of water meters and advance metering infrastructure system and any other related services. Semi-annual payments are due on May 1 and November 1 each year.

O. 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. For fiscal year 2018, Wastewater Fund Revenues including operating revenues and non-operating investment income totaled \$10,660,290, and operating costs, not including depreciation or amortization totaled \$6,462,297. Net Revenues available for debt service totaled \$4,197,993, which represented coverage of 1.92 of debt service payment of \$2,187,998.

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 2002 Refunding Wastewater Revenue Bonds' were paid off in fiscal year 2018. For fiscal year 2018, gross Water Fund Revenues including operating revenues and non-operating interest earnings totaled \$11,064,676 and operating costs, not including depreciation or amortization, totaled \$7,963,808. Net Revenues available for debt service totaled \$3,100,868 which represented coverage of 1.88 of debt service payment of \$1,649,973.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 7 – LONG - TERM DEBT (Continued)

P. 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
2019	\$325,000	\$217,631
2020	345,000	217,631
2021	365,000	217,631
2022	385,000	217,631
2023	410,000	217,631
2024-2028	2,385,001	1,088,155
2029-2033	3,060,000	1,061,174
2034-2036	2,525,000	308,657
Total	<u>\$9,800,001</u>	<u>\$3,546,141</u>

(A) Includes unaccreted discount totaling \$2,098,464

Governmental Activities: Certificates of Participation

Year ending June 30	Principal	Interest
2019	\$265,000	\$373,644
2020	310,000	363,044
2021	350,000	353,742
2022	345,000	339,744
2023	395,000	325,944
2024-2028	2,385,000	1,355,920
2029-2033	3,650,000	941,694
2034-2036	3,615,000	236,750
	<u>\$11,315,000</u>	<u>\$4,290,482</u>
Plus: Unamortized bond premium	438,834	
Total	<u>\$11,753,834</u>	

Governmental Activities: Capital Leases

Year ending June 30	Principal	Interest
2019	\$264,642	\$60,074
2020	271,935	52,783
2021	279,467	45,250
2022	287,250	37,467
2023	295,294	29,424
2024-2027	925,449	39,536
Total	<u>\$2,324,037</u>	<u>\$264,534</u>

Enterprise Activities: Utility Bonds

Year ending June 30	Principal	Interest
2019	\$370,000	\$23,586
2020	390,002	8,093
Total	<u>\$760,002</u>	<u>\$31,679</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 7 – LONG - TERM DEBT (Continued)

Enterprise Activities: Revolving and Marina Loans

Year ending June 30	Principal	Interest
2019	\$2,566,895	\$426,094
2020	2,627,285	365,705
2021	2,689,228	303,763
2022	1,544,991	240,221
2023	1,588,403	196,808
2024-2028	5,380,348	306,227
Total	<u>\$16,397,150</u>	<u>\$1,838,818</u>

Enterprise Activities: Capital Leases

Year ending June 30	Principal	Interest
2019	\$497,728	\$200,053
2020	510,352	187,429
2021	523,298	174,483
2022	536,573	161,208
2023	550,187	147,594
2024-2028	2,902,177	521,913
2029-2033	2,472,998	145,132
Total	<u>\$7,993,313</u>	<u>\$1,537,812</u>

Q. Special Assessment Debt Without City Commitment

At June 30, 2018, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

McAllister	\$7,083,317
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The City has no legal or moral responsibility with respect to the payment of this debt and has therefore not recorded it as a liability. However, the City is responsible for the construction of the improvements financed by the Districts; therefore, the related Capital Projects Funds are reflected in the City's financial statements. The City is also responsible, as the Districts' agent, for recording the Districts' cash receipts, disbursements and balances, which are reported as Agency Fund transactions in the financial statements.

NOTE 8 – NET POSITION AND FUND BALANCES

A. Net Position

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

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

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

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

B. Fund Balances

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

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

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

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

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

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

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2018, are stated below:

Fund Balance Classifications	General Fund	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total
Nonspendable:				
Items not in spendable form:				
Loans Receivable	\$744,362			\$744,362
Prepaid Items	30,750			30,750
Total Nonspendable Fund Balances	775,112			775,112
Restricted for:				
Debt Service		\$506,525		506,525
St. Catherine's Wood Open Space	81,964			81,964
Cable	39,320			39,320
Streets and Roads			\$1,352,861	1,352,861
Landscaping and Lighting			521,256	521,256
Housing			724,256	724,256
City Cemetery and Tree Maintenance			405,454	405,454
Library Programs			583,445	583,445
South Pacific Depot			138,703	138,703
Public Safety Programs			471,149	471,149
Arsenal			1,140,353	1,140,353
Measure C Projects			2,886,492	2,886,492
Resident Assistance Programs			163,585	163,585
Open Space			466,125	466,125
FEMA			43,523	43,523
Miscellaneous Grant Projects			1,552	1,552
Valero - GNSC			262,842	262,842
Total Restricted Fund Balances	121,284	506,525	9,161,596	9,789,405
Committed to:				
Capital Projects			3,194,982	3,194,982
Future Projects	1,587,918			1,587,918
Emergency Reserves	4,393,015			4,393,015
Contingency Reserves	4,393,015			4,393,015
Total Committed Fund Balances	10,373,948		3,194,982	13,568,930
Assigned to:				
Human Services	14,872			14,872
Arts and Cultural	8,046			8,046
Economic Development	900,808			900,808
Capital License	180,305			180,305
Library Books	16,675			16,675
City Operations	848,145			848,145
Total Assigned Fund Balances	1,968,851			1,968,851
Unassigned:				
General Fund	10,919,089			10,919,089
Fund Deficits				
Total Unassigned Fund Balances	10,919,089			10,919,089
Total Fund Balances	\$24,158,284	\$506,525	\$12,356,578	\$37,021,387

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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 Insurance Internal Service Fund had deficit net position of \$1,393,930 at June 30, 2018. Management is looking for options to increase service rates and reduce the deficit over time.

The General Services Internal Service Fund had deficit net position of \$185 at June 30, 2018. Service rates will be increased in fiscal year 2018-19 to cover the deficit.

The Retirement Stability Internal Service Fund had deficit net position of \$6,618,016 at June 30, 2018. 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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 10 – PENSION PLAN (Continued)

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	\$7,770,121	\$28,752,894	\$1,242,057
Safety (Police & Fire)	11,742,894	35,981,127	3,519,605
Total	<u>\$19,513,015</u>	<u>\$64,734,021</u>	<u>\$4,761,662</u>

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, 2018, are summarized as follows:

	Prior to October 1, 2012	October 1, 2012 - January 1, 2013	After January 1, 2013
Hire date			
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	50-55	50-63	52-67
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 (1)	23.480%	23.480%	23.480%

(1) Rates represent a blended contribution rate.

Employees Covered – As of the June 30, 2016 actuarial valuation date and the June 30, 2017 measurement date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	187
Inactive employees entitled to but not yet receiving benefits	169
Active employees	159
Total	<u>515</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 10 – PENSION PLAN (Continued)

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

Net Pension Liability

The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown in Note 10D.

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, 2016	\$100,627,793	\$74,950,935	\$25,676,858
Changes in the year:			
Service cost	2,010,679		2,010,679
Interest on the total pension liability	7,444,918		7,444,918
Differences between actual and expected experience	(1,341,389)		(1,341,389)
Changes in assumptions	6,199,466		6,199,466
Changes in benefit terms			
Plan to Plan Resource Movement			
Contribution - employer		2,279,273	(2,279,273)
Contribution - employee (paid by employer)			
Contribution - employee		780,488	(780,488)
Net investment income		8,288,537	(8,288,537)
Administrative expenses		(110,660)	110,660
Benefit payments, including refunds of employee contributions	(4,732,973)	(4,732,973)	
Net changes	<u>9,580,701</u>	<u>6,504,665</u>	<u>3,076,036</u>
Balance at June 30, 2017	<u>\$110,208,494</u>	<u>\$81,455,600</u>	<u>\$28,752,894</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 10 – PENSION PLAN (Continued)

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

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$43,759,715
Current Discount Rate	7.15%
Net Pension Liability	\$28,752,894
1% Increase	8.15%
Net Pension Liability	\$16,381,209

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, 2018, the City recognized pension expense of \$4,245,158. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$2,588,969	
Differences between actual and expected experience		(\$1,242,057)
Changes in assumptions	4,061,719	
Net differences between projected and actual earnings on plan investments	1,119,433	
Total	\$7,770,121	(\$1,242,057)

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 10 – PENSION PLAN (Continued)

\$2,588,969 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, 2019. 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
2019	\$1,281,828
2020	2,788,321
2021	469,527
2022	(600,581)

Actuarial assumptions and information regarding the discount rate are discussed in Note 10D.

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, 2018, 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	50-55	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	8.988%	8.982%	12.25%
Required employer contribution rates	21.418%	18.487%	12.729%

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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 \$2,924,469. in fiscal year 2017-2018.

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, 2018, the contributions recognized as part of pension expense for the Plan were as follows:

	Amount
Contributions - employer	\$2,167,184
Contributions - employee (paid by employer)	1,791,490
Total	\$3,958,674

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, 2018, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan, was \$35,981,127.

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, 2016, 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, 2016 rolled forward to June 30, 2017 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, 2016 and 2017 was as follows:

	Safety
Proportion - June 30, 2016	0.6084%
Proportion - June 30, 2017	0.6022%
Change - Increase (Decrease)	-0.0062%

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 10 – PENSION PLAN (Continued)

For the year ended June 30, 2018, the City recognized pension expense of \$3,924,975 for the Safety Plan. At June 30, 2018, 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	\$2,167,184	
Differences between actual and expected experience	363,400	(\$94,748)
Changes in assumptions	5,270,209	(404,344)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	2,457,487	(3,020,513)
Net differences between projected and actual earnings on plan investments	1,149,112	
Total	<u>\$11,407,392</u>	<u>(\$3,519,605)</u>

\$2,502,686 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, 2019. 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
2019	\$832,079
2020	3,678,415
2021	1,882,493
2022	(672,384)

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	6.15%
Net Pension Liability	\$53,391,712
Current Discount Rate	7.15%
Net Pension Liability	\$35,981,127
1% Increase	8.15%
Net Pension Liability	\$21,748,842

Actuarial assumptions and information regarding the discount rate are discussed in Note 10D below.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 10 – PENSION PLAN (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2017, the total pension liabilities were determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety (Police and Fire)
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) 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, 2016 valuation were based on the results of a January 2015 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 – For the measurement date of June 30, 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	<u>100%</u>		

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

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

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. General Information about the City's Other Post Employment Benefit (OPEB) Plan

Plan Description – The City's Post Employment Benefit Plan contracts with Kaiser, Ameritas Dental and Vision and United Healthcare to provide medical, dental, and vision benefits to both active and retired employees through a single-employer defined benefit plan. 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 premium through payments for current employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided –The following is a summary of Plan benefits by employee group as of June 30, 2018:

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.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	183
Inactive employees or beneficiaries currently receiving benefit payments	34
Total	217

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City’s total OPEB liability was measured as of June 30, 2018 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal, level percent of pay
Actuarial Assumptions:	
Discount Rate	3.53% at June 30, 2017 3.89% at June 30, 2018
Inflation	2.75%
Salary Increase	3.25%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally from
Healthcare Trend Rates	7.5% grading down to 5% for years 2024 and thereafter

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

C. Changes in Total OPEB Liability

The changes in the total OPEB liability follows:

	Increase (Decrease)
	Total OPEB
	Liability
	(a)
Balance at June 30, 2017 Measurement Date	\$3,642,446
Changes Recognized for the Measurement Period:	
Service Cost	260,255
Interest on the total OPEB liability	133,803
Changes in benefit terms	
Differences between expected and actual experience	
Changes of assumptions	(100,982)
Contributions from the employer	
Net investment income	
Administrative expenses	
Benefit payments	(224,496)
Net changes	68,580
Balance at June 30, 2018 Measurement Date	\$3,711,026

D. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89%) or 1-percentage-point higher (4.89%) than the current discount rate:

Total OPEB Liability		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(2.89%)	(3.89%)	(4.89%)
\$3,999,455	\$3,711,026	\$3,446,854

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB Liability		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$3,382,293	\$3,711,026	\$4,092,353

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$383,929. At June 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date		
Differences between actual and expected experience		
Changes of assumptions		\$90,853
Total		\$90,853

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2019	(\$10,129)
2020	(10,129)
2021	(10,129)
2022	(10,129)
2023	(10,129)
Thereafter	(40,208)

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.

Prior to January 2018 the City participated in Association of Bay Area Governments (ABAG) Plan Corporation, a non-profit public benefit corporation established to provide liability insurance coverage, claims, and risk management, and legal defense to its participating members. On January 16, 2018, ABAG Plan Corporation transitioned to the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA). PLAN JPA 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. PLAN JPA is governed by a board consisting of representatives from member municipalities. The board controls the operations of PLAN JPA funding policies 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, 2018, the City contributed \$723,438 for current year coverage.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 12 – HEALTH, GENERAL LIABILITY AND WORKERS’ COMPENSATION COVERAGE
(Continued)

Audited financial statements may be obtained from PLAN JPA, 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

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, 2018, the City contributed \$179,906 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:

	2018			2017
	Workers' Compensation	General Liability	Total	
Beginning balance	\$3,072,000	\$39,962	\$3,111,962	\$3,039,101
Liability for current year claims and change in prior year claims estimate	710,992	138,498	849,490	461,545
Claims paid in fiscal year	(438,102)	(75,816)	(513,918)	(388,684)
Ending balance	<u>\$3,344,890</u>	<u>\$102,644</u>	<u>\$3,447,534</u>	<u>\$3,111,962</u>
Claim liabilities due within a year	<u>\$237,051</u>	<u>\$102,644</u>	<u>\$339,695</u>	<u>\$648,091</u>

For the years ended June 30, 2018, 2017, and 2016, the amount of settlements did not exceed insurance coverage.

NOTE 13 – JOINT POWERS AUTHORITIES

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

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

NOTE 13 – JOINT POWERS AUTHORITIES (Continued)

A. *Solano Water Authority*

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

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

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

B. *Solano Transportation Authority*

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

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

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

NOTE 14 – OPERATING LEASE

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

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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2018

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

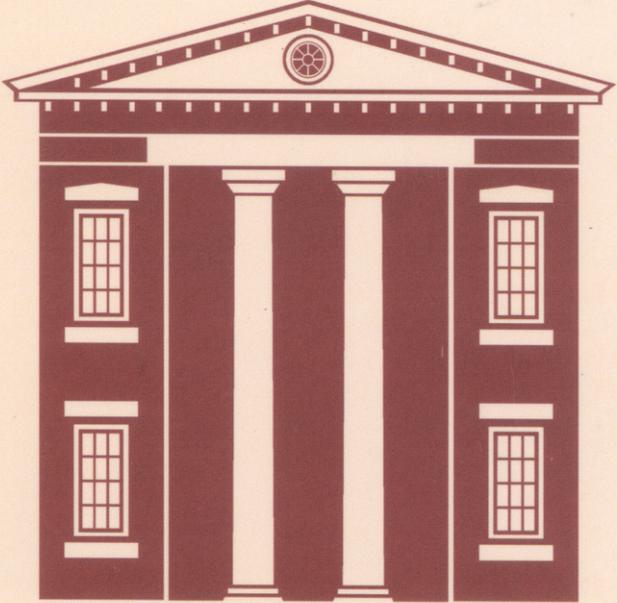
In April 2003, the City approved the Use Permit for the Valero Improvement Project (VIP). This was amended in June 2003 by Valero Refining Company (Valero) Settlement Agreement. In July 2008, the Good Neighbor Steering Committee and Valero entered into an agreement and the Planning Commission then incorporated 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, 2018, Valero has paid the City \$7,494,000 of this commitment and there was no remaining balance as of June 30, 2018.

