



CITY OF
C O T A T I

Comprehensive Annual
Financial Report
Fiscal Year Ended June 30, 2019

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City of Cotati, California

Comprehensive Annual Financial Report For the Fiscal Year June 30, 2019

Prepared by the Administrative Services Department

Angela Courter, Director of Admin. Services
Neil Tomlinson, Accounting Specialist
Angela Schoenthal, Senior Accounting Clerk

CITY OF COTATI, CALIFORNIA
Basic Financial Statements
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Introductory Section

City Council, Management Team, City
Organization Chart, and
Letter of Transmittal

City of Cotati City Council



John Dell'Osso

Mayor (2019)

jdelloso@cotaticity.org

707-792-4600 (ext.194)

ElectedTerm:(2016-2020)



Wendy Skillman

Vice Mayor

wskillman@cotaticity.org

707-792-4600 (ext. 196)

ElectedTerm:(2016-2020)



John Moore

Council Member

jmoore@cotaticity.org

707-792-4600 (ext.192)

ElectedTerm:(2018-2022)



Mark Landman

Council Member

milandman@cotaticity.org

707-792-4600 (ext. 195)

ElectedTerm:(2018-2022)



Susan Harvey

Council Member

sharvey@cotaticity.org

707-792-4600 (ext. 193)

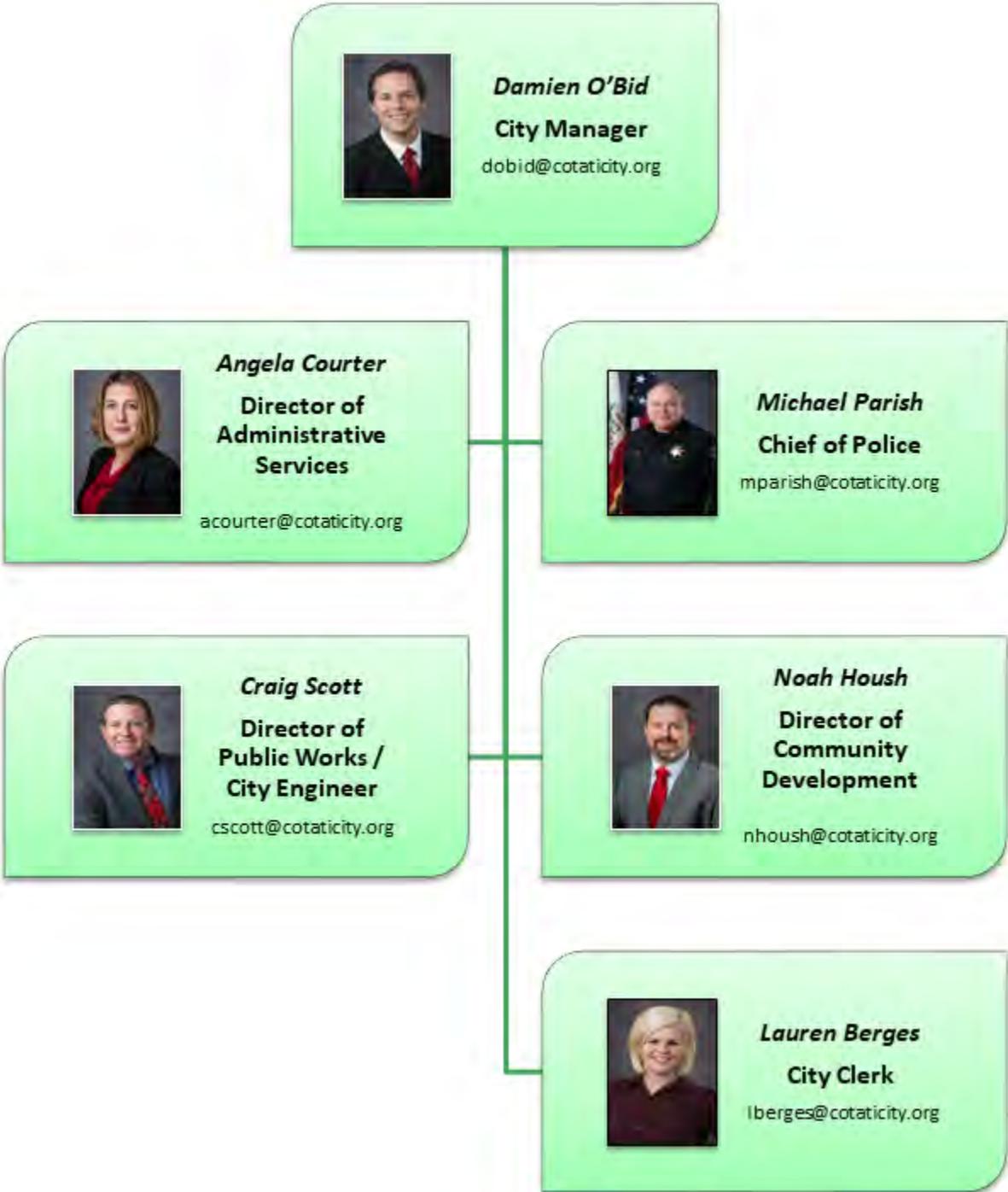
ElectedTerm:(2016-2020)

Other Commissions or Committees:

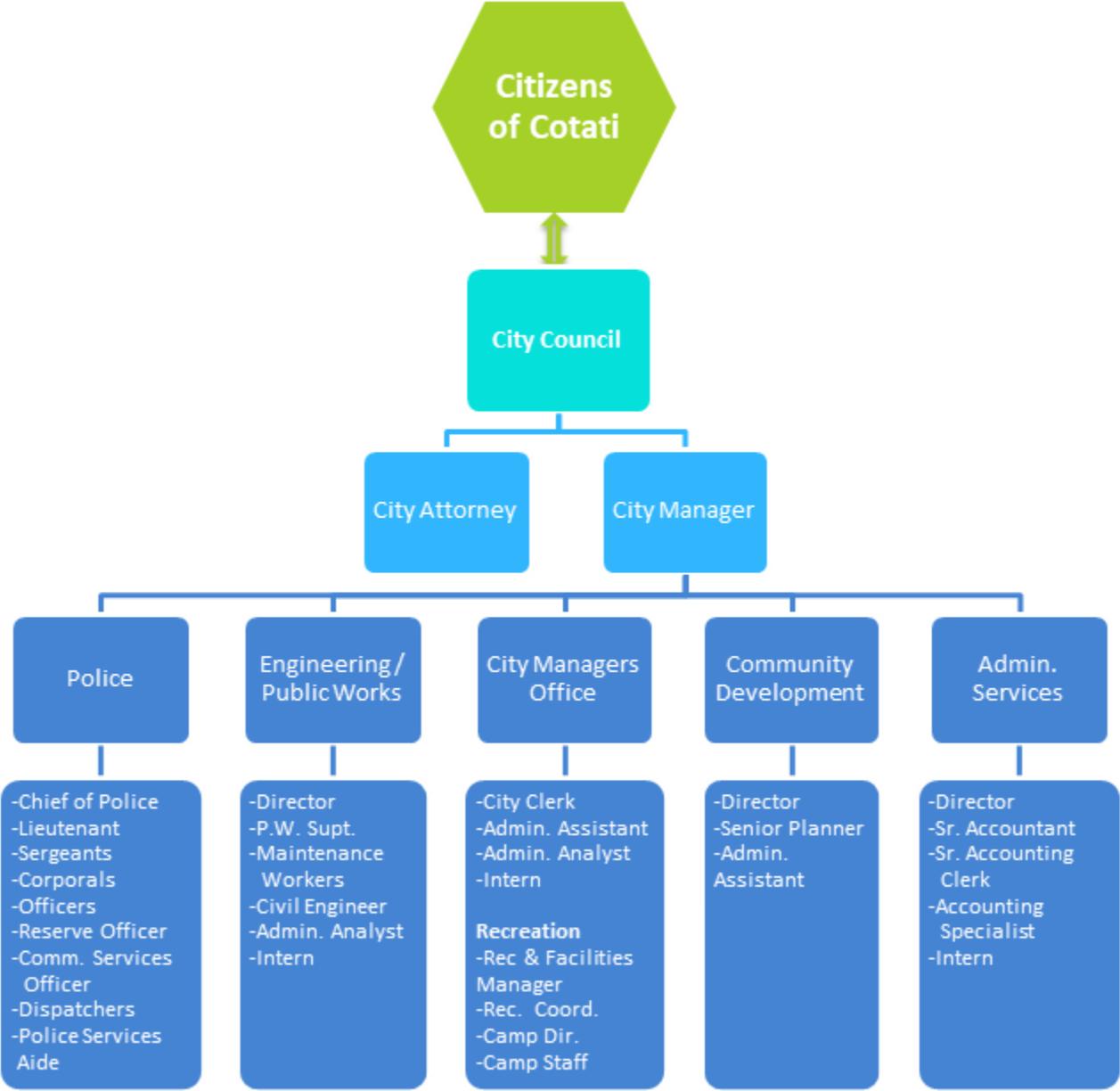
Planning Commission
Measure G Citizen Oversight Committee

201 West Sierra Ave.
Cotati, California 94931
www.cotaticity.org
Phone: 707-792-4600
Email: info@cotaticity.org

Meet the Cotati Management Team



Fiscal Year 2018-19 City Organization Chart





Government Finance Officers Association

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

Presented to

**City of Cotati
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



Incorporated in 1963

January 14, 2019
The Honorable City Council
Cotati, California

Members of the City Council and Citizens of the City of Cotati:

The City of Cotati is pleased to present our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The fiscal year covers financial transactions from July 1, 2018 to June 30, 2019 on a modified or full accrual basis, depending on the fund type. The City follows a policy of preparing a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America after the end of each fiscal year. An independent licensed certified public accounting firm audits these financial statements.

City management assumes full responsibility for the completeness and reliability of the information provided in this report. We have established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to provide sufficient reliable information on the City of Cotati's financial statements in conformity with U.S. generally accepted accounting principles. *The cost of internal controls should not outweigh their benefits and the internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.* As management, we assert that, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

Auditor's Report Summary

Terry Krieg, a licensed certified public accountant, has audited the City of Cotati's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cotati for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the management; and evaluating the overall financial presentation. Terry Krieg has concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified audit opinion that the City of Cotati's financial statements for the fiscal year ended June 30, 2019 are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Comprehensive Annual Financial Report

The CAFR is presented in four sections: introductory, financial, statistical, and single audit (if any). The introductory section includes this transmittal letter, the City's organizational chart and a list of municipal officers and officials. The financial section includes management's discussion and analysis (MD&A), government-wide financial statements, fund financial statements, notes to the financial statements, and required supplementary information, as well as the auditor's report on the financial statements and schedules. The MD&A provides additional information regarding management of the City's finances and should be read in conjunction with this transmittal letter. The statistical section includes selected financial and demographic information of the City, generally presented on a multi-year basis.

The Reporting Entity and Services Provided

City Profile: The City of Cotati was incorporated in 1963 as a general law city in the County of Sonoma, State of California. The City is located about 45 miles north of San Francisco in the 101 corridor between Rohnert Park and Petaluma. The City is approximately 1.88 square miles with an estimated population of 7,500, making it the smallest incorporated community in Sonoma County. Community amenities include an amazing downtown off the historical Old Redwood Highway with various shops and restaurants. The City is also known for numerous festivals and a weekly farmer's market in season. Many Sonoma County wineries are located within minutes from the City, making this community an ideal vacation destination.



City Council: The City is established as a Council-Manager form of local government and governed by a five member City Council. The Mayor and Vice Mayor are selected by the City Council each year from among the five City Council members. The Council is elected on a non-partisan at-large basis. Council members serve four year staggered terms, with two or three members elected every two years.

The City Council is the legislative and policy-making body of the City. The City Council formulates City policies in the form of motions, resolutions and ordinances which reflect the needs, wishes and priorities of the citizens of Cotati; promotes the economic, cultural, and governmental well-being of the City; and provides for the orderly operations and development of the City. The City Council also serves as the Successor Agency to the former Cotati Community Redevelopment Agency.

City Services: The City provides a full range of municipal services, including police, water, sewer, streets and sidewalks, cultural and recreation facilities, public works and parks, planning, and economic development. Fire services are provided by the Rancho Adobe Fire District.



Demographic Information

Size: 1.88 square miles

Population: 7,599 (expected to rise 3.3% by 2022)

Population Ranking CA cities: 405 out of 482 cities

Male Population: 46%

Female Population: 54%

Race & Ethnicity: White-70.1%, Hispanic-19.9%, Asian-1.8%, African American-2.7%, Two or More Races-6.4%, Others-0.5%

Median Age: 35.8 years, Aged 18-64:61.8%

Median Household Income: \$73,098 (State: \$67,169)

Estimated Median House: \$584,000 (Zillow: June 2019, June 2018 \$562,000, 3.9% increase)

Homeowner Vacancy Rate: 1.5%

Rental Vacancy Rate: Less than 1%



Accounting System and Budgetary Control

Note 1 in the Basic Financial Statements provides a detailed explanation of the City's significant accounting policies. The City has established internal controls to insure the government's assets are protected from loss, theft, or misuse and to demonstrate stewardship of public resources. Because the cost of internal controls should not outweigh their benefits, the City's framework on internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

The City's annual budget starts with an annual strategic planning session with the City Council and the public. Following this strategic planning process, the departments take these priorities to develop initial operating budget requests. The City Manager reviews these requests with the Administrative Services Department and the respective department heads. The City Manager and Director of Administrative Services then make recommendations to the City Council regarding the development of the City's annual budget. After public discussion and evaluation of their recommendations, the City Council adopts a budget. After adoption, the Council periodically reviews the financial activity in relationship to the original budget, and amends the original budget as necessary to reflect changing conditions.



Expenditures are controlled at the fund level for all budgeted departments within the City, and may not legally exceed appropriations. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Any amendments to the total appropriations of a fund must be approved by the City Council.

Long-Term Financial Planning

Despite the improving economy and modest increase in revenue receipts, long-term revenue continues to be a challenge for the City. Both the property tax and sales tax are expected to provide modest revenue growth, but the City continues to face challenges related to the rising costs of medical premiums, the reduced PERS discount rate and future replacement and upgrades of city infrastructure.

Since the Great Recession, the City Council has approved various strategies to reduce the costs of salaries and benefits, including employees paying their own CalPERS contribution and creating a second pension tier. The state also implemented PEPPRA, a third tier which became effective January 1, 2013.

Despite these various cost cutting measures, and the passage of Measure A, a 0.5% sales tax, the impact of the previous years' severe economic recession, the State redistribution of funding through the Redevelopment dissolution created a dire financial situation. As a result, the City Council declared a State of Emergency on February 11, 2014 and put Measure G, a 1% sales tax, on the ballot. On June 3, 2014, the voters of Cotati passed Measure G, the Cotati Essential City Services Measure, for 9 years to maintain basic City services.

As the City looks to continue balancing growth and managing revenue and expenses, there are key variables in planning long-term financial forecasts, including payroll growth, pension and health premium rates, revenue projections for property taxes, sales taxes, and other revenue sources. Moreover, Cotati continues to focus on maintaining sufficient financial reserves, paying for capital improvements and improving levels of service to the residents.

Economic Overview of the City and Region

Cotati's strategic location in the heart of Sonoma County and its natural beauty has made it an attractive location as a place to work and live. While largely built out, families continue to be attracted to the City of Cotati's historic charm, quiet neighborhoods, good schools and low crime rate.

Below is a summary analysis of some key indicators of the region's economic environment.

Employment

The U.S. and regional job market continues to be strong, as evidenced by the most recent labor reports which continue to show low unemployment numbers. With employment exhibiting strong growth, industry analysts expect the State unemployment rate to remain steady in fall of 2019.

Unemployment Rate:

United States 3.9%

California 4.3%

Sonoma County 2.7%

Cotati 3.0%



Inflation

Inflation is the rate at which the general level of prices for goods and services is increasing and, consequently results in a decline in the purchasing power of money. Inflation is expected to have a moderate increase due to a strong economy and job market. According to industry analysts, energy prices are expected to temporarily bump up towards the latter part of this year because of gasoline disruptions from calamities, placing upward pressure on local retail gasoline prices. Core inflation, which excludes food and energy costs is anticipated to remain at around 2.0% next year while a steady increase in housing costs and higher home prices due to tight inventory are expected.

Inflation Rate Fiscal Year Change

Bay Area CPI 3.9%

Oil Prices (as of 6/30/19) \$60/barrel - 17% decrease



Personal Saving Rate

The personal saving rate is calculated as the ratio of personal saving to disposable personal income. In August 2019, the personal saving rate in the U.S. amounted to 8.1%. In 2018, the personal saving rate was 6.8% and in 1970, personal saving rate was 12.9%. The personal saving rate is a significant economic indicator, as it refers to the accumulation of money for future use.

Consumer Spending Rate

Consumer Spending in the United States increased to \$13,283 USD Billion in the second quarter of 2019 from \$12,946 USD Billion in the same quarter of 2018. Consumer Spending in the United States averaged \$5,739 USD Billion per year between 1950 and 2018.

Sales Tax

Sales tax revenue (combined Bradley Burns and Measure G) accounts for approximately 60% of General Fund revenues. Total Sales Tax revenues increased by approximately 23% over the FY 2017/18 levels due to a one-time State Adjustment.

- **Bradley Burns-State Sales Tax:** The Bradley-Burns Uniform Sales and Use Tax Law provide the State a 6% rate and a city/county rate of 1.25%. Out of the 1.25% city/county rate, one-quarter cent of the levy is sent to the county transportation fund and the 1% balance goes to support local government general funds.

- **Measure G-Local Sales Tax:** In the June 2014 election, the City passed a ballot measure, Measure G, to increase sales tax by 1%, to help ensure the City's financial viability as a full-service city and at the same time protecting the small town quality of life. For FY 18-19, the City collected approximately \$2.6 million in Measure G sales tax revenues. The revenue collected was used to maintain current service and operation levels in the General Fund as well as fund City's recreation, public safety, and capital projects including parks, and streets.



- **Sales Tax Breakdown:** As of June 30, 2019, the total sales tax rate in Cotati was 9.25% and is broken down as follows:

California Sales and Use Tax Rates	
State	6.000%
County Transportation Funds	0.250%
Local-City of Cotati (Bradley Burns)	1.000%
Total State-Wide Sales and Use Tax Rate	7.250%
Add: County (SMART, Measure M & Y, & Open Space)	1.000%
Add: Measure G	1.000%
Total Sales Tax Rate in Cotati	9.250%

County-wide sales tax measures include: Sonoma Marin Area Rail Transit [SMART] (0.25%), the Agricultural Preservation and Open Space District (0.25%), Measures M (Transportation) (0.25%), Measure M (parks) (0.125%) & Measure Y (Libraries) (0.125%). Combined, they total 1.000% of the overall sales tax rate in Cotati.



Property Taxes

In Fiscal Year 2018-19, Cotati experienced a net taxable value increase of 5.3%, which was slightly less than the County's increase of 5.7%. Of the property taxes collected, the City receives approximately 11% of the property taxes generated within Cotati.

The assessed value of properties increased in Cotati by \$60.1 million between the fiscal years 2017-2018 and 2018-2019. The change attributed to Proposition 13 for residential properties was \$18.9 million, which accounted for 32% of all residential growth experienced in the City. Approximately \$4.0 million of the increase in 2018-19 was due to reversals of prior Proposition 8 reductions. The sale of homes also increased the assessed property values by \$18.0 million. Commercial values increased by \$3.0 million. Most of this was due to the CPI increase. A Proposition 8 reversal also added \$1.2 million in commercial value. Industrial values increased by \$9.5 million, with the largest increase caused by new development (\$4.7 million) and property sales (\$3.0 million). Vacant land values increased by \$1.2 million.



2A Front Elevation
Craftsman



2B Front Elevation
Cottage



2C Front Elevation
Farmhouse

KESSING RANCH

PLAN 2 EXTERIOR ELEVATIONS



A2.1

The housing market has fully recovered from the recent recession in many urban and coastal areas of the State, while housing recovery has tended to lag in more rural and inland areas. Current median home prices in many regions are at or above the pre-recession peak values. Affordability and inventory constraints are the main contributor to increases in home prices over the last year.

In California, the numbers of sales year over year have declined and the lack of significant new home construction is one of the main factors affecting supply.

Housing/Building Permits

The median sale price of a detached single family residential home in Cotati from January through August 2019 was \$599,000. This represents a \$8,500 (-1.4%) decrease in median sale price from 2018. In spite of the decline in sales price, the volume of housing sales continue to remain strong within the City. Building permits increased by 11% in Fiscal Year 2018-19.

Economic Condition and Outlook for the General Fund

The City's estimated ending General Fund Balance for FY2019/20 budget is \$4.8 million which is equivalent to 71% of total operating expenses. This estimated reserve far exceeds the required budgetary 25% reserve. The significant increase in the reserve is primarily due to the City's ability to efficiently manage costs while it continues to improve the services provided to its citizens.

The General Fund's economic condition and economic outlook includes the following assumptions for the FY 2019/20 Budget:

- Property tax growth of 3%
- Sales tax decrease of 4% due to state adjustments
- Cannabis business tax approximating \$350,000
- A median decline of \$126,000 for all other revenue
- Personnel vacancy rate of 0% in each City department
- Salary increases contained in the approved MOUs
- Health care cost increases of 3%

Vision for Cotati

Quality of Life: To preserve Cotati's rural heritage and small town atmosphere while ensuring that new development reinforces both the quality and economic vitality of the community. To maintain Cotati's urban growth boundaries.

Economic Development: To provide a climate that promotes existing businesses and encourages new businesses to locate in our community.

Financial Stability: To become a self-reliant community with a sound economic base. To have a balanced city budget that prudently manages the City's financial resources and provides for appropriate reserves.

Community Safety: To protect the health and well-being of the community by partnering with our citizens to provide a safe and secure environment.

Infrastructure: To provide adequate streets, sidewalks, sewer and water systems, parks, bike paths, and public buildings and ensure that they are maintained at the highest possible level.

City Beautification: To enhance City Gateways and remove blighted conditions. To encourage development which reflects the City's commitment to quality design, preservation of trees, and generous use of landscaping.

Environmental Concerns: To work with developers and citizens to incorporate environmentally friendly materials and green building techniques in all new construction as well as renovation projects. To continue to encourage the community to reduce, reuse and recycle.

Citizen Participation: To encourage citizens to become actively involved in the decision making process and serve on City boards and commissions. To include the participation of volunteers in our community festivals and events.

Significant Events and Accomplishments

Financial and Operational Stability

1. Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSFMO) Operating Budget Excellence Award for the 2017-18 budget.
2. Received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting as well as the Outstanding Achievement for Popular Financial Reporting for FY 2017-18!
3. Mid-Year Budget Review and Update: Provided an assessment of the City's budget condition and updated the FY 2018-19 adopted budget to reflect revisions to address projected revenue and expenditure variances due to changes in economics and policies.
4. Expanded communication with our citizens on our redesigned City website, Facebook, Instagram, YouTube, Cable Television Channel, Nixle/WaterSmart/Utility Notifications and published Activity Guides.
5. Updated the City's Purchasing Policy.

Economic Development

1. Approved development of a 152 room hotel.
2. P-1 sewer to allow general plan development to proceed.

Community Safety

1. Police Enforcement: Continue efforts to maintain a safe community
2. Maintain and build relationships with residents through support of "National Night Out" and "Coffee with a Cop".
3. Continued collaboration with Sonoma State University safety and dispatch operations.
4. Expanded police patrols in neighborhoods with the creation of assigned police beats.

Infrastructure

1. Completed major infrastructure projects including the Laguna P-1 Sewer Pipeline and St. Joseph Way Water Line Replacements, significant restoration of streets with repaving throughout the L Section.
2. Completed construction of the City wide lighting project, including new lighting along McGinnis Pathway, Marsh Pathway, School Street Tunnel, and La Plaza Park. Completed design and bidding of the School Street Pathway extension
3. Installed various traffic safety improvements throughout the City, including speed feedback signage and red lights for stop controlled intersections and new stop controlled intersection at La Plaza and East Sierra Avenue.

Acknowledgments

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Administrative Services Department. I would like to express my special appreciation to Angela Courter, Neil Tomlinson and Angela Schoenthal. I would also like to thank the Mayor and City Council Members for their support, stewardship and commitment in planning and conducting the financial affairs and the long-term fiscal health of the City in a responsible and efficient manner.

For more information about the City of Cotati or to view the CAFR on-line, visit the City website at www.cotaticity.org

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Damien O'Bid". The signature is fluid and cursive, with the first name being more prominent than the last.

