



CITY OF
COTATI

Annual Comprehensive
Financial Report
Fiscal Year Ended June 30, 2022

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Mother Nature Loves it Here



City of Cotati, California

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Prepared by the Administrative Services Department

Angela Courter, Director of Admin. Services
Neil Tomlinson, Senior Accountant

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**There's Nothing Square
About This Town**

City of Cotati
Annual Comprehensive Financial Report
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Introductory Section

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

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cotati

**There's Nothing Square
About This Town**

MEET THE COTATI CITY COUNCIL



Mark Landman

Mayor (2022)
mlandman@cotaticity.org
707-792-4600 (ext. 195)
Elected Term:(2018-2022)



Susan Harvey

Vice Mayor
sharvey@cotaticity.org
707-792-4600 (ext. 193)
Elected Term:(2020-2024)



Laura Sparks

Council Member
lsparks@cotaticity.org
707-792-4600 (ext.194)
Elected Term:(2020-2024)



Ben Ford

Council Member
bford@cotaticity.org
707-792-4600 (ext. 196)
Elected Term:(2020-2024)



John Moore

Council Member
jmoore@cotaticity.org
707-792-4600 (ext. 192)
Elected Term:(2018-2022)

Other Commissions or Committees:

Planning Commission
Measure S Citizen Oversight Committee

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

MEET THE COTATI CITY MANAGEMENT TEAM



Damien O'Bid
City Manager
dobid@cotaticity.org



Angela Courter
**Director of
Administrative
Services**
acourter@cotaticity.org



Michael Parish
Chief of Police
mparish@cotaticity.org



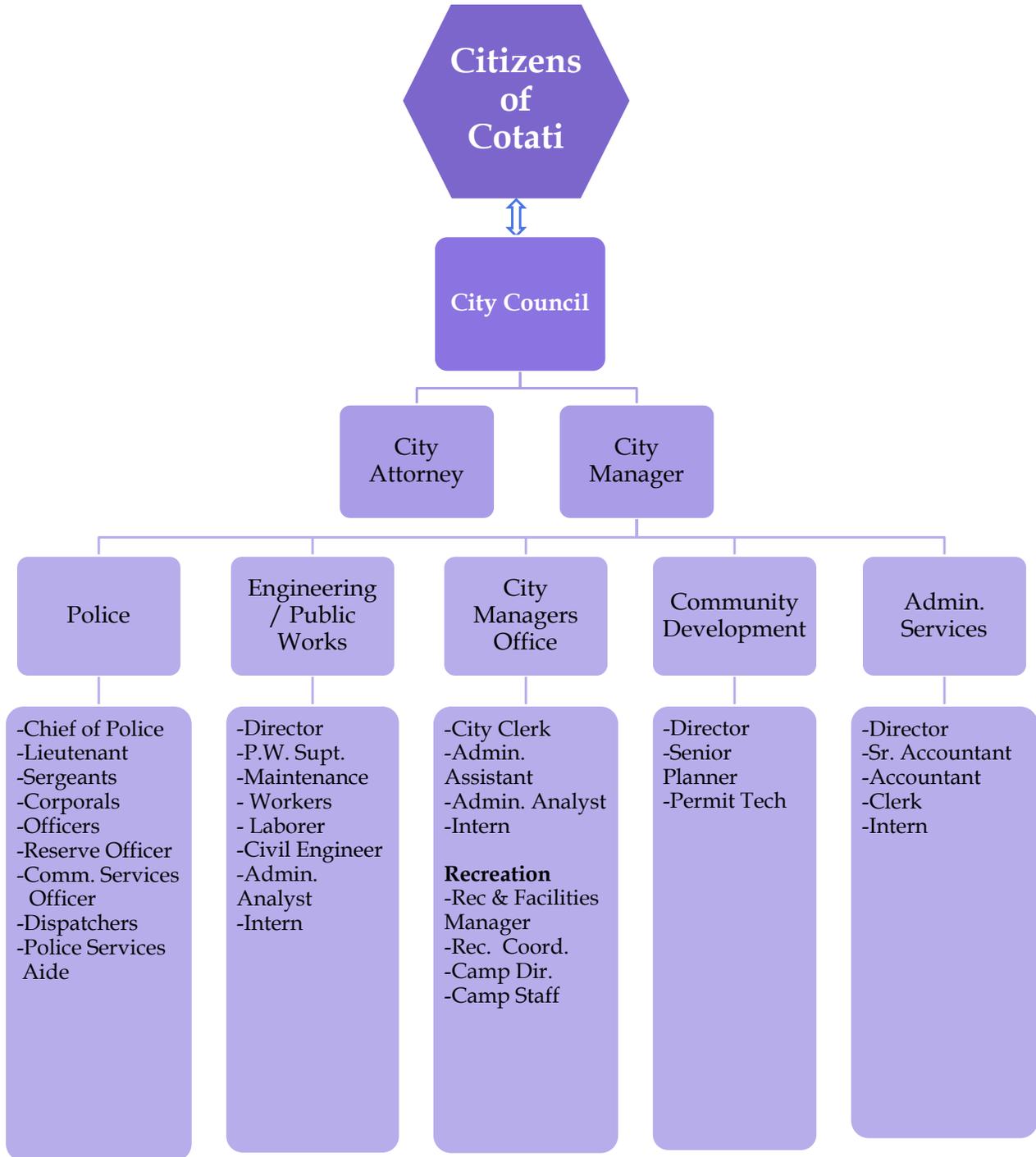
Craig Scott
**Director of
Public Works /
City Engineer**
cscott@cotaticity.org



Noah Housh
**Director of
Community
Development**
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Phone: 707-792-4600
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ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cotati
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



December 20, 2022

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 Annual Comprehensive Financial Report (ACFR or Annual Report) for the fiscal year ended June 30, 2022. The fiscal year covers financial transactions from July 1, 2021, to June 30, 2022, on a modified or full accrual basis, depending on the fund type. While the City is only required to present a basic financial audit, for several years now, the City has provided award-winning and comprehensive Annual Reports to provide the highest level of financial transparency to the City Council and community. The City follows a policy of preparing and submitting a complete set of financial statements, with the independent auditor's report which are in conformity with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB) and compliant with City and California Government Code Sections 25250 and 25253. To the best of our knowledge and belief, the data as presented is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and changes in financial position of the City as measured by the financial activity of its various funds. This information includes disclosures that are necessary to enable the maximum understanding of the City's financial affairs.

City management assumes full responsibility for the completeness and reliability of the information provided in this report. The City has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the financial statements are fairly presented. The independent auditor's report presents an unmodified ("clean") opinion on the City's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

The City has prepared the Annual Report using the financial reporting requirements as prescribed by GASB Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments. This GASB Statement requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Auditor's Report Summary

Badawi & Associates, an independent and licensed certified public accountant firm, 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, 2022, 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. Badawi & Associates has concluded, based upon the audit, that there is a reasonable basis for rendering an unmodified audit opinion that the City of Cotati's financial statements for the fiscal year that ended June 30, 2022, are fairly presented in all material respects in conformity with generally accepted accounting principles in the United States. The independent auditor's report is presented as the first component of the financial section of this report.

In accordance with Government Finance Officers Association (GFOA) best practices, which recommend changing auditors every five years¹, this is the third year that the City is using a new auditor to review the financial statements of the City.

¹<https://www.gfoa.org/materials/audit-procurement>

Annual Comprehensive Financial Report

The Annual Report includes the funds of the primary government, which includes the General Fund and several enterprise activities, as well as all its component units. Component units include legally separate entities for which the primary government is financially accountable and that have the same board as the City or provide services entirely to the City.

The Annual Report is presented in four sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of municipal officers and officials. The financial section includes the 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, presented on a multi-year basis.

The Reporting Entity and Services Provided

City Profile: The City of Cotati (City) voted for incorporation in 1963 as a general law city in the County of Sonoma, State of California. The City is located about forty-five miles north of San Francisco on the US 101 corridor between Rohnert Park and Petaluma. The City is approximately 1.88 square miles with an estimated population of 7,397, making it among the smallest incorporated communities in Sonoma County. Community amenities include a charming downtown along the historical Old Redwood Highway, with various shops and restaurants. The City is also known for festivals that draw international visitors and a weekly farmer's market during the summer. 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:² 7,397

Population Ranking of CA cities³: 559 of 1,578

Race & Ethnicity: White-70.2%, Hispanic-22.3%, Asian-2.1%, African American-1.0%, Two or More Races-4.0%, Others-0.4%

Median Age: 38.7 years, Aged 18-64: 64.5%

Highschool graduate or higher: 91.5%

(State: 83.9%)

Median Household Income (2020): \$86,982

(State:\$78,362)

Estimated Median House: \$642,000

(State: \$538,500)

² See statistical data after basic financial statements.

³ https://www.california-demographics.com/cities_by_population

Accounting System and Budgetary Control

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 and capital 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



Long-term revenue continues to be a challenge for the City. Measure G, a 1% sales tax was passed by Cotati voters on June 3, 2014. On November 3, 2020, with an approval of 74.5%, the voters agreed to extend the add-on sales tax with the approval of Measure S. These funds are now secured to support essential City services. Even with the renewal of Measure S, the City continues to face challenges related to the rising costs of general insurance for the City, the reduced CalPERS discount rate for pensions (and the corresponding higher annual payments) and the necessary replacement and upgrades of city infrastructure.

As we emerge from the COVID-19 pandemic, we are experiencing increased cost of labor and materials as well as large increases in liability and property insurance costs across the cities in our insurance pool. We need to stay cognizant of those trends and make pragmatic decisions accordingly as the actual impacts become known, while remaining fiscally prudent and focused on using our resources to maintaining core services. While we prioritize keeping our community safe and continuing to provide high quality essential municipal services; we are also focused on the future and continuing to move forward on City Council priorities. The City Council has clearly communicated the need for many years to continue to invest heavily in repairing and maintaining our infrastructure, with a focus on new housing development across all income levels and adaptation and mitigation to climate change.

As the City looks to continue balancing growth and managing revenue and expenses, there are key variables in planning long-term financial forecasts, including operating costs (primarily 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, diversification of revenue, paying for capital improvements and improving levels of service to the residents.

Economic Overview of the City and Region

The City is located in beautiful Sonoma County, approximately forty-five miles north of San Francisco on US Highway 101. Just minutes from popular destinations including hundreds of local wineries, the Pacific Ocean, and giant redwoods, 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. Families continue to be attracted to the City of Cotati's historic charm, quiet neighborhoods, good schools, and low crime rate.

The City Council continues to prioritize economic development, infrastructure, community engagement and equity. General Fund revenue continues to be an area that the City needs to bolster and diversify to be able to provide the infrastructure and services the community expects. The short-term strategy for revenue augmentation has focused on cannabis business taxes and transient occupancy taxes by developing these business sectors. This goes together with a "stop loss" approach to address areas of excess service costs to make them revenue neutral. The medium to long term strategy continues to be diversification of the existing sales and property tax base to provide more stability, primarily through a more flexible business and development environment to encourage a wide array of businesses that fit into the fabric of Cotati and provides the jobs, services, and revenue needed by the community.

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

Employment

Due to COVID-19 and prolonged business closures from the shelter-in-place orders, the U.S. and regional job markets were significantly impacted. Nationally, employment exhibited a significant decline compared to growth in prior years. Employment losses were largely dominated by the leisure and hospitality industries, which represented 36% of all job loss. These sectors, while still not at the pre-covid levels, are continuing to improve and are expected to gradually improve over the next several years. On the local level unemployment rates have been reduced to below the pre-covid levels as of September 2022. Sonoma County continued to add jobs in manufacturing; professional and business services; and government. But still remained slower for jobs available in construction; trade, transportation and utilities; financial activities; educational and health services; and leisure and hospitality.



Unemployment Rate⁴:

United States 3.5%, California 3.8%, Sonoma County 2.6%, Cotati 1.7%

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. The annual calendar year average inflation rate in the US continues to trend upward from the prior years' 13-year high of 5.4% in September of 2021 to now an 8.2% this September 2022⁵. This is consistent with inflation within the state of California and the Bay Area⁶ where the calendar year average inflation for the state was at 6.9% in 2022, up from 4.7% in the prior year and the San Francisco Bay Area is at 5.0% in 2022 up from 4.1 % in 2021. Economists expect inflation to average at about 8.0% for the year in 2022, and inflation is expected to decline to an average of 3.8% for 2023.

Personal Saving Rate

The personal saving rate is calculated as the ratio of personal saving to disposable personal income. In September 2022, the personal saving rate in the U.S. amounted to 3.1%. In 2020, the personal saving rate was 7.5% and in 1970, the personal saving rate was 12.9%. The personal saving rate is a significant economic indicator, as it is a measure of the accumulation of money for future use.⁷

⁴ CA Employment Development Department Month of September 2022

⁵ <https://www.focus-economics.com/countries/united-states/news/inflation/inflation-drops-to-lowest-level-since-february-in-september>

⁶ <https://dof.ca.gov/forecasting/economics/economic-indicators/inflation/>

⁷ <https://fred.stlouisfed.org/series/PSAVERT>

Consumer Spending Rate

Consumer Spending in the United States is a significant component of Gross Domestic Production (GDP) and a leading economic indicator of recession or economic growth. Personal consumption expenditures continue to increase and in September of 2022 saw month over month growth of \$113.0 billion or 0.3%. According to the Chief Economist of FWDBONDS in New York, “Americans may say they are worried about inflation, but they are still out shopping, which keeps the economy growing. There can be no chance that inflation pressures will subside in the near term from slowing demand”.⁸

Sales Tax

Sales tax revenue (combined Bradley Burns and Measure S) accounts for approximately 62% of General Fund revenues.

- **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/S - Local Sales Tax:** In the June 2014 election, Cotati voters approved a ballot measure, Measure G, to increase sales tax by 1%. In November of 2020, the citizens of Cotati voted overwhelmingly to continue this special tax as Measure S until the voters repeal it. These additional sales tax dollars help ensure the City's financial viability as a full-service city, improve infrastructure and protecting the small-town quality of life. For FY 21/22, the City collected approximately \$3.0 million in Measure S sales tax revenues. The revenue collected was used to maintain current service and operation levels in the General Fund as well as fund City recreation, public safety, and capital projects including parks and streets.



Sales Tax Breakdown: As of June 30, 2022, the total sales tax rate in Cotati was 9.50%⁹ as follows:

California Sales and Use Tax Rates	
State	6.00%
County Transportation Funds	0.25%
Local-City of Cotati (Bradley Burns)	1.00%
Total State-Wide Sales and Use Tax Rate	7.25%
Add: County (SMART, Measure M & Y, O & Open Space)	1.25%
Add: Cotati Measure S	1.00%
Total Sales Tax Rate in Cotati	9.50%

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%). Measure O - Sonoma County Local Mental Health, Addiction and Homeless Services Measure Transactions and Use Tax (0.25%) (SOMT) Combined, they total 1.250% of the overall sales tax rate in Cotati.

⁹ <https://www.cdtfa.ca.gov/taxes-and-fees/rates.aspx>
⁹ <https://www.cdtfa.ca.gov/taxes-and-fees/rates.aspx>

Property Taxes

The City of Cotati receives approximately 10% of the property taxes collected within the City. The other 90% of property taxes collected support the Cotati-Rohnert Park School District, the County of Sonoma, and to a lesser degree, the Rancho Adobe Fire District. There are also a variety of special district property direct tax assessments, school district bonds assessments, and a special property tax assessment by Rancho Adobe Fire District. Properties in Cotati experienced a net taxable value increase of 3.0% or \$36.8 million for the 2021/22 tax roll.

Residential values continued to increase from their 2020/21 levels by almost \$33.1 million. This increase is primarily driven by the sale of new homes which increased the value by \$15 million, and the resale of existing housing as well as the up to 2% valuation increases allowed by the County under Proposition 13. .

Commercial values increased by \$2.8 million. Primarily due to increased valuations on existing parcels and not new construction.



Growth in home sales increased in the summer of 2020 and many cities saw an increase in properties for sale. Sale prices grew due to low inventory and declining mortgage rates. These conditions continued to cause prices to rise in 2021. The median sale price of a detached single family residential home in Cotati from January through September 2021 was \$700,000. This represents a \$32,500 (4.87%) increase in median sale price from 2020. Gains in median housing prices suggest that there is very little potential for the county assessor to apply Proposition 8 value reductions on single family homes. While assessed values on the 2021/22 rolls were not impacted by the pandemic, the effects of the pandemic are reflected in large increases in assessment appeals activity for that fiscal year.

Housing/Building Permits

Building improvements and construction declined within the City in Fiscal Year 2021/22, with the number of building permits issued (397 permits totaling \$11,041,988 in value) decreasing by approximately 16% compared to Fiscal Year 2020/21 (473 permits totaling \$26,930,165 in value). This decrease is primarily related to completion of the Kessing Ranch subdivision and a slow-down in residential construction projects and property investments.

Economic Condition and Outlook for the General Fund

The City's estimated ending General Fund Balance in the FY2022/23 Budget is \$4.6 million, which is equivalent to 53% of total operating expenses. This estimated reserve exceeds the required budgetary 25% reserve. The significant 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 FY2022/23 Budget:

- Property tax growth of around 6% based on 2% assessor applied CPI plus change in assessed value due to transfer of ownership and Prop 8 recapture, as well as new construction.
- Sales tax increase of 2.0% due to potential impacts from higher dollar transactions due to inflation and consumer demand, offset by decreased cash receipts to the County Pool due to the Amazon Distribution Center re-allocation of funding.
- Cannabis business tax approximating \$750,000 due to the start of new cannabis retail operations.
- A median decline of \$20,000 for all other revenue primarily due to reduced development fees as interest rates for developers increase and demand for projects slow.
- Personnel vacancy rate of 0% in each City department.
- Salary increases contained in the approved MOUs.
- Healthcare and other insurance cost increases of 5%.

Strategic Goals

- **ENSURE LONG-TERM VITALITY FOR THE CITY**
 - a. Promote a balanced budget that meets the community vision for City services.
 - b. Economic Development.
 - Business Attraction/Retention program.
 - Removing barriers to market entry.
 - Promotion of Cotati for businesses.
 - Revenue enhancement.
 - c. Facilitate affordable housing and new development and infrastructure consistent with vision and goals of the General Plan and Environmental Impact Report (EIR).
 - d. Preserve City infrastructure to meet community needs.
 - e. Actively pursue all feasible grant opportunities to implement identified project.
 - f. Actively work to mitigate and adapt to the impact of climate change, in accordance with adopted City Council policies.

- **PROVIDE CORE SERVICES CONSISTENT WITH STANDARD COMMUNITY SERVICE LEVELS**
 - a. Ensure community safety and quality (Police, Planning, Building, Public Works, and Code Enforcement).
 - b. Maintain core day-to-day services in all departments.
 - c. Improve emergency preparedness, including wildfire preparedness.
 - d. Update City regulations to respond to applicable legislative and legal changes.
 - e. Provide convenient and reliable zoning, permitting, and development services.
 - f. Represent City's interest by participation in region-wide issues.
 - g. Pursue opportunities to improve service delivery, including joint procurement, leveraging internal and external staffing resources, and developing systems, policies, and procedures to streamline processes and expand capabilities of staff.

- **COMMUNITY ENGAGEMENT**
 - a. Develop programs, projects & processes to increase and enhance community engagement.
 - b. Continue to improve public information and awareness of programs and services.
 - c. Explore the possibility of incorporating neighborhood level programming into City activities.

- **PROMOTE AN EQUITABLE, COMPASSIONATE, AND HEALTHY COMMUNITY THAT HONORS DIVERSITY AS A SOURCE OF STRENGTH**
 - a. Ensure that all city government operations are inclusive and equitable: Fairness in hiring and promotions, greater opportunities in contracting, and equitable services to all residents.
 - b. Advance equity and health in partnership with Cotati residents and stakeholders, other jurisdictions, and non-governmental organizations.

Significant Events and Accomplishments

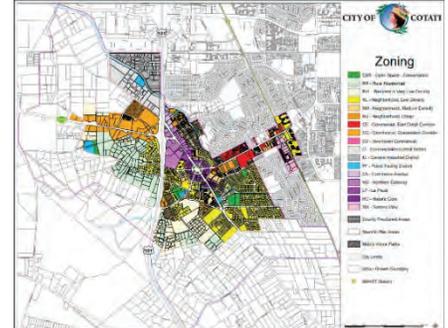
Financial and Operational Stability

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 FY 2018/19, 2019/20, 2020/21, and 2021/22 budgets.
2. Received the GFOA Certificate of Achievement for Excellence in Financial Reporting and the GFOA Certificate of Outstanding Achievement for Popular Financial Reporting for FY 2018/19, 2019/20 and 2020/21.
3. Mid-Year Budget Review and Update and Quarterly Financial Summary Reports. Due to the uncertainty of the impact of COVID-19 on our City resources, the Administrative Services Department stepped up to provide monthly and then quarterly reports to the City Council and the community. These reports provide an assessment of the City's budget condition, a summary of revenues received to date and cash on hand.

4. Expanded communication with our citizens by supporting online City Council meetings in two different formats, as well as focused improvements on the redesigned City website, Facebook, Instagram, YouTube, cable broadcast station, Nixle/WaterSmart/Utility Notifications, utility bill newsletters and published Activity Guides.
5. Refinanced \$4M in Pension Liability and obtained \$7M in low interest debt for Streets Improvement Program to secure infrastructure improvements for the next 5 years.

Economic Development

1. Continued COVID-19 support for local business, including event fee waivers, automatic extensions of expiring approvals and outdoor dining tents.
2. Passed ADU and Cottage Housing ordinances to assist in more varied housing type developments.
3. Housing development continued at Kessing Ranch and Jamie Lane, an affordable housing project.
4. Zoning code revisions to allow businesses the flexibility they need in today’s retail environment while preserving Cotati’s character.



Community Safety

1. Police Enforcement: Continue efforts to maintain a safe community including partnering with the City of Rohnert Park to create SAFE (Specialized Assistance for Everyone) which provides mobile mental health crisis responses to both Cities.
2. Continue to 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 police beats neighborhood meetings and focused areas of enforcement.

Infrastructure

1. Completed major infrastructure projects including significant restoration of streets with pavement preservation work throughout the West Side of Cotati and pavement rehabilitation throughout the City.
2. Installed various traffic safety improvements throughout the City, including pedestrian safety lights at crosswalks on West Sierra Avenue and yellow reflective taping around light signal head shrouds for greater visibility during power outages.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2021. This marks the 3rd consecutive year the City has received this award.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To receive this award, the City published an easily readable and efficiently organized ACFR. The report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements. We believe this ACFR also meets the requirements of the program, and we will be submitting it to the GFOA to determine its eligibility for the certificate.

The professionalism, commitment, and effort of each employee of the entire staff of the Administrative Services Department have made this report possible. We also want to thank the other employees in the other City Departments who contributed to the preparation of this report and dedication to the City. Finally, we thank the Mayor and City Council for their continuing interest and support in planning and conducting the City's financial operations in a responsible manner, consistent with the City's mission to protect, preserve and enhance the quality of life for present and future generations.

I would like to express my special appreciation to the Administrative Services Team, specifically Angela Courter and Neil Tomlinson. 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 ACFR online, 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 a large initial "D" and "O".

