

Fiscal Year Ended

June 30, 2019

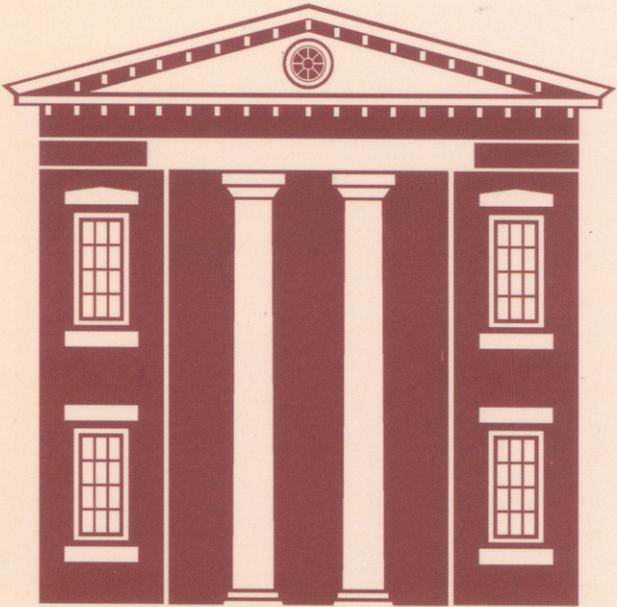
CITY OF BENICIA

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



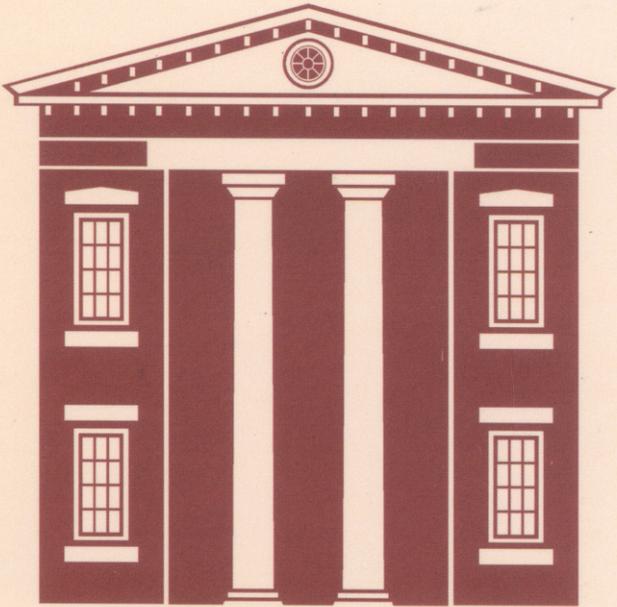
CITY OF BENICIA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Prepared by
FINANCE DEPARTMENT



THE CITY OF
BENICIA
CALIFORNIA

INTRODUCTORY SECTION



THE CITY OF
BENICIA
CALIFORNIA

CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

INTRODUCTORY SECTION:

Table of Contents i

Letter of Transmittal..... v

Municipal Officers x

Mission, Vision and Values xi

Organizational Chart xii

Location Map..... xiii

FINANCIAL SECTION:

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis..... 3

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 18

Statement of Activities..... 19

Fund Financial Statements:

Governmental Funds:

Balance Sheet 22

Reconciliation of the Governmental Funds – Balance Sheet with the Statement
of Net Position 23

Statement of Revenues, Expenditures, and Changes in Fund Balances 24

Reconciliation of the Net Change in Fund Balances – Total Governmental
Funds with the Statement of Activities 25

General Fund Statement of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual 26

Proprietary Funds:

Statement of Net Position 28

Statement of Revenues, Expenses and Changes in Fund Net Position..... 29

Statement of Cash Flows..... 30

CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

FINANCIAL SECTION (Continued):

Fiduciary Funds:

Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33
Notes to Basic Financial Statements	35

Required Supplemental Information:

Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan	80
Schedule of Contributions – Miscellaneous Plan	81
Schedule of the City’s Proportionate Share of the Net Pension Liability – Safety (Police & Fire) Plan.....	82
Schedule of Contributions – Safety (Police & Fire) Plans	83
Schedule of Changes in the Net OPEB Liability and Related Ratios.....	84
Schedule of Contributions – Other Post-employment Benefits Plan.....	85

Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Obligation Debt Service Fund.....	88
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Non-major Governmental Funds:

Combining Balance Sheet.....	92
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances.....	98
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	104

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.....	118

Fiduciary Funds:

Combining Statement of Changes in Assets and Liabilities – All Agency Funds	122
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CITY OF BENICIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

STATISTICAL SECTION:

Net Position by Component – Last Ten Fiscal Years.....125

Changes in Net Position – Last Ten Fiscal Years126

Governmental Activities of Tax Revenues by Source – Last Ten Fiscal Years128

Fund Balances of Governmental Funds – Last Ten Fiscal Years129

Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years.....130

Assessed and Estimated Actual Value of Taxable Property
– Last Ten Fiscal Years.....131

Property Tax Rates – All Direct and Overlapping Governments – Last Ten Fiscal Years132

Principal Property Taxpayers – Current Year and Ten Years Ago133

Property Tax Levies and Collections – Last Ten Fiscal Years134

Ratio of Outstanding Debt by Type – Last Ten Fiscal Years.....135

Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years.....136

Computation of Direct and Overlapping Debt137

Computation of Legal Bonded Debt Margin.....138

Pledged Revenue Coverage, Water and Wastewater Revenue Bonds
– Last Ten Fiscal Years.....139

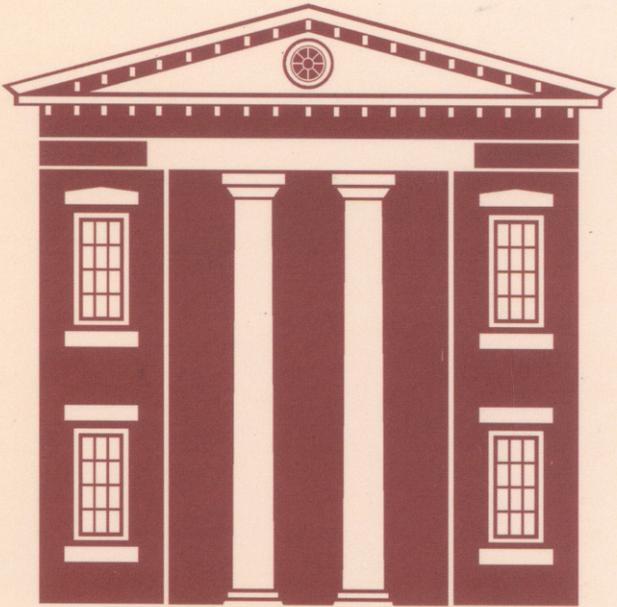
Demographic and Economic Statistics – Last Ten Fiscal Years.....140

Principal Employers – Current Year and Nine Years Ago.....141

Full-Time Equivalent City Government Employees
by Function – Last Ten Fiscal Years142

Operating Indicators by Function/Program – Last Ten Fiscal Years144

Capital Asset Statistics by Function/Program – Last Ten Fiscal Years146



THE CITY OF
BENICIA
CALIFORNIA



January 28, 2020

**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, 2019, 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, 2019. 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.

ELIZABETH PATTERSON, *Mayor*
Members of the City Council
CHRISTINA STRAWBRIDGE, *Vice Mayor* · TOM CAMPBELL · LIONEL LARGAESPADA · STEVE YOUNG

LORIE TINFOW, *City Manager*
KENNETH C. PAULK, *City Treasurer*
LISA WOLFE, *City Clerk*

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. Currently, the Finance Committee meetings are on hold pending Council direction to staff to review ways to increase Finance Committee functionality and benefit to the City.

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 (i.e., property tax, sales tax, utility users tax, etc). The business mix includes industrial and related uses such as petrochemical, 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 40 percent of total General Fund revenues. Benicia's property tax base is 63.2 percent residential, 27.7 percent industrial, and 3.6 percent commercial based on assessed values. Overall, the City's net taxable assessed value increased 2.3 percent during fiscal year 2018-19. During calendar year 2018, the average price of a detached single-family home in Benicia was \$675,461, an increase of 7.2 percent over the prior calendar year. Although the housing market in California remained strong, the number of home sales in Benicia decreased primarily due a low stock of available homes.

Sales tax: Sales tax revenue provides approximately 29.1 percent of the General Fund's total revenue. Excluding Measure C funds, The City's sales tax increased \$0.6 million in 2018-19, or 10.4 percent, compared to fiscal year 2017-18. 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. Additionally, the California Department of Tax and Fee Administration (CDTFA) recently implemented a new taxpayer remittance software. The implementation caused delays in timely remittance of revenues, which can cause fluctuations in sales tax revenue between fiscal years as the CDTFA catches up to the delayed returns. Excluding these aberrations, 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 base. Voters approved Measure C in the November 2014 election, which increased sales tax by one percent in order to maintain City services as well as fund desired infrastructure projects. In 2018-19, the City collected approximately \$6.1 million in Measure C sales tax revenues. Of this total \$3.4 million funded General Fund operations and special projects and \$2.7 million funded capital projects.

Benicia's population is well educated, with 42.2 percent of the 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, and rising tax revenues, 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 increase efficiency and support operations by increasing user fees.

FINANCIAL INFORMATION

Internal Controls: City management is responsible for establishing and maintaining an internal control structure designed to ensure government assets are protected from loss, theft or misuse and 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, 2019, the General Fund reserve balance was at the required level of 20%, which is approximately \$9.2 million.

Long-Term Planning: The City of Benicia started the bi-annual budget process in December 2018 for fiscal years 2019-20 and 2020-21. 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 projects a balanced budget in the General Fund in fiscal years 2019-21. These strategies include increasing the portion of Measure C funds dedicated to supporting operations by a modest 2.8% of total Measure C funds and the use of unassigned reserves for one-time expenses.

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 2018-19 amounted to \$97,376,247 and \$35,884,834 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) awards a Certificate of Achievement for Excellence in Financial Reporting for agencies who publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City has received a Certificate of Achievement report for 26 of the past 27 years. Unfortunately, the report ended June 30, 2018 was not submitted to the GFOA due to delays in completion created by key staff vacancies and implementation of a new enterprise resource program.

The Finance Department Staff believes the current report ended June 30, 2019 conforms to the Certificate of Achievement Program requirements. Staff will submit the report for GFOA's award to demonstrate the City's conformance to the highest level of financial reporting standards.

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my special appreciation to Assistant Finance Director 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,

A handwritten signature in cursive script that reads "Cindy Mosser". The signature is written in black ink and is positioned above the printed name and title.

Cindy Mosser
Finance Director

MUNICIPAL OFFICERS

CITY COUNCIL (Elected)

Elizabeth Patterson, Mayor	2016-2020
Christina Strawbridge, Vice Mayor	2018-2022
Tom Campbell, Council Member	2016-2020
Lionel Largaespada, Council Member	2018-2022
Steve Young, Council Member	2016-2020

OTHER (Elected)

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

FINANCE COMMITTEE (Appointed)-Council Postponed

Paul Gigliotti	January 2021
Joseph Miesch	July 2019
John Potter	January 2019
Eric Sargeson	January 2021
Joshua Wilson	January 2019

APPOINTED OFFICIALS

Lorie Tinfow	City Manager
Benjamin Stock	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

Christina Strawbridge, Vice Mayor

Tom Campbell

Lionel Largaespada

Steve Young

CITY TREASURER

Kenneth Paulk

CITY MANAGER

Lorie Tinfow

CITY ATTORNEY

Benjamin Stock

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

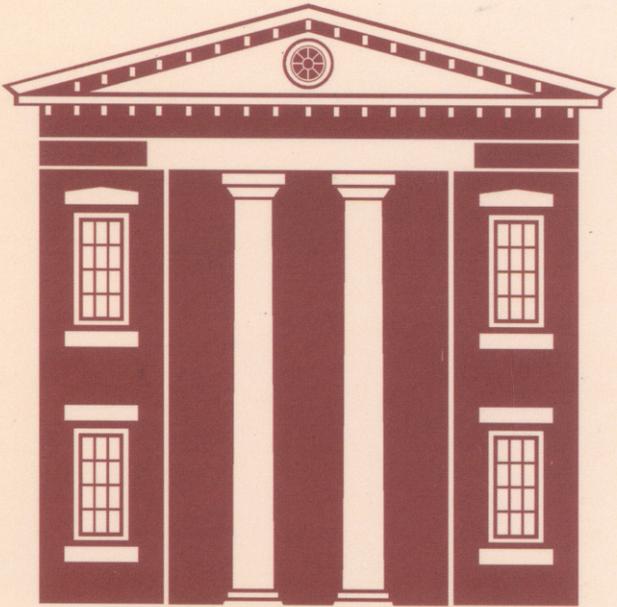
Community Development Director

Shawna Brekke-Read

Location Map

City of Benicia





THE CITY OF
BENICIA
CALIFORNIA

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, 2019, 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, 2019 and the respective changes in the financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2019:

Governmental Accounting Standards Board Statement 88 – *Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements*. See Note 7 to the financial statements for relevant disclosures.

The emphasis of this matter does not constitute a modification of our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information 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, Supplementary 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 Supplementary 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 Supplementary 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
January 23, 2020

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, 2019. 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 \$6.1 million this fiscal year to help maintain City services as well as fund desired infrastructure projects such as street repairs. \$3.4 million paid for the City's operations and the remaining revenue of \$2.7 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 \$194.4 million.
- At the end of fiscal year 2018-19, the General Fund's fund balance totaled \$30.7 million, an increase of \$6.6 million. The increase was primarily due to increases in sales tax and investment earnings coupled with less than anticipated expenditures due to delays in capital projects.
- The City's total debt decreased by \$4.4 million due to the net result of debt maturities during fiscal year 2018-19.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

CITY OF BENICIA
Management's Discussion and Analysis

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

Fund Financial Statements

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

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

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

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

- **Proprietary Funds** - When the City charges customers for services, either to outside customers or to other City departments, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way in which all activities are reported in the Government-wide Financial Statements, using the accrual basis of accounting. The City's enterprise funds are the same as the "business-type activities" reported in the government-wide financial statements, but provide more detail and additional information, such as cash flows for each enterprise fund. The City uses internal service funds to report activities that provide supplies and services to the City's other programs and activities, such as insurance, general services, building and equipment management and the retirement stability funds. Internal Service Funds are reported with "governmental activities" in the Government-wide Financial Statements since services provided predominantly benefit governmental rather than business-type functions.
- **Fiduciary Funds** - The City is the trustee, or fiduciary, for certain funds held on behalf of third parties. The City's fiduciary activities are reported in a separate Statements of Fiduciary Net Assets. These activities are excluded from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations. However, the City is responsible for ensuring that assets reported in these funds are used for their specified purposes.

CITY OF BENICIA Management's Discussion and Analysis

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in both the Government-wide Financial Statements and Fund Financial Statements. The notes to the financial statements can be found on pages 35-78 of this report.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined Net Position for the year ended June 30, 2019 are summarized below.

Summary of Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 56.0	\$ 46.7	\$ 39.3	\$ 34.2	\$ 95.3	\$ 80.9
Capital assets	125.0	127.7	83.1	87.1	208.1	214.8
Total Assets	181.0	174.4	122.4	121.3	303.4	295.7
Deferred outflows of resources	13.1	17.9	1.2	1.6	14.3	19.5
Long-term liabilities outstanding	80.9	82.6	25.4	28.5	106.3	111.1
Other liabilities	8.2	8.4	4.9	5.0	13.1	13.4
Total Liabilities	89.1	91.0	30.3	33.5	119.4	124.5
Deferred inflows of resources	3.6	4.6	0.3	0.3	3.9	4.9
Net Position:						
Net investments in						
capital assets	111.5	114.0	61.4	61.9	172.9	175.9
Restricted	14.5	12.9	-	-	14.5	12.9
Unrestricted	(24.6)	(30.2)	31.6	27.2	7.0	(3.0)
Total Net Position	\$ 101.4	\$ 96.7	\$ 93.0	\$ 89.1	\$ 194.4	\$ 185.8

The largest portion of the City's net position (88.9%) reflects its investment of \$172.9 million in capital assets. The City uses these capital assets to provide services to citizens and are not available for future spending.

CITY OF BENICIA
Management's Discussion and Analysis

Restricted net assets total \$14.5 million (7.5%) and represent total net assets that are subject to external restrictions. The remaining balance of unrestricted net assets totals \$7.0 million (3.6%) and may be used to meet the City's ongoing obligations to its citizens and creditors. Unrestricted net assets for governmental activities reflects a negative amount 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, 2019, is presented below:

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 5.1	\$ 4.5	\$ 22.6	\$ 21.9	\$ 27.7	\$ 26.4
Operating grants and contributions	2.2	1.8	0.1	0.1	2.3	1.9
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	18.5	20.0	-	-	18.5	20.0
Sales taxes	14.3	12.6	-	-	14.3	12.6
Utility users' tax	4.8	4.6	-	-	4.8	4.6
Franchise Fees	2.0	2.2	-	-	2.0	2.2
Other taxes	1.2	1.2	-	-	1.2	1.2
Motor vehicle license fees	-	-	-	-	-	-
Investment earnings	1.7	0.5	0.9	0.2	2.6	0.7
Gain from sale	-	0.1	-	-	-	0.1
Miscellaneous	0.2	0.1	-	-	0.2	0.1
Total Revenues	<u>50.0</u>	<u>47.6</u>	<u>23.6</u>	<u>22.2</u>	<u>73.6</u>	<u>69.8</u>
Expenses:						
Administration	6.5	4.5	-	-	6.5	4.5
Public Safety - Police	11.7	11.1	-	-	11.7	11.1
Public Safety - Fire	9.2	8.2	-	-	9.2	8.2
Parks and Community Services	6.5	5.7	-	-	6.5	5.7
Public Works	5.6	6.2	-	-	5.6	6.2
Community Development	1.6	1.6	-	-	1.6	1.6
Library	2.3	2.2	-	-	2.3	2.2
Economic Development	0.5	0.5	-	-	0.5	0.5
General Government	0.2	0.2	-	-	0.2	0.2
Interest on long-term debt	0.9	0.9	-	-	0.9	0.9
Wastewater	-	-	9.2	9.4	9.2	9.4
Water	-	-	10.2	10.5	10.2	10.5
Benicia Marina	-	-	0.6	0.5	0.6	0.5
Total Expenses	<u>45.0</u>	<u>41.1</u>	<u>20.0</u>	<u>20.4</u>	<u>65.0</u>	<u>61.5</u>
Increase in net assets before transfers	5.0	6.5	3.6	1.8	8.6	8.3
Transfers	<u>(0.3)</u>	<u>0.1</u>	<u>0.3</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>
Increase in net position	4.7	6.6	3.9	1.7	8.6	8.3
Net position - beginning	<u>96.7</u>	<u>90.1</u>	<u>89.1</u>	<u>87.4</u>	<u>185.8</u>	<u>177.5</u>
Net position - ending	<u>\$ 101.4</u>	<u>\$ 96.7</u>	<u>\$ 93.0</u>	<u>\$ 89.1</u>	<u>\$ 194.4</u>	<u>\$ 185.8</u>

CITY OF BENICIA Management's Discussion and Analysis

Governmental Activities

Total resources available during the year to finance governmental operations were \$146.3 million consisting of Net Position at July 1, 2018 of \$96.7 million, program revenues of \$7.3 million and general revenues and transfers of \$42.3 million.

The cost of all governmental activities for fiscal year 2018-19 totaled \$44.9 million. The largest governmental programs include Public Safety - both Police and Fire, followed by Administration and Parks and Community Services. The amount that was paid by those who directly benefited from governmental programs was \$5.1 million, while operating and capital grants and contributions paid for \$2.2 million of total costs. The City paid for the remaining "public benefit" portion of governmental activities with taxes and investment earnings.

The following table shows the Net Cost of Governmental Activities, which totaled \$37.6 million.

Net Cost of Governmental Activities

	Expenses	Program Revenues	Net Revenue (Expense) of Activities
Administration	\$ 6,487,670	\$ 304,273	\$ (6,183,397)
Public Safety - Police	11,666,246	908,841	(10,757,405)
Public Safety - Fire	9,191,539	876,676	(8,314,863)
Parks and Community Services	6,467,431	1,777,135	(4,690,296)
Public Works	5,631,831	1,854,932	(3,776,899)
Community Development	1,566,616	1,367,550	(199,066)
Library	2,297,867	170,516	(2,127,351)
Economic Development	537,434	-	(537,434)
General Government	165,098	-	(165,098)
Interest on long-term debt	864,186	-	(864,186)
Total	\$ 44,875,918	\$ 7,259,923	\$ (37,615,995)

CITY OF BENICIA
Management's Discussion and Analysis

Business-type Activities

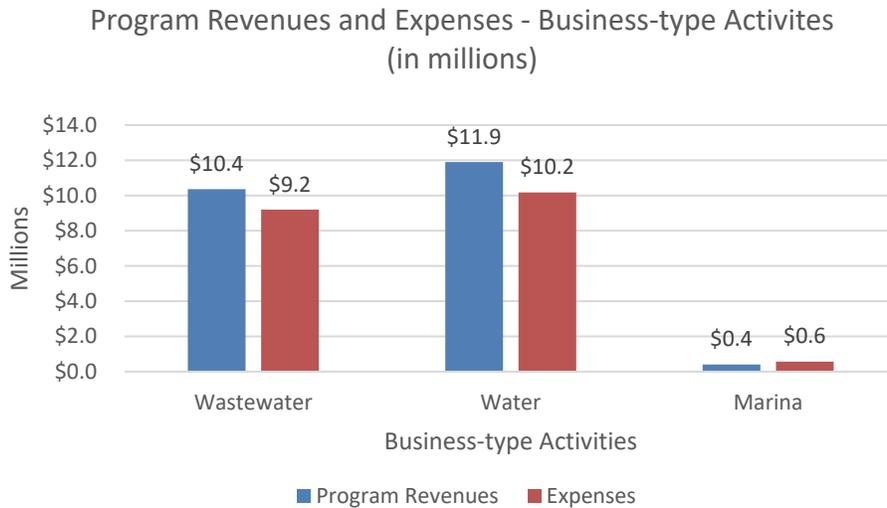
Total resources available during the year to finance Business-Type Activities were \$111.8 million consisting of Net Position at July 1, 2018, of \$89.1 million, program revenues of \$22.6 million and general revenues of \$0.1 million.

The cost of all Business-Type activities for fiscal year 2018-19 was \$19.9 million. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems totaled \$22.6 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	\$ 9,198,416	\$ 10,360,101	\$ 1,161,685
Water	10,175,634	11,900,413	1,724,779
Benicia Marina	569,445	405,747	(163,698)
Total	\$ 19,943,495	\$ 22,666,261	\$ 2,722,766

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, 2019, of \$45.2 million, an increase of \$8.2 million in comparison with the prior year, primarily due to increases in sales tax and investment earnings, as well as the positive reversal of a prior year end fair value accounting adjustment coupled with less than anticipated expenditures as a result of delays in capital projects.

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 2018-19 the total fund balance of the General Fund increased \$6.6 million, to \$30.7 million. The reserve requirement adopted by the Council falls under Committed Fund Balance of \$9.2 million (20% of operating revenues) for Emergency Reserve, and Contingency Reserve.