Damien O'Bid
City Manager

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Financial Section

Independent Auditors Report,
Management Discussion and Analysis,
Financial Statements,
and Notes to the Financial Statements



Terry E. Krieg, CPA
Certified Public Accountant

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Cotati
Cotati, California

Report on the Financial Statements

I 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 Cotati, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Cotati'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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with audited standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Cotati, California as of June 30, 2019, and the respective changes in its financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City in fiscal 2019 established an internal service fund for the purpose of accounting for its vehicle fleet and compensated absences. My opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Budgetary Comparison Schedules on pages 55 through 57, the Schedules of the City's Proportionate Share of the Net Pension Liability and the City's Pension Contributions on pages 58 and 59, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios on page 60 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.

I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cotati's basic financial statements. The accompanying nonmajor fund combining financial statements, budgetary comparison schedules, internal service funds combining financial statements, schedule of Measure G revenues and uses, comparative schedules of capital assets used in governmental activities, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The nonmajor funds combining financial statements, budgetary comparison schedules, internal service funds combining financial statements, schedule of Measure G revenues and uses, and comparative schedules of capital assets used in governmental activities are the responsibility of management and were derived from and relate 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 my opinion, the nonmajor fund combining financial statements, budgetary comparison schedules, internal service funds combining financial statements, schedule of Measure G revenues and uses, and comparative schedules of capital assets used in governmental activities, are 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, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report, dated October 18, 2019, on my consideration of the City of Cotati's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cotati's internal control over financial reporting and compliance.


Terry E. Krieg
Certified Public Accountant
Santa Rosa, California
October 18, 2019

Management Discussion & Analysis

This section of the City of Cotati's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

- At the close of the fiscal year, the assets of the City exceeded liabilities by \$44.5 million (Total net position in the government-wide.)
- As of June 30, 2019, the City's governmental activities reported a net position of \$28.6 million (See Table 2).
- As of June 30, 2019, the City's business-type activities reported a net position of \$15.9 million (See Table 2).



Fund Financial Statements

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$13.3 million.
- Within the governmental funds ending fund balance, \$0.6 million was restricted for capital projects, \$3.3 million is reserved for housing, and \$5.5 million is unassigned. (See Governmental Funds Balance Sheet June 30, 2019).

Governmental fund statements utilize the current financial resources measurement focus and modified accrual basis of accounting, which focuses on transactions and events that affect the financial resources available for current spending during the period, and reflect near-term inflows or outflows of cash. Government-wide statements and proprietary fund statements use the economic resources measurement focus and accrual basis of accounting, which focuses on transactions and events that affect total economic resources; i.e., increase or decrease in net position during the period regardless of the timing of the related cash inflows or outflows.

Governmental fund statements do not include capital or other long-term assets that are not available to finance current period expenditures, nor do they include long-term liabilities that will not use current resources. These items must be added (assets) or deducted (liabilities) to/from the fund balances of governmental funds to obtain the net position of the governmental activities for government-wide reporting.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of five parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, a supplemental informational section that presents Combining Statements for Non-Major Governmental Funds as well as the schedule of Measure G Revenues and Uses, and the statistical section. The financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the water and wastewater system.

Management Discussion & Analysis

The financial statements also include notes that explain some of the information in the financial statements and provide data that are more detailed. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about the City's non-major funds, each of which are added together and presented in single columns in the basic financial statements.

Table 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Table 1
Major Features of City of Cotati's Government-Wide and Fund Financial Statements**

	Fund Statements		
	Government Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City Government	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses: the water and wastewater systems.
Required financial statements	Statement of Net Position Statement of Activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements:

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and its respective changes. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the City are divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as police, streets, parks, community development, and general administration. Property taxes, sales taxes, and state and federal grants finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City's water and wastewater system are included here.

Management Discussion & Analysis

Fund Financial Statements:

The fund financial statements provide detailed information about the City's significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The more significant governmental funds in fiscal year 2018/19 were;

The City's General Fund, Inclusionary Housing Fund, South Sonoma Business Park Debt Service Fund, and the Grant Fund. All other governmental type funds are aggregated and are presented in a separate single column in the fund financial statements.

The City's water and wastewater enterprise funds are also presented as major funds in separate columns in the fund financial statements.

The City has two kinds of funds:

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.

In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.



Management Discussion & Analysis

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This section provides analysis of the government-wide financial statements including long-term and short-term information about the City's overall financial condition. The following tables address the financial results of the City as a whole.

TABLE 2
Summary of Net Position
As of June 30, 2018 (restated) and 2019
(in million dollars)

	Governmental Activities			Business-type Activities			TOTAL		Change	
	2019	2018	\$ Change	2019	2018	\$ Change	2019	2018	%	\$
ASSETS										
Current and Other Assets	\$ 13.4	\$ 13.1	\$ 0.3	\$ 6.0	\$ 9.3	\$ (3.3)	\$ 19.4	\$ 22.4	-13.4%	\$ (3.0)
Internal Balances	1.0	-	1.0	(1.0)	-	(1.0)	-	-	-	-
Long Term Receivables	5.3	5.6	(0.3)	-	-	-	5.3	5.6	-5.4%	(0.3)
Capital Assets	21.0	20.0	1.0	13.1	8.9	4.2	34.1	28.9	18.0%	5.2
Total Assets	40.7	38.7	2.0	18.1	18.2	(0.1)	58.8	56.9	3.3%	1.9
DEFERRED OUTFLOWS OF RESOURCES										
Pension Plan Contributions and Timing Differences	2.6	2.8	(0.2)	0.6	0.6	-	3.2	3.4	-5.9%	(0.2)
LIABILITIES										
Current Liabilities	0.9	0.8	0.1	0.7	0.4	0.3	1.6	1.2	33.3%	0.4
Noncurrent Liabilities	13.1	13.2	(0.1)	1.9	2.2	(0.3)	15.0	15.4	-2.6%	(0.4)
Total Liabilities	14.0	14.0	-	2.6	2.6	-	16.6	16.6	0.0%	-
DEFERRED INFLOWS OF RESOURCES										
Pension Plan Differences in Projections	0.7	0.2	0.5	0.2	0.1	0.1	0.9	0.3	300.0%	0.6
NET POSITION										
Invested in Capital Assets	20.9	20.0	0.9	13.1	8.9	4.2	34.0	28.9	17.6%	5.1
Restricted	5.9	7.5	(1.6)	0.1	4.5	(4.4)	6.0	12.0	-50.0%	(6.0)
Unrestricted	1.8	(0.3)	2.1	2.7	2.7	-	4.5	2.4	87.5%	2.1
Total Net Position	\$ 28.6	\$ 27.2	\$ 1.4	\$ 15.9	\$ 16.1	\$ (0.2)	\$ 44.5	\$ 43.3	2.8%	\$ 1.2

Analysis of the total net position: (Refer to Table 2 above for all balances discussed.)

The combined net position for all City activities, governmental and business alike, increased by \$1.2 million or 2.8% over the prior year. Total assets for all activities increased by \$1.9 million in the current year. This increase is primarily due to increased investments in capital assets of \$5.2 million or 18.0% over prior year, offset by a decrease in investments in current and other assets of \$3.0 million and long-term receivables of \$0.3 million. Total liabilities remained the same over the prior year, with an increase in current liability of \$0.4 million or 33.3% being offset by a decrease in noncurrent liability of \$0.4 million or 2.6%. Deferred outflows of resources decreased \$0.2 million and deferred inflows of resources increased \$0.6 million due to changes in pension plan contributions and future liabilities. Additionally, in order to efficiently finance a significant sewer capital project, the Special Revenue Fund for Low Income Housing entered into a 30 year \$1M loan agreement with the business-type Sewer Fund.

Governmental activities:

Net position of the City's governmental activities increased by \$1.4 million to \$28.6 million in the current year. The significant change for the current fiscal year is due to the \$1.0 million increase in investments in capital assets primarily due to increased road improvement projects as well as the implementation of the internal service fund for vehicle replacements. In fiscal year 2018/19 the City commenced the accounting for its vehicle fleet, compensated absences, as well as performed a full inventory of capital assets and associated accumulated depreciation for both governmental and business-type activities (see Note 15). This increase is primarily due to the inclusion of the new vehicle replacement and fleet management internal service funds which reclassified approximately \$0.4 million of net capital equipment to governmental activity. Additionally, the City performed a full review of the fixed assets in service and as such identified net additional \$0.7 million in other asset additions for the fiscal year 2018/19.

Management Discussion & Analysis

Business-type activities:

The net position of the business-type activities was \$15.9 million as of June 30, 2019. This is a decrease of \$0.2 million over the prior fiscal year. These resources cannot be used for governmental activities, as they are restricted to finance the continuing operations of the water and wastewater systems and for capital improvements to those systems.

TABLE 3
CITY OF COTATI
Changes in Net Position
For the Fiscal Years Ended June 30, 2018 (restated) and 2019
(in million dollars)

	Governmental Activities				Business-type Activities				TOTAL			
	2019	2018	% Change	\$ Change	2019	2018	% Change	\$ Change	2019	2018	% Change	\$ Change
REVENUES												
<u>Program Revenues</u>												
Charges for Services	\$ 1.9	\$ 1.7		\$ 0.2	\$ 4.1	\$ 3.9		\$ 0.2	\$ 6.0	\$ 5.6	7.4%	\$ 0.4
Operating Grants and Contributions	0.3	0.4		(0.1)	-	-		-	0.3	0.4	(25.0)%	(0.1)
Capital Grants and Contributions	-	2.1		(2.1)	-	0.6		(0.6)	-	2.7	(100.0)%	(2.7)
<u>General Revenues</u>												
Property Taxes	1.8	1.5		0.3	-	-		-	1.8	1.5	20.0%	0.3
Sales Taxes	5.1	4.1		1.0	-	-		-	5.1	4.1	24.4%	1.0
Other Taxes	0.9	0.9		-	-	-		-	0.9	0.9	0.0%	-
Other	0.3	0.1		0.2	0.2	-		0.2	0.5	0.1	400.0%	0.4
Total Revenues	10.3	10.8	(4.6)%	(0.5)	4.3	4.5	(4.1)%	(0.2)	14.6	15.3	(4.5)%	(0.7)
EXPENSES												
General Government	2.7	1.4		1.3	-	-		-	2.7	1.4	92.9%	1.3
Public Safety	3.4	3.7		(0.3)	-	-		-	3.4	3.7	(8.1)%	(0.3)
Public Works	1.9	1.8		0.1	-	-		-	1.9	1.8	5.6%	0.1
Community Development	0.6	0.4		0.2	-	-		-	0.6	0.4	50.0%	0.2
Water	-	-		-	1.8	1.8		-	1.8	1.8	(0.9)%	-
Sewer	-	-		-	2.7	2.7		-	2.7	2.7	(0.9)%	-
Interest	0.3	0.3		-	-	-		-	0.3	0.3	0.0%	-
Total Expenses	8.9	7.6	17.1%	1.3	4.5	4.5	(0.9)%	-	13.4	12.1	10.4%	1.3
Revenue over (under) expenses	1.4	3.2		(1.8)	(0.2)	-		(0.1)	1.2	3.2	(61.6)%	(1.9)
Special Items	-	-		-	-	-		-	-	-		-
Transfers	-	0.4		(0.4)	-	(0.4)		0.4	-	-		-
Change in net position	1.4	3.6	(61.1)%	(2.2)	(0.2)	(0.4)	(58)%	0.3	1.2	3.2	(61.6)%	(1.9)
Net position, beginning of period,	27.2	23.6		3.6	16.1	16.5		(0.4)	43.3	40.1	7.9%	3.2
Net position, end of period	\$ 28.6	\$ 27.2	5.1%	\$ 1.4	\$ 15.9	\$ 16.1	(1.2)%	\$ (0.2)	\$ 44.5	\$ 43.3	2.8%	\$ 1.2

Analysis of the changes in net position

Total government-wide revenues of the primary government decreased by \$0.7 million over the prior year with total expenses increasing by \$1.3 million, a 10.7% increase. These changes are discussed in more detail below.

Governmental activities

Revenues

Total revenues for governmental activities decreased by \$0.5 million when compared with the prior year. Charges for services and tax revenues increased by approximately \$1.7 million which was offset by the decreases of almost \$2.2 million in operating and capital grants received in the prior year.

During the prior year the City had increased capital grants and contributions due to contribution of landscaping and lighting within the Village Walk development as well as the negotiated transfer of ownership for the St. Joseph Way park and ride lot.

Property Tax revenue in 2019 is slightly higher as compared to 2018 due to the new residential development at Village Walk as well as the continued recovering real estate market and increasing property assessed valuations.

Sales taxes increased by \$1.0 million, a 24.4% increase from prior year. This increase is due to a combination of continued consumer spending in the local economy as well as corrections of sales tax receipts from the California Department of Tax and Fee Administration.

Management Discussion & Analysis

Expenses

Total expenses for governmental activities increased \$1.3 million from the prior year, a 17.1% increase. Primary reasons for these increases were due to the increased pension contribution requirements as well as increases in staffing and continuing investment in capital improvements projects.

Business-type Activities

Revenues

Total revenues for business-type activities decreased \$0.2 million or 4.1% from the prior year primarily due to a decrease in capital grants and contributions of approximately \$0.6 million, partially offset by increases in charges for services of approximately \$0.2 million.

The increased charges for services were primarily caused by the implementation of new customer usage rates obtained by means of an independent rate study which applies a method of increased connection fees in order to support required new infrastructure capital projects.

Charges for services also increased in regards to customer usage primarily caused by increased water usage after coming out of the drought period in the prior years. Additionally there is a correlary increase in Wastewater as calculated through the customer re-averaging of sewer usage. Re-averaging was based on the actual water usage for the two lowest billing periods during fiscal year 2017/18.

Expenses

Total expenses for business-type activities remained consistent with the prior year, however personnel expenses decreased in both the Water and Wastewater Funds, primarily due to changes in budget labor allocations during FY 2018/19. The reduction in personnel expenses were partially offset by increased spending on materials and supplies in the Water Fund, and increased payments made to the City of Santa Rosa for wastewater treatment.



Management Discussion & Analysis

TABLE 4
Government Wide – Percentage of Revenues and Expenses by Account Type

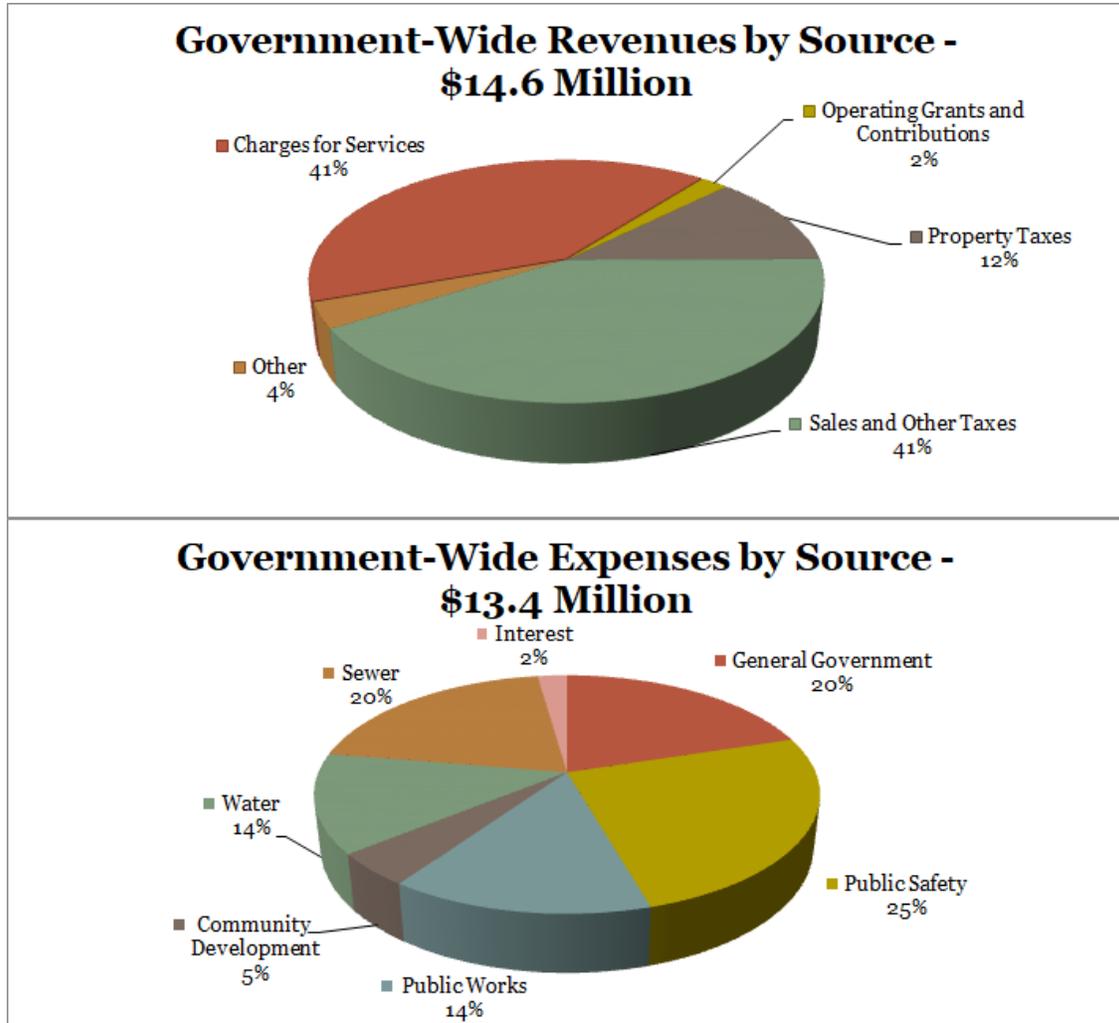


TABLE 5
CITY OF COTATI
GOVERNMENTAL ACTIVITIES
For the Fiscal Years Ended June 30, 2018 and 2019
(in million dollars)

	TOTAL		Change	
	2019	2018	%	\$
General Government	\$ 2.7	\$ 1.4	92.9%	\$ 1.3
Public Safety	3.4	3.7	-8.1%	-
Public Works	1.9	1.8	5.6%	0.1
Community Development	0.6	0.4	45.3%	0.2
Interest	0.3	0.3	0.0%	-
TOTAL	\$ 8.9	\$ 7.6	16.9%	\$ 1.3

Management Discussion & Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUND STATEMENTS

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statement focus on individuals parts of the City government, reporting City operations in more detail than the government-wide 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 \$13.3 million, an increase of \$0.7 million over the end of the previous fiscal year. (See Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, for the year ending June 30, 2019).

The General Fund is the chief operating fund of the City and reflects a slight increase of \$1.5 million in fund balance. This increase is mostly attributed to the adjustments in sales taxes as well as cannabis business taxes.

The City's other major funds include the Inclusionary Housing Fund with a year-end fund balance of \$3.2 million, and South Sonoma Business Park with a year-end fund balance of approximately \$1.0 million. (See Statement of Revenues Expenditures and Changes in Fund Balance Government Funds for the year ending June 30, 2019).

The City's non-major funds ended the fiscal year 2018/19 with a fund balance of \$1.9 million, a decrease of \$(0.9) million over the prior fiscal year. Most of these resources are restricted for use on street projects, community development projects, and other special purposes. (See Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, for the year ending June 30, 2019).

Proprietary Funds

The City's proprietary funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail. Factors concerning these funds have been previously addressed in the discussion of business-type activities under the Government-Wide Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into two categories:

- Changes made at the mid-year budget review for unanticipated revenues and costs.
- Increases in appropriations to prevent budget overruns.

For the General Fund, actual revenues exceeded the budget by \$559,448, while actual expenditures were slightly over budget at \$38,756 due to previously encumbered funds for contract services as well as expanded police services required to serve the Sonoma State University dispatch. General Fund resources exceeded charges by almost \$2.25 million, leading to a favorable budget variance of \$638,565.

For a more detailed description of budgetary changes and variances, please see the Budgetary Comparison Schedule for the General Fund, included within the Required Supplementary Information section of this report.

Management Discussion & Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of 2019, the City had invested \$56.4 million (excluding accumulated depreciation) in a broad range of capital assets, including equipment, vehicles, buildings, park facilities, and water and wastewater systems (See Table 6).

This year's major capital assets additions included:

- Laguna P-1 Sewer Pipeline Replacement at Hwy 116 and Old Redwood Highway \$4,525,000
- Lighting improvements at La Plaza, School Street Tunnel, and McGinnis Circle \$361,000
- East Cotati Ave. Paving Project \$74,000
- Street Improvements and Traffic Safety \$1,438,000
- Police Vehicles approximately \$42,000
- St. Joseph Way Water Line Replacement \$173,000



Below is a table of the City's Capital Assets as of June 30, 2018 and 2019. Additional information relative to capital assets is contained in Note 1 Section D of the general-purpose financial statements.

**TABLE 6
CITY OF COTATI
Capital Assets**

As of June 30, 2018 (restated) and 2019
(in million dollars)

	Governmental Activities		Business-type Activities		TOTAL			
	2019	2018	2019	2018	2019	2018	% Change	\$ Change
Capital assets								
Land	\$ 8.6	\$ 8.6	\$ -	\$ -	\$ 8.6	\$ 8.6	0%	\$ -
Construction in progress	0.4	0.2	-	0.2	0.4	0.4	-10%	-
Buildings	8.3	8.3	-	-	8.3	8.3	0%	-
Vehicles	1.3	1.3	0.2	0.2	1.5	1.5	3%	-
Equipment	0.7	0.6	0.2	0.2	0.9	0.8	15%	0.1
Water and Sewer Lines	-	-	18.4	13.5	18.4	13.5	36%	4.9
Improvements	17.0	15.2	1.3	1.3	18.3	16.5	10%	1.7
Leased Assets	-	-	-	-	-	-	0%	-
Total Capital Assets	\$ 36.3	\$ 34.3	\$ 20.1	\$ 15.4	\$ 56.4	\$ 49.7	14%	\$ 6.8

* This table does not include accumulated depreciation or amortization .
For further financial data see footnote 6 within the basic financial statements.

Management Discussion & Analysis

Long-term Obligations

South Sonoma Business Park

As of June 30, 2019, special assessment bonds for \$4.2 million were outstanding, of which approximately \$175,000 is considered a current liability. The purpose of these bonds is to facilitate a wetlands mitigation project and is secured by assessments levied against property owners within the assessment districts. Subsequent to the fiscal year end, the special assessment bond was refinanced in order to leverage lower interest rates while retaining the same maturity period.

Compensated absences:

As of June 30, 2019, approximately \$0.6 million was owed to government employees for vacation leave and other compensated absences. These benefits are recorded as a liability to the City as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Net Pension and Other Post Employment Benefits (OPEB) Liability

GASB Statement No. 68 significantly revamped the accounting and financial reporting for government employers that provide pension benefits and other post employment benefits. Statement 68 as it pertains to the CalPERS Pension Benefit has required a "net pension liability" of \$10.1 million to be reported on the Statement of Net Position for the City as of June 30, 2019.

For the City's OPEB benefits, as now defined for reporting under GASB Statement No. 75, a \$0.4 million liability was also reported within the total OPEB liability as of June 30, 2019 (see Statement of Net Position). Additionally the prior years OPEB liability and related net position was restated to properly include the liability as of June 30, 2018. (see Note 16 within the Notes to the Basic Financial Statements). More detailed information about long-term debt activity is included in Note 8, "Long-term Obligations".

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City annually prepares a multi-year financial plan, which focuses on the long-term financial viability and allows decision makers to understand the future impact of policy decisions made today. Multi-year planning provides both an early warning of adverse financial trends and more time to implement changes to ensure better outcomes. Budget development is guided by a series of policies adopted by the City Council, which guides long-term planning, minimum reserve levels, employee compensation, cash and debt management, information technology and utility rates. The budget was based on these key assumptions:

Property Tax-The budget projection for 2019/20 assumes slight increases in property tax collections, due to improved resale market as well as additional housing developments currently under construction.

Sales Tax-The budget projection for 2019/20 assumes continued growth in the area due to higher collections from the Measure G transactions and use tax. Measure G replaced the Measure A tax and set the sales tax rate at 9.25% for nine years ending 2023. Measure G supports the full range of municipal services.



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 demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Admin Services, City of Cotati, 201 W. Sierra Ave, Cotati, CA 94931.