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

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cotati

**There's Nothing Square
About This Town**



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cotati (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, as of June 30, 2022, and the respective changes in 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension plan and OPEB plan information on pages 5-14 and 81-86 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The major capital project fund budgetary comparison schedule, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and sales tax Measure S funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The major capital project fund budgetary comparison schedule, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and sales tax Measure S funding schedule are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major capital project fund budgetary comparison schedule, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and sales tax Measure S funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

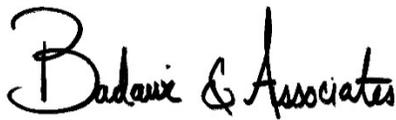
Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the information included in the annual comprehensive financial report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members
of the City Council of the City of Cotati
Cotati, California
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates, CPAs
Berkeley, California
December 20, 2022

Management Discussion & Analysis

As management of the City of Cotati (City), we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which immediately follow this section.

Financial Highlights

Government-Wide Financial Statements

- At the close of the fiscal year, the assets and deferred outflows of the City exceeded liabilities and deferred inflows of resources by \$54.9 million (Total net position in the government wide.)
- As of June 30, 2022, the City's governmental activities reported a net position of \$39.4 million (See Table 2).
- As of June 30, 2022, the City's business-type activities reported a net position of \$15.5 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 \$18.2 million.
- Within the governmental funds ending fund balance, \$1.9 million was restricted for capital projects, \$3.2 million is reserved for housing, and \$6.2 million is unassigned. (See Governmental Funds Balance Sheet June 30, 2022).

The General Fund reported total fund balance of \$9.0 million of which \$0.5 million is non-spendable, \$2.1 million is committed for emergencies, \$143 thousand is assigned for encumbrances, and \$6.2 million is unassigned. The continuing overall increase in governmental fund balance indicates financial success for the year.

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 S 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.

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

Management Discussion & Analysis

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, public works 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 using accounting methods like those used by private-sector companies. The statement of net position includes all the government's assets and liabilities. All 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.

The Statement of Net Position – presents information on all of the City's Assets and Deferred Outflows of Resources, and Liabilities and Deferred Inflows of Resources with the difference reported as Net Position and 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 Statement of Activities presents the most recent fiscal year changes in the City's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The statement reports items resulting in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave) as revenues and expenses.

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 those purposes. The City has two kinds of funds:

- *Governmental funds* – Most of the City's basic services are included in governmental funds. The City supports individual governmental funds organized according to their type (special revenue, debt service, capital projects and permanent funds). Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues for the City's General Fund, Inclusionary Housing Fund, Low Income Housing Fund, ARPA Fund, and the City Capital Projects Fund, all of which are major funds. All other governmental type funds are aggregated and are presented in a separate single column in the fund financial statements.

The Governmental Funds Statements 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 determine whether there are more or fewer financial resources that can be spent soon to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we supply additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

Individual and combining fund data for each of these non-major governmental funds is provided as supplementary information in this report.

- *Proprietary funds* are used to account for services for which the City charges external, or internal customers with the intent to recover all or most of their costs through user fees and charges. The City supports the following two types of proprietary funds:
 - Enterprise Funds report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water and Wastewater.
 - Internal Service Funds are an accounting device used to accumulate and distribute costs internally among the City's various functions. The City's internal service funds account for Vehicle Replacement, and Compensated Absences. Since these services benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Government-wide Financial Statements

Proprietary funds supply the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary funds financial statements provide separate information for Water and Wastewater. The two internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

Fiduciary Funds account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. Fiduciary fund accounting is like proprietary fund accounting. The City reported two fiduciary funds. One Private Purpose Trust Fund and one Custodial Fund.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information (RSI) is presented in addition to the basic financial statements and accompanying notes. This required information includes the Budgetary Comparison Schedules for General Fund and major Special Revenue Funds, the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Plan Contributions for Pension, and the Schedule of Changes in Net OPEB Liability and Related Ratios.

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.

The following table is a condensed comparative analysis of the net position of governmental and business-type activities as of June 30, 2021, and June 30, 2022:

TABLE 2
Summary of Net Position
As of June 30, 2021 (restated), and 2022
(in million dollars)

	Governmental Activities			Business Type Activities			TOTAL		Change	
	2022	2021	\$ Change	2022	2021	\$ Change	2022	2021	%	\$
ASSETS										
Current and Other Assets	\$ 14.8	\$ 14.6	\$ 0.2	\$ 6.7	\$ 6.3	\$ 0.4	\$ 21.5	\$ 20.9	2.9%	\$ 0.6
Internal Balances	1.9	0.9	1.0	(1.9)	(0.9)	(1.0)	-	-	0.0%	-
Long Term Receivables	1.1	1.1	-	-	-	-	1.1	1.1	0.0%	-
Leases Receivable	-	-	-	0.8	-	0.8	0.8	-	100.0%	0.8
Capital Assets	32.2	27.9	4.3	12.0	12.6	(0.6)	44.2	40.5	9.1%	3.7
Total Assets	50.0	44.5	5.5	17.6	18.0	(0.4)	67.6	62.5	8.2%	5.1
DEFERRED OUTFLOWS OF RESOURCES										
Pension Plan Contributions and Timing Differences	6.9	1.9	5.0	1.5	0.5	1.0	8.4	2.4	250.0%	6.0
LIABILITIES										
Current Liabilities	1.3	0.9	(0.1)	0.4	0.6	(0.2)	1.7	1.5	13.3%	0.2
Noncurrent Liabilities	11.6	9.1	2.5	1.2	2.1	(0.9)	12.8	11.2	14.3%	1.6
Total Liabilities	12.9	10.0	2.9	1.6	2.7	(1.1)	14.5	12.7	14.2%	1.8
DEFERRED INFLOWS OF RESOURCES										
Pension Plan Differences in Projections	4.6	0.6	4.0	1.9	0.1	1.8	6.5	0.7	828.6%	5.8
NET POSITION										
Invested in Capital Assets	30.5	27.9	2.6	12.0	12.6	(0.6)	42.5	40.5	4.9%	2.0
Restricted	7.4	5.7	1.7	-	-	-	7.4	5.7	29.8%	1.7
Unrestricted	1.5	2.0	(0.5)	3.5	3.1	0.4	5.0	5.1	(2.0)%	(0.1)
Total Net Position	\$ 39.4	\$ 35.6	\$ 3.8	\$ 15.5	\$ 15.7	\$ (0.2)	\$ 54.9	\$ 51.3	7.0%	\$ 3.6

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

The City's total net position (government and business-type activities) increased by \$3.6 million, or 7.0% during the fiscal year.

Net investment in Capital Assets is the largest portion of the City's net position. It is comprised of capital assets (i.e., land, building, roads, machinery, and equipment) less any related outstanding long-term debt used to acquire those assets, which the City currently does not have. The City uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. The \$2.0 million, or 4.9% increase in net investment in capital assets was mainly due to major work on streets improvement capital projects and roofing replacement for the City Civic Center and procurement of emergency equipment.

Restricted Net Position of \$7.4 million represents resources that are subject to external restrictions on their use, or by enabling legislation. Restricted net position is mainly comprised of amounts restricted for housing (\$4.3 million or 58.6%) capital and street projects (\$2.6 million or 35.6%), and other (\$0.4 million, or 5.8%). Restricted net position increased by \$1.7 million, or 29.8%, primarily due to funds required for housing and streets projects.

Management Discussion & Analysis

Unrestricted Net Position in the amount of \$5.0 million represents net position of the City that is not restricted for any project or purpose. The decrease of \$0.1 million, or 2.0%, was primarily due the use of funds for investing in capital infrastructure improvements.

Current and Other Assets increased by \$0.6 million, or 2.9% due to a \$0.9 million increase in governmental activities in net receivables from the City's allocation of the Federal American Rescue Act (ARPA) Funds and a \$0.5 million increase in prepayments primarily for personnel city government insurance. These increases were offset by a \$0.8 million decrease in cash and cash equivalents as the cash was utilized for the prepayments as well as investing in capital infrastructure improvements. City-wide capital assets increased \$3.7 million or 9.1% over the prior year. The majority of capital assets were city improvements for streets as described on page 15.

Current and Other Liabilities increased over the prior year with a change of \$1.8 million or 14.3%. The variance is primarily due to the full implementation of GASB 87 and recording of the increased lease liability due to the issuance of the \$6.0 million lease-backed bonds (\$4.0 million for Taxable Pension Bonds and \$2.0 million in Tax-Exempt for Streets Improvement Bonds). This increase was offset by the decrease in Net Pension Liability due to the reduction in CalPERS pension liability primarily related to the increase in expected contributions in excess of actual contributions.

Deferred Outflows of Resources increased \$6.0 million and *Deferred Inflows of Resources* also increased \$5.8 million due to changes in pension plan contributions and future liabilities.

The following table is a condensed comparative analysis of the changes in net position of governmental and business type activities for fiscal years ended June 30, 2021 (restated), and 2022. The restatement for the fiscal year ended June 30, 2021, is due to the implementation of GASB 87.

TABLE 3
Changes in Net Position
For the Fiscal Years Ended June 30, 2021 (restated) and 2022.
(in million dollars)

	Governmental Activities				Business Type Activities				TOTAL			
	2022	2021	% Change	\$ Change	2022	2021	% Change	\$ Change	2022	2021	% Change	\$ Change
REVENUES												
<u>Program Revenues</u>												
Charges for Services	\$ 2.1	\$ 2.4		\$ (0.3)	\$ 5.4	\$ 5.0		\$ 0.4	\$ 7.5	\$ 7.4	1.0 %	\$ 0.1
Operating Grants and Contributions	2.3	0.7		1.6	-	-		-	2.3	0.7	224.9 %	1.6
Capital Grants and Contributions	-	-		-	-	-		-	-	-	0.0 %	-
<u>General Revenues</u>												
Property Taxes	1.9	1.8		0.1	-	-		-	1.9	1.8	7.2 %	0.1
Sales and Other Taxes	7.8	7.2		0.6	-	-		-	7.8	7.2	8.3 %	0.6
Other	-	0.2		(0.2)	-	-		-	-	0.2	(100.0)%	(0.2)
Total Revenues	14.1	12.3	14.6 %	1.8	5.4	5.0	7.2 %	0.4	19.5	17.3	12.4 %	2.2
EXPENSES												
General Government	1.8	1.1		0.7	-	-		-	1.8	1.1	57.2 %	0.7
Public Safety	4.2	4.2		-	-	-		-	4.2	4.2	0.0 %	-
Public Works	2.4	1.9		0.5	-	-		-	2.4	1.9	29.2 %	0.5
Community Development	1.7	1.0		0.7	-	-		-	1.7	1.0	74.8 %	0.7
Interest on Long Term Debt	0.2	-		0.2	-	-		-	0.2	-	(100.0)%	0.2
Water	-	-		-	2.0	2.3		(0.3)	2.0	2.3	(13.0)%	(0.3)
Sewer	-	-		-	3.6	3.4		0.2	3.6	3.4	4.7 %	0.2
Total Expenses	10.3	8.2	26.0 %	2.1	5.6	5.7	(2.4)%	(0.1)	15.9	13.9	14.3 %	2.0
Revenue over (under) expenses	3.8	4.1		(0.3)	(0.2)	(0.7)		0.5	3.6	3.4	4.9 %	0.2
Change in net position	3.8	4.1	(8.1)%	(0.3)	(0.2)	(0.7)	(71.5)%	0.5	3.6	3.4	4.9 %	0.2
Net position, beginning of period,	35.6	31.5		4.1	15.7	16.4		(0.7)	51.3	47.9	7.1 %	3.4
Net position, end of period	\$ 39.4	\$ 35.6	10.6 %	\$ 3.8	\$ 15.5	\$ 15.7	(1.3)%	\$ (0.2)	\$ 54.9	\$ 51.3	7.0 %	\$ 3.6

Analysis of the changes in Net Position

Governmental and Business Type Activities increased the City's net position by \$3.6 million, or 7.0% to \$54.9 million for the year ended June 30, 2022, with Governmental Activities accounting for 71.8% of the City's total net position. These changes are discussed in more detail below.

Management Discussion & Analysis

Analysis of Governmental Activities

Governmental activities: Net position of the City's governmental activities increased by \$3.8 million to \$39.4 million in the current year.

Revenues: Total revenues for governmental activities increased by \$1.8 million or 14.6% when compared with the prior year. Revenues are divided into two categories: Program Revenues, which derive from the program itself such as fees and charges or from outside the City's tax base, and General Revenues that are not program related such as taxes.

Program Revenues had an overall increase from the prior year by \$1.3 million, or 41.6%, to \$4.4 million.

- Charges for services decreased by approximately \$0.3 million or 11.9% primarily related to decreased development fees collected by community development as major housing projects were primarily completed in the prior year.
- Operating grants and contributions increased by \$1.6 million mostly through the ARPA grant of \$1.7 million and State Housing Grants for Community Development for \$0.2 million, offset by a decrease in grant funding of both \$0.3 million for Public Safety Office of Traffic Safety (OTS) grants and \$0.1 million Public Works grants from Community Development Block Grant (CDBG) for the Westside Sidewalk Improvement project.

General Revenues had an overall increase of \$1.8 million or 14.6%. Of this amount, Sales taxes contributed the most to this change with an approximate increase of \$0.5 million or 6.9%. This increase was due to increased earnings from the County Pool due to the Wayfair ruling for distribution of sales taxes for online sales as well as continued operations and customer demand of key sales tax businesses within the City as we have emerged from COVID-19. Other increases in Property Tax of \$0.1 million is due to increased valuations for property assessments and new housing development completed in prior year. Other Taxes also increased by \$0.1 million primarily due to increased growth for existing cannabis retail business.

Expenses Total expenses for governmental activities increased \$2.1 million from the prior year, a 26.0% increase. The primary reason for this increase is due to the additional discretionary payment (ADP) made to CalPERS. Other general government expenditures increased for Community Development related to funding provided to Burbank Housing of almost \$0.3 million to support sustaining affordable housing within the City. Additionally, Community Development provided more State Mandated Projects around housing development which required more consultant work previously not required. Lastly, the Public Works Department also had increased expense related to maintenance projects around the City.

Analysis of Business Type Activities

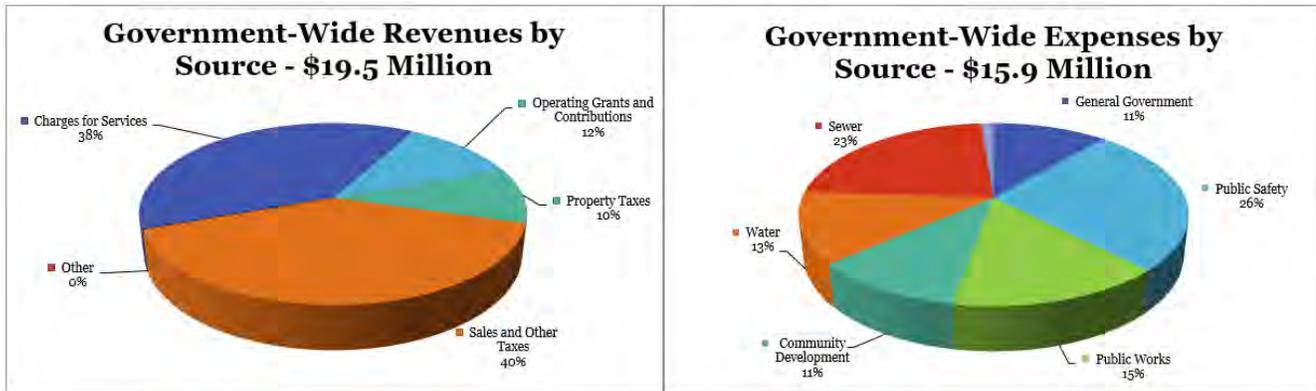
These resources cannot be used for governmental activities, as they are restricted for the continuing operations of the water and wastewater systems. The net position of business-type activities decreased by \$0.2 million, or 1.3% to \$15.5 million due to the following:

Revenues: Total revenues for business-type activities increased \$0.4 million or 7.2% due to rate increases for both Water and Wastewater services in line with our water and sewer rate plan but was offset by decreased water consumption due to the ongoing statewide drought and mandated conservation efforts.

Expenses: Total expenses for business-type activities decreased by approximately \$0.1 million or 2.4%. This decrease is primarily due to the decreased cost for purchased water for distribution due to water conservation efforts. This decreased cost was offset by the increased cost of staffing and other contract services.

Management Discussion & Analysis

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



Financial Analysis of the City's Fund Statements

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for purposes. The fund financial statements focus on individual 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 on June 30, 2022, of \$15.4 million, an increase of \$1.4 million over the end of the previous fiscal year. (See Statement of Revenues Expenditures and Changes in Fund Balance Government Funds for the year ending June 30, 2022).

The General Fund is the chief operating fund of the City and the overall fund balance decreased by just over \$0.1 million or 1.4%. This decrease is mostly attributed to the wash of revenues due to the decrease in charges for services related to development projects of approximately \$0.3 million offset by the increase in sales tax of \$0.5 million due to increased business activity moving away from COVID-19 closures. Meanwhile as revenues remained almost flat, expenditures expanded as the City continued to invest back into the community with infrastructure projects around streets as well as pay down pension liability.

The changes within the City's other major funds include:

- Inclusionary Housing Fund with a year-end fund balance of \$3.0 million, a decrease of \$0.3 million due to payments for Burbank Housing and previously described. This balance is fully reserved for affordable housing.
- Low Income Housing Fund and the ARPA 2021 Fund both have an ending fund balance of \$0.0 million. The Low Income Housing Fund balance is accrued and has been deferred for a future period to be used for low-income housing projects. The ARPA 2021 Fund was transferred to the General Fund as a source for revenue replacement due to COVID-19 impacts. This funding allowed the City to continue work on the West Side Street Project.
- City Capital Projects Fund with a year-end fund balance of approximately \$0.1 million which is fairly consistent with prior year, and is retained for future capital projects.

Management Discussion & Analysis

See additional detail at the Statement of Revenues Expenditures and Changes in Fund Balance Government Funds for the year ending June 30, 2022.

The City's non-major funds ended Fiscal Year 2021/22 with a fund balance of over \$3.2 million, an increase of \$1.9 million over the prior fiscal year (as restated). Most of these resources are restricted for use on street capital projects (\$1.9 million), community development projects (\$0.2 million), and other special purposes. (See Statement of Revenues Expenditures and Changes in Fund Balance Government Funds for the year ending June 30, 2022).

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; (1) Changes made at the midyear budget review for unanticipated revenues and costs; (2) Increases in appropriations for projects or contracts as needed to manage and prevent budget overruns.

For the General Fund actual revenues exceeded the budget by \$0.5 million, while actual operating expenditures were over budget by \$0.8 million due to previously encumbered funds for contract services being released. Final ending fund balance for the fiscal year compared to final budget had a positive variance of \$1.4 million.

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.

Capital Assets and Debt Administration

At the end of 2021/22, the City had invested \$69.6 million (net of accumulated depreciation) in a broad range of capital assets, including equipment, vehicles, buildings, park facilities, and water and wastewater systems (See Table 5). This year's major capital assets additions included:

- Street Improvements and Traffic Safety \$1,900,000
- Public Works Vehicles and Emergency Equipment approximately \$63,000
- Pathway and Wayfinding Signage of approximately \$353,000
- Civic Center Improvements \$402,000

The City's Capital Assets as of June 30, 2021, and 2022 is provided next and additional information relative to capital assets is contained in Note 1 Section F and Note 6 of the general-purpose financial statements.

Management Discussion & Analysis

TABLE 5
Capital Assets
As of June 30, 2021 (restated) and 2022
(in million dollars)

	Governmental Activities		Business Type Activities		TOTAL			
	2022	2021	2022	2021	2022	2021	% Change	\$ Change
Capital assets								
Land	\$ 8.6	\$ 8.6	\$ -	\$ -	\$ 8.6	\$ 8.6	0 %	\$ -
Construction in progress	5.2	0.4	-	-	5.2	0.4	1,200 %	4.8
Buildings	10.0	10.0	-	-	10.0	10.0	0 %	-
Vehicles	1.7	1.6	0.1	0.1	1.8	1.7	6 %	0.1
Equipment	0.7	0.7	0.1	0.1	0.8	0.8	0 %	-
Water and Sewer Lines	-	-	19.2	19.2	19.2	19.2	0 %	-
Improvements	22.7	22.4	1.3	1.3	24.0	23.7	1 %	0.3
Leased Assets	-	-	-	-	-	-	0 %	-
Total Capital Assets	\$ 48.9	\$ 43.7	\$ 20.7	\$ 20.7	\$ 69.6	\$ 64.4	8 %	\$ 5.2

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

Long-term Obligations

South Sonoma Business Park

As of June 30, 2022, special assessment bonds for \$3.5 million were outstanding, of which approximately \$0.3 million 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. After the fiscal year end the special assessment bond was refinanced to leverage lower interest rates while retaining the same maturity period.

Compensated absences:

As of June 30, 2022, 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 \$6.7 million to be reported on the statement of net position for the City as of June 30, 2022.

For the City's OPEB benefits, as now defined for reporting under GASB Statement No. 75, a \$0.2 million liability was also reported within the total OPEB liability as of June 30, 2022 (see Statement of Net Position). More detailed information about long-term debt activity is included in Notes 9 and 10.

Management Discussion & Analysis

Economic Factors and Next Year's Budgets

The City annually prepares a 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, and utility rates. The City's FY 2022/23 budget which includes the Five-Year Capital Improvement Program budget can be found at <https://www.cotaticity.org/188/City-Budgets>.

The budget was based on these key assumptions:

- Property Tax - The budget projection for 2022/23 assumes 2.4% increases in property tax collections, due to improved resale market and completion of current development at Kessing Ranch.
- Sales Tax (Bradley Burns and Measure S) - The budget projection for 2022/23 assumes continued modest growth during this recovery period from COVID-19 as well as offsetting increased cost of sales and possible decline in customer purchases related to inflation
- Water and Wastewater revenues increase slightly due to increased rates offset by continued decreased consumption during the drought as well as reduced connection fees, as new development projects are not currently actively building or pulling permits.
- Usage of up to \$7.0 million for continued street improvement projects funded by the tax-exempt streets bond
- Salaries and benefits were projected to increase based on negotiations with labor unions as well as increased staffing costs such as workers compensation insurance, health benefits and pension contributions.
- Increased general liability insurance for the City due to increasing rates in the insurance market.

Although the City has made considerable progress, unfunded liabilities will continue to present challenges to long-term financial solvency and service level solvency. As such the City is committed to applying financial strategies as outlined in our Unfunded Liability Management Policy to address this ongoing risk area.

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.