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 2017-2018, the amount under review was \$56,322. During fiscal year 2017-2018, 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, 2018. See further discussion in Notes 5C and F.



THE CITY OF
BENICIA
CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BENICIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - MISCELLANEOUS PLAN
Agent Multiple Employer Defined Benefit Plan
Last 10 Years*

Measurement Date	Miscellaneous Plan			
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Total Pension Liability				
Service Cost	\$1,908,663	\$1,796,349	\$1,854,712	\$2,010,679
Interest	6,645,981	6,996,796	7,247,791	7,444,918
Changes in benefits				
Changes in assumptions		(1,732,356)		6,199,466
Differences between expected and actual experience		134,316	(1,170,364)	(1,341,389)
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)	(4,579,445)	(4,732,973)
Net change in total pension liability	<u>4,612,851</u>	<u>3,032,603</u>	<u>3,352,694</u>	<u>9,580,701</u>
Total pension liability - beginning	<u>89,629,645</u>	<u>94,242,496</u>	<u>97,275,099</u>	<u>100,627,793</u>
Total pension liability - ending (a)	<u><u>\$94,242,496</u></u>	<u><u>\$97,275,099</u></u>	<u><u>100,627,793</u></u>	<u><u>110,208,494</u></u>
Plan fiduciary net position				
Contributions - employer	\$1,554,005	\$1,878,933	\$2,135,425	\$2,279,273
Contributions - employee	859,183	787,294	790,781	780,488
Net investment income	11,447,269	1,692,887	405,222	8,288,537
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)	(4,579,445)	(4,732,973)
Plan to plan resource movement		160		
Administrative expense		(85,845)	(46,468)	(110,660)
Net change in plan fiduciary net position	<u>9,918,664</u>	<u>110,927</u>	<u>(1,294,485)</u>	<u>6,504,665</u>
Plan fiduciary net position - beginning	<u>66,215,829</u>	<u>76,134,493</u>	<u>76,245,420</u>	<u>74,950,935</u>
Plan fiduciary net position - ending (b)	<u><u>\$76,134,493</u></u>	<u><u>\$76,245,420</u></u>	<u><u>74,950,935</u></u>	<u><u>81,455,600</u></u>
Net pension liability - ending (a)-(b)	<u><u>\$18,108,003</u></u>	<u><u>\$21,029,679</u></u>	<u><u>\$25,676,858</u></u>	<u><u>28,752,894</u></u>
Plan fiduciary net position as a percentage of the total pension liability	80.79%	78.38%	74.48%	73.91%
Covered - payroll	\$9,781,279	\$10,020,807	\$10,331,281	\$10,361,272
Net pension liability as percentage of covered payroll	185.13%	209.86%	248.54%	277.50%

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 Service Credit (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, 2016 measurement date is without reduction of pension plan administrative expense. All other assumptions for the June 30, 2016 measurement date were the same as those used for the June 30, 2015 measurement date. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

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

CITY OF BENICIA
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS PLAN
 Agent Multiple Employer Defined Benefit Plan
 Last 10 Years*

Fiscal Year Ended June 30	Miscellaneous Plan			
	2015	2016	2017	2018
Actuarially determined contribution	\$1,884,361	\$2,135,435	\$2,278,778	\$2,588,969
Contributions in relation to the actuarially determined contributions	(1,884,361)	(2,135,435)	(2,278,778)	(2,588,969)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 Covered payroll	 \$10,020,807	 \$10,331,281	 \$10,361,272	 \$13,039,199
 Contributions as a percentage of covered payroll	 18.80%	 20.67%	 21.99%	 19.86%

Notes to Schedule:

Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015
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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 - SAFETY (POLICE & FIRE) PLAN
OF THE NET PENSION LIABILITY
Cost Sharing Multiple Employer Defined Benefit Plan
Last 10 Years*

Measurement Date	Safety Plan			
	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Plan's Proportion of the Net Pension Liability/Asset	0.329%	0.492%	0.608%	0.363%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$20,524,909	\$20,285,275	\$31,510,451	\$35,981,127
Plan's Covered Payroll	6,670,183	6,740,500	6,095,403	6,644,534
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	308%	301%	517%	542%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	0.6690%	0.4923%	0.6084%	0.3628%
Plan's Proportionate Share of Aggregate Employer Contributions	\$246,159	\$3,126,216	\$2,892,211	\$3,052,549

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

CITY OF BENICIA
SCHEDULE OF CONTRIBUTIONS - SAFETY (POLICE & FIRE) PLAN
Cost Sharing Multiple Employer Defined Benefit Plan
Last 10 Years*

Fiscal Year Ended June 30	Safety Plan			
	2015	2016	2017	2018
Actuarially determined contribution	\$1,512,924	\$3,126,216	\$2,892,211	\$2,167,184
Contributions in relation to the actuarially determined contributions	<u>(1,434,239)</u>	<u>(847,816)</u>	<u>(3,232,727)</u>	<u>(2,167,184)</u>
Contribution deficiency (excess)	<u>\$78,685</u>	<u>\$2,278,400</u>	<u>(\$340,516)</u>	<u>\$0</u>
Covered payroll	\$6,740,500	\$6,095,403	\$6,644,534	\$7,657,943
Contributions as a percentage of covered payroll	21.28%	13.91%	48.65%	28.30%

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

CITY OF BENICIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 Retiree Medical Benefits (OPEB) Plan
 Single Employer Defined Benefit Plan
 Last 10 fiscal years*

Measurement Date	<u>6/30/18</u>
Total OPEB Liability (1)	
Service Cost	\$260,255
Interest	133,803
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions	(100,982)
Benefit payments	(224,496)
Net change in total OPEB liability	<u>68,580</u>
Total OPEB liability - beginning	<u>3,642,446</u>
Total OPEB liability - ending (a)	<u><u>\$3,711,026</u></u>
 Plan fiduciary net position	
Contributions - employer	\$224,496
Contributions - employee	
Net investment income	
Administrative expense	
Benefit payments	(224,496)
Net change in plan fiduciary net position	<u>_____</u>
Plan fiduciary net position - beginning	<u>_____</u>
Plan fiduciary net position - ending (b)	<u><u>_____</u></u>
 Net OPEB liability - ending (a)-(b)	<u><u>\$3,711,026</u></u>
 Covered-employee payroll	<u><u>\$20,697,142</u></u>
 Net OPEB liability as a percentage of covered-employee payroll	<u><u>17.93%</u></u>

* Fiscal year 2018 was the first year of implementation.

CITY OF BENICIA
SCHEDULE OF CONTRIBUTIONS
 Retiree Medical Benefits (OPEB) Plan
 Last 10 fiscal years*

Fiscal Year Ended June 30,	2018
	<u>Implicit</u>
Actuarially determined contribution	\$224,496
Contributions in relation to the actuarially determined contribution	<u>224,496</u>
Contribution deficiency (excess)	<u>\$0</u>
Covered-employee payroll	<u>\$20,697,142</u>
Contributions as a percentage of covered-employee payroll	1.08%

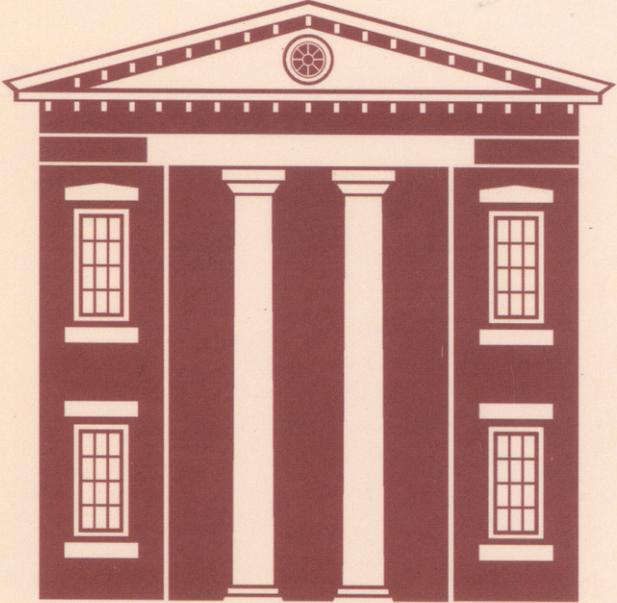
Notes to Schedule

Valuation date:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2018
Actuarial Assumptions:	
Discount Rate	3.53% at June 30, 2017 3.89% at June 30, 2018
Inflation	2.75%
Salary Increase	3.25%
Investment Rate of Return	7.0%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally from 2015
Healthcare Trend Rate	7.5% grading down to 5% for years 2024 and thereafter

* Fiscal year 2018 was the first year of implementation.



THE CITY OF
BENICIA
CALIFORNIA

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$339,950	\$339,950	\$445,211	\$105,261
Use of money and property	<u>1,000</u>	<u>1,000</u>	<u>1,434</u>	<u>434</u>
Total Revenues	<u>340,950</u>	<u>340,950</u>	<u>446,645</u>	<u>105,695</u>
EXPENDITURES:				
Debt service:				
Principal retirement	670,000	670,000	670,000	
Interest and fiscal charges	<u>8,375</u>	<u>8,375</u>	<u>8,375</u>	
Total Expenditures	<u>678,375</u>	<u>678,375</u>	<u>678,375</u>	
NET CHANGE IN FUND BALANCE	<u><u>(\$337,425)</u></u>	<u><u>(\$337,425)</u></u>	<u>(231,730)</u>	<u><u>\$105,695</u></u>
Beginning fund balance			<u>738,255</u>	
Ending fund balance			<u><u>\$506,525</u></u>	

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS**GAS TAX**

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

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

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

COMMUNITY DEVELOPMENT BLOCK GRANT

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

COMMUNITY SERVICES PROGRAM

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

LIBRARY PROGRAMS

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

COUNTY SALES TAX MEASURE

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

SOUTHERN PACIFIC DEPOT

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

PUBLIC SAFETY GRANTS

Accounts for various public safety grant revenues and their expenditures.

HUMAN SERVICES

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

DEVELOPER DEPOSITS

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

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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.

FEMA

Accounts for the cost of disasters. Sources of revenue include support from the Federal Emergency Management Agency.

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.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

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, 2018

	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	\$1,417,121	\$147,542	\$141,465	\$140,681
Accounts receivable	8,250			
Loans receivable				
Total Assets	\$1,425,371	\$147,542	\$141,465	\$140,681
LIABILITIES				
Accounts payable	\$31,089	\$17,530	\$1,287	\$151
Customer deposits	41,421			
Total Liabilities	72,510	17,530	1,287	151
FUND BALANCES				
Restricted	1,352,861	130,012	140,178	140,530
Committed				
Total Fund Balances (Deficits)	1,352,861	130,012	140,178	140,530
Total Liabilities and Fund Balances (Deficits)	\$1,425,371	\$147,542	\$141,465	\$140,681

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
\$75,942	\$35,378	\$538,669	\$411,558	\$141,150 6,296	\$273,986 168,078	\$138,453 250	\$534,102 10,518
		185,587					
<u>\$75,942</u>	<u>\$35,378</u>	<u>\$724,256</u>	<u>\$411,558</u>	<u>\$147,446</u>	<u>\$442,064</u>	<u>\$138,703</u>	<u>\$544,620</u>
\$732	\$52		\$6,104	\$5,972	\$93		\$16,355 57,116
<u>732</u>	<u>52</u>		<u>6,104</u>	<u>5,972</u>	<u>93</u>		<u>73,471</u>
75,210	35,326	\$724,256	405,454	141,474	441,971	\$138,703	471,149
<u>75,210</u>	<u>35,326</u>	<u>724,256</u>	<u>405,454</u>	<u>141,474</u>	<u>441,971</u>	<u>138,703</u>	<u>471,149</u>
<u>\$75,942</u>	<u>\$35,378</u>	<u>\$724,256</u>	<u>\$411,558</u>	<u>\$147,446</u>	<u>\$442,064</u>	<u>\$138,703</u>	<u>\$544,620</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	FEMA
ASSETS				
Cash and investments available for City operations	\$163,585	\$732,972	\$466,125	\$43,523
Accounts receivable		53		
Loans receivable				
Total Assets	\$163,585	\$733,025	\$466,125	\$43,523
LIABILITIES				
Accounts payable		\$39,671		
Customer deposits		693,354		
Total Liabilities		733,025		
FUND BALANCES				
Restricted	\$163,585		\$466,125	\$43,523
Committed				
Total Fund Balances (Deficit)	163,585		466,125	43,523
Total Liabilities and Fund Balances (Deficits)	\$163,585	\$733,025	\$466,125	\$43,523

SPECIAL REVENUE FUNDS

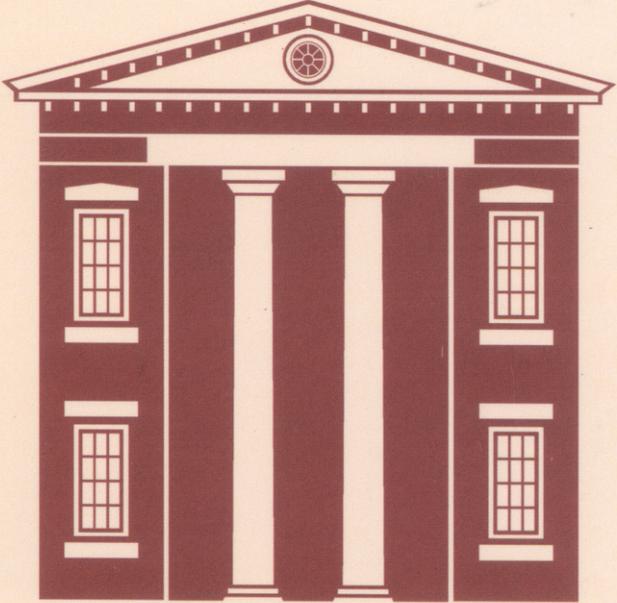
CAPITAL PROJECTS FUNDS

Miscellaneous Grants	Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project
\$15,552	\$277,842	\$1,140,816	\$3,313,526	\$913,944	\$87,385	\$301,036
				35,480	196,950	
<u>\$15,552</u>	<u>\$277,842</u>	<u>\$1,140,816</u>	<u>\$3,313,526</u>	<u>\$949,424</u>	<u>\$284,335</u>	<u>\$301,036</u>
\$14,000	\$15,000	\$463	\$427,034	\$20,656		
<u>14,000</u>	<u>15,000</u>	<u>463</u>	<u>427,034</u>	<u>20,656</u>		
1,552	262,842	1,140,353	2,886,492	928,768	\$284,335	\$301,036
<u>1,552</u>	<u>262,842</u>	<u>1,140,353</u>	<u>2,886,492</u>	<u>928,768</u>	<u>284,335</u>	<u>301,036</u>
<u>\$15,552</u>	<u>\$277,842</u>	<u>\$1,140,816</u>	<u>\$3,313,526</u>	<u>\$949,424</u>	<u>\$284,335</u>	<u>\$301,036</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	CAPITAL PROJECTS FUNDS			
	McAllister Assessment District	Streets and Transportation (Intermodal Transportation)	Casa De Vilarrasa	Total Non-major Governmental Funds
ASSETS				
Cash and investments available for City operations	\$980	\$279,863		\$11,733,196
Accounts receivable				193,445
Loans receivable			\$1,400,000	1,818,017
Total Assets	\$980	\$279,863	\$1,400,000	\$13,744,658
LIABILITIES				
Accounts payable				\$596,189
Customer deposits				791,891
Total Liabilities				1,388,080
FUND BALANCES				
Restricted				9,161,596
Committed	\$980	\$279,863	\$1,400,000	3,194,982
Total Fund Balances	980	279,863	1,400,000	12,356,578
Total Liabilities and Fund Balances (Deficits)	\$980	\$279,863	\$1,400,000	\$13,744,658



THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$39,991	646	884	927
Revenue from other agencies	669,157			
Current service charges				
Community donations				
Other	25,409			
Total Revenues	734,557	300,532	80,861	16,727
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services		448,042	71,889	16,906
Public works	642,593			
Community development				
Library				
Capital outlay	18,479			
Total Expenditures	661,072	448,042	71,889	16,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	73,485	(147,510)	8,972	(179)
OTHER FINANCING SOURCES (USES)				
Transfers in		109,157	142	10,854
Total Other Financing Sources (Uses)		109,157	142	10,854
NET CHANGE IN FUND BALANCES	73,485	(38,353)	9,114	10,675
BEGINNING FUND BALANCES (DEFICITS)	1,279,376	168,365	131,064	129,855
ENDING FUND BALANCES (DEFICITS)	<u>\$1,352,861</u>	<u>\$130,012</u>	<u>\$140,178</u>	<u>\$140,530</u>

SPECIAL REVENUE FUNDS

East 2nd Street Landscaping and Lighting	Goodyear Road Landscaping and Lighting	Community Development Block Grant	Community Services Program	Library Programs	County Sales Tax Measure	Southern Pacific Depot	Public Safety Grants
					\$709,068		
\$28,001 517	\$4,000 239	\$2,964	\$3,341	\$2,023 24,020	1,867	\$2,876	\$3,506 329,440
			175 74,749	136,090			14,038
<u>28,518</u>	<u>4,239</u>	<u>2,964</u>	<u>78,265</u>	<u>162,133</u>	<u>710,935</u>	<u>2,876</u>	<u>346,984</u>
							296,888
26,188	7,323					150	
		5,163		220,958	790,291		
			120,964				92,642
<u>26,188</u>	<u>7,323</u>	<u>5,163</u>	<u>120,964</u>	<u>220,958</u>	<u>790,291</u>	<u>150</u>	<u>389,530</u>
<u>2,330</u>	<u>(3,084)</u>	<u>(2,199)</u>	<u>(42,699)</u>	<u>(58,825)</u>	<u>(79,356)</u>	<u>2,726</u>	<u>(42,546)</u>
<u>513</u>	<u>2,967</u>						<u>75,000</u>
<u>513</u>	<u>2,967</u>						<u>75,000</u>
2,843	(117)	(2,199)	(42,699)	(58,825)	(79,356)	2,726	32,454
<u>72,367</u>	<u>35,443</u>	<u>726,455</u>	<u>448,153</u>	<u>200,299</u>	<u>521,327</u>	<u>135,977</u>	<u>438,695</u>
<u>\$75,210</u>	<u>\$35,326</u>	<u>\$724,256</u>	<u>\$405,454</u>	<u>\$141,474</u>	<u>\$441,971</u>	<u>\$138,703</u>	<u>\$471,149</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

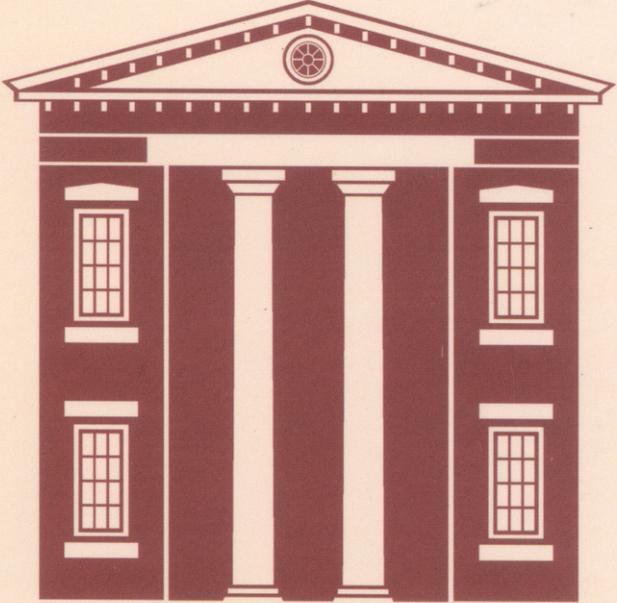
	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	FEMA
REVENUES				
Property tax				
Sales tax				
Assessments				
Use of money and property	\$761		\$3,321	
Revenue from other agencies				\$43,523
Current service charges				
Community donations				
Other				
Total Revenues	761		3,321	43,523
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services				
Public works			5,716	
Community development				
Library				
Capital outlay				
Total Expenditures			5,716	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	761		(2,395)	43,523
OTHER FINANCING SOURCES (USES)				
Transfers in				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	761		(2,395)	43,523
BEGINNING FUND BALANCES (DEFICITS)	162,824		468,520	
ENDING FUND BALANCES (DEFICITS)	\$163,585		\$466,125	\$43,523

SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS			
Miscellaneous Grants	Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project
\$37	\$147	\$5,197	\$13,959	\$6,352	\$360	\$2,115
42,400				140,754	12,254	
3,500						
45,937	147	5,197	13,959	147,106	12,614	2,115
56,310	480	42,742	18,550			
	2,750		1,090,275			
	62,316		14,385			
			51,317			
			2,819,402	141,874		
56,310	65,546	42,742	3,993,929	141,874		
(10,373)	(65,399)	(37,545)	(3,979,970)	5,232	12,614	2,115
		450,000	2,500,000			
		450,000	2,500,000			
(10,373)	(65,399)	412,455	(1,479,970)	5,232	12,614	2,115
11,925	328,241	727,898	4,366,462	923,536	271,721	298,921
\$1,552	\$262,842	\$1,140,353	\$2,886,492	\$928,768	\$284,335	\$301,036

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>CAPITAL PROJECTS FUND</u>			Total Non-major Governmental Funds
	<u>McAllister Assessment District</u>	<u>Streets and Transportation (Intermodal Transportation)</u>	<u>Casa Villarasa</u>	
REVENUES				
Property tax				
Sales tax				\$709,068
Assessments				427,664
Use of money and property	\$7	\$559		92,596
Revenue from other agencies		421,579		1,530,119
Current service charges				153,183
Community donations				224,877
Other				28,909
				<u>28,909</u>
Total Revenues	<u>7</u>	<u>422,138</u>		<u>3,166,416</u>
EXPENDITURES				
Current:				
Administration				118,082
Public safety - police				1,387,163
Parks and community services				573,248
Public works				662,694
Community development				67,479
Library				1,062,566
Capital outlay		43,136		3,236,497
				<u>3,236,497</u>
Total Expenditures		<u>43,136</u>		<u>7,107,729</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7</u>	<u>379,002</u>		<u>(3,941,313)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				3,148,633
				<u>3,148,633</u>
Total Other Financing Sources (Uses)				<u>3,148,633</u>
NET CHANGE IN FUND BALANCES	7	379,002		(792,680)
BEGINNING FUND BALANCES (DEFICITS)	<u>973</u>	<u>(99,139)</u>	<u>\$1,400,000</u>	<u>13,149,258</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$980</u>	<u>\$279,863</u>	<u>\$1,400,000</u>	<u>\$12,356,578</u>



THE CITY OF
BENICIA
CALIFORNIA

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, 2018

	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	\$41,000	\$39,991	(\$1,009)		646	646
Revenue from other agencies	575,449	669,157	93,708			
Current service charges						
Community donations						
Other		25,409	25,409			
Total Revenues	616,449	734,557	118,108	309,885	300,532	(9,353)
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Public safety - fire						
Parks and community services				412,965	448,042	(35,077)
Public works	521,642	642,593	(120,951)			
Community development						
Library						
Capital outlay	541,300	18,479	522,821			
Total Expenditures	1,062,942	661,072	401,870	412,965	448,042	(35,077)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(446,493)	73,485	519,978	(103,080)	(147,510)	(44,430)
OTHER FINANCING SOURCES (USES)						
Transfers in				109,157	109,157	
Transfers out						
Total Other Financing Sources (Uses)				109,157	109,157	
NET CHANGE IN FUND BALANCES	(\$446,493)	73,485	\$519,978	\$6,077	(38,353)	(\$44,430)
BEGINNING FUND BALANCES (DEFICITS)		1,279,376			168,365	
ENDING FUND BALANCES (DEFICITS)		\$1,352,861			\$130,012	

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)
\$95,000	\$79,977	(\$15,023)	\$15,800	\$15,800		\$28,000	\$28,001	\$1
3,500	884	(2,616)	800	927	\$127	350	517	167
<u>98,500</u>	<u>80,861</u>	<u>(17,639)</u>	<u>16,600</u>	<u>16,727</u>	<u>127</u>	<u>28,350</u>	<u>28,518</u>	<u>168</u>
113,999	71,889	42,110	22,444	16,906	5,538	39,715	26,188	13,527
<u>113,999</u>	<u>71,889</u>	<u>42,110</u>	<u>22,444</u>	<u>16,906</u>	<u>5,538</u>	<u>39,715</u>	<u>26,188</u>	<u>13,527</u>
<u>(15,499)</u>	<u>8,972</u>	<u>24,471</u>	<u>(5,844)</u>	<u>(179)</u>	<u>5,665</u>	<u>(11,365)</u>	<u>2,330</u>	<u>13,695</u>
142	142		10,854	10,854		513	513	
142	142		10,854	10,854		513	513	
<u>(\$15,357)</u>	9,114	<u>\$24,471</u>	<u>\$5,010</u>	10,675	<u>\$5,665</u>	<u>(\$10,852)</u>	2,843	<u>\$13,695</u>
	<u>131,064</u>			<u>129,855</u>			<u>72,367</u>	
	<u>\$140,178</u>			<u>\$140,530</u>			<u>\$75,210</u>	

(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>GOODYEAR ROAD LANDSCAPING AND LIGHTING</u>			<u>COMMUNITY DEVELOPMENT BLOCK GRANT</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Property tax						
Sales tax						
Assessments	\$4,000	\$4,000				
Use of money and property	250	239	(\$11)	\$18,500	\$2,964	(\$15,536)
Revenue from other agencies						
Current service charges						
Community donations						
Other						
Total Revenues	<u>4,250</u>	<u>4,239</u>	<u>(11)</u>	<u>18,500</u>	<u>2,964</u>	<u>(15,536)</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Public safety - fire						
Parks and community services	7,564	7,323	241			
Public works						
Community development				430,000	5,163	424,837
Library						
Capital outlay						
Total Expenditures	<u>7,564</u>	<u>7,323</u>	<u>241</u>	<u>430,000</u>	<u>5,163</u>	<u>424,837</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,314)</u>	<u>(3,084)</u>	<u>230</u>	<u>(411,500)</u>	<u>(2,199)</u>	<u>409,301</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,967	2,967				
Transfers out						
Total Other Financing Sources (Uses)	<u>2,967</u>	<u>2,967</u>				
NET CHANGE IN FUND BALANCES	<u>(\$347)</u>	<u>(117)</u>	<u>\$230</u>	<u>(\$411,500)</u>	<u>(2,199)</u>	<u>\$409,301</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>35,443</u>			<u>726,455</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$35,326</u>			<u>\$724,256</u>	

COMMUNITY SERVICES PROGRAM			LIBRARY PROGRAMS			COUNTY SALES TAX MEASURE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
						\$704,000	\$709,068	\$5,068
\$800	\$3,341	\$2,541		\$2,023	\$2,023	4,000	1,867	(2,133)
			\$22,271	24,020	1,749			
18,630	175	(18,455)						
35,075	74,749	39,674	117,050	136,090	19,040			
500		(500)						
<u>55,005</u>	<u>78,265</u>	<u>23,260</u>	<u>139,321</u>	<u>162,133</u>	<u>22,812</u>	<u>708,000</u>	<u>710,935</u>	<u>2,935</u>
100,000		100,000						
			236,986	220,958	16,028	863,165	790,291	72,874
90,000	120,964	(30,964)				2,300		2,300
<u>190,000</u>	<u>120,964</u>	<u>69,036</u>	<u>236,986</u>	<u>220,958</u>	<u>16,028</u>	<u>865,465</u>	<u>790,291</u>	<u>75,174</u>
<u>(134,995)</u>	<u>(42,699)</u>	<u>92,296</u>	<u>(97,665)</u>	<u>(58,825)</u>	<u>38,840</u>	<u>(157,465)</u>	<u>(79,356)</u>	<u>78,109</u>
<u>(\$134,995)</u>	<u>(42,699)</u>	<u>\$92,296</u>	<u>(\$97,665)</u>	<u>(58,825)</u>	<u>\$38,840</u>	<u>(\$157,465)</u>	<u>(79,356)</u>	<u>\$78,109</u>
	<u>448,153</u>			<u>200,299</u>			<u>521,327</u>	
	<u>\$405,454</u>			<u>\$141,474</u>			<u>\$441,971</u>	

(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>SOUTHERN PACIFIC DEPOT</u>			<u>PUBLIC SAFETY GRANTS</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	\$2,500	\$2,876	\$376	\$1,725	\$3,506	\$1,781
Revenue from other agencies				338,520	329,440	(9,080)
Current service charges						
Community donations					14,038	14,038
Other						
Total Revenues	<u>2,500</u>	<u>2,876</u>	<u>376</u>	<u>340,245</u>	<u>346,984</u>	<u>6,739</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police				275,771	296,888	(21,117)
Public safety - fire						
Parks and community services	26,000	150	25,850			
Public works						
Community development						
Library						
Capital outlay				80,290	92,642	(12,352)
Total Expenditures	<u>26,000</u>	<u>150</u>	<u>25,850</u>	<u>356,061</u>	<u>389,530</u>	<u>(33,469)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(23,500)</u>	<u>2,726</u>	<u>26,226</u>	<u>(15,816)</u>	<u>(42,546)</u>	<u>(26,730)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				75,000	75,000	
Transfers out						
Total Other Financing Sources (Uses)				<u>75,000</u>	<u>75,000</u>	
NET CHANGE IN FUND BALANCES	<u><u>(\$23,500)</u></u>	<u>2,726</u>	<u><u>\$26,226</u></u>	<u><u>\$59,184</u></u>	<u>32,454</u>	<u><u>(\$26,730)</u></u>
BEGINNING FUND BALANCES (DEFICITS)		<u>135,977</u>			<u>438,695</u>	
ENDING FUND BALANCES (DEFICITS)		<u><u>\$138,703</u></u>			<u><u>\$471,149</u></u>	

<u>HUMAN SERVICES</u>			<u>TOURTELOT MITIGATION</u>			<u>FEMA</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$1,300	\$761	(\$539)	\$3,500	\$3,321	(\$179)		\$43,523	\$43,523
<u>1,300</u>	<u>761</u>	<u>(539)</u>	<u>3,500</u>	<u>3,321</u>	<u>(179)</u>		<u>43,523</u>	<u>43,523</u>
			23,184	5,716	17,468			
			<u>23,184</u>	<u>5,716</u>	<u>17,468</u>			
<u>1,300</u>	<u>761</u>	<u>(539)</u>	<u>(19,684)</u>	<u>(2,395)</u>	<u>17,289</u>		<u>43,523</u>	<u>43,523</u>
<u>\$1,300</u>	761	<u>(\$539)</u>	<u>(\$19,684)</u>	(2,395)	<u>\$17,289</u>		43,523	<u>\$43,523</u>
	<u>162,824</u>			<u>468,520</u>				
	<u>\$163,585</u>			<u>\$466,125</u>			<u>\$43,523</u>	