CITY OF COTATI
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 10,474,139	\$ 5,143,198	\$ 15,617,337
Net receivables	1,335,630	657,495	1,993,125
Internal balances	50,000	(50,000)	-
Prepayments	51,112	51,481	102,593
Total current assets	<u>11,910,881</u>	<u>5,802,174</u>	<u>17,713,055</u>
Noncurrent assets:			
Non current cash and cash equivalents	1,524,832	102,103	1,626,935
Long-term notes receivable	1,120,486	-	1,120,486
Other long-term receivables	4,225,000	-	4,225,000
Long-term internal balances	950,000	(950,000)	-
Non-depreciable capital assets	9,022,751	-	9,022,751
Depreciable capital assets (net)	11,933,978	13,104,759	25,038,737
Total noncurrent assets	<u>28,777,047</u>	<u>12,256,862</u>	<u>41,033,909</u>
Total assets	<u>40,687,928</u>	<u>18,059,036</u>	<u>58,746,964</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan related items	2,557,614	552,217	3,109,831
Other post employment related items	8,421	-	8,421
Total deferred outflows of resources	<u>2,566,035</u>	<u>552,217</u>	<u>3,118,252</u>
LIABILITIES			
Current liabilities:			
Accounts payable	363,554	89,382	452,936
Accrued liabilities	24,902	216,459	241,361
Compensated absences	100,000	249,328	349,328
Deposits	135,618	85,025	220,643
Accrued interest payable	91,542	-	91,542
Lease liability due within one year	6,331	-	6,331
Bonds due within one year	175,000	-	175,000
Claims and judgements due within one year	31,986	9,554	41,540
Total current liabilities	<u>928,933</u>	<u>649,748</u>	<u>1,578,681</u>
Long-term liabilities due in more than one year:			
Special assessment bonds	4,050,000	-	4,050,000
Lease liability	19,190	-	19,190
Compensated absences	247,435	-	247,435
Claims and judgements	114,491	34,200	148,691
Net pension liability	8,318,336	1,823,910	10,142,246
Net other post employment benefit obligation	299,337	-	299,337
Total long-term liabilities	<u>13,048,789</u>	<u>1,858,110</u>	<u>14,906,899</u>
Total liabilities	<u>13,977,722</u>	<u>2,507,858</u>	<u>16,485,580</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan related items	631,058	186,112	817,170
Other post employment benefit deferrals	61,571	-	61,571
Total deferred inflows of resources	<u>692,629</u>	<u>186,112</u>	<u>878,741</u>
NET POSITION			
Net investment in capital assets	20,931,208	13,104,759	34,035,967
Restricted for:			
Capital projects	550,549	102,103	652,652
Housing	3,314,901	-	3,314,901
Debt service	965,988	-	965,988
Public safety	23,243	-	23,243
Parks	188,139	-	188,139
Streets	777,091	-	777,091
Public communications	10,290	-	10,290
Unrestricted	1,822,203	2,710,421	4,532,624
Total net position	<u>\$ 28,583,612</u>	<u>\$ 15,917,283</u>	<u>\$ 44,500,895</u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 2,680,080	\$ 1,035,937	\$ 26,048	\$ -	\$ (1,618,095)	\$ -	\$ (1,618,095)
Public safety	3,410,242	437,647	104,410	-	(2,868,185)	-	(2,868,185)
Community development	581,558	271,021	-	-	(310,537)	-	(310,537)
Public works	1,948,935	114,508	171,086	-	(1,663,341)	-	(1,663,341)
Interest expense on long-term debt	278,214	-	-	-	(278,214)	-	(278,214)
Total governmental activities	8,899,029	1,859,113	301,544	-	(6,738,372)	-	(6,738,372)
Business-Type Activities							
Water	1,737,323	1,733,794	-	-	-	(3,529)	(3,529)
Wastewater	2,734,699	2,381,342	-	-	-	(353,357)	(353,357)
Total Business-Type Activities	4,472,022	4,115,136	-	-	-	(356,886)	(356,886)
Total Primary Government	\$ 13,371,051	\$ 5,974,249	\$ 301,544	\$ -	(6,738,372)	(356,886)	(7,095,258)
General Revenues:							
Property taxes					1,734,281	-	1,734,281
Sales taxes					5,109,211	-	5,109,211
Other taxes					907,508	-	907,508
Interest and rents					339,211	156,766	495,977
Total general revenues					8,090,211	156,766	8,246,977
Change in Net Position					1,351,839	(200,120)	1,151,719
Net Position - Beginning of Year					27,231,773	16,117,403	43,349,176
Net Position - End of Year					\$ 28,583,612	\$ 15,917,283	\$ 44,500,895

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Inclusionary Housing Fund	South Sonoma Business Park Debt Service Fund	Low Income Housing Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 6,302,601	\$ 2,219,855	\$ 965,547	\$ -	\$ 1,970,978	\$ 11,458,981
Taxes receivable	1,024,665	-	791	-	889	1,026,345
Accounts receivable	287,606	-	-	-	16,760	304,366
Due from other governments	-	-	-	-	4,919	4,919
Interfund loans	-	1,000,000	-	-	-	1,000,000
Assessments receivables	-	-	4,225,000	-	-	4,225,000
Notes receivable	28,000	-	-	1,092,486	-	1,120,486
Prepayments	51,112	-	-	-	-	51,112
Total assets	\$ 7,693,984	\$ 3,219,855	\$ 5,191,338	\$ 1,092,486	\$ 1,993,546	\$ 19,191,209
LIABILITIES						
Liabilities:						
Accounts payable	\$ 300,295	\$ 11,963	\$ 350	\$ -	\$ 50,946	\$ 363,554
Accrued liabilities	7,881	-	-	-	17,017	24,898
Deposits	135,618	-	-	-	-	135,618
Total liabilities	443,794	11,963	350	-	67,963	524,070
DEFERRED INFLOWS OF RESOURCES:						
Long-term receivables	-	-	4,225,000	1,092,486	-	5,317,486
Fund balances:						
Nonspendable	51,112	-	-	-	-	51,112
Restricted for affordable housing	-	3,207,892	-	-	107,009	3,314,901
Restricted for public safety	-	-	-	-	23,243	23,243
Restricted for streets	-	-	-	-	777,091	777,091
Restricted for parks	-	-	-	-	188,139	188,139
Restricted for public education	-	-	-	-	10,290	10,290
Restricted for debt service	-	-	965,988	-	-	965,988
Restricted for capital projects	-	-	-	-	550,549	550,549
Committed for capital projects	-	-	-	-	269,262	269,262
Committed for emergencies	1,700,118	-	-	-	-	1,700,118
Unassigned	5,498,960	-	-	-	-	5,498,960
Total fund balances	7,250,190	3,207,892	965,988	-	1,925,583	13,349,653
Total liabilities, deferred inflows of resources and fund balances	\$ 7,693,984	\$ 3,219,855	\$ 5,191,338	\$ 1,092,486	\$ 1,993,546	\$ 19,191,209

Total Governmental Fund Balances \$ 13,349,653

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds	20,570,396
Right-of-use leased assets used in governmental activities are not current financial resources and are therefore not reported in the funds	31,387
Other long-term assets are not available to pay for current-period expenditures and are therefore reported as deferred inflows of resources in the funds	5,317,486
The net pension liability does not require the use of current financial resources and is therefore not reported in the funds	(8,318,336)
The deferred inflows and outflows related to the net pension liability do not require the use of current financial resources and are not reported in the funds	1,926,556
Interest payable is accrued as a liability in the statement of net position but is reported as a liability in the funds only when due	(91,542)
The total obligation for other post employment benefits does not require the use of current financial resources and is therefore not reported in the funds	(299,337)
Deferred inflows and deferred outflows related to the total post employment benefit obligation does not require the use of current financial resources and is therefore not reported in the funds	(53,150)
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	547,497
Some liabilities including bonds, claims and compensated absences are not due and payable in the current period and therefore are not reported in the funds	(4,396,998)

Net Position of Governmental Activities \$ 28,583,612

The accompanying notes are an integral part of the financial statements

CITY OF COTATI
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	General Fund	Inclusionary Housing Fund	South Sonoma Business Park Debt Service Fund	Low Income Housing Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 1,734,281	\$ -	\$ -	\$ -	\$ -	\$ 1,734,281
Sales taxes	5,109,211	-	-	-	63,216	5,172,427
Other taxes	401,685	-	-	-	-	401,685
Licenses and permits	515,547	-	-	-	-	515,547
Intergovernmental	303,488	-	-	-	339,632	643,120
Charges for services	470,176	-	460,290	-	229,624	1,160,090
Interest and rents	227,045	65,869	20,717	-	39,712	353,343
Miscellaneous	107,274	1,200	-	-	161,901	270,375
Total revenues	<u>8,868,707</u>	<u>67,069</u>	<u>481,007</u>	<u>-</u>	<u>834,085</u>	<u>10,250,868</u>
EXPENDITURES						
Current:						
General Government	915,632	45,480	14,015	-	165,188	1,140,315
Public Safety	3,706,504	-	-	-	8,684	3,715,188
Community Development	581,558	-	-	-	-	581,558
Public Works	1,410,221	-	-	-	48,310	1,458,531
Capital Outlay	-	-	-	-	2,024,839	2,024,839
Debt service:						
Principal	6,331	-	165,000	-	-	171,331
Interest	1,801	-	279,988	-	-	281,789
Total expenditures	<u>6,622,047</u>	<u>45,480</u>	<u>459,003</u>	<u>-</u>	<u>2,247,021</u>	<u>9,373,551</u>
Excess (deficiency) of revenues over expenditures	<u>2,246,660</u>	<u>21,589</u>	<u>22,004</u>	<u>-</u>	<u>(1,412,936)</u>	<u>877,317</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	250,000	11,810	-	-	1,975,509	2,237,319
Transfers out	(984,431)	-	-	-	(1,467,572)	(2,452,003)
Total other financing sources (uses)	<u>(734,431)</u>	<u>11,810</u>	<u>-</u>	<u>-</u>	<u>507,937</u>	<u>(214,684)</u>
Net change in fund balances	1,512,229	33,399	22,004	-	(904,999)	662,633
Fund balances, July 1 (Restated See Note 15)	<u>5,737,961</u>	<u>3,174,493</u>	<u>943,984</u>	<u>-</u>	<u>2,830,582</u>	<u>12,687,020</u>
Fund balances, June 30	<u>\$ 7,250,190</u>	<u>\$ 3,207,892</u>	<u>\$ 965,988</u>	<u>\$ -</u>	<u>\$ 1,925,583</u>	<u>\$ 13,349,653</u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 662,633</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,024,839) exceeded depreciation (\$1,073,701) in the current period.	951,138
Governmental funds report long-term receivables but defer revenue from them until collections are actually received. In the statement of activities, principal collections on receivables are not reported as revenues. Disbursements made for long-term loans are recorded as expenditures in the funds, but are not recorded as additions to receivables in the statement of activities.	(141,990)
Changes in the net pension liability and related deferred inflows and deferred outflows do not use or provide current financial resources and are therefore not reported in the funds.	(607,756)
Governmental funds report payments on long-term debt as expenditures, but such payments reduce liabilities in the statement of net position and therefore are not recorded as expenses in the statement of activities.	171,331
The total liability for other post employment benefits does not require the use of current financial resources and is therefore not reported in the funds.	(3,964)
Governmental funds report interest expenditures when payment is due, but interest expense is accrued in the statement of activities.	3,575
Internal service funds are closed by charging additional amounts or reducing charges to participating governmental activities to completely cover the internal service fund's cost.	134,326
Long-term obligations such as claims and compensated absences are recorded in the governmental funds only when due, but are recorded as liabilities in the statement of net position when incurred.	<u>182,546</u>
Net adjustment to reconcile to changes in net position	<u>689,206</u>
Change in Net Position of Governmental Activities	<u>\$ 1,351,839</u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities			Governmental Activities
	Water	Wastewater	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,560,714	\$ 3,684,587	\$ 5,245,301	\$ 539,990
Accounts receivable	294,135	363,360	657,495	-
Prepayments	41,190	10,291	51,481	-
Total current assets	<u>1,896,039</u>	<u>4,058,238</u>	<u>5,954,277</u>	<u>539,990</u>
Noncurrent assets:				
Other assets:				
Internal balances	(929,608)	929,608	-	-
Net other assets	<u>(929,608)</u>	<u>929,608</u>	<u>-</u>	<u>-</u>
Capital assets:				
Reservoirs	1,650,972	-	1,650,972	-
Pipelines and meters	5,694,417	9,619,588	15,314,005	-
Water wells	1,451,506	-	1,451,506	-
Improvements	1,061,845	224,807	1,286,652	-
Equipment	297,109	109,822	406,931	1,325,897
Accumulated depreciation	(4,196,554)	(2,808,753)	(7,005,307)	(970,954)
Net capital assets	<u>5,959,295</u>	<u>7,145,464</u>	<u>13,104,759</u>	<u>354,943</u>
Total noncurrent assets	<u>5,029,687</u>	<u>8,075,072</u>	<u>13,104,759</u>	<u>354,943</u>
Total assets	<u>6,925,726</u>	<u>12,133,310</u>	<u>19,059,036</u>	<u>894,933</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan deferrals	<u>280,896</u>	<u>271,321</u>	<u>552,217</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	78,749	10,633	89,382	-
Accrued liabilities	7,297	209,162	216,459	-
Claims and judgements	4,777	4,777	9,554	-
Compensated absences	124,810	124,518	249,328	100,000
Interfund loans	-	50,000	50,000	-
Deposits	85,025	-	85,025	-
Total current liabilities	<u>300,658</u>	<u>399,090</u>	<u>699,748</u>	<u>100,000</u>
Long-term Liabilities				
Claims and judgements	17,100	17,100	34,200	-
Interfund loans	-	950,000	950,000	-
Compensated absences	-	-	-	247,436
Net pension liability	927,769	896,141	1,823,910	-
Total liabilities	<u>1,245,527</u>	<u>2,262,331</u>	<u>3,507,858</u>	<u>347,436</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plan deferrals	<u>94,670</u>	<u>91,442</u>	<u>186,112</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	5,959,295	7,145,464	13,104,759	354,943
Restricted	20,847	81,256	102,103	-
Unrestricted	(113,717)	2,824,138	2,710,421	192,554
Total net position	<u>\$ 5,866,425</u>	<u>\$ 10,050,858</u>	<u>\$ 15,917,283</u>	<u>\$ 547,497</u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019**

	<u>Business-type Activities</u>			<u>Governmental Activities</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 1,731,383	\$ 2,323,233	\$ 4,054,616	\$ 185,463
Other operating revenues	2,607	41,093	43,700	-
 Total operating revenues	 <u>1,733,990</u>	 <u>2,364,326</u>	 <u>4,098,316</u>	 <u>185,463</u>
OPERATING EXPENSES				
Personnel services	517,660	526,587	1,044,247	170,663
Contractual services	127,825	126,560	254,385	-
Intergovernmental treatment costs	-	1,765,731	1,765,731	-
Utilities	66,514	12,084	78,598	-
Purchased water	454,846	-	454,846	-
Supplies and materials	291,717	85,667	377,384	953
Depreciation	331,453	126,258	457,711	100,214
 Total operating expenses	 <u>1,790,015</u>	 <u>2,642,887</u>	 <u>4,432,902</u>	 <u>271,830</u>
Operating income (loss)	<u>(56,025)</u>	<u>(278,561)</u>	<u>(334,586)</u>	<u>(86,367)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	37,332	119,434	156,766	6,009
Other revenues (expenses)	69,708	(91,812)	(22,104)	-
Interest expense	(17,016)	-	(17,016)	-
 Net non-operating revenues (expenses)	 <u>90,024</u>	 <u>27,622</u>	 <u>117,646</u>	 <u>6,009</u>
 Income before contributions and transfers	 <u>33,999</u>	 <u>(250,939)</u>	 <u>(216,940)</u>	 <u>(80,358)</u>
Contributions and transfers				
Capital contributions	5,671	11,149	16,820	-
Transfers in	-	-	-	214,684
 Total contributions and transfers	 <u>5,671</u>	 <u>11,149</u>	 <u>16,820</u>	 <u>214,684</u>
 Change in net position	 39,670	 (239,790)	 (200,120)	 134,326
Total net position, July 1 (Restated See Note 15)	<u>5,826,755</u>	<u>10,290,648</u>	<u>16,117,403</u>	<u>413,171</u>
Total net position, June 30	<u>\$ 5,866,425</u>	<u>\$ 10,050,858</u>	<u>\$ 15,917,283</u>	<u>\$ 547,497</u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	<u>Business-type Activities</u>			<u>Governmental Activities</u>
	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,853,981	\$ 2,499,965	\$ 4,353,946	\$ -
Interfund charges for services	(69,710)	69,710	-	185,464
Payments to suppliers	(868,794)	(1,864,604)	(2,733,398)	(955)
Payments to employees	(598,038)	(584,232)	(1,182,270)	176,774
Net cash provided by operating activities	<u>317,439</u>	<u>120,839</u>	<u>438,278</u>	<u>361,283</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loan	-	1,000,000	1,000,000	-
Interfund interest	(17,016)	17,016	-	-
Transfer in	-	-	-	214,684
Repayment interfund balance	(237,454)	237,454	-	-
Net cash provided (used for) by noncapital financing activities	<u>(254,470)</u>	<u>1,254,470</u>	<u>1,000,000</u>	<u>214,684</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	5,671	11,149	16,820	-
Purchase of capital assets	(173,139)	(4,524,942)	(4,698,081)	(41,984)
Net cash used for capital and related financing activities	<u>(167,468)</u>	<u>(4,513,793)</u>	<u>(4,681,261)</u>	<u>(41,984)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest receipts	<u>37,332</u>	<u>102,418</u>	<u>139,750</u>	<u>6,007</u>
Net cash provided by investing activities	<u>37,332</u>	<u>102,418</u>	<u>139,750</u>	<u>6,007</u>
Net increase (decrease) in cash and cash equivalents	(67,167)	(3,036,066)	(3,103,233)	539,990
Cash and cash equivalents-beginning of the year	<u>1,627,881</u>	<u>6,720,653</u>	<u>8,348,534</u>	<u>-</u>
Cash and cash equivalents-end of the year	<u>\$ 1,560,714</u>	<u>\$ 3,684,587</u>	<u>\$ 5,245,301</u>	<u>\$ 539,990</u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Statement of Cash Flows
Proprietary Funds, continued
For the Fiscal Year Ended June 30, 2019

	Business-type Activities			Governmental Activities
	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (56,025)	\$ (278,561)	\$ (334,586)	\$ (86,367)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	331,453	126,258	457,711	100,214
Change in assets and liabilities:				
Receivables, net	115,691	135,639	251,330	-
Prepayments	(14,609)	(5,285)	(19,894)	-
Accounts payable	(12,167)	(8,501)	(20,668)	-
Net pension liability	(87,357)	(64,752)	(152,109)	-
Other liabilities	40,453	216,041	256,494	347,436
 Net cash provided by (used for) operating activities	 <u>\$ 317,439</u>	 <u>\$ 120,839</u>	 <u>\$ 438,278</u>	 <u>\$ 361,283</u>

Non-cash capital financing activities:

None.

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Statement of Fiduciary Net Position
June 30, 2019

	<u>Private Purpose Trust</u>
ASSETS:	
Cash and cash equivalents	\$ 892,498
Cash with trustees	702,861
Prepayments	2,481
Notes receivable	1,391,571
Capital assets: Land	287,048
Discount on sale of bonds	<u>76,847</u>
Total assets	<u><u>3,353,306</u></u>
LIABILITIES:	
Accounts payable	4,081
Interest payable	141,281
Tax allocation bonds	<u>8,500,000</u>
Total liabilities	<u>8,645,362</u>
NET POSITION (DEFICIT)	
Held in trust for successor agency	<u>(5,292,056)</u>
Total Net Position (deficit)	<u><u>\$ (5,292,056)</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	<u>Private Purpose Trust</u>
ADDITIONS	
Net investment income (loss)	\$ 36,102
Interest on long-term notes	25,500
Distributions for enforceable obligations	<u>1,154,839</u>
Total additions	<u>1,216,441</u>
DEDUCTIONS:	
Bond interest	433,123
Administrative costs	250,000
Payments on pass through agreements	54,241
Bond Disclosure	2,500
Bond Trustee	<u>12,920</u>
Total deductions	<u>752,784</u>
Increase in net position	463,657
Total net position (deficit), July 1	<u>(5,755,713)</u>
Total net position (deficit), June 30	<u><u>\$ (5,292,056)</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Cotati is a municipal corporation governed by an elected five member City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The City has no component units that are blended or discretely presented in these financial statements. The City's former redevelopment agency was dissolved by law effective February 1, 2012. The City elected to serve as the successor custodian of the residual assets and obligations of the former Agency. Accordingly, the assets, liabilities and financial transactions of the former Agency were transferred on the effective date to a fiduciary fund (private purpose trust) and are accounted for in these financial statements as a fiduciary fund. These fiduciary funds are excluded from the City's government-wide statement of net position, statement of activities and fund statements because fiduciary funds are not available for use by the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general* revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *City's Inclusionary Housing Fund* is a special revenue fund used to account for in lieu impact fees restricted in use to inclusionary housing purposes. The *South Sonoma Business Park* special assessment debt service fund used to charge landowners for the financing provided to develop the business park. The *Low Income Housing Fund* is an asset fund which was established to conduct the dissolution operations related to low income housing assets and activities of the former Redevelopment Agency.

The City reports the following major enterprise funds:

The *Water Fund* accounts for the operations of the City's water distribution system.

The *Wastewater Fund* accounts for the operation of the City's wastewater collection activities.

Additionally, the government reports the following fund types:

Internal service funds account for vehicle replacement and compensated absences provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

The private purpose trust fund, a fiduciary fund type, to account for all of the assets, liabilities and financial activity of the Successor Agency to the City's former Redevelopment Agency that was dissolved effective February 1, 2012.

The City applies all applicable Financial Accounting Standards Board (FASB) Pronouncements applicable to reporting for the operation of its proprietary operations and the provisions of GASB Statement Number 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 pronouncements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

City's water and wastewater function and other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the costs of sales and services, administration costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Stewardship, Compliance and Accountability

1. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, library fund, and debt service fund. The capital projects fund is appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

2. Encumbrances

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all budgeted funds. Encumbrances outstanding at year end are reported as a restriction, commitment or assignment of fund balances since they do not constitute expenditures or liabilities and are reappropriated in the following year. Unexpended appropriations lapse at year end and must be reappropriated in the following year.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, Sonoma County Investment Pool, U.S. Treasury bonds, bills, and notes, obligations issued by US Government agencies, banker's acceptances, repurchase agreements, and time deposits and savings and demand accounts.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are not shown net of an allowance for uncollectibles.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Sonoma collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues in the fiscal year in which they are due to the City.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or 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.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Assets or Equity (Continued)

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental-type or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (\$25,000 for infrastructure type assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Under the GASB 34 Implementation Rules, the City is a Phase 3 entity and was not required to record infrastructure assets existing or acquired prior to July 1, 2002 at the date these new financial reporting standards were implemented; and the City has not recorded such assets. The costs of normal maintenance and repairs that do not add to the value of asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	30
Public domain infrastructure	50
System infrastructure	10-40
Vehicles and equipment	5-10

5. Compensated Absences and Other Post-Employment Benefits

The City records a liability to recognize the financial effect of the unused vacation and other compensated leaves. As of June 30, 2019 the total liability for vacation and other compensated leaves is \$596,763. The City typically uses the General fund, Water and Wastewater funds to liquidate the majority of its compensated absences. The City's obligation for post-employment benefits other than pensions (OPEB) is reported as a liability in the government-wide financial statements.

6. Long-term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Assets or Equity (Continued)

7. Fund Balances – Governmental Funds

Fund balances for governmental funds are reported in classifications based primarily on the extent to which the City is bound to honor constraints about the specific purposes for which amounts in those funds can be spent. These classifications include (1) nonspendable, (2) restricted, (3) committed, (4) assigned and (5) unassigned amounts.

Nonspendable amounts generally are items not expected to be converted into cash such as inventories, prepaid items and long-term receivables not offset by deferred revenue accounts. Restricted amounts include those where constraints placed on the uses of the resources are externally imposed by grantors, contributors, other governments or bylaws or regulations. Committed amounts are those that can only be used for a specific purpose as determined by the City Council. Such committed amounts may be redeployed for other uses only by the direction of the City Council. Assigned amounts are fund balance amounts constrained by the City's intent to be used for specific purposes as determined by the City Manager or Director of Administrative Services. Unassigned amounts are the residual amounts reported only in the general fund or amounts in funds reporting deficit fund balances. When expenditures are incurred for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available, the City considers restricted amounts to have been spent first. When expenditures are incurred for which any class of unrestricted fund balance could be used, the City considers committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

8. Comparative Data

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in net assets. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current years' presentation.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of California Public Employees Retirement System (PERS) and additions to or deductions from the PERS fiduciary net position have been determined on the same basis as they are reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets are not financial resources and are not reported in the funds.” The details of this \$20,601,783 difference are as follows:

Capital assets	\$ 35,046,500
Less: Accumulated depreciation	<u>(14,444,717)</u>
 Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	 <u>\$ 20,601,783</u>

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details of this \$4,396,998 difference are as follows:

Long-Term Debt Obligations:	
Special assessment bonds	\$ (4,225,000)
Lease obligation	(25,521)
Compensated absences	<u>(146,477)</u>
 Net adjustment to decrease fund balance total governmental funds to arrive at net position - governmental activities	 <u>\$ (4,396,998)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$689,206 difference and other significant components of the difference are as follows:

Capital outlay	\$ 2,024,839
Depreciation and amortization	(1,073,701)
Change in long-term notes receivable	(141,990)
Changes in net pension liability and related items	(607,756)
Repayment of long-term debt principal	171,331
Change in total post-employment benefit liability	(3,964)
Change in interest payable	3,575
Internal service profit	134,326
Claims and compensated absences	<u>182,546</u>
 <i>Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	 <u><u>\$ 689,206</u></u>

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 3. Cash and Investments

Deposits and investments at June 30, 2019 consisted of the following:

Pooled demand deposits	\$ 1,085,781
Pooled investments	15,683,642
Investments with trustees	<u>474,849</u>
 Total deposits and investments	 <u><u>\$ 17,244,272</u></u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is that they will be made only in institutions in California, they shall be insured or collateralized with United States backed securities, and time certificates of deposit shall have a maturity of less than three years. The City does not participate with external investment pools that are not registered with the Securities and Exchange Commission.