BASIC FINANCIAL STATEMENTS

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**There's Nothing Square
About This Town**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Cotati
Statement of Net Position
June 30, 2022

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 11,453,908	\$ 5,682,864	\$ 17,136,772
Net receivables	2,812,347	802,904	3,615,251
Internal balances	1,881,234	(1,881,234)	-
Prepayments	485,752	175,617	661,369
Total current assets	16,633,241	4,780,151	21,413,392
Noncurrent assets:			
Long-term notes receivable	1,160,428	-	1,160,428
Leases receivable	-	771,147	771,147
Capital assets:			
Nondepreciable	13,825,765	-	13,825,765
Depreciable, net	18,352,078	12,037,960	30,390,038
Total capital assets	32,177,843	12,037,960	44,215,803
Total noncurrent assets	33,338,271	12,809,107	46,147,378
Total assets	49,971,512	17,589,258	67,560,770
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	6,860,210	1,472,316	8,332,526
Deferred outflows of resources - OPEB	13,309	-	13,309
Total deferred outflows of resources	6,873,519	1,472,316	8,345,835
LIABILITIES			
Current liabilities:			
Accounts payable	289,586	115,939	405,525
Accrued liabilities	200,032	-	200,032
Compensated absences	251,395	168,852	420,247
Deposits	62,468	102,312	164,780
Lease liability - due within one year	487,633	-	487,633
Claims and judgements - due within one year	31,986	9,554	41,540
Total current liabilities	1,323,100	396,657	1,719,757
Noncurrent liabilities:			
Lease liability - due in more than one year	5,706,374	-	5,706,374
Compensated absences	105,028	26,460	131,488
Claims and judgements	18,534	5,536	24,070
Net pension liability	5,506,842	1,218,677	6,725,519
Total OPEB liability	207,715	-	207,715
Total noncurrent liabilities	11,544,493	1,250,673	12,795,166
Total liabilities	12,867,593	1,647,330	14,514,923
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - leases	40,215	803,261	843,476
Deferred inflows of resources - pension	4,457,879	1,136,348	5,594,227
Deferred inflows of resources - OPEB	84,487	-	84,487
Total deferred inflows of resources	4,582,581	1,939,609	6,522,190
NET POSITION			
Net investment in capital assets	30,483,120	12,037,960	42,521,080
Restricted for:			
Capital projects	1,878,764	-	1,878,764
Housing	4,348,269	-	4,348,269
Public safety	64,769	-	64,769
Parks	345,470	-	345,470
Streets	761,117	-	761,117
Public communications	27,197	-	27,197
Total restricted	7,425,586	-	7,425,586
Unrestricted	1,486,151	3,436,675	4,922,826
Total net position	\$ 39,394,857	\$ 15,474,635	\$ 54,869,492

See accompanying Notes to Basic Financial Statements

City of Cotati
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 1,804,038	\$ 1,360,912	\$ 179,333	\$ -	\$ 1,540,245
Public safety	4,219,712	248,916	1,896,169	-	2,145,085
Community development	1,672,689	447,194	198,934	-	646,128
Public works	2,406,759	56,890	-	-	56,890
Interest expense on long-term debt	190,521	-	-	-	-
Total governmental activities	10,293,719	2,113,912	2,274,436	-	4,388,348
Business-type activities					
Water	2,040,153	2,334,947	-	-	2,334,947
Wastewater	3,617,797	3,083,753	-	-	3,083,753
Total business-type activities	5,657,950	5,418,700	-	-	5,418,700
Total primary government	\$ 15,951,669	\$ 7,532,612	\$ 2,274,436	\$ -	\$ 9,807,048

General Revenues:

Taxes:

- Property taxes
- Sales taxes
- Cannabis business tax
- Franchise taxes
- Other taxes

Total taxes

Interest and rents

Total general revenues

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (263,793)	\$ -	\$ (263,793)
(2,074,627)	-	(2,074,627)
(1,026,561)	-	(1,026,561)
(2,349,869)	-	(2,349,869)
(190,521)	-	(190,521)
(5,905,371)	-	(5,905,371)
-	294,794	294,794
-	(534,044)	(534,044)
-	(239,250)	(239,250)
(5,905,371)	(239,250)	(6,144,621)
1,902,006	-	1,902,006
6,418,733	-	6,418,733
644,490	-	644,490
623,854	-	623,854
76,429	-	76,429
9,665,512	-	9,665,512
14,322	1,210	15,532
9,679,834	1,210	9,681,044
3,774,463	(238,040)	3,536,423
35,620,394	15,712,675	51,333,069
\$ 39,394,857	\$ 15,474,635	\$ 54,869,492

See accompanying Notes to Basic Financial Statements

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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 Inclusionary Housing Fund is a special revenue fund used to account for in lieu impact fees restricted in use to inclusionary housing purposes.

The Low Income Housing Fund is a fund which was established to conduct the dissolution operations related to low income housing assets and activities of the former Redevelopment Agency.

The ARPA 2021 Fund is an asset fund generated by the distribution of the federal aid package passed by Congress in March 2021 called the American Rescue Plan Act (ARPA). Of the Act's \$1.9 trillion, \$350 billion is being distributed to state and local governments as part of the Fiscal Recovery Fund which is to be expended to provide governmental services to the extent of the reduction in revenue due to COVID-19.

The City Capital Project 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 non water/sewer infrastructure and which are to be used to benefit the public.

City of Cotati
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Inclusionary Housing Fund	Low Income Housing Fund	ARPA 2021 Fund	City Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 5,105,470	\$ 2,151,768	\$ -	\$ -	\$ 320,094	\$ 3,198,615	\$ 10,775,947
Taxes receivable	1,259,450	-	-	-	-	801	1,260,251
Accounts receivable	182,279	24,718	1,088	886,315	14,691	107,205	1,216,296
Leases receivable	40,289	-	-	-	-	-	40,289
Due from other governments	93,654	-	-	-	-	201,857	295,511
Interfund loans	-	826,613	-	-	-	-	826,613
Due from other funds	2,150,266	-	-	-	-	-	2,150,266
Notes receivable	-	-	1,160,428	-	-	-	1,160,428
Prepayments	485,752	-	-	-	-	-	485,752
Total assets	\$ 9,317,160	\$ 3,003,099	\$ 1,161,516	\$ 886,315	\$ 334,785	\$ 3,508,478	\$ 18,211,353
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 211,449	\$ -	\$ -	\$ -	\$ 56,806	\$ 21,331	\$ 289,586
Accrued liabilities	7,637	-	-	-	192,395	-	200,032
Deposits	62,468	-	-	-	-	-	62,468
Due to other funds	-	-	-	886,315	-	209,330	1,095,645
Total liabilities	281,554	-	-	886,315	249,201	230,661	1,647,731
Deferred inflows of resources:							
Related to leases	40,215	-	-	-	-	-	40,215
Unavailable revenues	-	-	1,161,516	-	-	-	1,161,516
Total deferred inflows of resources	40,215	-	1,161,516	-	-	-	1,201,731
Fund Balances:							
Nonspendable	485,752	-	-	-	-	-	485,752
Restricted for affordable housing	-	3,003,099	-	-	-	206,664	3,209,763
Restricted for public safety	-	-	-	-	-	64,769	64,769
Restricted for streets	-	-	-	-	-	761,117	761,117
Restricted for parks	-	-	-	-	-	345,470	345,470
Restricted for public education	-	-	-	-	-	27,197	27,197
Restricted for capital projects	-	-	-	-	-	1,878,764	1,878,764
Committed for capital projects	-	-	-	-	85,584	77	85,661
Committed for emergencies	2,131,107	-	-	-	-	-	2,131,107
Assigned for encumbrances	142,939	-	-	-	-	-	142,939
Unassigned	6,235,593	-	-	-	-	(6,241)	6,229,352
Total fund balances	8,995,391	3,003,099	-	-	85,584	3,277,817	15,361,891
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,317,160	\$ 3,003,099	\$ 1,161,516	\$ 886,315	\$ 334,785	\$ 3,508,478	\$ 18,211,353

See accompanying Notes to Basic Financial Statements

City of Cotati

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2022

Total Fund Balances - Total Governmental Funds \$ 15,361,891

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

Other long-term assets are not available to pay for current period expenditures and are therefore reported as asset, but offset by deferred inflows of resources in the governmental funds. 1,161,516

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:	Government-Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 13,825,765	\$ -	13,825,765
Depreciable, net	18,352,078	(376,915)	17,975,163
Total capital assets	\$ 32,177,843	\$ (376,915)	31,800,928

Internal service funds were used by management to charge the costs of certain activities, such as vehicle replacement and compensated absences, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 698,453

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

Deferred outflows of resources related to pension	6,860,210
Deferred outflows of resources related to OPEB	13,309
Deferred inflows of resources related to pension	(4,457,879)
Deferred inflows of resources related to OPEB	(84,487)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Lease liability - due within one year	\$ (487,633)	\$ -	(487,633)
Claims and judgements payable - due within one year	(31,986)	-	(31,986)
Lease liability - due in more than one year	(5,706,374)	-	(5,706,374)
Claims and judgements payable - due in more than one year	(18,534)	-	(18,534)
Net pension liability	(5,506,842)	-	(5,506,842)
Total OPEB liability	(207,715)	-	(207,715)
Total long-term liabilities	\$ (11,959,084)	\$ -	(11,959,084)

Net Position of Governmental Activities \$ 39,394,857

City of Cotati
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General Fund	Inclusionary Housing Fund	Low Income Housing Fund	ARPA 2021 Fund	City Capital Project Funds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Property taxes	\$ 1,873,508	\$ -	\$ -	\$ -	\$ -	\$ 28,498	\$ 1,902,006
Sales taxes	6,230,425	-	-	-	-	188,308	6,418,733
Other taxes	720,920	-	-	-	-	-	720,920
Licenses and permits	689,807	-	-	-	-	-	689,807
Intergovernmental	107,218	-	-	1,772,630	-	552,383	2,432,231
Charges for services	739,363	-	-	-	160,489	567,641	1,467,493
Interest and rents	37,696	8,606	-	-	368	(26,986)	19,684
Miscellaneous	249,997	-	-	-	-	149,664	399,661
Total revenues	10,648,934	8,606	-	1,772,630	160,857	1,459,508	14,050,535
EXPENDITURES:							
Current:							
General government	1,631,000	264,952	-	-	-	116,755	2,012,707
Public safety	7,566,318	-	-	-	-	15,429	7,581,747
Community development	1,207,405	-	-	-	-	133,453	1,340,858
Public works	2,156,501	-	-	-	-	98,100	2,254,601
Capital outlay	-	-	-	-	5,341,659	130,401	5,472,060
Debt service:							
Principal	7,625	-	-	-	-	-	7,625
Interest	507	-	-	-	-	190,014	190,521
Total expenditures	12,569,356	264,952	-	-	5,341,659	684,152	18,860,119
REVENUES OVER (UNDER) EXPENDITURES	(1,920,422)	(256,346)	-	1,772,630	(5,180,802)	775,356	(4,809,584)
OTHER FINANCING SOURCES (USES):							
Proceeds from long term debt	-	-	-	-	-	6,190,014	6,190,014
Transfers in	5,936,632	-	-	-	5,341,658	2,102,492	13,380,782
Transfers (out)	(4,144,478)	-	-	(1,772,630)	(350,000)	(7,113,674)	(13,380,782)
Total other financing sources (uses)	1,792,154	-	-	(1,772,630)	4,991,658	1,178,832	6,190,014
Net change in fund balances	(128,268)	(256,346)	-	-	(189,144)	1,954,188	1,380,430
FUND BALANCES:							
Beginning of year, as restated	9,123,659	3,259,445	-	-	274,728	1,323,629	13,981,461
End of year	\$ 8,995,391	\$ 3,003,099	\$ -	\$ -	\$ 85,584	\$ 3,277,817	\$ 15,361,891

City of Cotati
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 1,380,430

Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

Governmental funds report long-term receivables but defer revenue from them until collections are actually received. In the Government-Wide 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 Government-Wide Statement of Activities. 23,010

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds. 5,164,747

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds. (870,953)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Lease liability repayments 7,625

Issuance of long-term debt (6,190,014)

Claim payments are recorded as expenditures in the governmental funds, however claim expense is recognized as claims are incurred on the Government-Wide Statement of Activities 31,985

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. 4,282,334

Changes in the net OPEB liability and related deferred inflows and deferred outflows do not use or provide current financial resources and are therefore not reported in the funds. 2,389

Internal service funds were used by management to charge the costs of certain activities, such as compensated absences and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities. (57,090)

Change in Net Position of Governmental Activities \$ 3,774,463

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PROPRIETARY FUND FINANCIAL STATEMENTS

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

The Wastewater Fund accounts for the operations of the City's wastewater collection activities

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

City of Cotati
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities			Governmental
	Water	Wastewater	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,531,740	\$ 3,151,124	\$ 5,682,864	\$ 677,961
Accounts receivable	310,872	431,354	742,226	-
Leases receivable		33,581	33,581	
Notes receivable	11,625	15,472	27,097	-
Interfund loans	-	95,323	95,323	-
Prepayments	109,141	66,476	175,617	-
Total current assets	2,963,378	3,793,330	6,756,708	677,961
Noncurrent assets:				
Interfund loans	-	454,767	454,767	-
Leases receivable	-	771,147	771,147	-
Capital assets:				
Depreciable				
Reservoirs	1,650,972	-	1,650,972	-
Pipelines and meters	6,003,676	10,174,312	16,177,988	-
Water wells	1,451,506	-	1,451,506	-
Improvements	1,061,845	224,807	1,286,652	-
Equipment	-	109,822	109,822	1,691,383
Less accumulated depreciation	(5,183,001)	(3,455,979)	(8,638,980)	(1,314,468)
Net capital assets	4,984,998	7,052,962	12,037,960	376,915
Total noncurrent assets	4,984,998	8,278,876	13,263,874	376,915
Total assets	7,948,376	12,072,206	20,020,582	1,054,876
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	736,158	736,158	1,472,316	-
Total deferred outflows of resources	736,158	736,158	1,472,316	-
LIABILITIES				
Current liabilities:				
Accounts payable	76,018	39,921	115,939	-
Due to other funds	538,650	515,971	1,054,621	-
Claims and judgements	4,777	4,777	9,554	-
Compensated absences	84,426	84,426	168,852	251,395
Interfund loans	95,323	41,981	137,304	-
Deposits	102,312	-	102,312	-
Total current liabilities	901,506	687,076	1,588,582	251,395
Noncurrent liabilities:				
Claims and judgements	2,768	2,768	5,536	-
Interfund loans	454,767	784,632	1,239,399	-
Compensated absences	13,230	13,230	26,460	105,028
Net pension liability	609,338	609,339	1,218,677	-
Total noncurrent liabilities	1,080,103	1,409,969	2,490,072	105,028
Total liabilities	1,981,609	2,097,045	4,078,654	356,423
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leases receivable	-	803,261	803,261	-
Deferred inflows of resources - pension	568,174	568,174	1,136,348	-
Total deferred inflows of resources	568,174	1,371,435	1,939,609	-
NET POSITION				
Net investment in capital assets	4,984,998	7,052,962	12,037,960	376,915
Unrestricted	1,149,753	2,286,922	3,436,675	321,538
Total net position	\$ 6,134,751	\$ 9,339,884	\$ 15,474,635	\$ 698,453

See accompanying Notes to Basic Financial Statements

City of Cotati
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2022

	Business-type Activities			Governmental
	Water	Wastewater	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:				
Charges for services	\$ 2,331,192	\$ 3,063,175	\$ 5,394,367	\$ 250,149
Other operating revenues	3,755	20,578	24,333	-
Total operating revenues	2,334,947	3,083,753	5,418,700	250,149
OPERATING EXPENSES:				
Personnel services	845,910	825,435	1,671,345	170,114
Contractual services	218,686	150,361	369,047	-
Intergovernmental treatment costs	-	2,145,506	2,145,506	-
Utilities	74,801	15,271	90,072	-
Purchased water	453,915	-	453,915	-
Supplies and materials	144,879	183,547	328,426	2,357
Depreciation	292,815	272,160	564,975	129,405
Total operating expenses	2,031,006	3,592,280	5,623,286	301,876
OPERATING INCOME (LOSS)	303,941	(508,527)	(204,586)	(51,727)
NONOPERATING REVENUES (EXPENSES):				
Interest and investment revenues	(20,900)	22,110	1,210	(5,363)
Interest expense	(9,147)	(25,517)	(34,664)	-
Total nonoperating revenues (expenses)	(30,047)	(3,407)	(33,454)	(5,363)
Income before contributions and transfers	273,894	(511,934)	(238,040)	(57,090)
Change in net position	273,894	(511,934)	(238,040)	(57,090)
NET POSITION:				
Beginning of year	5,860,857	9,851,818	15,712,675	755,543
End of year	\$ 6,134,751	\$ 9,339,884	\$ 15,474,635	\$ 698,453

City of Cotati
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2022

	Business-type Activities			Governmental
	Water	Wastewater	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 2,362,682	\$ 3,079,226	\$ 5,441,908	\$ -
Interfund charges for services	-	-	-	250,149
Payments to suppliers	(950,183)	(2,688,255)	(3,638,438)	(2,357)
Payments to employees	(760,038)	(730,866)	(1,490,904)	(192,594)
Net cash provided by (used in) operating activities	652,461	(339,895)	312,566	55,198
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund loans	-	95,322	95,322	-
Interfund interest	(9,147)	(25,517)	(34,664)	-
Repayments of interfund balances	(95,322)	(41,981)	(137,303)	-
Net cash provided by (used in) noncapital financing activities	(104,469)	27,824	(76,645)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	-	-	-	(112,973)
Net cash provided by (used in) capital and related financing activities	-	-	-	(112,973)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest receipts	(20,900)	22,109	1,209	(5,363)
Net cash provided by (used in) investing activities	(20,900)	22,109	1,209	(5,363)
Net cash flows	527,092	(289,962)	237,130	(63,138)
CASH AND CASH EQUIVALENTS - Beginning of year	2,004,648	3,441,086	5,445,734	741,099
CASH AND CASH EQUIVALENTS - End of year	\$ 2,531,740	\$ 3,151,124	\$ 5,682,864	\$ 677,961
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 303,941	\$ (508,527)	\$ (204,586)	\$ (51,727)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	292,815	272,160	564,975	129,405
Changes in assets and liabilities:				
Receivables, net	19,713	(828,883)	(809,170)	-
Prepayments	(54,195)	(51,456)	(105,651)	-
Due from other governments	(11,431)	21,095	9,664	-
Accounts payable	(3,707)	(142,114)	(145,821)	-
Net pension liability	(420,589)	(390,521)	(811,110)	-
Other liabilities	525,914	1,288,351	1,814,265	(22,480)
Net cash provided by (used in) operating activities	\$ 652,461	\$ (339,895)	\$ 312,566	\$ 55,198

See accompanying Notes to Basic Financial Statements

FIDUCIARY FUND FINANCIAL STATEMENTS

The Private Purpose Trust Fund, a fiduciary fund type, accounts for all of the assets, liabilities, and financial activities of the Successor Agency to the City's former Redevelopment Agency that was dissolved effective February 1, 2012.

Custodial Fund, a custodial fund that is used to facilitate a special assessment debt service charged to land owners for the financing provided to develop the business park.

City of Cotati
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Private Purpose Trust	Custodial Fund
ASSETS		
Cash and cash equivalents	\$ 1,318,688	\$ 317,859
Cash with trustees	-	269,830
Prepayments	3,644	-
Tax receivable	-	830
Notes receivable	1,468,071	-
Capital assets:		
Land	287,048	-
Total assets	3,072,547	588,519
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on debt refunding	89,792	-
Total deferred outflows of resources	89,792	-
LIABILITIES		
Accounts payable	62,288	-
Interest payable	25,009	-
Tax allocation bonds	7,754,781	-
Total liabilities	7,842,078	-
NET POSITION (DEFICIT):		
Held in trust for :		
Successor agency	(4,679,739)	-
Bondholders	-	588,519
Total net position (deficit)	\$ (4,679,739)	\$ 588,519

City of Cotati
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022

	Private Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Net investment income	\$ 31,774	\$ -
Assessment revenue	-	368,537
Distributions for enforceable obligations	455,911	-
Total additions	487,685	368,537
DEDUCTIONS:		
Bond interest	113,899	132,970
Bond principal	-	231,343
Administrative costs	73,250	3,275
Payments on pass-through agreements	61,788	-
Bond disclosure	2,850	-
Bond trustee	17,979	-
Total deductions	269,766	367,588
Change in net position	217,919	949
NET POSITION (DEFICIT):		
Beginning of year, as restated	(4,897,658)	587,570
End of year	\$ (4,679,739)	\$ 588,519

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**There's Nothing Square
About This Town**

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Cotati, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. *Financial Reporting Entity*

The City 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 fund) 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. *Basis of Accounting and Measurement Focus*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

These financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred inflows/outflows of resources, and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

Certain types of transactions reported as program revenues for the City are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transaction balances have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures in the current period.

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

General Fund – the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Inclusionary Housing Fund – is a special revenue fund used to account for in lieu impact fees restricted in use to inclusionary housing purposes.

Low Income Housing Fund – is a fund which was established to conduct the dissolution operations related to low-income housing assets and activities of the former Redevelopment Agency.

ARPA 2021 Fund – is a fund which was established to account for the receipt and spending of the American Rescue Plan Act.

City Capital Project 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 non water/sewer infrastructure and which are to be used to benefit the public.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally those received within 60 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.), grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements, Continued

A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increase (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following enterprise funds as proprietary funds of the City:

Water Fund - accounts for the operations of the City’s water distribution system.

Wastewater Fund - accounts for the operation of the City’s wastewater collection activities.

Additionally, the City reports the following fund type:

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has two types of fiduciary funds, a private-purpose trust fund and a custodial fund. Private purpose trust funds account for all other trust arrangements in which principal and income benefit individuals, private organizations, and other governments (i.e. unclaimed property/escheat property). Custodial funds are used to account for the assets held for distribution by the City as an agent for another entity for which the City has a custodial responsibility and accounts for the flow of assets. Fiduciary funds are accounted for using the accrual basis of accounting.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements, Continued

The financial activities of these funds are excluded from the City-wide financial statements but are presented in separate fiduciary fund financial statements. The City reports the following fiduciary funds:

The Private-Purpose Trust Fund – accounts 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 Custodial Fund – is a fund that is used to facilitate a special assessment debt service charged to landowners for the financing provided to develop the business park.

C. Cash and Investments

The City maintains a cash and investments pool that is available for use by all funds. Each fund’s portion of this pool is displayed as cash and investments on the balance sheets for the governmental funds and the statements of net position for the proprietary fund and agency funds as cash and investments. Investments are stated at fair value.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB Statement No. 3)*, certain disclosure requirements for deposits and investment risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one-year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured using Level 1, Level 2, or Level 3 inputs as of June 30, 2022.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Cash and Investments, Continued

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "cash and investments" in the accompanying basic financial statements.

For the purpose of the Statement of Cash Flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

D. 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 the government-wide and fund financial statements.

E. Leases Receivable

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Deferred inflows of resources are recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

F. 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 acquisition 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:

Asset Type	Useful Life
Buildings and improvements	30 years
Public domain infrastructure	50 years
System infrastructure	10-40 years
Vehicles and equipment	5-10 years
Other Assets	2+ years

G. Compensated Absences Payable

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. The City typically uses the General Fund, Water Fund, and Wastewater Fund to liquidate the majority of its compensated absences.