(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	MISCELLANEOUS GRANTS			VALERO GNCS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property		\$37	\$37		\$147	\$147
Revenue from other agencies	\$61,138	42,400	(18,738)			
Current service charges						
Community donations						
Other		3,500	3,500			
Total Revenues	61,138	45,937	(15,201)		147	147
EXPENDITURES						
Current:						
Administration		56,310	(56,310)	\$46,715	480	46,235
Public safety - police						
Public safety - fire					2,750	(2,750)
Parks and community services						
Public works					62,316	(62,316)
Community development						
Library	43,000		43,000			
Capital outlay				169,848		169,848
Total Expenditures	43,000	56,310	(13,310)	216,563	65,546	151,017
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	18,138	(10,373)	(28,511)	(216,563)	(65,399)	151,164
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	\$18,138	(10,373)	(\$28,511)	(\$216,563)	(65,399)	\$151,164
BEGINNING FUND BALANCES (DEFICITS)		11,925			328,241	
ENDING FUND BALANCES (DEFICITS)		\$1,552			\$262,842	

ARSENAL			MEASURE C			TRAFFIC MITIGATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			\$2,700,000		(\$2,700,000)			
	\$5,197	\$5,197		\$13,959	13,959	\$6,000	\$6,352	\$352
						120,500	140,754	20,254
	<u>5,197</u>	<u>5,197</u>	<u>2,700,000</u>	<u>13,959</u>	<u>(2,686,041)</u>	<u>126,500</u>	<u>147,106</u>	<u>20,606</u>
	42,742	(42,742)	4,000	18,550	(14,550)			
			50,000	1,090,275	(1,040,275)			
			740,491		740,491			
				14,385	(14,385)			
			60,000	51,317	8,683			
			4,098,500	2,819,402	1,279,098	758,703	141,874	616,829
	<u>42,742</u>	<u>(42,742)</u>	<u>4,952,991</u>	<u>3,993,929</u>	<u>959,062</u>	<u>758,703</u>	<u>141,874</u>	<u>616,829</u>
	<u>(37,545)</u>	<u>(37,545)</u>	<u>(2,252,991)</u>	<u>(3,979,970)</u>	<u>(1,726,979)</u>	<u>(632,203)</u>	<u>5,232</u>	<u>637,435</u>
\$150,000	450,000	300,000	2,500,000	2,500,000				
150,000	450,000	300,000	2,500,000	2,500,000				
<u>\$150,000</u>	<u>412,455</u>	<u>\$262,455</u>	<u>\$247,009</u>	<u>(1,479,970)</u>	<u>(\$1,726,979)</u>	<u>(\$632,203)</u>	<u>5,232</u>	<u>\$637,435</u>
	<u>727,898</u>			<u>4,366,462</u>			<u>923,536</u>	
	<u>\$1,140,353</u>			<u>\$2,886,492</u>			<u>\$928,768</u>	

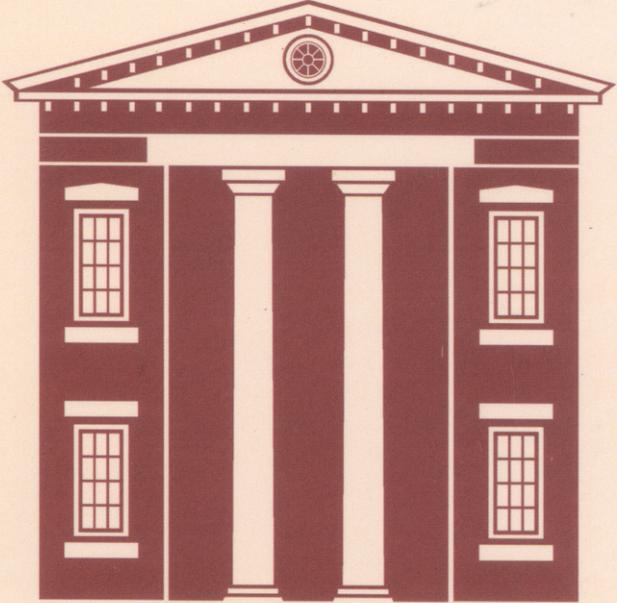
(Continued)

CITY OF BENICIA
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018

	PARK DEDICATION			LIBRARY BASEMENT PROJECT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	\$1,500	\$360	(\$1,140)	\$2,100	\$2,115	\$15
Revenue from other agencies						
Current service charges	6,000	12,254	6,254			
Community donations						
Other						
Total Revenues	7,500	12,614	5,114	2,100	2,115	15
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Public safety - fire						
Parks and community services						
Public works						
Community development						
Library						
Capital outlay	4,980		4,980			
Total Expenditures	4,980		4,980			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,520	12,614	10,094	2,100	2,115	15
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGE IN FUND BALANCES	\$2,520	12,614	\$10,094	\$2,100	2,115	\$15
BEGINNING FUND BALANCES (DEFICITS)		271,721			298,921	
ENDING FUND BALANCES (DEFICITS)		\$284,335			\$301,036	

STREETS AND TRANSPORTATION
(INTERMODAL TRANSPORTATION)

Budget	Actual	Variance Positive (Negative)
\$147,719	\$559 421,579	\$559 273,860
147,719	422,138	274,419
940,602	43,136	897,466
940,602	43,136	897,466
(792,883)	379,002	1,171,885
(\$792,883)	379,002	\$1,171,885
	(99,139)	
	\$279,863	



THE CITY OF
BENICIA
CALIFORNIA

INTERNAL SERVICE FUNDS

INSURANCE FUND

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

GENERAL SERVICES

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

BUILDING AND EQUIPMENT MANAGEMENT

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

RETIREMENT STABILITY FUND

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

ENERGY FUND

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

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Insurance</u>	<u>General Services</u>	<u>Building and Equipment Management</u>
ASSETS			
Current Assets:			
Cash and investments			
Available for City operations	\$1,969,415		\$3,398,232
Restricted cash and investments held by fiscal agents			
Materials, parts and supplies		\$9,480	
Prepaid items		45,184	
	<u>1,969,415</u>	<u>54,664</u>	<u>3,398,232</u>
Total Current Assets			
Non-Current Assets:			
Other assets			
Property, plant and equipment:			
Land			
Buildings and improvements			13,108,305
Machinery and equipment			4,826,397
Less: accumulated depreciation			<u>(11,300,546)</u>
			<u>6,634,156</u>
Total Non-Current Assets			<u>6,634,156</u>
Total Assets	<u>1,969,415</u>	<u>54,664</u>	<u>10,032,388</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	18,455	51,846	60
Customer and performance deposits			
Interest payable			
Workers' compensation claims	237,051		
Current portion long-term liabilities			
Due to other funds		3,003	
	<u>255,506</u>	<u>54,849</u>	<u>60</u>
Total Current Liabilities	<u>255,506</u>	<u>54,849</u>	<u>60</u>
Long-Term Liabilities:			
Workers' compensation claims	3,107,839		
Certificates of participation			
Pension obligation bonds			
	<u>3,107,839</u>		
Total Long-Term Liabilities	<u>3,107,839</u>		
Total Liabilities	<u>3,363,345</u>	<u>54,849</u>	<u>60</u>
NET POSITION			
Net investment in capital assets			6,634,156
Restricted for debt service			
Unrestricted	<u>(1,393,930)</u>	<u>(185)</u>	<u>3,398,172</u>
Total Net Position	<u><u>(\$1,393,930)</u></u>	<u><u>(\$185)</u></u>	<u><u>\$10,032,328</u></u>

<u>Retirement Stability</u>	<u>Energy</u>	<u>Total</u>
\$1,094,455	\$1,043,760	\$7,505,862
4,702	261	4,963
		9,480
<u>2,500</u>		<u>47,684</u>
<u>1,101,657</u>	<u>1,044,021</u>	<u>7,567,989</u>
	556,909	556,909
	12,643,187	25,751,492
		4,826,397
	<u>(2,080,869)</u>	<u>(13,381,415)</u>
	<u>11,119,227</u>	<u>17,753,383</u>
<u>1,101,657</u>	<u>12,163,248</u>	<u>25,321,372</u>
	745	71,106
	5,000	5,000
18,136	62,274	80,410
		237,051
325,000	265,000	590,000
		<u>3,003</u>
<u>343,136</u>	<u>333,019</u>	<u>986,570</u>
		3,107,839
	11,488,834	11,488,834
<u>7,376,537</u>		<u>7,376,537</u>
<u>7,376,537</u>	<u>11,488,834</u>	<u>21,973,210</u>
<u>7,719,673</u>	<u>11,821,853</u>	<u>22,959,780</u>
	(634,607)	5,999,549
4,702	261	4,963
<u>(6,622,718)</u>	<u>975,741</u>	<u>(3,642,920)</u>
<u>(\$6,618,016)</u>	<u>\$341,395</u>	<u>\$2,361,592</u>

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

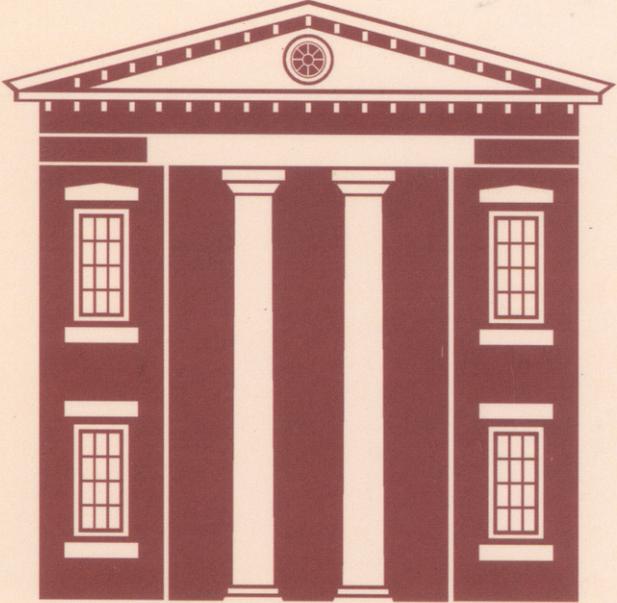
	Insurance	General Services	Building and Equipment Management
OPERATING REVENUES			
Charges for services	\$1,409,042	\$970,695	\$979,703
Refunds and rebates	5,396	142	169,483
Total Operating Revenues	1,414,438	970,837	1,149,186
OPERATING EXPENSES			
Wages and benefits	76,704	434,645	
Materials and supplies		55,995	247,070
Operations and maintenance	108,308	465,431	102,998
Claims and Insurance	872,348	12,624	
Depreciation			632,358
Total Operating Expenses	1,057,360	968,695	982,426
Operating Income (Loss)	357,078	2,142	166,760
NONOPERATING REVENUES (EXPENSES)			
Interest income	9,087		20,835
Interest expense			(936)
Gain from the sale of capital assets		500	76,053
Community donations			9,217
Total Nonoperating Revenues (Expenses)	9,087	500	105,169
Income (Loss) Before Transfers	366,165	2,642	271,929
OTHER FINANCING SOURCES (USES)			
Transfers In			160,000
Total Other Financing Sources (Uses)			160,000
Change in Net Position	366,165	2,642	431,929
BEGINNING NET POSITION (DEFICITS)	(1,760,095)	(2,827)	9,600,399
ENDING NET POSITION (DEFICITS)	(\$1,393,930)	(\$185)	\$10,032,328

Retirement Stability	Energy	Total
\$593,762	\$811,065	\$4,764,267
	66,153	241,174
<u>593,762</u>	<u>877,218</u>	<u>5,005,441</u>
		511,349
		303,065
	134,306	811,043
		884,972
	<u>349,747</u>	<u>982,105</u>
	<u>484,053</u>	<u>3,492,534</u>
<u>593,762</u>	<u>393,165</u>	<u>1,512,907</u>
8,016	6,643	44,581
(465,152)	(365,653)	(831,741)
		76,553
		<u>9,217</u>
<u>(457,136)</u>	<u>(359,010)</u>	<u>(701,390)</u>
136,626	34,155	811,517
		160,000
		<u>160,000</u>
136,626	34,155	971,517
<u>(6,754,642)</u>	<u>307,240</u>	<u>1,390,075</u>
<u>(\$6,618,016)</u>	<u>\$341,395</u>	<u>\$2,361,592</u>

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Insurance	General Services	Building and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$1,414,438	\$970,837	\$1,149,186
Payments to suppliers	(143,294)	(513,985)	(369,690)
Payments to employees	(76,704)	(447,269)	
Refunds and rebates			
Claims paid	(599,458)		
Cash Flows from Operating Activities	594,982	9,583	779,496
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts (payments) from interfund loans		(12,334)	160,000
Principal paid on non-capital debt			
Interest paid on non-capital debt			
Cash Flows from Noncapital Financing Activities		(12,334)	160,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt			(42,994)
Interest paid on capital debt			(936)
Acquisition of capital assets			(329,051)
Sale of capital assets		500	76,053
Community donations			9,217
Cash Flows from Capital and Related Financing Activities		500	(287,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	10,163		22,824
Cash Flows from Investing Activities	10,163		22,824
Net Cash Flows	605,145	(2,251)	674,609
Cash and investments at beginning of period	1,364,270	2,251	2,723,623
Cash and investments at end of period	\$1,969,415		\$3,398,232
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$357,078	\$2,142	\$166,760
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation			632,358
Pension obligation amortization			
Change in assets and liabilities:			
Materials, parts and supplies		3,993	
Prepaid items		(17,205)	
Accounts receivable			
Accounts payable	(34,986)	20,653	(19,622)
Workers' compensation claims	272,890		
Cash Flows from Operating Activities	\$594,982	\$9,583	\$779,496

Retirement Stability	Energy	Total
\$593,762	\$811,065	\$4,939,288
(3,000)	(158,034)	(1,188,003)
	71,568	(523,973)
		71,568
		(599,458)
590,762	724,599	2,699,422
		147,666
(305,000)		(305,000)
(221,321)		(221,321)
(526,321)		(378,655)
	(220,000)	(262,994)
	(382,443)	(383,379)
		(329,051)
		76,553
		9,217
	(602,443)	(889,654)
8,911	6,734	48,632
8,911	6,734	48,632
73,352	128,890	1,479,745
1,025,805	915,131	6,031,080
\$1,099,157	\$1,044,021	\$7,510,825
\$593,762	\$393,165	\$1,512,907
	349,747	982,105
		3,993
(2,500)		(19,705)
	5,415	5,415
(500)	(23,728)	(58,183)
		272,890
\$590,762	\$724,599	\$2,699,422



THE CITY OF
BENICIA
CALIFORNIA

AGENCY FUNDS

ASSESSMENT DISTRICTS

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

CITY OF BENICIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2018

	Balance 6/30/2017	Additions	Deductions	Balance June 30, 2018
<u>Fleetside Industrial Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$25,851	\$141		\$25,992
Total assets	<u>\$25,851</u>	<u>\$141</u>		<u>\$25,992</u>
<u>Liabilities</u>				
Due to bondholders	\$25,851	\$141		\$25,992
Total liabilities	<u>\$25,851</u>	<u>\$141</u>		<u>\$25,992</u>
<u>McAllister Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$1,254,856	\$698,230	\$641,920	\$1,311,166
Interest receivable	1,137		1,137	
Total assets	<u>\$1,255,993</u>	<u>\$698,230</u>	<u>\$643,057</u>	<u>\$1,311,166</u>
<u>Liabilities</u>				
Due to bondholders	\$1,255,993	\$698,230	643,057	\$1,311,166
Total liabilities	<u>\$1,255,993</u>	<u>\$698,230</u>	<u>\$643,057</u>	<u>\$1,311,166</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$1,280,707	\$698,371	\$641,920	\$1,337,158
Interest receivable	1,137		1,137	
Total assets	<u>\$1,281,844</u>	<u>\$698,371</u>	<u>\$643,057</u>	<u>\$1,337,158</u>
<u>Liabilities</u>				
Due to bondholders	\$1,281,844	\$698,371	643,057	\$1,337,158
Total liabilities	<u>\$1,281,844</u>	<u>\$698,371</u>	<u>\$643,057</u>	<u>\$1,337,158</u>