At June 30, 2019, \$1,985,623 of the City's bank balances of \$2,235,623 was exposed to credit risk as follows:

Uninsured and collateral held by pledging banks agent but not in the City's name:	<u><u>\$ 1,985,623</u></u>
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Investments at June 30, 2019 consisted of the following:

Investment	Maturities	Fair Value
State Investment Pool (LAIF)	Average 173 days	\$ 14,365,921
Sonoma County Investment Pool	Average 533 days	438,967
BlackRock Provident T-Fund Shares	Average 120 days	474,849
Negotiable Certificates of Deposit	Average 211 days	<u>878,754</u>
 Totals		 <u><u>\$ 16,158,491</u></u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities prescribed in Sections 53600 through 53609 of the California Government Code which for the City is securities with a maturity of five years or less at the time of purchase.

Credit Risk - State law limits investments in various securities to certain level of risk ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with State law as regards securities ratings. The City's investment in mutual funds was rated AAA by Moody's Investor Service. The State and County Investment Pools are unrated.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 3. Cash and Investments (Continued)

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's \$878,754 investment made in other than the Pools and mutual funds, the entire \$878,754 in underlying securities are held by the investment's counterparty in the name of the City. The City's investment policy specifies that securities are to be held by a third party, other than the counterparty, in the City's name, whenever possible. The investment in the State and County Pool and mutual funds are not subject to custodial credit risk because the investments are not evidenced by specific securities.

The City also holds \$892,498 in demand deposits and \$702,861 in money market funds in a fiduciary capacity for the successor agency to the City's former Redevelopment Agency.

Fair Value Measurements - The City categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, and Level 3 inputs are other significant unobservable inputs. The City's investments are valued using Level 1 inputs for both the negotiable certificates of deposit; and the Sonoma County Investment Pool and the State of California Local Agency Investment Fund pool are valued using Level 1 pricing methods. Contributed capital assets and declines in capital asset values are based upon the use of Level 2 inputs.

Noncurrent Cash and Cash Equivalents - The \$1,518,400 restricted in the governmental activities statement of net position represents resources in the City's debt service fund of \$959,116 and unexpended bond proceeds, \$559,284. The \$102,103 in the business-type activities statement of net position represents capital improvement funds to be used for funding major capital assets and facilities.

Note 4. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, net of the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Other Major Funds	Nonmajor Funds	Total Governmental	Water	Wastewater
Taxes	\$ 1,024,665	\$ 791	\$ 889	\$ 1,026,345	\$ -	\$ -
Accounts	287,606	-	16,670	304,276	264,135	363,360
Governments	-	-	4,919	4,919	30,000	-
Interfund loans	-	1,000,000	-	1,000,000	-	-
Notes and loans	28,000	1,092,486	-	1,120,486	-	-
Assessments	-	4,225,000	-	4,225,000	-	-
Totals	\$ 1,340,271	\$ 6,318,277	\$ 22,478	\$ 7,681,026	\$ 294,135	\$ 363,360

The majority of the notes receivable consist of two notes with original principal of \$767,000 plus \$325,486 in deferred interest payable at maturity. The notes bear interest at 3 percent deferred until maturity of 2041 (\$370,000) and 2058 (\$397,000) and are secured by deeds of trust on housing projects.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 5. Interfund Transfers, Receivables and Payables

1. The composition of interfund transfers as of June 30, 2019, is as follows:

<u>Transfers In:</u>	<u>General Fund</u>	<u>Internal Service</u>	<u>Nonmajor Funds</u>	<u>Inclusionary Housing</u>	<u>Totals</u>
<u>Transfers Out:</u>					
General fund	\$ -	\$ 100,999	\$ 871,622	\$ 11,810	\$ 984,431
Nonmajor funds	250,000	113,685	1,103,887	-	1,467,572
Totals	\$ 250,000	\$ 214,684	\$ 1,975,509	\$ 11,810	\$ 2,452,003

The primary transfers out of the general fund and nonmajor funds were made to provide funds to the City's capital projects fund for infrastructure projects.

2. The composition of interfund balances as of June 30, 2019 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Wastewater	Water	\$ 929,608
Inclusionary Housing	Wastewater	<u>1,000,000</u>
	Total	\$ <u>1,929,608</u>

The internal amounts were made for temporary cash flow purposes and to finance a meter upgrade system for the City's water fund. The \$929,608 payable to the wastewater fund is due in quarterly payments of \$26,117 through September 30, 2030. The \$1,000,000 payable by the wastewater fund is a loan from the inclusionary housing fund, repayable in 20 annual installments of \$50,000 with interest at 3 percent per annum.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 6. Capital Assets

Capital asset activity relating to governmental activities for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 8,631,561	\$ -	\$ -	\$ 8,631,561
Construction in progress	234,207	2,017,122	(1,860,139)	391,190
Total capital assets, not being depreciated	<u>8,865,768</u>	<u>2,017,122</u>	<u>(1,860,139)</u>	<u>9,022,751</u>
Capital assets, being depreciated or amortized:				
Buildings	8,317,483	-	-	8,317,483
Machinery and equipment	580,627	113,295	-	693,922
Vehicles	1,283,911	41,984	-	1,325,895
Improvements	15,230,619	1,746,850	-	16,977,469
Leased assets	34,874	-	-	34,874
Total capital assets being depreciated or amortized	<u>25,447,514</u>	<u>1,902,129</u>	<u>-</u>	<u>27,349,643</u>
Less accumulated depreciation and amortization for:				
Buildings	(2,544,284)	(207,409)	-	(2,751,693)
Machinery and equipment	(771,062)	(92,753)	-	(863,815)
Vehicles	(870,738)	(100,214)	-	(970,952)
Improvements	(10,052,177)	(766,566)	-	(10,818,743)
Leased assets	(3,487)	(6,975)	-	(10,462)
Total accumulated depreciation and amortization	<u>(14,241,748)</u>	<u>(1,173,917)</u>	<u>-</u>	<u>(15,415,665)</u>
Total capital assets, being depreciated/amortized, net	<u>11,205,766</u>	<u>728,212</u>	<u>-</u>	<u>11,933,978</u>
Governmental activities capital assets, net	<u>\$ 20,071,534</u>	<u>\$ 2,745,334</u>	<u>\$ (1,860,139)</u>	<u>\$ 20,956,729</u>

Construction in progress, at June 30, 2019, represents primarily cost incurred related to construction improvements to the city's street system.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 6. Capital Assets (Continued)

Capital asset activity relating to business-type activities for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 230,128	\$ 4,720,186	\$ (4,950,314)	\$ -
Total capital assets, not being depreciated	230,128	4,720,186	(4,950,314)	-
Capital assets, being depreciated:				
Water wells	1,451,506	-	-	1,451,506
Reservoirs	1,650,972	-	-	1,650,972
Improvements	1,286,652	-	-	1,286,652
Pipelines and collection system	10,385,796	4,928,209	-	15,314,005
Equipment	406,931	-	-	406,931
Total capital assets being depreciated	15,181,857	4,928,209	-	20,110,066
Less accumulated depreciation for:				
Water wells	(976,313)	(28,459)	-	(1,004,772)
Reservoirs	(977,092)	(78,081)	-	(1,055,173)
Improvements	(381,544)	(48,224)	-	(429,768)
Pipelines and collection system	(4,116,011)	(257,351)	-	(4,373,362)
Equipment	(96,636)	(45,596)	-	(142,232)
Total accumulated depreciation	(6,547,596)	(457,711)	-	(7,005,307)
Total capital assets, being depreciated, net	8,634,261	4,470,498	-	13,104,759
Business-type activities capital assets, net	<u>\$ 8,864,389</u>	<u>\$ 9,190,684</u>	<u>\$ (4,950,314)</u>	<u>\$ 13,104,759</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 540,808
Public safety	42,489
Infrastructure -streets	490,404
Other internal service	100,214
Total depreciation expense-governmental activities	<u>\$ 1,173,915</u>
Business-type activities:	
Water	\$ 331,453
Wastewater	126,258
Total depreciation expense-business-type activities	<u>\$ 457,711</u>

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 7. Long-Term Debt

Governmental Activities

Special Assessment Bonds with Governmental Commitment

The special assessment bonds were issued in an original amount of \$5,875,000 for the purpose of facilitating a wetlands mitigation project. The bonds are secured solely by assessments levied against property owners within the assessment district and from monies on deposit in a reserve fund. The City has no obligation to advance funds for payment of bond debt service. The City has indicated, however, that it may at its own option and in its sole discretion, elect to advance funds to pay bond debt service to the extent of delinquencies and has done so in previous years. The bonds consist of 6.50 percent term bonds due September 2, 2033. The term bonds are subject to mandatory redemption prior to maturity commencing September 2, 2004. Future debt service is scheduled as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 175,000	\$ 268,938	\$ 443,938
2021	185,000	257,238	442,238
2022	200,000	244,726	444,726
2023	210,000	231,400	441,400
2024	225,000	217,263	442,263
2025-2029	1,365,000	839,313	2,204,313
2030-2034	1,865,000	317,688	2,182,688
Totals	<u>\$ 4,225,000</u>	<u>\$ 2,376,566</u>	<u>\$ 6,601,566</u>

Lease Obligation

The City in fiscal 2018 entered into a \$34,474 lease agreement for the use of two copy machines. The lease arrangement is a right to use arrangement and ownership of the assets does not pass to the City. The term is for 5 years, bears interest at 6.215 percent and is payable in monthly installments of \$678. There were no variable payments, residual value guarantee payments or penalty payments not previously included in the lease arrangement. Future payments on the lease are as follows:

Fiscal Year	Principal	Interest	Total
2020	6,736	1,396	8,132
2021	7,167	965	8,132
2022	7,632	500	8,132
2023	3,986	80	4,066
Totals	<u>\$ 25,521</u>	<u>\$ 2,941</u>	<u>\$ 28,462</u>

Long-term debt activity for the 2019 fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Special assessment bonds	\$ 4,390,000	\$ -	\$ 165,000	\$ 4,225,000	\$ 175,000
Lease obligation	31,852	-	6,331	\$ 25,521	6,331
Compensated absences	328,321	79,115	60,000	347,436	100,000
Total	<u>\$ 4,750,173</u>	<u>\$ 79,115</u>	<u>\$ 231,331</u>	<u>\$ 4,597,957</u>	<u>\$ 281,331</u>

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 7. Long-Term Debt (Continued)

Business-Type Activities

In October 2014, the City initiated an interfund loan between the Wastewater Fund to the Water Fund which was used to finance the Phase 2 meter replacement project. The total outstanding balance due as of June 30, 2019 is approximately \$930,000 and bears annual interest at a rate of 1.5%.

On May 15, 2019, upon completion of P-1 Wastewater Pipeline project, as adopted by Council Resolution 2019-18, the City initiated an inter-fund loan between In-lieu Inclusionary Housing to the Wastewater Fund for a total of \$1,000,000 to be repaid over the period of 20 years and at an annual interest rate of 3%.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Phase 2 Meter Loan	\$ 1,167,062	\$ -	\$ 237,454	\$ 929,608	\$ 88,773
P-1 Pipeline In-Lieu Loan	-	1,000,000	-	1,000,000	50,000
Compensated absences	235,242	14,086	-	249,328	249,328
Total	\$ 1,402,304	\$ 1,014,086	\$ 237,454	\$ 2,178,936	\$ 388,101

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 8. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. The City, due to the costs of available coverage, participates as a member of the Redwood Empire Municipal Insurance Fund (REMIF). REMIF provides joint protection programs for public entities covering automobile, general liability, errors and omissions, property and workers compensation claims. Under the program, the City has a \$5,000 retention limit similar to a deductible with REMIF being responsible for losses above that amount up to \$500,000 for liability losses, \$1,000,000 for workers compensation claims, and \$25,000 for property damage. The Fund carries purchased excess commercial liability insurance of \$39.5 million in excess of its \$500,000 limit, and a commercial property policy for \$300 million. Financial information pertaining to REMIF can be obtained from its administrative offices at 414 W. Napa Street, Sonoma, California 95476.

Liabilities of the City are reported in the statement of net assets for when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The City's only exposure to claim liabilities would be for losses, if any, not covered by REMIF. There have been no significant changes in insurance coverages in fiscal 2019. Settlements have not exceeded coverage for each of the past three fiscal years. The City has no material claim liabilities at June 30, 2019. However, during the fiscal year the REMIF board approved both a workers compensation and general liability fund assessments covering a period of six and five years respectively.

Changes in the balance of claims liabilities during the past two years are as follows:

	Workers Compensation	General Liability	Totals
Liability - June 30, 2018	\$ -	\$ -	\$ -
Claims incurred	144,435	87,334	231,769
Claims payments	(24,073)	(17,467)	(41,540)
Changes to prior year estimates	-	-	-
Liability - June 30, 2019	<u>120,362</u>	<u>69,867</u>	<u>190,229</u>

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 9. Contingencies and Commitments

Litigation. The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants and allocations. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Note 10. Jointly Governed Organizations and Operating Agreements

Jointly governed organizations are legal entities or other organizations that result from a contractual arrangement and that are owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. The City is a participant in the following organizations other than the insurance authority described in the preceding notes. The City is a party to the following agreement:

Santa Rosa Subregional Wastewater System. The City has an agreement with the System for the treatment of wastewater as the City does not own or operate its own wastewater treatment plant. The City's obligations under the agreement are to pay to the System its share of the costs of operating the system and treatment of wastewater. The City records these payments as operating expenses in its wastewater enterprise fund

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 11. Public Employee Pension Plans

Plan Description - The plans are a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). CalPERS is governed by a 13 member Board of Administration with six elected members, three appointed members and four ex officio members, which include the State Treasurer, the State Controller, the Director of the California Department of Human Services and a designee of the State Personnel Board.

CalPERS acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. Benefit provisions and other requirements are established by State statute, employer contract with CalPERS and by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided - CalPERS provides service retirement, disability, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on a final average compensation period of 12 months or 36 months. The cost of living adjustments for the CalPERS plans are applied as specified by the Public Employees Retirement Law. The California Public Employees Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. As such members who established CalPERS membership on or after January 1, 2013 are known as "PEPRA" members.

The CalPERS provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous Plans		
	Tier 1	Tier 2	PEPRA
	Prior To April 27, 2011	From April 27, 2011 to December 31, 2012	On or After January 1, 2013
Hire Date			
Benefit Formula	2.7%@55 with 2% COLA	2.0%@60 with 2% COLA	2.0%@62 with 2% COLA
Final Average Compensation Period	12 months	12 months	36 months
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	55	60	62
Monthly Benefit, as % of eligible compensation	2.7%	2.0%	2.0%
Required Employee Contribution Rates	8.000%	7.000%	6.250%
Required Employer Contribution Rates	12.212%	8.099%	6.842%

	Safety Plans		
	Tier 1	Tier 2	PEPRA
	Prior To July 1, 2011	From July 1, 2011 to December 31, 2012	On or After January 1, 2013
Hire Date			
Benefit Formula	3.0%@50 with 2% COLA	2.0%@50 with 2% COLA	2.7%@57 with 2% COLA
Final Average Compensation Period	36 months	36 months	36 months
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50	50	57
Monthly Benefit, as % of eligible compensation	3.0%	2.0%	2.7%
Required Employee Contribution Rates	9.000%	9.000%	12.000%
Required Employer Contribution Rates	19.416%	15.719%	12.141%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employees 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 City's 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 public employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 11. Public Employee Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred inflows of Resources Related to Pensions - At June 30, 2019 the City reported a liability of \$10,142,246 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. 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 governments, actuarially determined. At June 30, 2019, the City's proportion was 0.10525 percent compared to 0.10666 percent at June 30, 2018.

For the measurement period ending June 30, 2018 (June 30, 2019 fiscal year), the City recognized pension expense of \$1,749,588. 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
Differences between expected and actual experience	\$ 283,931	\$ (44,595)
Changes in assumptions	1,085,570	(217,963)
Net difference between projected and actual earnings on pension plan investments	58,268	-
Changes in employer's proportion	33,676	(554,612)
Differences between employer's contributions and the employer's proportionate share of contributions	354,446	-
City contributions subsequent to the measurement period	1,293,940	-
Totals	\$ 3,109,831	\$ (817,170)

City contributions subsequent to the measurement period of \$1,293,940 are reported as deferred outflows of resources related to pensions from City 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 in future pension expense as follows

Fiscal Year Ended June 30	Deferred Outflows (Inflows) of Resources
2020	\$ 962,711
2021	512,205
2022	(394,170)
2023	(82,025)
2024	-
Thereafter	-

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 11. Public Employee Pension Plans (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.0 percent
Investment rate of return	7.15 percent, net of pension plan investment expense, including inflation

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at the CalPERS website under Forms and Publications.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension cash flows. The expected rate of return was then set equivalent to a single equivalent rate calculated by CalPERS and rounded down to the nearest one quarter of one percent.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	New Strategic Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	18.00%	3.75%	4.93%
Infrastructure & Forestland	0.00%	0.00%	0.00%
Liquidity	1.00%	0.00%	(0.92)%

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent will be applied to all plans in the Public Employee Retirement Fund.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 11. Public Employee Pension Plans (Continued)

Sensitivity of the City's 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 calculated using the discount rate of 7.15 percent, 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 (6.15 percent) or 1-percentage higher (8.15 percent) than the current rate:

	-1% Decrease (6.15%)	Current Discount Rate (7.15%)	+1% Increase (8.15%)
City's proportionate share of the net pension liability	\$ 14,788,554	\$ 10,142,246	\$ 6,320,060
Totals	<u>\$ 14,788,554</u>	<u>\$ 10,142,246</u>	<u>\$ 6,320,060</u>

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Note 12. Restricted Net Position and Nonspendable Fund Balances

The \$5,823,768 restricted amount in the governmental activities and the \$102,103 in the business activities statements of net position represent amounts to be used only for specific purposes upon which restrictions are imposed by laws, formal agreements or other governments.

Nonspendable fund balances consisted of the following:

Purpose	General Fund	Other Funds
Prepayments	\$ 51,122	\$ -
	<u>\$ 51,122</u>	<u>\$ -</u>

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 13. Other Post-Employment Benefits

Plan Description.

The City's defined benefit OPEB Plan provides OPEB for all eligible full-time general and public safety employees of the City. The City's plan is a single-employer defined benefit OPEB Plan administered by the City. The City Council, through resolutions and regulations, has the authority to establish and amend the benefit terms. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement Number 75.

Benefits Provided.

The City's OPEB plan provides healthcare benefits to eligible retirees and their dependents. Benefits are provided through third party insurers, and the full cost of the benefits is provided by the Plan Participants.

Employees Covered by the Benefit Terms.

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3	
Inactive employees entitled to but not yet receiving benefit payments	-	
Active employees	-	44
	-	47

The City's OPEB Plan is closed to new entrants. The OPEB plan amortization period is closed.

Contributions

The City's plan is affiliated with the Redwood Empire Municipal Insurance Fund (REMIF) insofar as the City's health insurance premium payments are paid to REMIF. REMIF, through an aggregation of single employer plans, pools administrative functions in regard to purchases of commercial health insurance policies and coverages. City regulations grant authority to the City Council to establish and amend contribution requirements. Employees are not required to contribute to the plan. Plan contributions are based upon an actuarially determined rate. For the year ending June 30, 2019, the City's average contribution rate was .006 percent of covered employee payroll. The amount contributed for fiscal 2019 was \$19,850 which amount was the amount of City paid benefit payments.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 13. Other Post-Employment Benefits (Continued)

Actuarial assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.0 percent
Salary increases	3.0 percent, average, including inflation
Discount rate	3.51 percent
Healthcare cost trend rates	8.0 percent for 2019, decreasing 0.5 percent per year to an ultimate rate of 5 percent for 2025 and later years
Retiree's share of benefit costs	None or 100 percent

Mortality rates were based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience study for the period July 1, 2005 - April 30, 2018.

Changes in total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at 6/30/2018	<u>\$ 289,775</u>
Changes for the year:	
Service cost	9,106
Interest	11,183
Differences between expected and actual experience	
Changes in assumptions	9,123
Benefit payments	<u>(19,850)</u>
Net changes	<u>9,562</u>
Balances at 6/30/2019	<u>\$ 299,337</u>

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 13. Other Post-Employment Benefits (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate:

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 percent) or 1-percentage point higher (4.51 percent) than the current discount rate.

	1% Decrease (2.51%)	Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB Liability/(Asset)	\$ 326,893	\$ 299,337	\$ 274,944

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

	1% decrease 7% decreasing to 4%	Healthcare Cost Trend Rate 8% decreasing to 5%	1% increase 9% decreasing to 6%
Total OPEB liability/(asset)	\$ 270,358	\$ 299,337	\$ 332,945

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the City recognized OPEB expense of \$15,393. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ -	\$ (49,065)
Changes in assumptions	8,421	(12,506)
Totals	\$ 8,421	\$ (61,571)

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

Fiscal year ended June 30	Amounts
2020	\$ (4,896)
2021	(4,896)
2022	(4,896)
2023	(4,896)
2024	(4,896)
Thereafter	(28,670)

Payable to the OPEB Plan at June 30, 2019: None.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 14. Successor Agency Trust For Assets of Former Redevelopment Agency

A. The Dissolution Process

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the financial reporting entity of the City of Cotati that previously had reported a redevelopment agency within the financial reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the Successor Agency to hold assets until they are distributed to other units of State and local government. The City Council of Cotati elected to have the City become the Successor Agency for the former Redevelopment Agency.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established Oversight Board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenues in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior agency have been paid in full and all assets have been liquidated.

The bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former Redevelopment Agency due to the City and others are valid enforceable obligations payable by the Successor Agency trust under the requirements of the Bill. The City's position on these issues is not a position of settled law and there is considerable legal uncertainty regarding these issues. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority or other authorized body that would resolve any of the dissolution matters unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and financial activities of the dissolved Redevelopment Agency are reported in a fiduciary fund (the private-purpose trust fund) in the financial statements of the City of Cotati. The assets and liabilities of the private-purpose trust are excluded from the Government-wide Statement of Net Position of the City of Cotati and the Statement of Activities of the City of Cotati because fiduciary fund assets are not available in any fashion for use by the City.

B. Enforceable Obligations

Tax Allocation Refunding Bonds 2004-Series A

In June, 2004, the Cotati Facilities Financing Authority issued \$5,610,000 in its 2004 Series A tax allocation refunding bonds. The Authority entered into a loan agreement with the City's Redevelopment Agency wherein the Agency in substance is to pay the principal and interest on the bonds.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 14. Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Future debt service requirements are:

Fiscal Year	Principal	Interest	Total
2020	\$ 290,000	\$ 123,388	\$ 413,388
2021	270,000	109,750	379,750
2022	270,000	96,250	366,250
2023	280,000	82,500	362,500
2024	280,000	68,500	348,500
2025-2029	-	307,500	307,500
2030-2034	600,000	276,750	876,750
2035-2036	600,000	30,750	630,750
Totals	<u>\$ 2,590,000</u>	<u>\$ 1,095,388</u>	<u>\$ 3,685,388</u>

Payment of bond debt service on the 2004 tax allocation bonds was secured by a first pledge and lien on all of the former Agency's revenues. Such revenues were the tax increment allocated to the project area less statutory housing obligations and the County, Library, and Fire District's share of such tax increment. Payment of interest and principal on the bonds is also insured by a financial guaranty policy. Interest and principal on the bonds is payable each March 1 and September 1 through 2036. The bonds bear interest at rates from 1.60 to 5.125 percent.