H. Long-Term Debt

In the government-wide financial statements and in 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 position.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. *Deferred Outflows/Inflows of Resources*

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

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

J. *Net Position and Fund Balances*

Net position is measured on the full accrual basis, while fund balance is measured on the modified accrual basis.

Government-Wide Financial Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined only at the government-wide level, and are described below:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted – This amount is all net position that does not meet the definition of “investment in capital assets” or “restricted net position” as defined above.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply to restricted net position first.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. Net Position and Fund Balances, Continued

Fund Financial Statements

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

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

Nonspendable amounts are generally items not expected to be converted into cash such as inventories, prepaid items, and long-term receivables.

Restricted fund balances include those where constraints are placed on the uses of the resources externally imposed by grantors, contributors, other governments, or bylaws or regulations.

Committed fund balances are those that can only be used for a specific purpose as determined by resolution of the City Council. Such committed amounts may be redeployed for other uses only by resolution of the City Council.

Assigned fund balances 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 fund balance 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 to be reduced first, followed by assigned amounts, and then unassigned amounts.

K. Property Taxes

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

L. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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. The pension liability are allocated across the governmental, proprietary and fiduciary funds. The governmental portion is liquidated by the General Fund.

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles required that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

The governmental portion is liquidated by the General Fund

N. Use of Estimates

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

O. New Accounting Pronouncements

In 2022, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 87, *Leases* - The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

O. New Pronouncements, Continued

- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of the Construction Period* – The objective of this statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 92, *Omnibus 2020* – The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* – The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (457 plans) that meet the definition of a pension plan and for benefits provided through those plans.
- GASB Statement No. 99, *Omnibus 2022* – The primary objectives of this statement are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. The requirements of this statement did not apply to the City for the current fiscal year.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investments held by trustees.

A. Summary of Cash and Investments

The following is a summary of the cash and investments at June 30, 2022:

	Government-Wide Statement of Net Position			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and investments	\$ 11,453,908	\$ 5,682,864	\$ 1,636,547	\$ 18,773,319
Cash with trustees	-	-	269,830	269,830
Total cash and investments	\$ 11,453,908	\$ 5,682,864	\$ 1,906,377	\$ 19,043,149

Cash and investments at June 30, 2022 consist of the following:

Pooled deposits	\$ 2,001,986
Total cash on hand and deposits	2,001,986
Local Agency Investment Funds (LAIF)	15,572,886
Sonoma County Investment Pool	688,134
Insured deposits	510,313
Total investments	16,771,333
Total City Treasury	18,773,319
Investments with trustees	269,830
Total cash and investments	\$ 19,043,149

B. Deposits

The carrying amount of the City's cash deposit was \$2,001,403 as of June 30, 2022. Bank balances before reconciling items were a positive amount of \$3,476,127 at June 30, 2022. The City's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Commission. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, CONTINUED

B. Deposits, Continued

Fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % of Portfolio	Maximum Investment in One Issuer
Bank/Time Deposits	5 years	N/A	None	None
U.S. Treasury Securities	5 years	N/A	None	None
U.S. Agency Securities	5 years	N/A	75%	25%
Money Market Funds	N/A	N/A	20%	10%
Bankers Acceptances	180 days	A1/P1	20%	5%
Commercial Paper	270 days	A1/P1	25%	5%
Negotiable Certificates of Deposit	5 years	A < 1 year	30%	5%
Local Agency Investment Fund (LAIF)	N/A	N/A	Per State Statute	Per State Statute
CAMP/Caltrust	N/A	N/A	None	None
CDs Nonnegotiable / CDARS	3 years	N/A	30%	5%
Municipal Obligations	5 years	A	5%	5%
Medium Term Notes	5 years	A	30%	30%
Supranational	5 years	AAA	2%	2%

Investments are stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds for the year ended June 30, 2022:

Interest income	\$ 78,570
Unrealized gain (loss) on changes in fair value of investments	(203,109)
Total investment income	<u>\$ (124,539)</u>

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. Generally, the City's practice is to buy and hold investments until maturity and carry such investments at fair value.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, CONTINUED

C. Investments Authorized by the Code and the City's Investment Policy, Continued

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2022 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included structure notes and asset-backed securities described below.

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations) or credit card receivables.

At June 30, 2022, the City had \$15,567,750 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.98712 was used to calculate the fair value of the investments in LAIF.

The City is also a voluntary participant in the Sonoma County Investment Pool (County Pool) that is regulated by the County's Investment Policy under the oversight of the Treasury of the County. The County does not provide the City with a fair value factor, and the City's fair value of its position in the pool is the same as the value of the pool shares.

D. Risk Disclosures

Interest Risk: Interest rate risk is the market value fluctuation due to overall changes in the 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.

Investments held in the City Treasury grouped by maturity date at June 30, 2022 are as follow:

Investment Type	Total	Investment Maturities (in Months)		
		12 Months or less	13 to 24 Months	More than 24 Months
Insured Deposits	\$ 510,313	\$ 510,313	\$ -	\$ -
Subtotal	510,313	510,313	-	-
Joint investment pools:				
Local Agency Investment Fund (LAIF)	15,572,886	15,572,886	-	-
Sonoma County Investment Pool	688,134	688,134	-	-
Total	\$ 16,771,333	\$ 16,771,333	\$ -	\$ -

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS, CONTINUED

D. Risk Disclosures, Continued

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City's policy to comply with state law as regards security ratings. The City's investment in mutual funds was rated Aaa by Moody's Investor Service. LAIF and the Sonoma County Investment Pool are unrated.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the 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. The City's investments in LAIF, the County Pool, and mutual funds are not subject to custodial credit risk.

E. Investment Valuation

Investments (except for money and market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At June 30, 2022, the City did not have any investments measured using Level 1, Level 2, or Level 3 inputs. The Sonoma County Investment Pool and the State of California Local Agency Investment Fund Pool are not subject to levelling.

F. Cash and Investments Held in Trust

The Cash and investments of the Successor Agency at June 30, 2022 consisted of \$1,318,688 in bank deposits held by the City.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

3. INTERFUND ACTIVITIES

A. Due To/From Other Funds

At June 30, 2022, the City had the following due to/from other funds:

Due To	Due From
	General Fund
ARPA 2021 Fund	\$ 886,315
Nonmajor Governmental Funds	209,330
Water Fund	538,650
Wastewater Fund	515,971
Total	\$ 2,150,266

B. Advances to/From Other Funds

At June 30, 2022, the City had the following advances to/from other funds:

Advance To	Advance From		
	Inclusionary Housing Fund	Wastewater	Total
Water Fund	\$ -	\$ 550,090	\$ 550,090
Wastewater Fund	826,613	-	826,613
Total	\$ 826,613	\$ 550,090	\$ 1,376,703

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 advance is due in quarterly installments of \$26,117 through September 30, 2030 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 a period of 20 years in annual installments of \$67,498 annually and at an annual interest rate of 3%.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

3. INTERFUND ACTIVITIES

C. Transfers

During the year ended June 30, 2022, the City had the following transfers in/out:

Transfers Out	Transfers In			Total
	General Fund	City Capital Projects Fund	Nonmajor Governmental	
General Fund	\$ -	\$ 4,041,986	\$ 102,492	\$ 4,144,478
ARPA 2021 Fund	1,772,630	-	-	1,772,630
City Capital Projects Fund	-	350,000	-	350,000
Nonmajor Governmental Funds	4,164,002	949,672	2,000,000	7,113,674
Total	\$ 5,936,632	\$ 5,341,658	\$ 2,102,492	\$ 13,380,782

The transfers out of the General Fund and nonmajor governmental funds were primarily to provide funds to the City's capital projects for infrastructure projects.

4. NOTES RECEIVABLE

The City's loans receivable were comprised of the following at June 30, 2022:

Description	Balance as of June 30, 2022	Accrued interest	Total Receivable
Note receivable, original principal \$370,000	\$ 370,000	\$ 265,297	\$ 635,297
Note receivable, original principal \$397,000	397,000	128,131	525,131
Totals	\$ 767,000	\$ 393,428	\$ 1,160,428

The notes receivable consists of two notes with original principal of \$767,000 plus \$393,428 in deferred interest payable at maturity. The notes bear interest at 3% deferred until maturity of 2041 (\$370,000) and 2058 (\$397,000) and are secured by deeds of trust on housing projects.

5. LEASES RECEIVABLE

County of Sonoma Leachate Transfer

In October 2014, the City entered into a lease with the County of Sonoma. Under the lease, the lessee pays the City \$34,673 per year through 2045 in exchange for the lessee's right to connect to the City sewer and use excess capacity for transferring leachate. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 0.37% which is the Local Agency Investment Fund rate as of the implementation date. For the year ended June 30, 2022, the City recognized \$34,924 of lease revenue and \$3,110 of interest revenue under the lease.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

5. LEASES RECEIVABLE, CONTINUED

Cingular Wireless

In August 2004, the City entered into a lease with Cingular Wireless. Under the lease, the lessee pays the City \$2,200 per year for 5 years, in exchange for use of the cell tower site. The lease term shall be automatically extended for up to 4 additional 5-year periods unless the lessee elects to not exercise such renewal term. The City estimates that the lessee will extend the lease term until 2041. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 0.37% which is the Local Agency Investment Fund rate as of the implementation date. For the year ended June 30, 2022, the City recognized \$2,117 of lease revenue and \$157 of interest revenue under the lease.

The future lease payments on the leases as of June 30, 2022 were as follows:

Year Ending June 30,	Leachate		Cell Tower		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 33,581	\$ 2,986	\$ 2,050	\$ 149	\$ 35,631	\$ 3,135
2024	33,706	2,861	2,058	142	35,764	3,003
2025	33,831	2,736	2,066	134	35,897	2,870
2026	33,957	2,610	2,073	127	36,030	2,737
2027	34,083	2,484	2,081	119	36,164	2,603
2028-2032	172,319	10,516	10,521	478	182,840	10,994
2033-2037	175,538	7,296	10,720	280	186,258	7,576
2038-2042	178,819	4,016	8,720	81	187,539	4,097
2043-2045	108,894	809	-	-	108,894	809
Total	<u>\$ 804,728</u>	<u>\$ 36,314</u>	<u>\$ 40,289</u>	<u>\$ 1,510</u>	<u>\$ 845,017</u>	<u>\$ 37,824</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. CAPITAL ASSETS

Capital assets activity relating to governmental activities for the year ended June 30, 2022 was as follows:

	Balance at July 1, 2021,	Additions	Retirements	Transfers	Balance at June 30, 2022
Governmental activities:					
Nondepreciable capital assets:					
Land	\$ 8,631,561	\$ -	\$ -	\$ -	\$ 8,631,561
Construction in progress	354,526	5,007,786	-	(168,108)	5,194,204
Total nondepreciable capital assets	8,986,087	5,007,786	-	(168,108)	13,825,765
Depreciable capital assets:					
Buildings	9,981,703	-	-	-	9,981,703
Machinery and equipment	722,586	-	-	-	722,586
Vehicles	1,578,411	112,973	-	-	1,691,384
Improvements	22,401,029	156,961	-	168,108	22,726,098
Leased assets	34,874	-	-	-	34,874
Total depreciable capital assets	34,718,603	269,934	-	168,108	35,156,645
Less accumulated depreciation:					
Buildings	(3,185,881)	(214,335)	-	-	(3,400,216)
Machinery and equipment	(639,258)	(24,156)	-	-	(663,414)
Vehicles	(1,185,063)	(129,405)	-	-	(1,314,468)
Improvements	(10,774,256)	(627,866)	-	-	(11,402,122)
Leased assets	(19,751)	(4,596)	-	-	(24,347)
Total accumulated depreciation	(15,804,209)	(1,000,358)	-	-	(16,804,567)
Total depreciable capital assets, net	18,914,394	(730,424)	-	168,108	18,352,078
Total capital assets	\$ 27,900,481	\$ 4,277,362	\$ -	\$ -	\$ 32,177,843

Construction in progress at June 30, 2022 represents primarily costs incurred related to construction improvements to the City's street system.

For the year ended June 30, 2022, depreciation expense by program/function for capital assets was as follows:

Governmental activities:	
General government	\$ 146,211
Public safety	120,735
Public works	477,303
Community development	126,704
Other internal service	129,405
Total depreciation expense	<u>\$ 1,000,358</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

6. CAPITAL ASSETS, CONTINUED

Capital assets activity relating to business-type activities for the year ended June 30, 2022 was as follows:

	Balance at July 1, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
Business-type activities:					
Nondepreciable capital assets:					
Construction in progress	\$ 68,267	\$ -	\$ -	\$ (68,267)	\$ -
Total nondepreciable capital assets	68,267	-	-	(68,267)	-
Depreciable capital assets:					
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	16,109,721	-	-	68,267	16,177,988
Equipment	109,822	-	-	-	109,822
Total depreciable capital assets	20,608,673	-	-	68,267	20,676,940
Less accumulated depreciation:					
Water wells	(1,116,959)	(31,228)	-	-	(1,148,187)
Reservoirs	(1,169,295)	(28,334)	-	-	(1,197,629)
Improvements	(544,075)	(56,959)	-	-	(601,034)
Pipelines and collection system	(5,085,269)	(440,694)	-	-	(5,525,963)
Equipment	(158,407)	(7,760)	-	-	(166,167)
Total accumulated depreciation	(8,074,005)	(564,975)	-	-	(8,638,980)
Total depreciable capital assets, net	12,534,668	(564,975)	-	68,267	12,037,960
Total capital assets	\$ 12,602,935	\$ (564,975)	\$ -	\$ -	\$ 12,037,960

For the year ended June 30, 2022, depreciation expense by program/function for capital assets was as follows:

Business-type activities:	
Water	\$ 292,815
Wastewater	272,160
Total depreciation expense	<u>\$ 564,975</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

7. COMPENSATED ABSENCES

Compensated absences activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 378,903	\$ 267,462	\$ (290,640)	\$ 355,725	\$ 251,395
Business-Type Activities:					
Compensated absences payable	223,891	66,711	(94,593)	196,009	168,852
Total	<u>\$ 602,794</u>	<u>\$ 334,173</u>	<u>\$ (385,233)</u>	<u>\$ 551,734</u>	<u>\$ 420,247</u>

8. LONG-TERM DEBT

The following is a summary of the City's long-term debt activity for the year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Due Within One Year
Governmental Activities:					
Lease obligation	\$ 11,618	\$ -	\$ (7,625)	\$ 3,993	\$ 3,993
City of Cotati Series 2022A lease obligation	-	2,102,254	-	2,102,254	271,110
City of Cotati Series 2022B lease obligation	-	4,087,760	-	4,087,760	212,530
Total	<u>\$ 11,618</u>	<u>\$ 6,190,014</u>	<u>\$ (7,625)</u>	<u>\$ 6,194,007</u>	<u>\$ 487,633</u>

A. Lease Obligation

The City in fiscal year 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
2023	\$ 3,993	\$ 80	\$ 4,073
Totals	<u>\$ 3,993</u>	<u>\$ 80</u>	<u>\$ 4,073</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

8. LONG-TERM DEBT, CONTINUED

B. Series 2022A Lease Obligation

In 2022, the City entered into a lease/leaseback agreement with First Foundation Public Finance to finance the streets improvement project. Under the agreement, the City leased certain real property situated in the City of Cotati to First Foundation Public Finance. The City then leased back the property in exchange for lease payments due semiannually through 2041. The lease has a stated discount rate of 2.45%.

Fiscal Year	Principal	Interest	Total
2023	\$ 271,110	\$ 63,048	\$ 334,158
2024	279,920	181,661	461,581
2025	286,820	174,761	461,581
2026	293,890	167,690	461,580
2027	301,130	160,446	461,576
2028-2032	1,620,720	687,153	2,307,873
2033-2037	1,830,590	477,296	2,307,886
2038-2041	2,871,640	180,391	3,052,031
Totals	\$ 7,755,820	\$ 2,092,446	\$ 9,848,266

C. Series 2022B Lease Obligation

In 2022, the City entered into a lease/leaseback agreement with First Foundation Public Finance to finance a portion of its unfunded Accrued Liability to California Public Employees Retirement System. Under the agreement, the City leased certain real property situated in the City of Cotati to First Foundation Public Finance. The City then leased back the property in exchange for lease payments due semiannually through 2036. The lease has a stated discount rate of 3.33%.

Fiscal Year	Principal	Interest	Total
2023	\$ 212,530	\$ 135,866	\$ 348,396
2024	221,190	127,204	348,394
2025	228,620	119,777	348,397
2026	236,300	112,099	348,399
2027	244,230	104,165	348,395
2028-2032	1,349,810	392,155	1,741,965
2033-2037	1,595,070	146,908	1,741,978
Totals	\$ 4,087,750	\$ 1,138,174	\$ 5,225,924

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

9. LONG-TERM DEBT WITH NO CITY COMMITMENT

The special assessment bonds were issued in an original amount of \$4,007,977 for the purpose of refunding the Cotati 2001 Limited Obligation Improvement Bonds which were issued to 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 bears an interest rate of 2.95% and matures in 2034. The outstanding balance as of June 30, 2022 was \$3,528,285.

10. DEFINED BENEFIT PENSION PLANS

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors six rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

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

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. DEFINED BENEFIT PENSION PLANS, CONTINUED

Benefits Provided, Continued

The rate plan provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Miscellaneous Plans		
	Tier 1	Tier 2	PEPRA
Hire date	Prior to 4/27/2011	4/27/2011 to 12/31/2012	On or after 1/1/2013
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 year service	5 year service	5 year service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Monthly benefits as a % of eligible compensation	2.70%	2.00%	2.00%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	14.02%	9.13%	7.59%
Required unfunded liability payment	\$603,775	\$6,970	\$9,408

	Safety Plans		
	Tier 1	Tier 2	PEPRA
Hire date	Prior to 7/1/2011	7/1/2011 to 12/31/2012	On or after 1/1/2013
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 year service	5 year service	5 year service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	57
Monthly benefits as a % of eligible compensation	3.00%	2.00%	2.70%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	22.48%	18.19%	13.13%
Required unfunded liability payment	\$337,651	\$3,618	\$4,623

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

The City’s contributions to the Plan for the measurement period ended June 30, 2021 were \$1,272,801.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. DEFINED BENEFIT PENSION PLANS, CONTINUED

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

As of June 30, 2022, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$6,725,519.

The City's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportionate share of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for the Plan as of the measurement date of June 30, 2020 and 2021 were as follows:

Proportion - June 30, 2021	0.12436%
Proportion - June 30, 2020	<u>0.09964%</u>
Change - Increase (decrease)	-0.02472%

For the year ended June 30, 2022, the City recognized pension expense of \$2,278,581. At June 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 914,634	\$ -
Changes in assumptions	-	-
Net differences between projected actual earnings and actual earnings on plan investments	-	(5,111,986)
Changes in employer's proportion	-	(220,126)
Differences between the employer's contributions and the employer's proportionate share of contributions	45,870	(262,115)
Pension contributions subsequent to the measurement date	<u>7,372,022</u>	<u>-</u>
Total	<u>\$ 8,332,526</u>	<u>\$ (5,594,227)</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. DEFINED BENEFIT PENSION PLANS, CONTINUED

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

The City reported \$7,372,022 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2023	\$ (994,538)
2024	(1,070,462)
2025	(1,157,924)
2026	(1,410,799)

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality ⁽¹⁾	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1)The mortality table used was developed based on CalPERS specific MP 2016 published by the Society of Actuaries data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. DEFINED BENEFIT PENSION PLANS, CONTINUED

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

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

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

Asset Class ⁽¹⁾	Assumed Asset Allocation	Real Return Years 1 - 10 ⁽²⁾	Real Return Years 11+ ⁽³⁾
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	0.92%

(1) In the system's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

(3) An expected inflation of 2.92% used for this period.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

10. DEFINED BENEFIT PENSION PLANS, CONTINUED

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

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

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	\$ 12,028,835	\$ 6,725,519	\$ 2,354,306

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

Payable to the Pension Plan

At June 30, 2022 the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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, 2022, 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	37
Total	<u>40</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB), CONTINUED

Benefits Provided, Continued

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 ended June 30, 2022, the City's average contribution rate was .003 percent of covered employee payroll. The amount contributed for fiscal 2022 was \$10,572 which amount was the amount of City paid benefit payments.

Actuarial Assumptions - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

	<u>Actuarial Assumptions</u>
Inflation	2.50% per year
Salary increases	2.80% plus merit/productivity increases according to CalPERS 2017 Experience Study
Discount rate	4.09%
Healthcare cost trend rates	7.0% non-Medicare/5.50% Medicare decreasing gradually to ultimate rate of 3.94% by 2075

Changes in the Total OPEB Liability

The changes in the total OPEB liability during the measurement period were as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2021	\$ 218,599
Changes for the year:	
Service cost	11,414
Interest	4,922
Changes in assumptions	(1,324)
Differences between expected and actual experience	(15,324)
Benefit payments	(10,572)
Net changes	<u>(10,884)</u>
Balances at June 30, 2022	<u>\$ 207,715</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB), 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 (1.19 percent) or 1-percentage point higher (3.19 percent) than the current discount rate.

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
Total OPEB Liability	\$ 225,584	\$ 207,715	\$ 191,703

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates 1-percentage point (1 percent) lower or higher than the current healthcare cost trend rates:

	1% Decrease 6.0% - 2.94%	Current Healthcare Cost Trend Rates 7.0% - 3.94%	1% Increase 8.0% - 4.94%
Total OPEB Liability	\$ 189,052	\$ 207,715	\$ 229,407

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

For the year ended June 30, 2022, the City recognized OPEB expense of negative \$8,182. At June 30, 2022, the City reported deferred outflows 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	\$ -	\$ (72,098)
Changes in assumptions	13,309	(12,389)
Total	\$ 13,309	\$ (84,487)

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB), CONTINUED

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 Ending June 30,		
2023	\$	(8,153)
2024		(8,153)
2025		(8,153)
2026		(8,153)
2027		(8,153)
Thereafter		(30,413)

Payable to the OPEB Plan

At June 30, 2022, no amount was payable to the OPEB Plan.

12. DEFICIT FUND BALANCE AND NET POSITION AND EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds reported deficit fund balances or net positions at June 30, 2022:

- K-9 Program Fund - Negative \$6,241 is primarily due to the initiation of the fund expenditures are pending receipts from the General Fund as allocated through Measure S sales tax.
- Private Purpose Trust Fund - Negative \$4,679,739 is primarily due to the outstanding tax allocation bond liability, (see note 15).

The following funds had expenditures in excess of appropriations:

- Landscape and Lighting Fund has expenditures in excess of appropriations of \$34,343.
- Gas Tax Fund has expenditures in excess of appropriations of \$8,479
- Community Facilities District Fund has expenditures in excess of appropriations of \$1,383.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

13. 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 California Intergovernmental Risk Authority (CIRA). CIRA 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 CIRA 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 CIRA can be obtained from its administrative offices at 2330 Eat Bidwell Suite 150, Folsom, CA 95630

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 CIRA. There have been no significant changes in insurance coverages in fiscal 2022. Settlements have not exceeded coverage for each of the past four fiscal years. The City has no material claim liabilities at June 30, 2022. However, during the fiscal year 2019, the Redwood Empire Municipal Insurance Fund, the predecessor joint power authority to CIRA 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 year ended June 30, 2022 were as follows:

	Workers Compensation	General Liability	Totals
Liability - July 1, 2021	\$ 72,216	\$ 34,934	\$ 107,150
Claims Incurred	-	-	-
Claims Payments	(24,073)	(17,467)	(41,540)
Changes to prior year estimates	-	-	-
Liability - June 30, 2022	<u>\$ 48,143</u>	<u>\$ 17,467</u>	<u>\$ 65,610</u>

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

14. 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.