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

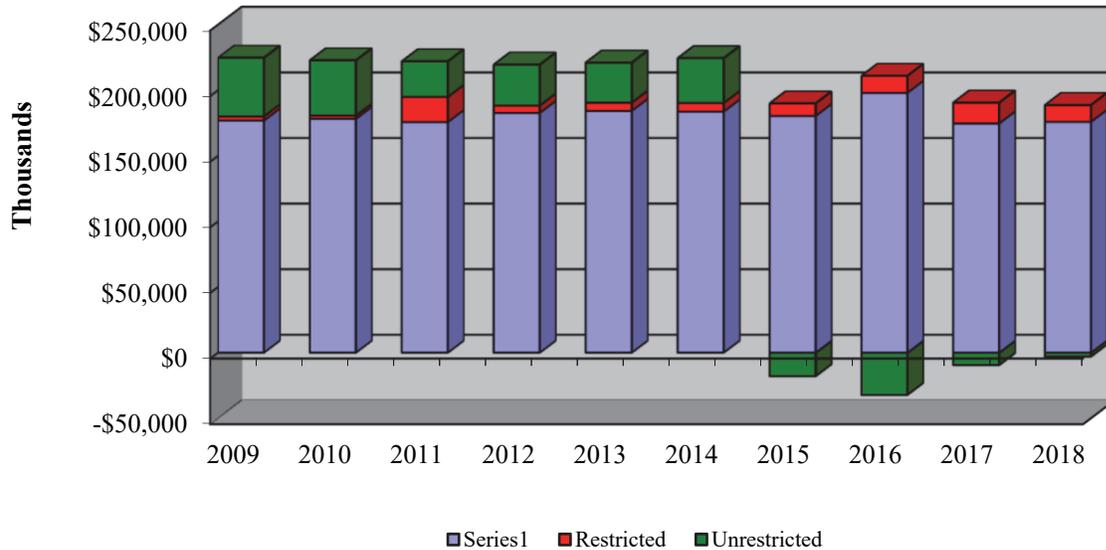
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

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			
	2009	2010	2011	2012
<i>Governmental activities</i>				
Net investments in capital assets	\$ 113,264,434	\$ 115,359,499	\$ 112,701,775	\$ 120,052,758
Restricted	3,195,339	2,507,802	19,174,006	5,641,592
Unrestricted	15,465,114	14,171,681	1,081,215	6,767,569
Total governmental activities net assets	<u>\$ 131,924,887</u>	<u>\$ 132,038,982</u>	<u>\$ 132,956,996</u>	<u>\$ 132,461,919</u>
<i>Business-type activities</i>				
Net investments in capital assets	\$ 63,624,158	\$ 62,819,454	\$ 63,064,298	\$ 62,660,031
Restricted	-	-	-	-
Unrestricted	29,231,383	27,932,802	26,022,756	24,419,432
Total business-type activities net assets	<u>\$ 92,855,541</u>	<u>\$ 90,752,256</u>	<u>\$ 89,087,054</u>	<u>\$ 87,079,463</u>
<i>Primary government</i>				
Invested in capital assets, net of related debt	\$ 176,888,592	\$ 178,178,953	\$ 175,766,073	\$ 182,712,789
Restricted	3,195,339	2,507,802	19,174,006	5,641,592
Unrestricted	44,696,497	42,104,483	27,103,971	31,187,001
Total primary government net assets	<u>\$ 224,780,428</u>	<u>\$ 222,791,238</u>	<u>\$ 222,044,050</u>	<u>\$ 219,541,382</u>

2013	2014	2015	2016	2017	2018
\$ 121,948,249	\$ 120,434,163	\$ 117,899,038	\$ 116,727,502	\$ 114,719,779	\$ 113,971,990
6,316,224	6,573,412	9,526,578	12,963,665	13,887,513	12,863,103
5,038,875	8,093,156	(40,937,523)	(37,759,794)	(35,607,065)	(30,149,114)
<u>\$ 133,303,348</u>	<u>\$ 135,100,731</u>	<u>\$ 86,488,093</u>	<u>\$ 91,931,373</u>	<u>\$ 93,000,227</u>	<u>\$ 96,685,979</u>
\$ 62,321,179	\$ 63,311,581	\$ 62,566,681	\$ 81,305,746	\$ 59,960,276	\$ 61,926,677
-	-	-	-	1,997,713	70
25,465,370	26,084,805	23,060,961	5,625,599	26,185,642	27,179,931
<u>\$ 87,786,549</u>	<u>\$ 89,396,386</u>	<u>\$ 85,627,642</u>	<u>\$ 86,931,345</u>	<u>\$ 88,143,631</u>	<u>\$ 89,106,678</u>
\$ 184,269,428	\$ 183,745,744	\$ 180,465,719	\$ 198,033,248	\$ 174,680,055	\$ 175,898,667
6,316,224	6,573,412	9,526,578	12,963,665	15,885,226	12,863,173
30,504,245	34,177,961	(17,876,562)	(32,134,195)	(9,421,423)	(2,969,183)
<u>\$ 221,089,897</u>	<u>\$ 224,497,117</u>	<u>\$ 172,115,735</u>	<u>\$ 178,862,718</u>	<u>\$ 181,143,858</u>	<u>\$ 185,792,657</u>

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

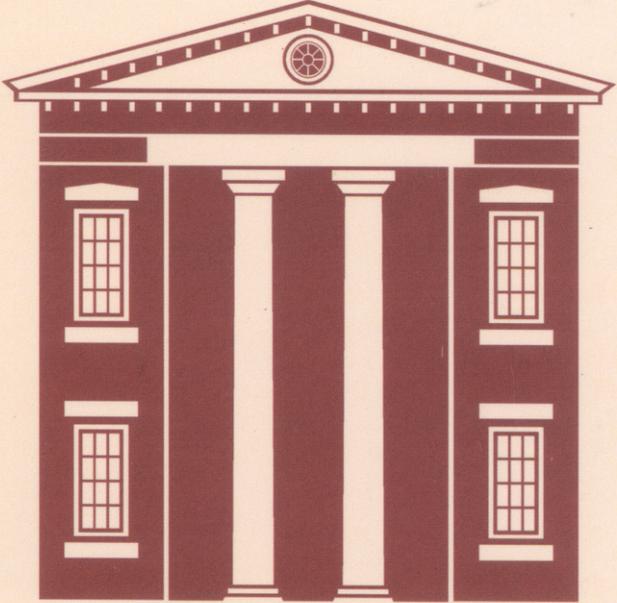
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses				
Governmental Activities:				
Administration	\$ 3,114,153	\$ 3,404,371	\$ 3,202,068	\$ 3,046,735
Community Development *	1,821,213	-	-	
Public Safety - Police	9,150,887	8,898,817	8,896,808	8,812,511
Public Safety - Fire	7,212,291	6,744,682	6,925,232	6,503,886
Parks & Community Services	5,999,749	5,867,659	5,714,379	5,744,533
Public Works *	4,186,559	6,017,134	6,113,748	7,621,379
Library	2,403,239	2,117,872	2,600,356	2,081,313
Economic Development	536,124	485,052	609,814	474,430
General Government	4,283,723	2,339,200	2,942,788	3,163,220
Interest expense	525,341	1,658,589	1,265,618	1,160,564
Total Governmental Activities Expenses	<u>39,233,279</u>	<u>37,533,376</u>	<u>38,270,811</u>	<u>38,608,571</u>
Business-Type Activities:				
Wastewater	7,294,741	7,422,265	7,082,311	7,030,478
Water	7,345,574	7,780,492	7,753,095	7,843,223
Benicia Marina	594,863	479,098	564,182	419,517
Transit	1,370,621	1,165,705	1,005,375	72,047
Total Business-Type Activities Expenses	<u>16,605,799</u>	<u>16,847,560</u>	<u>16,404,963</u>	<u>15,365,265</u>
Total Primary Government Expenses	<u>\$ 55,839,078</u>	<u>\$ 54,380,936</u>	<u>\$ 54,675,774</u>	<u>\$ 53,973,836</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Administration	\$ 41,724	\$ 16,863	\$ 50,305	\$ 17,817
Community Development	771,524	-	-	
Public Safety - Police	200,824	202,345	155,331	236,101
Public Safety - Fire	425,753	171,946	44,626	44,897
Parks & Community Services	1,687,534	1,707,119	1,181,041	1,106,889
Public Works	265,001	1,123,401	577,489	774,391
Library	186,595	158,938	144,819	101,045
Economic Development	30	52	320	-
General Government	316,230	422,926	667,848	284,818
Operating Grants and Contributions	2,909,497	2,751,185	2,299,326	3,322,456
Capital Grants and Contributions	-	868,271	4,350,257	1,714,778
Total Government Activities Program Revenues	<u>6,804,712</u>	<u>7,423,046</u>	<u>9,471,362</u>	<u>7,603,192</u>
Business-Type Activities:				
Charges for Services:				
Wastewater	6,897,189	6,522,329	6,620,605	6,543,982
Water	6,772,607	6,610,587	6,379,255	6,569,607
Benicia Marina	323,034	318,767	307,916	141,842
Transit	153,573	84,520	88,486	-
Operating Grants and Contributions	599,934	809,348	782,879	70,128
Capital Grants and Contributions	2,000,000	-	-	-
Total Business-Type Activities Program Revenue	<u>16,746,337</u>	<u>14,345,551</u>	<u>14,179,141</u>	<u>13,325,559</u>
Total Primary Government Program Revenues	<u>\$ 23,551,049</u>	<u>\$ 21,768,597</u>	<u>\$ 23,650,503</u>	<u>\$ 20,928,751</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (32,428,567)	\$ (30,110,330)	\$ (28,799,449)	\$ (31,005,379)
Business-Type Activities	140,538	(2,502,009)	(2,225,822)	(2,039,706)
Total Primary Government Net Expense	<u>\$ (32,288,029)</u>	<u>\$ (32,612,339)</u>	<u>\$ (31,025,271)</u>	<u>\$ (33,045,085)</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 3,118,013	\$ 2,924,434	\$ 3,448,980	\$ 4,959,201	\$ 4,217,323	\$ 4,560,565
1,935,323	3,747,043	1,649,255	2,130,335	1,831,203	1,563,805
8,229,298	8,077,408	7,560,181	7,817,517	9,322,788	11,096,614
6,362,097	6,115,013	6,220,950	8,154,710	7,716,881	8,241,007
5,631,017	5,767,977	5,325,886	5,498,189	6,069,250	5,733,687
3,076,360	1,556,413	4,986,057	4,771,504	6,613,923	6,179,886
1,927,951	1,976,200	1,755,531	2,326,530	2,079,165	2,172,746
647,573	488,870	460,622	899,096	710,024	497,125
3,077,915	2,948,133	851,090	798,993	235,455	180,571
1,588,003	1,387,936	1,410,138	1,336,569	2,345,357	897,815
<u>35,593,550</u>	<u>34,989,427</u>	<u>33,668,690</u>	<u>38,692,644</u>	<u>41,141,369</u>	<u>41,123,821</u>
7,181,756	7,012,560	6,905,007	8,172,784	9,060,845	9,362,519
7,289,049	7,746,457	9,308,351	8,097,701	8,993,593	10,536,424
600,429	572,931	580,231	582,394	633,550	513,443
-	-	-	-	-	-
<u>15,071,234</u>	<u>15,331,948</u>	<u>16,793,589</u>	<u>16,852,879</u>	<u>18,687,988</u>	<u>20,412,386</u>
<u>\$ 50,664,784</u>	<u>\$ 50,321,375</u>	<u>\$ 50,462,279</u>	<u>\$ 55,545,523</u>	<u>\$ 59,829,357</u>	<u>\$ 61,536,207</u>
\$ 15,908	\$ 26,391	\$ 22,690	\$ 5,935	\$ 20,259	\$ 120,593
	437,529	683,873	610,671	545,626	863,228
177,489	392,556	175,251	499,701	345,379	426,313
85,498	189,670	291,107	456,057	234,714	518,703
1,104,054	1,591,878	1,623,642	1,654,462	1,775,994	1,685,586
727,631	121,677	170,062	141,411	325,450	658,717
48,360	71,080	72,842	71,019	71,601	179,159
-	-	-	-	-	-
300,401	407,560	335,528	353,818	371,572	-
3,239,730	1,959,337	2,625,160	1,969,791	1,690,512	1,791,033
500,000	1,820,481	776,561	1,228,558	468,073	-
<u>6,199,071</u>	<u>7,018,159</u>	<u>6,776,716</u>	<u>6,991,423</u>	<u>5,849,180</u>	<u>6,243,332</u>
7,186,846	8,030,511	8,499,089	8,674,971	9,004,873	10,567,478
7,358,983	7,760,079	8,973,777	8,786,778	10,187,339	10,993,586
320,803	315,602	326,109	318,837	326,316	334,033
-	-	-	-	-	-
190,231	72,160	67,900	78,164	82,978	77,480
-	435,409	-	-	-	-
<u>15,056,863</u>	<u>16,613,761</u>	<u>17,866,875</u>	<u>17,858,750</u>	<u>19,601,506</u>	<u>21,972,577</u>
<u>\$ 21,255,934</u>	<u>\$ 23,631,920</u>	<u>\$ 24,643,591</u>	<u>\$ 24,850,173</u>	<u>\$ 25,450,686</u>	<u>\$ 28,215,909</u>
\$ (29,394,479)	\$ (27,971,268)	\$ (26,891,974)	\$ (31,701,221)	\$ (35,292,189)	\$ (34,880,489)
(14,371)	1,281,813	1,073,286	1,005,871	913,518	1,560,191
<u>\$ (29,408,850)</u>	<u>\$ (26,689,455)</u>	<u>\$ (25,818,688)</u>	<u>\$ (30,695,350)</u>	<u>\$ (34,378,671)</u>	<u>\$ (33,320,298)</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 13,812,912	\$ 13,266,103	\$ 12,974,217	\$ 13,447,764
Sales Tax	7,688,775	7,196,964	6,854,911	6,888,750
Utility Users Tax	4,413,428	4,938,585	5,027,163	5,087,381
Franchise Fees	1,851,511	1,292,872	1,570,184	1,598,206
Other Taxes	747,468	1,189,561	1,362,982	1,435,854
Motor Vehicle in Lieu	2,059,561	1,951,715	1,942,991	1,908,529
Investment Earnings	851,097	358,210	269,344	195,064
Gain from Disposal of Capital Assets	-	30,415	156	20,734
Miscellaneous				
Transfers	30,415	-	(284,486)	(71,980)
Total Government Activities	<u>31,455,167</u>	<u>30,224,425</u>	<u>29,717,462</u>	<u>30,510,302</u>
Business-Type Activities:				
Interest Earnings	1,151,428	429,139	273,576	196,287
Gain (Loss) from Disposal of Capital Assets	5,598	-	2,558	(236,152)
Transfers	(30,415)	(30,415)	284,486	71,980
Total Business-Type Activities	<u>1,126,611</u>	<u>398,724</u>	<u>560,620</u>	<u>32,115</u>
Total Primary Government	<u>\$ 32,581,778</u>	<u>\$ 30,623,149</u>	<u>\$ 30,278,082</u>	<u>\$ 30,542,417</u>
Change in Net Assets				
Governmental Activities	\$ (973,400)	\$ 114,095	\$ 918,013	\$ (495,077)
Business-Type Activities	1,267,149	(2,103,285)	(1,665,202)	(2,007,591)
Total Primary Government	<u>\$ 293,749</u>	<u>\$ (1,989,190)</u>	<u>\$ (747,189)</u>	<u>\$ (2,502,668)</u>