Tax Allocation Bonds 2001 Series A

On November 14, 2001, The City's former Redevelopment Agency issued \$ 6,960,000 in subordinate tax allocation bonds, series 2001A, to advance refund and retire two capital leases and provide additional project funds. The tax allocation bonds consisted of \$1,510,000 in serial bonds bearing interest at rates from 2 percent to 4.5 percent maturing each September 1 through 2021, \$2,050,000 in term bonds bearing interest at 5 percent and maturing September 1, 2026, and \$3,400,000 in 5 percent term bonds maturing September 1, 2031. The term bonds are subject to mandatory sinking fund early redemption. Future debt service requirements are as follows:

Fiscal Year	Principal	Interest	Total
2020	135,000	290,530	425,530
2021	155,000	283,928	438,928
2022	170,000	276,431	446,431
2023	190,000	267,750	457,750
2024	210,000	257,750	467,750
2025-2029	2,910,000	867,100	3,777,100
2030-2032	2,140,000	164,000	2,304,000
Totals	<u>\$ 5,910,000</u>	<u>\$ 2,407,489</u>	<u>\$ 8,317,489</u>

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 14. Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Tax Allocation Bonds Pledged Revenues

The former Redevelopment Agency had pledged future tax increment revenues to pay debt service on the 2001 and 2004 tax allocation bonds. Total principal and interest remaining on the Successor Agency's bonds is \$12,002,877

Changes in enforceable obligations for the year ended June 30, 2019 were as follows:

Private Purpose Trust Fund:	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>	<u>Due in One Year</u>
2001 tax allocation bonds, series A	\$ 6,030,000	\$ -	\$ 120,000	\$ 5,910,000	\$ 135,000
2004 tax allocation bonds, series A	2,870,000	-	280,000	2,590,000	290,000
Total	<u>\$ 8,900,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 8,500,000</u>	<u>\$ 425,000</u>

C. Cash and Investments Held in Trust

The Cash and investments of the Successor Agency at June 30, 2019 consisted of \$892,498 in bank deposits held by the City of Cotati. In addition, there was \$702,861 held by a bank trustee primarily in a reserve account for the 2001 tax allocation bonds.

CITY OF COTATI
Notes to the Basic Financial Statements
June 30, 2019

Note 15. Change in Accounting Principles

The City in fiscal 2019, changed its method of accounting for its vehicle fleet, compensated absences and corrected capital asset and accumulated depreciation balances in both its governmental and business type activities. The impact of these changes on the City's beginning of year net position was as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position, June 30, 2018 as originally reported	\$ 27,085,107	\$ 16,340,893	\$ 43,426,000
Change to establish the Internal service fund	258,538	(258,538)	-
Correct asset carrying values and depreciation	<u>(111,872)</u>	<u>35,048</u>	<u>(76,824)</u>
Net change/corrections	<u>146,666</u>	<u>(223,490)</u>	<u>(76,824)</u>
Net position, June 30, 2018 as restated	<u>\$ 27,231,773</u>	<u>\$ 16,117,403</u>	<u>\$ 43,349,176</u>
	<u>General Capital Assets</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>
Capital assets, June 30, 2018 as originally reported	\$ 19,924,868	\$ -	\$ 19,924,868
Change to establish the Internal service fund:			
Contributed by Enterprise funds	-	258,538	258,538
Transfers	(154,633)	154,633	-
Correct net carrying values	<u>(111,872)</u>	<u>-</u>	<u>(111,872)</u>
Capital assets, June 30, 2018 as restated	<u>\$ 19,658,363</u>	<u>\$ 413,171</u>	<u>\$ 20,071,534</u>

Note 16. Subsequent Events

On August 1, 2019, the government supported the refinancing of the South Sonoma Business Park Debt Service Bond in order to reduce the interest rate as paid by the parcel owners within the assessment district. The bond issue price was listed at \$4,007,977 with the same maturity date of September 1, 2033 but a reduced annual interest rate of 2.950%.

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Required Supplementary Information

Budgetary Comparison Schedules - General Fund, Inclusionary Housing, and Low Income Housing Special Revenue.
Schedule of Changes in City's Total OPEB Liability and Related Ratios
Schedule of The City's Proportionate Share of the Net Pension Liability
Schedule of the City's Pension Contributions

CITY OF COTATI
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	\$ 1,560,250	\$ 1,698,763	\$ 1,734,281	\$ 35,518
Sales taxes	4,382,000	4,859,624	5,109,211	249,587
Other taxes	282,250	353,500	401,685	48,185
Licenses and permits	476,500	516,010	515,547	(463)
Intergovernmental	185,500	200,570	303,488	102,918
Charges for services	393,745	413,750	470,176	56,426
Interest and rents	85,400	168,600	227,045	58,445
Miscellaneous	29,200	98,442	107,274	8,832
	<u>7,394,845</u>	<u>8,309,259</u>	<u>8,868,707</u>	<u>559,448</u>
Expenditures				
General government:				
City Council	153,213	142,101	133,508	8,593
City Manager/City Clerk	522,898	507,576	564,046	(56,470)
Administrative Services	207,702	229,152	218,078	11,074
Community Development	638,572	620,265	581,558	38,707
Public safety:				
Police	3,568,393	3,631,547	3,706,504	(74,957)
Public works:				
Public Works, Parks, Buildings	1,293,268	1,441,478	1,410,221	31,257
Debt service:				
Capital Outlay	1,000	1,601	-	1,601
Principal	-	7,770	6,331	1,439
Interest	-	1,801	1,801	-
	<u>6,385,046</u>	<u>6,583,291</u>	<u>6,622,047</u>	<u>(38,756)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,009,799</u>	<u>1,725,968</u>	<u>2,246,660</u>	<u>520,692</u>
Other Financing Sources (Uses)				
Transfers in	160,000	250,000	250,000	-
Transfers out	(1,695,700)	(1,102,304)	(984,431)	117,873
	<u>(1,535,700)</u>	<u>(852,304)</u>	<u>(734,431)</u>	<u>117,873</u>
Net Change in Fund Balances*	<u>(525,901)</u>	<u>873,664</u>	<u>1,512,229</u>	<u>638,565</u>
Fund Balance, July 1	<u>5,160,646</u>	<u>5,737,961</u>	<u>5,737,961</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 4,634,745</u>	<u>\$ 6,611,625</u>	<u>\$ 7,250,190</u>	<u>\$ 638,565</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

CITY OF COTATI
Required Supplementary Information
Budgetary Comparison Schedule
Inclusionary Housing Fund
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest and rents	\$ 25,000	\$ 53,500	\$ 65,869	\$ 12,369
Miscellaneous	-	1,200	1,200	-
Total revenues	<u>25,000</u>	<u>54,700</u>	<u>67,069</u>	<u>12,369</u>
Expenditures				
Miscellaneous expense	-	50,000	45,480	4,520
Total expenditures	<u>-</u>	<u>50,000</u>	<u>45,480</u>	<u>4,520</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>25,000</u>	<u>4,700</u>	<u>21,589</u>	<u>16,889</u>
Other Financing Sources (Uses)				
Transfers in	-	-	11,810	11,810
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>1,000,000</u>
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>11,810</u>	<u>1,011,810</u>
Net Change in Fund Balances	(975,000)	(995,300)	33,399	1,028,699
Fund Balance, July 1	<u>3,162,190</u>	<u>3,174,493</u>	<u>3,174,493</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,187,190</u>	<u>\$ 2,179,193</u>	<u>\$ 3,207,892</u>	<u>\$ 1,028,699</u>

CITY OF COTATI
Required Supplementary Information
Budgetary Comparison Schedule
Low Income Housing Fund
For the Fiscal Year Ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest and rents	\$ 23,010	\$ -	\$ -	\$ -
Total revenues	<u>23,010</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,010	-	-	-
Fund Balance, July 1	<u>1,069,476</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,092,486</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF COTATI
Required Supplemental Information
Schedule of The City's Proportionate Share of the Net Pension Liability
June 30, 2019
(Last Ten Fiscal Years)

	Fiscal Year End				
	2015	2016	2017	2018	2019
<i>Measurement Date</i>	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
City's proportion of the net pension liability	0.11983%	0.12248%	0.11214%	0.10666%	0.10525%
City's proportionate share of the net pension liability	\$ 7,456,420	\$ 8,406,983	\$ 9,703,297	\$ 10,577,410	\$ 10,142,246
City's covered payroll (plan year)	\$ 2,224,998	\$ 2,789,822	\$ 2,935,345	\$ 2,921,800	\$ 3,066,402
City's proportionate share of the net pension liability as a percentage of its covered payroll	335.12%	301.34%	330.57%	362.02%	330.75%
Plan's fiduciary net position as a percentage of the total pension liability	79.82%	78.40%	74.06%	73.31%	75.26%

Notes to the schedule:

Benefit changes: In fiscal 2019, there were no benefit changes.

Changes in assumptions: In fiscal 2018, the plan's discount rate was changed from 7.65% to 7.15%, and in fiscal 2019, the plan's discount rate was unchanged from 7.15%.

Last Ten Years: This schedule is intended to show information for 10 years. Fiscal 2015 was the first year of implementation, and additional information will be presented as it becomes available

CITY OF COTATI
Required Supplemental Information
Schedule of The City's Pension Contributions
June 30, 2019
(Last Ten Fiscal Years)

<i>Contributions for the fiscal year ending</i>	June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 771,201	\$ 1,004,742	\$ 1,069,601	\$ 1,153,203	\$ 1,293,940
Contributions in relation to the contractually required contribution	\$ (771,201)	\$ (1,004,742)	\$ (1,069,601)	\$ (1,153,203)	\$ (1,293,940)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll (City fiscal year)	\$ 2,789,822	\$ 2,935,345	\$ 2,921,800	\$ 3,066,402	\$ 3,297,800
Contributions as a percentage of covered payroll	27.64%	34.23%	36.61%	37.61%	39.24%

Notes to the schedule:

Plan valuation date: June 30, 2018

Last Ten Years: this schedule is intended to show information for 10 years. Fiscal year 2015 was the first year of implementation, and additional years information will be presented as it becomes available.

CITY OF COTATI
Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
June 30, 2019
(Last Ten Fiscal Years)

	<u>FY 2017/18</u>	<u>FY 2018/19</u>
Total OPEB liability - beginning of year	\$ 361,662	\$ 289,775
Service Cost	13,394	9,106
Interest	12,975	11,183
Changes of benefit terms	-	-
Changes in assumptions	(14,780)	9,123
Differences between expected and actual experience	(57,987)	-
Benefit payments	(25,489)	(19,850)
Net change in total OPEB liability	<u>(71,887)</u>	<u>9,562</u>
Total OPEB liability - end of year	<u>\$ 289,775</u>	<u>\$ 299,337</u>
Covered employee payroll	\$ 3,143,993	\$ 3,143,993
City's total OPEB liability as a percentage of covered payroll	9.2%	9.5%

Notes:

Plan assets: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement Number 75 to pay related benefits.

Benefit changes: In fiscal year 2018/19, there were no changes.

Changes in assumptions: In fiscal year 2018/19, there were no changes.

Ten years of data: Fiscal year 2017/18 was the first year of implementation of GASB Statement Number 75, therefore only two years of data is presented. Additional years information will be presented as it becomes available.

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Other Supplementary Information

Non-Major Funds Combining Financial Statements,
Budget to Actuals,

Schedule of Measure G Revenues & Expenses,

Comparative Schedule of Capital Assets Used in Governmental Activities,
Schedule of Changes in Capital Assets Used in Governmental Activities, and
Schedule of Capital Assets Used in Governmental Activities by Function &
Activity

CITY OF COTATI
Other Supplementary Information
June 30, 2019

Summary of Non-Major Funds

Special Revenue Funds:

Special Revenue Funds are a group of accounts established by a government for restricted use to ensure that certain revenue sources are used or earmarked only for their specific purpose. This Special Revenue Fund type may be used to account for the proceeds of specific revenue sources that are legally restricted or restricted by City Council policy for a specified purpose.

Landscaping and Lighting Fund

Funds received through parcel tax assessments are used for the purpose of financing the costs and expenses of each district landscaping and lighting projects.

Gas Taxes Fund

Funds are received from City of Cotati's share of the Highway Users Tax collected by the State from gasoline sales. The Highway Users Tax is also known as the "Motor Vehicle Fuel Tax" and "Gasoline Excise Tax". Proceeds are restricted to the operation and maintenance of city streets.

Bed Tax

Bed tax is a building permit fee which is required to be used for the acquisition, improvement, expansion, and maintenance of public parks, playgrounds, open spaces, recreation facilities and community facilities.

Park In-Lieu Fund

Funds are received from development and used for park development and improvements as specified in the fee program.

MTC Street Fund

This fund is utilized for revenues received for transportation and streets programs and funded by the Metropolitan Transportation Commission (MTC) or the Sonoma County Transportation Authority (SCTA). The MTC is the transportation planning, financing and coordinating agency for the nine-county San Francisco Bay Area. In November of 2004, Sonoma County passed the Traffic Relief Act (Measure M) which provides 0.25% sales tax that is used to maintain local streets, accelerate the widening of Hwy 101, restore and enhance transit services, support the development of passenger rail service and build safe bicycle and pedestrian routes. The Sonoma County Transportation Authority (SCTA) administers the sales tax receipts and distributions of the Sonoma County Measure M revenues.

Traffic Mitigation Fund

Funds are received from development and used for street improvements as specified in the fee program.

Road Maintenance Rehabilitation Account Fund

The Road Maintenance & Rehabilitation Account is a fund used to account for funding received from the state related to Senate Bill 1 – The Road Repair and Accountability Act of 2017. This new fuel tax, which began on November 1, 2017, is to be used to fund local streets and roads maintenance and rehabilitation projects including streets, traffic signals, and drainage improvements.

Community Development Special Projects Fund

This is a special revenue fund that holds restricted funding for less significant funding sources.

Grants

City staff applies for and receives competitive funding grants for various City projects that meet specific criteria. The Grants fund is used to account for the construction of these projects that utilize federal, state, regional and local grants funds other than CDBG.

CITY OF COTATI
Other Supplementary Information
June 30, 2019

Special Revenue Funds, (Continued):

CDBG

Community Development Block Grant funds are administered by the County and may be used for projects that benefit low and moderate income residents or increase accessibility. The funding is used to improve accessibility or remove barriers to accessibility in public facilities, streets, and parks.

Public Safety Fund

The Citizens Option for Public Safety (COPS) program provides funding to local agencies for the purpose of public safety. The funds are to supplement and not supplant existing funding for front line services. This fund also includes other Public Safety related grants.

Asset Seizures & Forfeitures Fund

This fund is utilized for the express purpose to receive the proceeds of seizures and forfeitures, and to pay the costs associated with such forfeitures including; the costs of managing and disposing of property, satisfying valid liens, mortgages, and other innocent owner claims, and costs associated with accomplishing the legal forfeiture of the property.

K-9 Program

Funds received from private donations are utilized for the Police Department K9 program which provides for police officer safety, narcotics enforcement and community relations.

Affordable Housing-Linkage

A fee charged to developers, which is then spent on affordable housing preservation or production.

PEG Grant Fund

Public Education and Government access (PEG) grant funding are special funds received by the City to support public, educational and government transparency by broadcasting public meetings.

Capital Projects:

Capital Project Funds are established by a government to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds.) Not all government's capital acquisitions need to be accounted for in that fund, such as police vehicles or copiers.

City Capital Projects Fund

The Capital Projects fund consists of various types of financial resources that are utilized to build, renovate or purchase equipment, property, or facilities, including buildings, parks, information technology systems, and infrastructure non water/sewer infrastructure and which are to be used to benefit the public.

Capital Projects Unspent Bond Proceeds

To account for excess funds available from previously issued bonds. Used for strategic one-time investments for economic development.

CITY OF COTATI
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue									
	Landscape and Lighting	Gas Tax	Bed Tax	Park In Lieu	MTC Street	Traffic Mitigation	RMRA	Community Development Projects	Grants	CDBG
Assets										
Cash and investments	\$ 152,951	\$ 41,405	\$ 10,589	\$ 177,550	\$ 59,094	\$ 512,084	\$ (174)	\$ 7,633	\$ 2,943	\$ 13,752
Receivables:										
Taxes receivable	889	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	13,266	3,494	-	-
Receivables from other governments	(90)	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 153,750</u>	<u>\$ 41,405</u>	<u>\$ 10,589</u>	<u>\$ 177,550</u>	<u>\$ 59,094</u>	<u>\$ 512,084</u>	<u>\$ 13,092</u>	<u>\$ 11,127</u>	<u>\$ 2,943</u>	<u>\$ 13,752</u>
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ 2,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,927	\$ 13,676
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>2,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,927</u>	<u>13,676</u>
Deferred inflows of resources:										
Fund balances:										
Restricted for affordable housing	-	-	-	-	-	-	-	11,127	-	-
Restricted for public safety	-	-	-	-	-	-	-	-	-	-
Restricted for streets	151,340	41,405	-	-	59,094	512,084	13,092	-	-	76
Restricted for parks	-	-	10,589	177,550	-	-	-	-	-	-
Restricted for public education	-	-	-	-	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Committed for capital projects	-	-	-	-	-	-	-	-	16	-
Total fund balances	<u>151,340</u>	<u>41,405</u>	<u>10,589</u>	<u>177,550</u>	<u>59,094</u>	<u>512,084</u>	<u>13,092</u>	<u>11,127</u>	<u>16</u>	<u>76</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 153,750</u>	<u>\$ 41,405</u>	<u>\$ 10,589</u>	<u>\$ 177,550</u>	<u>\$ 59,094</u>	<u>\$ 512,084</u>	<u>\$ 13,092</u>	<u>\$ 11,127</u>	<u>\$ 2,943</u>	<u>\$ 13,752</u>

CITY OF COTATI
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue					Capital Projects		Total Nonmajor Governmental Funds
	Public Safety	Asset Forfeiture	K-9 Program	Affordable Housing Linkage	PEG	City Capital Projects	Capital Projects Unspent Bond Proceeds	
Assets								
Cash and investments	\$ 18,151	\$ -	\$ 5,752	\$ 95,882	\$ 5,281	\$ 308,801	\$ 559,284	\$ 1,970,978
Receivables:								
Taxes receivable	-	-	-	-	-	-	-	889
Accounts receivable	-	-	-	-	-	-	-	16,760
Receivables from other governments	-	-	-	-	5,009	-	-	4,919
Total assets	\$ 18,151	\$ -	\$ 5,752	\$ 95,882	\$ 10,290	\$ 308,801	\$ 559,284	\$ 1,993,546
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 660	\$ -	\$ -	\$ 22,538	\$ 8,735	\$ 50,946
Accrued liabilities	-	-	-	-	-	17,017	-	17,017
Total liabilities	-	-	660	-	-	39,555	8,735	67,963
Deferred inflows of resources:								
Fund balances:								
Restricted for affordable housing	-	-	-	95,882	-	-	-	107,009
Restricted for public safety	18,151	-	5,092	-	-	-	-	23,243
Restricted for streets	-	-	-	-	-	-	-	777,091
Restricted for parks	-	-	-	-	-	-	-	188,139
Restricted for public education	-	-	-	-	10,290	-	-	10,290
Restricted for capital projects	-	-	-	-	-	-	550,549	550,549
Committed for capital projects	-	-	-	-	-	269,246	-	269,262
Total fund balances	18,151	-	5,092	95,882	10,290	269,246	550,549	1,925,583
Total liabilities, deferred inflows of resources and fund balances	\$ 18,151	\$ -	\$ 5,752	\$ 95,882	\$ 10,290	\$ 308,801	\$ 559,284	\$ 1,993,546

CITY OF COTATI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue									
	Landscape and Lighting	Gas Tax	Bed Tax	Park In Lieu	MTC Street	Traffic Mitigation	RMRA	Community Development Projects	Grants	CDBG
Revenues										
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ 63,216	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	155,491	-	-	-	-	-	3,493	-	15,595
Charges for services	47,697	-	-	-	-	-	-	3,250	-	-
Interest and rents	1,715	2,303	909	5,077	2,473	11,608	1,763	1,093	16	76
Miscellaneous	-	8,701	-	-	-	-	129,510	-	23,645	-
Total revenues	49,412	166,495	909	5,077	65,689	11,608	131,273	7,836	23,661	15,671
Expenditures										
Current:										
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Public Works	34,833	13,477	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	97,415	35,625
Total expenditures	34,833	13,477	-	-	-	-	-	-	97,415	35,625
Excess (deficiency) of revenues over (under) expenditures	14,579	153,018	909	5,077	65,689	11,608	131,273	7,836	(73,754)	(19,954)
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	-	-	73,770	20,030
Transfers out	(30,000)	(270,192)	-	(99,672)	(180,128)	(12,000)	(161,895)	-	-	-
Total other financing sources (uses)	(30,000)	(270,192)	-	(99,672)	(180,128)	(12,000)	(161,895)	-	73,770	20,030
Net change in fund balances	(15,421)	(117,174)	909	(94,595)	(114,439)	(392)	(30,622)	7,836	16	76
Fund balances, July 1	166,761	158,579	9,680	272,145	173,533	512,476	43,714	3,291	-	-
Fund balances, June 30	<u>\$ 151,340</u>	<u>\$ 41,405</u>	<u>\$ 10,589</u>	<u>\$ 177,550</u>	<u>\$ 59,094</u>	<u>\$ 512,084</u>	<u>\$ 13,092</u>	<u>\$ 11,127</u>	<u>\$ 16</u>	<u>\$ 76</u>

CITY OF COTATI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Special Revenue					Capital Projects		Total Nonmajor Governmental Funds
	Public Safety	Asset Forfeiture	K-9 Program	Affordable Housing Linkage	PEG	City Capital Projects	Capital Projects Unspent Bond Proceeds	
Revenues								
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,216
Intergovernmental	165,053	-	-	-	-	-	-	339,632
Charges for services	-	200	-	-	20,237	158,240	-	229,624
Interest and rents	2,269	276	150	1,217	186	8,581	-	39,712
Miscellaneous	-	-	45	-	-	-	-	161,901
Total revenues	167,322	476	195	1,217	20,423	166,821	-	834,085
Expenditures								
Current:								
General Government	-	-	-	-	25,742	-	139,446	165,188
Public Safety	-	4,756	3,928	-	-	-	-	8,684
Public Works	-	-	-	-	-	-	-	48,310
Capital Outlay	-	-	-	-	7,716	1,884,083	-	2,024,839
Total expenditures	-	4,756	3,928	-	33,458	1,884,083	139,446	2,247,021
Excess (deficiency) of revenues over (under) expenditures	167,322	(4,280)	(3,733)	1,217	(13,035)	(1,717,262)	(139,446)	(1,412,936)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	1,881,709	-	1,975,509
Transfers out	(250,000)	-	-	-	-	(463,685)	-	(1,467,572)
Total other financing sources (uses)	(250,000)	-	-	-	-	1,418,024	-	507,937
Net change in fund balances	(82,678)	(4,280)	(3,733)	1,217	(13,035)	(299,238)	(139,446)	(904,999)
Fund balances, July 1	100,829	4,280	8,825	94,665	23,325	568,484	689,995	2,830,582
Fund balances, June 30	\$ 18,151	\$ -	\$ 5,092	\$ 95,882	\$ 10,290	\$ 269,246	\$ 550,549	\$ 1,925,583

CITY OF COTATI
Budgetary Comparison Schedule

SSBP Debt Service Fund
For the year ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 460,000	\$ 461,000	\$ 460,290	\$ (710)
Interest and rents	-	6,525	20,717	14,192
TOTAL REVENUES	460,000	467,525	481,007	13,482
EXPENDITURES				
Principal	165,000	165,000	165,000	-
Interest	280,000	279,988	279,988	-
General Government	15,000	14,491	14,015	476
TOTAL EXPENDITURES	460,000	459,479	459,003	476
 NET CHANGE IN FUND BALANCES	 \$ -	\$ 8,046	22,004	\$ 13,958
FUND BALANCES:				
Fund balance beginning of year			943,984	
Fund balance end of year			\$ 965,988	