Encumbrances - The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations, which have not yet been fulfilled, cancelled or discharged, at June 30, 2022, total governmental funds encumbrance balances for the City were:

	<u>Encumbrances</u>
General fund	\$ 254,875
City capital project fund	767,108
Non-major governmental fund	64,299

15. 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:

Sonoma County Water Agency - The City has an agreement with the agency for the purchase of water as the City does not have sufficient capacity to operate its own water service. The City's obligations under this agreement are to pay to the Agency its share of the costs of providing the water and operating related systems. The City records these payments as operating expenses in its water enterprise fund.

Sonoma County Public Safety Consortium (SCPSC) - was formed by a joint powers agreement on July 1, 2008 to efficiently and effectively operate, maintain and improve a public safety communication and data management system in Sonoma County. As a member, the City pays its proportionate share percentage of the total costs incurred by the SCPSC and records these payments as operating expenses within the general fund.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

16. 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.

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.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

16. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, CONTINUED

B. Enforceable Obligations

Changes in enforceable obligations for the year ended June 30, 2022 were as follows:

Private Purpose Trust Fund:	Balance			Balance June 30, 2022	Due Within One Year
	July 1, 2021	Additions	Deletions		
2020 Tax Allocation Bond	\$ 7,754,781	\$ -	\$ -	\$ 7,754,781	\$ 96,000
Total	<u>\$ 7,754,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,754,781</u>	<u>\$ 96,000</u>

Tax Allocation Refunding Bonds 2020

On July 1, 2020, the California Department of Finance approved the issuance and sale of tax allocation refunding bonds by the Cotati Community Successor Agency to the Former Redevelopment Agency. Refunding Bonds under the Dissolution Act - Section 34177.5 of the Health & Safety Code, which was added to the Dissolution Act by AB 1484, authorizes the Successor Agency to issue bonds for the purpose of refunding outstanding obligations of the Redevelopment Agency or the Successor Agency to provide savings to the Successor Agency. On July 28, 2021, the Agency refunded the obligations issued by the former Redevelopment Agency reducing the interest rate. Interest and principal on the bonds is payable each March 1 and September 1 through 2035. The bonds bear interest at rate of 1.290% percent. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$102,619, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$2,557,497 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,859,770.

Fiscal Year	Principal	Interest	Total
2023	\$ 96,000	\$ 99,417	\$ 195,417
2024	667,827	94,491	762,318
2025	672,278	85,847	758,125
2026	698,995	77,002	775,997
2027	710,093	67,914	778,007
2028-2032	3,695,434	198,756	3,894,190
2033-2036	1,214,154	30,664	1,244,818
Totals	<u>\$ 7,754,781</u>	<u>\$ 654,091</u>	<u>\$ 8,408,872</u>

Tax Allocation Pledged Revenues

The former Redevelopment Agency had pledged future tax increment revenues to pay debt service on the 2020 Tax Allocation Bonds. At June 30, 2022, total principal and interest remaining on the Successor Agency's bonds is \$8,408,872.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

17. FUND BALANCE CLASSIFICATION

As of June 30, 2022, fund balances were classified as shown below.

	General Fund	Inclusionary Housing Fund	Low Income Housing Fund	City Capital Project Fund	Nonmajor Governmental Funds	Total
Nonspendable:	\$ 485,752	\$ -	\$ -	\$ -	\$ -	\$ 485,752
Subtotal	485,752	-	-	-	-	485,752
Restricted:						
Affordable housing	-	3,003,099	-	-	206,664	3,209,763
Public safety	-	-	-	-	58,528	58,528
Streets	-	-	-	-	761,117	761,117
Parks	-	-	-	-	345,470	345,470
Public education	-	-	-	-	27,197	27,197
Capital projects	-	-	-	-	1,878,764	1,878,764
Subtotal	-	3,003,099	-	-	3,277,740	6,280,839
Committed:						
Emergencies	2,131,107	-	-	-	-	2,131,107
Capital projects	-	-	-	85,584	77	85,661
Subtotal	2,131,107	-	-	85,584	77	2,216,768
Assigned:	142,939	-	-	-	-	142,939
Subtotal	142,939	-	-	-	-	142,939
Unassigned	6,235,593	-	-	-	-	6,235,593
Total	\$ 8,852,452	\$ 3,003,099	\$ -	\$ 85,584	\$ 3,277,817	\$ 15,361,891

Committed

Contingency Reserve

The City Council has established by resolution to allow the City to weather unpredicted cyclical and rapid downturns in the economy. These funds would be available for use in such conditions to mitigate negative economic fiscal impact or State takeaways. An economic downturn would entail a projected and/or sudden drop in core revenues of equal to or greater than 10% and/or a change in economic parameters that cause a material change in expenditures of 10% or more, or the occurrence of local natural disaster or unexpected financial claim requiring the immediate use of cash balances.

City of Cotati
Notes to Basic Financial Statements
For the Year Ended June 30, 2022

18. DEFERRED COMPENSATION PLAN

The City established a Mission Square 457 deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan available to all City employees, provides tax-deferred savings and/or a retirement supplement. Employees made contributions through payroll deductions, and the City provides matching contribution for certain groups of employees as negotiated within each MOU. Full-time regular employees with Tier 2 or Tier 3 ("PEPRA") pension benefits are eligible to participate in a City matching deferred compensation plan. Provided the total City contribution to Tier 2 or Tier 3 pension benefits remains under twenty percent (20%) of the employee's base salary, the City will match employee contributions to the City's deferred compensation plan, up to a maximum of three percent (3%) of base salary. During fiscal year 2022, the City incurred \$40,680 of expense and had a zero related liability as of June 30, 2022.

19. PRIOR PERIOD ADJUSTMENTS

Restatements were recorded to accrue payroll not properly accrued in prior year.

	Net Position/ Fund Balance as Previously Reported	Prior Period Adjustments <u>Adjustment to Payroll Accrual</u>	Net Position/ Fund Balance Net Position as Restated
<i>Government-wide Financial Statements</i>			
Governmental activities	\$ 35,714,452	\$ (94,058)	\$ 35,620,394
Business-type activities	15,737,612	(24,937)	15,712,675
Total	<u>\$ 51,452,064</u>	<u>\$ (118,995)</u>	<u>\$ 51,333,069</u>
<i>Fund Financial Statements</i>			
General Fund	\$ 9,217,717	\$ (94,058)	\$ 9,123,659
Water fund	5,873,586	(12,729)	5,860,857
Wastewater fund	9,864,026	(12,208)	9,851,818
Private purpose trust fund	(4,894,799)	(2,859)	(4,897,658)
Total	<u>\$ 4,969,227</u>	<u>\$ (15,067)</u>	<u>\$ 4,954,160</u>

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Required Supplementary Information

Budgetary Comparison Schedules
General Fund & Inclusionary Housing,
Schedule of Changes in City's Total OPEB Liability & Related Ratios
Schedule of The City's Proportionate Share of the Net Pension
Liability
Schedule of the City's Pension Contributions

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BUDGET AND BUDGETARY ACCOUNTING

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, inclusionary housing 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. Low income housing fund holds balance sheet activity for notes issued for inclusionary housing projects, as such it does not have revenue and expenditures or related adopted budget.

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.

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
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 1,964,916	\$ 1,895,397	\$ 1,873,508	\$ (21,889)
Sales taxes	5,561,951	5,960,000	6,230,425	270,425
Other taxes	630,000	660,000	720,920	60,920
Licenses and permits	552,300	560,100	689,807	129,707
Intergovernmental	190,308	196,888	107,218	(89,670)
Charges for services	410,950	537,659	739,363	201,704
Interest and rents	101,000	88,000	37,696	(50,304)
Miscellaneous	1,417,800	233,120	249,997	16,877
Total revenues	10,829,225	10,131,164	10,648,934	517,770
EXPENDITURES:				
General government:				
City Council	135,907	140,827	174,634	(33,807)
City manager/city clerk	674,198	930,315	974,580	(44,265)
Administrative services	385,070	486,965	481,786	5,179
Public safety:				
Police	4,474,645	7,709,770	7,566,318	143,452
Community development	981,137	1,232,137	1,207,405	24,732
Public works:				
Public works, parks, buildings	1,814,092	2,370,142	2,156,501	213,641
Total expenditures	8,474,429	12,879,536	12,569,356	310,180
REVENUES OVER (UNDER) EXPENDITURES	2,354,796	(2,748,372)	(1,920,422)	827,950
OTHER FINANCING SOURCES (USES):				
Transfers in	164,000	4,164,000	5,936,632	1,772,632
Transfers (out)	(3,758,340)	(2,694,947)	(4,144,478)	(1,449,531)
Total other financing sources (uses)	(3,594,340)	1,469,053	1,792,154	323,101
Net change in fund balances	(1,239,544)	(1,279,319)	(128,268)	1,151,051
FUND BALANCES:				
Beginning of year	5,243,248	8,837,158	9,123,659	286,501
End of year	\$ 4,003,704	\$ 7,557,839	\$ 8,995,391	\$ 1,437,552

City of Cotati
Required Supplementary Information
Budgetary Comparison Schedule - Inclusionary Housing Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ 67,499	\$ 67,499	\$ 8,606	\$ (58,893)
Total revenues	67,499	67,499	8,606	(58,893)
EXPENDITURES:				
General government:				
City Council	-	250,000	264,952	(14,952)
Total expenditures	-	250,000	264,952	(14,952)
REVENUES OVER (UNDER) EXPENDITURES	67,499	(182,501)	(256,346)	(73,845)
Net change in fund balances	67,499	(182,501)	(256,346)	(73,845)
FUND BALANCES:				
Beginning of year	2,219,689	1,912,045	3,259,445	1,347,400
End of year	\$ 2,287,188	\$ 1,729,544	\$ 3,003,099	\$ 1,273,555

City of Cotati
Required Supplementary Information
For the year ended June 30, 2022

DEFINED BENEFIT PENSION PLANS

Schedule of the City's Proportionate Share of the Net Pension Liability - Last Ten Fiscal Years

Fiscal Year End:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
City's proportion of the net pension liability	0.12436%	0.99640%	0.10214%	0.10525%
City's proportionate share of the net pension liability	\$ 6,725,519	\$ 10,841,096	\$ 10,466,093	\$ 10,142,246
City's covered payroll (plan year)	\$ 3,810,492	\$ 3,601,857	\$ 3,297,800	\$ 3,066,402
City's proportionate share of the net pension liability as a percentage of its covered payroll	176.50%	300.99%	317.37%	330.75%
City's fiduciary net position as a percentage of the total pension liability	88.29%	75.10%	75.26%	75.26%

Notes to the schedule:

*Benefit changes: In fiscal year 2021-2022 there were no benefit changes.

*Changes in assumptions: In fiscal year 2018-2019, the plan's discount rate was unchanged from 7.15%. In fiscal year 2019-2020, the discount rate was changed to 7.25%. In fiscal year 2020-2021, the discount rate changed to 7.15%

*Fiscal year 2015 was the 1st year of implementation, therefore there are fewer than 10 years shown.

Schedule of Pension Contributions - Last Ten Fiscal Years

Contributions for the fiscal year ending June 30,	2022	2021	2020	2019
Contractually required contribution	\$ 1,372,022	\$ 1,272,801	\$ 1,144,938	\$ 1,293,940
Contributions in relation to the contractually required contribution	7,372,022	(1,272,801)	(1,144,938)	(1,293,940)
Contribution deficiency (excess)	\$ 8,744,044	\$ -	\$ -	\$ -
City's covered payroll (City's fiscal year)	\$ 3,794,622	\$ 3,810,492	\$ 3,601,857	\$ 3,297,800
Contributions as a percentage of covered payroll	-194.28%	33.40%	31.79%	39.24%

Notes to the schedule:

*Fiscal year 2015 was the 1st year of implementation, therefore there are fewer than 10 years shown.

The actuarial methods and assumptions used to set the actuarially determined contribution for FY2021 were derived from June 30, 2019 funding valuation report.

Actuarial cost method	Entry age normal cost method
Amortization method/period	Level percent of pay, direc rate smoothing; Period differs by employer rate paln but not more than 30 years
Inflation	2.500%
Investment rate of return	7.00% net of investment and administrative expense
Salary increase	Vary by category, entry age, and duration of service
Mortality	Derived using CalPERS' Membership Data for all funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90% of Scale MP 2016 published by the Society of Actuaries

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
6/30/2017	6/30/2016	6/30/2015	6/30/2014
0.10666%	0.11214%	0.12248%	0.11983%
\$ 10,577,410	\$9,703,297	\$8,406,983	\$ 7,456,420
\$ 2,921,800	\$2,935,345	\$2,789,822	\$ 2,224,998
362.02%	330.57%	301.34%	335.12%
73.31%	74.06%	78.40%	79.82%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,153,203	\$1,069,601	\$1,004,742	\$ 771,201
<u>(1,153,203)</u>	<u>(1,069,601)</u>	<u>(1,004,742)</u>	<u>(771,201)</u>
\$ -	\$ -	\$ -	\$ -
<u>\$ 3,066,402</u>	<u>\$2,921,800</u>	<u>\$2,935,345</u>	<u>\$ 2,789,822</u>
37.61%	36.61%	34.23%	27.64%

City of Cotati
Required Supplementary Information
For the year ended June 30, 2022

OTHER POST EMPLOYMENT BENEFIT PLANS (OPEB)

Schedule of Changes in the City's Total OPEB Liability and Related Ratios - Last Ten Fiscal Years

	<u>FY2021/22</u>	<u>FY2020/21</u>	<u>FY 2019/20</u>	<u>FY 2018/19</u>	<u>FY 2017/18</u>
Total OPEB liability - beginning of year	\$ 218,599	\$ 276,582	\$ 299,337	\$ 289,775	\$ 361,662
Service cost	11,414	10,515	10,004	9,106	13,394
Interest	4,922	7,403	10,563	11,183	12,975
Changes in benefit terms	-	(61,104)	-	-	-
Changes in assumptions	(1,324)	8,266	(2,762)	9,123	(14,780)
Differences between expected and actual expe	(15,324)	(5,375)	(23,630)	-	(57,987)
Benefit payments	(10,572)	(17,688)	(16,930)	(19,850)	(25,489)
Net change in total OPEB liability	(10,884)	(57,983)	(22,755)	9,562	(71,887)
Total OPEB liability - end of year	<u>\$ 207,715</u>	<u>\$ 218,599</u>	<u>\$ 276,582</u>	<u>\$ 299,337</u>	<u>\$ 289,775</u>
Covered employee payroll	\$ 3,660,240	\$ 3,640,289	\$ 3,542,830	\$ 3,143,993	\$ 3,143,993
City's total OPEB liability as a percentage of covered payroll	5.7%	6.0%	7.8%	9.5%	9.2%

Notes to the schedule:

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

*Changes in assumptions: In fiscal year 2021-2022, discount rate changed from 2.66% to 2.19%

*Fiscal year 2018 was the 1st year of implementation, therefore there are fewer than 10 years shown.



Other Supplementary Information

Non-Major Funds Combining Financial Statements,
Budget to Actuals,
Schedule of Measure S 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

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City of Cotati
Budgetary Comparison Schedule - City Capital Projects Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 179,100	\$ 179,100	\$ 160,489	\$ (18,611)
Interest and rents	-	-	368	368
Total revenues	179,100	179,100	160,857	(18,243)
EXPENDITURES:				
Capital outlay	5,081,000	5,081,000	5,341,659	(260,659)
Total expenditures	5,081,000	5,081,000	5,341,659	(260,659)
REVENUES OVER (UNDER) EXPENDITURES	(4,901,900)	(4,901,900)	(5,180,802)	(278,902)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,081,000	5,081,001	5,341,658	260,657
Transfers (out)	(350,000)	(350,000)	(350,000)	-
Total other financing sources (uses)	4,731,000	4,731,001	4,991,658	260,657
Net change in fund balances	\$ (170,900)	\$ (170,899)	(189,144)	\$ (18,245)
FUND BALANCES:				
Beginning of year			274,728	
End of year			<u>\$ 85,584</u>	

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**There's Nothing Square
About This Town**

NONMAJOR GOVERNMENTAL 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 by City Council policy for a specific purpose. The City's reports the following nonmajor special revenue funds:

Landscape and Lighting Fund accounts for funds received through parcel tax assessments that are used for the purpose of financing the maintenance costs and improvement expenses of each district's landscaping and lighting zones.

Gas Taxes Fund accounts for funds received from the 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 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 Fee Fund accounts for funds received from development and used for park development and improvements as specified in the fee program.

MTC Street 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 Highway 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 sales tax receipts and distributions of the Sonoma County Measure M revenues.

Traffic Mitigation Fund accounts for funds received from development and used for street improvements as specified in the fee program.

Road Maintenance Rehabilitation Account (RMRA) Fund is 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.

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

Community Development Special Projects Fund is a special revenue fund that holds restricted funding for various minor funding sources.

Community Development Block Grant (CDBG) 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.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Public Safety Fund accounts for the Citizens Option for Public Safety (COPS) program and other Public Safety related grants. The 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.

K-9 Program accounts for funds received from private donations that are utilized for the Police Department K-9 program which provides for police officers safety, narcotics enforcement, and community relations.

Affordable Housing-Linkage accounts for a fee charged to developers, which is then spent on affordable housing preservation or production.

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

Community Facilities District Fund accounts for financing district that provides for funding specific facilities and services related to growth and development.

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 capital acquisitions need to be accounted for in that fund, such as police vehicles or copiers.

Capital Projects Unspent Bond Proceeds Fund accounts for excess funds available from previously issued bonds that are used for strategic one-time investments for economic development.

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City of Cotati
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Landscape and Lighting	Gas Taxes	Bed Tax	Parks In-Lieu	MTC Street	Traffic Mitigation
ASSETS						
Cash and investments	\$ 125,680	\$ -	\$ 31,975	\$ 86,288	\$ 2,904	\$ 594,864
Taxes receivable	801	-	-	-	-	-
Accounts receivable	274	10,816	-	-	19,140	-
Due from other governments	-	3,770	-	-	-	-
Total assets	126,755	14,586	31,975	86,288	22,044	594,864
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	660	-	-	-	-	-
Due to other funds	24,065	-	-	-	-	-
Total liabilities	24,725	-	-	-	-	-
Fund Balances:						
Restricted for affordable housing	-	-	-	-	-	-
Restricted for public safety	-	-	-	-	-	-
Restricted for streets	102,030	14,586	-	-	22,044	594,864
Restricted for parks	-	-	31,975	86,288	-	-
Restricted for public education	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-
Committed for capital projects	-	-	-	-	-	-
Committed for emergencies	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	102,030	14,586	31,975	86,288	22,044	594,864
Total liabilities, deferred inflows of resources, and fund balances	\$ 126,755	\$ 14,586	\$ 31,975	\$ 86,288	\$ 22,044	\$ 594,864

RMRA	Community Development Projects	Grant	CDBG	Public Safety	K-9 Program	Affordable Housing Linkage	PEG
\$ 13,886	\$ 214,745	\$ -	\$ 77	\$ 20,783	\$ -	\$ 206,664	\$ 22,181
-	-	-	-	-	-	-	-
13,707	26,629	-	-	29,819	-	-	5,016
-	-	198,087	-	-	-	-	-
<u>27,593</u>	<u>241,374</u>	<u>198,087</u>	<u>77</u>	<u>50,602</u>	<u>-</u>	<u>206,664</u>	<u>27,197</u>
-	-	17,755	-	-	1,308	-	-
-	-	180,332	-	-	4,933	-	-
-	-	198,087	-	-	6,241	-	-
-	-	-	-	-	-	206,664	-
-	14,167	-	-	50,602	-	-	-
27,593	-	-	-	-	-	-	-
-	227,207	-	-	-	-	-	-
-	-	-	-	-	-	-	27,197
-	-	-	77	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(6,241)	-	-
<u>27,593</u>	<u>241,374</u>	<u>-</u>	<u>77</u>	<u>50,602</u>	<u>(6,241)</u>	<u>206,664</u>	<u>27,197</u>
<u>\$ 27,593</u>	<u>\$ 241,374</u>	<u>\$ 198,087</u>	<u>\$ 77</u>	<u>\$ 50,602</u>	<u>\$ -</u>	<u>\$ 206,664</u>	<u>\$ 27,197</u>

City of Cotati
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Community Facilities District	Streets Bonds Project Fund	Debt Service Fund	Capital Projects Unspent Bond Proceeds	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 18,198	\$ 1,690,730	\$ -	\$ 169,640	\$ 3,198,615
Taxes receivable	-	-	-	-	801
Accounts receivable	1,804	-	-	-	107,205
Due from other governments	-	-	-	-	201,857
Total assets	20,002	1,690,730	-	169,640	3,508,478
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,387	-	-	221	21,331
Due to other funds	-	-	-	-	209,330
Total liabilities	1,387	-	-	221	230,661
Fund Balances:					
Restricted for affordable housing	-	-	-	-	206,664
Restricted for public safety	-	-	-	-	64,769
Restricted for streets	-	-	-	-	761,117
Restricted for parks	-	-	-	-	345,470
Restricted for public education	-	-	-	-	27,197
Restricted for capital projects	18,615	1,690,730	-	169,419	1,878,764
Committed for capital projects	-	-	-	-	77
Committed for emergencies	-	-	-	-	-
Unassigned	-	-	-	-	(6,241)
Total fund balances	18,615	1,690,730	-	169,419	3,277,817
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,002	\$ 1,690,730	\$ -	\$ 169,640	\$ 3,508,478

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City of Cotati
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Landscape and Lighting	Gas Taxes	Bed Tax	Parks In-Lieu	MTC Street	Traffic Mitigation
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	78,778	-
Intergovernmental	-	182,518	-	-	-	-
Charges for services	49,817	-	-	27,475	-	357,351
Interest and rents	(985)	56	1,748	(640)	15	(5,624)
Miscellaneous	-	-	-	-	-	-
Total revenues	48,832	182,574	1,748	26,835	78,793	351,727
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public works	78,738	12,979	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Cost of issuance	-	-	-	-	-	-
Total expenditures	78,738	12,979	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(29,906)	169,595	1,748	26,835	78,793	351,727
OTHER FINANCING SOURCES (USES):						
Proceeds from long term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	-	(171,151)	(2,000)	(31,584)	(80,000)	(180,345)
Total other financing sources (uses)	-	(171,151)	(2,000)	(31,584)	(80,000)	(180,345)
Net change in fund balances	(29,906)	(1,556)	(252)	(4,749)	(1,207)	171,382
FUND BALANCES (DEFICITS):						
Beginning of year	131,936	16,142	32,227	91,037	23,251	423,482
End of year	\$ 102,030	\$ 14,586	\$ 31,975	\$ 86,288	\$ 22,044	\$ 594,864