CITY OF BENICIA
Management's Discussion and Analysis

General Fund – Revenue and Expenditure Analysis

General Fund revenues for fiscal year 2018-19 were \$45.8 million, an increase of \$1.8 million (4.2 percent) compared to the prior fiscal year. The following table compares General Fund revenues for the past two fiscal years followed by key information:

	Fiscal Year 2018-19	Fiscal Year 2017-18	Variance Over/(Under) Last Year	% of Increase (Decrease) Over Prior Year	% of Total
Property taxes	18,447,866	19,595,383	(1,147,517)	-5.9%	40.3%
Sales taxes	13,299,330	11,895,722	1,403,608	11.8%	29.1%
Utility users' taxes	4,777,814	4,642,195	135,619	2.9%	10.4%
Franchise tax	1,954,908	2,173,140	(218,232)	-10.0%	4.3%
Other taxes	1,242,730	1,238,623	4,107	0.3%	2.7%
Licenses and permits	1,237,397	796,643	440,754	55.3%	2.7%
Fines and forfeitures	291,761	202,246	89,515	44.3%	0.6%
Use of money and property	1,383,345	620,368	762,977	123.0%	3.0%
Revenue from other agencies	352,055	181,117	170,938	94.4%	0.8%
Current service charges	2,516,350	2,419,330	97,020	4.0%	5.5%
Community donations	45,931	40,069	5,862	14.6%	0.1%
Other	230,567	125,319	105,248	84.0%	0.5%
Total Revenues	<u>45,780,054</u>	<u>43,930,155</u>	<u>1,849,899</u>	<u>4.2%</u>	<u>100.0%</u>

- Sales tax revenue increased \$1.4 million due to increases in sales tax growth. The City's sales tax is primarily driven by business and industry. However, the City experienced growth across other categories during the fiscal year. Additionally, the State's implementation of a new remittance software has caused delays in the timely remittance of revenue, causing fluctuations between fiscal years.
- Use of money and property increased \$0.8 million primarily due to an increase in investment earnings as well as the positive reversal of a prior year end fair value accounting adjustment.
- Licenses and permits increased \$0.4 million primarily due to an increase in construction permits and the implementation of cannabis permits.
- Property taxes decreased \$1.1 million (5.9 percent) primarily due to a non-recurring receipt of \$1.7 million in the prior year related to Valero's appeal for reduced assessment valuation. Excluding the non-recurring receipt, property tax increased approximately \$0.5 million (3.0 percent) due to an increase in assessed valuations.

General Fund expenditures for fiscal year 2018-19 were \$36.1 million, an increase of \$1.5 million (4.2 percent) compared to the prior fiscal year. The table on the following page compares General Fund expenditures for the past two fiscal year, followed by key information:

CITY OF BENICIA
Management's Discussion and Analysis

Comparison of General Fund Expenditures

	Fiscal Year 2018-19	Fiscal Year 2017-18	Variance Over/(Under) Last Year	% of Increase (Decrease) Over Prior Year	% of Total
Current:					
Administration	5,749,077	5,067,088	681,989	13.5%	15.9%
Public safety - police	9,936,704	9,199,299	737,405	8.0%	27.5%
Public safety - fire	8,118,547	7,696,924	421,623	5.5%	22.5%
Parks and community services	5,345,012	5,155,178	189,834	3.7%	14.8%
Public works	2,816,749	2,917,171	(100,422)	-3.4%	7.8%
Community development	1,549,795	1,488,574	61,221	4.1%	4.3%
Library	1,417,611	1,339,001	78,610	5.9%	3.9%
Economic development	532,241	624,625	(92,384)	-14.8%	1.5%
General	65,749	42,926	22,823	53.2%	0.2%
Capital outlay	255,771	801,676	(545,905)	-68.1%	0.7%
Debt services:					
Principal	264,674	257,689	6,985	2.7%	0.7%
Interest and fiscal charges	60,042	67,027	(6,985)	-10.4%	0.2%
Total Expenditures	<u>36,111,972</u>	<u>34,657,178</u>	<u>1,454,794</u>	<u>4.2%</u>	<u>100.0%</u>

- Administration expenditures increased \$0.7 million (13.5 percent) primarily due to increases in salary and benefits and professional and contractual services.
- Police expenditures increased \$0.7 million (8.0 percent) primarily due to increases in salary and benefit costs, including an increase in safety pension costs.
- Fire expenditures increased \$0.4 million (5.5 percent) primarily due to an increase in safety pension costs.
- Capital outlay expenditures decreased primarily due to non-recurring expenditures in the prior year for vehicles and street maintenance.
- Public works expenditures decreased primarily due to primarily due to a decrease in professional and technical services related to a delay in capital projects

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 \$10.3 million in user fees to maintain the system. The fund has \$44.9 million in capital assets, net of accumulated depreciation, financed with \$4.8 million of long-term debt. The fund made debt service payments of \$2.4 million during the year. The net position increased by \$1.6 million compared to an increase of \$1.4 million in the prior year. The net \$0.2 million increase was primarily due to a \$0.4 million increase in investment earnings and a \$0.1 million decrease in transfers out, offset by a net increase of \$0.2 million for salary and benefits, maintenance and operations, and materials and supplies. Increases in fund balance are set aside for future capital project needs to maintain and replace vital infrastructure.

CITY OF BENICIA
Management's Discussion and Analysis

Water Fund – The City's water utility fund collected \$11.4 million in user fees to sustain the system. The system has \$36.6 million in capital assets, net of accumulated depreciation, financed with \$11.5 million of long-term debt. The fund made \$1.4 million in debt service payments for the year. The net position increased by \$2.1 million compared to an increase of \$0.4 million in the prior year. The net \$1.6 million increase was primarily due to an increase of \$0.6 million in charges for services, \$0.3 million in interest income, and \$0.4 million from the Valero Good Neighbor Steering Committee Agreement settlement.

Benicia Marina – The City's Marina collected \$0.3 million in user fees to support its operating and debt service costs. The Marina has \$1.6 million in capital assets, net of accumulated depreciation, financed with \$1.9 million of long-term debt. Debt service payments for the year were \$0.3 million. The fund receives support from the General Fund. General Fund support to the Marina totaled \$0.2 million for fiscal year 2018-19. The City continues to evaluate options for a long-term operating solution.

GENERAL FUND BUDGETARY HIGHLIGHTS

City Council may revise the City budget over the course of the year. 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 2018-19 was the second year of a two-year budget. The original budget for 2018-19 was developed in early 2017. Major differences between the original and final revenue and expenditure budgets are highlighted below and on the following page.

The original budget for the General Fund revenues was \$38.8 million. Final budgeted revenues totaled \$41.1 million, an increase of \$2.3 million. The main components of the increase in the original revenue budget are as follows:

- \$1.5 million increase in property tax revenue due to increase in property valuations.
- \$0.4 million increase in licenses and permits.
- \$0.1 million increase in other revenue due to a non-recurring loan repayment receipt.
- \$0.1 million increase in other taxes for business license tax and transient occupancy tax.
- \$0.1 million increase in current service charges related to engineering and inspections.

Actual revenues exceeded final budgeted revenues by \$4.6 million in fiscal year 2018-19. The actual revenues were higher than budgetary estimates primarily due to an increase of \$2.0 million in sales tax as a result of sales tax growth and conservative budget estimates, \$0.9 million increase in the use of money and property due to an increase in the City's investment yield and the positive reversal of a prior year end fair value accounting adjustment, and \$0.7 million increase due to conservative budget estimates for plan processing fees for Community Development and reimbursable overtime for Fire.

The original budget for the General Fund expenditures were estimated at \$38.2 million. Final budgeted expenditures totaled \$40.4 million, an increase of \$2.2 million. The main components of the increase in the original expenditure budget are as follows:

- \$1.4 million increase in maintenance and operation encumbrance carryovers across all departments.
- \$0.2 million increase in utility and professional contracted services expenditures for Parks and Community Services.
- \$0.2 million increase in professional contracted services for Public Works.

CITY OF BENICIA Management's Discussion and Analysis

- \$0.1 million increase in City Attorney expenditures for associated with litigation and cannabis.
- \$0.1 million increase in reimbursable overtime for Fire.
- \$0.1 million increase related to the addition of a police officer for Police.
- \$0.1 million increase related to the addition of an associate planner for Community Development.

Actual expenditures were less than final budgeted expenditures by \$4.3 million in fiscal year 2018-19. The actual expenditures were lower than budgetary estimates primarily due to salaries and benefits savings of \$1.6 million as a result of position vacancies and staff turnover, less than anticipated expenditures of \$1.3 million in professional and contractual services, \$0.4 million in cost allocations, \$0.1 million in supplies and materials, and \$0.1 million in utilities and other expenses.

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, 2019, net capital assets of the governmental activities totaled \$125.1 million and the net capital assets of the business-type activities totaled \$83.1 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, 2019:

	Capital Assets							
	(in millions)							
	Governmental Activities		Business-type Activities		Total			
	2019	2018	2019	2018	2019	2018		
Land	\$ 18.5	\$ 18.5	\$ 2.6	\$ 2.6	\$ 21.1	\$ 21.1		
Buildings & Improvements	28.4	28.4	91.5	91.5	119.9	119.9		
Machinery & Equipment	14.1	11.8	9.8	9.8	23.9	21.6		
Infrastructure	159.7	159.7	86.6	86.6	246.3	246.3		
Construction in Progress	0.7	1.6	0.5	0.1	1.2	1.7		
Water Rights	-	-	5.0	5.0	5.0	5.0		
Total Capital Assets	221.4	220.0	196.0	195.6	417.4	415.6		
Accumulated Depreciation	(96.4)	(92.3)	(112.9)	(108.5)	(209.3)	(200.8)		
Net Assets	\$ 125.0	\$ 127.7	\$ 83.1	\$ 87.1	\$ 208.1	\$ 214.8		

Major capital assets added during fiscal year 2018-19 included the purchase of an aerial apparatus, two Type 3 brush units and an emergency generator for fire, four vehicles and two motorcycles for police, and Francesca Terrace playground equipment. Additions to Construction in Progress included the library re-roof and expansion of the women's locker room facility.

CITY OF BENICIA Management's Discussion and Analysis

Additional information on the City's capital assets can be found in Note 6 on pages 52-54 of this report.

DEBT ADMINISTRATION

The City uses a variety of indebtedness to finance various capital acquisitions. At June 30, 2019, the City's long-term debt outstanding was \$42.8 million. Of this amount, \$21.1 million was in governmental activities and \$21.7 was in business-type activities. The City's governmental activities decreased by \$1.0 million, and business-type activities decreased by \$3.4 million.

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 \$16 per capita from \$292 to \$276 from the previous fiscal year.

The following is a summary of the City's long-term debt obligations at June 30, 2019:

Long-term Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ -	\$ 0.3	\$ -	\$ -	\$ -	\$ 0.3
Pension Obligation Bonds	7.6	7.7	-	-	7.6	7.7
Certificates of Participation	11.5	11.8	-	-	11.5	11.8
Capital Lease	2.0	2.3	7.5	8.0	9.5	10.3
Utility Revenue Bonds	-	-	0.4	0.8	0.4	0.8
Loans Payable	-	-	13.8	16.3	13.8	16.3
Total Indebtedness	\$ 21.1	\$ 22.1	\$ 21.7	\$ 25.1	\$ 42.8	\$ 47.2

Additional information on the City's long-term debt can be found in Note 7 on pages 55-61 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

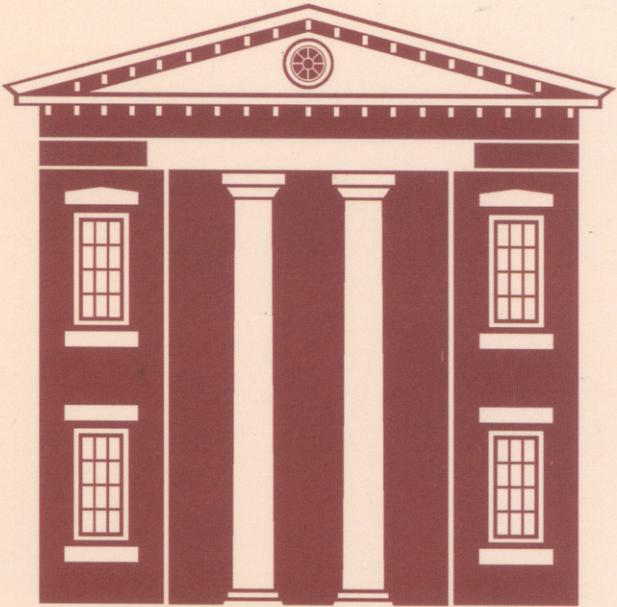
The City prepares a biennial budget which focuses on long-term financial viability and allows decision-makers to better understand the on-going impact of current policy decisions. Through the budget, the Council sets the direction of the City, including allocating resources and establishing priorities. For fiscal year 2018-19, 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 Water Fund attributable to Council-approved rate increases. Council voted not to implement Wastewater rate increases in fiscal year 2018-19.

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.

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

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, 2019

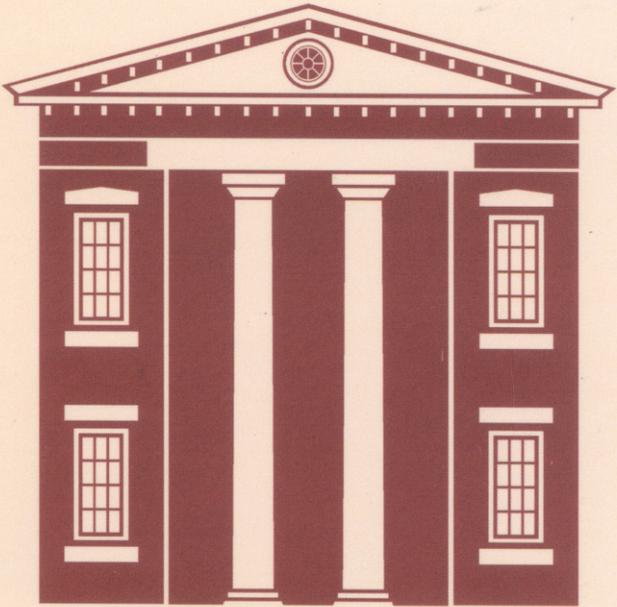
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments available for City operations (Note 3)	\$47,875,653	\$32,156,533	\$80,032,186
Restricted cash and investments held by fiscal agents (Note 3)	1,970,814	378	1,971,192
Accounts receivable	3,492,691	4,962,044	8,454,735
Interest receivable	162,279	108,914	271,193
Materials, parts and supplies (Note 1H)	9,694	800,370	810,064
Prepaid items (Note 1H)	57,403	75,000	132,403
Lease receivable		267,226	267,226
Loans receivable (Note 5)	2,418,870	845,000	3,263,870
Capital assets (Note 6):			
Non-depreciable	19,244,288	3,021,927	22,266,215
Depreciable, net of accumulated depreciation	105,813,510	80,123,058	185,936,568
Total Assets	<u>181,045,202</u>	<u>122,360,450</u>	<u>303,405,652</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension (Note 10)	12,984,686	1,176,200	14,160,886
Related to OPEB (Note 11)	82,761	18,216	100,977
Total Deferred Outflows of Resources	<u>13,067,447</u>	<u>1,194,416</u>	<u>14,261,863</u>
LIABILITIES			
Accounts payable	1,548,893	621,604	2,170,497
Accrued payroll	93,239		93,239
Customer and performance deposits	1,096,207	187,037	1,283,244
Interest payable	89,887	170,923	260,810
Unearned revenue		129,908	129,908
General liability claims (Note 12):			
Due within one year	124,741		124,741
Workers compensation claims (Note 12):			
Due within one year	222,623		222,623
Due in more than one year	2,927,781		2,927,781
Accrued compensated absences (Note 1G):			
Due within one year	872,904	260,028	1,132,932
Due in more than one year	308,350		308,350
Long-term debt (Note 7):			
Due within one year	926,936	3,526,077	4,453,013
Due in more than one year	20,213,630	18,188,199	38,401,829
Net Pension Liability, due in more than one year (Note 10)	57,475,107	6,394,291	63,869,398
Total OPEB Obligation, due in more than one year (Note 11)	3,201,245	783,854	3,985,099
Total Liabilities	<u>89,101,543</u>	<u>30,261,921</u>	<u>119,363,464</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension (Note 10)	3,537,359	263,556	3,800,915
Related to OPEB (Note 11)	64,572	16,152	80,724
Total Deferred Inflows of Resources	<u>3,601,931</u>	<u>279,708</u>	<u>3,881,639</u>
NET POSITION (Note 8)			
Net investments in capital assets	111,533,644	61,430,709	172,964,353
Restricted for:			
Capital projects	2,938,244		2,938,244
Debt service	199,243	378	199,621
Special revenue projects	8,351,073		8,351,073
Landscaping and lighting	557,205		557,205
Library	759,817		759,817
Open space	479,007		479,007
Community services	1,222,006		1,222,006
Total Restricted Net Position	<u>14,506,595</u>	<u>378</u>	<u>14,506,973</u>
Unrestricted	(24,631,064)	31,582,150	6,951,086
Total Net Position	<u>\$101,409,175</u>	<u>\$93,013,237</u>	<u>\$194,422,412</u>

See accompanying notes to financial statements

CITY OF BENICIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

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	\$6,487,670	\$255,008	\$49,265	(\$6,183,397)		(\$6,183,397)
Public safety - police	11,666,246	563,479	345,362	(10,757,405)		(10,757,405)
Public safety - fire	9,191,539	560,006	316,670	(8,314,863)		(8,314,863)
Parks and community services	6,467,431	1,775,140	1,995	(4,690,296)		(4,690,296)
Public works	5,631,831	455,869	1,399,063	(3,776,899)		(3,776,899)
Community development	1,566,616	1,367,550		(199,066)		(199,066)
Library	2,297,867	87,245	83,271	(2,127,351)		(2,127,351)
Economic development	537,434			(537,434)		(537,434)
General government	165,098			(165,098)		(165,098)
Interest on long-term debt	864,186			(864,186)		(864,186)
Total Governmental Activities	44,875,918	5,064,297	2,195,626	(37,615,995)		
Business-type Activities:						
Wastewater	9,198,416	10,360,101			\$1,161,685	1,161,685
Water	10,175,634	11,900,413			1,724,779	1,724,779
Benicia Marina	569,445	327,234	78,513		(163,698)	(163,698)
Total Business-type Activities	19,943,495	22,587,748	78,513		2,722,766	2,722,766
Total	\$64,819,413	\$27,652,045	\$2,274,139	(37,615,995)	2,722,766	(34,893,229)
General revenues:						
Taxes:						
Property taxes				18,469,252		18,469,252
Sales taxes				14,261,749		14,261,749
Utility users' tax				4,777,814		4,777,814
Franchise tax				1,954,908		1,954,908
Other taxes				1,242,730		1,242,730
Motor vehicle in-lieu, unrestricted				39,862		39,862
Investment earnings				1,668,253	932,702	2,600,955
Miscellaneous				175,714		175,714
Gain from sale of capital assets						
Transfers, net (Note 4)				(251,091)	251,091	
Total general revenues and transfers				42,339,191	1,183,793	43,522,984
Change in Net Position				4,723,196	3,906,559	8,629,755
Net Position-Beginning				96,685,979	89,106,678	185,792,657
Net Position-Ending				\$101,409,175	\$93,013,237	\$194,422,412

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 2019. 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, 2019

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments available for				
City operations (Note 3)	\$26,156,488	\$198,569	\$13,152,704	\$39,507,761
Restricted cash (Note 3)	1,958,598			1,958,598
Accounts receivable	2,747,908		521,711	3,269,619
Interest receivable	97,948	674	36,240	134,862
Due from other funds (Note 4B)	511,915			511,915
Prepaid items (Note 1H)	26,934			26,934
Loans receivable (Note 5)	731,440		1,687,430	2,418,870
Total Assets	<u>\$32,231,231</u>	<u>\$199,243</u>	<u>\$15,398,085</u>	<u>\$47,828,559</u>
LIABILITIES				
Accounts payable	\$1,123,000		\$299,230	\$1,422,230
Accrued payroll	93,239			93,239
Customer deposits	299,704		791,503	1,091,207
Total Liabilities	<u>1,515,943</u>		<u>1,090,733</u>	<u>2,606,676</u>
FUND BALANCES				
Fund balance (Note 8):				
Nonspendable	758,374			758,374
Restricted	122,288	\$199,243	10,890,271	11,211,802
Committed	11,965,741		3,417,081	15,382,822
Assigned	4,224,570			4,224,570
Unassigned	13,644,315			13,644,315
Total Fund Balances	<u>30,715,288</u>	<u>199,243</u>	<u>14,307,352</u>	<u>45,221,883</u>
Total Liabilities and Fund Balances	<u>\$32,231,231</u>	<u>\$199,243</u>	<u>\$15,398,085</u>	<u>\$47,828,559</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, 2019

Total fund balances reported on the Governmental Funds Balance Sheet \$45,221,883

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. 107,875,374

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	8,367,892
Restricted cash and investments	12,216
Accounts receivable	223,072
Interest receivable	27,417
Materials, parts and supplies	9,694
Prepaid items	30,469
Capital assets, net of accumulated depreciation	17,182,424
Accounts payable	(126,663)
Deposits payable	(5,000)
Internal balances	(511,915)
Workers' compensation claims	(3,150,404)
Interest payable	(78,643)
Long-term debt	(19,081,203)

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	(2,059,363)
Interest payable	(11,244)
Non-current portion of compensated absences	(1,181,254)
Net pension liability and related deferred inflows and outflows of resources	(48,027,780)
Total OPEB obligation and related deferred inflows and outflows of resources	(3,183,056)
General liability claims payable	(124,741)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$101,409,175

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, 2019

	General	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$18,447,866	\$21,386		\$18,469,252
Sales taxes	13,299,330		\$962,419	14,261,749
Utility users' taxes	4,777,814			4,777,814
Franchise tax	1,954,908			1,954,908
Other taxes	1,242,730			1,242,730
Assessments			427,664	427,664
Licenses and permits	1,237,397			1,237,397
Fines and forfeitures	291,761			291,761
Use of money and property	1,383,345	8,426	356,125	1,747,896
Revenue from other agencies	352,055		1,839,485	2,191,540
Current service charges	2,516,350		139,037	2,655,387
Community donations	45,931		51,627	97,558
Other	230,567		13,472	244,039
Total Revenues	45,780,054	29,812	3,789,829	49,599,695
EXPENDITURES				
Current:				
Administration	5,749,077		312,593	6,061,670
Public safety - police	9,936,704		352,715	10,289,419
Public safety - fire	8,118,547			8,118,547
Parks and community services	5,345,012		551,759	5,896,771
Public works	2,816,749		606,837	3,423,586
Community development	1,549,795		18,310	1,568,105
Library	1,417,611		926,446	2,344,057
Economic development	532,241			532,241
General	65,749			65,749
Capital outlay	255,771		1,941,182	2,196,953
Debt service:				
Principal	264,674	335,000		599,674
Interest and fiscal charges	60,042	2,094		62,136
Total Expenditures	36,111,972	337,094	4,709,842	41,158,908
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,668,082	(307,282)	(920,013)	8,440,787
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)			2,870,787	2,870,787
Transfers (out) (Note 4A)	(3,121,878)			(3,121,878)
Proceeds from sale of property	10,800			10,800
Total Other Financing Sources (Uses)	(3,111,078)		2,870,787	(240,291)
NET CHANGE IN FUND BALANCES	6,557,004	(307,282)	1,950,774	8,200,496
BEGINNING FUND BALANCES	24,158,284	506,525	12,356,578	37,021,387
ENDING FUND BALANCES	\$30,715,288	\$199,243	\$14,307,352	\$45,221,883

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, 2019

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 \$8,200,496

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

CAPITAL ASSETS TRANSACTIONS

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

The capital outlay expenditures are therefore added back to fund balance	2,196,953
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(1,173,246)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$1,011,828 which has already been allocated to serviced funds)	(3,109,811)

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	599,674
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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	3,290
Compensated absences	(22,607)
Net pension liability and related deferred inflows and outflows of resources	(2,716,770)
Net OPEB obligation	(133,569)
Claims payable	(22,097)

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>900,883</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$4,723,196</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, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Property	\$16,785,000	\$18,241,800	\$18,447,866	\$206,066
Sales	11,205,000	11,255,000	13,299,330	2,044,330
Utility users'	4,598,000	4,598,000	4,777,814	179,814
Franchise tax	2,134,000	2,134,000	1,954,908	(179,092)
Other	1,057,000	1,142,000	1,242,730	100,730
Licenses and permits	355,000	735,000	1,237,397	502,397
Fines and forfeitures	79,500	169,500	291,761	122,261
Use of money and property	511,035	511,035	1,383,345	872,310
Revenue from other agencies	234,060	235,060	352,055	116,995
Current service charges	1,693,850	1,846,020	2,516,350	670,330
Community donations	33,700	33,700	45,931	12,231
Other	82,690	215,690	230,567	14,877
Total Revenues	38,768,835	41,116,805	45,780,054	4,663,249
EXPENDITURES:				
Current:				
Administration	5,882,913	6,885,285	5,749,077	1,136,208
Public safety - police	10,051,502	10,340,877	9,936,704	404,173
Public safety - fire	8,180,694	8,383,610	8,118,547	265,063
Parks and community services	5,463,511	5,732,428	5,345,012	387,416
Public works	3,298,600	3,575,605	2,816,749	758,856
Community development	1,800,913	1,978,030	1,549,795	428,235
Library	1,496,441	1,537,309	1,417,611	119,698
Economic development	650,604	658,642	532,241	126,401
General	1,012,805	868,281	65,749	802,532
Capital outlay	213,220	340,711	255,771	84,940
Debt service:				
Principal retirement	84,656	84,656	264,674	(180,018)
Interest and fiscal charges	29,654	29,654	60,042	(30,388)
Total Expenditures	38,165,513	40,415,088	36,111,972	4,303,116
EXCESS OF REVENUES OVER EXPENDITURES	603,322	701,717	9,668,082	8,966,365
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 4A)	967,168	967,168		(967,168)
Transfers (out) (Note 4A)	(4,294,136)	(4,144,136)	(3,121,878)	1,022,258
Proceeds from sale of property			10,800	10,800
Total other financing sources (uses)	(3,326,968)	(3,176,968)	(3,111,078)	65,890
NET CHANGE IN FUND BALANCE	(\$2,723,646)	(\$2,475,251)	6,557,004	\$9,032,255
Beginning fund balance			24,158,284	
Ending fund balance			\$30,715,288	

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 2019.