CITY OF COTATI
Budgetary Comparison Schedule
Landscape and Lighting
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 40,000	\$ 40,000	\$ 47,697	\$ 7,697
Interest and rents	-	-	1,715	1,715
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>49,412</u>	<u>9,412</u>
EXPENDITURES				
Public Works	40,000	40,000	34,833	5,167
Capital Outlay	30,000	-	-	-
Total expenditures	<u>70,000</u>	<u>40,000</u>	<u>34,833</u>	<u>5,167</u>
Revenues over (under) expenditures	<u>(30,000)</u>	<u>-</u>	<u>14,579</u>	<u>14,579</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(30,000)	(30,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (30,000)</u>	<u>\$ (30,000)</u>	(15,421)	<u>\$ 14,579</u>
FUND BALANCES:				
Fund balance beginning of year			<u>166,761</u>	
Fund balance end of year			<u>\$ 151,340</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Gas Tax
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 156,833	\$ 161,078	\$ 155,491	\$ (5,587)
Interest and rents	-	2,500	2,303	(197)
Miscellaneous	8,267	8,701	8,701	-
Total revenues	<u>165,100</u>	<u>172,279</u>	<u>166,495</u>	<u>(5,784)</u>
EXPENDITURES				
Public Works	4,500	13,477	13,477	-
Total expenditures	<u>4,500</u>	<u>13,477</u>	<u>13,477</u>	<u>-</u>
Revenues over (under) expenditures	<u>160,600</u>	<u>158,802</u>	<u>153,018</u>	<u>(5,784)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(300,000)	(270,192)	(270,192)	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>(270,192)</u>	<u>(270,192)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (139,400)</u>	<u>\$ (111,390)</u>	(117,174)	<u>\$ (5,784)</u>
FUND BALANCES:				
Fund balance beginning of year			<u>158,579</u>	
Fund balance end of year			<u>\$ 41,405</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Bed Tax
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Other taxes	\$ 12,880	\$ -	\$ -	\$ -
Interest and rents	-	850	909	59
Total revenues	<u>12,880</u>	<u>850</u>	<u>909</u>	<u>59</u>
NET CHANGE IN FUND BALANCES	<u>\$ 12,880</u>	<u>\$ 850</u>	909	<u>\$ 59</u>
FUND BALANCES:				
Fund balance beginning of year			<u>9,680</u>	
Fund balance end of year			<u>\$ 10,589</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Park In Lieu
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 30,500	\$ -	\$ -	\$ -
Interest and rents	2,500	4,000	5,077	1,077
Total revenues	<u>33,000</u>	<u>4,000</u>	<u>5,077</u>	<u>1,077</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(125,000)</u>	<u>(134,374)</u>	<u>(99,672)</u>	<u>34,702</u>
Total other financing sources (uses)	<u>(125,000)</u>	<u>(134,374)</u>	<u>(99,672)</u>	<u>34,702</u>
NET CHANGE IN FUND BALANCES	<u>\$ (92,000)</u>	<u>\$ (130,374)</u>	(94,595)	<u>\$ 35,779</u>
FUND BALANCES:				
Fund balance beginning of year			<u>272,145</u>	
Fund balance end of year			<u>\$ 177,550</u>	

CITY OF COTATI
Budgetary Comparison Schedule
MTC Street
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Sales taxes	\$ 60,000	\$ 60,000	\$ 63,216	\$ 3,216
Interest and rents	1,200	2,000	2,473	473
Total revenues	<u>61,200</u>	<u>62,000</u>	<u>65,689</u>	<u>3,689</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(200,000)</u>	<u>(180,128)</u>	<u>(180,128)</u>	<u>-</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(180,128)</u>	<u>(180,128)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (138,800)</u>	<u>\$ (118,128)</u>	(114,439)	<u>\$ 3,689</u>
FUND BALANCES:				
Fund balance beginning of year			<u>173,533</u>	
Fund balance end of year			<u>\$ 59,094</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Traffic Mitigation
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 288,000	\$ -	\$ -	\$ -
Interest and rents	3,000	8,600	11,608	3,008
Total revenues	<u>291,000</u>	<u>8,600</u>	<u>11,608</u>	<u>3,008</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(22,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(22,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 269,000</u>	<u>\$ (3,400)</u>	(392)	<u>\$ 3,008</u>
FUND BALANCES:				
Fund balance beginning of year			<u>512,476</u>	
Fund balance end of year			<u>\$ 512,084</u>	

CITY OF COTATI
Budgetary Comparison Schedule
RMRA
Special Revenue Fund
For the year ended June 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest and rents	\$ -	\$ 1,765	\$ 1,763	\$ (2)
Miscellaneous	121,675	122,300	129,510	7,210
Total revenues	121,675	124,065	131,273	7,208
OTHER FINANCING SOURCES (USES)				
Transfers out	(150,000)	(166,067)	(161,895)	4,172
Total other financing sources (uses)	(150,000)	(166,067)	(161,895)	4,172
NET CHANGE IN FUND BALANCES	\$ (28,325)	\$ (42,002)	(30,622)	\$ 11,380
FUND BALANCES:				
Fund balance beginning of year			43,714	
Fund balance end of year			\$ 13,092	

CITY OF COTATI
Budgetary Comparison Schedule
Community Development Projects
Special Revenue Fund
For the year ended June 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,493	\$ 3,493
Charges for services	2,500	2,900	3,250	350
Interest and rents	-	1,100	1,093	(7)
	2,500	4,000	7,836	3,836
Total revenues				
	2,500	4,000	7,836	3,836
NET CHANGE IN FUND BALANCES	<u>\$ 2,500</u>	<u>\$ 4,000</u>	<u>7,836</u>	<u>\$ 3,836</u>
FUND BALANCES:				
Fund balance beginning of year			3,291	
Fund balance end of year			<u>\$ 11,127</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Grants
Special Revenue Fund
For the year ended June 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 675,000	\$ -	\$ -	\$ -
Interest and rents	-	-	16	16
Miscellaneous	51,250	32,334	23,645	(8,689)
Total revenues	726,250	32,334	23,661	(8,673)
EXPENDITURES				
Capital Outlay	912,250	112,334	97,415	14,919
Total expenditures	912,250	112,334	97,415	14,919
Revenues over (under) expenditures	(186,000)	(80,000)	(73,754)	6,246
OTHER FINANCING SOURCES (USES)				
Transfers in	186,000	80,000	73,770	(6,230)
Total other financing sources (uses)	186,000	80,000	73,770	(6,230)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	16	\$ 16
FUND BALANCES:				
Fund balance beginning of year			-	
Fund balance end of year			\$ 16	

CITY OF COTATI
Budgetary Comparison Schedule
CDBG
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental Interest and rents	\$ 183,000	\$ 15,595	\$ 15,595	\$ -
	<u>-</u>	<u>-</u>	<u>76</u>	<u>76</u>
Total revenues	<u>183,000</u>	<u>15,595</u>	<u>15,671</u>	<u>76</u>
EXPENDITURES				
Capital Outlay	<u>183,000</u>	<u>20,000</u>	<u>35,625</u>	<u>(15,625)</u>
Total expenditures	<u>183,000</u>	<u>20,000</u>	<u>35,625</u>	<u>(15,625)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(4,405)</u>	<u>(19,954)</u>	<u>(15,549)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>4,405</u>	<u>20,030</u>	<u>15,625</u>
Total other financing sources (uses)	<u>-</u>	<u>4,405</u>	<u>20,030</u>	<u>15,625</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>76</u>	<u>\$ 76</u>
FUND BALANCES:				
Fund balance beginning of year			<u>-</u>	
Fund balance end of year			<u>\$ 76</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Public Safety
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 150,000	\$ 164,000	\$ 165,053	\$ 1,053
Interest and rents	-	1,223	2,269	1,046
Total revenues	<u>150,000</u>	<u>165,223</u>	<u>167,322</u>	<u>2,099</u>
EXPENDITURES				
Public Safety	<u>5,000</u>	<u>5,000</u>	-	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	-	<u>5,000</u>
Revenues over (under) expenditures	<u>145,000</u>	<u>160,223</u>	<u>167,322</u>	<u>7,099</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(160,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	-
Total other financing sources (uses)	<u>(160,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	-
NET CHANGE IN FUND BALANCES	<u>\$ (15,000)</u>	<u>\$ (89,777)</u>	(82,678)	<u>\$ 7,099</u>
FUND BALANCES:				
Fund balance beginning of year			<u>100,829</u>	
Fund balance end of year			<u>\$ 18,151</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Asset Forfeiture
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ -	\$ -	\$ 200	\$ 200
Interest and rents	-	275	276	1
Total revenues	<u>-</u>	<u>275</u>	<u>476</u>	<u>201</u>
EXPENDITURES				
Public Safety	-	3,956	4,756	(800)
Interest	-	600	-	600
Total expenditures	<u>-</u>	<u>4,556</u>	<u>4,756</u>	<u>(200)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ (4,281)</u>	(4,280)	<u>\$ 1</u>
FUND BALANCES:				
Fund balance beginning of year			<u>4,280</u>	
Fund balance end of year			<u>\$ -</u>	

CITY OF COTATI
Budgetary Comparison Schedule
K-9 Program
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest and rents	\$ -	\$ 100	\$ 150	\$ 50
Miscellaneous	5,000	3,500	45	(3,455)
Total revenues	<u>5,000</u>	<u>3,600</u>	<u>195</u>	<u>(3,405)</u>
EXPENDITURES				
Public Safety	<u>6,500</u>	<u>3,930</u>	<u>3,928</u>	<u>2</u>
Total expenditures	<u>6,500</u>	<u>3,930</u>	<u>3,928</u>	<u>2</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,500)</u>	<u>\$ (330)</u>	(3,733)	<u>\$ (3,403)</u>
FUND BALANCES:				
Fund balance beginning of year			<u>8,825</u>	
Fund balance end of year			<u>\$ 5,092</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Affordable Housing Linkage
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest and rents	\$ -	\$ 700	\$ 1,217	\$ 517
Total revenues	<u>-</u>	<u>700</u>	<u>1,217</u>	<u>517</u>
EXPENDITURES				
General Government	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ (4,000)</u>	<u>\$ 700</u>	1,217	<u>\$ 517</u>
FUND BALANCES:				
Fund balance beginning of year			<u>94,665</u>	
Fund balance end of year			<u>\$ 95,882</u>	

CITY OF COTATI
Budgetary Comparison Schedule
PEG
Special Revenue Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 19,000	\$ 19,000	\$ 20,237	\$ 1,237
Interest and rents	100	150	186	36
Total revenues	<u>19,100</u>	<u>19,150</u>	<u>20,423</u>	<u>1,273</u>
EXPENDITURES				
General Government	14,000	25,750	25,742	8
Capital Outlay	-	7,720	7,716	4
Total expenditures	<u>14,000</u>	<u>33,470</u>	<u>33,458</u>	<u>12</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,100</u>	<u>\$ (14,320)</u>	(13,035)	<u>\$ 1,285</u>
FUND BALANCES:				
Fund balance beginning of year			<u>23,325</u>	
Fund balance end of year			<u>\$ 10,290</u>	

CITY OF COTATI
Budgetary Comparison Schedule
City Capital Projects Capital Projects Fund
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance from Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ 150,240	\$ 150,240	\$ 158,240	\$ 8,000
Interest and rents	-	7,000	8,581	1,581
Total revenues	<u>150,240</u>	<u>157,240</u>	<u>166,821</u>	<u>9,581</u>
EXPENDITURES				
Capital Outlay	<u>2,356,700</u>	<u>1,945,065</u>	<u>1,884,083</u>	<u>60,982</u>
Total expenditures	<u>2,356,700</u>	<u>1,945,065</u>	<u>1,884,083</u>	<u>60,982</u>
Revenues over (under) expenditures	<u>(2,206,460)</u>	<u>(1,787,825)</u>	<u>(1,717,262)</u>	<u>70,563</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,356,700	1,945,065	1,881,709	(63,356)
Transfers out	<u>(350,000)</u>	<u>(350,000)</u>	<u>(463,685)</u>	<u>(113,685)</u>
Total other financing sources (uses)	<u>2,006,700</u>	<u>1,595,065</u>	<u>1,418,024</u>	<u>(177,041)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (199,760)</u>	<u>\$ (192,760)</u>	(299,238)	<u>\$ (106,478)</u>
FUND BALANCES:				
Fund balance beginning of year			<u>568,484</u>	
Fund balance end of year			<u>\$ 269,246</u>	

CITY OF COTATI
Budgetary Comparison Schedule
Capital Projects Unspent Bond Proceeds Capital Projects Fund
For the year ended June 30, 2019

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
General Government	\$ 626,184	\$ 175,000	\$ 139,446	\$ 35,554
Total expenditures	626,184	175,000	139,446	35,554
 NET CHANGE IN FUND BALANCES	\$ (626,184)	\$ (175,000)	(139,446)	\$ 35,554
FUND BALANCES:				
Fund balance beginning of year			689,995	
Fund balance end of year			\$ 550,549	

CITY OF COTATI
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Vehicle Replacement	Compensated Absences	Total
ASSETS			
Cash and cash equivalents	\$ 73,053	\$ 466,937	\$ 539,990
Capital assets:			
Equipment	1,325,897	-	1,325,897
Accumulated depreciation	(970,954)	-	(970,954)
Net capital assets	<u>354,943</u>	<u>-</u>	<u>354,943</u>
Total assets	<u>427,996</u>	<u>466,937</u>	<u>894,933</u>
LIABILITIES			
Current liabilities:			
Compensated absences	-	100,000	100,000
Long-term liabilities:			
Compensated absences	-	247,436	247,436
Total liabilities	<u>-</u>	<u>347,436</u>	<u>347,436</u>
NET POSITION			
Net investment in capital assets	354,943	-	354,943
Unrestricted	<u>73,053</u>	<u>119,501</u>	<u>192,554</u>
Total net position	<u>\$ 427,996</u>	<u>\$ 119,501</u>	<u>\$ 547,497</u>

CITY OF COTATI

**Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2019**

	Vehicle Replacement	Compensated Absences	Total
OPERATING REVENUES			
Charges for services	\$ -	\$ 185,463	\$ 185,463
Total operating revenues	<u>-</u>	<u>185,463</u>	<u>185,463</u>
OPERATING EXPENSES			
Personnel services	-	170,663	170,663
Supplies and materials	953	-	953
Depreciation	100,214	-	100,214
Total operating expenses	<u>101,167</u>	<u>170,663</u>	<u>271,830</u>
Operating income (loss)	<u>(101,167)</u>	<u>14,800</u>	<u>(86,367)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	2,307	3,702	6,009
Net non-operating revenues (expenses)	<u>2,307</u>	<u>3,702</u>	<u>6,009</u>
Income before transfers	<u>(98,860)</u>	<u>18,502</u>	<u>(80,358)</u>
Transfers			
Transfers in	113,685	100,999	214,684
Total transfers	<u>113,685</u>	<u>100,999</u>	<u>214,684</u>
Change in net position	14,825	119,501	134,326
Total net position, July 1	<u>413,171</u>	<u>-</u>	<u>413,171</u>
Total net position, June 30	<u>\$ 427,996</u>	<u>\$ 119,501</u>	<u>\$ 547,497</u>

CITY OF COTATI
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019

	Vehicle Replacement and Repairs	Compensated Absences	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund charges	\$ -	\$ 185,464	\$ 185,464
Payments to suppliers	(953)	(2)	(955)
Payments to employees	-	176,774	176,774
	<u>-</u>	<u>176,774</u>	<u>176,774</u>
Net cash provided by (used for) operating activities	<u>(953)</u>	<u>362,236</u>	<u>361,283</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	<u>113,685</u>	<u>100,999</u>	<u>214,684</u>
Net cash provided by noncapital financing activities	<u>113,685</u>	<u>100,999</u>	<u>214,684</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>(41,984)</u>	-	<u>(41,984)</u>
Net cash provided by (used for) capital and related financing activities	<u>(41,984)</u>	-	<u>(41,984)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest receipts	<u>2,307</u>	<u>3,700</u>	<u>6,007</u>
Net cash provided by investing activities	<u>2,307</u>	<u>3,700</u>	<u>6,007</u>
Net increase in cash and cash equivalents	73,055	466,935	\$ 539,990
Cash and cash equivalents-beginning of the year	<u>-</u>	<u>-</u>	<u>\$ -</u>
Cash and cash equivalents-end of the year	<u>\$ 73,055</u>	<u>\$ 466,935</u>	<u>\$ 539,990</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (101,167)	\$ 14,800	\$ (86,367)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	100,214	-	100,214
Changes in assets and liabilities:			
Other liabilities	<u>-</u>	<u>347,436</u>	<u>347,436</u>
Net cash provided by (used for) operating activities	<u>\$ (953)</u>	<u>\$ 362,236</u>	<u>\$ 361,283</u>

Noncash capital financing activities:

None.

CITY OF COTATI
Schedule of Measure G Revenue and Uses
Fiscal Year Ended June 30, 2019

Revenues:	
Measure G revenues	<u>\$ 2,557,335</u>
 Total Measure G revenue	 <u>\$ 2,557,335</u>
 Use:	
Operations and maintenance:	
Street, sidewalk and storm drain program	262,772
Public safety program	740,094
Recreation program	256,079
Park and landscape program	161,395
Public building program	191,594
Capital improvements and equipment	
Street, sidewalk and storm drain program	572,118
Public safety program	44,326
Park and landscape program	277,526
Public building program	38,761
State administrative fees	<u>12,670</u>
 Total Measure G uses	 <u><u>\$ 2,557,335</u></u>

City of Cotati
Comparative Schedule of Capital Assets Used In Governmental Activities
By Source

	June 30	
	2019	2018 (restated)
Capital assets used in governmental activities:		
Land	\$ 8,631,561	\$ 8,631,561
Construction in progress	391,190	234,207
Buildings	8,317,483	8,317,483
Machinery & equipment	693,922	580,627
Vehicles	1,325,895	1,283,911
Improvements	16,977,469	15,230,619
Leased assets	34,874	34,874
	<u>\$ 36,372,394</u>	<u>\$ 34,313,282</u>
Investment in capital assets from:		
General fund	\$ 19,373,662	\$ 19,767,777
Special revenue funds	7,765,152	6,661,465
Capital projects	5,785,485	5,761,840
Internal service funds	1,325,895	-
Contributed assets	2,122,200	2,122,200
	<u>\$ 36,372,394</u>	<u>\$ 34,313,282</u>
Total investment in capital assets used in governmental activities	<u>\$ 36,372,394</u>	<u>\$ 34,313,282</u>

This schedule shows only gross capital asset balances related to Governmental Funds. For more information, see the reconciliation below.

Total Governmental Fund related capital assets, gross	\$ 36,372,394
Total Governmental Fund related accumulated amortization	(10,462)
Total Governmental Fund related accumulated depreciation	(15,405,203)
Total capital assets shown on Statement of Net Assets under the Governmental Activities column	<u>\$ 20,956,729</u>

City of Cotati
Schedule of Changes in Capital Assets Used In Governmental Activities
By Source
For the Fiscal Year Ended June 30, 2019

	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>Improvements</u>	<u>Leased Assets</u>	<u>Total Cost</u>
General capital assets					\$			
June 30, 2018 (restated)	\$ 8,631,561	\$ 234,207	\$ 8,317,483	\$ 580,627	1,283,911	\$ 15,230,619	\$ 34,874	\$ 34,313,282
Add:								
Expenditures from:								
General fund	-	889,790	-	-	41,984	-	-	931,774
Special revenue funds	-	1,103,687	-	-	-	-	-	1,103,687
Public Works	-	-	-	-	-	-	-	-
Capital projects	-	23,645	-	-	-	-	-	23,645
Internal service	-	-	-	-	-	-	-	-
Donated	-	-	-	-	-	-	-	-
Deduct:								
Retirements and transfers	-	(1,860,139)	-	113,295	-	1,746,850	-	6
General capital assets					\$			
June 30, 2019	<u>\$ 8,631,561</u>	<u>\$ 391,190</u>	<u>\$ 8,317,483</u>	<u>\$ 693,922</u>	<u>1,325,895</u>	<u>\$ 16,977,469</u>	<u>\$ 34,874</u>	<u>\$ 36,372,394</u>

City of Cotati
Schedule of Capital Assets Used in Governmental Activities
By Function and Activity
June 30, 2019

<u>Function and Activity</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Machinery & Equipment</u>	<u>Vehicles</u>	<u>Improvements</u>	<u>Leased Assets</u>	<u>Total Cost</u>
General government:								
Parks	\$ 5,448,205	\$ 88,600	\$ 250,537	\$ -	\$ -	\$ 1,217,219	\$ -	\$ 7,004,561
Roads	-	292,397	-	-	-	12,473,330	-	12,765,727
Recreation	328,350	10,193	-	17,752	-	1,620,619	-	1,976,914
Public Works	809,087	-	404,544	28,473	801,175	551,541	-	2,594,820
Administration	609,031	-	574,227	440,982	80,744	575,952	20,967	2,301,903
Total general government	<u>7,194,673</u>	<u>391,190</u>	<u>1,229,308</u>	<u>487,207</u>	<u>881,919</u>	<u>16,438,661</u>	<u>20,967</u>	<u>26,643,925</u>
Public safety:								
Emergency services	<u>46,888</u>	<u>-</u>	<u>4,135,881</u>	<u>206,715</u>	<u>443,976</u>	<u>-</u>	<u>13,907</u>	<u>4,847,367</u>
Transportation	<u>-</u>	<u>-</u>	<u>2,952,294</u>	<u>-</u>	<u>-</u>	<u>45,785</u>	<u>-</u>	<u>2,998,079</u>
Parking	<u>1,390,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,023</u>	<u>-</u>	<u>1,883,023</u>
Total general fixed assets	<u>\$ 8,631,561</u>	<u>\$ 391,190</u>	<u>\$ 8,317,483</u>	<u>\$ 693,922</u>	<u>\$ 1,325,895</u>	<u>\$ 16,977,469</u>	<u>\$ 34,874</u>	<u>\$ 36,372,394</u>

City of Cotati
Schedule of Changes in Capital Assets Used In Governmental Activities
By Function and Activity
For the Fiscal Year Ended June 30, 2019

<u>Function and Activity</u>	<u>June 30, 2018 (restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
General government:				
Parks	\$ 6,767,684	\$ 236,877	\$ -	\$ 7,004,561
Roads	11,665,332	1,100,395	-	12,765,727
Recreation	133,469	1,843,445	-	1,976,914
Public Works	682,571	1,912,249	-	2,594,820
Administration	5,210,363	-	(2,908,460)	2,301,903
Total general government	<u>24,459,419</u>	<u>5,092,966</u>	<u>(2,908,460)</u>	<u>26,643,925</u>
Public safety:				
Emergency services	<u>4,939,681</u>	<u>443,976</u>	<u>(536,290)</u>	<u>4,847,367</u>
Transportation	<u>2,923,079</u>	<u>75,000</u>	<u>-</u>	<u>2,998,079</u>
Parking	<u>1,991,103</u>	<u>-</u>	<u>(108,080)</u>	<u>1,883,023</u>
Total general fixed assets	<u>\$ 34,313,282</u>	<u>\$ 5,611,942</u>	<u>\$ (3,552,830)</u>	<u>\$ 36,372,394</u>

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Statistical Section

Financial Trends, Revenue Capacity,
Debt Capacity,
Demographic & Economic,
Governmental Services & Activities

Statistical Section

Summary of Contents

This part of the City of Cotati'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 government's overall financial health.

In addition, readers will find comparative information related to the City's revenue sources, expenditures, property tax valuations, levies and collections and demographics. Where available, the comparative information is presented for the last ten fiscal years.

In contrast to the Financial Section, the Statistical Section information is not usually subject to independent audit.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. They include:

Table 1 - Net Position by Component

Table 2 - Changes in Net Position

Table 3 - Fund Balances of Governmental Funds

Table 4 - Revenue, Expenditures, Changes in Fund Balances and Debt Service Ratio of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue sources, property and sales taxes. They include:

Table 5 - Property Tax Assessed Value and Estimates

Table 6 - Property Tax Assessed Value Percentage Change

Table 7 - Property Tax Rates - Direct and Overlapping Governments

Table 8 - Principal Property Tax Payers

Table 9 - Property Tax Levies and Collections

Table 10 - Sales Tax Top Producers and Taxable Sales by Category

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. They include:

Table 11 - Direct and Overlapping Governmental Activities Debt

Demographic and Economic Information

This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Table 12 - Demographic and Economic Statistics

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

Table 13 - Full-Time and Part-Time Employees by Function

Table 14 - Operating Indicators by Function

Table 15 - Capital Asset Statistics by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

THE CITY OF COTATI
TABLE 1
NET POSITION BY COMPONENT

Last Ten Fiscal Years
(accrual basis of accounting)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Governmental Activities										
Net Investment in capital assets	\$ 5,794,719	\$ 5,786,571	\$ 12,235,549	\$ 11,663,498	\$ 13,276,973	\$ 13,863,366	\$ 16,517,962	\$ 18,192,860	\$ 20,039,682	\$ 20,931,208
Restricted	15,911,365	15,815,856	5,959,294	6,242,975	6,013,891	5,253,384	5,648,440	6,775,373	7,450,051	5,830,201
Unrestricted	362,301	1,205,257	1,900,287	2,413,751	3,410,860	(2,719,089)	(1,392,655)	(957,876)	(257,960)	1,822,203
Total governmental activities net position	22,068,385	22,807,684	20,095,130	20,320,224	22,701,724	16,397,661	20,773,747	24,010,357	27,231,773	28,583,612
Business-type activities										
Net Investment in capital assets	\$ 7,679,258	\$ 7,918,301	\$ 7,664,543	\$ 7,493,636	\$ 7,290,428	\$ 7,474,048	\$ 9,001,287	\$ 9,250,509	\$ 8,864,388	\$ 13,104,759
Restricted	7,397,555	7,342,283	7,380,087	7,152,866	6,797,239	6,153,822	4,535,027	3,783,904	4,517,050	102,103
Unrestricted	2,688,862	2,121,842	2,165,644	2,520,053	3,223,345	2,463,815	2,753,618	3,486,382	2,735,965	2,710,421
Total business-type activities net position	\$ 17,765,675	\$ 17,382,426	\$ 17,210,274	\$ 17,166,555	\$ 10,020,584	\$ 16,091,685	\$ 16,289,932	\$ 16,520,795	\$ 16,117,403	\$ 15,917,283
Primary government										
Net Investment in capital assets	\$ 13,473,977	\$ 13,704,872	\$ 19,900,092	\$ 19,157,134	\$ 20,567,401	\$ 21,337,414	\$ 25,519,249	\$ 27,443,369	\$ 28,904,070	\$ 34,035,967
Restricted	23,308,920	23,158,139	13,339,381	13,395,841	12,811,130	11,407,206	10,183,467	10,559,277	11,967,101	5,932,304
Unrestricted	3,051,163	3,327,099	4,065,931	4,933,804	6,634,205	(255,274)	1,360,963	2,528,506	2,478,005	4,532,624
Total primary government net position	\$ 39,834,060	\$ 40,190,110	\$ 37,305,404	\$ 37,486,779	\$ 40,012,736	\$ 32,489,346	\$ 37,063,679	\$ 40,531,152	\$ 43,349,176	\$ 44,500,895

Note: The City implemented GASB Statement Number 34 in fiscal year ending June 30, 2004. The information in this schedule is therefore set forth prospectively from the initial year of implementation.