RMRA	Community Development Projects	Grant	CDBG	Public Safety	K-9 Program	Affordable Housing Linkage	PEG
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	109,530	-	-	-	-	-	-
-	-	170,478	-	199,387	-	-	-
-	2,706	-	-	-	-	110,410	19,882
(106)	(1,800)	-	-	(92)	-	(1,849)	(185)
149,592	-	-	-	-	72	-	-
149,486	110,436	170,478	-	199,295	72	108,561	19,697
-	-	-	-	-	-	-	12,553
-	-	9,116	-	-	6,313	-	-
-	-	133,453	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	130,401	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	272,970	-	-	6,313	-	12,553
149,486	110,436	(102,492)	-	199,295	(6,241)	108,561	7,144
-	-	-	-	-	-	-	-
-	-	102,492	-	-	-	-	-
(135,000)	(55,887)	-	-	(164,000)	-	-	-
(135,000)	(55,887)	102,492	-	(164,000)	-	-	-
14,486	54,549	-	-	35,295	(6,241)	108,561	7,144
13,107	186,825	-	77	15,307	-	98,103	20,053
\$ 27,593	\$ 241,374	\$ -	\$ 77	\$ 50,602	\$ (6,241)	\$ 206,664	\$ 27,197

City of Cotati
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2022

	Community Facilities District	Streets Bonds Project Fund	Debt Service Fund	Capital Projects Unspent Bond Proceeds	Total Nonmajor Governmental Funds
REVENUES:					
Property taxes	\$ 28,498	\$ -	\$ -	\$ -	\$ 28,498
Sales taxes	-	-	-	-	188,308
Intergovernmental	-	-	-	-	552,383
Charges for services	-	-	-	-	567,641
Interest and rents	(178)	(15,563)	-	(1,783)	(26,986)
Miscellaneous	-	-	-	-	149,664
Total revenues	28,320	(15,563)	-	(1,783)	1,459,508
EXPENDITURES:					
Current:					
General government	-	-	-	104,202	116,755
Public safety	-	-	-	-	15,429
Community development	-	-	-	-	133,453
Public works	6,383	-	-	-	98,100
Capital outlay	-	-	-	-	130,401
Debt service:					
Cost of issuance	-	-	190,014	-	190,014
Total expenditures	6,383	-	190,014	104,202	684,152
REVENUES OVER (UNDER) EXPENDITURES	21,937	(15,563)	(190,014)	(105,985)	775,356
OTHER FINANCING SOURCES (USES):					
Proceeds from long term debt	-	-	6,190,014	-	6,190,014
Transfers in	-	2,000,000	-	-	2,102,492
Transfers (out)	-	(293,707)	(6,000,000)	-	(7,113,674)
Total other financing sources (uses)	-	1,706,293	190,014	-	1,178,832
Net change in fund balances	21,937	1,690,730	-	(105,985)	1,954,188
FUND BALANCES (DEFICITS):					
Beginning of year	(3,322)	-	-	275,404	1,323,629
End of year	\$ 18,615	\$ 1,690,730	\$ -	\$ 169,419	\$ 3,277,817

City of Cotati
Budgetary Comparison Schedule - Landscape and Lighting
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 51,168	\$ 51,168	\$ 49,817	\$ (1,351)
Interest and rents	510	510	(985)	(1,495)
Total revenues	51,678	51,678	48,832	(2,846)
EXPENDITURES:				
Public works:				
Public works, parks, buildings	44,395	44,395	78,738	(34,343)
Total expenditures	44,395	44,395	78,738	(34,343)
REVENUES OVER (UNDER) EXPENDITURES	7,283	7,283	(29,906)	(37,189)
Net change in fund balances	\$ 7,283	\$ 7,283	(29,906)	\$ (37,189)
FUND BALANCES:				
Beginning of year			131,936	
End of year			\$ 102,030	

City of Cotati
Budgetary Comparison Schedule - Gas Taxes
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 208,320	\$ 208,320	\$ 182,518	\$ (25,802)
Interest and rents	300	300	56	(244)
Total revenues	208,620	208,620	182,574	(26,046)
EXPENDITURES:				
Public works:				
Public works, parks, buildings	4,500	4,500	12,979	(8,479)
Total expenditures	4,500	4,500	12,979	(8,479)
REVENUES OVER (UNDER) EXPENDITURES	204,120	204,120	169,595	(34,525)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(210,000)	(210,000)	(171,151)	38,849
Total other financing sources (uses)	(210,000)	(210,000)	(171,151)	38,849
Net change in fund balances	\$ (5,880)	\$ (5,880)	(1,556)	\$ 4,324
FUND BALANCES:				
Beginning of year			16,142	
End of year			\$ 14,586	

City of Cotati
Budgetary Comparison Schedule - Bed Tax
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ 4,000	\$ 4,000	\$ 1,748	\$ (2,252)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>1,748</u>	<u>(2,252)</u>
Net change in fund balances	<u>\$ 34,000</u>	<u>\$ 34,000</u>	<u>(252)</u>	<u>\$ (34,252)</u>
FUND BALANCES:				
Beginning of year			<u>32,227</u>	
End of year			<u>\$ 31,975</u>	

City of Cotati
Budgetary Comparison Schedule - Park In-Lieu
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 30,000	\$ 30,000	\$ 27,475	\$ (2,525)
Interest and rents	-	-	(640)	(640)
Total revenues	30,000	30,000	26,835	(3,165)
Net change in fund balances	\$ (60,000)	\$ (60,000)	(4,749)	\$ 55,251
FUND BALANCES:				
Beginning of year			91,037	
End of year			\$ 86,288	

City of Cotati
Budgetary Comparison Schedule - MTC Street
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales taxes	\$ 60,000	\$ 80,800	\$ 78,778	\$ (2,022)
Interest and rents	-	-	15	15
Total revenues	60,000	80,800	78,793	(2,007)
REVENUES OVER (UNDER) EXPENDITURES				
	60,000	80,800	78,793	(2,007)
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(80,000)	(80,000)	(80,000)	-
Total other financing sources (uses)	(80,000)	(80,000)	(80,000)	-
Net change in fund balances	\$ (20,000)	\$ 800	(1,207)	\$ (2,007)
FUND BALANCES:				
Beginning of year			23,251	
End of year			\$ 22,044	

City of Cotati
Budgetary Comparison Schedule - Traffic Mitigation
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 396,920	\$ 50,000	\$ 357,351	\$ 307,351
Interest and rents	-	-	(5,624)	(5,624)
Total revenues	396,920	50,000	351,727	301,727
REVENUES OVER (UNDER)				
EXPENDITURES	396,920	50,000	351,727	301,727
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(735,000)	(735,000)	(180,345)	554,655
Total other financing sources (uses)	(735,000)	(735,000)	(180,345)	554,655
Net change in fund balances	\$ (338,080)	\$ (685,000)	171,382	\$ 856,382
FUND BALANCES:				
Beginning of year			423,482	
End of year			\$ 594,864	

City of Cotati
Budgetary Comparison Schedule - Road Maintenance and Rehabilitation (RMRA)
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ -	\$ -	\$ (106)	\$ (106)
Miscellaneous	135,000	135,000	149,592	14,592
Total revenues	135,000	135,000	149,486	14,486
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(135,000)	(135,000)	(135,000)	-
Total other financing sources (uses)	(135,000)	(135,000)	(135,000)	-
Net change in fund balances	\$ -	\$ -	14,486	\$ 14,486
FUND BALANCES:				
Beginning of year			13,107	
End of year			\$ 27,593	

City of Cotati
Budgetary Comparison Schedule - Community Development Projects
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Sales taxes	\$ 85,000	\$ 85,000	\$ 109,530	\$ 24,530
Charges for services	2,500	2,500	2,706	206
Interest and rents	-	-	(1,800)	(1,800)
Total revenues	87,500	87,500	110,436	22,936
OTHER FINANCING SOURCES (USES):				
Transfers (out)	200,000	200,000	(55,887)	144,113
Total other financing sources (uses)	200,000	200,000	(55,887)	144,113
Net change in fund balances	\$ 287,500	\$ 287,500	54,549	\$ 167,049
FUND BALANCES:				
Beginning of year			186,825	
End of year			<u>\$ 241,374</u>	

City of Cotati
Required Supplementary Information
Budgetary Comparison Schedule - Grants Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 90,168	\$ 90,168	\$ 170,478	\$ 80,310
Total revenues	90,168	90,168	170,478	80,310
EXPENDITURES:				
Public safety:				
Police	-	-	9,116	(9,116)
Community development	70,168	70,168	133,453	(63,285)
Public works:				
Capital outlay	520,000	520,000	130,401	389,599
Total expenditures	590,168	590,168	272,970	317,198
REVENUES OVER (UNDER) EXPENDITURES	(500,000)	(500,000)	(102,492)	397,508
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	500,000	102,492	(397,508)
Total other financing sources (uses)	500,000	500,000	102,492	(397,508)
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Cotati
Budgetary Comparison Schedule - CDBG
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES				
	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			77	
End of year			\$ 77	

City of Cotati
Budgetary Comparison Schedule - Public Safety
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 164,000	\$ 164,000	\$ 199,387	\$ 35,387
Interest and rents	-	-	(92)	(92)
Total revenues	164,000	164,000	199,295	35,295
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(164,000)	(164,000)	(164,000)	-
Total other financing sources (uses)	(164,000)	(164,000)	(164,000)	-
Net change in fund balances	\$ -	\$ -	35,295	\$ 35,295
FUND BALANCES:				
Beginning of year			15,307	
End of year			\$ 50,602	

City of Cotati
Budgetary Comparison Schedule - K-9 Program
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Miscellaneous	\$ -	\$ -	\$ 72	\$ 72
Total revenues	-	-	72	72
EXPENDITURES:				
Public safety:				
Police	7,340	7,340	6,313	1,027
Total expenditures	7,340	7,340	6,313	1,027
REVENUES OVER (UNDER)				
EXPENDITURES	(7,340)	(7,340)	(6,241)	1,099
Net change in fund balances	\$ -	\$ -	(6,241)	\$ (6,241)
FUND BALANCES:				
Beginning of year			-	
End of year			\$ (6,241)	

City of Cotati
Budgetary Comparison Schedule - Affordable Housing Linkage
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ (500)	\$ 110,410	\$ 109,910
Interest and rents	-	-	(1,849)	(1,849)
Total revenues	-	(500)	108,561	108,061
Net change in fund balances	\$ -	\$ (500)	108,561	\$ 108,061
FUND BALANCES:				
Beginning of year			98,103	
End of year			\$ 206,664	

City of Cotati
Budgetary Comparison Schedule - PEG
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 20,000	\$ 20,000	\$ 19,882	\$ (118)
Interest and rents	-	-	(185)	(185)
Total revenues	20,000	20,000	19,697	(303)
EXPENDITURES:				
General government:				
City Council	20,000	20,000	12,553	7,447
Total expenditures	20,000	20,000	12,553	7,447
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	7,144	7,144
Net change in fund balances	\$ -	\$ -	7,144	\$ 7,144
FUND BALANCES:				
Beginning of year			20,053	
End of year			\$ 27,197	

City of Cotati
Budgetary Comparison Schedule - Community Facilities District
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ 8,000	\$ 28,498	\$ 36,498
Interest and rents	-	-	(178)	(178)
Total revenues	-	8,000	28,320	36,320
EXPENDITURES:				
Public works:				
Public works, parks, buildings	5,000	5,000	6,383	(1,383)
Total expenditures	5,000	5,000	6,383	(1,383)
REVENUES OVER (UNDER) EXPENDITURES	(5,000)	3,000	21,937	37,703
Net change in fund balances	\$ (5,000)	\$ 3,000	21,937	\$ 37,703
FUND BALANCES:				
Beginning of year			(3,322)	
End of year			\$ 18,615	

City of Cotati
Budgetary Comparison Schedule - Streets Bonds Project Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ -	\$ -	\$ (15,563)	\$ (15,563)
Total revenues	-	-	(15,563)	(15,563)
REVENUES OVER (UNDER)				
EXPENDITURES				
	-	-	(15,563)	(15,563)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,000,000	2,000,000	-
Transfers (out)	-	(1,725,820)	(293,707)	1,432,113
Total other financing sources (uses)	-	274,180	1,706,293	1,432,113
Net change in fund balances	\$ -	\$ 274,180	1,690,730	\$ 1,416,550
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 1,690,730	

City of Cotati
Budgetary Comparison Schedule - Debt Service Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Cost of issuance	\$ -	\$ -	\$ 190,014	\$ (190,014)
Total expenditures	-	-	190,014	-
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(190,014)	-
OTHER FINANCING SOURCES (USES):				
Proceeds from long term debt	-	-	6,190,014	6,190,014
Transfers (out)	-	(6,000,000)	(6,000,000)	-
Total other financing sources (uses)	-	(6,000,000)	190,014	6,190,014
Net change in fund balances	\$ -	\$ (6,000,000)	-	\$ 6,190,014
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Cotati
Budgetary Comparison Schedule - Capital Projects Unspent Bond Proceeds
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rents	\$ -	\$ -	\$ (1,783)	\$ (1,783)
Total revenues	-	-	(1,783)	(1,783)
EXPENDITURES:				
General government:				
City Council	\$ 186,000	\$ 186,000	\$ 104,202	\$ 81,798
Total expenditures	186,000	186,000	104,202	81,798
Net change in fund balances	\$ (186,000)	\$ (186,000)	(105,985)	\$ (83,581)
FUND BALANCES:				
Beginning of year			275,404	
End of year			\$ 169,419	

INTERNAL SERVICE FUNDS

The Vehicle Replacement Fund accounts for vehicle replacement costs provided to other departments or other agencies of the government on a cost reimbursement basis.

The Compensated Absences Fund accounts for compensated absence costs provided to other departments or other agencies of the government on a cost reimbursement basis.

City of Cotati
Combining Statement of Net Position
Internal Service Funds
For the year ended June 30, 2022

	Vehicle Replacement	Compensated Absences	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 203,994	\$ 473,967	\$ 677,961
Total current assets	<u>203,994</u>	<u>473,967</u>	<u>677,961</u>
Noncurrent assets:			
Capital assets:			
Equipment	1,691,383	-	1,691,383
Less accumulated depreciation	<u>(1,314,468)</u>	<u>-</u>	<u>(1,314,468)</u>
Net capital assets	<u>376,915</u>	<u>-</u>	<u>376,915</u>
Total assets	<u>580,909</u>	<u>473,967</u>	<u>1,054,876</u>
LIABILITIES			
Current liabilities:			
Compensated absences	-	251,395	251,395
Total current liabilities	<u>-</u>	<u>251,395</u>	<u>251,395</u>
Noncurrent liabilities:			
Compensated absences	-	105,028	105,028
Total noncurrent liabilities	<u>-</u>	<u>105,028</u>	<u>105,028</u>
Total liabilities	<u>-</u>	<u>356,423</u>	<u>356,423</u>
NET POSITION			
Net investment in capital assets	376,915	-	376,915
Unrestricted	<u>203,994.00</u>	<u>117,544.00</u>	<u>321,538</u>
Total net position	<u>\$ 580,909</u>	<u>\$ 117,544</u>	<u>\$ 698,453</u>

City of Cotati
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2022

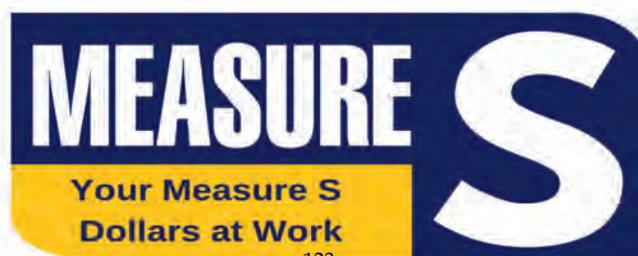
	Vehicle Replacement	Compensated Absences	Total
OPERATING REVENUES:			
Charges for services	\$ 57,555.00	\$ 192,594.00	\$ 250,149
Total operating revenues	<u>57,555</u>	<u>192,594</u>	<u>250,149</u>
OPERATING EXPENSES:			
Personnel services	-	170,114	170,114
Supplies and materials	2,357	-	2,357
Depreciation	129,405	-	129,405
Total operating expenses	<u>131,762</u>	<u>170,114</u>	<u>301,876</u>
OPERATING INCOME (LOSS)	<u>(74,207)</u>	<u>22,480</u>	<u>(51,727)</u>
NONOPERATING REVENUES (EXPENSES):			
Interest and investment revenues	(1,577)	(3,786)	(5,363)
Total nonoperating revenues (expenses)	<u>(1,577)</u>	<u>(3,786)</u>	<u>(5,363)</u>
Change in net position	(75,784)	18,694	(57,090)
NET POSITION:			
Beginning of year	656,693	98,850	755,543
End of year	<u>\$ 580,909.00</u>	<u>\$ 117,544.00</u>	<u>\$ 698,453</u>

City of Cotati
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2022

	Vehicle Replacement	Compensated Absences	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interfund charges for services	\$ 57,555	\$ 192,594	\$ 250,149
Payments to suppliers	(2,357)	-	(2,357)
Payments to employees	-	(192,594)	(192,594)
Net cash provided by (used in) operating activities	55,198	-	55,198
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(112,973)	-	(112,973)
Net cash provided by (used in) capital and related financing activities	(112,973)	-	(112,973)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest receipts	(1,577)	(3,786)	(5,363)
Net cash provided by (used in) investing activities	(1,577)	(3,786)	(5,363)
Net cash flows	(59,352)	(3,786)	(63,138)
CASH AND CASH EQUIVALENTS - Beginning of year	263,346	477,753	741,099
CASH AND CASH EQUIVALENTS - End of year	\$ 203,994	\$ 473,967	\$ 677,961
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (74,207)	\$ 22,480	\$ (51,727)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	129,405	-	129,405
Changes in assets and liabilities:			
Other liabilities	-	(22,480)	(22,480)
Net cash provided by (used in) operating activities	\$ 55,198	\$ -	\$ 55,198



Measure S Financial Summary



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**There's Nothing Square
About This Town**

City of Cotati
Schedule of Measure S Revenues and Uses
For the year ended June 30, 2022

REVENUES:

Measure S revenues	\$ 3,184,677
Total Measure S revenues	<u>3,184,677</u>

USES:

Operations and maintenance:	
Street, sidewalk and storm drain	154,478
Public safety program	858,950
Recreation program	333,066
Park and landscape program	111,964
Public building program	160,720
Capital improvements and equipment:	
Street, sidewalk and storm drain	1,174,390
Public safety program	161,939
Park and landscape program	65,000
Public building program	150,000
State administrative fees	14,170
Total Measure S uses	<u>\$ 3,184,677</u>

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Statistical Section

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

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STATISTICAL SECTION

This part of the City of Cotati's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Index

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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CITY OF COTATI
TABLE 1
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Governmental Activities										
Net Investment in capital assets	\$ 11,663,498	\$ 13,276,973	\$ 13,863,366	\$ 16,517,962	\$ 18,192,860	\$ 20,039,682	\$ 21,806,218	\$ 25,878,148	\$ 27,881,695	\$ 30,483,120
Restricted	6,242,975	6,013,891	5,253,384	5,648,440	6,775,373	7,450,051	5,830,201	5,595,389	5,697,447	7,425,586
Unrestricted	2,413,751	3,410,860	(2,719,089)	(1,392,655)	(957,876)	(257,960)	1,822,203	231,153	2,041,252	1,486,151
Total governmental activities net position	\$ 20,320,224	\$ 22,701,724	\$ 16,397,661	\$ 20,773,747	\$ 24,010,357	\$ 27,231,773	\$ 29,460,622	\$ 31,704,690	\$ 35,620,394	\$ 39,394,857
Business-type activities										
Net Investment in capital assets	\$ 7,493,636	\$ 7,290,428	\$ 7,474,048	\$ 9,001,287	\$ 9,250,509	\$ 8,864,388	\$ 13,104,759	\$ 12,534,830	\$ 12,602,934	\$ 12,037,960
Restricted	7,152,866	6,797,239	6,153,822	4,535,027	3,783,904	4,517,050	102,103	-	-	-
Unrestricted	2,520,053	3,223,345	2,463,815	2,753,618	3,486,382	2,735,965	2,710,421	3,852,645	3,109,741	3,436,675
Total business-type activities net position	\$ 17,166,555	\$ 17,311,012	\$ 16,091,685	\$ 16,289,932	\$ 16,520,795	\$ 16,117,403	\$ 15,917,283	\$ 16,387,475	\$ 15,712,675	\$ 15,474,635
Primary government										
Net Investment in capital assets	\$ 19,157,134	\$ 20,567,401	\$ 21,337,414	\$ 25,519,249	\$ 27,443,369	\$ 28,904,070	\$ 34,912,977	\$ 38,412,978	\$ 40,484,629	\$ 42,521,080
Restricted	13,395,841	12,811,130	11,407,206	10,183,467	10,559,277	11,967,101	5,932,304	5,595,389	5,697,447	7,425,586
Unrestricted	4,933,804	6,634,205	(255,274)	1,360,963	2,528,506	2,478,005	4,532,624	4,083,798	5,150,993	4,922,826
Total primary government net position	\$ 37,486,779	\$ 40,012,736	\$ 32,489,346	\$ 37,063,679	\$ 40,531,152	\$ 43,349,176	\$ 45,377,905	\$ 48,092,165	\$ 51,333,069	\$ 54,869,492