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, 2019

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
ASSETS					
Current Assets:					
Cash and investments (Note 3):					
Available for City operations	\$18,516,555	\$12,806,726	\$384,172	\$31,707,453	\$8,816,972
Restricted cash and investments held by fiscal agents	348	30		378	12,216
Accounts receivable	2,261,865	2,496,570	203,609	4,962,044	223,072
Interest receivable	63,324	45,360	230	108,914	27,417
Materials, parts and supplies (Note 1H)	9,434	790,936		800,370	9,694
Prepaid items (Note 1H)			75,000	75,000	30,469
Total Current Assets	<u>20,851,526</u>	<u>16,139,622</u>	<u>663,011</u>	<u>37,654,159</u>	<u>9,119,840</u>
Non-Current Assets:					
Loans receivable (Note 5)	425,000	420,000		845,000	
Lease receivable			267,226	267,226	
Total Long-Term Assets	<u>425,000</u>	<u>420,000</u>	<u>267,226</u>	<u>1,112,226</u>	
Property, Plant and Equipment (Note 6):					
Land and improvements	669,710	1,850,389	63,983	2,584,082	556,909
Buildings and improvements	51,036,558	32,556,273	7,933,206	91,526,037	25,751,492
Machinery and equipment	6,510,824	3,311,113		9,821,937	5,299,538
Infrastructure and water rights	43,030,083	48,614,370		91,644,453	
Construction in progress		437,845		437,845	
Less: accumulated depreciation	<u>(56,325,358)</u>	<u>(50,120,748)</u>	<u>(6,423,263)</u>	<u>(112,869,369)</u>	<u>(14,425,515)</u>
Net Property, Plant and Equipment	<u>44,921,817</u>	<u>36,649,242</u>	<u>1,573,926</u>	<u>83,144,985</u>	<u>17,182,424</u>
Total Non-Current Assets	<u>45,346,817</u>	<u>37,069,242</u>	<u>1,841,152</u>	<u>84,257,211</u>	<u>17,182,424</u>
Total Assets	<u>66,198,343</u>	<u>53,208,864</u>	<u>2,504,163</u>	<u>121,911,370</u>	<u>26,302,264</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension (Note 10)	583,396	592,804		1,176,200	
Related to OPEB (Note 11)	9,916	8,300		18,216	
Total Deferred Outflows of Resources	<u>593,312</u>	<u>601,104</u>		<u>1,194,416</u>	
LIABILITIES					
Current Liabilities:					
Accounts payable	270,608	313,597	37,399	621,604	126,663
Customer and performance deposits		112,037	75,000	187,037	5,000
Interest payable	22,926	61,735	86,262	170,923	78,643
Due to other funds (Note 4B)					511,915
Unearned revenue	129,908			129,908	
Workers' compensation claims (Note 12)					222,623
Compensated absences (Note 1G)	141,589	118,439		260,028	
Current portion long-term liabilities (Note 7)	<u>2,212,347</u>	<u>1,096,535</u>	<u>217,195</u>	<u>3,526,077</u>	<u>655,000</u>
Total Current Liabilities	<u>2,777,378</u>	<u>1,702,343</u>	<u>415,856</u>	<u>4,895,577</u>	<u>1,599,844</u>
Long-Term Liabilities					
Workers' compensation claims (Note 12)					2,927,781
Net pension liability (Note 10)	3,171,568	3,222,723		6,394,291	
Total OPEB Liability (Note 11)	430,673	353,181		783,854	
Loans payable (Note 7)	4,584,401	4,746,406	1,872,159	11,202,966	
Lease obligation (Note 7)	207,370	6,777,863		6,985,233	
Certificates of Participation (Note 7)					11,154,931
Pension obligation bonds (Note 7)					<u>7,271,272</u>
Total Long-Term Liabilities	<u>8,394,012</u>	<u>15,100,173</u>	<u>1,872,159</u>	<u>25,366,344</u>	<u>21,353,984</u>
Total Liabilities	<u>11,171,390</u>	<u>16,802,516</u>	<u>2,288,015</u>	<u>30,261,921</u>	<u>22,953,828</u>
DEFERRED INFLOWS OF RESOURCES					
Related to pension (Note 10)	130,724	132,832		263,556	
Related to OPEB (Note 11)	8,890	7,262		16,152	
Total Deferred Inflows of Resources	<u>139,614</u>	<u>140,094</u>		<u>279,708</u>	
NET POSITION (Note 8)					
Net investment in capital assets	37,917,699	24,028,438	(515,428)	61,430,709	5,717,633
Restricted for debt service	348	30		378	12,076
Unrestricted	<u>17,562,604</u>	<u>12,838,890</u>	<u>731,576</u>	<u>31,133,070</u>	<u>(2,381,273)</u>
Total Net Position	<u>\$55,480,651</u>	<u>\$36,867,358</u>	<u>\$216,148</u>	<u>92,564,157</u>	<u>\$3,348,436</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 business-type activities.				<u>449,080</u>	
Change in Net Position of Business-type Activities				<u>\$93,013,237</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, 2019

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
OPERATING REVENUES					
Charges for services	\$10,317,308	\$11,356,490		\$21,673,798	\$4,491,186
Connection fees	17,467	55,735		73,202	
Rentals			\$327,234	327,234	
Refunds and rebates	5,301	8,810		14,111	199,842
Total Operating Revenues	10,340,076	11,421,035	327,234	22,088,345	4,691,028
OPERATING EXPENSES					
Wages and benefits	3,249,688	2,739,981		5,989,669	537,630
Materials and supplies	396,541			396,541	420,703
Operations and maintenance	3,170,652	4,626,247	284,949	8,081,848	571,819
Purchased water		619,077		619,077	
Depreciation	2,234,531	1,887,916	189,612	4,312,059	1,011,828
Claims and Insurance					690,656
Total Cost of Sales and Operating Expenses	9,051,412	9,873,221	474,561	19,399,194	3,232,636
Operating Income (Loss)	1,288,664	1,547,814	(147,327)	2,689,151	1,458,392
NONOPERATING REVENUES (EXPENSES)					
Interest income	538,918	377,747	16,037	932,702	239,710
Interest (expense)	(205,252)	(330,126)	(94,884)	(630,262)	(805,340)
Intergovernmental revenue			78,513	78,513	
Gain from sale of capital assets					83,830
Other	20,025	479,378		499,403	10,252
Total Nonoperating Revenues (Expenses)	353,691	526,999	(334)	880,356	(471,548)
Income (Loss) Before Capital Contributions and Transfers	1,642,355	2,074,813	(147,661)	3,569,507	986,844
Transfers in (Note 4A)			251,091	251,091	
Change in Net Position	1,642,355	2,074,813	103,430	3,820,598	986,844
BEGINNING NET POSITION (DEFICIT)	53,838,296	34,792,545	112,718		2,361,592
ENDING NET POSITION (DEFICIT)	\$55,480,651	\$36,867,358	\$216,148		\$3,348,436

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.

	85,961
Change in Net Position of Business-type Activities	\$3,906,559

See accompanying notes to financial statements

CITY OF BENICIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	Wastewater	Water	Benicia Marina	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$10,401,170	\$11,792,819	\$304,292	\$22,498,281	\$4,478,254
Payments to suppliers	(3,685,620)	(5,162,122)	(253,370)	(9,101,112)	(922,965)
Payments to employees	(2,601,787)	(2,574,262)		(5,176,049)	(556,807)
Claims paid					(865,965)
Cash Flows from (used for) Operating Activities	4,113,763	4,056,435	50,922	8,221,120	2,132,517
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund receipts			251,091	251,091	508,912
Operating grant and contributions			78,513	78,513	
Principal paid on non-capital debt					(325,000)
Interest paid on non-capital debt					(217,631)
Cash Flows from (used for) Noncapital Financing Activities			329,604	329,604	(33,719)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets		(386,167)		(386,167)	(440,868)
Proceeds from sale of capital assets					83,830
Principal payments on capital debt	(2,152,110)	(1,070,011)	(207,843)	(3,429,964)	(265,000)
Interest paid on capital debt	(216,851)	(334,085)	(103,458)	(654,394)	(373,644)
Community donations					2,954
Cash Flows (used for) Capital and Related Financing Activities	(2,368,961)	(1,790,263)	(311,301)	(4,470,525)	(992,728)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	475,594	332,387	15,807	823,788	212,293
Cash Flows from Investing Activities	475,594	332,387	15,807	823,788	212,293
Net Cash Flows	2,220,396	2,598,559	85,032	4,903,987	1,318,363
Cash and investments at beginning of period	16,296,507	10,208,197	299,140	26,803,844	7,510,825
Cash and investments at end of period	<u>\$18,516,903</u>	<u>\$12,806,756</u>	<u>\$384,172</u>	<u>\$31,707,831</u>	<u>\$8,829,188</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating income (loss)	\$1,288,664	\$1,547,814	(\$147,327)	\$2,689,151	\$1,458,392
Adjustments to reconcile operating income (loss) to cash flows from operating activities:					
Depreciation	2,234,531	1,887,916	189,612	4,312,059	1,011,828
Other non-operating revenue (expenses)	20,025	479,378		499,403	7,298
Change in assets and liabilities:					
Receivables, net	41,069	(105,136)	(22,942)	(87,009)	(223,072)
Materials, parts and supplies	11,376	150,625		162,001	(214)
Other assets					17,215
Accounts payable and other accrued expenses	(129,803)	(67,423)	31,579	(165,647)	55,556
Accrued compensated absences	(15,585)	(10,182)		(25,767)	
Refundable deposits		(2,458)		(2,458)	
Due to retirement system	647,484	162,505		809,989	
Due to OPEB	16,002	13,396		29,398	
Workers' compensation claims					(194,486)
Cash Flows from (used for) Operating Activities	\$4,113,763	\$4,056,435	\$50,922	\$8,221,120	\$2,132,517

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, 2019

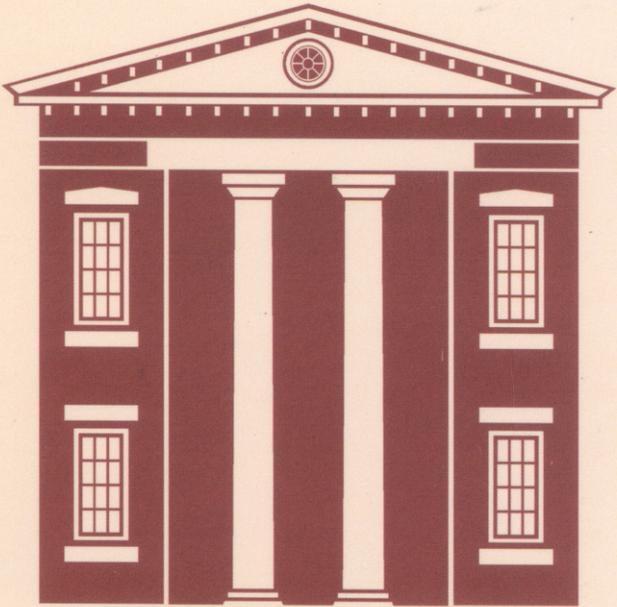
	Affordable Housing Private Purpose Trust Fund	Agency Funds
ASSETS		
Restricted cash and investments (Note 3)	\$21,495	\$1,360,602
Interest receivable	73	4,540
Total Assets	21,568	\$1,365,142
LIABILITIES		
Due to bondholders		\$1,365,142
Total Liabilities		\$1,365,142
NET POSITION		
Held in trust for:		
Other governments	21,568	
Total Net Position	\$21,568	

See accompanying notes to financial statements

CITY OF BENICIA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019

	Affordable Housing Private Purpose Trust Fund
ADDITIONS	
Use of money and property	\$647
Total Additions	647
CHANGE IN NET POSITION	647
NET POSITION, BEGINNING OF YEAR	20,921
NET POSITION, END OF YEAR	\$21,568

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019:

	Governmental Activities	Business-type Activities	Total
Beginning Balance	\$1,158,647	\$285,795	\$1,444,442
Additions	895,511	164,542	1,060,053
Payments	<u>(872,904)</u>	<u>(190,309)</u>	<u>(1,063,213)</u>
Ending Balance	<u>\$1,181,254</u>	<u>\$260,028</u>	<u>\$1,441,282</u>
Current Portion	<u>\$872,904</u>	<u>\$260,028</u>	<u>\$1,132,932</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, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *New Accounting Pronouncements*

Governmental Accounting Standards Board (GASB) Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This statement is effective for the 2018-2019 fiscal year and had no effect on the City's financial statements.

Governmental Accounting Standards Board (GASB) Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This statement is effective for the 2018-2019 fiscal year. See Note 7 for additional information.

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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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.
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.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2019

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.

Statement of Net Position	
Cash and investments available for City operations	\$80,032,185
Restricted cash and investments held by fiscal agent	<u>1,971,192</u>
City cash and investments of primary government	<u>82,003,377</u>
Restricted Cash and investments	
in Fiduciary Funds (separate statement)	
Trust Fund	21,495
Agency Funds	<u>1,360,602</u>
Total cash and investments	<u><u>\$83,385,474</u></u>

Cash and investments as of June 30, 2019, consist of the following:

Cash on hand	\$5,095
Deposits with financial institutions	6,323,081
Investments	<u>77,057,299</u>
Total cash and investments	<u><u>\$83,385,475</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, 2019

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
Asset-Backed Securities	5 years	A	5%	No Limit

* At date of purchase

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2019

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	\$189,006	\$3,530,378	\$6,110,447	\$3,866,452	\$13,696,283
California Local Agency Investment Fund	45,357,511				45,357,511
Money Market Mutual Funds (Prime Institutional)	62,306				62,306
U.S. Government - Sponsored Enterprise Agencies	833,000	2,151,197	1,247,267	288,895	4,520,359
Corporate Notes	1,253,282	643,953	2,751,218	1,749,645	6,398,098
Commercial Paper	863,846				863,846
Negotiable Certificates of Deposit	1,029,078	1,541,171	307,425		2,877,674
Asset-Backed Security				1,310,264	1,310,264
Held by Trustees:					
Money Market Mutual Funds (U.S. Securities)	1,970,958				1,970,958
Total Investments	<u>\$51,558,987</u>	<u>\$7,866,699</u>	<u>\$10,416,357</u>	<u>\$7,215,256</u>	<u>\$77,057,299</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, 2019, these investments matured in an average of 173 days.

Money market funds are available for withdrawal on demand and at June 30, 2019, matured in an average of 17 to 31 days.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2019, 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, 2019.

Investment Type	Total
<i>Rated AAA:</i>	
Medium-Term Corporate Notes	\$249,464
Asset-Backed Security	1,310,264
<i>Rated AA+:</i>	
U.S. Government-Sponsored Enterprise Agencies	4,520,359
Medium-Term Corporate Notes	274,331
<i>Rated AA:</i>	
Medium-Term Corporate Notes	933,509
<i>Rated AA-:</i>	
Medium-Term Corporate Notes	865,198
Negotiable Certificates of Deposit	1,037,694
<i>Rated A+:</i>	
Medium-Term Corporate Notes	607,203
Negotiable Certificates of Deposit	503,477
<i>Rated A:</i>	
Medium-Term Corporate Note	634,322
Negotiable Certificates of Deposit	307,425
<i>Rated A-:</i>	
Medium-Term Corporate Note	1,362,597
<i>Rated A-I+:</i>	
Negotiable Certificates of Deposit	551,976
<i>Rated A-I:</i>	
Commercial Paper	863,846
Negotiable Certificates of Deposit	477,102
<i>Rated AAAM:</i>	
Money Market Funds	2,033,264
<i>Rated BBB+:</i>	
Medium-Term Corporate Note	1,471,474
<i>Not rated:</i>	
State Local Agency Investment Fund	45,357,511
<i>Exempt from credit rating disclosure:</i>	
U.S. Treasury Notes	13,696,283
Total Investments	<u>\$77,057,299</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2019:

	Level 1	Level 2	Total
Investments By Fair Value Level:			
<i>Held by City:</i>			
U.S. Treasury Bills and Notes	\$13,696,283		\$13,696,283
Medium-Term Corporate Notes		\$6,398,098	6,398,098
Negotiable Certificates of Deposit		2,877,674	2,877,674
Commercial Paper		863,846	863,846
U.S. Government-Sponsored Enterprise Agencies		4,520,359	4,520,359
Assets-Backed Securities		1,310,264	1,310,264
Subtotal	\$13,696,283	\$15,970,241	29,666,524
Investments Measured at Amortized Cost:			
<i>Held by City:</i>			
Money Market Mutual Funds (Prime Institutional)			62,306
<i>Held by Trustees:</i>			
Money Market Mutual (U.S. Securities)			1,970,958
Investments Exempt from Fair Value Hierarchy:			
State Local Agency Investment Fund			45,357,511
Total Investments			\$77,057,299

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, 2019

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, 2019 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	Benicia Marina Enterprise Fund	\$251,091 (A)
	Residential Landscaping and Lighting Special Revenue Fund	125,964 (A)
	Fleetside Landscaping and Lighting Special Revenue Fund	3,161 (A)
	Columbus Parkway Landscaping and Lighting Special Revenue Fund	11,912 (A)
	East 2nd St Landscaping and lighting Special Revenue Fund	1,488 (A)
	Goodyear Road Landscaping and Lighting Special Revenue Fund	3,262 (A)
	Public Safety Grants Special Revenue Fund	75,000 (A)
	Measure C Capital Projects Fund	2,650,000 (B)
		<u>\$3,121,878</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, 2019, the General Services Internal Service Fund had a balance of \$511,915 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, 2019

NOTE 5 – LOANS RECEIVABLE

At June 30, 2019, the City had the following loans receivable:

	Balance at June 30, 2019		
	Governmental Activities	Business-Type Activities	Total
Housing Rehabilitation Loan Program	\$55,000		\$55,000
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	16,370		16,370
Dohman Investments	50,000		50,000
Ponder Commercial Properties, LLC	7,500		7,500
Total Loans Receivable	<u>2,495,384</u>	<u>1,793,322</u>	<u>4,288,706</u>
Less: Forgivable Amounts	<u>(76,514)</u>	<u>(948,322)</u>	<u>(1,024,836)</u>
Total	<u><u>\$2,418,870</u></u>	<u><u>\$845,000</u></u>	<u><u>\$3,263,870</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, 2019, residents owed the City \$55,000 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, 2019

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, 2019, 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, 2019, the outstanding amount was \$16,370.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2019, 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, 2019, the outstanding amount was \$7,500.