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 11,835,074	\$ 14,960,814	\$ 15,843,353	\$ 16,254,148	\$ 17,003,131	\$ 20,040,594
7,873,396	7,100,073	7,789,308	12,040,536	11,388,283	12,604,790
4,825,055	4,739,792	4,318,066	4,594,385	4,515,825	4,642,195
1,637,825	1,859,241	2,200,664	2,079,543	2,148,659	2,173,140
2,913,592	1,087,893	1,070,045	1,106,213	1,204,737	1,238,623
1,822,267	11,915	11,510	11,172	12,320	14,580
-92	98,392	216,322	380,381	180,174	493,564
	10,631	187			76,795
		99,463	662,398	117,189	136,593
(671,209)	(100,100)	(209,275)	15,725	(209,275)	66,974
<u>30,235,908</u>	<u>29,768,651</u>	<u>31,339,643</u>	<u>37,144,501</u>	<u>36,361,043</u>	<u>41,487,848</u>
48,860	227,924	194,435	313,557	85,824	190,670
1,388	-	-	-	-	-
671,209	100,100	209,275	(15,725)	209,275	(66,974)
<u>721,457</u>	<u>328,024</u>	<u>403,710</u>	<u>297,832</u>	<u>295,099</u>	<u>123,696</u>
<u>\$ 30,957,365</u>	<u>\$ 30,096,675</u>	<u>\$ 31,743,353</u>	<u>\$ 37,442,333</u>	<u>\$ 36,656,142</u>	<u>\$ 41,611,544</u>
\$ 841,429	\$ 1,797,383	\$ 4,447,669	\$ 5,443,280	\$ 1,068,854	\$ 6,607,359
707,086	1,609,837	1,476,996	1,303,703	1,208,617	1,683,887
<u>\$ 1,548,515</u>	<u>\$ 3,407,220</u>	<u>\$ 5,924,665</u>	<u>\$ 6,746,983</u>	<u>\$ 2,277,471</u>	<u>\$ 8,291,246</u>

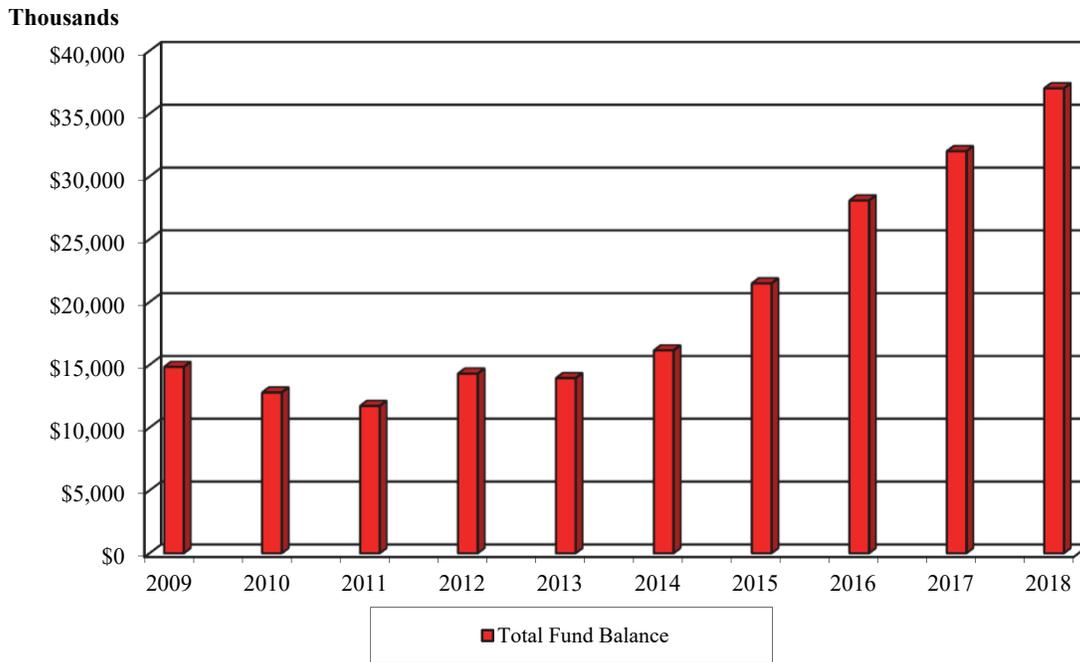


THE CITY OF
BENICIA
CALIFORNIA

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

Fiscal Year	Property Tax	Sales Tax	Utility Users Tax	Other Taxes	Total
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
2017	17,003,131	11,388,283	4,515,825	3,353,396	36,260,635
2018	20,040,594	12,604,790	4,642,195	1,238,623	38,526,202

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



	At June 30			
	2009	2010	2011	2012
General Fund				
Reserved	\$ 627,687	\$ 560,871	\$ -	\$ -
Unreserved	5,662,297	5,384,445	-	-
Nonspendable	-	-	2,143,040	636,667
Restricted	-	-	128,430	162,961
Committed	-	-	2,999,973	3,106,627
Assigned	-	-	200,471	358,928
Unassigned	-	-	(72,371)	2,792,694
Total General Fund	\$ 6,289,984	\$ 5,945,316	\$ 5,399,543	\$ 7,057,877
All Other Governmental Funds				
Reserved	\$ 1,759,627	\$ 2,414,901	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	3,406,367	3,639,961	-	-
Capital project funds	3,379,820	800,599	-	-
Nonspendable	-	-	1,475	-
Restricted	-	-	5,429,411	4,984,800
Committed	-	-	2,612,563	2,618,151
Unassigned	-	-	(1,713,546)	(355,839)
Total all other governmental funds	\$ 8,545,814	\$ 6,855,461	\$ 6,329,903	\$ 7,247,112

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

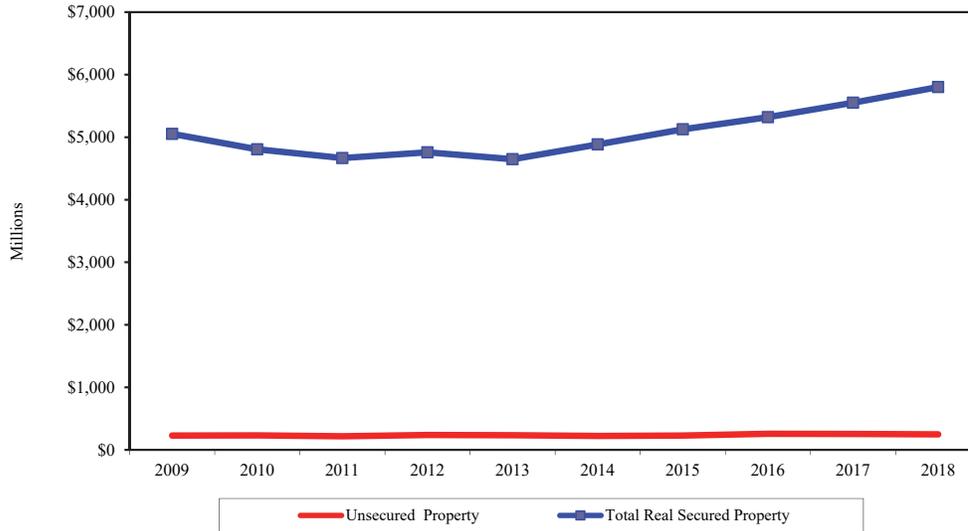
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
30,750	30,750	767,860	650,604	740,384	775,112
203,047	189,581	176,891	157,593	141,859	141,859
3,097,360	3,146,027	6,604,104	8,701,436	8,652,234	8,652,234
1,054,192	5,976,428	1,208,003	1,702,927	1,841,497	1,841,497
3,943,937	233,218	3,204,454	3,909,481	6,750,750	12,747,582
<u>\$ 8,329,286</u>	<u>\$ 9,576,004</u>	<u>\$ 11,961,312</u>	<u>\$ 15,122,041</u>	<u>\$ 18,126,724</u>	<u>\$ 24,158,284</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,404,805	5,018,601	6,566,573	9,619,366	11,091,501	9,668,121
1,480,824	1,555,616	3,211,578	3,351,668	2,895,151	3,194,982
-272,217	(805)	(251,573)	(7,369)	(99,139)	-
<u>\$ 5,613,412</u>	<u>\$ 6,573,412</u>	<u>\$ 9,526,578</u>	<u>\$ 12,963,665</u>	<u>\$ 13,887,513</u>	<u>\$ 12,863,103</u>

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

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Revenues				
Taxes	\$ 29,080,090	\$ 27,896,749	\$ 27,698,473	\$ 28,289,246
Licenses, permits and fees	323,241	320,466	315,208	277,267
Fines and forfeitures	115,596	105,391	99,898	184,084
Use of money and property	1,003,453	587,040	701,264	514,674
Intergovernmental revenues	4,451,238	4,855,610	5,200,591	4,931,453
Charges for services	2,344,817	2,234,871	1,485,991	1,507,509
Other	492,841	1,651,482	1,933,329	2,446,893
Total Revenues	37,811,276	37,651,609	37,434,754	38,151,126
Expenditures				
Current:				
Administration	2,975,571	3,365,557	3,101,146	2,978,057
Community development	2,268,403	-	-	-
Public Safety - Police	8,544,690	8,970,286	8,568,999	8,425,574
Public Safety - Fire	6,974,688	6,779,441	6,555,355	6,193,806
Parks & Community Services	5,672,170	5,482,353	5,371,171	5,097,677
Public Works	2,220,756	4,615,700	2,825,598	2,412,189
Library	2,322,259	2,134,589	2,158,850	2,019,269
Economic Development	517,268	493,857	458,470	443,384
General	4,187,891	2,418,903	2,641,205	2,863,369
Capital outlay	4,883,976	4,356,489	7,080,488	9,872,108
Debt service:				
Principal repayment	734,049	770,542	807,565	5,435,150
Interest and fiscal charges	451,063	429,328	471,211	1,138,271
Refunding bonds issuance costs	-	-	-	98,550
Total Expenditures	41,752,784	39,817,045	40,040,058	46,977,404
Excess (deficiency) of revenues over (under) expenditures	(3,941,508)	(2,165,436)	(2,605,304)	(8,826,278)
Other Financing Sources (Uses)				
Transfers in	3,448,918	1,926,107	2,521,117	3,331,208
Transfers (out)	(3,428,503)	(1,795,692)	(2,805,603)	(3,933,188)
State water resources loans	-	-	-	-
General obligation bonds issued	-	-	-	-
Capital lease issued	-	-	-	-
Proceeds from bonds issuance	-	-	13,195,000	-
Bond issue costs	-	-	(235,368)	-
Refunding bonds issued	-	-	-	4,270,000
Discount on bond	-	-	(12,328)	-
Discount on refunding bonds issued	-	-	-	(21,350)
Contribution from other entity/land owners	-	-	-	-
Sale of capital assets	-	-	156	20,734
Total other financing sources (uses)	20,415	130,415	12,662,974	3,667,404
Net Change in fund balances	\$ (3,921,093)	\$ (2,035,021)	\$ 10,057,670	\$ (5,158,874)
Debt service as a percentage of noncapital expenditures	3.2%	3.4%	3.9	17.7%

	2013	2014	2015	2016	2017	2018
\$	28,246,659	\$ 30,053,333	\$ 31,649,100	\$ 36,502,489	\$ 36,687,899	\$ 41,127,006
	331,830	391,987	531,474	480,554	458,696	796,643
	125,016	92,633	82,198	102,280	112,172	202,246
	347,451	562,568	553,513	907,017	599,581	714,398
	4,853,473	3,366,221	2,847,632	2,199,299	1,636,742	1,711,236
	1,620,508	1,792,391	1,887,502	2,282,367	2,165,041	2,572,513
	1,587,488	627,336	745,778	1,580,731	736,670	419,174
	<u>37,112,425</u>	<u>36,886,469</u>	<u>38,297,197</u>	<u>44,054,737</u>	<u>42,396,801</u>	<u>47,543,216</u>
	2,989,783	3,288,675	4,427,640	4,490,769	4,345,176	5,185,170
	1,351,994	1,032,179	1,287,113	1,508,851	1,439,367	1,556,053
	8,381,295	8,495,411	8,410,085	8,862,878	8,989,937	10,586,462
	6,490,519	6,449,095	6,870,350	7,482,750	7,211,065	7,696,924
	5,160,108	5,407,167	5,579,622	5,520,405	5,758,553	5,728,426
	1,486,669	1,484,907	2,302,990	2,630,397	2,808,321	3,579,865
	1,961,284	2,027,067	2,093,511	2,175,008	2,215,440	2,401,567
	653,720	537,493	572,719	744,460	720,893	624,625
	2,821,213	2,899,981	722,030	528,144	25,710	42,926
	3,434,964	2,604,625	2,057,354	2,067,089	5,546,128	4,038,173
	993,334	937,139	966,668	991,759	819,648	927,689
	135,505	129,355	102,611	74,043	71,585	75,402
	-	-	-	-	-	-
	<u>35,860,388</u>	<u>35,293,094</u>	<u>35,392,693</u>	<u>37,076,553</u>	<u>39,951,823</u>	<u>42,443,282</u>
	1,252,037	1,593,375	2,904,504	6,978,184	2,444,978	5,099,934
	2,285,097	498,129	134,750	620,645	320,645	3,148,633
	(3,196,613)	(598,229)	(390,537)	(1,001,012)	(744,942)	(3,241,659)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	1,907,850	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	10,631	187	-	-	242
	<u>(911,516)</u>	<u>(89,469)</u>	<u>(255,600)</u>	<u>(380,367)</u>	<u>1,483,553</u>	<u>(92,784)</u>
\$	<u>340,521</u>	<u>\$ 1,503,906</u>	<u>\$ 2,648,904</u>	<u>\$ 6,597,817</u>	<u>\$ 3,928,531</u>	<u>\$ 5,007,150</u>
	3.5%	3.5%	3.2%	3.0%	2.7%	2.7%