Source of information: Audited financial statements.

THE CITY OF COTATI

TABLE 2

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Expenses:										
Governmental Activities										
General government	\$ 2,273,571	\$ 1,204,048	\$ 1,097,181	\$ 1,222,940	\$ 1,357,022	\$ 1,837,502	\$ 1,729,742	\$ 1,311,401	\$ 1,382,139	\$ 2,680,080
Public safety	2,394,485	2,793,397	2,722,133	2,834,205	2,680,871	3,041,510	2,676,142	2,480,262	3,733,774	3,410,242
Community development	1,011,235	1,127,536	770,350	376,010	349,845	610,472	1,070,087	427,963	439,133	581,558
Public works	946,261	954,405	853,392	1,119,012	944,288	1,258,811	1,844,032	1,736,094	1,830,007	1,948,935
Interest on long-term debt	917,052	899,070	657,695	339,014	329,055	315,034	306,313	-	-	278,214
Total governmental activities expenses	\$ 7,542,604	\$ 6,978,456	\$ 6,100,751	\$ 5,891,181	\$ 5,661,081	\$ 7,063,329	\$ 7,626,316	\$ 5,955,720	\$ 7,385,053	\$ 8,899,029
Business-type activities										
Water	\$ 1,216,171	\$ 1,363,463	\$ 1,466,013	\$ 1,367,089	\$ 1,490,030	\$ 1,289,046	\$ 1,422,854	\$ 1,623,862	\$ 1,816,050	\$ 1,737,323
Wastewater	2,252,156	2,300,601	2,285,533	2,036,743	2,116,443	2,153,501	2,224,574	2,421,786	2,723,348	2,734,699
Total business-type activities expenses	\$ 3,468,327	\$ 3,664,064	\$ 3,751,546	\$ 3,403,832	\$ 3,606,473	\$ 3,442,547	\$ 3,647,428	\$ 4,045,648	\$ 4,539,398	\$ 4,472,022
Total primary government expenses	\$ 11,010,931	\$ 10,642,520	\$ 9,852,297	\$ 9,295,013	\$ 9,267,554	\$ 10,505,876	\$ 11,273,744	\$ 10,001,368	\$ 11,924,451	\$ 13,371,051
Program revenues:										
Governmental Activities										
Charges for services										
General government	\$ 53,972	\$ 61,939	\$ 49,887	\$ 150,419	\$ 172,858	\$ 457,148	\$ 112,018	\$ 165,292	\$ 165,598	\$ 1,035,937
Public safety	146,861	104,112	96,196	92,409	65,070	92,496	121,292	120,841	95,170	437,647
Community development	744,980	684,096	565,132	362,140	333,856	198,539	783,105	919,141	734,913	271,021
Public works	51,682	22,895	65,780	65,026	254,078	567,312	94,862	394,040	679,712	114,508
Operating grants and contributions	419,163	413,725	496,473	460,346	390,886	342,433	431,468	679,146	428,962	301,544
Capital grants and contributions	569,374	152,622	147,580	29,543	1,587,557	136,500	4,113,824	697,062	2,122,200	-
Total governmental activities program revenues	\$ 1,986,032	\$ 1,439,389	\$ 1,421,048	\$ 1,159,883	\$ 2,804,305	\$ 1,794,428	\$ 5,656,569	\$ 2,975,522	\$ 4,226,555	\$ 2,160,657
Business-type activities										
Charges for services										
Water	\$ 1,267,592	\$ 1,263,439	\$ 1,282,834	\$ 1,317,859	\$ 1,365,452	\$ 1,301,372	\$ 1,371,858	\$ 1,559,828	\$ 1,694,915	\$ 1,733,794
Wastewater	2,211,720	2,075,923	2,313,416	2,071,736	2,194,823	2,101,749	2,360,902	2,048,481	2,214,960	2,381,342
Operating grants and contributions	-	-	-	-	-	-	-	30,000	-	-
Capital grants and contributions	30,808	-	41,683	29,058	251,155	90,457	112,915	701,166	610,674	-
Total business-type activities program revenues	\$ 3,510,120	\$ 3,339,362	\$ 3,637,933	\$ 3,418,653	\$ 3,811,430	\$ 3,493,578	\$ 3,845,675	\$ 4,339,475	\$ 4,520,549	\$ 4,115,136
Total primary government revenues	\$ 5,496,152	\$ 4,778,751	\$ 5,058,981	\$ 4,578,536	\$ 6,615,735	\$ 5,288,006	\$ 9,502,244	\$ 7,314,997	\$ 8,747,104	\$ 6,275,793
Net revenues (expenses)										
Governmental Activities	\$ (5,556,572)	\$ (5,539,067)	\$ (4,679,703)	\$ (4,731,298)	\$ (2,856,776)	\$ (5,268,901)	\$ (1,969,747)	\$ (2,980,198)	\$ (3,158,498)	\$ (6,738,372)
Business-type activities	41,793	(324,702)	(113,613)	14,821	204,957	51,031	198,247	293,827	(18,849)	(356,886)
Total net revenues (expenses)	\$ (5,514,779)	\$ (5,863,769)	\$ (4,793,316)	\$ (4,716,477)	\$ (2,651,819)	\$ (5,217,870)	\$ (1,771,500)	\$ (2,686,371)	\$ (3,177,347)	\$ (7,095,258)

Source of information: Audited financial statements.

THE CITY OF COTATI
TABLE 2
CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
General revenues and other changes in net position										
Governmental Activities										
Taxes:										
Property taxes	\$ 1,084,823	\$ 946,675	\$ 1,130,535	\$ 1,000,165	\$ 1,673,084	\$ 1,266,681	\$ 1,652,877	\$ 1,472,627	\$ 1,544,849	\$ 1,734,281
Sales taxes	1,412,656	2,119,243	2,629,442	2,519,645	2,902,504	3,616,732	4,075,204	4,222,473	4,145,877	5,109,211
Other taxes	510,184	500,008	480,642	479,163	598,985	567,114	603,792	678,955	829,535	907,508
Incremental property taxes	2,627,492	2,459,630	2,328,360	-	-	-	-	-	-	-
Interest and rents	159,821	148,231	121,390	98,180	104,179	92,831	44,094	76,785	137,294	339,211
Other general revenues	86,701	46,032	39,118	225,000	179,822	31,169	-	-	-	-
Special item	-	-	147,071	-	(420,000)	-	-	-	-	-
Extraordinary item	-	-	(4,967,948)	575,699	-	-	-	-	-	-
Transfers	110,884	58,547	58,539	58,540	60,500	90,500	-	62,964	161,053	-
Total governmental activities	\$ 5,992,561	\$ 6,278,366	\$ 1,967,149	\$ 4,956,392	\$ 5,099,074	\$ 5,665,027	\$ 6,375,967	\$ 6,513,804	\$ 6,818,608	\$ 8,090,211
Business-type activities										
Other revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,766
Interest and rents	(110,884)	(58,547)	(58,539)	(58,540)	(60,500)	(90,500)	-	(62,964)	(161,053)	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ (110,884)	\$ (58,547)	\$ (58,539)	\$ (58,540)	\$ (60,500)	\$ (90,500)	\$ -	\$ (62,964)	\$ (161,053)	\$ 156,766
Total primary government	\$ 5,881,677	\$ 6,219,819	\$ 1,908,610	\$ 4,897,852	\$ 5,038,574	\$ 5,574,527	\$ 6,375,967	\$ 6,450,840	\$ 6,657,555	\$ 8,246,977
Changes in net position										
Governmental Activities	\$ 435,989	\$ 739,299	\$ (2,712,554)	\$ 225,094	\$ 2,242,298	\$ 396,126	\$ 4,406,220	\$ 3,236,610	\$ 3,660,110	\$ 1,351,839
Business-type activities	(69,091)	(383,249)	(172,152)	(43,719)	144,457	(39,469)	198,247	230,863	(181,172)	(200,120)
Total primary government	\$ 366,898	\$ 356,050	\$ (2,884,706)	\$ 181,375	\$ 2,386,755	\$ 356,657	\$ 4,604,467	\$ 3,467,473	\$ 3,478,938	\$ 1,151,719

Source of information: Audited financial statements.

CITY OF COTATI
TABLE 3
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
General fund:										
Reserved	\$ 60,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	751,576	-	-	-	-	-	-	-	-	-
Nonspendable	-	36,856	35,549	5,004	55,152	60,517	42,311	26,778	51,017	51,112
Committed for special projects	-	45,000	45,000	45,000	45,000	45,000	45,000	45,000	-	-
Committed for emergencies	-	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,400,254	1,700,118
Unassigned	-	980,375	1,704,264	2,008,296	2,951,695	2,738,671	3,753,034	4,362,879	4,286,690	5,498,960
Total general fund	\$ 812,555	\$ 1,182,231	\$ 1,904,813	\$ 2,178,300	\$ 3,171,847	\$ 2,964,188	\$ 3,960,345	\$ 4,554,657	\$ 5,737,961	\$ 7,250,190
All other governmental funds:										
Reserved	1,909,816	-	-	-	-	-	-	-	-	-
Unreserved	12,134,003	-	-	-	-	-	-	-	-	-
Nonspendable										
Restricted for affordable housing	-	8,483,445	3,385,764	3,434,024	3,446,494	3,252,244	3,101,038	3,136,427	3,272,449	3,314,901
Restricted for community development	-	1,758,288	-	-	-	-	-	-	-	-
Restricted for public safety	-	48,631	86,484	141,664	88,827	44,420	141,656	149,404	113,934	23,243
Restricted for streets	-	460,502	572,409	361,514	481,733	350,947	332,857	490,272	1,055,063	777,091
Restricted for parks	-	613,657	610,625	2,948	472	2,108	2,317	314,861	281,825	188,139
Restricted for public education	-	-	-	-	65,535	2,332	7,214	15,665	23,325	10,290
Restricted for debt services	-	1,906,873	824,793	679,140	764,912	850,397	919,278	930,095	943,984	965,988
Restricted for recycling	-	87,395	97,676	97,676	115,283	115,283	5,310	-	-	-
Restricted for capital projects	-	1,089,271	414,515	610,557	633,476	637,761	1,141,087	701,184	689,995	550,549
Restricted for special projects	-	-	-	444,963	534,791	1,044,483	754,678	293,080	-	-
Committed for capital projects	-	-	-	-	-	-	-	-	568,484	269,262
Unassigned	-	(8,382)	(1,460)	-	-	-	-	-	-	-
Total business-type activities net position	\$ 14,043,819	\$ 14,439,680	\$ 5,990,806	\$ 5,772,486	\$ 6,131,523	\$ 6,299,975	\$ 6,405,435	\$ 6,030,988	\$ 6,949,059	\$ 6,099,463
Total Governmental Funds	\$ 14,856,374	\$ 15,621,911	\$ 7,895,619	\$ 7,950,786	\$ 9,303,370	\$ 9,264,163	\$ 10,365,780	\$ 10,585,645	\$ 12,687,020	\$ 13,349,653

Note: The City of Cotati implemented GASB Statement Number 54 in fiscal year 2011. Implementation is done prospectively as the City did not have the information to restate prior year fund balance classifications.

Source of information: Audited financial statements.

THE CITY OF COTATI
TABLE 4
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE AND DEBT SERVICE RATIO OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

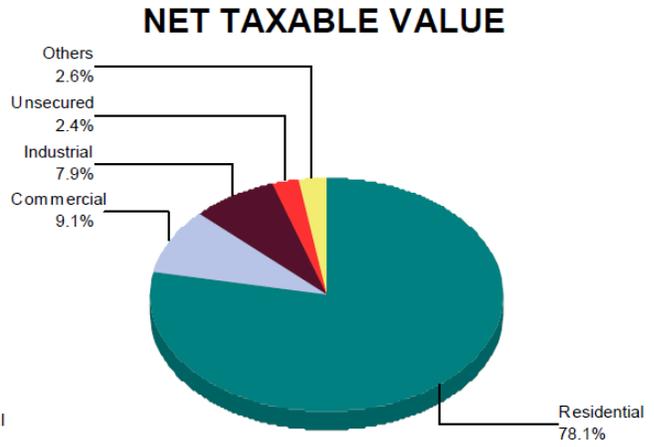
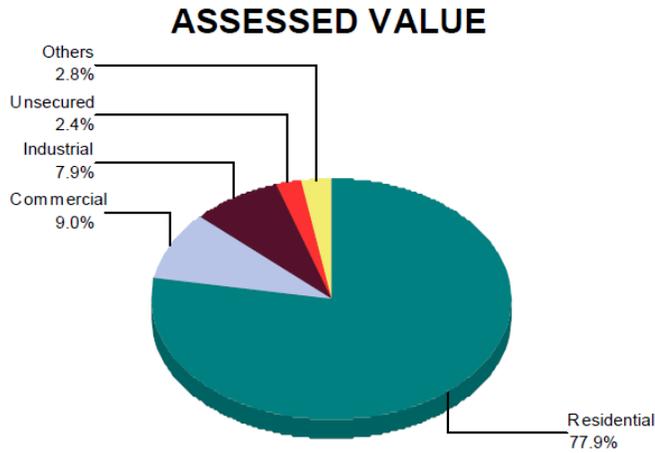
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenues:										
Property taxes	\$ 3,148,369	\$ 2,880,368	\$ 2,946,897	\$ 1,000,165	\$ 1,673,084	\$ 1,266,681	\$ 1,652,877	\$ 1,472,627	\$ 1,544,847	\$ 1,734,281
Sales taxes	1,412,656	2,119,243	2,629,442	2,518,779	2,904,515	3,667,261	4,128,500	4,332,626	4,261,452	5,172,427
Other taxes	510,184	499,718	471,793	675,301	105,204	110,345	46,314	44,041	173,119	401,685
Licenses and permits	17,340	14,794	25,916	33,652	440,722	402,151	502,033	521,507	544,780	515,547
Fines and forfeitures	99,200	61,464	62,051	182,120	42,429	109,435	235,551	4,839	-	-
Intergovernmental	1,481,938	1,025,276	1,066,114	373,315	2,012,895	575,014	1,350,366	998,301	424,872	643,120
Interest and rents	256,109	222,075	131,371	116,403	122,575	106,107	85,921	112,270	206,880	353,343
Charges for services	771,091	811,874	740,089	641,757	885,542	908,956	1,201,768	1,450,185	1,515,847	1,160,090
Miscellaneous	170,821	109,817	198,164	55,546	203,606	341,905	107,382	150,298	222,104	270,375
Total revenues	\$ 7,867,708	\$ 7,744,629	\$ 8,271,837	\$ 5,597,038	\$ 8,390,572	\$ 7,487,855	\$ 9,310,712	\$ 9,086,694	\$ 8,893,901	\$ 10,250,868
Expenditures:										
Current:										
General government	2,084,734	1,021,583	915,275	1,137,970	1,110,637	1,442,092	1,635,238	1,276,704	879,854	1,140,315
Public safety	2,385,619	2,629,907	2,588,430	2,700,532	2,551,265	2,831,831	2,915,581	2,991,798	3,349,442	3,715,188
Community development	947,048	1,088,241	770,350	363,709	335,514	610,472	476,483	427,963	439,133	581,558
Public works	420,171	806,831	461,722	535,072	568,563	855,454	1,088,141	1,137,856	1,074,822	1,458,531
Capital Outlay	945,582	231,121	421,207	370,289	2,159,960	1,429,863	2,320,464	2,650,334	795,748	2,024,839
Debt Service:										
Principal retirement	350,000	365,000	420,814	151,333	158,506	130,000	135,000	145,000	158,022	171,331
Interest and fiscal charges	910,364	894,956	611,162	341,506	331,655	317,850	309,238	300,138	291,432	281,789
Total Expenditures	\$ 8,043,518	\$ 7,037,639	\$ 6,188,960	\$ 5,600,411	\$ 7,216,100	\$ 7,617,562	\$ 8,880,145	\$ 8,929,793	\$ 6,988,453	\$ 9,373,551
Excess (deficiency) of revenues over (under) expenditures	(175,810)	706,990	2,082,877	(3,373)	1,174,472	(129,707)	430,567	156,901	1,905,448	877,317
Other financing sources (uses):										
Contributions from successor agency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,184	\$ -	\$ -	\$ -
Proceeds of capital leasing	-	-	115,653	-	-	-	-	-	-	-
Right of use lease financing	-	-	-	-	-	-	-	-	34,874	-
Transfers in	3,062,132	2,745,398	2,111,121	714,842	975,604	1,264,468	1,612,149	2,383,566	910,786	2,237,319
Transfers out	(2,951,248)	(2,686,851)	(2,052,582)	(656,302)	(915,104)	(1,173,968)	(1,612,149)	(2,320,602)	(749,733)	(2,452,003)
Total other financing sources/(uses)	110,884	58,547	174,192	58,540	60,500	90,500	701,184	62,964	195,927	(214,684)
Net change in fund balances	\$ (64,926)	\$ 765,537	\$ 2,257,069	\$ 55,167	\$ 1,234,972	\$ (39,207)	\$ 1,131,751	\$ 219,865	\$ 2,101,375	\$ 662,633
Debt service as a percentage of noncapital expenditures	17.8%	18.5%	17.9%	9.4%	9.7%	7.2%	6.8%	7.1%	7.3%	6.2%

Source of information: Audited financial statements.

THE CITY OF COTATI
TABLE 5
PROPERTY TAXES - ASSESSED VALUE AND ESTIMATES
 (Last Ten Fiscal Years)

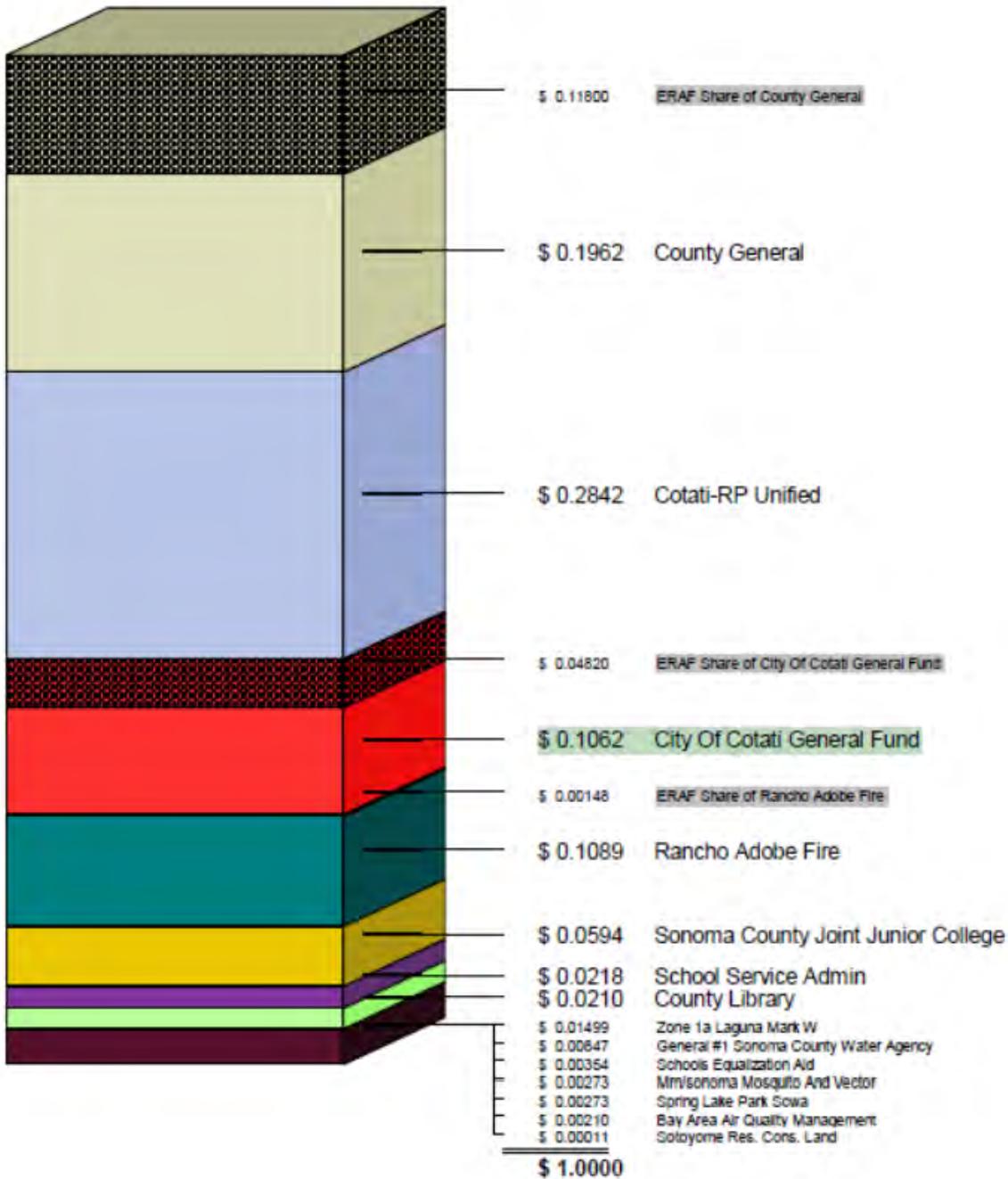
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value		Net Taxable Value	
Residential	2,432	\$ 899,676,300	77.9%	\$ 889,070,832	78.1%
Commercial	81	104,267,351	9.0%	103,268,500	9.1%
Industrial	86	91,808,074	7.9%	89,805,232	7.9%
Govt. Owned	80	0	0.0%	0	0.0%
Institutional	15	4,993,422	0.4%	2,104,979	0.2%
Miscellaneous	10	731,338	0.1%	730,838	0.1%
Recreational	1	3,170,949	0.3%	3,170,949	0.3%
Vacant	78	20,292,149	1.8%	20,156,355	1.8%
Cross Reference	(73)	3,009,629	0.3%	2,972,313	0.3%
Unsecured	(465)	27,154,618	2.4%	26,992,115	2.4%
TOTALS	2,783	\$ 1,155,103,830		\$ 1,138,272,113	



Data Source: Sonoma County Assessor 2018/19 Combined Tax Rolls

**THE CITY OF COTATI
TABLE 5, CONTINUED
PROPERTY TAXES - ASSESSED VALUE AND ESTIMATES
PROPERTY TAX DOLLAR BREAKDOWN**



ATI (Annual Tax Increment) Ratios for Tax Rate Area 008-002, Excluding Redevelopment Factors & Additional Debt Service

Data Source: Sonoma County Assessor 2018/19 Annual Tax Increment Tables

**THE CITY OF COTATI
TABLE 5, CONTINUED
PROPERTY TAXES - ASSESSED VALUE AND ESTIMATES**

2018/19 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	2,783	0	465
TRAs	14	0	13
Values			
Land	\$ 441,765,705	\$ 0	\$ 405,780
Improvements	681,659,318	0	13
Personal Property	3,800,214	0	16,836,684
Fixtures	723,975	0	9,912,141
Aircraft	0	0	0
Total Value	1,127,949,212	0	27,154,618
Exemptions			
Real Estate	16,434,438	0	18
Personal Property	222,709	0	157,144
Fixtures	12,067	0	5,341
Aircraft	0	0	0
Homeowners*	8,920,800	0	0
Total Expenditures*	16,669,214	0	162,503
Total Net Value	\$ 1,111,279,998	\$ 0	\$ 26,992,115

Combined Values	Total
Total Values	1,155,103,830
Total Exemptions	16,831,717
Net Total Values	1,138,272,113
Net Aircraft Values	0

* Note : Homeowners Exemptions are not included in Total Exemptions

Totals do not include Aircraft Values or Exemptions

Data Source: Sonoma County Assessor 2018/19 Combined Tax Rolls

**THE CITY OF COTATI
TABLE 5, CONTINUED
PROPERTY TAXES - ASSESSED VALUE AND ESTIMATES**

ASSESSED VALUE OF TAXABLE PROPERTY

2009/10 - 2018/19 Taxable Property Values

Category	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Residential	670,820,088	621,648,644	603,464,386	584,373,933	615,360,303	678,311,562	715,961,764	767,060,996	826,433,803	889,070,832
Commercial	97,869,602	101,572,492	99,453,354	89,147,937	88,689,049	87,654,176	90,746,880	94,066,325	95,586,147	103,268,500
Industrial	83,825,217	77,432,405	77,116,354	78,086,904	76,498,597	78,236,635	81,062,360	83,370,408	85,606,861	89,805,232
Govt. Owned	-	-	-	-	-	-	-	-	-	-
Institutional	1,336,295	1,329,256	1,230,011	1,624,224	1,660,963	1,665,414	1,713,465	1,734,254	1,839,508	2,104,979
Miscellaneous	782,029	780,174	786,045	801,764	490,255	539,897	550,450	558,841	570,015	730,838
Recreational	2,801,757	2,795,116	2,816,162	2,872,484	2,929,933	2,943,234	3,002,039	3,047,819	3,108,774	3,170,949
Vacant	29,672,661	23,963,378	21,320,141	20,285,031	19,793,035	19,926,704	20,298,185	20,714,229	22,084,929	20,156,355
SBE Nonunitary	-	-	-	-	-	-	-	-	-	-
Cross Reference	2,799,181	2,692,970	2,534,230	2,386,253	2,228,089	2,183,346	2,220,244	2,521,139	2,869,097	2,972,313
Unsecured	18,192,462	18,050,668	16,491,973	15,774,279	17,650,144	17,928,404	19,759,670	21,771,776	21,532,517	26,992,115
Exempt	-	-	-	-	-	-	-	-	-	-
TOTALS	908,099,292	850,265,103	825,212,656	795,352,809	825,300,368	889,389,372	935,315,057	994,845,787	1,059,631,651	1,138,272,113
Total Direct Rate	0.52061	0.51507	0.50517	0.50068	0.10153	0.10157	0.10129	0.10117	0.10104	0.10092

Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of 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.