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	15-40 years
Machinery and Equipment	5-30 years
Computer Software	5 years
Treatment Plant, Water and Sewer Pipes	40-60 years
Other Infrastructure	10-100 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, 2019

NOTE 6 – CAPITAL ASSETS (Continued)

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

	Balance June 30, 2018	Additions	Retirements	Transfers	Balance June 30, 2019
Governmental Activities:					
Capital assets, not depreciated:					
Land	\$18,545,953				\$18,545,953
Construction in Progress	1,571,314	\$547,075		(\$1,420,054)	698,335
Total capital assets, not depreciated	20,117,267	547,075		(1,420,054)	19,244,288
Buildings and Improvements	28,394,820				28,394,820
Machinery and Equipment	11,821,093	917,501	(\$78,098)	1,420,054	14,080,550
Computer Software	92,391				92,391
Infrastructure	159,633,535				159,633,535
Total cost of depreciable assets	199,941,839	917,501	(78,098)	1,420,054	202,201,296
Less accumulated depreciation:					
Buildings and Improvements	(12,859,834)	(811,552)			(13,671,386)
Machinery and Equipment	(8,296,228)	(746,588)	78,098		(8,964,718)
Computer Software	(92,390)				(92,390)
Infrastructure	(71,095,793)	(2,563,499)			(73,659,292)
Total accumulated depreciation	(92,344,245)	(4,121,639)	78,098		(96,387,786)
Net depreciable assets	107,597,594	(3,204,138)		1,420,054	105,813,510
Governmental Activity Capital Assets, Net	\$127,714,861	(\$2,657,063)			\$125,057,798
Business-Type Activities:					
Capital assets, not depreciated:					
Land and Improvements	\$2,584,082				\$2,584,082
Construction in Progress	51,678	\$386,167			437,845
Total capital assets, not depreciated:	2,635,760	386,167			3,021,927
Capital assets, being depreciated:					
Buildings and Improvements	91,526,037				91,526,037
Machinery and Equipment	9,821,937				9,821,937
Infrastructure	86,644,453				86,644,453
Water Rights	5,000,000				5,000,000
Total cost of depreciable assets	192,992,427				192,992,427
Less accumulated depreciation:					
Buildings and Improvements	(52,586,883)	(2,227,633)			(54,814,516)
Machinery and Equipment	(6,307,495)	(399,908)			(6,707,403)
Infrastructure	(47,862,932)	(1,484,518)			(49,347,450)
Water Rights	(1,800,000)	(200,000)			(2,000,000)
Total accumulated depreciation	(108,557,310)	(4,312,059)			(112,869,369)
Net depreciable assets	84,435,117	(4,312,059)			80,123,058
Business-type Activity Capital Assets, Net	\$87,070,877	(\$3,925,892)			\$83,144,985

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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	\$4,849
Public safety - police	185,633
Public safety - fire	177,160
Parks and community services	532,224
Public works	2,154,914
Library	386
General government	54,645
Internal Service Fund	<u>1,011,828</u>
Total Governmental Activities	<u><u>\$4,121,639</u></u>
Business-type Activities:	
Wastewater	\$2,234,531
Water	1,887,916
Benicia Marina	<u>189,612</u>
Total Business-Type Activities	<u><u>\$4,312,059</u></u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2018	Additions/ Accretion	Deletions	Balance at June 30, 2019	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)	4,031,537	\$239,735	\$325,000	3,946,272	\$345,000
2016 Certificates of Participation					
Energy Conservation Refinancing Project	11,315,000		265,000	11,050,000	310,000
Plus unamortized original issue premium	438,834		23,903	414,931	
2012 General Obligation Refunding Bonds	335,000		335,000		
Governmental Activity Debt - Direct Borrowing:					
Casa de Vilarrasa- Capital Lease	679,910		84,687	595,223	88,510
Wells Fargo Capital Equipment Lease	\$1,644,127		179,987	1,464,140	183,426
Total Governmental Activity Debt	<u>\$22,114,408</u>	<u>\$239,735</u>	<u>\$1,213,577</u>	<u>\$21,140,566</u>	<u>\$926,936</u>

	Balance July 1, 2018	Deletions	Balance June 30, 2019	Due Within One Year
Business-Type Activity Debt				
2005 Wastewater Refunding Revenue Bonds	\$760,002	\$370,000	\$390,002	\$390,002
Less unamortized original issue discount	(6,225)	(4,664)	(1,561)	(1,561)
Total utility bonds payable net of discount	<u>753,777</u>	<u>365,336</u>	<u>388,441</u>	<u>388,441</u>
Business-Type Activity Debt - Direct Borrowing:				
State of California Marina Loans	2,297,197	207,843	2,089,354	217,194
State Revolving Loan Fund - WWTP	3,496,502	1,144,739	2,351,763	1,165,377
State Revolving Loan Fund - I & I WW	4,639,718	612,884	4,026,834	628,820
State Revolving Loan Fund- Water Treatment Plant	5,963,733	601,434	5,362,299	615,893
Wells Fargo Equipment Lease	338,007	36,995	301,012	37,702
Siemens Lease Purchase Agreement	7,655,306	460,733	7,194,573	472,650
Total Business-type Activity Debt	<u>\$25,144,240</u>	<u>\$3,429,964</u>	<u>\$21,714,276</u>	<u>\$3,526,077</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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 \$1,858,279 at June 30, 2019. 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, 2019, the outstanding defeased 2011 COPS amounted to \$11,000,000.

The 2016 Certificates contain a provision that in an event of default, the Corporation shall exercise any and all remedies available pursuant to law or granted pursuant to the lease agreement.

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. These bonds were repaid during fiscal year 2018-2019.

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.

The lease agreement contains a provision that in an event of default, the lessor shall exercise any and all remedies available pursuant to law or granted pursuant to the lease agreement and may terminate the lease agreement. The City shall continue to remain liable for the payment of lease payments and/or damages for breach of the lease agreement.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

F. 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.

The lease agreement contains a provision that in an event of default, an amount equal to the basic rental payments and other amount due under the lease during the current fiscal period shall automatically become and be immediately due and payable without notice or demand of any kind. The lessor may also exercise any other right or remedy available to it by law or by agreement and may in any event recover legal fees and other costs and expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder.

G. 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.

The 2005 Revenue Bonds contain a provision that in an event of default, the Trustee may declare the principal of the bonds, together with all accrued interest at the date of default, immediately due and payable, or exercise any and all rights and remedies available to it under applicable law, including the right to enforce from the City all payments due on the 2005 Revenue Bonds, and the City will pay all reasonable fees and expenses incurred by the Trustee and those of its attorneys.

H. 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.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

I. 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.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

J. 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.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

K. 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.

In an event of default, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

L. 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.

The lease agreement contains a provision that in an event of default, the lessor may declare an amount equal to all amounts then due under the lease, and all remaining lease payments and other amounts due during the fiscal year to be immediately due and payable. The lessor may also exercise any other right or remedy available to it by law or by agreement and may in any event recover legal fees and other costs and expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

M. 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 2019, Wastewater Fund Revenues including operating revenues and non-operating investment income totaled \$10,878,994, and operating costs, not including depreciation or amortization totaled \$6,695,843. Net Revenues available for debt service totaled \$4,183,151, which represented coverage of 1.79 of debt service payment of \$2,334,885.

The City has pledged future water revenues, net of specified operating expenses, to repay 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. For fiscal year 2019, gross Water Fund Revenues including operating revenues and non-operating interest earnings totaled \$11,798,781 and operating costs, not including depreciation or amortization, totaled \$7,864,266. Net Revenues available for debt service totaled \$3,934,515, which represented coverage of 5.31 of debt service payment of \$740,394.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

N. 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	Interest
2020	\$345,000	\$217,631
2021	365,000	217,631
2022	385,000	217,631
2023	410,000	217,631
2,024	430,000	217,631
2025-2029	2,505,001	1,088,155
2030-2034	3,275,000	993,276
2035-2037	1,760,000	158,924
Total	<u>\$9,475,001</u>	<u>\$3,328,510</u>

Governmental Activities: Certificates of Participation

Year ending June 30	Principal	Interest
2020	\$310,000	\$363,044
2021	350,000	353,742
2022	345,000	339,744
2023	395,000	325,944
2,024	450,000	310,144
2025-2029	2,440,000	1,267,344
2030-2034	4,255,000	834,720
2035-2037	2,505,000	122,156
Total	<u>\$11,050,000</u>	<u>\$3,916,838</u>

Governmental Activities: Capital Leases, Direct Borrowings

Year ending June 30	Principal	Interest
2020	\$271,936	\$52,783
2021	279,467	45,250
2022	287,250	37,467
2023	295,294	29,424
2,024	303,607	21,110
2025-2028	621,809	18,417
Total	<u>\$2,059,363</u>	<u>\$204,451</u>

Enterprise Activities: Utility Bonds

Year ending June 30	Principal	Interest
2020	\$390,002	\$8,093
Total	<u>\$390,002</u>	<u>\$8,093</u>

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – LONG - TERM DEBT (Continued)

Enterprise Activities: Revolving and Marina Loans, Direct Borrowings

Year ending June 30	Principal	Interest
2020	\$2,627,284	\$365,705
2021	2,689,230	303,763
2022	1,544,991	240,221
2023	1,588,403	196,808
2024	1,633,115	152,094
2025-2028	3,747,227	154,133
Total	<u>\$13,830,250</u>	<u>\$1,412,724</u>

Enterprise Activities: Capital Leases, Direct Borrowings

Year ending June 30	Principal	Interest
2020	\$510,352	\$187,429
2021	523,298	174,483
2022	536,573	161,208
2023	550,187	147,594
2024	564,149	133,632
2025-2029	2,932,802	448,040
2030-2033	1,878,224	85,373
Total	<u>\$7,495,585</u>	<u>\$1,337,759</u>

O. Special Assessment Debt Without City Commitment

At June 30, 2019, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

McAllister	\$6,522,548
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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, 2019

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, 2019

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City’s Fund Balances, as of June 30, 2019, are stated below:

Fund Balance Classifications	General Fund	General Obligation Bonds Debt Service Fund	Other Governmental Funds	Total
Nonspendables:				
Items not in spendable form:				
Loans Receivable	\$731,440			\$731,440
Prepaid Items	26,934			26,934
Total Nonspendable Fund Balances	758,374			758,374
Restricted for:				
Debt Service		\$199,243		199,243
St.Catherine's Wood Open Space	81,964			81,964
Cable	40,324			40,324
Streets and Road			\$1,904,660	1,904,660
Landscaping and Lighting			557,205	557,205
Housing			797,118	797,118
City Cemetery and Tree Maintenance			440,992	440,992
Library Programs			759,817	759,817
South Pacific Depot			145,832	145,832
Public Safety Programs			645,159	645,159
Arsenal			983,072	983,072
Measure C Projects			3,685,893	3,685,893
Resident Assistance Programs			168,637	168,637
Open Space			479,007	479,007
FEMA			44,502	44,502
Miscellaneous Grant Projects			16,697	16,697
Valero - GNSC			261,680	261,680
Total Restricted Fund Balances	122,288	199,243	10,890,271	11,211,802
Committed to:				
Capital Projects	170,000		3,417,081	3,587,081
Future Projects	1,139,731			1,139,731
Emergency Reserves	4,578,005			4,578,005
Contingency Reserves	4,578,005			4,578,005
Section 115 Trust	1,500,000			1,500,000
Total Committed Fund Balances	11,965,741		3,417,081	15,382,822
Assigned to:				
Human Services	43,189			43,189
Arts and Cultural	786			786
Economic Development	854,190			854,190
Capital License	52,069			52,069
Library Books	7,187			7,187
Section 115 Trust	2,000,000			2,000,000
City Operations	1,267,149			1,267,149
Total Assigned Fund Balances	4,224,570			4,224,570
Unassigned:				
General Fund	13,644,315			13,644,315
Total Unassigned Fund Balances	13,644,315			13,644,315
Total Fund Balances	\$30,715,288	\$199,243	\$14,307,352	\$45,221,883

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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 \$725,408 at June 30, 2019. 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 \$242,626 at June 30, 2019. Service rates will be increased in fiscal year 2019-20 to cover the deficit.

The Retirement Stability Internal Service Fund had deficit net position of \$6,417,915 at June 30, 2019. 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, 2019

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	\$5,026,486	\$27,326,030	\$1,126,309
Safety (Police & Fire)	9,134,400	36,543,368	2,674,606
Total	<u>\$14,160,886</u>	<u>\$63,869,398</u>	<u>\$3,800,915</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, 2019, 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	25.461%	25.461%	25.461%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the 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 (UAL). The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability in the Miscellaneous Plan was \$1,698,367 in fiscal year 2018-2019.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

Employees Covered – As of the June 30, 2017 actuarial valuation date and the June 30, 2018 measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	182
Active employees	156
Total	534

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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2017	\$110,208,494	\$81,455,600	\$28,752,894
Changes in the year:			
Service cost	1,983,062		1,983,062
Interest on the total pension liability	7,687,745		7,687,745
Differences between actual and expected experience	(473,543)		(473,543)
Changes in assumptions	(630,927)		(630,927)
Plan to Plan Resource Movement		(200)	200
Contribution - employer		2,589,748	(2,589,748)
Contribution - employee		879,668	(879,668)
Net investment income		6,891,958	(6,891,958)
Administrative expenses		(126,930)	126,930
Benefit payments, including refunds of employee contributions	(5,149,294)	(5,149,294)	
Other Miscellaneous Income/(Expense)		(241,043)	241,043
Net changes	3,417,043	4,843,907	(1,426,864)
Balance at June 30, 2018	\$113,625,537	\$86,299,507	\$27,326,030

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

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

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$42,535,123
Current Discount Rate	7.15%
Net Pension Liability	\$27,326,030
1% Increase	8.15%
Net Pension Liability	\$14,765,930

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, 2019, the City recognized pension expense of \$1,671,137. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$2,872,160	
Differences between actual and expected experience		(\$720,713)
Changes in assumptions	1,923,972	(405,596)
Net differences between projected and actual earnings on plan investments	230,354	
Total	\$5,026,486	(\$1,126,309)

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

\$2,872,160 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, 2020. 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	\$2,164,058
2020	(75,844)
2021	(830,390)
2022	(229,807)

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, 2019, are summarized as follows:

	Prior to 10/1/12	10/1/12 - 1/1/13	After 1/1/13
Hire date			
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	8.989%	8.984%	12.75%
Required employer contribution rates	22.346%	19.353%	12.965%

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability and side fund was \$1,900,587 in fiscal year 2018-2019.

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, 2019, the contributions recognized as part of pension expense for the Plan were as follows:

	Amount
Contributions - employer	\$2,995,117
Contributions - employee (paid by employer)	161,943
Total	\$3,157,060

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, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan, was \$36,543,368.

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 was as follows:

	Safety
Proportion - June 30, 2017	0.6022%
Proportion - June 30, 2018	0.6228%
Change - Increase (Decrease)	0.0206%

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 10 – PENSION PLAN (Continued)

For the year ended June 30, 2019, the City recognized pension expense of \$669,421 for the Safety Plan. At June 30, 2019, 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	\$2,995,117	
Differences between actual and expected experience	785,194	(\$2,979)
Changes in assumptions	3,585,542	(483,754)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	1,521,131	(2,187,873)
Net differences between projected and actual earnings on plan investments	247,416	
Total	<u>\$9,134,400</u>	<u>(\$2,674,606)</u>

\$2,995,117 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, 2020. 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
2020	\$3,375,375
2021	1,504,815
2022	(1,162,355)
2023	(253,158)

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	\$54,093,482
Current Discount Rate	7.15%
Net Pension Liability	\$36,543,368
1% Increase	8.15%
Net Pension Liability	\$22,164,193

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, 2019

NOTE 10 – PENSION PLAN (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2018, the total pension liabilities were determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 and June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety (Police and Fire)
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Investment Rate of Return	7.15% (1)
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

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

(2) The mortality table used was developed based on CalPERS' specific data.

The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS) demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75 percent to 2.50 percent.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

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, 2019

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+ 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 adjusted to account for assumed administrative expenses.

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 (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% 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, 2019

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Benefits Provided –The following is a summary of Plan benefits by employee group as of June 30, 2019:

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, 2019:

Active employees	184
Inactive employees or beneficiaries currently receiving benefit payments	34
Inactive employees entitled to but not yet receiving benefit payments	3
Total	221

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, that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2019 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	3.89% as of June 30, 2018 3.51% as of June 30, 2019
Inflation	2.75%
Payroll Growth	3.25%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally from 2015
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, 2019

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, 2018 Measurement Date	\$3,711,026
Changes Recognized for the Measurement Period:	
Service cost	253,640
Interest on the total OPEB liability	149,532
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions	112,234
Contributions from the employer	
Benefit payments	(241,333)
Net changes	274,073
Balance at June 30, 2019 Measurement Date	\$3,985,099

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 (2.51%) or 1-percentage-point higher (4.51%) than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Discount Rate	Discount Rate +1%
(2.51%)	(3.51%)	(4.51%)
\$4,299,349	\$3,985,099	\$3,697,654

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/(Asset)		
Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$3,632,088	\$3,985,099	\$4,394,588

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2019, the City recognized OPEB expense of \$404,300. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$100,977	\$80,724
Total	\$100,977	\$80,724

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
2020	\$1,128
2021	1,128
2022	1,128
2023	1,128
2024	1,128
Thereafter	14,613

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, 2019, the City contributed \$844,547 for current year coverage.

CITY OF BENICIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

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, 2019, the City contributed \$191,371 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:

	2019			2018
	Workers' Compensation	General Liability	Total	
Beginning balance	\$3,344,890	\$102,644	\$3,447,534	\$3,111,962
Liability for current year claims and change in prior year claims estimate	(124,177)	193,304	69,127	849,490
Claims paid in fiscal year	(70,309)	(171,207)	(241,516)	(513,918)
Ending balance	<u>\$3,150,404</u>	<u>\$124,741</u>	<u>\$3,275,145</u>	<u>\$3,447,534</u>
Claim liabilities due within a year	<u>\$222,623</u>	<u>\$124,741</u>	<u>\$347,364</u>	<u>\$339,695</u>

For the years ended June 30, 2019, 2018, and 2017, 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, 2019

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, 2019

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 – 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 2018-2019, the amount under review was \$49,523. During fiscal year 2018-2019, the City did not receive any rents or percentage of rent from BHC.

NOTE 17 – 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, 2019. See further discussion in Notes 5C and F.

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				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Total Pension Liability					
Service Cost	\$1,908,663	\$1,796,349	\$1,854,712	\$2,010,679	\$1,983,062
Interest	6,645,981	6,996,796	7,247,791	7,444,918	7,687,745
Changes in benefits					
Changes in assumptions		(1,732,356)		6,199,466	(630,927)
Differences between expected and actual experience		134,316	(1,170,364)	(1,341,389)	(473,543)
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)	(4,579,445)	(4,732,973)	(5,149,294)
Net change in total pension liability	4,612,851	3,032,603	3,352,694	9,580,701	3,417,043
Total pension liability - beginning	89,629,645	94,242,496	97,275,099	100,627,793	110,208,494
Total pension liability - ending (a)	<u>\$94,242,496</u>	<u>\$97,275,099</u>	<u>\$100,627,793</u>	<u>\$110,208,494</u>	<u>\$113,625,537</u>
Plan fiduciary net position					
Contributions - employer	\$1,554,005	\$1,878,933	\$2,135,425	\$2,279,273	\$2,589,748
Contributions - employee	859,183	787,294	790,781	780,488	879,668
Net investment income	11,447,269	1,692,887	405,222	8,288,537	6,891,958
Benefit payments, including refunds of employee contributions	(3,941,793)	(4,162,502)	(4,579,445)	(4,732,973)	(5,149,294)
Plan to plan resource movement		160			(200)
Administrative expense		(85,845)	(46,468)	(110,660)	(126,930)
Net change in plan fiduciary net position	9,918,664	110,927	(1,294,485)	6,504,665	4,843,907
Plan fiduciary net position - beginning	66,215,829	76,134,493	76,245,420	74,950,935	81,455,600
Plan fiduciary net position - ending (b)	<u>\$76,134,493</u>	<u>\$76,245,420</u>	<u>\$74,950,935</u>	<u>\$81,455,600</u>	<u>\$86,299,507</u>
Net pension liability - ending (a)-(b)	<u>\$18,108,003</u>	<u>\$21,029,679</u>	<u>\$25,676,858</u>	<u>\$28,752,894</u>	<u>\$27,326,030</u>
Plan fiduciary net position as a percentage of the total pension liability	80.79%	78.38%	74.48%	73.91%	75.95%
Covered - payroll	\$9,781,279	\$10,020,807	\$10,331,281	\$10,361,272	\$13,039,199
Net pension liability as percentage of covered payroll	185.13%	209.86%	248.54%	277.50%	209.57%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the 6/30/16 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. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016 and 2018, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* - 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	2019
Actuarially determined contribution	\$1,884,361	\$2,135,435	\$2,278,778	\$2,588,969	\$2,872,160
Contributions in relation to the actuarially determined contributions	(1,884,361)	(2,135,435)	(2,278,778)	(2,588,969)	(2,872,160)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$10,020,807	\$10,331,281	\$10,361,272	\$13,039,199	\$14,401,167
Contributions as a percentage of covered payroll	18.80%	20.67%	21.99%	19.86%	19.94%

Notes to Schedule:

Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

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

CITY OF BENICIA
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
- SAFETY (POLICE & FIRE) PLAN
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	6/30/2018
Plan's Proportion of the Net Pension Liability/Asset	0.329%	0.492%	0.608%	0.363%	0.379%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$20,524,909	\$20,285,275	\$31,510,451	\$35,981,127	\$36,543,368
Plan's Covered Payroll	6,670,183	6,740,500	6,095,403	6,644,534	7,657,943
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	308%	301%	517%	542%	477%
Plan's Fiduciary Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	79.82%	78.40%	74.06%	73.31%	75.26%
Plan's Proportionate Share of Aggregate Employer Contributions	\$246,159	\$3,126,216	\$2,892,211	\$3,052,549	\$3,829,014

* - 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	2019
Actuarially determined contribution	\$1,512,924	\$3,126,216	\$2,892,211	\$2,167,184	\$2,995,117
Contributions in relation to the actuarially determined contributions	(1,434,239)	(847,816)	(3,232,727)	(2,167,184)	(2,995,117)
Contribution deficiency (excess)	<u>\$78,685</u>	<u>\$2,278,400</u>	<u>(\$340,516)</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$6,740,500	\$6,095,403	\$6,644,534	\$7,657,943	\$8,507,451
Contributions as a percentage of covered payroll	21.28%	13.91%	48.65%	28.30%	35.21%

* - 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	6/30/18	6/30/19
Total OPEB Liability (1)		
Service Cost	\$260,255	\$253,640
Interest	133,803	149,532
Changes of benefit terms		
Differences between expected and actual experience		
Changes of assumptions	(100,982)	112,234
Benefit payments	(224,496)	(241,333)
Net change in total OPEB liability	<u>68,580</u>	<u>274,073</u>
Total OPEB liability - beginning	<u>3,642,446</u>	<u>3,711,026</u>
Total OPEB liability - ending (a)	<u><u>\$3,711,026</u></u>	<u><u>\$3,985,099</u></u>
Plan fiduciary net position		
Contributions - employer	\$224,496	\$241,333
Contributions - employee		
Net investment income		
Administrative expense		
Benefit payments	(224,496)	(241,333)
Net change in plan fiduciary net position	<u></u>	<u></u>
Plan fiduciary net position - beginning	<u></u>	<u></u>
Plan fiduciary net position - ending (b)	<u><u></u></u>	<u><u></u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$3,711,026</u></u>	<u><u>\$3,985,099</u></u>
Covered-employee payroll	<u><u>\$20,697,142</u></u>	<u><u>\$22,908,618</u></u>
Net OPEB liability as a percentage of covered-employee payroll	<u><u>17.93%</u></u>	<u><u>17.40%</u></u>

* Fiscal year 2018 was the first year of implementation.