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

CITY OF COTATI
TABLE 2
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Expenses:										
Governmental Activities										
General government	\$ 1,222,940	\$ 1,357,022	\$ 1,837,502	\$ 1,729,742	\$ 1,311,401	\$ 1,382,139	\$ 2,499,291	\$ 1,808,561	\$ 1,332,803	\$ 1,804,038
Public safety	2,834,205	2,680,871	3,041,510	2,676,142	2,628,760	3,733,774	3,410,242	4,081,647	4,186,303	4,219,712
Community development	376,010	349,845	610,472	1,070,087	427,963	439,133	581,558	644,933	972,578	1,672,689
Public works	1,119,012	944,288	1,258,811	1,844,032	1,736,094	1,830,007	1,948,935	1,993,763	1,857,882	2,406,759
Interest on long-term debt	339,014	329,055	315,034	306,313	-	-	-	1,911	965	190,521
Total governmental activities expenses	\$ 5,891,181	\$ 5,661,081	\$ 7,063,329	\$ 7,626,316	\$ 6,104,218	\$ 7,385,053	\$ 8,440,026	\$ 8,530,815	\$ 8,350,531	\$ 10,293,719
Business-type activities										
Water	\$ 1,367,089	\$ 1,490,030	\$ 1,289,046	\$ 1,422,854	\$ 1,623,862	\$ 1,816,685	\$ 1,737,323	\$ 2,086,615	\$ 2,324,983	\$ 2,040,153
Wastewater	2,036,743	2,116,443	2,153,501	2,224,574	2,421,786	2,723,983	2,734,699	2,931,726	3,439,883	3,617,797
Total business-type activities expenses	\$ 3,403,832	\$ 3,606,473	\$ 3,442,547	\$ 3,647,428	\$ 4,045,648	\$ 4,540,668	\$ 4,472,022	\$ 5,018,341	\$ 5,764,866	\$ 5,657,950
Total primary government expenses	\$ 9,295,013	\$ 9,267,554	\$ 10,505,876	\$ 11,273,744	\$ 10,149,866	\$ 11,925,721	\$ 12,912,048	\$ 13,549,156	\$ 14,115,397	\$ 15,951,669
Program revenues:										
Governmental Activities										
Charges for services										
General government	\$ 150,419	\$ 172,858	\$ 457,148	\$ 112,018	\$ 165,292	\$ 165,598	\$ 554,930	\$ 930,779	\$ 995,882	\$ 1,360,912
Public safety	92,409	65,070	92,496	121,292	120,841	95,170	437,647	328,557	309,572	248,916
Community development	362,140	333,856	198,539	783,105	770,643	734,913	271,021	304,005	908,994	447,194
Public works	65,026	254,078	567,312	94,862	394,040	679,712	114,508	117,783	109,433	56,890
Operating grants and contributions	460,346	390,886	342,433	431,468	679,146	428,962	301,544	850,304	743,354	2,274,436
Capital grants and contributions	29,543	1,587,557	136,500	4,113,824	697,062	2,122,200	-	-	-	-
Total governmental activities program revenues	\$ 1,159,883	\$ 2,804,305	\$ 1,794,428	\$ 5,656,569	\$ 2,827,024	\$ 4,226,555	\$ 1,679,650	\$ 2,531,428	\$ 3,067,235	\$ 4,388,348
Business-type activities										
Charges for services										
Water	\$ 1,317,859	\$ 1,365,452	\$ 1,301,372	\$ 1,371,858	\$ 1,559,828	\$ 1,694,915	\$ 1,733,794	\$ 2,137,569	\$ 2,214,793	\$ 2,334,947
Wastewater	2,071,736	2,194,823	2,101,749	2,360,902	2,048,481	2,214,960	2,381,342	3,205,145	2,822,407	3,083,753
Operating grants and contributions	29,058	251,155	90,457	112,915	701,166	610,674	-	-	-	-
Capital grants and contributions	3,418,653	3,811,430	3,493,578	3,845,675	4,339,475	4,520,549	4,115,136	5,342,714	5,037,200	5,418,700
Total business-type activities program revenues	\$ 4,578,536	\$ 6,615,735	\$ 5,288,006	\$ 9,502,244	\$ 7,166,499	\$ 8,747,104	\$ 5,794,786	\$ 7,874,142	\$ 8,104,435	\$ 9,807,048
Net revenues (expenses)										
Governmental Activities	\$ (4,731,298)	\$ (2,856,776)	\$ (5,268,901)	\$ (1,969,747)	\$ (3,277,194)	\$ (3,158,498)	\$ (6,760,376)	\$ (5,999,387)	\$ (5,283,296)	\$ (5,905,371)
Business-type activities	14,821	204,957	51,031	198,247	293,827	(20,119)	(356,886)	324,373	(727,666)	(239,250)
Total net revenues (expenses)	\$ (4,716,477)	\$ (2,651,819)	\$ (5,217,870)	\$ (1,771,500)	\$ (2,983,367)	\$ (3,178,617)	\$ (7,117,262)	\$ (5,675,014)	\$ (6,010,962)	\$ (6,144,621)

CITY OF COTATI
TABLE 2
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
General revenues and other changes in net position										
Governmental Activities										
Taxes:										
Property taxes	\$ 1,000,165	\$ 1,673,084	\$ 1,266,681	\$ 1,652,877	\$ 1,472,627	\$ 1,544,849	\$ 1,734,281	\$ 1,813,280	\$ 1,774,242	\$ 1,902,006
Sales taxes	2,519,645	2,902,504	3,616,732	4,075,204	4,222,473	4,145,877	5,109,211	5,091,824	6,004,019	6,418,733
Cannabis business tax	-	-	-	-	-	-	-	-	-	644,490
Franchise taxes	-	-	-	-	-	-	-	-	-	623,854
Other taxes	479,163	598,985	567,114	603,792	678,955	829,535	907,508	1,054,055	1,192,032	76,429
Interest and rents	98,180	104,179	92,831	44,094	76,785	137,294	339,211	286,349	228,707	14,322
Other general revenues	225,000	179,822	31,169	-	-	-	-	-	-	-
Special item	-	(420,000)	-	-	-	-	-	-	-	-
Extraordinary item	575,699	-	-	-	-	-	-	-	-	-
Transfers	58,540	60,500	90,500	-	62,964	161,053	-	-	-	-
Total governmental activities	\$ 4,956,392	\$ 5,099,074	\$ 5,665,027	\$ 6,375,967	\$ 6,513,804	\$ 6,818,608	\$ 8,090,211	\$ 8,245,508	\$ 9,199,000	\$ 9,679,834
Business-type activities										
Other revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,766	\$ 145,819	\$ 52,866	\$ 1,210
Transfers	(58,540)	(60,500)	(90,500)	-	(62,964)	(161,053)	-	-	-	-
Total business-type activities	\$ (58,540)	\$ (60,500)	\$ (90,500)	\$ -	\$ (62,964)	\$ (161,053)	\$ 156,766	\$ 145,819	\$ 52,866	\$ 1,210
Total primary government	\$ 4,897,852	\$ 5,038,574	\$ 5,574,527	\$ 6,375,967	\$ 6,450,840	\$ 6,657,555	\$ 8,246,977	\$ 8,391,327	\$ 9,251,866	\$ 9,681,044
Changes in net position										
Governmental Activities	\$ 225,094	\$ 2,242,298	\$ 396,126	\$ 4,406,220	\$ 3,236,610	\$ 3,660,110	\$ 1,329,835	\$ 2,246,121	\$ 3,915,704	\$ 3,774,463
Business-type activities	(43,719)	144,457	(39,469)	198,247	230,863	(181,172)	(200,120)	470,192	(674,800)	(238,040)
Total primary government	\$ 181,375	\$ 2,386,755	\$ 356,657	\$ 4,604,467	\$ 3,467,473	\$ 3,478,938	\$ 1,129,715	\$ 2,716,313	\$ 3,240,904	\$ 3,536,423

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)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
General fund:						Restated	Restated	Restated	Restated	
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	5,004	55,152	60,517	42,311	26,778	51,017	51,112	82,937	95,835	485,752
Committed for special projects	45,000	45,000	45,000	45,000	45,000	-	-	-	-	-
Committed for emergencies	120,000	120,000	120,000	120,000	120,000	1,400,254	1,700,118	1,910,969	1,910,969	2,131,107
Assigned for encumbrances	-	-	-	-	-	-	-	-	-	142,939
Unassigned	2,008,296	2,951,695	2,738,671	3,753,034	4,362,879	4,286,690	5,498,960	5,297,547	7,210,913	6,235,593
Total general fund	\$ 2,178,300	\$ 3,171,847	\$ 2,964,188	\$ 3,960,345	\$ 4,554,657	\$ 5,737,961	\$ 7,250,190	\$ 7,291,453	\$ 9,217,717	\$ 8,995,391
All other governmental funds:										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable										
Restricted for affordable housing	3,434,024	3,446,494	3,252,244	3,101,038	3,136,427	3,272,449	3,314,901	3,397,943	3,489,015	3,209,763
Restricted for community development	-	-	-	-	-	-	-	-	-	-
Restricted for public safety	141,664	88,827	44,420	141,656	149,404	113,934	23,243	35,328	15,307	64,769
Restricted for streets	361,514	481,733	350,947	332,857	490,272	1,055,063	777,091	690,712	607,918	761,117
Restricted for parks	2,948	472	2,108	2,317	314,861	281,825	188,139	31,114	123,264	345,470
Restricted for public education	-	65,535	2,332	7,214	15,665	23,325	10,290	14,678	20,053	27,197
Restricted for debt service	679,140	764,912	850,397	919,278	930,095	943,984	-	-	-	-
Restricted for recycling	97,676	115,283	115,283	5,310	-	-	-	-	-	-
Restricted for special projects	610,557	633,476	637,761	1,141,087	701,184	689,995	550,549	-	-	-
Restricted for capital projects	444,963	534,791	1,044,483	754,678	293,080	-	-	308,410	272,082	1,878,764
Committed for capital projects	-	-	-	-	-	568,484	269,262	298,205	274,728	85,661
Assigned	-	-	-	-	-	-	-	24,718	55,435	-
Unassigned	-	-	-	-	-	-	-	(479,495)	(94,058)	(6,241)
Total other governmental funds net position	\$ 5,772,486	\$ 6,131,523	\$ 6,299,975	\$ 6,405,435	\$ 6,030,988	\$ 6,949,059	\$ 5,133,475	\$ 4,321,613	\$ 4,763,744	\$ 6,366,500
Total Governmental Funds	\$ 7,950,786	\$ 9,303,370	\$ 9,264,163	\$ 10,365,780	\$ 10,585,645	\$ 12,687,020	\$ 12,383,665	\$ 11,613,066	\$ 13,981,461	\$ 15,361,891

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

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)

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Revenues:						Restated	Restated	Restated	Restated	
Property taxes	\$ 1,000,165	\$ 1,673,084	\$ 1,266,681	\$ 1,652,877	\$ 1,472,627	\$ 1,544,847	\$ 1,734,281	\$ 1,813,280	\$ 1,774,242	\$ 1,902,006
Sales taxes	2,518,779	2,904,515	3,667,261	4,128,500	4,332,626	4,261,452	5,172,427	5,154,685	6,004,019	6,418,733
Other taxes	675,301	105,204	110,345	46,314	44,041	173,119	401,685	509,572	646,454	720,920
Licenses and permits	33,652	440,722	402,151	502,033	521,507	544,780	515,547	546,010	624,513	689,807
Fines and forfeits	182,120	42,429	109,435	235,551	4,839	-	-	-	-	-
Intergovernmental	373,315	2,012,895	575,014	1,350,366	998,301	424,872	643,120	779,480	1,612,970	2,432,231
Charges for services	641,757	885,542	908,956	1,201,768	1,450,185	1,515,847	699,800	717,283	1,551,512	1,467,493
Interest and rents	116,403	122,575	106,107	85,921	112,270	206,880	332,626	297,910	223,267	19,684
Miscellaneous	55,546	203,606	341,905	107,382	150,298	222,104	270,375	431,445	296,622	399,661
Total revenues	\$ 5,597,038	\$ 8,390,572	\$ 7,487,855	\$ 9,310,712	\$ 9,086,694	\$ 8,893,901	\$ 9,769,861	\$ 10,249,665	\$ 12,733,599	\$ 14,050,535
Expenditures:										
Current:										
General government	1,137,970	1,110,637	1,442,092	1,635,238	1,276,704	879,854	1,126,300	1,189,649	1,385,817	2,012,707
Public safety	2,700,532	2,551,265	2,831,831	2,915,581	2,991,798	3,349,442	3,715,188	3,607,872	3,965,857	7,581,747
Community development	363,709	335,514	610,472	476,483	427,963	439,133	581,558	644,933	719,621	1,340,858
Public works	535,072	568,563	855,454	1,088,141	1,137,856	1,074,822	1,458,531	1,390,244	1,430,423	2,254,601
Capital Outlay	370,289	2,159,960	1,429,863	2,320,464	2,650,334	795,748	2,020,839	4,178,919	2,853,309	5,472,060
Debt Service:										
Principal retirement	151,333	158,506	130,000	135,000	145,000	158,022	6,331	6,736	7,167	7,625
Interest and fiscal charges	341,506	331,655	317,850	309,238	300,138	291,432	1,801	1,911	965	190,521
Total Expenditures	\$ 5,600,411	\$ 7,216,100	\$ 7,617,562	\$ 8,880,145	\$ 8,929,793	\$ 6,988,453	\$ 8,910,548	\$ 11,020,264	\$ 10,363,159	\$ 18,860,119
Excess (deficiency) of revenues over (under) expenditures	(3,373)	1,174,472	(129,707)	430,567	156,901	1,905,448	859,313	(770,599)	2,370,440	(4,809,584)
Other financing sources (uses):										
Contributions from successor agency	\$ -	\$ -	\$ -	\$ 701,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds of capital leasing	-	-	-	-	-	-	-	-	-	-
Right of use lease financing	-	-	-	-	-	34,874	-	-	-	-
Proceeds from long term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	714,842	975,604	1,264,468	1,612,149	2,383,566	910,786	2,237,319	3,537,819	2,317,805	6,190,014
Transfers out	(656,302)	(915,104)	(1,173,968)	(1,612,149)	(2,320,602)	(749,733)	(2,452,003)	(3,537,819)	(2,317,805)	(13,380,782)
Total business-type activities net position	58,540	60,500	90,500	701,184	62,964	195,927	(214,684)	-	-	6,190,014
Net change in fund balances	\$ 55,167	\$ 1,234,972	\$ (39,207)	\$ 1,131,751	\$ 219,865	\$ 2,101,375	\$ 644,629	\$ (770,599)	\$ 2,370,440	\$ 1,380,430
Debt service as a percentage of noncapital expenditures	9.4%	9.7%	7.2%	6.8%	7.1%	7.3%	0.1%	0.1%	0.1%	1.5%

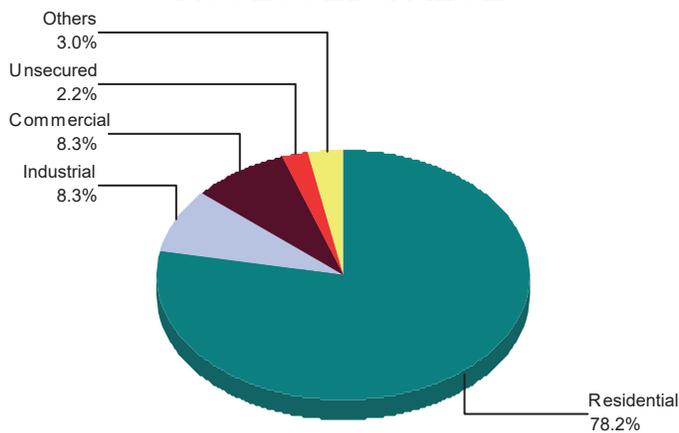
THE CITY OF COTATI

2021/22 USE CATEGORY SUMMARY

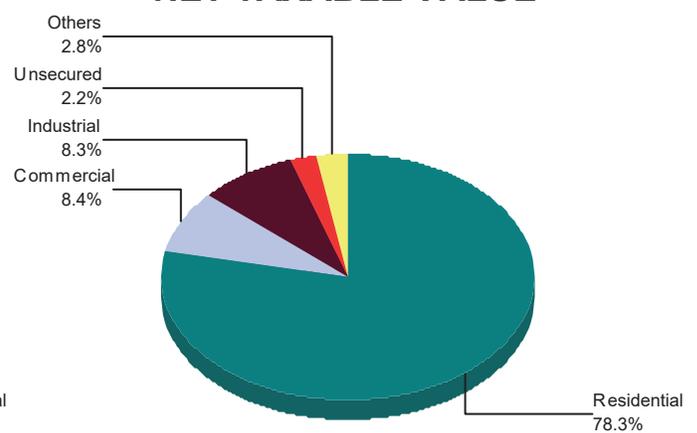
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	2,450	\$1,013,588,124 (78.2%)	\$1,002,761,633 (78.3%)
Commercial	80	\$107,438,126 (8.3%)	\$107,438,126 (8.4%)
Industrial	84	\$108,036,723 (8.3%)	\$105,974,580 (8.3%)
Govt. Owned	80	\$0 (0.0%)	\$0 (0.0%)
Institutional	15	\$5,426,702 (0.4%)	\$3,010,211 (0.2%)
Miscellaneous	10	\$768,732 (0.1%)	\$768,232 (0.1%)
Recreational	1	\$3,333,231 (0.3%)	\$3,333,231 (0.3%)
Vacant	112	\$25,762,713 (2.0%)	\$25,614,090 (2.0%)
Cross Reference	[75]	\$3,180,600 (0.2%)	\$3,143,284 (0.2%)
Unsecured	[442]	\$28,876,679 (2.2%)	\$28,739,628 (2.2%)
TOTALS	2,832	\$1,296,411,630	\$1,280,783,015

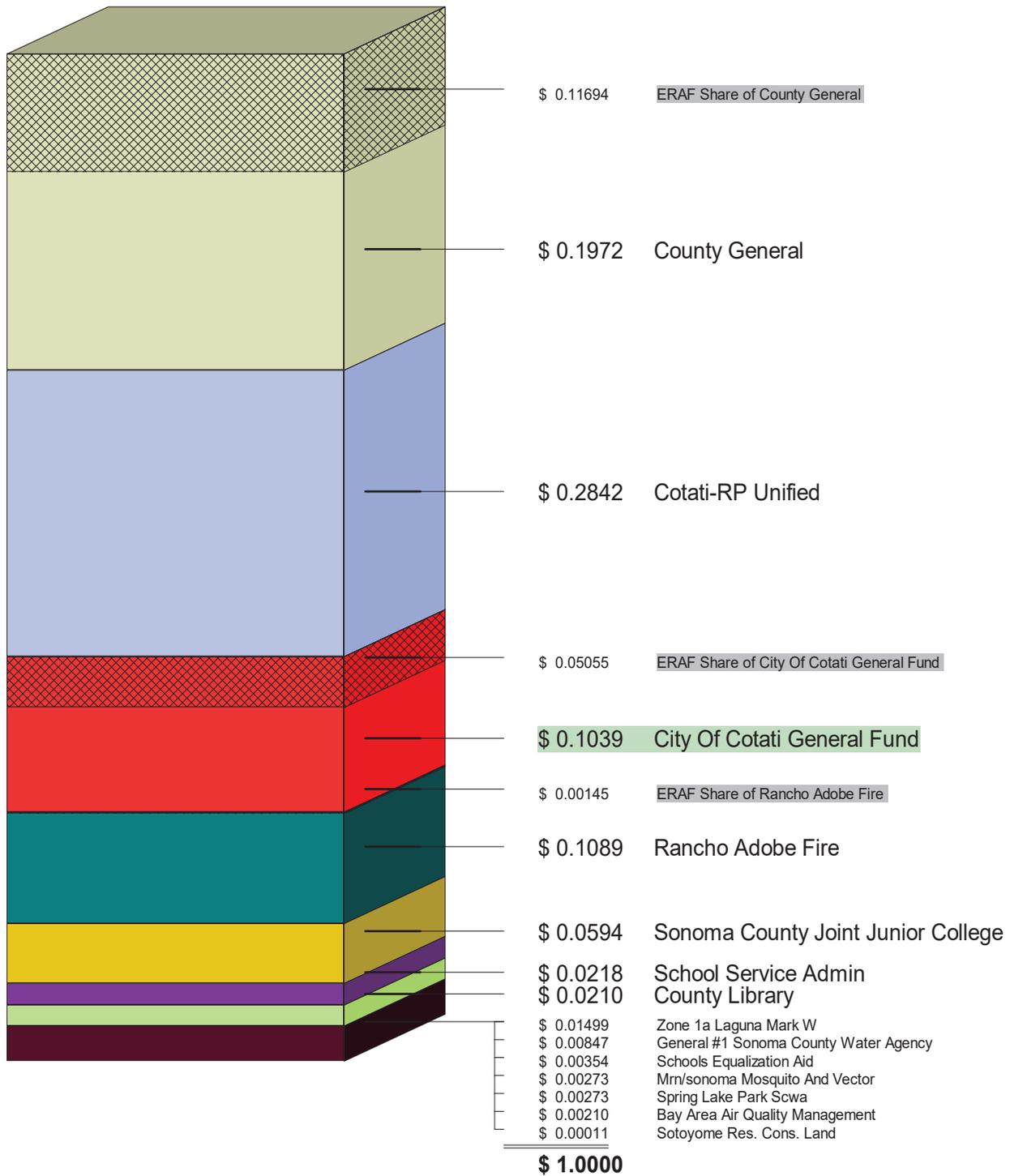
ASSESSED VALUE



NET TAXABLE VALUE



THE CITY OF COTATI 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 2021/22 Annual Tax Increment Tables

Prepared On 10/4/2022 By MV

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THE CITY OF COTATI

2021/22 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	2,832	0	442
TRAs	14	0	13
Values			
Land	496,317,058	0	261,683
Improvements	766,517,169	0	936
Personal Property	4,073,279	0	19,881,590
Fixtures	627,445	0	8,732,470
Aircraft	0	0	0
Total Value	\$1,267,534,951	\$0	\$28,876,679
Exemptions			
Real Estate	15,368,807	0	4,040
Personal Property	119,007	0	129,929
Fixtures	3,750	0	3,082
Aircraft	0	0	0
Homeowners*	8,527,400	0	0
Total Exemptions*	\$15,491,564	\$0	\$137,051
Total Net Value	\$1,252,043,387	\$0	\$28,739,628

Combined Values	Total
Total Values	\$1,296,411,630
Total Exemptions	\$15,628,615
Net Total Values	\$1,280,783,015
Net Aircraft Values	\$0

* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not Include Aircraft Values or Exemptions

Data Source: Sonoma County Assessor 2021/22 Combined Tax Rolls
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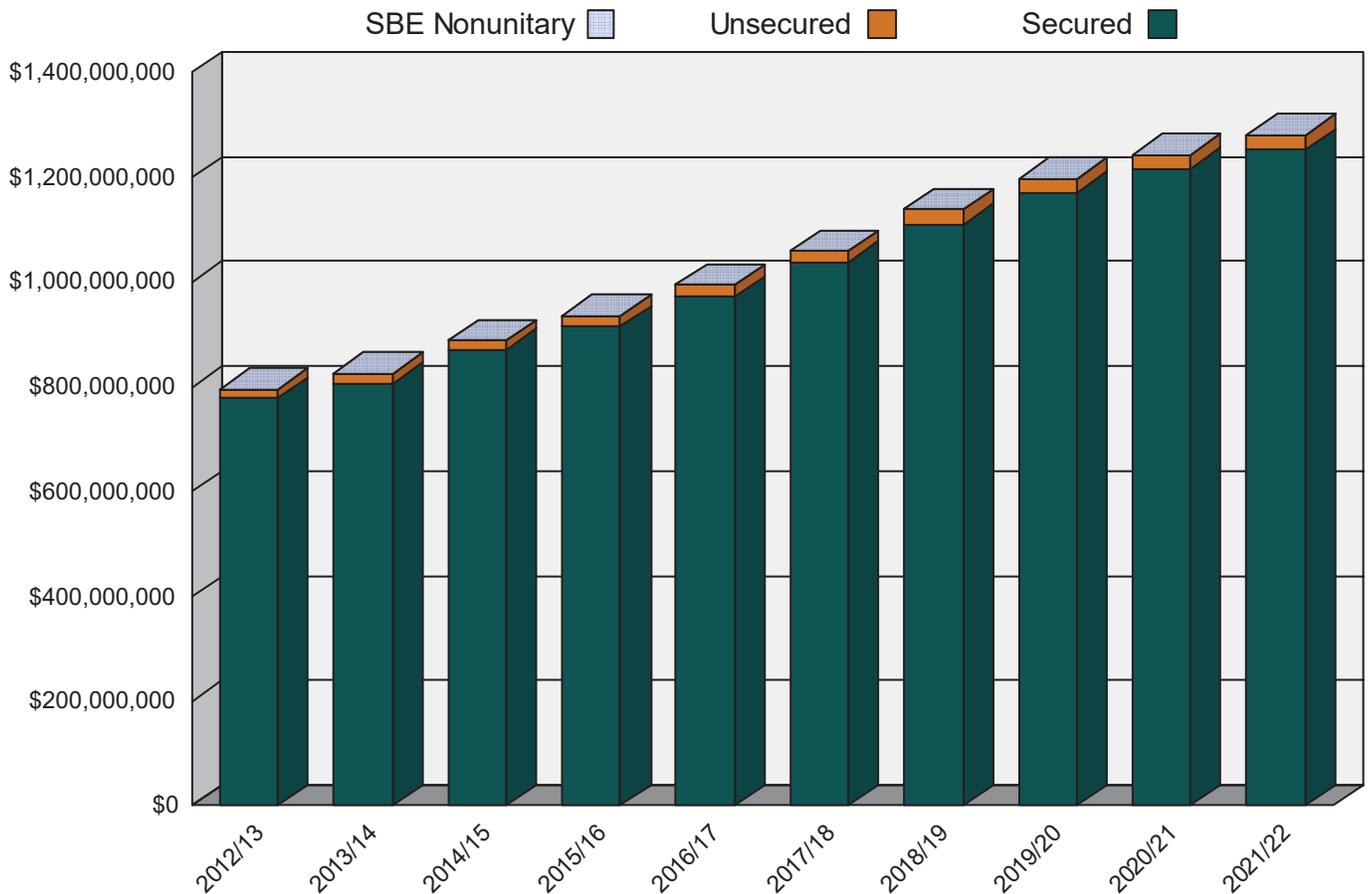
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THE CITY OF COTATI

NET TAXABLE ASSESSED VALUE HISTORY

2012/13 - 2021/22 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2012/13	\$779,578,530	\$15,774,279	\$0	795,352,809	
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%
2019/20	\$1,171,732,726	\$26,672,022	\$0	1,198,404,748	5.28%
2020/21	\$1,216,318,370	\$27,633,799	\$0	1,243,952,169	3.80%
2021/22	\$1,252,043,387	\$28,739,628	\$0	1,280,783,015	2.96%
Average % Change					5.78%



* Net AV changes less than two percent are in purple font. Negative Net AV percent changes are in red.