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



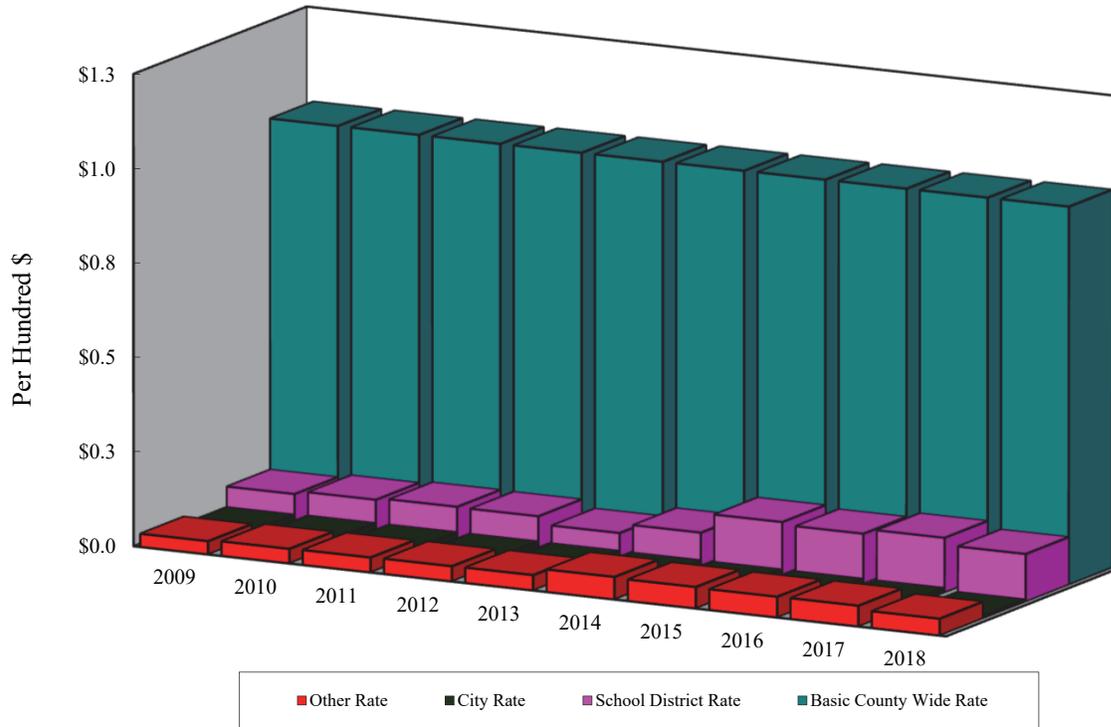
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2009	\$3,068,156,685	\$176,210,305	\$1,509,076,085	\$70,419,724	\$4,823,862,799	\$229,137,903	\$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%
2017	3,404,967,491	206,276,891	1,618,061,212	66,992,516	5,296,298,110	254,806,049	5,551,104,159	5,551,104,159	0.24918%
2018	3,576,788,524	203,705,500	1,694,433,733	77,785,547	5,552,713,304	249,234,056	5,801,947,360	5,801,947,360	0.25950%

Source: Solano County Assessor 2008/09 - 2017/18 Combined Tax Rolls

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

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

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



Fiscal Year	City Direct Rate	Overlapping Rates:				Total Direct Rate
		Basic County Wide Rate	School District Rate	City Rate	Other Rate	
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
2017	0.31932	1.0000	0.1448	0.0125	0.0550	1.2123
2018	0.31932	1.0000	0.1259	0.0058	0.0444	1.1761

Source: Solano County Auditor-Controller's Office

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

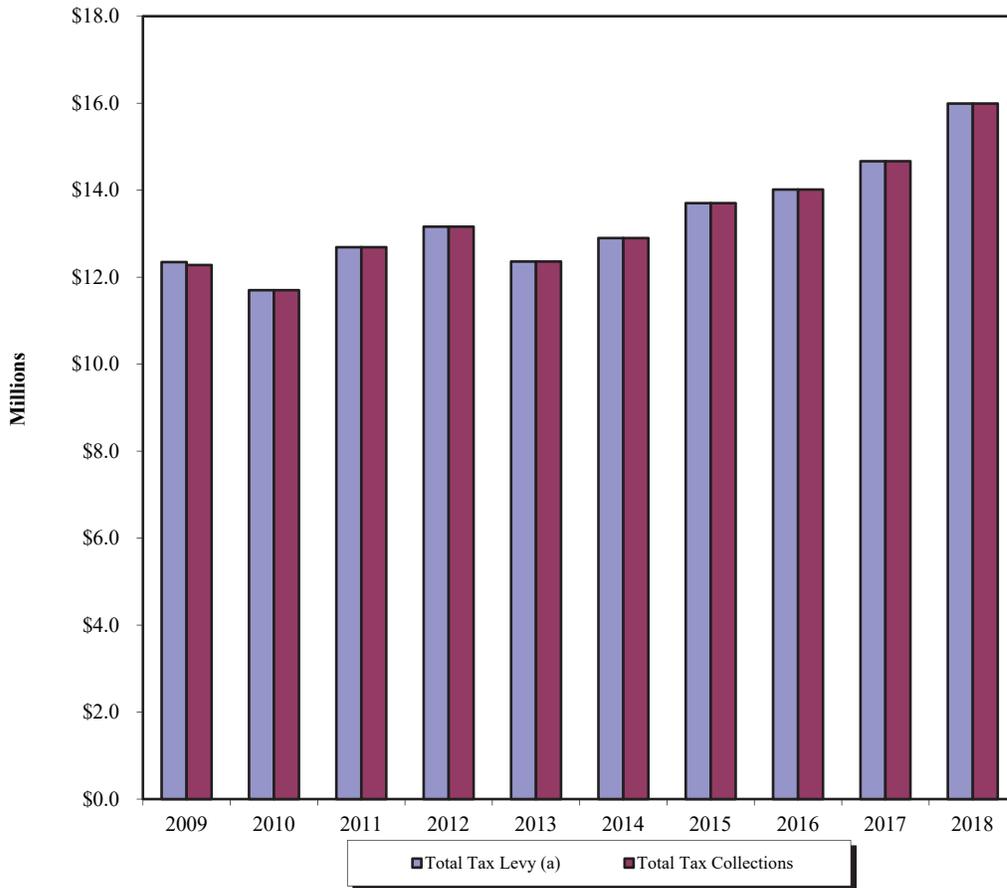
<u>Taxpayer</u>	<u>2017-2018</u>			<u>2008-2009</u>		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
VALERO REFINING COMPANY CALIFORNIA	\$ 1,050,946,479	1	18.11%	\$ 923,239,604	1	18.27%
ICON OWNER POOL 1 SF N-B P LLC	138,577,950	2	2.39%			
BENICIA INDUSTRIES INC	77,984,364	3	1.34%	66,578,271	3	1.32%
TULLOCH CONSTRUCTION INC.	31,459,629	4	0.54%	21,618,899	7	0.43%
WRI WEST GATE SOUTH LP	28,093,229	5	0.48%			
GONSALVES AND SANTUCCI INC.	27,898,347	6	0.48%			
CLUB PACIFICA LLC	24,564,427	7	0.42%	21,625,473	6	0.43%
TULLOCH CORPORATION	19,583,833	8	0.34%			
5001 LLC	14,709,922	9	0.25%	12,997,222	10	0.26%
CRANBROOK REALTY INVESTMENT FU	14,700,000	10	0.25%			
WALTON CWCA				169,932,000	2	3.36%
WRI GOLDEN STATE LLC				24,822,277	4	0.49%
SPK INDUSTRIAL PORTFOLIO LLC				22,414,500	5	0.44%
PPF IND 4701-4799 IND WY LP				15,130,038	8	0.30%
MP BENICIA LOGISTICS LLC				13,563,452	9	0.27%
Total	<u><u>\$ 1,428,518,180</u></u>		<u><u>24.62%</u></u>	<u><u>\$ 1,291,921,736</u></u>		<u><u>25.57%</u></u>

Total Net Assessed Valuation:

Fiscal Year 2017-2018	\$5,801,947,360
Fiscal Year 2008-2009	\$5,053,000,702

Source: HdL, Coren & Cone Report

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



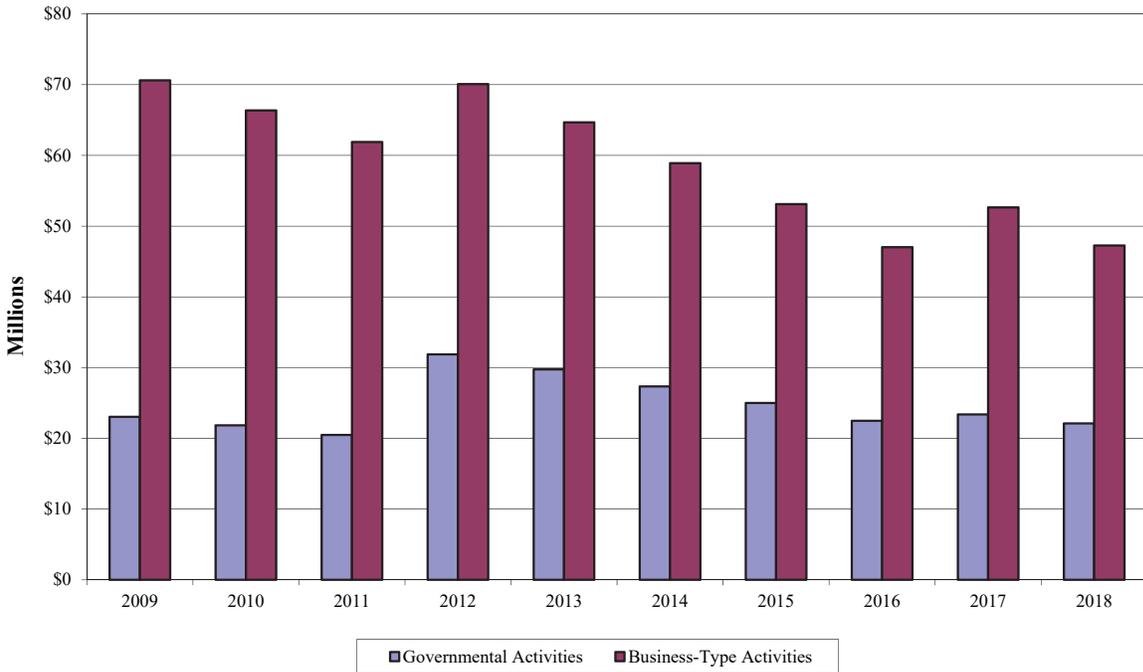
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
2009	\$ 12,346,920	\$ 12,280,522	99.4622%	\$ 12,280,522	99.4622%
2010 *	11,701,913	11,701,913	100.0000%	11,701,913	100.0000%
2011 *	12,689,250	12,689,250	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%
2017 *	14,665,965	14,665,965	100.0000%	14,665,965	100.0000%
2018 *	15,992,768	15,992,768	100.0000%	15,992,768	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
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	20,480,830
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
2017	1,005,000	7,762,706	2,624,334	11,989,158	23,381,198
2018	335,000	7,701,537	2,324,037	11,753,834	22,114,408

Business-Type Activities

Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Loans Payable	Lease Purchase	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2009	\$ 7,040,101	\$ 3,461,801	\$37,065,133	\$ -	\$ 47,567,035	\$ 70,606,338	6.22%	\$ 2,524
2010	6,358,639	3,201,466	34,967,876	-	44,527,981	66,363,347	6.05%	2,362.86
2011	5,661,631	2,931,130	32,820,100	-	41,412,861	61,893,691	5.29%	2,282.38
2012	4,934,118	2,650,795	30,624,276	-	38,209,189	70,076,457	6.26%	2,603.23
2013	4,186,139	2,365,459	28,377,285	-	34,928,883	64,671,644	5.59%	2,380.87
2014	3,407,718	2,070,123	26,090,472	-	31,568,313	58,905,016	5.07%	2,145.59
2015	2,598,877	1,759,788	23,750,423	-	28,109,088	53,105,946	4.40%	1,917.94
2016	1,754,631	1,439,452	21,355,786	-	24,549,869	47,029,397	3.90%	1,710.10
2017	890,000	1,104,116	18,905,171	8,366,073	29,265,360	52,646,558	4.22%	1,900.94
2018	-	753,777	16,397,150	7,993,313	25,144,240	47,258,648	3.53%	1,709.73

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	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2009	\$ 6,100,000	\$ 13,676,377	\$ 19,776,377	0.39%	\$ 706.88
2010	5,590,000	13,273,493	18,863,493	0.39%	671.63
2011	5,055,000	12,758,370	17,813,370	0.38%	656.88
2012	4,270,000	12,148,201	16,418,201	0.35%	609.91
2013	3,575,000	11,451,726	15,026,726	0.32%	553.21
2014	2,950,000	10,668,519	13,618,519	0.28%	496.05
2015	2,310,000	9,787,852	12,097,852	0.24%	436.92
2016	1,660,000	8,826,105	10,486,105	0.20%	381.30
2017	1,005,000	7,762,706	8,767,706	0.16%	316.58
2018	335,000	7,701,537	8,036,537	0.14%	290.75

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, 2018**

2017-18 Assessed Valuation \$ 5,801,947,360

	Total Debt 6/30/2018	Percentage Applicable (1)	City's Share of Debt 6/30/2018
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Solano County Community College District	\$ 287,589,164	11.539%	\$ 33,184,914
Benicia Unified School District	62,089,623	99.301%	61,655,617
City of Benicia	335,000	100%	335,000
City of Benicia 1915 Act Bonds	7,083,317	100%	<u>7,083,317</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			<u>102,258,848</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	73,795,000	11.119%	8,205,266
Solano County Pension Obligation Bonds	26,085,000	11.119%	2,900,391
Solano County Board of Education Certificates of Participation	365,000	11.119%	40,584
Solano County Community College District Certificates of Participation	9,141,724	11.539%	1,054,864
Benicia Unified School District General Fund Obligations	2,500,000	99.301%	2,482,525
City of Benicia Certificates of Participation	14,077,871	100%	14,077,871 (2)
City of Benicia Pension Obligations	7,701,537	100%	<u>7,701,537</u> (3)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 36,463,038
TOTAL DIRECT DEBT			22,114,408
TOTAL OVERLAPPING DEBT			<u>116,607,478</u>
COMBINED TOTAL DEBT			<u><u>\$ 138,721,886</u></u> (4)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Includes capital leases in the amount of \$2,323,758.