CITY OF BENICIA
SCHEDULE OF CONTRIBUTIONS

Retiree Medical Benefits (OPEB) Plan
 Single Employer Defined Benefit Plan
 Last 10 fiscal years*

Fiscal Year Ended June 30,	<u>2018</u>	<u>2019</u>
	Implicit	Implicit
Actuarially required contribution	\$224,496	\$241,333
Contributions in relation to the actuarially required contributions	224,496	241,333
Contribution deficiency (excess)	\$0	\$0
Covered-employee payroll	\$20,697,142	\$22,908,618
Contributions as a percentage of covered-employee payroll	1.08%	1.05%

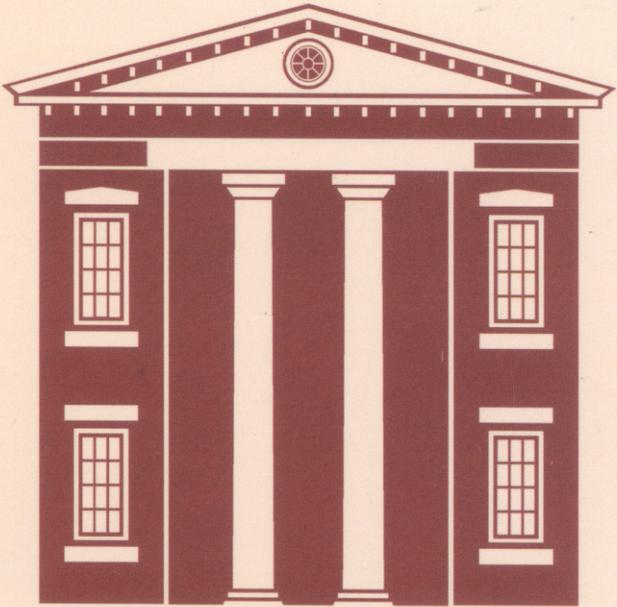
Notes to Schedule:

Valuation date:

Methods and assumptions used to determine contribution rates:

Valuation Date	June 30, 2018
Actuarial Assumptions	
Discount Rate	3.89% at June 30, 2018 3.51% as of June 30, 2019
Inflation	2.75%
Salary Increase	3.25%
Investment Rate of Return	7.15%
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, 2019

	<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			\$21,386	\$21,386
Use of money and property			8,426	8,426
Total Revenues			<u>29,812</u>	<u>29,812</u>
EXPENDITURES:				
Debt service:				
Principal retirement	\$335,000	\$335,000	335,000	
Interest and fiscal charges	2,094	2,094	2,094	
Total Expenditures	<u>337,094</u>	<u>337,094</u>	<u>337,094</u>	
NET CHANGE IN FUND BALANCE	<u>(\$337,094)</u>	<u>(\$337,094)</u>	(307,282)	<u>\$29,812</u>
Beginning fund balance			<u>506,525</u>	
Ending fund balance			<u>\$199,243</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, 2019

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Gas Tax</u>	<u>Residential Landscaping and Lighting</u>	<u>Fleetside Landscaping and Lighting</u>	<u>Columbus Parkway Landscaping and Lighting</u>
ASSETS				
Cash and investments available for City operations	\$1,855,553	\$128,864	\$161,665	\$158,167
Accounts receivable	98,249			
Interest receivable	6,298	8	538	496
Loans receivable				
Total Assets	<u>\$1,960,100</u>	<u>\$128,872</u>	<u>\$162,203</u>	<u>\$158,663</u>
LIABILITIES				
Accounts payable	\$14,019	\$13,104	\$431	\$39
Customer deposits	41,421			
Total Liabilities	<u>55,440</u>	<u>13,104</u>	<u>431</u>	<u>39</u>
FUND BALANCES				
Restricted	1,904,660	115,768	161,772	158,624
Committed				
Total Fund Balances (Deficits)	<u>1,904,660</u>	<u>115,768</u>	<u>161,772</u>	<u>158,624</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$1,960,100</u>	<u>\$128,872</u>	<u>\$162,203</u>	<u>\$158,663</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
\$83,969	\$37,111	\$723,559	\$443,986	\$99,227	\$296,202	\$145,339	\$670,271
280	115	2,455	1,506	1,545	366,684		54,710
		55,000		434	1,005	493	2,137
<u>\$84,249</u>	<u>\$37,226</u>	<u>\$781,014</u>	<u>\$445,492</u>	<u>\$101,206</u>	<u>\$663,891</u>	<u>\$145,832</u>	<u>\$727,118</u>
\$408	\$26		\$4,500	\$3,385	\$1,895		\$28,562
							53,397
<u>408</u>	<u>26</u>		<u>4,500</u>	<u>3,385</u>	<u>1,895</u>		<u>81,959</u>
83,841	37,200	\$781,014	440,992	97,821	661,996	\$145,832	645,159
<u>83,841</u>	<u>37,200</u>	<u>781,014</u>	<u>440,992</u>	<u>97,821</u>	<u>661,996</u>	<u>145,832</u>	<u>645,159</u>
<u>\$84,249</u>	<u>\$37,226</u>	<u>\$781,014</u>	<u>\$445,492</u>	<u>\$101,206</u>	<u>\$663,891</u>	<u>\$145,832</u>	<u>\$727,118</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	FEMA
ASSETS				
Cash and investments available for City operations	\$168,067	\$771,454	\$477,598	\$44,352
Accounts receivable		523		
Interest receivable	570	2,618	1,620	150
Loans receivable				
Total Assets	\$168,637	\$774,595	\$479,218	\$44,502
LIABILITIES				
Accounts payable		\$61,806	\$211	
Customer deposits		696,685		
Total Liabilities		758,491	211	
FUND BALANCES				
Restricted	\$168,637	16,104	479,007	\$44,502
Committed				
Total Fund Balances (Deficit)	168,637	16,104	479,007	44,502
Total Liabilities and Fund Balances (Deficits)	\$168,637	\$774,595	\$479,218	\$44,502

SPECIAL REVENUE FUNDS

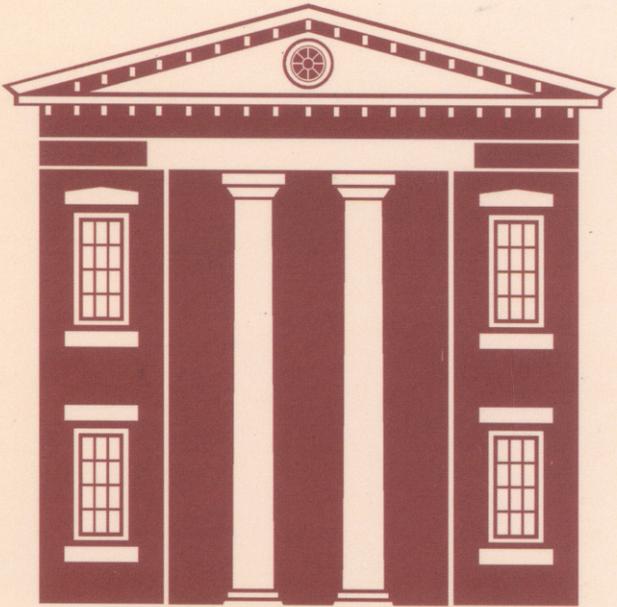
CAPITAL PROJECTS FUNDS

Miscellaneous Grants	Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	McAllister Assessment District
\$16,658	\$259,584	\$979,748	\$3,852,713	\$878,156	\$112,963	\$309,275	\$1,006
39	2,096	3,324	4,024	2,979 35,480	383 196,950	1,049	3
<u>\$16,697</u>	<u>\$261,680</u>	<u>\$983,072</u>	<u>\$3,856,737</u>	<u>\$916,615</u>	<u>\$310,296</u>	<u>\$310,324</u>	<u>\$1,009</u>
			\$170,844				
			170,844				
\$16,697	\$261,680	\$983,072	3,685,893	\$916,615	\$310,296	\$310,324	\$1,009
16,697	261,680	983,072	3,685,893	916,615	310,296	310,324	1,009
<u>\$16,697</u>	<u>\$261,680</u>	<u>\$983,072</u>	<u>\$3,856,737</u>	<u>\$916,615</u>	<u>\$310,296</u>	<u>\$310,324</u>	<u>\$1,009</u>

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Streets and Transportation (Intermodal Transportation)</u>	<u>Casa De Vilarrasa</u>	<u>Total Non-major Governmental Funds</u>
ASSETS			
Cash and investments available for City operations	\$477,217		\$13,152,704
Accounts receivable			521,711
Interest receivable	1,620		36,240
Loans receivable		\$1,400,000	1,687,430
	<u>478,837</u>	<u>1,400,000</u>	<u>15,398,085</u>
Total Assets			
LIABILITIES			
Accounts payable			\$299,230
Customer deposits			791,503
			<u>1,090,733</u>
Total Liabilities			
FUND BALANCES			
Restricted			10,890,271
Committed	\$478,837	\$1,400,000	3,417,081
	<u>478,837</u>	<u>1,400,000</u>	<u>14,307,352</u>
Total Fund Balances			
Total Liabilities and Fund Balances (Deficits)	<u>\$478,837</u>	<u>\$1,400,000</u>	<u>\$15,398,085</u>



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, 2019

	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	\$51,232	1,070	4,430	4,296
Revenue from other agencies	1,139,836			
Current service charges				
Community donations				
Other	11,457			
Total Revenues	1,202,525	300,956	84,407	20,096
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services		441,164	65,974	13,914
Public works	605,366			
Community development				
Library				
Capital outlay	45,360			
Total Expenditures	650,726	441,164	65,974	13,914
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	551,799	(140,208)	18,433	6,182
OTHER FINANCING SOURCES (USES)				
Transfers in		125,964	3,161	11,912
Total Other Financing Sources (Uses)		125,964	3,161	11,912
NET CHANGE IN FUND BALANCES	551,799	(14,244)	21,594	18,094
BEGINNING FUND BALANCES (DEFICITS)	1,352,861	130,012	140,178	140,530
ENDING FUND BALANCES (DEFICITS)	<u>\$1,904,660</u>	<u>\$115,768</u>	<u>\$161,772</u>	<u>\$158,624</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
					\$962,419		
\$28,001 2,353	\$4,000 1,031	\$57,828	\$13,446	\$4,553 82,256	8,409	\$7,129	\$18,146 352,549
			103,441 6,346 1,995	45,161 20			120
<u>30,354</u>	<u>5,031</u>	<u>57,828</u>	<u>125,228</u>	<u>131,990</u>	<u>970,828</u>	<u>7,129</u>	<u>370,815</u>
							215,986
23,211	6,419		1,077				
		1,070		175,643	750,803		
			88,613				55,819
<u>23,211</u>	<u>6,419</u>	<u>1,070</u>	<u>89,690</u>	<u>175,643</u>	<u>750,803</u>		<u>271,805</u>
7,143	(1,388)	56,758	35,538	(43,653)	220,025	7,129	99,010
<u>1,488</u>	<u>3,262</u>						<u>75,000</u>
<u>1,488</u>	<u>3,262</u>						<u>75,000</u>
8,631	1,874	56,758	35,538	(43,653)	220,025	7,129	174,010
<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>\$83,841</u>	<u>\$37,200</u>	<u>\$781,014</u>	<u>\$440,992</u>	<u>\$97,821</u>	<u>\$661,996</u>	<u>\$145,832</u>	<u>\$645,159</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, 2019

	SPECIAL REVENUE FUNDS			
	Human Services	Developer Deposits	Tourtelot Mitigation	FEMA
REVENUES				
Property tax				
Sales tax				
Assessments				
Use of money and property	\$5,052	\$16,104	\$14,353	\$979
Revenue from other agencies				
Current service charges				
Community donations				
Other				
Total Revenues	<u>5,052</u>	<u>16,104</u>	<u>14,353</u>	<u>979</u>
EXPENDITURES				
Current:				
Administration				
Public safety - police				
Parks and community services				
Public works			1,471	
Community development				
Library				
Capital outlay				
Total Expenditures			<u>1,471</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,052</u>	<u>16,104</u>	<u>12,882</u>	<u>979</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	5,052	16,104	12,882	979
BEGINNING FUND BALANCES (DEFICITS)	<u>163,585</u>		<u>466,125</u>	<u>43,523</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>\$168,637</u></u>	<u><u>\$16,104</u></u>	<u><u>\$479,007</u></u>	<u><u>\$44,502</u></u>

SPECIAL REVENUE FUNDS

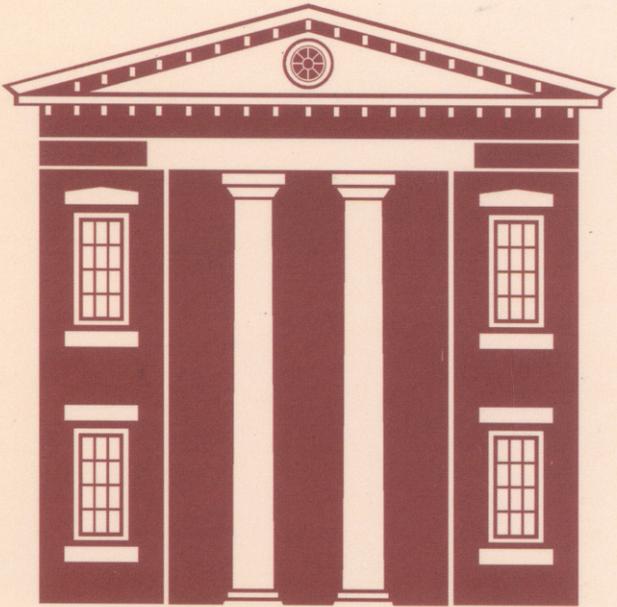
CAPITAL PROJECTS FUNDS

Miscellaneous Grants	Valero GNSC	Arsenal	Measure C	Traffic Mitigation	Park Dedication	Library Basement Project	McAllister Assessment District
\$479 27,080	\$16,132	\$28,455	\$51,987	\$27,047 12,722	\$3,087 22,874	\$9,288	\$29
27,559	16,132	28,455	51,987	39,769	25,961	9,288	29
12,414	54	185,736	114,389 136,729				
	17,240		1,651,468	51,922			
12,414	17,294	185,736	1,902,586	51,922			
15,145	(1,162)	(157,281)	(1,850,599)	(12,153)	25,961	9,288	29
			2,650,000				
			2,650,000				
15,145	(1,162)	(157,281)	799,401	(12,153)	25,961	9,288	29
1,552	262,842	1,140,353	2,886,492	928,768	284,335	301,036	980
\$16,697	\$261,680	\$983,072	\$3,685,893	\$916,615	\$310,296	\$310,324	\$1,009

(Continued)

CITY OF BENICIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CAPITAL PROJECTS FUND</u>		
	<u>Streets and Transportation (Intermodal Transportation)</u>	<u>Casa Villarasa</u>	<u>Total Non-major Governmental Funds</u>
REVENUES			
Property tax			
Sales tax			\$962,419
Assessments			427,664
Use of money and property	\$9,210		356,125
Revenue from other agencies	237,764		1,839,485
Current service charges			139,037
Community donations			51,627
Other			13,472
			<u>3,789,829</u>
Total Revenues	<u>246,974</u>		<u>3,789,829</u>
EXPENDITURES			
Current:			
Administration			312,593
Public safety - police			352,715
Parks and community services			551,759
Public works			606,837
Community development			18,310
Library			926,446
Capital outlay	48,000		1,941,182
			<u>4,709,842</u>
Total Expenditures	<u>48,000</u>		<u>4,709,842</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>198,974</u>		<u>(920,013)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in			<u>2,870,787</u>
Total Other Financing Sources (Uses)			<u>2,870,787</u>
NET CHANGE IN FUND BALANCES	198,974		1,950,774
BEGINNING FUND BALANCES (DEFICITS)	<u>279,863</u>	<u>\$1,400,000</u>	<u>12,356,578</u>
ENDING FUND BALANCES (DEFICITS)	<u>\$478,837</u>	<u>\$1,400,000</u>	<u>\$14,307,352</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, 2019

	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	\$51,232	\$10,232		1,070	1,070
Revenue from other agencies	575,449	1,139,836	564,387			
Current service charges						
Community donations						
Other		11,457	11,457			
Total Revenues	616,449	1,202,525	586,076	309,885	300,956	(8,929)
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Public safety - fire						
Parks and community services				412,965	441,164	(28,199)
Public works	521,642	605,366	(83,724)			
Community development						
Library						
Capital outlay	541,300	45,360	495,940			
Total Expenditures	1,062,942	650,726	412,216	412,965	441,164	(28,199)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(446,493)	551,799	998,292	(103,080)	(140,208)	(37,128)
OTHER FINANCING SOURCES (USES)						
Transfers in				125,964	125,964	
Transfers out						
Total Other Financing Sources (Uses)				125,964	125,964	
NET CHANGE IN FUND BALANCES	(446,493)	551,799	998,292	22,884	(14,244)	(37,128)
BEGINNING FUND BALANCES (DEFICITS)		1,352,861			130,012	
ENDING FUND BALANCES (DEFICITS)		\$1,904,660			\$115,768	

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	4,430	930	800	4,296	\$3,496	350	2,353	2,003
<u>98,500</u>	<u>84,407</u>	<u>(14,093)</u>	<u>16,600</u>	<u>20,096</u>	<u>3,496</u>	<u>28,350</u>	<u>30,354</u>	<u>2,004</u>
113,999	65,974	48,025	22,444	13,914	8,530	39,715	23,211	16,504
<u>113,999</u>	<u>65,974</u>	<u>48,025</u>	<u>22,444</u>	<u>13,914</u>	<u>8,530</u>	<u>39,715</u>	<u>23,211</u>	<u>16,504</u>
(15,499)	18,433	33,932	(5,844)	6,182	12,026	(11,365)	7,143	18,508
3,161	3,161		11,912	11,912		1,448	1,488	40
<u>3,161</u>	<u>3,161</u>		<u>11,912</u>	<u>11,912</u>		<u>1,448</u>	<u>1,488</u>	<u>40</u>
<u>(\$12,338)</u>	21,594	<u>\$33,932</u>	<u>\$6,068</u>	18,094	<u>\$12,026</u>	<u>(\$9,917)</u>	8,631	<u>\$18,548</u>
	<u>140,178</u>			<u>140,530</u>			<u>75,210</u>	
	<u>\$161,772</u>			<u>\$158,624</u>			<u>\$83,841</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, 2019

	GOODYEAR ROAD LANDSCAPING AND LIGHTING			COMMUNITY DEVELOPMENT BLOCK GRANT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments	\$4,000	\$4,000				
Use of money and property	250	1,031	\$781	\$16,500	\$57,828	\$41,328
Revenue from other agencies						
Current service charges						
Community donations						
Other						
Total Revenues	<u>4,250</u>	<u>5,031</u>	<u>781</u>	<u>16,500</u>	<u>57,828</u>	<u>41,328</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police						
Public safety - fire						
Parks and community services	7,564	6,419	1,145			
Public works						
Community development					1,070	(1,070)
Library						
Capital outlay						
Total Expenditures	<u>7,564</u>	<u>6,419</u>	<u>1,145</u>		<u>1,070</u>	<u>(1,070)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,314)</u>	<u>(1,388)</u>	<u>1,926</u>	<u>16,500</u>	<u>56,758</u>	<u>40,258</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	3,262	3,262				
Transfers out						
Total Other Financing Sources (Uses)	<u>3,262</u>	<u>3,262</u>				
NET CHANGE IN FUND BALANCES	<u>(\$52)</u>	<u>1,874</u>	<u>\$1,926</u>	<u>\$16,500</u>	<u>56,758</u>	<u>\$40,258</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>35,326</u>			<u>724,256</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$37,200</u>			<u>\$781,014</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)
						\$718,000	\$962,419	\$244,419
	\$13,446	\$13,446		\$4,553	\$4,553	4,000	8,409	4,409
	103,441	103,441	\$22,271	82,256	59,985			
\$48,800	6,346	(42,454)	117,050	45,161	(71,889)			
	1,995	1,995		20	20			
<u>48,800</u>	<u>125,228</u>	<u>76,428</u>	<u>139,321</u>	<u>131,990</u>	<u>(7,331)</u>	<u>722,000</u>	<u>970,828</u>	<u>248,828</u>
	1,077	(1,077)						
142,871	88,613	54,258	236,986	175,643	61,343	863,165	750,803	112,362
						2,300		2,300
<u>142,871</u>	<u>89,690</u>	<u>53,181</u>	<u>236,986</u>	<u>175,643</u>	<u>61,343</u>	<u>865,465</u>	<u>750,803</u>	<u>114,662</u>
<u>(94,071)</u>	<u>35,538</u>	<u>129,609</u>	<u>(97,665)</u>	<u>(43,653)</u>	<u>54,012</u>	<u>(143,465)</u>	<u>220,025</u>	<u>363,490</u>
<u>(\$94,071)</u>	<u>35,538</u>	<u>\$129,609</u>	<u>(\$97,665)</u>	<u>(43,653)</u>	<u>\$54,012</u>	<u>(\$143,465)</u>	<u>220,025</u>	<u>\$363,490</u>
	405,454			141,474			441,971	
	<u>\$440,992</u>			<u>\$97,821</u>			<u>\$661,996</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, 2019

	SOUTHERN PACIFIC DEPOT			PUBLIC SAFETY GRANTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property	\$2,500	\$7,129	\$4,629	\$1,725	\$18,146	\$16,421
Revenue from other agencies				338,520	352,549	14,029
Current service charges						
Community donations					120	120
Other						
Total Revenues	<u>2,500</u>	<u>7,129</u>	<u>4,629</u>	<u>340,245</u>	<u>370,815</u>	<u>30,570</u>
EXPENDITURES						
Current:						
Administration						
Public safety - police				275,771	215,986	59,785
Public safety - fire						
Parks and community services	26,000		26,000			
Public works						
Community development						
Library						
Capital outlay				<u>80,290</u>	<u>55,819</u>	<u>24,471</u>
Total Expenditures	<u>26,000</u>		<u>26,000</u>	<u>356,061</u>	<u>271,805</u>	<u>84,256</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(23,500)</u>	<u>7,129</u>	<u>30,629</u>	<u>(15,816)</u>	<u>99,010</u>	<u>114,826</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>7,129</u>	<u><u>\$30,629</u></u>	<u><u>\$59,184</u></u>	<u>174,010</u>	<u><u>\$114,826</u></u>
BEGINNING FUND BALANCES (DEFICITS)		<u>138,703</u>			<u>471,149</u>	
ENDING FUND BALANCES (DEFICITS)		<u><u>\$145,832</u></u>			<u><u>\$645,159</u></u>	

HUMAN SERVICES			TOURTELOT MITIGATION			MISCELLANEOUS GRANTS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$1,300	\$5,052	\$3,752	\$3,500	\$14,353	\$10,853	\$61,138	\$479 27,080	\$479 (34,058)
<u>1,300</u>	<u>5,052</u>	<u>3,752</u>	<u>3,500</u>	<u>14,353</u>	<u>10,853</u>	<u>61,138</u>	<u>27,559</u>	<u>(33,579)</u>
							12,414	(12,414)
			23,184	1,471	21,713			
						43,000		43,000
			<u>23,184</u>	<u>1,471</u>	<u>21,713</u>	<u>43,000</u>	<u>12,414</u>	<u>30,586</u>
<u>1,300</u>	<u>5,052</u>	<u>3,752</u>	<u>(19,684)</u>	<u>12,882</u>	<u>32,566</u>	<u>18,138</u>	<u>15,145</u>	<u>(2,993)</u>
<u>\$1,300</u>	<u>5,052</u>	<u>\$3,752</u>	<u>(\$19,684)</u>	<u>12,882</u>	<u>\$32,566</u>	<u>\$18,138</u>	<u>15,145</u>	<u>(\$2,993)</u>
	<u>163,585</u>			<u>466,125</u>			<u>1,552</u>	
	<u>\$168,637</u>			<u>\$479,007</u>			<u>\$16,697</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, 2019

	VALERO GNSC			ARSENAL		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property tax						
Sales tax						
Assessments						
Use of money and property		\$16,132	\$16,132		\$28,455	\$28,455
Revenue from other agencies						
Current service charges						
Community donations						
Other						
Total Revenues		<u>16,132</u>	<u>16,132</u>		<u>28,455</u>	<u>28,455</u>
EXPENDITURES						
Current:						
Administration	\$46,715	54	46,661		185,736	(185,736)
Public safety - police						
Public safety - fire						
Parks and community services						
Public works						
Community development		17,240	(17,240)			
Library						
Capital outlay	169,848		169,848			
Total Expenditures	<u>216,563</u>	<u>17,294</u>	<u>199,269</u>		<u>185,736</u>	<u>(185,736)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(216,563)</u>	<u>(1,162)</u>	<u>215,401</u>		<u>(157,281)</u>	<u>(157,281)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in				\$150,000		(150,000)
Transfers out						
Total Other Financing Sources (Uses)				<u>150,000</u>		<u>(150,000)</u>
NET CHANGE IN FUND BALANCES	<u>(\$216,563)</u>	<u>(1,162)</u>	<u>\$215,401</u>	<u>\$150,000</u>	<u>(157,281)</u>	<u>(\$307,281)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>262,842</u>			<u>1,140,353</u>	
ENDING FUND BALANCES (DEFICITS)		<u>\$261,680</u>			<u>\$983,072</u>	