Data Source: Sonoma County Assessor 0/ - 2021/22 Combined Tax Rolls

Prepared On 10/4/2022 By MV

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THE CITY OF COTATI

ASSESSED VALUE OF TAXABLE PROPERTY

2012/13 - 2021/22 Taxable Property Values

Category	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Residential	584,373,933	615,360,303	678,311,562	715,961,764	767,060,996	826,433,803	889,070,832	935,486,786	969,710,258	1,002,761,633
Commercial	89,147,937	88,689,049	87,654,176	90,746,880	94,066,325	95,586,147	103,268,500	106,286,851	104,599,685	107,438,126
Industrial	78,086,904	76,498,597	78,236,635	81,062,360	83,370,408	85,606,861	89,805,232	99,333,894	105,403,915	105,974,580
Govt. Owned	0	0	0	0	0	0	0	0	0	0
Institutional	1,624,224	1,660,963	1,665,414	1,713,465	1,734,254	1,839,508	2,104,979	2,320,009	2,366,763	3,010,211
Miscellaneous	801,764	490,255	539,897	550,450	558,841	570,015	730,838	745,453	760,358	768,232
Recreational	2,872,484	2,929,933	2,943,234	3,002,039	3,047,819	3,108,774	3,170,949	3,234,367	3,299,054	3,333,231
Vacant	20,285,031	19,793,035	19,926,704	20,298,185	20,714,229	22,084,929	20,156,355	21,367,104	27,077,285	25,614,090
Cross Reference	2,386,253	2,228,089	2,183,346	2,220,244	2,521,139	2,869,097	2,972,313	2,958,262	3,101,052	3,143,284
Unsecured	15,774,279	17,650,144	17,928,404	19,759,670	21,771,776	21,532,517	26,992,115	26,672,022	27,633,799	28,739,628
TOTALS	795,352,809	825,300,368	889,389,372	935,315,057	994,845,787	1,059,631,651	1,138,272,113	1,198,404,748	1,243,952,169	1,280,783,015
Total Direct Rate	0.50068	0.10153	0.10157	0.10129	0.10117	0.10104	0.10092	0.10073	0.09440	0.09445

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 total 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 2012/13 - 2021/22 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 10/4/2022 By MV

THE CITY OF COTATI

2021/22 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

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	\$18,000,000	1.44%	1	\$1,646,680	5.73%	\$19,646,680	1.53%	Commercial Successor Agency
2) SUNHILL ENTERPRISES LP	2	\$8,593,242	0.69%				\$8,593,242	0.67%	Commercial Successor Agency
3) ARTHUR L AND DIANE R VOLLERT	2	\$7,664,368	0.61%				\$7,664,368	0.60%	Industrial Successor Agency
4) GTY - PACIFIC LEASING LLC	2	\$7,168,847	0.57%				\$7,168,847	0.56%	Commercial Successor Agency
5) EMC PROPERTY COMPANY LLC	1	\$5,689,144	0.45%				\$5,689,144	0.44%	Industrial Successor Agency
6) VINEYARD MEADOWS APARTMENTS LP	3	\$5,355,312	0.43%				\$5,355,312	0.42%	Residential City of Cotati General Fund
7) COTATI COMMONS MARKETPLACE LLC	4	\$5,233,090	0.42%				\$5,233,090	0.41%	Vacant Successor Agency
8) REDWOOD SELF STORAGE LLC	1	\$5,227,238	0.42%				\$5,227,238	0.41%	Industrial Successor Agency
9) JEFFRY H WEISMAN TRUST ETAL	14	\$4,702,624	0.38%				\$4,702,624	0.37%	Residential Successor Agency
10) STEVE R ORTH TRUST	1	\$4,464,871	0.36%	1	\$9,200	0.03%	\$4,474,071	0.35%	Commercial Successor Agency
Top Ten Total	31	\$72,098,736	5.75%	2	\$1,655,880	5.76%	\$73,754,616	5.75%	
City Total		\$1,253,382,406			\$28,739,628		\$1,282,122,034*		

*Value includes Outer TRAs

THE CITY OF COTATI

DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
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	0.10000	0.10000	0.16400	0.15100	0.13900	0.16700	0.16500	0.16400	0.15600	0.12600
Sonoma County Junior College	0.02100	0.02100	0.01800	0.01600	0.04000	0.03700	0.03600	0.03700	0.03700	0.03700
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	1.12800	1.12800	1.18900	1.17400	1.18600	1.21100	1.20800	1.20800	1.20000	1.17000
City's Share of 1% Levy Per Prop 13³	0.10694	0.10694	0.10694	0.10661	0.10651	0.10637	0.10624	0.10616	0.10390	0.10390
Voter Approved City Debt Rate										
Redevelopment Rate⁴										
Total Direct Rate⁵	0.50068	0.10153	0.10157	0.10129	0.10117	0.10104	0.10092	0.10073	0.09440	0.09445

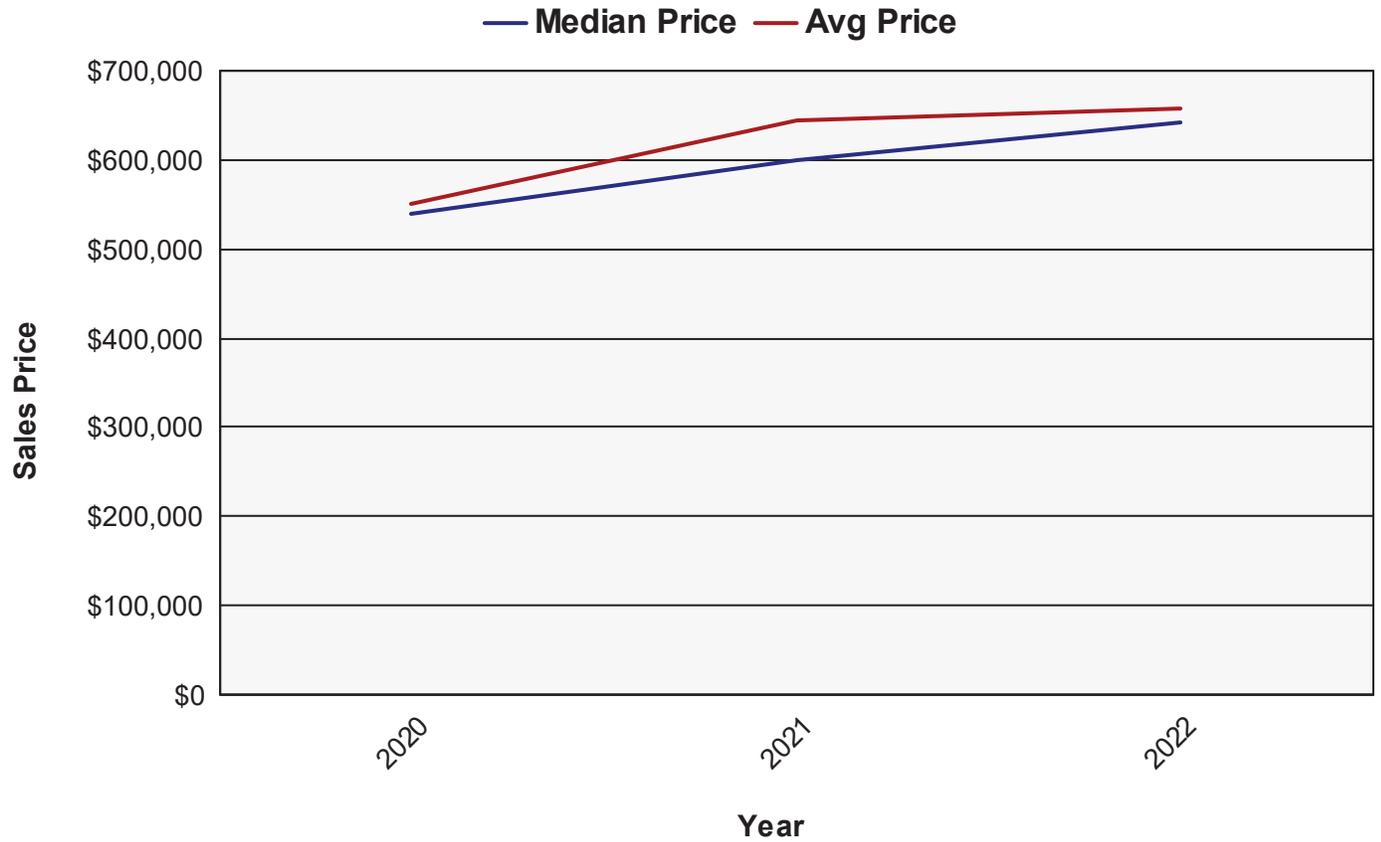
Notes:
¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.
³City'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. The ERAF portion of the City's Levy has been subtracted where known.
⁴Redevelopment 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.
⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing 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.

THE CITY OF COTATI

SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2020 - 08/31/2022)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2020	88	\$551,335	\$540,000	
2021	142	\$644,940	\$600,500	11.20%
2022	50	\$658,122	\$642,000	6.91%



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: Sonoma County Recorder

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Prepared On 10/4/2022 By MV

CITY OF COTATI
TOP 25 SALES TAX PRODUCERS
FOR FISCAL YEAR 2012-13

Business Name	Business Category
B2 Enterprises	Sporting Goods/Bike Stores
Chevron	Service Stations
Chouinard & Myhre	Business Services
Circle K 76	Service Stations
Cotati Gas & Food Mart	Service Stations
Donahue Transportation Services	Transportation/Rentals
Dunn Edwards Paint	Paint/Glass/Wallpaper
Gilmore Chevron	Service Stations
Instrument Technology	Electrical Equipment
Le Cache Wine Cabinets	Specialty Stores
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
Michaels Harley Davidson	Boats/Motorcycles
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering	Leisure/Entertainment
Shamrock Materials	Contractors
Sillada Valero	Service Stations
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 81.56%

* Firms Listed Alphabetically
 Period: July 2012 Thru June 2013

Printed 09/23/2022

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

CITY OF COTATI
TOP 25 SALES TAX PRODUCERS
FOR FISCAL YEAR 2021-22

Business Name	Business Category
76/Circle K	Service Stations
Acme Burger	Quick-Service Restaurants
Biotherm Hydronic	Contractors
Chevron	Service Stations
Cotati Chevron	Service Stations
Cotati Gas Mart	Service Stations
Fume Highroad	Cannabis Related
Grow Generation	Garden/Agricultural Supplies
Instrument Technology	Electrical Equipment
Lowe's	Building Materials
McPhail Fuel	Fuel/Ice Dealers
Mercy Wellness Center	Cannabis Related
Mi Pueblo	Casual Dining
Mi Ranchito Restaurant	Casual Dining
North Bay Motors Sonoma Rv	Used Automotive Dealers
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Paradise Valley Spas	Specialty Stores
Park Avenue Catering	Food Delivery/Catering
San FranStitchco	Textiles/Furnishings
Shamrock Building Materials	Building Materials
Sonoma County Harley Davidson	Boats/Motorcycles
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 79.26%

* Firms Listed Alphabetically
 Period: July 2021 Thru June 2022

Printed 09/23/2022

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

City of Cotati
 Taxable Sales by Category
 Last Ten Calendar Years
 (in thousands of dollars)
 Adjusted for Economic Data

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Eating and Drinking Places	\$ 11,920	\$ 11,838	\$ 11,581	\$ 12,949	\$ 16,794	\$ 18,643	\$ 20,008	\$ 19,604	\$ 17,626	\$ 21,782
Auto Dealers and Supplies	2,196	2,431	3,374	3,930	3,182	2,227	5,339	6,181	5,827	6,224
Service Stations	36,079	37,717	36,400	29,572	28,636	31,764	38,289	37,565	29,496	39,251
Other Retail Stores	81,774	88,823	94,216	98,567	105,649	117,301	122,324	126,715	144,949	150,890
All Other Outlets	37,784	46,402	48,197	46,828	47,405	51,056	54,165	61,652	71,744	77,729
Total	\$ 169,754	\$ 187,211	\$ 193,769	\$ 191,846	\$ 201,666	\$ 220,991	\$ 240,125	\$ 251,716	\$ 269,643	\$ 295,876

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL 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 COTAT DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT FOR FISCAL YEAR 2021-22

CITY OF COTATI

2021/22 Assessed Valuation: \$1,280,873,015

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> <u>6/30/22</u>	<u>Total Debt</u> <u>6/30/22</u>	<u>Percent</u> <u>Applicable</u> ⁽¹⁾	<u>City's Share</u> <u>of Debt</u>
Sonoma County Joint Community College District	\$ 324,890,000	1.243%	\$ 4,038,383
Cotati-Rohnert Park Unified School District	165,462,095	16.178	26,768,458
City of Cotati 1915 Act Bonds	3,528,285	100.000	<u>3,528,285</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$34,335,126
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Sonoma County General Fund Obligations	\$ 9,189,000	1.252%	\$ 115,046
Sonoma County Pension Obligation Bonds	247,880,000	1.252	3,103,458
Sonoma County Office of Education General Fund Obligations	3,228,084	1.252	44,416
Cotati-Rohnert Park Unified School District General Fund Obligations	1,400,560	16.178	226,583
City of Cotati General Fund Obligations	11,843,580	100.000	<u>11,843,580</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$4,017,387
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$7,754,781	 99.801%	 \$7,739,349
 TOTAL DIRECT DEBT			 \$ 11,843,580
TOTAL OVERLAPPING DEBT			\$ 45,559,978
 COMBINED TOTAL DEBT			 \$57,403,558 ⁽²⁾

NOTES:

- (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 2021/22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.68%
Total Direct Debt	0.92%
Combined Total Debt.....	4.48%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$597,528,042):

Total Overlapping Tax Increment Debt	1.30%
--	-------

AB:(\$500)

CITY OF COTATI
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total Assessed Value	\$ 795,352,809	\$ 825,300,368	\$ 889,389,372	\$ 935,315,057	\$ 994,845,787	\$ 1,059,631,651	\$ 1,138,272,113	\$ 1,198,404,748	\$ 1,243,952,169	\$ 1,280,873,015
Debt Limit (15% of Assessed Value)	119,302,921	123,795,055	133,408,406	140,297,259	149,226,868	158,944,748	170,740,817	179,760,712	186,592,825	192,130,952
Debt applicable to Limit:	-	-	-	-	-	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin:	\$ 119,302,921	\$ 123,795,055	\$ 133,408,406	\$ 140,297,259	\$ 149,226,868	\$ 158,944,748	\$ 170,740,817	\$ 179,760,712	\$ 186,592,825	\$ 192,130,952
Total net debt applicable to the limit as a percentage of debt limit.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Total net debt applicable to the limit as a percentage of debt limit.

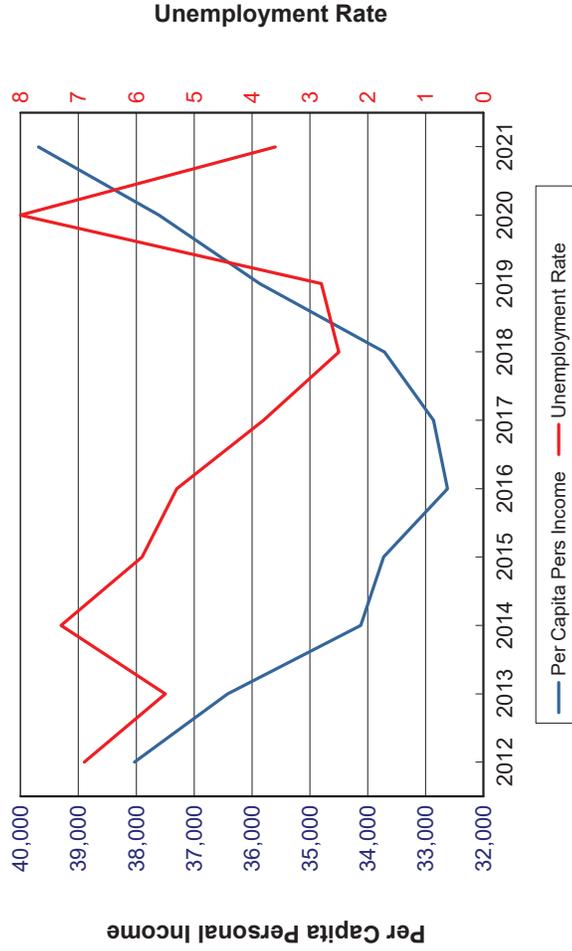
Source of information: Sonoma County Auditor-Controller-Treasurer-Tax Collector

THE CITY OF COTATI

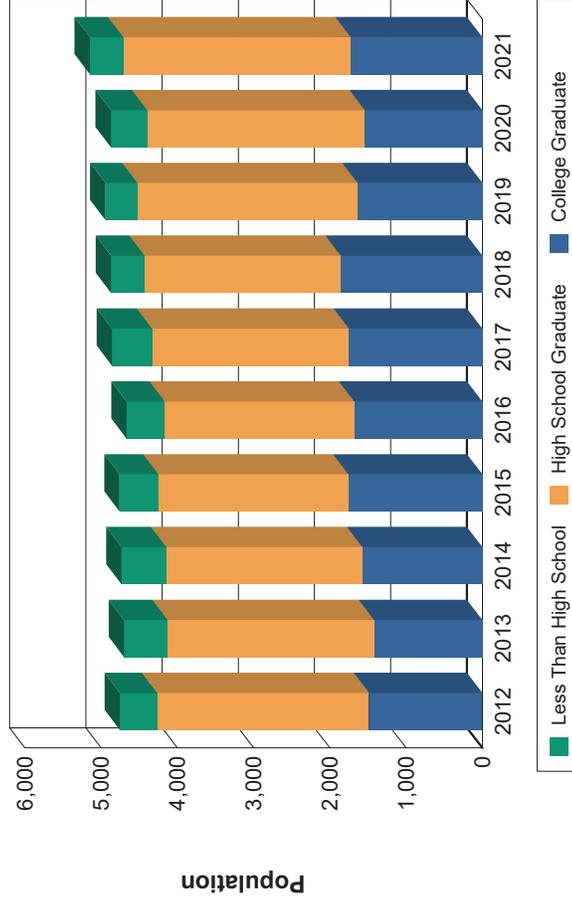
DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
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	\$32,861	3.8%	36.4	89.2%	36.1%
2018	7,919	\$266,954	\$33,710	2.5%	35.8	91.0%	38.2%
2019	7,533	\$270,187	\$35,867	2.8%	37.2	91.5%	33.2%
2020	7,429	\$279,386	\$37,607	8.0%	36.0	90.2%	31.7%
2021	7,397	\$293,587	\$39,689	3.6%	38.7	91.5%	33.6%

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

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Prepared On 10/4/2022 By MV

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

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Elected Officials	5.00	5.00	5.00	5.00	5.00	5.00	5.00	2.50	2.50	2.50
Staff Positions										
City Manager	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.50	4.50	3.00
Recreation	-	-	1.00	1.50	2.50	2.30	3.20	2.70	2.80	2.80
Administrative Services	4.00	4.00	4.50	4.50	4.50	4.50	3.00	4.50	4.00	4.00
Planning & Building	3.00	3.00	4.00	4.00	4.00	3.00	3.00	3.00	3.70	3.50
Public Works	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.50	7.60	7.00
Police Services	25.00	25.00	25.50	20.50	19.50	19.50	20.50	20.50	18.60	16.40
Total	43.50	43.50	46.50	42.00	42.00	40.80	41.20	44.70	41.20	36.70

THE CITY OF COTATI OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

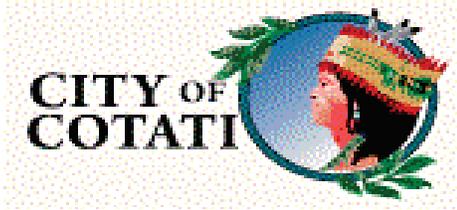
Fiscal Year	Water Sales	Total Operating Revenue	Percentage of Water Sales to Operating Revenues
2011/12	1,187,091	1,274,729	93.1%
2012/13	1,240,584	1,312,403	94.5%
2013/14	1,277,987	1,361,650	93.9%
2014/15	1,195,750	1,296,539	92.2%
2015/16	1,260,006	1,363,734	92.4%
2016/17	1,358,350	1,548,697	87.7%
2017/18	1,658,332	1,675,135	99.0%
2018/19	1,731,383	1,733,795	99.9%
2019/20	1,866,191	1,929,407	96.7%
2020/21	2,046,966	2,214,793	95.8%
2021/22	1,919,788	2,334,947	82.2%



THE CITY OF COTATI
CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Police Vehicles	5	5	5	5	6	6	6	6	6	6
Public Works:										
Street Miles	22	22	22	22	22	22	22	22	23	23
Streetlights & vintage street lights	277	277	277	277	312	312	312	312	331	331
Traffic Signals	7	7	7	7	8	8	8	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	431	431	431	432	432	432	432	432	438	438



cotaticity.org

City of Cotati
201 W. Sierra Ave.
Cotati, CA 97931