Data Source: Sonoma County Assessor 2009/10 – 2018/19 Combined Tax Rolls

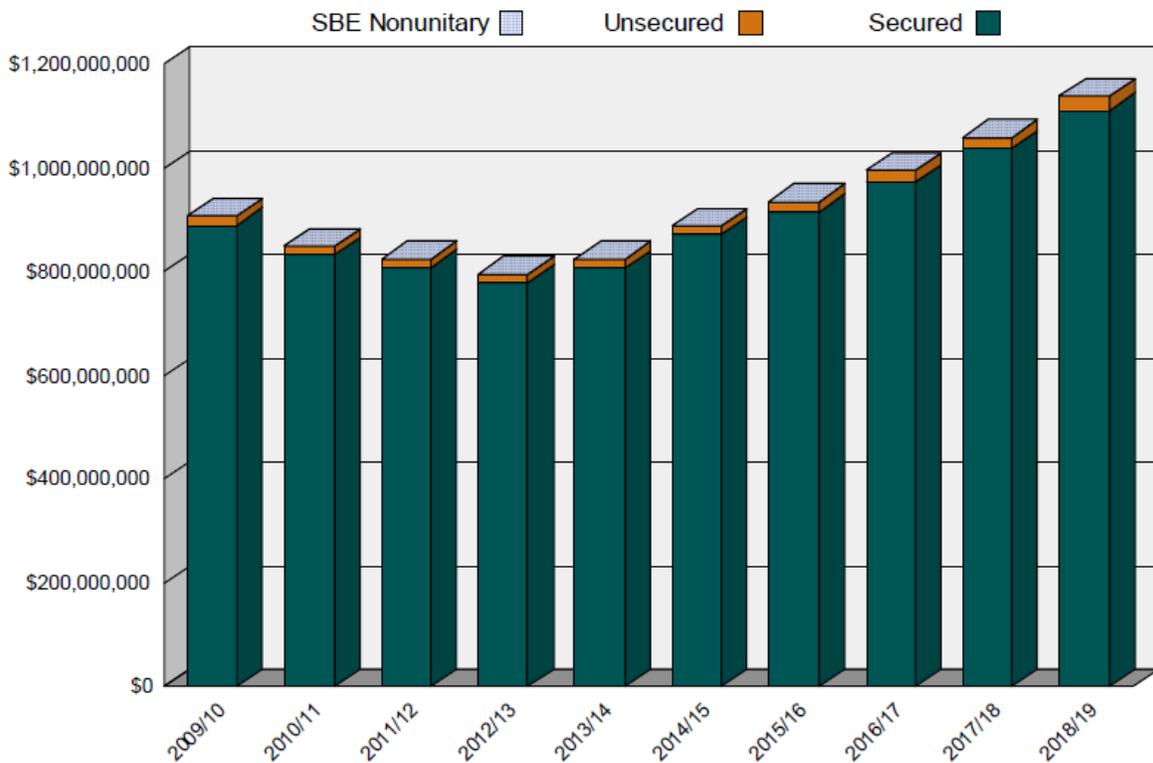
THE CITY OF COTATI

TABLE 6

PROPERTY TAXES - ASSESSED VALUE PERCENTAGE CHANGE

NET TAXABLE ASSESSED VALUE HISTORY
2009/10 – 2018/19 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2009/10	\$ 889,906,830	\$ 18,192,462	0	908,099,292	
2010/11	\$ 832,214,435	\$ 18,050,668	0	850,265,103	-6.37%
2011/12	\$ 808,720,683	\$ 16,491,973	0	825,212,656	-2.95%
2012/13	\$ 779,578,530	\$ 15,774,279	0	795,352,809	-3.62%
2013/14	\$ 807,650,224	\$ 17,650,144	0	825,300,368	3.77%
2014/15	\$ 871,460,968	\$ 17,928,404	0	889,389,372	7.77%
2015/16	\$ 915,555,387	\$ 19,759,670	0	935,315,057	5.16%
2016/17	\$ 973,074,011	\$ 21,771,776	0	994,845,787	6.36%
2017/18	\$ 1,038,099,134	\$ 21,532,517	0	1,059,631,651	6.51%
2018/19	\$ 1,111,279,998	\$ 26,992,115	0	1,138,272,113	7.42%



Data Source: Sonoma County Assessor 2009/10 - 2018/19 Combined Tax Rolls

THE CITY OF COTATI
TABLE 7
PROPERTY TAX RATES - DIRECT & OVERLAPPING
GOVERNMENTS
Last Ten Fiscal Years

(RATE PER \$100 OF TAXABLE VALUE)

Agency	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Cotati- Rohnert Park Unified	0.10500	0.10500	0.10000	0.10000	0.10000	0.16400	0.15100	0.13900	0.16700	0.16500
Sonoma County Junior College	0.02500	0.02500	0.02100	0.02100	0.02100	0.01800	0.01600	0.04000	0.03700	0.03600
West Sonoma Russian River Project	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700
Total Direct & Overlapping²										
Tax Rates	1.13700	1.13700	1.12800	1.12800	1.12800	1.18900	1.17400	1.18600	1.21100	1.20800
City's Share of 1% Levy Per Prop 13³	0.10674	0.10674	0.10704	0.10694	0.10694	0.10694	0.10661	0.10651	0.10637	0.10624
Voter Approved City Debt Rate										
Redevelopment Rate⁴	1.00700	1.00700	1.00700							
Total Direct Rate⁵	0.52061	0.51507	0.50517	0.50068	0.10153	0.10157	0.10129	0.10117	0.10104	0.10092

Notes:

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the state of California for the fiscal year 2012/13 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing in the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Data Source: Sonoma County Assessor 2009/10 - 2018/19 Tax Rate Table

THE CITY OF COTATI
TABLE 8
PRINCIPAL PROPERTY TAX PAYERS

2018/19 TOP TEN PROPERTY TAXPAYERS

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) LOWES HIW INC	1	\$ 21,000,000	1.89%	1	\$ 1,581,950	5.86%	\$ 22,581,950	1.98%	Commercial Successor Agency
2) THE COLVIN GROUP I LP	2	\$ 8,565,566	0.77%	-	-	-	\$ 8,565,566	0.75%	Residential Successor Agency
3) SUNHILL ENTERPRISES LP	2	\$ 8,174,870	0.74%	-	-	-	\$ 8,174,870	0.72%	Commercial Successor Agency
4) GTY-PACIFIC LEASING LLC	1	\$ 6,819,822	0.61%	-	-	-	\$ 6,819,822	0.60%	Commercial Successor Agency
5) SCOTT RAYMOND ET AL	3	\$ 6,816,600	0.61%	-	-	-	\$ 6,816,600	0.60%	Residential City of Cotati General Fund
6) EMC PROPERTY COMPANY LLC	4	\$ 5,412,160	0.49%	-	-	-	\$ 5,412,160	0.48%	Industrial Successor Agency
7) VINEYARD MEADOWS APARTMENTS LP	1	\$ 5,093,600	0.46%	-	-	-	\$ 5,093,600	0.45%	Residential City of Cotati General Fund
8) COTATI COMMONS MARKETPLACE LLC	14	\$ 4,978,314	0.45%	-	-	-	\$ 4,978,314	0.44%	Vacant Successor Agency
9) REDWOOD SELF STORAGE LLC	1	\$ 4,967,512	0.45%	1	-	-	\$ 4,967,512	0.44%	Industrial Successor Agency
10) FRANKLIN ARDEN LLC ET AL	2	\$ 4,328,247	0.39%	-	-	-	\$ 4,328,247	0.38%	Commercial Successor Agency
Top Ten Total	31	\$ 76,156,691	6.85%	2	\$ 1,581,950	5.86%	\$ 77,738,641	6.82%	
City Total		\$ 1,112,109,120			\$ 26,992,115		\$ 1,139,101,235 *		

*Value includes Outer TRAs

Data Source: Sonoma County Assessor 2018/19 Combined Tax Rolls and the SBE Non Unitary Tax Roll

THE CITY OF COTATI TABLE 8, CONTINUED PRINCIPAL PROPERTY TAX PAYERS

2009/10 TOP TEN PROPERTY TAXPAYERS

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) LOWES HIW INC	1	\$ 26,007,790	2.92%	-	-	-	\$ 26,007,790	2.86%	Commercial Successor Agency
2) ROBERT J AND CORINNA C NEVE	3	\$ 9,273,440	1.04%	-	-	-	\$ 9,273,440	1.02%	Industrial Successor Agency
3) COLVIN GROUP FUND LP	19	\$ 5,594,309	0.63%	-	-	-	\$ 5,594,309	0.62%	Industrial Successor Agency
4) RANCHO COTATI LLC	2	\$ 5,347,364	0.60%	-	-	-	\$ 5,347,364	0.59%	Commercial Successor Agency
5) NEWMAN DEV GROUP OF COTATI LLC	4	\$ 5,307,197	0.60%	-	-	-	\$ 5,307,197	0.58%	Vacant Successor Agency
6) SCOTT P WILSON TRUST	1	\$ 4,816,822	0.54%	-	-	-	\$ 4,816,822	0.53%	Commercial Successor Agency
7) VINEYARD MEADOWS APARTMENTS LP	3	\$ 4,503,754	0.51%	-	-	-	\$ 4,503,754	0.50%	Residential City of Cotati General Fund
8) MILAN MILTON HOLDORF TRUST	1	\$ 4,481,791	0.50%	-	-	-	\$ 4,481,791	0.49%	Industrial Successor Agency
9) STANDARD PACIFIC CORPORATION	51	\$ 4,144,329	0.47%	-	-	-	\$ 4,144,329	0.46%	Vacant Successor Agency
10) MICHAEL A AND CHARLEEN L KENNEY	1	\$ 4,130,166	0.46%	-	-	-	\$ 4,130,166	0.45%	Industrial Successor Agency
Top Ten Total	86	\$ 73,606,962	8.26%	0	\$ 0	0.00%	\$ 73,606,962	8.10%	
City Total		\$ 891,023,308			\$ 18,192,462		\$ 909,215,770	*	

*Value includes Outer TRAs

Data Source: Sonoma County Assessor 2009/10 Combined Tax Rolls and the SBE Non Unitary Tax Roll

THE CITY OF COTATI
TABLE 9
PROPERTY TAX LEVIES AND COLLECTIONS
TOP TEN PROPERTY TAXPAYERS
Last Ten Fiscal Years

Fiscal Year	Levy for Fiscal Year	Fiscal Year of the Levy			Subsequent Collection	Total Collection	
		Amount	%			Amount	%
2009/10	1,031,001	1,031,001	100%	\$ -	1,031,001	100%	
2010/11	951,774	951,774	100%	-	951,774	100%	
2011/12	929,968	929,968	100%	-	929,968	100%	
2012/13	889,386	889,386	100%	-	889,386	100%	
2013/14	955,357	955,357	100%	-	955,357	100%	
2014/15	1,035,795	1,035,795	100%	-	1,035,795	100%	
2015/16	1,096,973	1,096,973	100%	-	1,096,973	100%	
2016/17	1,167,834	1,167,834	100%	-	1,167,834	100%	
2017/18	1,236,235	1,236,235	100%	-	1,236,235	100%	
2018/19	1,209,270	1,209,270	100%	-	1,209,270	100%	

Source: County of Sonoma Auditor-Controller - Treasurer-Tax Collector Dept

THE CITY OF COTATI

TABLE 10

SALES TAX TOP PRODUCERS

TOP 25 SALES TAX PRODUCERS

FOR FISCAL YEAR 2018-19

Business Name	Business Category
76/Circle K	Service Stations
Amerigas Propane	Fuel/Ice Dealers
Chevron	Service Stations
Chouinard & Myhre	Business Services
Cotati Chevron	Service Stations
Cotati Gas Mart	Service Stations
Growbiz	Garden/Agricultural Supplies
Instrument Technology	Electrical Equipment
Lowe's	Building Materials
McLea's Tire Service	Automotive Supply Stores
McPhail Fuel	Fuel/Ice Dealers
Mercy Wellness Center	Cannabis Related
Mi Pueblo	Casual Dining
Mi Ranchito Restaurant	Casual Dining
North Bay Motors	Used Automotive Dealers
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering Co	Leisure/Entertainment
Redwood Cafe	Casual Dining
San FranStitcho	Textiles/Furnishings
Sonoma County Harley Davidson	Boats/Motorcycles
Spa Land	Specialty Stores
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 80.35%

*Firms Listed Alphabetically

Period: July 2018 Thru March 2019

FOR FISCAL YEAR 2009-10

Business Name	Business Category
Archs Glass	Paint/Glass/Wallpaper
Backdoor Disc & Tape	Music Stores
Chevron	Service Stations
Chouinard & Myhre	Business Services
76/Circle K	Service Stations
Cotati Gas & Food Mart	Service Stations
Door Tech	Building Materials
Dunn Edwards Paint	Paint/Glass/Wallpaper
Elite Hydro Garden Supplies	Garden/Agricultural Supplies
Gilmore Chevron	Service Stations
Las Guitarras	Fine Dining
Lowe's	Building Materials
McLea's Tire Service	Automotive Supply Stores
McPhail Fuel	Fuel/Ice Dealers
Michaels Harley Davidson	Boats/Motorcycles
Mikes at the Crossroads	Casual Dining
North Light Books Cafe	Stationery/Bookstores
Olivers Market	Grocery Stores
Park Avenue Catering Co	Leisure/Entertainment
Shamrock Materials	Contractors
Sillada Valero	Service Stations
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores
Zone Music	Music Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 85.81%

*Firms Listed Alphabetically

Period: July 2009 Thru March 2010

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies.

THE CITY OF COTATI
TABLE 10
TAXABLE SALES BY CATEGORY
Last Ten Calendar Years

(in thousands of dollars)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Apparel Stores	\$ 1,053	\$ 988	\$ 962	\$ 887	\$ 1,015	\$ 964	\$ 1,126	\$ 767	\$ 806	\$ 795
Eating and Drinking Places	9,139	9,083	9,179	11,173	11,454	11,533	12,949	16,627	18,643	19,189
Auto Dealers and Supplies	1,916	1,600	1,740	2,196	2,431	3,463	3,919	3,181	2,237	5,330
Service Stations	33,329	26,305	32,347	36,079	37,717	36,400	29,611	28,634	31,764	38,577
Other Retail Stores	74,455	76,837	81,005	80,888	86,786	93,261	97,424	104,676	116,436	121,447
All Other Outlets	36,182	33,692	39,556	37,765	46,390	48,347	46,951	47,563	50,496	52,188
Total	\$ 156,074	\$ 148,505	\$ 164,789	\$ 168,988	\$ 185,792	\$ 193,967	\$ 191,979	\$ 201,448	\$ 220,382	\$ 237,527

Source: State of California Board of Equalization and the HdI Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

THE CITY OF COTATI
TABLE 11
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
DEBT

As of June 30, 2019

2018-2019 Assessed Valuation:		\$ 1,138,272,113	
	Total Debt 6/30/2019	% Applicable (1)	City's Share of Debt 6/30/2019
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Sonoma County Joint Community College District	\$ 225,355,000	1.26%	\$ 2,841,727
Cotati-Rohnert Park Unified School District	167,955,000	16.94%	28,454,936
City of Cotati 1915 Act Bonds	4,225,000	100.00%	4,225,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 397,535,000		35,521,663
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Sonoma County General Fund Obligations	\$ 14,929,000	1.27%	189,748
Sonoma County Pension Obligation Bonds	352,370,000	1.27%	4,478,623
Sonoma County Office of Education General Fund Obligations	4,386,172	1.27%	55,748
Cotati-Rohnert Park Unified School District General Fund Obligations	1,497,423	16.94%	253,693
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 373,182,595		\$ 4,977,812
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$ 8,500,000	99.86%	\$ 8,488,270
TOTAL DIRECT DEBT			-
TOTAL OVERLAPPING DEBT			48,987,745
COMBINED TOTAL DEBT	\$ 779,217,595		\$ 48,987,745 (2)

(1) The percentage of overlapping debt applicable to the district 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 overlapping district's total taxable assessed value.

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

Ratios to 2018-19 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.12%
Total Direct Debt	0.00%
Combined Total Debt	4.30%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$525,542,357):

Total Overlapping Tax Increment Debt	1.62%
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Sources: California Municipal Statistics, Inc and City of Cotati

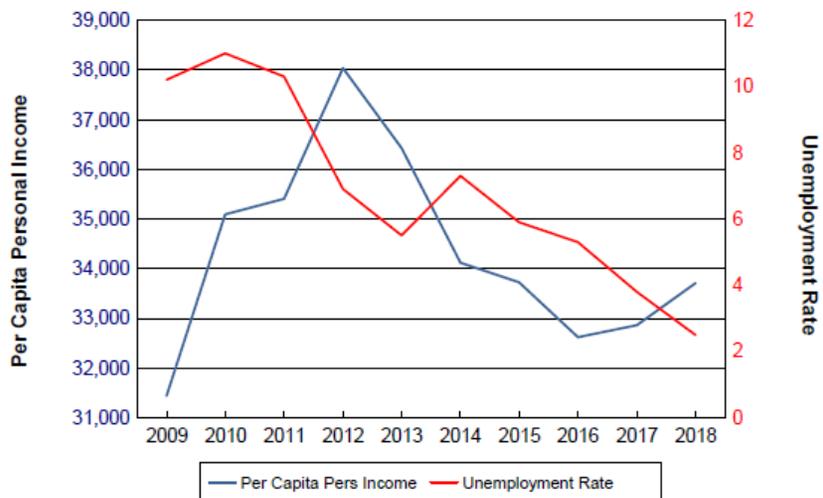
THE CITY OF COTATI

TABLE 12

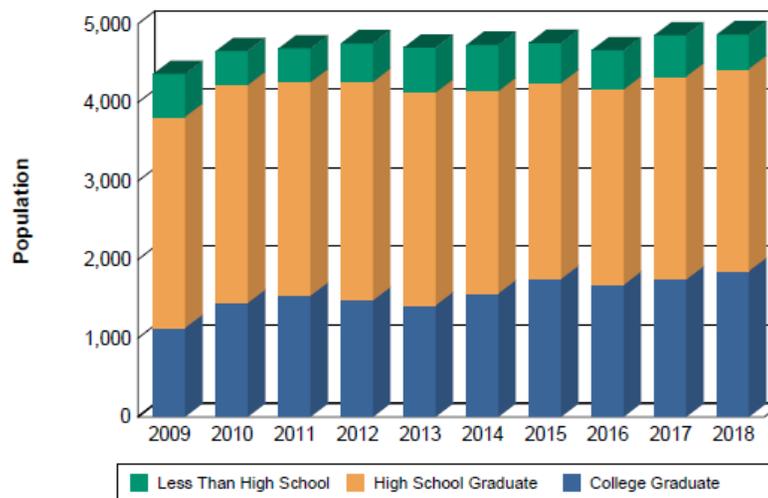
DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Diploma	% of Pop 25+ with Bachelor's Degree
2009	7,418	\$ 233,229	\$ 31,441	10.2%	35.8	87.5%	26.1%
2010	7,476	\$ 262,355	\$ 35,093	11.0%	34.6	90.7%	31.2%
2011	7,276	\$ 257,614	\$ 35,406	10.3%	36.5	90.9%	33.0%
2012	7,310	\$ 278,021	\$ 38,033	6.9%	36.2	89.7%	31.3%
2013	7,288	\$ 265,458	\$ 36,424	5.5%	35.1	87.8%	30.3%
2014	7,302	\$ 249,130	\$ 34,118	7.3%	36.0	87.6%	33.3%
2015	7,153	\$ 241,231	\$ 33,724	5.9%	36.1	89.3%	37.0%
2016	7,272	\$ 237,228	\$ 32,622	5.3%	34.2	89.3%	36.1%
2017	7,716	\$ 253,562	\$ 32,862	3.8%	36.4	89.2%	36.1%
2018	7,919	\$ 266,954	\$ 33,710	2.5%	35.8	91.0%	38.2%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department
 2000-2009 Income, Age, and Education data: ESRI – *Demographic Estimates are based on the last available Census*. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries
 2010 and later – Income, Age and Education data – US Census Bureau, most recent American Community Survey

THE CITY OF COTATI
TABLE 13
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Elected Officials	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Staff Positions										
City Manager	3.00	3.00	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Recreation						1.00	1.50	2.50	2.30	3.20
Administrative Services	2.00	2.00	4.00	4.00	4.00	4.50	4.50	4.50	4.50	3.00
Planning & Building	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	3.00	3.00
Public Works	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Police Services	25.00	25.00	25.00	25.00	25.00	25.50	20.50	19.50	19.50	20.50
Total	41.00	41.00	43.00	43.50	43.50	46.50	42.00	42.00	40.80	41.20



THE CITY OF COTATI
TABLE 14
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Fiscal Year	Water Sales	Total Operating Revenue	Percentage of Water Sales to Operating Revenues
2009/10	1,183,283	1,368,345	86.5%
2010/11	1,173,747	1,257,312	93.4%
2011/12	1,187,091	1,274,729	93.1%
2012/13	1,240,584	1,312,403	94.5%
2013/14	1,277,987	1,361,650	93.9%
2014/15	1,195,750	1,296,539	92.2%
2015/16	1,260,006	1,363,734	92.4%
2016/17	1,358,350	1,548,697	87.7%
2017/18	1,658,332	1,675,135	99.0%
2018/19	1,731,383	1,733,794	99.9%



THE CITY OF COTATI
TABLE 15
CAPITAL ASSETS STATISTICS BY FUNCTION
 Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	5	5	5	5	5	5	5	6	6	6
Public Works:										
Street Miles	22	22	22	22	22	22	22	22	22	22
Streetlights & Vintage Streetlights	264	277	277	277	277	277	277	312	312	312
Traffic Signals	7	7	7	7	7	7	7	8	8	8
Parks:										
Parks	4	4	4	4	4	4	4	4	4	4
Community Center	1	1	1	1	1	1	1	1	1	1
Community Garden	1	1	1	1	1	1	1	1	1	1
Park Acreage	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4
Tennis Court	1	1	1	1	1	1	1	1	1	1
Museum	1	1	1	1	1	1	1	1	1	1
Water:										
Water Main (miles)	30	30	30	30	30	30	30	30	30	30
Fire Hydrants	427	427	427	431	431	431	432	432	432	432



City of Cotati
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cotaticity.org