MEASURE C			TRAFFIC MITIGATION			PARK DEDICATION		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$2,700,000		(\$2,700,000)						
	\$51,987	51,987	\$6,000	\$27,047	\$21,047		\$3,087	\$3,087
			12,000	12,722	722		22,874	22,874
<u>2,700,000</u>	<u>51,987</u>	<u>(2,648,013)</u>	<u>18,000</u>	<u>39,769</u>	<u>21,769</u>		<u>25,961</u>	<u>25,961</u>
4,000	114,389	(110,389)						
50,000	136,729	(86,729)						
740,491		740,491						
8,683		8,683						
<u>2,539,007</u>	<u>1,651,468</u>	<u>887,539</u>	<u>758,703</u>	<u>51,922</u>	<u>706,781</u>	<u>\$5,130</u>		<u>5,130</u>
<u>3,342,181</u>	<u>1,902,586</u>	<u>1,439,595</u>	<u>758,703</u>	<u>51,922</u>	<u>706,781</u>	<u>5,130</u>		<u>5,130</u>
<u>(642,181)</u>	<u>(1,850,599)</u>	<u>(1,208,418)</u>	<u>(740,703)</u>	<u>(12,153)</u>	<u>728,550</u>	<u>(5,130)</u>	<u>25,961</u>	<u>31,091</u>
2,650,000	2,650,000							
<u>2,650,000</u>	<u>2,650,000</u>							
<u>\$2,007,819</u>	<u>799,401</u>	<u>(\$1,208,418)</u>	<u>(\$740,703)</u>	<u>(12,153)</u>	<u>\$728,550</u>	<u>(\$5,130)</u>	<u>25,961</u>	<u>\$31,091</u>
	<u>2,886,492</u>			<u>928,768</u>			<u>284,335</u>	
	<u>\$3,685,893</u>			<u>\$916,615</u>			<u>\$310,296</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, 2019

STREETS AND TRANSPORTATION (INTERMODAL TRANSPORTATION)			
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property tax			
Sales tax			
Assessments			
Use of money and property		\$9,210	\$9,210
Revenue from other agencies	\$147,719	237,764	90,045
Current service charges			
Community donations			
Other			
Total Revenues	147,719	246,974	99,255
EXPENDITURES			
Current:			
Administration			
Public safety - police			
Public safety - fire			
Parks and community services			
Public works			
Community development			
Library			
Capital outlay	940,602	48,000	892,602
Total Expenditures	940,602	48,000	892,602
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(792,883)	198,974	991,857
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out			
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES	(\$792,883)	198,974	\$991,857
BEGINNING FUND BALANCES (DEFICITS)		279,863	
ENDING FUND BALANCES (DEFICITS)		\$478,837	

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, 2019

	Insurance	General Services	Building and Equipment Management
ASSETS			
Current Assets:			
Cash and investments			
Available for City operations	\$2,431,056	\$484,154	\$3,585,910
Restricted cash and investments held by fiscal agents			
Accounts receivable			39,463
Interest receivable	8,270		12,251
Materials, parts and supplies		9,694	
Prepaid items		30,469	
Total Current Assets	<u>2,439,326</u>	<u>524,317</u>	<u>3,637,624</u>
Non-Current Assets:			
Other assets			
Property, plant and equipment:			
Land			
Buildings and improvements			13,108,305
Machinery and equipment			5,299,538
Less: accumulated depreciation			<u>(11,994,900)</u>
Total Non-Current Assets			<u>6,412,943</u>
Total Assets	<u>2,439,326</u>	<u>524,317</u>	<u>10,050,567</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	14,330	12,951	64,148
Customer and performance deposits			
Interest payable			
Workers' compensation claims	222,623		
Current portion long-term liabilities			
Due to other funds		511,915	
Total Current Liabilities	<u>236,953</u>	<u>524,866</u>	<u>64,148</u>
Long-Term Liabilities:			
Workers' compensation claims	2,927,781		
Certificates of participation			
Pension obligation bonds			
Total Long-Term Liabilities	<u>2,927,781</u>		
Total Liabilities	<u>3,164,734</u>	<u>524,866</u>	<u>64,148</u>
NET POSITION			
Net investment in capital assets			6,412,943
Restricted for debt service			
Unrestricted	<u>(725,408)</u>	<u>(549)</u>	<u>3,573,476</u>
Total Net Position	<u><u>(\$725,408)</u></u>	<u><u>(\$549)</u></u>	<u><u>\$9,986,419</u></u>

<u>Retirement Stability</u>	<u>Energy</u>	<u>Total</u>
\$1,200,342	\$1,115,510	\$8,816,972
12,076	140	12,216
	183,609	223,072
4,075	2,821	27,417
		9,694
		30,469
<u>1,216,493</u>	<u>1,302,080</u>	<u>9,119,840</u>
	556,909	556,909
	12,643,187	25,751,492
		5,299,538
	<u>(2,430,615)</u>	<u>(14,425,515)</u>
	<u>10,769,481</u>	<u>17,182,424</u>
<u>1,216,493</u>	<u>12,071,561</u>	<u>26,302,264</u>
	35,234	126,663
	5,000	5,000
18,136	60,507	78,643
		222,623
345,000	310,000	655,000
		511,915
<u>363,136</u>	<u>410,741</u>	<u>1,599,844</u>
		2,927,781
	11,154,931	11,154,931
<u>7,271,272</u>	<u>11,154,931</u>	<u>7,271,272</u>
<u>7,271,272</u>	<u>11,154,931</u>	<u>21,353,984</u>
<u>7,634,408</u>	<u>11,565,672</u>	<u>22,953,828</u>
	(695,310)	5,717,633
12,076		12,076
<u>(6,429,991)</u>	<u>1,201,199</u>	<u>(2,381,273)</u>
<u>(\$6,417,915)</u>	<u>\$505,889</u>	<u>\$3,348,436</u>

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

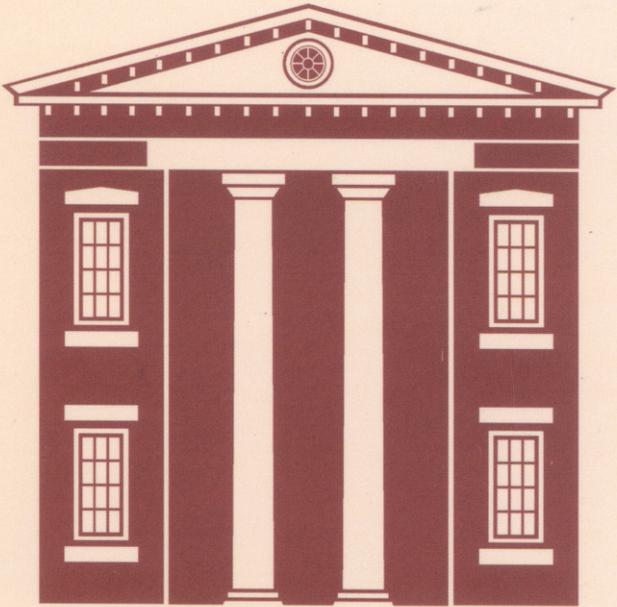
	<u>Insurance</u>	<u>General Services</u>	<u>Building and Equipment Management</u>
OPERATING REVENUES			
Charges for services	\$1,438,880	\$924,509	\$771,497
Refunds and rebates		68	16,165
Total Operating Revenues	<u>1,438,880</u>	<u>924,577</u>	<u>787,662</u>
OPERATING EXPENSES			
Wages and benefits	70,308	467,322	
Materials and supplies		13,010	407,693
Operations and maintenance	103,807	425,432	(45,508)
Claims and Insurance	671,479	19,177	
Depreciation			662,081
Total Operating Expenses	<u>845,594</u>	<u>924,941</u>	<u>1,024,266</u>
Operating Income (Loss)	<u>593,286</u>	<u>(364)</u>	<u>(236,604)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	67,938		103,911
Interest expense			
Gain from the sale of capital assets			83,830
Other	7,298		2,954
Total Nonoperating Revenues (Expenses)	<u>75,236</u>		<u>190,695</u>
Change in Net Position	668,522	(364)	(45,909)
BEGINNING NET POSITION (DEFICITS)	<u>(1,393,930)</u>	<u>(185)</u>	<u>10,032,328</u>
ENDING NET POSITION (DEFICITS)	<u><u>(\$725,408)</u></u>	<u><u>(\$549)</u></u>	<u><u>\$9,986,419</u></u>

<u>Retirement Stability</u>	<u>Energy</u>	<u>Total</u>
\$622,067	\$734,233	\$4,491,186
	183,609	199,842
<u>622,067</u>	<u>917,842</u>	<u>4,691,028</u>
		537,630
		420,703
3,683	84,405	571,819
		690,656
	349,747	1,011,828
<u>3,683</u>	<u>434,152</u>	<u>3,232,636</u>
<u>618,384</u>	<u>483,690</u>	<u>1,458,392</u>
39,083	28,778	239,710
(457,366)	(347,974)	(805,340)
		83,830
		10,252
<u>(418,283)</u>	<u>(319,196)</u>	<u>(471,548)</u>
200,101	164,494	986,844
<u>(6,618,016)</u>	<u>341,395</u>	<u>2,361,592</u>
<u>(\$6,417,915)</u>	<u>\$505,889</u>	<u>\$3,348,436</u>

CITY OF BENICIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

	Insurance	General Services	Building and Equipment Management
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$1,446,178	\$924,577	\$748,199
Payments to suppliers	(107,932)	(462,836)	(298,097)
Payments to employees	(70,308)	(486,499)	
Claims paid	(865,965)		
	<u>401,973</u>	<u>(24,758)</u>	<u>450,102</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Receipts from interfund loans		508,912	
Principal paid on non-capital debt			
Interest paid on non-capital debt			
		<u>508,912</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt			
Interest paid on capital debt			
Acquisition of capital assets			(440,868)
Sale of capital assets			83,830
Community donations			2,954
			<u>(354,084)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	59,668		91,660
	<u>59,668</u>		<u>91,660</u>
Net Cash Flows	461,641	484,154	187,678
Cash and investments at beginning of period	1,969,415		3,398,232
Cash and investments at end of period	<u>\$2,431,056</u>	<u>\$484,154</u>	<u>\$3,585,910</u>
Reconciliation of operating income (loss) to net cash flows			
from operating activities:			
Operating income (loss)	\$593,286	(\$364)	(\$236,604)
Adjustments to reconcile operating income to net cash flows			
from operating activities:			
Depreciation			662,081
Other non-operating revenue (expenses)	7,298		
Change in assets and liabilities:			
Materials, parts and supplies		(214)	
Prepaid items		14,715	
Accounts receivable			(39,463)
Accounts payable	(4,125)	(38,895)	64,088
Workers' compensation claims	(194,486)		
Cash Flows from Operating Activities	<u>\$401,973</u>	<u>(\$24,758)</u>	<u>\$450,102</u>

Retirement Stability	Energy	Total
\$625,067	\$734,233	\$4,478,254
(4,183)	(49,917)	(922,965)
		(556,807)
		(865,965)
<u>620,884</u>	<u>684,316</u>	<u>2,132,517</u>
		508,912
(325,000)		(325,000)
(217,631)		(217,631)
<u>(542,631)</u>		<u>(33,719)</u>
	(265,000)	(265,000)
	(373,644)	(373,644)
		(440,868)
		83,830
		2,954
	<u>(638,644)</u>	<u>(992,728)</u>
<u>35,008</u>	<u>25,957</u>	<u>212,293</u>
<u>35,008</u>	<u>25,957</u>	<u>212,293</u>
113,261	71,629	1,318,363
<u>1,099,157</u>	<u>1,044,021</u>	<u>7,510,825</u>
<u>\$1,212,418</u>	<u>\$1,115,650</u>	<u>\$8,829,188</u>
\$618,384	\$483,690	\$1,458,392
	349,747	1,011,828
		7,298
		(214)
2,500		17,215
	(183,609)	(223,072)
	34,488	55,556
		(194,486)
<u>\$620,884</u>	<u>\$684,316</u>	<u>\$2,132,517</u>



THE CITY OF
BENICIA
CALIFORNIA

AGENCY FUNDS

ASSESSMENT DISTRICTS

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

CITY OF BENICIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2019

	Balance 6/30/2018	Additions	Deductions	Balance June 30, 2019
<u>Fleetside Industrial Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$25,992	\$802	\$91	\$26,703
Total assets	<u>\$25,992</u>	<u>\$802</u>	<u>\$91</u>	<u>\$26,703</u>
<u>Liabilities</u>				
Due to bondholders	\$25,992	\$802	\$91	\$26,703
Total liabilities	<u>\$25,992</u>	<u>\$802</u>	<u>\$91</u>	<u>\$26,703</u>
<u>McAllister Assessment District</u>				
<u>Assets</u>				
Restricted cash and investments	\$1,311,166	\$721,705	\$698,972	\$1,333,899
Interest receivable		4,540		4,540
Total assets	<u>\$1,311,166</u>	<u>\$726,245</u>	<u>\$698,972</u>	<u>\$1,338,439</u>
<u>Liabilities</u>				
Due to bondholders	\$1,311,166	\$726,245	\$698,972	\$1,338,439
Total liabilities	<u>\$1,311,166</u>	<u>\$726,245</u>	<u>\$698,972</u>	<u>\$1,338,439</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Restricted cash and investments	\$1,337,158	\$722,507	\$699,063	\$1,360,602
Interest receivable		4,540		4,540
Total assets	<u>\$1,337,158</u>	<u>\$727,047</u>	<u>\$699,063</u>	<u>\$1,365,142</u>
<u>Liabilities</u>				
Due to bondholders	\$1,337,158	\$727,047	\$699,063	\$1,365,142
Total liabilities	<u>\$1,337,158</u>	<u>\$727,047</u>	<u>\$699,063</u>	<u>\$1,365,142</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

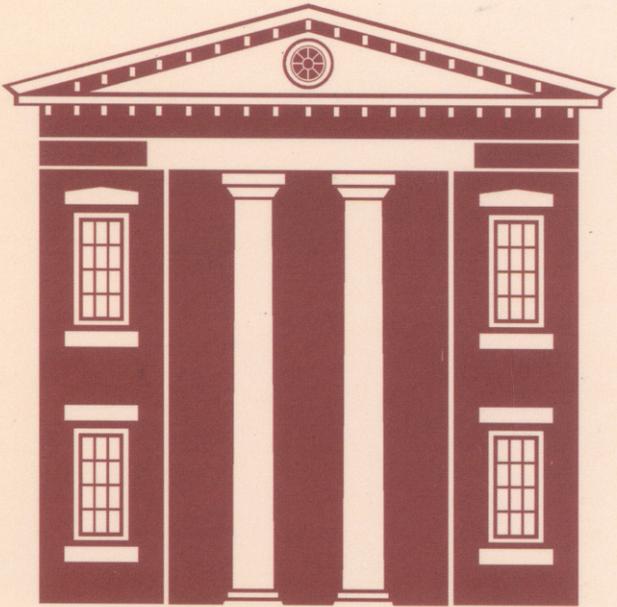
Operating Information

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

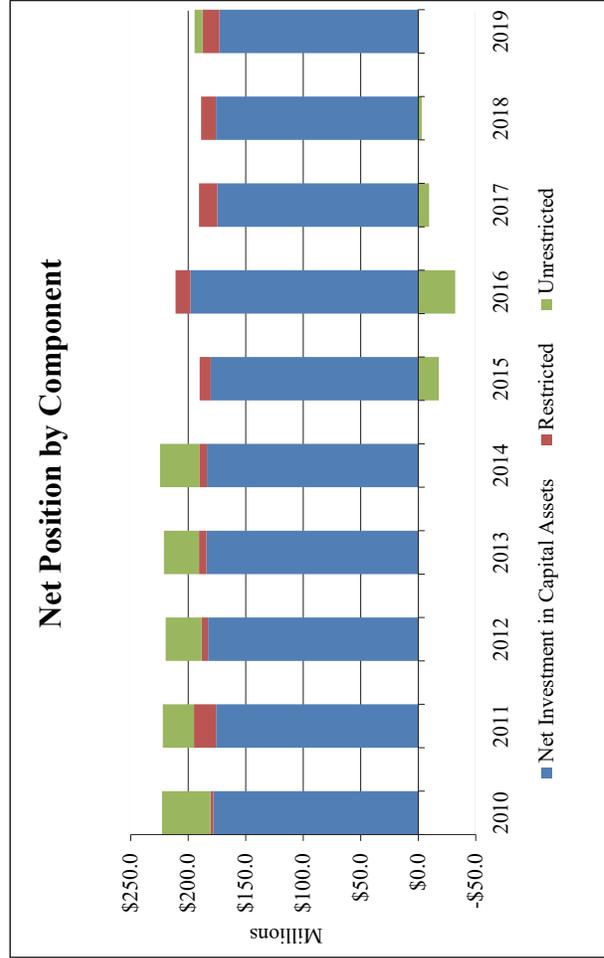
Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



THE CITY OF
BENICIA
CALIFORNIA

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investments in capital assets	\$ 115,359,499	\$ 112,701,775	\$ 120,052,758	\$ 121,948,249	\$ 120,434,163	\$ 117,899,038	\$ 116,727,502	\$ 114,719,779	\$ 113,971,990	\$ 111,533,644
Restricted	2,507,802	19,174,006	5,641,592	6,316,224	6,573,412	9,526,578	12,963,665	13,887,513	12,863,103	14,506,595
Unrestricted	14,171,681	1,081,215	6,767,569	5,038,875	8,093,156	(40,937,523)	(37,759,794)	(35,607,065)	(30,149,114)	(24,631,064)
Total governmental activities net assets	\$ 132,038,982	\$ 132,956,996	\$ 132,461,919	\$ 133,303,348	\$ 135,100,731	\$ 86,488,093	\$ 91,931,373	\$ 93,000,227	\$ 96,685,979	\$ 101,409,175
Business-type activities										
Net investments in capital assets	\$ 62,819,454	\$ 63,064,298	\$ 62,660,031	\$ 62,321,179	\$ 63,311,581	\$ 62,566,681	\$ 81,305,746	\$ 59,960,276	\$ 61,926,677	\$ 61,430,709
Restricted	-	-	-	-	-	-	-	1,997,713	70	378
Unrestricted	27,932,802	26,022,756	24,419,432	25,465,370	26,084,805	23,060,961	5,625,599	26,185,642	27,179,931	31,582,150
Total business-type activities net assets	\$ 90,752,256	\$ 89,087,054	\$ 87,079,463	\$ 87,786,549	\$ 89,396,386	\$ 85,627,642	\$ 86,931,345	\$ 88,143,631	\$ 89,106,678	\$ 93,013,237
Primary government										
Invested in capital assets, net of related debt	\$ 178,178,953	\$ 175,766,073	\$ 182,712,789	\$ 184,269,428	\$ 183,745,744	\$ 180,465,719	\$ 198,033,248	\$ 174,680,055	\$ 175,898,667	\$ 172,964,353
Restricted	2,507,802	19,174,006	5,641,592	6,316,224	6,573,412	9,526,578	12,963,665	15,885,226	12,863,173	14,506,973
Unrestricted	42,104,483	27,103,971	31,187,001	30,504,245	34,177,961	(17,876,562)	(32,134,195)	(9,421,423)	(2,969,183)	6,951,086
Total primary government net assets	\$ 222,791,238	\$ 222,044,050	\$ 219,541,382	\$ 221,089,897	\$ 224,497,117	\$ 172,115,735	\$ 178,862,718	\$ 181,143,858	\$ 185,792,657	\$ 194,422,412



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

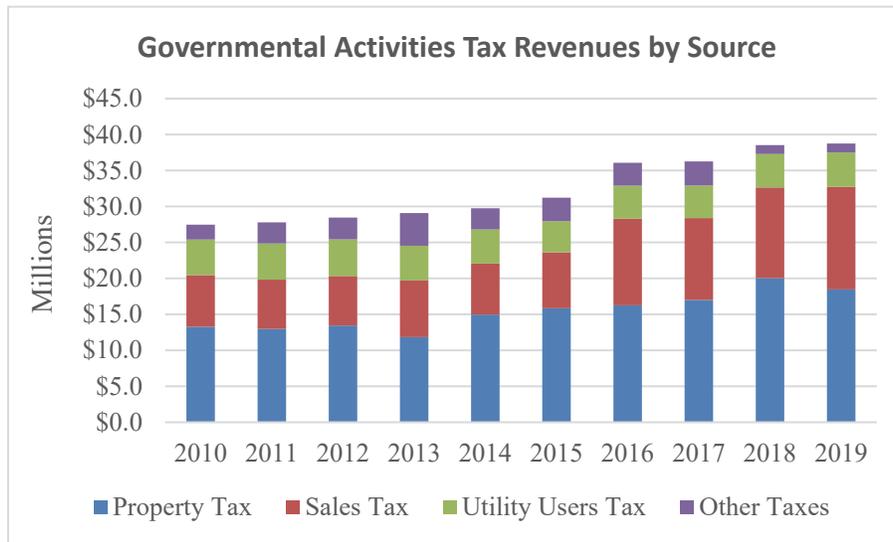
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Administration	\$ 3,404,371	\$ 3,202,068	\$ 3,046,735	\$ 3,118,013	\$ 2,924,434	\$ 3,448,980	\$ 4,959,201	\$ 4,217,323	\$ 4,560,565	\$ 6,487,670
Community Development *	8,898,817	8,896,808	8,812,511	1,935,323	3,747,043	1,649,255	2,130,335	1,831,203	1,563,805	1,566,616
Public Safety - Police	6,744,682	6,925,232	6,503,886	6,362,097	6,115,013	7,560,181	7,817,517	9,322,788	11,096,614	11,666,246
Public Safety - Fire	5,867,659	5,714,379	5,744,533	5,631,017	5,767,977	6,220,950	8,154,710	7,716,881	8,241,007	9,191,539
Parks & Community Services	6,017,134	6,113,748	7,621,379	3,076,360	1,556,413	5,325,886	4,986,189	6,069,250	5,733,687	6,467,431
Public Works *	2,117,872	2,600,356	2,081,313	1,927,951	1,976,200	1,755,551	2,326,530	2,079,165	2,172,746	5,631,831
Library	485,052	609,814	474,430	647,573	488,870	460,622	899,096	710,024	497,125	537,434
Economic Development	2,339,200	2,942,788	3,163,220	3,077,915	2,948,133	851,090	798,993	235,455	180,571	165,098
General Government	1,658,589	1,265,618	1,160,564	1,588,003	1,387,936	1,410,138	1,336,569	2,345,357	897,815	864,186
Interest expense	37,533,376	38,270,811	38,608,571	35,593,550	34,989,427	33,668,690	38,692,644	41,141,369	41,123,821	44,875,918
Total Governmental Activities Expenses	7,422,265	7,082,311	7,030,478	7,181,756	7,012,560	6,905,007	8,172,784	9,060,845	9,362,519	9,198,416
Business-Type Activities:	7,780,492	7,753,095	7,843,223	7,289,049	7,746,457	9,308,351	8,097,701	8,993,593	10,536,424	10,175,634
Wastewater	479,098	564,182	419,517	600,429	572,931	580,231	582,394	633,550	513,443	569,445
Water	1,165,705	1,005,375	72,047	-	-	-	-	-	-	-
Benicia Marina	16,847,560	16,404,963	15,363,265	15,071,234	15,331,948	16,793,589	16,852,879	18,687,988	20,412,386	19,943,495
Transit	54,380,936	54,675,774	53,973,836	50,664,784	50,321,375	50,462,279	55,545,523	59,829,357	61,536,207	64,819,413
Total Business-Type Activities Expenses	16,863	50,305	17,817	15,908	26,391	22,690	5,935	20,259	120,593	255,008
Total Primary Government Expenses	202,345	155,331	236,101	177,489	437,529	683,873	610,671	545,626	863,228	1,367,550
Program Revenues	171,946	44,626	44,897	85,498	189,670	291,107	456,057	234,714	518,703	563,479
Governmental Activities:	1,707,119	1,181,041	1,106,889	1,104,054	1,591,878	1,623,642	1,654,462	1,775,994	1,685,586	1,775,140
Charges for Services:	1,123,401	577,489	774,391	727,631	121,677	170,062	141,411	325,450	658,717	455,869
Administration	158,938	144,819	101,045	48,360	71,080	72,842	71,019	71,601	179,159	87,245
Community Development	52	320	-	-	-	-	-	-	-	-
Public Safety - Police	422,926	667,848	284,818	300,401	407,560	335,528	353,818	371,572	1,791,033	-
Public Safety - Fire	2,751,185	2,299,326	3,322,456	3,239,730	1,959,337	2,625,160	1,969,791	1,690,512	-	-
Parks & Community Services	868,271	4,350,257	1,714,778	500,000	1,820,481	776,561	1,228,558	468,073	-	-
Public Works	7,423,046	9,471,362	7,603,192	6,199,071	7,018,159	6,776,716	6,991,423	5,849,180	6,243,332	7,259,923
Library	6,522,329	6,620,605	6,543,982	7,186,846	8,030,511	8,499,089	8,674,971	9,004,873	10,567,478	10,360,101
Economic Development	6,610,587	6,379,255	6,569,607	7,358,983	7,760,079	8,973,777	8,786,778	10,187,339	10,993,586	11,900,413
General Government	318,767	307,916	141,842	320,803	315,602	326,109	318,837	326,316	334,033	327,234
Operating Grants and Contributions	84,520	88,486	70,128	190,231	72,160	67,900	78,164	82,978	-	-
Capital Grants and Contributions	809,348	782,879	70,128	190,231	72,160	67,900	78,164	82,978	77,480	78,513
Total Business-Type Activities Program Revenue	14,345,551	14,179,141	13,325,559	15,056,863	16,613,761	17,866,875	17,858,750	19,601,506	21,972,577	22,666,261
Total Primary Government Program Revenues	\$ 2,176,859	\$ 23,650,503	\$ 20,928,751	\$ 21,255,934	\$ 23,651,920	\$ 24,643,591	\$ 24,850,173	\$ 25,450,686	\$ 28,215,909	\$ 29,926,184
Charges for Services:										
Wastewater	6,522,329	6,620,605	6,543,982	7,186,846	8,030,511	8,499,089	8,674,971	9,004,873	10,567,478	10,360,101
Water	6,610,587	6,379,255	6,569,607	7,358,983	7,760,079	8,973,777	8,786,778	10,187,339	10,993,586	11,900,413
Benicia Marina	318,767	307,916	141,842	320,803	315,602	326,109	318,837	326,316	334,033	327,234
Transit	84,520	88,486	70,128	190,231	72,160	67,900	78,164	82,978	-	-
Operating Grants and Contributions	809,348	782,879	70,128	190,231	72,160	67,900	78,164	82,978	77,480	78,513
Capital Grants and Contributions	14,345,551	14,179,141	13,325,559	15,056,863	16,613,761	17,866,875	17,858,750	19,601,506	21,972,577	22,666,261
Total Business-Type Activities Program Revenue	\$ 21,768,597	\$ 23,650,503	\$ 20,928,751	\$ 21,255,934	\$ 23,651,920	\$ 24,643,591	\$ 24,850,173	\$ 25,450,686	\$ 28,215,909	\$ 29,926,184
Total Primary Government Program Revenues	\$ 2,176,859	\$ 23,650,503	\$ 20,928,751	\$ 21,255,934	\$ 23,651,920	\$ 24,643,591	\$ 24,850,173	\$ 25,450,686	\$ 28,215,909	\$ 29,926,184
Net (Expense)/Revenue										
Governmental Activities	\$ (30,110,330)	\$ (28,799,449)	\$ (31,005,379)	\$ (29,394,479)	\$ (27,971,268)	\$ (26,891,974)	\$ (31,701,221)	\$ (35,292,189)	\$ (34,880,489)	\$ (37,615,995)
Business-Type Activities	(2,502,009)	(2,225,822)	(2,039,706)	(1,43,371)	1,281,813	1,073,286	1,005,871	913,518	1,560,191	2,722,766
Total Primary Government Net Expense	\$ (32,612,339)	\$ (31,025,271)	\$ (33,045,085)	\$ (29,408,850)	\$ (26,689,455)	\$ (25,818,688)	\$ (30,695,350)	\$ (34,378,671)	\$ (33,320,298)	\$ (34,893,229)