(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 2017-18 ASSESSED VALUATION:

Direct Debt (\$335,000)	0.01%
Total Direct and Overlapping Tax and Assessment Debt	1.76%
Total Direct Debt (\$22,114,408)	0.38%
Combined Total Debt	2.39%

Source: California Municipal Statistics, Inc., and City of Benicia

**CITY OF BENICIA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2018**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$ 5,552,713,304</u>
---	-------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$ 208,226,749</u>
---	-----------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$ 20,544,148
Less Revenue Bonds, Certificate of Participation not subject to limit	<u>20,209,148</u>

Amount of debt subject to limit	<u>335,000</u>
---------------------------------	----------------

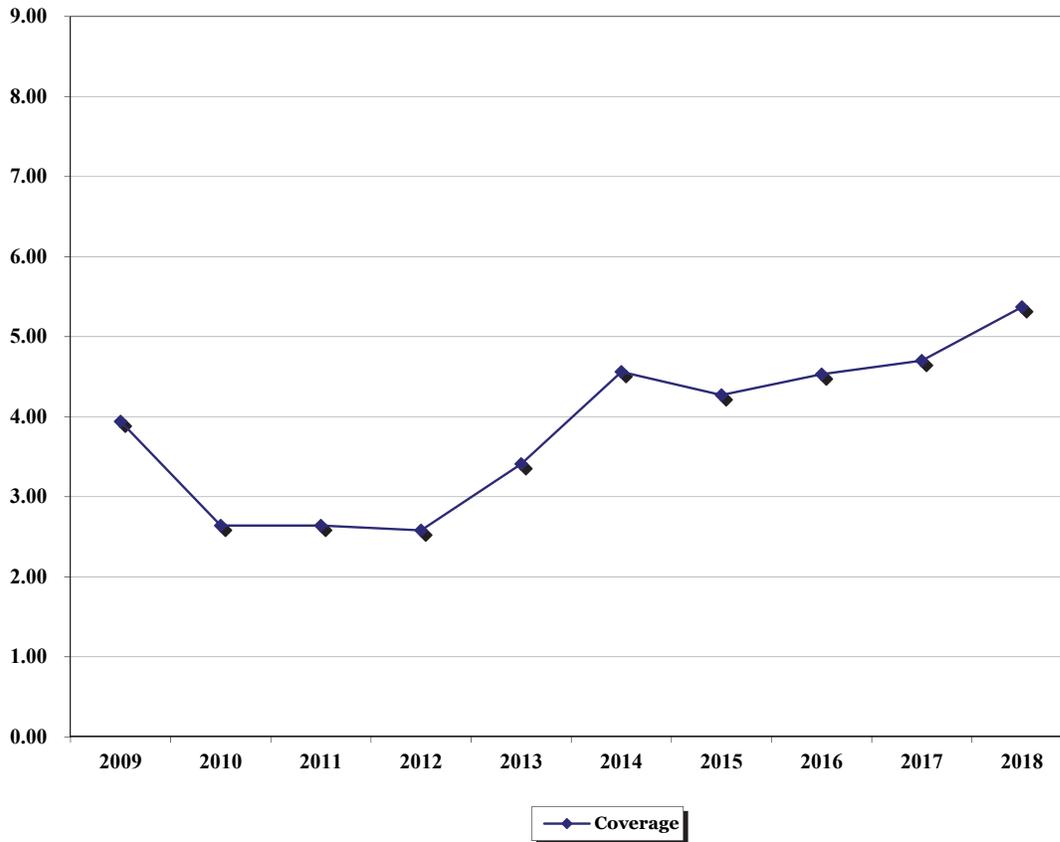
LEGAL BONDED DEBT MARGIN	<u>\$ 207,891,749</u>
--------------------------	-----------------------

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
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%
2017	197,606,179	1,005,000	196,601,179	0.51%
2018	207,891,749	335,000	207,556,749	0.16%

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)**

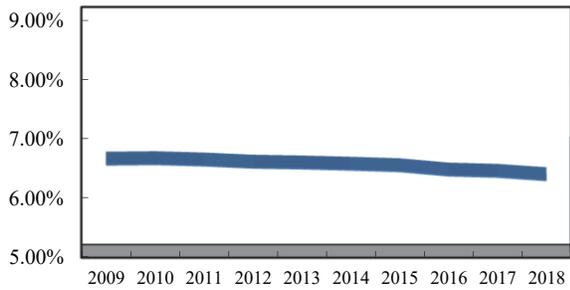


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 14,804	\$ 9,536	\$ 5,268	\$ 925	\$ 413	\$ 1,338	3.94
2010	13,540	10,014	3,526	950	385	1,335	2.64
2011	13,253	9,736	3,517	975	356	1,331	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
2017	19,266	13,094	6,172	1,205	109	1,314	4.70
2018	21,737	14,741	6,996	1,245	57	1,302	5.37

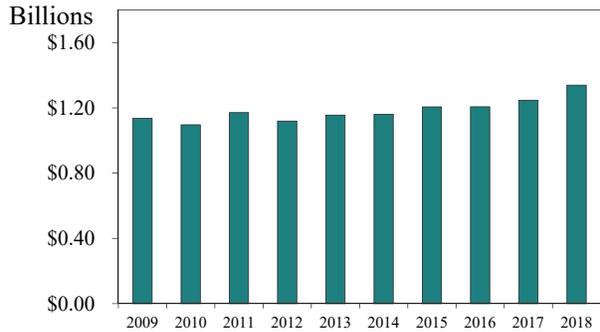
Notes: (1) Includes all Water & Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
 (2) Includes all Water & Wastewater Operating Expenses less Depreciation and Interest

Source: City of Benicia

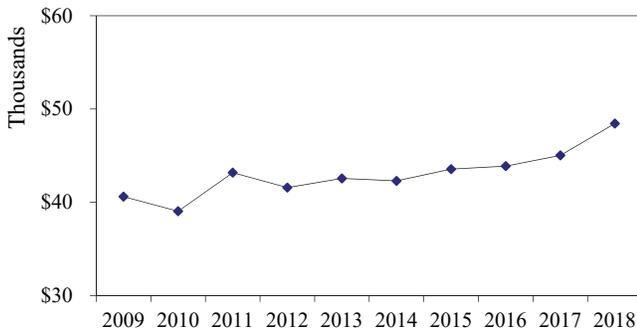
**CITY OF BENICIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**



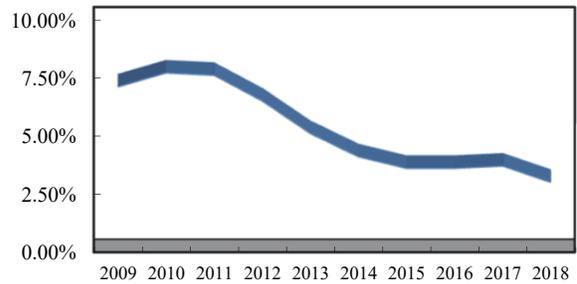
Series I



Total Personal Income



Per Capita Personal Income



Unemployment Rate (%)

Calendar Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	County Population	City Population % of County
2009	27,977	\$ 1,135,950,131	\$ 40,603	7.1%	426,729	6.56%
2010	28,086	1,096,561,698	39,043	7.7%	427,837	6.56%
2011	27,118	1,170,846,768	43,176	7.6%	414,509	6.54%
2012	26,919	1,119,103,587	41,573	6.5%	413,786	6.51%
2013	27,163	1,156,057,280	42,560	5.1%	418,387	6.49%
2014	27,454	1,161,166,930	42,295	4.1%	424,233	6.47%
2015	27,689	1,206,105,151	43,559	3.6%	429,552	6.45%
2016	27,501	1,206,661,377	43,877	3.6%	431,498	6.37%
2017	27,695	1,247,022,765	45,027	3.7%	436,023	6.35%
2018	27,641	1,339,012,963	48,443	3.0%	439,102	6.29%

Sources:

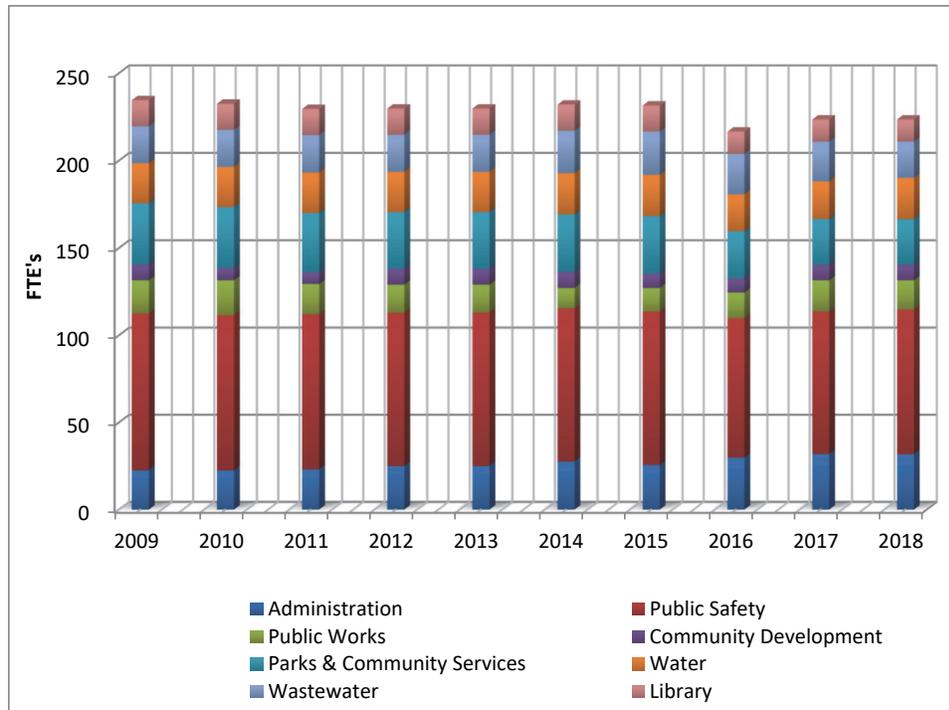
California State Department of Finance
California Employment Development Department
HdL, Coren & Cone

CITY OF BENICIA
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2017-18</u>			<u>2008-09</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Valero	450	1	1.6%	531	1	1.9%
Benicia Unified School District	367	2	1.3%	465	2	1.7%
Dunlop Manufacturing	235	3	0.9%	209	4	0.8%
City of Benicia	224	4	0.8%	234	3	0.9%
Bio-Rad Laboratories Inc.	212	5	0.8%	197	5	0.7%
Pro-form Laboratories	193	6	0.7%			
Coca Cola Bottling Co.	191	7	0.7%	145	7	0.5%
Team Industrial Services Inc	182	8	0.7%			
Central Coast Wine Co	159	9	0.6%			
Molecule Labs, Inc.	151	10	0.5%			
Safway Services LLC	148		0.5%			
Cytosport				187	6	0.7%
Clean Harbors Environmental						
APS West Coast, Inc.	127		0.5%	131	8	0.5%
Radiator Express Warehouse Inc.				130	9	0.5%
Philip Services Corp.				128	10	0.5%
Subtotal	<u>2,639</u>		<u>9.6%</u>	<u>2,357</u>		<u>8.6%</u>
Total City Day Population	<u>27,571</u>			<u>27,319</u>		

Source: City of Benicia Budget and City of Benicia Business Data, Economic Development

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



	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
Administration	22.50	22.50	23.00	25.00	25.00	27.50	25.60	29.75	31.75	31.75
Public Safety	90.00	89.00	89.00	88.00	88.00	88.00	88.00	80.00	82.00	83.00
Public Works	18.95	19.95	17.35	16.03	16.03	11.65	13.55	14.75	17.75	16.70
Community Development	9.00	7.00	6.67	8.97	8.97	9.00	8.00	8.00	9.00	9.00
Parks & Community Services	35.00	35.00	34.00	32.50	32.50	33.00	33.00	27.00	26.00	26.00
Water	22.95	22.95	23.16	23.05	23.05	23.60	23.60	21.15	21.55	23.65
Wastewater	21.10	21.10	21.31	21.20	21.20	24.25	24.75	23.15	22.70	20.65
Library	15.00	15.00	15.00	15.00	15.00	15.00	15.00	12.75	12.75	12.75
Total	<u>234.50</u>	<u>232.50</u>	<u>229.49</u>	<u>229.75</u>	<u>229.75</u>	<u>232.00</u>	<u>231.50</u>	<u>216.55</u>	<u>223.50</u>	<u>223.50</u>

Source: City of Benicia

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

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Public safety:				
Fire:				
Fire calls for service	2,243	2,122	2,067	2,238
Primary fire inspections conducted (estimate)	1,074	935	750	690
Police:				
Police calls for Service***	17,302	27,029	14,536	12,422
Law violations:				
Physical arrests (adult and juvenile)	838	836	866	734
Traffic violations	3,671	2,546	2,346	2,394
Parking violations	434	237	230	206
Public Works				
Street resurfacing (miles)	-	5	0.8	8.9
Potholes repaired (cubic feet) *	1,200	1,764	1,395	953
Parks & Community Services:				
Community Services:				
Recreation class programs	773	800	820	1,104
Recreation class participants**	8,291	8,560	9,137	10,126
Library:				
Volumes in Collection	107,756	106,965	106,264	109,436
Total Volumes Borrowed	371,581	384,056	384,134	433,264
Water				
Water service connections	9,506	9,557	9,547	9,434
Water main breaks	14	33	10	15
Average daily consumption (thousands of gallons)	4,209	3,540	3,808	3,714
Wastewater				
Storm drain inlets	2,040	2,040	2,040	2,040
Sewer service connections	9,243	9,261	9,278	9,277
Sewer main blockages	51	46	27	24
Average daily treatment (thousands of gallons)	2,195	2,280	2,433	2,370

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.

**In 2018 a new Point of Sale system was implemented in Parks and Recreation. The new system allows for counting all participants in the drop in program.

***2018-2019 includes dispatch calls for service received from Cal Maritime.

Fiscal Year

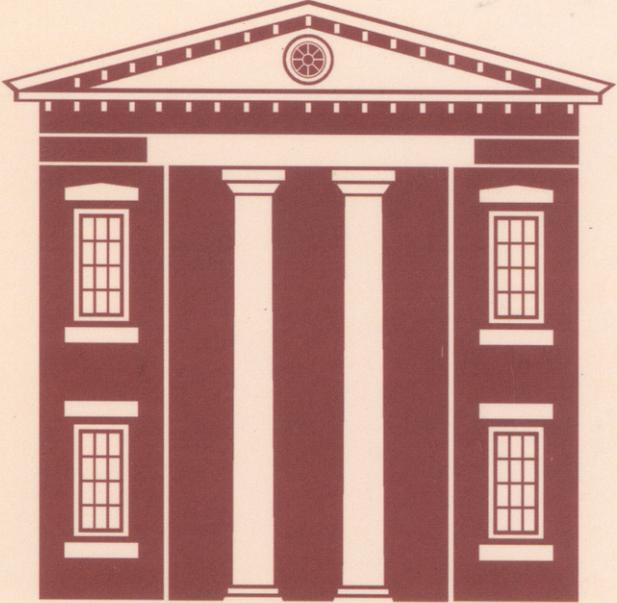
2013	2014	2015	2016	2017	2018
2,208	2,180	2,346	2,465	2,579	2,523
401	398	331	877	621	935
18,867	17,557	13,027	18,560	22,003	29,177
614	602	562	671	704	741
1,296	1,239	775	758	1,525	1,545
77	148	134	230	273	235
1.3	2.8	0.8	-	7.0	6.7
999	420	467	644	6,288	3,132
971	986	1,177	1,180	1,132	1,331
9,546	9,071	9,701	9,800	9,035	37,547
99,608	104,546	105,441	103,864	108,894	97,253
474,472	490,984	457,210	431,687	312,060	268,847
9,827	9,682	9,698	9,687	9,710	9,522
21	18	26	40	23	27
4,062	4,014	3,129	2,593	2,687	3,165
2,040	2,040	2,040	2,040	2,040	2,040
9,283	9,185	9,197	9,181	9,204	9,223
34	23	12	14	10	6
2,180	2,110	2,018	1,967	2,106	2,106

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

Function/Program	Fiscal Year			
	2009	2010	2011	2012
Public safety:				
Fire stations	2	2	2	2
Police stations	1	1	1	1
Police patrol units	13	12	12	11
Public works				
Miles of streets	97	97	97	97
Street lights	2,100	2,232	2,232	2,232
Traffic Signals	10	10	11	11
Parks and recreation:				
Community services:				
City parks	36	36	36	36
City parks acreage	214	214	214	214
Recreation centers	2	2	2	2
Senior citizen centers	1	1	1	1
Regional park acreage	577	577	577	577
Library:				
City libraries	1	1	1	1
Water				
Miles of water mains	160	160	160	160
Fire hydrants	1,427	1,430	1,428	1,429
Maximum daily capacity (millions of gallons)	12	12	12	12
Wastewater				
Miles of sanitary sewers	150	150	150	150
Miles of storm drains	78	78	78	78
Number of treatment plants	1	1	1	1

Source: City of Benicia

Fiscal Year						
2013	2014	2015	2016	2017	2018	
2	2	2	2	2	2	2
1	1	1	1	1	1	1
13	13	13	13	13	13	13
97	97	97	97	97	97	97
2,232	2,232	2,232	2,232	2,358	2,358	2,358
11	11	11	11	11	11	11
36	36	36	36	36	36	36
214	214	214	214	214	214	214
2	2	2	2	2	2	2
1	1	1	1	1	1	1
577	577	577	577	577	577	577
1	1	1	1	1	1	1
160	160	160	160	160	160	160
1,449	1,449	1,452	1,452	1,452	1,452	1,452
12	12	12	12	12	12	12
150	150	150	150	150	150	153
78	78	78	78	78	78	78
1	1	1	1	1	1	1



THE CITY OF
BENICIA
CALIFORNIA