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 13,266,103	\$ 12,974,217	\$ 13,447,764	\$ 11,835,074	\$ 14,960,814	\$ 15,843,353	\$ 16,254,148	\$ 17,003,131	\$ 20,040,594	\$ 18,469,252
Sales Tax	7,196,964	6,854,911	6,888,750	7,873,396	7,100,073	7,789,308	12,040,536	11,388,283	12,604,790	14,261,749
Utility Users Tax	4,938,585	5,027,163	5,087,381	4,825,055	4,739,792	4,318,066	4,594,385	4,515,825	4,642,195	4,777,814
Franchise Fees	1,292,872	1,570,184	1,598,206	1,637,825	1,859,241	2,200,664	2,079,543	2,148,659	2,173,140	1,954,908
Other Taxes	1,189,561	1,362,982	1,435,854	2,913,592	1,087,893	1,070,045	1,106,213	1,204,737	1,238,623	1,242,730
Motor Vehicle in Lieu	1,951,715	1,942,991	1,908,529	1,822,267	11,915	11,510	11,172	12,320	14,580	39,862
Investment Earnings	358,210	269,344	195,064	(92)	98,392	216,322	380,381	180,174	493,564	1,668,253
Gain from Disposal of Capital Assets	30,415	156	20,734	-	10,631	187	-	-	76,795	-
Miscellaneous	-	(284,486)	(71,980)	(671,209)	(100,100)	99,463	662,398	117,189	136,593	175,714
Transfers	-	29,717,462	30,510,302	30,235,908	29,768,651	(209,275)	15,725	(209,275)	66,974	(251,091)
Total Government Activities	30,224,425	29,717,462	30,510,302	30,235,908	29,768,651	31,339,643	37,144,501	36,361,043	41,487,848	42,339,191
Business-Type Activities:										
Interest Earnings	429,139	273,576	196,287	48,860	227,924	194,435	313,557	85,824	190,670	932,702
Gain (Loss) from Disposal of Capital Assets	-	2,558	(236,152)	1,388	-	-	(15,725)	-	-	-
Transfers	(30,415)	284,486	71,980	671,209	100,100	209,275	(297,832)	209,275	(66,974)	251,091
Total Business-Type Activities	398,724	560,620	32,115	721,457	328,024	403,710	297,832	295,099	123,696	1,183,793
Total Primary Government	\$ 30,623,149	\$ 30,278,082	\$ 30,542,417	\$ 30,957,365	\$ 30,096,675	\$ 31,743,353	\$ 37,442,333	\$ 36,656,142	\$ 41,611,544	\$ 43,522,984
Change in Net Assets										
Governmental Activities	\$ 1,424,976	\$ (1,287,917)	\$ 1,115,823	\$ 2,264,640	\$ 2,876,677	\$ (361,578)	\$ 1,852,312	\$ 1,480,554	\$ 6,607,359	\$ 4,723,196
Business-Type Activities	(1,827,098)	(1,479,086)	17,744	2,003,270	1,401,310	1,409,581	1,211,350	1,855,290	1,683,887	3,906,559
Total Primary Government	\$ (402,122)	\$ (2,767,003)	\$ 1,133,567	\$ 4,267,910	\$ 4,277,987	\$ 1,048,003	\$ 3,063,662	\$ 3,335,844	\$ 8,291,246	\$ 8,629,755

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

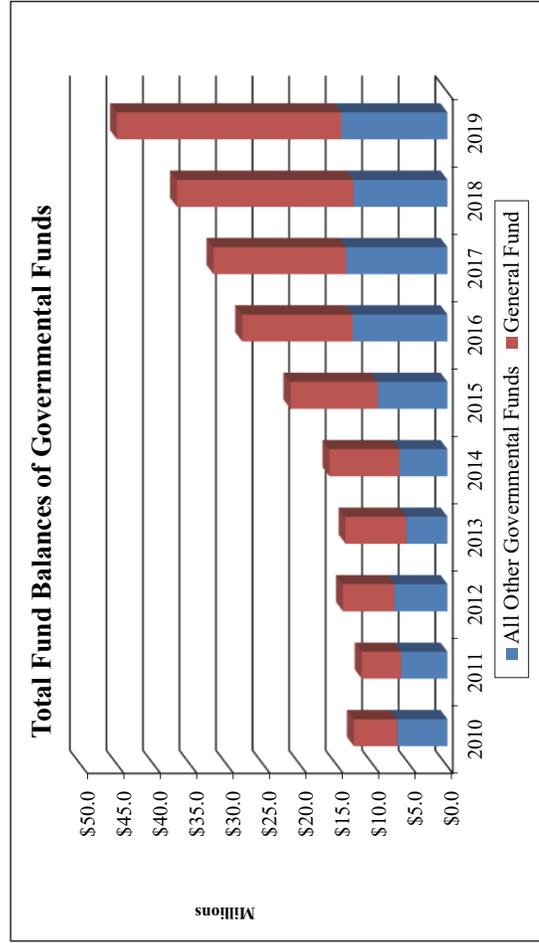
Fiscal Year	Property Tax	Sales Tax	Utility Users Tax	Other Taxes	Total
2010	\$13,266,103	\$7,196,964	\$4,938,585	\$2,067,433	\$27,469,085
2011	12,974,217	6,854,911	5,027,163	2,933,166	27,789,457
2012	13,447,764	6,888,750	5,087,381	3,034,060	28,457,955
2013	11,835,074	7,873,396	4,825,055	4,551,417	29,084,942
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
2019	18,469,252	14,261,749	4,777,814	1,242,730	38,751,545



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund	\$ 560,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	5,384,445	-	-	-	-	-	-	-	-	-
Unreserved	-	2,143,040	636,667	30,750	30,750	767,860	650,604	740,384	775,112	834,888
Nonspendable	-	128,430	162,961	203,047	189,581	176,891	157,593	141,859	121,284	122,288
Restricted	-	2,999,973	3,106,627	3,097,360	3,146,027	6,604,104	8,701,436	8,652,234	10,373,948	11,965,741
Committed	-	200,471	358,928	1,054,192	5,976,428	1,208,003	1,702,927	1,841,497	1,968,851	4,224,569
Assigned	-	(72,371)	2,792,694	3,943,937	233,218	3,204,454	3,909,481	6,750,750	10,919,089	13,567,802
Unassigned	\$5,945,316	\$ 5,399,543	\$ 7,057,877	\$ 8,329,286	\$ 9,576,004	\$ 11,961,312	\$ 15,122,041	\$ 18,126,724	\$ 24,158,284	\$ 30,715,288
Total General Fund										
All Other Governmental Funds	\$2,414,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	3,639,961	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	800,599	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	1,475	-	-	-	-	-	-	-	-
Nonspendable	-	5,429,411	4,984,800	4,404,805	5,018,601	6,566,573	9,619,366	11,091,501	9,668,121	11,089,514
Restricted	-	2,612,563	2,618,151	1,480,824	1,555,616	3,211,578	3,351,668	2,895,151	3,194,982	3,417,081
Committed	-	(1,713,546)	(355,839)	-272,217	(805)	(251,573)	(7,369)	(99,139)	-	-
Unassigned	\$6,855,461	\$ 6,329,903	\$ 7,247,112	\$ 5,613,412	\$ 6,573,412	\$ 9,526,578	\$ 12,963,665	\$ 13,887,513	\$ 12,863,103	\$ 14,506,595
Total all other governmental funds										

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



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 27,896,749	\$ 27,698,473	\$ 28,289,246	\$ 28,246,659	\$ 30,053,333	\$ 31,649,100	\$ 36,502,489	\$ 36,687,899	\$ 41,127,006	\$ 41,134,117
Licenses, permits and fees	320,466	315,208	277,267	331,830	391,987	531,474	480,554	458,696	796,643	1,237,397
Fines and forfeitures	105,391	99,898	184,084	125,016	92,633	82,198	102,280	112,172	202,246	291,761
Use of money and property	587,040	701,264	514,674	347,451	562,568	553,513	907,017	599,581	714,398	1,747,896
Intergovernmental revenues	4,855,610	5,200,591	4,931,453	4,853,473	3,366,221	2,847,632	2,199,299	1,636,742	1,711,236	2,191,540
Charges for services	2,234,871	1,485,991	2,507,509	1,620,508	1,792,391	1,887,502	2,282,367	2,165,041	2,572,513	2,655,387
Other	1,651,482	1,933,329	2,446,893	1,587,488	627,336	745,778	1,580,731	736,670	419,174	341,597
Total Revenues	37,651,609	37,434,754	38,151,126	37,112,425	36,886,469	38,297,197	44,054,737	42,396,801	47,543,216	49,599,695
Expenditures										
Current:										
Administration	3,365,557	3,101,146	2,978,057	2,989,783	3,288,675	4,427,640	4,490,769	4,345,176	5,185,170	6,061,670
Community development	-	-	-	1,351,994	1,032,179	1,287,113	1,508,851	1,439,367	1,556,053	1,568,105
Public Safety - Police	8,970,286	8,568,999	8,425,574	8,381,295	8,495,411	8,410,085	8,862,878	8,989,937	10,586,462	10,289,419
Public Safety - Fire	6,779,441	6,555,355	6,193,806	6,490,519	6,449,095	6,870,350	7,482,750	7,211,065	7,696,924	8,118,547
Parks & Community Services	5,482,353	5,371,171	5,097,677	5,160,108	5,407,167	5,579,622	5,520,405	5,758,533	5,728,426	5,896,771
Public Works	4,615,700	2,825,598	2,412,189	1,486,669	1,484,907	2,302,990	2,630,397	2,808,321	3,579,865	3,423,586
Library	2,134,589	2,158,850	2,019,269	1,961,284	2,027,067	2,093,511	2,175,008	2,215,440	2,401,567	2,344,057
Economic Development	493,857	458,470	443,384	653,720	537,493	572,719	744,460	720,893	624,625	532,241
General	2,418,903	2,641,205	2,863,369	2,821,213	2,899,981	722,030	528,144	25,710	42,926	65,749
Capital outlay	4,356,489	7,080,488	9,872,108	3,434,964	2,604,625	2,057,354	2,067,089	5,546,128	4,038,173	2,196,953
Debt service:										
Principal repayment	770,542	807,565	5,435,150	993,334	937,139	966,668	991,759	819,648	927,689	599,674
Interest and fiscal charges	429,328	471,211	1,138,271	135,505	129,355	102,611	74,043	71,585	75,402	62,136
Refunding bonds issuance costs	-	-	98,550	-	-	-	-	-	-	-
Total Expenditures	39,817,045	40,040,058	46,977,404	35,860,388	35,293,094	35,392,693	37,076,553	39,951,823	42,443,282	41,158,908
Excess (deficiency) of revenues over (under) expenditures	(2,165,436)	(2,605,304)	(8,826,278)	1,252,037	1,593,375	2,904,504	6,978,184	2,444,978	5,099,934	8,440,787
Other Financing Sources (Uses)										
Transfers in	1,926,107	2,521,117	3,331,208	2,285,097	498,129	134,750	620,645	320,645	3,148,633	2,870,287
Transfers (out)	(1,795,692)	(2,805,603)	(3,933,188)	(3,196,613)	(598,229)	(390,537)	(1,001,012)	(744,942)	(3,241,659)	(3,121,878)
State water resources loans	-	-	-	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-	-
Capital lease issued	-	-	-	-	-	-	-	1,907,850	-	-
Proceeds from bonds issuance	-	-	-	-	-	-	-	-	-	-
Bond issue costs	-	13,195,000	-	-	-	-	-	-	-	-
Refunding bonds issued	-	(235,368)	-	-	-	-	-	-	-	-
Discount on bond	-	(12,328)	4,270,000	-	-	-	-	-	-	-
Discount on refunding bonds issued	-	-	(21,350)	-	-	-	-	-	-	-
Contribution from other entity/land owners	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	156	20,734	-	10,631	187	-	-	242	10,800
Total other financing sources (uses)	130,415	12,662,974	3,667,404	(911,516)	(89,469)	(255,600)	(380,367)	1,483,553	(92,784)	(240,291)
Net Change in fund balances	(2,035,021)	\$ 10,057,670	\$ (5,158,874)	\$ 340,521	\$ 1,503,906	\$ 2,648,904	\$ 6,597,817	\$ 3,928,531	\$ 5,007,150	\$ 8,200,496
Debt service as a percentage of noncapital expenditures	3.4%	3.9	17.7%	3.5%	3.5%	3.2%	3.0%	2.7%	2.7%	1.7%

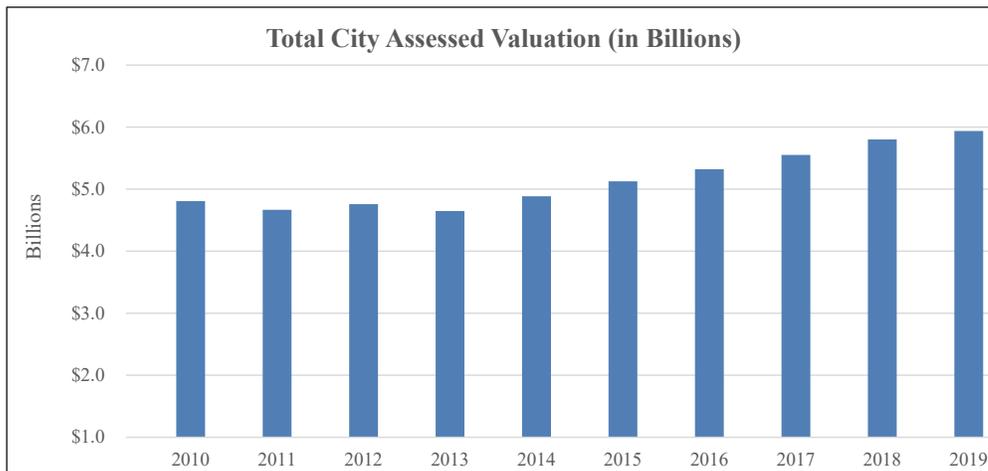
NOTE:
(a) The City implemented GASB Statement 34 in fiscal year 2003.

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					
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%
2019	3,750,994,811	211,430,526	1,644,230,923	83,627,641	5,690,283,901	247,741,026	5,938,024,927	5,938,024,927	0.25934%

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.

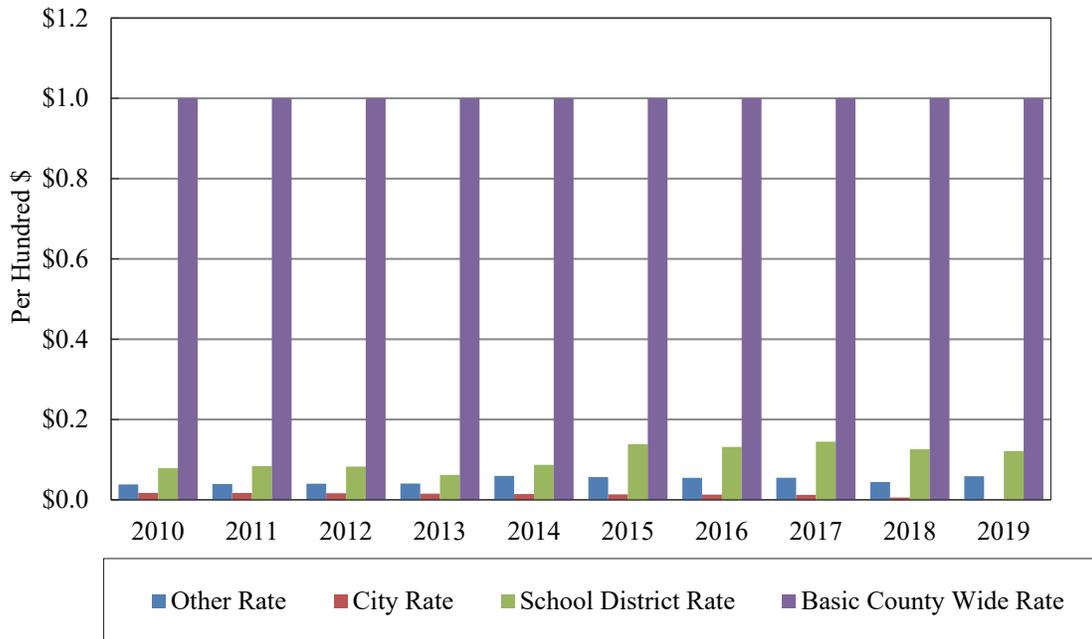


CITY OF BENICIA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	Overlapping Rates:				Total Direct Rate
		Basic County Wide Rate	School District Rate	City Rate	Other Rate	
2010	0.25737	1.0000	0.0788	0.0173	0.0385	1.1345
2011	0.25737	1.0000	0.0839	0.0171	0.0395	1.1405
2012	0.26378	1.0000	0.0827	0.0165	0.0402	1.1394
2013	0.25133	1.0000	0.0621	0.0154	0.0406	1.1181
2014	0.20411	1.0000	0.0871	0.0143	0.0596	1.1610
2015	0.24913	1.0000	0.1389	0.0137	0.0567	1.2093
2016	0.24918	1.0000	0.1318	0.0130	0.0549	1.1997
2017	0.24918	1.0000	0.1448	0.0125	0.0550	1.2123
2018	0.25950	1.0000	0.1259	0.0058	0.0444	1.1761
2019	0.25934	1.0000	0.1215	0.0000	0.0589	1.1804

Source: HdL, Coren & Cone Report

**Direct and Overlapping Property Tax Rates
Per \$100 of Assessed Value**



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

<u>Taxpayer</u>	<u>2018-2019</u>			<u>2009-2010</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	\$ 961,257,119	1	16.19%	\$ 899,039,955	1	18.70%
ICON OWNER POOL 1 SF N-B P LLC	141,349,488	2	2.38%			
BENICIA INDUSTRIES INC	79,544,036	3	1.34%	67,909,834	3	1.41%
TULLOCH CONSTRUCTION INC.	52,888,816	4	0.89%	21,826,877	7	0.45%
CRANBROOK REALTY INVESTMENT FUND	30,500,000	5	0.51%			
GONSALVES AND SANTUCCI INC.	28,668,913	6	0.48%	21,364,725	8	0.44%
WRI WEST GATE SOUTH LP	28,655,092	7	0.48%	25,318,723	4	0.53%
CLUB PACIFICA LLC	25,046,917	8	0.42%	22,055,705	6	0.46%
CLEAN HARBORS ENVIRON SVS INC	17,907,402	9	0.30%			
5001 LLC	15,004,119	10	0.25%	13,257,166	10	0.28%
WALTON CWCA				170,625,601	2	3.55%
SPK INDUSTRIAL PORTFOLIO LLC				22,862,790	5	0.48%
MP BENICIA LOGISTICS LLC				13,834,722	9	0.29%
Total	<u>\$ 1,380,821,902</u>		<u>23.25%</u>	<u>\$ 1,278,096,098</u>		<u>26.59%</u>

Total Net Assessed Valuation:

Fiscal Year 2018-2019 \$5,938,024,927

Fiscal Year 2009-2010 \$4,806,786,036

Source: HdL, Coren & Cone Report

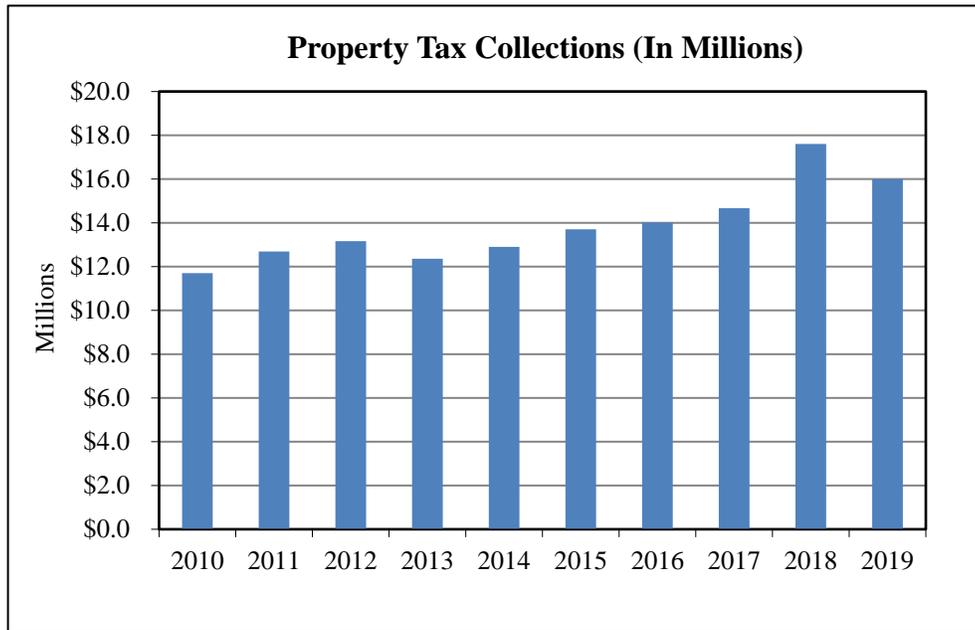
**CITY OF BENICIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy
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 *	17,603,205	17,603,205	100.0000%	17,603,205	100.0000%
2019 *	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.



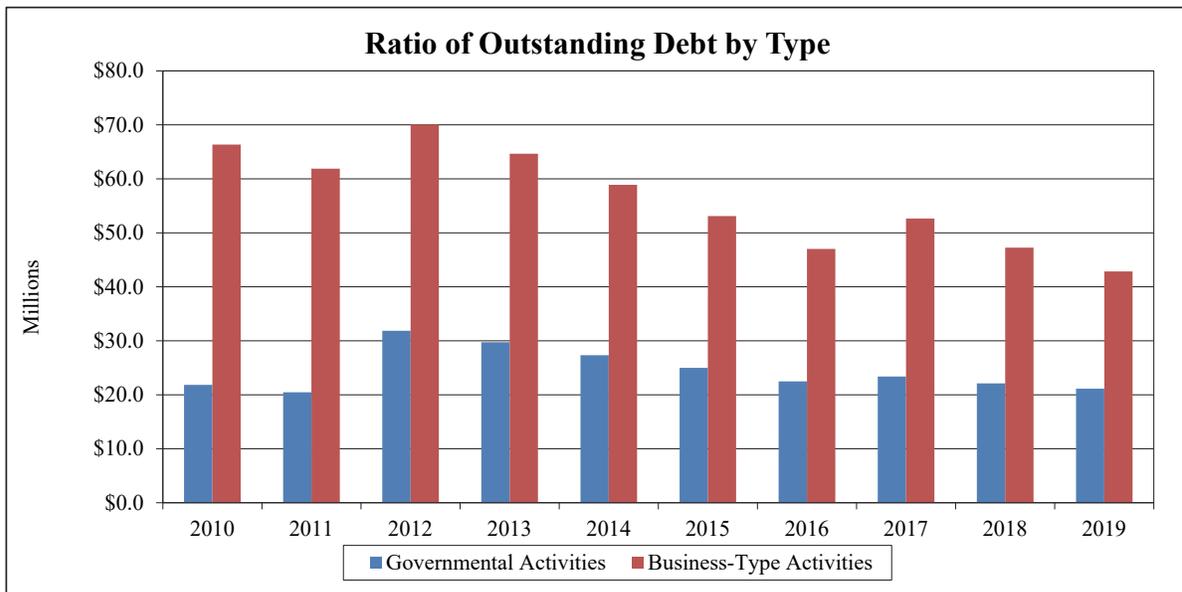
CITY OF BENICIA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities					
Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Lease Obligation	Certificates of Participation	Total
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
2019	-	7,616,272	2,059,363	11,464,931	21,140,566

Business-Type Activities						Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Loans Payable	Lease Purchase	Total			
2010	\$ 6,358,639	\$ 3,201,466	\$ 34,967,876	\$ -	\$ 44,527,981	\$ 66,363,347	5.86%	\$ 2,378
2011	5,661,631	2,931,130	32,820,100	-	41,412,861	61,893,691	5.64%	2,203.72
2012	4,934,118	2,650,795	30,624,276	-	38,209,189	70,076,457	6.03%	2,603.23
2013	4,186,139	2,365,459	28,377,285	-	34,928,883	64,671,644	5.73%	2,380.87
2014	3,407,718	2,070,123	26,090,472	-	31,568,313	58,905,016	5.04%	2,145.59
2015	2,598,877	1,759,788	23,750,423	-	28,109,088	53,105,946	4.57%	1,931.48
2016	1,754,631	1,439,452	21,355,786	-	24,549,869	47,029,397	3.93%	1,710.10
2017	890,000	1,104,116	18,905,171	8,366,073	29,265,360	52,646,558	4.33%	1,900.94
2018	-	753,777	16,397,150	7,993,313	25,144,240	47,258,648	3.82%	1,718.56
2019	-	388,441	13,830,250	7,495,585	21,714,276	42,854,842	3.21%	1,554.40

Sources: City of Benicia
HdL, Coren & Cone

(a) See page 140 (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)
2010	\$ 5,590,000	\$ 13,273,493	\$ 18,863,493	0.39%	\$ 676
2011	5,055,000	12,758,370	17,813,370	0.38%	634.24
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%	440.00
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%	292.25
2019	-	7,616,272	7,616,272	0.13%	276.25

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, 2019**

2018-19 Assessed Valuation \$ 5,941,290,543

	Total Debt 6/30/2019	Percentage Applicable (1)	City's Share of Debt 6/30/2019
<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>			
Solano County Community College District	\$ 276,464,164	11.177%	\$ 30,900,400
Benicia Unified School District	59,683,282	99.277%	59,251,772
City of Benicia 1915 Act Bonds	6,198,854	100%	<u>6,198,854</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			<u>\$ 96,351,026</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Solano County Certificates of Participation	67,315,000	10.794%	\$ 7,265,981
Solano County Pension Obligation Bonds	23,375,000	10.794%	2,523,098
Solano County Community College District Certificates of Participation	8,409,602	11.177%	939,941
Benicia Unified School District General Fund Obligations	2,382,172	99.277%	2,364,949
City of Benicia General Fund Obligations	13,524,294	100%	13,524,294 (2)
City of Benicia Pension Obligations	7,616,272	100%	<u>7,616,272 (3)</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 34,234,535
TOTAL DIRECT DEBT			21,140,566
TOTAL OVERLAPPING DEBT			<u>109,444,995</u>
COMBINED TOTAL DEBT			<u>\$ 130,585,561 (4)</u>

(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 \$2,059,363.

(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 2018-19 ASSESSED VALUATION:

Total Direct and Overlapping Tax and Assessment Debt	1.62%
Total Direct Debt (\$23,675,692)	0.36%
Combined Total Debt	2.20%

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

**CITY OF BENICIA
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2019**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$ 5,690,283,901
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$ 213,385,646
---	----------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$ 19,469,644
Less Revenue Bonds, Certificate of Participation not subject to limit	19,469,644

Amount of debt subject to limit	-
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LEGAL BONDED DEBT MARGIN	\$ 213,385,646
--------------------------	----------------

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%
2019	213,385,646	-	213,385,646	0.00%

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.

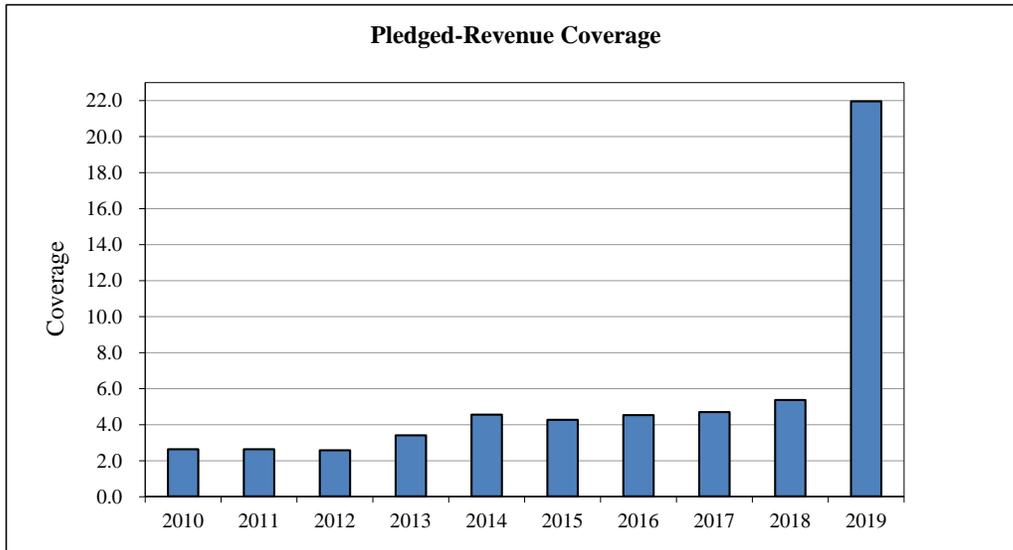
CITY OF BENICIA
PLEGDED-REVENUE COVERAGE
WATER AND WASTEWATER REVENUE BONDS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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 (3)	21,737	14,741	6,996	1,245	57	1,302	5.37
2019	23,177	14,560	8,617	370	22	392	21.96

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
- (3) 2002 Water Refunding Bonds were paid in full in fiscal year 2017-18.

Source: City of Benicia



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

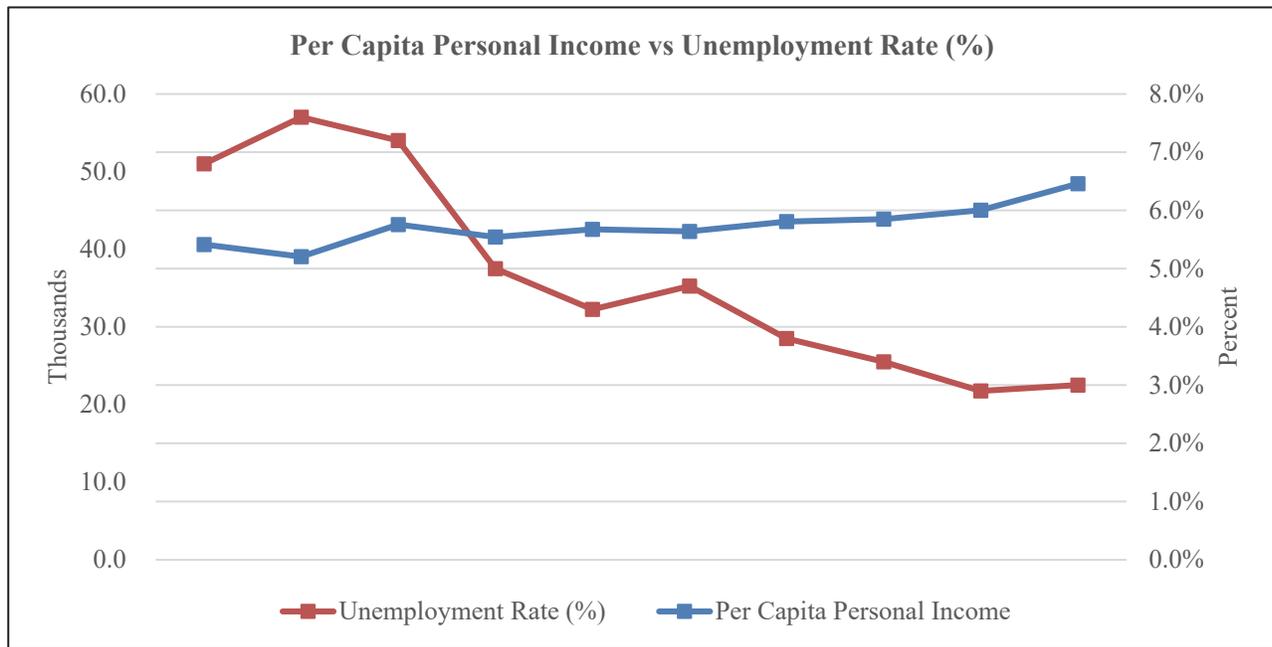
Fiscal Year	(a) City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	(a) County Population	City Population % of County
2010	27,912	\$1,133,310,936	\$40,603	6.8%	427,837	6.52%
2011	28,086	1,096,561,698	39,043	7.6%	414,509	6.78%
2012	26,919	1,162,254,744	43,176	7.2%	413,786	6.51%
2013	27,163	1,129,247,399	41,573	5.0%	418,387	6.49%
2014	27,454	1,168,442,240	42,560	4.3%	424,233	6.47%
2015	27,495	1,162,901,025	42,295	4.7%	429,552	6.40%
2016	27,501	1,197,916,059	43,559	3.8%	431,498	6.37%
2017	27,695	1,215,173,515	43,877	3.4%	436,023	6.35%
2018	27,499	1,238,197,473	45,027	2.9%	439,102	6.26%
2019	27,570	1,335,573,510	48,443	3.0%	441,307	6.25%

Notes:

(a) Population is reported as of January 1st

Sources:

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

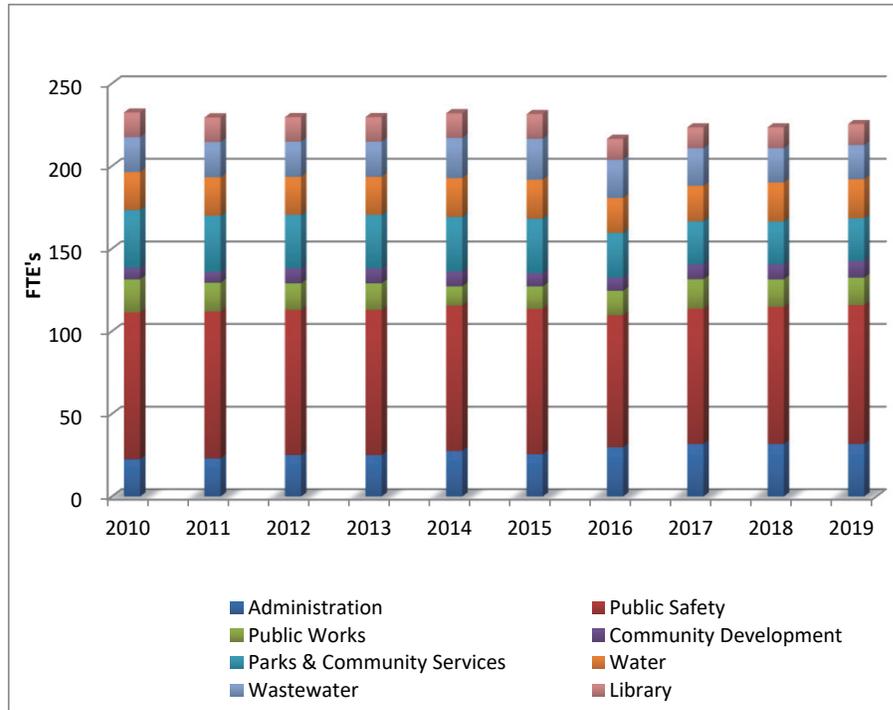


CITY OF BENICIA
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2018-19</u>			<u>2009-10</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%	538	1	1.9%
Benicia Unified School District	367	2	1.3%	465	2	1.7%
Dunlop Manufacturing	235	3	0.9%	234	4	0.8%
City of Benicia	226	4	0.8%	232	5	0.8%
Bio-Rad Laboratories Inc.	212	5	0.8%	268	3	1.0%
Pro-form Laboratories	193	6	0.7%			
Coca Cola Bottling Co.	191	7	0.7%	162	7	0.6%
Team Industrial Services Inc	182	8	0.7%			
Central Coast Wine Co	159	9	0.6%			
Molecule Labs, Inc.	151	10	0.5%			
Cytosport				171	5	0.6%
Benicia Fabrication & Machine				124	8	0.4%
The Pepsi Bottling Group				119	9	0.4%
Cycle Gear Inc				111	10	0.4%
Subtotal	<u>2,366</u>		<u>8.6%</u>	<u>2,424</u>		<u>8.7%</u>
Total City Day Population	<u>27,570</u>			<u>27,912</u>		

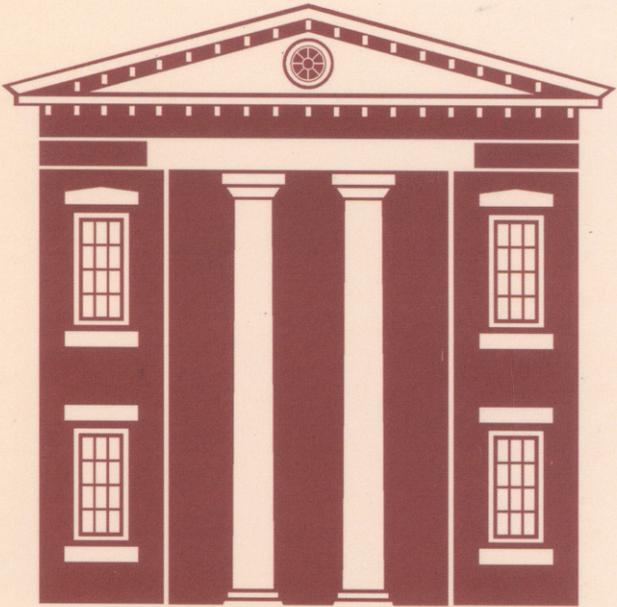
Source: City of Benicia Budget and City of Benicia Business Data, Economic Development

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



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Administration	22.50	23.00	25.00	25.00	27.50	25.60	29.75	31.75	31.75	31.75
Public Safety	89.00	89.00	88.00	88.00	88.00	88.00	80.00	82.00	83.00	84.00
Public Works	19.95	17.35	16.03	16.03	11.65	13.55	14.75	17.75	16.70	16.70
Community Development	7.00	6.67	8.97	8.97	9.00	8.00	8.00	9.00	9.00	10.00
Parks & Community Services	35.00	34.00	32.50	32.50	33.00	33.00	27.00	26.00	26.00	26.00
Water	22.95	23.16	23.05	23.05	23.60	23.60	21.15	21.55	23.65	23.65
Wastewater	21.10	21.31	21.20	21.20	24.25	24.75	23.15	22.70	20.65	20.65
Library	15.00	15.00	15.00	15.00	15.00	15.00	12.75	12.75	12.75	12.75
Total	<u>232.50</u>	<u>229.49</u>	<u>229.75</u>	<u>229.75</u>	<u>#####</u>	<u>231.50</u>	<u>216.55</u>	<u>223.50</u>	<u>223.50</u>	<u>225.50</u>

Source: City of Benicia



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

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Public safety:				
Fire:				
Fire calls for service	2,122	2,067	2,238	2,208
Primary fire inspections conducted (estimate)	935	750	690	401
Police:				
Police calls for Service***	27,029	14,536	12,422	18,867
Law violations:				
Physical arrests (adult and juvenile)	836	866	734	614
Traffic violations	2,546	2,346	2,394	1,296
Parking violations	237	230	206	77
 Public Works				
Street resurfacing (miles)	5	0.8	8.9	1.3
Potholes repaired (cubic feet) *	1,764	1,395	953	999
 Parks & Community Services:				
Community Services:				
Recreation class programs	800	820	1,104	971
Recreation class participants**	8,560	9,137	10,126	9,546
 Library:				
Volumes in Collection	106,965	106,264	109,436	99,608
Total Volumes Borrowed	384,056	384,134	433,264	474,472
 Water				
Water service connections	9,557	9,547	9,434	9,827
Water main breaks	33	10	15	21
Average daily consumption (thousands of gallons)	3,540	3,808	3,714	4,062
 Wastewater				
Storm drain inlets	2,040	2,040	2,040	2,040
Sewer service connections	9,261	9,278	9,277	9,283
Sewer main blockages	46	27	24	34
Average daily treatment (thousands of gallons)	2,280	2,433	2,370	2,180

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.

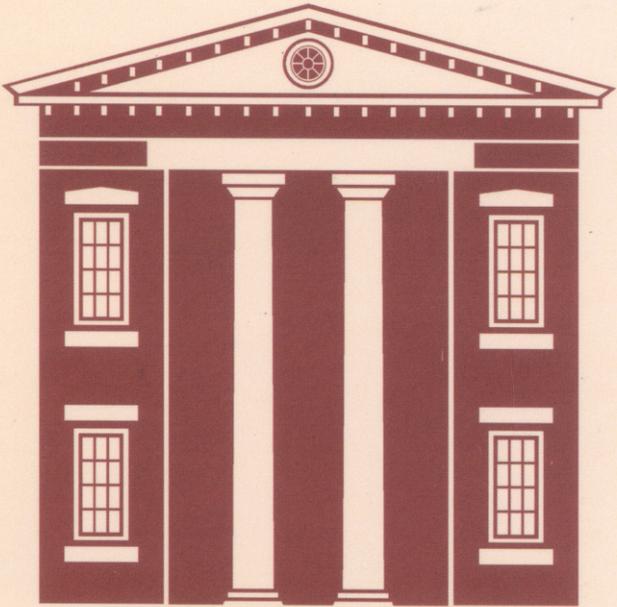
***2018-2019 includes dispatch calls for service received from Cal Maritime.

Fiscal Year					
2014	2015	2016	2017	2018	2019
2,180	2,346	2,465	2,579	2,523	2,524
398	331	877	621	935	1,132
17,557	13,027	18,560	22,003	29,177	32,346
602	562	671	704	741	695
1,239	775	758	1,525	1,545	1,338
148	134	230	273	235	216
2.8	0.8	-	7.0	6.7	8.6
420	467	644	6,288	3,132	7,156
986	1,177	1,180	1,132	1,331	1,340
9,071	9,701	9,800	9,035	37,547	40,618
104,546	105,441	103,864	108,894	97,253	105,647
490,984	457,210	431,687	312,060	268,847	251,503
9,682	9,698	9,687	9,710	9,522	9,542
18	26	40	23	27	9
4,014	3,129	2,593	2,687	3,165	3,089
2,040	2,040	2,040	2,040	2,040	2,040
9,185	9,197	9,181	9,204	9,223	9,245
23	12	14	10	6	13
2,110	2,018	1,967	2,106	2,106	2,219

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

Function/Program	Fiscal Year			
	2010	2011	2012	2013
Public safety:				
Fire stations	2	2	2	2
Police stations	1	1	1	1
Police patrol units	12	12	11	13
Public works				
Miles of streets	97	97	97	97
Street lights	2,232	2,232	2,232	2,232
Traffic Signals	10	11	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	1,430	1,428	1,429	1,449
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

Fiscal Year						
2014	2015	2016	2017	2018	2019	
2	2	2	2	2	2	
1	1	1	1	1	1	
13	13	13	13	13	13	
97	97	97	97	97	97	
2,232	2,232	2,232	2,358	2,358	2,358	
11	11	11	11	11	11	
36	36	36	36	36	36	
214	214	214	214	214	214	
2	2	2	2	2	2	
1	1	1	1	1	1	
577	577	577	577	577	577	
1	1	1	1	1	1	
160	160	160	160	160	160	
1,449	1,452	1,452	1,452	1,452	1,452	
12	12	12	12	12	12	
150	150	150	150	153	153	
78	78	78	78	78	78	
1	1	1	1	1	1	



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